

# Spartan Energy Corp. Provides Corporate Pro Forma Reserves Summary and Renegade Petroleum Ltd. 2013 Year-End Financial and Reserves Information

01.04.2014 | [Marketwired](#)

CALGARY, ALBERTA--(Marketwired - Apr 1, 2014) - [Spartan Energy Corp.](#) ("Spartan" or the "Company") (TSX VENTURE:SPE) is pleased to provide a pro forma reserves summary as a result of the material increase in Spartan's reserves due to the completion of the acquisition of [Renegade Petroleum Ltd.](#) ("Renegade") on March 31, 2014. Spartan also reports the financial results and year-end reserves of Renegade for the year ended December 31, 2013, all as approved by the board of directors of Renegade on March 31, 2014 prior to the completion of the acquisition of Renegade by Spartan.

## PRO FORMA RESERVES (SPARTAN AND RENEGADE)

The summary below sets forth Spartan's gross reserves as at December 31, 2013, after giving effect to the acquisition of Renegade as though such acquisition had occurred on December 31, 2013, but excluding reserves associated with assets disposed of by Renegade to [Surge Energy Inc.](#) in the first quarter of 2014 (the "Surge Assets"). The reserves set forth below represent an aggregate of: (a) the reserves of Spartan as at December 31, 2013, as evaluated in an independent report prepared by Sproule Associates Limited ("Sproule") dated February 6, 2014 (the "Spartan Report"); (b) reserves associated with assets acquired by Spartan from Renegade on February 3, 2014 (the "Spartan Acquired Assets"), as evaluated in an independent report prepared by Sproule on January 24, 2014 with an effective date of December 31, 2013 (the "Spartan Asset Report"); and (c) the reserves of Renegade as at December 31, 2013, as evaluated in an independent report prepared by Sproule on March 31, 2014 (the "Renegade Report"), exclusive of the reserves associated with the Surge Assets and the Spartan Acquired Assets (the "Renegade Assets"). The figures in the following tables have been prepared in accordance with the standards contained in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") and the reserve definitions contained in NI 51-101.

Summary of Gross Oil and Gas Reserves as of December 31, 2013 <sup>(1), (2), (3), (4)</sup>

	Oil (associated & non-associated) Gross (Mbbbl)	Natural Gas Gross (MMcft)	Natural Gas Liquids Gross (Mbbbl)	Barrels of Oil Equivalent Gross (Mboe)
Proved				
Developed Producing	10,909.1	6,172.6	424.3	12,362.2
Developed Non-Producing	167.9	343.2	3.6	228.7
Undeveloped	5,444.6	2,546.4	156.6	6,025.6
Total Proved	16,521.6	9,062.2	584.5	18,616.5
Probable	6,746.9	3,584.9	226.0	7,570.4
Total Proved plus Probable	23,268.5	12,647.1	810.5	26,186.9

Summary of Net Present Values of Future Net Revenue as of December 31, 2013 <sup>(1), (2), (3), (4)</sup>

	Net Present Value before Income Taxes Discounted at (% per Year) (M\$)				
	0%	5%	10%	15%	20%
Proved					
Developed Producing	524,947	418,046	350,079	303,202	268,933
Developed Non-Producing	7,251	4,961	3,563	2,670	2,076
Undeveloped	209,422	142,164	99,912	71,753	52,098
Total Proved	741,620	565,171	453,554	377,625	323,107
Probable	397,422	246,749	171,246	127,595	99,830
Total Proved plus Probable	1,139,042	811,920	624,800	505,220	422,937

- (1) The tables summarize the data contained in the Spartan Report, the Spartan Asset Report and the Renegade Report and as a result may contain slightly different numbers than such report due to rounding. Also due to rounding, certain columns may not add exactly.
- (2) Gross reserves means the total working interest (operating or non-operating) share of remaining recoverable reserves owned by Spartan, including the Renegade Assets and the Spartan Acquired Assets, before deductions of royalties payable to others and without including any royalty interests owned by Spartan.
- (3) Based on Sproule's December 31, 2013 escalated price forecast. See "Summary of Pricing and Inflation Rate Assumptions".
- (4) The net present value of future net revenue attributable to the Company's reserves, including the Renegade Assets and the Spartan Acquired Assets, is stated without provision for interest costs and general and administrative costs, but after providing for estimated royalties, production costs, development costs, other income, future capital expenditures, and well abandonment costs for only those wells assigned reserves by Sproule. It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to the Company's reserves estimated by Sproule represent the fair market value of those reserves. Other assumptions and qualifications relating to costs, prices for future production and other matters are summarized herein. The recovery and reserve estimates of the Company's oil, NGL and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided herein.

