

Charger Energy Corp. Announces 2012 Second Quarter Results, Updates Viking Oil Reserves and 2012 Capital Program

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Conversion of natural gas volumes to barrels of oil equivalent (boe) are at 6:1.

CALGARY, Aug. 28, 2012 - [Charger Energy Corp.](#) ("Charger", the "Company") (TSX VENTURE:CHX) announces its unaudited interim financial and operating results for the quarter ended June 30, 2012 and provides an operational update on its Viking light oil drilling activities in its Halkirk-Provost core area.

Charger has filed interim Financial Statements and Management's Discussion and Analysis on www.sedar.com and on the Company's website at www.chargerenergy.com.

Second Quarter 2012

The second quarter of 2012 is the first full quarter following the closing of the 4 company arrangement earlier this year, however it does not fully reflect the results of Charger's Viking light oil development program, specifically the results of the Company's first multi-well pad drilled at Neutral Hills which will be put on production during the third quarter.

- The Company successfully drilled and completed 4 horizontal Viking light oil wells during the quarter from a multi-well pad at Neutral Hills. These wells are currently producing at a combined rate in excess of 350 boe/d. In addition, Charger began construction of a 4,000 bbl/d multi-well battery and treating facility at Neutral Hills which will be completed in the third quarter. Current production at Neutral Hills is constrained while the new wells and facility are optimized;

- Second quarter production averaged 3,172 boe/d (34% oil and liquids);

- Capital spending totalled \$7.7 million during the second quarter of 2012 focused primarily on development of the Viking light oil play in the Halkirk-Provost core area;

- The Company closed two non-core property dispositions of approximately 80 boe/d for total proceeds of \$4 million;

- Funds flow from operations during the second quarter was \$1.5 million (\$0.02 per share) which reflects low natural gas prices but does not include the impact of recent drilling success at Neutral Hills; and

- The Company's senior lender has confirmed Charger's revolving credit facility at \$65 million, the Company was drawn \$52 million on the facility at the end of the second quarter;

Selected Financial & Operational Information

Three Months Ended June 30, Six Months Ended June 30,
(\$000 except per share amounts) 2012 2011 2012 2011

Financial

Petroleum and natural gas sales	9,595	123	13,527	123
Funds flow from (used in) operations(1)	1,473	(431)	1,930	(847)
Per share - basic and diluted	0.03	(0.02)	0.04	(0.04)
Net loss and comprehensive loss	(1,978)	(1,324)	(4,054)	(1,860)
Per share - basic and diluted	(0.03)	(0.08)	(0.08)	(0.12)
Capital expenditures	(7,747)	(6,919)	(18,550)	(7,808)
Dispositions	4,000	-	4,000	-
Bank debt	51,600	-	51,600	-
Working capital(deficiency)(2)	(4,944)	14,958	(4,944)	14,958
Operational Production				
Crude oil and liquids (bbls/d)	1,071	3	764	2
Natural gas (mcf/d)	12,608	268	8,398	135
Oil equivalent (boe/d)	3,172	48	2,164	25

(1) Funds flow from (used in) operations is calculated based on cash flow from operating activities before changes in non-cash working capital, transaction costs, and decommissioning expenditures.

(2) Working capital (deficiency) - excludes the current portion of financial derivative instruments.

Provost Viking Reserves Update

Charger's independent reserves evaluator GLJ Petroleum Consultants Ltd. ("GLJ") has provided, effective May 31, 2012, an evaluation of Charger's oil and natural gas reserves limited to the Company's Provost Viking oil properties. The evaluation, which reflects Charger's active Viking light oil development program, resulted in the following consolidated oil and natural gas reserves:

- Total company proved reserves increased to 10.6 MMboe (40% oil and liquids) with a net present value (discounted at 10%, before tax) of \$122 million;

- Total company proved plus probable reserves increased to 18.0 MMboe (42% oil and liquids) with a net present value (discounted at 10%, before tax) of \$197 million;

Further details regarding Charger's updated NI 51-101 reserves are available in a material change report which has been filed on www.sedar.com.

Outlook - Viking Activity, Capital Program and Guidance

Charger has completed development of its first multi-well pad at Neutral Hills with four wells currently producing at a combined rate in excess of 350 boe/d. To date in the third quarter of 2012, Charger drilled and completed 1 (0.9 net) additional Viking horizontal well at Brownstone which will be placed on production in early September.

Charger has also commissioned a new multi-well treating and storage facility at Neutral Hills. The construction cost of the facility is approximately \$1.8 million and provides 4,000 bbl/d of processing and treating capacity along with emulsion and crude oil storage. Charger is tying 6 Neutral Hills wells directly into the multi-well battery and intends to truck in produced oil from its other Viking wells throughout the Provost area. Moving forward, it is expected that the multi-well battery, once optimized, will reduce operating costs for Charger's Viking oil production by \$3 to \$5 per bbl and provide additional marketing flexibility.

