

Petrus Resources Announces Increased 2022 Budget Guidance and Operational Update

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CALGARY, Sept. 19, 2022 - [Petrus Resources Ltd.](#) ("Petrus" or the "Company") (TSX: PRQ) is pleased to announce the acceleration and expansion of its capital program, resulting in increased 2022 budget guidance and an updated operational outlook.

UPDATED 2022 BUDGET GUIDANCE

Market conditions have improved materially since the release of Petrus' initial 2022 budget in December of last year. During the first six months of 2022, due to a combination of increased production and stronger commodity prices, the Company generated significantly higher funds flow from operations than originally budgeted. Given the increased funds flow to date and the forecast for the remainder of the year, the Board of Directors has approved a revised 2022 capital budget of \$105 million to \$115 million (up from \$50-\$55 million), of which \$90 to \$100 million is cash to be directed toward the 2022 capital program with the balance having been directed toward a previously announced non-cash strategic acquisition that closed in March 2022. Capital spending and operational efforts will continue to be largely focused on further development of the Company's core Ferrier area with approximately \$80 million to \$90 million directed to drilling, completion and tie-ins; an increase of nearly 70%. The remaining \$10 million is primarily budgeted for land, seismic, and facilities for which minimal capital had been allocated in the original 2022 budget.

The revised 2022 capital budget was developed using an average price forecast for September through December 2022 of US\$73/bbl WTI for oil, an AECO gas price of CAD\$3.80/GJ and a foreign exchange rate of US\$0.79. Under these pricing assumptions, through the execution of this capital plan, Petrus is expecting to:

- Achieve a 2022 exit production rate of 10,500 to 11,000 boe¹ per day, which is a projected increase of 73% to 81% compared to the 2021 exit rate of 6,084 boe per day.
- Generate \$85 million to \$90 million in annual funds flow² for 2022, representing an anticipated 155% to 170% improvement compared to 2021 annual funds flow of \$33.4 million.

Given the inherent volatility of commodity prices, the Company recognizes it is prudent to remain disciplined and flexible from an operational and financial perspective. Petrus will continue to monitor Canadian light oil and natural gas prices and will evaluate capital investments on an ongoing basis.

OPERATIONAL OUTLOOK

Petrus' 2022 capital program is well underway, with spending largely focused on drilling in our core Ferrier area. There are two rigs actively running; drilling operations have been finalized on the first two pads in the program and completion operations have commenced on both pads. The Company looks forward to providing updates on the results of the capital program as the year progresses.

ABOUT PETRUS

Petrus is a public Canadian oil and gas company focused on property exploitation, strategic acquisitions and risk-managed exploration in Alberta.

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READER ADVISORIES

Non-GAAP and Other Financial Measures

This press release refers to the term "funds flow" (on both a fiscal 2021 historical basis and a fiscal 2022 forecast basis). These non-GAAP and other financial measures are not recognized measures under GAAP (IFRS) and do not have a standardized meaning prescribed by GAAP (IFRS). Accordingly, the Company's use of these terms may not be comparable to similarly defined measures presented by other companies. These non-GAAP and other financial measures should not be considered to be more meaningful than GAAP measures which are determined in accordance with IFRS as indicators of our performance. Management uses these non-GAAP and other financial measures for the reasons set forth below.

Funds Flow

Funds flow is a common non-GAAP financial measure used in the oil and natural gas industry that evaluates the Company's profitability at the corporate level. Management believes that funds flow provides information to assist a reader in understanding the Company's profitability relative to current commodity prices. The most directly comparable financial measure that is disclosed in the Company's primary financial statements is oil and natural gas revenue, which was \$81.268 million for the year ended December 31, 2021. For additional information regarding funds flow (including a reconciliation of funds flow to oil and natural gas revenue), see the disclosure under "Non-GAAP and Other Financial Measures - Corporate Netback" in the Company's Management's Discussion & Analysis for the year ended December 31, 2021 which is available on SEDAR at www.sedar.com, which disclosure is incorporated by reference herein.

