

# Santonia Announces 2012 Reserve Summary and Year End Results

04.03.2013 | [Marketwired](#)

CALGARY, ALBERTA -- (Marketwire - March 4, 2013) - [Santonia](#) (TSX:STE) is pleased to provide this summary of its financial and operating results for the 2012 year. A complete copy of the Company's consolidated financial statements for the years ended December 31, 2012 and 2011, along with management's discussion and analysis in respect thereof will be filed on SEDAR and is available on the Company's website at [www.santoniaenergy.com](http://www.santoniaenergy.com). Complete reserve disclosure as required under National Instrument 51-101 will be included in the Company's Annual Information Form which will be filed on SEDAR by March 31, 2013.

## HIGHLIGHTS

Financial (\$thousands, except per share amounts)		2012	2011	
Petroleum and natural gas revenue		110,530		205,700
Funds generated from operations (1)		45,442		115,000
Per share - basic	\$ 0.44	\$	1.13	
Per share - diluted	\$ 0.44	\$	1.13	
Loss (2)	(185,116)	(74,264)		
Per share - basic	\$ (1.80)	\$	(0.72)	
Per share - diluted	\$ (1.80)	\$	(0.72)	
Exploration and development expenditures		63,843		
Proceeds from the sale of petroleum and natural gas properties				272,201
Working capital deficit	6,885		32,767	
Bank indebtedness	10,103		228,341	
Operations				
Average production				
Natural gas (Mcf per day)	58,987			69,249
Crude oil (bbls per day)	1,243			2,322
Natural gas liquids (bbls per day)		776		
Sulphur (tonnes per day) (3)	30			57
Total (BOE per day)	11,880			14,781
Proved and probable reserves				
Natural gas (Bcf)	110.0		303.9	
Crude oil (Mbbbls)	2,153		6,457	
Natural gas liquids (Mbbbls)		4,790		6,959
BOE (MBOE)	25,269		64,065	
Netback per BOE (\$ per BOE)				
Petroleum and natural gas sales (4)		25.43		
Royalties	(2.16)	(3.83)		
Operating expenses	(7.69)	(8.77)		
Transportation	(1.03)	(1.09)		
Operating netback	14.55		24.19	
Wells drilled (gross)	15		54	
Undeveloped land (net acres)	132,056			219,032

(1) The calculation of funds generated from operations for the year ended December 31, 2012 excludes \$8.1 million (2011 - \$14.2 million) of interest expense which is classified as finance expense.

(2) Included in the loss is an after tax impairment loss of \$153.2 million for the year ended December 31, 2012 (2011 - \$110.0 million).

(3) A BOE conversion ratio has been calculated using a conversion rate of one tonne of sulphur to one barrel.

(4) Excludes the change in fair value of derivatives.

## **2012 FINANCIAL AND OPERATING HIGHLIGHTS**

- 2012 was a year of change for Santonia; completing a corporate restructuring which included selling over two-thirds of its producing properties; reducing net debt by \$244.1 million year over year; and significantly reducing future administrative costs through staff reductions, office space consolidation and other cost reduction initiatives;
- Average 2012 production of 11,880 BOE per day (2011 - 14,781 BOE per day) reflected property dispositions completed in the year;
- Funds generated from operations for the year were \$45.4 million (\$0.44 per share) before interest and after \$5.1 million of restructuring costs ("normalized" funds generated from operations were \$42.5 million; excluding \$5.1 million restructuring costs and deducting \$8.1 million of interest expense);
- Operating costs of \$7.69 per BOE were 12% lower than the prior year as a result of disposition properties having operating costs in excess of corporate averages;
- Property dispositions throughout the year generated \$272.2 million of proceeds, facilitating the corporate restructuring and reducing outstanding bank debt to \$10.1 million at the end of 2012.

