

# Infinity Cross Border Acquisition Corporation and Glori Energy Inc. to Merge in \$185 Million Transaction



Infinity Cross Border Acquisition Corporation 1 hour ago

HOUSTON, Dallas and TEL AVIV, Israel, January 8, 2014 /PRNewswire/ --

Infinity Cross Border Acquisition Corporation ([INXB](#)) ("Infinity"), a special purpose acquisition company, and Glori Energy Inc. ("Glori"), an oil technology company that deploys its proprietary AERO™ System to significantly increase oil production from mature oil fields, announced today that they have entered into a merger and share exchange agreement ("Merger Agreement") whereby Glori will become a publicly listed company through a merger with Infinity, in a transaction valued at approximately \$185 million.

Following completion of the transaction, the new enterprise will be called Glori Energy Inc. and is expected to be listed on the Nasdaq Capital Market under the ticker symbol GLRI. Infinity's sponsors are funds (the "Infinity Funds") affiliated with Infinity Group, an \$800 million private equity fund, and an affiliate of Hicks Equity Partners LLC, the private equity investment vehicle of the family of Thomas O. Hicks ("Hicks"). In connection with the transaction, Hicks, Infinity Group and other investors have agreed to purchase between \$8.5 million and \$25.0 million of common stock in Infinity, which purchase will be consummated at the closing of the transaction. Mr. Hicks has also joined the Board of Directors of Infinity.

Capital from the transaction will be used by Glori to pursue a growth and value creation strategy of acquiring domestic active oil-producing assets for secondary oil recovery that are ideally positioned to benefit from Glori's patent-pending Activated Environment for Recovery of Oil (AERO™) System. In 2014, Glori expects to aggressively pursue the acquisition of oil properties.

Glori's management team is led by CEO Stuart Page, a seasoned energy executive who led the commercialization of Glori's AERO™ System. Mr. Page will continue to serve as Glori's CEO following the transaction. Mr. Mark Chess, managing director of Infinity Group, and Mr. Hicks will join Glori's Board of Directors following the transaction.

Mr. Chess said, "We are fortunate to be merging with Glori and partnering with Hicks. We believe Glori's technology is well positioned to capture a significant portion of the enhanced oil recovery market. Our transaction will provide Glori the capital it needs to buy oil-producing properties and increase production at one of the world's lowest costs per barrel. Glori's profitable business model coupled with an extremely light environmental footprint impacts our double bottom line. Our partnership with Hicks has upgraded this opportunity to a new level. Tom and his team bring unparalleled insight, analysis and relationships to Glori."

Mr. Page said, "This opportunity with Infinity provides Glori with immediate access to the resources necessary to continue to execute on our growth strategy. These resources include the funds needed to acquire oil-producing assets that will benefit from the implementation of our proprietary AERO™ System and expert board members with deep ties in the oil industry. In addition, we believe Infinity's relationships with participants in China's oil sector will provide us with opportunities to expand our technology services platform to that region."

Mr. Hicks commented, "We are pleased to partner with Infinity Group and the Glori management team in this exciting transaction. We believe Glori is ideally positioned to succeed in the public markets. Led by an exceptional management team with extensive energy sector experience and success, Glori's enhanced oil recovery technology has proven effective in its current and past implementations. The new capital we are investing, along with Glori's strong and flexible balance sheet, will further enhance Glori's operational, financial and investment potential."

Glori's mission is to efficiently recover the large quantities of oil that remain trapped in reservoirs around the world. Currently, only one-third of the oil discovered in a typical reservoir is recoverable using conventional technology. Glori's AERO™ System economically and sustainably increases oil production rates and ultimate recoverability by integrating biotechnology with traditional EOR techniques. The system uses nutrients to activate and sustain indigenous reservoir microbial life releasing trapped oil without the need for new infrastructure or large operating expenditures. AERO™ and its predecessor technologies have collectively produced millions of barrels of oil.

Under the terms of the Merger Agreement, Glori's shareholders and warrant holders (including Kleiner Perkins Caufield & Byers, Oxford Biosciences Partners, GTI Holdings, Malaysian Life Sciences Capital Fund, Omzest and Energy Technology Ventures, a joint venture between ConocoPhillips, General Electric, and NRG Energy), Gentry Venture Partners and Advantage Capital Partners will exchange their entire equity ownership in Glori for 22,953,432 restricted shares of Glori Acquisition Corp., a newly formed Delaware corporation that will be the sole stockholder of Glori upon the closing of the transaction and the new publicly traded entity ("Infinity Acquisition"). 688,803 of such shares (3% of the total merger consideration) will be set aside in escrow for one year after the closing of the transaction to satisfy any indemnification claims under the Merger Agreement. The shares to be issued to Glori's shareholders and warrant holders will not be transferable for one year after the completion of the transaction, subject to early release in the event the closing price of the shares

exceeds certain price targets or if certain of Infinity's sponsors sell the shares that they are purchasing in connection with the transaction, as described above. In connection with the transaction, Infinity will redomesticate from the British Virgin Islands to Delaware by merging with Infinity Acquisition, with Infinity Acquisition surviving the merger.

