

Strathcona Resources Ltd. Reports First Quarter 2025 Financial and Operating Results, Announces Quarterly Dividend and Investment in MEG Energy Corp.

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CALGARY, May 15, 2025 - [Strathcona Resources Ltd.](#) ("Strathcona" or the "Company") (TSX: SCR) today reported its 2025 financial and operational results and disclosed an investment in [MEG Energy Corp.](#) The Board of Directors also disclosed a quarterly dividend of \$0.30 per share

Q1 2025 Highlights

- Production of 194,609 boe/d (70% oil and condensate, 76% liquids)⁽¹⁾
- Operating Earnings of \$322.4 million (\$1.51 / share)
- Free Cash Flow of \$184.0 million (\$0.86 / share)⁽²⁾

(\$ millions, unless otherwise indicated)	Three Months Ended		
	March 31, 2025	March 31, 2024	December 31, 2024
WTI (US\$ / bbl)	71.42	76.96	70.27
WCS Hardisty (C\$ / bbl)	84.30	77.77	80.75
AECO 5A (C\$ / GJ)	2.05	2.36	1.40
Bitumen (bbls/d)	65,016	60,150	59,732
Heavy oil (bbls/d)	50,488	51,835	50,997
Condensate and light oil (bbls/d)	20,682	19,279	20,763
Total oil production (bbls/d)	136,186	131,264	131,492
Other NGLs (bbls/d)	11,837	11,738	12,980
Natural gas (mcf/d)	279,517	252,720	256,386
Production (boe/d)	194,609	185,122	187,203
Sales (boe/d)	194,884	182,862	184,120
% Oil and condensate	70 %	71 %	70 %
% Liquids ⁽¹⁾	76 %	77 %	77 %
Oil and natural gas sales, net of blending costs and other income ⁽²⁾	1,133.7	1,004.3	1,024.6
Royalties	138.2	126.2	208.5
Production and operating - Energy	75.7	78.8	58.7
Production and operating - Non-energy	155.5	135.4	138.5
Transportation and processing	142.4	143.4	144.2
General and administrative	24.7	22.0	28.4
Depletion, depreciation and amortization	215.7	221.8	196.3
Interest and finance costs ⁽³⁾	59.1	67.7	60.0
Operating Earnings	322.4	209.0	190.0

Other items ⁽³⁾	117.1	108.4	102.1
Income and comprehensive income	205.3	100.6	87.9
Operating Earnings	322.4	209.0	190.0
Non-cash items ⁽³⁾	236.4	244.1	217.3
(Loss) gain on risk management and foreign exchange contracts - realized	(0.7)	2.5	(1.8)
Funds from Operations ⁽²⁾	558.1	455.6	405.5
Capital expenditures	(350.6)	(286.1)	(392.5)
Decommissioning costs	(23.5)	(11.6)	(12.7)
Free Cash Flow ⁽¹⁾	184.0	157.9	0.3
Debt, net of cash and marketable securities ⁽³⁾	2,416.8	2,642.5	2,461.6
Common shares (millions) ⁽³⁾	214.2	214.2	214.2
	Three Months Ended		
(\$/boe, unless otherwise indicated)	March 31, 2025	March 31, 2024	December 31, 2024
Oil and natural gas sales, net of blending costs and other income ⁽¹⁾	64.65	60.36	60.49
Royalties	7.88	7.58	12.31
Production and operating - Energy	4.32	4.74	3.46
Production and operating - Non-energy	8.87	8.14	8.18
Transportation and processing	8.12	8.62	8.51
General and administrative	1.41	1.32	1.68
Depletion, depreciation and amortization	12.30	13.33	11.59
Interest and finance costs	3.37	4.07	3.54
Operating Earnings	18.38	12.56	11.22
Effective royalty rate (%) ⁽¹⁾	12.2 %	12.6 %	20.3 %

(1) A non-GAAP financial measure which does not have a standardized meaning under the Accounting Standards; see "Specified Financial Measures" section of this press release.

