

Frontera Announces Three Percent Production Growth and 100% Exploration Success in the First Quarter of 2018

11.05.2018 | [CNW](#)

High Impact Acorazado-1 Exploration Well Drilling

TORONTO, May 10, 2018 /CNW/ - [Frontera Energy Corp.](#) (TSX: FEC) ("Frontera" or the "Company") announced today of its consolidated financial statements for the first quarter of 2018, together with its management, discussion and analysis ("MD&A"). These documents will be posted on the Company's website at www.fronteraenergy.ca and SEDAR at www.sedar.com. All values in this news release and the Company's financial disclosures are in United States dollars unless otherwise stated.

FIRST QUARTER 2018 AND OPERATIONAL HIGHLIGHTS

Production Growth Driven by Peru Reactivation

- Net Production increased 3% quarter-over-quarter to 66,227 boe/d in Q1 2018.
- The Company completed the drilling of 33 development wells and three exploration wells during Q1 2018.
- Total capital expenditures were \$78.8 million during Q1 2018, 29% lower than Q4 2017.

Cost Control Improves Profitability

- Production costs of \$12.47/boe were 5% lower in Q1 2018 than Q4 2017.
- General and administrative costs ("G&A") of \$22.1 million were 10% lower than the previous quarter.
- Frontera's Q1 2018 Operating Netback of \$24.42/boe was 3% higher in Q1 2018 than Q4 2017.

Strong Balance Sheet

- The Company's total cash position, including restricted cash, increased 8% quarter-over-quarter to \$695.9 million at the end of Q1 2018.
- Working capital increased 11% to \$343.1 million during the first quarter, compared to \$310.0 million at the end of Q4 2017.

Exploration Success and Exciting Exploration Opportunity Pipeline

- Coralillo-1 exploration well in the Guatiquia block completed and is currently testing at an average rate of 1,000 bbl/d.
- Alligator-2 exploration well in the Guatiquia block completed and tested at an average rate of 1,000 bbl/d.
- Jaspe-6D exploration well in the Quifa area completed and tested at an average rate of 187 bbl/d.
- Acorazado-1 exploration well in the Llanos 25 block started drilling on April 22, 2018.
- Frontera plans to drill the Delfin Sur-1 exploration well offshore Peru during Q3 2018.

Richard Herbert, Chief Executive Officer of Frontera, commented:

"It has been an exciting start to my tenure as Chief Executive Officer at Frontera, as we pursue our 2018 theme, "Positive Growth." After spending time with our operations and planning teams, I am encouraged that the Company can generate significant cash flow, from stable production of our existing assets, and growth, from exploration and high impact strategic initiatives. We continue to enjoy exposure to strong international Brent oil prices, the positive impact of which is expected to be magnified when our current hedges roll off in November of this year. In April, we started drilling at our Acorazado-1 location in the Llanos foothills of Colombia, targeting a large structure on trend with the giant Cusiana and Cupiagua fields."

Quarterly Production Growth Driven by Peru Reactivation:

Net Production Summary

Net Production: ¹	2018		2017
	Q1	Q4	Q1
Oil and Liquids (bbl/d)			
Colombia	52,195	56,593	62,180
Peru	9,157	2,538	3,855
Total Oil and Liquids (bbl/d)	61,352	59,131	66,035
Natural Gas (boe/d) ²			
Colombia	4,875	5,314	6,489
Total Natural Gas (boe/d)	4,875	5,314	6,489
Total Equivalent Production (boe/d)	66,227	64,445	72,524

¹Additional production details are available in the MD&A.

²Colombian standard natural gas conversion ratio of 5.7 Mcf per bbl as required by the Colombian Ministry of Mines and Energy.

