

Bonavista Energy Corporation Announces 2013 Second Quarter Results

01.08.2013 | [Marketwired](#)

CALGARY, ALBERTA--(Marketwired - Aug 1, 2013) - [Bonavista Energy Corp.](#) (TSX:BNP) ("Bonavista") is pleased to report to shareholders its condensed consolidated interim financial and operating results for the three and six months ended June 30, 2013. The unaudited financial statements and notes, as well as management's discussion and analysis, are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at <http://www.sedar.com> and on Bonavista's website at www.bonavistaenergy.com.

Highlights	Three months			Six months		
	ended June 30, 2013	2012	% Change	ended June 30, 2013	2012	% Change
Financial						
(\$ thousands, except per share)						
Production revenues	244,940	193,826	26 %	472,433	420,860	12 %
Funds from operations ⁽¹⁾	123,074	81,726	51 %	233,082	186,361	25 %
Per share ^{(1) (2)}	0.63	0.49	29 %	1.19	1.11	7 %
Dividends declared ⁽³⁾	38,015	52,721	(28 %)	75,685	104,904	(28 %)
Per share	0.21	0.36	(42 %)	0.42	0.72	(42 %)
Net income	23,107	3,553	550 %	19,888	47,276	(58 %)
Per share ⁽⁴⁾	0.12	0.02	500 %	0.10	0.28	(64 %)
Adjusted net income (loss) ⁽⁵⁾	9,032	(10,015)	190 %	25,646	30,951	(17 %)
Per share ⁽⁴⁾	0.05	(0.06)	183 %	0.13	0.19	(32 %)
Total assets				4,192,157	3,877,344	8 %
Long-term debt, net of working capital				1,081,191	1,108,488	(2 %)
Long-term debt, net of adjusted working capital ⁽⁶⁾				1,073,180	1,121,314	(4 %)
Shareholders' equity				2,275,326	1,990,893	14 %
Capital expenditures:						
Exploration and development	103,493	81,039	28 %	219,295	234,833	(7 %)
Acquisitions, net of dispositions	(8,633)	(72,584)	88 %	27,335	(130,792)	121 %
Weighted average outstanding equivalent shares: (thousands)⁽⁴⁾						
Basic	195,995	167,767	17 %	195,451	167,219	17 %
Diluted	198,295	168,582	18 %	197,588	168,080	18 %
Operating						
(boe conversion - 6:1 basis)						
Production:						
Natural gas (mmcf/day)	271	254	7 %	272	253	8 %
Natural gas liquids (bbls/day)	15,212	13,689	11 %	14,980	14,156	6 %
Oil (bbls/day) ⁽⁷⁾	12,257	13,426	(9 %)	12,171	13,611	(11 %)
Total oil equivalent (boe/day)	72,554	69,506	4 %	72,444	69,854	4 %
Product prices:⁽⁸⁾						
Natural gas (\$/mcf)	3.64	2.18	67 %	3.45	2.28	51 %
Natural gas liquids (\$/bbl)	43.91	46.58	(6 %)	46.23	48.67	(5 %)
Oil (\$/bbl) ⁽⁷⁾	80.42	74.52	8 %	77.77	78.68	(1 %)
Operating expenses (\$/boe)	8.92	9.17	(3 %)	9.04	9.28	(3 %)
General and administrative expenses (\$/boe)	1.15	1.07	7 %	1.13	1.01	12 %
Cash costs (\$/boe) ⁽⁹⁾	12.98	13.47	(4 %)	13.11	13.46	(3 %)
Operating netback (\$/boe) ⁽¹⁰⁾	21.40	15.77	36 %	20.45	17.37	18 %

NOTES:

(1) Management uses funds from operations to analyze operating performance, dividend coverage and leverage. Funds from operations as presented does not have any standardized meaning prescribed by IFRS and therefore it may not be comparable with the calculations of similar measures for other entities. Funds from operations as presented is not intended to represent operating cash flow or operating profits for the period nor should it be viewed as an alternative to cash flow from operating activities, net income or other measures of financial performance calculated in accordance with IFRS. All references to funds from operations throughout this report are based on cash flow from operating activities before changes in non-cash working capital, decommissioning expenditures and interest expense. Funds from operations per share is calculated based on the weighted average number of shares outstanding consistent with the calculation of net income per share.

(2) Basic funds from operations per share calculations include exchangeable shares which are convertible into common shares on certain terms and conditions.

(3) Dividends declared includes both cash dividends and common shares issued pursuant to Bonavista's dividend reinvestment plan (DRIP) and Bonavista's stock dividend program (SDP). For the three months ended June 30, 2013 approximately 894,000 common shares were issued under the DRIP and SDP with an approximate value of \$13.0 million. For the six months ended June 30, 2013, approximately 2.2 million common shares were issued under the DRIP and SDP with an approximate value of \$30.3 million.

