

Logan Energy Corp. Announces Facility Interest Sale And Royalty Sale For Combined Proceeds Of \$43 Million

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CALGARY, Feb. 3, 2025 - [Logan Energy Corp.](#) (TSXV: LGN) ("Logan" or the "Company") is pleased to announce that it has entered into definitive agreements with [Topaz Energy Corp.](#) ("Topaz") to sell a newly created 2.5% gross overriding royalty on the lands in the Pouce Coupe area (the "GORR Sale") and a 35% non-operated working interest in Logan's Pouce Coupe compressor station and oil battery which are currently under construction (collectively, the "Pouce Facility") for combined proceeds of \$43 million.

Richard (Rick) McHardy, Chief Executive Officer, stated "We are excited to announce our partnership with Topaz on these transactions. The decision to partially monetize the Company's Pouce Coupe infrastructure and lands at an attractive value enhances Logan's liquidity and financial flexibility, positioning the Company to continue executing on its high rate-of-change strategy and provides optionality to pursue other value creation opportunities as they may arise."

TOPAZ TRANSACTIONS

Logan closed the 2.5% GORR Sale for gross cash proceeds of \$17 million on January 31, 2025. The proceeds represent approximately ~7 times estimated next twelve months cash flow on recent strip pricing¹. In connection with the GORR Sale, Logan has committed to spend a minimum of \$50 million to drill and complete wells on the GORR lands in the Pouce Coupe area prior to December 31, 2025. Logan expects to fully satisfy this commitment with its existing 2025 capital expenditure budget.

Topaz has agreed to acquire a 35% working interest in the Pouce Facility from Logan for gross cash proceeds of \$26 million ("Facility Interest Sale"). Logan will retain operatorship and the remaining 65% working interest. At closing, Logan will enter into a long-term take-or-pay commitment with Topaz to access their working interest capacity, thereby maintaining first-priority access to 100% of the divested facility capacity to meet the needs of the Company's long-term development forecast. Monthly fees for the take-or-pay are based on a sliding scale structure to protect Logan's profitability during periods of low natural gas prices. Based on recent AECO strip pricing¹, the transaction results in an implied multiple of ~8 times estimated cash flow for the first twelve months. The transaction is expected to close in the second quarter of 2025 upon commissioning of the Pouce Facility, and is subject to regulatory satisfaction or waiver of customary closing conditions, including all required regulatory approvals.

Construction of the Pouce Facility is well underway on schedule and on budget. It will have capacity to handle 40,000 m³ of raw natural gas, 7,000 bbls/d of oil and 11,000 bbls/d of water. Logan expects to complete the commissioning and start-up of the Pouce Facility in the second quarter and to bring a total of 9 (9.0 net) wells onstream at Pouce Coupe in the second and third quarters, reaching asset level production of over 8,000 BOE/d in the second half of 2025.

¹ Based on US\$70/bbl WTI, \$2.00/GJ AECO, CA\$/US\$1.42

FINANCIAL SUMMARY

Combined proceeds of approximately \$43 million from the dispositions will be used to reduce bank indebtedness and fund working capital purposes. Taking into consideration offsetting interest savings and tax adjustments, the GORR Sale and the Facility Interest Sale take-or-pay commitment to be entered in connection with the Facility Interest Sale are expected to have a minimal impact on the Company's forecasted current and long-term Adjusted Funds Flow.

The impact of the dispositions on the Company's financial guidance for 2025 is summarized below:

For the year ending December 31, 2025	Previous	Updated	Change %	
	Guidance	Guidance		
Adjusted Funds Flow (\$MM) ⁽¹⁾⁽²⁾	120	118	(2)	(2)
Adjusted Funds Flow Netback (\$/BOE) ⁽¹⁾⁽²⁾	24.18	23.76	(0.42)	(2)
Proceeds from Dispositions	-	43	43	-
Net Debt, end of year (\$MM) ⁽²⁾⁽³⁾	112	71	(41)	(37)
Net Debt to AFF Ratio, trailing 12 months ⁽²⁾	0.9	0.6	(0.3)	(33)

(1) Based on the following commodity pricing and exchange rate assumptions for 2025: US\$70/bbl WTI, \$88.43/bbl MSW, \$2.50/GJ AECO, CA\$/US\$ 1.35 (unchanged from previous guidance to isolate the impact of the Topaz transactions). Additional information regarding the assumptions used in the forecast of Adjusted Funds Flow are provided under "Reader Advisories" below.

