

# Mapan Energy Ltd. Reports Third Quarter 2014 Operating and Financial Results

14.11.2014 | [Marketwired](#)

CALGARY, ALBERTA--(Marketwired - Nov 13, 2014) - [Mapan Energy Ltd.](#) ("**Mapan**" or the "**Company**") (TSX VENTURE:MPG) is pleased to report its operating and financial results for the four and ten months ended September 30, 2014. On July 31, 2014, the Company (then called Paris Energy Inc.) acquired all of the issued and outstanding shares of a private company ("**PrivateCo**") on the basis of 12 common shares for each one common share of PrivateCo, pursuant to a plan of arrangement under the *Business Corporations Act* (Alberta), which immediately prior thereto, had purchased certain oil and natural gas assets located in the Deep Basin of Alberta and Northeastern British Columbia. On September 8, 2014, the Company changed its name to [Mapan Energy Ltd.](#) and consolidated its outstanding common shares on a 12-for-1 basis (the "**Consolidation**"). These operating and financial results present both the period prior to and after the completion of these transactions and share and per share amounts are adjusted to give effect to the Consolidation. The Company also changed its year end for financial reporting purposes from November 30 to December 31 to conform to its peers.

Average production for the post-acquisition period (August and September) was 6,347 barrels of oil equivalent per day ("boed" or "boe/d"), and for the third quarter 2014 was 3,180 boe/d. The third quarter includes a four month reporting period due to the change in year end by the Company and that period includes two months of production (and related income and costs) related to the assets acquired on July 31, as well as the two months prior to the acquisition (June and July) where average production was nominal.

Production for the month of August was 7,474 boe/d, comprised of 42.9MMcf/d of natural gas and 321 bbl/d of oil and natural gas liquids ("NGL's"). September production was reduced to 5,182 boed due to repairs and maintenance conducted by TransCanada Pipeline Limited on its natural gas transmission lines ("NGTL") downstream of the Elmworth gas plant (see Mapan's September 16<sup>th</sup>, 2014 press release). Approximately 12 MMcf/d (or 2,000 boed) of production from Mapan's assets in its Deep Basin North properties were shut-in during September.

Funds flow (after tax) from operations for the four months ended September 30, 2012 was \$0.15/share or \$5.4 million. During the third quarter 2014, Mapan realized an average price of \$26.63 per boe on its sales, generating operating netbacks of \$15.92 per barrel. Operating costs and transportation costs were \$8.61 per boe, (\$7.99 per boe after processing income). The Company has a strong balance sheet with a working capital surplus of \$13.7 million (including \$10.6 million in cash) and no debt and an undrawn \$55 million credit facility.

Mapan will be filing its interim financial statements and management's discussion and analysis as at and for the four and ten months ended September 30, 2014, which will contain detailed information regarding the Company's results. When filed, these documents will be available for review under Mapan's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com) or at [www.mapanenergy.com](http://www.mapanenergy.com).

## FINANCIAL & OPERATIONAL HIGHLIGHTS

(All references to \$ are to Canadian dollars unless otherwise noted.)

(unaudited)	Four Months Ended September 30, 2014	Three Months Ended August 31, 2013	Ten Months Ended Sep
Operating			
Operating cash flow <sup>(1)</sup>	5,800	(29 )	
Average production volumes (before royalties)			
Natural gas (Mcf/d)	18,290	95	
Oil & NGL's (bbls/d)	132	2	
Total (boe/d)	3,180	18	
Post-acquisition production (2 months) (boe/d)	6,347		
Operating netback (\$ per boe)			

Average realized price	26.63	22.95
Royalties	(2.72 )	(5.43 )
Operating expenses (net of processing income)	(6.57 )	(21.14 )
Transportation expenses	(1.42 )	-
Operating netback <sup>(1)</sup>	15.92	(3.62 )
Fund flow from operations netback <sup>(1)</sup>	13.82	(12.71 )
Financial		
Net Revenues from oil and gas (net of royalties)	9,275	29
Funds flow from operations <sup>(1)</sup>	5,366	(37 )
Per share - basic (\$)	\$ 0.15	(0.00 ) \$
Per share - diluted (\$)	\$ 0.14	(0.00 ) \$
Net income (loss)	2,123	(34 )
Per share - basic (\$)	\$ 0.06	(0.02 ) \$
Per share - diluted (\$)	\$ 0.06	(0.02 ) \$
Capital investments	130,459	-
Total assets	159,446	195
Debt	-	58
Working capital surplus <sup>(1)</sup>	13,651	50
Common shares outstanding		
Basic	71,420,397	1,476,696
Fully diluted	76,216,563	1,476,696
Weighted average common shares outstanding		
Basic	36,448,547	1,476,696
Diluted	36,612,352	1,476,696

#### Notes:

- (1) The following are non-GAAP measures as they do not appear in the Company's financial statements and do not have a standardized meaning as prescribed by generally accepted accounting principles ("GAAP"). Operating cash flow is revenues less royalties, operating expenses, transportation expenses and administration expenses. Working capital surplus includes current assets less current liabilities. Operating netback is determined by dividing oil sales revenues less royalties, production expenses net of processing revenue and transportation expenses by sales volumes. Funds flow from operations netback is determined by dividing funds flow from operations by sales volumes. Funds flow from operations an Additional GAAP measure as it is a subtotal in the statement of cash flow in the Company's financial statements. It is calculated as the cash flow from operating activities before changes in other non-cash working capital items. Management uses these non-GAAP and Additional GAAP measures for its own performance measures and to provide its shareholders and potential investors with a measurement of the Company's efficiencies and its ability to fund a portion of future growth expenditures.

