

# **Rubellite Energy Inc. Reports Third Quarter 2021 Financial and Operating Results and Provides Operations and Guidance Update**

10.11.2021 | [CNW](#)

CALGARY, Nov. 10, 2021 - (TSX: RBY) - [Rubellite Energy Inc.](#) ("Rubellite" or the "Company"), a pure play Clearwater oil exploration and development company, is pleased to release its inaugural quarter for the period ended September 30, 2021. Financial and operating results reflect the 27-day period from September 3, 2021, which was the effective date of the Plan of Arrangement under the Business Corporations Act (Alberta) involving [Perpetual Energy Inc.](#) ("Perpetual"), the shareholders of Perpetual, and Rubellite. Select financial and operational information is outlined below, and should be read in conjunction with Rubellite's unaudited condensed interim financial statements and related Management's Discussion and Analysis ("MD&A") for the period ended September 30, 2021, which are available through the Company's website at [www.rubelliteenergy.com](http://www.rubelliteenergy.com) and SEDAR at [www.sedar.com](http://www.sedar.com).

### THIRD QUARTER 2021 HIGHLIGHTS

- For the 27-day period ended September 30, 2021, Rubellite recorded production of 561 bbl/d (100% conventional heavy oil).
- Operating netbacks were \$0.7 million, or \$46.26/bbl, reflecting strong Western Canadian Select ("WCS") benchmark prices and a realized oil price of \$65.52/bbl.
- On October 5, 2021 Rubellite closed \$83.5 million in equity financings through the issuance of approximately 41.7 million shares, all priced at \$2.00 per share.
- Proceeds from these financings fully repaid \$59.4 million in promissory notes related to the acquisition of the Company's Clearwater assets from Perpetual and established Rubellite with no net debt and positive net working capital at September 30, 2021 pro forma the October 5<sup>th</sup> financings of \$21.6 million.
- Drilling activity from Rubellite's inception on July 12<sup>th</sup> to quarter end totaled 7 (6.0 net) Clearwater wells, including an exciting new exploration success at Figure Lake which Rubellite intends to immediately follow up with a second rig to start drilling in mid-November.
- Significant capital efficiency improvements are evident with the scale and continuity of the drilling program as drilling optimization and field efficiencies have been realized. Costs per well and costs per meter drilled have steadily declined through the drilling program to date.

### OPERATIONS UPDATE

Rubellite currently has seventeen (16.0 net) multi-lateral wells drilled, including the six (6.0 net) original wells drilled by Perpetual at Ukalta and the one (1.0 net) producing 2.5 leg multi-lateral well at Figure Lake. New wells that have been drilled, completed and commenced production since Rubellite's inception in July 2021 include two (1.0 net) wells at Marten Hills which were rig released in mid-July and four (4.0 net) producing wells at Figure Lake. The first four (4.0 net) wells of the planned eight well drilling program at Ukalta have been drilled and completed and three have recently initiated load oil recovery and testing operations. Sales production is expected to ramp up as these new wells fully recover load oil from the drilling process, which is recycled for future drilling operations to the extent possible, and production volumes commence delivery to sales terminals.

At Marten Hills, sales production commenced in late August after fully recovering load oil from drilling operations. Rubellite is pleased to report that the two, eight leg multi-lateral wells continue to have average performance consistent with Rubellite's Marten Hills type curve, with an average IP30 production level of approximately 120 bbl/d of 22° API crude oil for the two wells. An additional 4 (2.0 net) follow up wells are scheduled to be drilled in the first quarter of 2022.

At Rubellite's Figure Lake property, the first two (2.0 net) exploratory wells at the south end of the property each penetrated over 8,000 meters of Clearwater reservoir, were brought onstream August 26, 2021 and began producing formation oil for sales after a three-week period of load oil recovery. Rubellite is excited to announce that the two, multi-lateral wells have averaged performance consistent with Rubellite's Figure Lake type curve, at an average IP30 production level of approximately 120 bbl/d of conventional heavy crude oil. Based on these results to date, Rubellite has procured a second drilling rig to follow up on this exploration success, with spud expected in mid-November, adding four new wells to the existing south Figure Lake pad by mid-January 2022. Additional production volumes from this accelerated program will not contribute materially to fourth quarter 2021 production levels but will serve to accelerate the ramp up of production

volumes in the first quarter of 2022.

