

Legacy Oil + Gas Inc. Announces First Quarter 2015 Results and Renewal of Credit Facilities

14.05.2015 | [CNW](#)

CALGARY, May 13, 2015 /CNW/ - [Legacy Oil + Gas Inc.](#) ("Legacy" or the "Company") (TSX:LEG) is pleased to announce it has filed on SEDAR its audited financial statements and related Management's Discussion and Analysis ("MD&A") for the three months ended March 31, 2015. Selected financial and operational information is outlined below and should be read in conjunction with Legacy's audited financial statements and the related MD&A which are available for review at www.legacyoilandgas.com or www.sedar.com.

FINANCIAL + OPERATIONAL HIGHLIGHTS⁽¹⁾

Unaudited (Cdn \$000's, except per share amounts)		Three Months Ended March 31, 2015	2014
Financial			
Petroleum and natural gas sales, net of royalties		80,174	71,111
Funds generated by operations ⁽²⁾		27,698	8,111
	Per share basic	0.14	0.04
	Per share diluted ⁽³⁾	0.14	0.04
Net income (loss)		(56,666)	2,111
	Per share basic	(0.28)	0.01
	Per share diluted ⁽³⁾	(0.28)	0.01
Capital expenditures – Exploration and development ⁽⁴⁾		44,520	31,111
Capital expenditures – Acquisitions and dispositions ⁽⁴⁾		(2,505)	3,111
Senior bank debt and working capital surplus (deficit)		(643,611)	6,111
Net debt and working capital surplus (deficit), including unsecured notes ⁽²⁾⁽⁶⁾		(895,169)	6,111
Operating			
	Crude oil (Bbls per day)	18,252	18,111
	Heavy oil (Bbls per day)	47	5,111
	Natural gas (Mcf per day)	23,061	23,111
	Natural gas liquids (Bbls per day)	2,476	2,111
	Barrels of oil equivalent (Boe per day) ⁽⁵⁾	24,619	24,111
Average realized price	Crude oil (\$ per Bbl)	51.35	49.11
	Heavy oil (\$ per Bbl)	35.39	35.11
	Natural gas (\$ per Mcf)	2.31	2.11
	Natural gas liquids (\$ per Bbl)	20.73	20.11
	Barrels of oil equivalent (\$ per Boe) ⁽⁵⁾	42.38	41.11
Netback (\$ per Boe) ⁽²⁾⁽⁵⁾	Petroleum and natural gas sales	42.38	41.11

Royalties	6.20
Operating expenses	14.16
Transportation expenses	2.95
Operating Netback (\$ per Boe) ⁽²⁾⁽⁵⁾	19.07
Undeveloped land holdings	(gross acres) 637,826
	(net acres) 507,870
Common Shares outstanding, end of period	199,730
Weighted average common shares (basic)	199,730
Weighted average common shares (diluted) ⁽³⁾	201,666

(1) Consolidated financial and operating highlights for Legacy Oil + Gas Inc. and all of its subsidiaries ("Legacy" or the "Company")

(2) Management uses funds generated by operations, net debt and working capital surplus (deficit) and operating netback to analyze operating performance and leverage. These terms, as presented, do not have a standardized meaning prescribed by International Financial Reporting Standards and therefore they may not be comparable with the calculation of similar measures for other entities. Refer to Non-IFRS Measures in the Management Discussion and Analysis ("MD&A") for the three months ended March 31, 2015.

(3) In calculating the net income (loss) per share diluted, Legacy excludes the effect of outstanding stock options, stock incentives and share warrants and uses the weighted average common shares (basic) where the Company has a net loss for the period. In calculating funds generated by operations per share diluted, the Company includes the effect of outstanding stock options, stock incentives and share warrants using the treasury stock method.

(4) Refer to Capital Expenditures in the MD&A. Includes cash consideration, share consideration and net debt and working capital assumed.

(5) Boe means barrel of oil equivalent. All Boe conversions in this report are derived by converting natural gas to oil equivalent at a ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent. Boe may be misleading, particularly if used in isolation. A Boe conversion rate of 1 Boe: 6 Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio of oil compared to natural gas based on currently prevailing prices is significantly different than the energy equivalency ratio of 1 Boe : 6 Mcf, utilizing a conversion ratio of 1 Boe : 6 Mcf may be misleading as an indication of value.

(6) Net debt includes the Company's 7.5% US\$200 million unsecured notes. At March 31, 2015, the Company's credit note debt is Canadian \$251.6 million revalued at 0.789 USD/CAD (December 31, 2014: \$229.5 million at 0.862 USD/CAD; March 31, 2014: \$217.1 million at 0.905 USD/CAD).

