

SDX Energy PLC Announces its Financial and Operating Results for the Three and Six Months Ended 30 June 2019

22.08.2019 | [CNW](#)

LONDON, Aug. 22, 2019 - [SDX Energy Plc](#) (AIM: SDX), the North Africa-focused oil and gas company, announces its financial and operating results for the three and six months ended 30 June 2019. All monetary values are expressed in United States dollars net to the Company unless otherwise stated.

Summary

Operations

- H1 2019 production of 3,539 boe/d, net to SDX, an increase of 9% from H1 2018 due to successful drilling in Meseda and increased gas sales in Morocco. Q2 2019 production of 3,366 boe/d (net) was 9% lower than Q1 2019, primarily the result of an increased water cut in North West Gemsa.

Egypt

- Construction of the South Disouq central processing facility ("CPF"), pipeline, and well tie-ins continued in H1 2019 with first gas expected in Q4 2019. The CPF has cleared customs in Alexandria and is en route to site at South Disouq, thus achieving the second of the three key project milestones. The final milestone of first gas in Q4 2019 remains on track, subject to the successful installation and hook-up of the CPF, which is scheduled to begin later in August, with the Company aiming for a gross plateau production rate of c.50 MMscfe/d by Q1 2020.
- Discussions continue with our partner relating to the potential exploration drilling programme in South Disouq. A further update will be provided when agreement on the drilling programme is reached.
- In Meseda, following successful drilling of the Rabul-7 development well, a further development well, MSD-19, was spud in early August, and the Company will announce the result of this well in due course. The Company maintains its existing gross production guidance of 4,000-4,200 bbl/d.
- In North West Gemsa, 2019 gross production guidance is maintained at 3,000-3,200 boe/d, with well workovers slowing the rate of natural field decline.

Morocco

- Planning for the drilling of 12 wells in Morocco is at an advanced stage, with the campaign targeted to begin in Q4 2019 and complete in H1 2020. All long lead items have been ordered and all key contracts finalised. The programme will be targeting 15bcf of gross unrisked prospective resources.
- Morocco gas customers added in late 2018/early 2019 continue to stabilise consumption rates, underpinning 2019 sales guidance of an annual average gross rate of 6.0-6.5 MMscf/d.
- The drilling campaign in Morocco will target sufficient reserves to satisfy existing customers' forecast demands and test new play opening areas of prospectivity across the portfolio.

Financial

- H1 2019 net revenues of US\$25 million are 4% higher than in H1 2018, with higher production compensating for lower net realised average oil/service fees of US\$57/boe, compared to US\$62/boe in H1 2018.

- H1 2019 netback of US\$18 million was lower than the US\$19 million achieved in H1 2018, mainly because of increased workover opex activity in H1 2019 and a greater allocation of costs to opex in H1 2019. These costs were allocated to capex/drilling campaigns in Morocco and NW Gemsa in H1 2018.
- Operating cash flow before capex in H1 2019 remained robust at US\$13 million (H1 2018: US\$20 million (which was higher as a result of the unwinding of a larger Egyptian Petroleum Company ("EGPC") debtor in the period)), supporting US\$19 million of capex invested in the period (H1 2018: US\$22 million). Of this US\$19 million, US\$12 million related to the South Disouq CPF, pipeline and well tie-ins and 3D seismic, US\$3 million for customer connections and 3D seismic in Morocco, US\$3 million for workovers in Meseda and North West Gemsa and US\$1 million for drilling and completion costs at South Ramadan.
- The Company's drilling and development activities set out above are fully funded from expected future cash flows and its existing sources of liquidity.
- Cash at 30 June 2019 was US\$11 million, with the US\$10 million EBRD facility remaining undrawn.

Mark Reid, CFO and Interim CEO of SDX, commented:

"The Company continues to make good progress toward achieving its three medium-term strategic objectives of securing first gas at South Disouq in Q4 2019, executing an efficient and successful 12-well drilling campaign in Morocco in 2019/20, and continuing with our potential exploration drilling campaign in South Disouq in 2020.

Production and capex from our operations remains within our guided ranges and we look forward to updating the market on the results of our drilling activities in Meseda and Morocco in the coming months. Our cashflow generation, liquidity position, and balance sheet remain strong and continue to provide us with the necessary funding to complete all of these medium-term strategic objectives.

Achieving first gas at South Disouq in Q4 will be transformative for the Company, as we will benefit from our 55% share of the expected production plateau of 50 MMscfe/d from Q1 2020."

