NuVista Energy Ltd. Announces Operational Update and Revised Capital Spending Plan

07.02.2019 | GlobeNewswire

CALGARY, Feb. 07, 2019 - NuVista Energy Ltd. (“NuVista” or the “Company”) (TSX: NVA) is pleased to announce a number of updates that demonstrate successful execution of our 2018 plans and strong progress towards our 2019 plans and beyond. Our 2018 full year and fourth quarter production guidance expectations have been exceeded, with specific highlights including the following:

2018 Production and Capital Update

Field estimated production for the fourth quarter of 2018 was approximately 49,000 Boe/d, above the top of our previously guided range of 46,000 – 48,500 Boe/d as a result of continued strong well performance and favorable facility uptime. Our 2018 full year production estimate is approximately 40,300 Boe/d, above the top of our previous annual guidance of 38,750 – 40,000 Boe/d. Our capital spending program for the fourth quarter was concluded as planned and our full year 2018 capital spending estimate is approximately $340 million as compared to the previous guidance range of $325 - $350 million.

Operations Update

Bilbo
We have drilled, completed, and tied in the most recent pad in NE Bilbo, containing five wells. The wells are currently being feathered onto production sequentially as capacity allows. We are currently drilling a four-well pad in Bilbo which will comprise two wells in the Middle Montney B zone and two in the Lower Montney zone. This pad is adjacent to our successful first Lower Montney well and the new pad will feature higher fracture intensity (“HiFi”) to continue enhancing our learning and well performance in this exciting and emerging zone. An additional 7 wells will be drilled in Bilbo in 2019, which will contribute to fourth quarter 2019 and 2020 production.

Elmworth
As previously announced, the first HiFi wells in our Elmworth block have now reached IP365 with exceptional performance demonstrated. The two wells each produced double the production average of all previous Elmworth wells for the entire one-year period, indicating significant accretion to previous well economics and capital efficiency. We have just finished drilling a two-well pad and currently have another three-well pad drilling. Both HiFi pads will be fractured and brought on stream in the second quarter and should keep the Elmworth infrastructure at or near capacity until 2020.

Gold Creek
We have recently drilled a four-well pad in preparation for the startup of the new SemCAMS Wapiti gas plant. The pad was fractured in late January and pipeline tie-ins are proceeding. The SemCAMS Wapiti plant construction has concluded on budget but is several months ahead of schedule. The plant has now begun commissioning and startup on sour gas. Next steps after normal initial startup troubleshooting will be to swing existing NuVista Gold Creek production out of our Elmworth compressor station facility and into the new SemCAMS plant. The new four-well pad will then subsequently be brought on production into the new plant early in the second quarter.

Pipestone
Our newly acquired Pipestone North property continues to outperform expectations with production ranging from 9,500 to 10,000 Boe/d without decline, as we continue to bring on legacy Montney wells which had been shut in temporarily in mid-2018 by the previous operator to make facility space available for the most recent well pad. We have reached two exciting milestones as we have now spud our first pad in Pipestone South, and we have commenced construction of our Pipestone South compressor station. The pad will be the largest drilled by NuVista to date, with eight wells spanning all four of the Montney zones from the Lower

Montney up to the Middle Montney B, C, and D zones. The compressor facility construction is proceeding on schedule and on budget with startup expected in the fourth quarter of 2019.

Bank Borrowing Update

In October 2018, NuVista successfully concluded the process of renewing our borrowing facility with no change to the $450 million capacity. As at December 31, 2018 NuVista had borrowing facility debt of approximately $257 million, representing a draw on the facility of approximately 57%.