(2) "Adjusted Funds Flow", "Adjusted Funds Flow Netback", "Net Debt" and "Net Debt to AFF Ratio" do not have standardized meanings under IFRS Accounting Standards, see "Non-GAAP Measures and Ratios" section of this press release.

(3) The Company has committed credit facilities with aggregate borrowing capacity of \$125.0 million (unchanged). The GORR Sale and Facility Interest Sale will not trigger a borrowing base redetermination. ABOUT LOGAN ENERGY CORP.

Logan is a growth-oriented exploration, development and production company formed through the spin-out of the early stage Montney assets of Spartan Delta Corp. Logan was founded with a strong initial capitalization and three high quality and opportunity rich Montney assets located in the Simonette and Pouce Coupe areas of northwest Alberta and the Flatrock area of northeastern British Columbia and has recently established a position within the greater Kaybob Duvernay oil play with assets in the North Simonette, Ante Creek and Two Creeks areas. The management team brings proven leadership and a track record of generating excess returns in various business cycles.

READER ADVISORIES

Non-GAAP Measures and Ratios

This press release contains certain financial measures and ratios which do not have standardized meanings prescribed by International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), also known as Canadian Generally Accepted Accounting Principles ("GAAP"). As these non-GAAP financial measures and ratios are commonly used in the oil and gas industry, Logan believes that their inclusion is useful to investors. The reader is cautioned that these amounts may not be directly comparable to measures for other companies where similar terminology is used.

The non-GAAP measures and ratios used in this press release, represented by the capitalized and defined terms outlined below, are used by Logan as key measures of financial performance and are not intended to represent operating profits nor should they be viewed as an alternative to cash provided by operating activities, net income or other measures of financial performance calculated in accordance with IFRS Accounting Standards.

The definitions below should be read in conjunction with the "Non-GAAP and Other Financial Measures" section of the Company's MD&A dated November 13, 2024, which includes discussion of the purpose and composition of the specified financial measures and detailed reconciliations to the most directly comparable GAAP financial measures.

Operating Income and Operating Netback

Operating Income, a non-GAAP financial measure, is a useful supplemental measure that provides an indication of the Company's ability to generate cash from field operations, prior to administrative overhead, financing and other business expenses. "Operating Income, before hedging" is calculated by Logan as oil and gas sales, net of royalties, plus processing and other revenue, less operating and transportation expenses. "Operating Income, after hedging" is calculated by adjusting Operating Income, before hedging for realized gains or losses on derivative financial instruments.

The Company refers to Operating Income expressed per unit of production as an "Operating Netback" and reports the Operating Netback before and after hedging, both of which are non-GAAP financial ratios. Logan considers Operating Netback an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices.

Adjusted Funds Flow

Cash provided by operating activities is the most directly comparable measure to Adjusted Funds Flow. "Adjusted Funds Flow" is reconciled to cash provided by operating activities by excluding changes in non-cash working capital, adding back transaction costs on acquisitions (if applicable). Logan utilizes Adjusted Funds Flow as a key performance measure in the Company's annual financial forecasts and public guidance.

The Company refers to Adjusted Funds Flow expressed per unit of production as an "Adjusted Funds Flow Netback".

Net Debt

Throughout this press release, references to "Net Debt" includes any long-term debt outstanding on the Company's revolving and term credit facilities, net of Adjusted Working Capital. Net Debt and Adjusted Working Capital are both non-GAAP financial measures. "Adjusted Working Capital" includes cash and cash equivalents, accounts receivable, prepaids and deposits, and accounts payable and accrued liabilities. "Adjusted Working Capital" excludes derivative financial instrument assets and liabilities, and the current portion of decommissioning obligations and lease liabilities.

Net Debt to AFF Ratio

The "Net Debt to AFF Ratio" quoted in the Company's financial guidance is calculated a forecasted Net Debt divided by forecasted Adjusted Funds Flow for the year. It is a trailing twelve-month measure, used by the Company to monitor its liquidity and financial position.

