

Ivanhoe Energy Inc.

01:32 13 Dec 2014

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.

action@proactiveinvestors.com.au

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +61 (0)2 9280 0700 action@proactiveinvestors.com.au

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.