

Long Run Exploration Ltd. Announces an Increased Credit Facility, a Strategic Viking Light Oil Acquisition, November Production, Updated 2014 Guidance, Hedging Update, and an Executive Promotion

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CALGARY, ALBERTA--(Marketwired - Dec 12, 2013) - [Long Run Exploration Ltd.](#) (TSX:LRE) ("Long Run" or the "Company") is pleased to announce an increased borrowing base under the syndicated credit facility of \$475 million. Long Run is also pleased to announce the closing of an acquisition that adds approximately 450 boe per day of strategic light oil Viking assets at Redwater for total consideration of approximately \$45 million (the "Acquisition").

INCREASED CREDIT FACILITY

Long Run's syndicate of lenders has increased the borrowing base under the Company's credit facility from \$430 million to \$475 million, as part of the Company's semi-annual borrowing base review. The increased credit capacity recognizes increases in our reserve base resulting from operational success.

LIGHT OIL ACQUISITION

The Acquisition adds approximately 450 boe per day (92 percent light oil) of high netback production and, when combined with Long Run's recent acquisitions in the Redwater area, further consolidates the Company's interest in this core play which now encompasses approximately 45,000 gross acres of undeveloped Viking rights. The Acquisition was funded through Long Run's credit facility.

As a result of the Acquisition, Long Run's light oil Viking drilling inventory increased by more than 100 locations. Over the past six months, Long Run has increased drilling inventories across this core play, while adding strategic pipelines and facilities for solution gas handling. Through development work and strategic tuck-in acquisitions completed in 2013, Long Run's Viking inventory has grown and is estimated to be in excess of 500 locations.

NOVEMBER PRODUCTION UPDATE

Estimated production for November 2013 was 27,300 boe per day (55 percent crude oil and liquids) comprised of 15,000 barrels per day of liquids (including 13,400 barrels per day of crude oil) and 73.5 million cubic feet of natural gas per day. This level of production excludes the Acquisition, which will have an insignificant impact on 2013 average daily production volumes. Despite December's extremely cold weather, Long Run expects to average in excess of 25,000 boe per day in 2013, in-line with previously stated guidance.

2014 GUIDANCE

In 2014 Long Run will initiate a dividend of \$0.0335 per share per month (\$0.402 per share per year). Long Run has built a sustainable dividend plus growth model that anticipates a 2014 capital program of \$200 million. This capital program includes the drilling of approximately 80 net wells focused on Long Run's core Peace River Montney and Redwater Viking plays. Long Run anticipates funds flow from operations of approximately \$260 million in 2014 based on pricing assumptions of WTI US\$95 per barrel and AECO \$3.43

per million cubic feet, an increase from previous 2014 funds flow from operations guidance of \$255 million. Forecast average daily production for 2014 has increased from 26,000 boe per day to approximately 26,300 boe per day, weighted approximately 57 percent to crude oil and liquids. Long Run anticipates a year-over-year funds flow from operations growth rate in excess of 10 percent per share.

HEDGING UPDATE

Long Run has hedged additional volumes for 2014 as part of the Company's ongoing risk mitigation strategy. Long Run has entered into additional January to June 2014 oil costless collar contracts for 1,000 barrels per day at WTI US\$95 per barrel by WTI US\$98 per barrel. Long Run has hedged total crude oil volumes for 2014 of 8,467 barrels per day, including 6,150 barrels per day on costless collars with an average floor price of WTI US\$90.45 per barrel. An additional 12,322 million cubic feet per day of natural gas volumes have been hedged on January 2014 to March 2015 contracts. These additional contracts bring Long Run's 2014 total natural gas hedged volumes to 39,810 million cubic feet per day, including 30,332 million cubic feet per day on costless collars with a floor price of AECO \$3.69 per million cubic feet.

EXECUTIVE PROMOTION

Long Run is pleased to announce the promotion of Dale Orton to the position of Senior Vice President, Operations and Engineering. Mr. Orton is a Professional Engineer with more than 20 years of exploitation, production, operations, business development, and acquisition experience. Mr. Orton holds a Bachelor of Engineering degree from the University of Victoria and is a Registered Professional Engineer in Alberta and Saskatchewan.

Long Run is a Calgary-based intermediate oil company focused on light-oil development and exploration in western Canada. For further information about Long Run, visit the Company's website at www.longrunexploration.com.

ADVISORIES

Forward-Looking Statements:

Certain information in this news release including management's assessment of future plans and operations, expectation that the Company will meet previously-stated production guidance, Viking drilling inventory, plans to implement payment of a dividend and the amount thereof, 2014 capital expenditure budget and nature of expenditures, anticipated 2014 funds flow from operations and anticipated year-over-year growth thereof and forecast 2014 average daily production and the commodity mix thereof are forward-looking statements. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties including, without limitation, risks related to closing of the disposition, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, capital expenditure costs, including drilling, completion and facilities costs, unexpected decline rates in wells, wells not performing as expected, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements.

Included herein is Long Run's anticipated 2014 fund flow from operations, which is based on various assumptions as to production levels, commodity prices and other assumptions. To the extent such estimate constitutes future-oriented financial information or financial outlook, it was approved by management of Long Run on December 12, 2013, and such future-oriented financial information or financial outlook is included herein to provide readers with an understanding of the funds expected to be generated from Long Run's operations and thus that available to meet its required expenditures and payments including the sustainability of capital expenditure budget and the proposed dividends, based on the various assumptions utilized and readers are cautioned that the information may not be appropriate for other purposes.

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

Corporation 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 Corporation can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this document, assumptions have been made regarding, among other things: that the effect of the Acquisition; the impact of increasing competition; the general stability of the economic and political environment in which the Corporation operates; the timely receipt of any required regulatory approvals; the ability of the Corporation 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 results; the timing and costs of pipeline, storage and facility construction and expansion and the ability of the Corporation to secure adequate product transportation; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Corporation operates; and the ability of the Corporation to successfully market its oil and natural gas products. Readers are cautioned that the foregoing list of factors and assumptions is not exhaustive. Additional information on these and other factors that could affect Long Run'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), at Long Run's website (www.longrunexploration.com). Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and Long Run 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.

Non-GAAP Measures

This press release contains terms commonly used in the oil and natural gas industry, such as funds flow from operations, and funds flow from operations per share. These terms are not defined by International Financial Reporting Standards (IFRS) and should not be considered an alternative to, or more meaningful than, cash provided by operating activities or net earnings as determined in accordance with IFRS as an indicator of Long Run's performance. Management believes that funds flow from operations is a useful financial measure which assists in demonstrating the Corporation's ability to fund capital expenditures necessary for future growth or to repay debt. Long Run's determination of funds flow from operations may not be comparable to that reported by other companies. All references to funds flow from operations throughout this press release are based on cash flow from operating activities before changes in non-cash working capital and abandonment expenditures. The Corporation calculates funds flow from operations per share by dividing funds flow from operations by the diluted weighted average number of Common Shares outstanding.

With respect to funds flow from operations, reference is made to the Corporation's Management's Discussion and Analysis for the nine months ended September 30, 2013 which includes a table showing how they have been determined.

BOES:

Disclosure provided herein in respect of barrels of oil equivalent (boe) may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf: 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.

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