At the extreme north end of the Figure Lake land base, two additional exploratory multi-lateral wells were drilled over 10 miles north of the south Figure Lake pad site. These two wells have recovered load oil from drilling operations and have recently begun producing formation oil. Initial early production results are below the performance curve of the south Figure Lake wells. Rubellite will continue to monitor production data and re-evaluate performance expectations before any follow up drilling occurs in the north Figure Lake area.

At Ukalta, one (1.0 net) six-leg multi-lateral exploratory well at the southwest edge of the property, targeting a new geologic zone within the Clearwater, was drilled off a single well pad and the first well of the seven (7.0 net) multi-lateral well development drilling program across two pads, primarily targeting development of the main proven Clearwater sand target, was spud prior to the end of the quarter. Since the end of the third quarter, three of four (4.0 net) wells on the first of two development pad sites have been successfully drilled and rig released, and load oil recovery has commenced.

Drilling costs, net of forecast oil-based mud recoveries, are on track and showing continuous improvement as expected with the increased scale of activity and continuity of operations. The Company is also working to reduce time lags for production start-up on multi-well pads by utilizing the drilling rig for completion operations and setting up pads for concurrent drilling and production operations, thereby improving capital efficiencies and accelerating economic returns.

## 2021 OUTLOOK

Rubellite's Board of Directors has approved fourth quarter 2021 capital expenditures of \$16 to \$18 million, an increase of \$6 to \$8 million from previous guidance released September 7, 2021. Expenditures in the fourth quarter will be largely directed to the drilling, completion and equipping of the seven (7.0 net) planned development wells at Ukalta and three (3.0 net) of the accelerated four (4.0 net) well program following up the successful exploration results in the south Figure Lake area. A combination of six and eight leg multi-lateral well designs are planned to continue to evaluate opportunities to improve capital efficiencies. The Figure Lake drilling program will be partially funded by the previously announced Figure Lake GORR financing, which provided 100% of the funding for the four wells drilled at Figure Lake during the third quarter and will provide approximately \$0.2 million per well for the next 12 wells in Figure Lake area. Additional capital spending is also expected for preparatory work for first quarter 2022 activities in the Ukalta area.

The procurement of the second drilling rig will also accelerate some of Rubellite's previously planned 2022 activity into the first quarter of 2022. The table below details Rubellite's anticipated capital spending and drilling activities for the fourth quarter of 2021 and first quarter of 2022.

### Fourth Quarter 2021 and First Quarter 2022 Exploration and Development Forecast Capital Expenditures <sup>(1)</sup>

	Q4 2021	# of wells	Q1 2022	# of wells
	(\$ millions) (gross/net)		(\$ millions) (gross/net)	
Marten Hills	-/-		4/2.0	
Figure Lake <sup>(2)</sup>	3/3.0		1/1.0	
Ukalta	7/7.0		6/6.0	
Total <sup>(3)</sup>	\$16 - \$18	10/10.0	\$10 - \$12	11/9.0

- (1) Third quarter 2021 capital spending on Rubellite's Clearwater assets was commensurate with the third quarter component of H2 2021 guidance dated September 7, 2021.
- (2) The Figure Lake GORR financing is forecast to contribute \$0.6 million in Q4 2021 and \$0.2 million in Q1 2022 to fund Figure Lake drilling activities.
- (3) Excludes undeveloped land purchases and acquisitions, if any.

Development drilling activity across Rubellite's three operating areas is forecast to drive rapid production growth. With wells drilled at Ukalta beginning to contribute to reported sales volumes in early December, Rubellite forecasts Q4 2021 average daily production of approximately 650 to 700 bbl/d. Production sales volumes will ramp up significantly through year end 2021 and into early 2022 and are expected to reach in excess of 2,000 bbl/d during the first quarter of 2022. The Company expects to update full year 2022 guidance after stabilized production results from the ongoing Ukalta and Figure Lake drilling programs have been established. Rubellite also plans to continue exploration activities to pursue additional prospective land capture and de-risk acreage.

