

Saturn Oil & Gas Inc. Provides Q1/25 Capital Program Update and Accelerates Debt Repayment with US\$15 Million Senior Note Repurchase and Cancellation

13:00 Uhr | [Newsfile](#)

- Q1/25 capital program realized well outperformance averaging 20% above internal type curves⁽²⁾, driving estimated average volumes over 41,600 boe/d⁽¹⁾
- Opportunistically retired ~US\$15 million of senior notes by allocating ~C\$21 million to open market repurchases at prices below par
- Continued share buybacks with ~3.4 million shares repurchased to date in 2025, bringing total repurchases to 7.9 million shares since the program's launch in August 2024, or ~4% of outstanding
- Recognized by The Financial Times as the fastest growing energy company across all of the Americas

Calgary, April 23, 2025 - [Saturn Oil & Gas Inc.](#) (TSX: SOIL) (OTCQX: OILSF) ("Saturn" or the "Company"), a light oil-weighted producer focused on unlocking value through the development of our assets in Saskatchewan and Alberta, is pleased to provide an update on our Q1/25 capital program along with a corporate update highlighted by ongoing debt reduction and continued share repurchases.

"I'm proud to showcase Saturn's ongoing operational efficiency with an average 20% well outperformance while our spending remains on budget, providing valuable flexibility in a tumultuous market, and positioning us to reallocate capital as may be needed without impacting our production guidance," said John Jeffrey, Chief Executive Officer of Saturn. "Through the recent volatility, we have captured opportunities to reduce our debt and strengthen our balance sheet by retiring US\$15 million of our senior notes through open market purchases below par. In addition, we have continued to invest in Saturn's future with ongoing share buybacks, designed to further enhance our per share metrics and position the Company for long-term resilience and value creation for all stakeholders."

Q1/25 CAPITAL PROGRAM SNAPSHOT

During the first quarter of 2025, Saturn executed a safe and efficient capital expenditure program, investing approximately \$73 million to drill 33 gross (24.4 net) wells, with four rigs running in Saskatchewan and one in Alberta. A total of 26 (22.3 net) wells were drilled in southeast Saskatchewan, six (1.2 net) wells in West Saskatchewan and one (1.0 net) well in Alberta. By the end of the period, all wells had been successfully completed, equipped and tied-in, with IP30 rates available on the majority of wells brought on production. On average, these IP30 rates were well above our internally forecasted type curve⁽²⁾, contributing to our strong Q1/25 average production volumes estimated at over 41,600 boe/d⁽¹⁾, exceeding the upper end of our quarterly guidance range of 39,500 to 40,500 boe/d. Building on the Company's track record of effective and efficient capital deployment to date, Saturn realized continued outperformance of new wells during the quarter, exceeding internal type curve estimates⁽²⁾ by an average of 20% across the program.

Conventional / Mississippian Development Highlights

Saturn's 11-04 Frobisher Mississippian well at Browning in southeast Saskatchewan realized a record initial production rate after 30 days ("IP30") of approximately 340 barrels per day ("bbls/d") based on a sample set of approximately 100 wells. The 11-04 well ranked in the top ten list of Saskatchewan daily and monthly oil volumes for February 2025 as published by an independent investment dealer. Given the strong performance of this well, Saturn is targeting to drill an additional offsetting location in the next 12 months.

Also in the Frobisher, Saturn completed the first re-entry done by the Company in three years at Queensdale, which came on production at twice our internal type curve⁽²⁾ expectations. Historically, the

economics of such projects could not compete for capital relative to new drills, however, with the recent introduction of the Low Productivity and Reactivation Oil Well Program ("LPRP") by the Government of Saskatchewan, the economics for well re-entries are more compelling. The LPRP is an incentive program designed to encourage new capital investments in existing low-producing and inactive horizontal oil wells. In light of our success on this first re-entry, along with the incentives provided by the LPRP, Saturn intends to pursue additional low-cost re-entry projects in Saskatchewan through 2025 and beyond.

We drilled our first Midale location since 2023 at 05-28 during the quarter, which came on production approximately 50% above our internal type curve⁽²⁾. New reprocessed seismic over the Carnduff area facilitated selection of the location, and we have more than 60 incremental net booked locations in this region. Saturn intends to continue using seismic to select further locations, which we believe will contribute increased value to our booked inventory.

