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## Earth Horse Energy Advisors' Monthly Market Overview Summer (July & August) 2021

During the summer of 2021, there was weakness in the share prices of most TSX-listed E&P companies with operations focused mainly in Canada. Of the 45 companies listed on the TSX exchange, only four had their share price improve over the two-month period, one company, **Questerre Energy Corporation** was flat and the remaining 40 companies declined. The increases ranged from 5.04% (**International Petroleum Corporation**) to 41.67% (**Perpetual Energy Inc.**) while the declines ranged from 0.90% (**Crew Energy Inc.**) to 33.96% (**Pieridae Energy Limited**). Overall, the average movement during the summer was 9.03% to the downside, while the median was -8.02%.

As outlined below, during July 2021 AECO was fairly flat month-over-month while NYMEX continued to climb in July, increasing another 11.71% reaching USD \$3.91/Mmbtu by the end of July 2021 and averaging \$3.82/Mmbtu during July. WTI crude oil increased 1.33% to USD\$73.95/bbl, while Edmonton Par and Western Canadian Select fell 0.85% and 1.74% respectively, ending the month at USD\$69.80/bbl (Cdn Light) and USD\$59.25/bbl (WCS). The Canadian dollar continued to soften in July, falling 0.54% to 0.8016 from 0.8060 at the end of June.

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

	WTI Oil (\$USD/bbl)	WCS (\$USD/bbl)	Cdn Light (\$USD/bbl)	C5+ (\$USD/bbl)	NYMEX (\$USD/Mmbtu)	AECO (\$USD/Mmbtu)	CDN\$/USD\$
<b>July 2021 Average</b>	\$72.43	\$58.70	\$68.64		\$3.82	\$2.82	0.7992
<b>End of July 2021</b>	\$73.95	\$59.25	\$69.80	\$74.45	\$3.91	\$2.85	0.8016
<b>End of June 2021</b>	\$72.98	\$60.30	\$70.40	\$72.05	\$3.50	\$2.86	0.8060
<b>Month-over-Month Change</b>	1.33%	-1.74%	-0.85%	3.33%	11.71%	-0.35%	-0.54%
Sources: Oil Sands Magazine OFX.com							

During August, natural gas prices continued to increase. NYMEX replicated July, increasing another 11.76% to end the month at USD\$4.37/Mmbtu and average USD\$4.03/Mmbtu, while AECO jumped 7.37% to end the month at USD\$3.06/Mmbtu; the average price of AECO for August was USD\$2.82/Mmbtu. Oil, on the other hand, dropped in August. WTI crude oil fell 7.37% to USD\$68.50/bbl, while Edmonton Par and Western Canadian Select fell 7.39% and 8.27% respectively, ending the month at USD\$64.64/bbl (Cdn Light) and USD\$54.35/bbl (WCS). The Canadian dollar continued to soften in July, falling 1.18% and below the 0.80 mark, ending the month at 0.7921.

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

	WTI Oil (\$USD/bbl)	WCS (\$USD/bbl)	Cdn Light (\$USD/bbl)	C5+ (\$USD/bbl)	NYMEX (\$USD/Mmbtu)	AECO (\$USD/Mmbtu)	CDN\$/USD\$
<b>August 2021 Average</b>	\$67.71	\$58.70	\$63.60		\$4.03	\$2.92	0.7935
<b>End of August 2021</b>	\$68.50	\$54.35	\$64.64	\$69.99	\$4.37	\$3.06	0.7921
<b>End of July 2021</b>	\$73.95	\$59.25	\$69.80	\$74.45	\$3.91	\$2.85	0.8016
<b>Month-over-Month Change</b>	-7.37%	-8.27%	-7.39%	-5.99%	11.76%	7.37%	-1.18%
Sources: Oil Sands Magazine OFX.com							

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

During the summer of 2021, most E&P companies' share prices declined. The top performer was **Perpetual Energy Inc.** which was up 41.67% increasing from \$0.24/share to \$0.34/share over the two-month period. Perpetual spun out its Clearwater assets to a newly created company named **Rubellite Energy Inc.** Rubellite's assets comprise 104.5 net sections of acreage highly prospective for conventional heavy crude oil in the Clearwater formation (the "Clearwater Assets") with over 370 identified multi-lateral drilling locations. Based on an independent reserve report prepared by McDaniel and Associates Consultants Ltd. effective June 1, 2021, the Clearwater Assets have booked proved and probable heavy crude oil reserves of 3.6 MMbbls with 25 booked undeveloped drilling locations. The remaining 345 identified drilling locations are unbooked. Rubellite will control and operate 100% of the Clearwater Assets. Rubellite becomes the second Clearwater pure play publicly traded company behind **Headwater Exploration Inc.**

**Prairie Provident Resources Inc.** was up 13.33% over the summer months while **Tamarack Valley Energy Ltd.** was up 5.45% and **International Petroleum Corporation** was up 5.04%.

