

Delphi Energy Reports 2013 Year End Results

19.03.2014 | [Marketwired](#)

CALGARY, ALBERTA--(Marketwired - Mar 19, 2014) - [Delphi Energy Corp.](#) (TSX:DEE) ("Delphi" or the "Company") is pleased to announce its financial and operational results for the year ended December 31, 2013.

2013 Highlights

- Produced an average of 8,241 barrels of oil equivalent per day ("boe/d") in 2013, unchanged from 8,276 boe/d in 2012 with average production of 8,988 boe/d in the fourth quarter of 2013, up 24 percent from average production of 7,229 boe/d in the fourth quarter of 2012;
- Improved cash netbacks per barrels of oil equivalent ("boe") by 22 percent over the comparative year resulting in funds from operations of \$39.1 million, a 21 percent increase over 2012;
- Increased average field condensate production in 2013 by 224 percent to 691 barrels per day ("bbls/d") in comparison to 2012 and increased average field condensate production in the fourth quarter of 2013 by 482 percent to 960 bbls/d compared to the same period in 2012;
- Increased Montney production from 897 boe/d in the fourth quarter of 2012 to 3,884 boe/d in the fourth quarter of 2013, an increase of 333 percent;
- Montney natural gas liquids ("NGL") and field condensate yields increased 40 percent to 95 barrels per million cubic feet ("bbls/mmcf") in 2013 in comparison to 2012. Field and plant condensate yield was 69 bbls/mmcf or 73 percent of the total 95 bbls/mmcf;
- Increased total proved reserves by 52 percent to 36.1 million boe and total proved plus probable reserves by 43 percent to 61.7 million boe compared to December 31, 2012;
- Increased total proved reserve value (before income taxes, discounted at 10 percent) by 79 percent to \$379.1 million and total proved plus probable reserve value (before income taxes, discounted at 10 percent) by 61 percent to \$583.9 million compared to December 31, 2012;
- Achieved a total proved plus probable recycle ratio of 1.8:1 with an operating netback of \$17.23 per boe;
- For the Montney development, achieved a proved plus probable recycle ratio of 2.8:1 with an operating netback of \$24.56 per boe;
- Replaced 2013 production of 3.0 million boe by 7.2 times with total proved plus probable reserve additions (including revisions) of 21.6 million boe;
- Increased the Bigstone Montney land holdings 65 percent in 2013 to 125 gross (110 net) sections; and
- Increased net asset value per share by 58 percent to \$3.41 compared to December 31, 2012.

Operational Highlights

	Three Months Ended December 31			Twelve Months Ended December 31		
	2013	2012	% Change	2013	2012	% Change
Field condensate (bbls/d)	960	165	482	691	213	224
Natural gas liquids (bbls/d)	1,286	1,055	22	1,222	1,101	11
Crude oil (bbls/d)	282	400	(30)	311	696	(55)
Total crude oil and natural gas liquids	2,528	1,620	56	2,224	2,010	11
Natural gas (mcf/d)	38,761	33,654	15	36,104	37,589	(4)
Total (boe/d)	8,988	7,229	24	8,241	8,276	-

Financial Highlights (\$ thousands except per unit amounts)

	Three Months Ended December 31			Year Ended December 31		
	2013	2012	% Change	2013	2012	% Change
Petroleum and natural gas sales	29,460	18,858	56	100,430	85,754	17
Realized sales price per boe	35.52	28.98	23	33.61	29.50	14
Funds from operations	11,352	6,269	81	39,115	32,305	21
Per boe	13.73	9.43	46	13.01	10.65	22
Per share - Basic	0.07	0.04	75	0.26	0.24	8
Per share - Diluted	0.07	0.04	75	0.25	0.24	4
Net earnings (loss)	(16,100)	(29,394)	(45)	(11,627)	(58,030)	(80)

Per boe	(19.46)	(44.19)	(56)	(3.86)	(19.18)	(80)
Per share - Basic and diluted	(0.11)	(0.21)	(48)	(0.08)	(0.43)	(81)
Capital invested	27,624	11,538	139	71,956	83,728	(14)
Disposition of properties	-	(45)	-	(3,319)	(34,664)	(90)
Net capital invested	27,624	11,493	140	68,637	49,064	(40)
Acquisition of properties	-	139	-	13,664	139	9,730
Total capital invested	27,624	11,632	137	82,301	49,203	67

