

Whitecap Resources Inc. Announces Partial Infrastructure Dispositions For \$520 Million, Fid On New Lator Facility And Strategic Partnership With Pembina Gas Infrastructure

02.07.2024 | [CNW](#)

CALGARY, July 2, 2024 - [Whitecap Resources Inc.](#) ("Whitecap" or the "Company") (TSX: WCP) is pleased to announce working interest sale of our Musreau 05-09 facility (the "Musreau Facility") to [Topaz Energy Corp.](#) ("Topaz") for gross proceeds of \$100 million. Whitecap also announces a strategic infrastructure partnership with Pembina Gas Infrastructure ("PGI") which includes a 50% working interest sale of our 15-07 Kaybob Complex (the "Kaybob Complex") and funding of Whitecap's facility at Lator (the "Lator Facility") for gross proceeds of \$420 million.

Topaz Transaction

Whitecap and Topaz have executed a purchase and sale agreement whereby Topaz acquired a 50% working interest in the Musreau Facility for gross proceeds of \$100 million. Whitecap retains operatorship and the remaining 50% working interest. In addition, Whitecap has entered into a long-term fixed take-or-pay commitment with Topaz to access their working interest. The transaction closed on June 24, 2024.

Whitecap completed the commissioning and start-up of our Musreau Facility which includes natural gas compression capacity of 43,000 mcf/d and condensate stabilization capacity of 12,500 bbl/d. It was completed in mid-March, ahead of schedule and budget, and after bringing on our first eight wells, the facility throughput has ramped up to 14,000 boe/d. Our Montney production at Musreau is liquids-rich, with wells that will produce upwards of 75% liquids from two Montney benches, and the area represents an important development for Whitecap. We plan to reach capacity at the facility by the end of 2024 after we bring on additional wells.

PGI Strategic Partnership

Whitecap and PGI have entered into a purchase and sale agreement whereby PGI will acquire a 50% working interest in the Kaybob Complex, which includes natural gas processing capacity of 165,000 mcf/d and condensate stabilization capacity of 15,000 bbl/d. Whitecap will retain operatorship and the remaining 50% working interest in the Kaybob Complex. In addition, closing of the transaction Whitecap will enter into long-term fixed take-or-pay commitment with PGI to access their working interest capacity. Closing of the transaction is expected to occur in the third quarter of 2024 and is subject to the satisfaction of customary closing conditions, including all required regulatory approvals.

We have also reached a positive final investment decision on our Lator Facility. The Lator area represents the next stage of meaningful growth for Whitecap with 90,000 acres and up to 450 identified top tier Montney locations¹. Full-scale development at Lator is expected to commence in 2026 with facility start up in late 2026 to early 2027 and a ramp up to facility capacity by 2029. Whitecap will design, construct and operate the future Montney facility at Lator and PGI will fund 100% of the new facility and gathering lateral which includes natural gas compression capacity of approximately 150,000 mcf/d and condensate stabilization capacity of 10,000 - 15,000 bbl/d. In exchange, Whitecap will enter into long-term fixed take-or-pay commitment for priority access to the Lator Facility and will enter into an area of dedication.

Our partnership with PGI also allows Whitecap to access PGI and Pembina's vast network of infrastructure and midstream services across Alberta. Whitecap has secured additional access, enhanced contract terms and highly competitive fees on processing, transportation, fractionation and marketing for our Montney and Duvernay development. These enhancements including a deep cut processing facility will enhance our netback and well economics in the area.

Financial Summary

The long-term take-or-pay commitments, synergies from our strategic partnership with PGI, interest expense savings and tax adjustments have a minimal net impact to our forecasted 2025 and long-term funds flow^{2,3}.

	\$ million	\$/boe
Gross Proceeds	\$520	
After-Tax Proceeds	\$480	
2025 EBITDA Impact ¹	(\$37)	(\$0.57)
2025 Funds Flow Impact ²	(\$11)	(\$0.17)
Avg. 2025-2029 EBITDA Impact ¹	(\$37)	(\$0.52)
Avg. 2025-2029 Funds Flow Impact ²	\$0	\$0.00

Notes: (1) EBITDA impact reflects working interest dispositions and synergies from the PGI partnership. (2) Funds Flow impact includes working interest dispositions, synergies from the PGI partnership and interest/tax adjustments.

Outlook

Whitecap's balance sheet is in excellent shape and will be further strengthened with proceeds from the partial sale of the infrastructure assets. Given the significant strength in our balance sheet, we expect to allocate approximately \$200 million in the second half of the year towards share repurchases. We anticipate this will reduce our common shares outstanding by approximately 3 percent while still maintaining net debt³ below \$1 billion⁴ (0.6x Debt/EBITDA⁵), with approximately \$1.9 billion of unused credit capacity, providing us with capital allocation options to continue to grow our business.