As previously mentioned, **Questerre Energy Corporation** was flat over the summer while the 40 remaining companies were down, ranging from declines of 0.90% to 33.96%.

Overall, the average decline was 9.03% while the median drop was 8.02%.

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

Company	TSX Ticker	Summer (July & August) 2021 % Change	End of August 2021	End of June 2021
Perpetual Energy Inc.	PMT	41.67%	\$0.34	\$0.24
Prairie Provident Resources Inc.	PPR	13.33%	\$0.09	\$0.08
Tamarack Valley Energy Ltd.	TVE	5.45%	\$2.71	\$2.57
International Petroleum Corporation	IPCO	5.04%	\$6.04	\$5.75
Questerre Energy Corporation	QEC	0.00%	\$0.18	\$0.18
Crew Energy Inc.	CR	-0.90%	\$2.19	\$2.21
Pine Cliff Energy Ltd.	PNE	-2.44%	\$0.40	\$0.41
Bonterra Energy Corp.	BNE	-2.53%	\$5.39	\$5.53
Cardinal Energy Ltd.	CJ	-3.15%	\$3.38	\$3.49
Tourmaline Oil Corp.	TOU	-3.42%	\$34.22	\$35.43
InPlay Oil Corp.	IPO	-4.07%	\$1.18	\$1.23
Advantage Energy Ltd.	AAV	-4.55%	\$4.83	\$5.06
Headwater Exploration Inc.	HWX	-6.19%	\$4.09	\$4.36
PrairieSky Royalty Ltd.	PSK	-6.26%	\$14.07	\$15.01
Paramount Resources Ltd.	POU	-6.41%	\$16.06	\$17.16
Topaz Energy Corp.	TPZ	-6.71%	\$16.14	\$17.30
Pipestone Energy Corp.	PIPE	-7.05%	\$2.11	\$2.27
Canadian Natural Resources Limited	CNQ	-7.27%	\$41.73	\$45.00
Imperial Oil Limited	IMO	-7.49%	\$34.95	\$37.78
Baytex Energy Corp.	BTE	-7.53%	\$2.21	\$2.39
Kelt Exploration Ltd.	KEL	-7.93%	\$3.25	\$3.53
Whitecap Resources Inc.	WCP	-7.95%	\$5.67	\$6.16
Obsidian Energy Ltd.	OBE	-8.02%	\$3.90	\$4.24
Freehold Royalties Ltd.	FRU	-10.64%	\$8.73	\$9.77
MEG Energy Corp.	MEG	-10.81%	\$8.00	\$8.97
Birchcliff Energy Ltd.	BIR	-10.96%	\$4.63	\$5.20
Cenovus Energy Inc.	CVE	-11.21%	\$10.53	\$11.86
Peyto Exploration & Development Corp.	PEY	-12.10%	\$7.34	\$8.35
Enerplus Corporation	ERF	-12.68%	\$7.78	\$8.91
TransGlobe Energy Corporation	TGL	-13.08%	\$2.06	\$2.37
ARC Resources Ltd.	ARX	-13.36%	\$9.14	\$10.55
Crescent Point Energy Corp.	CPG	-14.26%	\$4.81	\$5.61
Yangarra Resources Ltd.	YGR	-14.55%	\$1.41	\$1.65
NuVista Energy Ltd.	NVA	-14.57%	\$3.40	\$3.98
Journey Energy Inc.	JOY	-14.84%	\$1.32	\$1.55
Storm Resources Ltd.	SRX	-14.89%	\$3.60	\$4.23
Vermilion Energy Inc.	VET	-15.29%	\$9.20	\$10.86
Suncor Energy Inc.	SU	-16.64%	\$24.75	\$29.69
Gear Energy Ltd.	GXE	-17.65%	\$0.70	\$0.85
Ovintiv Inc.	OWV	-17.76%	\$32.13	\$39.07
Athabasca Oil Corporation	ATH	-21.43%	\$0.77	\$0.98
i3 Energy plc	ITE	-22.45%	\$0.19	\$0.25
Petrus Resources Ltd.	PRQ	-25.00%	\$0.60	\$0.80
Surge Energy Inc.	SGY	-33.67%	\$0.44	\$0.67
Pieridae Energy Limited	PEA	-33.96%	\$0.35	\$0.53
Average Increase/Decrease		-9.03%		
Median Increase/Decrease		-8.02%		
Number of Companies with Share Price Increases		4		
Number of Companies Flat Month Over Month		1		
Number of Companies with Share Price Declines		40		
Max Share Price Increase		41.67%		
Greatest Share Price Decline		-33.96%		

