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Earth Horse Energy Advisors' Monthly Market Overview May 2021

During the month of May 2021, 40 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 0.55% to 55.77%, with an average of increase of 17.18%. There was one company, **Perpetual Energy Inc.**, which was flat month-over-month while four companies experienced a decline in their share price; the declines ranged from 2.27% to 15.00% with an average decline of 8.77%. As a group, the average gain in the month was 14.49% while the median gain was 13.33%.

As outlined below, AECO continued to increase month-over-month, rising 8.02% to USD\$2.56/Mmbtu; in April, AECO rose 11.79%. NYMEX increased in May but not to the extent of AECO, NYMEX was up 2.05% to USD \$2.99/Mmbtu. WTI crude oil increased 5.37% to USD\$66.32/bbl, while Edmonton Par rose 3.23%, Western Canadian Select was up 0.66% and C5+ was up 2.62%, ending the month at USD\$61.92/bbl, USD\$52.17/bbl and USD\$64.22/bbl respectively. The Canadian dollar continued to edge up, increasing 1.79% to 0.8287.

Below we illustrate the changes in commodities and in the Canadian dollar during May 2021.

	WTI Oil (\$USD/bbl)	WCS (\$USD/bbl)	Cdn Light (\$USD/bbl)	C5+ (\$USD/bbl)	NYMEX (\$USD/Mmbtu)	AECO (\$USD/Mmbtu)	CDN\$/USD\$
May 2021 Average	\$65.16	\$51.86	\$61.00		\$2.96	\$2.50	0.8243
End of May 2021	\$66.32	\$52.17	\$61.92	\$64.22	\$2.99	\$2.56	0.8287
End of April 2021	\$62.94	\$51.83	\$59.98	\$62.58	\$2.93	\$2.37	0.8141
Month-over-Month Change	5.37%	0.66%	3.23%	2.62%	2.05%	8.02%	1.79%
Sources: Oil Sands Magazine OFX.com							

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

As outlined below, the three biggest movers to the upside during May were **Gear Energy Ltd.**, **Prairie Provident Resources Inc.** and **InPlay Oil Corp.**, increasing 55.77%, 44.44% and 41.51% respectively.

Gear had a strong first couple of days of May as its share price increased from \$0.52 per share on April 30 reaching a high of \$0.86/share by May 5, 2021, the day the company announced its first quarter 2021 operating results. Over the past year, Gear reduced its net debt 47% from \$80.3 million in Q1 2020 to \$42.9 million at the end of the first quarter of 2021. Gear retired \$9.9 million of its convertible debentures during Q1 2021 through the issuance of 30.9 million common shares and the remaining \$3.3 million in convertible debentures in April. Following the retirement of its convertible debentures, Gear now has approximately 226.8 million shares outstanding. If I were a betting man, I would anticipate Gear to pull back to \$0.72/share before making its next leg up, it is currently at \$0.77/share.

Prairie Provident increased from \$0.045/share to \$0.065/share over the month of May. Since its February increase from \$0.025/share to \$0.065/share, Prairie Provident's share price has been mainly bouncing around the \$0.05-\$0.07/share range.

InPlay had a nice May as its share price broke through the \$0.60/share resistance and had a steady increase throughout the month. InPlay had a strong drilling program in the first quarter of 2021, whereby the company announced it drilled 3.0 net extended reach horizontal wells which was significantly higher than forecast and had combined first month production of 890 boe/d (75% light oil & 5% ngl). InPlay's net operating income increased 69% quarter-over-quarter and the company anticipates its net debt to 2021 EBITDA to be 1.3-1.5 times by year end. Production and cash flow from the new drills were not accounted for in its Q1 2021 results as the wells came in the second quarter when pricing was higher.

