

New Zealand Energy Announces First Quarter Results and Operational Update

30.05.2014 | [Marketwired](#)

VANCOUVER, BRITISH COLUMBIA--(Marketwired - May 30, 2014) - [New Zealand Energy Corp.](#) ("NZE" or the "Company") (TSX VENTURE:NZ)(OTCQX:NZERF) has released the results of its first quarter ended March 31, 2014. Details of the Company's financial results are described in the Unaudited Consolidated Interim Financial Statements and Management's Discussion and Analysis which, together with further details on the Company's operational activities, are available on the Company's website at www.newzealandenergy.com and on SEDAR at www.sedar.com. All amounts are in Canadian dollars unless otherwise stated.

HIGHLIGHTS

- 19,682 barrels of oil produced and 17,630 barrels of oil sold during Q1-2014 (Q1-2013: 30,179 and 27,246, respectively)
- Average corporate production during Q1-2014: 219 barrels/day (net to NZEC)
- Average field netback during Q1-2014 of \$62.33 per barrel (Q1-2013: \$45.29 per barrel)
- Total oil sales recorded during Q1-2014 of \$2,100,545 (Q1-2013: \$3,061,064), with an additional \$362,459 of third-party revenue (net to NZEC) earned through the Waihapa Production Station (Q1-2013: \$nil)
- New arrangement with gas marketing counterparty commenced May 5, 2014, expected to generate between NZ\$250,000 and NZ\$1 million revenue per year (net to NZEC)
- Generated total net proceeds of approximately NZ\$1.47 million through disposal of non-core assets subsequent to March 31, 2014
- Production during May 2014 averaged 201 barrels/day net to NZEC. See Figure 1 for current status of producing wells and anticipated near-term activities

To view Figure 1 - NZEC's Production & Development Wells, please visit the following link: <http://media3.marketwire.com/docs/949153-F1.pdf>

FINANCIAL SNAPSHOT

	For the quarter ended March 31, 2014	Preceding quarter ended December 31, 2013	Comparative quarter ended March 31, 2013
Production	19,682 bbl	16,790 bbl	30,179 bbl
Sales	17,630 bbl	13,968 bbl	27,246 bbl
Price	119.15 \$/bbl	115.77 \$/bbl	112.35 \$/bbl
Production costs	44.25 \$/bbl	43.39 \$/bbl	62.08 \$/bbl
Royalties	12.57 \$/bbl	10.53 \$/bbl	4.98 \$/bbl
Field netback	62.33 \$/bbl	61.84 \$/bbl	45.29 \$/bbl
Revenue	6,320,949	4,108,911	2,925,258
Total comprehensive income (loss)	8,452,444	(5,963,723)	1,313,397
Finance income (expense)	(69,854)	(30,804)	17,887
Loss per share - basic and diluted	(0.01)	(0.06)	(0.02)
Current assets	11,952,031	15,147,197	48,199,638
Total assets	124,788,600	116,782,687	129,545,992
Total long-term liabilities	7,626,669	7,068,585	3,273,617
Total liabilities	14,279,266	15,337,630	33,939,619
Shareholders' equity	110,509,334	101,445,057	95,606,373

Note: The abbreviation **bbl** means barrel or barrels of oil.

As at May 27, 2014, the Company had an estimated \$2.8 million in working capital (excluding materials and supplies of approximately NZ\$2 million).

PROPERTY REVIEW & OUTLOOK

Taranaki Basin

Within the Taranaki Basin, NZEC holds a 100% interest in the Eltham Permit, a 65% interest in the Alton Permit with L&M Energy ("L&M"), and a 50% interest in the TWN Licenses and the TWN Assets with L&M. The Company has lodged an application with New Zealand Petroleum & Minerals to convert a portion of the Eltham Permit into a Petroleum Mining Permit, comprising the area surrounding the Copper Moki and Waitapu oil discoveries. The Taranaki Basin offers production potential from multiple prospective formations, ranging from the Kapuni sandstones at a depth of approximately 4,000 metres, the Tikorangi limestones at approximately 3,000 metres, the Moki sandstones at approximately 2,500 metres, and the shallower Mt. Messenger and Urenui sandstones at approximately 2,000 metres. All of NZEC's production to date is from the Tikorangi and Mt. Messenger formations.