	December 31, 2013	December 31, 2012	% Change
Net debt ⁽¹⁾	138,340	92,815	49
Total assets	451,680	401,649	12
Shares outstanding (thousands)			
Basic	153,254	153,049	-
Diluted	166,106	162,104	2

⁽¹⁾ Net debt is defined as long term and subordinated debt plus (minus) the working capital deficit (surplus) excluding the current portion of the fair value of the financial instruments.

MESSAGE TO SHAREHOLDERS

2013 was another exciting year for Delphi as the Company continued its development of the East Bigstone Montney project making significant progress towards a condensate-rich natural gas growth platform through each quarter of 2013 and continuing into 2014.

Year in Review

2013 was a year of transformation for Delphi with a step change in well performance experienced at Delphi's liquids-rich Bigstone Montney development project. Delphi brought on production five horizontal Montney wells stimulated with a new completion technique during the year (four of them drilled with extended-reach horizontal laterals and completed with 30 fracture stages). The slickwater hybrid fracs, which had not previously been used in the greater Bigstone area, have proven to be a key driver for Delphi in unlocking significant value from the Montney formation at Bigstone.

The total capital program in 2013 was \$85.6 million compared to \$83.9 million in 2012. The capital program was primarily directed to the Montney development project at Bigstone, drilling six gross (5.7 net) wells and constructing the required wellsite and gathering system infrastructure. Minor non-core asset dispositions in 2013 generated \$3.3 million in proceeds compared to \$34.7 million in 2012 and were utilized to partially fund the capital program.

Production during the fourth quarter of 2013 increased 24 percent over the comparative quarter of 2012 to 8,988 boe/d. Production from the Bigstone Montney project increased from 897 boe/d to 3,884 boe/d and field condensate production increased from 81 bbls/d to 869 bbls/d over this same comparative period. Full year 2013 production of 8,241 boe/d was unchanged from 2012, primarily as a result of the significant asset dispositions achieved in late 2012.

Financial results in 2013 reflect the continued quarter over quarter production growth achieved throughout 2013. Revenue generated during the fourth quarter of 2013 increased to \$29.5 million, a 56 percent increase over the comparative quarter of 2012, while funds from operations increased by 81 percent to \$11.4 million over the same period. The stronger financial results in the fourth quarter of 2013 over the comparative period in 2012 are largely a result of the 56 percent growth in liquids volumes, 15 percent growth in natural gas volumes and 20 percent increase in realized natural gas prices.

The significance of the successful capital program is also reflected in the Company's petroleum and natural gas reserve additions and increased value of the Company. Delphi's reserves increased across all categories in 2013 with total proved plus probable reserves increasing 43 percent to 61.7 million boe and the value of those reserves increasing by 61 percent to \$583.9 million. The Company replaced the 3.0 million boe of production in 2013 by 7.2 times on a proved plus probable basis. As a result of the significant reserve additions and the increased liquids weighting of those reserves, the net asset value of the Company increased 58 percent to \$3.41 per share. The efficiency of the 2013 capital program is also reflected in the

resulting finding, development and acquisition costs of \$9.43 per boe.

Delphi increased its land holdings in 2013 on its East Bigstone Montney play by 65 percent to 125 gross (110 net) sections. The Company's total undeveloped land position at December 31, 2013, a measure of its future growth prospect inventory within its three core areas, was 219,878 net acres (344 sections). The Company has regulatory approval to drill up to four natural gas wells per pool per section on its lands at Bigstone, Hythe and Wapiti.

Bigstone Montney Program

At East Bigstone, Delphi has now drilled a total of twelve horizontal wells, nine of which were completed with the slickwater hybrid fracturing technique, after completing the first three wells with conventional oil fracturing techniques in early 2012. The Company expects to finish drilling its 13th well prior to spring breakup, with its completion scheduled for after breakup.