On behalf of our employees, management team and Board of Directors, we would like to thank our shareholders for their continued support and look forward to updating them on our progress for the remainder of the year.

NOTES

¹ Disclosure of drilling locations in this press release consists of proved, probable, and unbooked locations and their respective quantities on a gross and net basis as disclosed herein. Refer to Drilling Locations in this press release for additional disclosure.

² Based on the following commodity pricing and exchange rate assumptions for 2025 and the 2025-2029 period: US\$75/bbl WTI, \$3.00/GJ AECO, USD/CAD of \$1.37.

³ Funds flow and net debt are capital management measures. Per boe figures are supplementary financial measures. Refer to the Specified Financial Measures section in this press release for additional disclosure and assumptions.

⁴ Based on the following strip commodity pricing and exchange rate assumptions for the remainder of 2024: US\$80/bbl WTI, \$2.00/GJ AECO, USD/CAD of \$1.37.

⁵ Debt to EBITDA ratio is a specified financial measure that is calculated in accordance with the financial measures and assumptions set forth in the Company's financial statements.

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to the Company's plans and other aspects of our anticipated future operations, management focus, strategies, financial, operating and production results and business opportunities. Forward-looking information typically uses words such as "anticipate", "believe", "continue", "trend", "sustain", "project", "expect", "forecast", "budget", "goal", "guidance", "plan", "objective", "strategy", "target", "intend", "estimate", "potential", or similar words suggesting future outcomes, statements that actions, events or conditions "may", "would", "could" or "will" be taken or occur in the future, including statements about our strategy, plans, focus, objectives, priorities and position.

In particular, and without limiting the generality of the foregoing, this press release contains forward-looking information with respect to: our belief that Musreau wells will produce upwards of 75% liquids from two Montney benches; our belief that the Musreau area represents an important development for Whitecap; our plans to reach facility capacity at Musreau by the end of 2024, after we bring on 8 additional wells; that at the closing of the transaction Whitecap will enter into a long-term fixed take-or-pay commitment with PGI to access their working interest capacity; our belief that the closing of the PGI transaction will occur in the third quarter of 2024 and is subject to the satisfaction or waiver of customary closing conditions, including all required regulatory approvals; our belief that the Lator area represents the next stage of meaningful growth for Whitecap; the number of identified top tier future Montney drilling locations at Lator; our expectations for the timing of full-scale development at Lator, including the timing of facility start up and upon when we will reach facility capacity; that the enhancements described herein including access to a deep cut processing facility will enhance our netback and well economics; that the transactions will have a minimal net impact to our forecasted 2025 and long-term funds flow, including our forecast for the impact of the transactions on our 2025 and 2025-2029 EBITDA and funds flow; our EBITDA and funds flow forecast for 2025 and over the next five years; our belief that our balance sheet will be further strengthened by the proceeds from the partial sale of the infrastructure assets; the amount of funds that we anticipate allocating in the second half of the year towards share repurchases and the resulting reduction in our common shares outstanding, while still maintaining net debt below \$1.0 billion (0.6x Debt/EBITDA), with approximately \$1.9 billion in unused credit capacity, providing us with capital allocation options to continue to grow our business.

The forward-looking information is based on certain key expectations and assumptions made by our management, including: that the disposition to PGI will occur on the terms and timing disclosed herein; that we will continue to conduct our operations in a manner consistent with past operations except as specifically noted herein (and for greater certainty, the forward-looking information contained herein excludes the potential impact of any acquisitions or dispositions that we may complete in the future other than those disclosed herein); the general continuance or improvement in current industry conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes; expectations and assumptions concerning prevailing and forecast commodity prices, exchange rates, interest rates, inflation rates, applicable royalty rates and tax laws, including the assumptions specifically set forth herein; the ability of OPEC+ nations and other major producers of crude oil to adjust crude oil production levels and thereby manage world crude oil prices; the impact (and the duration thereof) of the ongoing military actions in the Middle East and between Russia and Ukraine and related sanctions on crude oil, NGLs and natural gas prices; the impact of rising and/or sustained high inflation rates and interest rates on the North American and world economies and the corresponding impact on our costs, our profitability, and on crude oil, NGLs, and natural gas prices; future production rates and estimates of operating costs and development capital, including as specifically set forth herein; performance of existing and future wells; reserve volumes and net present values thereof; anticipated timing and results of capital expenditures/development capital, including as specifically set forth herein; the success obtained in drilling new wells; the sufficiency of budgeted capital expenditures in carrying out planned activities; the timing, location and extent of future drilling operations; the timing and costs of pipeline, storage and facility construction and expansion; the state of the economy and the exploration and production business; results of operations; business prospects and opportunities; the availability and cost of financing, labour and services; future dividend levels and share repurchase levels; the impact of increasing competition; ability to efficiently integrate assets and employees acquired through acquisitions or asset exchange transactions; ability to market oil and natural gas successfully; our ability to access capital and the cost and terms thereof; that we will not be forced to shut-in production due to weather events such as wildfires, floods, droughts or extreme hot or cold temperatures; the commodity pricing and exchange rate forecasts for 2025-2029 specifically set forth herein; and that we will be successful in defending against previously disclosed and ongoing reassessments received from the Canada Revenue Agency and assessments received from the Alberta Tax and Revenue Administration.

