

Savanna Energy Services Corp. Announces First Quarter 2017 Results and Temporary Waiver Amendment

12.05.2017 | [Marketwired](#)

- And Extension from Syndicated Credit Facility Lenders

First Quarter Results

CALGARY, May 12, 2017 - Savanna (TSX:SVY) generated revenue of \$117.3 million, EBITDAS of \$10.8 million and a net loss, attributable to shareholders of the Company, of \$19.8 million or \$0.17 per share in the first quarter of 2017, compared to revenue of \$93.7 million, EBITDAS of \$20.3 million and a net loss, attributable to shareholders of the Company, of \$10.1 million or \$0.11 per share in Q1 2016. Improving industry sentiment in late 2016 and into 2017, resulted in increased activity levels throughout Savanna's business lines in Canada and drilling activity in the U.S. The increased activity in Canada resulted in revenue and operating margin increases in Canadian drilling, well servicing and rentals compared to Q1 2016, despite lower year-over-year pricing. However, lower utilization and operating margins in Savanna's Australian divisions, combined with the effect of 2016 contract rollovers and negative operating margins realized in the Company's U.S. drilling division, resulted in lower overall operating margin and EBITDAS in Q1 2017 compared to Q1 2016. Savanna's negative operating margins in U.S. drilling resulted from increased operating costs associated with reestablishing a more significant operation in the Permian basin.

In Canada, revenues increased by \$25.8 million and operating margin increased by \$2.5 million relative to Q1 2016. In the U.S., compared to Q1 2016, revenues increased by \$4 million while operating margin declined by \$8.7 million. In Australia, revenues were \$6.2 million lower and operating margin was \$3.8 million lower compared to Q1 2016. Savanna's overall operating margin in Q1 2017 was \$10 million lower relative to Q1 2016, and operating margin percentages were 15 percentage points lower. General and administrative expenses declined from \$7.8 million in Q1 2016 to \$7.3 million in Q1 2017. As a result, EBITDAS was \$9.5 million lower than in Q1 2016.

Long-reach drilling, shallow drilling, well servicing and rentals in Canada all experienced increases in utilization and activity, which resulted in higher revenue and operating margins compared to Q1 2016, despite year-over-year pricing decreases. Billable days in long-reach drilling increased by 123% relative to Q1 2016, while average day rates were 11% lower. The shallow drilling fleet achieved a 51% increase in billable days with average day rates 16% lower relative to Q1 2016. Activity in well servicing increased by 47%, while pricing remained relatively flat compared to Q1 2016, after increasing from Q4 2016 levels to cover higher labour costs. Other than labour costs in Canadian well servicing, per day/hour rig costs and field office costs were relatively in-line with Q1 2016, in each of Savanna's Canadian operating divisions. Overall in Canada during Q1 2017, Savanna generated \$11.5 million in operating margin on \$63.8 million of revenue, compared to \$9 million in operating margin on \$38 million of revenue in Q1 2016. Sequentially, operating margins increased compared to the \$4.6 million generated on \$41.8 million of revenue in Canada in Q4 2016 as a result of a seasonal increase in activity levels.

In the U.S., increases in drilling activity were driven by a larger number of drilling rigs working in the quarter, which resulted in increased revenue in Q1 2017, relative to Q1 2016, despite a 31% decrease in average day rates. The decrease in day rates in the U.S. were based on 2016 contract roll overs on two of Savanna's three Velox triple drilling rigs with Q1 2017 rates approximately \$10,000 U.S. dollars per day lower than in Q1 2016, and changes in rig mix, as seven rigs were upgraded and reactivated in the Permian basin in the second half of 2016. A delay in the commencement of work under the two new Marcellus contracts, as well as crew retention, rig move, and repairs and maintenance costs associated with those two rigs and the rigs recently reactivated in West Texas, combined with an increase in field office costs and operational challenges in the region in Q1 2017, resulted in negative operating margins in Savanna's U.S. drilling division in the quarter. In Savanna's U.S. well servicing division, both utilization and pricing decreased in Q1 2017, relative to Q1 2016, which resulted in decreases in revenue and operating margin. Overall in the U.S., Savanna generated negative \$1.9 million in operating margin on \$21 million of revenue in Q1 2017, compared to \$0.1 million in operating margin on \$22.3 million of revenue in Q4 2016 and \$6.8 million in operating margin on \$17 million of revenue in Q1 2016. Negative operating margins have been realized in the Company's West Texas operation in the last two quarters and management is focused on improving results in the region. Savanna's strategic decision to reactivate drilling rigs in the Permian basin is expected

