

# Jadestone Energy Results for the Period Ending March 31, 2018 Record Revenue, Continued Positive Operating Cashflow

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## And Material Developments in Indonesia and Vietnam

SINGAPORE, May 30, 2018 - [Jadestone Energy Inc.](#) (TSXV:JSE) ("Jadestone" or the "Company"), formerly Mitra Energy Inc., reported today its condensed consolidated interim unaudited financial results for the three months ended March 31, 2018.

The Company has moved to reporting its financial information based on a calendar year end, from January 1, 2018. For this reporting period, comparative financial information is provided for the three months ended March 31, 2017.

## First Quarter Highlights

- Both the Stag Oilfield and Ogan Komering reached new safety milestones of 5.6 years and 2.3 years without a lost time incident respectively;
- Record quarterly sales revenue of US\$21.0mm, increased from US\$16.5mm in the same quarter a year ago;
- Positive cash flow from operations of US\$0.1mm, increased from a net cash outflow of US\$6.5mm in the same quarter a year ago;
- Total liquids production of 322,896 bbls for the quarter from the Stag Oilfield and from the Ogan Komering PSC, and natural gas production of 277,122 mmbtu from Ogan Komering, for a total average production of 4,101 boe/d (net working interest) for the quarter, an increase of 6% over the same quarter a year ago;
- Production costs of US\$12.8mm in the quarter, down 40% from US\$18.0mm in the same period a year ago.

"We continue to demonstrate that our strategy is working," commented Paul Blakeley, President and CEO, "Comparing this quarter to the same period a year ago, production is modestly higher with costs dramatically lower. This is a testament to our low-cost mentality and the depth of experience our team brings to bear, particularly with producing assets like Stag and Ogan Komering."

"While higher oil prices had a positive impact on revenue generated, our performance was bolstered by our progress in streamlining both operations and the organisation itself, a reduction of 15% in the combined production cost and staff cost, compared to the same quarter last year. We are less than two years into the Jadestone transformation, and see ourselves poised to replicate this success many times over with more investment opportunities, both organic and inorganic."

## Material Developments

Subsequent to the end of the quarter, the Company also announced material developments with its Indonesia and Vietnam assets.

- A new Gross Split PSC covering the Ogan Komering working area in Indonesia was awarded to Pertamina effective May 20. This step helps to define the next phase for Ogan Komering, and is a precursor to Jadestone finalising its ongoing participation in the licence. Direct business-to-business negotiations with Pertamina are now well underway, as directed by Indonesia's upstream regulator.

- Late last week, Jadestone received the Ministry of Industry and Trade's approval of the Company's outline development plans for its U Minh and Nam Du gas fields in Vietnam. This serves as a formal kick-off to FEED, field development plan studies and the negotiation of a gas sales agreement.

Paul Blakeley commented, "We are looking forward to continuing our relationship with Pertamina in the next phase of the Ogan Komering asset, with early investment in two new gas discoveries at Jatung Baru and North Meraksa, and are pleased to see the process to confirm our participation falling into place as expected."

"At the same time, Vietnam's approval of our Outline Development Plan for the U Minh and Nam Du fields is a strong vote of confidence for Jadestone. We have begun FEED and gas sales agreement discussions, with a view to development sanction in 3Q 2019. This will be the first greenfield development under the Jadestone Energy banner, a further key development in our growth in Asia Pacific."

The Company continues to pursue its strategy of deploying its proven operating capability, in select areas in the Asia Pacific region, to create value through multiple strands of re-investment activity, including organic growth by investing to reduce costs at its producing assets, increasing production, and moving its existing discovered resources to production, as well as via inorganic growth through acquiring assets with production or discovered resources.

#### Operations update

Crude oil production at Stag averaged 2,654 bbls/d during the quarter to March 31, 2018, increased by approximately 11% from the same quarter a year ago, but decreased by 12% from the prior quarter.

Aside from the expected lower production at this time of year due to heightened cyclonic activity, operations at Stag in the March quarter were negatively impacted by the knock-on effect of marine breakaway coupling ("MBC") activations during the prior quarter.

As reported in our December 2017 results, there were three MBC incidents in the December quarter. The last of these incidents also affected production volumes in the March 2018 quarter, and the repeated interruptions caused damage to three of the facility's electric submersible pumps, which required unplanned well workovers during the March Quarter, to restore production rates. The combined effect of production interruptions and downtime to repair the damage resulted in deferment of approximately 67,000 bbls, or 745 bbls/d during the quarter.

The Company has been in discussion with the operator of the FSO, in relation to these failures, and a number of initiatives have been implemented to eliminate the risk of future MBC failures and to improve operational performance of the FSO. This has involved working very closely with the FSO operator and includes new installation techniques, extensive testing, and operational adjustments with a newly installed MBC. In recent weeks, production at Stag has been restored to approximately 3,500 bbl/d.

Production at the Ogan Komering PSC averaged 934 bbls/d liquids and 3,079 mmbtu/d gas (net working interest) during the quarter to March 31, 2018. Production rates remain broadly flat, with the impact of natural declines in the producing fields, being largely offset by ongoing efficiency gains and reactivations of older wells.

Jadestone generated adjusted earnings before interest, tax, depletion, depreciation, amortisation and exploration expense ("EBITDAX") of US\$0.9mm for the quarter ended March 31, 2018, compared to a negative EBITDAX of US\$6.5mm in the same period a year earlier.