Torquay Waterflood Update

As part of our commitment to long-term sustainability, Saturn continued to invest in our waterflood projects during the quarter. Three Torquay producers were converted to injectors, supporting our Torquay waterflood as well as future pre-pressurized Bakken locations. In addition, we identified the opportunity to increase injection and production in the Oungre and Torquay fields by separating produced water from each formation, since combining the fluids creates an unusable emulsion. We completed the infrastructure build in Q1/25 to separate the produced water, allowing it to be utilized for re-injection versus disposal which enhances economics and reduces environmental impact. With produced water now available for flooding the Oungre, we have introduced approximately 3,000 bbl/d of injection and were able to suspend a source water well that is expected to save an estimated \$250,000 per year in operating costs. Success on this pilot could eliminate the need to drill source water wells to maintain pressure support in the Oungre, reducing future capital requirements.

CORPORATE UPDATE

Debt Reduction with Senior Notes Repurchase

As part of the Company's ongoing efforts to optimize our capital structure, Saturn opportunistically purchased for retirement US\$15 million of our outstanding 9.625% senior notes maturing on June 15, 2029 (the "Senior Notes") at prices below par. By retiring debt at a discount to par value, the Company reduces total liabilities in a more cost-effective manner than exercising our optional repayment feature or repaying at maturity, while also lowering future interest obligations, which enhances our financial flexibility. This retirement of Senior Notes, coupled with our 2.5% quarterly principal repayment in March, further accelerates our debt reduction strategy resulting in a current principal balance outstanding on our Senior Notes of US\$586 million. We intend to remain opportunistic on this initiative over the near term, which we believe will further enhance Saturn's balance sheet resilience and underpin long-term shareholder value. Saturn's Senior Notes are not subject to any financial covenants, and although we have a requirement to hedge 50% of oil and liquids production, that hedge requirement pauses if WTI prices fall below US\$50/bbl.

Robust Risk Mitigation Insulates Against Volatility

Saturn's internal hedge strategy is to maintain 50 to 60% of PDP barrels hedged over 12 months, and approximately 30 to 40% hedged up to 18 months out. We also have hedges on the Canadian MSW and WCS benchmark price differentials to WTI, which adds further pricing protection. Using currency swaps, Saturn locked-in the FX rate on the principal and interest payments of our US denominated Senior Notes through mid-2027 at \$1.3394 CAD to \$1.00 USD (\$0.7466 USD to \$1.00 CAD). Over and above the hedges in place at year end 2024, the Company secured collars on 5,000 bbl/d of oil through the balance of 2025 at a floor price of C\$100/bbl and a ceiling of C\$110/bbl, along with additional natural gas hedges for 2025, 2026 and into Q1 2027, at prices ranging from \$2.00/GJ to \$3.35/GJ. Should the WTI benchmark oil price fall to US\$50/bbl, Saturn's hedge book provides significant protection, having a cash value of over \$160 million at that level.

Continued Share Buybacks and Insider Purchases

Saturn remains committed to delivering shareholder value through disciplined capital allocation. Since

launching our Normal Course Issuer Bid ("NCIB") program in August 2024, we have executed daily purchases at the maximum of approximately 46,000 shares per day. Approximately 3.4 million shares have been repurchased and returned to treasury to date in 2025, bringing total repurchases to 7.9 million shares since the program's launch in August 2024, or approximately 4% of the common shares outstanding at that date.

Further confidence in the Company's long-term value proposition is demonstrated by Saturn executives and Board members reinforcing their alignment with shareholders by purchasing over 525,000 common shares in the open market from January to April 2025, bringing insider buying since November of 2024 to approximately \$1.8 million, or just under 950,000 shares. This personal investment by insiders, combined with our corporate buyback program, underscores leadership's belief that Saturn's operational strength and growth trajectory remain fundamentally disconnected from the current market price.

Fastest Growing Company Award

Saturn is honored to have been recognized by the Financial Times as the fastest-growing energy company across North, South, and Central America, and fifth fastest-growing company across all industries among 300 top-performing businesses. This ranking, determined by compound annual growth rate in revenue between 2020 and 2023, highlights the success of Saturn's blueprint for sustainable growth. The full list of awardees can be accessed here: [Financial Times Americas' Fastest Growing Companies](#).

OUTLOOK

During the second quarter, Western Canada is subject to spring break-up conditions, when the ground is too soft to mobilize drilling rigs or other heavy equipment due to melting snow. In response, Saturn's capital expenditures during the second quarter represents only 5% of our total capital for the year, which means the Company has until mid-June, nearly two months, to assess market conditions, monitor commodity prices and model various scenarios to inform data-driven decisions about capital allocation for the balance of 2025. The second quarter typically realizes the strongest free funds flow given minimal capital spending, which bolsters our balance sheet in advance of a back-end weighted planned capital program.

