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## Earth Horse Energy Advisors' Monthly Market Overview April 2021

During the month of April 2021, 27 of the 45 TSX-listed E&P companies with operations focused mainly in Canada experienced an increase in their share price. The increase of those that rose ranged from 0.08% to 37.55%, with an average of increase of 9.69%. The remaining 18 companies experienced a decline in their share price; the declines ranged from 0.11% to 18.18% with an average decline of 5.13%. As a group, the average gain in the month was 3.76% while the median gain was 1.96%.

As outlined below, AECO rose 11.79% during the month to USD\$2.37/Mmbtu, lower than the 14.45% increase in the NYMEX, which ended the month at \$2.93/Mmbtu. WTI crude oil increased 5.92% to USD\$62.94/bbl, while Edmonton Par rose 1.71% and Western Canadian Select was up 2.39%, ending the month at USD\$59.98/bbl and USD\$51.83/bbl respectively. The Canadian dollar continued to edge up, increasing to 0.8141. Below we illustrate the changes in commodities and in the Canadian dollar during April 2021.

	WTI Oil (\$USD/bbl)	WCS (\$USD/bbl)	Cdn Light (\$USD/bbl)	C5+ (\$USD/bbl)	NYMEX (\$USD/Mmbtu)	AECO (\$USD/Mmbtu)	CDN\$/USD\$
April 2021 Average	\$61.70	\$50.69	\$58.22		\$2.69	\$2.21	0.8001
End of April 2021	\$62.94	\$51.83	\$59.98	\$62.58	\$2.93	\$2.37	0.8141
End of March 2021	\$59.42	\$50.62	\$58.97	\$62.02	\$2.56	\$2.12	0.7952
Month-over-Month Change	5.92%	2.39%	1.71%	0.90%	14.45%	11.79%	2.37%
Sources: Oil Sands Magazine OFX.com							

### TSX-Listed E&P (Canadian Focused Operations) April 2021 Share Price Movements

As outlined below, the three biggest movers to the upside during April were **Advantage Oil & Gas Ltd.**, **Petrus Resources Ltd.** and **Birchcliff Energy Ltd.**, increasing 37.55%, 29.27% and 19.54% respectively.

Advantage increased on the announcement on March 31, 2021 that it and **Allardyce Bower Consulting Ltd.** ("ABC") have jointly developed breakthrough carbon capture and storage technology capable of commercial profitability at a carbon price below CDN\$50/tonne. The first deployment of the technology will occur at Advantage's Glacier Gas Plant and is expected to enter service by March 2022. It was announced that the Modular Carbon Capture and Storage technology can be retrofitted to most point-source industrial emissions, including sectors that are difficult to decarbonize like power generation, blue hydrogen, LNG, oil and gas processing, and production of cement and steel. In partnership with ABC, Advantage has established **Entropy Inc.**, which will own the technology with the intent of deploying it widely in the global effort to decarbonize.

Petrus continued its rally from March 2021 on the back of the announcement that each of Mr. Don Gray, Glen Gray and Stuart Gray individually agreed to acquire a total of 13,309,402 shares of the company at \$0.30/share. In April, Petrus announced new management with Mr. Ken Gray being appointed as President and CEO and Mr. Matthew Wong, the current controller of Petrus, being appointed as the Vice-President, Finance of the company. Petrus further announced that it will focus on developing its inventory of low risk, high return properties in Alberta to grow cash flow and reduce debt. Petrus' share price was up 29.27% in April 2021.

Birchcliff rebounded in April, increasing 19.54% after falling 12.12% in March. The company closed at \$3.12 per share at the end of April 2021.

Company	Ticker	April 2021 % Change	End of April 2021	End of March 2021
<b>Top Three % Gainers</b>				
Advantage Oil & Gas Ltd.	AAV	37.55%	\$3.26	\$2.37
Petrus Resources Ltd.	PRQ	29.27%	\$0.53	\$0.41
Birchcliff Energy Ltd.	BIR	19.54%	\$3.12	\$2.61

Moving to the downside, were **Prairie Provident Resources Inc.**, **Bonterra Energy Corp.** and **Surge Energy Inc.**, falling 18.18%, 12.44% and 11.48% respectively.

