

# Jadestone Energy Report to Shareholders for the Third Quarter Ended December 31, 2016

27.02.2017 | [Marketwired](#)

## Transformation Well Under Way

SINGAPORE, Feb. 27, 2017 - [Jadestone Energy Inc.](#) (TSX VENTURE:JSE) ("Jadestone" or the "Company"), formerly Mitra Energy Inc., reported third quarter 2017 operating and financial results for the period to December 31, 2016, on February 24, 2017.

### Highlights include:

- Closing of the acquisition of the Stag Oilfield on November 11, 2016, and consequently the Company reports its maiden hydrocarbon production from operations;
- Average crude oil production of 2,818 barrels per day from November 11, 2016 to December 31, 2016;
- Revenue of US\$17.9 million arising from our first lifting, post-closing, of 380,521 barrels on November 16, 2016;
- Cash flow from operations of US\$5.3 million for the quarter, the first time the Company has ever reported positive cash flow from production operations;
- In Vietnam, submission of Outline Development Plans ("ODPs") for the U Minh and Nam Du gas discoveries on November 8, 2016 to Vietnam Oil and Gas Group ("PVN") and Petrovietnam Exploration Production Corporation ("PVEP"), for endorsement and approval, prior to seeking approval from the Ministry of Industry and Trade;
- One-off restructuring costs, including US\$2.4 million staff termination costs for the quarter, associated with the strategic shift of the Company to near term development and production activities and ongoing right-sizing of the organisation; and
- Solid financial liquidity including US\$26.2 million cash at bank and an undrawn US\$28 million convertible bond.

"Our Q3 results present and reflect a critical turning point for the Company as it transforms to a balanced portfolio with an emphasis on production, providing a more sustainable business foundation, and near term development, to deliver exceptional returns to shareholders. For the first time in the Company's history, we are pleased to report crude oil production from operations, underpinned by a strong and resilient Balance Sheet. We have stabilised our financial position with a non-brokered fund raising of US\$40 million common equity, and with the Stag Oilfield generating operating free cashflow with an oil price as low as US\$38/barrel (at planned production rate). In addition, we have constrained our spending, both capital and operational, to live within our means, and continue our efforts to address general and administrative expenses", said Paul Blakeley, Executive Chairman.

"We are also making good progress on our work with the Australian offshore petroleum regulator NOPSEMA, seeking customary clearances for the Company's Safety Case, Environmental Plan and Well Operations Management Plan. In the meantime, operations at Stag continue to be provided by Quadrant Energy under the transitional services agreement put in place at the time of the sale. We look forward to concluding this work with NOPSEMA, facilitated by the excellent cooperation with Quadrant Energy, in the second quarter of calendar year 2017, so that we can take charge of operations and accelerate efforts to unlock value with the benefit of management's second phase operating capabilities. We see a number of opportunities to achieve cost reductions almost immediately".

Production at the Stag Oilfield has been negatively impacted in the quarter by downtime associated with workover repairs on the 21H well and a temporary shut-in of the 36H well, a significant producing well, while waiting on equipment for a workover. There was also a two-day suspension of operational activities due to Cyclone Yvette at Christmas. Production is running at 3,125 barrels a day as of February 26, 2017, with the 36H well expected back on-line in the second quarter of calendar year 2017.

Efforts to accelerate portfolio management of the remainder of the portfolio have intensified. ODPs for the Nam Du and U Minh gas fields, in Blocks 46/07 and 51 respectively, were submitted to PVN and PVEP on November 8, 2016 for endorsement and approval.

Pending approval of the ODPs, Jadestone is now preparing to enter the define phase of the project, including Front End Engineering & Design, Field Development Plan studies, and preparation for a Gas Sales Agreement.

On the western side of the Block 51 license, the Tho Chu discovery was granted a five-year suspended development status by the Prime Minister on December 26, 2016, which will give us time to delineate what we believe to be a far more material gas resource.

Relinquishment of the Sibaru PSC in Indonesia was approved by MIGAS on December 29, 2016.

Closing of the Company's purchase of a 30% working interest in Vietnam Block 05-1b&c PSC from Teikoku Oil (Con Son) Co., Ltd, a wholly owned subsidiary of Inpex Corporation, remains subject to certain conditions precedent, most notably the statutory pre-emption right held by PVN.

JSE reported an operating loss for the quarter of US\$8.6 million compared to an operating loss of US\$1.8 million for the same quarter in the 2016 financial year. We remain subject to Quadrant Energy's Stag allocated operating costs until NOPSEMA regulatory approval, while the Company invests in its own team in Perth ready to take operatorship of the asset in the coming months. In addition, the Company incurred elevated workover costs during the quarter of US\$16.70/barrel, due to a more intensive level of activity in November and December, as well as non-cash depletion costs of US\$10.21/barrel.

The results also reflect one-off restructuring charges including US\$2.4 million of termination payments, and other sundry items arising from the strategic shift under the new management. Headcount has been reduced from 59 in June 2016 to 39, with a plan for further reduction to 32 in the second quarter of calendar year 2017 (on a like-for-like basis and excluding the Stag field operating team).

Investing activities in the third quarter amounted to a cash outflow of US\$19.8 million, largely due to the US\$10 million acquisition of the Stag Oilfield plus customary working capital adjustments which included US\$8.9 million of crude oil inventory. Financing activities for the quarter totaled US\$39.5 million cash inflow, arising from the November 2016 non-brokered private placement of US\$40 million.