ACCOMPLISHMENTS

- Increased average production to 24,619 Boe per day in the first quarter of 2015 (17 percent increase) from 21,092 Boe per day in the first quarter of 2014
- Reduced operating expenses by \$1.67 per Boe (11 percent decrease) to \$14.16 per Boe in the first quarter of 2015 over the same period last year and by \$0.41 (3 percent decrease) quarter over quarter
- Drilled 13 gross (10.9 net) oil wells in the first quarter of 2015, with a 100 percent success rate
- Realized capital cost savings of approximately 5 percent on first quarter 2015 drilling activity

OPERATIONS OVERVIEW

In the first quarter of 2015, the Company drilled 13 (10.9 net) wells, with a 100 percent success rate, and achieved a production average of 24,619 Boe per day. In addition to the 13 wells drilled, completed and brought on production, the capital expenditures in the quarter were directed to completing a number of key infrastructure projects that began in the fourth quarter of 2014.

In the Midale formation, Legacy drilled 9 (8.3 net) wells in the first quarter of 2015. Seven of the wells brought on production in the quarter were operated and fracture stimulated and achieved an average 30 day initial oil rate of 300 Boe per day per well. One operated well in a new pool discovery was not fracture stimulated and had a 30 day initial oil rate of 100 Bbl per day. One non-operated well was completed just prior to being shut in for spring break up. Strong results continue to be demonstrated throughout this Legacy dominated play. Key gathering infrastructure was completed in the first quarter of 2015 on the 16-21 Pinto battery. This infrastructure will service the planned 2015 Midale drilling activity and enable lower full cycle capital costs and faster cycle times. Strong well results, when coupled with lower capital costs and a de-risked inventory, have further improved the robust economics of the Midale play to an industry leading level despite low commodity prices.

In the Bakken, the Company participated in 2 (0.8 net) wells at Star Valley in the first quarter of 2015. The operated well has an average 30 day initial rate of 175 Boe per day per well, while the non-operated well is awaiting tie in.

The midstream operated gas plant at Portal, Saskatchewan was commissioned late February and is currently processing up to 6 MMcf per day of Midale associated natural gas production. Legacy has four of its five Taylorton/Pinto batteries tied into gas sales.

The company continues to progress its waterflood initiatives across its asset base. The first Spearfish waterflood pilot began late in January in Pierson. Plans call for the conversion of 18 wells in the remainder of 2015 throughout all major plays including Midale, Bakken, Torquay, Spearfish and Rundle. This activity will commence post spring break up.

EVENTS AFTER THE REPORTING PERIOD

Legacy's ten bank syndicate has completed its semi-annual review of the Company's senior secured credit facilities and has agreed, subject to final documentation, to aggregate credit facilities of \$725 million, down from the previous credit facilities of \$800 million. The reduction in the aggregate credit facilities was driven by significantly reduced crude oil pricing, offset by Legacy's high netback light oil reserves, long reserve life and increased production over the past year. The next scheduled review of the credit facilities will occur in October 2015.

In addition, Legacy's lending syndicate has agreed to a significant relaxation of the Company's financial covenants under the senior secured facilities. The financial covenants require Legacy to maintain certain ratios of senior debt to EBIDTA (as defined in the facilities) and total debt to EBIDTA on a trailing basis over the last four completed fiscal quarters. The lending syndicate has relaxed the senior debt to EBITDA ratio from 3.0 to 4.0 and the total debt to EBIDTA ratio from 4.0 to 5.0 for the next five fiscal quarters up to and including the quarter ending June 30, 2016. The ratios will revert to their previous amounts for quarters following June 30, 2016.

OUTLOOK

With crude oil prices persisting near five year lows, the Company deems it prudent to proactively manage its capital program as stated in its December 17, 2014 and March 25, 2015 news releases. Legacy remains committed to improving its balance sheet while preserving its significant upside during these times of low

commodity prices. The Company is on track to spend funds flow from operations, or less, in the first half of 2015 (based on current strip pricing).

The Company is planning to balance capital expenditures and expected funds flow from operations in each half of 2015. If oil prices do not improve in the second half of 2015, Legacy will defer or cancel capital investments as necessary to spend at or less than cash flow, while generating acceptable returns on investment.

With five percent savings realized in the first quarter 2015 of drilling, completions and equipping costs, Legacy anticipates an additional five percent savings going forward this year. Drilling rig day rates, directional drilling services, casing, frac services, service rigs and trucking have all been negotiated with more favourable go-forward pricing.

Legacy is committed to enhancing shareholder value through prudent capital allocation, balance sheet enhancement, cost controls and portfolio rationalization. The recently approved credit facilities and debt covenant relaxation will provide the necessary liquidity and time for the Company to execute on these strategies. The Company's high quality production, significant development inventory and proven execution expertise provide a solid foundation for growth as oil prices continue to improve.

ANNUAL GENERAL MEETING

Legacy's Annual General Meeting, has been re-scheduled for 9:00 a.m. on June 30, 2015 at The Petroleum Club, Devonian Room, located at 319 - 5th Avenue SW, Calgary, AB.

