

# **Alvopetro Announces a 50% Increase to our Quarterly Dividend, an Intention to Launch a Share Buyback Program, and Record Q3 2022 Results**

15.11.2022 | [CNW](#)

CALGARY, Nov. 15, 2022 - [Alvopetro Energy Ltd.](#) (TSXV:ALV); (OTCQX: ALVOF) is pleased to announce a 50% increase in our quarterly dividend, to US\$0.12 per common share, an intention to launch a share buyback program under a normal course issuer bid ("NCIB") and operating and financial results for the third quarter of 2022 including another record quarter of funds from operations of \$13.3 million. We will host a live webcast to discuss Q3 2022 results on Wednesday November 16, 2022, at 9:00 am Mountain time.

President & CEO, Corey C. Ruttan commented:

"With continued strong operating and financial results, and with our debt now fully repaid, we are pleased to announce a 50% increase in our quarterly dividend following on the 33% increase earlier this year. Our dividend program and the proposed share buyback provide us with maximum flexibility to meet our strategy to maintain a balanced organic growth and stakeholder return model."

All references herein to \$ refer to United States dollars, unless otherwise stated and all tabular amounts are in thousands of United States dollars, except as otherwise noted.

### Quarterly Dividend Increased 50% to \$0.12 per Share

Alvopetro is pleased to announce that our Board of Directors has approved a 50% increase in our quarterly dividend, to \$0.12 per common share, payable in cash on January 13, 2023, to shareholders of record at the close of business on December 31, 2022. This dividend is designated as an "eligible dividend" for Canadian income tax purposes.

Dividend payments to non-residents of Canada will be subject to withholding taxes at the Canadian statutory rate of 25%. Shareholders may be entitled to a reduced withholding tax rate under a tax treaty between their country of residence and Canada. For further information, see Alvopetro's website at <https://alvopetro.com/Dividends-Non-resident-Shareholders>.

### Normal Course Issuer Bid

In connection with our long-standing balanced and disciplined stakeholder return and organic growth model, our Board of Directors provided approval to submit an application to launch a share buyback program under a NCIB, subject to securities law and regulatory customary approvals. Once approved, the NCIB, combined with our quarterly dividends, will provide us with flexibility in our returns to stakeholders.

### Financial and Operating Highlights - Third Quarter of 2022

- Daily sales averaged 2,642 boepd in Q3 2022, a 7% increase from the Q3 2021 average of 2,459 boepd and a 12% increase from the Q2 2022 average of 2,359 boepd. The expansion of our gas processing facility was completed at the end of Q3 2022 and available processing capacity has now increased to 500,000 m3/d (18 MMcfpd) contributing to higher volumes in Q3 2022.
- As of August 1, 2022, Alvopetro's natural gas price has been reset to the new ceiling price of \$10.22/MMBtu. Due to the appreciation of the BRL in the first half of 2022 compared to second half of 2021, the BRL contracted price remained consistent at BRL1.94/m3. With all natural gas sales in Q3 2022 at the ceiling price, our average realized natural gas price increased to \$11.18/Mcf compared to the Q3 2021 average price of \$7.07/Mcf. Higher commodity prices and higher sales volumes resulted in a 67% increase in our natural gas, condensate and oil revenue compared to Q3 2021.
- Our operating netback was \$59.83 per boe in Q3 2022, an improvement of \$23.45 per boe from Q3 2021 (+64%). Due to the consistent BRL denominated natural gas pricing, our operating netback decreased \$4.13 per boe from Q2 2022 (\$63.96 per boe) due to the devaluation of the BRL relative to the USD and lower Brent pricing on condensate.
- We generated cash flows from operating activities of \$13.8 million (\$0.40 per basic share and \$0.37 per diluted share) compared to funds from operations of \$13.3 million (\$0.39 per basic share and \$0.36 per diluted share), increases of \$6.0 million and \$5.4 million, respectively compared to Q3 2021.
- We reported net income of \$8.8 million in Q3 2022 compared to a loss of \$0.02 million in Q3 2021.
- Capital expenditures totaled \$8.7 million, and included drilling costs for our 183-B1, 182-C2 and Unit-C wells, testing costs for our 182-C1 well, long lead purchases and development costs on our Murucututu project.
- All outstanding warrants were exercised in the quarter, with 1,342,978 warrants exercised by way of cashless exercise. A total of 1,342,978 warrants exercised at a strike price of \$1.80 per share. Alvopetro received cash proceeds of \$2.4 million and issued a total of 2,081,616 common shares on the exercise.
- We repaid the final \$2.5 million outstanding on the credit facility and the facility has now been cancelled. As at September 30, 2022, we had a net working capital surplus of \$12.2 million, including \$17.4 million in cash and cash equivalents.
- Our October 2022 sales volumes averaged 2,720 boepd based on field estimates, with natural gas sales of 15.6MMcf and natural gas liquids from condensate of 124 bopd.

