

Gran Tierra Energy Inc. Announces Operational Update and 2019 Guidance: 12 to 18% Production Growth within Cash Flow

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CALGARY, Dec. 17, 2018 - Gran Tierra Energy Inc. ("Gran Tierra" or the "Company") (NYSE American:GTE) (NYSE MKT:GTE) (TSX:GTE) (LSE:GTE), is pleased to announce an operational update and its 2019 capital budget and production guidance. All dollar amounts are in United States dollars and all production volumes are on a working interest before royalties ("WI") basis and are expressed in barrels ("bbl") of oil equivalent ("boe"), unless otherwise indicated.

Highlights

Operational Update (All Projects 100% WI)

- Record Company Production
 - Current production is approximately 40,000 boe per day ("boepd"), a record high for Gran Tierra
 - As of December 16, 2018, the Company's production during fourth quarter 2018 has averaged a record high 38,220 boepd, an increase of 6% over third quarter 2018 and growth of 11% over fourth quarter 2017
- Exciting Exploration Well Results in PUT-7 Block
 - Pomorroso-1: the well has been drilled and cased; log evaluation indicates that up to seven zones may be prospective; after acid stimulation, the first of these zones is being tested with a jet pump; during a 64-hour time period during December 14 - 16, 2018, the well produced at a steady average rate of 682 bbl of oil per day ("bopd") of 35-degree API gravity oil and 28 bbl per day of completion fluid, with no formation water and a gas-oil ratio ("GOR") of 183 standard cubic feet per bbl ("scf/bbl"); with the planned installation of an electrical submersible pump ("ESP"), the Company expects the well to produce over 1,000 bopd of light oil with no formation water
 - Future drilling: the Almendrillo-1 was spud on December 13, 2018 from the same drilling pad as Pomorroso-1; the same drilling rig is then expected to drill in sequence the Pecari-1, Tajinos-1 and Northwest-1 exploration wells from the same pad; these 4 exploration wells are designed to test the same multi-zone potential as Pomorroso-1
- Planned Testing of Chilanguita-1, Alea 1848-A Block
 - Chilanguita-1: Gran Tierra drilled and cased this well in the third quarter of 2018 and plans to begin testing the A Limestone prior to the end of 2018; log evaluation indicates that the well also has potential in the N and U Sands
- Costayaco/Moqueta: Potential New Carbonate Oil Exploration Play in M2 Limestone, Progress in A Limestone
 - Costayaco-7: recompleted into the M2 Limestone, stimulated and placed on jet pump; during a 53-hour time period during December 14 - 16, 2018, the well produced at a steady average rate of 318 bbl of oil per day ("bopd") of 29-degree API gravity oil and 151 bbl per day of completion fluid, with no formation water and a gas-oil ratio ("GOR") of 238 scf/bbl; when the completion fluid has been produced, Gran Tierra expects this well to be capable of approximately 700-1,000 bopd of light oil with no formation water after the planned installation of an ESP; the M2 Limestone represents a new potential carbonate play for the Company in the Putumayo Basin and Gran Tierra currently has no reserves booked in the M2 Limestone
 - Moqueta-20: acidized in three intervals in the T and Caballos Sands to remove damage; the well is now on jet pump and is producing at an average rate of 636 bopd, an increase of 181% over the pre-simulation rate of 226 bopd

- Continued Strong Performance at Acordionero
 - As of December 16, 2018, the Acordionero field in the Middle Magdalena Valley Basin ("MMV") has achieved record high average production during fourth quarter 2018 of 21,625 boepd, an increase of 15% over third quarter 2018
 - The Company has recently drilled and completed the AC-32 and AC-33 development wells from the South Pad; these wells have proved up the southern extent of Acordionero's Lisama A and C reservoirs; the AC-32 is now on production and the AC-33 is expected to begin producing before December 31, 2018; the AC-34 development well was spud on December 12, 2018, and is expected to be on production in early January 2019
- Progress at Ayombero
 - Ayombero-2: this appraisal well has been drilled and cased to the top of the La Luna Carbonate target; Gran Tierra expects to drill through the La Luna Carbonate over the next several days
 - Ayombero-1: continues to produce on natural flow from the Galembo Member of the La Luna Carbonate at a recent average of 282 bopd (December 12-16, 2018), with no water and steady flowing pressure
- 3D Seismic Acquisition in Putumayo Basin
 - Gran Tierra expects to begin acquiring a 3D seismic survey in January 2019, covering 341 square kilometers across the Alea 1848A, Nancy-Burdine-Maxine, PUT-4 and PUT-25 Blocks