Net Production in the first quarter of 2018 totalled 66,227 boe/d representing an increase of 3% compared with the fourth quarter of 2017. The increase was driven by significant oil production growth in Peru that was partially offset by declines in Colombia as a result of social unrest at the Cubiro block that has now been resolved, increased volumes of 1,257 boe/d paid-in kind to Ecopetrol S.A. from production at the Quifa block pursuant to the high price participation clause in the governing exploration and exploitation contract and natural production declines on the Company's natural gas assets at La Creciente. First quarter Net Production decreased 9% from the Net Production of 72,524 boe/d reported in the same period of 2017, due to lower activity levels throughout 2017 and natural production declines of the Company's light and medium oil blocks in Colombia.

A total of 33 development wells and three exploration wells were completed in the first quarter of 2018, compared to 36 development wells and three exploration wells in the previous quarter. The Company currently has six drilling rigs operating in Colombia, with three in each of our core light/medium and heavy oil areas. During the second quarter of 2018 the Company plans to drill 25 development wells and has started drilling one exploration well.

Exploration and Development Successes in Light/Medium and Heavy Oil Businesses:

Light and Medium Oil Business:

- In January 2018, the Company began drilling the Alligator-2 exploratory well on the Guatiquia block. On February the well reached a true vertical depth ("TVD") of 12,280 feet, encountering 24 feet of net pay in the Lower Sand-1. The well was completed in the upper 10 feet of the Lower Sand-1A formation with an electrical submersible pump flow tested for 26 days in March 2018 at an average rate of 1,000 bbl/d of 22.5 degree API oil with an average wellhead pressure of 40% at a stabilized bottomhole pressure with an 6% drawdown. The production test was concluded due to a pump failure. The well is awaiting a pump change to resume production. Since discovery, the well has produced a total of 24,000 bbl of oil.
- In March 2018, the Company began drilling the Alligator-3 development well on the Guatiquia block. On April 27, the well reached a total depth of 12,416 feet (12,189 feet TVD), encountering 31.5 feet of net pay in the Lower Sand-1. The well is currently being completed as a new production well.

- In February 2018, the Company began drilling the Coralillo-1 exploratory well on the Guatiquia block, which reached a depth of 13,240 feet (11,573 feet TVD) on March 27, 2018. The well encountered 13 feet of net pay in the Guadalupe formation, and 15 feet of net pay in the Lower Sand-1A formation. The well was completed in the Guadalupe and Lower Sand-1A formations with a selective completion and electrical submersible pump. The Lower Sand-1A formation was flow tested for approximately 10 days at an average rate of 1,050 bbl/d of 15.3 degree API oil with an average water cut of 10% at stabilized bottomhole flowing pressure with a 60% drawdown. The well is currently shut-in for a pressure buildup test in the Lower Sand-1A formation. During the testing period, the well produced a total of 9,200 bbls of oil.
- On April 22, 2018, the Company began drilling the Acorazado-1 exploration well on the Llanos 25 block. The well is planned to drill to a total depth of approximately 16,000 feet and will take between 90 to 120 days to complete and cost between \$40 million and \$50 million. The well is currently drilling at nearly 7,000 feet TVD.

Heavy Oil Business:

- In January 2018, the Company drilled four vertical wells in the Quifa SW field which were outside the previously defined field boundaries and successfully identified new areas of oil saturated reservoir sands. This finding has opened up new development well locations for drilling in 2018 and beyond.
- In March 2018, the Company received approval from its partner, Ecopetrol S.A., to begin implementing projects to increase the water handling capacity in the Quifa area. The successful expansion of the Company's water handling capacity in the Quifa area will enable the Company to increase overall production from the block by allowing currently shut-in wells to be placed back on production. The implementation of this project will be undertaken during the second and third quarters of 2018, with the increased capacity coming on-stream during the fourth quarter of 2018.
- In January 2018, the Company began drilling the Jaspe-6D exploratory well in the Quifa area (partner Ecopetrol S.A. owns 40%). The well was drilled to a total depth of 4,900 feet measure depth (3,491 feet TVD) encountering 33 feet of net pay in the Basal Sand formation. The well was completed on February 5, 2018, with an electrical submersible pump and was flow tested for 11 days at an average rate of 187 bbl/d of 13 degree API oil with an average water cut of 10% at stabilized bottomhole flowing pressure with a 14% drawdown. During the last 24 hours of testing, the well averaged 174 bbl/d and with a 30% water cut. The well was then shut-in for a pressure buildup. Since discovery, the well has produced a total of 2,100 bbls of oil. The well is currently shut-in and the Company is awaiting approvals for extended testing.

