

Shamaran Announces Financial and Operating Results for the Six Months Ended June 30, 2018

08.08.2018 | [CNW](#)

VANCOUVER, Aug. 8, 2018 - [ShaMaran Petroleum Corp.](#) ("ShaMaran" or the "Company") (TSX VENTURE: SNM) (NYSE: SHM) is pleased to announce its financial and operating results for the six months ended June 30, 2018. Unless otherwise stated, all currency amounts indicated as "\$" in this news release are expressed in thousands of United States dollars. View in PDF

HIGHLIGHTS

- ShaMaran entered agreement with Marathon Oil KDV BV to acquire their 15% interest in Atrush.
- Company issued \$240 million in new bonds on July 5 and retired all existing bonds on August 1.
- Revenues of \$41.8 million with strong operational cash flows in first six months.
- Average Atrush production of 19,700 bopd in first half of 2018 with \$6.83/barrel average lifting cost.
- Current Atrush production approximately 28,000 bopd.
- CK-7 completed in Q2 with low drawdown flow test of 7,040 bopd. Brought on line late July.
- CK-10 drilled and completed in Q2 with low drawdown flow test of 4,400 bopd. Brought on line late July.
- CK-9 water disposal well spudded in July.
- 25% increase in 2P reserves announced in February.

Chris Buijnzeels, President and CEO of ShaMaran, commented "We've had a lot to cheer about so far this year: the acquisition of another 15% in Atrush is highly accretive for ShaMaran and sets the table for significant additional cash flows, the successful refinancing of our bonds has left the Company with a solid liquidity position, and the recent addition of CK-7 and CK-10 has increased Atrush production up towards the facility's nameplate capacity. And, looking forward to the rest of 2018, I'm excited by the opportunity to seek out ways to optimise the Atrush production facility and unlock further capacity and to look to better define what kind of long-term production potential we have in the eastern side of the block with our planned heavy oil extended well test on AT-3."

Operations

- Current Atrush production at approximately 28,000 barrels of oil per day with production from five wells: AT-2, CK-7, CK-8 and CK-10. It is planned to further increase production gradually.
- Atrush oil production in three and six months ended June 30, 2018 was 15,800 bopd and 19,700 bopd which compares to 23,600 reported in the first quarter of 2018. The production was impacted by the need to reduce well flow rates to lower than expected volumes of salt produced from some wells. Fresh water is now being injected to remove salt from the processing of the crude for sales. Average lifting cost per barrel in the second quarter was \$7.97 and \$6.83 in the first six months.
- CK-7 completed in Q2 2018 and tested 27.5 API oil at 7,040 bopd at only 14 psi drawdown. CK-7 was tied into the production facility in July 2018 and came on line on July 23, 2018.
- CK-10 drilled on time and within budget during May and June 2018, and flow tested approximately 4,400 bopd at 14 psi drawdown. CK-10 was tied into the production facility in July 2018 and came on line on July 25, 2018.
- The CK-9 water disposal well was spudded on July 20, 2018 with planned well depth of 3,000 metres 70-day drill program. The main objective is to target deep horizons below the oil reservoir to allow for disposal of produced water that is expected to continue as production continues. The well will also be used to dispose of water injected in to the process as part of the salt production strategy.

Financial and Corporate

- ShaMaran entered into an agreement on June 4, 2018 to acquire a further 15% interest in Atrush from Marathon ("Marathon") for \$60 million before closing adjustments ("the Marathon Acquisition"). The Company currently holds interest in Atrush. At the date of this news release certain closing conditions remained outstanding.
- ShaMaran issued new \$240 million senior unsecured bonds on July 5, 2018 with 5-year term and 12% semi-annual interest. On August 1, 2018 the existing bonds were retired. They were due to mature in November 2018.
- Principal cash inflows in the six months ended June 30, 2018:
 - \$40.4 million for entitlement share of Atrush PSC profit oil and cost oil for October 2017 through March 2018. A further \$4.4 million was received in July relating to April 2018 oil sales.
 - \$1.2 million of Atrush Exploration Costs receivable^[1] on October 2017 through March 2018 oil sales. A further \$1.1 million was received in July relating to April 2018 oil sales.
 - \$7.8 million in payments of principal plus interest on the Atrush Development Cost Loan and the Atrush Fee Cost loans for invoices from January to June 2018. A further \$1.3 million was received in July relating to the KRG Loan invoice.
- A new sales agreement was concluded in February 2018 between Atrush co-venturers and the KRG for the sale of oil. The KRG buys oil exported from the Atrush field by pipeline at the Atrush block boundary based upon the Dated Price minus \$15.73 for quality discount and all local and international transportation costs.
- On February 15, 2018 the Company reported estimated reserves and contingent resources for the Atrush field as at December 31, 2017. Total Field Proven plus Probable ("2P") Reserves on a property gross basis for Atrush increased from 80.7 MMbbl reported as at December 31, 2016 to 102.7 MMbbl which, when 2017 Atrush production of 3.4 MMbbl is included, represents an increase of 25 percent. Total Field Unrisked Best Estimate Contingent Oil Resources ("2C")^[2] on a property gross basis for Atrush was approximately the same as the 2016 estimate at 296 MMbbl. Total discovered oil in place in the Atrush field is a low estimate of 1.5 billion barrels, a best estimate of 2.1 billion barrels and a high estimate of 2.9 billion barrels.