Saturn remains defensively positioned to continue navigating an uncertain landscape. Our asset base offers distinct advantages, enabling rapid development of high-return projects at lower upfront costs with shorter lead times compared to peers that are focused on capital-intensive plays. The Company has assets that can be drilled and come on production in a matter of weeks, with all-in per well drilling, completions, equip and tie-in ("DCET") costs as low as \$1.05 million. As a result, we have significant flexibility in our capital program to respond quickly to broader changes in commodity prices. Our assets also support the prioritization of high return projects to ensure drills are consistently meeting economic thresholds when competing for capital, with SE Saskatchewan offering the bulk of our Tier 1 locations. Given strong well outperformance to date, and the fact that 85% of our original 2025 capital budget is allocated to DCET, Saturn can comfortably adjust approximately \$20 million of non-DCET capital without revising our 2025 production guidance range of 38,000 to 40,000 boe/d.

While macroeconomic uncertainty persists, Saturn remains focused on factors within our control: maintaining a disciplined hedge book, leveraging operational flexibility to ensure capital agility, prioritizing debt reduction and our capital return program, and driving operational efficiencies. The Company's resilient position, underpinned by low-decline production and a commitment to long-term sustainability, ensures we are prepared to adapt swiftly to evolving conditions while targeting to deliver consistent returns.

NOTES

- (1) See reader advisory: Supplemental Information Regarding Product Types.
- (2) See reader advisory: 'Type Curve'.
- (3) See reader advisory: 'Non-GAAP and Other Financial Measures'.

ABOUT SATURN

Saturn is a returns-driven Canadian energy company focused on the efficient and innovative development of

high-quality, light oil weighted assets, supported by an acquisition strategy targeting accretive and complementary opportunities. The Company's portfolio of free-cash flowing, low-decline operated assets in Saskatchewan and Alberta provide a deep inventory of long-term economic drilling opportunities across multiple zones. With an unwavering commitment to building an entrepreneurial and ESG-focused culture, Saturn's goal is to increase per share reserves, production and cash flow at an attractive return on invested capital. The Company's shares are listed for trading on the TSX under ticker 'SOIL' and on the OTCQX under the ticker 'OILSF'. Further information and our corporate presentation are available on Saturn's website at www.saturnoil.com.

INVESTOR & MEDIA CONTACTS

John Jeffrey, MBA - Chief Executive Officer
Tel: +1 (587) 392-7900
www.saturnoil.com

Cindy Gray, MBA - VP Investor Relations
Tel: +1 (587) 392-7900
info@saturnoil.com

READER ADVISORIES

Non-GAAP and Other Financial Measures

Throughout this news release and in other materials disclosed by the Company, Saturn employs certain measures to analyze financial performance, financial position and cash flow. These non-GAAP and other financial measures do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures provided by other entities. The non-GAAP and other financial measures should not be considered to be more meaningful than GAAP measures which are determined in accordance with IFRS, such as net income (loss), cash flow from operating activities, and cash flow used in investing activities, as indicators of Saturn's performance.

The disclosure under this "Non-GAAP and Other Financial Measures" section, including non-GAAP financial measures and ratios, capital management measures and supplementary financial measures in the Company's condensed consolidated interim Financial Statements and MD&A are incorporated by reference into this news release.

This news release uses the term "capital expenditures" which is a non-GAAP financial measure. This non-GAAP financial measure is not a standardized financial measure under IFRS and might not be comparable to similar financial measures disclosed by other issuers. See the disclosure under the section "Non-GAAP Financial Measures and Ratios" in our MD&A for the three and twelve months ended December 31, 2024, for an explanation of the composition of this measure and how this measure provide useful information to an investor, and the additional purposes, if any, for which management uses this measure.

Capital Expenditures

Saturn uses development capital expenditures to monitor its capital investments relative to those budgeted by the Company on an annual basis. Saturn's capital budget excludes acquisition and disposition activities as well as the accounting impact of any accrual changes or payments under certain lease arrangements. Development capital expenditures in this press release are calculated as expenditures on exploration and evaluation assets, property plant and equipment and excludes the impact of capitalized administrative costs.

Supplemental Information Regarding Product Types

References to gas or natural gas and NGLs in this press release refer to conventional natural gas and natural gas liquids product types, respectively, as defined in National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities, except where specifically noted otherwise.

