

# Tenth Avenue Petroleum Announces 2023 Year-End Results and Reserves

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CALGARY, April 23, 2024 - [Tenth Avenue Petroleum Corp.](#) ("TPC" or the "Company") (TSXV:TPC) is pleased to announce its financial and operating results for the three months and twelve months ended December 31, 2023, and highlights of the Company's year-end independent reserve evaluation.

During 2023, the Company increased production by 24% to average 144 boe/d compared to 116 boe/d in 2022, negative \$13,667 of adjusted funds flow from operations and shallowing production declines at the Murray Lake and Hays properties aided in the production increase on a modest 2023 capital program of \$482,554. The Company exited 2023 at approximately 134 boe/d which excluded approximately 15 boe/d of curtailed production due to a saltwater disposal line failure at Murray Lake. The Company has recently received AER approval to convert an existing horizontal well into an injection well, which should improve overall field injection volumes across the entire pool and plans are in place to rectify this curtailment once existing road bands in the area have been lifted. Operating costs and field netbacks in Q4/23 have been negatively impacted by the curtailment.

The Company spent the majority of the second half of 2022 and all of 2023 increasing pumping capacity on most of its producing wells within its core areas of Murray Lake, currently being waterflooded, and at Hays. The Company also increased its water handling capacity at Murray Lake in Q3/22 which allowed the Company to gradually increase water injection rates that resulted in improved waterflood performance and positive technical reserve additions as reported in the independent reserve evaluation dated December 31, 2023.

"Our 2023 year-end reserves highlight the benefits of the capital investments made in late 2022 and 2023 in our core areas. At our Murray Lake and Hays properties, our 2P reserve volumes increased by 36% and 35% respectfully, while the Net Present Value (NPV10%) also increased by 59% and 42%, year over year. These positive results were offset in particular by a downward technical revision at our Vulcan 102/6-11-15-26W4 gas well and our Swan Hills Unit (non-operated) properties. These technical revisions were due in part to lower productivity, paired with lower future AECO gas prices and higher future operating costs, which negatively impacted the economic cut-off and associated reserves assigned to these two properties.

The Company achieved many accomplishments in 2023. It realized positive waterflood results in Murray Lake which led to shallower production declines and an increase in reserves and furthered its workover program with successful results in Hays which also lead to positive reserve additions. The Company was also able to reduce operating costs on its two core operated areas of Hays and Murray Lake in H2/23 which will become realized on a per boe basis once the Company brings its curtailed production back online in mid-2024. The Company will continue to prudently invest on its longer-term core assets and improve netbacks focussing on return on investments, said Cameron MacDonald, President & CEO."

Subsequent to December 31, 2023, the Company has entered into the following hedges: 50 bbls/d at C\$104/bbl, effective April 1 to December 31, 2024, and 25 bbls/d at C\$108.25/bbl effective May 1 to December 31, 2024. These hedges represent approximately 75% of its current oil production.

Selected financial and operational information is set out below and should be read in conjunction with Tenth Avenue's audited annual financial statements and related management's discussion and analysis (" MD&A ") for the years ended December 31, 2023 and 2022, which are available at [www.sedarplus.ca](http://www.sedarplus.ca) and the Company's website at [www.tenthavenuepetroleum.com](http://www.tenthavenuepetroleum.com) . The highlights reported in this press release include certain non-GAAP financial measures and ratios which have been identified using capital letters. The

reader is cautioned that these measures may not be directly comparable to other issuers; please refer to additional information under the heading "Reader Advisories - Non-GAAP Measures and Ratios".

## 2023 FINANCIAL AND OPERATING HIGHLIGHTS

- Average 2023 production of 144 boe/d (80% oil and natural gas liquids ("NGLs")), an increase of 24% from 116 boe/d (92% oil and NGLs) in 2022.
- Gross Revenues in 2023 of \$3,853,361, a 2% decrease from \$3,923,501 in 2022, while commodity prices during the same period decreased by 23% from \$100.15/boe in 2022 to \$71.31/boe in 2023.
- During the third quarter the Company entered into a physical crude oil agreement to hedge 50 bbls/d at a price of CAD\$116.50 per barrel, resulting in a realized gain of \$44,938 and unrealized gain on derivatives of \$68,603, for a total of \$2.16/boe during 2023.
- During 2023, the Company made a significant investment upgrading its pumping equipment on all of its core assets that are currently under waterflood. Total capital spent in 2023 was \$482,554, a 43% decrease from \$843,802 in 2022, while increasing production by 24% during the same period.
- As at December 31, 2023, the Company had \$22,923,000 of tax pools, of which \$16,503,000 were non-capital losses.

The table below summarizes the Company's financial and operating results for the three month and twelve months ended December 31, 2023, and December 31, 2022:

	Three months ended December 31			Twelve months ended December 31		
(\$)	2023	2022	% change	2023	2022	% change
Total oil, natural gas and processing revenue	3,829,426	678,056	22	3,853,361	3,923,501	(2)
Cash flow from operating activities	184,247	213,471	80	411,985	545,967	(25)
Per share - basic	0.01	0.01	-	0.01	0.02	(50)
Per share - diluted	0.01	0.01	-	0.01	0.01	-
Adjusted funds flow (1)	60,696	(59,429)	(2)	(13,677)	653,036	(102)
Per share - basic (2)	-	-	-	-	0.02	(100)
Per share - diluted (2)	-	-	-	-	0.02	(100)

