

# Renegade Petroleum Ltd. Announces Third Quarter 2013 Results and Operational Update

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[Renegade Petroleum Ltd.](#) ("Renegade" or the "Company") (TSX VENTURE:RPL), a light oil focused exploration and production company with assets located in Saskatchewan, Alberta, Manitoba and North Dakota, is pleased to announce it has filed its condensed interim consolidated financial statements ("Financial Statements") and related management's discussion and analysis ("MD&A") for the three and nine month periods ended September 30, 2013 on SEDAR. Selected financial and operational information is outlined below and should be read in conjunction with the Financial Statements and related MD&A which are available for review at [www.renegadepetroleum.com](http://www.renegadepetroleum.com) or [www.sedar.com](http://www.sedar.com).

## THIRD QUARTER 2013 RESULTS

- Achieved average production of 7,464 barrels of oil equivalent ("boe") per day ("boe/d") for the three months ended September 30, 2013, up 5 percent from the second quarter of 2013. Production consisted of 96 percent light oil and 4 percent natural gas and natural gas liquids;
- Increased funds flow from operations by 20 percent to \$26.7 million in the third quarter of 2013 from \$22.2 million in the second quarter of 2013;
- Drilled a total of 20 gross (18.5 net) wells in the third quarter including 6 gross (5.0 net) in southeast Saskatchewan and 14 gross (13.5 net) in west central Saskatchewan, with a 100 percent success rate;
- Brought 20 gross (18.1 net) wells onto production in the third quarter including 2 gross (1.3 net) wells drilled in the second quarter of 2013;
- Disposed of non-core petroleum and natural gas properties for total proceeds of approximately \$19.1 million; and
- Based on the recent borrowing base review, the Company's lenders have renewed the credit facility at \$335 million. Of the \$281.2 million of net debt as at September 30, 2013, \$264.5 million was drawn on the credit facility leaving the Company with \$70.5 million of availability.

### FINANCIAL HIGHLIGHTS

	Three months ended September 30,			Nine months ended September 30,		
	2013	2012	% change	2013	2012	% change
Financial (000's except per share amounts)						
Petroleum and natural gas sales	66,964	28,297	137	179,395	81,836	119
Funds flow from operations <sup>(1)</sup>	26,698	15,826	69	76,292	44,379	72
Per share - basic	0.13	0.18	(28)	0.38	0.52	(27)
Per share - diluted	0.13	0.17	(24)	0.37	0.51	(27)
Net income (loss)	(4,964)	(405)	(1,126)	(14,389)	7,873	(283)
Per share - basic and diluted <sup>(2)</sup>	(0.02)	(0.00)	n/a	(0.07)	0.09	(178)
Dividends declared	5,092	-	n/a	28,455	-	n/a
Per share	0.03	-	n/a	0.14	-	n/a

	Three months ended September 30,			Nine months ended September 30,		
	2013	2012	2013	2012	2013	2012
Development capital expenditures	28,562	29,565	(3)	69,539	92,180	(25)
Acquisitions (corporate and property)	-	1,129	n/a	290	17,888	(98)
Property dispositions	(19,058)	-	n/a	(32,297)	(100)	32,197
Net debt <sup>(3)</sup>	281,161	94,903	196	281,161	94,903	196
Weighted average shares outstanding <sup>(2)</sup>						
Basic	203,147	89,635	127	203,131	85,656	137
Diluted	203,147	89,635	127	203,131	85,657	137

Shares outstanding, end of period						
Basic	203,147	89,635	127	203,147	89,635	127
Diluted	209,750	101,104	107	209,750	101,104	107
Operating						
Average daily production						
Crude oil (bbls/d)	7,152	3,762	90	7,090	3,601	97
Natural gas (mcf/d)	1,230	714	72	1,466	703	109
Natural gas liquids (bbls/d)	107	42	155	128	42	205
Total (boe/d) <sup>(4)</sup>	7,464	3,923	90	7,462	3,760	98
Average realized price						
Crude oil and natural gas liquids (\$/bbl)	99.88	80.60	24	90.52	81.70	11
Natural gas (\$/mcf)	2.32	1.39	67	2.58	1.50	72
Total (\$/boe) <sup>(4)</sup>	97.52	78.40	24	88.06	79.43	11
Netback (\$/boe)						
Oil and gas sales	97.52	78.40	24	88.06	79.43	11
Royalties	(15.87)	(13.55)	17	(14.45)	(12.64)	14
Operating expenses	(17.08)	(13.16)	30	(17.50)	(13.38)	31
Transportation	(1.86)	(2.90)	(36)	(1.82)	(2.92)	(38)
Operating netback prior to realized derivative contracts	62.71	48.79	29	54.29	50.49	8
Realized gain (loss) on derivative contracts	(10.58)	3.24	(427)	(4.59)	1.65	(378)
Operating netback <sup>(4)</sup>	52.13	52.03	-	49.70	52.14	(5)

1. "Funds flow from operations" should not be considered an alternative to, or more meaningful than, cash flow from operating activities as determined in accordance with International Financial Reporting Standards as an indicator of Renegade's performance. Funds flow from operations represents cash flow from operating activities prior to changes in non-cash working capital, transaction costs and decommissioning provision expenditures incurred. Renegade also presents funds flow from operations per share, whereby per share amounts are calculated using weighted average shares outstanding consistent with the calculation of earnings per share.
2. Due to the anti-dilutive effect of Renegade's net loss for the three and nine months ended September 30, 2013 and the three months ended September 30, 2012, the diluted number of shares is equal to the basic number of shares. Therefore, diluted per share amounts of the net losses are equivalent to basic per share amounts.
3. "Net debt" is defined as current assets less current liabilities, excluding derivative contracts.
4. A conversion ratio of 1 boe : 6 Mcf has been used, which is based on an energy equivalency conversion method primarily applicable at the burner tip and does not necessarily represent a value equivalency at the wellhead. Boes may be misleading, particularly if used in isolation. Please see the disclaimer at the end of this news release for additional information on boes.

