

Waldron Energy Corporation Announces Third Quarter 2014 Results

14.11.2014 | [Marketwired](#)

CALGARY, ALBERTA--(Marketwired - Nov 14, 2014) - [Waldron Energy Corp.](#) ("Waldron" or the "Corporation") (TSX:WDN) is pleased to announce its financial and operational results for the three and nine months ended September 30, 2014. These reports are available for review at [www.sedar.com](#) and on the Corporation's website at [www.waldronenergy.ca](#).

Q3 2014 Highlights

- Third quarter 2014 production averaged 1,545 boe per day, an increase of 7% compared to the second quarter of 2014. Similar to the second quarter of 2014, the Corporation's third quarter production was restricted as a result of third party natural gas plant turnarounds. The Corporation estimates third quarter 2014 production would have been approximately 1,645 boe per day (14% higher than second quarter 2014 production volumes) had the turnarounds not taken place. The Corporation estimates October production to be approximately 1,700 - 1,800 boe per day;
- Successfully drilled, completed and brought on production the Corporation's first horizontal Ferrybank Falher well. This well averaged approximately 225 boe per day of sales volumes over the 18 days in September it was on production;
- Realized natural gas pricing of \$4.20 per mcf, NGL pricing of \$57.64 per bbl and light oil pricing of \$92.72 per bbl resulted in an average realized price of \$37.70 per boe; and
- Third quarter 2014 funds from operations of \$1.0 million were negatively impacted by third party plant turnarounds (impact of approximately 100 boe per day on quarterly production), increased third party facility charges of \$0.3 million, higher than typical repairs and maintenance costs of \$0.2 million and, compared to the first half 2014, a \$4.15 per boe reduction in realized commodity pricing, net of realized losses on commodity price contracts.

Q3 2014 Operational Highlights

	Three months ended September 30		Nine months ended September 30	
	2014	2013	2014	2013
Average Production	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Natural Gas (mcf/d)	6,875	7,959	6,881	8,707
NGL (bbls/d)	218	326	258	372
Light crude oil (bbls/d)	181	154	153	154
BOE/day	1,545	1,807	1,558	1,977
Realized Pricing				
Natural Gas (\$/Mcf)	\$ 4.20	\$ 2.52	\$ 5.09	\$ 3.32
NGL (\$/bbl)	57.64	51.73	61.67	49.58
Light crude oil (\$/bbl)	92.72	100.16	96.58	88.10
Average realized price	\$ 37.70	\$ 28.98	\$ 42.17	\$ 30.82
Netback per boe				
Sales price	\$ 37.70	\$ 28.98	\$ 42.17	\$ 30.82
Realized loss on commodity price contracts	(0.97)	0.05	(2.71)	0.02
Royalties	(5.14)	(3.34)	(6.05)	(3.61)
Operating expenses	(16.24)	(13.31)	(15.66)	(12.06)
Transportation expenses	(2.54)	(1.57)	(2.29)	(1.71)
Operating netback	\$ 12.81	\$ 10.81	\$ 15.46	\$ 13.46

Third-party plant turnarounds in the Corporation's Ferrybank, Crystal and Ricinus areas in September resulted in a loss in production of approximately 100 boe per day for the third quarter 2014. These plants were brought back on-line in September and the Corporation estimates October 2014 production to be approximately 1,700 - 1,800 boe per day. Additional non-recurring items that negatively impacted funds from operations for the three months ended September 30, 2014 include \$0.3 million (\$2.11 per boe) in unexpected third party facility charges and \$0.2 million (\$1.41 per boe) in higher than expected well repairs and maintenance costs.

Q3 2014 Financial Highlights

	Three months ended September 30		Nine months ended September 30	
	2014	2013	2014	2013
Financial (000's except for per share amounts)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Operating netback ⁽¹⁾	\$ 1,821	\$ 1,799	\$ 6,576	\$ 7,263
Per share basic & diluted ⁽¹⁾⁽³⁾	0.03	0.04	0.11	0.18
Petroleum and natural gas sales	5,359	4,818	17,937	16,633
Funds from operations ⁽²⁾	951	706	3,473	4,143
Per share basic & diluted ⁽²⁾⁽³⁾	0.02	0.02	0.06	0.10
Net loss	(777)	(3,067)	(2,333)	(6,265)
Per share basic & diluted ⁽³⁾	(0.01)	(0.08)	(0.04)	(0.16)
Capital expenditures, net of dispositions	3,307	188	8,772	1,265
Proceeds on sale of gross overriding royalty	-	-	(7,000)	-
Net debt ⁽⁴⁾	24,818	33,989	24,818	33,989
Property and equipment	72,376	78,183	72,376	78,183
Exploration and evaluation assets	9,431	9,738	9,431	9,738
Shareholders' equity	46,791	42,391	46,791	42,391
Number of shares outstanding at quarter end	62,727	40,035	62,727	40,035

Notes:

- (1) Operating netback is a non-GAAP measure and the Corporation calculates this measure as revenue, net of any unrealized gains or losses on commodity price contracts, less royalties and operating and transportation expenses.
- (2) Funds from operations is a non-GAAP measure and the Corporation calculates this measure as cash provided from operations before changes in non-cash working capital, decommissioning expenses and transaction and other costs.
- (3) At September 30, 2014, there were 3,409,500 (2013 - 2,108,000) options and 7,182,560 (2013 - 7,182,560) warrants outstanding that were not included in the calculation of weighted average shares outstanding as the effect would be anti-dilutive.
- (4) Net debt is a non-GAAP measure and the Corporation calculates this measure as current assets less current liabilities, excluding commodity price contracts.

