

# NICKLE'S DAILY OIL BULLETIN

April 28, 2010

[Contents](#) | [Previous Page](#) | [Next Page](#)

## Mackenzie Valley Exploration Still On For International Frontier

A junior producer that has agreed to sell its North Sea properties will use the funds raised to further explore the central Mackenzie Valley in the Northwest Territories, **International Frontier Resources Corporation** (IFRC) said recently.

In the fourth quarter of 2009, the company's large loss was due in part to a \$5.5 million impairment on the value of the company's oil and gas properties (see table).

In all, the Calgary-based junior will collect about \$3.8 million from the sale of a British North Sea property along with its subsidiary, **Britcana Energy Ltd.**, to **Nexen Petroleum UK Ltd.** Britcana will sell for about \$3.2 million, not counting an additional \$2 million that is conditional upon certain events.

In its most recent report, the company acknowledged that, without a northern natural gas pipeline down the Mackenzie Valley, there is no commercial way to move natural gas out of the region, although crude oil or natural gas liquids could be shipped down the Norman Wells pipeline to northern Alberta.

However, IFRC management is characterizing the current lack of a Mackenzie Valley natural gas pipeline as an opportunity, since it means land in the central portion of the valley will be available for prices below what would prevail if a gas pipeline were in place. Nevertheless, management acknowledges that construction of such a pipeline is by no means a certainty.

In the central Mackenzie Valley, IFRC has interests ranging from 8.22% to 25% in 735,000 (133,830) net acres. The land in question includes three significant discovery licences (SDL), four exploration licences, and three freehold parcels of land.

In Alberta, the junior operates five producing oil wells and a battery in the Alderson area in the southern part of the province. The wells produce about 30 bbls per day of 30-degree (API) oil from the Mannville reservoir.

In the 12 months ended Dec. 31, 2009, the company's net loss widened to \$14.71 million or 25 cents per share from \$4.16 million or seven cents per share in 2008. The loss was due mainly to an \$8.58 million impairment charge on oil and gas assets for dry-hole costs in the Central Mackenzie Valley, Northwest Territories. Gross revenue in 2009 was \$770,810, down from \$1.23 million the previous year.

The company reported that the sale of Britcana and U.K. License P.233 (block 15/18a) closed April 13th, 2010, with proceeds for the two sales of about \$3.79 million (not counting additional proceeds that are conditional upon certain events).

At April 20th, 2010 the company had working capital of about \$7.63 million, restricted cash-securing work deposits in the Northwest Territories of \$640,670, no debt and about 59.6 million shares outstanding (63.47 million, fully-diluted).

## International Frontier Resources Corporation

### Production Summary

	Oil And NGLs			Natural Gas		BOE Per Day
	BBL Per Day	Price Per BBL	MMCF Per Day	Price Per MCF		
Three Months Ended December 31 2009	34	\$74.50			34	
Twelve Months Ended December 31 2009	36	\$58.66			36	
Year	*Profit	Profit/Share	*Cash Flow	C.F./Share	*Revenue	*Capital Expenditures

<b>Fourth Quarter</b>						
2009	(\$5.45)	(\$0.15)	(\$0.08)	\$0.00	\$0.23	\$0.19
2008	(\$4.12)	(\$0.05)	\$0.03	\$0.00	\$0.14	\$0.00
<b>Fiscal Y.T.D.</b>						
2009	(\$14.71)	(\$0.23)	(\$0.30)	\$0.00	\$0.77	\$0.36
2008	(\$4.16)	(\$0.07)	\$0.37	\$0.00	\$1.23	\$9.68

\* Millions of Dollars

[Contents](#) | [Previous Page](#) | [Next Page](#)

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