Supplementary Financial Measures

The supplementary financial measures used in this press release (primarily average sales price per product type and certain per BOE and per share figures) are either a per unit disclosure of a corresponding GAAP measure, or a component of a corresponding GAAP measure, presented in the financial statements. Supplementary financial measures that are disclosed on a per unit basis are calculated by dividing the aggregate GAAP measure (or component thereof) by the applicable unit for the period. Supplementary financial measures that are disclosed on a component basis of a corresponding GAAP measure are a granular representation of a financial statement line item and are determined in accordance with GAAP.

Assumptions for Guidance

Logan expects production to average approximately 13,650 BOE/d in 2025 (unchanged from previous guidance). The significant assumptions used in the forecast of Operating Netbacks and Adjusted Funds Flow for the Company's 2025 guidance are summarized below. The assumptions are unchanged from previous guidance published in the Company's press release dated November 26, 2024 (updated November 27, 2024

to reflect the upsized equity financing), except to give effect to the GORR Sale which closed on January 31, 2025 and the Facility Interest Sale expected to close in the second quarter of 2025.

Production Guidance	Previous	Updated	Change	Change
	Guidance	Guidance	Amount	%
Crude Oil (bbls/d)	4,780	4,780	-	-
Condensate (bbls/d)	25	25	-	-
Crude oil and condensate (bbls/d)	4,805	4,805	-	-
NGLs (bbls/d)	615	615	-	-
Natural gas (mcf/d)	49,380	49,380	-	-
Combined average (BOE/d)	13,650	13,650	-	-
% Liquids	40 %	40 %	-	-
Financial Guidance (\$/BOE)				
Crude oil and condensate sales (\$/bbl)	83.42	83.42	-	-
NGLs sales (\$/bbl)	54.36	54.36	-	-
Natural gas sales (\$/mcf)	2.94	2.94	-	-
Oil and gas sales	42.46	42.46	-	-
Processing and other revenue	0.57	0.57	-	-
Royalties ⁽¹⁾	(3.32)	(3.78)	(0.46)	14
Transportation expenses	(2.70)	(2.70)	-	-
Operating expenses ⁽²⁾	(9.50)	(9.50)	-	-
Operating Netback, before hedging	27.51	27.05	(0.46)	(2)
Realized gain (loss) on derivatives ⁽⁴⁾	0.29	0.29	-	-
Operating Netback, after hedging	27.80	27.34	(0.46)	(2)
General and administrative expenses	(1.65)	(1.65)	-	-
Financing expenses ⁽²⁾⁽³⁾	(1.61)	(1.57)	0.04	(2)
Current income taxes	-	-	-	-
Decommissioning obligations	(0.36)	(0.36)	-	-
Adjusted Funds Flow	24.18	23.76	(0.42)	(2)

- (1) The change in forecasted royalties includes the GORR Sale.
- (2) Logan will enter into a long-term take-or-pay with Topaz upon closing of the Facility Interest Sale. The Company expects its financial commitments under the take-or-pay to be accounted for as a lease under IFRS Accounting Standards. Accordingly, the impact is reflected in financing expenses rather than operating expenses. Payments under the take-or-pay are estimated based on AECO strip pricing to be approximately \$2.1 million in 2025, \$3.5 million in 2026, \$3.6 million in 2027, \$3.7 million in 2028, and \$3.7 million in 2029.
- (3) Logan expects its financing costs for 2025 to decrease modestly compared to its previous guidance as proceeds from the GORR Sale and Facility Interest Sale are used to reduce bank indebtedness and more than offset the take-or-pay which will come into effect upon commissioning of the Pouce Facility in the second quarter of 2025.
- (4) Commodity price risk management contracts are summarized below.

