

Leucrotta Announces Q3 2014 Financial and Operating Results

26.11.2014 | [Marketwired](#)

CALGARY, Nov 26, 2014 - [Leucrotta Exploration Inc.](#) (TSX VENTURE:LXE) ("Leucrotta" or the "Company") is pleased to announce its financial and operating results for the three and nine months ended September 30, 2014. All dollar figures are Canadian dollars unless otherwise noted.

HIGHLIGHTS

- Commenced active oil and natural gas operations on August 6, 2014 as a result of the closing of an arrangement agreement between Leucrotta, [Crocotta Energy Inc.](#) ("Crocotta") and [Long Run Exploration Ltd.](#) ("Long Run") (the "Arrangement") whereby Crocotta transferred its oil and natural gas assets located in British Columbia ("BC Assets") to Leucrotta. Long Run acquired all of the issued and outstanding common shares of Crocotta in exchange for 0.415 of a common share of Long Run. Prior to the exchange for Long Run common shares, Crocotta transferred the BC Assets to Leucrotta and each Crocotta shareholder received 1.0 common share of Leucrotta and 0.2 of a Leucrotta common share purchase warrant (one whole warrant being an "Arrangement Warrant").
- Raised \$93.3 million by issuing 54.9 common shares at a price of \$1.70 per common share through a bought deal private placement, an insider private placement and the exercise of Arrangement Warrants.
- Averaged 2,416 boe/d of production during the third quarter of 2014.
- Acquired 70,900 gross (60,800 net) acres of Montney rights in exchange for \$17.9 million cash and 4.7 million common shares.
- Exited quarter with working capital of \$57.8 million.
- Entered into a \$25.0 million revolving operating demand loan credit facility with a Canadian chartered bank.

The financial and operating results below present the historic financial position, results of operations and cash flows of the transferred BC Assets for all prior periods up to and including August 6, 2014 on a carve-out basis as if they had operated as a stand-alone entity subject to Crocotta's control (carve-out financial statements). The financial position, results of operations and cash flows from June 10, 2014 (the date of incorporation of Leucrotta) to August 6, 2014 include both the BC Assets and Leucrotta on a combined basis and from August 6, 2014 forward include the actual historical results of Leucrotta after assuming the BC Assets upon close of the Arrangement.

FINANCIAL RESULTS

| (\$000s, except per share amounts) | Three Months Ended September 30 | | | Nine Months Ended September 30 | | |
|---------------------------------------|------------------------------------|----------|----------|-----------------------------------|----------|----------|
| | 2014 | 2013 | % Change | 2014 | 2013 | % Change |
| Oil and natural gas sales | 7,586 | 2,231 | 240 | 22,521 | 7,447 | 202 |
| Funds from operations ⁽¹⁾ | 3,740 | (179) | 2,189 | 12,215 | 1,141 | 971 |
| Per share - basic and diluted | 0.03 | - | na | 0.11 | 0.01 | 1,000 |
| Net earnings (loss) | 199 | (1,080) | 118 | 3,261 | (1,609) | 303 |
| Per share - basic and diluted | - | (0.01) | 100 | 0.03 | (0.02) | 250 |
| Capital expenditures and acquisitions | 31,295 | 18,952 | 65 | 67,634 | 25,892 | 161 |
| Working capital (deficiency) | | | | 57,762 | (4,208) | 1,473 |
| Common shares outstanding (000s) | | | | | | |
| Weighted average - basic and diluted | 128,186 | 105,613 | 21 | 113,220 | 105,613 | 7 |
| End of period - basic | | | | 165,227 | - | na |
| End of period - diluted | | | | 180,377 | - | na |

OPERATING RESULTS ⁽²⁾

| | Three Months Ended September 30 | | | Nine Months Ended September 30 | | |
|--|------------------------------------|------|----------|-----------------------------------|------|----------|
| | 2014 | 2013 | % Change | 2014 | 2013 | % Change |
| | | | | | | |

