

ROK Resources Announces 2022 Reserves

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REGINA, February 16, 2023 - [ROK Resources Inc.](#) ("ROK" or the "Company") (TSXV:ROK) is pleased to announce the results of its December 31, 2022 independent reserves evaluation. The evaluation for the Company as at December 31, 2022 was conducted by McDaniel & Associates ("McDaniel") of Calgary and was conducted in accordance with the definitions, standards and procedures contained in the Canadian Oil and Gas Evaluators Handbook ("COGEH") and National Instrument 51-101 - Standards for Disclosure of Oil and Gas Activities ("NI 51-101"). The reserve volumes do not include the Company's recent acquisition, defined in the news release dated January 24, 2023. ROK has engaged McDaniel to prepare a proforma corporate reserves update, which is expected to be released in Q2 2023. For a summary of the acquisition reserves, please refer to the section below entitled 2023 Acquired Reserves.

2022 Reserves Highlights

ROK's 2022 reserves evaluation reflects the addition of 6.4 million Boe of PDP reserves to a total of 6.8 million Boe, representing a 1,600% increase year-over-year. ROK also materially increased Total Proved reserves (850%) and Total Proved plus Probable reserves (680%), due largely to the acquisition of Federated Co-op Limited's assets in March 2022.

- Proved oil and gas reserves ("1P") of 9,727,000 Boe and Net Present Value of 1P reserves discounted at 10% ("NPV10") of \$135,762,800
- Proved plus probable oil and gas reserves ("2P") of 16,043,800 Boe and Net Present Value of 2P reserves discounted at 10% ("NPV10") of \$218,778,700
- Total 1P NAV⁹ of \$0.47/basic share and 2P NAV⁹ of \$0.87/basic share, a YoY increase of 213% and 164%, respectively
- Finding, Development and Acquisition ("FD&A")⁸ costs, including changes in Future Development Capital ("FDC")³, of:
 - PDP: \$16.43/boe
 - 1P: \$16.62/boe
 - 2P: \$12.78/boe
- With a 2022 average operating netback⁷ of \$48.08/boe (before hedge gains), FD&A Recycle Ratios of:
 - PDP: 2.9x
 - 1P: 2.9x
 - 2P: 3.8x

Summary of Oil & Gas Reserves⁶ as of Dec 31, 2022

Reserves - Total Company Interest	Light and Medium Oil Mbbbl	Conventional Natural Gas MMcf	Natural Gas Liquids MMbbl
Total Proved Developed Producing	4,456	11,977	38,854
Total Proved	6,480	16,157	55,708
Total Probable	3,460	14,127	50,000
Total Proved plus Probable	9,940	30,284	1,057,008
Summary of Net Present Values as of Dec 31, 2022 (Before Income Tax) ^{2,3,4,5}			
Before Tax Present Value (M\$)	Undiscounted	5%	10%
Total Proved Developed Producing	115,530	108,854	97,000

Total Proved		185,745	159,820	13
Total Probable		177,618	114,903	83
Total Proved plus Probable		363,362	274,723	21
Price Forecast ² (Sproule, GLJ, McDaniel Average), Jan 1, 2023				
Year	F/X USD/CAD	WTI USD/bbl	Cromer Medium CAD/bbl	Alberta AECO CAD/Mmbtu
2023	0.75	80.33	99.13	4.23
2024	0.77	78.50	93.32	4.40
2025	0.77	76.95	90.90	4.21
2026	0.77	77.61	91.25	4.27
2027	0.78	79.16	92.67	4.34
2028	0.78	80.74	94.52	4.43
2029	0.78	82.36	96.42	4.51
2030	0.78	84.00	98.34	4.60
2031	0.78	85.69	100.31	4.69
2032	0.78	87.40	101.85	4.79

Reconciliation of Total Company Reserves

FACTORS	Total Light & Medium Crude			Total Natural Gas			Total Natural Gas Liquids		
	Proved Mbbbl	Probable Mbbbl	Proved + Probable Mbbbl	Proved MMcf	Probable MMcf	Proved + Probable MMcf	Proved Mbbbl	Probable Mbbbl	Proved + Probable Mbbbl
Open Dec 31, 2021	780	865	1644	625	407	1,032	138	91	229
Discoveries									
Extensions	143	109	252	543	272	815	15	21	37
Improved Recovery									
Technical Revisions	-211	-116	-328	-319	-103	-423	-56	7	-48
Acquisitions ¹	6,427	2,591	9,018	16,916	13,530	30,446	519	380	899
Dispositions									
Economic Factors	12	11	23	25	21	46	3	2	5
Production	-670		-670	-1,634		-1,634	-66		-66
Close Dec 31, 2022	6,480	3,460	9,940	16,157	14,127	30,283	554	503	1,057

Notes

1. Reserves from Acquisition may differ from previous disclosure due to well underperformance or outperformance
2. The inflation rate is 0% in 2023, 2.3% per year in 2024 and 2% per year starting in 2025