On an unadjusted basis, the Company reported a net loss before tax of US\$15.9 million, compared to a net loss before tax of US\$15.7 million for the same period a year earlier. Earnings were affected by a one-time non-cash impairment charge of US\$11.9 million associated with the Company's decision to relinquish its 100% working interest in Vietnam's Block 127 at the end of the current exploration phase, on May 24, 2018. This relinquishment is consistent with the Company's ongoing strategy to transform the

asset portfolio by exiting the long-dated and non-carried exploration-only assets, particularly those in deep water, originally held by Mitra Energy.

In connection with the Company's commodity hedges, during the three months ended March 31, 2018 total non-cash charges of US\$1.8 million were booked to the income statement and other comprehensive income to reflect current market values at March 31, 2018. In the same period a year earlier, the Company had no commodity hedges.

The Company reported total book costs of production of US\$12.8mm during the quarter including non-cash depletion and amortisation costs of US\$2.8mm; or US\$34.70 per barrel of oil equivalent production, net of non-cash depletion and amortisation costs.

Investing activities for the quarter amounted to a cash outflow of US\$0.5mm, comprised of payments for intangible exploration assets and payments for property, plant and equipment.

The Company has US\$9.7mm cash, plus a further US\$10.0mm of cash in support of a bank guarantee, and another US\$13.0mm undrawn on the Company's convertible bond facility.

#### 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 consolidated audited financial statements for the period ended March 31, 2018.

Quarterly & year to date comparison	Mar 2018 Qtr	Mar 2017 Qtr	Change (%)
Production, mboe	369.1	260.1	41.9%
Sales, mboe	333.0	307.4	8.3%
Avg realised liquids price, US\$/bbl	67.34	57.12	17.9%
Sales revenue, US\$mm	21.0	17.3	21.4%
Capital expenditure <sup>1</sup> , US\$mm	0.5	2.7	(81.5%)
Quarterly comparison	Mar 2018 Qtr	Dec 2017 Qtr	Change (%)
Production, mboe	369.1	402.0	(8.2%)
Sales, mboe	333.0	363.8	(8.5%)
Avg realised liquids price, US\$/bbl	67.34	60.39	11.5%
Sales revenue, US\$mm	21.0	20.9	0.5%
Capital expenditure <sup>1</sup> , US\$mm	0.5	0.6	(16.7%)

<sup>1</sup> Payment for oil and gas property, plant and equipment and intangible exploration assets. Excludes acquisition related capital expenditure

<sup>2</sup> Comparable reporting period for the current transitional period for the nine months ended December 31, 2017

#### Conference call and webcast

The management team will host an investor and analyst conference call at 9:00 p.m. (Singapore), 2:00 p.m. (London), and 9:00 a.m. (Toronto) on Thursday, May 31, 2018, including a question and answer session.

The live webcast of the presentation will be available at the below webcast link. Dial-in details are provided below. Please register approximately 15 minutes prior to the start of the call. The results for the period ended December 31, 2017 will be available on the Company's website at:  
<http://www.jadestone-energy.com/investor-relations/>

Webcast link: <https://event.on24.com/wcc/r/1677165/599C108D612D7D77F397081B9B9F58D0>  
 Event conference title: Jadestone Energy Results Briefing (Quarter ending March 31, 2018)  
 Start time/date: 9:00 a.m. Toronto time, Thursday May 31, 2018

Confirmation code: 7082439

Participant ITFS Dial-In Numbers:

Australia	1800287011
Canada	(888) 231-8191
France	0800917449
Hong Kong	800-901-563
Japan	00-53-11-60-858
South Korea	00308131987
New Zealand	0-800-450-745
Singapore	8008526506
United Kingdom	0-800-051-7107
United States	(888) 231-8191
Other International (Canada toll)	+1 (647) 427-7450

Area access numbers are subject to carrier capacity and call volumes.

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About Jadestone Energy Inc.

[Jadestone Energy Inc.](#) is a TSX-V listed oil and gas company headquartered in Singapore. The Company is currently engaged in production, development and exploration and appraisal activities in Australia, Indonesia, Vietnam and the Philippines. 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

A barrel of oil equivalent ("boe") is determined by converting a volume of natural gas to barrels using the ratios of six thousand cubic feet ("mcf") to one barrel. Boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf:1 boe 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 based on the current price of oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilising a conversion on a 6:1 basis may be misleading as an indication of value.

Certain statements in this press release are forward-looking statements and information (collectively "forward-looking statements"), within the meaning of the applicable Canadian securities legislation, as well as other applicable international securities laws. The forward-looking statements contained in this press release are forward-looking and not historical facts.

Some of the forward-looking statements may be identified by statements that express, or involve discussions as to expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of phrases such as "will likely result", "are expected to", "will continue", "is anticipated", "is targeting", "estimated", "intend", "plan", "guidance", "objective", "projection", "aim", "goals", "target", "schedules", and "outlook").

In particular, forward-looking statements in this press release include, but are not limited to statements

regarding the ODP for Nam Du/U Minh, the early stages of FEED and related work, Jadestone's continuing discussions with its partners and the regulators on a new contract for Ogan Komering, the potential for business development opportunities or acquisitions, and investment or re-investment options, whether organic or inorganic.

Because actual results or outcomes could differ materially from those expressed in any forward-looking statements, investors should not place undue reliance on any such forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes will not occur. Some of these risks, uncertainties and other factors are similar to those faced by other oil and gas companies and some are unique to Jadestone. The forward-looking information contained in this news release speaks only as of the date hereof. The Company does not assume any obligation to publicly update the information, 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.

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