

Tamarack Valley Energy Expands the Clearwater Infrastructure Partnership, Provides Operational Update and Announces Declaration of Monthly Dividend

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CALGARY, Sept. 17, 2024 - [Tamarack Valley Energy Ltd.](#) ("Tamarack" or the "Company") (TSX: TVE) and Wapiscanis Waseskwan Nipiy Clearwater Infrastructure Limited Partnership ("WWN") are pleased to announce the expansion of the previously announced Clearwater Infrastructure Limited Partnership (the "CIP") to include Bigstone Cree Nation ("Bigstone") as the 13th member of WWN, joining 12 other First Nations and Métis settlements (collectively, the "WWN Shareholders"). In conjunction with Bigstone's entry into WWN, Tamarack transferred an additional \$50.8MM of certain Clearwater midstream assets into the CIP for cash consideration of \$43.2MM (before closing adjustments) and maintains a 15% operated working interest in the CIP (collectively, the "Expansion"). The Expansion closed on September 17, 2024.

Pioneering Partnerships

The Expansion reflects the Company's commitment to the long-term relationship with Indigenous communities where Tamarack is developing its Clearwater assets.

Chief Andy Alook, of Bigstone Cree Nation, commented: "The Bigstone leadership and our supporting team are excited and proud to be part of this historical partnership with WWN and Tamarack. As we lead our nation towards the shared vision, the support and alliance with AIOC is the epitome of financial transactions that puts First Nations and the Industry on the path toward improved relationships. We continue to support our nation in economic opportunities while enhancing the relationships we develop along the way. It is time we continue to work and grow not only as a nation but as economic business partners. Our partnership with WWN is one example that ensures the future of Bigstone will be successful in regional development with industry."

Councillor Delores Desjarlais, of East Prairie Métis Settlement, commented: "The WWN Board and WWN Shareholders are very pleased and honoured to welcome Bigstone to a newly expanded equity partnership with Tamarack. The WWN Shareholders unanimously approved the enhancements to the original partnership including increased dividends made possible by collaborative efforts by the WWN Board and WWN Shareholders, Bigstone, Tamarack, AIOC, lenders and advisors. These partnerships have opened many doors for participating Indigenous Communities and we can proudly say that the future looks much brighter for generations to come."

Chana Martineau, CEO of Alberta Indigenous Opportunities Corporation ("AIOC") commented: "From the outset, AIOC and the Government of Alberta have been committed to ensuring our innovative loan guarantee program delivers tangible benefits for all parties involved. We're pleased to see Bigstone join the WWN partnership through this expanded transaction, participate in their first AIOC-supported transaction, and share in the economic opportunities that lie ahead. AIOC commends Tamarack for its exemplary leadership in fostering meaningful relationships and creating valuable opportunities with Indigenous partners."

Brian Schmidt (Aakaikkitstaki), President and CEO of Tamarack, commented: "In a short period, WWN has proven to be a reliable business partner for Tamarack and AIOC. The expansion of this deal within a year, along with the inclusion of Bigstone, highlights the excellence of WWN as they build their brand. We are proud to be a catalyst in this significant milestone. Additionally, we warmly welcome Bigstone into the partnership and are excited to have them as a WWN shareholder, participating in the regional development. We look forward to a bright and prosperous future together."

Clearwater Infrastructure Limited Partnership Overview

Under the terms of the definitive agreements in respect of the Expansion (collectively, the "Agreements"), Tamarack transferred an additional \$50.8MM of certain Clearwater midstream assets to the CIP for a total of \$222.8MM in Clearwater infrastructure assets inclusive of infrastructure transferred pursuant to the initial CIP transaction completed in December 2023 (the "Initial Transaction" and, collectively with the Expansion, the "Transaction"). Existing infrastructure transferred to the CIP as part of this Expansion is directly related to infrastructure included in the Initial Transaction, including expansion of an oil facility, water management infrastructure and key in-field pipelines located at Nipisi and Marten Hills. The 16-year take-or-pay ("TOP") gross commitment to the CIP, for average volumes of 29,000 boe/d⁽¹⁾, from the Initial Transaction remains unchanged. Tamarack retains priority access to any incremental capacity above this TOP, where volumes may be utilized on a fee-for-service basis. The aggregate Transaction proceeds imply a multiple of ~8.2x the average annual TOP capital fee. Tamarack will continue to be the operator of the CIP assets and will retain full access to 100% of Tamarack's existing capacity. The CIP platform continues to allow opportunities for Tamarack to partner with Indigenous communities on projects as we build out and develop our world class Clearwater assets.