Production and Processing Revenue

To date the Company the Company has advanced 12 wells to production: four wells on the Eltham Permit and eight wells on the TWN Licenses. Total corporate production during the first quarter of 2014 averaged 219 bbl/d net to NZEC (not including production from the Waihapa-8 well). On March 29, 2014 the Waihapa-8 well commenced production, on April 12, 2014 the Toko-2B well recommenced production following installation of high-volume lift, and on April 17, 2014 the Waihapa-2 well commenced production following a successful uphole completion. Production from Toko-2B, Ngaere-2 and Ngaere-3 is combined into one single gathering pipeline that goes through the B-train separator at the Waihapa Production Station. Ngaere-2 and Ngaere-3 were taken offline on April 12, 2014 in order to allow for full evaluation of Toko-2B's production performance. Total corporate production during April 2014 averaged 228 bbl/d net to NZEC. Ngaere-2 and Ngaere-3 resumed production on May 4, 2014, while the Toko-2B well was shut-in to allow for installation of a permanent power source. Toko-2B resumed production on May 19, 2014. The Waihapa-2 well produced for eight days during May and is currently shut-in awaiting evaluation and installation of an alternative artificial lift method. The Copper Moki-3 well has been shut-in since early March awaiting installation of a new pump. Total corporate production during May 2014 averaged 201 bbl/d net to NZEC.

TWN Licenses

NZEC and L&M acquired the TWN Licenses on October 28, 2013 and formed the TWN Joint Arrangement ("TWN JA"), with NZEC as the operator, to explore and develop the TWN Licenses and operate the Waihapa Production Station and associated infrastructure. To date, the TWN JA has advanced eight wells to production for a total of 42,620 bbl produced since closing of the TWN Acquisition (21,310 bbl net to NZEC), with cumulative pre-tax oil sales net to NZEC of approximately \$2,324,833. The wells produce light ~41° API oil that is delivered by pipeline to the Waihapa Production Station and then piped to the Shell-operated Omata tank farm, where it is sold at Brent pricing less standard Shell costs.

Following closing of the TWN Acquisition, the TWN JA immediately proceeded with the work required to reactivate oil production from the Tikorangi Formation in six wells drilled by previous operators. On December 2, 2013, NZEC announced that all six wells had been reactivated and were flowing into the Waihapa Production Station. In March 2014, the TWN JA also reactivated oil production from the Mt. Messenger Formation in a well that had been drilled and produced from the Mt. Messenger Formation by a previous operator (Waihapa-8). The Waihapa-8 well produced an average of 20 bbl/d (10 bbl/d net to NZEC) over the last two weeks of May. The TWN JA is evaluating alternative methods of artificial lift that could produce the well more effectively than the current heated gas lift.

The TWN JA continues to evaluate and optimize production from the reactivated wells. As part of the optimization process, in April 2014, the TWN JA installed high-volume lift ("ESP") on one of the reactivated wells (Toko-2B). Toko-2B was chosen as the first well for ESP installation because the well had a high oil cut of approximately 20%, but had to be shut-in every few days to allow the Company to unload a water column that would build up in the well. The TWN JA expected that an ESP would allow the well to be produced continuously and would maximize oil recovery. The ESP was operated initially using a portable generator, which limited the pumping capacity and did not adequately draw down fluid levels in the well. In May 2014 the TWN JA connected the Toko-2B high-volume lift to a permanent power source and is gradually increase

the pumping rate. The Toko-2B well has produced an average of 10 bbl/d (5 bbl/d net to NZEC) over the last five days, with the ESP pumping at a rate of 2,500 bbl/d. Current pumping rates are still not sufficiently drawing down fluid in the well, as evidenced by the oil cut of 1.2%, which is lower than expected. The TWN JA is hopeful that higher pumping rates will draw down fluid levels in the well and allow the oil cut to increase, and is steadily increasing pumping rates with the expectation of ramping up to 8,000-10,000 bbl/d by June 2, 2014.

A number of wells on the TWN Licenses, with previous production from the Tikorangi Formation, have uphole completion potential in the shallower Mt. Messenger Formation. The TWN JA has recompleted one well uphole in the Mt. Messenger Formation (Waihapa-2) and achieved production from that well in April 2014. This successful recompletion confirms that production can be achieved from an uphole reservoir. The Waihapa-2 well had produced an average of 120 bbl/d (60 bbl/d net to NZEC) over a period of eight days in May with an oil cut of approximately 67%. The presence of sand is not uncommon in the Miocene Formation, and the downhole pump is designed to handle some sand. The inflow of water and oil into the well, however, is drawing in volumes of sand that make the current artificial lift ineffective. The TWN JA is evaluating alternative methods of artificial lift which could service both the Waihapa-8 and Waihapa-2 wells.