The impact of a continuous operation utilizing the same rig and personnel has resulted in significant time and cost savings without exposing the project to any risky and potentially expensive operational shortcuts. Drilling times have decreased from 45 days to routinely 30 days for a 5,500 to 6,000 metre well, including a horizontal section as long as three kilometres. Drilling costs have been reduced by approximately \$1.5 million per well over the program. The new slickwater hybrid completion technique has been implemented successfully with the Company regularly placing all 30 frac stages in its wells and pumping as much as 4.5 million pounds of sand into each well. Significant cost savings have been achieved through optimization of pump rates and horsepower requirements as well as the logistics of water and sand handling. The use of natural gas rather than propane to heat the water used for fracturing has generated material cost savings, especially in the winter season. Delphi continues to pursue additional cost savings such as a potential water disposal site within Bigstone. Also, the Company continues to construct its pipeline to deliver Montney production to the SemCams K3 Plant for processing.

The table below illustrates the significant impact the slickwater hybrid fracturing technique has had on well performance at Bigstone in comparison to smaller conventional frac methods. Well performance during the initial 30 days of production has almost doubled, as observed in the 15-30 and 16-30 production performance where the two wells are approximately 400 metres (one spacing unit) apart. Longer term production performance has tripled when observing production rates after 180 days. Wellhead condensate production and yields have also improved by two to three times.

The strong performance of the new slickwater frac'd wells continue to exceed the Company's initial type well assumptions and as a result the Company has revised its type well assumptions. The revised type well in the table below reflects a 34 percent increase in the IP30 production rate and a 40 percent increase in the initial total field condensate and plant NGL yield.

Numbers in bold in the table below indicate new data since it was previously released.

To view the table, please visit the following link: http://media3.marketwire.com/docs/934450_table1.jpg

2014 Guidance

Delphi is pleased to provide revised guidance for 2014 after evaluating the production performance of the Montney wells drilled to date. The 2014 capital program contemplates drilling and completing six extended-reach Montney horizontal wells and the start of the seventh prior to year-end utilizing the existing drilling rig. Capital has been increased by approximately \$4.0 - 6.0 million primarily due to the purchase rather than lease of a new compressor installed at the recently expanded 7-11 Montney facility and contemplated minor land acquisitions.

The increase in production guidance reflects the strong performance of the new slickwater frac'd wells and the revised type well assumptions. The increase in funds from operations ("FFO") guidance is a result of increased forecast production volumes as well as higher forecast commodity prices. New 2014 guidance is outlined in the table below.

To view the table, please visit the following link: http://media3.marketwire.com/docs/934450_table2.jpg

Currently, the Company has approximately 63 percent of its natural gas production hedged at an average price of \$3.70 per mcf for 2014 and approximately 27 percent of its crude oil and condensate production hedged at a floor price of Cdn \$96.03 per barrel for the first half of 2014.

Outlook

The Company is finishing the current winter drilling season ahead of schedule, having accelerated the drilling of one more well than originally planned as a result of improved spud to spud cycle times and will be ready for completion operations after breakup. This positions the Company to manage a potential extended wet spring breakup period with minimal impact to the forecast production volumes and consider increasing the capital program later in the year. Historically, Delphi executes a winter capital program in excess of first quarter funds from operations followed by at least one quarter of minimal activity prior to returning to the field with an active summer/fall program.

Over the past 12 months, production from the Montney at Bigstone has grown to over 7,000 boe/d in March 2014 from approximately 700 boe/d one year ago. The production profile of the new wells, with lower initial declines and greater condensate yields resulting in materially greater present value of the reserves and significantly reduced payout times, has had a favourable impact to the Company's cash generating capability and underlying asset value.

The Company's success at East Bigstone has increased its current corporate production capability to approximately 11,000 boe/d (29 percent NGL's and light oil) with one Montney well currently being completed and the final Montney horizontal well of the winter program still drilling. Corporate production volumes will likely be affected by maintenance outages in mid 2014 at the SemCams KA and K3 processing plants. The anticipated impact of the outages to the Company have been accounted for in the revised guidance.

