

# Lynden Energy Reports Fiscal 2014 Financial Results and Operations Update

28.10.2014 | [Marketwired](#)

VANCOUVER, Oct 28, 2014 - [Lynden Energy Corp.](#) (TSX VENTURE:LVL) (the "Company") reports its results for the fiscal year ended June 30, 2014 (the "Current Year"). Highlights for the Current Year, compared to the year ended June 30, 2013 (the "Prior Year"), include:

- Total production increased 150% to 569,892 boe (1,561 boe/d)
- Gross revenues, net of royalties, increased 155% to \$29,114,075
- Sale of 12 gross (4.7 net) Wolfberry Project wells, to BreitBurn Energy Partners L.P. for \$19.3 million, effective December 30, 2013.
- Net earnings of \$0.10 per common share (Prior Year - \$0.10)

Production for the Current Year totaled 569,982 boe (1,561 boe/d). Production for the three months ended June 30, 2014 totaled 168,280 boe (1,849 boe/d).

## Financial Results for the year and 3 months ended June 30, 2014

This news release should be read in conjunction with the Company's consolidated financial statements for the year ended June 30, 2014 and the notes thereto, together with the MD&A for the corresponding period, which will be available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). All monetary references in this news release are to U.S. dollars unless otherwise stated.

## Results of Operations

The Company reported net earnings of \$12,749,718 (Prior Year - \$11,284,214) and total comprehensive income of \$12,397,116 (Prior Year - \$11,412,601) for the Current Year. Significant components of the Current Year's net earnings were revenues of \$29,050,442, gain on disposition of property, plant and equipment of \$10,219,755, depletion and depreciation of \$9,626,948, and income tax expense of \$10,606,023. The Company's net earnings per common share for the Current Year was \$0.10 (Prior Year - \$0.10).

## Petroleum and Natural Gas ("P&NG") Revenue

The Company reported gross P&NG revenues of \$38,052,954 (Prior Year - \$24,760,482) for the Current Year, all from its Wolfberry wells. In conjunction with the gross revenues, the Company reported royalties paid of \$8,938,879 (Prior Year - \$6,034,069) and paid production and operating expenses of \$4,949,932 (Prior Year - \$3,019,361) for the Current Year. The Company also incurred \$9,626,948 (Prior Year - \$9,478,330) of depletion and depreciation for the Current Year.

Average realized prices for the Current Year, were \$96 per barrel ("Bbl") of oil and \$4.92 per thousand cubic feet ("Mcf") of natural gas, compared to \$89 per Bbl of oil and \$4.80 per Mcf of natural gas, for the Prior Year. The natural gas selling price is reflective of the thermal value of gas and associated products sold.

The Company also reported gross P&NG revenues of \$9,745,579 for the three months ended June 30, 2014 compared to \$7,418,919 for the three months ended March 31, 2014 (Q3/2014). In conjunction with the revenues, the Company reported royalties paid of \$2,324,405 (Q3/2014 - \$1,742,216) and paid production and operating expenses of \$1,454,914 (Q3/2014 - \$1,346,208) for the three months ended June 30, 2014.

Average realized prices for the three months ended June 30, 2014 were \$94 per Bbl of oil and \$4.45 per Mcf of natural gas, compared to \$93 per Bbl of oil and \$6.46 per Mcf of natural gas for Q3/2014. The price of natural gas was significantly higher in Q3/2014 (January 1 to March 31, 2014) primarily as a result of weather driven demand.

## Liquidity and Capital Budget

The Company anticipates total capital expenditures in fiscal 2015 (July 1, 2014 to June 30, 2015) of approximately \$34 million. Included in the capital budget is the Company's participation in fifteen Wolfberry wells, five Midland Basin horizontal wells, and four vertical wells on the Mitchell Ranch Project. The Company anticipates financing the majority of its capital expenditures through operating revenues, draw downs on the line of credit, and cash on hand at June 30, 2014 of approximately \$14 million.

The Company's capital budget is subject to change depending upon a number of factors, including economic and industry conditions at the time of drilling, prevailing and anticipated prices for oil and gas, the availability of sufficient capital resources for drilling prospects, the Company's financial results and the availability of lease extensions and renewals on reasonable terms.

The Company has a \$100 million reducing revolving line of credit. As at June 30, 2014, the line of credit provided a borrowing base of \$32 million, of which \$17.75 million had been drawn. There is currently \$23.3 million drawn on the line of credit. The Company anticipates continuing to seek upward revisions of the borrowing base.

## **Operations Highlights**

### **Midland Basin, West Texas**

The Company continues to carry out a rapid oil and gas vertical well development program on its Midland Basin acreage, and the Company now has 97 gross Wolfberry (39.71 net) wells tied-in and producing.

>The gross cost of a Wolfberry well is currently approximately \$2.1 million. The Company's current plans call for 15 gross (6.26 net) Wolfberry wells to spud in fiscal 2015 at an estimated cost to the Company of approximately \$15.0 million. Pursuant to the terms of its Midland Basin Participation Agreement, the Company's funding amount for the 6.26 net wells is equivalent to 7.15 wells.

The Company's Midland Basin acreage also has potential to be developed with horizontal wells. Numerous industry participants are actively testing various formations within the Wolfberry interval for their development potential.