Commodity Hedging

The following table summarizes the Company's financial risk management contracts in place as of the date hereof:

Commodity /	Notional	Reference Fixed	Remaining	
Contract Type	Volume	Price	Contract Price	Term
Crude oil - swap	750 bbls/d	WTI	US\$71.60 per barrel	January 1 to March 31, 2025
Crude oil - swap	1,250 bbls/d	WTI	US\$70.84 per barrel	April 1 to June 30, 2025
Crude oil - swap	1,250 bbls/d	WTI	US\$70.37 per barrel	July 1 to September 30, 2025
Crude oil - swap	1,000 bbls/d	WTI	US\$70.03 per barrel	October 1 to December 31, 2025
Crude oil - swap	500 bbls/d	WTI	CA\$102.05 per barrel	January 1 to December 31, 2025
Crude oil - short call	500 bbls/d	WTI	CA\$102.05 per barrel	January 1 to December 31, 2025
Natural gas - swap	5,000 GJ/d	AECO	CA\$2.50 per GJ	January 1 to March 31, 2025
Natural gas - swap	15,000 GJ/d	AECO	CA\$2.23 per GJ	April 1 to October 31, 2025
Natural gas - swap	20,000 GJ/d	AECO	CA\$3.12 per GJ	Nov 1, 2025 to March 31, 2026
FX - collar	US\$1.5MM per month	CA\$/US\$	\$1.410 to \$1.448	February 1 to December 31, 2025

As of the date hereof, Logan has an average of 1,564 bbls/d of oil hedged at an estimated Canadian dollar equivalent WTI price of \$100.86 per barrel (based on a forecast CA\$/US\$ exchange rate of 1.42) for calendar 2025, representing approximately 35% of forecasted crude oil and condensate production (net of royalties). Additionally, the Company has AECO swaps in place for an average of 13,370 GJ/d of natural gas at \$2.48 per GJ on average for calendar 2025, representing approximately 25% of forecasted natural gas production (net of royalties).

Other Measurements

All dollar figures included herein are presented in Canadian dollars, unless otherwise noted. This press release contains various references to the abbreviation "BOE" which means barrels of oil equivalent. Where amounts are expressed on a BOE basis, natural gas volumes have been converted to oil equivalence at six thousand cubic feet (mcf) per barrel (bbl). The term BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet per barrel is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead and is significantly different than the value ratio based on the current price of crude oil and natural gas. This conversion factor is an industry accepted norm and is not based on either energy content or current prices.

Such abbreviation may be misleading, particularly if used in isolation.

References to "oil" or "crude oil" in this press release include light crude oil, medium crude oil, heavy oil and tight oil combined. NI 51-101 includes condensate within the product type of "natural gas liquids". References to "natural gas liquids" or "NGLs" include pentane, butane, propane and ethane. References to "gas" or "natural gas" relates to conventional natural gas. References to "liquids" includes crude oil, condensate and NGLs.

Share Capital

Common shares of Logan trade on the TSXV under the symbol "LGN".

As at December 31, 2024 and as of the date hereof, there are 595.7 million common shares outstanding. There are no preferred shares or special shares outstanding. Logan's convertible securities outstanding as of the date of this press release include: 64.3 million common share purchase warrants with an exercise price of \$0.35 per share expiring July 12, 2028; and 22.6 million stock options with an exercise price of \$0.89 per share expiring November 22, 2028.

Forward-Looking and Cautionary Statements

Certain statements contained within this press release constitute forward-looking statements within the meaning of applicable Canadian securities legislation. 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 "anticipate", "budget", "plan", "endeavor", "continue", "estimate", "evaluate", "expect", "forecast", "monitor", "may", "will", "can", "able", "potential", "target", "intend", "consider", "focus", "identify", "use", "utilize", "manage", "maintain", "remain", "result", "cultivate", "could", "should", "believe" and similar expressions. Logan believes that the expectations reflected in such forward-looking statements are reasonable as of the date hereof, but no assurance can be given that such expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. Without limitation, this press release contains forward-looking statements pertaining to: the business plan, objectives and strategy of Logan, including its growth strategy and optionality to pursue other value creation opportunities; timing of commissioning and start-up of the Pouce Facility; anticipated closing of the Facility Interest Sale on the terms presented and the timing thereof; use of proceeds from the GORR Sale and Facility Interest Sale; the Company's financial position and financial flexibility to execute on its growth plans; Logan's updated 2025 guidance, including drilling plans and anticipated production levels; the forecasted amount of financial commitments under the take-or-pay to be entered with Topaz upon closing of the Facility Interest Sale and the anticipated IFRS accounting treatment as a lease; the Company's opportunity rich assets; risk management activities, including hedges; and management's track record of generating excess returns in various business cycles.