3. Estimated future undiscounted development costs, in dollars, at December 31, 2022 were CAD \$85.2 million for proved reserves and CAD \$124.7 million for proved plus probable reserves
4. Report includes well & facility abandonment and reclamation costs of CAD \$75.8 million (with inflation) for the proved plus probable case.
5. The net present values disclosed may not represent fair market value.
6. Totals may not add exactly due to rounding.
7. Operating netback calculated by taking all revenue, less royalties and operating costs. Hedge gains/losses are not included.
8. Development and Exploration capex in 2022 was \$27.3 million. Total acquisition cost associated with the 2022 Federated Coop transaction, net of purchase price adjustments, was \$57.9 million.
9. Net Asset Value ("NAV") includes NPV10 of 1P and 2P reserves, respectively, less net debt balance of \$35.4 million as of December 31, 2022, divided by 211,580,484 outstanding common shares.

2023 Acquired Reserves

Subsequent to December 31, 2022, ROK closed an acquisition of strategic Southeast Saskatchewan assets in the Company's core operating area, as disclosed in the news release dated January 24, 2023. The associated reserves, as prepared by McDaniel effective September 1, 2022, are not included in the 2022 year-end reserves, but are shown below for reference purposes only. Please note, these reserves are subject to change in the Company's proforma reserves update, expected to be completed in Q2 2023. Also note, these reserves do not include the non-core divestiture that ROK completed in conjunction with the acquisition.

- PDP Reserves / NPV 10%: 2.3 MBoe / \$36 million
- Total Proved Reserves / NPV 10%: 7.1 MBoe / \$96 million
- Total Proved + Probable Reserves / NPV 10%: 10.4 MBoe / \$155 million

About ROK

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

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Advisories

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 news release was prepared by McDaniel & Associates ("McDaniel"), effective December 31, 2022, using the reserve evaluators January 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"). Our oil and gas reserves statement for the year ended December 31, 2022, which will include complete disclosure of our oil and gas reserves and other oil and gas information in accordance with NI 51-101, will be available on our SEDAR profile at www.sedar.com. All reserve references in this news 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 cost assumptions will be attained, and variances could be material. The recovery and reserve estimates of 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. The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation. Please note that all amounts are in Canadian dollars unless otherwise stated. Reserves volumes reported are "Total Company Interest Reserves", a classification of reserves used in the evaluation which represents production and reserves before deduction of royalties.

This news release contains metrics commonly used in the oil and natural gas industry, such as "recycle ratio", "finding and development costs", "finding, development and acquisition costs", "future development capital", and "operating netback per boe". Each of these metrics are determined by the Company as specifically set forth in this news release. These terms do not have standardized meanings or standardized methods of calculation and therefore may not be comparable to similar measures presented by other companies, and therefore should not be used to make such comparisons. Such metrics have been included to provide readers with additional information to evaluate the Company's performance however, such metrics are not reliable indicators of future performance and therefore should not be unduly relied upon for investment or other purposes. Recycle Ratio is calculated as operating netback per boe divided by F&D costs on a per boe basis. ROK's annual 2022 production averaged 2,760 boe per day. Management uses these metrics for its own performance measurements and to provide readers with measures to compare ROK's performance over time.

Both F&D and FD&A costs take into account reserves revisions during the year on a per boe basis. The aggregate of the costs incurred in the financial year and changes during that year in estimated FDC may not reflect total F&D costs related to reserves additions for that year. Finding and development costs both including and excluding acquisitions and dispositions have been presented in this news release because acquisitions and dispositions can have a significant impact on our ongoing reserves replacement costs and excluding these amounts could result in an inaccurate portrayal of our cost structure.

NPV10 debt adjusted per share metrics disclosed herein are based on 211,580,484 common shares issued and outstanding as at December 31, 2022, on a non-diluted basis, and year-end net debt of \$35.4 million.

Unaudited Financial Information

Certain financial and operating information included in this news release for the year ended December 31, 2022, including, without limitation, acquisitions, finding and development costs, finding, development and acquisition costs, recycle ratio, operating netbacks and debt. This information is based on estimated unaudited financial results for the year then ended, and are subject to the same limitations as discussed under Forward-Looking Information set out below. These estimated amounts may change upon the completion of audited financial statements for the year ended December 31, 2022 and changes could be material.

Abbreviations

Bopd Barrels of oil per day

Boe Barrels of oil equivalent

Boepd Barrels of oil equivalent per day

FDC Future development costs

FD&A Finding, Development and Acquisition Costs

NGLs Natural Gas Liquids

Mboe Thousands of barrels of oil equivalent

MMboe Millions of barrels of oil equivalent

MMcf Million cubic feet of gas

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: estimates of 2022 operating netbacks per boe; the volumes and estimated value of ROK's oil and gas reserves, the future net value of ROK's reserves, the future development capital and costs, the future abandonment and reclamation costs, the life of ROK's reserves, the estimated volumes, and product mix of ROK's oil and gas production; future liquidity and financial capacity required to carry out our planned program; future results from operations and operating metrics; future development activities and related production estimates; the anticipated positive impact on the Company's ability to execute an active drilling and completions program across its asset base; and methods of funding our capital program.

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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