

Yangarra Announces 2024 Year End Financial and Operating Results and Reserves

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CALGARY, March 5, 2025 - [Yangarra Resources Ltd.](#) ("Yangarra" or the "Company") (TSX: YGR) announces its financial operating results and reserves for the year ended December 31, 2024.

2024 Operations Review

- Yangarra drilled 19 gross (17 net) wells during 2024
- 80% of Yangarra's production was curtailed for four weeks during the third quarter due to a third party turn-around, impacting the yearly average production by 557 boe/d and impacting revenue by approximately \$6 million
- The Company completed a highly complementary farm-in on 11 contiguous sections in the Chambers area
- The production optimization program was deferred during the second half of 2024 as a result of weak natural gas prices, impacting fourth quarter production
- The Company's Board of Directors has approved a capital budget of \$55 - \$60 million for 2025, which will hold production at 11,250 - 11,750 boe/d
- At USD \$68.00/bbl for WTI oil and CDN\$2.00/GJ for AECO natural gas this budget will generate \$85 - \$90 million of free cash flow (\$30 million of free cash flow)

2024 Highlights

- Average production of 10,500 boe/d (41% liquids), a decrease of 12% from 2023
- Oil and gas sales of \$133.4 million, a decrease of 20% from 2023
- Funds flow from operations of \$75.6 million (\$0.73 per share - fully diluted) a decrease of 24% from 2023
- Adjusted EBITDA of \$82.9 million (\$0.80 per share - fully diluted)
- Net income of \$26.2 million (\$0.25 per share - fully diluted), resulting in an income margin of 20%
- Return on capital employed of 5.4%
- Operating costs of \$8.40/boe (including \$2.09/boe of transportation costs)
- Operating netback of \$23.84/boe
- Operating margin of 69% and funds flow from operations margin of 56%
- G&A costs of \$1.37/boe
- Royalties at 6% of oil and gas revenue
- Capital expenditures of \$59.6 million
- Adjusted net debt of \$103.1 million, a decrease of \$15.5 million from 2023
- Retained earnings of \$338.0 million
- Decommissioning liabilities of \$16.7 million (discounted)

Fourth Quarter Highlights

- Funds flow from operations of \$16.2 million (\$0.15 per share - fully diluted), a decrease of 8% from the same period in 2023
- Oil and gas sales of \$31.0 million, a decrease of 8% from the same period in 2023
- Adjusted EBITDA of \$18.3 million (\$0.18 per share - fully diluted), a decrease of 8% from the same period in 2023
- Net income of \$3.9 million (\$0.04 per share - fully diluted), a decrease of 69% from the same period in 2023
- Average production of 10,207 boe/d (41% liquids), an 8% decrease from the same period in 2023
- Operating costs of \$8.54/boe (including \$3.16/boe of transportation costs)
- Operating netback of \$21.75/boe
- Operating margin of 66% and funds flow from operations margin of 52%
- G&A costs of \$1.33/boe
- Royalties at 8% of oil and gas revenue
- All in cash costs of \$15.74/boe
- Capital expenditures of \$19.9 million
- Adjusted net debt to fourth quarter annualized funds flow from operations of 1.59 : 1

Reserve Report Highlights

All reserves information contained in this press release are based on the Company's 2023 NI 51-101 oil and gas reserve report prepared by Deloitte LLP (The "2024 Reserve Report").

Summary

- As a result of the Company's long-term strategic shift towards a flat production profile, Yangarra prudently reduced development in the 1P and 2P reserves to reflect go-forward development
 - Future development capital was reduced by \$91 million for 1P and \$137 million for 2P.
 - The drilling program in the reserve report now matches our capital budget at 20 wells drilled for 2025 and 2026 for the next six years.
 - This results in 73 less future wells in the reserve report as compared to the prior year.
- Oil pricing in the report is down 4% and natural gas pricing is up 3%, so relatively flat overall compared to last year.

