

# Pine Cliff Energy Ltd. Announces Third Quarter 2024 Results and Lowers Capex Guidance

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Calgary, November 13, 2024 - [Pine Cliff Energy Ltd.](#) (TSX: PNE) ("Pine Cliff" or the "Company") announces its third quarter 2024 financial and operating results and a guidance update for 2024.

## Third Quarter 2024 Results

- Generated \$8.1 million (\$0.02 per basic and fully diluted share) and \$29.4 million (\$0.08 per basic and fully diluted share) of adjusted funds flow<sup>1</sup> for the three and nine months ended September 30, 2024, compared to \$17.1 million (\$0.05 per basic and fully diluted share) and \$49.0 million (\$0.14 per basic and fully diluted share) for the comparable periods in 2023;
- Production averaged 22,546 Boe/d<sup>2</sup> and 23,363<sup>3</sup> Boe/d for the three and nine months ended September 30, 2024, 8% and 15% higher than the comparable periods in 2023. Production in Q3 was temporarily impacted by a number of maintenance related outages at third party facilities;
- Paid dividends of \$5.4 million (\$0.02 per basic and fully diluted share) and \$20.2 million (\$0.06 per basic and fully diluted share) during the three and nine months ended September 30, 2024, compared to \$11.6 million (\$0.03 per basic and fully diluted share) and \$34.4 million (\$0.10 per basic and fully diluted share) during the comparable periods in 2023;
- Capital expenditures totaled \$0.9 million and \$2.5 million for the three and nine months ended September 30, 2024, compared to \$4.7 million and \$17.4 million for the comparable periods in 2023; and
- Generated a net loss of \$6.9 million (\$0.02 per share basic and fully diluted) and \$15.8 million (\$0.04 per share basic and fully diluted) for the three and nine months ended September 30, 2024, compared to net income of \$4.2 million for the third quarter last year (\$0.01 per share basic and fully diluted) and \$8.3 million (\$0.02 per share basic and fully diluted) for the nine months ended September 30, 2023.

Pine Cliff will host a webcast at 9:00 AM MDT (11:00 AM EDT) on Thursday November 14th, 2024. Participants can access the live webcast via <https://www.gowebcasting.com/13841> or through the links provided on the Company's website at <http://www.pinecliffenergy.com>. A recorded archive will be available on the Company's website following the live webcast.

## Guidance Update

Production in the third quarter was down compared to the second quarter due to a number of maintenance-related outages at third-party facilities combined with limited spending on well-optimizations in response to weak natural gas prices. Production was restored in October.

Capital spending over the first three quarters has been limited to \$2.5 million for maintenance and \$3.0 million on retirement and abandonment costs. Pine Cliff had designed its 2024 capex budget to be adaptable and is now deferring its development program into 2025. As a result, the Company expects total capital spending of \$12.0 million in 2024, down from the initial \$17.5 million budget. Production guidance for 2024 is unchanged at 23,250 - 23,750 Boe/d<sup>4</sup>, with liquids production expected to continue to account for approximately 21%<sup>4</sup> of total volumes in 2024.

Pine Cliff continues to use physical hedging as part of its ongoing marketing strategy to help protect cash flow. Approximately 44% of gross natural gas production<sup>5</sup> has been hedged at an average price of \$2.77/Mcf through the fourth quarter of 2024. Approximately 51% of gross crude oil production<sup>5</sup> has been hedged at \$100.79/Bbl for the same period.

## Financial and Operating Results

(\$000s, unless otherwise indicated)	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Commodity sales (before royalty expense)	43,413	48,176	143,035	143,387
Cash provided by operating activities	8,058	15,238	23,277	50,068
Adjusted funds flow <sup>1</sup>	8,131	17,123	29,409	48,987
Per share - Basic and diluted (\$/share) <sup>1</sup>	0.02	0.05	0.08	0.14
Net income (loss)	(6,886 )	4,237	(15,839 )	8,280
Per share - Basic and diluted (\$/share)	(0.02 )	0.01	(0.04 )	0.02
Capital expenditures	901	4,715	2,497	17,350
Dividends	5,370	11,557	20,226	34,448
Per share - Basic and diluted (\$/share)	0.02	0.03	0.06	0.10
Positive net cash (net debt) <sup>1</sup>	(67,281 )	46,502	(67,281 )	46,502
Production (Boe/d)	22,546	20,895	23,363	20,393
Percent Natural Gas (%)	80%	86%	79%	87%
Weighted-average common shares outstanding (000s)				
Basic	357,965	355,710	357,136	353,413
Diluted	357,965	359,262	357,136	359,443
Combined sales price (\$/Boe)	20.93	25.06	22.34	25.76
Operating netback (\$/Boe) <sup>1</sup>	5.89	9.65	6.79	9.48
Corporate netback (\$/Boe) <sup>1</sup>	3.91	8.91	4.59	8.80
Operating netback (\$ per Mcfe) <sup>1</sup>	0.98	1.61	1.13	1.58
Corporate netback (\$ per Mcfe) <sup>1</sup>	0.65	1.49	0.77	1.47

<sup>1</sup> This is a non-GAAP measure, see "NON-GAAP Measures" for additional information.

