

Park Place Energy reports First Quarter 2017 Financial Results and Operations Update

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DALLAS, June 21, 2017 - [Park Place Energy Inc.](#) (OTCQB:PKPL) ("Park Place" or the "Company") reported the financial results for the quarter ended March 31, 2017 and provides an operations update.

Summary

- Park Place successfully completed acquisition of the Tiway companies which included interests in three producing oil and gas fields in Turkey in mid-January 2017.
- In accounting for the purchase of the Tiway companies, as of the date of purchase, the "fair value" of the acquired net assets exceeded the purchase price.
- First quarter production averaged 279 Boe per day.
- Revenues for the first quarter of 2017 were \$626,216, as compared with nil revenues in prior periods.
- Net loss from continuing operations was \$571,240 for the first quarter of 2017, of which approximately \$279,000 related to extending the expiration date of 5.5 million warrants by one year.

Park Place reported first quarter of 2017 revenues of \$626,216 compared to no revenues in the first quarter of 2016. The Company reported a net loss of \$571,420 for the quarter or a loss of \$0.01 per basic and diluted share compared to a net loss of \$172,547 or \$0.00 per basic and diluted share in the first quarter of 2016. The net loss for the first quarter 2017 included a loss of \$284,884 in non-cash stock related expenses of which approximately \$279,000 related to extending the expiration date of 5.5 million warrants by one year.

The Company ended the first quarter of 2017 with a working capital deficit of \$547,584 as current liabilities of \$1,866,160 (\$799,000 in loans payable and \$1,067,160 in accounts payable and accrued liabilities) exceeded current assets of \$1,318,576 (\$330,567 in cash, \$572,145 in receivables and \$415,864 in prepaid expenses). For the first quarter of 2017, adjusted EBITDA was a loss of \$336,047. Adjusted EBITDA is a non-GAAP financial measure that represents net loss from continuing operations after adjustment for various items including taxes, interest, depletion, accretion and non-cash stock related expenses.

Tiway Acquisition

The purchase of the Tiway companies was strategic to the Company's future and the terms quite attractive. The accounting for the acquisition yielded an unusual outcome: the "fair value" of the assets acquired and liabilities assumed in the Tiway acquisition exceeded the purchase price of \$2.1 million by \$270,565 even after giving effect to the asset retirement obligations (refer to Note 3 of the First Quarter 10Q for a more detailed explanation). In addition to the oil and gas properties acquired, the acquisition included in excess of \$800,000 cash.

Following the acquisition, a reserve report dated as of January 31, 2017 prepared by Netherland, Sewell & Associates estimated that the present worth of the oil and gas properties discounted at 10% to be \$2.06 million USD (after deducting estimated abandonment costs). This discounted present value is based on estimated proved developed and proved developed non-producing net reserves of 220,400 barrels of oil and slightly over 1 Bcf of natural gas.

The producing assets acquired are a 36.75% interest in the offshore production license called the South Akcakoca Sub-Basin ("SASB") and a 19.6% interest in the onshore oil license called Cendere. In addition, the Company is now a qualified oil and gas operator in Turkey with an office based in Ankara. With this base of operations in Turkey and its experienced management team, Park Place is poised to exploit these assets and for further growth in the region.

The remaining outstanding public report is the Form 8KA which will include the audit of the Tiway companies for the years ended December 31, 2016 and 2015 and pro forma financials as required by Article 11 of Regulation S-X. The pro forma financials will be presented as if Park Place had acquired the Tiway

companies effective January 1, 2015. This report will roll back the production to the start of year 2015, convert the statutory financials of the Tiway companies to US GAAP and then make appropriate impairments and adjustments to depletion to bring the those financials in line with the reserve report. Despite the unexpected complexities in completing the Form 8KA, we expect this report will be completed and filed within the next few weeks.

