

# Heritage Oil Plc Interim Management Statement

19.11.2013 | [Marketwired](#)

*THIS PRESS RELEASE IS NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES.*

LONDON, UNITED KINGDOM -- (Marketwired - Nov. 19, 2013) - [Heritage Oil Plc](#) ("Heritage" or the "Company") (TSX:HOC) (LSE:HOIL), an independent upstream exploration and production company, issues its Interim Management Statement for the period from 1 July 2013 to 18 November 2013.

## Corporate highlights

- Total revenues of \$49.1 million in the third quarter 2013 (\$2.1 million, Q3 2012), of which \$46.4 million was from the interest in Shoreline Natural Resources Limited ("Shoreline"), Nigeria, and \$2.7 million was from the interest in the Zapadno Chumpasskoye Field, Russia
- A further lifting in October generated revenue net to Heritage of \$71.8 million
- Cash position of \$112.7 million, as at 30 September 2013
- Shoreline drew down a further \$50 million of finance from the Reserves Based Lending facility, extending the debt to \$550 million in order to replace security that Heritage had provided for a letter of credit in Nigeria
- The \$50 million short term bridge facility with Standard Bank Plc, entered into in August 2013, is in the process of being cancelled
- Extended position in Nigeria with the strategic joint venture alliance being established with Bayelsa Oil Company Limited ("Bayelsa Oil Company")
- Granted the right to appeal the high court decision awarded to Tullow Uganda Limited ("Tullow"), to be heard in May 2014

## Operational highlights

- Production for the third quarter 2013, net to Heritage, averaged 11,649 bopd (617 bopd, Q3 2012), an increase of over 60% compared to the first half of the year
- Uzere West Field will commence production shortly and is expected to reach gross production of 5,000 bopd within the next few weeks
- The work programme on OML 30 has progressed with installation of gas compressors underway, statutory inspection and testing of all pressure vessels and inspection of all wellheads and pipelines completed to support well optimisation activities
- Three development wells are planned for 2014 on OML 30, in line with the development plan
- Papua New Guinea ("PNG") exploration portfolio was expanded with the farm-in to Petroleum Prospecting Licences No:337 ("PPL 337") and No:437 ("PPL 437")
- Work programmes in PNG are progressing with seismic acquisition set to continue and exploration wells planned for 2014
- Continued exploration work programmes in Tanzania through interpretation of new and processed seismic data on the Rukwa licence and the acquisition of a geochemical survey on the Kyela licence
- Tanzania exploration drilling programme being planned for 2014/2015

**Tony Buckingham, Chief Executive Officer, commented:**

"We are making great progress across all aspects of our balanced portfolio with exciting new exploration acreage and production from existing operations increasing. It has been a year since we completed the acquisition of the major interest in OML 30 and we are seeing the rewards reflected in increased cash flow, production and revenues. Our revenues have been transformed as year to date we have generated cash of nearly \$360 million. Nigeria is a key focus for Heritage and we have recently engaged with Bayelsa State to enable us to increase our footprint further within the region."

## PRODUCTION

Production for the quarter, net to Heritage, averaged 11,649 bopd with 10,956 bopd from the interest in Nigeria and 693 bopd from Russia. Production in Nigeria has continued to improve significantly as a result of addressing community issues through the engagement of a local Non-Governmental Organisation and continued work on the facilities equipment. This has reduced downtime in the fields and between periods of scheduled maintenance, gross production has stabilised at around 40,000 bopd, reaching a peak of c.46,000 bopd in September. Intermittent maintenance and inspection work required prior to installation of new equipment meant that disruption was greater than expected for the quarter, thereby partially offsetting the reduced downtime as the fields were shut-in and restarted again at intervals.

The Trans Forcados export pipeline was closed for maintenance for nine days over the quarter to complete two repairs which had not been undertaken by the previous owners in 2012. Repairs to the Afiesere gas lift distribution manifold were completed during the quarter which has enabled gross field production to increase by c.4,000 bopd. Three new gas compressors were delivered to the licence and the installation is underway. Inspection of all the wellheads and pipelines was undertaken in the period in preparation for the commencement of well optimisation activities.