¹ The Exploration Costs Receivable is related to the repayment of certain development costs that ShaMaran paid on behalf of the KRG which, for purposes of repayment, are governed under the Atrush PSC and the related Facilitation Agreement and deemed to be Exploration Costs.

² This estimate of remaining recoverable resources (unrisked) includes contingent resources that have not been adjusted for risk based on the chance of development. It is not an estimate of volumes that may be recovered.

OUTLOOK

Operations

- Production guidance for the second half of 2018 is 25,000-30,000 bopd. Guidance for 2018 lifting costs remains unchanged at \$6.80/bbl in light of higher expected production for the rest of 2018.
- Capital expenditure guidance has been lowered from previous estimate of \$19.6 million to \$17.0 million (20.1% reduction in interest in Atrush), principally due to lower than planned drilling and testing costs on CK-7 and CK-10. Remaining capital expenditure includes:

- identify and install additional heat sources ahead of the next winter months;
 - continue with program to identify debottleneck opportunities to further increase production capacity beyond
 - drilling and completion of Chiya Khere ("CK-9"), a dedicated water disposal well; and
 - conducting extended testing of the AT-3 well which is located on the eastern side of the Atrush Block and within the 2P reserve area of Atrush. This would involve the installation of temporary production facilities near the Chamanke–C well pad and the delivery by truck of oil to the main Phase 1 Production Facilities.
- Following the results of the CK-7 and CK-10 wells, the extended well testing in AT-3 and sustained production from the Phase 1 Production Facilities the Company expects to further assess the significant undeveloped Atrush resource base potential to grow organically to approximately 100,000 bopd production.

Financing and corporate

- A cash payment to Marathon is due upon close of the Marathon Acquisition for \$60 million less the \$2 million deposit and all other final closing adjustments which will include net Atrush cash flows received by Marathon after January 1, 2019, the effective date of the acquisition.
- Two cash payments of \$14.4 million each to be made by the Company into the Debt Service Retention Account payable to the Company's bondholders. The payments are due on December 31, 2018 and June 30, 2019.
- The first semi-annual coupon interest payment of \$14.4 million under the Company's \$240 million bonds is due January 1, 2019.

FINANCIAL RESULTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2018

Oil production commenced on July 3, 2017 from the Atrush Block located in the Kurdistan Region of Iraq. Atrush production operations and work on the Atrush development program continued throughout the first six months of 2018.

Financial Results

The net income was primarily driven by the gross margin on Atrush oil sales and interest income on Atrush cost loans and was reduced by general and administrative expenses and finance cost, the substantial portion of which were expense on borrowing costs on the Company's Senior Bonds and Super Senior Bonds.

Condensed Interim Statement of Comprehensive Income

(Unaudited, expressed in thousands of United States Dollars)

	Three months		Six months	
	ended June 30,		ended June 30,	
	2018	2017	2018	2017
Revenues	15,328	-	41,829	-
Cost of goods sold:				
Lifting costs	(2,463)	-	(4,889)	-
Depletion	(4,646)	-	(14,186)	-
Other costs of production	119	-	(83)	-
Gross margin on oil sales	8,338	-	22,671	-
Share based payments expense	-	-	-	(11)
Depreciation and amortisation expense	(2)	(8)	(6)	(18)
General and administrative expense	(941)	(818)	(1,866)	(1,908)
Income / (loss) from operating activities	7,395	(826)	20,799	(1,937)
Finance income	444	439	827	770
Finance cost	(3,016)	(1,482)	(7,186)	(2,964)
Net finance cost	(2,572)	(1,043)	(6,359)	(2,194)
Income / (loss) before income tax expense	4,823	(1,869)	14,440	(4,131)
Income tax expense	(11)	(14)	(27)	(35)
Income / (loss) for the period	4,812	(1,883)	14,413	(4,166)
Other comprehensive income				
Items that may be reclassified to profit or loss:				
Actuarial profit on defined pension plan	197	-	197	-
Currency translation differences	(2)	18	16	34
Total other comprehensive income	195	18	213	34
Total comprehensive income / (loss) for the period	5,007	(1,865)	14,626	(4,132)