Operations Update

At year-end 2016, net production to the Tiway companies from such fields was 280 barrels of oil equivalent per day or Boe/d. Reversing the prior production trends, we were able to sustain that production level throughout the first quarter (averaged 279 Boe/d for the quarter). Presently, net production is at 246 Boe/d (SASB net production is 113 Boe/d; Cendere net production is 130 bbl/d). The net realized gas price averaged \$5.21/Mcf; the net realized oil price averaged \$47.67 per barrel. Following the acquisition, the Company integrated the Tiway companies into Park Place including renaming the subsidiaries to include the name "Park Place".

At the SASB offshore gas field, in March, production (PNN) logs were run in the three wells at the Akcakoca platform confirming behind pipe reserves in two of the wells. Ten meters were then perforated in the Akcakoca-3 well resulting in an increase of greater than 3 MMcf/d in the well and improving overall net production from both properties to in excess of 350 Boe/d. The perforation of second Akcakoca well encountered technical difficulties; we plan to return to perforate identified zones later this month. Unfortunately, following an emergency shut down (4 hours) at the Akcakoca platform in May, the production rate at the Akcakoca-3 well declined and water production increased when the well was restarted.

We just recently completed production logs on six additional wells. We will now perforate one of the wells on the Akkaya platform and then move back to the Akcakoca platform to perforate the Akcakoca-5 well and then additional zones in the Akcakoca-3 well. We anticipate that the results of perforating additional behind pipe reserves will be comparable to the results from the initial Akcakoca-3 perforation.

Bulgaria

On June 1, the administrative court issued a final decision remanding the approval of our work plans back to the Ministry of Environment (MEW) for a further decision. Park Place was awarded the license for coal bed methane exploration on the Vranino 1-11 block located in Northeast Bulgaria back in 2014. Our overall work program and our first year annual work program were approved by MEW; however, that approval was appealed and has been in the appeals process ever since. The matter has been remanded to MEW who must issue a new approval including an assessment whether Park Place must conduct an "ecological review" of its work program before we can commence operations.

While further delay is not welcome, the decision provides a clear path forward. The decision confirmed that the Company's work programs met all requirements and that our plans would not negatively impact any protected zones on our license. Furthermore, the decision greatly restricted the types of parties who might be able to lodge complaints against our plans in the future. We are cautiously optimistic that we will finally be able to move forward and commence operations on the license.

About Park Place Energy Inc.

Park Place Energy Inc. is an energy company engaged in the exploration for oil and natural gas. For further information, please see our website: www.parkplaceenergy.com or email us: contact@parkplaceenergy.com.

Cautionary Statement Regarding Forward-Looking Statements

This release contains forward-looking statements, which are based on current expectations, estimates, and projections about the Company's business and prospects, as well as management's beliefs, and certain assumptions made by management. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "may," "should," "will" and variations of these words are intended to identify forward-looking statements. Such statements speak only as of the date hereof and are subject to change. The Company undertakes no obligation to publicly revise or update any forward-looking statements for any reason. These statements include, but are not limited to, statements about the Company's expansion and business strategies and anticipated growth opportunities and the amount of fundraising necessary to achieve it. Such statements are not guarantees of future performance and are subject to certain risks, uncertainties, and assumptions that are difficult to predict. Accordingly, actual results could differ materially and adversely

from those expressed in any forward-looking statements as a result of various factors. These factors include operational and geological risks, the ability of the Company to raise necessary funds for exploration; the fact that the Company does not operate all its properties; changes in law or governmental regulations, including tax and environmental requirements; the outcome of commercial negotiations; changes in technical or operating conditions; and other factors discussed from time to time in the Company's Securities and Exchange Commission filings, including but not limited to the most recently filed Annual Report on Form 10-K and subsequent reports on Forms 10-Q and 8-K.

Note on Boe: Barrels of oil equivalent or Boe, are derived by converting natural gas to oil at the ratio of six thousand cubic feet ("Mcf") of natural gas equals one barrel of oil. This conversion is derived from energy equivalency and does not represent a value equivalency and therefore may be misleading if used in isolation.

Company Contacts:

Scott C. Larsen, President and CEO
Francis M. Munchinski, Secretary and Treasurer
[Park Place Energy Inc.](#)
214-220-4340

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