Corporate and financial

- SDX's key financial metrics for the three and six months ended 30 June 2019 and 2018 are:

	Three months ended		Six months ended	
	30 June		30 June	
US\$ million, except per unit amounts	2019	2018	2019	2018
Net revenues	12.7	13.5	25.4	24.4
Netback ⁽¹⁾	9.1	10.3	18.5	19.3
Net realised average oil/service fees - US\$/barrel	60.62	64.23	57.44	61.97
Net realised average Morocco gas price - US\$/mcf	10.31	10.51	10.28	10.27
Netback – US\$/boe	29.84	33.00	28.80	32.91
EBITDAX ^{(1) (2)}	7.3	8.6	15.1	16.2
Exploration & evaluation expense ("E&E")	(0.4)	(2.1)	(0.6)	(5.3)
Depletion, depreciation, and amortisation ("DD&A")	(6.0)	(3.7)	(11.9)	(6.2)
Total comprehensive(loss)/income	(0.5)	0.6	(0.4)	1.0
Net cash generated from operating activities	5.8	9.4	12.8	20.3
Cash and cash equivalents	11.2	25.2	11.2	25.2

Note:

(1) Refer to the "Non-IFRS Measures" section of this release below for details of Netback and EBITDAX.

(2) EBITDAX for each period presented includes non-cash revenue relating to the grossing up of Egyptian Corporate Tax on the North West Gemsa PSC, which is paid by the Egyptian State on behalf of the Company (Q2 2019: US\$0.9 million, Q2 2018: US\$1.2 million, H1 2019: US\$1.9 million, H1 2018: US\$2.2 million)

- The main components of SDX's comprehensive loss of US\$(0.4) million for the six months ended 30 June 2019 are:
 - US\$18.5 million netback;
 - US\$11.9 million of DD&A;
 - US\$3.3 million of G&A; and
 - US\$1.1 million of transaction costs covering the re-domicile of the Company from Canada to the UK, the Company's capital reduction to improve our ability to pay dividends, and other business development activities.
- Netback for the six months ended 30 June 2019 was US\$18.5 million, down from US\$19.3 million for the six months to 30 June 2018. This decrease has mainly been driven by a 7% reduction in H1 2019 realised average oil prices in Egypt to US\$57.44/bbl from US\$61.97/bbl in H1 2018, higher opex resulting from increased workover activity in H1 2019, and a greater allocation of costs to opex in the period. These costs were allocated to capex/drilling campaigns in Morocco and NW Gemsa in H1 2018. These factors were partly offset by increased production at Meseda and in Morocco.
- The cash position of US\$11.2 million as at 30 June 2019 is broadly unchanged from the US\$11.4m as at 31 March 2019 and US\$6.1 million lower than the US\$17.3 million as at 31 December 2018.

- The main components of this H1 2019 cash movement are: operating cash flows of US\$14.1 million, which includes a US\$3.0 million improvement in working capital predominantly due to the continued reduction in Egyptian receivables, an Egyptian corporation tax payment of US\$1.3 and the US\$19.3 million capital investment programme discussed below. The Company's three-year, US\$10.0 million credit facility established in July 2018 with the EBRD remains undrawn.
- US\$19.3 million of capital expenditure has been invested into the business during the six months ended 30 June 2019. This is comprised of:
 - US\$12.4 million for the South Disouq development, comprising US\$9.8 million for the CPF, pipeline and well tie-ins, and US\$2.6 million for the 170km² 3D seismic programme;
 - US\$1.9 million in North West Gemsa for the ongoing well workover programme;
 - US\$1.1 million in Meseda for the ongoing electrical submersible pump ("ESP") and sucker rod pump replacement programmes;
 - US\$1.4 million in South Ramadan for the SRM-3 well and development project, the results of which are currently being assessed; and
 - US\$2.5 million in Morocco, comprising US\$2.1 million for customer connections, facilities and studies, and US\$0.4 million relating to the 240km² 3D seismic programme in Gharb Centre.
- Trade and other receivables have reduced to US\$21.8 million as at 30 June 2019, down from US\$24.3 million as at 31 December 2018. This reduction is predominantly a result of the continued recovery of trade receivables which were due from the Egyptian State and offset against costs owing to Egyptian State contractors used on the South Disouq development project.
- Post period end, the Company has collected a further US\$5.7 million of trade receivables of which US\$3.9 million was collected from EGPC and US\$1.8 million was collected from third-party gas customers in Morocco. Out of the US\$3.9 million from EGPC, US\$0.4 million was offset against South Disouq drilling and development costs and amounts owing to joint venture partners.