The following table provides a summary of Alvo Petro's financial and operating results for three and nine months ended September 30, 2022 and September 30, 2021. The consolidated financial statements with the Management's Discussion and Analysis ("MD&A") are available on our website at [www.alvo petro.com](http://www.alvo petro.com) and will be available on the System for Electronic Document Analysis and Retrieval (SEDAR) website at [www.sedar.com](http://www.sedar.com).

	As at and Three Months Ended			As at and Nine Months Ended		
	September 30,			September 30,		
	2022	2021	Change (%)	2022	2021	Change (%)
<b>Financial</b>						
(\$000s, except where noted)						
Natural gas, oil and condensate sales	16,672	9,963	67	46,431	25,084	85
Net income (loss) <sup>(1)</sup>	8,795	(20)	-	26,541	2,817	842
Per share - basic (\$) <sup>(1)(2)</sup>	0.26	(0.00)	-	0.78	0.09	767
Per share - diluted (\$) <sup>(1)(2)</sup>	0.24	(0.00)	-	0.72	0.08	800
Cash flow from operating activities	13,838	7,234	91	35,168	17,203	104
Per share - basic (\$) <sup>(2)</sup>	0.40	0.22	82	1.03	0.52	98
Per share - diluted (\$) <sup>(2)</sup>	0.37	0.20	85	0.96	0.50	92
Funds flow from operations <sup>(3)</sup>	13,348	7,930	68	36,686	18,157	102
Per share - basic (\$) <sup>(2)</sup>	0.39	0.24	63	1.08	0.55	96
Per share - diluted (\$) <sup>(2)</sup>	0.36	0.22	64	1.00	0.52	92
Dividends declared	2,896	2,023	43	8,340	2,023	312
Per share <sup>(2)</sup>	0.08	0.06	33	0.24	0.06	300
Capital expenditures	8,713	1,261	591	18,851	3,043	519
Cash and cash equivalents	17,380	8,084	115	17,380	8,084	115
Net working capital surplus <sup>(3)</sup>	12,225	6,839	79	12,225	6,839	79
Working capital, net of debt <sup>(3)</sup>	12,225	294	4,058	12,225	294	4,058
<b>Weighted average shares outstanding</b>						
Basic (000s) <sup>(2)</sup>	34,434	32,923	5	34,107	32,860	4
Diluted (000s) <sup>(2)</sup>	36,939	35,310	5	36,693	34,717	6
<b>Operations</b>						
Natural gas, NGLs and crude oil sales:						
Natural gas (Mcfpd)	15,139	14,102	7	14,344	13,365	7
NGLs - condensate (bopd)	117	107	9	104	103	1

Oil (bopd)	2	2	-	6	2	200
Total (boepd)	2,642	2,459	7	2,501	2,333	7

Average realized prices<sup>(3)</sup>:

Natural gas (\$/Mcf)	11.18	7.07	58	11.03	6.30	75
NGLs - condensate (\$/bbl)	101.57	79.36	28	109.38	73.04	50
Oil (\$/bbl)	80.92	61.11	32	83.59	60.06	39
Company total (\$/boe)	68.59	44.04	56	68.00	39.39	73

Operating netback (\$/boe)<sup>(3)</sup>

Realized sales price	68.59	44.04	56	68.00	39.39	73
----------------------	-------	-------	----	-------	-------	----

Royalties	(5.42)	(4.02)	35	(5.05)	(3.39)	49
-----------	--------	--------	----	--------	--------	----

(1) The 2021 comparative periods in the table above have been restated. See "Restatement of the 2021 Comparative Period" section within the MD&A and Note 14 of the unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2022 for further details.

(2) Per share amounts are based on weighted average shares outstanding other than dividends per share, which is based on the number of common shares outstanding at each dividend record date. The weighted average number of diluted common shares outstanding in the computation of funds flow from operations and cash flows from operating activities per share is the same as for net income per share.

(3) See "Non-GAAP and Other Financial Measures" section within this news release.

## Third Quarter 2022 Results Webcast

Alvopetro will host a live webcast to discuss Q3 2022 financial results at 9:00 am Mountain time on November 16, 2022. Details for joining the event are as follows:

Date: November 16, 2022

Time: 9:00 a.m. Mountain/11:00 a.m. Eastern

Link: <https://us06web.zoom.us/j/83084021752>

Dial-in Numbers: <https://us06web.zoom.us/j/83084021752>

Webinar ID: 830 8402 1752

The webcast will include a question-and-answer period. Online participants will be able to ask questions through the Zoom portal. Dial-in participants can email questions directly to [socialmedia@alvopetro.com](mailto:socialmedia@alvopetro.com).

