

QEC: 2014 Montney Drilling Program Grows Proved and Probable Reserves by 55%

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CALGARY, ALBERTA -- (Marketwired - Feb. 11, 2015) - [Questerre Energy Corporation](#) ("Questerre" or the "Company") (TSX:QEC)(OSLO:QEC) reported today on its 2014 year-end reserves and an updated resource assessment of its joint venture acreage in the Kakwa-Resthaven area of Alberta.

Michael Binnion, President and Chief Executive Officer of Questerre, commented, "The high quality of our Kakwa assets was proven with a significant increase in reserves in 2014 in spite of lower commodity prices. Our net proven and probable reserves for this area are estimated at 11.92 million barrels of oil equivalent. On top of this, the best estimate of economic contingent resources for just our joint venture acreage is 14.34 million barrels of oil equivalent net to our interest. We expect this economic contingent resource could grow substantially as we prove up our operated acreage that represents over 90% of our deep basin Montney holdings."

Highlights

- Proved plus probable reserve additions in the Kakwa-Resthaven area were 5.56 MMBoe (2013: 2.35 MMBoe)
- Finding and Development costs for conventional assets of \$18.33 per boe (2013: \$25.48/boe)
- Corporate proved plus probable reserves increased from 9.04 MMBoe to 13.88 million MMBoe
- Net Present Value discounted at 10% before tax ("NPV-10%") for proved and probable reserves using McDaniel January 2015 price forecast was \$231.64 million
- Additionally, best estimate of economic contingent resources for Company's joint venture acreage alone was 14.34 MMBoe with an NPV-10% of \$149.62 million

Mr. Binnion added, "The Kakwa area continues to show positive economics at price forecasts well below our expectations for commodity prices in the medium and long term. In spite of two disappointing operations last year, overall we have been successful in proving up our resources."

Commenting on the impact of commodity prices he noted, "Proved and probable reserves increased significantly over last year in spite of the material reduction in the independent engineer's price forecast. In January 2015, their estimate for the benchmark WTI was US\$65/bbl and for AECO was C\$3.50/MMBtu. In January 2014, their forecast for WTI was US\$95/bbl and for AECO was C\$4.00/MMBtu. This compares to strip prices as of February 9 for WTI of US\$58/bbl and for AECO of C\$2.69/MMBtu."

Due to the high capital requirements for developing the Company's resources and materially longer payout periods in the current low commodity price environment, the Company will maintain a limited 2015 capital budget for both its operated and non-operated Montney acreage as previously announced.

He further added, "We are aggressively adjusting our cost structure to react to current spot prices. We are planning on the basis that the current low price environment persists for the remainder of this year. Our goal is to preserve capital flexibility to maximize the value of our proven high quality assets in the Kakwa area once commodity prices recover."

Unless otherwise indicated, the information reported herein in respect of the reserves and resources of the Company is based on the Reserves Report and Resource Report (each as defined below), prepared in accordance with the COGE Handbook by McDaniel & Associates ("McDaniel") and each with effective dates of December 31, 2014.

Conducted by McDaniel, the resource report assessed the contingent resources associated with the in place petroleum and natural gas on approximately 20% of the Company's 13,560 net acres ("Joint Venture Acreage") in the Kakwa-Resthaven area (the "Resource Report"). No assessment was conducted of the

Company's 24,320 net acres held in the Wapiti area, approximately 12 miles northwest of the Kakwa-Resthaven area. The Resource Report evaluation was performed in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") and is effective December 31, 2014. See the Reserve and Resource Definitions section of this press release for more information.

The Resource Report estimates Economic Contingent Resources ("ECR") to range between a low of 9.67 MMboe (58 Bcfe) and a high of 18.30 MMBoe (110 Bcfe) with a best estimate of 14.34 MMboe (86 Bcfe) that includes approximately 45 % condensate. Using their January 2015 price forecast, McDaniel's best estimate of ECR has a NPV-10% of \$149.62 million.

