

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **2002-05-14** | Period of Report: **2002-03-31**  
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FILER

**WISER OIL CO**

CIK: **107874** | IRS No.: **550522128** | State of Incorpor.: **DE** | Fiscal Year End: **1231**  
Type: **10-Q** | Act: **34** | File No.: **001-12640** | Film No.: **02647128**  
SIC: **1311** Crude petroleum & natural gas

Mailing Address  
8115 PRESTON ROAD  
SUITE 400  
DALLAS TX 75225

Business Address  
8115 PRESTON RD STE 400  
DALLAS TX 75225  
2142650080

SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter ended March 31, 2002 Commission file number 0-5426

THE WISER OIL COMPANY  
A DELAWARE CORPORATION

I.R.S. Employer Identification No. 55-0522128

8115 Preston Road, Suite 400  
Dallas, Texas 75225  
Telephone (214) 265-0080

Former name, former address and former fiscal year, if changed since last report. NONE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

x	
-----	-----
Yes	No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the close of the period covered by this report.

Class	Outstanding at March 31, 2002
-----	-----
\$.01 par value	9,242,816

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THE WISER OIL COMPANY

PART I

FINANCIAL INFORMATION

Item 1. Financial Statements

The consolidated condensed financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements reflect all adjustments which are, in the opinion of management, necessary to fairly present such information. Although the Company believes that the disclosures are adequate to make the information presented not misleading, certain information and footnote disclosures, including significant accounting policies, normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. It is suggested that these condensed financial statements be read in conjunction with the financial statements and the notes thereto included in the Company's latest annual report on Form 10-K.

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THE WISER OIL COMPANY  
CONSOLIDATED BALANCE SHEETS  
(Unaudited)

<TABLE>  
<CAPTION>

	March 31, 2002	December 31, 2001
	-----	-----
	(000's) except share date	(000's) except share date
	<C>	<C>
 <S>		
Assets		
Current Assets:		
Cash and cash equivalents .....	\$ 9,504	\$ 12,659
Restricted cash (Note 1) .....	1,200	--
Accounts receivable .....	10,610	14,281
Inventories .....	557	555
Fair value of derivatives .....	--	1,346
Prepaid expenses .....	3,718	3,143
	-----	-----
Total current assets .....	25,589	31,984
	-----	-----
Property and Equipment, at cost:		
Oil and gas properties (successful efforts method) .....	363,771	343,623
Other properties .....	3,963	4,023
	-----	-----
Accumulated depreciation, depletion and amortization .....	(129,925)	(123,982)
	-----	-----
Net property and equipment .....	237,809	223,664
Other Assets .....	2,982	3,142
	-----	-----
	\$ 266,380	\$ 258,790
	=====	=====
 Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable .....	\$ 21,168	\$ 11,685
Fair value of derivatives .....	8,107	946
Dividends payable .....	431	221
Accrued liabilities .....	7,019	6,655
	-----	-----
Total current liabilities .....	36,725	19,507
	-----	-----
Long-term Debt .....	147,613	143,463
Deferred Income Taxes .....	10,206	11,110
 Stockholders' Equity:		
Series C convertible preferred stock - \$10 par value; 1,000,000 shares authorized; 1,000,000 shares issued and outstanding at \$25 liquidation value per share .....	10,000	10,000
Common stock - \$.01 par value; 30,000,000 shares authorized; shares issued - 9,466,920; shares outstanding - 9,242,816 .....	94	94
Preferred stock discount, net of \$3,558,000 and \$2,410,000 amortization at March 31, 2002 and December 31, 2001, respectively .....	(6,448)	(7,596)
Paid-in capital .....	55,887	55,887
Retained earnings .....	23,762	37,899
Accumulated other comprehensive income .....	(8,496)	(8,611)
Treasury stock - 224,104 shares, at cost .....	(2,963)	(2,963)
	-----	-----
Total stockholders' equity .....	71,836	84,710
	-----	-----
	\$ 266,380	\$ 258,790
	=====	=====

</TABLE>

The notes to financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2001 are an integral part of these financial statements.