Financial Results:

Financial Summary

	2018	2017	
	Q1	Q4	Q1
Total sales after realized loss on risk management contracts (\$ millions)	249.5	335.3	316.6
Net (loss) income (\$ millions) ³	(3.1)	(32.5)	8.5
Per share - basic and diluted ²	(0.06)	(0.65)	0.17
Net cash provided by operating activities (\$ millions)	30.3	166.8	66.9
Operating EBITDA (\$ millions) ¹	86.0	105.0	92.4
Operating EBITDA margin (Operating EBITDA/total sales) ⁴	34%	31%	29%
Adjusted EBITDA (\$ millions) ¹	86.7	2.0	115.1
Adjusted EBITDA margin (Adjusted EBITDA/total sales) ⁴	35%	1%	36%
Adjusted FFO (\$ millions) ¹	34.3	94.7	78.8
Per share - basic ²	0.69	1.89	1.58
Net Production (boe/d)	66,227	64,445	72,524
Sales volumes (boe/d)	52,440	65,481	70,452
Average shares outstanding - basic (millions)	50.0	50.0	50.0

¹These metrics are Non-IFRS financial measures. See advisories - "Non-IFRS Financial Measures" - below and "Non-IFRS Measures" on page 13 of the MD&A.

²The basic weighted average numbers of common shares for the years ended March 31, 2018 and 2017 were 50,005,832 and 50,002,363, respectively.

³Net (loss) income attributable to equity holders of the parent.

⁴Total sales represents total sales after realized loss on risk management contracts.

- The average Brent oil benchmark price increased by \$5.77/bbl, or 9% in the first quarter of 2018 to average \$67.2 compared to \$61.46/bbl in the fourth quarter of 2017. Brent oil benchmark price averaged \$54.57/bbl in the first quarter of 2017. The Company's realized oil price of \$63.43/bbl in the first quarter of 2018 excludes the impact of \$8.98/bbl losses on risk management contracts. The Company remains hedged on approximately 60% of net daily production until the end of October 2018, however, the realized price for the Company will improve by approximately \$4.50 per barrel in the third quarter as a result of higher hedged ceiling prices and is currently unhedged for November and December.
- For the first quarter of 2018, total sales after realized risk management contracts, decreased 26% to \$249.5 million compared to \$335.3 million in the fourth quarter of 2017 and decreased 21% from \$316.6 million in the first quarter of 2017. Sales volumes trend between 3% and 5% below production volumes as a result of internal consumption. The 21% decrease in sales volumes as compared to production volumes in the first quarter of 2018 was a result of three factors. Firstly, sales volumes increased in Colombia by 522,700 bbls as a result of an oil cargo which finished loading on April 2, 2018. These volumes were not recorded as sales in the first quarter of 2018, but will be reflected in sales in the second quarter of 2018 and total sales by approximately \$31.1 million. Secondly, inventory increased in Peru as the ramp up in production on block 192 was not yet reflected in our sales entitlements based on the existing ownership of line fill in the pipeline. Inventories in Peru are expected to build until the fourth quarter of 2018, at which point the Company's share of line fill and sales volumes will more closely match production volumes. Lastly, there was a settlement of an overlift of approximately 270,000 bbls relating to the first quarter of 2017.

