

Winstar Reports 2012 Revenue, Funds Flow, Net Income, as well as provides Operational and Strategic Alternative Process Update

13.03.2013 | [CNW](#)

CALGARY, March 13, 2013 - [Winstar Resources Ltd.](#) ("Winstar" or the "Company") (TSX: WIX) reports its operating and financial results for the fourth quarter and year ended December 31, 2012, plus an update on its operations.

During 2012, the Company preserved its strong balance sheet, and generated oil and gas revenue, funds flow and net earnings comparable to 2011 while continuing to generate strong field operating netbacks. The Company completed a \$15.5 million capital program, which resulted in the casing and initial testing of a deep exploration well in Southern Tunisia and the drilling and production testing of a new gas discovery in Romania. The 2012 capital program partially replaced production plus offset certain revisions, leaving Winstar's year end oil and gas reserves, reserve value and net asset value slightly down over 2011.

2012 Highlights.

- Oil and Gas Revenue: \$US 58.8 million down 4% year over year
- Funds from Continuing Operations: \$US 32.1 million down 11% year over year
- Net Earnings from Continuing Operations: \$US 4.7 million down 36% year over year
- After (all cash) Tax Operating Netback: \$70.84 per boe down 2% year over year
- Proved and Probable Reserves (2P): 11.2 million boe down 4% year over year
- 2P Net Asset Value After Tax at Discount 10%: \$US 6.14 per fully diluted share, down 2% year over year

Investor Conference Call

A conference call focused on discussing 2012 results will be held on March 14, 2013, Time: 8:00 a.m. Mountain daylight time (10:00 a.m. Eastern daylight time)
Dial-in: North American participants (toll free) 1-866-809-5793
Participants outside North America 1-416-849-5570

Shortly after the conclusion of the call, a replay will be available by dialing 1-866-244-4494 or 1-416-915-1028. The pass code is 685712. The replay will be available until November 16, 2013. Thereafter, a copy of the call can be accessed through a link on Winstar's website at www.winstar.ca.

2012 Operational and Financial Highlights from Continuing Operations

During Q4 2012 and for the 12 months of 2012, the Company generated the following operational and financial results:

- Oil and gas production during Q4 2012 was 1,171 boepd (sales of 1,329 boepd), which was 41% lower than the Q4 2011 of 1,995 boepd (sales 1,972 boepd).
- Oil and gas production during the year ended December 31, 2012 was 1,495 boepd (sales 1,501 boepd), which is a 9% decrease compared to the previous year's production of 1,650 boepd (sales 1,642 boepd);
- Funds from continuing operations during Q4 2012 were \$US 6.8 million (\$0.19 per share), a 39% decrease over Q4 2011, reflecting decreased production and a marginal reduction of after tax field operating netbacks;
- Funds from operations during 2012 were \$US 32.1 million (\$US 0.89 per share) compared with \$US 36.2 million during 2011;
- Net earnings from continuing operations was \$US 0.4 million during the fourth quarter of 2012 and \$US 4.7

million for the year of 2012, compared to a net earnings from continuing operations of \$US 2.3 million for the fourth quarter of 2011 and \$US 7.3 million for year ended December 31, 2011.

- After tax operating netback was \$68.76/boe for the fourth quarter of 2012 which is 4% lower than \$71.93/boe recorded in fourth quarter 2011 and \$70.84/boe for the year 2012 which is 2% lower than \$71.96/boe recorded last year.

Three months ended December 31, Year ended December 31,
2012 2011 % change 2012 2011 % change

Sales and prices

Oil and liquid sales (boepd) 1,021 1,494 (32) 1,113 1,208 (8)

Natural gas sales (mcf/d) 1,843 2,865 (36) 2,328 2,610 (11)

Average daily boe sales 6:1 (boepd) 1,329 1,972 (33) 1,501 1,642 (9)

Average oil and liquid price (\$/bbl) 110.63 108.17 2 113.10 110.96 2

Average natural gas price (\$/mcf) 15.30 14.75 4 14.98 12.97 15

Financial (US \$ thousands, except per unit amounts)

Petroleum and natural gas sales 12,990 18,757 (31) 58,838 61,248 (4)

Funds from continuing operations 6,819 11,084 (38) 32,103 36,236 (11)

Per share- basic & diluted 0.19 0.31 (39) 0.89 1.02 (13)

Net earnings from continuing operations 406 2,286 (82) 4,719 7,337 (36)

Per share- basic & diluted 0.01 0.06 (83) 0.13 0.21 (38)

Field operating netback after tax (\$/boe) 68.76 71.93 (4) 70.84 71.96 (2)

Capital expenditures 6,665 15,216 (56) 15,506 42,638 (64)

Working capital (deficit) at period end 10,285 (761) (1,452) 10,285 (761) (1,452)

Common shares (thousands)

Weighted average during period - basic 35,844 35,754 - 35,815 35,614 1

- diluted 35,909 35,850 - 35,880 35,700 1

Outstanding at period end 35,844 35,767 - 35,844 35,767 -

Production versus Sale

In Tunisia, oil sales are recognized when oil is loaded onto tankers. As a result, the Company's sales and production volumes may not be equal. During Q4 2012 and for the year ended December 31, 2012 sales volumes were greater than production reflecting the sale of crude oil inventory on hand at September 30, 2012 and December 31, 2011 respectively.