Of the three largest gainers in June 2021, each had varying degrees of weakness in their share price. **Obsidian Energy Ltd.** was down 8.02%, **Crew Energy Inc.** dropped slightly at 0.90% while **Journey Energy Inc.** declined 14.84% from \$1.55/share, down to \$1.32/share.

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

As outlined below, during the summer of 2021, four TSX-Venture listed E&P companies with operations focused mainly in Canada had an increase in their share price, five were flat over the two-month period, while 18 companies had weakness in their share price.

Of the companies that had their share prices rise, increases ranged from 7.14% to 72.73% with an average increase of 27.71%. **Tenth Avenue Petroleum Corp.** had the largest increase, followed by **Samoth Oilfield Inc.** at 16.67%, **Perisson Petroleum Corporation** at 14.29% and **Saturn Oil & Gas Inc.** increased 7.14% from \$0.14/share to \$0.15/share.

During the summer Tenth Avenue had announced the Court of Queen's Bench of Alberta approved an amended plan of arrangement. There were only 327,600 shares of Tenth Avenue traded during July and August with approximately \$38,000 of shares trading hands.

Of the companies with declining share prices, the drops ranged from 2.25% to 28.57% with an average decline of 16.28%. **Prospera Energy Inc.** had the largest decline during the summer falling 28.57%, from \$0.07/share to \$0.05/share. **Spartan Delta Corp.** fell 26.53% from \$6.03/share to \$4.43/share on the back of the announcement that it would acquire **Velvet Energy Ltd.** for approximately \$743.0 million while **Razor Energy Corp.** pulled back 25.37% from \$0.67/share to \$0.50/share.

On a combined basis, the group had an average decrease over the summer of 7.11% and a median decline of 10.0%.

Of the top % gainers in June 2021, **Highwood Oil Company Ltd.** gave back 20.27% ending the summer at \$14.75/share while **Hemisphere Energy Corporation** was down 2.25% and **Pulse Oil Corp.** dropped 8.33%.

