

# Contact Exploration Inc. Announces Results for the Three and Six Months Ended September 30, 2014

28.11.2014 | [Marketwire](#)

CALGARY, Nov 28, 2014 - [Contact Exploration Inc.](#) ("Contact" or the "Company") (TSX VENTURE: CEX) is pleased to announce that today it has filed its interim condensed consolidated financial statements as at and for the three and six months ended September 30, 2014 and the related management's discussion and analysis ("MD&A") on the Company's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") website at [www.sedar.com](http://www.sedar.com).

## President's Message

Contact's fiscal second quarter was one that saw the Company both significantly advance its business plan and, subsequent to the quarter, enter into an attractive merger that will more than triple the Company's ownership at East Kakwa.

The Company drilled three wells through spring breakup into June 2014 and then subsequently completed these wells during the summer. These wells, specifically 2-18-63-5W6, 8-20-63-5W6 and 9-20-63-5W6, were each drilled to a horizontal length of approximately 1.5 miles, almost 50% longer than each of Contact's first 8 wells at Kakwa, and yet the time to drill two of these wells was slightly faster than the best one mile well drilled by Contact to date. Following completion, each of these wells was equipped, tied into Contact's central processing facility and brought onto production, elevating the Company's net production from approximately 400 boe/d to more than 1,000 boe/d.

The 16-7 central compression and condensate stabilization facility was fully constructed and commissioned almost a year ago. The facility was designed to initially handle up to 2,500 bbls/d of condensate and 15MMcf/d natural gas. Continued success with the operational program has led Contact to initiate a doubling of the facility's capacity, to handle expected production growth. Contact expects this facility expansion to be completed by spring 2015.

A second rig was contracted by Contact in July 2014, allowing drilling operations to accelerate at East Kakwa. Since that time five additional wells (1.25 net) have been drilled by Contact, three (0.75 net) of which have been completed to date. Additionally, Contact is currently drilling its sixteenth and seventeenth operated wells, and expects to keep both rigs active until spring breakup 2015. Contact anticipates having a total of 7 gross new wells drilled and completed before spring breakup 2015.

The merger of Contact with [Donnycreek Energy Inc.](#) announced October 21, 2014 combines the Company's 25% interest in the East Kakwa asset with Donnycreek's 50% interest in that same property. Production of the combined entity will increase from Contact's current approximate 1,000 boe/d to approximately 3,000 boe/d. The merger will also add to the combined entity Donnycreek's significant undeveloped land holdings, including a 62% working interest in two additional sections contiguous to an offsetting satellite section at East Kakwa, Donnycreek's Montney acreage on the west side of the basin at Chicken and a large Montney land position in the Wapiti area north east of Kakwa, containing various sections with shallow mineral rights having Wilrich Formation potential.

Although the recent downturn in oil prices negatively impacts overall profitability for our Montney project, Contact expects that the robust netbacks we have achieved will continue to allow for strong economic returns within a lower oil price environment. On November 7, 2014, the Company completed a bought deal financing whereby Contact issued 62,215,000 common shares at a price of \$0.37 per share for gross proceeds of \$23.0 million, which provided further strength to the balance sheet.

We believe Contact is poised for continued growth in the coming months. The Montney reservoir at Kakwa continues to perform, such that Contact believes the value of the Kakwa asset is, and will continue to be, significant and will play a key role in driving future growth for the Company.

## Financial Summary

Financial (000s, except per share amounts)	Q2 15	Q2 14	% Change	YTD 2015	YTD 2014	% Change
Funds from operations	\$ 1,500	\$ 1,005	49 %	\$ 3,550	\$ 2,176	63 %
Per share-Basic	0.01	0.00	26 %	0.01	0.01	25 %
Net income	\$ 516	\$ 492	5 %	\$ 1,603	\$ 943	70 %
Per share-Basic & Diluted	0.002	0.002	0 %	0.006	0.004	50 %
Total capital expenditures	\$ 10,318	\$ 3,856	168 %	\$ 13,903	\$ 4,542	206 %
Net debt (surplus)	4,854	(3,757)	-229 %	4,854	(3,757)	-229 %
<b>Operations</b>						
Average daily production						
Oil & NGLs (bbls/d)	242	190	27 %	243	198	23 %
Natural gas (mcf/d)	947	840	13 %	1,093	812	35 %
Combined (boe/d)	400	330	21 %	425	333	27 %
% Oil & NGLs	61 %	58 %	5 %	57 %	59 %	-4 %
(\$/boe)						
Sales price	\$ 69.24	\$ 64.44	7 %	\$ 72.43	\$ 65.05	11 %
Royalties	5.28	6.36	-17 %	5.94	6.36	-7 %
Operating expenses	12.97	11.02	18 %	12.95	11.00	18 %
Transportation expenses	3.76	3.23	17 %	4.17	2.69	55 %
Operating netback	\$ 47.23	\$ 43.82	8 %	\$ 49.38	\$ 45.00	10 %

