

Renegade Petroleum Ltd. Announces Strategic \$109.0 Million Asset Disposition and Confirms January 2014 Dividend

13.01.2014 | [Marketwired](#)

[Renegade Petroleum Ltd.](#) ("Renegade" or the "Company") (TSX VENTURE:RPL) is pleased to announce that it has entered into an agreement to sell certain oil and gas assets for gross proceeds of \$109.0 million and is pleased to confirm its January 2014 dividend

ASSET DISPOSITION

The Company has entered into a definitive agreement to sell certain oil and gas assets in southeast Saskatchewan (the "Disposition Assets") effective January 1, 2014 for gross proceeds of \$109.0 million (the "Disposition"). Through the Disposition, Renegade further continues to high-grade its asset base by divesting of mature fields that were identified early on in the strategic review as being appropriate to divest.

The Disposition Assets currently produce approximately 1,450 boe/d (95% oil and natural gas liquids), which includes approximately 200 boe/d of flush production from wells recently brought on production. The forecasted annualized 2014 production rate on the Disposition Assets is approximately 1,225 boe/d (95% oil and natural gas liquids).

The proceeds from the Disposition will be used to repay a significant portion of the current indebtedness drawn under Renegade's credit facility. Through preliminary discussions with the Company's lenders, the credit facility is expected to be reduced by approximately \$60.0 million to \$250.0 million as a result of the borrowing base review post-Disposition, leaving approximately \$115.0 million in undrawn availability.

The Disposition significantly strengthens and re-positions Renegade while providing the following strategic benefits:

- retains Renegade's highest quality, low decline assets;
- material reduction in leverage, reducing Renegade's pro forma net debt to 2014 estimated cash flow to less than 2.0x;
- material increase in financial flexibility, with over \$115 million of pro forma undrawn credit availability and a post disposition facility in excess of 45% undrawn;
- significantly reduces interest expense and further improves Renegade's sector leading operating netbacks;
- attractive transaction metrics relative to comparable transactions of similar asset quality and operating characteristics;
- high grades and further concentrates the southeast Saskatchewan asset base;
- maintains Renegade's attractive pro forma sustainability; and
- reduces the operating expenses and sustaining capital requirements, further enhancing dividend sustainability.

The Disposition is part of the Company's ongoing strategic review process and further demonstrates the board and management's continued efforts to increase Renegade's financial flexibility, prudently manage the balance sheet and support the current dividend level. Since the commencement of the strategic review, Renegade has significantly reduced its indebtedness through the disposition of assets for aggregate gross proceeds of \$160.5 million. Renegade remains committed to continue reviewing strategic alternatives with the goal of further enhancing shareholder value.

The Disposition has the following characteristics:

Gross Proceeds	\$109.0 million
Production (~95% oil and natural gas liquids)	1,450 boe/d ⁽¹⁾ 1,225 boe/d ⁽²⁾
Undeveloped Land	12,227 net acres
Total Proved Reserves ⁽³⁾	4,153 mboe
Total Proved Plus Probable Reserves ("2P") ⁽³⁾	5,618 mboe
Implied Metrics:	
Price / Flowing BOE	~\$75,172/boe/d ⁽¹⁾ ~\$88,980/boe/d ⁽²⁾
Price / Cash Flow ⁽⁴⁾	~6.15x
Price / Proved Reserves	\$26.25
Price / 2P Reserves	\$19.40
2P Recycle Ratio ⁽⁵⁾	2.15

1. Includes approximately 200 boe/d of flush production from wells recently brought on production.
2. Based on forecasted 2014 annualized volumes.
3. Based on Renegade's December 31, 2012 reserve report. Does not include 2013 volumes produced, 2013 reserve changes or operational activities.
4. Based on forecasted 2014 annualized volumes of 1,225 boe/d, realized weighted average price of \$82.18, corporate netbacks of \$39.64/boe which include general and administrative costs of \$2.00/boe.
5. Based on an operating netback of \$41.64/boe.

Macquarie Capital Markets Canada Ltd. and TD Securities Inc. acted as joint financial advisors to Renegade in respect of the Disposition. The Disposition is expected to close in early March, 2014, subject to standard industry closing conditions.

DIVIDEND

Renegade is pleased to announce that a cash dividend in the amount of \$0.008333 per share (\$0.10 annualized) will be paid on February 17, 2014 to shareholders of record as of January 31, 2014. The ex-dividend date is January 29, 2014.

These dividends are designated as "eligible dividends" for Canadian income tax purposes.

CORPORATE INFORMATION

Renegade is a light oil focused development and production company with assets located in Saskatchewan, Alberta, Manitoba and North Dakota. Renegade's common shares trade on the TSX Venture Exchange under the symbol RPL.

READER ADVISORIES

Forward-Looking Statements

This news release contains forward-looking information and forward-looking statements within the meaning of applicable securities laws. Specifically, this news release contains forward-looking information regarding the characteristics of the Disposition Assets, the Company's strategic plans, the Company's development plans, future capital allocation, the Disposition and the use of proceeds therefrom, the anticipated timing of closing of the Disposition and expected changes to Renegade's credit facility. The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Renegade. In addition, statements relating to "reserves" are, by their nature, forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the reserves described can be profitably produced in the future.

Although Renegade believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Renegade can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent

risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price and exchange rate fluctuations and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. Certain of these risks are set out in more detail in Renegade's Annual Information Form which has been filed on SEDAR and can be accessed at www.sedar.com and Renegade's other public disclosure documents which have been filed on SEDAR and can be accessed at www.sedar.com.

The forward-looking statements contained in this press release are made as of the date hereof and Renegade undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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.

Contact

[Renegade Petroleum Ltd.](http://www.renegade-petroleum.com)

Andrew Greenslade, Interim Chief Executive Officer
(403) 930-1102

Renegade Petroleum Ltd.

Mark Lobello, Interim Chief Financial Officer
(403) 355-8921

Dieser Artikel stammt von Rohstoff-Welt.de

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/164110--Renegade-Petroleum-Ltd.-Announces-Strategic-109.0-Million-Asset-Disposition-and-Confirms-January-2014-Dividend-Payout>

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](#).