Operational highlights

- The Company's entitlement share of production from its operations for the six months ended 30 June 2019 was 3,539 boe/d (gross – 9,250 boe/d) split as follows:
 - North West Gemsa 1,972 boe/d (gross – 3,944 boe/d)
 - Meseda 822 bbl/d (gross – 4,313 bbl/d)
 - Morocco 745 boe/d (gross – 993 boe/d)

Egypt

- In South Disouq (SDX 55% working interest and operator), the Company was awarded a 25-year development lease on 1 July 2019 covering the Ibn Yunus development area, which together with the 25-year South Disouq development lease granted on 2 January 2019 comprises the South Disouq development project. Gas sales agreements have been signed for both development leases, with pricing of US\$2.85/Mcf.
- Development of the South Disouq CPF, pipeline and well tie-ins continued during H1 2019, with the 12" export line to the Egyptian national grid now 100% completed and tested, alongside three of the four 6" flowlines from the discovery wells to the CPF. The CPF and the compressor both passed factory acceptance tests and the CPF has cleared Customs in Alexandria and is en route to site at South Disouq. The installation and hook-up of the CPF is scheduled to commence later in August and production is expected to start up in Q4 2019. After a ramp up phase, an initial gross plateau production rate of c.50 MMscfe/d of conventional natural gas is being targeted.
- Interpretation of South Disouq's 170 km² 3D seismic survey that was completed in February 2019 continues, alongside the re-processing of 300 km² 3D seismic data acquired in 2016. During H2 2019, the Company will review the final results of the composite 3D interpretation, undertake partner discussions on a potential drilling campaign, and complete an assessment of drilling risk and capital allocation. Upon conclusion of these activities, a decision will be made on a future drilling campaign.

- In Meseda (SDX 50% working interest and joint operator), the Company completed the Rabul-7 development well, which is contributing c.400 bbl/d gross to production, and participated in the workover of five wells during Q2 2019 across the Rabul (Rabul-2, Rabul-2R) and Meseda (MSD-8, MSD-11 and FADL N-1) fields. The two Rabul wells were recompleted in additional producing horizons, the MSD-8 well had an ESP replacement, and the MSD-11 and FADL N-1 wells had sucker rod pump replacements. These workovers were part of a wider programme, following on from the four wells worked over in Q1 2019. During Q1 2019, the MSD-4 well was converted to a water injector, with the planned Rabul water injection well deferred pending the results of a subsurface study. The above activities were all part of the 2019 budgeted capital expenditure programme supporting the 2019 annual production guidance of 4,000-4,200 bbl/d.
- In the remainder of 2019, the partners will complete the drilling of a further development well, MSD-19, which spud in early August. The Company will announce the result of this well in due course.
- In North West Gemsa (SDX 50% working interest and non-operator), five workovers were carried out in Q2 2019. The AASE-25, AASE-18 and AASE-5 wells had ESPs installed, the AASE-6 well had its completion string replaced and the Geyad-1 was re-entered to replace the ESP and the results of this operation are currently being reviewed. One well was worked over in Q1 2019.
- At South Ramadan (SDX 12.75% working interest and non-operator), the SRM-3 appraisal well was spud on 14 June 2018 and reached a target depth of 15,635 feet. The operator reported encountering 75 feet of net conventional oil pay in the Matulla section (primary target), 20 feet of net conventional oil pay in the Brown Limestone formation, and a further 15 feet of net conventional oil pay in the Sudr section. The well was completed and operations continue on the flowline upgrade/replacement so that the well can be flow-tested. Based on the results of the flow-test, the Company will decide how best to optimise its position in the licence.

Morocco

- The Company's Moroccan acreage (SDX 75% working interest and operator) consists of five concessions, all of which are located in the Gharb Basin in northern Morocco: Sebou, Lalla Mimouna Nord, Gharb Centre, Lalla Mimouna Sud, and Moulay Bouchta Ouest, with the latter two secured by the Company during H1 2019.
- In 2018, the Company began selling natural gas to the following new customers: Peugeot, Extralait, and GPC Kenitra. During H1 2019, natural gas sales began to three additional customers: Setexam, Citic Dicastal and Omnium Plastic.
- The six new customers have been increasing their consumption rates during H1 2019, with several expected to reach stabilised rates during the second half of the year. H1 2019 gross production was 6.0MMscf/d, a 15% increase from the 2018 rate of 5.2MMscf/d.
- The Moulay Bouchta Ouest exploration concession has been awarded to SDX for a period of eight years, with a commitment to reprocess 150 km of 2D seismic data, acquire 100 km² of new 3D seismic, and drill one exploration well within the first three and a half-year period.
- The Lalla Mimouna Sud exploration concession has been re-awarded to SDX for a period of eight years, with a commitment to acquire 50 km² of 3D seismic and drill one exploration well within the first three-year period.
- None of these commitments are expected to require funding in the next 12 months.