- The increase in inventory during the first quarter and settlement of volumes sold during the previous quarter had a negative impact on other key financial metrics including Operating EBITDA and Adjusted Funds Flow from Operations ("Adjusted FFO"). A reconciliation between production volumes and sales volumes can be found on page 6 of the MD&A while a reconciliation of the impact of certain factors on the dollar value of sales can be found on page 8 of the MD&A. Despite the impact of sales volumes, primarily related to the timing of events as between quarters, the Company continues to expect to meet operational and financial results that meet annual guidance expectations.
- During the first quarter of 2018, net loss attributable to equity holders of the Company was \$3.1 million or \$0.06/share, compared with a net loss of \$32.5 million or \$0.65/share, in the fourth quarter of 2017. This was due to gains on commodity risk management contracts and foreign exchange, lower depletion, depreciation, and amortization, higher share of income from associates and lower impairments offset by the reversal of the provision related to high price clause of Corco in the fourth quarter of 2017 and higher income tax expense. The Company generated net income of \$8.5 million or \$0.17/share in the first quarter of 2017.
- Operating EBITDA of \$86.0 million or \$1.72/share for the first quarter of 2018, was lower in comparison with \$105.0 million or \$2.10/share achieved in the fourth quarter of 2017, and \$6.5 million lower than the first quarter of 2017, mainly due to lower volume sold during the quarter as discussed above.
- Adjusted FFO totalled \$34.3 million or \$0.69/share for the first quarter of 2018, a decrease of 64% compared to \$122.0 million or \$1.89/share achieved in the fourth quarter of 2017, and \$44.5 million lower than the first quarter of 2017. Lower Adjusted FFO was primarily due to lower Operating EBITDA of \$19.0 million, no dividends received from investments in associates during the first quarter of 2018 (\$35.5 million in the fourth quarter of 2017), and higher downtime on the Bicentenario of \$11.2 million.
- Strong Cash Position and Credit Profile:
- The Company continued to build cash during the quarter, with a total cash position of \$695.9 million, as at March 31, 2018, an increase of 8% and 24% from the previous quarter and the first quarter of 2017, respectively. Unrestricted cash in Colombia was \$515.8 million as at March 31, 2018, from \$511.7 million at year end 2017. The increase in cash during the first quarter of 2018 was due to cash generated from operating activities of \$30.3 million and the receipt of gross cash proceeds of \$100.0 million from the sale of Petroeléctrica de los Llanos Ltd. to an affiliate of Electricas de Medellin-Ingeniería y Servicios and gross cash proceeds of \$57 million received from [InterOil Corp.](#) (now ExxonMobil Canada Holdings ULC) in full satisfaction of the purchase price of the sale of its interests in the petroleum prospect license PPL 475 and petroleum retention license PRL 39 in Papua New Guinea.
- Working capital increased 11% to \$343.2 million during the first quarter of 2018, compared to \$310.0 million at year end 2017.
- During the first quarter of 2018, total capital expenditures were \$78.8 million, lower than \$111.2 million in the previous quarter and higher in comparison with \$38.8 million in the first quarter of 2017.
- The Company is currently analyzing alternatives for reducing its current financing costs, increasing operating and financial flexibility and raising capital to address future operational commitments.
- In April 2018, Fitch Ratings Inc. ("Fitch") made changes to its rating methodology in respect of its treatment of commodity recovery ratings. In its revised methodology, Fitch had capped the recovery rating of Colombian corporate issuers. As a result, on May 9, 2018, Fitch had changed the credit rating on the Company's \$250 million senior secured notes maturing in 2021 ("Senior Secured Notes") to "B+/RR4" from "BB-/RR3" to bring the Senior Secured Notes in line with their new methodology. Although Fitch has changed the rating of the Company's Senior Secured Notes, Fitch has also reaffirmed the Company's long term Foreign and Local Currency Issuer Default Rating at "B+" ("IDR Rating"). Fitch had based its reaffirmation of the Company's IDR Rating on the Company's continued operational and financial stability. In addition, Fitch removed the Negative Ratings Watch on the Senior Secured Notes. The rating outlook continues to remain stable.