Proved Developed Producing ("PDP") Reserves

- 39 million boe (4% increase from 2023)
- Net present value before tax discounted at 10% ("NPV10") of \$501 million (1% decrease from 2023)
- Yangarra's PDP finding and development ("F&D") cost is \$11.28/boe resulting in a recycle ratio of 2.11 times
- PDP net asset value per fully diluted common share ("NAV per FD Share") of \$3.75
- PDP Reserve Life Index ("RLI") of 10.59 years
- PDP additions replaced 138% of 2024 production

Total Proved reserves ("1P")

- 84 million boe (13% decrease from 2023)
- NPV10 of \$1.1 billion (7% decrease from 2023)
- 1P future development costs of \$330 million, a \$91 million reduction from 2023
- Yangarra's 1P F&D cost is \$3.54/boe resulting in a recycle ratio of 6.74 times
- 1P NAV per FD Share of \$8.91
- RLI of 22.61 years

Proved plus probable reserves ("2P")

- 133 million boe (15% decrease from 2023)
- NPV10 of \$1.4 billion (10% decrease from 2023)
- 2P future development costs of \$495 million, a \$137 million reduction from 2023
- Yangarra's 2P F&D cost is \$4.04/boe resulting in a recycle ratio of 5.91 times
- 2P NAV per FD Share of \$12.43
- RLI of 35.61 years

Financial Summary

	2024		2023	Year Ended	
	Q4	Q3	Q4	2024	2023
Statements of Income and Comprehensive Income					
Petroleum & natural gas sales	\$ 30,961	\$ 26,260	\$ 33,651	\$ 133,364	\$ 166,516
Income before tax	\$ 2,833	\$ 5,149	\$ 16,106	\$ 32,588	\$ 63,179
Net income	\$ 3,884	\$ 3,964	\$ 12,435	\$ 26,228	\$ 46,664
Net income per share - basic	\$ 0.04	\$ 0.04	\$ 0.13	\$ 0.27	\$ 0.50
Net income per share - diluted	\$ 0.04	\$ 0.04	\$ 0.12	\$ 0.25	\$ 0.47
Statements of Cash Flow					
Funds flow from operations	\$ 16,210	\$ 13,718	\$ 17,552	\$ 75,599	\$ 99,024
Funds flow from operations per share - basic	\$ 0.16	\$ 0.14	\$ 0.19	\$ 0.77	\$ 1.06
Funds flow from operations per share - diluted	\$ 0.15	\$ 0.13	\$ 0.18	\$ 0.73	\$ 1.01
Cash flow from operating activities	\$ 15,293	\$ 14,306	\$ 16,798	\$ 71,037	\$ 99,033
Weighted average number of shares - basic	98,734	98,734	94,801	98,096	93,189
Weighted average number of shares - diluted	104,796	105,053	99,534	104,225	98,445

December 31, 2024December 31, 2023

Statements of Financial Position

Property and equipment	\$ 786,521	\$ 759,967
Total assets	\$ 860,383	\$ 835,217
Working capital surplus (deficit)	\$ 8,897	\$ (735)
Adjusted net debt	\$ 103,147	\$ 118,646
Shareholders equity	\$ 569,628	\$ 536,598

Company Netbacks (\$/boe)

	2024		2023		Year Ended
	Q4	Q3	Q4	2024	2023
Sales price	\$ 32.97	\$ 30.83	\$ 32.85	\$ 34.71	\$ 38.22
Royalty expense	(2.54)	(1.97)	(2.47)	(2.25)	(3.27)
Production costs	(5.38)	(6.98)	(6.70)	(6.30)	(6.69)
Transportation costs	(3.16)	(1.61)	(1.70)	(2.09)	(1.54)
Field operating netback	21.88	20.27	21.99	24.06	26.71
Realized gain (loss) on commodity contract settlement	(0.13)	0.35	(0.45)	(0.21)	0.02
Operating netback	21.75	20.62	21.54	23.84	26.73
G&A	(1.33)	(1.03)	(1.55)	(1.37)	(1.32)
Cash finance expenses	(3.19)	(3.41)	(2.90)	(2.94)	(2.84)
Depletion and depreciation	(9.84)	(9.03)	(9.16)	(9.24)	(9.05)
Non Cash - finance expenses	(0.74)	(0.09)	(0.31)	(0.35)	(0.12)
Abandonment Expenses	-	(0.11)	-	(0.02)	-
Gain on settlement of lawsuit	-	-	6.79	-	1.60
Stock-based compensation	(0.89)	(0.99)	(0.39)	(0.88)	(0.39)
Unrealized gain (loss) on financial instruments	(2.74)	0.08	1.71	(0.55)	(0.10)
Deferred income tax	1.12	(1.39)	(3.58)	(1.66)	(3.79)
Net income netback	\$ 4.13	\$ 4.65	\$ 12.14	\$ 6.83	\$ 10.72