Company	Ticker	May 2021 % Change	End of May 2021	End of April 2021
Top Three % Gainers				
Gear Energy Ltd.	GXE	55.77%	\$0.81	\$0.52
Prairie Provident Resources Inc.	PPR	44.44%	\$0.07	\$0.05
InPlay Oil Corp.	IPO	41.51%	\$0.75	\$0.53

Moving to the downside were **Questaire Energy Corporation**, **i3 Energy plc** and **Headwater Exploration Inc.**, falling 15.00%, 14.71% and 3.12% respectively.

Of the three largest gainers in April 2021, all continued to experience gains. **Advantage Energy Ltd.** (formerly named **Advantage Oil & Gas Ltd.**) increased an additional 23.62% in May, **Petrus Resources Ltd.** increased 22.64% while **Birchcliff Energy Ltd.** increased 13.46%.

TSX-Listed E&P (Canadian Focused Operations) May 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. During May 2021, 40 companies saw their share price increase while one was flat month-over-month and four declined.

Of the 40 companies that increased during May 2021, the average gain was 17.18% ranging from 0.55% to 55.77%. Of the four companies that declined, the average decline was 8.77% with a range of 2.27% to 15.00%.

Overall, during May 2021, the average gain was 14.49% while the median gain was 13.33%.

Company	Ticker	May 2021 % Change	End of May 2021	End of April 2021
Gear Energy Ltd.	GXE	55.77%	\$0.81	\$0.52
Prairie Provident Resources Inc.	PPR	44.44%	\$0.07	\$0.05
InPlay Oil Corp.	IPO	41.51%	\$0.75	\$0.53
Baytex Energy Corp.	BTE	36.99%	\$2.00	\$1.46
Bonterra Energy Corp.	BNE	33.52%	\$4.70	\$3.52
NuVista Energy Ltd.	NVA	31.90%	\$3.06	\$2.32
Athabasca Oil Corporation	ATH	28.33%	\$0.77	\$0.60
Obsidian Energy Ltd.	OBE	27.06%	\$2.16	\$1.70
Paramount Resources Ltd.	POU	26.84%	\$14.51	\$11.44
Advantage Energy Ltd.	AAV	23.62%	\$4.03	\$3.26
MEG Energy Corp.	MEG	23.56%	\$8.39	\$6.79
Enerplus Corporation	ERF	23.30%	\$8.15	\$6.61
Petrus Resources Ltd.	PRQ	22.64%	\$0.65	\$0.53
Cardinal Energy Ltd.	CJ	21.11%	\$3.27	\$2.70
ARC Resources Ltd.	ARX	20.18%	\$9.29	\$7.73
International Petroleum Corporation	IPCO	19.91%	\$5.18	\$4.32
Kelt Exploration Ltd.	KEL	19.05%	\$3.25	\$2.73
Storm Resources Ltd.	SRX	16.04%	\$3.69	\$3.18
Imperial Oil Limited	IMO	14.39%	\$40.61	\$35.50
Whitecap Resources Inc.	WCP	13.57%	\$6.11	\$5.38
Canadian Natural Resources Limited	CNQ	13.54%	\$42.36	\$37.31
Birchcliff Energy Ltd.	BIR	13.46%	\$3.54	\$3.12
Pine Cliff Energy Ltd.	PNE	13.33%	\$0.34	\$0.30
Freehold Royalties Ltd.	FRU	12.17%	\$9.03	\$8.05
Tourmaline Oil Corp.	TOU	11.05%	\$29.45	\$26.52
Ovintiv Inc.	OVV	10.07%	\$32.35	\$29.39
Yangarra Resources Ltd.	YGR	9.17%	\$1.19	\$1.09
Crew Energy Inc.	CR	7.34%	\$1.17	\$1.09
Peyto Exploration & Development Corp.	PEY	7.28%	\$5.75	\$5.36
Pipestone Energy Corp.	PIPE	6.83%	\$1.72	\$1.61
Suncor Energy Inc.	SU	6.73%	\$28.06	\$26.29
Surge Energy Inc.	SGY	5.56%	\$0.57	\$0.54
Cenovus Energy Inc.	CVE	5.43%	\$10.09	\$9.57
TransGlobe Energy Corporation	TGL	5.13%	\$2.05	\$1.95
Journey Energy Inc.	JOY	4.65%	\$0.90	\$0.86
Crescent Point Energy Corp.	CPG	4.33%	\$5.06	\$4.85
Tamarack Valley Energy Ltd.	TVE	3.50%	\$2.66	\$2.57
Vermilion Energy Inc.	VET	2.63%	\$9.36	\$9.12
PrairieSky Royalty Ltd.	PSK	0.76%	\$13.28	\$13.18
Topaz Energy Corp.	TPZ	0.55%	\$14.57	\$14.49
Perpetual Energy Inc.	PMT	0.00%	\$0.21	\$0.21
Pieridae Energy Limited	PEA	-2.27%	\$0.43	\$0.44
Headwater Exploration Inc.	HWX	-3.12%	\$4.35	\$4.49
i3 Energy plc	ITE	-14.71%	\$0.15	\$0.17
Questerre Energy Corporation	QEC	-15.00%	\$0.17	\$0.20
Average Gain		14.49%		
Median Gain		13.33%		
Number of Companies with Share Price Increases		40		
Number of Companies Flat Month Over Month		1		
Number of Companies with Share Price Declines		4		
Max		55.77%		
Min		-15.00%		