Condensed Interim Consolidated Balance Sheet

(Unaudited, expressed in thousands of United States Dollars)

At June 30, 2018 At December 31, 2017

Assets

Non-current assets

Property, plant and equipment	181,532	184,921
Intangible assets	88,924	89,119
Loans and receivables	32,368	44,696
	302,824	318,736

Current assets

Loans and receivables	38,129	32,277
Cash and cash equivalents, restricted	25,613	2,162
Cash and cash equivalents, unrestricted	1,611	3,094
Other current assets	2,279	212
	67,632	37,745
Total assets	370,456	356,481

Liabilities and equity

Current liabilities

Borrowings	186,112	185,692
Accrued interest expense on bonds	2,799	2,799
Accounts payable and accrued expenses	2,615	4,827
Current tax liabilities	4	-
	191,530	193,318

Non-current liabilities

Provisions	10,770	9,427
Pension liability	1,575	1,781
	12,345	11,208

Total liabilities	203,875	204,526
Equity		
Share capital	637,538	637,538
Share based payments reserve	6,495	6,495
Cumulative translation adjustment	(14)	(30)
Accumulated deficit	(477,438)	(492,048)
Total assets increased in the first half of 2018 by \$14.0 million due to a decrease in the accumulated deficit by \$14.6 million, related to the income generated in the period, net of increases in borrowings, accrued interest and other non-current liabilities by \$1.6 million, net of a decrease in accounts payable and accrued expenses by \$2.2 million	1,005,811	1,005,811
Total liabilities and equity	370,456	356,481

Property, plant & equipment assets decreased during the 6 months ended June 30, 2018 by \$3.4 million which was due to depletion and depreciation costs of \$14.2 million net of additions of \$6.5 million in Atrush development costs, \$3.8 million in capitalised borrowing costs and a one-time cost reclass to PP&E from E&E of \$0.5 million. The decrease in intangible assets by \$195 thousand during the half of 2018 resulted from Atrush exploration and evaluation costs of \$132 thousand and \$175 thousand in capitalised borrowing costs net of \$498 thousand relating to the reclass to PP&E from E&E and \$4 thousand in amortisation and revaluation of foreign currency item. Loans and receivables decreased by \$6.5 million due to collecting \$7.1 million of Atrush Development Cost and Feeder Pipeline Cost loans and \$1.2 million of Atrush Exploration Cost Receivables, net of accruing an additional \$1.4 million of accounts receivables on Atrush oil sales and funding \$0.4 million of Feeder Pipeline costs.

Condensed Interim Consolidated Cash Flow Statement

(Unaudited, expressed in thousands of United States Dollars)

	Three months		Six months	
	ended June 30,		ended June 30,	
	2018	2017	2018	2017
Operating activities				
Income / (loss) for the period	4,812	(1,883)	14,413	(4,166)
Adjustments for:				
Depreciation, depletion and amortisation expense	4,648	8	14,192	18
Interest expense on borrowings & net	3,025	1,478	7,181	2,944
Actuarial profit on defined pension plan	197	-	197	-
Pension expense	-	11	-	11
Share based payments expense	-	-	-	11
Unwinding discount on decommissioning provision	(11)	3	(6)	(7)
Foreign exchange (gain) / loss	(60)	(21)	10	26
Interest income	(384)	(418)	(827)	(770)

Changes in accounts receivables on Atrush oil sales	11,172	-	(1,372)	-
Changes in accounts payable and accrued expenses	636	(412)	(2,212)	(299)
Changes in current tax liabilities	(5)	-	4	-
Changes in pension liability	(187)	-	(186)	-
Changes in other current assets	(1,979)	29	(2,067)	(15)
Net cash inflows from / (outflows to) operating activities	21,864	(1,205)	29,327	(2,247)
Investing activities				
Loans and receivables & payments received	8,510	-	9,050	-
Interest received on cash deposits	10	39	18	65
Purchases of intangible assets	(240)	(6)	(301)	(36)
Loans and receivables & payments issued	-	(3,150)	(394)	(7,477)
Purchase of property, plant and equipment	(3,551)	(2,920)	(5,000)	(6,311)
Net cash outflows to investing activities	4,729	(6,037)	3,373	(13,759)
Financing activities				
Interest payments to bondholders	(10,719)	-	(10,719)	-
Proceeds from shares issued	-	-	-	27,281
Share issue related transaction costs	-	-	-	(922)
Net cash (outflows to) / inflows from financing activities	(10,719)	-	(10,719)	26,359
Effect of exchange rate changes on cash and cash equivalents	-	(5)	(13)	(10)
Change in cash and cash equivalents	15,874	(7,247)	21,968	10,343