In the previously announced supply study, McDaniel & Associates Consultants Ltd. substantiated the scale of Tamarack's current Clearwater asset holdings⁽²⁾ with forecasted Clearwater volumes well in excess of the TOP commitments. The Clearwater play continues to rank as a top decile oil resource among the most economic oil projects in North America and is expected to result in stable and predictable source of revenues to the WWN Shareholders.

Operational Update

Performance results delivered year-to-date have allowed Tamarack to allocate incremental capital within the existing Base Budget to include certain CSV capital spending as noted below. Capital guidance for 2024 is unchanged at \$390MM - \$440MM⁽⁵⁾ with the Company now expected to finish the year at the upper end of the range, including the additional CSV capital. With strong performance demonstrated across our Clearwater and Charlie Lake assets year-to-date, annual production is expected to trend towards the high-end of the 61,000 - 63,000 boe/d⁽³⁾ range. Guidance with respect to interest expense, which is inclusive of the incremental TOP fees, is also unchanged. The overall reduction in debt Tamarack has achieved year-to-date, coupled with the favorable shift in interest rates, is expected to result in Tamarack achieving the low-end of the prior \$3.80/boe - \$4.20/boe guidance range.

As part of the total 2024 capital program, Tamarack will drill 4 (4.0 net) Charlie Lake wells in Q4/24, representing our CSV capital allocation, while also expanding regional pipeline capacity. These four wells will come on-stream through H1/25, with associated production forecasted to peak at over 2,100 boe/d⁽⁴⁾ in Q2/25, achieving compelling first year half-cycle capital efficiencies of approximately \$16,800 per flowing barrel of production. This incremental 2025 production will be directed to the new CSV Albright sour gas plant currently being constructed in the Charlie Lake fairway.

A portion of the proceeds from the Expansion will be directed to the capital program. As a result, the expected shareholder return profile and year-end net debt remain materially unchanged for 2024, with additional capital spending improving free funds flow generation in 2025 and beyond.

Advisors

Peters & Co. Limited acted as strategic advisor and Stikeman Elliott LLP acted as legal counsel to Tamarack with respect to the Transaction.

ATB Financial and Riverside Infrastructure Consulting acted as financial advisors, MNP acted as tax advisor and MLT Aikins LLP acted as legal counsel to WWN with respect to the Transaction.

Borden Ladner Gervais LLP acted as legal counsel to Bigstone with respect to the Transaction.

About Wapiscanis Waseskwan Nipiy Holding Limited Partnership

Bigstone Cree Nation Peavine Métis Settlement
Driftpile Cree Nation Peerless Trout First Nation
Duncan's First Nation Sawridge First Nation
East Prairie Métis Settlement Sucker Creek First Nation
Gift Lake Métis Settlement Swan River First Nation
Kapawe'no First Nation Whitefish Lake First Nation #459
Loon River First Nation

WWN is a limited partnership of 13 First Nation and Métis settlements located in northern Alberta. The participating communities include:

About Alberta Indigenous Opportunities Corporation

AIOC provided support for the Transaction through a loan guarantee to WWN. AIOC is a provincial Crown Corporation, established under legislation in November 2019, which exists to serve as a catalyst for Indigenous prosperity and independence. With up to \$3 billion in loan guarantee capacity, AIOC facilitates Indigenous investment and involvement in Alberta's natural resources, agriculture, transportation, and telecommunications sectors.