### Future Development Costs

The following table sets forth development costs deducted in the estimation of Spartan's future net revenue attributable to the reserve categories noted below:

Year	Forecast Prices and Costs (M\$)	
	Proved Reserves	Proved Plus Probable Reserves
2014	\$ 46,327	\$ 47,219
2015	\$ 37,178	\$ 41,711
2016	\$ 38,118	\$ 39,682
2017	\$ 26,058	\$ 36,172
2018	\$ 388	\$ 776
Thereafter	\$ 442	\$ 442
Total Undiscounted	\$ 148,509	\$ 166,000
Total Discounted at 10%	\$ 126,226	\$ 139,788

The future development costs are capital expenditures required in the future for Spartan to convert proved undeveloped reserves and probable reserves to proved developed producing reserves. The undiscounted development costs are \$148.5 million for proved reserves and \$166 million for proved plus probable reserves (in each case based on forecast prices and costs).

### Summary of Pricing and Inflation Rate Assumptions - Forecast Prices and Costs

The forecast cost and price assumptions assume increases in wellhead selling prices and take into account inflation with respect to future operating and capital costs. Crude oil and natural gas benchmark reference pricing, inflation and exchange rates utilized by Sproule in the Spartan Report, Spartan Asset Report and Renegade Report were Sproule's forecasts, as at December 31, 2013, as follows:

Year	WTI	Edmonton	Cromer	Natural	Pentanes	Butanes	Inflation	Exchange
	Cushing Oklahoma (\$US/bbl) (1)	Par Price 40°API (\$Cdn/bbl)(2)	LSB 35° API (\$Cdn/bbl)(3)	Gas AECO (\$Cdn/ MMBtu)	Plus FOB Field Gate (\$Cdn/bbl)	FOB Field Gate (\$Cdn/bbl)		
Forecast								
2014	94.65	92.64	90.64	4.00	103.50	69.05	1.5	0.94
2015	88.37	89.31	87.31	3.99	99.78	66.57	1.5	0.94
2016	84.25	89.63	87.63	4.00	100.14	66.81	1.5	0.94
2017	95.52	101.62	99.62	4.93	113.53	75.74	1.5	0.94
2018	96.96	103.14	101.14	5.01	115.24	76.88	1.5	0.94
2019	98.41	104.69	102.69	5.09	116.97	78.03	1.5	0.94
2020	99.89	106.26	104.26	5.18	118.72	79.20	1.5	0.94
2021	101.38	107.86	105.86	5.26	120.50	80.39	1.5	0.94
2022	102.91	109.47	107.47	5.35	122.31	81.60	1.5	0.94
2023	104.45	111.12	109.12	5.43	124.14	82.82	1.5	0.94
2024	106.02	112.78	110.78	5.52	126.01	84.06	1.5	0.94
Thereafter	Escalation Rate of 1.5%							

(1) West Texas Intermediate at Cushing Oklahoma 40 degrees API, 0.4% sulphur.

(2) Edmonton Light Sweet 40 degrees API, 0.3% sulphur.

(3) Comer LSB (35 degrees API stream).

Weighted average historical price realized, including the Spartan Acquired Assets and the Renegade Assets, for the year ended December 31, 2013, after hedging, was \$82.37/Bbl for crude oil, \$52.76/Bbl for NGLs and \$3.10/Mcf for natural gas.

## RENEGADE FINANCIAL AND OPERATIONAL RESULTS

The following summarizes information contained in and should be read in conjunction with Renegade's 2013 audited annual financial statements and the related management's discussion and analysis, each as approved by the board of directors of Renegade on March 31, 2014, which are available for review at [www.sedar.com](http://www.sedar.com).

	Three Months Ended		Year Ended	
	December 31, 2013		December 31, 2013	
Average daily production (BOE/d)		7,380		7,442
Petroleum and natural gas revenue, net of royalties and realized derivative contracts (\$000)	\$	41,333	\$	170,036
Production costs (\$000)	\$	13,722	\$	53,078
Operating netback (\$/BOE) <sup>(1)</sup>	\$	40.67	\$	47.45
Cash flow from operations (\$000) <sup>(1)</sup>	\$	19,000	\$	95,253
per share - basic	\$	0.09	\$	0.47
per share - diluted	\$	0.09	\$	0.46
Net loss (\$000)	\$	(83,847 )	\$	(98,236 )
per share - basic and diluted	\$	(0.41 )	\$	(0.48 )
Capital expenditures (excluding A&D) (\$000)	\$	16,849	\$	86,388
Net debt (\$000) <sup>(1)</sup>	\$	284,950	\$	284,950

(1) Cash flow from operations, net debt and operating netback are non-IFRS measures. See "Non-IFRS Measures".

## RENEGADE'S RESERVES AFTER GIVING EFFECT TO ASSET DISPOSITIONS (RENEGADE ONLY)

The reserves data set forth below is based upon the Renegade Report, and summarizes Renegade's gross reserves as at December 31, 2013 but after giving effect to the disposition of the Surge Assets and the Spartan Acquired Assets as though such dispositions had occurred at December 31, 2013. The figures in the following tables have been prepared in accordance with the standards contained in the COGE Handbook and the reserve definitions contained in NI 51-101.