The TWN JA continues to review well logs, historical drilling records and seismic data across the TWN Licenses to identify additional opportunities to advance existing wells to production. The TWN JA has identified four additional production opportunities in existing wells on the TWN Licenses: three uphole completions in the Mt. Messenger Formation and one well that offers production potential from both a Tikorangi reactivation and a Mt. Messenger uphole completion. The TWN JA will continue to evaluate these opportunities with the objective of advancing these wells to production.

Third-party revenue from the Waihapa Production Station since closing the TWN Acquisition totals approximately NZ\$979,704 to NZEC. In addition, during February 2014, the TWN JA entered into an agreement with a gas marketing counterparty to transport gas along a section of the TAW gas pipeline for a term of four years with a five-year right of renewal. The arrangement is expected to generate between NZ\$250,000 and NZ\$1 million revenue per year (net to NZEC). First gas commenced flowing on May 5, 2014, with revenue to be received from the counterparty from July 1, 2014. From May 5 to July 1, the counterparty will pay all reasonable direct costs and charges incurred by the Company with regards to this arrangement.

Eltham Permit

The Company has drilled ten exploration wells on its 100%-owned Eltham Permit. Four have been advanced to production. Of the ten wells drilled on the Eltham Permit, only one well (Wairere-1) failed to encounter hydrocarbons and was immediately sidetracked. One well (Copper Moki-4) made an oil discovery in the Urenui Formation and has been shut-in pending additional economic analysis and evaluation of artificial lift options. Wairere-1A was drilled to the Mt. Messenger Formation and encountered hydrocarbon shows, with completion pending. Arakamu-2 made an oil discovery in the Mt. Messenger Formation and has been shut-in pending evaluation of artificial lift options. Waitapu-1 is shut-in pending further testing or sidetrack to an alternate target and Arakamu-1A, a Moki Formation well, is suspending pending further evaluation. The Company continues to assess and reprioritize these Eltham Permit opportunities as new reservoir data becomes available from the Company's activities on the TWN Licenses.

To date the Company has produced approximately 260,879 bbl from its Eltham Permit wells (including oil produced during testing), with cumulative pre-tax oil sales from inception of approximately \$28.3 million). All of the Eltham Permit wells produce light ~41° API oil from the Mt. Messenger Formation. Oil is trucked to the Shell-operated Omata tank farm and sold at Brent pricing less standard Shell costs. Production from the Eltham wells has been very stable year to date, averaging 108 bbl/d during the first quarter of 2014, and 131 bbl/d during May 2014. The Waitapu-2 well recommenced production on March 6, 2014 following installation of artificial lift. The Copper Moki-3 well was shut-in during early March 2014, and is expected to resume production in Q2-2014 following installation of a new pump.

NZEC is actively seeking farm-in partnerships to allow the Company to accelerate exploration of additional high-priority drill targets on the Eltham Permit.

Alton Permit

During 2014, the Company plans to drill a new exploration well on the Alton Permit. The current work program for the Alton Permit requires the Company to drill an exploration well by November 22, 2014. The Company has identified a drill target in the Mt. Messenger Formation and has initiated the community engagement and technical assessments required to obtain land access consents and permits. NZEC is actively seeking farm-in partnerships to allow the Company to accelerate exploration of additional high-priority drill targets on the Alton Permit.

East Coast Basin

Within the East Coast Basin, NZEC is the operator of three permits, with a 100% interest in the Castlepoint Permit, a 100% interest in the East Cape Permit, and an 80% working interest in the Wairoa Permit in a joint arrangement with Westech Energy New Zealand. The Company is actively seeking a farm-in partner for its East Coast permits, to participate in and fund exploration and development in the East Coast Basin in return for an interest in the permits. The Company has received an extension to its drilling commitment on the Castlepoint Permit, and is currently required to drill its first exploration well on this permit by November 23, 2014. The Company has identified its preferred drill location and has initiated the community engagement and technical assessments required to obtain land access and resource consents. The current work program for the Wairoa Permit requires the Company to drill an exploration well by July 2, 2014. The Company has identified the preferred drill location and has progressed the community engagement and technical assessments required to obtain land access and resource consents. The Company applied for but has been unable to obtain an extension to the work program commitment, and is considering relinquishing the Wairoa Permit. The Company anticipates completing fieldwork and geochemical studies on the East Cape Permit in 2014.