to yield positive results as this market continues to improve and efforts to improve the efficiency of operations take effect.

In Australia, Savanna's drilling, well servicing and trucking divisions experienced activity and revenue declines relative to Q1 2016. The decreases were driven by fewer rigs under contract and a decrease in trucking activity related to lower well servicing and drilling activity. Operating margin percentages also decreased in the quarter based on a greater proportion of operating versus stand-by activity in Q1 2017 relative to Q1 2016. Savanna generated \$8.4 million in operating margin on \$32.5 million of revenue in Australia in Q1 2017, compared to \$12.3 million in operating margin on \$38.7 million of revenue in Q1 2016. Sequentially, operating margin decreased from the \$13.2 million generated on \$40.1 million of revenue in Australia in Q4 2016. The decrease in operating margin sequentially was a result of decreases in drilling, well servicing and trucking activity in the quarter.

Overall for the quarter, lower utilization and operating margins in Savanna's Australian divisions and U.S. well servicing division, combined with the negative operating margins realized in the Company's U.S. drilling division, resulted in a 47% decrease in EBITDAS, compared to Q1 2016. Additionally in Q1 2017, Savanna incurred \$8.8 million of expenses with respect to Total Energy Services Inc.'s ("Total") take-over bid and Savanna's strategic review process undertaken in response thereto. The expenses incurred include financial and advisory costs, severance and other change of control costs, as well as legal and other professional fees. The acquisition by Total of more than 50% of the outstanding common shares of Savanna also triggered accelerated vesting provisions with respect to all of Savanna's share-based rewards, which resulted in a \$2.2 million increase in share-based compensation expense. The decrease in EBITDAS, combined with the take-over bid related costs and increase in share-based compensation expense, resulted in a \$9.5 million, or 94%, increase in the Company's net loss, compared to Q1 2016. Sequentially, Savanna's overall EBITDAS decreased from the \$12.2 million generated in Q4 2016, in part due to increases in general and administrative expenses. Compared to Q4 2016 general and administrative expenses increased in Q1 2017, as a result of salary and wage roll back reversals, a reduction in the amount of salaries and wages capitalized toward Savanna's enterprise resource planning system upgrades, fees related to the audit of the Company's annual financial statements, and bad debt expenses. Savanna's net loss attributable to the shareholders of the Company increased from the Q4 2016 net loss attributable to the shareholders of the Company of \$18.9 million, or \$0.20 per share. The sequential increase in net loss was primarily a result of lower EBITDAS and the take-over bid and strategic review expenses outlined above, partially offset by an increase in deferred income tax recoveries due to a \$4.3 million write-down against deferred tax assets in Q4 2016.

Balance Sheet

Savanna's working capital⁽¹⁾ at March 31, 2017, was \$61.8 million, which included \$25.4 million in cash. Savanna's total long-term debt outstanding on March 31, 2017, excluding unamortized debt issue costs, was \$281.7 million, compared to \$249.7 million outstanding at December 31, 2016. The March 31, 2017 total long-term debt amount included \$4.2 million in gross partnership debt, of which Savanna's proportionate share is approximately 50%. Savanna's total debt position at March 31, 2017, net of cash, was \$256.2 million compared to \$235.1 million at December 31, 2016. Savanna's total debt, net of cash increased from the end of the year based on working capital requirements in the first quarter.