Glori's existing employee share options will be converted to Infinity Acquisition options that can be exercised no earlier than one year from the closing date of the transaction (except with respect to terminated employees). Additionally, in order to align the merger consideration received by the Glori optionholders and Glori stockholders, 3% of each replacement Infinity Acquisition option will be subject to potential forfeiture and an additional lockup arrangement preventing exercise, in each case, that is directly tied to the shares set aside in escrow from the merger consideration for indemnification obligations. Infinity currently has 7,187,500 shares, 5,750,000 public warrants and 4,820,000 insider warrants. Following completion of the transaction, holders of the public warrants will have an option to convert their warrants into shares at a 10:1 ratio during the 31<sup>st</sup> to 60<sup>th</sup> day following the closing of the transaction. In addition, Infinity Acquisition has the right to demand that the 4,820,000 insider warrants be converted into shares at a 10:1 ratio during that time period.

In connection with the Merger Agreement, Infinity obtained written consents from the holders of a majority of its outstanding warrants to approve an amendment to the warrant agreement to: (i) increase the exercise price from \$7.00 to \$10.00 per ordinary share, (ii) increase the redemption price from \$10.50 to \$15.00 per ordinary share, (iii) increase the term from three years following the consummation of a business combination to five years following the consummation of a business combination, (iv) delete the provision decreasing the exercise price in connection with certain transactions and (v) allow the warrants to be converted into common stock, on a ten warrants for one share basis, during the 30 day period commencing 31 days after the consummation of a business combination. These amendments will become effective upon the execution of an amendment to the warrant agreement in connection with the closing of the transaction.

As a condition to closing the transaction, Infinity will provide its current shareholders with the opportunity to redeem their ordinary shares for cash equal to their pro rata share of the aggregate amount on deposit in the trust account set up to hold the proceeds of Infinity's initial public offering, less taxes, upon the consummation of the transaction. Infinity intends to conduct these redemptions without a stockholder vote and pursuant to the tender offer rules of the Securities and Exchange Commission (the "SEC"). The tender offer documents to be filed with the SEC will contain substantially the same financial and other information about the transaction and the redemption rights as is required under the SEC's proxy rules. The tender offer is expected to close simultaneously with the closing of the transaction.

In addition, the Infinity Funds will commence a tender offer to purchase up to 5,750,000 outstanding public warrants at \$0.60 per warrant. The warrant tender offer is expected to close simultaneously with the closing of the transaction.

The boards of directors of both Infinity and Glori have unanimously approved the terms of the transaction. Completion of the transaction, which is expected late in the first quarter or early in the second quarter of 2014, is subject to customary closing conditions. Glori's shareholders have approved the transaction while no approval is required for Infinity's shareholders.

In connection with the transaction, Infinity's sponsors and other investors agreed to purchase between \$8.5 million and \$25.0 million of shares of Infinity Acquisition's common stock at \$8.00 per share. The purpose of the investment is to ensure that Infinity meets the cash requirement in the Merger Agreement and to provide working capital for Glori's operations. The investment will be consummated simultaneously with the closing of the transaction.

Additional information about the transaction, as well as information about Glori, will be included in the Form 6-K that Infinity will file with the SEC. Interested parties should visit the SEC website at <http://www.sec.gov>.

Goldman, Sachs, & Co. is serving as Glori's financial advisor with respect to the transaction. Norton Rose Fulbright LLP served as Glori's transaction counsel and **Graubard Miller** served as Glori's special SPAC counsel.

Robert W. Baird & Co. Incorporated and Maxim Group LLC are providing financial advisory services to Infinity. EarlyBirdCapital, Inc. is serving as Infinity's merger and acquisitions advisor. Ellenoff Grossman & Schole LLP served as Infinity's transaction counsel.

Akin Gump Strauss Hauer & Feld LLP served as counsel to Hicks.

Meetings at the Goldman Sachs Energy Conference

Glori and Infinity management will be meeting with investors at the Goldman Sachs Energy Conference on January 8 and 9 at the InterContinental Hotel in Miami, Florida.