In addition to the ECR, the proved plus probable reserves for the Kakwa-Resthaven area estimated by McDaniel is 11.92 MMBoe (72 Bcfe) as at December 31, 2014. Using their January 2015 price forecast, these reserves have a NPV-10% of \$175.4 million.

The Resource Report evaluation conducted by McDaniel included detailed geological and petrophysical analysis of Questerre and adjacent industry Montney wells. It focused on the Upper and Middle Montney intervals. McDaniel assumed a Montney development plan based on an average of eight wells per section in the two intervals. Total PIIP on average was estimated at approximately 52 Bcf per section with recovery factors estimated to range from 25% to 45% with a best estimate of approximately 37%. The recoveries of natural gas liquids estimated by the Resource Report are based on the Company's existing shallow cut processing, transportation and fractionation capacity. Contingent resources were assigned to the Company's acreage within a three mile radius of a tested or producing Montney well exhibiting commercial production rates.

An estimate of risked net present value of future net revenue of contingent resources is preliminary in nature and is provided to assist the reader in reaching an opinion on the merit and likelihood of the Company proceeding with the required investment. It includes contingent resources that are considered too uncertain with respect to the chance of commercial development to be classified as reserves. There is uncertainty that the risked net present value of future net revenue will be realized.

	Contingent Resources (Joint Venture Acreage only) Company Share		Net Present Value Before Income Tax (MM\$) Company Share				
	Natural Gas (MMcft)	Natural Gas Liquids (Mbbbls)	0%	5%	10%	15%	20%
	Low Estimate	25,889	5,359	325.9	168.8	94.7	56.6
Best Estimate	38,376	7,944	530.8	267.3	149.6	90.7	58.3
High Estimate	48,964	10,136	713.7	355.7	199.2	121.4	78.8

Notes:

1. With respect to discovered resources or any subcategory of discovered resources other than reserves, there is no certainty that it will be commercially viable to produce any portion of the resources.
2. With respect to undiscovered resources, there is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.
3. All unrisked estimates of resources in the above tables represent Questerre's gross resources before the deduction of any royalties.
4. All of Questerre's Contingent Resources are considered economic using McDaniel's January 1, 2015 forecast prices. There is no certainty that it will be commercially viable to produce any portion of the resources.
5. The primary contingencies which prevent the classification of the ECR as reserves are classified as non-technical as follows: Market access, facility constraints, timing of development, and internal and external approvals for commitment to project development. Additional drilling, completion, and testing data will be required before Questerre can commit to the development of the ECR. Proven and Probable Reserves are assigned to areas in proximity to proven producing Montney wells. ECR are assigned to areas that extend beyond the limits of Reserves and are interpreted to be less certain. As continued drilling occurs, more ECR are expected to be re-classified as Reserves.

The Company also reported on the evaluation of its proved and probable reserves as at December 31, 2014

(the "Reserves Report"). The report was prepared in accordance with the COGE Handbook by McDaniel with an effective date of December 31, 2014.

In accordance with the requirements of NI 51-101- Standards of Disclosure for Oil and Gas Activities of the Canadian Securities Administrators, the Company anticipates filing more detailed disclosure and reports relating to petroleum and natural gas activities for the 2014 fiscal year at the end of March 2015, including Form 51-101F1 - Statement of Reserves Data and other Oil & Gas Information, in its upcoming Annual Information Form.

SUMMARY OF OIL AND GAS RESERVES

as of December 31, 2014

FORECAST PRICES AND COSTS

LIGHT AND

MEDIUM CRUDE OIL NATURAL

GAS NATURAL GAS

LIQUIDS

RESERVES CATEGORY Gross

(Mbbbl) Net

(Mbbbl) Gross

(MMcf) Net

(MMcf) Gross

(Mbbbl) Net

(Mbbbl)