THE WISER OIL COMPANY  
CONSOLIDATED STATEMENTS OF INCOME  
(Unaudited)

<TABLE>  
<CAPTION>

	For the Three Months Ended March 31,	
	2002	2001
	-----	-----
<S>	(000's except per share data)	
	<C>	<C>
<b>Revenues:</b>		
Oil and gas sales .....	\$ 14,357	\$ 23,829
Interest income .....	77	540
Other .....	603	130
	-----	-----
	15,037	24,499
	=====	=====
<b>Costs and Expenses:</b>		
Production and operating .....	7,074	6,890
Depreciation, depletion and amortization .....	5,920	4,191
Loss on derivatives .....	7,610	--
Exploration .....	2,090	2,246
General and administrative .....	2,435	1,918
Interest expense .....	3,511	3,158
	-----	-----
	28,640	18,403
	=====	=====
Earnings (Loss) Before Income Taxes .....	(13,603)	6,096
Income Tax Benefit .....	(1,045)	--
	-----	-----
Net Income (Loss) .....	\$(12,558)	\$ 6,096
	=====	=====
<b>Earnings (Loss) Per Share:</b>		
Basic .....	\$ (1.53)	\$ 0.64
	=====	=====
Diluted .....	\$ (1.53)	\$ 0.48
	=====	=====

</TABLE>

The notes to financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2001 are an integral part of these financial statements.

THE WISER OIL COMPANY  
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

For the Three Months Ended March 31, 2002

<TABLE>  
<CAPTION>

	Shares	Amount
	-----	-----
<S>	<C>	<C>
Series C convertible preferred stock, \$10.00 par value	(000's)	
-----		
Balance at beginning and end of period .....	1,000	\$ 10,000
	=====	-----

Common stock, \$0.01 par value:



Net Income (Loss) .....	\$ (12,558)	\$ 6,096
Adjustments to reconcile net income (loss) to operating cash flows:		
Depreciation, depletion and amortization .....	5,920	4,191
Deferred taxes .....	(1,045)	--
Property sales gains .....	(520)	--
Property impairments and abandonments .....	334	962
Amortization of other assets .....	199	169
Amortization of other comprehensive income .....	(420)	--
Other Changes:		
Restricted cash .....	(1,200)	(2,982)
Accounts receivable .....	3,670	3,371
Fair value of derivatives (receivable) .....	1,346	--
Inventories .....	(2)	3
Prepaid expenses .....	(575)	(1,552)
Other assets .....	(21)	7
Accounts payable .....	9,483	(6,103)
Fair value of derivatives (payable) .....	7,161	-
Accrued liabilities .....	365	2,534
Operating Cash Flows .....	12,137	6,696
Cash Flows From Investing Activities:		
Capital expenditures .....	(21,284)	(3,331)
Proceeds from sales of property and equipment .....	2,246	--
Investing Cash Flows .....	(19,038)	(3,331)
Cash Flows From Financing Activities:		
Increase in long-term debt .....	4,000	--
Common stock issued.....	--	25
Preferred dividends .....	(221)	--
Financing Cash Flows .....	3,779	25
Effect of exchange rate changes on cash and cash equivalents .....	(33)	(23)
Net Increase (Decrease) In Cash and Cash Equivalents .....	(3,155)	3,367
Cash and Cash Equivalents, beginning of period .....	12,659	34,144
Cash and Cash Equivalents, end of period .....	\$ 9,504	\$ 37,511

</TABLE>

The notes to financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2001 are an integral part of these financial statements.

