

Shoreline Energy Corporation Announces Record Reserves and 71% Increase in Reserves Value

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CALGARY, ALBERTA -- (Marketwire) -- 03/20/13 -- [Shoreline Energy Corp.](#) (TSX: SEQ) ("Shoreline" or the "Company") is pleased to announce record reserves and reserves value growth, as per its 2012 year end reserves evaluation conducted by GLJ Petroleum Consultants Ltd. ("GLJ") for its Canadian assets, and DeGolyer and McNaughton ("DM") for its United States assets, in accordance with National Instrument 51-101 ("NI 51-101"). Reserves estimates and other oil and gas information have an effective date of December 31, 2012. Shoreline has accomplished these results through the Company's balanced approach of deploying capital into lower risk development and extension drilling in Canada, and acquisition of low risk development drilling in the United States. In response to weak natural gas pricing, 100% of the Company's 2012 expenditures were focused on developing and expanding its inventory of highly profitable light oil projects. For additional information about Shoreline, including Shoreline's statement of reserves data and the other information in Form 51-101F1, please review the Company's Annual Information Form for the year ended December 31, 2012, to be filed on SEDAR at www.sedar.com on or before March 31, 2013.

2012 Reserves Highlights

- Increased proved plus probable reserves ("2P") by 41% to 7.28 million barrels of oil equivalent, and increased total proved reserves ("TP") by 18% to 4.4 million barrels of oil equivalent.
- Increased 2P reserve value by 71% to \$107.1 million, and increased TP value by 62% to \$75.7 million, despite a significant drop in prices realized for natural gas.
- Increased 2P oil reserves by 117% to 2.18 million barrels, and increased TP reserves by 75% to 1.08 million barrels.
- Increased 2P reserves per share by 27% and 7% on a TP basis.
- Reserve Replacement ratio of 468% on 2P basis, and 216% on a TP basis.
- Replaced 1056% of oil production for the year, increasing 2P oil weighting to 30% compared to 19% in the previous reserve year.
- Reserve Life Index increased to 12.5 years (2P), based on estimated exit production of 1,600 BOED.
- \$3.4 million in Wattenberg undeveloped land value as determined by Seaton Jordan & Associates in accordance with NI 51-101.

In addition to future wells assigned in the reserves evaluation, the Company now owns:

- 100% ownership and operatorship of an eight to sixteen net well drilling inventory (2 net locations currently booked) targeting Montney light oil, which are expected to require an estimated \$30 to \$60 million in total capital, and with success could add between 2,000 and 3,000 BOED of new production;
- Royalty and non-operated working interest positions in the Niobrara and Codell Light Oil project in the Wattenberg Field of Weld County Colorado, with 500 to 700 gross horizontal drilling locations identified (approximately 15% booked), and with potential for production to increase by as much as 500% in the next 12 to 18 months.
- An additional average pre-pooled working interest of 14% in approximately 4,500 acres of land in the Wattenburg Field, Weld County, a \$22,500,000 purchase closed and announced on February 19th 2013, and not included in the December 31, 2012 statement of reserves.

Reserves

The reserves data set forth herein are based upon an independent reserves assessment and evaluation prepared on Shoreline's assets by GLJ (Canada) and DM (United States), with an effective date of December 31, 2012 (the "Reserves Reports"). The following presentation summarizes the Company's crude oil, natural gas liquids, and natural gas reserves and the net present values before income tax, or future net revenue for the Company's reserves using forecast prices and costs based on the GLJ report. There is no assurance that the forecast prices and cost assumptions used will be attained and variances could be material. The reserves reports have been prepared in accordance with the reserves definitions contained in NI 51-101.

	Oil		Natural Gas Liquids		Natural Gas		BOE	
	Gross(1) MBBL	Net(2) MBBL	Gross MBBL	Net MBBL	Gross MMCF	Net MMCF	Gross MBOE	Net MBOE
Proved Producing	657	719	94	66	12,095	12,417	2,768	2,855
Non Producing	344	260	63	39	3,272	2,648	952	740
Undeveloped	76	149	62	47	3,304	3,246	689	737
Total Proved	1,078	1,128	219	152	18,671	18,311	4,409	4,332
Probable	1,097	913	442	90	9,809	8,437	2,874	2,409
Total Proved plus Probable	2,175	2,041	361	242	28,480	26,748	7,283	6,741

(1) Gross reserves includes working interest (operated and non operated) share prior to deduction of royalties payable.

(2) Net reserves means Shoreline's gross reserves, subtracting royalties payable and adding royalties payable to Shoreline from royalty interests owned by Shoreline in Canada or the United States.

(3) Oil equivalent amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil.

(4) Numbers may not add due to rounding.