TSX Listed E&P Companies – Interesting Charts

For those that enjoy technical analysis, below are a couple charts that I find interesting. I am not a certified technical analyst, but I like analyzing charts for potential set ups. These are not recommendations to buy or sell.

Topaz Energy Corp.

Topaz has been forming an ascending triangle over the last few months and has not had the breakout like most of the other E&P companies. While its business is different from the typical E&P company (it has royalty interests in E&P and infrastructure), it looking to be nearing a breakout through resistance at \$14.81. Volume should increase to confirm the breakout. There is strong support at \$14.65. The estimated increase is \$1.55-\$2.00/share, taking the share price to \$16.35-\$16.80 in the near term. Please note that I own shares in Topaz.



Journey Energy Inc.

Journey had a significant breakout in March 2021, rising from \$0.38/share to \$1.40/share in three days. The share price retraced and has been in a consolidation pattern bouncing from \$0.70 to \$0.96 since that breakout. Its movement on Friday, June 4th resulted in its highest close since it closed at \$1.30/share on March 11th and the latest candle is a bullish engulfing candle. Volume is starting to increase and the MACD is on the verge of crossing. There could be a case for another spike in the coming days to retest the \$1.40/share high. Journey has strong support at \$0.92/share.



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

As outlined below, during May 2021 of the 28 TSX-Venture listed E&P companies with operations focused mainly in Canada, 14 saw their share prices increase, eight stayed flat month-over-month and six companies' share prices declined. There were some changes to the list of companies analyzed in May; **Cuda Oil & Gas Inc.** was included to the list, while **KFG Resources Ltd.** and **Fortem Resources Inc.**; KFG and Fortem no longer trade on the TSX-Venture.

Of the companies that had their share prices rise, increases ranged from 2.21% to 153.85% with an average increase of 35.56%. **Razor Energy Corp.** had the largest increase, followed by **Saturn Oil & Gas Inc.** at a 66.67% increase and **Pulse Oil Corp.** rounded out the top three with a 60% increase in its share price.

Of the companies with declining share prices, the drops ranged from 5.26% to 25.00% with an average decline of 13.00%. **Tenth Avenue Petroleum Corp.** had the largest decline in May falling 25% while **Bayshore Petroleum Corp.** fell 16.67% and Cuda dropped 12.50%.

On a combined basis, the group had an average increase in May 2021 of 15.00% while the median increase was 1.10%.

Of the top % gainers in April 2021, Huntington Exploration Inc. increased a further 23.08% in May, **Hemisphere Energy Corporation** was up an additional 14.00% while **Cobra Venture Corporation** was flat at \$0.14/share.