Although we believe 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 Whitecap can give no assurance that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature it involves inherent risks and uncertainties. These include, but are not limited to: the risk that our disposition to PGI does not close on the terms and/or on the timetable currently anticipated or at all; the risk that the funds that we ultimately return to shareholders through dividends and/or share repurchases is less than currently anticipated and/or is delayed, whether due to the risks identified herein or otherwise; the risk that any of our material assumptions prove to be materially inaccurate, including our 2024 and 2025-2029 forecasts (including for commodity prices and exchange rates); the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production, including the risk that weather events such as wildfires, flooding, droughts or extreme hot or cold temperatures forces us to shut-in production or otherwise adversely affects our operations; pandemics and epidemics; delays or changes in plans with respect to exploration or

development projects or capital expenditures; the uncertainty of estimates and projections relating to reserves, production, costs and expenses; risks associated with increasing costs, whether due to high inflation rates, high interest rates, supply chain disruptions or other factors; health, safety and environmental risks; commodity price and exchange rate fluctuations; interest rate fluctuations; inflation rate fluctuations; marketing and transportation risks; loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to complete or realize the anticipated benefits of acquisitions or dispositions; the risk that going forward we may be unable to access sufficient capital from internal and external sources on acceptable terms or at all; failure to obtain required regulatory and other approvals; reliance on third parties and pipeline systems; changes in legislation, including but not limited to tax laws, production curtailment, royalties and environmental (including emissions) regulations; the risk that we do not successfully defend against previously disclosed and ongoing reassessments received from the Canada Revenue Agency and assessments received from the Alberta Tax and Revenue Administration and are required to pay additional taxes, interest and penalties as a result; and the risk that the amount of future cash dividends paid by us and/or shares repurchased for cancellation by us, if any, will be subject to the discretion of our Board of Directors and may vary depending on a variety of factors and conditions existing from time to time, including, among other things, fluctuations in commodity prices, production levels, capital expenditure requirements, debt service requirements, operating costs, royalty burdens, foreign exchange rates, contractual restrictions contained in our debt agreements, and the satisfaction of the liquidity and solvency tests imposed by applicable corporate law for the declaration and payment of dividends and/or the repurchase of shares - depending on these and various other factors as disclosed herein or otherwise, many of which will be beyond our control, our dividend policy and/or share buyback policy and, as a result, future cash dividends and/or share buybacks, could be reduced or suspended entirely. Our actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that we will derive therefrom. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide security holders with a more complete perspective on our future operations and such information may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other factors that could affect our operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR+ website (www.sedarplus.ca).

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

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about our forecast 2025 and 2025-2029 EBITDA and funds flow and the impact thereon of the partial infrastructure monetization; the amount of funds that we anticipate allocating to share repurchases in the second half of the year; and our resulting forecast for 2024 net debt, 2024 Debt/EBITDA and unused credit capacity, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. The actual results of operations of Whitecap and the resulting financial results will likely vary from the amounts set forth herein and such variation may be material. Whitecap and its management believe that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments. However, because this information is subjective and subject to numerous risks, it should not be relied on as necessarily indicative of future results. Except as required by applicable securities laws, Whitecap undertakes no obligation to update such FOFI. FOFI contained in this press release was made as of the date of this press release and was provided for the purpose of providing further information about Whitecap's anticipated future business operations. Readers are cautioned that the FOFI contained in this press release should not be used for purposes other than for which it is disclosed herein.

OIL AND GAS ADVISORIES

Barrel of Oil Equivalency

"Boe" means barrel of oil equivalent. All boe conversions in this press release are derived by converting gas to oil at the ratio of six thousand cubic feet ("Mcf") of natural gas to one barrel ("Bbl") of oil. Boe may be

misleading, particularly if used in isolation. A Boe conversion rate of 1 Bbl : 6 Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio of oil compared to natural gas based on currently prevailing prices is significantly different than the energy equivalency ratio of 1 Bbl : 6 Mcf, utilizing a conversion ratio of 1 Bbl : 6 Mcf may be misleading as an indication of value.

