

Bonavista Energy Corporation Confirms 7% Production Growth in 2015 with Revised Budget and Change to Dividend

17.12.2014 | [Marketwired](#)

CALGARY, ALBERTA--(Marketwired - Dec 16, 2014) - [Bonavista Energy Corp.](#) (TSX:BNP) ("Bonavista") announces that its Board of Directors has approved a reduction in our 2015 capital budget and an adjustment of our monthly dividend to \$0.035 per share from \$0.07 per share, beginning with the payment due on February 16, 2015.

2015 Guidance

To reflect the current outlook for commodity prices, Bonavista's 2015 capital budget has been revised to between \$375 and \$425 million, drilling between 70 and 80 net wells. Our previously announced 2015 exploration and development budget has been reduced by approximately 30% from between \$525 and \$575 million, and the budgeted \$100 million disposition component has been removed.

Notwithstanding a curtailment of 3,500 boe per day in our annual guidance due to planned turnaround activity, 2015 annual and exit production is expected to grow approximately 7%. Annual production for 2015 is now forecast to average between 81,000 and 83,000 boe per day. This represents a modest 2% reduction in annual production guidance and an 11% reduction in our capital spending program compared to our previous November 2014 guidance. This revised dividend and capital program will result in a sustainable total payout ratio of approximately 110% for 2015 based on current commodity strip pricing.

Bonavista remains committed to continuous efficiency improvements. In 2014, our strategy to focus 95% of our exploration and development program in our core areas has resulted in further enhancements to our capital and operating efficiencies. This has led to annual growth of 12% in our forecasted 2014 exit production, creating a stable foundation for continued value creation in 2015.

In spite of a year of continued operational success, the recent collapse in world oil prices and the muted outlook for North American natural gas and natural gas liquids pricing has resulted in a challenging environment for the Canadian energy sector in the near future. Bonavista remains focused on creating value for our shareholders by consistently aligning our capital program and dividends with our funds from operations. These reductions create that alignment with the recently transformed commodity price environment that we anticipate operating in for 2015, and will result in long-term strength and sustainability for Bonavista.

Hedging

Bonavista's hedging philosophy aims to reduce the impact of commodity price volatility and protect funds from operations to execute our capital program and fund our dividend commitment. Currently for 2015, 55% of our forecasted oil and liquids revenues (net of royalties) are hedged at an average floor price of CDN\$90.90 per bbl WTI and 65% of our forecasted natural gas revenues (net of royalties) are hedged at an average floor price of \$3.63 per gj at AECO.

Through the consistent application of our proven strategy, we are confident that the prudent adjustments we are making will result in enhanced profitability and additional financial flexibility in the future. As in prior years, we will continue to monitor the economic landscape, commodity prices and our drilling results and adjust our business plan as conditions warrant.

Bonavista is a mid-sized energy corporation committed to maintaining its emphasis on operating high quality

oil and natural gas properties, providing a balance of growth and income to our shareholders while ensuring financial strength and sustainability.

Forward Looking Statements

Corporate information provided herein contains forward-looking information. The reader is cautioned that assumptions used in the preparation of such information, particularly those pertaining to cash dividends, production volumes, commodity prices, operating costs and drilling results, which are considered reasonable by Bonavista at the time of preparation, may be proven to be incorrect. Actual results achieved during the forecast period will vary from the information provided herein and the variations may be material. There is no representation by Bonavista that actual results achieved during the forecast period will be the same in whole or in part as those forecasts.

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/188602--Bonavista-Energy-Corporation-Confirms-7Prozent-Production-Growth-in-2015-with-Revised-Budget-and-Change-t>

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