Company	Ticker	May 2021 % Change	End of May 2021	End of April 2021
Razor Energy Corp.	RZE	153.85%	\$0.66	\$0.26
Saturn Oil & Gas Inc.	SOIL	66.67%	\$0.20	\$0.12
Pulse Oil Corp.	PUL	60.00%	\$0.04	\$0.03
International Frontier Resources Corp.	IFR	50.00%	\$0.03	\$0.02
Prospera Energy Inc.	PEI	40.00%	\$0.07	\$0.05
Softrock Minerals Ltd.	SFT	33.33%	\$0.04	\$0.03
Huntington Exploration Inc.	HEI	23.08%	\$0.32	\$0.26
Wescan Energy Corp.	WCE	20.00%	\$0.06	\$0.05
Hemisphere Energy Corporation	HME	14.00%	\$0.57	\$0.50
Altura Resources Ltd.	ATU.V	11.76%	\$0.19	\$0.17
Spartan Delta Corp.	SDE	11.59%	\$4.91	\$4.40
Leucrotta Exploration Inc.	LXE	7.94%	\$0.68	\$0.63
Pan Orient Energy Corp.	POE	3.45%	\$0.90	\$0.87
Highwood Oil Company Ltd.	HOCL	2.21%	\$9.25	\$9.05
Altima Resources Ltd.	ARH.V	0.00%	\$0.05	\$0.05
Canadian Spirit Resources Inc.	SPI.V	0.00%	\$0.08	\$0.08
Cobra Venture Corporation	CBV.V	0.00%	\$0.14	\$0.14
Perisson Petroleum Corporation	POG	0.00%	\$0.04	\$0.04
Petrolympic Ltd.	PCQ	0.00%	\$0.09	\$0.09
Petrox Resources Corp.	PTC	0.00%	\$0.03	\$0.03
Samoth Oilfield Inc.	SCD	0.00%	\$0.05	\$0.05
Vital Energy Inc.	VUX	0.00%	\$0.06	\$0.06
ROK Resources Inc.	ROK	-5.26%	\$0.18	\$0.19
Prairie Storm Resources Corp.	PSEC	-8.57%	\$0.32	\$0.35
PetroFrontier Corp.	PFC	-10.00%	\$0.09	\$0.10
Cuda Oil & Gas Inc.	CUDA.V	-12.50%	\$0.07	\$0.08
Bayshore Petroleum Corp.	BSH.V	-16.67%	\$0.03	\$0.03
Tenth Avenue Petroleum Corp.	TPC	-25.00%	\$0.06	\$0.08
Average		15.00%		
Median		1.10%		
Max		153.85%		
Min		-25.00%		

Razor had a tremendous jump early in May 2021, spiking from \$0.255/share to \$0.83/share by May 5, 2021. While the share price was volatile throughout the month of May, it ended with a 153.85% gain, closing at \$0.66/share on May 31, 2021. The surge was on the back of the announcement that FutEra Power Corp., a subsidiary of Razor announced it is entering the project execution stage of its co-produced Geothermal Power Project in Swan Hills, Alberta. It was announced that “FutEra has partnered with the provincial and federal governments to invigorate the emerging geothermal industry. Provincially, Alberta Innovates (“AI”) and Emissions Reduction Alberta (“ERA”), and federally, Natural Resources Canada (“NRCan”), have provided grants to complete funding. With an estimated cost to complete of \$20 million, Stage Gate 1 will produce up to 3 MW of green geothermal electricity. The planned second phase of the Project (“Stage Gate 2”), adding a natural gas turbine and optimizing the geothermal power efficiency, is estimated to cost an additional \$10 million. With both Stage Gate 1 and 2 of the Project complete, the total nameplate electricity output will be 21 MW.” As of June 4, 2021, the share price is \$0.82/share.