Declaration of Monthly Dividend

Tamarack is also pleased to announce that the Board of Directors has declared a monthly cash dividend on its common shares of C\$0.0125 per share in accordance with the Company's dividend policy. The dividend will be payable on October 15, 2024, to shareholders of record at the close of business on September 30, 2024. This monthly cash dividend is designated as an "eligible dividend" for Canadian income tax purposes.

About Tamarack Valley Energy Ltd.

Tamarack is an oil and gas exploration and production company committed to creating long-term value for its shareholders through sustainable free funds flow generation, financial stability and the return of capital. The Company has an extensive inventory of low-risk, oil development drilling locations focused primarily on Charlie Lake and Clearwater plays in Alberta while also pursuing enhanced oil recovery upside in these core areas. For more information, please visit the Company's website at www.tamarackvalley.ca.

Reader Advisories

Notes to Press Release

1. The boe composition between light oil, heavy oil, natural gas and natural gas liquids is not defined in the Agreements. The makeup of such boe is not a governing factor. Natural gas is converted to barrel of oil equivalent based on a ratio of 6 mcf to 1 barrel.
2. The supply study includes all of Tamarack's Clearwater assets excluding Peavine and Seal.
3. Production of 61,000 - 63,000 boe/d: 12,800-13,200 bbl/d light and medium oil, 36,600-37,800 bbl/d heavy oil, 2,400-2,500 bbl/d NGL and 54,900-56,700 mcf/d natural gas.
4. Production of 2,100 boe/d: 1,350 bbl/d light and medium oil, 200 bbl/d NGL and 3,300 mcf/d natural gas.
5. Capital budget includes exploration and development capital, ESG initiatives, facilities land and seismic but excludes ARO, capital associated with the CIP and asset acquisitions and dispositions.

Abbreviations

boe barrels of oil equivalent
boe/d barrels of oil equivalent per day

Disclosure of Oil and Gas Information

Unit Cost Calculation. For the purpose of calculating unit costs, natural gas volumes have been converted to a boe using six thousand cubic feet equal to one barrel unless otherwise stated. A boe conversion ratio of 6:1 is based upon an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. This conversion conforms with Canadian Securities Administrators' National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). Boe may be misleading, particularly if used in isolation.

Product Types. References in this press release to "crude oil" or "oil" refers to light, medium and heavy crude oil product types as defined by NI 51-101. References to "NGL" throughout this press release comprise pentane, butane, propane, and ethane, being all NGL as defined by NI 51-101. References to "natural gas" throughout this press release refers to conventional natural gas as defined by NI 51-101.

Forward Looking Information

This press release contains certain forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of applicable Canadian securities laws. Forward-looking statements are often, but not always, identified by the use of words such as "guidance", "outlook", "anticipate", "target", "plan", "continue", "intend", "consider", "estimate", "expect", "may", "will", "should", "could" or similar words suggesting future outcomes. More particularly, this press release contains statements concerning: Tamarack's business strategy, objectives, strength and focus; the anticipated benefits of the Expansion and use of proceeds therefrom; future intentions with respect to capital investments, including pursuant to the 2024 capital budget and guidance, including infrastructure (including CSV capital) and waterflood initiatives; expectations regarding commodity prices; the performance characteristics of the Company's oil and natural gas properties and CIP's midstream assets, including expectations that the Company's forecasted volumes will be well in excess of the TOP commitments; the ability of the Company to achieve drilling success consistent with management's expectations; and the future declaration and payment of dividends and the timing and amount thereof. Future dividend payments, if any, and the level thereof, is uncertain, as the Company's dividend policy and the funds available for the payment of dividends from time to time is dependent upon, among other things, free funds flow financial requirements for the Company's operations and the execution of its growth strategy, fluctuations in working capital and the timing and amount of capital expenditures, debt service requirements and other factors beyond the Company's control. Further, the ability of Tamarack to pay dividends will be subject to applicable laws (including the satisfaction of the solvency test contained in applicable corporate legislation) and contractual restrictions contained in the instruments governing its indebtedness, including its credit facility.

