

Prairie Provident Resources

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Prairie Provident confident of hitting full-year production targets as Princess wells come onstream

Prairie Provident Resources Inc (TSE:PPR) said current average daily production is around 17% higher than in the second quarter.

Output is currently averaging around 6,000 barrels of oil equivalent per day (boepd) and based on current and projected production rates the company remains confident full-year output will be well within its guidance range of 5,200 to 5,600 boepd.

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Production averaged 5,146 boepd in the second quarter and 4,879 boepd for the first six months of 2018, with a 70% liquids weighting in both periods.

Oil and natural gas revenue, net of royalties, rose to C\$20.37m in the second quarter from C\$18.67m in the same period of 2017.

Like a lot of energy companies, Provident hedges against movements in oil and gas prices by taking out derivative instruments; in the second quarter, it realized a loss of C\$2.94m on these derivatives, whereas in the corresponding period of 2017 it made a profit of C\$1.15m. Furthermore, derivatives still on its books declined by C\$9.32m in value, whereas last year they rose in value by C\$4.47m.

The upshot of the adjustments for hedging is that the company made a net loss of C\$15.06m, compared to a net profit of C\$1.07m the year before.

Adjusted earnings before interest, tax, depreciation, amortisation and exploration expenses - before pro-forma adjustments - was C\$6.3 million in the second quarter and C\$11.3 million for the first six months of 2018, a year-on-year decrease of C\$1.0 million and C\$ 2.2 million, with higher revenues net of royalties more than offset by the aforementioned hedging losses.

Shares in Prairie were unchanged on Thursday morning.

Price:	0.015
Market Cap:	\$2.58 m

Share Information

Code:	PPR	
Listing:	TSX	
52 week	High	Low
	0.07	0.005

Sector:	Oil & Gas
Website:	www.ppr.ca

Company Synopsis:

Prairie Provident ("PPR") is engaged in the exploration and development of oil and natural gas properties in the Western Canadian Sedimentary Basin in Alberta. Our conventional assets are weighted to higher-value light and medium oil, have a low base production decline and offer low-risk development.

action@proactiveinvestors.com

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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