

Spartan Energy Corp. Exceeds 2014 Exit Production Target and Announces 2015 Capital Budget and Guidance

06.01.2015 | [Marketwired](#)

CALGARY, ALBERTA--(Marketwired - Jan 6, 2015) - [Spartan Energy Corp.](#) ("**Spartan**" or the "**Company**") (TSX:SPE) is pleased to announce that, as a result of a successful fourth quarter drilling program, we exceeded our 2014 exit production guidance of 8,900 to 9,100 boe/d in early December. We expect our fourth quarter average production to exceed 8,700 boe/d and our 2014 annual average to exceed 5,850 boe/d, 3% above our guidance of 5,700 boe/d. December average production is approximately 9,300 boe/d, based on field estimates.

Spartan had a very active 2014, increasing production from 625 boe/d when the Company commenced operations in December 2013. Our production growth has been achieved through an active acquisition program early in 2014, which established our extensive southeast Saskatchewan focused asset base, followed by the successful execution of our drilling program in the second half of the year. We also focused on maintaining a strong balance sheet in 2014, with estimated year-end net debt of approximately \$92 million, leaving approximately \$158 million of available room on our \$250 million credit facility.

2015 Capital Budget

With the current volatility in commodity prices, Spartan is committed to continuing to deliver per share production growth while protecting our financial flexibility through disciplined capital spending. Towards this end, Spartan's Board of Directors has approved a capital budget of approximately \$105 million for 2015, which is expected to generate cash flow of \$102 million assuming a WTI oil price of US\$65. Despite the weakened commodity price environment, the Company's budget is anticipated to deliver annual average production of approximately 9,200 boe/d (94% oil and liquids), representing per share growth of approximately 28% over 2014, and exit rate production of 9,900 boe/d. As the capital plan is anticipated to be primarily executed within cash flow, we anticipate 2015 exit net debt of approximately \$95 million, or 0.93 times anticipated 2015 cash flow.

In order to preserve our balance sheet flexibility in a low commodity price environment, our 2015 budget primarily targets high rate of return, low risk opportunities. Drilling and completions activity makes up approximately \$88 million of the budget, with the remaining \$17 million allocated to facilities, well-site tie-ins, maintenance capital, capitalized G&A, land and seismic. The drilling program will be primarily focused on high rate of return, low risk open-hole Mississippian wells in southeast Saskatchewan, with 68.3 net open-hole wells currently budgeted. These wells are highly economic at a variety of commodity prices, with our internal type curve well generating an initial 30 day production rate ("**IP30**") of 93 bbls/d and delivering a rate of return of approximately 100% at an oil price of US\$65 WTI (assumes the well is drilled on Crown acreage). Open-hole wells drilled on our asset base in 2014 are currently exceeding this type curve, generating average IP30 rates in excess of 120 boe/d. Spartan has identified over 500 net open-hole drilling locations across our southeast Saskatchewan asset base.

In addition to the open-hole drilling program, Spartan intends to drill 4.9 net frac Midale wells on our Pinto lands in southeast Saskatchewan. We drilled 4 (3.7 net) wells at Pinto in 2014, with early results indicating that the wells are outperforming our internal type curve of 120 bbls/d IP30. We also plan to drill 2 (1.9 net) vertical Detrital wells on our Alexander property in central Alberta in 2015.

Spartan will remain disciplined and flexible with our 2015 capital budget as we monitor commodity prices and results throughout the year. We estimate that a US\$5 change to commodity prices will impact our cash flow by approximately \$14 million (14%). With our extensive inventory of drilling locations in southeast Saskatchewan, we are well positioned to revise our capital plan in the second half of the year should circumstances warrant.

2015 Financial and Operating Guidance

Guidance

Annual production	9,200 boe/d (94% oil and liquids)
Capital expenditures	\$105 million
Funds from operations	\$102 million
Funds from operations per share (basic)	\$0.39
2015 Year-end net debt	\$95 million
Net debt to funds from operations ratio	0.93 times
Credit facility limit	\$250 million

Key Assumptions

Crude oil (US\$ WTI)	\$65.00/bbl
Natural gas (Cdn AECO)	\$4.00/Mcf
Exchange rate (US/Cdn)	\$0.86
Cdn. Light Oil Differential to WTI (Cdn\$)	\$7.00
Operating netback	\$33.85 per boe
Corporate netback	\$30.30 per boe

Outlook

Spartan remains committed to delivering organic production growth while managing our decline profile. We are well positioned to execute our business plan in a low commodity price environment, as our inventory of drilling locations deliver top tier capital efficiencies and remain economic at lower oil prices. In addition, the prudent management of our balance sheet provides the Company with significant financial flexibility to continue to pursue additional growth through accretive acquisitions. Additional information can be accessed in our corporate presentation which can be accessed on our website at www.spartanenergy.ca.

