

Iona Energy Inc. Announces 2013 Third Quarter Results

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CALGARY, ALBERTA -- (Marketwired - Nov. 29, 2013) - [Iona Energy Inc.](#) ("Iona" or the "Company") (TSX VENTURE:INA) announces its financial results for the three months and nine months ended September 30, 2013.

HIGHLIGHTS FOR THE PERIOD ENDED SEPTEMBER 30, 2013

Financial

- On September 30, 2013, the Company announced the settlement of the previously announced USD\$275 million senior secured bonds (the "Bonds") issued by its UK subsidiary, Iona Energy Company (UK) Limited, and full repayment of the Company's Senior Secured Borrowing Base Facility.
- Revenue for the three months ended September 30, 2013 of CAD\$18.8 million compared to revenue of CAD\$12.0 million in for the three month period ended June 30, 2013 represents an increase of 57% over the second quarter.
- Of total revenues of CAD\$18.8 million for the three months ended September 30, 2013, CAD\$14.8 million was generated from oil production and CAD\$4.0 million was generated from gas production. The average realized oil price in the period was USD\$110 compared to average Brent oil prices in the period of USD\$110 and the average realized gas price in the period was USD\$10 per mcf of gas.
- Gross profit before Depreciation, Depletion and Amortization ("DD&A") of CAD\$17.6 million for the three months ended September 30, 2013 compared to gross profit before DD&A of CAD\$6.3 million for the three month period ended June 30, 2013 represents an increase of 179%.
- Cash flow from operations of CAD\$3.9 million for the three months ended September 30, 2013 prior to changes in non-cash working capital balances.
- Proceeds from the Bonds were used to offset 3.1 million call options (effective between October 2014 and September 2016) of the 7.4 million remaining call options.
- The remaining Bond proceeds are allocated towards funding the delivery of the Orlando and Kells projects to first oil.
- The Company has tax pools of approximately USD\$303 million and does not expect to pay UK taxes until 2016 or later.
- The Company's current production is not subject to any crown or third party royalties on any revenues, now or in the foreseeable future.

Operational

- On September 5, 2013 the Company reached a new production level of 6,749 boepd.
- Average net production increased from 316 boepd in Q1 2013 to 1,578 boepd in Q2 and 2,656 boepd in Q3, representing a quarter over quarter increase of 399% and 68% respectively.

Trent & Tyne ("T&T")

- The net production from the T&T fields to Iona during the three and nine months ended September 30,

2013 was 4.0 MMcf/d and 3.3 MMcf/d respectively.

Huntington

- The Huntington field, of which Iona owns a 15% working interest and a 2.55% royalty interest, commenced oil production on April 12th, 2013, with gross production initially limited to 7,300 bopd.
- On June 5th, 2013, first gas was exported from the Huntington Field.
- On September 5th, 2013, Huntington reached a new gross production record of 34,056 boepd.
- In early September Huntington production was curtailed by restrictions on gas export due to problems in the CATS gas export pipeline. These restrictions continued through September and are forecast to be removed progressively through December.
- The Operator confirms that higher than expected productivity in the development wells has been sustained. Reservoir performance also provides encouragement with strong early performance, exceeding the Operator's pre-development estimations.
- As part of the Huntington acquisition, the Company acquired a 100% interest in Block 22/14d located in the Central North Sea, immediately to the south of Block 22/14b, containing the Huntington Palaeocene oil field, the Jurassic Fulmar, and the Triassic Skagerrak discoveries in which Iona has a 15% stake. Iona plans to remap both the Jurassic targets and Triassic discoveries in the near-term, and future appraisal could see these as candidates for development through the existing infrastructure at the producing Huntington field.
- The net production from the Huntington field to Iona during the three and nine months ended September 30, 2013 was 1,994 boepd and 1,019 boepd respectively.
- As of November 27, 2013, Huntington production was 3,950 boepd (3,500 bopd and 2.6 MMcf/d) net to Iona.