(4) Basic net income per share calculations include exchangeable shares which are convertible into common shares on certain terms and conditions.

(5) Amounts have been adjusted to exclude unrealized gains and losses on financial instrument commodity contracts.

(6) Amounts have been adjusted to exclude associated assets or liabilities from financial instrument commodity contracts.

(7) Oil includes light, medium and heavy oil.

(8) Product prices include realized gains and losses on financial instrument commodity contracts.

(9) Cash costs equal the total of operating, transportation, general and administrative, and financing expenses.

(10) Operating netback equals production revenues including realized gains and losses on financial instrument commodity contracts, less royalties, operating and transportation expenses, calculated on a boe basis.

Share Trading Statistics	Three months ended			
	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012
(\$ per share, except volume)				
High	16.77	15.18	18.85	19.14
Low	13.33	12.25	14.05	15.46
Close	13.65	14.94	14.82	17.44
Average Daily Volume - Shares	428,813	676,012	626,743	596,502

MESSAGE TO SHAREHOLDERS

Throughout the second quarter of 2013, we remained focused on our business plan to provide a combination of growth and income to our shareholders. We executed a successful development program that was highlighted by efficient production growth of 4% over the same period in 2012. In addition, dividends of \$0.21 per share for the quarter were paid providing an annualized dividend yield of approximately 6%.

The second quarter of 2013 once again was met with significant price volatility for natural gas, natural gas liquids and crude oil. In comparison to the same period in 2012, we experienced a 67% increase in our realized natural gas price, an 8% increase in our realized oil price and a decrease of 6% in our realized natural gas liquids price. This coupled with a solid production growth resulted in a 51% increase in funds from operations when compared to the second quarter of 2012.

Specific accomplishments for Bonavista in the second quarter of 2013 include:

- Increased production volumes to 72,554 boe per day representing a 4% increase over 69,506 boe per day in the second quarter of 2012. This growth rate was achieved despite scheduled and unscheduled plant turnarounds that impacted quarterly volumes by 950 boe per day. Current production is approximately 73,000 boe per day;
- Executed a successful exploration and development program, investing \$103.5 million, drilling 22 horizontal wells of which 11 were oil and 11 were liquids rich natural gas wells. By the end of the second quarter, 10 of these wells were on production with the remainder brought on production by August 1, 2013
- Improved our operating netbacks by 36% to \$21.40 per boe compared to \$15.77 per boe in the comparable period in 2012, due to a 15% increase in revenue per boe, net of realized gains (losses) on financial instrument commodity contracts, coupled with a 5% reduction per boe in our royalty, operating and transportation expenses;
- Managed our exposure to commodity price fluctuations resulting in approximately 50% of our forecasted natural gas production (net of royalties) hedged at an average floor price of \$3.00 per mcf and 41% of our forecasted oil and liquids production (net of royalties) hedged at an average floor price of \$88.22 per bbl for 2013. Additionally, we continued to extend our hedging activity into 2014 and 2015;
- Issued \$225 million of senior unsecured notes having a blended coupon rate of 3.78% and a weighted average term of 11.1 years. Proceeds of these notes were used to reduce a portion of Bonavista's bank debt, increasing our bank line availability to approximately \$800 million;
- Generated funds from operations of \$123.1 million (\$0.63 per share) for the three months ended June 30, 2013 an increase of 51% over the \$81.7 million (\$0.49 per share) generated in the same period in 2012;
- Declared \$38.0 million in dividends for the three months ended June 30, 2013; and
- Since 2003, when Bonavista introduced an income component to our total shareholder return, Bonavista has delivered cumulative dividends of approximately \$2.5 billion or \$26.61 per common share.

Accomplishments for Bonavista subsequent to the second quarter of 2013 include:

- Divested of 150 boe per day of non-core, oil weighted production for \$14.0 million with attractive metrics of \$93,333 per boe per day and resulting in year to date divestiture proceeds of \$65 million.

Second Quarter 2013 Operational Highlights

West Central Alberta Core Area

Hoadley Glauconite Liquids Rich Natural Gas:

Bonavista drilled 12 horizontal Glauconite wells in the second quarter, including 11 development wells at Wilson Creek and Willesden Green and one well at Strachan to further delineate the South West extent of the reservoir. To date we have completed all 12 wells, 10 of which are currently on stream with initial production results averaging approximately 560 boe per day per well in their first month of production. In a continued effort to optimize capital efficiencies in the play, Bonavista successfully drilled our first extended reach horizontal well in the second quarter of 2013. A horizontal section of 2,800 meters was completed including 24 fracture stimulations, with initial results exceeding our expectations. This well is currently on production and is expected to average approximately 1,300 boe per day in its first month of production. Given the success of our initial extended reach well, we will continue to apply this technique selectively throughout the second half of 2013. The use of this technique is expected to ultimately result in improved capital efficiencies throughout the Hoadley trend.