Credit Facility Update

- Gran Tierra has reached an agreement with the lenders of its credit facility, subject to documentation, to decrease pricing and extend the maturity date:
 - The credit facility will mature in November 2021 (currently November 2020)
 - The pricing grid will be amended, with a reduction of 0.5 percentage points to the lowest tier on the grid
 - The \$300 million facility is currently undrawn

2019 Guidance

- Gran Tierra expects 2019 average production of 40,000 to 42,000 boepd, representing organic growth of 12 to 18% over average production in the first nine months of 2018¹ and an increase of 27 to 34% over 2017 average production¹
- Gran Tierra's 2019 production guidance:
 - Represents an average production growth rate of approximately 15% per year since 2015
 - Includes only forecasted volumes from existing operations and expected development and appraisal projects, with no volumes assumed for any exploration success including Pomorroso-1
 - Is 100% oil, ranging from medium to light gravity
- 2019 capital budget of \$350-370 million
- 2019 cash flow² forecast of \$365-375 million at \$65/bbl Brent oil price

2019 Capital Budget and Expenses

Gran Tierra is forecasting the following ranges for the Company's 2019 capital budget:

2019 Budget	Base Case	High Case	Low Case
Brent Oil Price (\$/bbl)	65.00	75.00	55.00
Cash Flow ² (\$ million)	365-375	435-445	290-300
Total Capital (\$ million)	350-370	350-370	300-320
Development Capital (\$ million)	235-245	235-245	200-210
Cash Flow ² after Development Capital (\$ million)	125-130	195-200	90-95
Exploration Capital (\$ million)	115-125	115-125	100-110
Free Cash Flow ³ (\$ million)	5-15	75-85	(15)-(10)
Share Buyback (\$ million)	20	50	0
Year-End Net Debt ⁴ /Cash Flow ² (times)	0.8-1.0	0.7-0.9	1.1-1.3
Number of Development Wells (gross)	31-32	31-32	25-26
Number of Exploration Wells (gross)	7-8	7-8	5-6

- If oil prices exceed Gran Tierra's 2019 forecast, the resulting increase in cash flow² may be directed to accelerated capital spending, and share buybacks under our previously announced Normal Course Issuer Bid and Automatic Securities Purchase Plan; alternatively, if oil prices drop significantly below the Company's forecast, Gran Tierra has the ability to moderate the rate of spending accordingly due to the Company's high operated interests across its asset portfolio
- Gran Tierra has significant flexibility with capital allocation and timing; the Company operates over 90% of its production, 13 out of its 14 blocks in the Putumayo Basin and all five of its blocks in the MMV
- Based on the midpoint of guidance, the base case 2019 capital budget is forecasted to be directed approximately 65% to development and 35% to exploration
- Approximately 30% of the 2019 development capital program is expected to be invested in facilities, with approximately 65% of this investment dedicated to the ongoing facilities expansion at the Acordionero field that is forecasted to increase its oil production capacity up to 30,000 bopd by end of second quarter 2019
- In the low case scenario, where the Brent oil price is assumed to average \$55/bbl during 2019, the reduction in 2019 capital outlined above would not result in a material reduction in 2019 average production (approximately 250 boepd)

Gran Tierra expects approximate 2019 expenses and operating netback⁵ to be in the following ranges:

2019 Budget	Forecast
Brent Oil Price (\$/bbl)	65.00
Expenses (\$/boe)	
Transportation and Quality Discount	11.00 - 13.00
Royalties	9.00 - 10.00
Oil and Gas Sales Price (\$/boe)	42.00 - 45.00
Operating Costs	8.50 - 9.50
Transportation (Pipeline)	1.50 - 2.50
Operating Netback ⁵ (\$/boe)	30.00 - 35.00
General and Administrative	1.50 - 2.00
Cash-Settled Stock-Based Compensation	0.90 - 1.00
Interest and Financing	1.50 - 2.00
Taxes	3.50 - 4.50

Gary Guidry, President and Chief Executive Officer of Gran Tierra, commented: "During 2018, we have continued to execute our strategy of delivering profitable organic production growth while reinvesting in exploration and appraisal of our diversified Colombian asset portfolio. In mid-December 2018, we crossed an important milestone with record Company production of 40,000 boepd. Our 2019 capital budget is a balanced returns-focused program, with a strong development component and a robust high-impact exploration and appraisal campaign. Our 2019 plans are expected to build on the operational momentum achieved by our team in 2018, to be fully funded from cash flow² and to deliver the next phase of transformative production and reserves growth. With our 2019 expense budget, we are forecasting decreases in both our operating and general and administrative costs per boe compared to 2018.

