

Trilogy Energy Corp. Announces Financial and Operating Results for the Three Months-Ended March 31, 2014 and Webcast of the Annual Meeting of Shareholders

08.05.2014 | [Marketwired](#)

CALGARY, ALBERTA--(Marketwired - May 7, 2014) - [Trilogy Energy Corp.](#) (TSX:TET) ("Trilogy") is pleased to announce its financial and operating results for the three months-end March 31, 2014 and webcast of the annual meeting of shareholders.

Financial and Operating Highlights

- Reported sales volumes for the first quarter of 2014 were 33,135 Boe/d as compared to 33,561 Boe/d for the previous quarter.
- First quarter natural gas liquids sales volumes increased 9 percent to 5,518 Boe/d from 5,068 Boe/d in the previous quarter. Oil and natural gas liquids sales volumes represented 39 percent of total sales volumes in the quarter as compared to 42 percent in the prior quarter.
- Net capital expenditures totaled \$174.3 million as compared to \$169 million for the first quarter of 2013.
- Funds flow from operations⁽¹⁾ increased 40 percent to \$81.2 million as compared to \$57.9 million for the previous quarter (Q1 2013 - \$80 million).
- Trilogy's realized natural gas price increased 73 percent from \$3.59/Mcf to \$6.19/Mcf quarter over quarter. In response to improving natural gas prices, Trilogy accelerated a portion of its third quarter drilling and completion operations into the first quarter, drilling 5 (4.5 net) wells into the Presley Montney gas pool.
- In total 31 (24.1 net) wells were drilled in the quarter as compared to 15 (8.5 net) wells drilled in the prior quarter and 35 (25.8 net) wells in the first quarter of 2013. Included in this total are 16 net oil wells drilled horizontally into the Kaybob Montney Oil Pool, 5 (4.5 net) Presley Montney gas wells, 2 (1.33 net) Duvernay shale condensate/oil wells and 1 (1.0 net) Gething oil well.
- Encouraging production results were experienced in the quarter on Trilogy's 15-26-63-21W5 Duvernay shale well, which yielded an average gas rate of 2.9 MMcf/d and an average condensate rate of 950 Bbl/d during its initial 3 weeks of production.
- During the quarter Trilogy executed various pipeline commitments to secure firm service pipeline capacity to accommodate future development of Trilogy's asset base.
- Dividends declared to Shareholders totaled \$13.2 million or 17 percent of cash flow from operating activities (prior quarter - \$13.2 million or 35 percent).
- Subsequent to the quarter Trilogy's revolving credit facility lenders increased their commitments by \$75 million to \$725 million.

(1) Refer to Non-GAAP measures in this release and MD&A

Financial and Operating Highlights Table

(In thousand Canadian dollars except per share amounts and where stated otherwise)

	March 31, 2014	December 31, 2013	Three Months Ended Change %
FINANCIAL			
Petroleum and natural gas sales	157,436	126,085	25
Funds flow			
From operations ⁽¹⁾	81,243	57,897	40
Per share - diluted	0.64	0.46	39
Earnings			
Earnings (loss) before tax	24,396	(10,532)	332
Per share - diluted	0.19	(0.09)	326
Earnings (loss) after tax	17,386	(8,739)	299
Per share - diluted	0.14	(0.07)	294

Dividends declared	13,165	13,152	-
Per share	0.105	0.105	-
Capital expenditures			
Exploration, development, land, and facility	169,867	73,185	132
Acquisitions (dispositions) and other - net	4,438	(2,866)	255
Net capital expenditures	174,305	70,319	148
Total assets	1,676,448	1,546,729	8
Net debt ⁽¹⁾	728,054	616,053	18
Shareholders' equity	669,901	665,849	1
Total shares outstanding (thousands)			
- As at end of period ⁽²⁾	125,160	125,174	-
OPERATING			
Production			
Natural gas (MMcf/d)	121	117	3
Oil (Bbl/d)	7,440	8,932	(17)
Natural gas liquids (Boe/d)	5,518	5,068	9
Total production (Boe/d @ 6:1)	33,135	33,561	(1)
Average prices before financial instruments			
Natural gas (\$/Mcf)	6.19	3.59	72
Crude Oil (\$/Bbl)	91.64	78.97	16
Natural gas liquids (\$/Boe)	57.56	48.20	19
Average realized price	52.79	40.84	29
Drilling activity (gross)			
Gas	11	9	22
Oil	20	6	233
Total wells	31	15	107

(1) Funds flow from operations and net debt are non-GAAP terms. Please refer to the advisory on Non-GAAP measures below.

