

ROK Resources Inc. Confirms Closing of Strategic Southeast Saskatchewan Asset Acquisition, Credit Facility and Provides First-Half 2023 Guidance

24.01.2023 | [ACCESS Newswire](#)

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REGINA, January 24, 2023 - [ROK Resources Inc.](#) ("ROK" or the "Company") (TSXV:ROK)(TSXV:ROK.WT) is pleased to announce that it has successfully closed the acquisition previously announced on December 19, 2022 (the "Acquisition") of the assets (1,400 Boepd at closing) located in ROK's core operating area of Southeast Saskatchewan (the "Assets"), in exchange for total consideration of approximately \$23 million CAD in cash consideration after closing adjustments and approximately 400 boepd of non-core, Southwest Saskatchewan assets.

The Acquisition was funded through the previously announced \$75 million CAD senior loan facility (the "Senior Loan Facility"), which is comprised of a \$52.5 million term facility (the "Term Facility") carrying a 2-year term and interest rate of BA plus 6.25% and a \$22.5 million syndicated facility (the "Syndicated Facility") with a sliding scale interest rate, currently set as BA plus 3.75%. The term loan carries a monthly principal payment requirement of \$2 million and has no prepayment penalty. The Company's previous loan facility with Anvil Channel Energy Solutions has been repaid in full and replaced with the Senior Loan Facility, resulting in an interest cost reduction in excess of 30%.

Highlights & Strategic Rationale

The Acquisition is aligned with ROK's long-term business strategy of responsible exploration and development, complemented by strategic acquisitions of diversified and sustainable assets in favorable operating areas. Additional highlights include:

- All-cash transaction provides debt adjusted accretion of >15% 2023 cash flow per share and >75% TPP Reserves per share.
- High quality land positions (48,720 net acres) located in the Pinto, Steelman & Gainsborough areas of Southeast Saskatchewan.
- Significant booked reserve base (65+ net drilling locations) and long-term resource development upside, adding 18 years of reserve life, not including secondary recovery from future waterflood applications.
- Stable base production, currently producing approximately 1,400 boepd (69% Liquids).
- Integrated operations enable low-cost structures (80% of acquired assets are operated).

First-Half 2023 Guidance

Current corporate production is approximately 4,400 boepd (69% Liquids), of which 3,200 boepd is producing from ROK's core operating area in Southeast Saskatchewan. Over the first six months of 2023, ROK intends to focus on increasing shareholder value through well optimization and integration of the acquired Assets, debt reduction, and a \$10 million dollar capital program that includes 3 gross (2.63 net) wells drilled in Southeast Saskatchewan and Kaybob.

Over this period, the Company expects to average 4,200 - 4,300 boepd and generate \$25 - \$27 million¹ in funds from operations, of which \$10 million will be allocated directly to principal reduction on the Term Facility. Net Debt at June 30, 2023 is expected to be \$53 - \$55 million.

ROK will provide second half 2023 guidance in the second quarter of 2023. The second half of 2023 is expected to include a robust drilling program aimed at expediting growth in core operating areas. Across the Southeast Saskatchewan core area, the Company expects to balance drilling between conventional Frobisher and unconventional Midale, two of the most economic plays in the basin. Within the Kaybob South Core area the Company will further develop the Cardium oil and Montney gas development on its 100% working interest lands. The Company will also evaluate the sale of additional non-core, non-operated assets to reduce debt and further focus operations on properties that align with management's expertise and ROK's growth strategy.

Notes:

1. Assumes average pricing of \$80/bbl USD WTI and \$3.50/mcf AECO.

About ROK

ROK is engaged in exploring for petroleum and natural gas development activities in Southeast Saskatchewan and the Kaybob area of Alberta. Its head office is located in both Regina, Saskatchewan, Canada and Calgary, Alberta, Canada and ROK's common shares are traded on the TSX Venture Exchange under the trading symbol "ROK".

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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 the report are derived from converting gas to oil in the ratio mix of six thousand cubic feet of gas to one barrel of oil.

Reserve Disclosure

All reserves information in this press release was prepared by an independent reserve evaluator, effective September 1, 2022 and October 1, 2022, using the reserve evaluators September 1, 2022 and October 1, 2022 forecast prices and costs in accordance with National Instrument 51-101 - Standards of Disclosure of Oil and Gas Activities ("NI 51-101") and the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook"). All reserve references in this press release are "Company gross reserves". Company gross reserves are the Company's total working interest reserves before the deduction of any royalties payable by the Company and before the consideration of the Company's royalty interests. It should not be assumed that the present worth of estimated future cash flow of net revenue presented herein represents the fair market value of the reserves. There is no assurance that the forecast prices and costs assumptions will be attained, and variances could be material. The recovery and reserve estimates of the Assets and ROK's crude oil, NGLs and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and NGLs reserves may be greater than or less than the estimates provided herein.