2019 production and Capex guidance:

- The Company's H1 2019 production, FY19 production guidance, and FY19 Capex guidance are shown below:

Gross production			Capex (net to SDX)
Asset	Six months ended 30 June 2019	FY19 Guidance	FY19 Guidance
NW Gemsa - WI 50%	3,944 boe/d	3,000 - 3,200 boe/d	US\$2.0 million
Meseda – WI 50%	4,313 bbl/d	4,000 - 4,200 bbl/d	US\$2.7 million
South Disouq – WI 55%	N/A	First gas by Q4'19. c.50 MMscfe/d plateau by Q1'20	US\$19.5 million
Morocco – WI 75%	6.0 MMscf/d*	6.0 - 6.5 MMscf/d 2019 annual average rate	US\$12.0 million

* Reflects stabilised consumption from four out of eight customers. The remaining four customers consumed low volumes of gas in H1 2019 and are expected to increase consumption in H2 2019.

- Capex guidance is unchanged and comprises:
 - North West Gemsa: US\$4.0 million (US\$2.0 million net to SDX) consisting of up to 10 well workovers and infrastructure maintenance.
 - Meseda: US\$5.4 million (US\$2.7 million net to SDX) for two development wells, ESP replacements and facilities upgrades.
 - South Disouq: US\$35.5 million (US\$19.5 million net to SDX). Of the Company's share, approximately US\$17.0 million relates to South Disouq development activities and US\$2.5 million relates to long lead items and drilling preparations for two potential exploration wells in 2020. To date in 2019, the Company has offset US\$13.9 million of its accounts receivable due from the EGPC against costs incurred with Egyptian State contractors on the South Disouq development. The Company expects to use future accounts receivable offsets amounting to US\$3.2 million to fund its remaining US\$4.0 million share of capex to first gas.
 - Morocco: US\$14.0 million (US\$12.0 million net to SDX). Out of this US\$12.0 million, US\$3.4 million relates to long lead items for the 12 wells and US\$6.0 million relates to the drilling costs for up to four wells expected to be drilled by the end of 2019. The remaining US\$2.6 million relates to the Company's share of facilities and field maintenance capex.

Corporate

- SDX remains fully funded for all existing and planned activities.
- Corporate reorganisation completed in May 2019, with re-domiciliation from Canada to the UK, and delisting from TSX-V.
- Completed capital reduction exercise in June 2019 to improve the ability to pay dividends in the future when the Company deems it prudent to do so.
- As part of the Company's strategy, it continues to review and explore opportunities to expand the asset base in the North Africa region, including new licencing rounds and acquisitions.

KEY FINANCIAL & OPERATING HIGHLIGHTS

Unaudited interim condensed consolidated financial statements with Management's Discussion and Analysis for the three and six months ended 30 June 2019 are now available on the Company's website at www.sdxenergy.com and on SEDAR at www.sedar.com.