The Company recently completed a review of its capital program in the context of lower natural gas prices. As a result, Charger has revised its 2012 capital program to approximately \$35 million (prior to dispositions), primarily concentrated on Viking light oil development in Charger's Halkirk-Provost core area. As a result of the revised capital forecast, 2012 exit production is expected to be between 3,300 boe/d and 3,600 boe/d (38% to 40% oil and liquids). Charger's full year 2012 average production is expected to average 2,700 to 3,000 boe/d, recognizing that the production from the business combination was not incorporated into Charger's results until March 6, 2012.

Charger expects to drill and complete up to 6 additional Viking oil wells at Neutral Hills, Consort and Halkirk prior to year end. This activity level is expected to provide meaningful growth in Charger's light oil production. The Company has identified approximately 100 sections (64,000 net acres) which are highly prospective for Viking light oil from its extensive land position in the Halkirk-Provost area. In addition, the Company plans to drill up to 2 wells in its Ghost Pine core area targeting light oil.

Charger's 2013 capital program will be determined later this year and will be based on forecasted cash flow, available credit facilities and may also contemplate the sale of certain non-core assets. The Company continues to evaluate strategic opportunities that would increase production and enhance cash flow. In addition, the Company is evaluating various debt and equity financing opportunities to accelerate Charger's capital program. Management will continue to prudently manage capital spending and financial resources in the best interest of shareholders.

Charger's strategy is to grow shareholder value by focusing primarily on acquiring, developing and producing light oil resource plays in Western Canada using horizontal drilling and multi-stage fracturing technology. The Company is pursuing a growth strategy focused on building a large undeveloped land base and drilling inventory through a combination of strategic acquisitions, farm-ins and crown land acquisitions.

About Charger Energy Corp.

Charger is a Calgary, Alberta based crude oil and natural gas company that trades on the TSX Venture Exchange under the symbol "CHX". The Company is committed to maximizing value for its shareholders through successful drilling of internally generated light oil prospects and by pursuing strategic property and corporate acquisitions with light oil potential using new completion technology. The Company has operated, high working interest, light oil and natural gas assets in the Halkirk-Provost and Ghost Pine areas of east central Alberta as well as the Peace River Arch area of north western Alberta.

Reader Advisory and Note Regarding Forward Looking Information

This news release contains forward looking statements and forward looking information within the meaning of applicable securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward looking statements or information. Forward looking statements and information are often, but not always, identified by the use of words such as "appear", "seek", "anticipate", "plan", "continue", "estimate", "approximate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "would" and similar expressions. More particularly and without limitation, this news release contains forward looking statements and information concerning the expected results of the Arrangement; the Company's petroleum and natural gas production and reserves; drilling opportunities; management team; business strategy; future development and growth opportunities; prospects; asset base; anticipated benefits from the Arrangement; value and debt levels; and capital programs. The forward looking statements and information are based on certain key expectations and assumptions made by the management of the Company, including expectations and assumptions concerning prevailing commodity prices and exchange rates, applicable royalty rates and tax laws; future well production rates and reserve volumes; the timing of receipt of regulatory approvals; the performance of existing wells; the success obtained in drilling new wells; the sufficiency of budgeted capital expenditures in carrying out planned activities; and the availability and cost of labour and services. Although management of the Company believes that the expectations and assumptions on which such forward looking statements and information are based are reasonable, undue reliance should not be placed on the forward looking statements and information since no assurance can be given that they will prove to be correct. Forward-looking information is provided for the purpose of providing information about the current expectations and plans of management of the Company relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes, such as making investment decisions. Since forward looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks.

These include, but are not limited to, the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to reserves, production, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations, marketing and transportation, loss of markets, environmental risks, competition, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, ability to access sufficient capital from internal and external sources, failure to obtain required regulatory and other approvals and changes in legislation, including but not limited to tax laws, royalties and environmental regulations. There are risks also inherent in the nature of the Arrangement, including failure to realize anticipated synergies or cost savings; risks regarding the integration of the four entities and incorrect assessments of the values of each entity. Accordingly, readers should not place undue reliance on the forward looking statements, timelines and information contained in this news release. Readers are cautioned that the foregoing list of factors is not exhaustive. The forward looking statements and information contained in this news release are made as of the date hereof and no undertaking is given to update publicly or revise any forward looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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.

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Contact

Charger Energy Corp.
Tom Buchanan, Chairman and CEO
(403) 457-1612
info@chargerenergy.com

Charger Energy Corp.
Dan O'Byrne, President
(403) 457-1612
info@chargerenergy.com

Charger Energy Corp.
Mark Walker, Vice President Finance and CFO
(403) 457-1612
info@chargerenergy.com

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