Saturn announced a transformational light oil asset acquisition of 6,700 boe/d of production (95% liquids) in the Oxbow area of southeastern Saskatchewan for \$93.0 million. Along with the acquisition, Saturn announced a \$82.0 million senior secured term loan, a \$15.0 million non-brokered and a \$6.0 million brokered private placement of special warrants at \$0.12 per special warrant (which was subsequently increased to \$18.4 million) for total gross proceeds of \$32.2 million. Saturn forecasts that its corporate production for 2021 will average over 7,500 boe/d (91% oil). Upon the news, Saturn’s share price spiked to a high of \$0.215/share.

Pulse’s share price increased 60% during May 2021, increasing from \$0.025/share to \$0.04/share. The company closed on a \$1.5 million rights offering in May and issued an additional 37.5 million warrants to an insider at an exercise price of \$0.05 per share for 5 years. If the additional rights are exercised, the company would receive additional proceeds of \$1,875,000.

Company	Ticker	May 2021 % Change	End of May 2021	End of April 2021
<u>Top Three % Gainers</u>				
Razor Energy Corp.	RZE	153.85%	\$0.66	\$0.26
Saturn Oil & Gas Inc.	SOIL	66.67%	\$0.20	\$0.12
Pulse Oil Corp.	PUL	60.00%	\$0.04	\$0.03
<u>Top Three % Decliners</u>				
Tenth Avenue Petroleum Corp.	TPC	-25.00%	\$0.06	\$0.08
Bayshore Petroleum Corp.	BSH.V	-16.67%	\$0.03	\$0.03
Cuda Oil & Gas Inc.	CUDA.V	-12.50%	\$0.07	\$0.08
<u>May 2021 Overview</u>				
Average		15.00%		
Median		1.10%		
Max		153.85%		
Min		-25.00%		
<u>Previous Months (April 2021) Top % Gainers (May 2021 Performance)</u>				
Huntington Exploration Inc.	HEI.V	23.08%	0.32	0.26
Cobra Venture Corporation	CBV.V	0.00%	0.14	0.14
Hemisphere Energy Corporation	HME.V	14.00%	0.57	0.5

Canadian E&P M&A Activity

In May 2021, there were a total of 11 E&P deals announced in the Canadian oil & natural gas sector with total enterprise value of approximately \$809.0 million. There was a total of 18,639 boe/d (49% liquids) of production announced that changed hands. The average price paid per flowing barrel was \$26,304/boe/d while the median was \$22,778/boe/d, the average price paid for P+P reserves was \$1.21/boe and the median price paid was \$1.06/boe. Only three transactions announced the net operating income, of which the prices paid ranged from 0.7-4.1 times; the average was 2.0X. During the month, **Tourmaline Oil Corp.** and **Topaz Energy Corp.** were the most active in the M&A space while **Saturn Oil & Gas Inc.** entered into a significant acquisition, **Paramount Resources Ltd.** sold a non-operated asset and there were some smaller transactions. A more fulsome description of the activity is outlined below.

In May, Tourmaline announced that it acquired 50% of the assets of **Saguaro Resources Ltd.** for cash consideration of \$205.0 million and that it entered into a joint venture agreement to develop the assets which are located in the Laprise-Conroy North Montney play in northeastern British Columbia. The acquired assets are immediately adjacent to the Polar Star and Chinook assets that Tourmaline acquired in 2020. The transaction includes current production net to Tourmaline of 9,000 boe/d (25% liquids), internally estimated reserves of 187.1 MMboe on a P+P basis as of December 31, 2020 and 645 gross Montney horizontal drilling locations. Based on the \$205.0 million purchase price, the acquisition purchase metrics were \$22,778/boe/d and \$1.10/boe for P+P reserves. Concurrent with the Saguaro acquisition, Tourmaline announced it had purchased certain infrastructure in the greater Laprise-Convoy area for \$55.0 million and that it had completed three separate transactions over the last three quarters in the Gundy and Doe areas of British Columbia for total consideration of \$54.5 million. Tourmaline estimated that the assets have remaining reserves of 85.3 MMboe on a P+P basis; the acquisition price is \$0.64/boe.

