



Earth Horse Energy Advisors' Monthly Market Overview for February 2021

During the month of February 2021, all 46 TSX-listed E&P companies with operations focused mainly in Canada experienced an increase in their share price. The average increase was 42.4% while the median was 36.2%; the increase ranged from 2.05% to 120%. The increase in share prices was on the backdrop of improved investor confidence in the sector as commodity prices rose in the month. Below we illustrate the changes in commodities and in the Canadian dollar during February 2021.

	WTI Oil (\$USD/bbl)	WCS (\$USD/bbl)	Cdn Light (\$USD/bbl)	C5+ (\$USD/bbl)	NYMEX (\$USD/Mmbtu)	AECO (\$USD/Mmbtu)	CDN\$/USD\$
February 2021 Average	\$59.06	47.59	55.66		\$2.92	\$2.51	0.7877
End of February 2021	\$61.50	\$50.45	\$59.25	\$63.50	\$2.77	\$2.33	0.7877
End of January 2021	\$52.20	\$38.65	\$47.25	\$53.20	\$2.56	\$2.30	0.7856
Month-over-Month Change	17.82%	30.53%	25.40%	19.36%	8.20%	1.30%	0.27%

Sources: Oil Sands Magazine

OFX.com

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

Company	Ticker	February 2021 % Change	End of February 2021	End of January 2021
Prairie Provident Resources Inc.	PPR	120.00%	\$0.055	\$0.025
Pipestone Energy Corp.	PIPE	114.10%	\$1.67	\$0.78
Athabasca Oil Corporation	ATH	86.96%	\$0.43	\$0.23
NuVista Energy Ltd.	NVA	83.33%	\$1.98	\$1.08
Perpetual Energy Inc.	PMT	69.23%	\$0.22	\$0.13
Peyto Exploration & Development Corp.	PEY	68.84%	\$5.96	\$3.53
Paramount Resources Ltd.	POU	68.22%	\$10.80	\$6.42
Surge Energy Inc.	SGY	64.52%	\$0.51	\$0.31
Obsidian Energy Ltd.	OBE	62.96%	\$1.76	\$1.08
Baytex Energy Corp.	BTE	61.84%	\$1.23	\$0.76
Tamarack Valley Energy Ltd.	TVE	61.65%	\$2.15	\$1.33
Enerplus Corporation	ERF	55.56%	\$6.16	\$3.96
MEG Energy Corp.	MEG	54.23%	\$6.57	\$4.26
Gear Energy Ltd.	GXE	53.85%	\$0.40	\$0.26
Cardinal Energy Ltd.	CJ	46.15%	\$1.52	\$1.04
Ovintiv Inc.	OVV	45.95%	\$29.35	\$20.11
Vermilion Energy Inc.	VET	42.32%	\$7.97	\$5.60
TransGlobe Energy Corporation	TGL	41.67%	\$1.87	\$1.32
Bonterra Energy Corp.	BNE	40.08%	\$3.32	\$2.37
Crew Energy Inc.	CR	39.71%	\$0.95	\$0.68
Birchcliff Energy Ltd.	BIR	37.50%	\$2.97	\$2.16
Seven Generations Energy Ltd.	VII	36.81%	\$8.40	\$6.14
i3 Energy plc	ITE	36.36%	\$0.15	\$0.11
Advantage Oil & Gas Ltd.	AAV	36.13%	\$2.60	\$1.91
Kelt Exploration Ltd.	KEL	35.96%	\$2.42	\$1.78
Headwater Exploration Inc.	HWX	34.88%	\$3.79	\$2.81