Company	TSX-V Ticker	Summer (July & August 2021		End of June 2021
		% Change	End of August 2021	
Tenth Avenue Petroleum Corp.	TPC	72.73%	\$0.10	\$0.06
Samoth Oilfield Inc.	SCD	16.67%	\$0.07	\$0.06
Perisson Petroleum Corporation	POG	14.29%	\$0.04	\$0.04
Saturn Oil & Gas Inc.	SOIL	7.14%	\$0.15	\$0.14
Bayshore Petroleum Corp.	BSH	0.00%	\$0.03	\$0.03
Cuda Oil & Gas Inc.	CUDA	0.00%	\$0.06	\$0.06
Petrolympic Ltd.	PCQ	0.00%	\$0.09	\$0.09
Softrock Minerals Ltd.	SFT	0.00%	\$0.03	\$0.03
Wescan Energy Corp.	WCE	0.00%	\$0.06	\$0.06
Hemisphere Energy Corporation	HME	-2.25%	\$0.87	\$0.89
Prairie Storm Resources Corp.	PSEC	-3.13%	\$0.31	\$0.32
Pulse Oil Corp.	PUL	-8.33%	\$0.06	\$0.06
Huntington Exploration Inc.	HEI	-9.68%	\$0.28	\$0.31
PetroFrontier Corp.	PFC	-10.00%	\$0.09	\$0.10
Pan Orient Energy Corp.	POE	-12.04%	\$0.95	\$1.08
Canadian Spirit Resources Inc.	SPI	-12.50%	\$0.07	\$0.08
Altura Resources Ltd.	ATU	-15.56%	\$0.19	\$0.23
ROK Resources Inc.	ROK	-19.23%	\$0.21	\$0.26
Leucrotta Exploration Inc.	LXE	-19.28%	\$0.67	\$0.83
Altima Resources Ltd.	ARH	-20.00%	\$0.04	\$0.05
Petrox Resources Corp.	PTC	-20.00%	\$0.02	\$0.03
Highwood Oil Company Ltd.	HOCL	-20.27%	\$14.75	\$18.50
Cobra Venture Corporation	CBV	-25.00%	\$0.15	\$0.20
Vital Energy Inc.	VUX	-25.00%	\$0.06	\$0.08
Razor Energy Corp.	RZE	-25.37%	\$0.50	\$0.67
Spartan Delta Corp.	SDE	-26.53%	\$4.43	\$6.03
Prospera Energy Inc.	PEI	-28.57%	\$0.05	\$0.07
Average Increase/Decrease		-7.11%		
Median Increase/Decrease		-10.00%		
Number of Companies with Share Price Increases		4		
Number of Companies Flat Month Over Month		5		
Number of Companies with Share Price Declines		18		
Max Share Price Increase		72.73%		
Greatest Share Price Decline		-28.57%		

## Canadian E&P M&A Activity in July 2021

In July 2021, there were a total of 11 E&P deals announced in the Canadian oil & natural gas sector with total enterprise value of approximately \$1.45 billion; a value for the acquisition of **Japan Canada Oilsands Limited** by **Greenfire Acquisition Corporation** was not included as the consideration was not disclosed.

The largest transaction in July 2021, which accounted for 59% of the months total, was **Spartan Delta Energy Ltd.**'s acquisition of **Velvet Energy Ltd.** for \$743.2 million, consisting of \$355.9 million in cash, 2,962,264 Common Shares of Spartan Delta and the assumption of up to \$371.7 million in net debt. Velvet is expected to have production of 20,600 boe/d (51% liquids) at closing of the transaction; following the close of the transaction, Spartan expects 2022 production to average between 66,000 to 71,000 boe/d. The acquisition of Velvet includes approximately 281,700 net acres of high working interest (98%) Montney Crown land across four development areas (Gold Creek, Karr, Pouce Coupe and Flatrock), total proved reserves of 140.0 MMboe, 2P reserves of 224.6 MMboe, including 204 booked drilling locations and a total of 732 net identified Montney locations. The acquisition purchase metrics were \$36,080/boe/d, \$5.31/boe on a total proved basis and \$3.31/boe for 2P reserves. The Acquisition was funded by a combination of cash on hand, a \$150.0 million bought deal equity financing, a five year \$150.0 million 7.7% senior unsecured term facility and the Company's revolving credit facility.

The second-largest transaction in July was **PrairieSky Royalty Ltd.**'s acquisition of a 5% GORR on Spur Petroleum Ltd.'s Clearwater land for \$155.0 million. PrairieSky acquired a 5% gross overriding royalty on over 76,000 acres of Clearwater lands in the core Marten Hills area. The acquisition provides approximately 500 boe/d (96% oil) of current royalty production with expected growth over the short and medium term, and a stable long-term production profile as a result of waterflood initiatives. The acquisition increases PrairieSky's position in the Clearwater play to over 1.1 million acres. The Marten Hills acquisition includes a royalty interest on Spur's existing production of approximately 10,000 boe/d and all future production from the Marten Hills Acquisition lands, which is expected to grow to a sustainable production base of over 20,000 barrels per day by 2024. The acquisition is highly complementary to PrairieSky's existing one million-acre position in the Clearwater play, and is immediately accretive to 2021 and 2022 per share metrics.

The third-largest transaction in July involved **Topaz Energy Corp.** which entered into definitive agreements with **Tourmaline Oil Corp.** for the purchase of gross overriding royalty interests on approximately 296,000 gross acres in the NEBC Montney play area, for total cash consideration of \$145.0 million. The NEBC Montney royalty acquisition lands were recently acquired by Tourmaline pursuant to its ongoing NEBC consolidation strategy, including the acquisition of privately owned Black Swan Energy as well as developed and undeveloped acreage from Paramount Resources in the Birch area of the North Montney trend. Upon close of the acquisition, Topaz will own royalty interests on 100% of Tourmaline's NEBC Montney acreage.