Commodity Prices and Risk Management

The fourth quarter of 2018 saw unprecedented volatility in WTI oil pricing as well as the differentials for heavy oil, light oil, and condensate. This dislocation was the result of the export pipelines from Alberta finally reaching full capacity, which had a large negative impact on the price of the exported products – heavy and light oil. Condensate is an imported product and therefore is not reliant upon export pipelines to get to market. As a result, condensate was not affected to the same degree as oil. However during the sudden dislocation period of the fourth quarter, market uncertainty was high and therefore it affected all products. Although the condensate differential suffered the least of the three products, it was indeed impacted, averaging a discount of US$13.53/Bbl for the quarter as opposed to the typical average of +/- $3 to $5/Bbl premium or discount to WTI. The Government of Alberta imposed temporary oil production curtailments starting in the month of January with the intent of these tapering throughout 2019. This resulted in an immediate improvement in all liquids differentials. Crude by rail is anticipated to continue to increase throughout the year and the Enbridge Line 3 pipeline replacement project is anticipated to be in-service by year end which should provide continued relief for oil differentials. Since condensate is an imported product and is needed by the Alberta oilsands suppliers for diluent purposes, no curtailments to condensate production were mandated. While the markets may remain volatile the condensate differential to WTI has now recovered to nearly normal levels, currently averaging US-$2.00 to US-$3.00/Bbl.

Western Canada experienced relatively warm weather during Q4 which impacted local gas demand and AECO gas prices which averaged C$1.80/GJ during the period. Export markets fared much better with cold weather in Eastern Canada and the US Midwest driving strong export prices and strong NYMEX which averaged US$3.64/MMbtu for the quarter. Due to our export pipeline contracts, basis hedges and fixed price hedges, NuVista had minimal exposure to AECO spot prices in Q4.

NuVista continues to benefit from the discipline of our strong rolling hedge program during this period of volatile commodity prices. We currently possess hedges which, in aggregate, cover 58% of projected 2019 liquids production at a WTI floor price of C$78.89/Bbl, and 52% of projected 2019 gas production at a price of C$ 2.00/GJ (hedged and exported volumes converted to an AECO equivalent price). These percentage figures relate to production net of royalty volumes. Due to our fixed price hedges, basis hedges, and our export pipeline volumes, NuVista has only 18% of our projected natural gas volumes exposed to spot AECO prices in 2019, representing a very small proportion of adjusted funds flow.

2018 Unaudited Adjusted Funds Flow and 2019 Production and Capital Guidance

As previously noted, production exceeded fourth quarter and full year 2018 guidance ranges. Our rolling commodity hedge program partially cushioned the oil and condensate pricing dislocation impact to NuVista. We are pleased to report that our 2018 preliminary unaudited adjusted funds flow estimate is still expected to exceed the bottom of our guided range of $260 - $270 million.

Although our 2018 adjusted funds flow estimate is not yet final, our net debt to annualized current quarter adjusted funds flow is expected to be approximately 2.0x and our trailing twelve month net debt to adjusted funds flow is expected to be approximately 1.9x as at December 31, 2018.

We are pleased to note our updated 2019 capital and production budget forecasts annual 2019 production per share growth of approximately 13% and fourth quarter 2019 production per share growth of almost 25% as compared to the fourth quarter of 2018. If WTI oil prices were to remain in the mid-fifties level for an extended period, NuVista anticipates being able to continue growing production at approximately 10% per share per annum for 2020 and beyond with net debt levels remaining approximately flat and therefore

annually reducing net debt to adjusted funds flow. We will retain the flexibility to spend more or less capital as the commodity strip continues to unfold.

The previous guidance for production and capital for 2019 was provided in a less volatile price environment. NuVista has significant flexibility now and in the future to adjust our plans rapidly when needed to ensure balance sheet strength remains our top priority, and we have done so. We have reset our 2019 plans with the intention of keeping net debt levels relatively flat, with capital spending at or only very slightly above adjusted funds flow at 2019 price expectations of approximately US$55/Bbl WTI oil, US$2.85/MMBtu NYMEX natural gas, C$1.30/GJ AECO natural gas, and CAD/USD exchange rate of 1.33. As such, we have reduced our capital spending for 2019 to a planned range of $300 - $325 million. We have also redistributed some capital from early year to mid year. This maximizes our flexibility to reduce capital further if pricing unexpectedly falls, while still preserving a healthy growth plan for 2020 if prices remain stable or improve. The resulting production guidance for 2019 is between 51,000 and 54,000 Boe/d. First quarter 2019 production is anticipated in the range of 43,000 to 46,000 Boe/d as there is some planned maintenance at the SemCAMS K3 gas plant, concurrent with planned NGTL gas egress pipeline maintenance. The remaining quarters of 2019 are all expected to be well above 50,000 Boe/d, and more specific quarterly guidance will be provided as the year unfolds. There are no other major planned maintenance outages in 2019.