		Prior Quarter		Three months ended		Six months ended	
				30 June		30 June	
				2019	2018	2019	2018
\$000s except per unit amounts							
FINANCIAL							
Gross revenues	16,690	16,491	18,123	33,181	32,887		
Royalties	(4,009)	(3,759)	(4,651)	(7,768)	(8,455)		
Net revenues	12,681	12,732	13,472	25,413	24,432		
Operating costs	(3,374)	(3,589)	(3,168)	(6,963)	(5,162)		
Netback (1)	9,307	9,143	10,304	18,450	19,270		
EBITDAX (1)	7,808	7,307	8,585	15,116	16,208		
Total comprehensive income/(loss)	132	(489)	640	(354)	971		
Net income/(loss) per share - basic	0.001	(0.002)	0.003	(0.002)	0.005		
Cash, end of period	11,354	11,195	25,234	11,195	25,234		
Working capital (excluding cash)	10,069	6,409	11,121	6,409	11,121		
Capital expenditures	13,041	8,777	14,742	21,818	24,690		
Total assets	137,630	140,122	143,419	140,122	143,419		
Shareholders' equity	116,491	115,346	116,246	115,346	116,246		
Common shares outstanding (000's)	204,723	204,723	204,493	204,723	204,493		
OPERATIONAL							
NW Gemsa oil sales (bbl/d)	1,586	1,326	1,665	1,455	1,586		
Block-H Meseda production service fee (bbl/d)	826	818	706	822	633		
Morocco gas sales (boe/d)	761	729	656	745	660		
Other products sales (boe/d)	542	493	403	517	355		
Total sales volumes (boe/d)	3,715	3,366	3,430	3,539	3,234		
Realised oil price (US\$/bbl)	58.22	64.98	68.41	61.32	65.77		
Realised service fee (US\$/bbl)	47.58	53.56	54.37	50.57	52.45		
Realised oil sales price and service fees (\$/bbl)	54.58	60.62	64.23	57.44	61.97		
Realised Morocco gas price (US\$/mcf)	10.26	10.31	10.51	10.28	10.27		
Royalties (\$/boe)	11.99	12.27	14.90	12.12	14.44		
Operating costs (\$/boe)	10.09	11.72	10.15	10.87	8.82		

Netback (\$/boe) (1)	27.84	29.84	33.00	28.80	32.91
----------------------	-------	-------	-------	-------	-------

(1) Refer to the "Non-IFRS Measures" section of this release below and the Company's MD&A for the three and six months ended 30 June 2019 and 2018 for details of netback and EBITDAX.

Consolidated Balance Sheet

(US\$'000s)

As at 30 June 2019 As at 31 December 2018

Assets

Cash and cash equivalents	11,195	17,345
Trade and other receivables	21,764	24,324
Inventory	3,741	5,236
Current assets	36,700	46,905
Investments	3,479	3,394
Property, plant and equipment	41,652	48,680
Exploration and evaluation assets	56,374	39,128
Right-of-use assets	1,917	-
Non-current assets	103,422	91,202
Total assets	140,122	138,107

Liabilities

Trade and other payables	16,018	14,418
Deferred income	491	495
Decommissioning liability	1,125	1,125
Current income taxes	938	1,458
Lease liability	524	-
Current liabilities	19,096	17,496
Deferred income	-	240
Decommissioning liability	4,080	4,042
Deferred income taxes	290	290
Lease liability	1,310	-
Non-current liabilities	5,680	4,572

Total liabilities

24,776

22,068

Equity

Share capital	2,593	88,899
Share-based payment reserve	6,521	6,860
Accumulated other comprehensive loss (917)		(917)
Merger reserve	37,034	-
Retained earnings	70,115	21,197
Total equity	115,346	116,039
Equity and liabilities	140,122	138,107

Interim Consolidated Statement of Comprehensive Income

	Three months ended 30 June		Six months ended 30 June	
(US\$'000s)	2019	2018	2019	2018
Revenue, net of royalties	12,732	13,472	25,413	24,432
Direct operating expense	(3,589)	(3,168)	(6,963)	(5,162)
Gross profit	9,143	10,304	18,450	19,270
Exploration and evaluation expense	(380)	(2,064)	(615)	(5,314)
Depletion, depreciation, and amortisation	(6,047)	(3,657)	(11,945)	(6,190)
Share-based compensation	658	(324)	339	(656)
Share of profit from joint venture	355	292	724	526
Release of historic operational tax provision	-	300	-	300
Inventory write-off	-	(490)	-	(490)
Gain on sale of office asset	-	23	-	23
General and administrative expenses				
- Ongoing general and administrative expenses	(2,083)	(1,520)	(3,293)	(2,765)
- Transaction costs	(766)	-	(1,104)	-
Operating income	880	2,864	2,556	4,704
Net finance expense	(105)	(33)	(246)	(54)
Foreign exchange gain	(18)	(452)	(5)	(438)
Loss on acquisition	-	-	-	(174)
Income before income taxes	757	2,379	2,305	4,038
Current income tax expense	(1,246)	(1,739)	(2,659)	(3,067)
Deferred income tax expense	-	-	-	-
Total current and deferred income tax expense	(1,246)	(1,739)	(2,659)	(3,067)
Total comprehensive (loss)/income for the period	(489)	640	(354)	971
Net (loss)/income per share				
Basic	\$(0.002)	\$0.003	\$(0.002)	\$0.005
Diluted	\$(0.002)	\$0.003	\$(0.002)	\$0.005