Net Present Values of Future Net Revenue Before Income Tax(1)					
(\$000s)	Undiscounted	5%	10%	15%	20%
		Discount	Discount	Discount	Discount
Proved Producing	88,211	64,823	52,139	44,023	38,325
Non Producing	19,747	13,960	10,963	9,122	7,857
Undeveloped	28,218	17,713	12,632	9,641	7,669
Total Proved	136,176	96,495	75,734	62,786	53,850
Probable	93,587	49,536	31,401	21,870	16,068
Total Proved plus Probable	229,762	146,031	107,135	84,656	69,919

(1) It should not be assumed that estimates of future net revenue represent the fair market value of the reserves.

Investor Information

[Shoreline](#) is a Calgary, Alberta based corporation engaged in the exploration, development and production of petroleum and natural gas. Shoreline has a proven track record of increasing asset value in Canada, through a combination of drilling and acquisition, and has recently acquired a strategic high impact interest in the Wattenberg Field, where currently a large scale oil development program is targeting oil resources in the Niobrara and Codell formations. Shoreline has 7,430,093 Common Shares outstanding and convertible debentures in the aggregate principal amount of \$17,000,000 outstanding. The Common Shares are currently listed on the TSX under the trading symbol "SEQ" and the debentures under the trading symbol "SEQ.DB".

Additional information regarding Shoreline is available under the Company's profile at www.sedar.com or at the Company's website, <http://www.shorelineenergy.ca/media-center/presentations>.

Forward Looking and Cautionary Statements

This news release contains forward-looking statements relating to the Company's anticipated use of proceeds from the Financing. These forward-looking statements may include opinions, assumptions, estimates, management's assessment of value, reserves, future plans and operations.

Forward-looking statements typically use words such as "will," "anticipate," "believe," "estimate," "expect," "intend," "may," "project," "should," "plan," and similar expressions suggesting future outcomes, and include statements that actions, events or conditions "may," "would," "could," or "will" be taken or occur in the future. The forward-looking statements are based on various assumptions including expectations regarding the success of current or future drill wells; the outlook for petroleum and natural gas prices; estimated amounts and timing of capital expenditures; estimates of future production; assumptions concerning the timing of regulatory approvals; the state of the economy and the exploration and production business; results of operations; business prospects and opportunities; future exchange and interest rates; the Company's ability to obtain equipment in a timely manner to carry out development activities; and the ability of the Company to access capital and credit. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Statements relating to "reserves" are deemed to be forward-looking statements or information, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitable in the future. There are numerous uncertainties inherent in estimating quantities of proved reserves, including many factors beyond the control of the Company. The reserves data included herein represent estimates only. In general, estimates of economically recoverable oil and natural gas reserves and future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary considerably from actual results. All such estimates are to some degree speculative and classifications of reserves are only attempts to define the degree of speculation involved. For those reasons, estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties and classification of such reserves based on risk of recovery and estimates of future net revenues expected therefrom, prepared by different engineers or by the same engineers at different times, may vary substantially. The actual production, revenues, taxes and development and operating expenditures of the Company with respect to these reserves will vary from such estimates, and such variances could be material.

Forward-looking statements are subject to a wide range of assumptions, known and unknown risks and uncertainties and other factors that contribute to the possibility that the predicted outcome will not occur, including, without limitation: risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation; loss of markets; volatility of commodities prices; currency fluctuations; imprecision of reserves estimates; environmental risks; competition from other producers; inability to retain drilling rigs and other services; incorrect assessment of the value of acquisitions; failure to realize the anticipated benefits of acquisitions; general economic conditions; delays resulting from or inability to obtain required regulatory approvals and to satisfy various closing conditions; and ability to access sufficient capital from internal and external sources. Readers are cautioned that the foregoing list of factors is not exhaustive.

Although Shoreline believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will be realized. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements and you should not rely unduly on forward-looking statements. The forward-looking statements contained in this news release are made as of the date of this news release. Except as required by applicable law, Shoreline does not undertake any obligation to publicly update or revise any forward-looking statements.

Note Regarding BOEs

The term barrel of oil equivalent ("boe") may be misleading, particularly if used in isolation. A conversion ratio for gas of 6 mcf:1 boe is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency conversion ratio of 6:1, utilizing a conversion on a 6:1 basis is misleading as an indication of value.

Reserves Replacement Ratio

Shoreline's reserves replacement ratio of 468% of 2012 annual production on a proved plus probable basis, as disclosed in this news release, was calculated by dividing the sum of 2012 additions in discoveries,

extensions, infill drilling, improved recovery, technical revisions, acquisitions, dispositions and economic factors in the Company's estimated proved plus probable reserves from December 31, 2011 to December 31, 2012 of 2673 Mboe (gross), by its total 2012 production from remaining properties of 571 Mboe (gross).

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