## Long-term Incentive Compensation Grants

In connection with our long-term incentive compensation program, Alvopetro's Board of Directors (the "Board") has approved the annual rolling grants to officers, directors and certain employees under Alvopetro's Omnibus Incentive Plan. A total of 536,000 stock options, 122,000 restricted share units ("RSUs") and 40,000 deferred share units ("DSUs") were approved by the Board and are expected to be granted on November 24, 2022. Of the total grants, 248,000 stock options, 101,000 RSUs and 40,000 DSUs were granted to directors and officers. Each stock option, RSU and DSU entitles the holder to purchase one common share. Each stock option granted will have an exercise price based on the volume weighted average trading price of Alvopetro's shares on the TSX Venture Exchange for the five (5) consecutive trading days up to and including November 24, 2022. All stock options, RSUs and DSUs granted expire five (5)

years from the date of the grant.

#### 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>

[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.

#### Abbreviations:

bbls = barrels

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

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

BRL = Brazilian Real

m<sup>3</sup> = cubic metre

Mcf = thousand cubic feet

Mcfpd = thousand cubic feet per day

MMcf = million cubic feet

MMcfpd = million cubic feet per day

NGLs = natural gas liquids

Q2 2022 = three months ended June 30, 2022

Q3 2021 = three months ended September 30, 2021

Q3 2022 = three months ended September 30, 2022

#### Non-GAAP and Other Financial Measures

This news release contains references to various non-GAAP financial measures, non-GAAP ratios, capital management measures and supplementary financial measures as such terms are defined in National

Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure. Such measures are not recognized measures under GAAP and do not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. While these measures may be common in the oil and gas industry, the Company's use of these terms may not be comparable to similarly defined measures presented by other companies. The non-GAAP and other financial measures referred to in this report should not be considered an alternative to, or more meaningful than measures prescribed by IFRS and they are not meant to enhance the Company's reported financial performance or position. These are complementary measures that are used by management in assessing the Company's financial performance, efficiency and liquidity and they may be used by investors or other users of this document for the same purpose. Below is a description of the non-GAAP financial measures, non-GAAP ratios, capital management measures and supplementary financial measures used in this news release. For more information with respect to financial measures which have not been defined by GAAP, including reconciliations to the closest comparable GAAP measure, see the "Non-GAAP Measures and Other Financial Measures" section of the Company's MD&A which may be accessed through the SEDAR website at [www.sedar.com](http://www.sedar.com).

## Non-GAAP Financial Measures

### Operating netback

Operating netback is calculated as natural gas, oil and condensate revenues less royalties and production expenses. This calculation is provided in the "Operating Netback" section of the Company's MD&A using our IFRS measures. The Company's MD&A may be accessed through the SEDAR website at [www.sedar.com](http://www.sedar.com). Operating netback is a common metric used in the oil and gas industry used to demonstrate profitability from operations.

## Non-GAAP Financial Ratios

### Operating netback per boe

Operating netback is calculated on a per unit basis, which is per barrel of oil equivalent ("boe"). It is a common non-GAAP measure used in the oil and gas industry and management believes this measurement assists in evaluating the operating performance of the Company. It is a measure of the economic quality of the Company's producing assets and is useful for evaluating variable costs as it provides a reliable measure regardless of fluctuations in production. Alvo Petro calculated operating netback per boe as operating netback divided by total sales volumes (barrels of oil equivalent). This calculation is provided in the "Operating Netback" section of the Company's MD&A using our IFRS measures. The Company's MD&A may be accessed through the SEDAR website at [www.sedar.com](http://www.sedar.com). Operating netback is a common metric used in the oil and gas industry used to demonstrate profitability from operations on a per unit basis (boe).

### Operating netback margin

Operating netback margin is calculated as operating netback per boe divided by the realized sales price per boe. Operating netback margin is a measure of the profitability per boe relative to natural gas, oil and condensate sales revenues per boe and is calculated as follows:

	Three Months Ended / Nine Months Ended			
	September 30,		September 30,	
	2022	2021	2022	2021
Operating netback - \$ per boe	59.83	36.38	59.18	32.35
Average realized price - \$ per boe	68.59	44.04	68.00	39.39
Operating netback margin	87 %	83 %	87 %	82 %

## Funds Flow from Operations Per Share

Funds flow from operations per share is a non-GAAP ratio that includes all cash generated from operating activities and is calculated before changes in non-cash working capital, divided by the weighted average shares outstanding for the respective period. For the periods reported in this news release the cash flows from operating activities per share and funds flow from operations per share is as follows:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
\$ per share	2022	2021	2022	2021
Per basic share:				
Cash flows from operating activities	0.40	0.22	1.03	0.52
Funds flow from operations	0.39	0.24	0.96	0.55
Per diluted share:				
Cash flows from operating activities	0.37	0.20	1.08	0.50
Funds flow from operations	0.36	0.22	1.00	0.52