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THE WISER OIL COMPANY

Notes to Financial Statements

Note 1. Hedging Activities

As of May 14, 2002 the Company's hedging arrangements were as follows:

<TABLE>

<CAPTION>

Crude Oil:	Daily Volume	Price per Bbl
-----	-----	-----
<S>	<C>	<C>
April 1, 2002 to June 30, 2002 (d)	1,000 Bbls	\$22.96
April 1, 2002 to June 30, 2002 (b)	1,000 Bbls	\$23.00
July 1, 2002 to September 30, 2002 (b)	1,000 Bbls	\$22.00
April 1, 2002 to June 30, 2002 (e)	1,000 Bbls	\$22.00 floor, \$24.95 ceiling
April 1, 2002 to December 31, 2002 (c)	400 Bbls	\$8.30 differential swap

Natural Gas: -----	Daily Volume -----	Price per MMBTU -----
April 1, 2002 to June 30, 2002	10,000 MMBTU	\$2.95
April 1, 2002 to June 30, 2002	5,000 MMBTU	\$3.00
April 1, 2002 to June 30, 2002 (a)	5,000 MMBTU	\$3.00
April 1, 2002 to June 30, 2002 (a)	5,000 MMBTU	\$2.94
July 1, 2002 to September 30, 2002 (b)	10,000 MMBTU	\$3.135
July 1, 2002 to September 30, 2002 (b)	10,000 MMBTU	\$2.80
April 1, 2002 to June 30, 2002 (e)	5,000 MMBTU	\$2.30 floor, \$2.65 ceiling
October 1, 2002 to December 31, 2002 (e)	5,000 MMBTU	\$3.15 floor, \$4.00 ceiling
January 1, 2003 to December 31, 2003 (e)	10,000 MMBTU	\$3.25 floor, \$4.25 ceiling

</TABLE>

- (a) This swap is extendable to December 31, 2002 at the same daily volume and price per mcf or bbl at the option of the counterparty.
- (b) This swap is extendable for three additional months at the same daily volume and price per mcf or bbl at the option of the counterparty.
- (c) Floating price - Wiser receives NYMEX less \$8.30 per barrel; Wiser pays Bow River - Platts (heavy oil) price per barrel.
- (d) This swap is extendable to December 31, 2002 at the same daily volume at a price of \$21.95 per bbl at the option of the counterparty.
- (e) These are "collar" hedges whereby the Company contracts to receive the actual market price if the actual market price is between the floor price and the ceiling price. If the actual market price is below or above the floor or ceiling prices, the Company will receive the floor price or ceiling price, as applicable.

The Company continuously reevaluates its hedging program in light of market conditions, commodity price forecasts, capital spending and debt service requirements. If all of the extendable options are exercised by the counterparties, the Company will have hedged approximately 50% of its projected oil production and approximately 90% of its projected gas production for 2002.

All of the Company's hedges at March 31, 2002 were designated as fair value hedges and changes in fair value are recognized in the consolidated statement of income as derivative gain or loss. Monthly cash settlements of these hedges are not included in the consolidated statement of income. The derivative loss for the net change in fair value during the first quarter of 2002 was \$7,610,000. In addition, accumulated other comprehensive income at December 31, 2001 included \$802,000 of deferred hedging gain that is being amortized to oil and gas revenues in 2002. In the first quarter of 2002, the Company amortized \$420,000 of deferred hedging gain into oil and gas revenues.

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#### THE WISER OIL COMPANY

#### Notes to Financial Statements (continued)

Based on March 31, 2002 NYMEX futures prices, the fair value of the Company's hedging arrangements at March 31, 2002 was a loss of \$8.1 million. A 10% increase in both the oil price and the gas price would increase this loss by \$5.3 million and a 10% decrease in both the oil price and the gas price would decrease this loss by \$5.3 million.

As of March 31, 2002, the Company had posted \$6.2 million of collateral with one of the counterparties consisting of a \$5.0 million letter of credit and \$1.2 million in cash deposited in a margin account.

