

# Compass Petroleum Ltd. Announces Closing of the Sale of Alberta Properties and Provides Operational Update

14.09.2011 | [Marketwired](#)

CALGARY, ALBERTA -- ([Marketwire](#) - Sept. 13, 2011) - [Compass Petroleum Ltd.](#) ("Compass" or the "Corporation") (TSX VENTURE: CPO) is pleased to announce that Compass Petroleum Partnership (the "Partnership") has closed the previously announced sale of its oil and natural gas assets in Alberta to a private company and an affiliate of that company for aggregate cash consideration of \$29.3 million, after giving effect to closing adjustments. The transaction had an effective date of July 1, 2011. With the sale of these assets, Compass no longer owns or operates, directly or indirectly, any oil or natural gas assets in the Province of Alberta and its exclusive focus is on its Viking light oil resource play in Saskatchewan.

## Operational Update

- Since the beginning of fiscal 2012 (July 1, 2011), Compass has drilled and cased 11 (10.1 net) successful Viking horizontal oil wells in the greater Dodslund area of west central Saskatchewan. 10 (9.1 net) of these wells were at Lucky Hills and one (1.0 net) was in the Elrose area. Of the 11 wells, seven (6.6 net) have been completed and four (3.5 net) are awaiting completion using multi-stage fracturing technology.

- The Corporation has completed the construction of a pipeline to a third party processing facility, which has the capacity to strip liquids from Viking solution gas. Gas sales from Viking production re-commenced on August 17, 2011.

- During the last week of August 2011, estimated sales from the Corporation's west central Saskatchewan properties totaled 801 boepd (78% oil), of which 760 boepd (77% oil) was Viking light oil.

- For the 12 month period ended June 30, 2011, unaudited field netbacks from Viking light oil production (including solution gas) averaged \$55.60 per boe – \$44.57 per boe if other west central Saskatchewan production is included. The overall corporate netback for the 12 month period ended June 30, 2011, including production from the Alberta assets that have been disposed of, was \$26.34 per boe. "Netback" is a non-GAAP term and is calculated, on a boe basis, by subtracting royalties, operating costs and transportation expenses from revenue (including processing revenue). Management considers netback to be a key measure of the Corporation's performance as it indicates the amount of funds generated by each boe produced.

- Construction of flow-lines from new Viking oil wells to two treating facilities at Lucky Hills has been ongoing. New flow lines have been constructed in an effort to conserve solution gas, improve field operating efficiencies and reduce trucking costs.

## Outlook

After giving effect to the sale of the Alberta assets, the Corporation has a net cash position of approximately \$15.8 million and no bank debt. The Corporation is currently focused on the development and exploitation of its Viking oil resource lands in west central Saskatchewan. The 2012 capital budget (\$50.7 million) previously approved by the Corporation is expected to be financed through a combination of working capital, bank debt and cash flow, and the Corporation has no current plans to raise new equity to support 2012 capital spending. The Corporation's credit facility is currently under review by the Corporation's principal lender.

As noted above, a successful Viking horizontal well has been cased at Elrose. This is the first of a two well farm-in commitment, under which the Corporation is entitled to earn rights in up to seven sections of land in the area. Compass has one drilling rig under contract which has been drilling on a continuous basis since the beginning of the fiscal 2012 year. The Corporation's fiscal 2012 capital budget consists of a 38 (37.1 net) well Viking drilling program which is estimated, if successful, to result in fiscal 2012 (12 months ending June 30, 2012) exit production in the range of 1,300–1,400 boepd (87% oil), all from west central Saskatchewan and essentially all Viking light oil production, and average production in the range of 1,100–1,200 boepd (87% oil) for fiscal 2012.

The Corporation also announced that it has granted options to acquire an aggregate of 1,040,000 common shares of the Corporation to certain officers, directors, employees and consultants, at an exercise price of \$1.45 per common share (being the closing price of the shares on the TSX Venture Exchange on September 9, 2011). Four of the five non-management directors of the Corporation were awarded options entitling them to acquire up to an aggregate of 225,000 common shares and five officers of the Corporation received options entitling them to purchase up to an aggregate of 505,000 common shares. All options were granted under the Corporation's share option plan.

