

# Arsenal Energy Inc. Announces 2014 Third Quarter Results and Declares Quarterly Dividend

04.11.2014 | [Marketwired](#)

CALGARY, ALBERTA--(Marketwired - Nov 4, 2014) - [Arsenal Energy Inc.](#) ("Arsenal") (TSX:AEI)(PINKSHEETS:AEYIF) is pleased to release its 2014 Q3 financial and operational results.

Cash flow for the third quarter was \$15.0 million or \$0.89 per common share, a 28% increase from 2013 Q3. The Board of Directors has declared a quarterly dividend of \$0.07 per common share. The dividend is payable on November 28, 2014 (in cash or, if a shareholder has enrolled in Arsenal's Dividend Reinvestment Plan, in shares) to shareholders of record at the close of business on November 14, 2014. The ex-dividend date is November 12, 2014.

SUMMARY OF FINANCIAL RESULTS				
	Three Months Ended September 30		Nine Months Ended September 30	
(000'S Cdn. \$ except per share amounts)	2014	2013	2014	2013
<b>FINANCIAL</b>				
Oil and gas revenue	33,322	30,177	91,830	73,699
Funds from operations	14,994	11,695	37,657	28,846
Per share - basic	0.89	0.73	2.30	1.82
Per share - diluted	0.88	0.72	2.29	1.81
Cash and stock dividends	1,182	964	3,192	964
Per share	0.070	0.060	0.195	0.060
Net income (loss)	9,622	(627)	10,274	(2,317)
Per share - basic	0.57	(0.04)	0.63	(0.15)
Per share - diluted	0.57	(0.04)	0.63	(0.15)
Net debt	81,230	69,147	81,230	69,147
Net debt to current quarter funds from operations annualized	1.35	1.48	1.35	1.48
Capital expenditures	14,869	12,404	44,509	33,099
Property acquisitions	-	-	152	-
Property dispositions	(100)	(296)	(100)	(4,230)
Shares outstanding - end of period	16,974	16,070	16,974	16,070

## Financial

Funds from operations for Q3 2014 totaled \$15.0 million or \$0.89 per share basic which is a record for Arsenal. This compares to \$11.7 million or \$0.73 per share basic for Q3 2013. The increase in cash flow is attributable to increased production volumes and lower unit operating costs.

During the third quarter average production of 4,848 boe/d was up 12% when compared to the third quarter of 2013. Most of the production increase can be attributed to Arsenal's medium gravity oil drilling program at Princess, Alberta. Arsenal's Q3 2014 production mix was 37% light oil, 42% medium and heavy oil and 21% natural gas.

Commodity pricing per boe was relatively flat for the third quarter year over year. Higher production volumes boosted total revenue to \$33.3 million, up 10% compared to Q3 2013. Revenue was offset in the quarter by realized hedging losses of \$1.4 million or \$3.04 per boe.

Q3 operating costs decreased by \$3.55 per boe compared to 2013 due to higher volumes and lower costs at Princess. Operating costs dropped as battery modifications and water disposal facilities came on line through the third quarter. The resulting Q3 2014 operating margin of \$41.55 per boe was 6% higher than the \$39.33

per boe in Q3 2013.

SUMMARY OF OPERATIONAL RESULTS				
	Three Months Ended September 30		Nine Months Ended September 30	
	2014	2013	2014	2013
<b>OPERATIONAL</b>				
Daily production				
Heavy oil (bbl/d)	47	75	43	68
Medium oil and NGL (bbl/d)	2,006	1,401	1,852	1,396
Light oil and NGL (bbl/d)	1,803	1,759	1,515	1,453
Natural gas (mcf/d)	5,943	6,523	6,048	6,183
Oil equivalent (Boe/d @ 6:1)	4,848	4,323	4,419	3,947
Realized commodity prices (\$Cdn.)				
Heavy oil (bbl)	85.55	86.26	81.33	74.23
Medium oil and NGL (bbl)	84.79	91.74	86.94	80.01
Light oil and NGL (bbl)	91.32	99.09	94.47	92.60
Natural gas (mcf)	3.93	2.86	4.74	3.02
Oil equivalent (Boe @ 6:1)	74.71	75.88	76.12	68.39
Netback (\$ per Boe)				
Revenue	74.71	75.88	76.12	68.39
Royalty	(17.32 )	(17.15 )	(16.58 )	(14.37 )
Operating cost	(15.84 )	(19.39 )	(19.15 )	(19.88 )
Operating netback per boe	41.55	39.33	40.40	34.14
General and administrative	(2.68 )	(3.25 )	(2.76 )	(3.27 )
Finance expenses	(1.63 )	(1.57 )	(1.74 )	(1.75 )
Realized loss on risk management contracts	(3.04 )	(5.10 )	(4.27 )	(2.06 )
Other (FX and current tax)	(0.57 )	-	(0.41 )	(0.28 )
Funds from operations per Boe	33.62	29.41	31.22	26.77

## Operations

Average production of 4,848 boe/d during the third quarter was up 13% when compared to the second quarter of 2014. During the quarter the Company did not drill any wells. New volumes came online in North Dakota and at Princess from wells drilled in the second quarter but tied in during the third quarter.

Debottlenecking operations continue at Arsenal's Princess battery. During the quarter Arsenal added a water disposal well and completed upgrades to the oil treater and field gathering system. Work has begun in the fourth quarter on upgrading the water pump and electrical systems. Arsenal has also contracted a sales oil line to be constructed in Q1 2015. During the third quarter Arsenal received approval to waterflood the Mannville HHH pool at Princess. The Company is currently drilling the water injector well and plans to start injecting water in Q1 2015. The waterflood should lower operating costs and increase reserves for the HHH pool.

