

Strategic Oil & Gas Ltd. Announces Year-End 2018 Reserves and Capital Program Update

28.02.2019 | [Newsfile](#)

Calgary, February 27, 2019 - Strategic Oil & Gas Ltd. (TSXV: SOG) ("Strategic" or the "Company") announces its oil and gas reserves as of December 31, 2018.

CAPITAL PROGRAM UPDATE

Strategic is in the process of executing its capital program for the first quarter of 2019, which is focused on meeting current asset retirement obligations and conducting a three-dimensional seismic program on the west side of the Marlowe oil property. A significant portion of the funding for the program was provided by the first tranche of the first lien notes financing completed in November 2018. The Company is evaluating various alternatives to obtain additional financing, including potential asset dispositions or other options, in order to fund additional technical, facilities and drilling expenditures.

RESERVES

In accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101"), the Company's oil, natural gas and natural gas liquids ("NGL") reserves were evaluated by an independent engineering firm, McDaniel and Associates Consultants Ltd. ("McDaniel") as at December 31, 2018. See "Information Regarding Disclosure on Oil and Gas Reserves" in this press release.

Strategic's reserves at December 31, 2018 are summarized below.

Gross Reserves ⁽¹⁾	Light and Medium Heavy Oil Crude Oil (Mbbbl)	(Mbbbl)	Natural Gas (MMcf)	Natural Gas Liquids (Mbbbl)	Oil Equivalent (Mboe)
Proved Developed Producing	2,476	-	5,278	-	3,356
Proved Developed Non-Producing	345	-	905	-	495
Proved Undeveloped	2,304	-	8,871	-	3,782
Total Proved	5,125	-	15,055	-	7,634
Total Probable	5,348	-	15,339	-	7,904
Total Proved and Probable	10,473	-	30,394	-	15,538

⁽¹⁾ Gross reserves are the Company's total working interest share before the deduction of any royalties and without including any royalty interests of the Company.

All of the Company's reserves are located in the Marlowe core area. Proved and probable producing reserves represent 30% of total proved and probable reserves, as compared to 33% at December 31, 2017.

The estimated future development costs ("FDC") required to convert undeveloped and non-producing reserves to producing reserves are \$157.8 million. This includes 46 Muskeg and 1 Keg River proved and probable undeveloped locations at Marlowe, of which 19 Muskeg and 1 Keg River are booked as proved undeveloped locations. The reserve report anticipates these wells to be drilled over the next 5 years. Estimated finding and development costs for proved undeveloped reserves and proved plus probable undeveloped reserves are \$16.21/boe and \$15.65/boe, respectively.

As of December 31, 2018, the Company's reserve life index was 10.0 years for proved reserves and 18.7 years for proved and probable reserves.

Reserve Life Index	Proved	Proved and probable
Reserves (Mboe)	7,634	15,538
2019 Forecast Production (Mboe)	764	830
Reserves Life Index (years)	10.0	18.7

Strategic's light and medium oil, natural gas and NGL reserves were evaluated by McDaniel using McDaniel's product price forecasts effective January 1, 2019 prior to provision for financial risk management contracts, income taxes, interest, debt service charges and general and administrative expenses. The following table summarizes the net present value from recognized reserves at December 31, 2018, assuming various discount rates, and incorporating FDC and abandonment liabilities. The following table summarizes McDaniel's commodity price forecast for the next five years.

Year	WTI Crude Oil (\$US/bbl)	Edmonton Light Crude Oil (\$C/bbl)	AECO Spot Natural Gas (C\$/mcf)	Foreign Exchange Rate (US\$/C\$)
2019	56.50	63.30	1.85	0.750
2020	63.80	74.30	2.20	0.775
2021	67.60	78.50	2.55	0.800
2022	71.60	83.40	3.05	0.800
2023	73.10	85.10	3.20	0.800

Summary of Before Tax Net Present Value of Future Net Revenue (Forecast Pricing) ⁽¹⁾ ⁽²⁾

(\$ thousands)	Undiscounted	Discounted at		
		5%	10%	15%
Proved				
Developed Producing	30,135	25,505	21,541	18,669
Developed Non-Producing	6,614	6,367	5,747	5,106
Undeveloped	47,849	31,173	20,172	12,955
Total Proved	84,598	63,045	47,460	36,730
Total Probable	170,798	96,796	59,735	38,950
Total Proved and Probable	255,396	159,841	107,195	75,680

⁽¹⁾ Based on McDaniel's January 1, 2019 commodity price forecast.

⁽²⁾ Tables may not add due to rounding.

A reconciliation of the Company's reserves at December 31, 2018 to the previous year-end is as follows.

Thousand Barrels of Oil Equivalent (Mboe)	Proved	Proved and Probable
Opening Balance December 31, 2017	8,570	16,010
Improved Recovery	748	748
Technical Revisions	(200)	(452)
Dispositions	(24)	(55)
Production	(714)	(714)
Closing Balance December 31, 2018	7,005	15,538

ABOUT STRATEGIC

Strategic is a junior oil and gas company committed to becoming a premier northern oil and gas operator by exploiting its light oil assets primarily in northern Alberta. The Company maintains control over its resource base through high working interest ownership in wells, construction and operation of its own processing facilities and a significant undeveloped land and opportunity base. Strategic's primary operating area is at Marlowe, Alberta.

ADDITIONAL INFORMATION

Additional information is also available at www.sogoil.com and at www.sedar.com.

