

Arsenal Energy Inc. Releases Q3 Results

06.11.2013 | [Marketwired](#)

CALGARY, Nov 6, 2013 - [Arsenal Energy Inc.](#) ("Arsenal") (TSX:AEI) is pleased to release its Q3 2013 results. Cash flow for the third quarter was a record, \$11.7 million, a 17% increase from Q2 2013 and a 50% increase compared to Q3 2012.

The Board of Directors ("BOD") has declared a quarterly dividend of \$0.06 per common share. The dividend is payable on November 29, 2013 to shareholders of record at the close of business on November 15, 2013. The ex-dividend date is November 13, 2013.

Financial

Operating netbacks increased to \$39.33/boe in Q3 2013 from \$27.17/boe in Q3 2012. The higher netbacks are due to higher realized unit prices and slightly lower operating costs. Funds from operations for Q3 2013 were a record, totaling \$11.7 million or \$0.73 per share basic versus \$7.8 million or \$0.50 per share basic for Q3 2012. Funds from operations were adversely affected by a \$2.0 million or \$5.10/boe realized loss from hedges. Unit overhead remained relatively stable at \$3.25/boe.

Due to hedging losses of \$4.7 million, Arsenal recorded a third quarter net loss of \$0.6 million. Debt plus working capital at quarter end was \$69.1 million. Based on Q3 2013 cash flow, Arsenal's debt to cash flow ratio has fallen to 1.5/ 1.0.

SUMMARY OF FINANCIAL AND OPERATIONAL RESULTS

(ooo'S Cdn. \$ except per share amounts)	Three Months Ended September 30			Nine Months Ended September 30		
	2013	2012	% Change	2013	2012	% Change
FINANCIAL						
Oil and gas revenue	30,177	20,175	50	73,699	59,817	23
Funds from operations	11,695	7,782	50	28,846	21,119	37
Per share - basic	0.73	0.50	46	1.82	1.35	35
Per share - diluted	0.72	0.49	47	1.81	1.33	35
Net income (loss)	(627)	(1,474)	(57)	(2,317)	784	(396)
Per share - basic	(0.04)	(0.09)	(59)	(0.15)	0.05	(395)
Per share - diluted	(0.04)	(0.09)	(59)	(0.15)	0.05	(395)
Total debt	69,147	65,074	6	69,147	65,074	6
Capital expenditures	12,404	13,330	(7)	33,099	31,932	4
Property dispositions	(296)	(32)	824	(4,230)	(1,928)	119
Shares outstanding - end of period (ooo's)	16,070	15,641	3	16,070	15,641	3
Net wells drilled						
Oil	3.00	3.10		7.70	4.98	
Gas	1.10	-		1.10	-	
Total net wells drilled	4.10	3.10		8.80	4.98	

SUMMARY OF FINANCIAL AND OPERATIONAL RESULTS

(ooo'S Cdn. \$ except per share amounts)	Three Months Ended September 30			Nine Months Ended September 30		
	2013	2012	% Change	2013	2012	% Change
OPERATIONAL						
Daily production						
Heavy oil (bbl/d)	75	81	(7)	68	126	(46)
Medium oil and NGL's (bbl/d)	1,401	1,380	2	1,396	1,433	(3)
Light oil and NGLs (bbl/d)	1,759	1,346	31	1,453	1,132	28
Natural gas (mcf/d)	6,523	5,319	23	6,183	5,768	7
Oil equivalent (boe/d @ 6:1)	4,323	3,694	17	3,947	3,652	8

Realized commodity prices (\$Cdn.)						
Heavy oil (bbl)	86.26	67.52	28	74.23	70.53	5
Medium oil and NGL's (bbl)	91.74	72.09	27	80.01	75.89	5
Light oil and NGLs (bbl)	99.09	76.00	30	92.60	78.30	18
Natural gas (mcf)	2.86	2.26	26	3.02	2.09	44
Oil equivalent (boe @ 6:1)	75.88	59.37	28	68.39	59.78	14
Operating netback (\$ per boe)						
Revenue	75.88	59.37	28	68.39	59.78	14
Royalty	(17.15)	(11.00)	56	(14.37)	(12.62)	14
Operating cost	(19.39)	(21.20)	(9)	(19.88)	(20.72)	(4)
Operating netback per boe	39.33	27.17	45	34.14	26.44	29
General and administrative	(3.25)	(3.26)	-	(3.27)	(3.13)	5
Finance expenses	(1.57)	(1.75)	(10)	(1.75)	(1.69)	3
Realized gains (losses) on risk management contracts	(5.10)	0.70	(827)	(2.06)	(0.54)	282
Other	-	0.04	-	(0.28)	0.03	
Fund from operations per Boe	29.41	22.90	28	26.77	21.11	27

Full financial and operating details are contained in the financial statements and MD&A filed on SEDAR and on the Company's website.

Operations

Production averaged a record 4,323 boe/d during the second quarter, up 17% compared to the third quarter of 2012. Quarterly production levels in 2013 were positively impacted by the addition of the John Paul and Ron Carter horizontal Bakken wells. Both wells were completed with multistage fracks and placed on production in July. Arsenal's Q3 production mix was 75% liquids and 25% natural gas.

Operating costs averaged \$19.39/boe during the third quarter. This is a 9% drop compared to Q3 2012 and a continuation of a long term trend of declining operating costs as low operating cost Bakken production increases.