Business Environment

	2024		2023	Year Ended	
	Q4	Q3	Q4	2024	2023
Realized Pricing (Including realized commodity contracts)					
Light Crude Oil (\$/bbl)	\$ 98.10	\$ 100.04	\$ 101.92	\$ 97.55	\$ 98.42
NGL (\$/bbl)	\$ 36.55	\$ 49.92	\$ 32.97	\$ 43.85	\$ 45.72
Natural Gas (\$/mcf)	\$ 1.65	\$ 0.91	\$ 2.36	\$ 1.58	\$ 2.79
Realized Pricing (Excluding commodity contracts)					
Light Crude Oil (\$/bbl)	\$ 99.70	\$ 101.61	\$ 103.51	\$ 99.25	\$ 99.11
NGL (\$/bbl)	\$ 36.55	\$ 49.92	\$ 32.96	\$ 43.85	\$ 44.58
Natural Gas (\$/mcf)	\$ 1.59	\$ 0.74	\$ 2.41	\$ 1.54	\$ 2.81
Oil Price Benchmarks					
West Texas Intermediate ("WTI") (US\$/bbl)	\$ 70.69	\$ 76.24	\$ 78.48	\$ 76.55	\$ 77.65
Edmonton Par (\$/bbl)	\$ 94.10	\$ 101.44	\$ 94.77	\$ 97.11	\$ 99.21
Edmonton Par to WTI differential (US\$/bbl)	\$ (3.43)	\$ (1.85)	\$ (8.35)	\$ (5.67)	\$ (4.24)
Natural Gas Price Benchmarks					
AECO gas (\$/mcf)	\$ 1.40	\$ 0.65	\$ 2.18	\$ 1.38	\$ 2.72
Foreign Exchange					
Canadian Dollar/U.S. Exchange	0.71	0.73	0.74	0.73	0.74

Operations Summary

Net petroleum and natural gas production, pricing and revenue are summarized below:

	2024		2023	Year Ended	
	Q4	Q3	Q4	2024	2023
Daily production volumes					
Natural Gas (mcf/d)	35,733	34,872	41,283	37,308	43,426
Light Crude Oil (bbl/d)	2,070	1,702	1,913	2,150	2,288
NGL's (bbl/d)	2,182	1,743	2,339	2,131	2,411
Combined (BOE/d 6:1)	10,207	9,257	11,133	10,500	11,936
Revenue					
Petroleum & natural gas sales	\$ 30,961	\$ 26,260	\$ 33,651	\$ 133,364	\$ 166,516
Realized gain (loss) on commodity contract settlement	(121)	297	(460)	(809)	88
Total sales	30,840	26,557	33,191	132,555	166,604
Royalty expense	(2,389)	(1,679)	(2,529)	(8,664)	(14,258)
Total Revenue - Net of royalties	\$ 28,451	\$ 24,878	\$ 30,662	\$ 123,891	\$ 152,346

Adjusted Net Debt Summary

The following table summarizes the change in adjusted net debt for the years ended December 31, 2024 and 2023:

	Year ended December 31, 2024	Year ended December 31, 2023
Adjusted net debt - beginning of period	\$ (118,646)	\$ (134,364)
Funds flow from operations	\$ 75,599	99,024
Additions to property and equipment	\$ (59,626)	(93,950)
Decommissioning costs incurred	\$ (527)	(488)
Additions to E&E Assets	\$ -	(353)
Issuance of shares	\$ 2,093	15,988
Lease obligation repayment	\$ (1,106)	(1,525)
Other	\$ (934)	(2,978)
Adjusted net debt - end of period	\$ (103,147)	\$ (118,646)
Credit facility limit	\$ 130,000	\$ 135,000
Capital Spending		