| | | | | | | |
|--|----------|----------|--------|----------|---------|--------|
| Daily production | | | | | | |
| Oil and NGLs (bbls/d) | 325 | 107 | 204 | 339 | 79 | 329 |
| Natural gas (mcf/d) | 12,548 | 5,797 | 116 | 10,224 | 5,915 | 73 |
| Oil equivalent (boe/d) | 2,416 | 1,074 | 125 | 2,043 | 1,065 | 92 |
| Revenue | | | | | | |
| Oil and NGLs (\$/bbl) | 79.72 | 81.77 | (3) | 87.14 | 86.45 | 1 |
| Natural gas (\$/mcf) | 4.51 | 2.67 | 69 | 5.18 | 3.46 | 50 |
| Oil equivalent (\$/boe) | 34.12 | 22.59 | 51 | 40.37 | 25.62 | 58 |
| Royalties | | | | | | |
| Oil and NGLs (\$/bbl) | 4.42 | - | na | 2.92 | - | na |
| Natural gas (\$/mcf) | 0.29 | - | na | 0.22 | - | na |
| Oil equivalent (\$/boe) | 2.13 | - | na | 1.57 | - | na |
| Production expenses | | | | | | |
| Oil and NGLs (\$/bbl) | 6.65 | 8.64 | (23) | 6.78 | 9.87 | (31) |
| Natural gas (\$/mcf) | 1.11 | 1.44 | (23) | 1.13 | 1.70 | (34) |
| Oil equivalent (\$/boe) | 6.65 | 8.64 | (23) | 6.77 | 10.17 | (33) |
| Transportation expenses | | | | | | |
| Oil and NGLs (\$/bbl) | 5.01 | 7.91 | (37) | 3.39 | 8.62 | (61) |
| Natural gas (\$/mcf) | 0.25 | 0.24 | 4 | 0.19 | 0.24 | (21) |
| Oil equivalent (\$/boe) | 1.95 | 2.08 | (6) | 1.53 | 1.96 | (22) |
| Operating netback ⁽¹⁾ | | | | | | |
| Oil and NGLs (\$/bbl) | 63.64 | 65.22 | (2) | 74.05 | 67.96 | 9 |
| Natural gas (\$/mcf) | 2.86 | 0.99 | 189 | 3.64 | 1.52 | 139 |
| Oil equivalent (\$/boe) | 23.39 | 11.87 | 97 | 30.50 | 13.49 | 126 |
| Depletion and depreciation (\$/boe) | | | | | | |
| | (11.23) | (10.43) | 8 | (11.39) | (9.87) | 15 |
| General and administrative expenses (\$/boe) | | | | | | |
| | (4.49) | (4.41) | 2 | (4.07) | (3.02) | 35 |
| Share based compensation (\$/boe) | | | | | | |
| | (3.25) | (1.75) | 86 | (1.93) | (1.06) | 82 |
| Finance expenses (\$/boe) | | | | | | |
| | (2.17) | (9.31) | (77) | (4.60) | (6.59) | (30) |
| Deferred tax expense (recovery) (\$/boe) | | | | | | |
| | (1.36) | 3.16 | (143) | (2.66) | 1.53 | (274) |
| Net earnings (loss) (\$/boe) | | | | | | |
| | 0.89 | (10.87) | 108 | 5.85 | (5.52) | 206 |

(1) See "Non-GAAP Measures" section.

(2) See "Frequently Recurring Items" section.

Selected financial and operational information outlined in this news release should be read in conjunction with Leucrotta's unaudited interim financial statements and related Management's Discussion and Analysis ("MD&A") for the period ended September 30, 2014, which are available for review at www.sedar.com and on our website at www.leucrotta.ca.

PRESIDENT'S MESSAGE

On August 6, 2014 Leucrotta became a stand-alone entity with the mandate to further its predecessor's (Crocotta's) development of its highly prolific and liquids-rich Montney assets located in Northeast British Columbia. For reporting purposes, it is assumed that Leucrotta held these assets prior to August 6th and as such; information provided includes production for the entire third quarter of 2014 and nine months year to

date as well as comparative periods.

During Q3 2014, Leucrotta significantly increased its core area through the acquisition of a total of 60,000 acres of Montney lands and is now one of the dominant landowners in the Lower Montney turbidite play with over 100,000 acres of land. Recent wells on this play have seen initial production rates of 1,000 to 2,000 boepd with liquids of up to 40%. Given moderate on-stream costs of approximately \$5 million combined with high liquid rates, this play would be considered as a top decile play in the basin.

Production for the quarter was stable at 2,416 boepd (13% liquids) with some wells being restricted due to pipeline and facility constraints. Leucrotta is currently producing about 2,600 boepd (19% liquids) with some production still restricted until new pipelines are completed in Q1 2015.