Of the three largest gainers in March 2021, all continued to experience gains. **Journey Energy Inc.** increased an additional 11.69% in April, **Cardinal Energy Ltd.** increased 3.05% while Petrus experienced the largest gain at 29.27%.

## TSX-Listed E&P (Canadian Focused Operations) April 2021 Share Price Movements

Below is a list of all 45 TSX-listed E&P companies with operations focused mainly in Canada and their movements during the month. The company that is no longer on the list is **Seven Generations Energy Ltd.** which was acquired by **ARC Resources Ltd.**

Of the 27 companies that increased during April 2021, the average gain was 9.69% ranging from 0.08% to 37.44%. Of the 18 companies that declined, the average decline was 5.13% with a range of 0.11% to 18.18%.

Overall, during April 2021, the average gain was 3.76% while the median gain was 1.96%.

Company	Ticker	April 2021 % Change	End of April 2021	End of March 2021
Advantage Oil & Gas Ltd.	AAV	37.55%	\$3.26	\$2.37
Petrus Resources Ltd.	PRQ	29.27%	\$0.53	\$0.41
Birchcliff Energy Ltd.	BIR	19.54%	\$3.12	\$2.61
Imperial Oil Limited	IMO	16.62%	\$35.50	\$30.44
Storm Resources Ltd.	SRX	16.48%	\$3.18	\$2.73
Headwater Exploration Inc.	HWX	14.83%	\$4.49	\$3.91
Athabasca Oil Corporation	ATH	13.21%	\$0.60	\$0.53
Paramount Resources Ltd.	POU	12.49%	\$11.44	\$10.17
Journey Energy Inc.	JOY	11.69%	\$0.86	\$0.77
Baytex Energy Corp.	BTE	11.45%	\$1.46	\$1.31
Pine Cliff Energy Ltd.	PNE	11.11%	\$0.30	\$0.27
Freehold Royalties Ltd.	FRU	11.03%	\$8.05	\$7.25
Tourmaline Oil Corp.	TOU	10.87%	\$26.52	\$23.92
Tamarack Valley Energy Ltd.	TVE	8.44%	\$2.57	\$2.37
Questerre Energy Corporation	QEC	5.26%	\$0.20	\$0.19
Perpetual Energy Inc.	PMT	5.00%	\$0.21	\$0.20
Enerplus Corporation	ERF	4.75%	\$6.61	\$6.31
MEG Energy Corp.	MEG	4.14%	\$6.79	\$6.52
International Petroleum Corporation	IPCO	4.10%	\$4.32	\$4.15
InPlay Oil Corp.	IPO	3.92%	\$0.53	\$0.51
Cardinal Energy Ltd.	CJ	3.05%	\$2.70	\$2.62
Kelt Exploration Ltd.	KEL	2.63%	\$2.73	\$2.66
Gear Energy Ltd.	GXE	1.96%	\$0.52	\$0.51
Cenovus Energy Inc.	CVE	1.38%	\$9.57	\$9.44
Peyto Exploration & Development Corp.	PEY	0.56%	\$5.36	\$5.33
ARC Resources Ltd.	ARX	0.13%	\$7.73	\$7.72
Suncor Energy Inc.	SU	0.08%	\$26.29	\$26.27
Vermilion Energy Inc.	VET	-0.11%	\$9.12	\$9.13
Topaz Energy Corp.	TPZ	-0.48%	\$14.49	\$14.56
Pipestone Energy Corp.	PIPE	-0.62%	\$1.61	\$1.62
TransGlobe Energy Corporation	TGL	-1.52%	\$1.95	\$1.98
Ovintiv Inc.	OVV	-1.94%	\$29.39	\$29.97
NuVista Energy Ltd.	NVA	-2.11%	\$2.32	\$2.37
Whitecap Resources Inc.	WCP	-2.54%	\$5.38	\$5.52
Yangarra Resources Ltd.	YGR	-2.68%	\$1.09	\$1.12
PrairieSky Royalty Ltd.	PSK	-2.73%	\$13.18	\$13.55
Canadian Natural Resources Limited	CNQ	-3.96%	\$37.31	\$38.85
Pieridae Energy Limited	PEA	-4.35%	\$0.44	\$0.46
i3 Energy plc	ITE	-5.56%	\$0.17	\$0.18
Obsidian Energy Ltd.	OBE	-6.59%	\$1.70	\$1.82
Crescent Point Energy Corp.	CPG	-7.44%	\$4.85	\$5.24
Crew Energy Inc.	CR	-7.63%	\$1.09	\$1.18
Surge Energy Inc.	SGY	-11.48%	\$0.54	\$0.61
Bonterra Energy Corp.	BNE	-12.44%	\$3.52	\$4.02
Prairie Provident Resources Inc.	PPR	-18.18%	\$0.05	\$0.06
Average Gain		3.76%		
Median Gain		1.96%		
Max		37.55%		
Min		-18.18%		