Capital spending is summarized as follows:

	2024		2023	Year Ended	
	Q4	Q3	Q4	2024	2023
Cash additions					
Land, acquisitions and lease rentals	\$ 110	\$ 65	\$ 72	\$ 323	\$ 564
Drilling and completion	17,034	13,196	14,670	49,773	76,477
Geological and geophysical	-	-	2	323	242
Equipment	2,494	2,361	947	8,051	14,975
Other asset additions	252	45	246	1,156	1,692
	\$ 19,890	\$ 15,667	\$ 15,937	\$ 59,626	\$ 93,950

Exploration & evaluation assets	\$ -	\$ -	\$ 89	\$ -	\$ 353
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Oil and Gas Reserves

The following tables summarize certain information contained in the 2024 Reserve Report. The 2024 Reserve Report encompasses 100% of Yangarra's oil and gas properties and was prepared in accordance with definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101") by Deloitte.

Summary of Oil and Gas Reserves ⁽¹⁾⁽²⁾
(Company Share Gross volumes based on forecast price and costs)

Reserves Category

	Light and Medium Oil	Natural Gas Liquids	Gas	Conventional Gas	Shale Gas	Total BOE 2024	Total BOE 2023
	(Mbbbl)	(Mbbbl)	(MMcf)	(MMcf)	(MMcf)	(Mboe)	(Mboe)
Proved Developed Producing	5,628	8,645	150,826	365		39,471	38,019
Proved Developed Non-Producing	39	86	1,410	0.0		360	428
Proved Undeveloped	10,237	8,672	152,940	0.0		44,399	58,348
Total Proved	15,903	17,402	305,176	365		84,229	96,796
Probable	9,670	9,862	173,284	135		48,435	58,898
Total Proved Plus Probable	25,573	27,264	478,460	500		132,664	155,694

Notes:

(1) Total values may not add due to rounding.

(2) BOEs are derived by converting gas to oil equivalent in the ratio of six thousand cubic feet of gas to one barrel of oil (6 Mcf:1 bbl).

Summary of Net Present Values of Future Net Revenue (Before Tax) ⁽¹⁾⁽⁴⁾
(Based on forecast price and costs)

	As At December 31, 2024 ⁽²⁾					As At December 31, 2023 ⁽³⁾
Reserves Category	0.0%	5.0%	10.0%	15.0%	20.0%	10.0%
	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)
Proved Developed Producing	987,067	659,948	500,859	408,092	347,471	504,078
Proved Developed Non-Producing	7,555	6,942	6,416	5,960	5,563	5,378
Proved Undeveloped	919,067	692,622	544,213	441,246	366,489	625,445
Total Proved	1,913,689	1,359,513	1,051,488	855,299	719,522	1,134,901
Probable	1,230,092	633,978	375,932	243,153	166,757	457,461
Total Proved Plus Probable	3,143,781	1,993,491	1,427,419	1,098,451	886,279	1,592,362

Notes:

- (1) Total values may not add due to rounding.
- (2) Forecast pricing used is based on Deloitte published price forecasts effective December 31, 2024.
- (3) Forecast pricing used is based on Deloitte published price forecasts effective December 31, 2023.
- (4) Cash flows are reduced for future abandonment costs and estimated capital for future development associated with the reserves.

Reserve Definitions:

- (a) "Proved" reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.
- (b) "Probable" reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.
- (c) "Developed" reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g. when compared to the cost of drilling a well) to put the reserves on production.
- (d) "Developed Producing" reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.
- (e) "Developed Non-Producing" reserves are those reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown.
- (f) "Undeveloped" reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must also meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned.