Drilling Locations

This press release discloses drilling inventory in two categories: (i) booked locations (proved and probable); and (ii) unbooked locations. Booked locations represent the summation of proved and probable locations, which are derived from McDaniel & Associates Consultants Ltd.'s reserves evaluation effective December 31, 2023 and account for drilling locations that have associated proved and/or probable reserves, as applicable. Unbooked locations are internal estimates based on our prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources.

- Of the 450 (431.5 net) drilling locations identified herein, 46 (46 net) are proved locations, 46 (46 net) are probable locations and 358 (339.5 net) are unbooked locations.

Unbooked locations consist of drilling locations that have been identified by management as an estimation of our multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that we will drill all of these 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 on which we drill wells 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 unbooked drilling locations have been de-risked by drilling existing wells in relative close proximity to such unbooked drilling locations, other unbooked 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.

SPECIFIED FINANCIAL MEASURES

This press release includes various specified financial measures, including non-GAAP financial measures, non-GAAP ratios, capital management measures and supplementary financial measures as further described herein. These financial measures are not standardized financial measures under International Financial Reporting Standards ("IFRS" or, alternatively, "GAAP") and, therefore, may not be comparable with the calculation of similar financial measures disclosed by other companies.

"EBITDA" is a non-GAAP financial measure. The most directly comparable financial measure that is disclosed in our financial statements is net income. EBITDA is calculated as earnings before interest, taxes, depreciation and amortization, and is adjusted for non-cash items, transaction costs and extraordinary and non-recurring items such as material acquisitions or dispositions. Management uses EBITDA to compare principal business activities across historical periods to future financial forecasts and in assessment of our historical and future financial leverage. Whitecap's EBITDA for the year ended December 31, 2023 was \$2.0 billion. The following provides a reconciliation of Whitecap's EBITDA to net income for the year ended December 31, 2023.

	Year ended Dec. 31,
(\$ millions)	2023
Net income and other comprehensive income	889.0
Interest expense	83.5
Total income tax expense	281.7
Depletion, depreciation, and amortization	865.2
Non-cash items	(130.1)
EBITDA	1,989.3

"Funds flow", is a capital management measure and is a key measure of operating performance as it demonstrates Whitecap's ability to generate the cash necessary to pay dividends, repay debt, make capital investments, and/or to repurchase common shares under the Company's normal course issuer bid. Management believes that by excluding the temporary impact of changes in non-cash operating working capital, funds flow provides a useful measure of Whitecap's ability to generate cash that are not subject to short-term movements in non-cash operating working capital. Whitecap's funds flow for the year ended December 31, 2023 was \$1.8 billion. See Note 5(e)(ii) "Capital Management - Funds Flow" in the Company's audited consolidated financial statements for the year ended December 31, 2023 for additional disclosures. See also "Cash Flow from Operating Activities, Funds Flow, and Free Funds Flow" in the Company's management's discussion and analysis for the year ended December 31, 2023 available on SEDAR+ at www.sedarplus.ca for additional disclosures, including a reconciliation of cash flow from operating activities to funds flow, which disclosure is incorporated by reference herein.

"Net Debt" is a capital management measure that management considers to be key to assessing the Company's liquidity. Whitecap's net debt as at March 31, 2024 was \$1.5 billion. See Note 5(e)(i) "Capital Management - Net Debt and Total Capitalization" in the Company's unaudited interim consolidated financial statements for the three months ended March 31, 2024 for additional disclosures. See also Note (2) under "Summary of Quarterly Results" in the Company's management's discussion and analysis for the three months ended March 31, 2024 available on SEDAR+ at www.sedarplus.ca for additional disclosures, including a reconciliation of long-term debt to net debt, which Note is incorporated by reference herein.

"\$/boe" disclosures for the impact of the partial sale of the infrastructure assets on our forecast 2025 and 2025-2029 EBTIDA and funds flow are supplementary financial measures that are calculated by dividing each of these respective non-GAAP measures by our forecast total production volumes for the respective periods.

SOURCE Whitecap Resources Inc.

For further information: Grant Fagerheim, President & CEO or Thanh Kang, Senior Vice President & CFO, Whitecap Resources Inc., 3800, 525 - 8th Avenue SW, Calgary, AB T2P 1G1, (403) 266-0767, www.wcap.ca, InvestorRelations@wcap.ca

Dieser Artikel stammt von Rohstoff-Welt.de

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/474932--Whitecap-Resources-Inc.-Announces-Partial-Infrastructure-Dispositions-For-520-Million-Fid-On-New-Lator-Facility->

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 -1999-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).