Proved

Developed Producing 932.2 869.1 4,920.2 4,580.1 676.8 528.5

Developed Non-Producing 12.3 8.9 886.1 823.0 176.4 139.3

Undeveloped 310.5 292.6 15,815.7 14,818.7 2,628.0 2,126.6

Total Proved 1,255.0 1,170.5 21,622.0 20,221.8 3,481.1 2,794.4

Probable 516.9 477.5 16,292.4 15,266.9 2,309.8 1,589.3

Total Proved Plus Probable 1,771.9 1,648.0 37,914.4 35,488.7 5,790.9 4,383.7

SUMMARY NET PRESENT VALUES OF FUTURE NET REVENUE

as of December 31, 2014

FORECAST PRICES AND COSTS

BEFORE INCOME TAXES DISCOUNTED AT

(%/YEAR) AFTER INCOME TAXES DISCOUNTED AT

(%/YEAR)

RESERVES CATEGORY 0%

(M\$) 5%

(M\$) 10%

(M\$) 15%

(M\$) 20%

(M\$) 0%

(M\$) 5%

(M\$) 10%

(M\$) 15%

(M\$) 20%

(M\$)

Proved

Developed Producing 91,716.3 73,829.9 61,937.4 53,567.1 47,397.9 91,716.3 73,829.9 61,937.4 53,567.1 47,397.9

Developed Non-Producing 11,941.8 9,827.2 8,387.8 7,349.6 6,564.9 11,941.8 9,827.2 8,387.8 7,349.6 6,564.9

Undeveloped 139,541.4 94,100.9 65,580.9 46,712.8 33,691.2 139,541.4 94,100.9 65,580.9 46,712.8 33,691.2

Total Proved 243,199.4 177,758.0 135,906.1 107,629.5 87,653.9 243,199.4 177,758.0 135,906.1 107,629.5 87,653.9

Probable 209,762.9 134,999.6 95,730.3 72,577.2 57,660.9 160,845.6 107,561.5 79,129.4 61,943.8 50,544.7

Total Proved Plus Probable 452,962.3 312,757.7 231,636.5 180,206.8 145,314.9 404,045.0 285,319.6
215,035.5 169,573.3 138,198.7

SUMMARY OF PRICE FORECASTS

Year 2015 2016 2017 2018 2019 2020 2021 2022 2023

AECO Spot Price (\$C/MMBtu) 3.50 4.00 4.25 4.50 4.70 5.00 5.30 5.50 5.70

Edmonton Light Crude Oil (\$C/bbl) 68.60 83.20 88.90 94.60 99.60 104.70 106.90 109.00 111.20

Reserve and Resource Definitions

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on the analysis of drilling, geological, geophysical and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are classified according to the degree of certainty associated with the estimates as follows:

Proved Reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

Probable Reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Possible Reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves. Questerre has not been assigned any possible reserves.

Resources encompasses all petroleum quantities that originally existed on or within the earth's crust in naturally occurring accumulations, including Discovered and Undiscovered (recoverable and unrecoverable) plus quantities already produced. "Total resources" is equivalent to "Total Petroleum Initially In Place". Resources are classified in the following categories:

Total Petroleum Initially In Place ("TPIIP") is that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered.

Discovered Petroleum Initially In Place ("DPIIP") is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of discovered petroleum initially in place includes production, reserves, and Contingent Resources; the remainder is unrecoverable.

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development but which are not currently considered to be commercially recoverable due to one or more contingencies. ECR are those contingent resources that are currently economically recoverable. ECR are those contingent resources that are currently economically recoverable.

Undiscovered Petroleum Initially In Place ("UPIIP") is that quantity of petroleum that is estimated, on a given date, to be contained in accumulations yet to be discovered. The recoverable portion of undiscovered petroleum initially in place is referred to as "prospective resources" and the remainder as "unrecoverable".

Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development.

Unrecoverable is that portion of DPIIP and UPIIP quantities which is estimated, as of a given date, not to be recoverable by future development projects. A portion of these quantities may become recoverable in the future as commercial circumstances change or technological developments occur; the remaining portion may never be recovered due to the physical/chemical constraints represented by subsurface interaction of fluids and reservoir rocks.

Uncertainty Ranges are described by the Canadian Oil and Gas Evaluation Handbook as low, best, and high estimates for reserves and resources as follows:

Low Estimate: This is considered to be a conservative estimate of the quantity that will actually be recovered.