Company	Ticker	February 2021 % Change	End of February 2021	End of January 2021
Pine Cliff Energy Ltd.	PNE	33.33%	\$0.32	\$0.24
Yangarra Resources Ltd.	YGR	33.33%	\$1.04	\$0.78
Crescent Point Energy Corp.	CPG	32.67%	\$4.67	\$3.52
InPlay Oil Corp.	IPO	32.26%	\$0.41	\$0.31
International Petroleum Corporation	IPCO	31.48%	\$4.01	\$3.05
ARC Resources Ltd.	ARX	28.93%	\$7.62	\$5.91
Tourmaline Oil Corp.	TOU	27.11%	\$23.16	\$18.22
Freehold Royalties Ltd.	FRU	25.91%	\$6.90	\$5.48
Journey Energy Inc.	JOY	25.00%	\$0.35	\$0.28
Cenovus Energy Inc.	CVE	24.77%	\$9.42	\$7.55
Whitecap Resources Inc.	WCP	24.24%	\$5.69	\$4.58
Storm Resources Ltd.	SRX	22.17%	\$2.81	\$2.30
PrairieSky Royalty Ltd.	PSK	22.16%	\$12.90	\$10.56
Canadian Natural Resources Limited	CNQ	20.15%	\$34.71	\$28.89
Suncor Energy Inc.	SU	18.14%	\$25.27	\$21.39
Petrus Resources Ltd.	PRQ	15.38%	\$0.30	\$0.26
Imperial Oil Limited	IMO	14.63%	\$27.89	\$24.33
Pieridae Energy Limited	PEA	10.42%	\$0.53	\$0.48
Questerre Energy Corporation	QEC	5.56%	\$0.19	\$0.18
Topaz Energy Corp.	TPZ	2.05%	\$14.44	\$14.15
Average		42.36%		
Median		36.24%		

Canadian E&P M&A Activity

In February 2021, there were 15 E&P deals announced in the Canadian oil & natural gas sector with total enterprise value of approximately \$6.9 billion. The combined production changing hands during the month was nearly 250,000 boe/d (57% liquids).

There were eleven property transactions valued at \$1.5 billion, while the four corporate deals totaled approximately \$5.4 billion, or 78% of the months total.

There were two Montney and two Duvernay deals announced. The Montney deals included the business combination between ARC Resources Ltd. and Seven Generations Energy Ltd. and Spartan Delta Corp.'s acquisition of Inception Exploration Ltd. with enterprise values of \$5.04 billion and \$132.5 million respectively. The Duvernay transactions included Crescent Point Energy Corp.'s \$908.5 million acquisition of Shell Canada Energy's Kaybob assets and the joint \$335.0 million acquisition of Ovintiv Inc.'s Duvernay position in Simonette by Kiwetinohk Resources Corp. and Distinction Energy Corp.

Paramount Resources Ltd. entered into three asset dispositions for total proceeds of \$80.0 million, PrairieSky Royalty Ltd. announced the acquisition of royalties for \$45.0 million, Peyto Exploration & Development Corp. entered into two acquisitions in the Cecilia area for \$35.0 million, Spartan Delta Corp. entered into two property deals for a combined price of \$29.5 million concurrent with the announcement of its acquisition of Inception and NuVista Energy Ltd. announced the sale of certain Charlie Lake assets and water infrastructure for \$94.0 million.

The other corporate transactions included Watrous Energy Fund's offer to acquire 57,000,000 shares of Osum Oil Sands Corp. that it did not already own for \$171.0 million (57.0 million shares at an improved price of \$3.00/share, up from \$2.40/share) and Calima Energy Limited's acquisition of Blackspur Oil Corp. for \$60.0 million. Blackspur's assets are located in the Brooks and Thorsby areas of Alberta.

The median acquisition price on a per flowing barrel basis was \$29,590/boe/d during the month. The average acquisition price was \$32,620/boe/d while the weighted average price was \$27,402/boe/d.

The median acquisition price for total proved plus probable reserves was \$2.71/boe while the average was \$3.61/boe and the weighted average price was \$3.91/boe.

The average cash flow multiple paid was 3.4 times, ranging from 2.7x to 3.9x. There were only three deals that had this information available.

It is expected that the M&A activity in the Canadian oil & natural gas industry will continue to be strong in 2021 as consolidation in the oil patch continues. Crude oil has now recovered and is flirting with the 2019 high of USD \$66.60/bbl WTI while natural gas has been buoyed by the decline in crude oil drilling in North America (resulting in less associated natural gas) and colder weather.

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 or www.ehenergyadvisors.com.

Also, please sign up for our distribution list at: www.ehenergyadvisors.com/subscribe/ to ensure you receive our offerings and ongoing market commentary.

Thank you,

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President & Founder
Earth Horse Energy Advisors