## **Fourth Quarter 2012 Highlights**

- Fourth quarter average production was 4,923 BOE per day from retained properties with property dispositions closing on October 1, 2012;
- Fourth quarter funds generated from operations was \$3.9 million including \$4.8 million of additional general and administrative expenses related to corporate restructuring and severance costs ("normalized" funds generated from operations before restructuring costs but after interest expense was \$8.3 million);
- Operating costs of \$9.12 per BOE contributed to an operating netback of approximately \$24.00 per BOE for the fourth quarter of 2012;
- Capital spending in the fourth quarter was \$8.6 million, including \$6.0 million for drilling and completing two (1.0 net) wells and \$1.3 million for well equipment and facilities.

## **2012 Year End Reserves**

- Santonia's year end proved producing reserves were 11.3 MMBOE; total proved reserves were 16.9 MMBOE and proved plus probable reserves totaled 25.3 MMBOE;
- Proved developed producing reserves represent 67% of proved reserves on a volume basis;
- Net asset value of \$2.90 per share, utilizing proved plus probable reserves (10% discount rate) at December 31, 2012;
- Net asset value of \$1.66 per share, utilizing proved producing reserves (10% discount rate) at December 31, 2012;
- Santonia replaced 101% of production from continuing properties on a proved basis and 131% of production on a proved plus probable basis;
- 73% of proved reserves and 76% of proved plus probable reserves are located on the Company's core Harlech property;
- As a result of significant property dispositions throughout 2012, capital efficiency metrics such as finding and development costs and reserve replacement ratios are not representative and have not been presented.

## **SUMMARY OF RESERVES**

The Company's independent engineering evaluation, effective December 31, 2012, was prepared by the independent engineering firm of GLJ Petroleum Consultants Ltd. ("GLJ") in accordance with the definitions set out under National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). Additional reserve disclosure required under NI 51-101 will be included in the Company's Annual Information

Form which will be filed on SEDAR by March 31, 2013.

### Summary of Oil and Gas Reserves - Working Interest(1)Reserves (Forecast Prices)

	Crude Oil (Mbbbls)	Natural Gas (MMcf)	Natural Gas Liquids (Mbbbls)	Oil Equivalent (MBOE)
Proved reserves				
Developed producing	973	51,695	1,756	11,345
Developed non-producing	195	1,202	71	467
Undeveloped	238	21,575	1,251	5,085
Total proved	1,406	74,472	3,079	16,897
Probable	746	35,487	1,711	8,372
Total proved plus probable	2,153	109,959	4,790	25,269

NOTE: May not add due to rounding.

(1) "Working interest" reserves means Santonia's working interest (operating and non-operating) share before deduction of royalties payable to others and without including any royalty interest of Santonia.

### Net Present Value of Future Net Revenue, before income taxes(4)at December 31, 2012(1)(2)(3)

(\$thousands)	Undiscounted	5%	Discounted at:		
			10%	15%	20%
Proved reserves					
Developed producing	277,995	204,339	162,962	136,597	118,337
Developed non-producing	16,844	12,418	9,512	7,508	6,072
Undeveloped	117,601	67,945	41,491	25,830	15,849
Total proved	412,440	284,702	213,964	169,936	140,258
Probable	237,901	125,460	76,886	51,289	36,000
Total proved plus probable	650,341	410,162	290,850	221,224	176,258

NOTE: May not add due to rounding.

(1) Utilizing GLJ January 1, 2013 price forecast.

(2) As required by NI 51-101, undiscounted well abandonment costs of \$5.9 million for total proved reserves and \$7.7 million for total proved plus probable reserves are included in the net present value determination.

(3) Prior to provision of income taxes, interest, debt service charges and general and administrative expenses. It should not be assumed that the undiscounted and discounted future net revenues estimated by GLJ represent the fair market value of the reserves.

(4) Net present value after income taxes for total proved reserves is \$209.2 million and for total proved plus probable reserves is \$269.4 million based on a discount factor of 10%.