Production from the Uzere West Field is due to commence shortly and the field is expected to reach gross production of 5,000 bopd within the next few weeks.

Production, net to Heritage in 2013 is anticipated to average 11,000 bopd, based on gross production for OML 30 for the full year of 23,000 bopd with a gross exit rate of c.50,000 bopd. 2014 production guidance, net to Heritage, is within a range of 16,000-21,000 bopd, driven by well optimisation in the first half of the year and development drilling which is on track to commence in the second half of the year.

Production in Russia was stable throughout the period averaging 693 bopd, compared to 472 bopd in the first half of the year. Preparations are underway for additional development drilling in 2014.

## EXPLORATION

### Papua New Guinea

Heritage expanded its portfolio in PNG with the farm-in to two licences with Kina Petroleum Limited, PPL 337 and PPL 437, in October 2013, building upon the position established in April 2013 with the farm-in to PPL 319 and PRL 13 with [LNG Energy Limited](#).

Work programmes on PPL 319 and PRL 13 commenced immediately with the acquisition of the first 62 kilometres of seismic data in PPL 319 over the Tuyuwopi structure confirming a drilling location and plans are underway to drill the prospect in 2014. The work programme continues on schedule with processing of the acquired seismic data and reprocessing of c.300 kilometres of legacy seismic data over the licences now in the final stages. Further seismic acquisition over leads within both the licences will continue in 2014.

PPL 337 is located within the underexplored Ramu Sub Basin close to the northern deep water port of Madang. The licence has good road access and is close to potential local gas markets and LNG export routes. To date, three prospects and one lead have been identified on the licence in proximity to a depocentre and the presence of gas seeps within the area indicates an active petroleum system. Legacy datasets, which include regional gravity and magnetic data and surface geological mapping, in addition to c.140 kilometres of 2D seismic acquired in 1997 and offset well data have been evaluated. Two of the identified prospects are proposed for drilling in 2014; the Kwila prospect, where a Pleistocene age clastic target has been mapped in the footwall of the Banam anticline, and the Raintree prospect, where a Pliocene/Miocene age reef target is identified.

PPL 437 lies within the Papuan foreland in a proven hydrocarbon system less than 20 kilometres north of the Elevala and Ketu c.1.0 TCF gas condensate fields and the recent successful Tingu-1 exploration discovery well. Additionally, the licence benefits from proximity to an existing gas pipeline from the PNG LNG gas fields to the LNG plant in Port Moresby and the Elevala and Ketu fields where gas commercialisation options that

include a mid-scale LNG project with a LNG plant located at Daru are under consideration. Legacy datasets including regional gravity, magnetic data and surface geological mapping, in addition to c.250 kilometres of 2D seismic, have been evaluated. The identified prospectivity in the licence is within several structural leads identified from the legacy seismic data. Heritage is now actively involved in the planning for the acquisition of further seismic data over these leads to mature them to drillable prospects.

## **Tanzania**

Acquisition of approximately 600 kilometres of 2D seismic data over the Rukwa licence was completed in the first quarter of 2013. The data has been processed and initial interpretation completed with results indicating that the principal prospectivity lies in the Rukwa South area. Focused interpretation over Rukwa South is very encouraging and reveals structures analogous to those proven to contain commercial hydrocarbons in the Lake Albert area of Uganda. Exploration studies continue on schedule, with the aim of advancing identified leads to prospect status by year end.

The interpretation of the 2013 reconnaissance seismic data in the Kyela licence confirmed the potential of the area. Field sampling for the programmed geochemical survey of the licence has been completed on schedule and samples are currently undergoing analysis. Further detailed analysis of high resolution gravity data is being carried out, integrating and calibrating the results with the seismic dataset.

A comprehensive drilling logistics study continues as planned on the Rukwa licence. The drilling programme will now be expanded to include two wells across the licences in 2014/2015.

## **CORPORATE**

As at 30 September 2013, Heritage had a cash position of \$112.7 million.

