

Alon USA Energy, Inc. Closes \$150 Million Private Offering of Convertible Senior Notes

Written by Australian Business

DALLAS, Sept. 16, 2013 /PRNewswire/ -- Alon USA Energy, Inc. (NYSE: [ALJ](#)) ("Alon" or the "Company") today announced the closing of its previously announced offering of \$150 million of 3.00% senior unsecured convertible notes due in five years in 2018 (the "Convertible Notes"). The Convertible Notes were offered in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"). The \$150 million includes \$20 million of Convertible Notes purchased by the initial purchasers, who exercised their option in full. The Convertible Notes will pay interest semiannually at a rate of 3.00% per annum.

In connection with the offering, the Company entered into privately-negotiated convertible note hedge transactions with the initial purchasers or their affiliates (in this capacity, the "hedge counterparties"). The convertible note hedge transactions cover, subject to customary anti-dilution adjustments, the number of shares of common stock underlying the Convertible Notes sold in the offering. The Company also entered into separate, privately-negotiated warrant transactions with the hedge counterparties relating to the same number of shares of the Company's common stock, subject to customary anti-dilution adjustments, with an initial strike price of approximately \$20.09 per share, subject to certain adjustments, which is approximately 80% higher than the closing price of the Company's common stock on September 10, 2013.

The warrants evidenced by the warrant transactions will be settled on a net-share basis. The convertible note hedge transactions are expected to reduce the potential dilution with respect to the Company's common stock and/or offset any potential cash payments the Company is required to make in excess of the principal amount of converted notes, as the case may be, upon any conversion of the Convertible Notes. We expect that to the extent that price per share of the Company's stock price exceeds the warrant strike price of approximately \$20.09 per share, the warrant transactions could have a dilutive effect with respect to the Company's common stock.

This press release is neither an offer to sell nor a solicitation of an offer to buy the Convertible Notes or the shares of common stock issuable upon conversion of the Convertible Notes, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities

laws of any such state or jurisdiction.

The Convertible Notes and the common stock issuable upon conversion of the Convertible Notes have not been registered under the Securities Act, or the securities laws of any other jurisdiction, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

Notice Regarding Forward-Looking Statements

This press release includes certain forward-looking statements related to Alon within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, including all statements regarding the proposed offering of the Convertible Notes, are forward-looking statements. These statements are based on management's current estimates, assumptions, expectations or beliefs and are subject to uncertainty and changes in circumstances. These forward-looking statements are estimates reflecting the judgment of Alon's senior management and actual results may vary materially from those expressed or implied by the forward-looking statements herein. All of Alon's forward-looking statements, whether written or oral, are expressly qualified by this safe harbor statement and any other cautionary statements that may accompany such forward-looking statements. Alon is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, changes in assumptions or otherwise.

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