Consolidated Statement of Changes in Equity

	Six months ended 30 June	
(US\$'000s)	2019	2018
Share capital		
Balance, beginning of period	88,899	88,785
Share-for-share exchange - old	(88,899)	-
Share-for-share exchange - new	51,865	-
Capital reduction	(49,272)	-
Balance, end of period	2,593	88,785
Share-based payment reserve		
Balance, beginning of period	6,860	5,666
Share-based compensation for the period	(339)	656
Balance, end of period	6,521	6,322
Accumulated other comprehensive loss		
Balance, beginning of period	(917)	(917)
Balance, end of period	(917)	(917)
Merger reserve		
Balance, beginning of period	-	-
Share-for-share exchange	37,034	-
Balance, end of period	37,034	-
Retained earnings		
Balance, beginning of period	21,197	21,085
Capital reduction	49,272	-
Total comprehensive (loss)/income for the period (354)		971
Balance, end of period	70,115	22,056
Total equity	115,346	116,246

Consolidated Statement of Cash Flows

	Three months ended 30 June		Six months ended 30 June	
(US\$'000s)	2019	2018	2019	2018

Cash flows generated from/(used in) operating activities

Income before income taxes	757	2,379	2,305	4,038
Adjustments for:				
Depletion, depreciation, and amortisation	6,047	3,657	11,945	6,190
Exploration and evaluation expense	-	1,783	-	5,033
Finance expense	105	33	246	54
Share-based compensation	(658)	324	(339)	656
Loss on acquisition	-	-	-	174
Foreign exchange loss/(gain)	(73)	269	(190)	(58)
Gain on sale of office asset	-	(23)	-	(23)
Release of historic operational tax provision	-	(300)	-	(300)
Inventory write-off	-	490	-	490
Amortisation of deferred income	(122)	(365)	(243)	(489)
Tax paid by state	(921)	(1,192)	(1,901)	(2,167)
Share of profit from joint venture	(355)	(292)	(724)	(526)
Operating cash flow before working capital movements	4,780	6,763	11,099	13,072
(Increase)/decrease in trade and other receivables	(112)	1,070	2,317	8,342
Increase in trade and other payables	2,701	2,819	1,543	778
Payments for inventory	(227)	(180)	(854)	(769)
Cash generated from operating activities	7,142	10,472	14,105	21,423
Income taxes paid	(1,303)	(1,091)	(1,303)	(1,091)
Net cash generated from operating activities	5,839	9,381	12,802	20,332
Cash flows generated from/(used in) investing activities:				
Property, plant, and equipment expenditures	(3,007)	(7,726)	(4,811)	(13,203)
Exploration and evaluation expenditures	(3,430)	(5,946)	(14,494)	(8,311)
Dividends received	639	525	639	525
Net cash used in investing activities	(5,798)	(13,147)	(18,666)	(20,989)
Cash flows used in financing activities:				
Payments of lease liabilities	(243)	-	(418)	-
Finance costs paid	(30)	(8)	(58)	(11)
Net cash used in financing activities	(273)	(8)	(476)	(11)
Decrease in cash and cash equivalents				

(3,774)

(6,340)

Effect of foreign exchange on cash and cash equivalents 73		(269)	190	58
Cash and cash equivalents, beginning of period	11,354	29,277	17,345	25,844
Cash and cash equivalents, end of period	11,195	25,234	11,195	25,234

About SDX

SDX is an international oil and gas exploration, production and development company, headquartered in London, England, UK, with a principal focus on North Africa. In Egypt, SDX has a working interest in two producing assets (50% North West Gemsa & 50% Meseda) located onshore in the Eastern Desert, adjacent to the Gulf of Suez. In Morocco, SDX has a 75% working interest in the Sebou concession, situated in the Gharb Basin. These producing assets are characterised by exceptionally low operating costs, making them particularly resilient in a low oil price environment. SDX's portfolio also includes high impact exploration opportunities in both Egypt and Morocco.

For further information, please see the Company's website at www.sdxenergy.com or the Company's filed documents at www.sedar.com.

Competent Persons Statement

In accordance with the guidelines of the AIM Market of the London Stock Exchange the technical information contained in the announcement has been reviewed and approved by Rob Cook, VP Subsurface of SDX. Dr. Cook, has over 25 years of oil and gas industry experience, is the qualified person as defined in the London Stock Exchange's Guidance Note for Mining and Oil and Gas companies. Dr. Cook holds a BSc in Geochemistry and a PhD in Sedimentology from the University of Reading, UK. He is a Chartered Geologist with the Geological Society of London (Geol Soc) and a Certified Professional Geologist (CPG-11983) with the American Institute of Professional Geologists (AIPG).