The following table sets out a reconciliation of the changes in the Corporation's reserves as at December 31, 2024 against such reserves at December 31, 2023 based on forecast prices and cost assumptions:

	Light and Medium Oil			Natural Gas Liquids		
	Gross Proved	Gross Probable	Gross Proved Plus Probable	Gross Proved	Gross Probable	Gross Proved Plus Probable
	(Mstb)	(Mstb)	(Mstb)	(Mstb)	(Mstb)	(Mstb)
Opening Balance	16,824	9,986	26,810	19,579	12,310	31,890
Production	-750	0	-750	-882	0	-882
Technical Revisions	-768	-764	-1,532	-1,525	-2,547	-4,072
Extensions	917	470	1,388	610	110	720
Economic Factors	-320	-22	-342	-380	-12	-392
Closing Balance	15,903	9,670	25,573	17,402	9,862	27,264

	Conventional Gas			Shale Gas		
	Gross	Gross	Gross	Gross	Gross	Gross
	Proved	Probable	Proved Plus	Proved	Probable	Proved Plus
			Probable			Probable
	(MMcf)	(MMcf)	(MMcf)	(Mboe)	(Mboe)	(Mboe)
Opening Balance	356,577	211,833	568,410	5,778	7,780	13,557
Production	-14,599	0	-14,599	-43	0	-43
Technical Revisions	-38,767	-39,970	-78,736	-5,368	-7,644	-13,012
Extensions	9,227	1,644	10,871	0	0	0
Economic Factors	-7,263	-223	-7,486	-3	0	-3
Closing Balance	305,176	173,284	478,460	365	135	500

	MBOE		
	Gross	Gross	Gross
	Proved	Probable	Proved Plus
			Probable
	(Mboe)	(Mboe)	(Mboe)
Opening Balance	96,796	58,898	155,694
Production	-4,072	0	-4,072
Technical Revisions	-9,649	-11,247	-20,896
Extensions	3,066	854	3,919
Economic Factors	-1,912	-71	-1,982
Closing Balance	84,229	48,435	132,664

Forecast Prices Used in Estimates

The forecast price and market forecasts prepared by Deloitte are based on information available from numerous government agencies, industry publication, oil refineries, natural gas marketers, and industry trends. The prices are Deloitte's best estimate of how the future will look, based on the many uncertainties that exist in both the domestic Canadian and international petroleum industries. Deloitte considers the current monthly trends, the actual and trends for the year to date, and the prior year actual in determining the forecast. The crude oil and natural gas forecasts are based on yearly variable factors weighted to higher percent in current data and reflecting a higher percent to the prior year historical. These forecasts are Deloitte's interpretation of current available information and while they are considered reasonable, changing market conditions or additional information may require alteration from the indicated effective date.

Inflation forecasts and exchange rates, an integral part of the forecast, have also been considered.

Price Inflation Rate Cost Inflation Rate Cdn to US Exchange Rate

2025	0.0 %	0.0 %	0.72
2026	2.0 %	2.0 %	0.74
2027	2.0 %	2.0 %	0.76
2028	2.0 %	2.0 %	0.80
2029 beyond	2.0 %	2.0 %	0.80

Oil, NGL, and natural gas base case prices, utilized by Deloitte in the Deloitte Reserve Report were as follows:

Year	Oil		Natural Gas		Natural Gas Liquids		
	WTI	Edmonton	Alberta	Alberta	Pentanes + Butanes	Propane	
	Cushing	City Gate	Reference - Gas	AECO - Gas	Condensate	Edmonton	Edmonton
	(Oklahoma)	40° API	Prices	Prices	Edmonton		
	(\$US/bbl)	(\$Cdn/bbl)	(\$Cdn/mcf)	(\$Cdn/mcf)	(\$Cdn/bbl)	(\$Cdn/bbl)	(\$Cdn/bbl)

Forecast

2025	70.00	91.65	2.15	2.30	91.65	41.25	27.50
2026	69.35	88.25	3.15	3.30	88.25	39.75	26.45
2027	70.75	89.00	3.50	3.65	89.00	40.05	26.70
2028	72.15	86.20	3.55	3.70	86.20	38.80	25.90
2029	73.60	87.95	3.65	3.80	87.95	39.55	26.40

Escalation of 2.0% Thereafter

Notes:

- All prices are in Canadian dollars except WTI which are in U.S. dollars.
 - Edmonton City Gate prices based on light sweet crude posted at major Canadian refineries (40 Deg. API <0.5% Sulphur).
 - Natural Gas Liquid prices are forecasted at Edmonton therefore an additional transportation cost must be included to plant gate sales point.
 - 1 Mcf is equivalent to 1 mmbtu.
 - Alberta gas prices, except AECO, include an average cost of service to the plant gate.
- Finding and Development Costs

