

NuVista Energy Ltd. Executes Non-Core Divestitures, Reduces Debt Significantly, and Provides Production and Operations Update

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CALGARY, Feb. 25, 2021 - [NuVista Energy Ltd.](#) ("NuVista" or the "Company") (TSX:NVA) is pleased to announce the divestiture of its non-core Charlie Lake and Cretaceous Unit assets (the "Wembley Assets") in the Wembley area, as well as selected water infrastructure assets (the "Infrastructure Assets") in the Wembley/Pipestone area, for total proceeds of \$94 million prior to adjustments. There is no change to NuVista's ownership in our core Montney assets in Pipestone, Wapiti, and the surrounding area, and no material change to our ownership in the Wembley gas plant.

NuVista has entered into a definitive Purchase and Sale Agreement with a Canadian operator for the sale of the Wembley Assets with an effective date of January 1, 2021. Subject to customary provisions, the transaction is expected to close on or near March 31, 2021. The primary value in the Wembley Assets is the 78,000 acre undeveloped Charlie Lake oil opportunity, and the total associated amount of 2021 annual production divested is approximately 1,100 Boe/d. The sale of the Infrastructure Assets has previously closed. There is no material cash flow associated with the Wembley or the Infrastructure assets.

Upon closing, the entire \$94 million in proceeds will be applied to reduce borrowings on NuVista's senior secured revolving credit facility. NuVista's banking syndicate has reaffirmed the credit facility at \$440 million. Prior to the dispositions, NuVista had met its net debt reduction target of \$50 - \$60 million in the second half of 2020 with proceeds from free cash flow, achieving \$58 million of net debt reduction. Pro forma the dispositions, NuVista's bank drawings as at January 1, 2021 were approximately \$269 million, significantly expanding the liquidity available within the credit facility.

NuVista is also pleased to note that both condensate and natural gas future strip prices have increased materially in the past quarter, which is expected to result in a significant increase to 2021 projected cash flow at the same time as significant progress has already been made reducing our net debt. Our continuing focus is upon balancing ongoing debt reduction, increasing cash flow, and creating a comfortable cushion above midstream minimum volume commitments. This results in a dramatic pace of reduction in net debt to cash flow ratio. Capital spending will continue to be weighted heavily towards Pipestone, as our highest return area. NuVista retains the flexibility to revise capital spending from the second quarter onwards, should commodity prices increase or retreat significantly from the current positive trend.

Production for the fourth quarter of 2020 was 49,300 Boe/d, well above the production guidance range of 47,000 - 48,000 Boe/d. We are pleased to note that the capital program for the first quarter of 2021 is well underway and is on track to outperform cost and schedule expectations in bringing 22 powerful new Montney wells onstream from late in the first quarter through early in the second quarter. There are 12 wells in Pipestone North, 6 wells in Pipestone South, and 4 in the Bilbo area. Drilling and completions activities are nearing completion and costs are trending 10-15% below our 2020 average on a length/tonnage normalized basis. In addition, commissioning of the new Pipestone North Compressor Station, the Veresen Hythe Gas Plant expansion, and the associated pipeline are all progressing on schedule for commencement of operations in April.

NuVista will be releasing our fourth quarter and full year 2020 results after market close on March 2, 2021, along with our updated 2021 production and spending forecast and our summarized 2020 year end reserve information.

NuVista has top quality assets and a management team focused on relentless improvement. We have the necessary foundation and liquidity to add significant value as commodity prices continue to recover. We have set the table for returns-focused profitable growth to between 80,000 - 90,000 Boe/d with only half-cycle spending, since the required facilities infrastructure is now in place. We will continue to adjust to this

environment in order to maximize the value of our asset base and ensure the long term sustainability of our business. 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 updated corporate presentation will be available after our March 2, 2021 news release at www.nuvistaenergy.com.

Advisories Regarding Oil And Gas Information

Boes may be misleading, particularly if used in isolation. A Boe conversion ratio of 6 Mcf: 1 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. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil 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.

Advisory regarding forward-looking information and statements

This press 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 press release contains forward looking statements, including management's assessment of: NuVista's future focus, strategy, plans, opportunities and operations; the anticipated proceeds from the divestitures and the use of such proceeds; the anticipated closing date for the sale of the Wembley Assets; the 2021 estimated production and cash flow associated with the Wembley Assets; that current strip prices will result in a significant increase in cash flows; plans to balance debt reduction, cash flow, production growth and midstream minimum volume commitments, guidance with respect to 2021 capital spending, and the timing an planned spending allocation; future cash flow at strip prices and that such cash flow will result in significant ongoing reduction of net debt as well as dramatic reduction in net debt to cash flow ratio; targeted net debt to cash flow ratio; that Pipestone will continue to provide NuVista with its highest rate of return; the production capacity of our existing facilities; that NuVista's capital program for the first quarter of 2021 will outperform cost and schedule expectations; expectations with respect to drilling and completion costs; expectations with respect to the timing of commercial operations for the Pipestone North Compressor Station, the Veresen Hythe Gas Plant expansion, and the associated pipeline; the quality of NuVista's assets; that NuVista will add significant value if commodity prices continue to recover; that NuVista will realize returns-focused profitable growth to between 80,000 - 90,000 Boe/d with only half-cycle spending; plans to maximize the value of NuVista's asset base and ensure the long term sustainability of NuVista's business; and industry conditions and commodity prices. 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 that the sale of the Wembley Assets will occur at the price and on the timing contemplated, 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 environmental regulations, tax laws and royalties; the ability to access sufficient capital from internal sources and bank and equity markets; 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 press 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.

Non-GAAP measurements

For ease of readability, in this press release, adjusted funds flow will be referred to as "cash flow". Within the press release, references are made to terms commonly used in the oil and natural gas industry. Management uses "adjusted funds flow", "corporate netback", "capital expenditures", "free adjusted funds flow" and "net debt" to analyze performance and leverage. These terms do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other

companies where similar terminology is used. For further information refer to the section "Non-GAAP measures" in our MD&A. Free adjusted funds flow is forecast adjusted funds flow less capital expenditures required to maintain production.

FOR FURTHER INFORMATION CONTACT:

Jonathan A. Wright Ross L. Andreachuk Mike J. Lawford
President and CEO VP, Finance and CFO Chief Operating Officer
(403) 538-8501 (403) 538-8539 (403) 538-1936

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