

# Cub Energy Announces Net Earnings of US \$0.8 million for First Half of 2019

27.08.2019 | [ACCESS Newswire](#)

## *Cub Energy Announces Net Earnings of US \$0.8 million for the First Half of 2019*

HOUSTON, August 27, 2019 - [Cub Energy Inc.](#) ("Cub" or the "Company") (TSX-V: KUB), a Ukraine-focused upstream oil and gas company, announced today its unaudited interim financial and operating results for the three and six months ended June 30, 2019. All dollar amounts are express in United States dollars unless otherwise noted. This update includes results from Kub-Gas LLC ("Kub-Gas"), which Cub has a 35% equity ownership interest, Tysagaz LLC ("Tysagaz"), Cub's 100% owned subsidiary and CNG LLC ("CNG"), which Cub has a 50% equity ownership interest.

Mikhail Afendikov, Chairman and CEO of Cub said: "We are pleased to announce net income \$0.8 million during the six months ended June 30, 2019, and receipt of \$1.7 million in dividends, plus a further \$1.1 million in dividends subsequent to the quarter end. In western Ukraine, the CNG drilling contractor has begun mobilization of the rig for the planned three-well program. All costs for the three wells will be borne 100% by our partner. In addition, in eastern Ukraine, we are pleased to announce that Kub-Gas plans to drill a new well, the M-30 well, in Q4 2019."

### Operational Highlights

- Achieved average natural gas price of \$6.28/Mcf and condensate price of \$45.88/bbl during the six months June 30, 2019 as compared to \$7.34/Mcf and \$65.18/bbl for the comparative 2018 period.
- Production averaged 873 boe/d (97% weighted to natural gas and the remaining to condensate) for the six months June 30, 2019 as compared to 819 boe/d for the 2018 comparative period.
- The CNG drilling contractor has commenced mobilization of its rig for the three-well program on the Uzghorod licence. The costs of drilling will be incurred 100% by our partner.
- Kub-Gas recompleted the Olgovskoye-7 ("O-7") well to the M6v which increased its production to 0.6 million cubic feet of gas per day ("MMcf/d"). The M6v is a relatively small gas reservoir and the current rate is approximately 0.3 MMcf/d. Kub-Gas also recently recompleted two other wells for a combined additional increase of approximately 0.35 MMcf/d in field production. Kub-Gas uses its own completion equipment and personnel.

### Financial Highlights

- The Company reported net income of \$0.8 million or \$0.00 per share during the six months June 30, 2019 as compared to net income of \$1.4 million or \$0.00 per share during the same period in 2018.
- Netbacks of \$20.50/boe or \$3.42/Mcfe were achieved for the six months June 30, 2019 as compared to netback of \$26.45/Boe or \$4.41/Mcfe for the comparative 2018 period.
- The Company received \$1.7 million in dividends during the six months June 30, 2019 as compared to \$2.4 million in dividends in the comparative 2018 period. Subsequent to the quarter ended June 30, 2019, the Company recorded an additional \$1.1 million in dividends from KUBGAS Holdings.

Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
(in thousands of US Dollars)			

Petroleum and natural gas revenue	18	126	18
Pro-rata petroleum and natural gas revenue	2,485	3,354	5,937
Revenue from gas trading	5,975	3,079	7,454
Net income (loss)	(205)	596	757
Income (loss) per share -	(0.00)	0.00	0.00
basic and diluted			
Funds generated from operations	678	596	643
Capital expenditures	77	9	211
Pro-rata capital expenditures	526	358	861
Pro-rata netback (\$/boe)	26.98	20.5	26.45
Pro-rata netback (\$Mcfe)	4.50	3.42	4.41
June 30, 2019		December 31, 2018	
Cash and cash equivalents	7,429	7,236	

## Notes:

1. Pro-rata petroleum and natural gas revenue is a non-IFRS measure that adds the Company's petroleum and natural gas revenue earned in the respective periods to the Company's 35% equity share of the KUB-Gas natural gas sales that the Company has an economic interest in.
2. During the three and six months ended June 30, 2019, the Company recorded \$2,975,000 (2018 - \$3,079,000) and \$7,454,000 (2018 - \$8,749,000) in revenue for gas trading and \$2,616,000 (2018 - \$2,877,000) and \$6,856,000 (2018 - \$8,393,000) for the cost of the sales for a net profit from gas trading of \$359,000 (2018 - \$202,000) and \$598,000 (2018 - \$356,000), respectively.
3. Funds from operations is a non-IFRS measure and is defined as cash flow from operating activities, excluding changes in non-cash working capital.
4. Capital expenditures includes the purchase of property, plant and equipment and the purchase of exploration and evaluation assets. Pro-rata capital expenditures are a non-IFRS measure that adds the Company's capital expenditures in the respective periods to the Company's 35% equity share of the KUB-Gas and 50% equity share of CNG Holdings capital expenditures that the Company has an economic interest in.