Quarter Review and Near-Term Priorities

Production of 195 Mboe / d was up 4% quarter-over-quarter, driven by record production at Cold Lake. Operating earnings of \$18.38 / boe, also a record, reflected a 70% increase from the prior quarter despite flat WTI prices, driven by higher production volumes, realized prices and lower royalties. Capital expenditures were in-line with expectations while decommissioning expenditures of \$23.5 million reflected seasonally high activity levels and are expected to average approximately \$5 million per quarter for the remainder of 2025.

In Cold Lake, production of approximately 65 Mbbls / d was driven by strong performance at Tucker, with both the new

lower drainage wells and C-South well pairs outperforming initial expectations. Taken together, the two pads have added approximately 9 Mbbls / d of production at a combined steam-oil-ratio of 2.3x since late 2024, increasing production and reducing Tucker's operating costs by approximately \$5 per barrel versus the first quarter of 2024.

In Lloydminster Thermal, activity is focused on the construction of the new Meota Central processing facility, which is on track to be complete, on schedule and on budget. Meota Central is targeting first oil in the fourth quarter of 2026 and is expected to reach a peak oil rate of approximately 13 Mbbls / d at a total installed cost of approximately \$360 million. In Lloydminster Conventional, the company's annual drilling program has yielded strong results at Winter, which reached a 10-year high production level of 4,000 bbls / d in April.

In the Montney, activity was focused on the tie-in of the 5-well 5-21 pad at Kakwa and 4-well 11-05 pad at Grande Prairie. Both pads are performing in-line with expectations. As detailed in Strathcona's May 14, 2025 press release, subsequent to quarter-end, Strathcona entered into definitive agreements to sell substantially all of its Montney assets to three purchasers for approximately \$2.84 billion.

Subsequent to quarter-end, Strathcona received approval for an expanded credit facility of approximately \$3.255 billion, increasing from approximately \$2.75 billion at March 31, 2025). The amended and restated credit agreement includes a \$250 million accordion feature, allowing the credit facility to expand to up to approximately \$3.555 billion subject to certain conditions. Upon completion of Montney dispositions, Strathcona expects to have positive net cash (net of marketable securities) and more than \$3.0 billion of available liquidity.

Dividend Increase

Strathcona's board of directors has declared a quarterly dividend of \$0.30 per share to be paid on June 23, 2025 to shareholders of record on June 13, 2025, reflecting a 15% increase compared to the first quarter of 2025 (20% cumulative since the beginning of 2025). The increase reflects a combination of the 4% revision to annual oil production guidance and the reduction in operating costs per barrel at Tucker (detailed in Strathcona's May 14, 2025 press release) each of which have served to lower Strathcona's full-cycle breakeven price. Future dividend increases may be considered based on further growth in production and / or reduction in full-cycle breakeven prices.

Payments to shareholders who are not residents of Canada will be net of any Canadian withholding taxes that may be applicable. Dividends paid by Strathcona are considered "eligible dividends" for Canadian tax purposes.

Investment in MEG Energy Corp.

During the first and second quarters of 2025 Strathcona acquired 23.4 million shares in MEG Energy Corp. (TSX: MEG) through open-market purchases, equating to 9.20% of the current shares outstanding or 9.98% of the shares outstanding, giving effect to MEG's current normal course issuer bid.

Conference Call Details

Strathcona will host a conference call on Friday May 16, 2025 starting at 9:00AM MT (11:00ET), to review the Company's first quarter 2025 results.

Date: Friday, May 16, 2025

Time: 11:00AM ET (9:00AM MT)

URL Entry: To join without operator assistance, register here: <https://emportal.ink/4h9sGBh> up to 15 minutes before the call. Enter your name and phone number to receive an automated call-back.

Telephone Entry: Alternatively, you can join with operator assistance by dialing 1 (888) 510-2154 (North American Toll Free) and quote conference ID 05133

Webcast Link: <https://app.webinar.net/bkQmeQKGzo1>

For those unable to participate in the conference call at the scheduled time, a recording of the conference call will be available seven days following the call and can be accessed by dialing 1 (888) 660-6345 and entering the conference number 05

About Strathcona

Strathcona is one of North America's fastest growing oil and gas producers with operations focused on thermal oil and recovery. Strathcona is built on an innovative approach to growth achieved through the consolidation and development of oil and gas assets. Strathcona's common shares (symbol SCR) are listed on the Toronto Stock Exchange (TSX).