Glossary

"bbl"	stock tank barrel
"boepd" & "boe/d"	barrels of oil equivalent per day
"bopd" & "bbl/d"	barrels of oil per day
"Mcf"	thousands of cubic feet
"MMscf/d"	million standard cubic feet per day
"MMscfe/d"	million standard cubic feet equivalent per day

Forward-Looking Information

Certain statements contained in this press release may constitute "forward-looking information" as such term is used in applicable Canadian securities laws. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or are not statements of historical fact should be viewed as forward-looking information. In particular, statements regarding the Company's plans, the timing of completion of the South Disouq CPF, the timing of completion of the export pipelines and well tie-ins, production targets, future drilling, seismic work, new gas sales customers, ESP replacement, field facility upgrades, well workovers, and the timing and costs thereof, as well as capital expenditures, operational expenditures, the reduction in Egyptian receivables, prospective opportunities, and business development activity, should all be regarded as forward-looking information.

The forward-looking information contained in this document is based on certain assumptions and although management considers these assumptions to be reasonable based on information currently available to them, undue reliance should not be placed on the forward-looking information because SDX can give no assurances that they may prove to be correct. This includes, but is not limited to, assumptions related to, among other things, commodity prices and interest and foreign exchange rates; planned synergies, capital efficiencies and cost-savings; applicable tax laws; future production rates; receipt of necessary permits; the

sufficiency of budgeted capital expenditures in carrying out planned activities and the availability and cost of labour and services.

All timing given in this announcement, unless stated otherwise is indicative and while the Company endeavours to provide accurate timing to the market, it cautions that, due to the nature of its operations and reliance on third parties, this is subject to change, often at little or no notice. If there is a delay or change to any of the timings indicated in this announcement, the Company shall update the market without delay.

Forward-looking information is subject to certain risks and uncertainties (both general and specific) that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements. Such risks and other factors include, but are not limited to, political, social, and other risks inherent in daily operations for the Company, risks associated with the industries in which the Company operates, such as: operational risks; delays or changes in plans with respect to growth projects or capital expenditures; costs and expenses; health, safety and environmental risks; commodity price, interest rate and exchange rate fluctuations; environmental risks; competition; permitting risks; the ability to access sufficient capital from internal and external sources; and changes in legislation, including but not limited to tax laws and environmental regulations. Readers are cautioned that the foregoing list of risk factors is not exhaustive and are advised to refer to SDX's Management's Discussion & Analysis for the three and six months ended 30 June 2019, which can be found on SDX's SEDAR profile at www.sedar.com, for a description of additional risks and uncertainties associated with SDX's business, including its exploration activities.

The forward-looking information contained in this press release is as of the date hereof and SDX does not undertake any obligation to update publicly or to revise any of the included forward-looking information, except as required by applicable law. The forward-looking information contained herein is expressly qualified by this cautionary statement.

Non-IFRS Measures

This news release contains the terms "Netback," and "EBITDAX", which are not recognised measures under IFRS and may not be comparable to similar measures presented by other issuers. The Company uses these measures to help evaluate its performance.

Netback is a non-IFRS measure that represents sales net of all operating expenses and government royalties. Management believes that netback is a useful supplemental measure to analyse operating performance and provide an indication of the results generated by the Company's principal business activities prior to the consideration of other income and expenses. Management considers netback an important measure as it demonstrates the Company's profitability relative to current commodity prices. Netback may not be comparable to similar measures used by other companies. See Netback reconciliation to operating income/(loss) in the Company's Interim Consolidated Financial Statements for the three and six months ended 30 June 2019 and 2018.

EBITDAX is a non-IFRS measure that represents earnings before interest, tax, depreciation, amortisation, exploration expense and impairment. EBITDAX is calculated by taking operating income/(loss) and adjusted for the add-back of depreciation and amortisation, exploration expense and impairment of property, plant and equipment (if applicable). EBITDAX is presented in order for the users of the financial statements to understand the cash profitability of the Company, which excludes the impact of costs attributable to exploration activity, which tend to be one-off in nature, and the non-cash costs relating to depreciation, amortisation and impairments. EBITDAX may not be comparable to similar measures used by other companies. See EBITDAX reconciliation to operating income/(loss) in the Company's Interim Consolidated Financial Statements for the three and six months ended 30 June 2019 and 2018.