## **READER ADVISORIES**

### **Barrels of Oil Equivalent (boe)**

The term "boe" means barrel of oil equivalent, with natural gas converted to a crude oil equivalent at a ratio of six thousand cubic feet to one barrel. Boe's may be misleading, particularly if used in isolation. A boe conversion ratio of six Mcf (six thousand cubic feet) to one bbl (one barrel) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

### **Advisory regarding Forward-Looking Statements**

This news release contains certain forward-looking information (referred to herein as "forward-looking statements") within the meaning of applicable Canadian securities laws. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "plan", "intend", "estimate", "expect", "may", "will", "should", or similar words suggesting future activities or outcomes. In particular, this news release contains forward-looking statements concerning: (1) the anticipated sources of financing for the Corporation 2012 capital budget; and (2) estimates of the Corporation's average and exit oil and natural gas production for the fiscal year ending June 30, 2012.

Forward-looking statements are based upon the opinions and expectations of management of the Corporation as at the effective date of such statements. Although the Corporation believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that those expectations will prove to have been correct. Forward-looking statements are subject to certain risks and uncertainties that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, such things as changes in general economic conditions in Canada, the United States and elsewhere, changes in operating conditions (including as a result of weather patterns), the volatility of prices for oil and natural gas and other commodities, commodity supply and demand, fluctuations in currency and interest rates, inherent risks associated with the exploration, development and production of oil and natural gas (including mechanical problems) and the timing, results and costs of exploration and development activities. Accordingly, readers should not place undue reliance upon the forward-looking statements contained in this news release and such forward-looking statements should not be interpreted or regarded as guarantees of future outcomes.

Forward-looking statements concerning the sources of financing for the Corporation's 2012 capital expenditure program are based upon various assumptions and factors including the continued ability of the Corporation to generate internal cash flow, the absence of material changes in economic and operating conditions, including, but not limited to, commodity prices, the ability of the Corporation to market oil and natural gas to current and new customers, the availability and cost of labour, materials and services, the ability to add production and reserves through acquisition, development and exploration activities, no material changes in (i) currency exchange rates, (ii) interest rates, (iii) the regulatory framework regarding oil and natural gas royalties, (iv) environmental legislation or (v) weather conditions, and the continued availability of the Corporation's credit facilities.

Forward-looking statements concerning the Corporation's estimated average and exit oil and natural gas production for the fiscal year ending June 30, 2012 are based upon various assumptions and factors including the Corporation's current production from its west central Saskatchewan properties, existing plans for the drilling and completion of wells for the balance of fiscal 2012, that the Corporation will drill and complete wells in accordance with its 2012 capital budget, the Corporation's historical success rate with wells drilled in west central Saskatchewan, the results of wells drilled by third parties in the vicinity of the Corporation's oil and gas properties in west central Saskatchewan (including production from those wells), that production from new wells drilled by Compass will be substantially consistent with wells previously drilled by Compass and others in the vicinity of such new wells, prices for oil and natural gas remaining at current levels or increasing above current levels, no adverse changes in royalties payable on oil or gas production, the Corporation's ability to economically produce oil and gas from its properties and the timing and costs of

such production, the accuracy of geological and geophysical data and the Corporation's interpretation of that data, the availability of materials, services, equipment and personnel in a timely manner and on commercial terms acceptable to the Corporation, favorable weather conditions (including access to well sites and leases), the ability of the Corporation to obtain all required regulatory approvals in a timely manner and on satisfactory terms and the ability of the Corporation to generate internal cash flow.

The forward-looking statements contained in this news release are made as of the date hereof and the Corporation does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, except as required by applicable Canadian securities law. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

### Contact Information

Compass Petroleum Ltd.  
Yook L. Mah  
President and CEO  
(403) 261-1911  
info@compasspetroleum.com

Compass Petroleum Ltd.  
Graham Barnes  
CFO  
(403) 261-1911  
info@compasspetroleum.com

---

Dieser Artikel stammt von [Rohstoff-Welt.de](https://www.rohstoff-welt.de)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/119321--Compass-Petroleum-Ltd.-Announces-Closing-of-the-Sale-of-Alberta-Properties-and-Provides-Operational-Update>

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 -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).