- IP30 rates cited herein are comprised of over 97% light crude oil and just under 3% natural gas.
- Estimated Q1 2025 average production was comprised of approximately 69% crude oil, 6% heavy crude oil, 8% NGLs and 17% natural gas.

Type Curve

Certain type curve disclosure presented herein represents estimates of the production decline and ultimate volumes expected to be recovered over time. "Results Projected" are based on a forward estimate of ultimate volumes to be recovered over time based on the initial 30 days average production data. "Guidance Well Type Curves" are the forecasted well performance used in setting the Company's guidance for expected results of the drilling program. Projected Results and Type Curves are useful in confirming and assessing the potential for the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter, are not necessarily indicative of long-term performance or of long-term economics of the relevant well or fields, including future wells to be drilled, or of ultimate recovery of hydrocarbons.

Boe Presentation

Boe means barrel of oil equivalent. All boe conversions in this news 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 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.

Forward-Looking Information and Statements

Certain information included in this press release constitutes forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "project", "scheduled", "will" or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information in this press release may include, but is not limited to: guidance relating to fiscal year 2025 including the amount and timing of capital expenditures, and spending plans; the Company's drilling and development plans; type-curve performance; expectations regarding netbacks, capital allocations, hedging strategy terms and timing, capital return strategy and plans; the business plan; completion strategies, drilling and completion technologies; commodity and foreign exchange pricing; value creation strategy and cost model of the Company.

The forward-looking statements contained in this press release are based on certain key expectations and assumptions made by Saturn, including expectations and assumptions concerning: the timing of and success of future drilling, the ability to successfully replicate certain strategies across the Company's other areas; development and completion activities, the performance of existing wells, the performance of new wells including initial production rates, the availability and performance of facilities and pipelines, the ability to allocate capital to pay down debt, acquire senior notes and grow or maintain production, the impact of our hedging strategy, the geological characteristics of Saturn's properties, licensing and regulatory timing and process expectations, the availability of capital, labour and services, the creditworthiness of industry partners and the ability to integrate acquisitions.

Although Saturn believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Saturn can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual plans and results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the potential impact of the tariffs that have been publicly announced (but are not yet in effect) by the U.S. and Canadian governments, and that other than the tariffs that have been announced, neither the U.S. nor Canada (i) increases the rate or scope of announced tariffs or imposes new tariffs on the import of goods from one country to the other, including on oil and natural gas, and/or (ii) imposes any other form of tax, restriction or prohibition on the import or export of products from

one country to the other, including on oil and natural gas; risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks); constraints in the availability of services; commodity price and exchange rate fluctuations; actions of OPEC and OPEC+ members; changes in legislation impacting the oil and gas industry; initial well results not being indicative of future performance; and adverse weather or break-up conditions and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. These and other risks are set out in more detail in Saturn's Management Discussion and Analysis for the three and twelve months ended December 31, 2024 and Annual Information Form for the year ended December 31, 2024, available on SEDAR+ at [sedarplus.ca](https://www.sedarplus.ca).

Forward-looking information is based on a number of factors and assumptions which have been used to develop such information, but which may prove to be incorrect. Although Saturn believes that the expectations reflected in its forward-looking information are reasonable, undue reliance should not be placed on forward-looking information because Saturn can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this press release, assumptions have been made regarding and are implicit in, among other things, our capital expenditure and drilling programs, drilling inventory and booked locations, production and revenue guidance, debt repayment plans and future production and growth plans. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which have been used.

The forward-looking information contained in this press release is made as of the date hereof and Saturn undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. The forward-looking information contained in this press release is expressly qualified by this cautionary statement.

This news release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Saturn's prospective results of operations including, without limitation, the Corporation's capital expenditures and estimated production, all of which are 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 and, as such, undue reliance should not be placed on FOFI. Saturn's actual results, performance or achievement could differ materially from those expressed in, or implied by, these FOFI, or if any of them do so, what benefits Saturn will derive therefrom. Saturn has included the FOFI in order to provide readers with a more complete perspective on Saturn's future operations and such information may not be appropriate for other purposes. Saturn disclaims any intention or obligation to update or revise any FOFI statements, whether as a result of new information, future events or otherwise, except as required by law.

All dollar figures included herein are presented in Canadian dollars, unless otherwise noted.

To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/249432>

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

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/689573--Saturn-Oil-und-Gas-Inc.-Provides-Q1-25-Capital-Program-Update-and-Accelerates-Debt-Repayment-with-US15-M>

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](#).