Summary of Gross Oil and Gas Reserves as of December 31, 2013 <sup>(1), (2), (3), (4)</sup>

	Oil (associated & non-associated)		Natural Gas	Natural Gas	Barrels of Oil
	Gross	Gross	Liquids	Gas	Equivalent
	(Mbbl)	(MMcf)	(Mbbl)	(Mboe)	Gross
Proved					
Developed Producing	9,051.1	4,550.3	396.4		10,205.9
Developed Non-Producing	79.8	13.2	1.9		83.9
Undeveloped	4,582.6	2,205.4	154.9		5,105.1
Total Proved	13,713.5	6,768.9	553.2		15,394.9
Probable	5,605.4	2,615.2	212.1		6,253.4
Total Proved plus Probable	19,318.9	9,384.1	765.3		21,648.2

Summary of Net Present Values of Future Net Revenue as of December 31, 2013 <sup>(1), (2), (3), (4)</sup>

	Net Present Value before Income Taxes				
	Discounted at (% per Year) (M\$)				
	0%	5%	10%	15%	20%
Proved					
Developed Producing	439,863	355,487	300,223	261,353	232,577
Developed Non-Producing	1,770	1,508	1,305	1,144	1,014
Undeveloped	169,700	116,145	81,769	58,511	42,110
Total Proved	611,333	473,140	383,297	321,008	275,701
Probable	335,301	213,461	150,031	112,682	88,716

Total Proved plus Probable	946,634	686,601	533,328	433,690	364,417
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- (1) The tables above are a summary of the oil, NGL and natural gas reserves of Renegade and the net present value of future net revenue attributable to such reserves as evaluated in the Renegade Report based on forecast price and cost assumptions. The tables summarize the data contained in the Renegade Report and as a result may contain slightly different numbers than such report due to rounding. Also due to rounding, certain columns may not add exactly.
- (2) Gross reserves means the total working interest (operating or non-operating) share of remaining recoverable reserves owned by Renegade, excluding the Surge Assets and the Spartan Acquired Assets, before deductions of royalties payable to others and without including any royalty interests owned by Renegade.
- (3) Based on Sproule's December 31, 2013 escalated price forecast. See "Summary of Pricing and Inflation Rate Assumptions" under "Pro Forma Reserves (Spartan and Renegade)".
- (4) The net present value of future net revenue attributable to Renegade's reserves, excluding the Surge Assets and the Spartan Acquired Assets, is stated without provision for interest costs and general and administrative costs, but after providing for estimated royalties, production costs, development costs, other income, future capital expenditures, and well abandonment costs for only those wells assigned reserves by Sproule. It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to Renegade's reserves estimated by Sproule represent the fair market value of those reserves. Other assumptions and qualifications relating to costs, prices for future production and other matters are summarized herein. The recovery and reserve estimates of Renegade's oil, NGL and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided herein.

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## READER ADVISORY

**BOE Disclosure.** The term barrels of oil equivalent ("BOE") may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet per barrel (6Mcf/bbl) of natural gas to barrels of oil equivalence 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 the report are derived from converting gas to oil in the ratio mix of six thousand cubic feet of gas to one barrel of oil.

**Forward-Looking Statements.** Certain information included in this press release constitutes forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "project" or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information in this press release may include, but is not limited to, timing for completion of the acquisition of Renegade. Forward-looking information is based on a number of factors and assumptions which have been used to develop such information but which may prove to be incorrect. Although Spartan believes that the expectations reflected in its forward-looking information are reasonable, undue reliance should not be placed on forward-looking information because Alexander and Renegade 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 press release, assumptions have been made regarding and are implicit in, among other things, the timely receipt of any required regulatory approvals (including Court and shareholder approvals) and the satisfaction of all conditions to the completion of the transaction. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which have been used.

Forward-looking information is based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by Alexander and Renegade and described in the forward-looking information. The forward-looking information contained in this press release is made as of the date hereof and Spartan undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. The forward-looking information contained in this press release is expressly qualified by this cautionary statement.

**Non-IFRS Measures.** *This press release provides certain financial measures that do not have a standardized meaning prescribed by IFRS. These non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Cash flow from operations, operating netback and net debt are not recognized measures under IFRS. Management believes that in addition to net income (loss), cash flow from operations, operating netback and net debt are useful supplemental measures that demonstrate the Company's ability to generate the cash necessary to repay debt or fund future capital investment. Investors are cautioned, however, that these measures should not be construed as an alternative to net income (loss) determined in accordance with IFRS as an indication of the Company's performance. Spartan's and Renegade's method of calculating these measures may differ from other companies and accordingly, they may not be comparable to measures used by other companies. Cash flow from operations is calculated by*

*adjusting net income (loss) for other income, unrealized gains or losses on financial derivative instruments, accretion, share based compensation, impairment and depletion and depreciation. Operating netback is calculated based on oil and gas revenue less royalties and operating and transportation expenses. Net debt is the total of cash plus accounts receivable, prepaids and deposits, less accounts payable plus bank debt.*

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<https://www.rohstoff-welt.de/news/169986--Spartan-Energy-Corp.-Provides-Corporate-Pro-Forma-Reserves-Summary-and-Renegade-Petroleum-Ltd.-2013-Y>

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