

Frontera Announces Expected Second Quarter Production Results

17.07.2021 | [CNW](#)

REVISES PRODUCTION GUIDANCE TO 37,500-39,500 BOE/D

INCREASES ANTICIPATED OPERATING EBITDA TO \$325-\$375 MILLION

TORONTO, July 16, 2021 - [Frontera Energy Corp.](#) (TSX: FEC) ("Frontera" or the "Company") today announced its expected second quarter production results and updated its production guidance for 2021. All values in this news release are in U.S. dollars, unless otherwise noted.

Second Quarter and First Half 2021 Production Update

Frontera expects its second quarter 2021 production will average approximately 35,700 boe/d, compared to 40,599 boe/d in the first quarter of 2021. The Company expects to average approximately 38,100 boe/d for the first half of 2021. The following table provides a breakdown by product type. The Company has averaged approximately 36,000 boe/d so far in July.

	Expected 1H 2021 Production Average	Expected Q2 2021 Production Average	Q1 2021 Actual Production
Heavy crude production (bbl/d)	19,100	17,100	20,997
Light and medium crude oil production (bbl/d)	18,100	17,600	18,685
Conventional natural gas production (mcf/d)	5,200	5,200	5,227
Total production (boe/d)	38,100	35,700	40,599

The decrease in the Company's expected second quarter production is due to several factors including:

- the reduction of water disposal volumes at its Quifa block (previously announced on May 5, 2021) which resulted in a production of approximately 3,500 boe/d during the second quarter compared to the first quarter of 2021;
- slower than anticipated recovery of full production levels at CPE-6 following the lifting of road blockades, subsequent community unrest at CPE-6, and the inability to access the Company's Sabanero field; and
- community-related delays impacting operational activities at Coralillo.

At Quifa, reserves have been unaffected by the temporary reduction in water disposal volumes. The Company is developing water disposal options for the benefit of long-term production, including drilling a new injector well on the block which has been delayed due to concerns from the community. The Company has been in conversations with the community for weeks to address their concerns. Such conversations were concluded today and the Company expects that once the new injector well is operational, Quifa production will increase.

In the second half of 2021, Frontera expects to drill 10 development wells at Quifa, reactivate production at Jaspe block and increase production at CPE-6 by approximately 40% (compared to 2020) through continued drilling and construction of water-handling facilities. The Company notes that production at CPE-6 has returned to pre shut-in levels of approximately 36,000 boe/d.

Orlando Cabrales, Chief Executive Officer (CEO), Frontera, commented:

"Frontera's Q1 production averaged a strong 40,599 boe/d. However, Frontera's expected Q2 production of 35,700 boe/d was less than planned due to temporarily reduced water disposal volumes and community concerns which delayed drilling a new well at Quifa. Localized community-related delays, separate from the national strikes, also impacted some of our operations in the second quarter.

We are revising our capital and production guidance. The Company now expects average daily production of 37,500-39,500 boe/d for the year and anticipates a year end exit rate of over 40,000 boe/d. Currently we have four drilling rigs and four workovers active across our operations. Importantly, our reserves remain unaffected and will continue to be produced in the current price environment. Frontera expects to deliver EBITDA of \$325-\$375 million this year, above the previous guidance announced by the Company. Frontera's stable 2P reserve base and diverse assets will allow us to continue to optimize capital efficiency and improve cash flow after development capex in the second half of 2021 and beyond."

Updated Guidance Metrics

- The Company expects average daily production of 37,500-39,500 boe/d for the year compared to 40,500-42,500 boe/d announced on March 3, 2021.
- Operating costs are expected to remain unchanged for 2021 but production costs are expected to increase by approximately \$0.50/boe to \$10.50-\$11.50/boe; while transportation costs are expected to decrease by approximately \$0.50/boe to \$10.00-\$11.00/boe.
- The Company has narrowed its exploration capex range to \$115-\$130 million reflecting the expected costs of the exploration well offshore Guyana as it continues to consider strategic options.
- The Company has also narrowed its total capital expenditure range to \$245-\$295 million.
- Operating EBITDA is expected to increase from \$275-\$325 million to \$325-\$375 million for the year.

Frontera's revised 2021 guidance was developed using an average 2021 Brent oil price of \$70/bbl and an exchange rate of 3700 Colombian Pesos per US dollar. Frontera's guidance has been revised, as shown in the table below.