The increase by \$22.0 million in the cash position of the Company in the first six months of 2018 was due to cash inflows of \$27.2 million from operating activities after G&A and \$10.2 million expenses and \$9.1 million of principal and interest payments on KRG loans and the Exploration Cost Receivables which were offset by cash outflows of \$5.3 million on Atrush development activities, \$0.4 million of loans provided to the KRG, \$5.8 million of negative cash adjustments on accounts receivables, payables and other working capital items and \$10.7 million on bond coupon interest.

OTHER

This information in this release is subject to the disclosure requirements of [ShaMaran Petroleum Corp.](#) under the EU Market Abuse Regulation and/or the Swedish Securities Market Act. This information was publicly communicated on August 8, 2018 at 5:30 p.m. Toronto Time.

ABOUT SHAMARAN

[ShaMaran Petroleum Corp.](#) is a Kurdistan focused oil development and exploration company with a 20.1%

direct interest in the Atrush oil discovery. As announced in ShaMaran's June 4, 2018 news release, the Company has signed an agreement with Marathon Oil KDV B.V. to acquire its 15% interest in the Atrush Block. The Atrush Block is currently undergoing an appraisal and development campaign.

ShaMaran is a Canadian oil and gas company listed on the TSX Venture Exchange and the NASDAQ Stockholm First North Exchange (Sweden) under the symbol "SNM". 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. Pareto Securities AB is the Company's Certified Advisor on NASDAQ Stockholm First North.

The Company's condensed interim consolidated financial statements, notes to the financial statements and management's discussion and analysis have been filed on SEDAR (www.sedar.com) and are also available on the Company's website (www.shamaranpetroleum.com).

FORWARD LOOKING STATEMENTS

This news release contains statements and information about expected or anticipated future events and financial results that are forward-looking in nature and, as a result, are subject to certain risks and uncertainties, such as legal and political risk, civil unrest, general economic, market and business conditions, the regulatory process and actions, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events and management's capacity to execute and implement its future plans. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking information. Forward-looking information typically contains statements with words such as "may", "will", "should", "expect", "intend", "plan", "anticipate", "believe", "estimate", "projects", "potential", "scheduled", "forecast", "outlook", "budget" or the negative of those terms or similar words suggesting future outcomes. The Company cautions readers regarding the reliance placed by them on forward-looking information as by its nature, it is based on current expectations regarding future events that involve a number of assumptions, inherent risks and uncertainties, which could cause actual results to differ materially from those anticipated by the Company.

Actual results may differ materially from those projected by management. Further, any forward-looking information is made only as of a certain date and the Company undertakes no obligation to update any forward-looking information or statements to reflect events or circumstances after the date on which such statement is made or reflect the occurrence of unanticipated events, except as may be required by applicable securities laws. New factors emerge from time to time, and it is not possible for management of the Company to predict all factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking information.

Reserves and resources: [ShaMaran Petroleum Corp.](#)'s reserve and contingent resource estimates are as at December 31, 2017, and have been prepared and audited in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook"). Unless otherwise stated, all reserves estimates contained herein are the aggregate of "proved reserves" and "probable reserves", together also known as "2P reserves". Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

Contingent resources: Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters or a lack of markets. There is no certainty that it will be commercially viable for the Company to produce any portion of the contingent resources.

BOEs: BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf per 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

SOURCE [ShaMaran Petroleum Corp.](#)

Contact
Chris Bruijnzeels, President and CEO, [ShaMaran Petroleum Corp.](#), +41 22 560 8605,

chris.bruijnzeels@shamaranpetroleum.com; Sophia Shane, Corporate Development, [ShaMaran Petroleum Corp.](#), +1 604 689 7842, sophias@namdo.com, www.shamaranpetroleum.com; Robert Eriksson, Investor Relations, Sweden, [ShaMaran Petroleum Corp.](#), +46 701 112615, reriksson@rive6.ch

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

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/305897--Shamaran-Announces-Financial-and-Operating-Results-for-the-Six-Months-Ended-June-30-2018.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](#).