Arsenal continues to expand the opportunity base at Princess. During the third quarter the Company acquired 4,448 net acres of land and shot 15 square miles of 3D seismic.

## Outlook

Arsenal has commenced its Q4 drilling program at Princess. The Company will drill one water disposal well and six oil targets. Arsenal has a 100% working interest in all seven wells. Results of the program are expected to be available for release in mid-January.

Oil prices have softened through the fall. The oil price drop has been somewhat mitigated by narrowing differentials and a drop in the Canadian dollar. Pricing for medium gravity Alberta oil, which is 60% of Arsenal's oil production, is currently approximately \$75.00 Cdn/bbl. That pricing is approximately the average level experienced over the last four years and continues to deliver very robust drilling economics at Arsenal's Princess project. Payouts of successful wells are still under three months.

Arsenal plans to release its 2015 budget in early January so that the drilling results from the current Princess

program can be incorporated into the production forecast and capital development plan.

Full financial details are contained in the financial statements and MD&A filed on SEDAR and on the Company's website at: [www.arsenalenergy.com](http://www.arsenalenergy.com)

## **Advisory**

*Certain information regarding [Arsenal Energy Inc.](#) (the "Company") contained in this press release, including statements regarding management's assessment of future plans and operations, the timing of drilling, tie-in and commencement of production of new wells, productive capacity and economics of new wells and alternatives for increasing liquidity, may constitute forward-looking statements under applicable securities laws. The forward-looking statements are based on certain key expectations and assumptions made by the Company, including expectations and assumptions concerning the success of optimization and efficiency improvement projects, the availability of capital, the success of future drilling and development activities, the performance of existing wells, the performance of new wells, prevailing commodity prices, the availability of labor and services, the geological nature of the formations targeted by the Company and the success of completion and recompletion activities. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with the oil and gas industry in general (e.g., 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 reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price and exchange rate fluctuations, changes in the regulatory regime applicable to the Company and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. Certain of these risks are set out in more detail in the Company's Annual Information Form will be filed on SEDAR and can be accessed at [www.sedar.com](http://www.sedar.com) on filing. The forward-looking statements contained in this presentation are made as of the date hereof and the Company 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.*

*This press release contains financial terms that are not considered measures under International Financial Reporting Standards ("IFRS"), which are considered to be generally accepted accounting principles ("GAAP"), such as cash flow, funds from operations, net debt and operating netback. These measures are commonly utilized in the oil and gas industry and are considered informative for management and stakeholders. Specifically, cash flow and funds from operations reflects cash generated from operating activities before changes in non-cash working capital, decommissioning liabilities settled, exploration and evaluation expenses and transaction costs. Management considers cash flow and funds from operations important as it helps evaluate performance and demonstrates the ability to generate sufficient cash to fund future growth opportunities and repay debt. Funds from operations and net income per share basic are calculated based on the weighted average number of common shares outstanding during the respective periods. Funds from operations and net income per share diluted are calculated based on the weighted average number of common shares outstanding for the respective period adjusted for dilutive instruments. Net debt includes bank borrowings, plus or minus working capital. Net debt excludes long term decommissioning obligations and risk management contracts (whether an asset or an obligation and whether classified as short or long term). Profitability relative to commodity prices per unit of production is demonstrated by an operating netback. Operating netback reflects revenues less royalties and operating and transportation expenses divided by production for the period. Cash flow, funds from operations, net debt and operating netbacks may not be comparable to those reported by other companies nor should they be viewed as an alternative to cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS.*

*Natural gas volumes have been converted to barrels of oil equivalent ("boe" "Boe"). Six thousand cubic feet ("mcf") of natural gas is equal to one barrel based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Boes may be misleading, especially if used in isolation.*

*There is no assurance that future dividends will be declared or the timing or amount of any future dividend.*

*The payments of dividends or distributions in the future are within the discretion of the Corporation's Board of Directors and are dependent on numerous factors including the Corporation's cash flow, capital expenditure budgets, earning, financial conditions, the satisfaction of the applicable solvency test in the Corporation's governing statute (the Business Corporation Act (Alberta)), and such other factors as the Board of Directors may consider appropriate from time to time. The Corporation's ability to continue to pay dividends in the future is also subject to many other factors including falling commodity prices, repatriation restrictions, disruptions or reductions in production or collection of receivables following sales of production. Dividend payments to shareholders will be subject to applicable statutory deductions and tax withholdings prescribed by the applicable law. There is also no assurance that future drawdowns of the secured term loan facility will be available to the Corporation when requested or at all.*

To receive Company news releases via e-mail, please advise [ir@arsenalenergy.com](mailto:ir@arsenalenergy.com) and specify "Arsenal Press Releases" in the subject line.

## Contact

### [Arsenal Energy Inc.](#)

Tony van Winkoop  
President and Chief Executive Officer  
(403) 262-4854

### [Arsenal Energy Inc.](#)

J. Paul Lawrence  
Vice President, Finance and CFO  
(403) 262-4854  
(403)-265-6877  
[ir@arsenalenergy.com](mailto:ir@arsenalenergy.com)  
[www.arsenalenergy.com](http://www.arsenalenergy.com)

---

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

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/185589--Arsenal-Energy-Inc.-Announces-2014-Third-Quarter-Results-and-Declares-Quarterly-Dividend.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](#).