## TSX-Venture Listed E&P (Canadian Focused Operations) April 2021 Share Price Movements

As outlined below, during April 2021 of the 29 TSX-Venture listed E&P companies with operations focused mainly in Canada, seven saw their share prices increase, eight stayed flat month-over-month and 14 companies' share prices declined. **Hillcrest Petroleum Ltd.** moved to the Canadian Exchange so its movements are no longer included in the tables.

Of the companies that had their share prices rise, increases ranged from 1.12% to 18.18% with an average increase of 10.47%. **Huntington Exploration Inc.** had the largest increase, followed by **Cobra Venture Corporation** and Hemisphere Energy Corporation rounded out the top three.

Of the companies with declining share prices, the drops ranged from 2.25% to 37.50% with an average decline of 17.95%. **Pulse Oil Corp.** had the largest decline in April, followed by **International Frontier Resources Corp.** and **Bayshore Petroleum Corp.** each falling 33%.

On a combined basis, the group had an average decrease in April 2021 of 6.14% while the median movement was flat at 0.00%.

Of the top % gainers in March 2021, only **Hemisphere Energy Corporation** had its share price increase in April 2021; Hemisphere rose by 16.28% from 0.43/share at the end of March to \$0.50/share by the end of April.

Company	Ticker	April 2021 % Change	End of April 2021	End of March 2021
Huntington Exploration Inc.	HEI.V	18.18%	\$0.26	\$0.22
Cobra Venture Corporation	CBV.V	16.67%	\$0.14	\$0.12
Hemisphere Energy Corporation	HME.V	16.28%	\$0.50	\$0.43
Spartan Delta Corp.	SDE.V	11.39%	\$4.40	\$3.95
Prairie Storm Resources Corp.	PSEC.V	7.69%	\$0.35	\$0.33
Razor Energy Corp.	RZE.V	1.96%	\$0.26	\$0.26
Highwood Oil Company Ltd.	HOCL.V	1.12%	\$9.05	\$8.95
Altima Resources Ltd.	ARH.V	0.00%	\$0.05	\$0.05
Canadian Spirit Resources Inc.	SPI.V	0.00%	\$0.08	\$0.08
Fortem Resources Inc.	FTM.V	0.00%	\$2.10	\$2.10
KFG Resources Ltd.	KFG.V	0.00%	\$0.03	\$0.03
Petrox Resources Corp.	PTC.V	0.00%	\$0.03	\$0.03
Prospera Energy Inc.	PEI.V	0.00%	\$0.05	\$0.05
Samoth Oilfield Inc.	SCD.V	0.00%	\$0.05	\$0.05
Tenth Avenue Petroleum Corp.	TPC.V	0.00%	\$0.08	\$0.08
Pan Orient Energy Corp.	POE.V	-2.25%	\$0.87	\$0.89
ROK Resources Inc.	ROK.V	-5.00%	\$0.19	\$0.20
Leucrotta Exploration Inc.	LXE.V	-7.35%	\$0.63	\$0.68
PetroFrontier Corp.	PFC.V	-9.09%	\$0.10	\$0.11
Perisson Petroleum Corporation	POG.V	-11.11%	\$0.04	\$0.05
Saturn Oil & Gas Inc.	SOIL.V	-14.29%	\$0.12	\$0.14
Vital Energy Inc.	VUX.V	-14.29%	\$0.06	\$0.07
Wescan Energy Corp.	WCE.V	-16.67%	\$0.05	\$0.06
Altura Resources Ltd.	ATU.V	-17.07%	\$0.17	\$0.21
Petrolympic Ltd.	PCQ.V	-25.00%	\$0.09	\$0.12
Softrock Minerals Ltd.	SFT.V	-25.00%	\$0.03	\$0.04
Bayshore Petroleum Corp.	BSH.V	-33.33%	\$0.03	\$0.05
International Frontier Resources Corp.	IFR.V	-33.33%	\$0.02	\$0.03
Pulse Oil Corp.	PUL.V	-37.50%	\$0.03	\$0.04
Average		-6.14%		
Median		0.00%		
Max		18.18%		
Min		-37.50%		

