

Alvopetro Announces May 2022 Sales Volumes and Operational Update

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CALGARY, June 6, 2022 - [Alvopetro Energy Ltd.](#) (TSXV: ALV) (OTCQX: ALVOF) announces May sales volumes of 2,111 boepd, including natural gas sales of 12.1 MMcfpd, associated natural gas liquids sales from condensate of 81 bopd and oil sales of 9 bopd, based on field estimates. At the end of May, we completed a five-day shutdown of our production to complete all the necessary advance work for our Caburé gas processing facility expansion resulting in lower overall production in May compared to prior months. At the same time, we completed the plant turnaround and inspection work required by Brazilian regulations every three years, to avoid any downtime later in 2022. All work was completed ahead of schedule and production resumed without issue. Based on field estimates, our production averaged 2,494 boepd during the first five days of June, consistent with production levels prior to the shutdown. The gas plant expansion is on schedule to be completed in early July and all the equipment for the expansion can now be installed efficiently without interrupting production. Following the expansion, our available processing capacity is expected to increase by 25% to at least 500,000 cubic metres per day (18 MMcfpd).

Operational Update

In April, we completed drilling our 182-C1 well on Block 182 and, based on open-hole wireline logs, the well discovered 25 metres of potential net natural gas pay in the Agua Grande formation with an average 34% water saturation and average porosity of 8.2%. The 182-C1 well encountered net pay in the Agua Grande Formation but the well crossed the bounding fault before reaching the secondary target in the Sergi Formation. We plan to commence testing the well near the end of June to assess productive capability and define a field development plan.

On June 5, 2022, following required rig maintenance, we spud our second 2022 exploration well (183-B1) on the fault block immediately east to our 182-C1 discovery. The 183-B1 location is also a multi-zone pre-rift prospect targeting both the Agua Grande and Sergi Formations. Our independent reserve evaluator (GLJ Ltd.) assessed the 183-B1 prospect and assigned prospective resource of:

	Gross Lease Unrisked			Gross Lease Risked		
	Prospective Resources			Prospective Resources		
	(MBOE)			(MBOE)		
Prospect	Low Est.	Best Est.	High Est.	Low Est.	Best Est.	High Est.
Block 183 - B1 Prospect	2,065	5,901	13,429	901	2,574	5,859

The 183-B1 well is expected to take approximately 44 days to drill. After this well, we plan to drill the follow-up well on Block 182 to: 1) test the lateral extent of our 182-C1 Agua Grande discovery; 2) assess Agua Grande porosity further away from the bounding fault; and 3) target the Sergi Formation further east from the bounding fault.

On our Murucututu project, we have completed construction of the pipeline to connect the 183(1) well to our Caburé pipeline and are in the final stages of construction of our field production facilities. We expect our 183(1) well to be on production in July.

Corporate Presentation

Alvopetro's updated corporate presentation is available on our website at:

<http://www.alvopetro.com/corporate-presentation>.

Social Media

Follow Alvopetro on our social media channels at the following links:

Twitter - <https://twitter.com/AlvopetroEnergy>

Instagram - <https://www.instagram.com/alvopetro/>

LinkedIn - <https://www.linkedin.com/company/alvopetro-energy-ltd>

YouTube: https://www.youtube.com/channel/UCgDn_igrQgdj-maR6fWB0w

[Alvopetro Energy Ltd.](#)'s vision is to become a leading independent upstream and midstream operator in Brazil. Our strategy is to unlock the on-shore natural gas potential in the state of Bahia in Brazil, building off the development of our Caburé natural gas field and our strategic midstream infrastructure.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

All amounts contained in this new release are in United States dollars, unless otherwise stated and all tabular amounts are in thousands of United States dollars, except as otherwise noted.

