

Topaz Energy Corp. Announces Strategic Royalty Acquisition in the Clearwater Area of Alberta

05.03.2021 | [CNW](#)

CALGARY, March 5, 2021 - [Topaz Energy Corp.](#) (TSX: TPZ) ("Topaz" or the "Company") is pleased to announce it has entered into a non binding agreement with [Tamarack Valley Energy Ltd.](#) ("Tamarack") for the purchase of a newly created gross overriding royalty interest underpinned by a multi-year minimum capital development commitment for total purchase consideration of \$13.7 million (the "Royalty Acquisition"). The Royalty Acquisition demonstrates Topaz's strategy of generating free cash flow growth while enabling Tamarack to advance its own growth.

Pursuant to the Royalty Acquisition, Topaz will acquire a newly created 4% gross overriding royalty interest on predominantly crude oil production on approximately 45,000 acres of developed and undeveloped lands in the greater Clearwater area of Alberta ("Clearwater"). In addition, Tamarack will provide a three year capital development commitment. Topaz will fund the Royalty Acquisition from its available cash on hand.

Current production from the Royalty Acquisition lands is approximately 550 bbl/d which includes 500 bbl/d of Nipisi Slave Point, low decline light to medium crude oil which is currently under waterflood. In addition, there are two Clearwater crude oil wells currently being brought on production and one well being drilled. The Royalty Acquisition is expected to close on or before March 31, 2021 unless amended by mutual agreement of the parties, subject to entering into definitive agreements and satisfaction of customary closing conditions including Tamarack completing the acquisitions it announced on March 5, 2021.

Strategic Rationale

The Clearwater ranks amongst the strongest and fastest growing oil plays in the WCSB and is characterized by appealing economic and environmental characteristics including low well costs, high quality large OOIP resource, moderate initial decline profiles, competitive netbacks, decreased land usage with the use of multi-leg drilling, and minimal water and no sand requirements as the completion operations do not require fracture stimulation. The total recoverable resource in the Clearwater continues to expand with success from exploration drilling and the play is well suited for waterflood or enhanced oil recovery projects.

Topaz Acquisition Benefits

The Royalty Acquisition provides Topaz a 32% increase to its existing Clearwater royalty acreage and Topaz estimates, based on its 2021 guidance provided on November 4, 2020, the Royalty Acquisition is accretive on a free cash flow per share basis in 2021.

ABOUT THE COMPANY

Topaz is a unique royalty and energy infrastructure company focused on generating free cash flow growth and paying reliable and sustainable dividends to its shareholders, through its strategic relationship with one of Canada's largest natural gas producers, Tourmaline, an investment grade senior Canadian E&P company, and leveraging industry relationships to execute complementary acquisitions from other high-quality energy companies, while maintaining its commitment to environmental, social and governance best practices.

FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements and forward-looking information (collectively,

"forward-looking statements") that relate to the Company's current expectations and views of future events or the Company's future performance. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will likely result", "are expected to", "expects", "will continue", "is anticipated", "anticipates", "believes", "estimated", "intends", "plans", "forecast", "projection", "strategy", "objective" and "outlook") are not historical facts and may be forward-looking statements and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in such forward-looking statements. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this news release should not be unduly relied upon. These statements speak only as of the date of this news release. In particular and without limitation, this news release contains forward-looking statements pertaining to the following: the commercial terms and timing of closing of the Royalty Acquisition; planned funding for the Royalty Acquisition; anticipated increases in production from the Royalty Acquisition lands and expansion of Tamarack's capital plan over the next three years; other expected benefits from the Royalty Acquisition including providing free cash flow growth and being accretive on a free cash flow per share basis; and the Company's business as described under the heading "About the Company" above. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Company's control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Such risks and uncertainties include, but are not limited to, the failure to complete the Royalty Acquisition on the terms or on the timing announced or at all, the failure to realize some or all of the anticipated benefits of the Royalty Acquisition including free cash flow growth and the failure of the operators of the Company's lands to conduct and complete the anticipated drilling activity on or achieve anticipated production growth from such lands, and the factors discussed under "Notice to Investors - Forward-Looking Information" and "Risk Factors" in the supplemented PREP prospectus dated October 19, 2020. Topaz does not undertake any obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

Non-GAAP Financial Measures

In addition to using financial measures prescribed by International Financial Reporting Standards ("IFRS" or "GAAP"), references are made in this news release to "free cash flow", which is a measure that does not have any standardized meaning as prescribed by IFRS. Management uses this term for its own performance measures and to provide shareholders and potential investors with a measurement of the Company's efficiency and its ability to generate the cash necessary to fund dividends and a portion of its future growth expenditures or to repay debt. Accordingly, investors are cautioned that this non-GAAP financial measure may not be comparable to similarly defined measures presented by other entities and should not be considered in isolation nor as an alternative to net income (loss) from continuing operations or other financial information determined in accordance with GAAP as an indication of the Company's performance. References to "free cash flow" are to the amount of cash estimated to be available for dividends to shareholders in accordance with the Company's dividend policy and is defined as cash flow less capital expenditures, where "cash flow" is defined as cash from (used in) operations before changes in non-cash working capital.

BOE EQUIVALENCY

Per barrel of oil equivalent amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil equivalent (6:1). Barrel of oil equivalents (boe) 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. In addition, 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 Btu basis may be misleading as an indication of value.

Contact
[Mary Staples](mailto:Mary.Staples@topazenergy.com), President and Chief Executive Officer, (587) 747-4830; [Cherie Stephenson](mailto:Cherie.Stephenson@topazenergy.com), VP Finance and CFO, (587) 747-4830

SOURCE [Topaz Energy Corp.](https://www.topazenergy.com)

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

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/376889--Topaz-Energy-Corp.-Announces-Strategic-Royalty-Acquisition-in-the-Clearwater-Area-of-Alberta.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](#).