For more information about Strathcona, visit www.strathconaresources.com.

SPECIFIED FINANCIAL MEASURES

Non-GAAP Financial Measures and Ratios

Non-GAAP financial measures and ratios are used internally by management to assess the performance of the Company and also provide investors with meaningful metrics to assess the Company's performance compared to other companies in the industry. However, the Company's use of these terms may not be comparable to similarly defined measures presented by other companies. Investors are cautioned that these measures should not be construed as an alternative to financial measures determined in accordance with GAAP and these measures should not be considered to be more meaningful than GAAP measures in evaluating the Company's performance.

The term "Oil and natural gas sales, net of blending" is calculated by deducting purchased product and blending costs from oil and natural gas sales and sales of purchased product. Management uses this metric to isolate the revenue associated with the Company's production after accounting for the unavoidable cost of blending.

Oil and natural gas sales, net of blending, is also reflected on a per boe basis calculated using sales volumes. Management calculates "Bitumen blend per bbl" and "Heavy oil, blended and raw per bbl" by deducting the associated purchased product and blending cost from oil and natural gas sales and sales of purchased product and dividing by the respective sales volume. This metric is useful to management when analyzing realized pricing against benchmark commodity prices.

The term "Effective royalty rate" is calculated by dividing royalties by oil and natural gas sales and sales of purchased product net of blending costs and purchased product. This metric allows management to analyze the movement of royalty expense relative to realized and benchmark commodity prices.

"Funds from Operations" is used by management to analyze operating performance and provides an indication of the funds generated by Strathcona's principal business to either fund operating activities, re-invest to either maintain or grow the business or make debt repayments. Funds from Operations is derived from Operating Earnings and adjusted for depletion, depreciation, amortization, finance costs, (loss) gain on risk management contracts - realized and realized gain (loss) - foreign exchange.

"Free Cash Flow" indicates funds available for deleveraging, funding future growth, or shareholder returns. Free Cash Flow is derived from Operating Earnings and adjusted for DD&A, finance costs, (loss) gain on risk management contracts - realized and realized gain (loss) - foreign exchange, capital expenditures and decommissioning costs.

A quantitative reconciliation of Funds from Operations and Free Cash Flow to the most directly comparable GAAP financial measure, Operating Earnings, is set forth below.

(\$ millions, unless otherwise indicated)	Three Months Ended		
	March 31, 2025	March 31, 2024	December 31, 2024
Operating Earnings	322.4	209.0	190.0
Depletion, depreciation and amortization	215.7	221.8	196.3
Finance costs	20.7	22.3	21.0
(Loss) gain on risk management contracts - realized (0.9)		4.5	(5.4)
Realized gain (loss) - foreign exchange	0.2	(2.0)	3.6
Funds from Operations	558.1	455.6	405.5
Capital expenditures	(350.6)	(286.1)	(392.5)
Decommissioning costs	(23.5)	(11.6)	(12.7)
Free Cash Flow	184.0	157.9	0.3

Supplementary Financial Measures

"Interest and finance costs" is an aggregation of interest and finance costs, as derived under IFRS Accounting Standards.

"Other items" is comprised of loss (gain) on risk management contracts, foreign exchange (gain) loss, transaction related costs, unrealized loss on Sable remediation fund, unrealized (gain) on marketable securities, and deferred tax expense, as derived under IFRS Accounting Standards.

(\$ millions, unless otherwise indicated)	Three Months Ended		
	March 31, 2025	March 31, 2024	December 31, 2024
Loss (gain) on risk management contracts	78.0	39.7	(10.2)
Foreign exchange (gain) loss	(1.0)	20.4	47.7
Transaction related costs	0.6	0.1	0.3
Unrealized loss on Sable remediation fund -		0.1	-
Unrealized (gain) on marketable securities (22.7)		-	-
Deferred tax expense	62.2	48.1	64.3
Other items	117.1	108.4	102.1

"Non-cash items" is comprised of depletion, depreciation and amortization, and finance costs, as derived under IFRS Accounting Standards.