Our MMV assets are expected to drive Gran Tierra's profitable growth in 2019. We plan to ramp up production at Acordionero and continue our appraisal of the Ayombero-Chuira field. At Acordionero, we expect to continuously drill both production and water injection wells throughout 2019 and beyond, while continuing to expand the current waterflood program for enhanced oil recovery. Acordionero's results to date have continued to exceed our original expectations when we acquired the field in 2016.

We are achieving success across the Putumayo Basin where we plan to further delineate our high potential Carbonate and N-Sandstone plays by continuing to drill a mix of exploration, appraisal and development wells. With the largest Putumayo landholdings of 1.1 million acres and seismic data base, we believe Gran Tierra is well positioned in the most prospective fairways of this proven, under-explored basin. We are fortunate to be operating in Colombia, with both the MMV and the Putumayo having sufficient infrastructure for us to monetize our current and future production based on the Brent world oil price.

We believe that Gran Tierra has a self-funding and sustainable business model with an excellent Colombian portfolio to generate ongoing material growth on a per share basis in terms of net asset value, production, reserves and cash flow."

Additional Details of 2019 Capital Budget

2019 Development Capital Budget (\$235 - \$245 Million)

- Acordionero (MMV):
 - Drill 14 wells: 9 producers and 5 water injectors
 - Ongoing central processing facility expansion to increase: truck loading capacity up to 30,000 bopd; water injection capacity up to 40,000 bbl of water per day; and fluid handling capacity up to 45,000 bbl of fluid per day ("bfpd")
 - Plan to expand natural gas to power project to a capacity of 20 megawatts ("MW")
 - Plan to install facilities to allow injection of excess natural gas back into the production zones
 - In 2019, the field is expected to continue generating free cash flow³, which it has since Gran Tierra acquired the field in August 2016
- Putumayo Basin and Minor Fields:
 - Costayaco: drill 2 producers and 2 injectors; plan is to increase gas to power project capacity to 20 MW; and to increase fluid handling capacity to 100,000 bfpd to further optimize the waterflood
 - Moqueta: drill 1 producer and 1 injector; increase fluid handling capacity to 15,000 bfpd to further optimize the waterflood
 - Cumplidor: drill 1 producer and 1 water source well; commence waterflood
 - Other: drill 9-10 gross development wells
 - 7-8 capital workovers/conversions/stimulations

2019 Exploration Capital Budget (\$115 - \$125 Million)

Gran Tierra's 2019 exploration program is focused on drilling in proven basins with known oil accumulations and stacked pay. The Company believes that this approach increases chances of success by lowering the risk of drilling dry holes.

- Putumayo Basin:
 - Drill 4-5 exploration wells targeting prospects with multi-zone potential, including carbonates (A, B and M2 Limestones) and N Sands
 - Conduct 3D seismic surveys covering a total of 341 square kilometers across the Alea 1848A, PUT-4, PUT-25 and Nancy-Burdine-Maxine Blocks
- MMV:
 - Drill 2 exploration wells
- Llanos Basin:
 - Drill 1 exploration well

¹ Average 2018 production through September 30, 2018 was 35,683 boepd; 2017 production was Colombia only, adjusted for sale of Brazil assets effective June 30, 2017.

² "Cash flow" refers to the GAAP line item "net cash provided by operating activities";

³ "Free cash flow" is a non-GAAP measure and does not have a standardized meaning under GAAP. Free cash flow is defined as "net cash provided by operating activities" less projected 2019 capital spending. Refer to "Non-GAAP Measures" in this press release for a description.

⁴ "Net debt" (non-GAAP) is an estimate of 2019 year-end working capital, less \$115 million in senior convertible notes and \$300 million in senior notes.

⁵ Operating netback is a non-GAAP measure and does not have a standardized meaning under GAAP. Refer to "Non-GAAP Measures" in this press release for a description. The GAAP measure is oil and gas sales price. Estimated oil and gas sales price is calculated by subtracting 2019 forecasts of transportation and quality discount and royalties from the 2019 budget Brent oil price forecast as outlined in the table above. Estimated 2019 operating netback is calculated by subtracting 2019 forecasts of transportation and quality discount, royalties, operating costs and pipeline transportation from the 2019 budget Brent oil price forecast as outlined in the table above.

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About Gran Tierra Energy Inc.