The acquisition by Total of more than 50% of the outstanding common shares of Savanna was an event of default under Savanna's syndicated credit facility, second lien senior secured term loan, and mortgage. After evaluating its options and consulting with Total, Savanna determined to issue a change of control offer to repurchase the outstanding principal of senior unsecured notes at a price of 101% of the principal amount thereof. A holder of \$60 million aggregate principal amount of senior unsecured notes agreed that it will not tender to the change of control offer, which expires on June 22, 2017. As a result of the defaults and change of control offer, all of the amounts under the syndicated credit facility, second lien senior secured term loan, and mortgage, and \$47.1 million of the senior unsecured notes have been classified as a current liability on the Company's balance sheet at March 31, 2017.

Savanna has engaged with Total who currently owns approximately 86% of the outstanding common shares of Savanna, and expects that any refinancing required with respect to its syndicated credit facility, second lien senior secured term loan, mortgage, and/or senior unsecured notes will be available to Savanna on a timely basis.

On April 21, 2017, Savanna entered into a temporary waiver agreement with the lenders of its syndicated credit facility. In May 2017, Savanna also received a waiver in respect of its mortgage.

On May 12, 2017, Savanna entered into an amended and restated temporary waiver agreement (the "Waiver") with the lenders of its syndicated credit facility. Pursuant to the Waiver, such lenders have: (a)

acknowledged certain defaults under the syndicated credit facility that have occurred as a result of the acquisition by Total of more than 50% of the outstanding common shares of Savanna and the previously announced demand for payment pursuant to Savanna's second lien credit facility; and (b) waived such defaults until the earliest to occur of: (i) 2 business days immediately preceding the date of any repayment or redemption of Savanna's senior unsecured notes, (ii) the occurrence of any other default or event of default under the syndicated credit facility or other credit document, (iii) 2 business days immediately following the date upon which Savanna becomes a wholly owned subsidiary of Total, and (iv) June 30, 2017.

Outlook

The positive oil and natural gas industry sentiment entering 2017, contributed to significant improvement in North American industry activity in Q1 2017. In Canada, activity levels increased significantly in Q1 2017 relative to Q1 2016, however meaningful price increases did not materialize. Based on current stated customer intentions, Savanna expects activity to continue improving for the remainder of 2017 relative to 2016. With continued increases in activity, Savanna expects pricing will begin to improve gradually into the second half of 2017 in Canada.

In the U.S., Savanna currently has two AC double drilling rigs and one Velox AC triple drilling rig under contract throughout 2017 and most of 2018 in the Marcellus. Rates, particularly with respect to Savanna's Velox AC triple drilling rigs, are beginning to show signs of upward momentum. In Q2 2017, Savanna signed a two-year contract on its Velox AC triple drilling rig in West Texas with a day rate over 30% higher compared to the lows reached in 2016. Savanna's third Velox triple drilling rig, not under long-term contract, is currently working at rates 15% higher than the lows reached in 2016. With respect to the drilling rigs reactivated in the Permian basin in the second half of 2016, Savanna expects operating margins on these rigs to begin improving later in the quarter and through the remainder of 2017, relative to the negative margins realized over the last two quarters. Additional drilling rig reactivations in the Permian basin, will be deferred until profitability in the region improves.

In Australia, Savanna expects to have a new contract with an existing customer finalized in Q2 2017. The terms of the new contract have been agreed to outside of the formal tender process, which will cover one drilling rig, five service rigs and two flush-by units. All of these rigs are currently working for the same customer under various contracts. The drilling rig will begin working under the new contract once finalized, while the seven original new-build contracts still in place in Australia will move onto the new contract as the original ones expire throughout the second half of 2017. The Company also has two other service rigs and one drilling rig on contract with a second customer and expects a third drilling rig to begin work with a third customer later in Q2 2017. Savanna believes its built-for-purpose drilling and service rigs, as well as its operational and safety performance, puts the Company in a strong competitive position to re-contract all of its drilling and service rigs in Australia.