The results of the Montney program achieved in 2013 proves the robust economics of the play. With the large development inventory assembled on 125 sections of Montney lands together with ownership in strategic infrastructure, the Company has never been better positioned with an asset capable of long term sustainable growth.

In 2014, the operational and financial transformation of the Company will continue, as strong cash netbacks and low-cost production and reserve additions from the growth in the Montney reshape the financial strength of the Company, creating a platform for self-funded long term growth.

On behalf of the Board of Directors and all the employees of Delphi, we would like to thank our shareholders for their continued support.

CONFERENCE CALL AND WEBCAST

A conference call and webcast to review 2013 results is scheduled for 9:00 a.m. Mountain Time (11:00 a.m. Eastern Time) on Thursday, March 20, 2014. The conference call number is 1-800-769-8320 or 416-340-8527. A brief presentation by David Reid, President and CEO and Brian Kohlhammer, Senior VP Finance & CFO, will be followed by a question and answer period. The conference call will also be broadcast live on the internet and may be accessed through the Delphi Energy website at www.delphienergy.ca.

A taped rebroadcast will be available until 6:00 p.m. Mountain Time, Thursday, March 27, 2014. To access the rebroadcast, dial 1-800-408-3053 or 905-694-9451. The passcode is 9734486. Delphi's annual and fourth quarter 2013 financial statements and management's discussion and analysis are available on Delphi's website at www.delphienergy.ca.

Delphi Energy is a Calgary-based company that explores, develops and produces oil and natural gas in

Western Canada. The Company is managed by a proven technical team. Delphi trades on the Toronto Stock Exchange under the symbol DEE.

Forward-Looking Statements. *The release contains forward-looking statements and forward-looking information within the meaning of applicable Canadian securities laws. These statements relate to future events or the Company's future performance and are based upon the Company's internal assumptions and expectations. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "should", "believe", "intends", "forecast", "plans", "guidance", "budget" and similar expressions.*

More particularly and without limitation, this release contains forward-looking statements and information relating to petroleum and natural gas production estimates and weighting, projected crude oil and natural gas prices, future exchange rates, expectations as to royalty rates, expectations as to transportation and operating costs, expectations as to general and administrative costs and interest expense, expectations as to capital expenditures and net debt, planned capital spending, future liquidity and Delphi's ability to fund ongoing capital requirements through operating cash flows and its credit facilities, supply and demand fundamentals for oil and gas commodities, timing and success of development and exploitation activities, cash availability for the financing of capital expenditures, access to third-party infrastructure, treatment under governmental regulatory regimes and tax laws and future environmental regulations.

Furthermore, statements relating to "reserves" are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions that the reserves described can be profitable in the future.

The forward-looking statements and information contained in this release are based on certain key expectations and assumptions made by Delphi. The following are certain material assumptions on which the forward-looking statements and information contained in this release are based: the stability of the global and national economic environment, the stability of and commercial acceptability of tax, royalty and regulatory regimes applicable to Delphi, exploitation and development activities being consistent with management's expectations, production levels of Delphi being consistent with management's expectations, the absence of significant project delays, the stability of oil and gas prices, the absence of significant fluctuations in foreign exchange rates and interest rates, the stability of costs of oil and gas development and production in Western Canada, including operating costs, the timing and size of development plans and capital expenditures, availability of third party infrastructure for transportation, processing or marketing of oil and natural gas volumes, prices and availability of oilfield services and equipment being consistent with management's expectations, the availability of, and competition for, among other things, pipeline capacity, skilled personnel and drilling and related services and equipment, results of development and exploitation activities that are consistent with management's expectations, weather affecting Delphi's ability to develop and produce as expected, contracted parties providing goods and services on the agreed timeframes, Delphi's ability to manage environmental risks and hazards and the cost of complying with environmental regulations, the accuracy of operating cost estimates, the accurate estimation of oil and gas reserves, future exploitation, development and production results and Delphi's ability to market oil and natural gas successfully to current and new customers. Additionally, estimates as to expected average annual production rates assume that no unexpected outages occur in the infrastructure that the Company relies on to produce its wells, that existing wells continue to meet production expectations and any future wells scheduled to come on in the coming year meet timing and production expectations.