Tourmaline and Topaz announced a transaction whereby Topaz acquired BC Montney subsurface assets and a working interest in the Tourmaline facility complex at Gundy Creek for cash consideration of \$245 million. As part of the transaction, Topaz will acquire a GORR on the new lands acquired by Tourmaline at Doe, Gundy, Conroy (Saguaro), Laprise (Polar Star), and Birley (Chinook) over the past year (approx. 535,000 gross acres of which 288,000 gross acres are for Montney rights). In addition, Topaz will also acquire a 10% working interest in the Tourmaline Gundy facility complex (Phase 1 and 2) which will be backstopped by a take or pay contract on 40 mmcfpd of Tourmaline production at Gundy for a 10-year period.

During the month of May, Topaz announced two additional transactions, one with **Reserve Royalty Income Trust** and the other with **Cenovus Energy Inc.** Early in May, Topaz entered into a definitive agreement with Reserve Royalty for the purchase of its subsidiaries which hold all of the Reserve Royalty assets, for approximately \$26.0 million, payable through the issuance of 1,794,886 Topaz shares. The Reserve Royalty acquisition adds a large royalty portfolio consisting of 345,000 gross acres of developed and undeveloped fee mineral title and royalty interest lands diversified across Western Canada with average royalty production 609 boe/d (141 bbl/d crude oil, 2.2 mmcf/d conventional natural gas and 103 bbl/d natural gas liquids) and annualized royalty revenue of \$6.4 million. Reserve Royalty had no debt and approximately \$100.0 million in tax pools. Concurrent with the announcement of the Tourmaline transaction, Topaz announced it had acquired Cenovus' existing GORR on approximately 192,000 gross acres in the Marten Hills Clearwater area of Alberta operated by **Headwater Exploration Inc.** for \$102.0 million. The acquisition will increase Topaz's existing, 194,000 gross acres of greater Clearwater royalty lands by 89%. Headwater's crude oil production from the Clearwater assets in March 2021 was approximately 4,600 bbl/d of crude oil and Headwater estimates that its Clearwater crude oil production will grow to a sustainable production base of 13,000 – 14,000 bbl/d. The transactions with Cenovus and Tourmaline were funded through a \$175.0 million bought deal equity financing, Topaz's existing cash on hand and utilizing its credit facilities.

As previously mentioned, Saturn announced it had entered into a definitive agreement for the purchase of assets in the Oxbow area of southeastern Saskatchewan for \$93.0 million. The assets produce approximately 6,700 boe/d (~95% light oil and liquids) mainly from the Frobisher and Midale formations, 44.73 MMboe of P+P reserves, a low decline rate of 12%, and includes over 450 net sections of land. The assets have a substantial inventory of workovers and optimizations. Saturn anticipates that the assets will generate \$65-70 million in net operating income over the next 12 months. Concurrent with the announcement of the acquisition, Saturn announced a \$82.0 million senior secured term loan, and raised total gross proceeds of \$32.8 million in equity through a brokered and non-brokered private placement.

Paramount announced that it had entered into a definitive agreement for the sale of its non-operated natural gas-weighted Birch asset in northeast British Columbia for total consideration of approximately \$77 million. Paramount estimates that the assets sold will have production of approximately 1,900 boe/d during the second half of 2021.

i3 Energy plc announced that it had exercised a ROFR from **Anegada Oil Corp.** to acquire an additional interest of 49.5% in its South Simonette Montney property for approximately \$5.0 million. The acquisition increases i3's interest to 99% and provides the company with operatorship of the property. i3 plans to reactivate two suspended wells on the property in July for a capital cost of \$696,000 net to the acquired interest. The estimated production from the acquired interest is 430 boe/d (45% liquids), while the estimated net operating income is approximately \$3.8 million. The acquisition increases i3's P+P reserves by 4.9 MMboe. Based on the \$5.0 million acquisition price, the acquisition prices paid were \$11,628/boe/d, \$1.02/boe on a P+P basis and 1.3 times estimated net operating income.