[Gran Tierra Energy Inc.](#) together with its subsidiaries is an independent international energy company focused on oil and natural gas exploration and production in Colombia. The Company also had business activities in Peru, which were sold pursuant to an agreement dated November 9, 2017. The Company is focused on its existing portfolio of assets in Colombia and will pursue new growth opportunities throughout Colombia, leveraging its financial strength. The Company's common shares trade on the NYSE American, the Toronto Stock Exchange and the London Stock Exchange under the ticker symbol GTE. Additional information concerning Gran Tierra is available at www.grantierra.com. Information on the Company's website does not constitute a part of this press release. Investor inquiries may be directed to info@grantierra.com or (403) 265-3221.

Gran Tierra's Securities and Exchange Commission ("SEC") filings are available on the SEC website at <http://www.sec.gov> and on SEDAR at <http://www.sedar.com>. UK regulatory filings are available on the National Storage Mechanism website at www.morningstar.co.uk/uk/nsm.

Forward Looking Information Advisory

This press release contains opinions, forecasts, projections, and other statements about future events or results that constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and financial outlook and forward looking information within the meaning of applicable Canadian securities laws (collectively, "forward-looking statements"). All statements other than statements of historical facts included in this press release regarding our financial position, estimated quantities and net present value of reserves, business strategy, plans and objectives for future operations, capital spending plans and those statements preceded by, followed by or that otherwise include the words "believe", "expect", "intend", "anticipate", "forecast", "budget", "will", "estimate", "target", "project", "goal", "plan", "should", "guidance" or similar expressions are forward-looking statements. Such forward-looking statements include, but are not limited to, the Company's capital budget amount and uses, drilling and capital program including the changes thereto along with the expected costs and the allocation of capital and drilling including trends, infrastructure schedules and the expected timing and drilling sequence of certain projects; the Company's operations; future projected or target production and the growth of production including expectations respecting production growth, expected future net cash provided by operating activities (described in this press release as "cash flow"), free cash flow, net debt and certain associated metrics; our strategy regarding changing oil prices; expected cost savings; anticipated capital expenditures, including the location and impact of capital expenditures, the timing and amounts of potential share buybacks, timing of execution of and terms under the amended credit facility; our business strategies; our ability to grow in both the near and long term and the funding of our growth opportunities; the plans, objectives, expectations and intentions of the Company regarding production, exploration and exploration upside, development; and the future development of the Company's business. The forward-looking statements contained in this press release reflect several material factors and expectations and assumptions of Gran Tierra including, without limitation, that Gran Tierra will continue to conduct its operations in a manner consistent with its current expectations, the accuracy of testing and production results and seismic data, pricing and cost estimates (including with respect to commodity pricing and exchange rates), rig availability, the effects of drilling down-dip, the effects of waterflood and hydraulic stimulation operations, the extent and effect of delivery disruptions and the

general continuance of current or, where applicable, assumed operational, regulatory and industry conditions including in areas of potential expansion, the receipt of approval from the ANH and the ability of Gran Tierra to execute its current business and operational plans in the manner currently planned. Gran Tierra believes the material factors, expectations and assumptions reflected in the forward-looking statements are reasonable at this time but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

Among the important factors that could cause actual results to differ materially from those indicated by the forward-looking statements in this press release are: sustained or future declines in commodity prices and potential resulting future impairments and reductions in proved reserve quantities and value; Gran Tierra's operations are located in South America, and unexpected problems can arise due to guerrilla activity; technical difficulties and operational difficulties may arise which impact the production, transport or sale of our products; geographic, political and weather conditions can impact the production, transport or sale of our products; the risk that current global economic and credit conditions may impact oil prices and oil consumption more than Gran Tierra currently predicts; the ability of Gran Tierra to execute its business plan; the risk that unexpected delays and difficulties in developing currently owned properties may occur; the timely receipt of regulatory or other required approvals for our operating activities; the failure of exploratory drilling to result in commercial wells; unexpected delays due to the limited availability of drilling equipment and personnel; the risk that oil prices could continue to decline or be volatile, or current global economic and credit market conditions may impact current oil prices or expectations regarding future oil prices and oil consumption, which could cause Gran Tierra to further modify its strategy and capital spending program; and the risk factors detailed from time to time in Gran Tierra's periodic reports filed with the Securities and Exchange Commission, including, without limitation, under the caption "Risk Factors" in Gran Tierra's Annual Report on Form 10-K filed February 28, 2018 and its other filings with the SEC. These filings are available on the SEC website at <http://www.sec.gov> and on SEDAR at <http://www.sedar.com>. Although the current guidance, capital spending program and long term strategy of Gran Tierra are based upon the current expectations of the management of Gran Tierra, should any one of a number of issues arise, Gran Tierra may find it necessary to alter its business strategy and/or capital spending program and there can be no assurance as at the date of this press release as to how those funds may be reallocated or strategy changed and how that would impact Gran Tierra's results of operations and financing position.