Drilling Locations

This press release discloses drilling locations with respect to the Assets in two categories: (i) booked locations; and (ii) un-booked locations. Booked locations were assigned by a 3rd party qualified reserves

evaluator in accordance with NI 51-101 and the COGEH effective September 1, 2022, and account for drilling locations that have associated proved and/or probable reserves, as applicable. Un-booked locations are internal estimates based on the Company's assumptions as to the number of wells that can be drilled per section based on industry practice and internal review. Un-booked locations do not have attributed reserves or resources. Of the total 100 drilling locations identified herein, 81 are proved plus probable locations and 19 are un-booked locations. Un-booked locations have been identified by management as an estimation of Company's multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production, and reserves information assuming completion of the Acquisition. Assuming completion of the Acquisition, there is no certainty that the Company will drill all un-booked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources, or production. The drilling locations considered for future development will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the un-booked drilling locations have been de-risked by the drilling of existing wells by the vendor in relative close proximity to such un-booked drilling locations, other un-booked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

Non-IFRS Measures

Certain measures commonly used in the oil and natural gas industry referred to herein, including, "Operating Netback", "Net Debt", "Net Operating Income", "Funds from Operations", and "Enterprise Value" do not have a standardized meaning prescribed by IFRS and therefore may not be comparable with the calculation of similar measures by other companies. These non-IFRS measures are further described and defined below. Such non-IFRS measures are not intended to represent operating profits, nor should they be viewed as an alternative to cash flow provided by operating activities, net earnings or other measures of financial performance calculated in accordance with IFRS.

"Operating Netback" equals petroleum sales (before realized hedging gains or losses on derivative instruments) less royalties and operating costs calculated on a boe basis. The Company uses certain industry benchmarks, such as Operating field netback, to analyze financial and operating performance. This metric can also be calculated on a per boe basis. The Company considers Operating Field Netback an important measure to evaluate operational performance, as it demonstrates field level profitability relative to current commodity prices.

"Net asset value per share" is determined by subtracting net debt and asset retirement obligations (if not otherwise deducted) at the applicable date from the total proved plus probable before tax net present value of future net revenue discounted at 10% as provided in the McDaniel Reserves Report, divided by the number of fully diluted shares outstanding at the applicable date.

Management uses these oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare our operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this press release, should not be relied upon for investment or other purposes.

"Net Debt" equals as outstanding long-term debt and net working capital. The Company uses this metric to analyze the level of debt in the Company including the impact of working capital.

"Net Operating Income" is calculated as petroleum and natural gas revenue less royalties, net operating expenses and transportation expenses. Net operating income multiple is calculated as purchase price of the acquisition divided by the annual net operating income related to the acquisition. The Company uses this metric as an indication of the cost of the acquisition in relation to the net operating income from the acquired business.

"Funds from Operations" is calculated by taking the sum of oil, gas, natural gas liquids revenue and the realized gain (loss) of hedges, then deducting operating expenses and royalties.

"Enterprise Value" is calculated using (i) the product of (x) the number of issued and outstanding Common

Shares of the Company multiplied by (y) the per share closing price of the Common Shares or the Issue Price, plus (ii) the amount of the Company's debt, less (iii) the amount of cash and cash equivalents of the Company.

"Reserve Life Index" is calculated by dividing the TPP reserves by the product of the estimated current production and 365 days in a year.

Abbreviations

BA	Bankers' Acceptance
bbl	barrels of oil
bbls/d	barrels per day
boe	barrels of oil equivalent
boepd	barrels oil equivalent per day
NGLs	Natural Gas Liquids
Mboe	Thousands of barrels of oil equivalent
MMboe	Millions of barrels of oil equivalent
PDP	Proved Developed Producing
TP	Total Proved Reserves
TPP	Total Proved and Probable Reserves
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for the crude oil standard grade

Cautionary Statement Regarding Forward-Looking Information

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation that are not historical facts. Forward-looking statements involve risks, uncertainties, and other factors that could cause actual results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements in this news release include, but are not limited to, statements with respect to the Company's objectives, goals, or future plans as a result of the Acquisition and estimated future operating results thereof. Forward-looking statements are necessarily based on several estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include but are not limited to general business, economic and social uncertainties; litigation, legislative, environmental, and other judicial, regulatory, political and competitive developments; delay or failure to receive board, shareholder or regulatory approvals; those additional risks set out in ROK's public documents filed on SEDAR at www.sedar.com; and other matters discussed in this news release. Although the Company believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except where required by law, the Company disclaims any intention or obligation to update or revise any forward-looking statement, whether because of new information, future events, or otherwise.

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

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/433771--ROK-Resources-Inc.-Confirms-Closing-of-Strategic-Southeast-Saskatchewan-Asset-Acquisition-Credit-Facility-and>

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