## About Contact Exploration Inc.

[Contact Exploration Inc.](http://www.contactexp.com) is a public oil and gas company that has demonstrated success in Alberta's liquids-rich Montney Formation tight gas play and has a long history of operating in Atlantic Canada. For more information, please see the Company's website: [www.contactexp.com](http://www.contactexp.com)

## ADVISORY ON FORWARD-LOOKING STATEMENTS:

*This press release contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "continue", "estimate", "may", "will", "should", "believe", "plans", "cautions" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this press release contains statements concerning the anticipated benefits of the merger with [Donnycreek Energy Inc.](http://www.donnycreekenergy.com) including the anticipated production increases and increased land holdings, the timing for the expansion of the 16-7 facility, the timing for the drilling of the sixteenth and seventeenth East Kakwa wells, the number of gross wells anticipated to be drilled and completed at East Kakwa by the Company before spring breakup 2015 and the Company's expected economic returns, despite lower oil prices, and the expected value of the Kakwa asset.*

*Forward-looking statements or information are based on a number of material factors, expectations or assumptions of Contact which have been used to develop such statements and information but which may prove to be incorrect. Although Contact believes that the expectations reflected in these forward-looking statements are reasonable, undue reliance should not be placed on them because Contact 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. In particular, in addition to other factors and assumptions which may be identified herein, no assurances can be given respecting: whether the Company's exploration and development activities respecting the Kakwa project will be successful or that material volumes of petroleum and natural gas reserves will be encountered, or if encountered can be produced on a commercial basis; the ultimate size and scope of any hydrocarbon bearing formations at the Kakwa project; that additional drilling and completion operations in the Kakwa project will be successful such that further development activities in this area is warranted; that Contact will continue to conduct its operations in a manner consistent with past operations; results from drilling and development activities will be consistent with past operations; the accuracy of the estimates of Contact's reserve volumes; the general stability of the economic and political environment in which Contact operates, including current oil prices; drilling results; field production rates and decline rates; the general continuance of current industry conditions; the timing and cost of pipeline, storage and facility construction and expansion and the ability of Contact to secure adequate product transportation; future commodity prices; currency, exchange and interest rates; regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which Contact operates; and the ability of Contact to successfully market its oil and natural gas products.*

*Further, events or circumstances may cause actual results to differ materially from those predicted as a result of numerous known and unknown risks, uncertainties and other factors, many of which are beyond the*

*control of the Company, including, without limitation: changes in commodity prices; changes in the demand for or supply of the Company's products; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in development plans of Contact or by third party operators of Contact's oil and gas reserve and resource volumes; limited, unfavourable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed from time-to-time in Contact's public disclosure documents. Additional information regarding some of these risk factors may be found under "Risk Factors" in the Company's Management Discussion and Analysis prepared for the year ended March 31, 2014.*

*The reader is cautioned not to place undue reliance on this forward-looking information. The forward-looking statements contained in this press release are made as of the date hereof and Contact undertakes no obligations to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.*

*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 release.*

**For more information please contact:**

**Contact Exploration Inc.**

Steve Harding, President & CEO

Phone: (403) 771-1091

Email: [sharding@contactexp.com](mailto:sharding@contactexp.com)

Chad Kalmakoff, VP, Finance & CFO

(403) 234-8663 ext 213

[ckalmakoff@contactexp.com](mailto:ckalmakoff@contactexp.com)

[www.contactexp.com](http://www.contactexp.com)

---

Dieser Artikel stammt von [Minenportal.de](http://Minenportal.de)

Die URL für diesen Artikel lautet:

<https://www.minenportal.de/artikel/142886--Contact-Exploration-Inc.-Announces-Results-for-the-Three-and-Six-Months-Ended-September-30-2014.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 [Minenportal.de](http://Minenportal.de) 2007-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).