READER ADVISORY

BOE Disclosure. *The term barrels of oil equivalent ("BOE") may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet per barrel (6 Mcf/bbl) of natural gas to barrels of oil equivalence is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All BOE conversions in the report are derived from converting gas to oil in the ratio mix of six thousand cubic feet of gas to one barrel of oil.*

Forward-Looking Statements. *In the interest of providing Spartan shareholders and potential investors with information regarding the Company, including management's assessment of Spartan's future plans and operation, certain statements throughout this press release constitute forward-looking statements (forecasts) under applicable securities laws relating to future events or future performance. All forward-looking statements are based on the Company's beliefs and assumptions based on information available at the time the assumption was made. By its nature, such forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Forward-looking statements are necessarily based upon assumptions and judgements with respect to the future including, but not limited to, the outlook for commodity markets and capital markets, the performance of producing wells and reservoirs, well development and operating performance, general economic and business conditions, weather, the regulatory and legal environment and other risks associated with oil and gas operations. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "projects", "plans", "anticipates", "continue", "estimate", "believe" and similar expressions. These statements represent management's expectations or beliefs concerning, among other things, future operating results and various components thereof affecting the economic performance of Spartan. Undue reliance should not be placed on these forward-looking statements which are based upon management's assumptions and are subject to known and unknown risks and uncertainties, including the business risks discussed above, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted. These statements speak only as of the date specified in the statements.*

The estimates of net debt and funds from operations (cash flow) contained in this press release are financial outlooks within the meaning of applicable securities laws. These financial outlooks have been prepared by

management of Spartan to provide an outlook of the Company's anticipated funds from operations based on management's expectations and assumptions as to a number of factors, including commodity pricing, production, operating expenses and royalties. Readers are cautioned that this information may not be appropriate for any other purpose. Management does not have firm commitments for all of the costs, expenditures, prices or other financial assumptions used to prepare the financial outlooks or assurance that such results will be achieved. The actual results of Spartan will likely vary from the amounts set forth in the financial outlooks and such variation may be material. Spartan and its management believe that the financial outlooks have been prepared on a reasonable basis, reflecting the best estimates and judgments, and represent, to the best of management's knowledge and opinion, the Company's expected expenditures and results of operations during 2015. However, because this information is highly subjective and subject to numerous risks, including the risks discussed under the note regarding Forward-Looking Statements, it should not be relied on as necessarily indicative of future results.

Forward-looking information is based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by Spartan and described in the forward-looking information. The forward-looking information contained in this press release is made as of the date hereof and Spartan undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. The forward-looking information contained in this press release is expressly qualified by this cautionary statement.

Non-IFRS Measures. *This press release provides certain financial measures that do not have a standardized meaning prescribed by IFRS. These non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Cash flow from operations, operating netback and net surplus (debt) are not recognized measures under IFRS. Management believes that in addition to net income (loss), cash flow from operations, operating netback and net surplus (debt) are useful supplemental measures that demonstrate the Company's ability to generate the cash necessary to repay debt or fund future capital investment. Investors are cautioned, however, that these measures should not be construed as an alternative to net income (loss) determined in accordance with IFRS as an indication of Spartan's performance. Spartan's method of calculating these measures may differ from other companies and accordingly, they may not be comparable to measures used by other companies. Cash flow from operations is calculated by adjusting net income (loss) for other income, unrealized gains or losses on financial derivative instruments, accretion, share based compensation, impairment and depletion and depreciation. Operating netback is calculated based on oil and gas revenue less royalties and operating expenses. Net surplus (debt) is the total of cash plus accounts receivable, prepaids and deposits, less accounts payable plus bank debt.*

Contact

Richard (Rick) McHardy
President and Chief Executive Officer
Tim Sweeney
Manager, Business Development
[Spartan Energy Corp.](#)
Suite 500, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8
www.spartanenergy.ca
Phone: 403-355-8920
Fax: 403.355-2779
Email: info@spartanenergy.ca

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

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/189386--Spartan-Energy-Corp.-Exceeds-2014-Exit-Production-Target-and-Announces-2015-Capital-Budget-and-Guidance.>

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](#).