

NuVista Energy Ltd. Announces Revised 2015 Capital Guidance and Non-Core Asset Divestitures

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CALGARY, ALBERTA--(Marketwired - Jan 19, 2015) - [NuVista Energy Ltd.](#) ("NuVista") (TSX:NVA) is pleased to announce that through the fourth quarter of 2014 we have continued to deliver strong production and well results, have sold non-core assets to further strengthen our balance sheet, and are revising our 2015 capital spending plan to maintain financial strength during the current commodity price weakness.

Field operations have been strong and steady through the fourth quarter of 2014, with all key operational targets being met. NuVista has reached production in excess of 15,000 Boe/d in the Wapiti Montney area, and additional wells continue to be tied in for start-up through the first quarter of 2015. Based on field estimates, total production for the fourth quarter of 2014 is expected to be at the higher end of our guidance range of 21,000 - 22,500 Boe/d. Consequently, 2014 annual production is also expected in the higher end of the guidance range of 17,750 - 18,500 Boe/d.

Our hedge position has never been stronger, with 53% of our oil and condensate production hedged at a floor price of C\$95.82/Bbl WTI and 60% of our natural gas production hedged at a floor price of \$3.88/Mcf. Both of these percentages are for production net of royalties. Our hedge position continues into 2017 at similar prices but with tapering volumes. To further improve financial flexibility, NuVista has divested certain non-core assets in the W5 operating area for gross proceeds before adjustments of \$16.8 million. The assets were divested late in the fourth quarter of 2014, and they included natural gas production of approximately 4 MMcf/d and 100 Bbls/d of natural gas liquids, for a total of 750 Boe/d.

2015 Guidance

Due to the rapid deterioration of oil and gas commodity prices, NuVista is taking prudent and immediate action to ensure balance sheet strength is maintained through 2015 and beyond. We have revised our 2015 capital budget to a range of \$270 - \$290 million, which is reduced and high-graded from our original capital budget announced last November of \$340 - \$380 million. Spending for the first half of 2015 will be approximately 50-60% of the annual total. We are making these adjustments immediately and will hold this pace of spending until early in the second quarter of 2015, where we will re-evaluate upon entering the spring breakup period. We have a high level of flexibility to further adjust the remaining 2015 capital spending plan in order to maintain balance sheet strength and maximize value in tune with market conditions at that time.

Our production guidance range is essentially unchanged prior to the adjustment for the W5 asset divestiture. Our updated guidance is 22,500 - 24,000 Boe/d as compared to 23,500 - 25,000 Boe/d announced previously. We would also like to affirm that our revised 2015 and 2016 production estimate in this environment is forecast to be sufficient to fulfill essentially all Take or Pay (TOP) obligations with midstream companies as a result of the flexible terms which we have put in place previously. With this spending adjustment, our long term plans for 2016 and beyond still remain solid and intact.

NuVista will make the necessary adjustments to weather this low commodity price environment with strength and patience, while limiting capital spending to prudently protect our balance sheet. We are fortunate that the Wapiti Montney play is among the most economic in North America, and this may prove even more important during poor commodity price periods than in favorable periods. We would like to take this opportunity to thank our shareholders, our Board, and our staff for their support and dedication as we continue to build an ever more valuable future for NuVista.

ADVISORY REGARDING OIL AND GAS INFORMATION

This press release contains the terms barrels of oil equivalent ("Boe") and millions of barrels of oil equivalent ("MMBoe"). Natural gas is converted to a Boe using six thousand cubic feet of gas to one barrel of oil. Boes and MMBoes may be misleading, particularly if used in isolation. The foregoing conversion ratios are based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. 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 conversion ratio on a 6:1 basis may be misleading as an indication of value.

ADVISORY REGARDING FORWARD-LOOKING INFORMATION AND STATEMENTS

This press release contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable securities laws. The use of any of the words "will", "expects", "believe", "plans", "potential" and similar expressions are intended to identify forward-looking statements. More particularly and without limitation, this press release contains forward looking statements, including management's assessment of: our future strategy, plans, opportunities and operations; plans to provide long-term growth and profitability; plans to maintain balance sheet strength and maximize value; future production levels; our ability to fulfill our TOP obligations and capital expenditure plans and the timing, allocation and efficiency of our capital program and the results therefrom.

By their nature, forward-looking statements are based upon certain assumptions and are subject to numerous risks and uncertainties, some of which are beyond our control, including the impact of general economic conditions, industry conditions, current and future commodity prices, currency and interest rates, anticipated production rates, borrowing, operating and other costs and funds from operations, the timing, allocation and amount of capital expenditures and the results therefrom, anticipated reserves and the imprecision of reserve estimates, the performance of existing wells, the success obtained in drilling new wells, the sufficiency of budgeted capital expenditures in carrying out planned activities, access to infrastructure and markets, competition from other industry participants, availability of qualified personnel or services and drilling and related equipment, stock market volatility, effects of regulation by governmental agencies including changes in environmental regulations, tax laws and royalties, the ability to access sufficient capital from internal sources and bank and equity markets; and including, without limitation, those risks considered under "Risk Factors" in our Annual Information Form.

Given the current commodity price volatility we have changed our policy regarding guidance and will not be providing funds flow guidance for the time being.

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