Spartan Delta Corp. announced that it had entered into a definitive agreement with privately held **Canoe Point Energy Ltd.** pursuant to which Spartan will acquire all of the issued and outstanding common shares of Canoe for \$1.49 million through the issuance of 306,271 common shares of Spartan Delta and the assumption of Canoe's net debt of approximately \$0.06 million. Canoe holds 15,360 acres of undeveloped land in Spartan's Montney focus area.

Other News

Late in May, construction began on the 2.6-kilometre tunnel in Burnaby, B.C., for the **Trans Mountain pipeline** expansion project; the tunnel connects the Westridge Marine and Burnaby terminals. The construction is one of the major components of the expansion project in the Lower Mainland and is expected to take a little over half a year to complete. It was announced that the Trans Mountain pipeline expansion project is on budget and on schedule for completion by the end of 2022.

Pieridae Energy Ltd. announced that it plans to capture and sequester carbon at its natural gas processing facility in Caroline, Alberta. The company expects to store up to 3 million tonnes of carbon dioxide per year in a depleted underground reservoir. It is estimated the Caroline complex would be able to remove emissions equivalent to more than 650,000 cars each year at full capacity. The facility will combine large-scale carbon capture and sequestration and power production, which Pieridae said would make it the largest project of its type in Canada. It will capture CO₂ generated at the natural gas processing facility, as well as from power production and carbon produced by third parties. The complex's power production capacity would come to 7.9 billion kilowatt-hours annually. The project advances Pieridae's long term ESG strategy and supports the company's commitment of net-zero emissions by 2050 for its Goldboro LNG Project

It was announced that after 72 years as the **Canadian Association of Oilwell Drilling Contractors (CAODC)**, and after extensive member and industry consultation, the Association will rename itself the **Canadian Association of Energy Contractors (CAOEC)** to reflect its expanded mandate and leading role in the oil and gas, hydrogen, helium, geothermal, and carbon capture, utilization and storage (CCUS) sectors.

Woodside Petroleum Ltd., an Australian company, says it plans sell its 50 per cent stake in the 480-kilometre Pacific Trail Pipeline and the proposed LNG facility at Bish Cove. Woodside's announcement comes after **Chevron Canada Ltd.**, the operator of the project, said earlier this year that it would stop funding further feasibility work on the project.

Inclusive Energy Ltd., a company that provides oilfield equipment sales and rentals, announced strategic partnerships with **ROK Resources Inc.** and **Jayhawk Resources Ltd.** as part of the company's launch of a private equity capital fund. Inclusive invested in ROK as part of a recent private placement financing and announced that it entered into a funding arrangement with Jayhawk, whereby Inclusive will provide financing and a credit facility to Jayhawk to be utilized for strategic and complementary acquisitions in Jayhawk's core operating areas.

Advantage Oil & Gas Ltd. announced that the company changed its name to **Advantage Energy Ltd.** The company stated "we believe the name Advantage Energy Ltd. better reflects that we supply clean, affordable, reliable and sustainable Canadian energy to power the needs of Canada and the world."

Whitecap Resources Inc. announced that the Toronto Stock Exchange accepted the notice of Whitecap's intention to commence a normal course issuer bid (the "NCIB"). Whitecap previously purchased an aggregate of 2,501,800 common shares at a weighted average price per share of \$4.15 under a normal course issuer bid that ran between May 21, 2020 to May 20, 2021. The new NCIB allows Whitecap to purchase up to 29,894,096 common shares (representing 5% of its 597,881,930 outstanding common shares as of May 10, 2021) over a period of twelve months until May 20, 2022.