All forward-looking statements are made as of the date of this press release and the fact that this press release remains available does not constitute a representation by Gran Tierra that Gran Tierra believes these forward-looking statements continue to be true as of any subsequent date. Actual results may vary materially from the expected results expressed in forward-looking statements. Gran Tierra disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities laws. Gran Tierra's forward-looking statements are expressly qualified in their entirety by this cautionary statement.

The estimates of future production, net cash provided by operating activities (described in this press release as "cash flow"), free cash flow, net debt, working capital and certain expenses may be considered to be future-oriented financial information or a financial outlook for the purposes of applicable Canadian securities laws. Financial outlook and future-oriented financial information contained in this press release about prospective financial performance, financial position or cash flows are based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available, and to become available in the future. In particular, this press release contains projected operational and financial information for 2019. These projections contain forward-looking statements and are based on a number of material assumptions and factors set out above. Actual results may differ significantly from the projections presented herein. The actual results of Gran Tierra's operations for any period could vary from the amounts set forth in these projections, and such variations may be material. See above for a discussion of the risks that could cause actual results to vary. The future-oriented financial information and financial outlooks contained in this press release have been approved by management as of the date of this press release. Readers are cautioned that any such financial outlook and future-oriented financial information contained herein should not be used for purposes other than those for which it is disclosed herein. The Company and its management believe that the prospective financial information has been prepared on a reasonable basis, reflecting management's best estimates and judgments, and represent, to the best of management's knowledge and opinion, the Company's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results.

Oil and Gas Disclaimer

BOEs have been converted on the basis of 6 thousand cubic feet ("Mcf") of natural gas to 1 bbl of oil. BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In addition, given that the value ratio based on the current price of oil as compared with natural gas is significantly different from the energy equivalent of six to one, utilizing a BOE conversion ratio of 6 Mcf: 1 bbl would be misleading as an indication of value.

This press release contains certain oil and gas metrics, including operating netback, which do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies and should not be used to make comparisons. Such metrics have been included herein to provide readers with additional measures to evaluate the Company's performance; however, such measures are not reliable indicators of the future performance of the Company and future performance may not compare to the performance in previous periods

References to thickness of "oil pay" or of a formation where evidence of hydrocarbons has been encountered is not necessarily an indicator that hydrocarbons will be recoverable in commercial quantities or in any estimated volume. Well test results should be considered as preliminary and not necessarily indicative of long-term performance or of ultimate recovery. Well log interpretations indicating oil and gas accumulations are not necessarily indicative of future production or ultimate recovery. If it is indicated that a pressure transient analysis or well-test interpretation has not been carried out, any data disclosed in that respect should be considered preliminary until such analysis has been completed.

Non-GAAP Measures

This press release includes forward-looking non-GAAP financial measures as further described herein. These non-GAAP measures do not have a standardized meaning under GAAP. Investors are cautioned that these measures should not be construed as an alternative to net income or loss or other measures of financial performance as determined in accordance with GAAP. Gran Tierra's method of calculating these measures may differ from other companies and, accordingly, it may not be comparable to similar measures used by other companies. These non-GAAP financial measures are presented along with the corresponding GAAP measure so as to not imply that more emphasis should be placed on the non-GAAP measure.

Operating netback as presented is defined as oil and gas sales less operating and transportation expenses. Management believes that operating netback is a useful supplemental measure for management and investors to analyze financial performance and provides an indication of the results generated by our principal business activities prior to the consideration of other income and expenses. Gran Tierra is unable to provide a quantitative reconciliation of forward-looking operating netback to its most directly comparable forward-looking GAAP measure because management cannot reliably predict certain of the necessary components of such forward-looking GAAP measure.

Free cash flow as presented is defined as GAAP "net cash provided by operating activities" less projected 2019 capital spending. Management believes that free cash flow is a useful supplemental measure for management and investors to in order to evaluate the financial sustainability of the Company's business. Gran Tierra is unable to provide a quantitative reconciliation of forward-looking free cash flow to its most directly comparable forward-looking GAAP measure because management cannot reliably predict certain of the necessary components of such forward-looking GAAP measure.

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