Company	Ticker	April 2021 % Change	End of April 2021	End of March 2021
<b><u>Top Three % Gainers</u></b>				
Huntington Exploration Inc.	HEI.V	18.18%	\$0.26	\$0.22
Cobra Venture Corporation	CBV.V	16.67%	\$0.14	\$0.12
Hemisphere Energy Corporation	HME.V	16.28%	\$0.50	\$0.43
<b><u>Top Three % Decliners</u></b>				
Pulse Oil Corp.	PUL.V	-37.50%	\$0.03	\$0.04
International Frontier Resources Corp.	IFR.V	-33.33%	\$0.02	\$0.03
Bayshore Petroleum Corp.	BSH.V	-33.33%	\$0.03	\$0.05
<b><u>April 2021 Overview</u></b>				
Average		-6.14%		
Median		0.00%		
Max		18.18%		
Min		-37.50%		
<b><u>Previous Months (March 2021) Top % Gainers (April 2021 Performance)</u></b>				
Hillcrest Petroleum Ltd.	HEAT.CA	-6.52%	0.215	0.23
Samoth Oilfield Inc.	SCD.V	0.00%	0.05	0.05
Hemisphere Energy Corporation	HME.V	16.28%	0.5	0.43

## Canadian E&P M&A Activity

In April 2021, there were six E&P deals announced in the Canadian oil & natural gas sector with total enterprise value of approximately \$850.9 million. The combined production changing hands during the month was 20,186 (~55% liquids). Year to date to the end of April 2021, there have been a total of 22 deals announced with an aggregate transaction value of \$7.95 billion and 273,215 boe/d of production sold.

There were two corporate transactions which accounted for \$817.5 million or 96% of the months total in April 2021. Of the four property deals one was worth \$32.0 million while the others were significantly less at \$1.0 million and \$437,500; one company did not disclose a purchase price.

The largest transaction announced in April 2021 was **Tamarack Valley Energy Ltd.**'s acquisition of **Anegada Oil Corp.** for \$503.6 million, consisting of \$238.0 million in cash and assumed debt, \$247.5 million in shares and \$18.0 million in asset retirement obligation. Anegada is a privately held pure play Charlie Lake light-oil producer in the Peace River High area of Alberta. Anegada has production of approximately 11,800 boe/d (71% oil and natural gas liquids), proved developed producing ("PDP") reserves of 10.5 MMboe, total proved plus probable ("P+P") reserves 40.1 MMboe and annualized net operating income of \$135.0 million. Tamarack Valley has identified over 200 net drilling locations on Anegada's land which consists of 321.2 net sections (205,568 acres). Based on the \$503.6 million purchase price, the acquisition purchase metrics were \$42,676/boe/d per flowing barrel, \$12.56/boe of P+P reserves and 3.73x net operating income. In conjunction with the acquisition, Tamarack Valley entered into an agreement to sell a newly created 2% gross overriding royalty (GORR) on 300,000 gross acres of Tamarack's developed and undeveloped lands which are focused on Charlie Lake light oil development to **Topaz Energy Corp.** for gross proceeds of \$32.0 million. As part of the Topaz transaction, Tamarack Valley has committed to spending a minimum of \$60.0 million of development capital on the land.

