

Arrow Exploration Corp. Third Quarter Interim Results Close of Private Placement and Appointment of Joint Broker

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Calgary, November 24, 2021 - [Arrow Exploration Corp.](#) (AIM: AXL) (TSXV: AXL), the high-growth operator with a portfolio of assets across key Colombian hydrocarbon basins, is pleased to announce the filing of its unaudited Financial Statements and MD&A for the quarter-ended September 30, 2021, which are available on SEDAR (www.sedar.com). All dollar figures are in U.S. dollars, except as otherwise noted.

FINANCIAL AND OPERATING HIGHLIGHTS

Financial and operating highlights for quarter include the following:

(in United States dollars, except as otherwise noted)	Three months ended September 30, 2021	Nine months ended September 30, 2021
Total natural gas and crude oil revenues, net of royalties	1,684,609	3,473,661
Funds flow from (used in) operations ⁽¹⁾	875,621	257,504
Per share - basic (\$) and diluted (\$)	0.01	0.00
Net income (loss)	(21,781)	(1,266,503)
Per share - basic (\$) and diluted (\$)	(0.00)	(0.02)
Adjusted EBITDA ⁽¹⁾	966,234	264,032
Weighted average shares outstanding - basic and diluted	68,674,602	68,674,602
Common shares end of period	68,674,602	68,674,602
Capital expenditures	148,528	230,480
Cash and cash equivalents	5,465,981	5,465,981
Current Assets	8,644,830	8,644,830
Current liabilities	7,861,123	7,861,123
Working capital (deficit) ⁽¹⁾	783,707	783,707
Long-term portion of restricted cash ⁽²⁾	485,263	485,263
Total assets	25,362,323	25,362,323
Operating	Three months ended September 30, 2021	Nine months ended September 30, 2021
Natural gas and crude oil production, before royalties		
Natural gas (Mcf/d)	501	419
Natural gas liquids (bbl/d)	11	6
Crude oil (bbl/d)	481	308
Total (boe/d)	575	384
Operating netbacks (\$/boe) ⁽¹⁾		
Natural gas (\$/Mcf)	1.35	1.07
Crude oil (\$/bbl)	37.59	34.29
Total (\$/boe)	30.73	27.73

⁽¹⁾Non-IFRS measures - see "Non-IFRS Measures" section within this MD&A

⁽²⁾Long term restricted cash not included in working capital

DISCUSSION OF OPERATING RESULTS

The Company's Q3 2021 average corporate production was 575 boe/d, an increase of 244 boe/d compared to Q2 2021 average corporate production of 331 boe/d, or 74%.

The increase in production quarter-over-quarter was largely attributable to a full quarter of production

following the re-start of the Company's Oso Pardo field in late-Q2 2021, and its share of increased production from Ombu (Capella), both located in Colombia, as well as an increase in its share of natural gas production from certain Canadian assets.

The Company's production on a year-to-date, sequential quarterly, and year-over-year quarterly basis is summarized below.

Average Production by Property

Average Production Boe/d	YTD 2021	Q3 2021	Q2 2021	Q1 2021	Q3 2020
LLA-23	-	-	-	-	1
Oso Pardo	53	137	20	-	-
Ombu (Capella)	98	193	97	-	-
Rio Cravo Este (Tapir)	157	151	147	174	8
Total Colombia	308	481	264	174	9
Fir, Alberta	76	94	67	68	96
TOTAL (Boe/d)	384	575	331	242	105

During Q3 2021 and subsequent to the quarter-end the Company successfully executed on several initiatives to continue increasing its production and cash flow, including:

- Re-starting production from the Oso Pardo-1 and Oso Pardo-2 wells, located adjacent to the Morsa-1 well, and adding current combined production of approximately 18 bbls/d; and
- Announcing and executing on field activities associated with the planned tie-in of behind-pipe natural gas from the 03-26-52-23W5 well (the "3-26 Well") located at West Pepper, Alberta.

DISCUSSION OF FINANCIAL RESULTS

During Q3 2021 the Company continued to realize strong oil and gas prices, as summarized below.

Average Benchmark and Realized Prices

	Three months ended September 30			Nine months ended September 30		
	2021	2020	Change	2021	2020	Change
Benchmark Prices						
AECO (\$/Mcf)	2.97	1.69	76%	2.59	1.51	72%
Brent (\$/bbl)	73.23	43.32	69%	67.97	42.64	59%
West Texas Intermediate (\$/bbl)	70.54	40.92	72%	65.05	38.20	70%
Realized Prices						
Natural gas, net of transportation (\$/Mcf)	2.90	2.18	33%	2.98	1.67	78%
Natural gas liquids (\$/bbl)	56.03	37.54	190%	52.56	25.16	179%
Crude oil, net of transportation (\$/bbl)	63.87	13.07	389%	61.31	38.18	61%
Corporate average, net of transport (\$/boe) ⁽¹⁾	52.21	14.24	285%	50.43	33.45	54%

⁽¹⁾Non-IFRS measures - see "Non-IFRS Measures" section within the MD&A

The Company also continued to realize strong operating netbacks, as summarized below.