#### About Pine Cliff

Pine Cliff is a natural gas and oil company with a long-term view of creating shareholder value. Pine Cliff's current focus is on acquiring, developing, and operating long life assets that generate significant free funds flow<sup>1</sup> that allows for capital to be returned to shareholders in the form of a dividend. Further information relating to Pine Cliff may be found on [www.sedarplus.ca](http://www.sedarplus.ca) as well as on Pine Cliff's website at [www.pinecliffenergy.com](http://www.pinecliffenergy.com).

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#### Reader Advisories

#### Notes to Press Release

1. See Non-GAAP Measures.
2. Comprised of 107,985 Mcf/d natural gas, 3,105 Bbl/d NGLs and 1,443 Bbl/d light and medium oil.
3. Comprised of 111,373 Mcf/d natural gas, 3,263 Bbl/d NGLs and 1,538 Bbl/d light and medium oil.
4. Comprised of approximately 79% natural gas, 14% NGLs and 7% light and medium oil.
5. Percentage hedged based on the mid-point of 2024 guidance range of 23,250 - 23,750 Boe/d.

#### Cautionary Statements

Certain statements contained in this news release include statements which contain words such as "anticipate", "could", "should", "expect", "seek", "may", "intend", "likely", "will", "believe" and similar

expressions, statements relating to matters that are not historical facts, and such statements of our beliefs, intentions and expectations about developments, results and events which will or may occur in the future, constitute "forward-looking information" within the meaning of applicable Canadian securities legislation and are based on certain assumptions and analysis made by us derived from our experience and perceptions. Forward-looking information in this news release includes, but is not limited to: future capital expenditures, including the amount and nature thereof; future acquisition opportunities including Pine Cliff's ability to execute on those opportunities; future drilling opportunities and Pine Cliff's ability to generate reserves and production from the undrilled locations; oil and natural gas prices and demand; expansion and other development trends of the oil and natural gas industry; business strategy and guidance; expansion and growth of our business and operations; maintenance of existing customer, supplier and partner relationships; supply channels; accounting policies; risks; Pine Cliff's ability to generate adjusted funds flow; Pine Cliff's ability to generate free funds flow; Pine Cliff's ability to pay a dividend; and other such matters.

All such forward-looking information is based on certain assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. The risks, uncertainties and assumptions are difficult to predict and may affect operations, and may include, without limitation: foreign exchange fluctuations; equipment and labour shortages and inflationary costs; general economic conditions; industry conditions; changes in applicable environmental, taxation and other laws and regulations as well as how such laws and regulations are interpreted and enforced; the ability of oil and natural gas companies to raise capital; the effect of weather conditions on operations and facilities; the existence of operating risks; volatility of oil and natural gas prices; oil and gas product supply and demand; risks inherent in the ability to generate sufficient cash provided by operating activities to meet current and future obligations; increased competition; stock market volatility; opportunities available to or pursued by us; and other factors, many of which are beyond our control. The foregoing factors are not exhaustive.

Actual results, performance or achievements could differ materially from those expressed in, or implied by, this 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 including the reduction in municipal taxes and surface land rentals, or if any of them do, what benefits will be derived there from. Except as required by law, Pine Cliff disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Natural gas liquids and oil volumes are recorded in barrels of oil ("Bbl") and are converted to a thousand cubic feet equivalent ("Mcf") using a ratio of one (1) Bbl to six (6) thousand cubic feet. Natural gas volumes recorded in thousand cubic feet ("Mcf") are converted to barrels of oil equivalent ("Boe") using the ratio of six (6) thousand cubic feet to one (1) Bbl. This conversion ratio is based on energy equivalence primarily at the burner tip and does not represent a value equivalency at the wellhead. The terms Boe or Mcfe may be misleading, particularly if used in isolation.

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 oil, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

The forward-looking information contained in this news release is expressly qualified by this cautionary statement.

#### NON-GAAP Measures

This press release uses the terms "adjusted funds flow", "free funds flow", "operating netbacks", "corporate netbacks" and "positive net cash/net debt" which are not recognized under International Financial Reporting Standards ("IFRS") and may not be comparable to similar measures presented by other companies. These measures should not be considered as an alternative to, or more meaningful than, IFRS measures including net income (loss), cash provided by operating activities, or total liabilities. The Company uses these measures to evaluate its performance, leverage and liquidity. Adjusted funds flow is a non-Generally Accepted Accounting Principles ("non-GAAP") measure that represents the total of funds provided by operating activities, before adjusting for changes in non-cash working capital, and decommissioning obligations settled. Positive net cash/net debt is a non-GAAP measure calculated as the sum of accounts receivables, cash, investments and prepaid expenses and deposits, less accounts payables and accrued liabilities, and debt. Operating netback is a non-GAAP measure calculated as the Company's total revenue,

less royalties, net operating expenses and transportation expenses, divided by the Boe production of the Company. Corporate netback is a non-GAAP measure calculated as the Company's operating netback, plus interest income, less G&A and interest expense, divided by the Boe production of the Company. Please refer to the annual management's discussion and analysis for the year ended December 31, 2023 ("Annual MD&A") for additional details regarding non-GAAP measures and their calculation.

The TSX does not accept responsibility for the accuracy of this release.

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