

Cub Energy Announces 2019 Year-End Results

27.03.2020 | [ACCESS Newswire](#)

HOUSTON, March 27, 2020 - [Cub Energy Inc.](#) ("Cub" or the "Company") (TSXV:KUB), a Ukraine-focused upstream oil and gas company, announced today its audited financial and operating results for the year ended December 31, 2019. All dollar amounts are expressed 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 had a challenging end to 2019 with lower than expected natural gas prices that impacted our financial results, as well as a reduction in the long-term gas pricing assumptions in the independent reserves report. Despite the reduction in gas prices, the Company received \$2.8 million in cash dividends from KUBGAS Holdings during the year ended December 31, 2019, and would have had net income of \$0.3 million during 2019 excluding the one-time impairments and provisions."

Operational Highlights

- Achieved average natural gas price of \$5.36/Mcf and condensate price of \$49.51/bbl during the year December 31, 2019 as compared to \$7.94/Mcf and \$70.47/bbl for 2018
- Production averaged 784 boe/d (97% weighted to natural gas and the remaining to condensate) for the year December 31, 2019, as compared to 836 boe/d for 2018.
- During the year ended December 31, 2019, Kub-Gas performed several recompletions that resulted in an increase in initial production followed by natural decline rates. There are approximately ten other wells with "behind pipe pays" that may be attractive recompletion opportunities. As the currently producing intervals deplete, the production team can recomplete these additional zones in the existing wells. Kub-Gas uses its own completion equipment and personnel.

Financial Highlights

- The Company reported a net loss of \$11.1 million or \$0.04 per share during the year December 31, 2019 as compared to net income of \$3.1 million or \$0.01 per share during 2018. Excluding the one-time impairment and provision charges in 2019, the Company would have had net income of \$0.3 million or \$0.00 per share.
- Netbacks of \$15.88/boe or \$2.65/Mcfe were achieved for the year December 31, 2019, as compared to netback of \$29.33/Boe or \$4.88/Mcfe for 2018.
- The Company received \$2.8 million in dividends during the year December 31, 2019, as compared to \$5.7 million in dividends in 2018.

Reader Advisory

- With the current cash resources, negative working capital, suspension of the RK field, uncertainty surrounding the successful installation of the NRU, fluctuating commodity prices, dividend uncertainty, 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.

(in thousands of US Dollars)

Petroleum and natural gas revenue	59
Pro-rata petroleum and natural gas revenue ⁽¹⁾	1,468
Revenue from gas trading ⁽²⁾	1,487

Net income (loss)	(11,320	
Income (loss) per share - basic and diluted	(0.04	
Funds generated from (used) in operations	(1,345	
Capital expenditures ⁽³⁾	77	
Pro-rata capital expenditures ⁽³⁾	819	
Pro-rata netback (\$/boe)	6.61	
Pro-rata netback (\$/Mcfe)	1.10	
	December 31, 2019	December 31, 2018
Cash and cash equivalents	6,206	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 twelve months ended December 31, 2019, the Company recorded \$1,487,000 (2018 - \$6,831,000) and \$11,455,000 (2018 - \$20,428,000) in revenue for gas trading and \$1,342,000 (2018 - \$6,276,000) and \$10,632,000 (2018 - \$19,150,000) for the cost of the sales for a net profit from gas trading of \$145,000 (2018 - \$555,000) and \$823,000 (2018 - \$1,278,000), respectively.
3. 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.

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) and has been posted on the Company's website at 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

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

Patrick McGrath
Chief Financial Officer
(713) 577-1948
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 1bbl: 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.

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.](#)

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

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/347653--Cub-Energy-Announces-2019-Year-End-Results.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](#).