Leucrotta has recently spud the first of three Lower Montney step-out wells and expects to have all three drilled by year-end and completed and tested by the end of January. Results of such wells will be released as soon as meaningful data is gathered.

Leucrotta has an exceptional balance sheet as it entered Q4 2014 with \$58 million cash, no debt, and a \$25 million credit facility. Given this strong financial position, Leucrotta will be able to carry out its business plan throughout 2015 without the need for additional financing.

FREQUENTLY RECURRING TERMS

The Company uses the following frequently recurring industry terms in this news release: "bbls" refers to barrels, "mcf" refers to thousand cubic feet, and "boe" refers to barrel of oil equivalent. Disclosure provided herein in respect of a boe may be misleading, particularly if used in isolation. A boe conversion rate of six thousand cubic feet of natural gas to one barrel of oil equivalent has been used for the calculation of boe amounts in the news release. This boe conversion rate is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

NON-GAAP MEASURES

This news release refers to certain financial measures that are not determined in accordance with IFRS (or "GAAP"). This news release contains the terms "funds from operations", "funds from operations per share", and "operating netback" which do not have any standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures used by other companies. The Company uses these measures to help evaluate its performance.

Management uses funds from operations to analyze performance and considers it a key measure as it demonstrates the Company's ability to generate the cash necessary to fund future capital investments and to repay debt. Funds from operations is a non-GAAP measure and has been defined by the Company as net earnings (loss) plus non-cash items (depletion and depreciation, share based compensation, non-cash finance expenses, and deferred income taxes) and excludes the change in non-cash working capital related to operating activities and expenditures on decommissioning obligations. The Company also presents funds from operations per share whereby amounts per share are calculated using weighted average shares outstanding, consistent with the calculation of earnings per share. Funds from operations is reconciled from cash flow from operating activities under the heading "Funds from Operations" in the Company's MD&A for the period ended September 30, 2014.

Management considers operating netback an important measure as it demonstrates its profitability relative to current commodity prices. Operating netback, which is calculated as average unit sales price less royalties, production expenses, and transportation expenses, represents the cash margin for every barrel of oil equivalent sold. Operating netback per boe is reconciled to net earnings per boe under the heading "Operating Netback" in the Company's MD&A for the period ended September 30, 2014.

FORWARD-LOOKING INFORMATION

This news release contains forward-looking statements and forward-looking information within the meaning

of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "should", "believe", "intends", "forecast", "plans", "guidance" and similar expressions are intended to identify forward-looking statements or information.

More particularly and without limitation, this news release contains forward looking statements and information relating to the Company's risk management program, oil, NGLs, and natural gas production, capital programs, oil, NGLs, and natural gas commodity prices, production expenses and working capital. The forward-looking statements and information are based on certain key expectations and assumptions made by the Company, including expectations and assumptions relating to prevailing commodity prices and exchange rates, applicable royalty rates and tax laws, future well production rates, the performance of existing wells, the success of drilling new wells, the availability of capital to undertake planned activities, and the availability and cost of labour and services.

Although the Company believes that the expectations reflected in such forward-looking statements and information are reasonable, it can give no assurance that such expectations will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the oil and gas industry in general such as 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 estimates and projections relating to production rates, costs, and expenses, commodity price and exchange rate fluctuations, marketing and transportation, environmental risks, competition, the ability to access sufficient capital from internal and external sources and changes in tax, royalty, and environmental legislation. The forward-looking statements and information contained in this document are made as of the date hereof for the purpose of providing the readers with the Company's expectations for the coming year. The forward-looking statements and information may not be appropriate for other purposes. 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.

Leucrotta is an oil and natural gas company, actively engaged in the acquisition, development, exploration, and production of oil and natural gas reserves in northeastern British Columbia, Canada.

Neither the TSX Venture Exchange nor its Regulation Services 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

[Leucrotta Exploration Inc.](#)

Mr. Robert J. Zakresky, President and Chief Executive Officer
(403) 705-4525

[Leucrotta Exploration Inc.](#)

Mr. Nolan Chicoine, Vice President, Finance and Chief Financial Officer
(403) 705-4525

[Leucrotta Exploration Inc.](#)

Suite 700, 639 - 5th Avenue SW
Calgary, Alberta T2P 0M9
(403) 705-4525
(403) 705-4526

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

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/187253--Leucrotta-Announces-Q3-2014-Financial-and-Operating-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](#).