During the third quarter Arsenal drilled 2 oil wells at Princess (2 net), one gas well at Princess (0.6 net), one oil well at Chauvin (1 net), and one gas well (0.5 net) in the deep basin. It is anticipated that all of the new wells will be tied in and placed on production in the fourth quarter.

Dividend

The Board of Directors has declared a quarterly dividend of \$0.06 per common share. The dividend is payable on November 29, 2013 to shareholders of record at the close of business on November 15, 2013. The ex-dividend date is November 13, 2013. The policy of the Board is to target a dividend level at 10% of cash flow, adjusted based on forecasts

for cash flows, capital requirements, and other factors as the Board of Directors may consider appropriate from time to time.

Outlook

For the fourth quarter Arsenal plans to drill two wells at Princess and tie in all of the third quarter drills. Capex for the quarter is forecast at \$6.2 million. Average volumes for the quarter, are expected to be slightly below Q3 but exit volumes should be in accordance with previous guidance of approximately 4,400 boe/d.

Oil prices began trending lower in September and differentials have widened significantly. Cash flow is forecasted for Q4 at approximately \$10 million.

Advisory

All barrels of oil equivalent (boe) conversions in this report are derived by converting natural gas to oil at the ratio of six thousand cubic feet (Mcf) of natural gas to one barrel (bbl) of oil. Certain financial values are presented on a boe basis and such measurements may not be consistent with those used by other companies. Boe amounts may be misleading, particularly if used in isolation. A boe conversion ratio has been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil (6 Mcf: 1 bbl) and is based on an energy equivalency conversion method applicable at the burner tip and does not represent a value equivalency at the wellhead.

Certain financial measures referred to in this release, such as funds from operations and funds from operations per share, are not prescribed by generally accepted accounting principles (GAAP). Funds from operations are a key measure that demonstrates the ability to generate cash to fund expenditures. Funds from operations is calculated by taking the cash provided by operations from the consolidated statement of cash flows and adding back changes in non-cash working capital. Funds from operations per share are calculated using the same methodology for determining net income per share. These non-GAAP financial measures may not be comparable to similar measures presented by other companies. These financial measures are not intended to represent operating profits for the period nor should they be viewed as an alternative to cash provided by operating activities, net income or other measures of financial performance calculated in accordance with GAAP.

Management uses certain industry benchmarks such as field netback to analyze financial and operating performance. Field netback has been calculated by taking oil and gas revenue less royalties, operating costs and transportation costs. This benchmark does not have a standardized meaning prescribed by GAAP and may not be comparable to similar measures presented by other companies. Management considers field netback as an important measure to demonstrate profitability relative to commodity prices.

There is no assurance that future dividends will be declared or the timing or amount of any future dividend. The payments of dividends or distributions in the future are within the discretion of the Corporation's Board of Directors and are dependent on numerous factors including the Corporation's cash flow, capital expenditure budgets, earnings, financial conditions, the satisfaction of the applicable solvency test in the Corporation's governing statute (the Business Corporation Act (Alberta)), and such other factors as the Board of Directors may consider appropriate from time to time. The Corporation's ability to continue to pay dividends in the future is also subject to many other factors including falling commodity prices, repatriation restrictions, disruptions or reductions in production or collection of receivables following sales of production. Dividend payments to shareholders will be subject to applicable statutory deductions and tax withholdings prescribed by the applicable law. There is also no assurance that future drawdowns of the secured term loan facility will be available to the Corporation when requested or at all.

Certain statements and information contained in this press release, including but not limited to management's assessment of Arsenal's future plans and operations, production, reserves, revenue, commodity prices, operating and administrative expenditures, funds from operations, capital expenditure programs and debt levels contain forward-looking statements. All statements other than statements of historical fact may be forward-looking statements. These statements, by their nature, are subject to numerous risks and uncertainties, some of which are beyond Arsenal's control including the effect of general economic conditions, industry conditions, changes in regulatory and taxation regimes, volatility of commodity prices, escalation of operating and capital costs, currency fluctuations, the availability of services, imprecision of reserve estimates, geological, technical, drilling and processing problems, environmental risks, weather, the lack of availability of qualified personnel or management, stock market volatility, the ability to access sufficient capital from internal and external sources and competition from other industry participants for, among other things, capital, services, acquisitions of reserves, undeveloped lands and skilled personnel that may cause actual results or events to differ materially from those anticipated in the forward-looking statements. Such forward-looking statements although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated in the statements made and should not unduly be relied on. These statements speak only as of the date of this press release. Arsenal does not intend and does not assume any obligation to update these forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. Arsenal's business is subject to various risks that are discussed in its filings on the System for Electronic Document Analysis and Retrieval (SEDAR).

Contact

[Arsenal Energy Inc.](#)

Tony van Winkoop, President and Chief Executive Officer

(403) 262-4854 or Toll free: 1(866) 405-4854
(403) 265-6877

[Arsenal Energy Inc.](#)

J. Paul Lawrence, Vice President Finance and Chief Financial Officer
(403) 262-4854 or Toll free: 1(866) 405-4854
(403) 265-6877

[Arsenal Energy Inc.](#)

Suite 1900, 639 - 5th Avenue SW
Calgary, Alberta T2P 0M9
info@arsenalenergy.com
www.arsenalenergy.com

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

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/160096--Arsenal-Energy-Inc.-Releases-Q3-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](#).