The forward-looking statements and information are based on certain key expectations and assumptions made in respect of Logan including expectations and assumptions concerning: the satisfaction of all conditions to the completion of the Facility Interest Sale; the business plan of Logan; the timing of and success of future drilling; development and completion activities and infrastructure projects; the performance of existing wells; the performance of new wells; the availability and performance of facilities and pipelines; the geological characteristics of Logan's properties; the successful integration of the recently acquired assets into Logan's operations; the successful application of drilling, completion and seismic technology; prevailing weather conditions; prevailing legislation affecting the oil and gas industry; prevailing commodity prices, price volatility, price differentials and the actual prices received for Logan's products; impact of inflation on costs; royalty regimes and exchange rates; the application of regulatory and licensing requirements; the availability of capital under the Company's credit facilities, labour and services; the creditworthiness of industry partners; and the ability to source and complete acquisitions.

Although Logan believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because Logan can give no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed. These risks and uncertainties include, but are not limited to: counterparty risk to closing the Facility Interest

Sale; fluctuations in commodity prices; changes in industry regulations and political landscape both domestically and abroad; wars, hostilities, civil insurrections; 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)); the risk that the new U.S. administration imposes tariffs on Canadian goods, including crude oil and natural gas, and that such tariffs (and/or the Canadian government's response to such tariffs) adversely affect the demand and/or market price for the Corporation's products and/or otherwise adversely affects the Company; foreign exchange or interest rates; increased operating and capital costs due to inflationary pressures (actual and anticipated); volatility in the stock market and financial system; impacts of pandemics; the retention of key management and employees; and risks with respect to unplanned pipeline outages and risks relating to inclement and severe weather events and natural disasters, such as fire, drought, flooding and extreme hot or cold temperatures, including in respect of safety, asset integrity and shutting-in production. 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. The long-term impacts of these actions remains uncertain. The foregoing list is not exhaustive. Please refer to the MD&A and AIF for discussion of additional risk factors relating to Logan, which can be accessed on its SEDAR+ profile at www.sedarplus.ca. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof, and to not use such forward-looking information for anything other than its intended purpose. Logan undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Logan's revised pro forma guidance for 2025, including with respect to prospective results of operations, production (including average corporate production of 13,650 BOE/d in 2025 and reaching asset level production in Pouce Coupe of over 8,000 BOE/d in the second half of 2025) and expectations to satisfy capital commitment under the GORR Sale with the existing 2025 capital expenditure budget, 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 Logan's proposed business activities in 2025. Logan 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, it should not be relied on as necessarily indicative of future results. Logan 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, exchange rates, 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 Logan's guidance. The Company's actual results may differ materially from these estimates.

Neither TSX Venture Exchange nor its regulation services provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

Abbreviations

~	approximately
A&D	acquisitions and dispositions
AECO	Alberta Energy Company "C" Meter Station of the NOVA Pipeline System, natural gas reference price
AIF	refers to the Company's Annual Information Form dated March 18, 2024
bbl	barrel
bbls/d	barrels per day
bcf	one billion cubic feet
BOE	barrels of oil equivalent
BOE/d	barrels of oil equivalent per day
CA\$ or CAD	Canadian dollar
GJ	gigajoule
Mbbl	one thousand barrels
MBOE	one thousand barrels of oil equivalent
mcf	one thousand cubic feet
mcf/d	one thousand cubic feet per day
MD&A	refers to Management's Discussion and Analysis of the Company dated November 13, 2024
MMbtu	one million British thermal units
mmcf	one million cubic feet
mmcf/d	one million cubic feet per day
MM	millions
\$MM	millions of dollars
MPa	megapascal unit of pressure
MSW	Mixed Sweet Blend, the benchmark conventionally produced light sweet crude oil in western Canada
NGL(s)	natural gas liquids
NPV	net present value
nm	"not meaningful", generally with reference to a percentage change
NYMEX	New York Mercantile Exchange, with reference to the U.S. dollar "Henry Hub" natural gas price index
TSXV	TSX Venture Exchange
US\$ or USD	United States dollar
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grade
SOURCE	Logan Energy Corp.

Contact

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