"Debt, net of cash and marketable securities" is comprised of debt less cash and marketable securities, as derived under IFRS Accounting Standards"

Presentation of Oil and Gas Information

This press release contains various references to the abbreviation "boe" which means barrels 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 crude 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.

References in this press release to initial production rates and other short-term production rates and test results are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long-term performance or of ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating aggregate production for the Company or the assets for which such rates are provided. A pressure transient analysis or well-test interpretation has not been carried out in respect of all wells. Accordingly, the test results should be considered to be preliminary.

Forward-Looking Information

Certain statements contained in this press release constitute forward-looking information within the meaning of applicable securities laws. The forward-looking information in this press release is based on Strathcona's current internal expectations, estimates, projections, assumptions and beliefs. Such forward-looking information is not a guarantee of future performance and involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. Strathcona believes the material factors, expectations and assumptions reflected in the forward-looking information are reasonable as of the time of such information, but no assurance can be given that these factors, expectations and assumptions will prove to be correct, and such forward-looking information included in this press release should not be unduly relied upon.

The use of any of the words "expect", "target", "anticipate", "intend", "estimate", "objective", "ongoing", "may", "will", "project", "believe", "depends", "could" and similar expressions are intended to identify forward-looking information. In particular, but without limiting the generality of the foregoing, this press release contains forward-looking information pertaining to the following: Strathcona's business strategy and future plans; expected operating strategy; the construction of the new Meota Central processing facility, including budget, production and timing expectations; the expected sale of substantially all of Strathcona's Montney assets, including expected future cost savings and impacts on net cash and liquidity; the declaration of future dividends, including any increases thereto.

All forward-looking information reflects Strathcona's beliefs and assumptions based on information available at the time the applicable forward-looking information is disclosed and in light of Strathcona's current expectations with respect to such things as: the success of Strathcona's operations and growth and expansion projects; expectations regarding production growth, future well production rates and reserve volumes; expectations regarding Strathcona's capital program; the completion of transactions to dispose of substantially all of Strathcona's Montney assets; the availability of Strathcona's tax pools; Strathcona's ability to generate sufficient cash flow to fund debt repayment and declare and pay dividends; expectations regarding the impact of tariffs on Strathcona's operations and its ability to effectively mitigate the impact thereof; the outlook for general economic trends, industry trends, prevailing and future commodity prices, foreign exchange rates and interest rates; the availability of third party services; prevailing and future royalty regimes and tax laws; future well production rates and reserve volumes; fluctuations in energy prices based on worldwide demand and geopolitical events; the impact of inflation; the integrity and reliability of Strathcona's assets; decommissioning obligations; Strathcona's ability to comply with its financial covenants; and the governmental, regulatory and legal environment, including expectations regarding the current and future carbon tax regime and regulations. In addition, certain forward-looking information with respect to Strathcona's 2025 guidance assumes commodity prices and exchange rates of: US\$70 / bbl WTI, US\$13 / bbl WCS-WTI differential, 1.38 USD-CAD and C\$3 / GJ AECO. Management believes that its assumptions and expectations reflected in the forward-looking information contained herein are reasonable based on the information available on the date such information is provided and the process used to prepare the information. However, it cannot assure readers that these expectations will prove to be correct.

The forward-looking information included in this press release is not a guarantee of future performance and involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information, including, without limitation:

changes in commodity prices; changes in the demand for or supply of Strathcona's products; the continued impact, or further deterioration in global economic and market conditions, including from inflation and/or certain geopolitical conflicts, such as the ongoing Russia/Ukraine conflict, the conflict in the Middle East, and other heightened geopolitical risks, including the imposition of tariffs or other trade barriers, and the ability of Strathcona to carry on operations as contemplated in light of the foregoing; determinations by the Organization of the Petroleum Exporting Countries and other countries as to production levels; unanticipated operating results or production declines; changes in tax or environmental laws, climate change, royalty rates or other regulatory matters; changes in Strathcona's development plans or by third party operators of Strathcona's properties; failure to achieve anticipated results of its operations; competition from other producers; inability to retain drilling rigs and other services; failure to complete or realize the anticipated benefits of Strathcona's acquisitions, dispositions or corporate reorganizations, including disposition of substantially all of Strathcona's Montney assets and the acquisition of HRT; incorrect assessment of the value of acquisitions; delays resulting from or inability to obtain required regulatory approvals; increased debt levels or debt service requirements; inflation; changes in foreign exchange rates; inaccurate estimation of Strathcona's oil and gas reserve and contingent resource volumes; limited, unfavorable or a lack of access to capital markets or other sources of capital; increased costs; a lack of adequate insurance coverage; the impact of competitors; and the other factors discussed under the "Risk Factors" section in Strathcona's Management's Discussion and Analysis and Annual Information Form for the year ended December 31, 2024 and from time to time in Strathcona's public disclosure documents, which are available under Strathcona's profile on SEDAR+ at www.sedarplus.ca.

Declaration of dividends is at the sole discretion of the board of directors of Strathcona and will continue to be evaluated on an ongoing basis. There are risks that may result in Strathcona changing, suspending or discontinuing its quarterly dividends, including changes to its free cash flow, operating results, capital requirements, financial position, debt levels, market conditions or corporate strategy and the need to comply with requirements under its credit agreement and applicable laws respecting the declaration and payment of dividends. There are no assurances as to the continuing declaration and payment of future dividends or the amount or timing of any such dividends.

This earnings release contains information that may constitute future-oriented financial information or financial outlook information (collectively, "FOFI") about Strathcona's prospective financial performance, financial position or cash flows, all of which is subject to the same assumptions, risk factors, limitations and qualifications as set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise or inaccurate and, as such, undue reliance should not be placed on FOFI. Strathcona's actual results, performance and achievements could differ materially from those expressed in, or implied by, FOFI. Strathcona has included FOFI in order to provide readers with a more complete perspective on Strathcona's future operations and management's current expectations relating to Strathcona's future performance. Readers are cautioned that such information may not be appropriate for other purposes.

The foregoing risks should not be construed as exhaustive. The forward-looking information contained in this press release speaks only as of the date of this press release and Strathcona does not assume any obligation to publicly update or revise such forward-looking information to reflect new events or circumstances, except as may be required pursuant to applicable laws. Any forward-looking information contained herein is expressly qualified by this cautionary statement.

Product Type Production Information

National Instruments 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101") includes condensate within the natural gas liquids product type. The Company has disclosed condensate as combined with light oil and separately from other natural gas liquids in this press release since the price of condensate as compared to other natural gas liquids is currently significantly higher and the Company believes that this presentation provides a more accurate description of its operations and results therefrom. References to "oil and condensate" in this press release refer to, collectively, light and medium crude oil, heavy crude oil, bitumen and natural gas liquids. References to "natural gas" in this press release refer to conventional natural gas. References to "liquids" in this press release refer to, collectively, bitumen, heavy oil, condensate and light oil (comprised of condensate and light oil) and other natural gas liquids (comprised of ethane, propane and butane only).

The Company's quarterly and annual average daily production volumes, and the references to "natural gas", "crude oil" and "condensate", reported in this press release consist of the following product types, as defined

in NI 51-101 and using a conversion ratio of 6 mcf : 1 bbl where applicable:

	Three Months Ended		
	March 31, 2025	March 31, 2024	December 31, 2024
Heavy crude oil (bbl/d)	50,488	51,835	50,997
Light and medium crude oil (bbl/d)	504	551	617
Total crude oil (bbl/d)	50,992	52,386	51,614
Bitumen (bbl/d)	65,016	60,150	59,732
NGLs (bbl/d)	32,015	30,466	33,126
Total liquids (bbl/d)	148,023	143,002	144,472
Conventional natural gas (mcf/d)	279,517	252,720	256,386
Total (boe/d)	194,609	185,122	187,203

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