On April 5, 2017 the Board of Directors of Savanna was reconstituted and Daniel Halyk was appointed President and CEO of Savanna. Following this reconstitution, Savanna began the process of engagement with Total to formulate a business integration plan. Such plan will be premised on the primary objective of improving the financial performance of the combined entity by achieving revenue synergies and realizing operational and administrative efficiencies and cost savings. Execution of such plan will be completed as soon as reasonable practicable following completion of the acquisition of Savanna by Total, which is expected to occur prior to June 30, 2017.

See "Cautionary Statement Regarding Forward-Looking Information and Statements".

Financial Highlights

The following is a summary of selected financial information of the Company:
(Stated in thousands of dollars, except per share amounts) Three months ended

March 31 2017	2016	Change
OPERATING RESULTS		
Revenue	117,319	93,737 25%
Operating expenses	99,199	65,683 51%
Operating margin(1)	18,120	28,054 (35%)
Operating margin %(1)	15%	30%
EBITDAS(1)	10,830	20,252 (47%)
Attributable to shareholders of the Company	10,240	19,722 (48%)
Per share: basic	0.09	0.22 (59%)
Adjusted EBITDAS(1)	10,987	22,110 (50%)
Attributable to shareholders of the Company	10,397	21,580 (52%)
Per share: basic	0.09	0.24 (63%)

Net loss (19,607) (10,113) (94%)
Attributable to shareholders of the Company (19,762) (10,067) (96%)
Per share: basic (0.17) (0.11) (55%)
Basic weighted average shares outstanding (000s) 118,224 90,251 31%
Diluted weighted average shares outstanding (000s) 118,224 90,251 31%

CASH FLOWS

Operating cash flows(1) 3,241 18,367 (82%)
Per share: basic 0.03 0.20 (85%)
Acquisition of property and equipment 8,927 2,427 268%
Proceeds on disposal of assets 138 2,345 (94%)

FINANCIAL POSITION AT Mar. 31 Dec. 31

2017 2016
Working capital(1) 61,795 42,811 44%
Property and equipment 682,283 692,164 (1%)
Total assets 823,068 813,876 1%
Total debt, net of cash(1) 256,228 235,113 9%

NOTES:

(1) Operating margin, operating margin percentage, EBITDAS, adjusted EBITDAS and operating cash flows are not recognized measures under IFRS, and are unlikely to be comparable to similar measures presented by other companies. Management believes that, in addition to net earnings, the measures described above are useful as they provide an indication of the results generated by the Company's principal business activities both prior to and after consideration of how those activities are financed, the effect of foreign exchange, and how the results are taxed in various jurisdictions. Similarly, working capital and total debt, net of cash are not recognized measures under IFRS; however, management believes that these measures are useful as they provide an indication of the Company's liquidity.

- Operating margin is defined as revenue less operating expenses.
- Operating margin percentage is defined as revenue less operating expenses divided by revenue.
- EBITDAS is defined as earnings before finance expenses, income taxes, depreciation and share-based compensation and excludes other expenses (income).
- Adjusted EBITDAS is defined as EBITDAS before severance costs.
- Operating cash flows are defined as cash flows from operating activities before changes in non-cash working capital.
- Working capital is defined as total current assets less total current liabilities excluding the current portions of long-term debt.
- Total debt, net of cash is defined as total long-term debt, including the current portion thereof but excluding unamortized debt issue costs, plus bank indebtedness, net of cash.

(2) Certain industry related terms used in this press release are defined or clarified as follows:

- Savanna reports its drilling rig utilization based on spud to release time for its operational drilling rigs and excludes stand-by, moving, rig up and tear down time, even though revenue may be earned during this time. Source of Canadian industry average utilization figures: Canadian Association of Oilwell Drilling Contractors. Industry utilization figures are calculated in the same manner as the Company. To segregate industry utilization by rig type, industry totals by well depth range are used.
- Savanna reports its service rig utilization for its operational service rigs in North America based on standard operating hours of 3,650 per rig per year. Utilization for Savanna's service rigs in Australia is calculated based on standard operating hours of 8,760 per rig per year to reflect 24 hour operating conditions in that country and excludes stand-by time, even though revenue may be earned during this time. Reliable industry average utilization figures, specific to well servicing, are not available.

