

Granite Oil Corp. Provides Preliminary 2020 Plans and Fall Borrowing Base Redetermination

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CALGARY, Dec. 02, 2019 - [Granite Oil Corp.](#) ("Granite" or the "Company") (TSX:GXO)(OTCQX:GXOCF) is pleased to provide preliminary 2020 plans and announce the fall review of the Company's borrowing base redetermination of its credit facility has been completed.

Granite is planning a capital program in 2020 that continues to prioritize significant debt repayment while growing production and adding producing reserves at highly efficient and economic metrics. Following a successful recompletion test in August 2019, in which the Company added new frack stages in a legacy producing well, the Company is confident this tool provides a means with which to accelerate these plans in 2020 while maintaining significant capital flexibility. Granite will enter 2020 with five shut-in wells (approximately 250 bbls/d of oil production capability) that have been actively re-pressurized by the Company's EOR program since Q2 2019. These wells will form the basis of its recompletion program planned for the year, which will commence mid-January 2020 with its second recompletion. The Company has 11 additional wells identified as potential future recompletion candidates.

The semi-annual borrowing base redetermination of Granite's credit facilities has been completed. The Company's lenders have mutually agreed to a renewed borrowing base of \$47.5 million with a current authorized amount of \$42.5 million, which will serve to reduce associated interest and standby costs. With year-end 2019 net debt expected to be approximately \$39.5 million, and with continued quarter-over-quarter debt reduction, the Company's credit facilities are more than enough to execute, or expand, its planned capital program in 2020.

With a solid, lower-decline production base, a promising recompletion program focused on re-pressurized wells with significant production potential, and a large, proven drilling inventory, Granite will enter 2020 with strong optionality with which to navigate continued volatility in the energy environment. The Company expects to firm-up its 2020 budget shortly after the second recompletion test in January.

Contact Information

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Reader Advisories

Forward-Looking Statements. Certain statements contained in this news release may constitute forward-looking statements or information (collectively, "forward-looking statements" or "statements"). These statements relate to future events or Granite's future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. In particular, this news release contains forward-looking statements, pertaining to the following: forecasted capital expenditures and plans; recompletion, drilling and development plans; Granite's financial strength including the amount of its year end net debt; anticipated production rates; projections of market prices and costs; supply and demand for oil and natural gas; the quantity of reserves; the success of the enhanced oil recovery scheme and the recompletion program; expectations regarding Granite's credit facility; treatment under governmental regulatory and taxation regimes; and expectations regarding Granite's ability to raise capital and to continually add to reserves through acquisitions and

development. &lrn;

Granite believes the expectations reflected in such forward-looking statements and the assumptions upon &lrn;which such forward-looking statements are based, to be reasonable, but no assurance can be given that these &lrn;expectations will prove to be correct and such forward-looking statements included in this news release &lrn;should not be unduly relied upon by investors. These statements speak only as of the date of this news release &lrn;and are expressly qualified, in their entirety, by this cautionary statement. Granite’s actual results could differ &lrn;materially from those anticipated in these forward-looking statements as a result of risk factors that may &lrn;include, but are not limited to: volatility in the market prices for oil and natural gas; general economic &lrn;conditions; stock market volatility and the ability to access sufficient capital from internal and external sources; &lrn;uncertainties associated with estimating reserves; uncertainties associated with Granite’s ability to obtain &lrn;additional financing on satisfactory terms; geological, technical, drilling, recompletion and processing problems; liabilities &lrn;and risks, including environmental liabilities and risks, inherent in oil and natural gas operations; incorrect &lrn;assessments of the value of acquisitions; competition for, among other things, capital, acquisitions of &lrn;reserves, undeveloped lands and skilled personnel. Readers are cautioned that the foregoing list of factors is &lrn;not exhaustive. Management has included the above summary of assumptions and risks related to forward-&lrn;looking information provided in this news release in order to provide security holders with a more complete &lrn;perspective on Granite’s future operations and such information may not be appropriate for other purposes. &lrn;Additional information on these and other factors that could affect Granite's operations and financial results &lrn;are included in reports on file with Canadian securities regulatory authorities and may be accessed through &lrn;the SEDAR website (www.sedar.com).&lrn;

With respect to forward-looking statements contained in this news release, Granite has made assumptions &lrn;regarding, among other things: prevailing commodity prices, exchange rates, interest rates, applicable royalty &lrn;rates and tax laws; the legislative and regulatory environments of the jurisdictions where Granite carries on &lrn;business or has operations; future production rates and estimates of operating costs; performance of existing &lrn;and future wells; reserve and resource volumes; anticipated timing and results of capital expenditures; the &lrn;success obtained in recompleting existing wells; the sufficiency of budgeted capital expenditures in carrying out planned &lrn;activities; the timing, location and extent of future drilling operations; the state of the economy and the &lrn;exploration and production business; results of operations; performance; business prospects and &lrn;opportunities; the availability and cost of financing, labour and services; the impact of increasing competition; &lrn;ability to market oil and natural gas successfully and Granite’s ability to obtain additional financing on &lrn;satisfactory terms. &lrn;

The forward-looking statements represent Granite’s views as of the date of this document and such &lrn;information should not be relied upon as representing its views as of any date subsequent to the date of this &lrn;document. Granite has attempted to identify important factors that could cause actual results, performance &lrn;or achievements to vary from those current expectations or estimates expressed or implied by the forward-&lrn;looking information. However, there may be other factors that cause results, performance or achievements &lrn;not to be as expected or estimated and that could cause actual results, performance or achievements to differ &lrn;materially from current expectations. There can be no assurance that forward-looking statements will prove &lrn;to be accurate, as results and future events could differ materially from those expected or estimated in such &lrn;statements. Accordingly, readers should not place undue reliance on forward-looking information. Except as &lrn;required by law, the Company undertakes no obligation to publicly update or revise any forward-looking &lrn;statements.&lrn;

Net debt, which represent current assets less current liabilities, excluding current derivative financial &lrn;instruments, is used to assess efficiency, liquidity and the Company's general financial strength. No IFRS &lrn;measure is reasonably comparable to working capital deficit.&lrn;

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