Yangarra's F&D costs for 2024, 2023 and the five-year average are presented in the tables below. The costs used in the F&D calculation are the capital costs related to: land acquisition and retention; drilling; completions; tangible well site; tie-ins; and facilities, plus the change in estimated future development costs as per the independent reserve report. Acquisition costs are net of any proceeds from dispositions of properties. Due to the timing of capital costs and the subjectivity in the estimation of future costs, the aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserve additions for that year. The reserves used in this calculation are Company net reserve additions, including revisions.

Proved Developed Producing Finding & Development Costs (\$ millions)

	2024	2023
Capital expenditures	60	94
Reserve additions, net production (Mboe)	5,285	16,113
Proved Developed Producing F&D costs - including future capital (\$/boe)	11.28	5.85
Proved Recycle Ratio (\$23.84/boe annual operating netback)	2.11	4.57
Proved Finding & Development Costs (\$ millions)		

	2024	2023
Capital expenditures	60	94
Change in future capital	(91)	15
Total capital for F&D	(31)	109
Reserve additions, net production (Mboe)	(8,734)	14,618
Proved F&D costs - including future capital (\$/boe)	3.54	7.49
Proved F&D costs - excluding future capital (\$/boe)	N/A	6.45

Proved Recycle Ratio

Including future capital	6.74	3.57
Excluding future capital	N/A	4.14

Proved plus Probable Finding & Development Costs (\$ millions)

	2024	2023
Capital expenditures	60	94
Change in future capital	(137)	24
Total capital for F&D	(77)	118
Reserve additions, net production (Mboe)	(19,197)	15,216
Proved plus Probable F&D costs - including future capital (\$/boe)	4.04	7.74
Proved plus Probable F&D costs - excluding future capital (\$/boe)	N/A	6.20

Proved plus Probable Recycle Ratio

Including future capital	5.91	3.45
Excluding future capital	N/A	4.31

Net Asset Value ("NAV")

As at December 31, 2024	PDP	Total	Proved + Proved Probable
Present Value Reserves, before tax (discounted at 10%)	501	1,051	1,427
Total Net Debt (\$ million)	(103)	(103)	(103)
Proceeds from the exercise of options (2)	3	3	3
Net Asset Value	401	951	1327
Fully diluted common shares outstanding (million)	107	107	107
Net asset value per share	3.75	8.91	12.43

Notes to table:

- (1) The preceding table shows what is customarily referred to as a "produce out" net asset value calculation under which the current value of Yangarra's reserves would be produced at the Deloitte forecast future prices and costs. The value is a snapshot in time as at December 31, 2024 and is based on various assumptions including commodity prices and foreign exchange rates that vary over time. In this analysis, the present value of the proved and probable reserves is calculated at a before tax 10 percent discount rate.
 - (2) The calculation of proceeds from exercise of stock options and the diluted number of common shares outstanding only include stock options that are "in-the-money" based on the closing price of YGR of \$1.08 as at December 31, 2024.
 - (3) Net debt or adjusted working capital (deficit), which represent current assets less current liabilities, excluding current derivative financial instruments, are used to assess efficiency, liquidity and the general financial strength of the Company. There is no IFRS measure that is reasonably comparable to net debt or adjusted working capital (deficit).
- Annual General Meeting of Shareholders

The Company's Annual General Meeting of Shareholders is scheduled for 10:00 AM on Wednesday May 1, 2025 in the Tillyard Management Conference Centre, Main Floor, 715 5th Avenue SW, Calgary, AB.

Year End Disclosure

The Company's December 31, 2024 audited consolidated financial statements, management's discussion and analysis and annual information form have been filed on SEDAR+ (www.sedarplus.ca) and are available on the Company's website (www.yangarra.ca).

For further information, please contact James Evaskevich, President & CEO 403-262-9558.

