WestFire Energy Ltd. Provides First Quarter Operations Update

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First Quarter 2012 Exit Production Exceeds 11,000 boepd

WestFire Energy Ltd. ("WestFire" or the "Company") (TSX:WFE) is pleased to provide the following update on its operations for the first quarter of 2012.

HIGHLIGHTS

- First quarter exit production (field-estimated) in excess of 11,000 barrels of oil equivalent per day ("boepd");

- Drilled 57 (51.3 net) Viking horizontal wells in the first quarter with 100 percent success;

- First quarter Viking light oil average production of 4,073 boepd (93 percent oil) exiting the first quarter at 5,143 boepd;

- The Company's 'Modified Hot Frac' completion technique continues to generate enhanced Viking productivity;

- Active second quarter 2012 drilling program with two drilling rigs currently operating in the Viking; and

- Expanded Viking land position through acquisition of seven net sections in the Plato area, increasing the Company's total Viking land holdings to 244 undeveloped net sections prospective for horizontal drilling.

OPERATIONS UPDATE

WestFire exited the first quarter with field estimated production in excess of 11,000 boepd (70 percent oil and natural gas liquids) with an additional 17 (15.8 net) Viking horizontal oil wells awaiting completion. During the first quarter, WestFire's production averaged 8,900 boepd for an increase of 221 percent over the same period in the prior year, or a 62 percent increase per diluted share. First quarter production was adversely impacted by the unscheduled shut-down of the third-party operated KA gas plant facility at Kaybob South for a total of 28 days between February 27, 2012 and March 25, 2012. Without the shut-down of the KA plant, first quarter production would have averaged approximately 9,600 boepd.

In successfully executing its most active drilling quarter on record, the Company drilled 57 (51.3 net) Viking horizontal oil wells; 32 (30.8 net) at Redwater, 16 (16.0 net) at Plato and 9 (4.5 net) at Lucky Hills. Currently, WestFire has two drilling rigs operating with one rig operating at Redwater and one at Plato. These rigs are scheduled to drill 24 (21.9 net) Viking horizontal oil wells during the second quarter of 2012.

Redwater

At Redwater, Alberta, the Company's 'Modified Hot Frac' completion technique has delivered superior results with first quarter wells significantly outperforming previous wells in the area utilizing typical completion techniques in the area. Initial 30 day production rates from 12 of the Company's most recently completed 'Modified Hot Frac' operated wells have averaged 96 barrels of oil per day ("bbl/d") (oil only) which is resulting in well performance that is exceeding the production profile in WestFire's 2011 year end independent reserves report ("2011 Reserve Report"). One recent well has averaged 157 bbl/d (oil only) as compared to 49 bbl/d (oil only) for an adjacent well in the same quarter section, which was completed prior to the implementation of WestFire's 'Modifed Hot Frac' technique. The initial production rate from this adjacent infill well is the highest that WestFire has achieved in the Redwater area to date. These results reflect the marked improvement in completion technology that can be applied to WestFire's significant inventory of identified horizontal drilling locations in Redwater.

Plato

At Plato, Saskatchewan, the Company has realized better than anticipated results. Initial 30 day production rates from 12 of the Company's most recently completed operated wells have averaged 66 bbl/d (oil only) with one of these wells averaging 103 bbl/d (oil only). WestFire's recent success in Plato is also attributed to the application of the Company's 'Modified Hot Frac' completion technique which is resulting in well performance that is exceeding the production profile in WestFire's 2011 Reserve Report.

Initial production rates in both areas have been purposely constrained by the Company in order to maximize ultimate reserves recovery. Production graphs depicting these results are included in the Company's latest corporate presentation which has been made available on the Company's website at www.WestFireEnergy.com concurrent with this release.

General

The application of WestFire's internally developed 'Modified Hot Frac' technique in its operated areas of Redwater and Plato has resulted in marked improvements in production rates. The Company expects that application of this completion technique on the Company's extensive drilling inventory at Dodsland, Saskatchewan and Provost, Alberta, will generate similarly positive results when the Company's development activities are extended to these areas.

WestFire presently holds 244 undeveloped net sections of land on the Viking play containing in excess of 1,000 net risked (3,800 unrisked) identified horizontal oil development locations representing an eight year (risked) drilling inventory at the Company's current rate of activity.