Operating Netbacks

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Natural Gas (\$/Mcf)				
Revenue, net of transportation expense	\$ 2.90	\$ 2.18	\$ 2.98	\$ 1.67
Royalties	(0.37)	(0.20)	(0.31)	(0.16)
Operating expenses	(1.18)	(0.92)	(1.60)	(1.15)
Natural Gas operating netback ⁽¹⁾	\$ 1.35	\$ 1.06	\$ 1.07	\$ 0.36

Crude oil (\$/bbl)				
Revenue, net of transportation expense	\$ 63.87	\$ 13.07	\$ 61.31	\$ 38.18
Royalties	(5.91)	20.69	(6.90)	(1.82)
Operating expenses	(20.37)	(281.74)	(20.12)	(29.02)
Crude Oil operating netback ⁽¹⁾	\$ 37.59	(\$247.98)	\$ 34.29	\$ 7.34
Corporate (\$/boe)				
Revenue, net of transportation expense	\$ 52.21	\$ 14.24	\$ 50.43	\$ 33.45
Royalties	(4.94)	2.66	(5.61)	(1.66)
Operating expenses	(16.54)	(53.04)	(17.09)	(25.10)
Corporate Operating netback ⁽¹⁾	\$ 30.73	(\$36.14)	\$ 27.73	\$ 6.68

⁽¹⁾Non-IFRS measure

The Company experienced an increase in operating netbacks during Q3 2021 as compared to Q2 2021, increasing to \$30.73/boe in Q3 2021 from \$22.37/boe in Q2 2021. The increase in operating netbacks on a sequential quarterly basis is attributable to: (i) higher Brent crude and AECO natural gas prices, which resulted in higher revenues per boe of production sold, and (ii) lower operating expenses associated with the Company's production, which decreased to \$16.54/boe during Q3 2021 from \$24.58/boe during Q2 2021.

The Company also experienced an increase in operating netbacks during Q3 2021 as compared to Q3 2020, increasing to \$30.73/boe in Q3 2021 from (\$36.14)/boe in Q3 2020. The increase in operating netbacks on a year-over-year quarterly basis is likewise attributable to: (i) higher Brent crude and AECO natural gas prices, which resulted in higher revenues per boe of production sold, and (ii) lower operating expenses associated with the Company's production, which decreased to \$16.54/boe during Q3 2021 from \$53.04/boe during Q3 2020.

The Company did not incur material capital expenditures during Q3 2021. At the end of Q3 2021 the Company had a positive working capital position of \$0.8 million, and a cash position of \$5.5 million.

POST-PERIOD EVENTS AND BUSINESS UPDATE

- AIM ADMISSION AND FUNDRAISING

On October 20, 2021, the Company announced that it had conditionally raised approximately £8.8 million (C\$15 million), through a placing and subscription for new common shares with new investors, Canacol Energy Ltd., and executive management (together, the "Fundraising"), in conjunction with admission of the Company's common shares to trading on AIM on October 25, 2021. The Company's common shares continue to also trade on the TSX Venture Exchange.

The Fundraising consisted of the placement and subscription of 140,949,545 new common shares at an issue price of £0.0625 (C\$0.106125) per new common share. The Company's executive management invested approximately C\$1.41 million and Canacol Energy Ltd. participated in the subscription to hold 19.9% of the enlarged share capital. Investors received one warrant for every two new common shares, exercisable at £0.09 (C\$0.15282) per new common share for 24 months from the AIM admission date (October 25, 2021). The net proceeds of the Fundraising, together with the Company's existing funds, are expected to be used to drill two wells at Rio Cravo Este, and will also be deployed in drilling the Carrizales Norte-1 exploration well.

- RESULT OF PRIVATE PLACEMENT

The Company is also pleased to announce that it has successfully raised C\$395,375 on a non-brokered private placement basis through the issuance of 3,765,476 new common shares on the same terms as the Fundraising. Investors will receive one warrant for every two new common shares subscribed, exercisable for 24 months from the closing date.

Arrow intends to use the funds raised from the non-brokered private placement to be applied towards the

work programme, as set out above and detailed in the Company's announcement of October 25, 2021.