Three months ended December 31, Year ended December 31,

2012 2011 % Change 2012 2011 % Change

Total production 107,770 183,542 (41) 547,155 602,322 (9)

Boepd 1,171 1,995 1,495 1,650

Total sales 122,227 181,386 (33) 549,435 599,397 (8)

Boepd 1,329 1,972 1,501 1,642

Average production for the year was 1,495 barrels of oil equivalent per day (boepd), which comprised of approximately 388 boepd of natural gas, or 2,329 thousand cubic feet per day ("mcf/d") and approximately 1,107 barrels of liquid hydrocarbons per day (crude oil and condensate).

Production during 2012 was below expectations. Production was negatively impacted for all but the first quarter of 2012 due to several periods of labour unrest at all our Southern Tunisian concessions and with mechanical difficulties particularly at the Choueich Essaida concession.

Production

Year ended December 31, 2012 2011

Oil and liquid Natural gas Total Oil and liquid Natural gas Total
(bbl/d) (mcf/d) (boepd) (bbl/d) (mcf/d) (boepd)

Tunisia

Choueich Essaida/Ech Choueich 900 2,003 1,234 997 2,394 1,396

Sabria 138 326 192 141 216 177

Sanhrar 69 0 69 77 0 77

Total production 1,107 2,329 1,495 1,215 2,610 1,650

In 2012, Winstar's commodity mix was 26% natural gas and 74% crude oil which is consistent with 2011.

Tunisian natural gas sold for \$15.30/mcf or \$91.80/boe during Q4 2012 and averaged a realized sales price of \$14.98/mcf or \$89.88/boe during the year.

Reserves, Reserve Value and Net Asset Value

Winstar's 2012 reserves, reserve value and net asset value are slightly down compared to 2011. At year end, RPS Energy of Calgary ("RPS"), Winstar's independent engineers, estimated the Company's Proved and Probable Reserves (2P) at 11.2 million boe a decrease of 4% as compared to 11.7 million boe the previous year. The value of the Proved and Probable Reserves, using RPS's forecast of prices, inflation and exchange rate, after tax, discounted at 10% is \$209.6 million a decrease of 7% as compared to \$224.8 million in 2011.

It is of note that Choueche Essiada Silurian #10 (100% working interest) and Moftinu 1000 (up to a 60% working interest), are not included in the 2012 reserves evaluation, but will be assessed for the year 2013.

2012 2011

Proved	Proved + Probable	Proved	Proved + Probable
Reserves NPV(1)	Reserves NPV(1)	Reserves NPV(1)	Reserves NPV(1)
(mboe) (US\$MM)	(mboe) (US\$MM)	(mboe) (US\$MM)	(mboe) (US\$MM)
Sabria 1,601	22.7 5,965	75.5 1,229	19.5 5,967
Choueche Essiada 1,687	51.3 4,062	114.5 2,410	69.5 4,862
Ech Choueche 179	4.7 557	10.1 110	3.4 259
Sanhrar 143	3.1 287	5.9 165	4.3 263
Zinnia 71 (0.7)	372 3.7	77 (0.6)	394 3.9
Total	3,681 81.1	11,245 209.6	3,991 96.0
			11,745 224.8

(1) Net present value, after tax, discounted at 10% reported in US dollars.

Net Asset Value discounted at 10% (NAV10) After Tax

Net Asset Value discounted at 10% (NAV10) after tax decreased by 4% on a (1P) Proved Reserves basis from \$95.2 million at year end 2011 to \$91.2 million in 2012. After tax NAV10 based upon (2P) Proved and Probable Reserves depreciated by 2 %, from \$224.0 million in 2011 to \$220.0 million this year.