Guidance Metric	Unit	March 3, 2021 Guidance	Updated 2021 Full Year Guidance Frontera Consolidated
Average daily production	boe/d	40,500-42,500	37,500-39,500
Production costs ⁽¹⁾	\$/boe	\$10.00-\$11.00	\$10.50-\$11.50
Transportation costs ⁽²⁾	\$/boe	\$10.50-\$11.50	\$10.00-\$11.00
Operating EBITDA ⁽³⁾	\$MM	\$275-\$325	\$325-\$375
Development Capex	\$MM	\$110-\$130	\$110-\$130
Exploration Capex	\$MM	\$70-\$130	\$115-\$130
Infrastructure	\$MM	\$15-\$25	\$15-\$25
Other	\$MM	\$5-\$10	\$5-\$10
Total Capital Expenditures	\$MM	\$200-\$295	\$245-\$295

¹ Calculated using production before royalties in the denominator as this most accurately reflects per unit production cost and is consistent with our peers.

² Calculated using production after royalties in the denominator as this most accurately reflects per unit transportation costs.

³ Operating EBITDA calculated at Brent \$70/bbl and COP/USD exchange rate of 3700:1.

About Frontera:

[Frontera Energy Corp.](#) is a Canadian public company involved in the exploration, development, production, transportation and sale of oil and natural gas in South America, including related investments in both upstream and midstream facilities. The Company has a diversified portfolio of assets with interests in 39 exploration and production blocks in Colombia, Ecuador, Guyana, and pipeline and port facilities in Colombia. Frontera is committed to conducting business safely and in a socially, environmentally and ethically responsible manner.

If you would like to receive News Releases via email as soon as they are published, please subscribe here: <http://fronteraenergy.mediaroom.com/subscribe>.

Advisories:

Cautionary Note Concerning Forward-Looking Statements

This news release contains forward-looking statements. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding estimates and/or assumptions in respect of the Company's corporate strategy and the Company's guidance including production levels, production and transportation costs, Operating EBITDA, capital expenditures, infrastructure and exit production levels) are forward-looking statements. These forward-looking statements reflect the expectations or beliefs of the Company based on information currently available to the Company. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there is no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results to differ materially from current expectations include, among other things: volatility in market prices for oil and natural gas (including as a result of a sustained low oil price environment due to the COVID-19 pandemic and the actions of OPEC and non-OPEC countries and the restrictions imposed by governments in response thereto); the duration and spread of the COVID-19 pandemic and its severity; the success of the Company's program to manage COVID-19; uncertainties associated with exploring for and establishing oil and natural gas reserves and resources; liabilities inherent with the exploration, development, exploration and reclamation of oil and natural gas; the Company's ability to access additional financing; the ability of the Company to meet its financial obligations and minimum commitments, fund capital expenditures and comply with covenants contained in the debt instruments that govern indebtedness; political developments in the countries where the Company operates; the uncertainties involved in interpreting drilling results and other geological data; geological, technical, drilling and processing problems and the other risks disclosed under the heading "Risk Factors" and elsewhere in the Company's annual information form dated March 3, 2020, filed on SEDAR at www.sedar.com. Any forward-looking statement speaks only as of the date on which it is made and, except as otherwise required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

Non-IFRS Financial Measures

This news release contains financial terms that are not considered in the International Financial Reporting Standards ("IFRS"). Operating EBITDA does not have any standardized meaning, and therefore is unlikely to be comparable to similar measures presented by other companies. These non-IFRS measures should not be considered in isolation or as a substitute for non-IFRS performance prepared in accordance with IFRS. These financial measures are included because management uses this information to analyze operating performance and liquidity.

Management believes that EBITDA is a common measure used to assess profitability before the impact of different financial methods, income taxes, depreciation and impairment of capital assets and amortization of intangible assets. Operating EBITDA represents the operating results of the Company's primary business, excluding the effects of capital structure, other investments (infrastructure assets), non-cash items that depend on accounting policy choices, and one-time items that are not expected to recur.

Please see the Company's most recent Management's Discussion and Analysis, which is available at www.sedar.com for more information about these financial measures.

Oil and Gas Information Advisories

The term "boe" is used in this news release. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of cubic feet to barrels 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 this news release, boe has been expressed using the Colombian conversion standard of 5.7 Mcf: 1 bbl required by the Colombian Ministry of Mines and Energy. Guyana resource information is based on a Mcf to boe conversion of 6 to 1.

Definitions:

bbl(s)	Barrel(s) of oil
bbl/d	Barrel of oil per day
boe	Refer to "Boe Conversion" disclosure above
boe/d	Barrel of oil equivalent per day
Mcf	Thousand cubic feet
Mcf/d	Thousand cubic feet per day
MMboe	Million barrel(s) of oil equivalent per day

View original

content:<https://www.prnewswire.com/news-releases/frontera-announces-expected-second-quarter-production-results-3>

SOURCE [Frontera Energy Corp.](#)

Contact

Brent Anderson, Director, Investor Relations, 1 403 705 8827, ir@fronteraenergy.ca, www.fronteraenergy.ca

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

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/389219--Frontera-Announces-Expected-Second-Quarter-Production-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](#).