

Netbacks

The following table includes financial statement information on a per unit basis by business unit. Liquids includes crude oil, condensate, and NGLs. Natural gas sales volumes have been converted on a basis of six thousand cubic feet of natural gas to one barrel of oil equivalent.

	Three Months Ended Jun 30, 2018			Six Months Ended Jun 30, 2018		
	Liquids	Natural Gas	Total	Liquids	Natural Gas	Total
	\$/bbl	\$/mcf	\$/boe	\$/bbl	\$/mcf	\$/boe
Canada						
Sales	66.27	1.09	37.35	62.84	1.48	35.18
Royalties	(8.86)	0.24	(3.88)	(8.27)	0.11	(3.68)
Transportation	(1.65)	(0.16)	(1.30)	(1.93)	(0.15)	(1.41)
Operating	(11.21)	(1.12)	(9.04)	(10.27)	(1.23)	(8.78)
Operating netback	44.55	0.05	23.13	42.37	0.21	21.31
General and administration			(0.68)			(0.67)
Fund flows from operations netback			22.45			20.64
France						
Sales	95.13	—	95.13	89.01	—	89.01
Royalties	(11.85)	—	(11.85)	(11.28)	—	(11.28)
Transportation	(3.40)	—	(3.40)	(3.49)	—	(3.49)
Operating	(13.17)	—	(13.17)	(13.90)	—	(13.90)
Operating netback	66.71	—	66.71	60.34	—	60.34
General and administration			(3.29)			(3.59)
Current income taxes			(4.92)			(3.73)
Fund flows from operations netback			58.50			53.02
Netherlands						
Sales	79.40	8.68	52.43	74.40	8.77	52.88
Royalties	—	(0.19)	(1.12)	—	(0.20)	(1.19)
Operating	—	(1.64)	(9.72)	—	(1.78)	(10.58)
Operating netback	79.40	6.85	41.59	74.40	6.79	41.11
General and administration			(0.50)			(0.96)
Current income taxes			(7.48)			(8.02)
Fund flows from operations netback			33.61			32.13
Germany						
Sales	91.00	7.68	59.69	84.42	7.69	58.19
Royalties	(2.22)	(0.78)	(3.93)	(2.39)	(0.89)	(4.40)
Transportation	(10.17)	(0.60)	(5.59)	(9.97)	(0.59)	(5.56)
Operating	(22.36)	(2.43)	(16.92)	(22.17)	(2.45)	(17.04)
Operating netback	56.25	3.87	33.25	49.89	3.76	31.19
General and administration			(4.71)			(4.56)
Fund flows from operations netback			28.54			26.63
Ireland						
Sales	—	9.30	55.80	—	9.56	57.34
Transportation	—	(0.25)	(1.48)	—	(0.24)	(1.44)
Operating	—	(0.84)	(5.02)	—	(0.71)	(4.24)
Operating netback	—	8.21	49.30	—	8.61	51.66
General and administration			(1.68)			(1.55)
Fund flows from operations netback			47.62			50.11

	Three Months Ended Jun 30, 2018			Six Months Ended Jun 30, 2018		
	Liquids	Natural Gas	Total	Liquids	Natural Gas	Total
	\$/bbl	\$/mcf	\$/boe	\$/bbl	\$/mcf	\$/boe
Australia						
Sales	98.61	—	98.61	92.35	—	92.35
Operating	(34.07)	—	(34.07)	(31.86)	—	(31.86)
PRRT ⁽¹⁾	(7.00)	—	(7.00)	(9.17)	—	(9.17)
Operating netback	57.54	—	57.54	51.32	—	51.32
General and administration			(2.61)			(3.08)
Corporate income taxes			(6.21)			(3.70)
Fund flows from operations netback			48.72			44.54
United States						
Sales	79.24	1.59	73.30	77.42	1.96	73.14
Royalties	(21.92)	(0.57)	(20.35)	(21.38)	(0.70)	(20.26)
Operating	(5.73)	—	(5.24)	(7.92)	—	(7.40)
Operating netback	51.59	1.02	47.71	48.12	1.26	45.48
General and administration			(20.77)			(22.04)
Fund flows from operations netback			26.94			23.44
Total Company						
Sales	78.89	4.77	53.72	75.48	5.27	52.53
Realized hedging loss	(6.08)	(0.25)	(3.79)	(4.85)	(0.33)	(3.36)
Royalties	(8.85)	0.04	(4.29)	(8.16)	(0.04)	(4.02)
Transportation	(2.18)	(0.18)	(1.61)	(2.38)	(0.18)	(1.69)
Operating	(14.31)	(1.22)	(10.82)	(14.42)	(1.28)	(10.90)
PRRT ⁽¹⁾	(0.72)	—	(0.36)	(1.16)	—	(0.55)
Operating netback	46.75	3.16	32.85	44.51	3.44	32.01
General and administration			(2.21)			(2.27)
Interest expense			(2.09)			(2.19)
Realized foreign exchange loss			(0.56)			(0.19)
Other income			0.03			0.03
Corporate income taxes			(1.73)			(1.58)
Fund flows from operations netback			26.29			25.81

⁽¹⁾ Vermilion considers Australian PRRT to be an operating item and, accordingly, has included PRRT in the calculation of operating netbacks. Current income taxes presented above excludes PRRT.