CrownQuest Operating LLC, the operator of the vast majority of the Company's acreage, has begun to create an initial horizontal development plan for the acreage. Two initial CrownQuest operated horizontal wells are scheduled for the first half of calendar 2015 in Glasscock County. The Company anticipates a gross cost of a horizontal well to be approximately \$9.0 million, for an estimated cost to the Company pursuant to the terms of the Midland Basin Participation Agreement of approximately \$4.5 million per well.

On May 1, 2014 the Company reported that its first horizontal well, the Wolcott 253-1H, had been spud on a 1,127 acre lease in northern Martin County, West Texas. The 1,127 acre lease (the "Wolcott Lease") is operated by a separate Midland, Texas based company. The well, which has a lateral length of approximately 6,200 feet, was drilled in the upper Wolfcamp 'B' horizon and was fracture stimulated in late July. Initial production volumes of oil and natural gas from the well have been below expectations, however the short production history and lack of nearby analogous horizontal wells make it difficult to draw definitive conclusions on the long term productivity of this well or on the potential of the Wolfcamp 'B' horizon on the Wolcott Lease. Production from the Wolcott 253-1H will be monitored with a view to continue development of the Wolfcamp 'B' horizon on the lease.

In order to continue with development of the Wolcott Lease, a second horizontal well on the lease was spud in early October and has reached its targeted total depth. The second horizontal well is targeting the Lower Spraberry horizon and has a lateral length of approximately 6,200 feet. Completion operations on the well have not yet begun. The Company is funding 24.375% of the cost of the wells on the Wolcott Lease and will have a 20% working interest in the wells. Subject to proposals made by the operator, the Company currently anticipates three horizontal wells will be spud on the lease in fiscal 2015. The gross cost of a horizontal well is estimated to be approximately \$8.5 million, for an estimated cost to the Company of approximately \$2.1 million per well.

Production of oil and gas at the wellhead from the Company's Midland Basin wells over the past fourteen days has averaged approximately 1,250 barrels of oil equivalent net to the Company (after royalties).

### **Mitchell Ranch Project**

The Company's Mitchell Ranch project, located on the Easter Shelf, covers approximately 104,000 acres of

P&NG leases located primarily in Mitchell County, West Texas where the Company has a 50% working interest.

The Company currently has one (0.5 net) producing test well on the Mitchell Ranch, the Spade 17 #1, where several rounds of completions have been carried out to determine a development plan for the project. The most recent completion was carried out in mid-February 2014.

A four new well program is currently underway, with the first three wells now drilled and the fourth well currently drilling. The wells are in general proximity to the Company's Spade 17 #1 well. The new well program is incorporating the results of a recent 3D seismic program that has identified multiple pay opportunities in the Ellenburger, Mississippian Chert, Pennsylvanian Limestone, Cline Shale and Wolfcamp. In contrast to the Wolfberry well completion approach where all stimulation stages are flowed back simultaneously, each stimulation stage in the new wells will be flow tested to obtain as much information as possible about that zones productive potential prior to moving up hole. As of the date of this report, only the lowest most zone in the first of the four proposed wells has been tested.

## About Lynden

[Lynden Energy Corp.](#) is in the business of acquiring, exploring and developing petroleum and natural gas rights and properties. The Company has various working interests in the Wolfberry Project and Mitchell Ranch Project, located in the Permian Basin in West Texas, USA.

NI 51-101 requires that we make the following disclosure: we use oil equivalents (boe) to express quantities of natural gas and crude oil in a common unit. A conversion ratio of 6 mcf of natural gas to 1 barrel of oil is used. Boe may be misleading, particularly if used in isolation. The conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

*FORWARD-LOOKING STATEMENTS DISCLAIMER: This news release contains statements comprising forward-looking information (within the meaning of Canadian securities legislation). The reader is cautioned that assumptions used in the preparation of such statements, although considered accurate at the time of preparation, may prove incorrect, and the actual results may vary materially from the statements made herein. The Company's participation in fifteen Wolfberry wells, five Midland Basin horizontal wells, and four vertical wells on the Mitchell Ranch Project, and expected timelines relating to oil and gas operations are subject to the customary risks of the oil and gas industry, economic and industry conditions at the time of drilling, prevailing and anticipated prices for oil and gas, the availability of sufficient capital resources for drilling prospects, the Company's financial results and the availability of lease extensions and renewals on reasonable terms. Expectations of obtaining upward borrowing base revisions on the line of credit are subject to the customary risks of the oil and gas industry, and are subject to drilling and completing successful wells, and prevailing and anticipated prices for oil and gas, as well as being at the discretion of the lender. For a more detailed description of these risks, and others, see <http://lyndenenergy.com/risk-factors/>.*

ON BEHALF OF THE BOARD OF DIRECTORS, LYNDEN ENERGY CORP.

Colin Watt  
President and CEO

## Contact

[Lynden Energy Corp.](#)  
Colin Watt, President and CEO  
(604) 629-2991  
(604) 602-9311  
[www.lyndenenergy.com](http://www.lyndenenergy.com)

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

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/184943--Lynden-Energy-Reports-Fiscal-2014-Financial-Results-and-Operations-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](#).