The average realised commodity price achieved in Nigeria was \$110.78 per barrel in the third quarter of 2013. Over the quarter, there was one lifting in Nigeria which generated revenues net to Heritage of \$46.4 million. There was an underlift at quarter end resulting in an inventory build-up. There has been one further lifting since the quarter end generating revenue net to Heritage of \$71.8 million and there are a further two liftings planned for the remainder of the year. Revenue of \$2.7 million was received from operations in Russia in the third quarter.

On 23 August 2013, Heritage entered into a letter of credit facility with Standard Bank Plc for \$50 million. The facility was available until 31 December 2013 with the option to extend to 28 November 2014. The Company used this facility to back the Shoreline letter of credit to National Petroleum Development Company until the Reserves Based Lending facility could support the letter of credit, which is now the case and hence the security provided by Heritage is in the process of being released.

Shoreline has been in discussions with relevant government departments in Nigeria about its tax status. Good progress has been made and Shoreline expects to benefit from a significant reduction in underlying tax rates. Shoreline is in the process of concluding these discussions but anticipates the benefit of any reduction, which could be substantial, would be recognised in the 2013 year end results.

Heritage recently announced that a wholly owned subsidiary has entered into a joint venture agreement with Bayelsa Oil Company, owned by the Bayelsa State government, to establish an indigenous Nigerian oil company called Petrobay Energy Limited ("Petrobay"). Through Petrobay, Heritage expects to be a significant contributor to the future development of the oil and gas industry in Nigeria.

In December 2012, Heritage announced that Shoreline Power had exercised its call option to acquire a 30% economic interest in Shoreline which it will fund by selling half of its option rights. This would have the effect of reducing Heritage's economic interest in Shoreline from 97.5% to 68.25%, with 68.25% representing an effective 30.71% working interest in OML 30. Completion of the transaction and release of the initial consideration, which is currently in an escrow account, remains subject to Nigerian government approval, expected shortly. On completion, Heritage will receive cash of \$31.5 million and the balance of c.\$88.5 million will be provided by way of an interest bearing, secured loan from Heritage to Shoreline Power.

Heritage holds common shares ("Shares") of PetroFrontier for investment purposes and currently holds 19.98% of the outstanding Shares of PetroFrontier. PetroFrontier is listed on the TSX Venture Exchange and has a high-impact drilling programme in Australia targeting billions of barrels of resources.

At the end of October Heritage was saddened by the death of General Sir Michael Wilkes who had been a Non-Executive Director of the Company since its listing in the UK in 2008. As well as being the Senior

Independent Director, Sir Michael was a member of various committees. The Nomination Committee will appoint a new Non-Executive Director in due course and there will be a review of Committee membership. Consideration will also be given for the appropriate candidate to fulfil the role of Senior Independent Director.

## UGANDA

As previously announced, a number of proceedings in connection with the sale of the Group's interests in Blocks 1 and 3A in Uganda to Tullow remain ongoing. Heritage Oil & Gas Limited ("HOGL") continues to challenge both the Uganda Revenue Authority ("URA") in the Ugandan courts and, in accordance with the Production Sharing Agreements, the Ugandan government through international arbitration proceedings in London, which commenced in May 2011. The arbitration tribunal ruled in April 2013 that the determination of tax was outside its jurisdiction, but that there were two areas of HOGL's claims which it will consider, in respect of contractual income tax stabilisation clause protection and breach of other contractual obligations.

The determination by the arbitral tribunal marks the end to the preliminary phase. The proceedings have now continued to deal with the merits phase of Heritage's contractual claims against the Ugandan government and the underlying substantive Ugandan tax matters remain under appeal in the Ugandan courts.

In April 2011, Tullow made a payment to the URA and subsequently filed a claim in the High Court in England seeking compensation for alleged breach of contract as a result of HOGL's and Heritage's refusal to reimburse Tullow. In March 2013, an 11 day hearing took place in the Commercial Court in London. In June 2013 judgment was awarded in favour of Tullow and payment made in August 2013. Heritage has been granted permission to appeal the judgment with the appeal hearing to be heard in May 2014.