(2) Excluding shares held in trust for the benefit of Trilogy's officers and employees under the Company's Share Incentive Plan. Includes Common

Shares and Non-voting Shares. Refer to the notes to the interim consolidated financial statements for additional information.

Outlook

Trilogy has continued to develop its land position and technical expertise in large, tight liquids -rich gas and oil resource plays in the Deep Basin. The Company believes the accumulation of a large inventory of high quality vertical and horizontal drilling prospects should provide the opportunity to grow annual production, replace produced reserves and maintain a meaningful dividend for its shareholders. Trilogy believes it is positioned at the end of the first quarter to meet its annual guidance for 2014 as follows:

Average production	36,000 Boe/d (~45% oil and NGLs)
Average operating costs	\$9.00 /Boe
Capital expenditures	\$375 million

Trilogy expects its net debt to peak in the second quarter of each year due to the fact that approximately 50 percent of its annual capital expenditures are incurred in the first quarter. Trilogy is well positioned with ample debt capacity from its revolving credit facility which recently increased to \$725 million. Net debt is expected to be reduced through the balance of the year from increased operational cash flow from the Company's producing assets and through continued asset development.

In the current natural gas and crude oil commodity price environment, Trilogy expects to manage its balance sheet through production replacement, prudent asset management and the continued control over a significant portion of its operations. As a growth-oriented corporation, Trilogy must remain flexible in order to respond to changes in commodity prices. The remainder of 2014 may finally see some stability in natural gas prices as supply and demand forces in western Canada natural gas markets continue to balance. Trilogy believes it can manage its assets prudently through the year as its production base trends to a higher oil and natural gas liquids composition. Trilogy is confident in its strategy, its high quality assets and the proven expertise of its employees.

Annual Meeting of Shareholders to be Webcast

Trilogy also announces that the annual meeting of its shareholders, to be held at 2:00 p.m. (Calgary time), Friday, May 9, 2014 in the Conference Centre at Centrium Place, 332 - 6th Avenue S.W., Calgary, Alberta, will be webcast. To listen to the annual meeting and view the presentation to be provided at the meeting, please go to the following internet address:

<http://www.gowebcasting.com/5441>

The link to the webcast is also available on Trilogy's website at www.trilogyenergy.com. The webcast will be available at the same internet address for a period of time following the annual meeting.

Additional Information

A copy of Trilogy's March 31, 2014 quarterly report to Shareholders, including Management's Discussion and Analysis and unaudited interim consolidated financial statements and related notes can be obtained at http://media3.marketwire.com/docs/TETQ12014_Report.pdf. This report will also be made available at a later date through Trilogy's website at www.trilogyenergy.com and SEDAR at www.sedar.com. Trilogy's corporate presentation and other information can also be accessed through its website

About Trilogy

Trilogy is a growing petroleum and natural gas-focused Canadian energy corporation that actively develops, produces and sells natural gas, crude oil and natural gas liquids. Trilogy's geographically concentrated assets are primarily, high

working interest properties that provide abundant low-risk infill drilling opportunities and good access to infrastructure and processing facilities, many of which are operated and controlled by Trilogy. Trilogy's common shares are listed on the Toronto Stock Exchange under the symbol "TET".

Non-GAAP Measures

Certain measures used in this document, including "finding and development costs", "funds flow from operations", "operating income", "net debt", "operating netback", "payout ratio" and "recycle ratio" collectively the "Non-GAAP measures" do not have any standardized meaning as prescribed by IFRS and previous GAAP and, therefore, are considered Non-GAAP measures. Non-GAAP measures are commonly used in the oil and gas industry and by Trilogy to provide Shareholders and potential investors with additional information regarding the Company's liquidity and its ability to generate funds to finance its operations. However, given their lack of standardized meaning, such measurements are unlikely to be comparable to similar measures presented by other issuers.