Ferrybank Falher Drilling Update

The Corporation is pleased to provide an operational update regarding its 100% working interest in the Waldron Ferrybank 16-14-043-28W4 horizontal Upper Mannville (Falher) well (the "16-14 well"). Throughout July and the first half of August 2014, the 16-14 well was successfully drilled and completed. The 16-14 well produced for 18 days in September and averaged approximately 225 boe per day during that time and has averaged approximately 180 boe per day over its first 60 days on production. The Corporation has licensed a second Falher horizontal well at 2-12-043-28W4. Currently, the Corporation has no reserves assigned to this play.

This is the Corporation's first horizontal Falher zone liquids-rich natural gas well drilled at Ferrybank and it is an extension of the Ferrybank Upper Mannville I channel sand by three miles. Waldron has received regulatory approval to increase the drill spacing to three wells per section on four 100% owned sections at Ferrybank prospective for Falher gas production and owns five sections of P&NG mineral rights directly on trend. Six competitor horizontal Falher wells recently drilled on trend acreage averaged publicly reported production of approximately 3.3 mmscf/d raw gas plus liquids as a 90 day initial production rate. The competitor average includes a recent well that had an initial production rate of 9.2 mmscf/d raw gas plus liquids.

Sale of Gross Overriding Royalty

On June 18, 2014, Waldron closed the sale of a 3% gross overriding royalty on its existing land base for proceeds of \$7 million. The royalty transaction also includes an incremental 7% gross overriding royalty on two Ferrybank Falher wells that had yet to be drilled at the time of closing and includes a provision that \$750,000 is to be returned to the royalty owner for each of two horizontal Ferrybank Falher wells not drilled. The first of the two qualifying wells (the 16-14 well) was drilled during the third quarter 2014. The second of the two wells is required to be drilled by mid-April 2015 in order to avoid the repayment of \$750,000.

The Corporation also has an option to purchase the GORR back for 15 months from the closing date at a price of 30% above the original proceeds on the royalty sale less any royalties paid under the GORR agreement and less two thirds of any amounts returned as a result of any failure to drill the Ferrybank wells.

The GORR transaction crystallized accretive value for the Corporation's shareholders as the transaction

valued the Corporation at approximately PV10% on a Proved plus Probable basis, or approximately \$1.00 per share:

Net Asset Value based on GORR Transaction reserves valuation	
Proved plus Probable NI 51-101 discounted at 10% at December 31, 2013 (2P Value)	\$ 86,035,000
Approximate reduction to reserve value at December 31, 2013 as a result of Transaction (2P Value)	(6,500,000)
Net Debt at June 30, 2014	(24,163,000)
Net Asset Value	\$ 55,372,000
Basic Common Shares Outstanding at June 30, 2014	57,267,170
Net Asset Value - Basic (per share) ⁽¹⁾	\$ 0.97

Note:

(1) Excludes the value of undeveloped lands and certain seismic data and does not incorporate changes in dilutives.

Credit Facility Update

During the first quarter 2014, the Corporation completed a \$6 million secured subordinated debenture financing that carries an interest rate of 9.5% per annum. The debenture, which is to be repaid in full upon maturity, has a maturity date of February 28, 2015 and may be extended for up to six months subject to a borrowing base review and full compliance with all financial covenants. In conjunction with the closing of the subordinated debenture financing and then subsequently in conjunction with the sale of the Gross Overriding Royalty, and in accordance with the terms of the subordinated debenture, the Corporation's senior lender has revised its borrowing base to \$20.6 million, resulting in combined credit facilities of the Corporation of \$26.6 million. During the third quarter 2014, the Corporation's senior lender completed a borrowing base review and no changes were made to the lending value. The next review is expected to occur on or before December 1, 2014. Net debt at September 30, 2014 was \$24.8 million.

Private Placements

On January 15, 2014, Waldron closed a private placement for 2,222,223 common shares of Waldron at \$0.45 per share for gross proceeds of \$1.0 million.

On July 30, 2014, Waldron closed a private placement for 5,459,545 common shares of Waldron issued on a flow-through basis at \$0.33 per share for gross proceeds of \$1.8 million.