## Capital Management Measures

### Funds Flow from Operations

Funds flow from operations is a non-GAAP capital management measure that includes all cash generated from operating activities and is calculated before changes in non-cash working capital. The most comparable GAAP measure to funds flow from operations is cash flows from operating activities. Management considers funds flow from operations important as it helps evaluate financial performance and demonstrates the Company's ability to generate sufficient cash to fund future growth opportunities. Funds flow from operations should not be considered an alternative to, or more meaningful than, cash flows from operating activities however management finds that the impact of working capital items on the cash flows reduces the comparability of the metric from period to period. A reconciliation of funds flow from operations to cash flows from operating activities is as follows:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2022	2021	2022	2021
Cash flows from operating activities	13,838	7,234	35,168	17,203
Add back changes in non-cash working capital (490)		696	1,518	954
Funds flow from operations	13,348	7,930	36,686	18,157

### Net Working Capital

Net working capital is computed as current assets less current liabilities. Net working capital is a measure of

liquidity, is used to evaluate financial resources, and is calculated as follows:

	As at September 30,	
	2022	2021
Total current assets	24,545	13,201
Total current liabilities	(12,320)	(6,362)
Net working capital surplus	12,225	6,839

#### Working Capital Net of Debt

Working capital net of debt is computed as net working capital surplus decreased by the carrying amount of the Credit Facility. Working capital net of debt is used by management to assess the Company's overall financial position.

	As at September 30,	
	2022	2021
Net working capital surplus	12,225	6,839
Credit Facility, balance outstanding -		(6,545)
Working capital, net of debt	12,225	294

#### Supplementary Financial Measures

"Average realized natural gas price - \$/Mcf" is comprised of natural gas sales as determined in accordance with IFRS, divided by the Company's natural gas sales volumes.

"Average realized NGL - condensate price - \$/bbl" is comprised of condensate sales as determined in accordance with IFRS, divided by the Company's NGL sales volumes from condensate.

"Average realized oil price - \$/bbl" is comprised of oil sales as determined in accordance with IFRS, divided by the Company's oil sales volumes.

"Average realized price - \$/boe" is comprised of natural gas, condensate and oil sales as determined in accordance with IFRS, divided by the Company's total natural gas, condensate and oil sales volumes (barrels of oil equivalent).

"Royalties per boe" is comprised of royalties, as determined in accordance with IFRS, divided by the total natural gas, condensate and oil sales volumes (barrels of oil equivalent).

"Production expenses per boe" is comprised of production expenses, as determined in accordance with IFRS, divided by the total natural gas, condensate and oil sales volumes (barrels of oil equivalent).

#### 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 (6 Mcf/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 MD&A 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 Company's dividend policy, plans for dividends in the future, and the timing and taxation of such dividends, the Company's intention to proceed with an NCIB, plans relating to the Company's operational activities, 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, future results from operations, and the Company's plans for dividends in the future. Forward-looking statements are necessarily based upon assumptions and judgments with respect to the future including, but not limited to, expected approvals and timing thereof with respect to an NCIB, equipment availability, the timing and results of testing the 183-B1 well, the 182-C2 well and the Unit C well, the success of future drilling, completion, recompletion and development activities, foreign exchange rates, expectations regarding Alvopetro's working interest and the outcome of any redeterminations, the outlook for commodity markets and ability to access capital markets, the impact of the COVID-19 pandemic, the performance of producing wells and reservoirs, well development and operating performance, the timing of regulatory licenses and approvals, general economic and business conditions, forecasted demand for oil and natural gas, 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. In addition, the declaration, timing, amount and payment of future dividends remain at the discretion of the Board of Directors. Although Alvopetro 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 Alvopetro 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 Alvopetro are included in our restated annual information form which may be accessed on Alvopetro's SEDAR profile at [www.sedar.com](http://www.sedar.com). The forward-looking information contained in this news release is made as of the date hereof and Alvopetro 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.

SOURCE [Alvopetro Energy Ltd.](#)

## Contact

Corey C. Ruttan, President, Chief Executive Officer and Director, or Alison Howard, Chief Financial Officer,  
Phone: 587.794.4224, Email: [info@alvopetro.com](mailto:info@alvopetro.com), [www.alvopetro.com](http://www.alvopetro.com), TSX-V: ALV, OTCQX: ALVOF

---

Dieser Artikel stammt von [Rohstoff-Welt.de](http://Rohstoff-Welt.de)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/428401--Alvopetro-Announces-a-50Prozent-Increase-to-our-Quarterly-Dividend-an-Intention-to-Launch-a-Share-Buyback-P>

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](#).