SUMMARY OF QUARTERLY RESULTS

	2014-Q1	2013-Q4	2013-Q3	2013-Q2
	\$	\$	\$	\$
Total assets	124,788,600	116,782,687	105,313,813	127,318,182
Exploration and evaluation assets	56,876,779	51,500,037	55,859,632	52,357,470
Property, plant and equipment	54,786,347	49,169,997	26,621,043	26,135,651
Working capital	5,299,434	6,878,152	4,748,797	9,517,742
Revenues	6,320,949	4,108,911	1,519,010	2,109,700
Accumulated deficit	(37,122,556)	(35,099,834)	(27,292,947)	(24,616,053)
Total comprehensive income (loss)	8,452,444	(5,963,723)	1,347,788	(6,000,775)
Basic (loss) earnings per share	(0.01)	(0.06)	(0.02)	(0.02)
Diluted (loss) earnings per share	(0.01)	(0.06)	(0.02)	(0.02)

	2013-Q1	2012-Q4	2012-Q3	2012-Q2
	\$	\$	\$	\$
Total assets	129,545,992	116,059,939	98,882,087	98,814,102
Exploration and evaluation assets	49,610,922	37,379,726	26,377,188	25,373,718
Property, plant and equipment	25,793,089	23,867,758	16,293,123	8,674,152
Working capital	17,533,636	28,293,845	45,204,695	53,844,035
Revenues	2,925,258	2,948,041	3,708,254	5,910,993
Accumulated deficit	(22,386,089)	(19,992,243)	(17,804,045)	(15,613,594)
Total comprehensive income (loss)	1,313,397	(1,333,805)	(2,018,634)	1,317,915
Basic (loss) earnings per share	(0.02)	(0.02)	(0.02)	0.01
Diluted (loss) earnings per share	(0.02)	(0.02)	(0.02)	0.01

RESULTS OF OPERATIONS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014

Revenue

During the three-month period ended March 31, 2014, the Company produced 19,682 bbl (2013: 30,179 bbl) of oil and sold 17,630 bbl (2013: 27,246 bbl) for total oil sales of \$2,100,545 (2013: \$3,061,064), or \$62.33 per bbl (2013: \$112.35). Reduced production compared to the same period in 2013 is the result of production declines in the Copper Moki wells, which is to be anticipated in oil wells. Production from the Copper Moki wells has since stabilized.

During the three-month period ended March 31, 2014, the Company recorded sales from purchased oil and

condensate of \$2,588,219 and \$1,491,358, respectively (2013: \$nil and \$nil). The Company also received \$362,459 (2013: \$nil) of processing revenue from the Company's interest in the Waihapa Production Station.

Total recorded revenue during the three-month period ended March 31, 2014 was \$1,878,912 (2013: \$2,925,258), which is accounted for net of royalties of \$221,633 (2013: \$135,806).

Expenses and Other Items

Production costs related to oil sales during the three-month period ended March 31, 2014 totalled \$780,115 (2013: \$1,691,405) or \$44.25 per bbl (2013: \$62.08). The decrease in production costs in Q1-2014 compared to Q1-2013 was from cost efficiencies due to the installation of production facilities on the Copper Moki site. Other costs of \$4,079,577 are for costs directly related to the sale of purchased oil and condensate. During the three-month period ended March 31, 2014, fixed operating costs represented approximately 74% of total production costs, giving rise to higher field netbacks in light of reduced production cost compared to Q1-2013.

Processing costs of \$294,622 (2013: \$nil) relate to direct costs associated with the operations of the TWN Assets.

Depreciation costs incurred during the three-month period ended March 31, 2014 totalled \$829,446 (2013: \$867,042), or \$37.45 per bbl of oil sold (2013: \$31.82). Depreciation is calculated using the unit-of-production method by reference to the ratio of production in the period to the related total proved and probable reserves of oil and natural gas, taking into account estimated future development costs necessary to access those reserves.

Stock-based compensation for the three-month period ended March 31, 2014 resulted in an expense of \$249,620 (2013: \$580,017). The decrease is because the Company granted fewer share purchase options to employees, directors and officers of the Company.

General and administrative expenses for the three-month period ended March 31, 2014 totalled \$1,823,498 (2013: \$1,682,505). The increase in general and administrative costs corresponds to an increase in travel and insurance in connection with the TWN licenses. General and administrative expenses are net of legal fee rebates received in the amount of \$249,444.

Net finance expense for the three-month period ended March 31, 2014 totalled \$69,854 (2013: \$17,887). Finance expense relates accretion of the Company's asset retirement obligations, presented net of interest earned on the Company's cash and cash-equivalent balances held in treasury and on term deposits. During the quarter ended March 31, 2014, the Company incurred more accretion expense due to an increase in asset retirement obligations incurred from the acquisition of the TWN Licenses and TWN Assets.