Closing of the non-brokered private placement is subject to certain customary conditions, including the receipt of all necessary regulatory approvals, including the approval of the TSX Venture Exchange. All securities issued under the non-brokered private placement will be subject to a statutory hold period of four months plus a day following the date of closing. In connection with the non-brokered private placement Arrow is also issuing 117,200 new common shares and paid C\$12,306 in cash, as payment of a finders' fee.

Application has been made to the London Stock Exchange for the 3,882,676 new common shares to be admitted to trading on AIM ("Admission"), and Admission is expected to occur on or around November 26, 2021. The new common shares will, upon issue, rank pari passu with the existing common shares of the Company, save in respect of the hold period detailed above. Following Admission, for the purposes of the Disclosure Guidance and Transparency Rules, the total number of voting rights in the Company will be 213,506,823. This figure may be used by shareholders as the denominator for the calculations by which they determine if they are required to notify their interest in, or a change of their interest in, the Company under the FCA's Disclosure Guidance and Transparency Rules.

- BUSINESS UPDATE

The planned tie-in of behind-pipe natural gas from the 3-26 Well located at West Pepper, Alberta, continues to proceed on-time and on-budget. The Company currently expects production from the 3-26 Well to commence during the first half of December 2021.

The Company is continuing to progress various activities associated with the planned drilling of the next well on the Tapir Block in Colombia, being the RCE-2 well, and expects to provide further updates to the market in due course.

APPOINTMENT OF JOINT BROKER

Arrow is pleased to announce the appointment of Auctus Advisors LLP as joint corporate broker with immediate effect.

WEBCAST OF INTERIM RESULTS AND MANAGEMENT Q&A

The Company is providing a webcast presentation and management Q&A session in connection with its interim results, available to all its stakeholders at the following web address:

<https://www.lsegissuerservices.com/spark/ARROWEXPLORATIONCORP/events/ecb1232a-30f5-43bb-8015-df6fb2180>

The webcast will be accessible via the link above and will start at 14.30 GMT / 09.30 EST / 07.30 MST on November 24, 2021.

For further Information, contact:

Arrow Exploration
Marshall Abbott, CEO +1 403 651 5995
Max Satel, EVP Corporate Development & Investor Relations +1 416 904 2258

Arden Partners (Joint Broker and Nominated Adviser)
Ruari McGirr / Richard Johnson (Corporate) +44 (0)20 7614 5900
Seb Wykeham / Simon Johnson (Broking)

Auctus Advisors (Joint Broker)
Jonathan Wright (Corporate) +44 (0)7711 627449

Rupert Holdsworth Hunt (Broking)

Camarco (Financial PR)
James Crothers +44 (0)20 3781 8331
Rebecca Waterworth
Billy Clegg

About Arrow Exploration Corp.

[Arrow Exploration Corp.](#) (operating in Colombia via a branch of its 100% owned subsidiary Carrao Energy S.A.) is a publicly-traded company with a portfolio of premier Colombian oil assets that are under-exploited, under-explored and offer high potential growth. The Company's business plan is to expand oil production from some of Colombia's most active basins, including the Llanos, Middle Magdalena Valley (MMV) and Putumayo Basin. The asset base is predominantly operated with high working interests, and the Brent-linked light oil pricing exposure combines with low royalties to yield attractive potential operating margins. Arrow's 50% interest in the Tapir Block is contingent on the assignment by Ecopetrol SA of such interest to Arrow. Arrow's seasoned team is led by a hands-on executive team supported by an experienced board. Arrow is listed on the AIM market of the London Stock Exchange and on TSX Venture Exchange under the symbol "AXL".

Forward-looking Statements

This news release contains certain statements or disclosures relating to Arrow that are based on the expectations of its management as well as assumptions made by and information currently available to Arrow which may constitute forward-looking statements or information ("forward-looking statements") under applicable securities laws. All such statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that Arrow anticipates or expects may, could or will occur in the future (in whole or in part) should be considered forward-looking statements. In some cases, forward-looking statements can be identified by the use of the words "continue", "expect", "opportunity", "plan", "potential" and "will" and similar expressions. The forward-looking statements contained in this news release reflect several material factors and expectations and assumptions of Arrow, including without limitation, Arrow's evaluation of the impacts of COVID-19, the potential of Arrow's Colombian and/or Canadian assets (or any of them individually), the prices of oil and/or natural gas, and Arrow's business plan to expand oil and gas production and achieve attractive potential operating margins. Arrow believes the expectations and assumptions reflected in the forward-looking statements are reasonable at this time but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

The forward-looking statements included in this news release are not guarantees of future performance and should not be unduly relied upon. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The forward-looking statements contained in this news release are made as of the date hereof and the Company undertakes no obligations to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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