December 31, 2012 December 31, 2011

Proved	Proved + Probable	Proved	Proved + Probable
(US \$ millions, except per share amounts)	Reserves		
(mboe) NPV(1)			
(\$MM) Reserves			
(mboe) NPV(1)			
(\$MM) Reserves			
(mboe) NPV(1)			
(\$MM) Reserves			
(mboe) NPV(1)			
(\$MM)			
Reserve value(1)	3,681 81.1	11,245 209.6	3,991 96.0
Working Capital	10.3 10.3	(0.8) (0.8)	
Net asset value	91.4 219.9	95.2 224.0	
NAV10/share (basic & diluted)(2)	2.55 6.13	2.67 6.27	

(1) Net present value, after tax, discounted at 10%

(2) Fully Diluted: 2012 - 35.9 million; 2011 - 35.7 million

Winstar's 2012 Proved & Probable & Possible (3P) reserves estimated by RPS estimates Winstar was 23.5 million boe at year end 2012. The present value attributed to 3P reserves is \$348.9 million after tax discounted at 10%. Winstar reported 23.5 million boe of 3P reserves at year end 2011, with a present value attributed to 3P reserves is \$357.5 million after tax discounted at 10%

As at December 31,	2012	2011
Proved plus probable (2P) reserves (mboe)	11,245	11,745
After tax 2P reserve value discounted at 10% (\$US millions)	209.6	224.8
Proved plus probable plus possible (3P) reserves (mboe)	23,574	23,535
After tax 3P reserve value discounted at 10% (\$US millions)	348.9	357.5

Business Environment: Tunisia

During 2011, Tunisia experienced a period of political unrest and demonstrations that lead to the departure

of the former president after 23 years of power. This led to the elections of a Constituent Assembly, which is charged with the responsibility of drafting a new constitution and has appointed two successive new governments, which are intended to govern until a new constitution is ratified and further democratic elections can be held. The new constitution is expected to be adopted within the next six months and new elections, held there under, are expected by the second half of 2013.

Throughout these significant events, Winstar's day to day operations were largely unaffected prior Q2 2012, when the Company was subjected to three strikes totaling 11 days, including the shut-down of the producing facilities at the Choueche Essaida, Ech Choueche and Sanhrar concessions. These actions, lead by the local trade union, are not isolated to Winstar but have affected most of the social and economic sectors in Tunisia. The strikes essentially related to contract and trainee personnel demanding full time Winstar employee status. The Company successfully negotiated an agreement with its regional staff and related unions, but nevertheless has faced further labour disputes and production disruptions in the first quarter of 2013, during which production was suspended for a total of 26 days, including a shut-down period following a three day strike. During this time, further negotiations have lead to an agreeable resolution for all parties and through this ratified agreement and the establishment of mechanism for dispute resolutions, Winstar hopes to avoid further labour disputes and production disruptions.

Outlook

The Company's operations during the first quarter of 2013 remain focused on the restoration of production to full capacity and the testing of Choueche Essaida Silurian #10 ("CS Sil #10"), the results of which will be instrumental in determining future development and exploration plans for the Choueche Essaida concession. As previously announced, the Company plans to commence drilling of the Sabria #12 location during the second quarter of 2013 subject to final board approval and social and political stability in the region. Future exploration and development activities at the Sabria concession will be contingent on the results of this well.

The Company has entered into the second phase of its farm in agreement in Romania, which consists of the drilling of two exploration wells and the acquisition of 180 square kilometers of 3D seismic before May of 2015, to acquire a 60% interest in the Satu Mare concession. During 2013, the Company expects to drill one exploration well with the aid of 3D seismic acquired in 2012 and processed during 2013 and acquire 80 square kilometers of 3D seismic.

As reported originally on July 3, 2012, the Company has retained FirstEnergy Capital LLP to explore and evaluate potential strategic alternatives with a view to enhancing shareholder value. This process is ongoing.

Update

Winstar's production at its three 100% owned and operated southern concessions (Choueche Essaida, Ech Choueche and Sanhrar) was shut-down from January 16 to February 12, 2013 due to labour unrest and security concerns. These concessions represented 75% to 80% of the Company's total deliverability during January of 2013. The reopening of the Choueche Essaida and Ech Choueche concessions occurred without incident and production was restored as expected. Because of its location and related logistical issues, there continues to be no date set for resuming production at Winstar's Sanhrar concession, which produces approximately 80 boepd.

Following the resumption of production, the Company recommenced workover operations at Choueche Essaida #3 ("CS #3") and Choueche Essaida #11 ("CS #11"), which are expected to be completed by the end of March 2013. The company's current production is 1,400 boepd, and could reach between 1,750 to 1,850 boepd following the completion of workovers at CS#3 and CS #11. The 100% owned and operated CS Sil #10 is expected to begin production testing in March following the installation of a surface pump to hopefully establish oil production from the virgin or not invaded portion of the oil reservoir. This testing process may take several weeks, if not more to yield conclusive results.