Orlando

- On April 16, 2013 the Department of Energy and Climate Change ("DECC") advised the Orlando joint venture partners that it has approved the Orlando Field Development Plan submitted by the partners.

Subsequent Events

On October 23, 2013, the Company announced that Richard Ames had joined the Company's Board of Directors.

On October 24, 2013, the Company announced an operational update on the Huntington field stating that in mid-September it was advised by the Operator of the Huntington Field, E.ON E&P, that production would be temporarily reduced to ~40% of Huntington's Floating Production Storage and Offloading (FPSO) vessel's nameplate capacity due to curtailment of the flow of Huntington gas implemented by the Operator of the Central Area Transmission System (CATS). The Huntington Joint Venture Partners were continuing to work diligently through E.ON as Operator to gain clarity around the production restrictions imposed on Huntington. Previous guidance from the CATS Operator from September indicated an imminent return to full production in October. During the restriction, the Huntington field and FPSO continued to operate efficiently and had produced to the maximum capacity possible under the curtailment. CATS Operator BP advised that restrictions would likely be lifted progressively through the course of November. Iona's net production is expected to increase to over 7,500 boepd when Huntington gets back to full production capacity after the easing of CATS restrictions. The restrictions are expected to be fully removed during December 2013.

Notes:

Further details on the above are provided in the Consolidated Financial Statements and Management's Discussion and Analysis for the quarter ended September 30, 2013, which have been filed with securities regulatory authorities in Canada. These documents are available on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com and on the Company's website: www.ionaenergy.com.

Iona is an oil and natural gas acquisition, appraisal, and development corporation active through its 100%

wholly owned United Kingdom subsidiary, Iona Energy Company (UK) Ltd. in the United Kingdom's Continental Shelf ("UKCS").

Forward-looking statements

Some of the statements in this announcement are forward-looking, including statements regarding Iona's plans for the development of its properties, estimated production levels, anticipated effects of the UK small field allowance, and estimates of the net present value of future net revenue of proved and probable reserves from Iona's properties. Forward-looking statements include statements regarding the intent, belief and current expectations of Iona Energy Inc. or its officers with respect to various matters, including assumptions regarding Huntington production rates. When used in this announcement, the words "expects," "believes," "anticipate," "plans," "may," "will," "should", "scheduled", "targeted", "estimated" and similar expressions, and the negatives thereof, whether used in connection with estimated production levels and future activity or otherwise, are intended to identify forward-looking statements. Such statements are not promises or guarantees, and are subject to risks and uncertainties that could cause actual outcome to differ materially from those suggested by any such statements, including without limitation, the risk that Iona's development plans change as a result of new information or events. These forward-looking statements speak only as of the date of this announcement. Iona Energy Inc. expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any forward-looking statement is based except as required by applicable securities laws.

Note: "Boe" means barrel of oil equivalent on the basis of 6 mcf of natural gas to 1 bbl of oil. Boes 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.

It should not be assumed that the present worth of estimated future net revenue represents the fair market value of the reserves disclosed in this press release. The reserve and related revenue estimates set forth in this press release are estimates only and the actual reserves and realized revenue may be greater or less than those calculated. The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation. As used in this press release, "possible reserves" are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

Additionally, this press release uses certain abbreviations as follows:

Oil and Natural Gas Liquids Natural Gas
bbls barrels mcf thousand cubic feet
Mbbbls thousand barrels mcf/d thousand cubic feet per day
MMbbbls million barrels MMcf millions of cubic feet
bbls/d barrels per day MMcf/d millions of cubic feet per day
bopd barrels of oil per day Bcf billion cubic feet
NGLs natural gas liquids

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CONTACT INFORMATION

[Iona Energy Inc.](#)

Neill A. Carson, Chief Executive Officer
+011 (44) 7919 057989

Iona Energy Inc.
Graham Heath, Interim Chief Financial Officer
(403) 605-6726

Iona Energy Inc.
Investor Relations

+1 403 978 4894
info@ionaenergy.com
www.ionaenergy.ca

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