#### Note 2. Summary of Guaranties of 9 1/2% Senior Subordinated Notes

In May 1997, the Company issued \$125 million aggregate principal amount of its 9 1/2% Senior Subordinated Notes due 2007 pursuant to an offering exempt from registration under the Securities Act of 1933. The notes are unsecured obligations of the Company, subordinated in right of payment to all existing and any future senior indebtedness of the Company. The notes rank pari passu with

any future senior subordinated indebtedness and senior to any future junior subordinated indebtedness of the Company. The notes are fully and unconditionally guaranteed, jointly and severally, on an unsecured, senior subordinated basis by wholly owned subsidiaries of the Company (the "Subsidiary Guarantors"). At the time of the initial issuance of the notes, Wiser Oil Delaware, Inc., The Wiser Marketing Company, Wiser Delaware LLC, T.W.O.C., Inc. and The Wiser Oil Company of Canada were the Subsidiary Guarantors (the "Initial Subsidiary Guarantors"). Except for five wholly owned subsidiaries that are inconsequential to the Company on a consolidated basis, the Initial Subsidiary Guarantors comprise all of the Company's direct and indirect subsidiaries.

Sections 13 and 15(d) of the Securities Exchange Act of 1934 require presentation of the following unaudited summarized financial information of the Subsidiary Guarantors. The Company has not presented separate financial statements and other disclosures concerning each Subsidiary Guarantor because management has determined that they are not material to investors. There are no significant contractual restrictions on distributions from each of the Subsidiary Guarantors to the Company.

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THE WISER OIL COMPANY

Notes to Financial Statements (continued)

<TABLE>  
<CAPTION>

Condensed Income Statements for the Quarter Ended March 31, 2002	Wiser Oil (Parent)	Subsidiary Guarantors	Consolidation Adjustments	Total
	(000's)			
<S>	<C>	<C>	<C>	<C>
Revenues:				
Oil and gas sales	\$ 8,330	\$ 6,027	\$ -	\$ 14,357
Other	149	531	-	680
Total revenues	8,479	6,558	-	15,037
Costs and Expenses:				
Production and operating	4,507	2,567	-	7,074
DD&A and impairments	2,508	3,412	-	5,920
Loss on derivatives	5,541	2,069	-	7,610
Exploration	1,061	1,029	-	2,090
General and administrative	1,661	774	-	2,435
Interest expense	3,260	251	-	3,511
Total Expenses	18,538	10,102	-	28,640
Income (Loss) Before Taxes	(10,059)	(3,544)	-	(13,603)
Net Income (Loss)	\$ (10,059)	\$ (2,499)	\$ -	\$ (12,558)

Condensed Income Statements for the  
Quarter Ended March 31, 2001

Revenues:				
Oil and gas sales	\$ 16,646	\$ 7,183	\$ -	\$ 23,829
Other	357	313	-	670
Total revenues	17,003	7,496	-	24,499
Costs and Expenses:				
Production and operating	5,865	1,025	-	6,890
DD&A and impairments	2,517	1,674	-	4,191
Exploration	1,664	582	-	2,246
General and administrative	1,421	497	-	1,918
Interest expense	3,158	-	-	3,158
Total Expenses	14,625	3,778	-	18,403
Income (Loss) Before Taxes	2,378	3,718	-	6,096



Net Income (Loss)	\$ 2,378	\$ 3,718	\$ -	\$ 6,096
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</TABLE>

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The Wiser Oil Company

THE WISER OIL COMPANY

Notes to Financial Statements (continued)

Condensed Statements of Cash Flows for The Quarter Ended March 31, 2002	Wiser Oil (Parent)	Subsidiary Guarantors	Consolidation Adjustments	Total
		(000's)		
<S>	<C>	<C>	<C>	<C>
<b>Cash Flows From Operating Activities:</b>				
Net income (loss)	\$ (10,059)	\$ (2,499)	\$ -	\$ (12,558)
Add back reconciling items	2,527	1,941	-	4,468
Other changes	5,116	15,111	-	20,227
Operating Cash Flows	(2,416)	14,553	-	12,137
<b>Cash Flows From Investing Activities:</b>				
Capital expenditures	(5,127)	(16,157)	-	(21,284)
Proceeds from property sales	-	2,246	-	2,246
Investing Cash Flows	(5,127)	(13,911)	-	(19,038)
<b>Cash Flows From Financing Activities:</b>				
Increase long-term debt	4,000	-	-	4,000
Preferred dividends	(221)	-	-	(221)
Financing Cash Flows	3,779	-	-	3,779
Effect of exchange rate changes on cash and cash equivalents	--	(33)	-	(33)
Net Increase (Decrease) in Cash	(3,764)	609	-	(3,155)
Cash and Cash Equivalents, beginning of year	11,320	1,339	-	12,659
Cash and Cash Equivalents, end of year	\$ 7,556	\$ 1,948	\$ -	\$ 9,504