Commodity prices used in the determination of forecast revenues are based upon general economic conditions, commodity supply and demand forecasts and publicly available price forecasts. The Company continually monitors its forecast assumptions to ensure the stakeholders are informed of material variances from previously communicated expectations.

Financial outlook information contained in this release about prospective results of operations, financial position or cash flows is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available. Readers are cautioned that such financial outlook information contained in this release should not be used for purposes other than for which it is disclosed.

Although the Company believes that the expectations reflected in such forward-looking statements and

information are reasonable, it can give no assurance that such expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent known and unknown risks and uncertainties. Delphi's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits Delphi will derive therefrom. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the oil and gas industry in general such as 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 estimates and projections relating to production rates, costs and expenses, commodity price and exchange rate fluctuations, marketing and transportation, environmental risks, competition from others for scarce resources, the ability to access sufficient capital from internal and external sources, changes in governmental regulation of the oil and gas industry and changes in tax, royalty and environmental legislation. Additional information on these and other factors that could affect the Company's operations or financial results are included in the Company's most recent Annual Information Form and other reports on file with the applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com).

Readers are cautioned that the foregoing list of factors is not exhaustive. Furthermore, the forward-looking statements contained in this release are made as of the date of this release for the purpose of providing the readers with the Company's expectations for the coming year. The forward-looking statements and information may not be appropriate for other purposes. Delphi 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. The forward-looking statements contained in this release are expressly qualified in their entirety by this cautionary statement.

Basis of Presentation. For the purpose of reporting production information, reserves and calculating unit prices and costs, natural gas volumes have been converted to a barrel of oil equivalent (boe) using six thousand cubic feet equal to one barrel. A boe conversion ratio of 6:1 is based upon an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. This conversion conforms with the Canadian Securities Administrators' National Instrument 51-101 when boes are disclosed. Boes may be misleading, particularly if used in isolation.

As per CSA Staff Notice 51-327 initial test results and initial production performance should be considered preliminary data and such data is not necessarily indicative of long-term performance or of ultimate recovery.

Non-IFRS Measures. The release contains the terms "funds from operations", "funds from operations per share", "net debt", "operating netbacks" "cash netbacks" and "netbacks" which are not recognized measures under IFRS. The Company uses these measures to help evaluate its performance. Management considers netbacks an important measure as it demonstrates its profitability relative to current commodity prices and costs of production. Management uses funds from operations to analyze performance and considers it a key measure as it demonstrates the Company's ability to generate the cash necessary to fund future capital investments and to repay debt. Funds from operations is a non-IFRS measure and has been defined by the Company as cash flow from operating activities before accretion on long term and subordinated debt, decommissioning expenditures and changes in non-cash working capital from operating activities. The Company also presents funds from operations per share whereby amounts per share are calculated using weighted average shares outstanding consistent with the calculation of earnings per share. Delphi's determination of funds from operations may not be comparable to that reported by other companies nor should it be viewed as an alternative to cash flow from operating activities, net earnings or other measures of financial performance calculated in accordance with IFRS. The Company has defined net debt as the sum of long term debt and subordinated debt plus/minus working capital excluding the current portion of the fair value of financial instruments. Net debt is used by management to monitor remaining availability under its credit facilities. Operating netbacks have been defined as revenue less royalties, transportation and operating costs. Cash netbacks have been defined as operating netbacks less interest and general and administrative costs. Netbacks are generally discussed and presented on a per boe basis.

For the calculation of finding, development and acquisition costs, recycle ratio and net asset value per share, refer to the Company's press release of crude oil and natural gas reserves information dated February 12, 2014.

Contact

[Delphi Energy Corp.](#)

David J. Reid
President & CEO
(403) 265-6171

[Delphi Energy Corp.](#)

Brian P. Kohlhammer
Senior V.P. Finance & CFO
(403) 265-6171

[Delphi Energy Corp.](#)

300, 500 - 4 Avenue S.W.

Calgary, Alberta

T2P 2V6

(403) 265-6207

info@delphienergy.ca

www.delphienergy.ca

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

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/169020--Delphi-Energy-Reports-2013-Year-End-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 -1999-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).