## HIGHLIGHTS

- Average daily production for the post-acquisition period (August and September) was 6,347 boe/d despite the NGTL outages and restrictions during September.
- Operating netbacks for the four months ended September 30, 2014 were \$15.92 per boe based on an average realized price of \$26.63 per boe.
- Funds flow (after tax) ("Funds flow") from operations for the third quarter 2014 was \$0.15/share or \$5.4 million and for the ten months ended September 30, 2014 \$0.35/share or \$5.4 million.
- Net income for the third quarter of 2014 was \$2.1 million, reflecting the inclusion of sales volumes from August 1 from the assets acquired.
- Operating costs (net of processing income received) for the period ending September 30, 2014 were \$6.57 per boe while transportation costs were \$1.42 per boe.

## OPERATIONAL REVIEW

Mapan's lands are located in the Deep Basin areas of Alberta and British Columbia.

As reported on September 16, 2014, natural gas production from the Company's Deep Basin North properties at Chinook Ridge, Alberta and Hiding Creek, British Columbia were on restricted rates due to repairs and maintenance conducted by TransCanada Pipelines Limited on both the 24 inch and the 36 inch NGTL Systems downstream (east) of the Elmworth gas plant. Mapan's early September production of

approximately 30MMcf/d processed at Elmworth was restricted by approximately 12MMcf/d due to these repairs. Production restrictions have continued through October and November to date but are expected to be lifted by NGTL in the second half of November 2014. Mapan expects production, once restrictions are lifted, to return to 6,700 - 7,000 boed.

## **CAPITAL AND OUTLOOK**

### *OPERATIONAL PLANS 2015*

Mapan's capital program of \$34.6 million for 2015 will commence in December of 2014. Capital outlays since closing the acquisition, have been minimal. At current gas prices, Mapan expects the planned capital budget will closely match its estimated 2015 cash flow and related production in 2015 is expected to average between 6,700 and 7,000 boe/d. Drilling and completions on Company lands in West Central Alberta are budgeted to be \$19.0 million (5 to 6 net wells) while production optimizations (well workovers) and recompletions are budgeted to be \$9.6 million. In addition, \$2.0 million is allocated to facilities and production tie-ins and approximately \$4.0 million is planned to be spent on seismic and land.

The Company currently has over 50 development locations on its lands and will add additional drilling locations as commodity prices improve and cash flow increases.

## **ABOUT MAPAN**

Mapan owns production, lands and P&NG rights in two areas of the Alberta and British Columbia Deep Basin comprised of 198,000 gross acres (157,000 net acres) of which approximately 117,000 net acres are undeveloped. Current production is approximately 5,100 boed and is expected to return to 6,700 - 7,000 boed once NGTL production restrictions are removed.

## **ADVISORIES**

**FORWARD LOOKING STATEMENTS:** This press release contains forward looking statements. More particularly, this press release contains forward looking statements concerning the expected restrictions on production as disclosed herein and the timing and effect thereof, 2015 capital expenditure program, nature of expenditures and expectation that capital expenditures will closely match cash flow, plans to add additional drilling locations and expectation that operating costs will be reduced.

Although MAPAN believes that the expectations reflected in these forward looking statements are reasonable, undue reliance should not be placed on them because MAPAN cannot give assurances 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. Risks include risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets and other economic and industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling services, incorrect assessment of value of acquisitions and failure to realize the benefits therefrom, delays resulting from or inability to obtain required regulatory approvals, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources, economic or industry condition changes and risks associated with the repairs and maintenance that are causing the anticipated curtailment of production and the timing thereof. Actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Paris and MAPAN will derive therefrom. Additional information on these and other factors that could affect Paris and MAPAN are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)).

To the extent that the estimation by management that 2015 cash flow will match the planned capital budget is a financial outlook, it was approved by management on November 13, 2014 and is included herein to provide readers with an understanding of the anticipated funds available to the Company to fund its capital budget and readers are cautioned that the information may not be appropriate for other purposes. The

forward looking statements contained in this press release are made as of the date hereof and neither Paris nor MAPAN undertakes any 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.

**Barrels of Oil Equivalent:** *Disclosure provided herein in respect of barrels of oil equivalent (BOE) may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1; utilizing a conversion on a 6:1 basis may be misleading as an indication of value.*

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

## Contact

[Mapan Energy Ltd.](#)

Richard A. Walls  
President & CEO  
403-536-5771

[rwalls@mapanenergy.com](mailto:rwalls@mapanenergy.com)

[Mapan Energy Ltd.](#)

Jennifer Dugdale  
Chief Financial Officer  
403-536-5773

[jdugdale@mapanenergy.com](mailto:jdugdale@mapanenergy.com)

---

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

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/186482--Mapan-Energy-Ltd.-Reports-Third-Quarter-2014-Operating-and-Financial-Results.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](#).