Forward-Looking Statements and FOFI

Certain information regarding Petrus set forth in this press release contains forward-looking statements within the meaning of applicable securities law, that involve substantial known and unknown risks and uncertainties. Such statements represent Petrus' internal projections, estimates, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. These statements are only predictions and actual events or results may differ materially. Although Petrus believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause Petrus' actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Petrus. In particular, forward-looking statements included in this press release include, but are not limited to, statements with respect to: our intention to accelerate and expand our 2022 capital program; the range of our revised 2022 capital budget, how the revised budget will be allocated, and the intention to focus our capital spending and operational efforts on further development of our core Ferrier area; our forecasts for commodity prices and US/CAD exchange rate for September to December 2022; our forecast 2022 exit production rate; and our forecast range of annual funds flow for 2022. These forward-looking statements are subject to numerous risks and uncertainties, most of which are beyond the Company's control, including: the impact of general economic conditions; volatility in market prices for crude oil, NGL and natural gas; industry conditions; currency fluctuation; imprecision of reserve estimates; liabilities inherent in crude oil and natural gas operations; environmental risks; incorrect assessments of the value of acquisitions and exploration and development programs; competition; the lack of availability of qualified personnel or management; changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry; hazards such as fire, explosion, blowouts, cratering, and spills, each of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury; stock market volatility; ability to access sufficient capital from internal and external sources; and the other risks and uncertainties described in our Annual Information Form. With respect to forward-looking statements contained in this press release, Petrus has made assumptions regarding: future commodity prices (including as disclosed herein) and royalty regimes; availability of skilled labour; timing and amount of capital expenditures; future exchange rates; the impact of increasing competition; conditions in general economic and financial markets; availability of drilling and related equipment and services; effects of regulation by governmental agencies; the effects of inflation on our profitability; and future operating costs. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide investors with a more complete perspective on Petrus' future operations and such information may not be appropriate for other purposes. Petrus' actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that the Company will derive therefrom. Readers are cautioned that the foregoing lists of factors are not exhaustive. This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Petrus' prospective results of operations including, without limitation, our forecasts for our revised 2022 capital program, 2022 exit production rate and 2022 annual funds flow, which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth above. Readers

are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on FOFI. Petrus' actual results, performance or achievement could differ materially from those expressed in, or implied by, these FOFI, or if any of them do so, what benefits Petrus will derive therefrom. Petrus has included the FOFI in order to provide readers with a more complete perspective on Petrus' future operations and such information may not be appropriate for other purposes.

These forward-looking statements and FOFI are made as of the date of this press release and the Company disclaims any intent or obligation to update any forward-looking statements and FOFI, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

BOE Presentation

The oil and natural gas industry commonly expresses production volumes and reserves on a barrel of oil equivalent ("boe") basis whereby natural gas volumes are converted at the ratio of six thousand cubic feet to one barrel of oil. The intention is to sum oil and natural gas measurement units into one basis for simplified measurement of results and comparisons with other industry participants. Petrus uses the 6:1 boe measure which is the approximate energy equivalence of the two commodities at the burner tip. Boe's do not represent an economic value equivalence at the wellhead and therefore may be a misleading measure if used in isolation.

Production and Product Type Information

The Company's forecast 2022 exit production rate and 2021 exit production rate disclosed in this press release consist of the following product types, as defined in National Instrument 51-101 and using the conversion ratio described above, where applicable, production consisted of: 12% light oil and condensate, 28% natural gas liquids and 60% conventional natural gas.

¹ Disclosure of production on a per boe basis consists of the constituent product types and their respective quantities. Refer to "BOE Presentation" and "Production and Product Type Information" for further details.

² Non-GAAP financial measure. Refer to "Non-GAAP and Other Financial Measures".

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