Bonavista continues to be an industry leader in the development of the Hoadley Glauconite trend having drilled approximately 170 horizontal wells since entering the play in 2008. With an active land acquisition

program and continued down-spacing initiatives, we have increased our inventory to approximately 400 locations in the play and have consistently increased our expectations of recoverable reserves per well.

The single well economics of our Hoadley development program rank at the top of our development opportunities, with an average rate of return of 50% in the current commodity price environment. Since having depressed natural gas prices moderate our pace of development in 2012, we have re-focused our efforts on the play in 2013, budgeting to drill approximately 40 horizontal wells.

Cardium Light Oil:

Bonavista participated in drilling two horizontal Cardium wells in the second quarter. Both wells were drilled at Strachan which is considered an emerging Cardium development area for Bonavista. Initial production test results are encouraging and we will be monitoring production performance over the next few months in anticipation of further development in 2014.

An active and successful Cardium program throughout the first half of 2013, consisting of 13 horizontal wells has resulted in record Cardium oil production of approximately 6,000 boe per day in the second quarter, representing a 40% increase since the beginning of the year.

We have drilled approximately 100 horizontal Cardium wells since 2009, while maintaining an inventory level of 140 locations as we delineate our land base and gain a greater understanding of this reservoir in several emerging areas. Bonavista's current inventory of Cardium locations represents a profitable, multi-year development opportunity with single well economics generating an average 40% rate of return.

Bonavista plans to drill an additional 10 to 12 horizontal wells in the second half of 2013, including four to six wells in the emerging Lochend area. We remain encouraged by the production results on offsetting acreage in the Lochend area as we further delineate this exciting opportunity.

Ellerslie Liquids Rich Natural Gas:

Bonavista drilled one horizontal Ellerslie well in the second quarter at Garrington which was recently placed on production at a restricted rate of 700 boe per day, 50% of which is oil and natural gas liquids. We anticipate an active Ellerslie program in the third quarter of 2013 with four horizontal wells planned.

We continued to modify our drilling techniques in the second quarter as we advance the Ellerslie play towards commercial development. Single well economics, with an estimated 35% rate of return, are supported by a strong natural gas liquids yield of approximately 100 bbls per mmcf of which approximately 20% is condensate production.

At this early stage of development, we have identified 80 horizontal locations on our land base of approximately 100 sections. We plan to drill between four to six horizontal wells in 2013 and are optimistic about the future development of this large, regional resource play.

Deep Basin Core Area

We are excited about our Deep Basin program in the second half of 2013 with two rigs scheduled to commence activity in August. We are planning to drill up to six horizontal Wilrich wells, two Bluesky wells and two Rock Creek wells.

Production performance of our first quarter activity has been strong with our three Bluesky wells averaging 520 boe per day per well in their first three months of production. Furthermore, our Edson Wilrich well drilled in the first quarter has performed strongly in the first month of production at a restricted rate of 5.7 mmcf per day of natural gas plus 82 bbls per day of natural gas liquids, 25% of which is condensate.

Bonavista's Deep basin core area has increased in scale and relevance over the past two years as we have

assembled a land base of approximately 210,000 net acres and licensed natural gas processing capacity of 230 mmcf per day. This core area is currently producing approximately 13,000 boe per day with a prospect inventory of approximately 200 horizontal locations. The expanded scale of our Deep Basin core area enables larger drilling programs and improving capital efficiencies. Furthermore, our consolidation activity and facility optimization efforts over the past couple of years have enabled a 14% reduction in area operating costs to approximately \$6.00 per boe since the beginning of 2013.

Additional Emerging Opportunities

Bonavista drilled six horizontal Viking oil wells at Provost in the second quarter of 2013. Initial production test results are encouraging with the first four wells supporting our type curve expectations for average first month production of 70 boe per day. We have experienced modest drilling and completion cost improvements and look forward to continued success as we drill 10 additional Viking horizontal wells in the third quarter.

Subsequent to the second quarter, Bonavista drilled and is currently completing a horizontal well at Blueberry in northeast British Columbia targeting liquids rich natural gas in the Montney formation. Industry activity in the Montney formation remains robust in this area providing incremental delineation of the resource surrounding our land base and a greater understanding of the technology being applied to optimize the recovery of this resource. Bonavista's 55 net section land base is uniquely positioned having an attractive natural gas liquids yield of approximately 150 bbls per mmcf. We plan to further delineate this prospect throughout 2014 and in future years, proceed with a larger scale development program.