### NET ASSET VALUE

#### Forecast Prices - December 31, 2012

(\$thousands except as noted)	Discounted at:		
	5%	10%	15%
Net present value of future net revenue, discounted, before tax (1),(2)	\$ 410,162	\$ 290,850	\$ 221,224
Undeveloped land (3)	24,000	24,000	24,000
Long term debt, net of working capital	(16,988)	(16,988)	(16,988)
Net asset value	\$ 417,174	\$ 297,862	\$ 228,236
Diluted common shares outstanding(4)	102,594	102,594	102,594
Net asset value per share	\$ 4.07	\$ 2.90	\$ 2.22

(1) The net present value of the future net revenue for proved plus probable reserves was determined by GLJ in their December 31, 2012 evaluation report.

(2) It should not be assumed that the discounted future net revenues estimated by GLJ represent the fair

*market value of the reserves.*

*(3) Undeveloped land at December 31, 2012 was based on an internal evaluation of approximately \$182 per acre.*

*(4) Diluted common shares includes 102.6 million common shares outstanding at December 31, 2012, and excludes 1.7 million stock options which have been excluded as they are out of the money based on prevailing market prices.*

## **OUTLOOK**

Santonia looks forward to a successful year in 2013 focused on realizing value for its shareholders. With the conclusion of the strategic review process in 2012, the Company moves forward with the ability to focus on an exciting inventory of opportunities on its Harlech property while maintaining much needed financial flexibility with a minimal debt position.

Santonia is a crude oil and natural gas exploration, development and production company headquartered in Calgary, Alberta, Canada. Santonia's shares trade on the Toronto Stock Exchange under the symbol "STE".

## **FORWARD-LOOKING STATEMENTS**

Certain information set forth in this press release, contain forward-looking statements including management's assessment of future plans and operations, drilling plans, expected activity levels, and expected timing of filing of the Annual Information Form. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Santonia's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, delays resulting from or the inability to obtain required regulatory approvals, inability to retain and delays in retaining drilling rigs and other services, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions and ability to access sufficient capital from internal and external sources. The foregoing list is not exhaustive. Additional information on these and other risks that could affect Santonia's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)), or at Santonia's website ([www.santoniaenergy.com](http://www.santoniaenergy.com)). Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The actual results, performance or achievement of Santonia could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Santonia will derive therefrom. Santonia disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

## **BARRELS OF OIL EQUIVALENCY**

Natural gas volumes are converted to barrels of oil equivalent (BOE) on the basis of 6,000 cubic feet (Mcf) of gas for 1 barrel (Bbl) of oil. The term "barrels of oil equivalent" may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf to 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. Given that the value ratio based on the current price of crude oil as compared to natural gas 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.

## **NON-GAAP AND ADDITIONAL GAAP MEASURES:**

This document contains funds generated from operations which is an additional GAAP measure presented in the consolidated financial statements. The Company uses funds generated from operations as a key measure to demonstrate the Company's ability to generate funds to repay debt and fund future capital investment. This document contains the terms "funds generated from operations per share", "cash flow from operations per share", "net debt" and "netbacks" which are non-GAAP financial measures. The Company

uses these measures to help evaluate its performance. These non-GAAP financial measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. The Company uses net debt (bank indebtedness plus negative working capital or less positive working capital) as an alternative measure of outstanding debt. The Company considers corporate netbacks a key measure as it demonstrates its profitability relative to current commodity prices. Netbacks which have no GAAP equivalent are calculated on a BOE basis by deducting royalties, operating costs, and transportation from petroleum and natural gas sales. Santonia also presents funds generated from operations per share and cash flow from operations per share and such per share amounts are calculated using weighted average shares outstanding consistent with the calculation of profit (loss) per share.

## Contact

### [Santonia Energy Inc.](#)

Steven R. VanSickle, President and Chief Executive Officer  
(403) 290-7759  
(403) 290-7724 (FAX)  
svansickle@santoniaenergy.com

### Santonia Energy Inc.

Aaron G. Grandberg, Chief Financial Officer  
(403) 290-3217  
(403) 290-7724 (FAX)  
agrandberg@santoniaenergy.com  
www.santoniaenergy.com

---

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

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/154198--Santonia-Announces-2012-Reserve-Summary-and-Year-End-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](#).