Foreign exchange loss for the three-month period March 31, 2014 amounted to \$216,939 (2013: \$316,338). The foreign exchange loss incurred in the current period is a result of the strengthening of the New Zealand dollar against the US dollar, during a period in which the Company's subsidiaries (which have a New Zealand dollar functional currency) held US dollar denominated assets and working capital.

Total Comprehensive Income / Loss

Total comprehensive income for the three-month period ended March 31, 2014 totalled \$8,452,444 after taking into account a foreign translation reserve gain of \$10,475,166 on the translation of foreign operations and monetary items that form part of NZEC's net investment in foreign operations. Total comprehensive loss for the three-month period ended March 31, 2013 was \$1,313,397.

Based on a weighted average shares outstanding balance of 170,873,459, the Company realized a \$0.01 basic and diluted loss per share for the three-month period ended March 31, 2014. During the three-month period ended March 31, 2013, the Company realized a \$0.02 basic and diluted loss per share, based on a weighted average share balance of 121,933,549.

On behalf of the Board of Directors

John Proust, Chief Executive Officer & Director

About New Zealand Energy Corp.

NZEC is an oil and natural gas company engaged in the production, development and exploration of petroleum and natural gas assets in New Zealand. NZEC's property portfolio collectively covers approximately 1.91 million acres of conventional and unconventional prospects in the Taranaki Basin and East Coast Basin of New Zealand's North Island. The Company's management team has extensive experience exploring and developing oil and natural gas fields in New Zealand and Canada, and takes a multi-disciplinary approach to value creation with a track record of successful discoveries. NZEC plans to add shareholder value by executing a technically disciplined exploration and development program focused on the onshore and offshore oil and natural gas resources in the politically and fiscally stable country of New Zealand. NZEC is listed on the TSX Venture Exchange under the symbol NZ and on the OTCQX International under the symbol NZERF. More information is available at www.newzealandenergy.com or by emailing info@newzealandenergy.com.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as such term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

FORWARD-LOOKING INFORMATION

This document contains certain forward-looking information and forward-looking statements within the meaning of applicable securities legislation (collectively "forward-looking statements"). The use of the word "expectation", "will", "expect", "expectation", "continue", "continuing", "could", "should", "further", "pending", "anticipates", "hopes", "intend", "objective", "become", "potential", "look forward", "increasing", "evaluating" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements including, without limitation, the speculative nature of exploration, appraisal and development of oil and natural gas properties; uncertainties associated with estimating oil and natural gas reserves and resources; uncertainties in both daily and long-term production rates and resulting cash flow; volatility in market prices for oil and natural gas; changes in the cost of operations, including costs of extracting and delivering oil and natural gas to market, that affect potential profitability of oil and natural gas exploration and production; the need to obtain various approvals before exploring and producing oil and natural gas resources; exploration hazards and risks inherent in oil and natural gas exploration; operating hazards and risks inherent in oil and natural gas operations; the Company's ability to generate sufficient cash flow from production to fund future development activities; market conditions that prevent the Company from raising the funds necessary for exploration and development on acceptable terms or at all; global financial market events that cause significant volatility in commodity prices; unexpected costs or liabilities for environmental matters; competition for, among other things, capital, acquisitions of resources, skilled personnel, and access to equipment and services required for exploration, development and production; changes in exchange rates, laws of New Zealand or laws of Canada affecting foreign trade, taxation and investment; failure to realize the anticipated benefits of acquisitions; and other factors as disclosed in documents released by NZEC as part of its continuous disclosure obligations. Such forward-looking statements should not be unduly relied upon.

The Company believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct. Actual results could differ materially from those anticipated in these forward-looking statements. The forward-looking statements contained in the document are expressly qualified by this cautionary statement. These statements speak only as of the date of this document and the Company does not undertake to update any forward-looking statements that are contained in this document, except in accordance with applicable securities laws.

Contact

[New Zealand Energy Corp.](#)

John Proust

Chief Executive Officer & Director

North American toll-free: 1-855-630-8997

[New Zealand Energy Corp.](#)

Rhylin Bailie

Vice President Communications & Investor Relations

North American toll-free: 1-855-630-8997

info@newzealandenergy.com

www.newzealandenergy.com

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

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/174773--New-Zealand-Energy-Announces-First-Quarter-Results-and-Operational-Update.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 -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).