

# Freehold Royalties Ltd. Announces Change to Dividend

14.01.2015 | [Marketwired](#)

CALGARY, ALBERTA--(Marketwired - Jan 14, 2015) - [Freehold Royalties Ltd.](#) (TSX:FRU) (Freehold) announces that its Board of Directors has approved an adjustment to its monthly dividend to \$0.09 per share from \$0.14 per share. The Board of Directors has declared a dividend of Cdn. \$0.09 per common share to be paid on February 17, 2015, to shareholders of record on January 31, 2015. Including the February 17, 2015 payment, the twelve-month trailing cash dividends total \$1.63 per common share.

The revision to the dividend is reflective of the current oil and gas price environment. Management and the Board will continuously monitor the ongoing price environment with the next update to our guidance expected when we release our year-end 2014 results on March 5, 2015.

## Guidance Update

Along with the dividend adjustment for 2015, the Board has revised its capital budget from \$30 to \$25 million, our commodity outlook and our production forecast. Our focus will continue to center on oil development within our mineral title lands. We maintain that capital may be adjusted as the year progresses, depending on the operating environment, individual well results and changes in commodity prices. Also an increasing percentage of our capital expenditures are non-operated and therefore dependent on the budgets and changing plans of our partners.

2015 Annual Average		Guidance Dated	
		Jan. 14, 2015	Nov. 13, 2014
Daily production (1)	boe/d	9,800	9,700
WTI oil price	US\$/bbl	60.00	85.00
Western Canada Select (WCS)	Cdn\$/bbl	54.00	77.00
AECO natural gas price	Cdn\$/Mcf	3.00	3.75
Exchange rate	Cdn\$/US\$	0.84	0.87
Operating costs	\$/boe	6.60	6.60
General and administrative costs (2)	\$/boe	2.60	2.90
Capital expenditures	\$ millions	25	30
Dividends paid in shares (DRIP) (3)	\$ millions	26	27
Weighted average shares outstanding	millions	76	75

(1) Daily production was updated to 10,100 boe/d in our December 2, 2014 News Release.

(2) Excludes share based and other compensation.

(3) Our latest guidance assumes an average 30% participation rate in Freehold's dividend reinvestment plan, which is subject to change at the participants' discretion.

Based on this level of capital investment, anticipated reduced drilling activity by operators of our royalty lands and normal production declines (and excluding any potential acquisitions), we expect 2015 production to average approximately 9,800 boe/d. We note that subsequent to our guidance provided on November 13, 2014, we announced the acquisition of an estimated 400 boe/d (2015E) in production through four separate acquisitions. This guidance continues to assume the closing of these acquisitions.

Recognizing the cyclical nature of the oil and gas industry, we continue to closely monitor commodity prices and industry trends. We caution that it is inherently difficult to predict activity levels on our lands since we have minimal operational control. As well, significant changes (positive or negative) in commodity prices (including Canadian oil price differentials), foreign exchange rates, or production rates may result in adjustments to the dividend rate moving forward.

Freehold's primary focus is on acquiring and managing oil and gas royalties. The majority of production comes from royalty interests (mineral title and gross overriding royalties). Freehold's common shares trade

on the Toronto Stock Exchange in Canada under the symbol FRU.

### **Forward-looking Statements**

This news release offers our assessment of Freehold's future plans and operations as at January 14, 2015, and contains forward-looking statements that we believe allow readers to better understand our business and prospects. These forward-looking statements include our expectations for the following:

- our outlook for commodity prices including supply and demand factors relating to crude oil, heavy oil, and natural gas;
- our expected dividend levels;
- light/heavy oil price differentials;
- changing economic conditions;
- foreign exchange rates;
- industry drilling, development and licensing activity on our royalty lands;
- our expected timing for providing our next update on our guidance;
- development of working interest properties;
- participation in the DRIP and our use of cash preserved through the DRIP;
- estimated capital budget and expenditures and the timing thereof;
- estimated operating and general and administrative expenses;
- average production and contribution from royalty lands and acquisitions; and
- key operating assumptions.

By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond our control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, royalties, environmental risks, taxation, regulation, changes in tax or other legislation, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility, and our ability to access sufficient capital from internal and external sources. In addition, our current dividend levels are not necessarily indicative of future dividend levels. Our dividend payments and levels depend on a number of factors, many of which will be beyond our control, and as a result future cash dividends could be reduced or suspended entirely. Risks are described in more detail in our Annual Information Form.

With respect to forward-looking statements contained in this news release, we have made assumptions regarding, among other things, future oil and gas prices, future capital expenditure levels, future production levels, future exchange rates, future tax rates, future participation rates in the DRIP and use of cash retained through the DRIP, future legislation, the cost of developing and producing our assets, our ability and the ability of our lessees to obtain equipment in a timely manner to carry out development activities, our ability to market our oil and natural gas successfully to current and new customers, our expectation for the consumption of crude oil and natural gas, our expectation for industry drilling levels, our ability to obtain financing on acceptable terms, our ability to add production and reserves through development and acquisition activities and our ability to close the acquisitions currently contemplated. The key operating assumptions with respect to the forward-looking statements referred to above are detailed in the body of this news release.

You are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Our actual results, performance, or achievement could differ materially from those expressed in, or implied by, these forward-looking statements. We can give no assurance that any of the events anticipated will transpire or occur, or if any of them do, what benefits we will derive from them. The forward-looking information contained in this document is expressly qualified by this cautionary statement. The guidance included herein is intended to provide readers with an understanding of management's expectations and assumptions about future activities and results and readers are cautioned that the information may not be appropriate for other purposes. Our policy for updating forward-looking statements is to update our key operating assumptions quarterly and, except as required by law, we do not undertake to update any other forward-looking statements.

### **Conversion of Natural Gas To Barrels of Oil Equivalent (BOE)**

To provide a single unit of production for analytical purposes, natural gas production and reserves volumes

are converted mathematically to equivalent barrels of oil (boe). We use the industry-accepted standard conversion of six thousand cubic feet of natural gas to one barrel of oil (6 Mcf = 1 bbl). The 6:1 boe ratio is based on an energy equivalency conversion method primarily applicable at the burner tip. It does not represent a value equivalency at the wellhead and is not based on either energy content or current prices. While the boe ratio is useful for comparative measures and observing trends, it does not accurately reflect individual product values and might be misleading, particularly if used in isolation. As well, given that the value ratio, based on the current price of crude oil to natural gas, is significantly different from the 6:1 energy equivalency ratio, using a 6:1 conversion ratio may be misleading as an indication of value.

## Contact

[Freehold Royalties Ltd.](#)

Matt Donohue

Manager, Investor Relations

403.221.0833 or tf. 1.888.257.1873

403.221.0888

[mdonohue@rife.com](mailto:mdonohue@rife.com)

[www.freeholdroyalties.com](http://www.freeholdroyalties.com)

---

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

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/189921--Freehold-Royalties-Ltd.-Announces-Change-to-Dividend.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](#).