The Company has US\$26.2 million cash, plus an undrawn US\$28 million convertible bond facility. The Stag Oilfield is expected to be operating free cashflow positive in 2017, while the funding of infill drilling will require utilising some of the cash on hand and/or convertible bond. At the current strip prices, we do not anticipate drawing on the convertible bond until closing of the 05-1b&c PSC acquisition and/or as part of the Stag Oilfield infill well programme.

"We are very excited about taking control of operations at Stag in the coming months, together with the potential closing of the 05-1b&c acquisition. Meanwhile, we continue to more actively manage our existing portfolio, including restructuring the business to lower our general and administrative expense burden, accelerate development of our discovered gas resources and selectively relinquish non-core exploration licenses. Furthermore, the M&A opportunities for a capable and efficient second phase operating company in the region, like Jadestone, grow ever more attractive, both in 2017 and in the medium to longer term," said Paul Blakeley.

## **Selected Financial Information**

The following table provides selected financial information of the Company, which was derived from, and should be read in conjunction with, the unaudited financial statements for the 9-months ended December 31, 2016:

Quarterly comparison	Q3 2017	Q3 2016	Change (%)	
Production, mbbbl	140.9	-	-	
Sales, mbbbl	380.5	-	-	
Average realized oil price, US\$/bbl		47.13	-	-
Sales revenue, US\$ million	17.9	-	-	
Capital expenditure, US\$ million		1.11	1.4	-21.4 %
Quarterly comparison	Q3 2017	Q2 2017	Change (%)	
Production, mbbbl	140.9	-	-	
Sales, mbbbl	380.5	-	-	
Average realized oil price, US\$/bbl		47.13	-	-
Sales revenue, US\$ million	17.9	-	-	
Capital expenditure, US\$ million		1.11	0.8	37.5 %
Year-to-date comparison	2017	2016	Change (%)	
Production, mbbbl	140.9	-	-	
Sales, mbbbl	380.5	-	-	
Average realized oil price, US\$/bbl		47.13	-	-
Sales revenue, US\$ million	17.9	-	-	
Capital expenditure, US\$ million		3.11	7.9	-60.8 %

1 Excludes US\$18.5 million for the acquisition of the Stag Oilfield including US\$8.9 million working capital adjustments for crude oil on hand.

### About Jadestone Energy Inc.

Jadestone Energy Inc. is TSX-V listed oil and gas company headquartered in Singapore. The Company is currently engaged in exploration, appraisal and pre-development activities in Southeast Asia (Vietnam, the Philippines and Indonesia) and production and appraisal activity in the Carnarvon Basin, Australia. Following a recent strategic review, the Company is focusing on acquiring assets with production in the near term, and where significant follow-on reinvestment opportunities exist to enhance value, as well as undeveloped discoveries which may be rapidly brought to production.

### Cautionary Statements

*This press release contains certain forward-looking information and forward-looking statements (collectively, "forward-looking information") that involves various risks, uncertainties and other factors. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "should", "believe", "plans", and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this news release contains forward-looking information pertaining to the potential acquisition of Block 05-01b&c.*

*With respect to forward-looking information contained in this news release, assumptions have been made regarding, among other things: satisfaction of the conditions to closing of the Block 05-01b&c acquisition and the Company's ability to obtain all required approvals for the acquisition.*

*Actual results could differ materially from those anticipated in the forward-looking information as a result of the possible failure of the Company to complete the Block 05-01b&c acquisition and/or to realize the anticipated benefits of the Block 05-01b&c acquisition and other risks including volatility in market prices and demand for oil, natural gas liquids and natural gas and hedging activities related thereto; general economic, business and industry conditions; variance of the Company's actual capital costs, operating costs and economic returns from those anticipated; risks related to the exploration, development and production of oil and natural gas reserves and resources; negative public perception of oil and natural gas development and transportation, hydraulic fracturing and fossil fuels; actions by governmental authorities, including changes in government regulation, royalties and taxation; the management of the Company's growth; the availability, cost or shortage of rigs, equipment, raw materials, supplies or qualified personnel; the absence or loss of key employees; uncertainty associated with estimates of oil, natural gas liquids and natural gas reserves and resources and the variance of such estimates from actual future production; dependence upon compressors, gathering lines, pipelines and other facilities, certain of which the Company does not control; failure to accurately estimate abandonment and reclamation costs; changes in the interpretation and enforcement of applicable laws and regulations; terrorist attacks or armed conflicts; natural disasters; reassessment by taxing authorities of the Company's prior transactions and filings; variations in foreign exchange rates and interest rates; third-party credit risk including risk associated with counterparties in risk management activities related to commodity prices and foreign exchange rates; sufficiency of insurance policies; potential*

*for litigation; variation in future calculations of certain financial measures; and potential competition in the Company's industry.*

*The forward-looking information and statements contained in this news release speak only as of the date hereof, and the Company does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.*

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

## Contact

Jadestone Energy  
Paul Blakeley, Executive Chairman  
paul.blakeley@jadestone-energy.com  
+ 65 6324 0351

Jadestone Energy  
Dan Young, Chief Financial Officer  
dan.young@jadestone-energy.com  
+ 65 6324 0353

Jadestone Energy  
Michael Horn, Interim Chief Executive Officer  
michael.horn@jadestone-energy.com  
+ 65 6324 0352

FTI Consulting  
Freddie Barber  
+65 8138 7944  
freddie.barber@fticonsulting.com

---

Dieser Artikel stammt von [Rohstoff-Welt.de](https://www.rohstoff-welt.de)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/257836--Jadestone-Energy-Report-to-Shareholders-for-the-Third-Quarter-Ended-December-31-2016.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](#).