Oil and Gas Advisories

Natural gas has been converted to a barrel of oil equivalent (boe) using 6,000 cubic feet (6 Mcf) of natural gas equal to one barrel of oil (6:1), unless otherwise stated. The boe conversion ratio of 6 Mcf to 1 Bbl is based on an energy equivalency conversion method and does not represent a value equivalency; therefore boes may be misleading if used in isolation. Figures that are presented on a boe basis herein are calculated as the total aggregate amount for the period divided by boe production volumes for the period. References to natural gas liquids ("NGLs") in this news release include condensate, propane, butane and ethane and one barrel of NGLs is considered to be equivalent to one barrel of crude oil equivalent (boe). One ("BCF") equals one billion cubic feet of natural gas. One ("Mmcf") equals one million cubic feet of natural gas.

This press release contains metrics commonly used in the oil and natural gas industry which have been prepared by management, such as "operating netback" and "operating margins". These terms do not have a

standardized meaning and may not be comparable to similar measures presented by other companies and, therefore, should not be used to make such comparisons. For additional information regarding netbacks and operating margins, see "Non-IFRS Financial Measures".

Management uses these oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare Yangarra's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from metrics presented in this press release, should not be relied upon for investment or other purposes.

Non-IFRS Financial Measures

This press release contains various specified financial measures that do not have standardized meanings as prescribed by International Financial Reporting Standards ("IFRS"). These reported amounts and their underlying calculations are not necessarily comparable or calculated in an identical manner to a similarly titled measure of other companies where similar terminology is used. Readers are cautioned that such financial measures should not be construed as alternatives to or more meaningful than the most directly comparable IFRS measures as indicators of the Company's performance. These measures have been described and presented in this press release in order to provide shareholders and potential investors with additional information regarding the Company's liquidity and its ability to generate funds to finance its operations and should not be considered in isolation.

Please refer to the management discussion and analysis for the year ended December 31, 2024, for further discussion on the Non-IFRS financial measures presented in this press release.

Funds flow from operations

Funds flow from operations ("FFO") should not be considered an alternative to, or more meaningful than, cash provided by operating, investing and financing activities or net income as determined in accordance with IFRS, as an indicator of Yangarra's performance or liquidity. Management uses FFO to analyze operating performance and leverage and considers FFO to be a key measure as it demonstrates the Company's ability to generate cash flow necessary to fund future capital investments and to repay debt, if applicable. FFO is calculated using cash flow from operating activities before changes in non-cash working capital and decommissioning costs incurred.

The following table reconciles FFO to cash flow from operating activities, which is the most directly comparable measure calculated in accordance with IFRS:

	2024		2023	Year Ended	
	Q4	Q3	Q4	2024	2023
Cash flow from operating activities	\$ 15,293	\$ 14,306	\$ 16,798	\$ 71,037	\$ 99,033
Decommissioning costs incurred	-	526	488	527	488
Changes in non-cash working capital	917	(1,114)	266	4,035	(497)
Funds flow from operations	\$ 16,210	\$ 13,718	\$ 17,552	\$ 75,599	\$ 99,024

Yangarra presents FFO per share whereby per share amounts are calculated using weighted average shares outstanding consistent with the calculation of net income per share.

Funds from operations netback is calculated on a per boe basis.

Adjusted EBITDA

Yangarra defines Adjusted EBITDA as earnings before interest, taxes, depletion and depreciation, which represents EBITDA, excluding changes in the fair value of commodity contracts. Management believes that Adjusted EBITDA is a useful measure, which provides an indication of the results generated by the Yangarra's primary business activities prior to consideration of how those activities are financed, amortized or taxed. The most directly comparable IFRS financial measure to Adjusted EBITDA is net income (loss). The following table provides a reconciliation of Adjusted EBITDA to net income (loss).

	2024		2023	Year Ended	
	Q4	Q3	Q4	2024	2023
Net income for the Period	\$ 3,884	\$ 3,964	\$ 12,435	\$ 26,228	\$ 46,664
Finance	3,693	2,980	3,293	12,657	12,898
Deferred tax expense	(1,051)	1,185	3,671	6,360	16,515
Depletion and depreciation	9,243	7,690	9,385	35,512	39,438
Change in fair value of commodity contracts	2,577	(67)	(1,755)	2,122	449
Adjusted EBITDA	\$ 18,346	\$ 15,752	\$ 20,072	\$ 82,879	\$ 109,007

Adjusted Net Debt

Yangarra defines Adjusted net debt as the sum of our existing credit facilities, trade and other payables, and trade receivables and prepaids. Yangarra uses Adjusted net debt to assess efficiency, liquidity and the general financial strength of the Company. The most directly comparable IFRS financial measure to Adjusted net debt is Bank Debt. The following table provides a calculation of adjusted net debt.