The second largest transaction in April 2021 was **Whitecap Resources Inc.**'s acquisition of **Kicking Horse Oil & Gas Ltd.**, a privately held indirect subsidiary of **Quantum Energy Partners**, for aggregate consideration of approximately \$313.9 million, consisting of \$56.0 million in cash, the assumption of \$54.0 million in net debt, \$5.5 million in APO and the issuance of 34.5 million shares. Kicking Horse's assets primarily consist of a condensate rich Alberta Montney development at Kakwa with production of approximately 8,000 boe/d (~32% liquids). The acquisition includes 92 (60.0 net) sections of Montney rights that are 99% operated, with an average working interest of 65%, PDP reserves of 10.5 MMboe (28% liquids), total proved reserves of 59.4 MMboe (34% liquids) and P+P reserves of 89.0 MMboe (34% liquids) and estimated net operating income of \$65.7 million for 2021. Based on the \$313.9 million purchase price, the acquisition purchase metrics were \$39,234/boe/d per flowing barrel, \$3.53/boe of P+P reserves and 4.78x net operating income.

During April 2021, **McIntyre Partners** and **Griffon Partners** announced the acquisition of **Greenfire Hangingstone Operating Corporation's** oilsands assets in Canada through a bankruptcy proceeding. The deal was conducted via the acquisition vehicle **Greenfire Acquisition Corporation** for gross sale proceeds of \$1.0 million (before administrative costs).

At the end of the month, **Altura Energy Inc.** closed the sale of a 0.6875% working interest in the Corporation's production, wells, lands and facilities for cash of \$437,500. This transaction is part of the total sale of a 12.5% working interest in the company's assets that were announced in December 2019. The final sale of a 1.375% working interest for \$875,000 is scheduled to close on June 30, 2021. Altura has sold an aggregate working interest of 11.125% for total proceeds of \$6,129,000.

In its Q1 2021 MD&A, **Advantage Oil & Gas Ltd.** announced that it had completed two complementary asset acquisitions consisting of 12.4 net sections of Doig/Montney rights contiguous to its existing land base. Total production of the assets was 130 boe/d, consisting of 800 Mcf/d of natural gas and 5 bbls/d of NGLs, which is already tied into Advantage's Glacier Gas Plant.

## Other News

The **Federal Court of Appeal** has ruled that Alberta has the right to control the amount and destination of oil and other fuels flowing through its pipelines. The decision is a victory for the province in its battle with British Columbia over so-called turn-off-the-taps legislation enacted by Alberta in 2018, at the height of a dispute between the two provinces over construction of the Trans Mountain pipeline.

**JOG Capital**, a private equity firm with a 14-year track record managing more than \$1.3 billion in energy investments, unveiled a corporate transition and rebranding to become **Carbon Infrastructure Partners ("CIP")**, defining a new focus and investment mandate going forward.

The **Alberta Energy Regulator ("AER")** issued a statement that troubled oil and gas producer **SanLing Energy Ltd.** has warned it would cease operations on April 30. In March, the AER said it was suspending licenses for thousands of wells and pipelines after SanLing failed to bring its operations into regulatory compliance. The AER said the company owed approximately \$67.0 million in security to the AER for its assets estimated abandonment liabilities and had been warned previously of a poor compliance record.

During March 2021, there have been a number articles relating to the upcoming decision by the **State of Michigan** to revoke the **Enbridge Inc.** operated **Line 5 pipeline** easement through the state. Enbridge estimates that closing Line 5 would result in a supply drop of 45% to the refineries serviced by the line, including those in Sarnia, Nanticoke, and Montreal. The Ontario Minister of Energy has stated that 4,900 jobs in Ontario are "at risk." and that the ramifications would be experienced as far away as Alberta and Saskatchewan.

**Hillcrest Petroleum Ltd.** announced that the company is rebranding as **Hillcrest Energy Technologies, Ltd.**, choosing an identity more representative of the company's transition from fossil fuel production to clean tech innovation and IP development. Hillcrest also announced the appointment of Mr. Kylie Dickson to the Board of Directors of the company.