To view Legacy's audited financial statements, the related MD&A and the AIF for the years ended December 31, 2014 and December 31, 2013 please visit our web site at www.legacyoilandgas.com or www.sedar.com. To the extent investors do not have access to the internet, copies of the audited financials the related MD&A and the AIF can be obtained on request without charge by contacting Legacy at 403.441.2300 or at 4400, 525-8th Avenue SW, Calgary, Alberta, T2P 1G1.

Conference call details

Management will be holding a conference call for investors, financial analysts, media and any interested persons on Thursday, May 14, 2015 at 9:00 a.m. (MDT) (11:00 a.m. EDT) to discuss the 2015 first quarter results.

The investor conference call details are as follows:

Participant Dial-In Number(s):

- Operator Assisted Toll-Free Dial-In Number: (888) 231-8191
- Local Dial-In Number: (403) 451-9838
- Conference ID: 27499193

Note: In order to join this conference call, you will be required to provide the Conference ID Number listed above.

Forward Looking Statements

This press release contains forward-looking statements. More particularly, this press release contains statements concerning: (i) the impact of Midale infrastructure on capital costs and cycle times; (ii) planned waterflood activities; (iii) the Company being on track to spend funds flow from operations in the first half of 2015; (iv) the Company's plans to balance capital expenditures and expected funds flow from operations in each half of 2015; (v) anticipated savings in drilling, completions and equipping costs; and (vi) the entering into of the revised senior secured facilities, the terms of such revised facilities and Legacy's belief that the revised credit facilities, together with the relaxation of the financial covenants, will provide the necessary liquidity and time for the company to execute on its strategies to enhance shareholder value.

The forward-looking statements contained in this press release are based on certain key expectations and assumptions made by Legacy, including expectations and assumptions concerning: (i) prevailing commodity prices; (ii) the success of future drilling, development and waterflood activities; (iii) the performance of existing wells, facilities and waterflood projects; (iv) the performance of new wells, facilities and waterflood

projects; (v) the timely receipt of required regulatory approvals; (vi) prevailing weather conditions, oil price differentials, royalty regimes and exchange rates; and (vii) the availability and cost of capital, labour and services. In addition, the revised credit facilities remain subject to final documentation and Legacy has assumed that such final documentation will be completed in due course without any material changes to the announced terms of the revised facilities.

Although Legacy believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Legacy 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. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Most importantly, the forward-looking statements respecting the balancing of funds flow from operations and capital expenditures and respecting Legacy's belief that the revised credit facilities, together with the relaxation of the financial covenants, will provide the necessary liquidity and time for the company to execute on its strategies to enhance shareholder value are highly dependent on prevailing commodity prices and significant fluctuations in prevailing commodity prices may impact anticipated funds flows, capital expenditures and production. With respect to the entering into of the revised credit facilities and the relaxation of financial covenants thereunder, there is no guarantee that the final documentation will be completed without any material changes to the announced terms of the revised facilities. Other factors and risks include, but are not limited to, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses; and health, safety and environmental risks), uncertainty as to the availability and cost of capital, labour and services, exchange rate fluctuations, fluctuations in oil price differentials, unexpected adverse weather conditions and changes to existing laws and regulations. Certain of these risks are set out in more detail in Legacy's Annual Information Form which has been filed on SEDAR and can be accessed at www.sedar.com.

The forward-looking statements contained in this press release are made as of the date hereof and Legacy undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Caution Respecting Boe

Boe means barrel of oil equivalent. All Boe conversions in this report are derived by converting natural gas to oil equivalent at a ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent. Boe may be misleading, particularly if used in isolation. A Boe conversion rate of 1 Boe: 6 Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio of oil compared to natural gas based on currently prevailing prices is significantly different than the energy equivalency ratio of 1 Boe : 6 Mcf, utilizing a conversion ratio of 1 Boe : 6 Mcf may be misleading as an indication of value.

Test Results and Initial Production Rates

Any references in this news release to initial, early and/or test production/performance rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter. While encouraging, readers are cautioned not to place reliance on such rates in calculating aggregate production. The initial production rate may be estimated based on other third party estimates or limited data available at this time. Initial production or test rates are not necessarily indicative of long-term performance of the relevant well or fields or of ultimate recovery of hydrocarbons

Contact

Legacy Oil + Gas Inc.

Trent J. Yanko, P.Eng., President + CEO

Telephone: 403.441.2300

Fax: 403.441.2017

Curt W. Ziemer, CGA, Vice President Finance + CFO

Telephone: 403.441.2300

Fax: 403.441.2017

Legacy Oil + Gas Inc.
4400 Eighth Avenue Place, 525 - 8th Avenue SW,
Calgary, AB, T2P 1G1

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

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/200739--Legacy-Oil--Gas-Inc.-Announces-First-Quarter-2015-Results-and-Renewal-of-Credit-Facilities.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 -1999-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).