The Company continues to maintain a strong financial position with excess borrowing capacity on its current $200 million bank line and healthy cash flows sufficient to fund the balance of its budgeted 2012 capital program. The Company has commenced its annual bank facility review and anticipates this process to conclude in late May.

STRATEGIC ALTERNATIVES UPDATE

As evidenced by continuing increases in corporate production and superior results using the Company's 'Modified Hot Frac' technique described in this news release, Management and the Board of Directors of WestFire continue to believe there is significant value in WestFire's Viking light oil resource play that is not currently reflected in the Company's share price. The Board of Directors has determined that the strategic alternatives process announced on December 19, 2011 is the preferred method of enhancing shareholder value.

Following the release of the Company's annual reserves update on March 20, 2012, WestFire has opened its confidential data room to assist interested parties in their evaluation of the Company. The Company has not established a definitive schedule for completion of its strategic alternatives process.

Consistent with WestFire's press release of December 19, 2011, the Company does not intend to disclose developments with respect to the process unless and until the Board of Directors has approved a specific transaction or otherwise determines that disclosure is appropriate.

ABOUT WESTFIRE

WestFire is a Calgary based energy company primarily focused on light oil development and production in Alberta and central Saskatchewan. Common shares of WestFire are listed on the Toronto Stock Exchange under the symbol WFE.

CAUTIONARY STATEMENTS

Forward-looking information and statements

This news release contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the forgoing, this news release contains forward-looking information and statements pertaining to the following: the number of wells to be drilled in the second quarter of 2012; the anticipated benefits to be derived from the Company's 'Modified Hot Fracing' completion technique; the number of potential (risked and unrisked) identified horizontal drilling locations; the total drilling inventory; future IP rates; the number of drilling rigs to be operated in 2012; anticipated production growth in 2012; disclosure intentions with respect to strategic alternative review process; the outcome of the Company's strategic alternatives process; the significant value in WestFire's Viking light oil resource play that is not currently reflected the Company's share price; and the volume and product mix of WestFire's oil and gas production.

In addition, forward-looking statements or information are based on a number of material factors, expectations or assumptions of WestFire which have been used to develop such statements and information but which may prove to be incorrect. Although WestFire believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because WestFire can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding, among other things: results from drilling and development activities consistent with past operations; the continued and timely development of infrastructure in areas of new production; continued availability of debt and equity financing and cash flow to fund WestFire's current and future plans and expenditures; the impact of increasing competition; the general stability of the economic and political environment in which WestFire operates; the timely receipt of any required regulatory approvals; the ability of WestFire to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects in which WestFire has an interest in to operate the field in a safe, efficient and effective manner; the ability of WestFire to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration; the timing and cost of pipeline, storage and facility construction and expansion and the ability of WestFire to secure adequate product transportation; future commodity prices; currency, exchange and interest rates; regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which WestFire operates; and the ability of WestFire to successfully market its oil and natural gas products.

The forward-looking information and statements included in this news release are not guarantees of future performance and should not be unduly relied upon. Such information and statement, including the assumptions made in respect thereof, involve known and unknown risks, uncertainties and other factors that may cause actual results or events to defer materially from those anticipated in such forward-looking information or statements including, without limitation: changes in commodity prices; changes in the demand for or supply of WestFire's products; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in development plans of WestFire or by third party operators of WestFire's properties, increased debt levels or debt service requirements; inaccurate estimation of WestFire's oil and gas reserve and resource volumes; limited, unfavourable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed from time-to-time in WestFire's public disclosure documents (including, without limitation, those risks identified in this news release and WestFire's Annual Information Form).

The forward-looking information and statements contained in this news release speak only as of the date of this news release, and WestFire does not assume any obligation to publicly update or revise any of the included forward-looking statements or information, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable securities laws.

Initial Production Rates

Initial production rates disclosed herein are based on 30 days of initial productions and are not necessarily indicative of long-term performance or ultimate recovery.

BOE Equivalent

Barrel of oil equivalents or 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. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

The Toronto Stock Exchange has neither approved nor disapproved the information contained herein.

Contact

WestFire Energy Ltd.
Lowell Jackson, President and CEO
(403) 718-3601
(403) 261-9658 (FAX)

WestFire Energy Ltd.
Jeff Holmgren, Vice President Finance and CFO
(403) 718-3603
(403) 261-9658 (FAX)
www.WestFireEnergy.com