In the context of current strip pricing, Rubellite's organic growth business plan is expected to be fully funded, drive material adjusted funds flow growth over the next two years and generate free funds flow by 2022.

## ADDITIONAL INFORMATION

### About Rubellite

Rubellite is a Canadian energy company engaged in the exploration, development and production of heavy crude oil from the Clearwater formation in Eastern Alberta, utilizing multi-lateral drilling technology. Rubellite has a pure play Clearwater asset base and is pursuing a robust organic growth plan focused on superior corporate returns and free funds flow generation while maintaining a conservative capital structure and prioritizing ESG excellence. Additional information on Rubellite can be accessed at the Company's website at [www.rubelliteenergy.com](http://www.rubelliteenergy.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

The Toronto Stock Exchange has neither approved nor disapproved the information contained herein.

**BOE VOLUME CONVERSIONS:** Barrel of oil equivalent ("boe") may be misleading, particularly if used in isolation. In accordance with National Instrument 51-101, a conversion ratio for conventional natural gas of 6 Mcf:1 bbl has been used, which 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, utilizing a conversion on a 6 Mcf:1 bbl basis may be misleading as an indicator of value as the value ratio between conventional natural gas and heavy crude oil, based on the current prices of natural gas and crude oil, differ significantly from the energy equivalency of 6 Mcf:1 bbl. A conversion ratio of 1 bbl of heavy crude oil to 1 bbl of NGL has also been used throughout this news release.

The following abbreviations used in this news release have the meanings set forth below:

bbl barrels

boe barrels of oil equivalent

Mcf thousand cubic feet

Initial Production Rates

Any references in this news release to initial production rates are useful in confirming the presence of hydrocarbons; however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter and are not necessarily indicative of long-term performance or ultimate recovery. Readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company. Such rates are based on field estimates and may be based on limited data available at this

time.

## Non-GAAP Measures

This news release contains the terms "adjusted funds flow", "free funds flow", "net working capital", "net debt", and "operating netback" which do not have standardized meanings prescribed by GAAP. Management believes that in addition to net income (loss) and net cash flows from (used in) operating activities as defined by GAAP, these terms are useful supplemental measures to evaluate operating performance. Users are cautioned however that these measures should not be construed as an alternative to net income (loss) or net cash flows from operating activities determined in accordance with GAAP as an indication of Rubellite's performance and may not be comparable with the calculation of similar measurements by other entities.

For additional reader advisories in regards to non-GAAP financial measures, including Rubellite's method of calculation and reconciliation of these terms to their corresponding GAAP measures, see the section entitled "Non-GAAP Measures" within the Company's MD&A filed on SEDAR.

**Adjusted funds flow:** Adjusted funds flow is calculated based on cash flows from (used in) operating activities, excluding changes in non-cash working capital and expenditures on decommissioning obligations since Rubellite believes the timing of collection, payment or incurrence of these items is variable. Expenditures on decommissioning obligations may vary from period to period depending on capital programs and the maturity of the Company's operating areas. Expenditures on decommissioning obligations are managed through the capital budgeting process which considers available adjusted funds flow. Management uses adjusted funds flow and adjusted funds flow per boe as key measures to assess the ability of the Company to generate the funds necessary to finance capital expenditures, expenditures on decommissioning obligations, and meet its financial obligations.

Adjusted funds flow is not intended to represent net cash flows from (used in) operating activities calculated in accordance with IFRS.

**Free funds flow:** Free funds flow is defined as adjusted funds flow less total net capital expenditures. Total net capital expenditures is defined as total capital expenditures before acquisitions and non-core dispositions.