Segmented Results - Contract Drilling

The following is a summary of selected financial and operating information of the Company's contract drilling segment:

(Stated in thousands of dollars, except revenue per day)		2017		2016		Three Months Ended	
March 31						Change	
Revenue	\$	73,633	\$	51,484		43%	
Operating expenses	\$		66,819	\$	36,910		81%
Operating margin(1)	\$		6,814	\$	14,574		(53%)
Operating margin %		9%		28%			
Billable days		3,787		2,082		82%	
Revenue per billable day	\$		19,444	\$	24,728		(21%)
Operating (spud to release) days				3,268		1,719	90%
Wells drilled		552		405		36%	
Meters drilled		1,063,315		567,292		87%	
Meters drilled per well			1,926		1,401		38%

FIRST QUARTER RESULTS

Overall contract drilling revenue increased relative to Q1 2016 as a result of higher activity levels in Canada and the U.S., notwithstanding lower day rates. Savanna increased market share in Canada in Q1 2017, despite having only one drilling rig on a long-term contract, and the higher activity levels resulted in revenue and operating margin increases relative to Q1 2016. In Canadian long-reach drilling, billable days increased by 123% while day rates were 11% lower compared to Q1 2016, and in shallow drilling in Canada, billable days increased by 51% while day rates were 16% lower. Competitive pressures in Canada, combined with pricing of Q1 work in the fall 2016, held day rates relatively low in the quarter which was the primary driver for the decrease operating margin percentages in Canada relative to Q1 2016. Billable days in the U.S. increased 108%, based on more rigs working, relative to Q1 2016, while average day rates were 31% lower. The decrease in day rates in the U.S. were based on 2016 contract roll overs on two of Savanna's three Velox triple drilling rigs with Q1 2017 rates approximately \$10,000 U.S. dollars per day lower than in Q1 2016, and changes in rig mix, as seven rigs were upgraded and reactivated in the Permian basin in the second half of 2016. A delay in the commencement of work under the two new Marcellus contracts, as well as crew retention, rig move, and repairs and maintenance costs associated with those two rigs and the rigs recently reactivated in West Texas, combined with an increase in field office costs and operational challenges in the region in Q1 2017, resulted in negative operating margins in the U.S. in the quarter. In Australia, revenue decreased compared to Q1 2016 based on a 35% decrease in billable days. There were also additional costs related to mobilizing one of the drilling rigs for work with a new customer that commenced late in Q1 2017. The decrease in billable days combined with the mobilization costs resulted in a decrease in operating margin and operating margin percentages in Australia drilling in Q1 2017, compared to Q1 2016.

(Stated in thousands of dollars)		Long-reach		Shallow		Drilling	
Q1 2017	Drilling	Drilling	Drilling	Drilling	Drilling	Drilling	Australia
	Canada	Canada	U.S.	U.S.	Australia	Australia	
Revenue	37,602	10,902	17,153			7,976	
Operating margin(1)		4,666	3,638		(2,780)		1,290
Operating margin %(1)		12%	33%		^		16%
Revenue excluding cost recoveries			31,581		10,607		16,310
Operating margin(1)		4,666	3,638		(2,780)		1,290
Operating margin %(1)		15%	34%		^		17%
Average number of rigs deployed			52	16		28	5 101
Utilization %(2)		42%	37%		26%		26%

^ Calculation not meaningful

(Stated in thousands of dollars)		Long-reach		Shallow		Drilling		Tot	
Q1 2016	Drilling	Drilling	Drilling	Drilling	Drilling	Drilling	Drilling	Drilling	Drilling
	Canada	Canada	U.S.	U.S.	Australia	Australia	Australia	Australia	Australia
Revenue	18,773	8,546	12,049		12,116				51,484
Operating margin(1)		3,176	3,475		5,233				2,690
Operating margin %(1)		17%	41%		43%		22%		28%
Revenue excluding cost recoveries			16,945		8,293				10,978
Operating margin(1)		3,176	3,475		5,233				2,690
Operating margin %(1)		19%	42%		48%		25%		33%
Average number of rigs deployed			52	16		28			5 101
Utilization %(2)		19%	24%		11%		48%		19%