Suncor Energy Inc. and **ATCO Ltd.**, announced that they are collaborating on early stage design and engineering for a potential clean hydrogen project near Fort Saskatchewan, Alberta. The project would "produce more than 300,000 tonnes per year of clean hydrogen, reduce Alberta's CO₂ emissions by more than two million tonnes per year, significantly advance Alberta's hydrogen strategy, generate substantial economic activity and jobs across the province, and make a sizable contribution to Canada's net zero ambition. It is expected that 85% of the produced clean hydrogen would be used to supply existing energy demand. Specifically, 65% of the output would be used in refining processes and cogeneration of steam and electricity at the Suncor Edmonton Refinery, reducing refinery emissions by 60%. In addition, approximately 20% of the output could be used in the Alberta natural gas distribution system, also further reducing emissions."

Athabasca Oil Corporation announced that it closed an amending Hangingstone Transportation and Storage Services Agreement ("TSSA") that resulted in a \$44 million prepayment from restricted cash and a ~\$5 million reduction to annual tolls. The amended TSSA reduces Hangingstone's dilbit financial assurances by ~\$44 million to ~\$27 million. The reduction in financial assurances unlocked restricted cash on the Company's balance sheet that was concurrently used to fund the amending prepayment.

Enerplus Corporation's Board of Directors approved a 10% increase to the company's dividend to \$0.033 per share paid quarterly, from \$0.01 per share paid monthly previously.

Edge Liability Risk Management announced the appointment of Mr. Greg Vogelsang, P.Eng., P.Geo., FEC, FGC, as Senior Vice President – Environmental Services effective May 1, 2021. On top of managing the reclamation division of Edge Liability Risk Management, Mr. Vogelsang has also been named the President and CEO of the Edge group of companies newest entity – **Edge Engineering and Geoscience Ltd.**

Imperial Oil Ltd.'s investors voted 86 percent to defeat a shareholder resolution that it adopt a target to achieve net-zero carbon emissions by 2050.

Announced Financings

Aside from the financings that were announced concurrent with the previously mentioned M&A transactions, various E&P companies have announced certain equity and debt financings as further described below.

TSX-Venture listed **ROK Resources Inc.** announced that it intends to raise \$4.0 million in secured notes of the company ("Notes"), with each Note consisting of a principal amount of \$1,000 and with interest payable thereon at a rate of 14% per annum and with a term of three years. ROK can fully repay the Notes at no penalty after two years from the date of issuance, or the Noteholders can demand repayment after two years from the date of issuance. Payments of interest only will be made during the first year of the term of the Notes and blended payments of interest and principal will be made during the second and third year of the term of the Notes. The Notes are secured by all of the assets of the company and are senior to all other indebtedness of ROK. In addition, each \$1,000 principal amount of Notes will include 500 common share purchase warrants (each full warrant, a "Warrant") with each Warrant being exercisable for one class "B" common share in the capital of the company at an exercise price of \$0.35 per Warrant for a period of 2 years.

As previously mentioned, Pulse announced the successful completion of a rights offering at \$0.01 per common share, raising total aggregate gross proceeds of approximately \$1.5 million. Upon closing, Pulse issued a total of 151,592,357 common shares of Pulse. An aggregate of 109,354,572 Common Shares were issued under the basic subscription privilege, including insider participation of 34,201,576 Common Shares and 75,152,996 Common Shares of all other shareholders as a group. In addition, a total of 42,237,785 Common Shares were issued under the additional subscription privilege, all from other Pulse shareholders as a group, resulting in a total of 100% of rights subscribed. Further, Pulse entered into a standby commitment with an insider of the company to ensure the company would raise \$1.5 million. As consideration of the standby commitment 37.5 million bonus warrants were issue which are exercisable at \$0.05 per share for sixty (60) months.

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 or www.ehenergyadvisors.com.

Also, if you haven't already done so, please sign up for our distribution list at: 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