

Petrus Resources Announces First Quarter Capital Budget and Outlook for 2020

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CALGARY, Jan. 14, 2020 - [Petrus Resources Ltd.](#) ("Petrus" or the "Company") (TSX: PRQ) is pleased to provide its first quarter capital budget and outlook for 2020. With the risk of volatility in the price of Canadian light oil and natural gas, the Company believes that it is prudent to maintain a disciplined capital budget that is flexible from an operational and financial perspective. Petrus's Board of Directors has approved a first quarter 2020 capital budget of \$9.0 million. Petrus will continue to monitor the Canadian commodity price environment and will evaluate subsequent quarter capital spending as the year progresses. The first quarter capital budget is focused on the highest rates of return, lowest risk, condensate rich drilling opportunities in the Company's inventory at Ferrier, Alberta. Petrus is focused on designing its 2020 capital plan to invest capital systematically each quarter within funds flow, permitting excess funds each quarter to reduce debt.

Petrus's Board of Directors has approved a first quarter 2020 capital budget of \$9.0 million to drill two (2.0 net) Cardium wells in the Ferrier area. First quarter funds flow combined with proceeds from the previously announced non-core asset disposition are expected to total \$9.5 million which will permit excess funds to be directed toward debt repayment. We estimate that the wells will each have payouts of less than one year. The commodity price assumptions used for the first quarter 2020 capital budget were an average price of \$2.18 C\$/GJ for natural gas (AECO) and \$62.81 US\$/bbl for oil (WTI). Our estimated first quarter average differential for Western Canadian light oil is estimated at \$6.72 US\$/bbl.

Petrus is committed to maintaining its financial flexibility and the Company will determine subsequent quarter capital spending as the year progresses. For the coming year we have significant optionality in the number, the commodity composition and the location of drilling opportunities. Given our growing infrastructure system, Petrus expects that it will drill the majority of its anticipated 2020 capital plan from existing surface leases which will not only decrease cost and environmental disturbance, but can increase flexibility through reduction of lead time required to begin drilling. Management anticipates that the 2020 capital plan will be funded by funds flow, and will continue to systematically reduce debt each quarter by approximately \$1 to \$2 million. The objectives of the 2020 capital plan are to reduce debt, maintain or grow production, grow funds flow per share and increase the Company's liquids weighting.

ABOUT PETRUS

Petrus is a public Canadian oil and gas company focused on property exploitation, strategic acquisitions and risk-managed exploration in Alberta.

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This press release contains forward-looking statements. More particularly, this press release contains statements concerning plans related to: (i) the sources of funds for and focus of Petrus' 2020 capital budget, including its first quarter 2020 capital budget; (ii) the objectives of Petrus' 2020 capital budget, including its first quarter 2020 capital budget; (iii) the source of and amount of expected debt reduction; (iv) the estimated payout and production mix of Cardium condensate wells; (v) the number of wells expected to be included in Petrus' 2020 capital budget, including its first quarter 2020 capital budget; (vi) Petrus' ability to reduce or increase capital spending; (vii) Petrus' total liquid production; (viii) the release date of Petrus' annual reserve information as well as its annual financial results; (ix) the results of Petrus' 2020 capital budget, budget, including its first quarter 2020 capital budget; Petrus' estimated first quarter 2020 funds flow; (x) the payout

of Cardium wells and the impact of the development thereof on Petrus' condensate and light oil production weighting and funds flow. The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Petrus, including: (i) with respect to capital expenditures, generally, and at particular locations, the availability of adequate and secure sources of funding for Petrus' proposed capital expenditure program and the availability of appropriate opportunities to deploy capital; (ii) with respect to drilling plans, the availability of drilling rigs, expectations and assumptions concerning the success of future drilling and development activities and prevailing commodity prices; (iii) with respect to Petrus' ability to execute on its exploration and development program, the performance of Petrus' personnel, the availability of capital and prevailing commodity prices; and (iv) with respect to anticipated production, the ability to drill and operate wells on an economic basis, the performance of new and existing wells and accounting risks typically associated with oil and gas exploration and production; (v) oil and gas prices; (vi) currency exchange rates; (vii) royalty rates; (viii) operating costs; (ix) transportation costs; and (x) the availability of opportunities to deploy capital effectively. Although Petrus believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Petrus can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the failure to obtain necessary regulatory approvals, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures). Readers are cautioned that the foregoing list is not exhaustive of all possible risks and uncertainties.

The forward-looking statements contained in this document are made as of the date hereof and Petrus undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.

The term barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas to one boe (6 mcf/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. All boe conversions in this report are derived from converting gas to oil in the ratio of six thousand cubic feet of gas to one barrel of oil. 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 on a 6:1 basis may be misleading as an indication of value. The forward-looking statements contained in this document are made as of the date hereof and Petrus undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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