## OPERATIONAL UPDATE

### Southeast Saskatchewan

In southeast Saskatchewan, Renegade continues to show strong well performance on the assets acquired in December, 2012. Seven of the nine gross wells have production history in excess of 30 days, with an average 30 day initial production ("IP") rate of 195 barrels ("bbls") per day ("bbls/d"). The average drill, complete and equipping costs associated with the nine gross wells was approximately \$1.2 million to \$1.4 million per well.

Renegade now has initial results on 9 gross (6.7 net) wells which were drilled post break-up in southeast Saskatchewan, with a 100% success rate. Of these wells, 6 gross (4.6 net) are located in the Queensdale/Cantal area targeting the Frobisher/Alida formation, 2 gross (1.7 net) wells are in the Gainsborough area targeting the Alida formation and 1 gross (0.5 net) well is in the Crystal Hills area targeting the Souris Valley formation.

The table below outlines Renegade's post break-up drilling activities in southeast Saskatchewan:

Area	Southeast Saskatchewan Post Break-Up Well Number	Renegade Working Interest	Average IP 30 Day Gross (bbls/d)	Average IP 60 Day Gross (bbls/d)	Average IP 90 Day Gross (bbls/d)	Days on Production <sup>(1)</sup>
Crystal Hills	#1	50%	172	140	116	136
Queensdale	#2	50%	237	199	170	123
Queensdale	#3	80%	311	261	230	111
Queensdale	#4	75%	245	205	185	99
Queensdale	#5	65%	67	70	n/a	82
Queensdale	#6	90%	241	233	n/a	72
Cantal	#7	97%	95	n/a <sup>(2)</sup>	n/a	56
Gainsborough	#8	75%	n/a <sup>(3)</sup>	n/a	n/a	23
Gainsborough	#9	92%	n/a <sup>(4)</sup>	n/a	n/a	8
Average			195	185	175	

1. Total days on production as at November 10, 2013
2. Average 56 day IP of 78 bbls/d (gross)
3. Average 23 day IP of 120 bbls/d (gross)
4. Average 8 day IP of 84 bbls/d (gross)

In addition to the wells detailed above, Renegade has drilled, and is in the process of bringing on production, 1 gross (1.0 net) triple leg horizontal well in the Silverton area. The Company is currently drilling the second well in the Silverton area with a planned on-stream date of mid-December. This well will mark the end of the 2013 operated development drilling program.

Renegade will continue to have one rig operating in southeast Saskatchewan for the remainder of the 2013 year with a drilling plan consisting of 4 gross (4.0 net) vertical test wells to assist in delineating pool boundaries and defining new opportunities moving into 2014.

### West Central Saskatchewan

In the Viking play in west central Saskatchewan, Renegade brought 14 gross (13.5 net) wells onto production in the third quarter of 2013. The Company has no additional plans to drill in west central Saskatchewan for the remainder of the 2013 year. Results from the Company's Viking program are consistent with management's expectations with 90 day IP rates averaging 42 bbls/d.

### Current Production

Renegade's current production is approximately 7,600 boe/d (95% light oil), based on field production estimates.

### READER ADVISORIES

#### Forward-Looking Statements

*Statements in this document may contain forward-looking statements or information within the meaning of applicable securities laws, including management's assessment of future plans and operations including capital expenditures, drilling results, locations and plans, management's expectations with respect to the quality of the Company's assets, areas of activity, the Company's plans with respect to operations and the results thereof, expectations with respect to production rates, including IP rates, operational plans, the timing of bringing certain production on-stream and production guidance. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. These risks include, but are not limited to: the risks associated with the oil and gas industry; commodity prices and exchange rate changes; operational risks inherent in exploration, development and production activities; delays or changes in plans; risks associated to the uncertainty of reserve estimates; health and safety risks; and the uncertainty of estimates and projections of production, costs and expenses.*

*In addition, forward-looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information but which may prove to be incorrect. Although the Company believes that the expectations reflected in such forward-looking statements or*

*information are reasonable, undue reliance should not be placed on forward-looking statements because the Company can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding, among other things: the impact of increasing competition; the general stability of the economic and political environment in which the Company operates; the timely receipt of any required regulatory approvals; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects which the Company has an interest in to operate the field in a safe, efficient and effective manner; the ability of the Company to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration; the timing and costs of pipeline, storage and facility construction and expansion and the ability of the Company to secure adequate product transportation; future commodity prices; currency, exchange and interest rates; the timing of operations; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Company operates; and the ability of the Company to successfully market its oil and natural gas products. Readers are cautioned that the foregoing lists of factors and assumptions are not exhaustive. Additional information on these and other factors that could affect the Company's operations and financial results are included in the Company's filings with Canadian securities regulatory authorities, including the Company's annual information form, and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)), at the Company's website ([www.renegadepetroleum.com](http://www.renegadepetroleum.com)).*

*The forward-looking statements contained in this news release are made as at the date of this news release and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.*

### **Certain Oil & Gas Matters**

*Any references in this news release to IP rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter are not necessarily indicative of long term performance or ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for Renegade. Such rates are based on field estimates and may be based on limited data available at this time and are not determinative of the rates at which such wells will continue production and decline thereafter.*

### **Conversion**

*The term "boe" may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas to one boe (6 mcf/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. All boe conversions in this report are derived from converting gas to oil in the ratio of six thousand cubic feet of gas to one barrel of oil. 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.*

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

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