Condensed Statements of Cash Flows for  
The Quarter Ended March 31, 2001

<b>Cash Flows From Operating Activities:</b>				
Net income (loss)	\$ 2,378	\$ 3,718	\$ -	\$ 6,096
Add back reconciling items	3,287	2,035	-	5,322
Other changes	(2,106)	(2,616)	-	(4,722)
Operating Cash Flows	3,559	3,137	-	6,696
<b>Cash Flows From Investing Activities:</b>				
Capital expenditures	(2,561)	(770)	-	(3,331)
Proceeds from property sales	-	-	-	-
Investing Cash Flows	(2,561)	(770)	-	(3,331)
<b>Cash Flows From Financing Activities:</b>				
Intercompany transfers	4,000	(4,000)	-	-
Common stock issued	25	-	-	25
Financing Cash Flows	4,025	(4,000)	-	25
Effect of exchange rate changes on cash and cash equivalents	--	(23)	-	(23)

Net Increase (Decrease) in Cash	5,023	(1,656)	-	3,367
Cash and Cash Equivalents, beginning of year	29,518	4,626	-	34,144
	-----	-----	-----	-----
Cash and Cash Equivalents, end of year	\$ 34,541	\$ 2,970	\$ -	\$ 37,511
	=====	=====	=====	=====

</TABLE>

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The Wiser Oil Company

THE WISER OIL COMPANY

Notes to Financial Statements (continued)

<TABLE> <CAPTION> Condensed Balance Sheets March 31, 2002	Wiser Oil (Parent)	Subsidiary Guarantors	Consolidation Adjustments	Total
<S>	<C>	<C>	<C>	<C>
Assets:				
Current assets	\$ 15,513	\$ 10,076	\$ -	\$ 25,589
Net property and equipment	123,158	114,651	-	237,809
Other assets	79,576	-	(76,594)	2,982
	-----	-----	-----	-----
Total Assets	\$ 218,247	\$124,727	\$ (76,594)	\$ 266,380
	=====	=====	=====	=====
Liabilities and Stockholders' Equity:				
Current liabilities	\$ 15,652	\$ 21,073	\$ -	\$ 36,725
Long-term debt	128,692	18,921	-	147,613
Deferred income taxes	-	10,206	-	10,206
Stockholders' equity	73,903	74,527	(76,594)	71,836
	-----	-----	-----	-----
Total Liabilities and Stockholders' Equity	\$ 218,247	\$124,727	\$ (76,594)	\$ 266,380
	=====	=====	=====	=====
Condensed Balance Sheets December 31, 2001				
Assets:				
Current assets	\$ 18,786	\$ 13,198	\$ -	\$ 31,984
Net property and equipment	120,789	102,875	-	223,664
Other assets	79,536	-	(76,394)	3,142
	-----	-----	-----	-----
Total Assets	\$ 219,111	\$ 116,073	\$ (76,394)	\$ 258,790
	=====	=====	=====	=====
Liabilities and Stockholders' Equity:				
Current liabilities	\$ 9,729	\$ 9,778	\$ -	\$ 19,507
Long-term debt	124,674	18,789	-	143,463
Deferred income taxes	-	11,110	-	11,110
Stockholders' equity	84,708	76,396	(76,394)	84,710
	-----	-----	-----	-----
Total Liabilities and Stockholders' Equity	\$ 219,111	\$ 116,073	\$ (76,394)	\$ 258,790
	=====	=====	=====	=====

</TABLE>

See other notes to financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2001.