Supplementing our Montney and Viking activity, Bonavista's technical teams continue to evaluate numerous resource opportunities with a focus on light oil and liquids rich natural gas formations.

Strengths of [Bonavista Energy Corporation](#)

Throughout our 16 year history, with an initial restructuring in 1997 to create a high growth junior exploration company, the energy trust phase between July 2003 and December 2010, and now operating as a dividend paying corporation, Bonavista has remained committed to the same strategies that have resulted in our tremendous success over this period. We have steadily improved the quality of our projects and maintained a high level of investment activity on our asset base, increasing production by approximately 110% since converting to an energy trust in July 2003 and a further 10% since converting back to a corporation at the end of 2010. These results stem from the operational, technical and financial expertise of our people with their entrepreneurial approach to generating low risk, highly profitable projects within the Western Canadian Sedimentary Basin. Our experienced technical teams have a solid understanding of our assets as they exercise the discipline and commitment required to deliver long-term value to our shareholders. We actively participate in undeveloped land acquisitions, property purchases and farm-in opportunities, which have all enhanced the quality and quantity of our extensive drilling inventory. These activities have led to low cost reserve additions, and a predictable production base that continues to grow at a steady pace. Our production base is currently 63% weighted towards natural gas and is geographically focused within select, multi-zone regions primarily in Alberta and British Columbia. The low cost structure of our asset base ensures positive operating netbacks in most operating environments. Furthermore, our assets are predominantly operated by Bonavista, providing control over the pace of operations and optimum influence over our operating and capital cost efficiencies.

Our team brings a successful track record of executing low to medium risk development programs, including both asset and corporate acquisitions, along with sound financial management. Our Board of Directors and management team possess extensive experience in the oil and natural gas business. They have successfully guided our organization through many different economic cycles utilizing a proven strategy consisting of disciplined cost controls and prudent financial management. Directors, management and employees also own approximately 13% of the equity of Bonavista, resulting in the alignment of interests with all shareholders.

Outlook

As we proceed into the second half of 2013, Bonavista remains committed to maximizing long term shareholder returns through a balance of growth and income. A moderation in seasonal cooling demand coupled with strong production levels in North America caused natural gas price weakness in June which

has continued since the end of the second quarter. Bonavista's disciplined financial management together with our hedging program for natural gas revenues will assist in withstanding this recent softening in natural gas prices. While the Canadian energy sector continues to experience volatile commodity prices, Bonavista will continue to pursue low cost, repeatable growth opportunities, maintain a disciplined philosophy with commodity hedging and demonstrate conservative financial management throughout our entire business. This strategy provides us the confidence and ability to remain active throughout the balance of 2013.

Bonavista expects to spend approximately \$430 million in 2013, drilling approximately 120 wells within our core areas. We expect this capital program to increase average 2013 production by approximately 6% over 2012 to 73,500 boe per day. In an effort to position Bonavista's asset portfolio for long term success, we will continue to advance the organic development of our key resource plays while pursuing acquisition and divestiture opportunities as they present themselves.

We would like to thank our employees for their commitment to Bonavista's long term vision and our shareholders for their support as we navigate the ever changing business environment. We are confident that our business model and operational strategies are appropriate in the current environment and we look forward to delivering on our objectives in the months and years to come. Our team is very committed to this vision.

FORWARD LOOKING INFORMATION

Corporate information provided herein contains forward-looking information. The reader is cautioned that assumptions used in the preparation of such information, particularly those pertaining to cash dividends, production volumes, commodity prices, operating costs and drilling results, which are considered reasonable by Bonavista at the time of preparation, may be proven to be incorrect. Actual results achieved during the forecast period will vary from the information provided herein and the variations may be material. There is no representation by Bonavista that actual results achieved during the forecast period will be the same in whole or in part as those forecast.

Bonavista is a mid-sized energy corporation committed to maintaining its emphasis on operating high quality oil and natural gas properties, providing moderate growth and delivering consistent dividends to its shareholders and ensuring financial strength and sustainability.

Contact

Keith A. MacPhail
Executive Chairman
(403) 213-4300
Jason E. Skehar
President & CEO
(403) 213-4300
Glenn A. Hamilton
Senior Vice President & CFO
(403) 213-4300
[Bonavista Energy Corp.](http://www.bonavistaenergy.com)
1500, 525 - 8th Avenue SW
Calgary, AB T2P 1G1
www.bonavistaenergy.com

Dieser Artikel stammt von Rohstoff-Welt.de

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/153856--Bonavista-Energy-Corporation-Announces-2013-Second-Quarter-Results.html>

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](#).