"Finding and development costs" refers to all current year net capital expenditures, excluding property acquisitions and dispositions with associated reserves, and including changes in future development capital on a proved or proved plus probable basis. "Finding and development costs per Barrel of oil equivalent" ("F&D \$/Boe") is calculated by dividing finding and development costs by the current year's reserve extensions, discoveries and revisions on a proved or proved plus probable reserve basis. Management uses finding and development costs as a measure to assess the performance of the Company's resources required to locate and extract new hydrocarbon reservoirs.

"Funds flow from operations" refers to the cash flow from operating activities before net changes in operating working capital as shown in the consolidated statements of cash flows. Management utilizes funds flow from operations as a key measure to assess the ability of the Company to finance dividends, operating activities, capital expenditures and debt repayments.

"Operating income" is equal to petroleum and natural gas sales before financial instruments and bad debt expenses minus royalties, operating costs, and transportation costs. "Operating netback" refers to Operating

income plus realized financial instrument gains and losses and other income minus actual decommissioning and restoration costs incurred. Operating income and operating netback are used by management to measure operating results of discrete oil and gas properties' performance without reference to capital and organizational structure and corporate and general administrative costs.

"Net debt" is calculated as current liabilities minus current assets plus long-term debt. Management utilizes net debt as a key measure to assess the liquidity of the Company.

"Payout ratio" refers to dividends divided by cash flow from operations. This measure assists in providing a more complete understanding of the Company's ability to fund future dividends to Shareholders from cash flow from operations.

"Recycle ratio" is equal to "Operating netback" on a production barrel of oil equivalent for the year divided by "F&D \$/Boe" (computed on a proved or proved plus probable reserve basis as applicable). Management uses this metric to measure the profitability of the Company in turning a barrel of reserves into a barrel of production.

Investors are cautioned that the Non-GAAP measures should not be considered in isolation or construed as alternatives to their most directly comparable measure calculated in accordance with IFRS, as set forth above, or other measures of financial performance calculated in accordance with IFRS.

Forward-Looking Information

Certain information included in this news release constitutes forward-looking statements under applicable securities legislation. Forward-looking statements or information typically contain statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "budget" or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking statements or information in this news release pertain to, without limitation: expected average production volumes in 2014, the timing thereof and the relative content of crude oil, natural gas and natural gas liquids therein; management's expectation of replacing production and reserves; projected average operating costs; future capital expenditures and the relative allocation and timing thereof; and statements regarding management's ability to respond to changing pricing environments and its intention to increase cash flow, pay down debt, continue to pay dividends to its Shareholders, manage its assets and balance sheet and control its operations. Such forward-looking statements or information are based on a number of assumptions which may prove to be incorrect. Such assumptions include: current commodity price forecasts for petroleum, natural gas and natural gas liquids; current reserves estimates; current production forecasts and the relative mix of crude oil, NGLs and natural gas therein; geology applicable to Trilogy's land holdings; the extent and development potential of Trilogy's assets including, without limitation, Trilogy's Kaybob area Montney oil and gas assets, the Duvernay Shale Gas development program, and the Gething and Dunvegan oil programs, among others; continuity of the mutually beneficial NGL recovery agreement with Aux Sable Canada LP and pricing thereunder; assumptions regarding royalties and expenses and the continuity of government drilling and royalty incentive programs and their applicability to Trilogy; operating and other costs; currency exchange and interest rates; expected timelines and budgets being met; budget allocations and capital spending flexibility; access to capital markets and other sources of funding for Trilogy's planned operations and expenditures; estimates of deferred tax amounts, tax assets and tax pools; the ability of Trilogy and its partners to achieve drilling, completion construction and other operational results consistent with our expectations; general business, economic, and market conditions; the ability of Trilogy to obtain equipment, services and supplies in a timely manner to carry out its activities; the ability of Trilogy to market oil and natural gas successfully to current and new customers; the timing and costs of pipeline, storage and facility construction and expansion facility run-times; the ability to secure adequate product processing, transmission and transportation and the timely receipt of required regulatory approvals: among others.

