

Ivanhoe Energy Inc.

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Ivanhoe Energy plunges on uncertainty over ability to continue operations

Amid a plunging oil price, Ivanhoe Energy's (TSE:IE) (NASDAQ:IVAN) shares plummeted after the heavy oil explorer and developer said that without additional financing, it has "significant doubt" as to its ability to continue operations.

The company, in a statement released earlier today, said it does not expect to make a C\$2.1 million cash interest payment due on December 31 for some outstanding convertible unsecured subordinated debentures.

Ivanhoe is in discussions with financial advisors to implement a strategy to address its liquidity problems, focused on relieving the burden of its current debt structure and obtaining additional financing necessary to fund ongoing operations.

The company said a number of alternatives are being considered, including the sale of all or a portion of its assets, recapitalization, debt restructuring or a combination.

"There can be no assurance that the current process will result in a transaction or, if a transaction is undertaken, that it will be successfully concluded in a timely manner or at all," Ivanhoe warned.

Global crude prices have plunged 40 percent in the past six months due to oversupply and tepid demand growth, prompting many oil producers to trim their capital budgets.

WTI for January delivery dropped today as much as \$1.68 to \$58.27 a barrel, the lowest since July 2009, in electronic trading on the New York Mercantile Exchange after the International Energy Agency cut its 2015 global oil-demand growth view by 230,000 barrels a day.

The Vancouver, B.C.-based company has core heavy oil operations in Canada, the US and Ecuador. Shares plunged 25 percent to 76 Canadian cents on Friday, extending year-to-date losses to over 81 percent.

Market Cap: \$0.00

Share Information

Code: IE
Listing: TSX NASDAQ
Sector: Oil & Gas
Website: www.ivanhoeenergy.com

Company Synopsis:

Ivanhoe Energy is an international oil and gas company focussed on a) heavy-oil development and production opportunities worldwide; and b) oil and gas exploration and development projects in the Asia region.

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