Segmented Results - Oilfield Services

The following is a summary of selected financial and operating information of the Company's oilfield services segment:

(Stated in thousands of dollars, except revenue per hour)		Three Months Ended	
March 31	2017	2016	Change
Revenue	\$ 44,340	\$ 42,929	3%
Operating expenses	\$ 33,034	\$ 29,449	12%
Operating margin(1)	\$ 11,306	\$ 13,480	(16%)
Operating margin %	25%	31%	
Billable hours - well servicing		41,906	40,615
Revenue per billable hour - well servicing		\$ 1,058	\$
Operating hours - well servicing		37,092	30,396

FIRST QUARTER RESULTS

Revenue for Savanna's oilfield services division in Q1 2017 increased relative to Q1 2016, as increases in activity in Canada more than offset decreases in activity in the U.S. and Australia in the respective periods. In Canada, revenue and operating margin in Q1 2017 increased relative to Q1 2016 based on a 47% increase in operating hours in Canadian well servicing and a 22% increase in Canadian rental revenue. In U.S. well servicing, revenue and operating margin decreased relative to Q1 2016 based on a 12% decrease in activity and pricing. The revenue decreases in Australia in Q1 2017 compared to Q1 2016 were based on a 22% decrease in billable hours in Australia well servicing and a decrease in trucking activity. The decrease in billable hours, as a result of having one less service rig and one less flush-by unit on contract, were partially offset by higher rates, which were based on a greater proportion of operating hours versus stand-by hours in Q1 2017 relative to Q1 2016. The decrease in billable hours did negatively affect Australian operating margin in Q1 2017 as per hour operating margins were relatively flat compared to Q1 2016.

(Stated in thousands of dollars)					
Q1 2017	Canada	U.S.	Australia	Total	
Revenue	15,911	3,837	24,592	44,340	
Operating margin(1)		3,227	920	7,159	11,306
Operating margin %(1)		20%	24%	29%	25%
Average number of rigs deployed - well servicing				57	18
Utilization % - well servicing(2)			39%	35%	42%

(Stated in thousands of dollars)					
Q1 2016	Canada	U.S.	Australia	Total	
Revenue	11,224	4,988	26,717	42,929	
Operating margin(1)		2,369	1,518	9,593	13,480
Operating margin %(1)		21%	30%	36%	31%
Average number of rigs deployed - well servicing				57	18
Utilization % - well servicing(2)			27%	40%	38%

Cautionary Statement Regarding Forward-Looking Information and Statements

Certain statements and information contained in this press release, including statements related to management's intended focus on improving results in West Texas, the Company's expectation of yielding positive results on drilling rigs reactivated in the Permian basin as that market continues to improve and efforts to improve the efficiency of operations take effect, the expectation that any refinancing required with respect to its syndicated credit facility, second lien senior secured term loan, mortgage, and/or senior unsecured notes will be available to Savanna on a timely basis, expectations of improving activity and pricing levels in Canada in the second half of 2017 relative to 2016, the view that rates in the U.S., particularly with respect to Savanna's Velox AC triple drilling rigs, are beginning to show signs of upward momentum, the expectation that operating margins in the Permian basin will begin improving later in the quarter and through the remainder of 2017 relative to the negative margins realized over the last two quarters, the expectation of having a new contract, with an existing customer, finalized in Q2 2017 and the number of rigs covered by the contract, the expectation of a third drilling rig beginning work with a third customer later in Q2 2017, the belief that the Company is in a strong competitive position to re-contract its drilling and service rigs in Australia, the expectation of the timing to formulate and execute a business integration plan with Total and the objective of

the plan to improve the financial performance of the combined entity by achieving revenue synergies and realizing operational and administrative efficiencies and cost savings, the expectation of the timing for Total to complete the acquisition of Savanna, and statements that contain words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may", "likely", "estimate", "predict", "potential", "continue", "maintain", "retain", "grow", and similar expressions and statements relating to matters that are not historical facts constitute "forward-looking information" within the meaning of applicable Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995.