As part of the reduced capital program, NuVista has initiated discussions with various parties to explore funding alternatives for the $90 million cost of the Pipestone compressor station which is currently under construction, in exchange for a reasonable midstream capital fee on future production. Discussions are well advanced and we anticipate proceeding in this direction, although NuVista will still build and operate the facility. The $90 million cost is therefore not included in the capital estimates shown above. We anticipate the finalization of terms and the closing of this proposed transaction in the next few months.

NuVista has top quality assets and a management team focused upon relentless improvement. We are excited to continue pursuing our Montney growth plan to 110,000 Boe/d, and we will adjust the annual pace of growth as needed to ensure balance sheet strength comes first, and that the profitability of that growth is always maximized. We would like to thank our staff, contractors, and suppliers for their continued dedication and delivery, and we thank our board of directors and our shareholders for their continued guidance and support. Please note that our corporate presentation is being updated and will be available at www.nuvistaenergy.com on or before Friday, February 8, 2019.

Basis of presentation

Unless otherwise noted, the financial data presented in this news release has been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”) also known as International Financial Reporting Standards (“IFRS”). The reporting and measurement currency is the Canadian dollar.

Advisory regarding oil and gas information

Natural gas is converted to a barrel of oil equivalent (“Boe”) using six thousand cubic feet of gas to one barrel of oil. In certain circumstances natural gas liquid volumes have been converted to a thousand cubic feet equivalent (“Mcfe”) on the basis of one barrel of natural gas liquids to six thousand cubic feet of gas. Boes and Mcfes may be misleading, particularly if used in isolation. A conversion ratio of one barrel to six thousand cubic feet of natural gas 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 crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion ratio on a 6:1 basis may be misleading as an indication of value. National Instrument 51-101 - "Standards of Disclosure for Oil and Gas Activities" includes condensate within the product type of natural gas liquids. NuVista has disclosed condensate values separate from natural gas liquids herein as NuVista believes it provides a more accurate description of NuVista's operations and results therefrom.

Any reference in this news release to initial production (“IP”) rates such as IP365 are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter. While encouraging, readers are cautioned not to

place reliance on such rates in calculating the aggregate production for NuVista.

Advisory regarding forward-looking information and statements

This news release contains forward-looking statements and forward-looking information (collectively, “forward-looking statements”) within the meaning of applicable securities laws. The use of any of the words “will”, “expects”, “believe”, “plans”, “potential” and similar expressions are intended to identify forward-looking statements. More particularly and without limitation, this news release contains forward looking statements, including management's assessment of: NuVista’s future focus, strategy, plans, opportunities and operations; financial and commodity risk management strategy; NuVista’s planned capital expenditures and sources of funding; NuVista's 110,000 Boe/d growth plan; drilling and completion plans; future well results and the anticipated potential and growth opportunities associated with NuVista’s asset base; expected timing and costs associated with the SemCAMS Wapiti gas plant and the Pipestone compressor station construction projects; NuVista's future exposure to AECO; capital spending, production and adjusted funds flow guidance; anticipated production outages and the impact on future production; plans to monetize the construction costs of the Pipestone compressor station; future net debt. Expectations regarding future government curtailment; expectations with respect to improved market access and the anticipated impact on future differentials and market volatility. By their nature, forward-looking statements are based upon certain assumptions and are subject to numerous risks and uncertainties, some of which are beyond NuVista’s control, including the impact of general economic conditions, industry conditions, current and future commodity prices, currency and interest rates, anticipated production rates, borrowing, operating and other costs and adjusted funds flow, the timing, allocation and amount of capital expenditures and the results therefrom, anticipated reserves and the imprecision of reserve estimates, the performance of existing wells, the success obtained in drilling new wells, the sufficiency of budgeted capital expenditures in carrying out planned activities, access to infrastructure and markets, competition from other industry participants, availability of qualified personnel or services and drilling and related equipment, stock market volatility, effects of regulation by governmental agencies including changes in production curtailment, environmental regulations, tax laws and royalties; the ability to access sufficient capital from internal sources and bank and equity markets; the inability to monetize the construction costs of the Pipestone compressor station on the terms expected or at all; and including, without limitation, those risks considered under “Risk Factors” in our Annual Information Form. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. NuVista’s actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements, or if any of them do so, what benefits NuVista will derive therefrom. NuVista has included the forward-looking statements in this news release in order to provide readers with a more complete perspective on NuVista’s future operations and such information may not be appropriate for other purposes. NuVista disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