**Enerplus Corp.** announced that it has entered into an agreement to purchase certain assets of **Hess Corp.** in North Dakota's Williston Basin for USD \$312 million. Enerplus said it will buy 78,700 net acres in North Dakota with production of approximately 6,000 boe/d; the lands are adjacent to its current core Bakken acreage. Due to the assets being in the US, we have not included the stats in our E&P Canadian M&A overview.

**Questerre Energy Corporation** announced that it had entered into a letter of intent with **ZEG Power AS**, a private Norwegian company, to evaluate their proprietary blue hydrogen technology for the Company's Clean Tech Energy project in Quebec. Pursuant to the LOI, the companies will explore

joint venture opportunities to apply the ZEG Power technology to produce clean hydrogen and/or clean power from Questerre's Clean Gas project. This joint venture will include the engineering and economic due diligence for a demonstration plant concept and subsequent scale up to larger commercial plants. Subject to requisite corporate approvals, Questerre will have an exclusive right to the ZEG Power technology in Canada for a period of one year from the completion of the engineering with a right of first refusal in Canada thereafter.

**Waterous Energy Fund** ("WEF") and **Osum Oil Sands Corp.** ("Osum") announce today that Osum has entered into an amalgamation agreement with **WEF Osum Acquisition Corp.** ("WOAC") under which Osum will amalgamate with WOAC, with the amalgamated entity ("**Amalco**") becoming an entity wholly-owned by WEF. This Amalgamation has previously been disclosed to Osum Shareholders in WEF's take-over bid for up to 57,000,000 Osum Shares (the "**Offer**") and represents the final step of WEF's acquisition of Osum. The Amalgamation will constitute the subsequent acquisition transaction to acquire all of the Osum Shares that WOAC did not acquire under the Offer. WEF and WOAC together hold an aggregate of 117,034,627 Osum Shares, representing approximately 86.6% of the issued and outstanding Osum Shares. Upon completion of the transaction, each Osum Shareholder other than WEF and WOAC, will receive \$3.00 in cash for each Osum Share held immediately prior to the Amalgamation, which is the same as the consideration paid to Osum Shareholders under the Offer.

**Distinction Energy Corp.** announced that pursuant to previously disclosed plans to rebuild Distinction from last year's CCAA process, the executive officers of the Company have been reconstituted with Mr. Pat Carlson being appointed President & CEO of Distinction, Mr. Jakub Brogowski has been appointed Chief Financial Officer, Mr. Glen Nevokshonoff has been appointed Chief Operating Officer, and Mr. Marcus Archer has been appointed Corporate Secretary of the company. The board of directors of Distinction remains unchanged.

**Pieridae Energy Limited** announced that Mr. Darcy Reding will join the Pieridae team as Chief Operating Officer.

### **Announced Financings**

**Surge Energy Inc.** announced that it entered into an agreement with a syndicate of underwriters, led by **Cormark Securities Inc.** and **National Bank Financial Inc.** (collectively, the "Underwriters"), pursuant to which the Underwriters have agreed to purchase, on a "bought deal" basis, a total of 25,425,000 CDE flow-through common shares of Surge at a price of \$0.59 per flow through share for gross proceeds of \$15.0 million. The CDE flow-through shares will be used to fund an expanded 2H/21 capital program which will focus on Surge's Sparky core area.

### **Questions?**

If you have any questions or would like to use Earth Horse Energy Advisors to assist with the marketing of oil & gas assets and/or companies, with buy-side mandates, investor relations support, valuations, fairness opinions or other customized solutions, please don't hesitate to contact us at (587) 432-0584, [Ryan.FY@ehenergyadvisors.com](mailto:Ryan.FY@ehenergyadvisors.com) or [www.ehenergyadvisors.com](http://www.ehenergyadvisors.com).

Also, if you haven't already done so, please sign up for our distribution list at: [www.ehenergyadvisors.com/subscribe/](http://www.ehenergyadvisors.com/subscribe/) to ensure you receive our offerings and ongoing market commentary.

Thank you,

Ryan Ferguson Young  
President & Founder  
Earth Horse Energy Advisors