Lynden Energy Reports Financial Results for the Three Months Ended September 30, 2014

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Dec 1, 2014) - Lynden Energy Corp. (TSX VENTURE:LVL) (the "**Company**") reports its first quarter fiscal 2015 results. Highlights for the three months ended September 30, 2014 (the "**Current Period**"), compared to the three months ended September 30, 2013 (the "**Prior Period**"), include:

- Total production increased 11% to 170,787 boe (1,857 boe/d)
- Revenues (net of royalties) decreased 11% to $7,880,187
- Average realized oil price decreased from $101 per barrel to $86 per barrel

Production (before royalties) of 170,787 boe (1,857 boe/d) for the three months ended September 30, 2014 is a 1.5% increase over production in the three months ended June 30, 2014.

Financial Results for the 3 months ended September 30, 2014

This news release should be read in conjunction with the Company's condensed consolidated financial statements for the three months ended September 30, 2014 and the notes thereto, together with the MD&A for the corresponding period, which are available under the Company's profile on SEDAR at 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 $1,696,738 (Prior Period - $2,994,437) and total comprehensive income of $1,159,511 (Prior Period - $3,007,505) for the Current Period. Significant components of the Current Period's net earnings were revenues (net of royalties) of $7,880,187, depletion and depreciation of $3,231,985, and income tax expense of $1,319,000 (Prior Period - $1,862,900). The Company's net earnings per common share for the Current Period is $0.01 (Prior Period - $0.03).

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

The Company reported gross P&NG revenues of $10,387,275, (Prior Period - $11,583,019) for the Current Period, all from its Midland Basin wells. In conjunction with the gross revenues, the Company reported royalties paid of $2,507,088 (Prior Period - $2,697,354) and paid production and operating expenses of $1,270,105 (Prior Period - $994,679) for the Current Period.

Average realized prices for the Current Period were $86 per barrel ("**Bbl**") of oil, $4.03 per thousand cubic feet ("**Mcf**") of natural gas and $33.11 per Bbl of natural gas liquids compared to $101 per Bbl of oil, $3.24 per Mcf of natural gas and $32.11 per Bbl of natural gas liquids for the Prior Period.

Liquidity

The Company has a $100 million reducing revolving line of credit with Texas Capital Bank. As at September 30, 2014, the line of credit provided a borrowing base of $32 million. There is currently $26.3 million drawn on the line of credit. Subsequent to September 30, 2014, the borrowing base was increased to $40 million.

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 September 30, 2014 of approximately $13.5 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.

Operations Highlights

Midland Basin, West Texas

The Company continues to carry out the Wolfberry vertical well development program on its Midland Basin acreage, and the Company now has 100 gross Wolfberry (41.33 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 (July 1, 2014 to June 30, 2015) at an estimated cost to the Company of approximately $15.0 million. Pursuant to the terms of the Midland Basin Participation Agreement, the Company's funding amount for the 6.26 net wells is equivalent to 7.15 wells.

The 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, 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 the Wolcott lease, a lease operated by a separate Midland, Texas based operator, a second horizontal well was spud in early October and has been drilled with a lateral length of approximately 6,200 feet. The second horizontal well is targeting the Lower Spraberry horizon and has recently been fracture stimulated, with flow-back expected to begin shortly.

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

Mitchell Ranch Project

The Company's Mitchell Ranch project covers approximately 104,000 acres of P&NG leases located primarily in Mitchell County, West Texas where the Company has a 50% working interest.

A four new well program began in Q4/2014. All four wells, the Spade 17#3, 1 #1, 5 #1 and 18 #1, have now been drilled in an area in general proximity to the Company's original 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 general Wolfberry well completion approach where all stimulation stages are flowed back simultaneously, individual or a smaller number of stimulation stages in the new wells will be separately flow tested to obtain as much information as possible about the productive potential of the zones stimulated prior to moving up hole. As of the date of this report, the only new well to be fracture stimulated is the Spade 17 #3 well where a 3 stage stimulation was carried out in the lower targeted zones.

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 Midland Basin and Eastern Shelf of the Permian Basin, West Texas, USA.

Further information relating to Lynden is also available on its website at www.lyndenenergy.com.

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. For a more detailed description of these risks, and others, see http://lyndenenergy.com/risk-factors/.

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Contact

Lynden Energy Corp.
Colin Watt
President and CEO
604-602-9311
www.lyndenenergy.com