This news release also contains financial outlook information about NuVista's prospective results of operations and adjusted funds flow, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on such financial outlooks. NuVista’s actual results, performance or achievement could differ materially from those expressed in, or implied by, these financial outlooks or if any of them do so, what benefits NuVista will derive therefrom. NuVista has included the forward-looking statements and financial outlooks in order to provide readers with a more complete perspective on NuVista’s future operations and such information may not be appropriate for other purposes. NuVista disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Non-GAAP measurements
Within the news release, references are made to terms commonly used in the oil and natural gas industry. Management uses “adjusted funds flow”, "adjusted funds flow per share", "annualized current quarter adjusted funds flow”, “net debt", "net debt to annualized current quarter adjusted funds flow", “trailing twelve month net debt to adjusted funds flow”, "operating netback", and "corporate netback", to analyze performance and leverage. These terms do not have any standardized meaning prescribed by GAAP and therefore may not be comparable with the calculation of similar measures for other entities.

Adjusted funds flow
NuVista considers adjusted funds flow to be a key measure that provides a more complete understanding of the Company's ability to generate cash flow necessary to finance capital expenditures, expenditures on asset retirement obligations, and meet its financial obligations. NuVista has calculated adjusted funds flow based on cash flow provided by operating activities, excluding changes in non-cash working capital, asset retirement expenditures and environmental remediation recovery, as management believes the timing of collection, payment, and occurrence is variable and by excluding these items from the calculation, management is able to provide a more meaningful performance measure. More specifically, expenditures on asset retirement obligations may vary from period to period depending on the Company's capital programs and the maturity of its operating areas, while environmental remediation recovery relates to an incident that management doesn't expect to occur on a regular basis. The settlement of asset retirement obligations is managed through NuVista's capital budgeting process which considers its available adjusted funds flow. Adjusted funds flow as presented is not intended to represent operating cash flow or operating profits for the period nor should it be viewed as an alternative to cash flow from operating activities, per the statement of cash flows, net earnings (loss) or other measures of financial performance calculated in accordance with GAAP. Adjusted funds flow per share is calculated based on the weighted average number of common shares outstanding consistent with the calculation of net earnings (loss) per share. Please refer to Note 14 “Capital Management” in NuVista’s financial statements for the three and nine months ended September 30, 2018 and NuVista’s management discussion and analysis for the same period which includes a reconciliation of adjusted funds flow to net earnings (loss) and comprehensive income and to cash provided by operating activities.

Net debt
Net debt is used by management to provide a more complete understanding of the Company's capital structure and provides a key measure to assess the Company's liquidity. NuVista has calculated net debt based on cash and cash equivalents, accounts receivable and prepaid expenses, accounts payable and accrued liabilities, accrued environmental remediation liabilities, long term debt (credit facility) and senior unsecured notes. Please refer to Note 14 “Capital Management” in NuVista’s financial statements for the three and nine months ended September 30, 2018 and NuVista’s management discussion and analysis for the same period which includes a reconciliation of net debt and net debt to annualized current quarter adjusted funds flow.

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Die URL für diesen Artikel lautet:
https://www.rohstoff-welt.de/news/318705--NuVista-Energy-Ltd.-Announces-Operational-Update-and-Revised-Capital-Spending-Plan.html

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