For more information, please contact:

Tony Berthelet
President & Chief Executive Officer

Aaron Thompson
Chief Financial Officer

Strategic Oil & Gas Ltd.
1100, 645 7th Avenue SW
Calgary, AB T2P 4G8

Telephone: 403.767.9000
Fax: 403.767.9122

Forward-Looking Statements

Certain statements in this release constitute forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as "anticipate", "believe", "estimate", "will", "may", "expect", "plan", "schedule", "intend", "propose", or similar words suggesting future outcomes or an outlook. Forward-looking information in this release includes, but is not limited to:

- the planned capital program and related technical and other work intended to be completed in 2019;
- funding for the capital program;
- additional funding options and general business strategies and objectives.

Such forward-looking information is based on a number of assumptions, including: future commodity prices; royalty rates, taxes and capital, operating, general and administrative and other costs; foreign currency exchange rates and interest rates; general business, economic and market conditions; the ability of the Company to obtain the required capital to finance its exploration, development and other operations and meet its commitments and financial obligations; the ability of Strategic to obtain equipment, services, supplies and personnel in a timely manner and at an acceptable cost to carry out its activities; the ability of Strategic to market its oil and natural gas successfully to current and new customers; the ability of Strategic to obtain drilling success (including in respect of anticipated production volumes, reserves additions and resource recoveries) and operational improvements, efficiencies and results consistent with expectations; the timely receipt of required governmental and regulatory approvals; and anticipated timelines and budgets being met in respect of drilling programs and other operations (including well completions and tie-ins and the construction, commissioning and start-up of new and expanded facilities).

Although Strategic believes that the expectations reflected in such forward-looking information is reasonable, undue reliance should not be placed on them as the Company can give no assurance that such assumptions will prove to be correct. Forward-looking information is based on expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by Strategic and described in the forward-looking information. The material risks and uncertainties include, but are not limited to: fluctuations in commodity prices, foreign currency exchange rates and interest rates; estimates and projections relating to future revenue, future production, reserve additions, resource recoveries, royalty rates, taxes and costs and expenses; operational risks in exploring for, developing and producing, oil and natural gas; the ability to obtain equipment, services, supplies and personnel in a timely manner and at an acceptable cost; potential disruptions, delays or unexpected technical or other difficulties in designing, developing, expanding or operating new, expanded or existing facilities; processing and pipeline infrastructure outages, disruptions and constraints; risks and uncertainties involving the geology of oil and gas deposits; uncertainty of reserves and resources estimates; general business, economic and market conditions; changes in, or in the interpretation of, laws, regulations or policies (including environmental laws); the ability to obtain required governmental or regulatory approvals in a timely manner, and to enter into and maintain leases and licenses; the effects of weather and other factors including wildlife and environmental restrictions which affect field operations and access; the timing and cost of future abandonment and reclamation obligations and potential liabilities for environmental damage and contamination; uncertainties regarding aboriginal claims and in maintaining relationships with local

populations and other stakeholders; the outcome of existing and potential lawsuits, regulatory actions, audits and assessments; and other risks and uncertainties described elsewhere in Strategic's other filings with Canadian securities authorities.

The foregoing list of risks is not exhaustive. For more information relating to risks, see the section titled "risk factors" in Strategic's current annual information form. The forward-looking information contained in this release is made as of the date hereof and, except as required by applicable securities law, Strategic undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.

Information Regarding Disclosure on Oil and Gas Reserves

The reserves data set forth above is based upon an independent reserves assessment and evaluation prepared by McDaniels with an effective date of December 31, 2018 (the "McDaniel Report"). This news release summarizes the Company's crude oil and natural gas reserves and the net present values before income tax of future net revenue for the Company's reserves using forecast prices and costs based on the McDaniel Report. All reserve references in this news release are based on gross reserves, which are equal to the Company's total working interest reserves before the deduction of any royalties and without including any royalty interests of the Company. The McDaniel Report has been prepared in accordance with the standards contained in the COGE handbook and the reserve definitions contained in NI 51-101. It should not be assumed that the estimates of future net revenues presented in the tables above represent the fair market value of the reserves. There is no assurance that the forecast prices and cost assumptions will be attained and variances could be material. The recovery and reserve estimates of the Company's crude oil and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquids reserves may be greater than or less than the estimates provided herein. All future net revenues are estimated using forecast prices, arising from the anticipated development and production of the Company's reserves, net of the associated royalties, operating costs, development costs, and abandonment and reclamation costs and are stated prior to provision for interest and general and administrative expenses. The reserve data provided in this news release only represents a summary of the disclosure required under NI 51-101. Additional disclosure will be provided in the Company's Annual Information Form which will be filed on www.sedar.com prior to April 30, 2019.

Oil and Gas Metrics

This news release contains metrics commonly used in the oil and natural gas industry, such as "finding and development costs" and "reserves life index". These terms do not have a standardized meaning and may not be comparable to similar measures presented by other companies, and therefore should not be used to make such comparisons.

"Finding and development costs" are calculated as the sum of estimated FDC for future drilling locations divided by the reserves assigned to those drilling locations. Finding and development costs are used as an estimate of the Company's future efficiency in developing oil and gas reserves through development drilling activities.

"Reserves life index" is calculated as total reserves divided by the estimated 2019 production in the reserves report and is intended to be a useful measure of the number of years over which the reserves will be produced.

BOE Presentation

References herein to "boe" mean barrels of oil equivalent derived by converting gas to oil in the ratio of six thousand cubic feet (Mcf) of gas to one barrel (bbl) of oil. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf: 1 bbl is based on an energy conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In addition, 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 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Neither the 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 release.

To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/43101>

Dieser Artikel stammt von [Rohstoff-Welt.de](https://www.rohstoff-welt.de)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/320455--Strategic-Oil-und-Gas-Ltd.-Announces-Year-End-2018-Reserves-and-Capital-Program-Update.html>

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](#).