Winstar's 2012 Special and General Annual Meeting

Shareholders are cordially invited to attend Winstar's Special and General Annual Meeting on May 9, 2013, at 3 PM (MDT), which will be held in the Centennial Place Conference Center, located at third floor 250 - 5TH Street SW SW, Calgary, Alberta, Canada.

BOE

References herein to boe mean barrels of oil equivalent derived by converting gas to oil in the ratio of 6,000

cubic feet (mcf) of gas to one barrel (bbl) of oil. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf: 1 bbl is based upon an energy conversion method primarily applicable at the burner tip and does not necessarily represent a value equivalency at the wellhead.

Non-GAAP Measures

Funds from operations are a non-GAAP measure, defined by the Company as cash flow from operating activities excluding:

- The change in non-cash working capital related to continuing and discontinued operations, which is eliminated to show the net cash effect on income;
- Geological and geophysical expenses from continuing and discontinued operations, which are costs incurred for the purpose of generating future investment opportunities and are therefore not indicative of operational performance; and
- Expenditures on asset retirement obligations and reclamation, which are also not indicative of operational performance.

The Company also presents:

- Funds from operations per share, whereby amounts per share are calculated using weighted average common shares outstanding.

Management uses funds from operations to analyze performance and considers it to be a key measure as they demonstrate the Company's ability to generate the cash necessary to fund future capital investments. Winstar's determination of funds from operations may not be comparable to that reported by other companies nor should it be viewed as an alternative to cash flow from operating activities, net earnings or other measures of financial performance calculated in accordance with IFRS.

Field operating netback is a non-GAAP measure defined by the Company as revenue, plus international royalty income less royalty, operating expense and current income tax. Management considers field operating netbacks an important measure as they demonstrate the Company's profitability from field operations, before general and administrative costs, relative to current commodity prices.

Forward-looking Statements

This press release contains certain forward-looking statements. These statements relate to future events or future performance of the Company. When used in this press release, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "predict", "seek", "propose", "expect", "potential", "continue", and similar expressions, are intended to identify forward-looking statements. 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. Such statements reflect the Company's current views with respect to certain events, and are subject to a number of risks, uncertainties and assumptions. Many factors could cause Winstar's actual results, performance, or achievements to materially differ from those described in this press release. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in other public disclosures made by the Company or this press release as intended, planned, anticipated, believed, estimated, or expected. Specific forward-looking statements in this press release include, among others, statements pertaining to the following: factors upon which Winstar will decide whether or not to undertake a specific course of action; and estimated volumes and timing of future production; business plans for drilling, exploration and development; and other expectations, beliefs, plans, goals, objectives, assumptions, information and statements about possible future events, conditions, results of operations or performance. The risks to which the Company is subject include those of the oil and gas industry in general, including operational risks in exploring for, developing and producing crude oil and natural gas; risks and uncertainties involving geology of oil and gas fields and deposits; volatility in global market prices for oil and natural gas; general economic conditions; competition; liabilities and risks, including environmental liability and risks inherent in oil and gas operations; uncertainties as to the availability and cost of financing and changes in capital markets; alternatives to and changing demand for petroleum products; and changes in legislation and the regulatory environment, including uncertainties with respect to the Kyoto Protocol. Furthermore, statements relating to "reserves" or "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources and reserves described can be produced profitably in the future. The forward-looking statements contained in this press release are expressly qualified in their entirety by this cautionary declaration. These

statements speak only as of the date of this press release. The Company does not intend and does not assume any obligation, to update these forward-looking statements to reflect new information, subsequent events or otherwise, except as required by law.

[Winstar Resources Ltd.](#) is a Calgary-based junior oil and gas company, which explores for, develops, produces and sells crude oil, natural gas liquids and natural gas in Tunisia and Romania. Winstar's common shares trade on The Toronto Stock Exchange under the symbol WIX.

Winstar's Audited Consolidated Financial Statements and Management Discussion and Analysis for the year ended December 31, 2012 can be obtained at www.winstar.ca.

For further information:

[Winstar Resources Ltd.](#)

Mr. Charles de Mestral, Chief Executive Officer

Phone: +41 22 361 14 45

E-mail: cdemestral@winstar-resources.ch

(Note: Mr. de Mestral is based in Europe, in a time zone which on is seven to eight hours ahead of Calgary time depending on daylight savings time)

Mr. David Monachello, President

Phone: +1 403 513 4200

E-mail : dmonachello@winstar.ca

Mr. Jerrad Blanchard, Chief Financial Officer

Phone : +1 403 513 4204

E-mail : jblanchard@winstar.ca

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/148168--Winstar-Reports-2012-Revenue-Funds-Flow-Net-Income-as-well-as-provides-Operational-and-Strategic-Alternative>

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 -1999-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).