Trilogy Energy Corp. Announces Intention to Implement a Normal Course Issuer Bid, Announces Discontinuance of Dividend and Provides 2015 Guidance

08.12.2014 | Marketwired

CALGARY, ALBERTA--(Marketwired - Dec 8, 2014) -

Normal Course Issuer Bid

Trilogy Energy Corp. ("Trilogy") (TSX:TET) announced today that it intends to implement a normal course issuer bid ("NCIB") through the facilities of the Toronto Stock Exchange ("TSX") pursuant to which Trilogy would be able to purchase up to approximately 6,490,470 of its 105,150,110 common shares ("Common Shares") outstanding for a one year period at prevailing market prices on the TSX. The NCIB is subject to the approval of the TSX and if approved would be subject to the rules and restrictions of the TSX relating to normal course issuer bids.

Trilogy believes that, from time to time, the repurchase of its Common Shares for cancellation could represent an appropriate use of its funds to enhance the underlying value of its remaining Common Shares.

Discontinuance of Dividend

Trilogy's Board of Directors has determined to discontinue the payment of dividends after the December 15, 2014 payment of the previously announced November 2014 dividend in the amount of $0.035 per share. Management recommended the discontinuance to preserve cash flow for ongoing operations given the current market environment.

2015 Guidance

For 2015, Trilogy is forecasting annual production to be consistent with 2014 at approximately 35,000 Boe/d based on a lower capital spending program of approximately $250 million. As the Company continues to develop its Duvernay shale assets, it is considering sources of external funds to advance the play.

Forward-Looking Information

Certain information included in this news release constitutes forward-looking statements under applicable securities legislation. Forward-looking statements or information typically contain statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "budget" or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking statements or information in this news release pertain to, without limitation: Trilogy's intention to implement a normal course issuer bid and the benefits therefrom; Trilogy's projected capital expenditures for 2015; expected average production volumes in 2015; and development and funding of Trilogy's Duvernay shale assets.

Although Trilogy believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because Trilogy can give no assurance that such expectations will prove to be correct. Forward-looking statements or information are based on current assumptions, expectations, estimates and projections in respect of commodity prices and foreign exchange rates, the ability of Trilogy and its partners to achieve operational and financial results

consistent with expectations, market and industry conditions as well as other matters, all of which involve a number of risks and uncertainties which could cause actual results to materially differ from those anticipated by Trilogy and described in the forward-looking statements or information. These risks and uncertainties include, but are not limited to: fluctuations of oil, natural gas and natural gas liquids prices, foreign currency, exchange rates and interest rates, volatile economic and business conditions, the ability of management to execute its business plan; the risks of the oil and gas industry, such as operational risks in exploring for, developing and producing crude oil, natural gas and associated by-products and market demand; risks and uncertainties involving geology of oil and gas deposits; risks inherent in Trilogy's marketing operations, including credit risk; the uncertainty of reserves estimates and reserves life; the uncertainty of estimates and projections relating to future production, NGL yields, costs and expenses; uncertainty in amounts and timing of royalty payments and applicability of and change to royalty regimes and government incentive programs; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; the availability of financing; the ability to generate sufficient cash flow from operations and other sources of financing at an acceptable cost to fund Trilogy's exploration, development and construction plans and repay debt; Trilogy's ability to secure adequate product transmission and transportation on a timely basis or at all; Trilogy's ability to enter into or
renew leases; health, safety and environmental risks; the ability of Trilogy to add production and reserves through development and exploration activities; weather conditions; the possibility that government policies, regulations or laws, including without limitation those relating to the environment and taxation, may change; imprecision in estimates of product sales, tax pools, tax shelters, tax deductions available to Trilogy, changes to and the interpretation of tax legislation and regulations applicable to Trilogy; the possibility that regulatory approvals may be delayed or withheld; risks associated with existing and potential future lawsuits and regulatory actions against Trilogy; uncertainty regarding aboriginal land claims and co-existing local populations; hiring/maintaining staff; the impact of market competition; and other risks and uncertainties described in Trilogy's other filings with Canadian securities authorities.

The forward-looking statements and information contained in this news release are made as of the date hereof and Trilogy 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.

Oil and Gas Advisory

This news release contains disclosure expressed as "Boe/d". All oil and natural gas equivalency volumes have been derived using the ratio of six thousand cubic feet of natural gas to one barrel of oil (6:1). Equivalency measures may be misleading, particularly if used in isolation. A conversion ratio of six thousand cubic feet of natural gas to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the well head. For Q3 2014, the ratio between Trilogy's average realized oil price and the average realized natural gas price was approximately 21:1 ("Value Ratio"). The Value Ratio is obtained using the Q3 2014 average realized oil price of $93.14 (CAD$/Bbl) and the Q3 2014 average realized natural gas price of $4.53 (CAD$/mcf). This Value Ratio is significantly different from the energy equivalency ratio of 6:1 and using a 6:1 ratio would be misleading as an indication of value.

About Trilogy

Trilogy is a growing petroleum and natural gas-focused Canadian energy corporation that actively develops, produces and sells natural gas, crude oil and natural gas liquids. Trilogy's geographically concentrated assets are primarily high working interest properties that provide abundant low-risk infill drilling opportunities and good access to infrastructure and processing facilities, many of which are operated and controlled by Trilogy. Trilogy's common shares are listed on the Toronto Stock Exchange under the symbol "TET".

Contact

J.H.T. (Jim) Riddell, Chief Executive Officer
J.B. (John) Williams, President and Chief Operating Officer
M.G. (Mike) Kohut, Chief Financial Officer
Trilogy Energy Corp.
#1400, 332 - 6th Avenue S.W.
Calgary, Alberta T2P 0B2
(403) 290-2900
(403) 263-8915