Although Trilogy 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 Trilogy can give no assurance that such expectations will prove to be correct. Forward-looking statements or information are 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 Trilogy and described in the forward-looking statements or information. These risks and uncertainties include, but are not limited to: fluctuations of oil, natural gas and natural gas liquids prices, foreign currency, exchange rates and interest rates, volatile economic and business conditions, the ability of management to execute its business plan; the

risks of the oil and gas industry, such as operational risks in exploring for, developing and producing crude oil, natural gas and associated by-products and market demand; risks and uncertainties involving geology of oil and gas deposits; risks inherent in Trilogy's marketing operations, including credit risk; the uncertainty of reserves estimates and reserves life; the uncertainty of estimates and projections relating to future production, NGL yields, costs and expenses; uncertainty in amounts and timing of royalty payments and applicability of and change to royalty regimes and government incentive programs including, without limitation, the Natural Gas Deep Drilling Programs and the Drilling Royalty Credit Program; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; the availability of financing; the ability to generate sufficient cash flow from operations and other sources of financing at an acceptable cost to fund Trilogy's exploration, development and construction plans and repay debt; Trilogy's ability to secure adequate product transmission and transportation on a timely basis or at all; Trilogy's ability to enter into or renew leases; health, safety and environmental risks; the ability of Trilogy to add production and reserves through development and exploration activities; weather conditions; the possibility that government policies, regulations or laws, including without limitation those relating to the environment and taxation, may change; imprecision in estimates of product sales, tax pools, tax shelters, tax deductions available to Trilogy, changes to and the interpretation of tax legislation and regulations applicable to Trilogy, and timing and amounts of reversals of temporary differences between assets and liabilities recognized for accounting and tax purpose; the possibility that regulatory approvals may be delayed or withheld; risks associated with existing and potential future lawsuits and regulatory actions against Trilogy; uncertainty regarding aboriginal land claims and co-existing local populations; hiring/maintaining staff; the impact of market competition; and other risks and uncertainties described elsewhere in this document or in Trilogy's other filings with Canadian securities authorities.

The forward-looking statements and information contained in this news release are made as of the date hereof and Trilogy 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.

Refer to Trilogy's Management's Discussion and Analysis for additional information on forward-looking information.

Oil and Gas Advisory

This news release contains disclosure expressed as "Boe", "Boe/d", "Mcf/d", "MMcf/d", "Bbl" and "Bbl/d". All oil and natural gas equivalency volumes have been derived using the ratio of six thousand cubic feet of natural gas to one barrel of oil. Equivalency measures may be misleading, particularly if used in isolation. A conversion ratio of six thousand cubic feet of natural gas to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the well head. . For Q1 2014, the ratio between Trilogy's average realized oil price and the average realized natural gas price was approximately 15:1 ("Value Ratio"). The Value Ratio is obtained using the Q1 2014 average realized oil price of \$91.64 (CAD\$/Bbl) and the Q1 2014 average realized natural gas price of \$6.19 (CAD\$/mcf). This Value Ratio is significantly different from the energy equivalency ratio of 6:1 and using a 6:1 ratio would be misleading as an indication of value.

The 13-33-57-18W5 well was flow tested in February 2014. It was cleaned up over the 5.5 day test period and was flowing at 7.2 MMcf/d and 970 Bbl/d of completion water and condensate at a flowing tubing pressure of approximately 27 Mpa up 2 7/8 inch production tubing over the final 36 hours of the test. Test results are not necessarily indicative of long-term performance or ultimate recoveries.

Recent wells do not have sufficient production history to allow Trilogy to accurately predict production declines or long - term performance.

Contact

J.H.T. (Jim) Riddell
Chief Executive Officer
J.B. (John) Williams
President and Chief Operating Officer
M.G. (Michael) Kohut
Chief Financial Officer
[Trilogy Energy Corp.](#)
1400 - 332 - 6th Avenue S.W.
Calgary, Alberta T2P 0B2
(403) 290-2900
(403) 263-8915

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

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/172909--Trilogy-Energy-Corp.-Announces-Financial-and-Operating-Results-for-the-Three-Months-Ended-March-31-2014-an>

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](#).