The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Tamarack, including those relating to: the business plan of Tamarack and CIP; the Transaction; the timing of and success of future drilling, development and completion activities; the geological characteristics of Tamarack's properties; the characteristics of recently acquired assets; the continued integration of recently acquired assets into Tamarack's operations; prevailing commodity prices, price volatility, price differentials and the actual prices received for the Company's products; the availability and performance of drilling rigs, facilities, pipelines and other oilfield services; the timing of past operations and activities in the planned areas of focus; the drilling, completion and tie-in of wells being completed as planned; the performance of new and existing wells; the application of existing drilling and fracturing techniques; prevailing weather and break-up conditions; royalty regimes and exchange rates; impact of inflation on costs; the application of regulatory and licensing requirements; the continued availability of capital and skilled personnel; the ability to maintain or grow the banking facilities; the accuracy of Tamarack's geological interpretation of its drilling and land opportunities, including the ability of seismic activity to enhance such interpretation; and Tamarack's ability to execute its plans and strategies.

Although management considers these assumptions to be reasonable based on information currently

available, undue reliance should not be placed on the forward-looking statements because Tamarack can give no assurances that they may prove to be correct. By their very nature, forward-looking statements are subject to certain risks and uncertainties (both general and specific) that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to: risks with respect to unplanned third party pipeline outages and risks relating to inclement and severe weather events and natural disasters, such as fire, drought and flooding, including in respect of safety, asset integrity and shutting-in production, the risk that future dividend payments are reduced, suspended or cancelled; unforeseen difficulties in integrating of recently acquired assets into Tamarack's operations; incorrect assessments of the value of benefits to be obtained from acquisitions and exploration and development programs; risks associated with the oil and gas industry in general (e.g. operational risks in development, exploration and production; and delays or changes in plans with respect to exploration or development projects or capital expenditures); commodity prices, including the impact of the actions of OPEC and OPEC+ members thereon; the uncertainty of estimates and projections relating to production, cash generation, costs and expenses, including increased operating and capital costs due to inflationary pressures; volatility in the stock market and financial system; health, safety, litigation and environmental risks; access to capital; pandemics; and changes in legislation, including but not limited to tax laws, royalties and environmental regulations (including greenhouse gas emission reduction requirements and other decarbonization or social policies and including uncertainty with respect to the interpretation of omnibus Bill C-59 and the related amendments to the Competition Act (Canada)). Ongoing military actions in the Middle East and between Russia and Ukraine and related sanctions have the potential to threaten the supply of oil and gas from those regions. Due to the nature of the oil and natural gas industry, drilling plans and operational activities may be delayed or modified to respond to market conditions, results of past operations, regulatory approvals or availability of services causing results to be delayed. Please refer to the Company's annual information form for the period ended December 31, 2023 and the management's discussion and analysis for the period ended June 30, 2024 for additional risk factors relating to Tamarack, which can be accessed either on Tamarack's website at www.tamarackvalley.ca or under the Company's profile on www.sedarplus.ca. The forward-looking statements contained in this press release are made as of the date hereof and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, except as required by applicable law. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about the Company's 2024 guidance and expenditures, generating sustainable long-term growth in free funds flow, prospective results of operations and production, corporate decline rate reductions, return of capital, total returns and components thereof, including pro forma the Expansion, all of which are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs. FOFI contained in this document was approved by management as of the date of this document and was provided for the purpose of providing further information about Tamarack's future business operations. Tamarack and its management believe that FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments, and represent, to the best of management's knowledge and opinion, the Company's expected course of action. However, because this information is highly subjective, ~~should not be~~ should not be relied on as necessarily indicative of future results. Tamarack disclaims any intention or obligation to update or revise any FOFI contained in this document, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this document should not be used for purposes other than for which it is disclosed herein. Changes in forecast commodity prices, differences in the timing of capital expenditures, and variances in average production estimates can have a significant impact on the key performance measures included in Tamarack's guidance. The Company's actual results may differ materially from these estimates.

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