**Operating netback:** Operating netback is calculated by deducting royalties, production and operating expenses, and transportation costs from realized revenue. Operating netback is also calculated on a per boe basis using production sold in the period. Rubellite considers operating netback to be an important performance measure as it demonstrates its profitability relative to current commodity prices. Realized revenue is realized oil revenue which includes realized gains (losses) on financial crude oil and foreign exchange contracts. Realized revenue is used by management to calculate the Company's net realized commodity prices, taking into account the monthly settlements of financial crude oil and natural gas forward sales, collars, basis differentials, and forward foreign exchange sales. These contracts are put in place to protect Rubellite's adjusted funds flow from potential volatility.

**Net working capital:** Net working capital includes total current assets and current liabilities excluding short-term derivative assets and liabilities related to the Company's risk management activities, revolving bank debt, current portion of royalty obligations, current portion of lease liabilities, and current portion of decommissioning obligations.

**Net debt:** Net debt is measured as current and long-term revolving bank debt, including net working capital. Net debt is used by management to assess the Company's overall debt position and borrowing capacity.

## Forward-Looking Information

Certain information in this news release including management's assessment of future plans and operations, and including the information contained under the headings "2021 Outlook" and "2021 Exploration and Development Forecast Capital Expenditures" may constitute forward-looking information or statements (together "forward-looking information") under applicable securities laws. The forward-looking information

includes, without limitation, statements with respect to: expectations as to increased sales production as new wells fully recover load oil from the drilling process; drilling activity plans and the planned two-rig drilling program for the remainder of 2021 and the first quarter of 2022 and the benefits to be derived from such drilling including the production growth and ability for the business plan to be fully funded; expectations respecting Rubellite's future exploration, development and drilling activities; the estimated initial working capital and debt of Rubellite; and the anticipated focus of Rubellite's business plan.

Forward-looking information is based on current expectations, estimates and projections that involve a number of known and unknown risks, which could cause actual results to vary and in some instances to differ materially from those anticipated by Rubellite and described in the forward-looking information contained in this news release. In particular and without limitation of the foregoing, material factors or assumptions on which the forward-looking information in this news release is based include: the ability of Rubellite to successfully operate the Clearwater assets; forecast commodity prices and other pricing assumptions; forecast production volumes based on business and market conditions; foreign exchange rates; near-term pricing and continued volatility of the market; accounting estimates and judgments; future use and development of technology and associated expected future results; the ability to obtain regulatory approvals; the successful and timely implementation of capital projects; ability to generate sufficient cash flow to meet current and future obligations; Rubellite's ability to operate under the management of Rubellite pursuant to the management services agreement; the ability of Rubellite to obtain and retain qualified staff and equipment in a timely and cost-efficient manner, as applicable; the retention of key properties; forecast inflation and other assumptions inherent in Rubellite's current guidance and estimates; the continuance of existing tax, royalty, and regulatory regimes; the accuracy of the estimates of reserves volumes; ability to access and implement technology necessary to efficiently and effectively operate assets; and the ongoing and future impact of the coronavirus on commodity prices and the global economy, among others.

Undue reliance should not be placed on forward-looking information, which is not a guarantee of performance and is subject to a number of risks or uncertainties, including without limitation those described herein and under "Risk Factors" in Rubellite's Management Information Circular dated August 4, 2021 and in other reports on file with Canadian securities regulatory authorities which may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)). Readers are cautioned that the foregoing list of risk factors is not exhaustive. Forward-looking information is based on the estimates and opinions of Rubellite's management at the time the information is released, and Rubellite disclaims any intent or obligation to update publicly any such forward-looking information, whether as a result of new information, future events or otherwise, other than as expressly required by applicable securities law.

SOURCE [Rubellite Energy Inc.](#)

## Contact

[Rubellite Energy Inc.](#) , Suite 3200, 605 - 5 Avenue SW Calgary, Alberta, Canada T2P 3H5, Telephone: 403 269-4400, Fax: 403 269-4444, Email: [info@rubelliteenergy.com](mailto:info@rubelliteenergy.com); Susan L. Riddell Rose, President and Chief Executive Officer; Ryan A. Shay, Vice President Finance and Chief Financial Officer

---

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

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/399243--Rubellite-Energy-Inc.-Reports-Third-Quarter-2021-Financial-and-Operating-Results-and-Provides-Operations-and->

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](#).