Continued Focus on Cost Reductions and Cost Control:

- Operating cost per barrel decreased 6% to \$27.94/boe compared to \$29.65/boe in the fourth quarter of 2017 due to lower production and transportation costs (excluding fees paid on suspended capacity). Specifically, during the quarter, transportation costs were 11% lower quarter-over-quarter, as a result of a reduction in the average pipeline tariff rate by using lower tariff alternative pipeline systems when the Bicentenario pipeline system was offline (81 days during the first quarter of 2018, compared to 56 days during the fourth quarter of 2017). This reduction was partially offset by an increase of \$1.86/boe in fees paid on suspended pipeline capacity during the quarter. Operating costs in the first quarter of 2018 were \$25.36/boe, primarily as a result of lower production costs and higher production and sales volumes.
- General and administrative costs were lower in the first quarter of 2018 at \$22.1 million versus \$24.5 million in the fourth quarter of 2017 and \$27.7 million in the first quarter of 2017. The decrease was mainly a result of the Company's efforts to reduce overhead costs.
- Operating Netback in the first quarter of 2018 was 3% higher to \$24.42/boe, compared to the fourth quarter of 2017 of \$23.71/boe, as a result of lower operating costs. Operating Netback in the first quarter of 2017 was \$20.59/boe.

Annual Guidance Update:

- The Company reiterates annual guidance metrics for net production of between 65,000 and 70,000 boe/d, Operating Costs of between \$375 and \$425 million, and capital expenditures of between \$450 and \$500 million. The unchanged annual guidance metrics reflects an average 2018 Brent oil price assumption of \$63/bbl. If current Brent oil price trends continue through the remainder of 2018 the Company anticipates delivering financial results that will exceed current expectations, with approximately 60% of production hedged until the end of October 2018.

First Quarter 2018 Conference Call Details:

As previously disclosed, a conference call for investors and analysts is scheduled for Friday, May 11, 2018 at 8:30 a.m. (Calgary time), 9:30 a.m. (Bogotá time) and 10:30 a.m. (Toronto time). Participants will include Gabriel de Alba, Chairman of the Board of Directors, Richard Herbert, Chief Executive Officer, David Dyck, Chief Financial Officer and select members of the senior management team.

A presentation and webcast link will be available on the Company's website prior to the call, which can be accessed at www.fronteraenergy.ca

Analysts and interested investors are invited to participate using the following dial-in numbers:

Participant Number (International/Local): (647) 427-7450

Participant Number (Toll free Colombia): 01-800-518-0661

Participant Number (Toll free North America): (888) 231-8191

Conference ID: 6698788

A replay of the conference call will be available until 11:59 p.m. (Toronto time) and 10:59 p.m. (Bogotá time), Friday, May 25, 2018 and can be accessed using the following dial-in numbers:

Encore Toll Free Dial-in Number: 1-855-859-2056

Local Dial-in-Number: (416)-849-0833

Encore ID: 6698788

About Frontera:

[Frontera Energy Corp.](http://www.fronteraenergy.com) is a Canadian public company and a leading explorer and producer of crude oil and natural gas, with operations focused in Latin America. The Company has a diversified portfolio of assets with interests in more than 30 exploration and production blocks in Colombia and Peru. The Company's strategy is focused on sustainable growth in production and reserves. Frontera is committed to conducting business safely, in a socially and environmentally responsible manner. Frontera's common shares trade on the Toronto Stock Exchange under the ticker symbol "FEC".