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THE WISER OIL COMPANY

Note 3. Net Income per Common Share

Basic net income per common share is computed based on the weighted average shares of common stock outstanding. Net income per share computations to reconcile basic and diluted net income consist of the following (in thousands,

except per share data):

	For the Quarter Ended March 31, -----	
	2002	2001
	-----	-----
Net income (loss) .....	\$(12,558)	\$ 6,096
Less preferred dividends .....	(431)	(259)
Less amortization of preferred stock discount ....	(1,148)	--
	-----	-----
Net income (loss) available to common stock .....	(14,137)	5,837
Plus: Income impact of assumed conversions:		
Dividends and amortization on preferred stock ....	1,579	259
	-----	-----
Net income (loss) available to common plus assumed conversions .....	\$(12,558)	\$ 6,096
	=====	=====
Basic weighted average shares .....	9,243	9,081
Effect of dilutive securities:		
Convertible preferred stock .....	5,882	3,529
Warrants .....	119	140
Stock options .....	5	3
	-----	-----
Diluted weighted average shares .....	15,249	12,753
	=====	=====
Net Income (Loss) per Share:		
Basic .....	\$ (1.53)	\$ 0.64
Diluted .....	(1.53)	0.48

The effect of the dilutive securities for the quarter ended March 31, 2002 was antidilutive.

#### Note 4. Long-term Debt

In April 2002, the borrowing base under the revolving credit facility was reviewed by the banks and tentatively increased from \$50 million to \$60 million, subject to final approval from all of the participating banks. The Company expects the new borrowing base to become effective in May 2002 and will be allocated \$40 million for general corporate purposes and \$20 million exclusively for acquisition of oil and gas properties.

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#### THE WISER OIL COMPANY

#### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

##### Comparison of Quarters Ended March 31, 2002 and March 31, 2001

Revenues for the first quarter of 2002 decreased \$9.5 million or 39% from the first quarter of 2001, due to significantly lower oil and gas prices received in the first quarter of 2002. Increased production partially offset the decline in prices. Oil revenues for the first quarter of 2002 were \$1.9 million lower than the first quarter of 2001, as the average price received for oil sales in the first quarter of 2002 was \$18.82 per barrel, down \$7.71 per barrel or 29% from the first quarter of 2001. Net oil production for the first quarter of 2002 was 456,000 barrels, up 62,000 barrels or 16% from 394,000 barrels in the first quarter of 2001. Oil production from the Hayter field in Canada was 87,000 barrels higher than in the first quarter of 2001 while oil production at the Maljamar field was 20,000 barrels lower than in the first quarter of 2001. Gas revenues for the first quarter of 2002 were \$7.0 million lower than in the first quarter of 2001 due to lower realized prices. The average price received for gas sales during the first quarter of 2002 was \$2.03 per mcf, a decrease of \$3.80 per mcf or 65% from the first quarter of 2001. Gas production for the first quarter of 2002 was 2,724 MMCF, up 582 MMCF or 27% from the first quarter of 2001. The increase in gas production was attributable primarily to Invasion Energy Inc. ("Invasion"), which was acquired in May 2001 and produced 753 MMCF in the first quarter of 2002. Oil and gas sales were increased by \$0.4 million

in the first quarter of 2002 and decreased by \$1.6 million in the first quarter of 2001 from the Company's hedging activities.