	Dec 31, 2024	Dec 31, 2023
Bank Debt	\$ 115,785	\$ 121,057
Accounts receivable	(28,878)	(30,092)
Prepaid expenses and inventory	(9,223)	(8,918)
Accounts payable and accrued liabilities	25,463	36,599
Adjusted net Debt	\$ 103,147	\$ 118,646

Adjusted net debt to fourth quarter annualized FFO

Adjusted net debt to fourth quarter annualized FFO is a non-GAAP financial ratio calculated as adjusted net debt divided by fourth quarter annualized FFO.

Netbacks

The Company considers corporate netbacks to be a key measure that demonstrates Yangarra's profitability

relative to current commodity prices. Corporate netbacks are comprised of operating, field operating, FFO and net income (loss) netbacks.

Yangarra calculates Field Operating netback as the average sales price of its commodities (including realized gains (losses) on financial instruments) less royalties, operating costs and transportation expenses. Operating netback starts with Field Operating netback and subtracts realized gains (losses) on financial instruments. FFO netback starts with the Operating netback and further deducts general and administrative costs, finance expense and adds finance income. To calculate the net income (loss) netback, Yangarra takes the Operating netback and deducts share-based compensation expense as well as depletion and depreciation charges, accretion expense, unrealized gains (losses) on financial instruments, any impairment or exploration and evaluation expense and deferred income taxes.

FFO margins and operating margins

FFO margins and operating margins are calculated as the ratio of FFO netbacks to sales price and operating netback to sales price, respectively.

Forward Looking Information

This press release contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to the Company's plans and other aspects of our anticipated future operations, management focus, strategies, financial, operating and production results and business opportunities. Forward-looking information typically uses words such as "anticipate", "believe", "continue", "sustain", "project", "expect", "forecast", "budget", "goal", "guidance", "plan", "objective", "strategy", "target", "intend" or similar words suggesting future outcomes, statements that actions, events or conditions "may", "would", "could" or "will" be taken or occur in the future, including, but not limited to, statements on potential completion techniques being considered. Statements relating to "reserves" are also deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future.

The forward-looking information is based on certain key expectations and assumptions made by our management, including expectations and assumptions concerning prevailing commodity prices, exchange rates, interest rates, applicable royalty rates and tax laws; future production rates and estimates of operating costs; performance of existing and future wells; reserve volumes; anticipated timing and results of capital expenditures; the success obtained in drilling new wells; the sufficiency of budgeted capital expenditures in carrying out planned activities; benefits to shareholders of our programs and initiatives, the timing, location and extent of future drilling operations; the state of the economy and the exploration and production business; results of operations; performance; business prospects and opportunities; the availability and cost of financing, labour and services; the impact of increasing competition; ability to efficiently integrate assets and employees acquired through acquisitions, ability to market oil and natural gas successfully and our ability to access capital.

Although we believe that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Yangarra can give no assurance that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature they involve inherent risks and uncertainties. Our actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that we will derive therefrom. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide security holders with a more complete perspective on our future operations and such information may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other factors that could affect our operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedarplus.com).

These forward-looking statements are made as of the date of this press release and we disclaim any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

All reference to \$ (funds) are in Canadian dollars.

Neither the TSX nor its Regulation Service Provider (as that term is defined in the Policies of the TSX) accepts responsibility for the adequacy and accuracy of this release.

SOURCE Yangarra Resources Ltd.

Contact

Suite 1530, 715 - 5 Avenue S.W. Calgary, Alberta T2P 2X6, Phone: (403) 262-9558, Fax: (403) 262-8281,
Webpage: www.yangarra.ca, Email: info@yangarra.ca

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