If you would like to receive News Releases via e-mail as soon as they are published, please subscribe here: <http://fronteraenergy.mediaroom.com/subscribe>

Advisories:

Cautionary Note Concerning Forward-Looking Statements

This news release contains forward-looking statements. All statements, other than statements of historical

fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding estimates and/or assumptions in respect of production, revenue, cash flow and costs, reserve and resource estimates, potential resources and reserves and the Company's exploration and development plans and objectives) are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things: uncertainty of estimates of capital and operating costs, production estimates and estimated economic return; uncertainties associated with estimating oil and natural gas reserves; failure to establish estimated resources or reserves; volatility in market prices for oil and natural gas; fluctuation in currency exchange rates; inflation; changes in equity markets; perceptions of the Company's prospects and the prospects of the oil and gas industry in Colombia and the other countries where the Company operates or has investments; uncertainties relating to the availability and costs of financing needed in the future; the uncertainties involved in interpreting drilling results and other geological data; and the other risks disclosed under the heading "Risk Factors" and elsewhere in the Company's annual information form dated March 27, 2018 filed on SEDAR at www.sedar.com. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

This news release contains future oriented financial information and financial outlook information (collectively, "FOFI") (including, without limitation, statements regarding expected capital expenditures and Operating EBITDA for the Company in 2018), and are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraph. The FOFI has been prepared by management to provide an outlook of the Company's activities and results, and such information may not be appropriate for other purposes. The Company and management believe that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments, however, actual results of operations of the Company and the resulting financial results may vary from the amounts set forth herein. Any FOFI speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any FOFI, whether as a result of new information, future events or results or otherwise.

Disclosure of well tests results in this news release should be considered preliminary until detailed pressure transient analysis and interpretations have been completed. Hydrocarbons can be seen during the drilling of a well in numerous circumstances and do not necessarily indicate a commercial discovery or the presence of commercial hydrocarbons in a well. There is no representation by the Company that the disclosed well results included in this news release are necessarily indicative of long-term performance or ultimate recovery. As a result, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company or that such rates are indicative of future performance of the well.

In addition, reported production levels may not be reflective of sustainable production rates and future production rates may differ materially from the production rates reflected in this news release due to, among other factors, difficulties or interruptions encountered during the production of hydrocarbons.

Non-IFRS Financial Measures

This news release contains financial terms that are not considered in the International Financial Reporting Standards ("IFRS"): Operating and Adjusted EBITDA, Operating Netback, and Adjusted FFO. These non-IFRS measures do not have any standardized meaning, and therefore are unlikely to be comparable to similar measures presented by other companies. These non-IFRS measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These financial measures are included because management uses this information to analyze operating performance and liquidity.

Management believes that EBITDA is a common measure used to assess profitability before the impact of

different financing methods, income taxes, depreciation and impairment of capital assets and amortization of intangible assets.

- Operating EBITDA represents the operating results of the Company's primary business, excluding the effects of structure, other investments (infrastructure assets), non-cash items that depend on accounting policy choices, and items that are not expected to recur.
- Adjusted EBITDA excludes items of a non-recurring nature (one-time items), or items that could make the period-comparison of results from operations less meaningful, but includes results from the Company's other investments (infrastructure assets).

A reconciliation of Operating and Adjusted EBITDA to net (loss) income is as follows:

(in thousands of US\$)	Three Months Ended		
	March 31, 2018	December 31, 2017	March 31, 2017
Net (loss) income ¹	(3,121)	(32,544)	8,498
Adjustments			
Income tax expense (recovery)	10,746	(10,438)	10,034
Depletion, depreciation and amortization	72,673	95,062	101,794
Impairment expenses (reversal)	20,341	36,468	(10,447)
Finance costs, net	4,247	5,478	4,897
Restructuring, severance costs and others	2,838	2,436	5,946
Reversal of provision related to high-price clause	—	(99,622)	—
Equity tax	—	—	11,694
Other loss (income)	604	4,786	(2,498)
Foreign exchange unrealized (gain) loss	(21,674)	373	(14,860)
Adjusted EBITDA	86,654	1,999	115,058
Unrealized (gain) loss on risk management contracts	(17,313)	80,774	(40,145)
Share of income from associates	(35,759)	(14,809)	(23,988)
Gain attributable to non-controlling interest	12,779	7,172	10,783
Share based compensation	1,054	2,119	20
Foreign exchange realized loss	2,669	3,099	3,614
Fees paid on suspended pipeline capacity	35,904	24,656	27,100
Operating EBITDA	85,988	105,010	92,442

¹ Net (loss) income attributable to equity holders of the Company.