Production and operating expense for the first quarter of 2002 increased \$0.2 million, or 3% from the first quarter of 2001. Production and operating expense at Invasion, acquired in May 2001, was \$1.0 million for the first quarter of 2002. Lower oil and gas prices led to decreased production taxes in the first quarter of 2002 which were \$0.7 million lower than the first quarter of 2001. On a BOE basis, production and operating expense during the first quarter of 2002 decreased to \$7.62 per BOE or 13% from \$8.78 per BOE during the first quarter of 2001. Depreciation, depletion and amortization ("DD&A") for the first quarter of 2002 increased \$1.7 million or 41% from the first quarter of 2001 due primarily to higher production. Exploration expense for the first quarter of 2002 was \$2.1 million, down \$0.2 million from the first quarter of 2001. General and administrative expense in the first quarter of 2002 was \$2.4 million, up \$0.4 million from the first quarter of 2001 due primarily to increased payroll costs and legal expense associated with the Company's legal proceedings against Enron North America ("Enron"). Interest expense in the first quarter of 2002 was \$3.5 million, up \$0.4 million from the first quarter of 2001. The Company had a net operating loss carryforward for Federal income tax purposes of \$20.0 million at December 31, 2001. The tax benefits of carryforwards are recorded as an asset to the extent that management assesses the future utilization of such carryforwards as "more likely than not." When the future utilization of some portion of the carryforwards is determined not to be "more likely than not," a valuation allowance is provided to reduce the recorded tax benefits from such assets. At March 31, 2002, a valuation allowance was provided to reduce deferred tax assets to an amount equal to deferred tax liabilities. Accordingly, no U.S. Federal income tax expense or benefit was recognized in the first quarter of 2002. The Company recognized \$1.0 million of deferred Canadian income tax benefit in the first quarter of 2002 associated with Invasion operations.

The Company realized a net loss available to common stock of \$14.1 million and a basic loss per share of \$1.53 in the first quarter of 2002 compared to net income of \$5.8 million and basic earnings per share of \$0.64 during the first quarter of 2001.

Operating cash flows during the first quarter of 2002 were \$12.1 million, up \$5.4 million from the first quarter of 2001. Changes in working capital increased cash flows from operations by \$20.2 million, primarily due to a \$9.1 million increase in accounts payable for Invasion and a \$7.2 million increase in fair value of derivative liability. The Company received \$2.2 million in sales proceeds in the first quarter of 2002 associated with the sale of two small non-strategic properties in Canada. Capital expenditures during the first quarter of 2002 were \$21.3 million, up \$18.0 million from \$3.3 million in the first quarter of 2001 due primarily to capital spending at Invasion and in the Gulf of Mexico. The Company's capital and exploration budget for 2002 is approximately \$30 to \$35 million compared to \$76.1 million in 2001. The Company borrowed \$4.0 million under its revolving credit facility to fund a portion of its first quarter 2002 capital expenditures. On a cash basis, the Company paid \$0.85 million in interest expense in the first quarter of 2002 and no income taxes were paid in the first quarter of 2002. The Company's cash balance at March 31, 2002 was \$10.7 million, including \$1.2 million of restricted cash deposited in a margin account as collateral for hedge exposure at March 31, 2002.

The Company is continuing to pursue collection of its \$6.1 million claim against Enron through the bankruptcy proceedings and anticipates that a portion of the amount owed to Wiser will be recovered within the next year. The Enron hedge position was 100% written-off in 2001.

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#### THE WISER OIL COMPANY

#### Item 3. Quantitative and Qualitative Disclosures About Market Risk

See Note 1 "Hedging Activities".

#### PART II - OTHER INFORMATION

#### Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

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The information required by this Item 6 (a) is set forth in the Index to Exhibits accompanying this quarterly report and is incorporated herein by reference.

(b) Reports on Form 8-K

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The Company filed a report on Form 8-K on April 11, 2002 disclosing under Item 4 thereof that on April 3, 2002 it dismissed its independent public accountant, Arthur Andersen LLP, and retained Ernst & Young LLP as its independent auditors with respect to the audit of the Company's consolidated financial statements for its fiscal year ended December 31, 2002.

SIGNATURES

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE WISER OIL COMPANY

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(Registrant)

Date: May 14, 2002

/s/ George K. Hickox, Jr.

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George K. Hickox, Jr.  
Chairman, Chief Executive Officer  
and Director (Principal Executive  
Officer)

Date: May 14, 2002

/s/ Richard S. Davis

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Richard S. Davis  
Vice President of Finance  
(Principal Financial and  
Accounting Officer)

THE WISER OIL COMPANY

Index to Exhibits

Exhibit Number	Exhibit
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None

+ Filed herewith.