

Alange Energy announces binding agreement to acquire Delavaco Energy Inc.

TORONTO, Oct. 1 /CNW/ - Alange Energy Corp. ("Alange Energy") is pleased to announce that it has entered into a definitive transaction agreement with Delavaco Energy Inc. ("Delavaco") dated September 30, 2009 (the "Transaction Agreement"). Under the terms of the Transaction Agreement, Alange Energy will acquire from the shareholders of Delavaco all of the issued and outstanding common shares of Delavaco in exchange for common shares of Alange Energy. The acquisition will occur pursuant to a three-cornered amalgamation (the "Amalgamation") pursuant to which Delavaco will amalgamate with a wholly-owned subsidiary of Alange Energy and holders of common shares of Delavaco will receive 0.8674 Alange Energy common shares for each Delavaco common share so held in connection therewith, provided that Alange Energy shall in no circumstance be required to issue more than 142,857,143 common shares in connection with the acquisition. The proposed transaction (the "Proposed Transaction") will be an arm's length transaction and is subject to customary conditions, including the approval by the shareholders of Delavaco and final approval by the TSX Venture Exchange (the "Exchange"). In connection with the entry into the Transaction Agreement, Alange Energy advanced a USD\$1.25 million deposit payment to Delavaco.

With respect to the Proposed Transaction, Delavaco's financial advisor was Canaccord Capital Corp., and both Power One Capital Markets Limited and Clarus Securities Inc. acted as Strategic Advisors for Delavaco. Alange Energy's exclusive financial advisor with respect to the Proposed Transaction was GMP Securities L.P.

It is expected that the Amalgamation will be completed by no later than October 23, 2009.

About Delavaco

Delavaco is an Ontario corporation which was incorporated on November 1, 2007 and is a private oil and gas exploration and development company. Delavaco is headquartered in Calgary and has an office in Toronto. The company has two wholly-owned Barbadian subsidiaries and a registered branch office in Bogota, Colombia. Delavaco currently has 56,388,268 common shares outstanding, and is expected to issue approximately 108,299,818 additional common shares prior to closing of the Proposed Transaction in connection with various property and other payment obligations and pursuant to the exercise of various types of convertible securities.

The Delavaco Projects

Delavaco currently holds, and is in final negotiations to acquire, a working interest in the following exploration and exploitation blocks:

- 51% working interest in the Rio Magdalena block located in the Middle Magdalena Basin; Delavaco is currently negotiating to acquire an additional 40% interest and operatorship status;
- 39% working interest in the Carbonera block located in the Catatumbo Basin; Delavaco is in final negotiations to acquire an additional 6% interest in the Carbonera block by early October;
- 3.6% interest in La Punta No.2, which is a producing well within the La Punta block in the Llanos Basin in Colombia; Delavaco is in negotiations to acquire a 6% to 10% working interest in the remainder of the La Punta block; and
- Currently in negotiations to acquire operatorship status and a 15% interest in the Mecaya block in Putumayo Basin.

As at December 31, 2008, Petrotech Engineering Ltd. assigned 12.7 mmboe of net Proved + Probable reserves to Delavaco. Management estimates that the successful negotiations of working interest additions described above will result in 6.5 mmboe in net Proved + Probable additions to Delavaco, with a resulting portfolio of 19.3 mmboe of net Proved + Probable reserves. Delavaco's current daily average net production after royalties is approximately 215 boe/d.

In addition, Delavaco holds \$13,000,000 in escrow, which is earmarked for the acquisition of an additional working interest in the Carbonera, Mecaya and La Punta blocks.

Financial Information Concerning Delavaco

The following information is derived from Delavaco's management-prepared financial statements as at and for the six month period ended June 30, 2009 and as at and for the year ended December 31, 2008. Such information is subject to all other information contained in the relevant financial statements. Unless otherwise noted, all information is reported in Canadian dollars.

	As at and for the six months ended June 30, 2009 (unaudited)	As at and for the financial year ended December 31, 2008 (audited)
Revenue	\$794,492	\$1,620,905
Direct Costs	\$810,385	\$1,379,575
Operating Expenses	\$2,629,332	\$11,218,896
Net loss	\$(2,257,589)	\$(6,252,048)
Total Assets	\$35,771,017	\$30,391,042
Total Liabilities	\$11,523,709	\$3,264,677
Shareholders' Equity	\$24,247,308	\$27,126,365

Financing

In July, 2009 Delavaco engaged Primary Capital Inc. and PowerOne Capital Markets Limited (the "Agents") to act as agents in a best efforts \$6,500,000 to \$13,000,000 private placement financing (the "Private Placement") to fund the exploration and development of its interests in three producing blocks in Colombia (the "Delavaco Projects"), the acquisition of production equipment and facilities, and general corporate expenses. The Private Placement closed on July 23, 2009. Pursuant to the Private Placement, 40,625,000 subscription receipts of Delavaco (the "Subscription Receipts") were issued at a price of \$0.32 per Subscription Receipt for gross proceeds of \$13,000,000. It is a condition of the closing of the Proposed Transaction that the gross proceeds from the sale of the Subscription Receipts be released from escrow to Delavaco.

Conditions to Completion of the Amalgamation

The completion of the Amalgamation is subject to satisfaction of a number of customary conditions precedent, including but not limited to, receipt of final approval of the Exchange and the approval of the shareholders of Delavaco. There can be no assurance that the Amalgamation will be completed as proposed or at all.

The Amalgamation is between arm's length parties.

Alange Energy is a Canadian-based oil and gas exploration and production company, with working interests in eleven properties in Colombia.

This news release contains forward-looking information which is not comprised of historical facts. Forward-looking information involves risks, uncertainties and other factors that could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward looking information in this news release includes, but is not limited to, the Company's objectives, goals or future plans, and the completion of the Proposed Transaction. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to, Delavaco shareholders not approving the Proposed Transaction, conditions precedent to the closing not being satisfied, and TSXV final approval not being obtained. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release