Abbreviations:

boepd = barrels of oil equivalent ("boe") per day

bopd = barrels of oil and/or natural gas liquids (condensate) per day

MBOE = thousands of barrels of oil equivalent

MMcf = million cubic feet

MMcfpd = million cubic feet per day

BOE Disclosure. The term barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet per barrel (6Mcf/bbl) of natural gas to barrels of oil equivalence is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All boe conversions in this news release are derived from converting gas to oil in the ratio mix of six thousand cubic feet of gas to one barrel of oil.

Forward-Looking Statements and Cautionary Language. This news release contains forward-looking information within the meaning of applicable securities laws. The use of any of the words "will", "expect", "intend" and other similar words or expressions are intended to identify forward-looking information. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to vary significantly from the expectations discussed in the forward-looking statements. These forward-looking statements reflect current assumptions and expectations regarding future events. Accordingly, when relying on forward-looking statements to make decisions, Alvopetro cautions readers not to place undue reliance on these statements, as forward-looking statements involve significant risks and uncertainties. More particularly and without limitation, this news release contains forward-looking information concerning the plans relating to the Company's operational activities, potential natural gas pay in the 182-C1 well, the expected natural gas price, gas sales and gas deliveries under Alvopetro's long-term gas sales agreement, exploration and development prospects of Alvopetro, the expected timing of certain of Alvopetro's testing and operational activities and future results from operations. The forward-looking statements are based on certain key expectations and assumptions made by Alvopetro, including but not limited to equipment availability, the timing of testing of the 182-C1 well and the results from such testing, the timing of regulatory licenses and approvals, the success of future drilling, completion, testing, recompletion and development activities, the outlook for commodity markets and ability to access capital markets, the impact of the COVID-19 pandemic and other significant worldwide events, the performance of producing wells and reservoirs, well development and operating performance, foreign exchange rates, general economic and business conditions, weather and access to drilling locations, the availability and cost of labour and services, environmental regulation, including regulation relating to hydraulic fracturing and stimulation, the ability to monetize hydrocarbons discovered, the regulatory and legal

environment and other risks associated with oil and gas operations. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be incorrect. Actual results achieved during the forecast period will vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. Although Alvo Petro believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Alvo Petro can give no assurance that it will prove to be correct. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on factors that could affect the operations or financial results of Alvo Petro are included in our annual information form which may be accessed on Alvo Petro's SEDAR profile at www.sedar.com. The forward-looking information contained in this news release is made as of the date hereof and Alvo Petro undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Test Results. Data obtained from the 182-C1 well identified in this press release, including hydrocarbon shows, open-hole logging, net pay and porosities, should be considered to be preliminary until testing, detailed analysis and interpretation has been completed. Hydrocarbon shows can be seen during the drilling of a well in numerous circumstances and do not necessarily indicate a commercial discovery or the presence of commercial hydrocarbons in a well. There is no representation by Alvo Petro that the data relating to the 182-C1 well contained in this press release is necessarily indicative of long-term performance or ultimate recovery. The reader is cautioned not to unduly rely on such data as such data may not be indicative of future performance of the well or of expected production or operational results for Alvo Petro in the future.

Prospective Resources - This news release discloses estimates of certain of Alvo Petro's prospective resources as evaluated by GLJ Ltd. with an effective date of July 31, 2020 (as announced by Alvo Petro on September 8, 2020). There is no certainty that any portion of the prospective resources will be discovered and even if discovered, there is no certainty that it will be commercially viable to produce any portion. Estimates of prospective resources involve additional risks over estimates of reserves. The accuracy of any resources estimate is a function of the quality and quantity of available data and of engineering interpretation and judgment. While resources presented herein are considered reasonable, the estimates should be accepted with the understanding that reservoir performance subsequent to the date of the estimate may justify revision, either upward or downward. Prospective resources have both a chance of discovery and a chance of development, which combined represent for any undiscovered accumulation its chance of commerciality. Please refer to the noted news releases dated September 8, 2020 for additional information as well as supplementary information contained in the Company's annual information form which has been filed on SEDAR.

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