(in thousands of US\$)	2018		2017		
	Q1	Q4	Q3	Q2	Q1
Financial and Operational results:					
Operating EBITDA	85,988	105,010	105,885	86,857	92,442
Adjusted EBITDA	86,654	1,999	44,203	87,389	115,058

Netbacks

Management believes that Netback is a useful measure to assess the net profit after all the costs associated with bringing one barrel of oil to the market. It is also commonly used by the oil and gas industry to analyze financial and operating performance expressed as profit per barrel.

- Operating Netback represents realized price per barrel plus realized gain or loss on financial derivatives, less production costs, high-price participation payments and royalties paid in cash, transportation and diluent costs, and shows how the Company is at extracting and selling its product.

The third quarter of 2017 marked the first time the Company disclosed Adjusted FFO, providing stakeholders with greater insight given the increasing significance of these metrics to evaluate operational results.

Adjusted Funds Flow from Operations

Adjusted FFO is a non-IFRS financial measure that adjusts an IFRS measure - cash flow provided (used) by operating activities - for changes in non-cash working capital, which management uses to analyze operating performance and liquidity. Changes to non-cash working capital can include differences in timing of cash flows related to accounts receivable and accounts payable, which management believes reduces comparability among periods. The indicator excludes assets retirement obligation settlements, one-time expenses for the Company not related to ongoing operations such as restructuring and severance costs, and loss (gain) from past assets.

(in thousands of US\$)	Three Months Ended		
	March 31, 2018	December 31, 2017	March 31, 2017
Net cash provided by operating activities	30,265	166,750	66,926
Changes in non-cash working capital	1,107	25,458	5,888
Funds flow from operations	31,372	192,208	72,814
Restructuring and severance costs	2,838	2,436	5,946
Settlement of asset retirement obligations	50	367	—
Gain from past assets	—	(100,316)	—
Adjusted FFO	34,260	94,695	78,760

Please see the MD&A for additional information about these financial measures.

Boe Conversion

The term "boe" is used in this news release. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of cubic feet to barrels is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In this news release, boe has been expressed using the Colombian conversion standard of 5.7 Mcf: 1 bbl required by the Colombian Ministry of Mines and Energy. For properties in Peru, the Company has expressed boe using the Peruvian conversion standard of 5.626 Mcf: 1 bbl required by Perupetro S.A., Peru's state regulatory agency.

Definitions:

bbl(s)	Barrel(s) of oil
bbl/d	Barrel of oil per day
boe	Refer to "Boe Conversion" disclosure above
boe/d	Barrel of oil equivalent per day
Mboe	Thousand barrels of oil equivalent
MMboe	Million barrels of oil equivalent
Mcf	Thousand cubic feet
Net Production	Net production represents the Company's working interest volumes, net of royalties and internal consumption

View original

content:<http://www.prnewswire.com/news-releases/frontera-announces-three-percent-production-growth-and-100-exploration-success-in-the-first-quarter-2016>

SOURCE [Frontera Energy Corp.](http://www.fronteraenergy.com)

Contact

Grayson Andersen, Corporate Vice President, Capital Markets, +57-314-250-1467, ir@fronteraenergy.ca, www.fronteraenergy.ca

Dieser Artikel stammt von Rohstoff-Welt.de

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/298613--Frontera-Announces-Three-Percent-Production-Growth-and-100Prozent-Exploration-Success-in-the-First-Quarter-2016>

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](#).