

Bankers Petroleum Ltd

00:15 14 Mar 2015

Bankers gets price target lift from Dundee Capital; fully funded 2015

Bankers Petroleum (TSE:BNK) got a boost in price target from Dundee Capital Markets, which cited in line fourth quarter headline numbers and a solid balance sheet.

The Calgary-based oil producer, which is focused in onshore Albania, posted fourth quarter production, sales and revenues in line with expectations. Production was 20,355 barrels of oil per day, on revenue of \$108.7 million.

Operating/transportation costs of \$41.6 million, or \$21.92 per barrel, were up 2 percent quarter-on-quarter and 6 percent above Dundee's forecast, due to lower than forecast cost reductions allied with lower production within the quarter, said analyst David Dudlyke.

Funds flow from operations of \$22.9 million also missed estimates, due to a \$19.8 million provision for the recently announced settlement of BP's claim against Bankers. Dundee was expecting a figure of \$51.8 million, on cash flow per share of 19 Canadian cents.

Adjusted for this provision, fourth quarter funds flow from operations came in at \$41.0 million.

Dudlyke noted, however, that the company is fully funded for its 2015 program, no small feat in this weak oil environment. Bankers exited the quarter with \$68 million of cash, in line with expectations, and undrawn credit facilities of \$120 million.

This is in addition to forecast 2015 operating cash flow of \$133.8 million, based on overall production of 19.5 mbopd. The company's capital program for this year is estimated at \$153 million.

Dundee maintained its first quarter production estimate for Bankers of 19,700 barrels of oil per day, despite year-to-date production being down 4 percent, as "February levels were tempered by the flood and pump issues, both of which have been resolved," the broker said.

Dundee's Dudlyke raised his price target on Bankers to C\$5.60 from C\$5.40 previously, and reiterated his buy rating after rolling forward the firm's estimates, resulting in core proven plus probable (2P) net asset value (NAV) increasing 4 percent to C\$5.53 per share.

Net cash adds a further 9 cents per share, Dundee said, generating an overall core 2P NAV plus net cash of C\$5.62 per share.

Bankers operates and has the full rights to develop the Patos-Marinza and Kuçova heavy oilfields in Albania.

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Market Cap: \$0.00

Share Information

Code: BNK

Listing: TSX AIM

Sector: Oil & Gas

Website: www.bankerspetroleum.com

Company Synopsis:

Bankers Petroleum is a oil and gas exploration and production company focused on opportunities in unconventional petroleum assets. The Company operates in two international areas, Albania and the United States.

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