

Canamax Announces Preliminary Capital Expenditure Plan for 2015 and Royalty Arrangement

21.01.2015 | [Marketwired](#)

CALGARY, AB -- (Marketwired - January 21, 2015) - [Canamax Energy Ltd.](#) ("Canamax" or the "Company") (TSX VENTURE: CAC) is pleased to announce the following:

- Preliminary capital expenditure plan for 2015
- Royalty Arrangement for funding of six well drilling program
- Operations update

Given the current low commodity price environment, Canamax continues to focus on managing its capital and operating expenditures with the objective of maintaining a strong balance sheet. In addition, the Company continues to evaluate potential acquisition and consolidation opportunities as oil and gas companies become financially stressed.

Preliminary Capital Expenditure Program for 2015

Canamax's objective for 2015 is to set a preliminary, conservative capital budget, with a view to substantially maintaining the Company's existing production base. The preliminary budget has been set at \$3.0 million (excluding carry-over from 2014 capital projects), comprised primarily of the Company's share of the six Royalty Wells at Flood noted below. The Company will monitor oil and natural gas prices and continue to periodically review its capital expenditures for fiscal 2015.

Royalty Arrangement

As part of Canamax's objective to conserve capital while maintaining its production base, the Company has recently entered into a Royalty Arrangement with Maple Leaf 2013 Oil & Gas Income Limited Partnership ("Maple Leaf"). Under terms of the Royalty Arrangement, Maple Leaf will fund \$2.55 million of the capital cost to drill, complete and tie-in six vertical wells (the "Royalty Wells") at the Company's Flood property in exchange for a gross overriding royalty ("GORR"). This allows the Company to reduce its capital expenditures for the Royalty Wells and improve its rate of return on these wells.

Canamax is required to drill the Royalty Wells prior to September 30, 2015. Maple Leaf will initially receive a 20% GORR on production from the legal subdivision on which each Royalty Well is located, reducing to 10% once payout is achieved on Maple Leaf's investment. The GORR does not attach to any other production from the Company's Flood property.

Operations Update

The Company's exit production rate at December 31, 2014 was in the 1,000 boe/d range (60% oil & NGL's) with an additional 350 - 400 boe/d of aggregate shut-in production at Flood and Wapiti. The shut-in wells at Flood were awaiting re-activation after being tied in to the Company's new gathering facilities during December. These wells have now been re-activated and put on production in mid-January. At Wapiti, the Company is currently completing the construction of tie-in facilities for the new horizontal, Cardium well completed in mid-December (production test results announced previously). This well is targeted to be on stream by March 1.

During the four-month period from September to December 2014, Canamax production averaged approximately 900 boe/d (56% oil & NGL's). This four-month period represents the Company's third and final fiscal period for 2014 as a result of the change to a December 31 year-end (from the previous February 28 year-end). The average production rate for the four-month period was negatively impacted by significant downtime for many of the Flood wells as they were being tied into the new gathering facility.

About Canamax

Canamax is a junior oil and gas company in the business of consolidating micro-cap oil and gas companies and exploiting low risk development opportunities in the Western Canadian Sedimentary Basin.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Reader Advisories

The Company anticipates remaining disciplined but flexible in respect of its planned capital expenditures as it monitors drilling and completion results, business conditions, prospective acquisitions and commodity prices throughout calendar 2015. Where deemed prudent, the Company may make adjustments to its planned capital expenditures. Actual spending may vary due to a variety of factors, including drilling and completion results, crude oil and natural gas prices, economic conditions, prevailing debt and/or equity markets, field services and equipment availability, permitting and any future acquisitions. The timing of most capital expenditures is discretionary. Consequently, the Company has a significant degree of flexibility to adjust the level of its capital expenditures as circumstances warrant. Additionally, to enhance flexibility of its capital program, the Company typically does not enter into material long-term obligations with any of its drilling contractors or service providers with respect to its operated crude oil and natural gas properties.

Certain information in this press release constitutes forward-looking statements under applicable securities law. Any statements that are contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as "may", "should", "anticipate", "expects", "seeks", "potential", "plans", "estimates", "targets", "objectives" and similar expressions. Specific forward-looking statements included in this press release include comments related to the Company's planned capital expenditures; the nature, timing and amounts of planned capital expenditures; construction of tie-in facilities; commencement of production from the Company's recently drilled Wapiti well; sources of funding for planned capital expenditures including, without limitation, funding of its share of capital expenditures by the royalty interest holder described herein; fulfillment of the Company's strategy to acquire or consolidate financially distressed companies or assets.

Forward-looking statements necessarily involve known and unknown risks and uncertainties, including, without limitation, the impact of general economic conditions, the risks and liabilities inherent in oil and natural gas operations; marketing and transportation; loss of markets; volatility of commodity prices; currency and interest rate fluctuations; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to realize the anticipated benefits of acquisitions or dispositions; inability to access sufficient capital from internal and external sources; changes in legislation, including but not limited to income tax, environmental laws and regulatory matters, including changes in how they are interpreted and enforced; changes in incentive programs related to the oil and natural gas industry generally; and geological, technical, drilling and processing problems and other difficulties in producing petroleum and natural gas reserves; and obtaining required approvals of regulatory authorities. Readers are cautioned that the foregoing list of factors is not exhaustive.

Readers are cautioned not to place undue reliance on forward-looking statements. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, such forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do, what benefits the Company will derive from them. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

The forward looking statements contained in this news release are made as of the date of this news release, and Canamax does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by securities law.

Conversion

BOE's may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In addition, given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a

conversion on a 6:1 basis may be misleading as an indication of value.

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/190392--Canamax-Announces-Preliminary-Capital-Expenditure-Plan-for-2015-and-Royalty-Arrangement.html>

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