Oil and Gas Advisory

Estimates of reserves have been made, assuming the development of each property in which the estimate is made will actually occur, without regard to the likely availability to the Company of funding required for the development of such reserves.

Certain disclosure in this news release constitute "anticipated results" for the purposes of National

Instrument 51-101 & Standards for Oil and Gas Activities of the Canadian Securities Administrators because the disclosure in question may, in the opinion of a reasonable person, indicate the potential value or quantities of resources in respect of the Company's resources or a portion of its resources. Without limitation, the anticipated results disclosed in this news release include estimates of volume, flow rate, production rates, porosity and pay thickness attributable to the resources of the Company. Such estimates have been prepared by management of the Company and have not been prepared or reviewed by an independent qualified reserves evaluator or auditor. Anticipated results are subject to certain risks and uncertainties, including those described above and various geological, technical, operational, engineering, commercial, and technical risks. In addition, the geotechnical analysis and engineering to be conducted in respect of such resources is not complete. Such risks and uncertainties may cause the anticipated results disclosed herein to be inaccurate. Actual results may vary, perhaps materially.

Prospective Resources

The prospective resource estimates disclosed herein have been prepared by an independent qualified reserves evaluator, ERC Equipoise Limited, in accordance with the Canadian Oil and Gas Evaluation Handbook. The prospective resources disclosed herein have an effective date of 1 January 2019. Prospective resources are those quantities of gas, estimated as of the given date, to be potentially recoverable from undiscovered accumulations through future development projects. As prospective resources, there is no certainty that any portion of the resources will be discovered. The chance that an exploration project will result in a discovery is referred to as the "chance of discovery" as defined by the management of the Company. There is no certainty that it will be commercially viable to produce any portion of the resources discussed herein; though any discovery that is commercially viable would be tied back to the Company's pipeline in Morocco and then connected to customers' facilities within 9 to 12 months of discovery. Based upon the economic analysis undertaken on any discovery, management has attributed an associated chance of development of 100%. Anticipated results are subject to certain risks and uncertainties, including various geological, technical, operational, engineering, commercial and technical risks. In addition, the geotechnical analysis and engineering to be conducted in respect of such resources is not complete. Such risks and uncertainties may cause the anticipated results disclosed herein to be inaccurate. Actual results may vary, perhaps materially.

There are uncertainties associated with the volume estimates of the prospective resources disclosed herein, due to the level of information available on prospective resources, but ranges are defined based on data from the Company's nearby existing analogous wells. Some of the risk and uncertainties are outlined below:

- Petrophysical parameters of the sand/reservoir;
- Fluid composition, especially heavy end hydrocarbons;
- Accurate estimation of reservoir conditions (pressure and temperature);
- Reservoir drive mechanism;
- Potential well deliverability; and
- The thickness and lateral extent of the reservoir section, currently based on 3D seismic data.

Use of the term "boe" or the term "MMscf" may be misleading, particularly if used in isolation. A "boe" conversion ratio of 6 Mcf: 1 bbl and a "Mcf" conversion ratio of 1bbl: 6 Mcf are based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

THE INFORMATION CONTAINED WITHIN THIS ANNOUNCEMENT IS DEEMED BY SDX TO CONSTITUTE INSIDE INFORMATION AS STIPULATED UNDER THE MARKET ABUSE REGULATION (EU) NO. 596/2014 ("MAR"). ON THE PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE ("RIS"), THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

SOURCE SDX Energy Inc.

Contact

[SDX Energy Plc](#), Mark Reid, Chief Financial Officer and Interim Chief Executive Officer, Tel: +44 203 219 5640; Stifel Nicolaus Europe Limited (Nominated Adviser and Joint Broker), Callum Stewart, Nicholas Rhodes, Ashton Clanfield, Tel: +44 (0) 20 7710 7600; Cantor Fitzgerald Europe (Joint Broker), David Porter, Tel: +44 207 7894 7000; GMP FirstEnergy (Joint Broker), Jonathan Wright, Tel: +44 207 448 0200; Celicourt

(PR), Mark Antelme/Jimmy Lea/Ollie Mills, Tel: +44 208 434 2754

Dieser Artikel stammt von [Rohstoff-Welt.de](https://www.rohstoff-welt.de)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/332936--SDX-Energy-PLC-Announces-its-Financial-and-Operating-Results-for-the-Three-and-Six-Months-Ended-30-June-2025>

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 -1999-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).