## Management Change

Effective September 1, 2019, subject to regulatory approval, the Company has appointed Sergey Panchuk as Chief Operating Officer, replacing Kerry Kendrick. Mr. Kendrick will remain with the Company as a senior advisor. Mr. Panchuk is a mechanical engineer and previously served as the Chief Executive Officer of Kub-Gas from 2006 to 2017. During Mr. Panchuk's tenure at Kub-Gas, the company grew to be the third largest private oil and gas producer in Ukraine. Since 2017, Mr. Panchuk, a resident of Ukraine, has been overseeing the Company's working interests in Ukraine.

## Supporting Documents

Cub's complete quarterly reporting package, including the unaudited interim financial statements and associated Management's Discussion and Analysis, have been filed on SEDAR ([www.sedar.com](http://www.sedar.com)) and has been posted on the Company's website at [www.cubenergyinc.com](http://www.cubenergyinc.com).

## About Cub Energy Inc.

[Cub Energy Inc.](#) (TSX-V: KUB) is an upstream oil and gas company, with a proven track record of exploration and production cost efficiency in Ukraine. The Company's strategy is to implement western technology and capital, combined with local expertise and ownership, to increase value in its undeveloped land base, creating and further building a portfolio of producing oil and gas assets within a high pricing environment.

For further information please contact us or visit our website: [www.cubenergyinc.com](http://www.cubenergyinc.com)

Mikhail Afendikov  
Chairman and Chief Executive Officer  
(713) 677-0439  
[mikhail.afendikov@cubenergyinc.com](mailto:mikhail.afendikov@cubenergyinc.com)

Patrick McGrath  
Chief Financial Officer  
(713) 577-1948  
[patrick.mcgrath@cubenergyinc.com](mailto:patrick.mcgrath@cubenergyinc.com)

## Oil and Gas Equivalents

A barrel of oil equivalent ("boe") or units of natural gas equivalents ("Mcfe") is calculated using the conversion factor of 6 Mcf (thousand cubic feet) of natural gas being equivalent to one barrel of oil. A boe conversion ratio of 6 Mcf: 1 bbl (barrel) or a Mcfe conversion of 1 bbl: 6 Mcf is, based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead and is not based on either energy content or current prices. While the boe ratio is useful for comparative measures, it does not accurately reflect individual product values and might be misleading, particularly if used in isolation. As well, given that the value ratio, based on the current price of crude oil to natural gas, is significantly different from the 6:1 energy equivalency ratio, using a 6:1 conversion ratio may be misleading as an indication of value.

The disclosure in this press release is prepared in accordance with NI 51-101 standards. Test results are not necessarily indicative of long-term performance or of ultimate recovery. The test data contained herein is considered preliminary until full pressure transient analysis is complete.

## Reader Advisory

With the current cash resources, negative working capital, suspension of the RK field, uncertainty

surrounding the successful installation of the NRU, dividend restrictions, currency fluctuations, reliance on a limited number of customers, and impact on carrying values, the Company may not have sufficient cash to continue the exploration and development activities. These matters raise significant doubt about the ability of the Company to continue as a going concern and meet its obligations as they become due.

Except for statements of historical fact, this news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Cub believes that the expectations reflected in the forward-looking information are reasonable; however there can be no assurance those expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.

Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause the results to differ materially from those expressed in the forward-looking information include, but are not limited to: general economic conditions in Ukraine, the Black Sea Region and globally; political unrest and security concerns in Ukraine including the recent introduction of Martial Law in the Company's operating regions; industry conditions, including fluctuations in the prices of natural gas and foreign currency; governmental regulation of the natural gas industry, including environmental regulation; unanticipated operating events or performance which can reduce production or cause production to be shut in or delayed; failure to obtain industry partner and other fourth party consents and approvals, if and when required; competition for and/or inability to retain drilling rigs and other services; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; volatility in market prices for natural gas; liabilities inherent in natural gas operations; competition for, among other things, capital, acquisitions of reserves, undeveloped lands, skilled personnel and supplies; incorrect assessments of the value of acquisitions; geological, technical, drilling, processing and transportation problems; changes in tax laws and incentive programs relating to the natural gas industry; failure to realize the anticipated benefits of acquisitions and dispositions; and the other factors. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

This cautionary statement expressly qualifies the forward-looking information contained in this news release. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

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.

SOURCE: [Cub Energy Inc.](#)

View source version on [accesswire.com](#):

<https://www.accesswire.com/557513/Cub-Energy-Announces-Net-Earnings-of-US-08-million-for-First-Half-of-2019>

---

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

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/333192--Cub-Energy-Announces-Net-Earnings-of-US-0.8-million-for-First-Half-of-2019.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 [Datenschutzrichtlinen](#).