These statements are based on certain assumptions and analysis made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances. In particular, management's intended focus on improving results in West Texas and the Company's expectation of yielding positive results on drilling rigs reactivated in the Permian basin as that market continues to improve and efforts to improve the efficiency of operations take effect, expectations of improving activity and pricing levels in Canada in the second half of 2017 relative to 2016, the view that rates in the U.S., particularly with respect to Savanna's Velox AC triple drilling rigs, are beginning to show signs of upward momentum, and the expectation that operating margins in the Permian basin will begin to improve in 2017 relative to 2016, are premised on industry and commodity price estimates, actual results experienced to date in 2017, customer contracts and commitments, the Company's expectations for its customers' capital budgets, the status of current negotiations with its customers, current industry rig counts and industry rig utilization levels in North America, current pricing levels in Canada relative to those in the first half of 2016, and the costs incurred in the Permian basin in Q4 2016 with respect to reactivating drilling rigs, the nature of the work performed in the Permian basin in Q4 2016 and Q1 2017 and the operating challenges faced related thereto.

The Company's expectation that any refinancing required with respect to its syndicated credit facility, second lien senior secured term loan, mortgage, and/or senior unsecured notes will be available to Savanna on a timely basis, is premised on current discussions with certain of its lenders and with Total, who currently owns approximately 86% of the outstanding common shares of Savanna. The Company's expectation of having a new contract, with an existing customer, finalized in Q2 2017 and the number of rigs covered by the contract, the expectation of a third drilling rig beginning work with a third customer later in Q2 2017, and its belief that it is in a strong competitive position to re-contract its drilling and service rigs in Australia are premised on current negotiations and discussions with, and commitments from, its customers and potential new customers. The Company's expectation of the timing to formulate and execute a business integration plan with Total and the objective of the plan to improve the financial performance of the combined entity by achieving revenue synergies and realizing operational and administrative efficiencies and cost savings, and the expectation of the timing for Total to complete the acquisition of Savanna are premised on current discussions with and indications from Total, as well as public statements made by Total related thereto. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks and uncertainties which could cause actual results to differ materially from the Company's expectations. Such risks and uncertainties include, but are not limited to: fluctuations in the price and demand for oil and natural gas; fluctuations in the level of oil and natural gas exploration and development activities; fluctuations in the demand for well servicing, oilfield rentals and contract drilling; the effects of weather conditions on operations and facilities; unexpected equipment maintenance and replacement; the existence of competitive operating risks inherent in well servicing, oilfield rentals and contract drilling; general economic, market or business conditions; changes in laws or regulations, including taxation, environmental and currency regulations; the lack of availability of qualified personnel or management; the other risk factors set forth under the heading "Risks and Uncertainties" in the Company's Annual Report, and under the heading "Risk Factors" in the Company's Annual Information Form and other unforeseen conditions which could impact on the use of services supplied by the Company.

All of the forward-looking information and statements made in this press release are qualified by this cautionary statement and there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequences to or effects on the Company or its business or operations. Except as may be required by law, the Company assumes no obligation to update publicly any such forward-looking information and statements, whether as a result of new information, future events, or otherwise.

Other

Savanna's full Q1 2017 report, including its management's discussion and analysis and condensed consolidated financial statements, is available on Savanna's website (www.savannaenergy.com) under the investor relations section and has also been filed on SEDAR at www.sedar.com.

Savanna is a leading North American and Australian contract drilling and oilfield services company providing

a broad range of drilling, well servicing and related services with a focus on fit for purpose technologies and industry-leading aboriginal relationships.

Contact

[Savanna Energy Services Corp.](#)

Daniel Halyk, President and Chief Executive Officer
(403) 503-9990

Savanna Energy Services Corp.
Rick Torriero, Vice President, Finance

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

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/266018--Savanna-Energy-Services-Corp.-Announces-First-Quarter-2017-Results-and-Temporary-Waiver-Amendment.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 -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).