Net Loss	(489,919 )	(2,258,883 )	78	(1,410,865 )	(2,412,275 )	42
Per share - basic	(0.01 )	(0.06 )	83	(0.04 )	(0.07 )	43
Per share - diluted	(0.02 )	(0.06 )	83	(0.04 )	(0.07 )	43
Net cash (deficit) surplus (1)	(99,971 )	(447,949 )	78	(99,971 )	(447,949 )	78
Capital expenditures	15,627	517,718	(97 )	482,554	3,338,609	(86 )
Weighted average shares outstanding						
Basic	36,944,100	36,057,305	11	39,930,949	36,057,305	11
Diluted	36,944,100	36,547,305	9	39,930,949	36,547,305	9
Share Trading High	\$0.15	\$ 0.29	(48 )	\$ 0.27	0.36	(25 )
Share Trading Low	\$0.10	\$ 0.21	(52 )	\$ 0.10	0.15	(33 )
Trading volume	1,092,092	4,363,076	(72 )	6,235,826	14,349,551	(57 )
Average daily production						
Oil (bbls/d)	96	91	5	112	98	14
NGL (bbls/d)	4	7	(43 )	3	8	(63 )
Natural Gas (mcf/d)	14	78	46	173	55	215
Total (boe/d)	110	134	(18 )	144	116	24
Average realized sale prices						
Oil (\$/bbls)	87.33	71.94	21	85.64	102.16	(16 )
Natural gas liquids (\$/bbls)	28.39	26.12	9	36.73	32.00	15
Natural Gas (\$/mcf)	2.49	10.35	(76 )	3.30	7.04	(53 )
Operating netback, net of derivatives (\$/boe)	12.75	4.34	194	12.70	28.38	(55 )

Adjusted

funds flow (5.56 ) (4.83 ) (15 ) (0.26 ) 15.48 (102 )  
(\$/Boe)

## 2023 RESERVE HIGHLIGHTS

- Proved plus Probable ("2P") reserves of 461,200 barrels of oil equivalent ("BOE") of which 88% is oil, condensate, and natural gas liquids ("NGL's") totaling Net Present Value of proved and probable reserves (NPV10%) of \$6.34 million.
- Total Proved ("1P") reserves of 249,600 barrels of oil equivalent ("BOE") of which 88% is oil, condensate, and natural gas liquids ("NGL's") totaling Net Present Value of proved and probable reserves (NPV10%) of \$2.99 million.
- Proved Developed & Producing ("PDP") reserves of 213,500 barrels of oil equivalent ("BOE") of which 93% is oil, condensate, and natural gas liquids ("NGL's") totaling Net Present Value of proved and probable reserves (NPV10%) of \$2.89 million.
- The Company's 2P reserve life index ("RLI") is approximately 9.4 years based on 2023.

The Company's reserves were independently evaluated by Trimble Energy Group ("Trimble") as at December 31, 2023. The reserves evaluation and reporting were conducted in accordance with the definitions, standards and procedures contained in the COGEH and National Instrument 51-101 Standard Disclosure of Oil & Gas Activities ("NI 51-101"). Additional information on the Company's December 31, 2023, reserves is available which are available at [www.sedarplus.ca](http://www.sedarplus.ca) and the Company's website at [www.tenthavenuepetroleum.com](http://www.tenthavenuepetroleum.com).

An updated corporate presentation can be found at [www.tenthavenuepetroleum.com](http://www.tenthavenuepetroleum.com)

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About Tenth Avenue Petroleum Corp.

[Tenth Avenue Petroleum Corp.](http://www.tenthavenuepetroleum.com) is a junior oil and gas exploration and production company with operations in Alberta.

## Forward-looking Information and Statements

The information in this news release contains certain forward-looking statements. These statements relate to future events or our future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "approximate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "would" and similar expressions. These statements involve substantial known and unknown risks and uncertainties, certain of which are beyond the Company's control, including: the impact of the COVID-19 pandemic on the Company's business and operations (and the duration of the impacts thereof); the inability of the Company to meet its commitments on its lands or on the lands it may acquire, the impact of general economic conditions; industry conditions; changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; fluctuations in commodity prices and foreign exchange and interest rates; stock market volatility and market valuations; volatility in market prices for oil and natural gas; liabilities inherent in oil and natural gas operations; uncertainties associated with estimating oil and natural gas reserves, changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry; geological, technical, drilling and processing problems and other difficulties in producing petroleum reserves; and obtaining required approvals of regulatory authorities. The Company's actual results, performance or achievement could differ materially from those expressed in,

or implied by, such forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do, what benefits the Company will derive from them. These statements are subject to certain risks and uncertainties and may be based on assumptions that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. The forward-looking statements in this news release are expressly qualified in their entirety by this cautionary statement. Except as required by law, the Company undertakes no obligation to publicly update or revise any forward-looking statements. Investors are encouraged to review and consider the additional risk factors set forth in the Company's continuous disclosure documents which are available on SEDAR at [www.sedar.com](http://www.sedar.com).

## Oil and Gas Advisories

### Meaning of Boe

The term "boe" or barrels of oil equivalent may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 Mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Additionally, given that the value ratio based on the current price of crude oil, as compared to natural gas, is significantly different from the energy equivalency of 6:1; utilizing a conversion ratio of 6:1 may be misleading as an indication of value.

### Reserves Estimates

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.

### Non-GAAP Measurements

The Company utilizes certain measurements that do not have a standardized meaning or definition as prescribed by International Financial Reporting Standards ("IFRS") and therefore may not be comparable with the calculation of similar measures by other entities, including but not limited to operating netback, cash flow and working capital. Readers are referred to advisories and further discussion on non-GAAP measurements contained in the Company's continuous disclosure documents. Operating netback is a non-GAAP measure calculated as the average per boe of the Company's oil and gas sales, less royalties and operating costs.

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

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