## Notes to Editors

- Heritage is listed on the Main Market of the London Stock Exchange. The trading symbol is HOIL. Heritage has a further listing on the Toronto Stock Exchange (TSX:HOC).
- Heritage is an independent upstream exploration and production company engaged in the exploration for, and the development, production and acquisition of, oil and gas internationally.
- Shoreline Natural Resources Limited is a private limited Nigerian company established by Heritage, through a wholly owned subsidiary, and Shoreline Power Company Limited and has a 45% interest in OML 30 with National Petroleum Development Company holding the remaining 55% interest.
- Petrobay Energy Limited is a joint venture company being established by Heritage, through a wholly owned subsidiary, and Bayelsa Oil Company, owned by the Bayelsa State government.
- Farm-in completions for the new licences in PNG are expected within the short term, subject to customary conditions precedent including governmental approvals which the Company expects will be met.
- Heritage has producing assets in Nigeria and Russia and exploration assets in Tanzania, PNG, Malta, Libya and Pakistan.
- All dollars are US\$ unless otherwise stated.
- For further information please refer to our website, [www.heritageoilplc.com](http://www.heritageoilplc.com)

If you would prefer to receive press releases via email please contact Jeanny So ([jeanny@chfir.com](mailto:jeanny@chfir.com)) and specify "Heritage press releases" in the subject line.

## FORWARD-LOOKING INFORMATION:

*Except for statements of historical fact, all statements in this news release - including, without limitation, statements regarding production estimates and future plans and objectives of Heritage - constitute forward-looking information that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate; actual results and future events could differ materially from those anticipated in such statements. Factors that could cause actual results to differ materially from anticipated results include risks and uncertainties such as: risks relating to estimates of reserves and recoveries; production and operating cost assumptions; development risks and costs; the risk of commodity price fluctuations; political and regulatory risks; and other risks and uncertainties as disclosed under the heading "Risk Factors" in its Prospectus dated 6 August 2012, as supplemented by a supplementary prospectus*

*dated 23 August 2012, and elsewhere in Heritage documents filed from time-to-time with the London Stock Exchange and other regulatory authorities. Further, any forward-looking information is made only as of a certain date and the Company undertakes no obligation to update any forward-looking information or statements to reflect events or circumstances after the date on which such statement is made or reflect the occurrence of unanticipated events, except as may be required by applicable securities laws. New factors emerge from time to time, and it is not possible for management of the Company to predict all of these factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking information.*

## CONTACT INFORMATION

### [Heritage Oil Plc](#)

Tony Buckingham, CEO  
+44 (0) 1534 835 400  
[info@heritageoilplc.com](mailto:info@heritageoilplc.com)

Paul Atherton, CFO  
+44 (0) 1534 835 400  
[info@heritageoilplc.com](mailto:info@heritageoilplc.com)

Investor Relations  
Tanya Clarke  
+44 (0) 20 7518 0838  
[ir@heritageoilplc.com](mailto:ir@heritageoilplc.com)  
[www.heritageoilplc.com](http://www.heritageoilplc.com)

Media Enquiries  
Ben Brewerton  
+44 (0) 20 7831 3113  
[heritageoil.sc@fticonsulting.com](mailto:heritageoil.sc@fticonsulting.com)

Media Enquiries  
Natalia Erikssen  
+44 (0) 20 7831 3113  
[heritageoil.sc@fticonsulting.com](mailto:heritageoil.sc@fticonsulting.com)

Canada  
Cathy Hume  
+1 416 868 1079 x231  
[cathy@chfir.com](mailto:cathy@chfir.com)

Canada  
Jeanny So  
+1 416 868 1079 x225  
[jeanny@chfir.com](mailto:jeanny@chfir.com)

---

Dieser Artikel stammt von [Rohstoff-Welt.de](http://Rohstoff-Welt.de)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/166027--Heritage-Oil-Plc-Interim-Management-Statement.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer](#)!

---

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!  
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).