2014 Hedging Update

Early in the first quarter of 2014, the Corporation entered into the following commodity price contracts:

Period	Commodity	Type of Contract	Quantity Contracted	Contract price (\$CDN)
Jan 1, 2014 - Dec 31, 2014	Crude Oil	Swap	175 bbl/d	Edmonton Par \$90.15/bbl
Jan 1, 2014 - Dec 31, 2014	Natural gas	Swap	2,600 mcf/d	AECO \$4.15/mcf

Conversion factor: 1 Mcf = 1.116 GJ

Investor Information

Waldron is a Calgary, Alberta based corporation engaged in the exploration, development and production of petroleum and natural gas. The Corporation's common shares are currently listed on the Toronto Stock Exchange under the trading symbol "WDN." Additional information regarding Waldron is available under the Corporation's profile at www.sedar.com or at the Corporation's website, www.waldronenergy.ca.

Forward Looking and Cautionary Statements

This news release contains forward-looking statements relating to the Corporation's plans and other aspects of the Corporation's anticipated future operations, strategies, financial and operating results and business opportunities. These forward-looking statements may include opinions, assumptions, estimates, management's assessment of value, reserves, future plans and operations.

Forward-looking statements typically use words such as "will," "anticipate," "believe," "estimate," "expect," "intend," "may," "project," "should," "plan," and similar expressions suggesting future outcomes, and include statements that actions, events or conditions "may," "would," "could," or "will" be taken or occur in the future. Specifically, this press release contains forward-looking statements relating to the results and timing of operations, including budgeted production; whether or not recent industry results are favorable; whether or not additional reserves are recognized; whether or not the Corporation achieves guidance; the character and nature of the Corporation's asset base; whether or not the asset base is prospective; and number of horizontal drilling locations and opportunities and number of follow-up opportunities. The forward-looking statements are based on various assumptions including expectations regarding the success of current or future drill wells; the outlook for petroleum and natural gas prices; estimated amounts and timing of capital expenditures; estimates of future production; assumptions concerning the timing of regulatory approvals; the state of the economy and the exploration and production business; results of operations; business prospects and opportunities; future exchange and interest rates; assumptions with regards to hedging activities; the Corporation's ability to obtain equipment in a timely manner to carry out development activities; and the ability of the Corporation to access capital and credit. While the Corporation considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Forward-looking statements are subject to a wide range of assumptions, known and unknown risks and uncertainties and other factors that contribute to the possibility that the predicted outcome will not occur, including, without limitation: risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation; loss of markets; volatility of commodities prices; currency fluctuations; imprecision of reserves estimates; environmental risks; competition from other producers; inability to retain drilling rigs and other services; general economic conditions; delays resulting from or inability to obtain required regulatory approvals; and ability to access sufficient capital from internal and external sources. Readers are cautioned that the foregoing list of factors is not exhaustive.

Although Waldron believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will be realized. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements and you should not rely unduly on forward-looking statements. The forward-looking statements contained in this news release are made as of the date of this news release. Except as required by applicable law, Waldron does not undertake any obligation to publicly update or revise any forward-looking statements.

Note Regarding Non-GAAP Measures

Funds from operations, operating netback and net debt are not recognized measures under IFRS as issued by the International Accounting Standards Board ("IASB"). Management believes that in addition to cash flow from operations and net earnings, funds from operations and operating netback are useful supplemental measures as they demonstrate the Corporation's ability to generate the cash necessary to fund future growth through capital investment or repay debt if incurred in future periods. The Company uses net debt (bank debt plus negative working capital or less positive working capital, both excluding bank debt) as an alternative measure of outstanding debt and is used as a measure to assess the Company's financial position. Investors are cautioned, however, that these measures should not be construed as an alternative to cash flow from operating activities or net earnings determined in accordance with IFRS as an indication of the Corporation's performance or financial position. The Corporation's method of calculating these measures may differ from other entities and, accordingly, they may not be comparable to measures used by other entities. For these purposes, the Corporation defines funds from operations as cash flow from operations before changes in non-cash operating working capital, transaction and other costs and decommissioning expenditures and defines operating netback as revenue, net of any realized gains or losses on commodity price contracts, less royalties, operating and transportation expenses. Net debt is defined as current assets less current liabilities, excluding commodity price contracts.

Note Regarding BOEs

The term barrel of oil equivalent ("boe") may be misleading, particularly if used in isolation. A conversion ratio for gas of 6 mcf:1 boe 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 conversion ratio of 6:1, utilizing a conversion on a 6:1 basis is misleading as an indication of value.

Contact

[Waldron Energy Corp.](#)

Ernie Sapiuha

President & CEO

esapiuha@waldronenergy.ca

[Waldron Energy Corp.](#)

Jeff Kearn

VP Finance & CFO

jkearl@waldronenergy.ca

[Waldron Energy Corp.](#)

Murray Stodalka

Chief Operating Officer

mstodalka@waldronenergy.ca

www.waldronenergy.ca

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

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/186580--Waldron-Energy-Corporation-Announces-Third-Quarter-2014-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 -1999-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).