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EV Energy Partners Q1 2009 Earnings Call Transcript

Earnings Call Excerpt

EV Energy Partners LP (EVEP)

Q1 2009 Earnings Call

May 12, 2009 9:00 am ET

Executives

John Walker - Chairman and Chief Executive Officer

Mike Mercer - Chief Financial Officer

Mark Houser - President and Chief Operating Officer

Analysts

Michael Blum - Wachovia

Presentation

Operator

Ladies and gentlemen, thank you for standing by, and welcome to the Energy Partners first quarter 2009 conference call on 12th May 2009. Throughout today's presentation, all participants will be in listen-only mode. After the presentation, there will be an opportunity to ask questions. (Operator instructions)

I will now hand the conference over to Mr. John Walker. Please go ahead, sir. Thank you.

John Walker

Thank you. Good morning, everyone. During this period of difficult overall economic experiences as well as difficult period for the oil and gas business, I'm happy to report that we did have a good quarter. I'd also hasten to add that I think in particularly in the natural gas business that times are going to be far more difficult over the next several months reaching probably through the balance of the year, anyway in terms of things getting very, very difficult.

We anticipate this period, we think it will be a prolonged period, and yet we continue to be optimistic, because we were prepared for it; we are prepared for it. There are no surprises this quarter. In fact, we're probably a little bit boring, because nearly all results from every area turned out to be within

a few percent of what our budget was as well as our guidance. And it's probably nice being boring during this period.

Our production revenues, margins, EBITDA all were in line with guidance. I can also say through the first half of the second quarter the same is true. One of the advantages of the diversity that we created operating in eight separate areas is that if we do have a stumble factor in one area, we do have the opportunity to make it up in other areas, and we haven't had a stumble factor. So things have gone very well.

We have maintained our distribution. We're also continuing to set aside roughly 30% of our EBITDA as maintenance capital, while at this same time our actual capital spending is less than half that number. We anticipate accretive acquisitions rather than drilling this year, and clearly the acquisition market is a buyer's market, and we will start seeing a lot more metrics on that.

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