It is likely that the actual remaining quantities recovered will exceed the low estimate. If probabilistic methods are used, there should be at least a 90 percent probability (P90) that the quantities actually recovered will equal or exceed the low estimate.

Best Estimate: This is considered to be the best estimate of the quantity that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50 percent probability (P50) that the quantities actually recovered will equal or exceed the best estimate.

High Estimate: This is considered to be an optimistic estimate of the quantity that will actually be recovered. It is unlikely that the actual remaining quantities recovered will exceed the high estimate. If probabilistic methods are used, there should be at least a 10 percent probability (P10) that the quantities actually recovered will equal or exceed the high estimate.

Questerre Energy Corporation is leveraging its expertise gained through early exposure to shale and other non-conventional reservoirs. The Company has base production and reserves in the tight oil Bakken/Torquay of southeast Saskatchewan. It is bringing on production from its lands in the heart of the high-liquids Montney shale fairway. It is a leader on social license to operate issues for its Utica shale gas discovery in the St. Lawrence Lowlands, Quebec. In conjunction with a supermajor, it is at the leading edge of commercializing a proven process to unlock the massive resource potential of oil shale.

Questerre is a believer that the future success of the oil and gas industry depends on a balance of economics, environment and society. We are committed to being transparent and are respectful that the public must be part of making the important choices for our energy future.

ADVISORY ON FORWARD-LOOKING STATEMENTS

Certain information set forth in this news release contains forward-looking statements or information ("forward-looking statements"), including the Company's expectation that ECR could grow substantially as the Company proves up its operated acreage, the Company's 2015 capital budget, the Company's goal to preserve maximum capital flexibility, and statements regarding the Company's reserves, resources and future net revenues. Statements relating to reserves and resources are by their nature forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and certain portions of the reserves can be profitably produced in the future. It should not be assumed that the estimated net present value of future net revenue herein is representative of the fair market value of the Company's properties. All evaluations and reviews of future net revenue are stated prior to any provision for interest costs or general and administrative costs and after the deduction of estimated future capital expenditures for wells to which reserves have been assigned.

There is no assurance that such price and cost assumptions will be attained and variances could be material. The recovery, reserve and resource figures provided herein are estimates only and there is no guarantee that the estimated reserves and resources will be recovered. Actual reserves and resources may be greater than or less than the estimates provided herein.

Forward-looking statements are based on a number of material factors, expectations or assumptions of Questerre which have been used to develop such statements and information but which may prove to be incorrect. Although Questerre believes that the expectations reflected in these forward-looking statements are reasonable, undue reliance should not be placed on them because Questerre can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Further, events or circumstances may cause actual results to differ materially from those predicted as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company, including, without limitation: changes in commodity prices; changes in the demand for or supply of the Company's products; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in development plans of Questerre or by third party operators of Questerre's properties, increased debt levels or debt service requirements; inaccurate estimation of Questerre's oil and gas reserve and resource volumes; limited, unfavourable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed from time-to-time in Questerre's public disclosure documents. Additional information regarding some of the risks, uncertainties, material assumptions and other factors that could affect actual results are discussed in our Annual Information Form and other documents available at www.sedar.com. The reader is cautioned not to place undue reliance on these forward-looking statements. Furthermore, the forward-looking statements contained in this document are made as of the date of this document and, except as required by applicable law, Questerre does not undertake any obligation to publicly update or to revise any of the included forward-looking statements, whether as a result of new information, future events or

otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

Certain information set out herein may be considered as "financial outlook" within the meaning of applicable securities laws. The purpose of this financial outlook is to provide readers with disclosure regarding the Company's reasonable expectations as to the anticipated results of its proposed business activities for the periods indicated. Readers are cautioned that the financial outlook may not be appropriate for other purposes.

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Barrel of oil equivalent ("boe") amounts may be misleading, particularly if used in isolation. A boe conversion ratio has been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil and the conversion ratio of one barrel to six thousand cubic feet is based on an energy equivalent conversion method application at the burner tip and does not necessarily represent an economic value equivalent at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalent of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

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