During July, **i3 Energy plc** announced that its wholly owned Canadian subsidiary entered into an agreement with **Genovus Energy Inc.** to acquire certain assets in Central Alberta for \$65.0 million. The assets have current production of approximately 8,400 boe/d (51% liquids), are predominantly operated, conventional, low-decline production and have an extensive network of complementary midstream infrastructure. The Total Proved plus Probable Developed Producing reserves are estimated at 27.5 MMboe with an NPV10 of US\$90 million and 2P reserves of 79.5 MMboe with an NPV10 of US\$193 million (inclusive of undiscounted asset retirement obligations ("ARO") of US\$92 million, inflated at 2% and discounted at 10% for an NPV10 ARO value of US\$23 million), including an inventory of greater than 220 identified development drilling locations and reactivation opportunities. As part of the acquisition, i3 announced that it would raise a minimum of £40 million (before expenses).

In July, **Perpetual Energy Inc.** announced the creation of **Rubellite Energy Inc.**, a new high growth, pure play Clearwater oil company. Rubellite will: (i) acquire all of Perpetual's Clearwater lands, wells, roads and related facilities in northeast Alberta (the "Clearwater Assets") for total consideration of \$60 million, including \$58 million in cash and the issuance of an option to purchase four million common shares of Rubellite; (ii) participate in a proposed plan of arrangement under the *Business Corporations Act (Alberta)* involving Perpetual, the shareholders of Perpetual and Rubellite (the "Plan of Arrangement"); and (iii) raise a minimum of \$72.8 million through a combination of equity financings. The Clearwater Assets comprise 104.5 net sections of acreage prospective for heavy crude oil in the Clearwater formation with over 370 identified multi-lateral drilling locations. Currently there are seven (7.0 net) producing wells and six (5.0 net) additional wells are expected to have been drilled and on production prior to the anticipated close of the Financings in mid-September 2021. The Acquisition also includes proprietary 2D and 3D seismic and an extensive road network of approximately 40 km. In connection with the Acquisition, Rubellite has entered into an agreement with **Freehold Royalties Ltd.** whereby it has sold a 3% to 5% gross overriding royalty on certain lands at Figure Lake for gross proceeds of up to \$7.9 million to be paid in accordance with a drilling commitment agreement. It is expected that 100% of Rubellite's costs for the drilling, completion and equipping of four commitment wells and a portion of the costs for twelve additional wells on the Figure Lake royalty lands will be funded by the Figure Lake GORR Financing. The first of the four Figure Lake commitment wells is expected to spud in mid-July.

Perpetual is also announced that it entered into a debt settlement arrangement with its second lien lender to settle all outstanding obligations under its term loan, which will eliminate all but \$2.7 million of the Company's second lien secured debt and extend the remaining second lien secured debt's maturity to December 31, 2024. Perpetual has reached an agreement with **Alberta Investment Management Corporation** ("AIMCo") for the settlement, upon closing of the Financings, of its \$45 million second lien term loan principal plus outstanding interest for the payment of approximately \$38.5 million in cash, a new second lien term loan of \$2.7 million (the "New Second Lien Term Loan"), delivery by Perpetual of 680,485 shares of Rubellite valued at \$2.00 per share and up to \$4.5 million in contingent payments in the event that Perpetual's annual average realized crude oil and natural gas prices exceed certain thresholds over the three year period ended December 31, 2023 (the "Second Lien Loan Settlement"). The New Second Lien Term Loan will bear interest at 8.1% annually, which Perpetual may elect to pay-in-kind, and will mature on December 31, 2024. Perpetual will have the ability to prepay any or all of the New Second Lien Term Loan at any time without penalty. Closing of the Second Lien Loan Settlement is contingent on the Transactions closing on or before November 30, 2021. As part of the Second Lien Loan Settlement, AIMCo has committed to fully exercise the Arrangement Warrants it will receive under the Plan of Arrangement associated with its approximately 4.1% equity ownership of Perpetual. In addition, AIMCo has agreed to subscribe for \$4.45 million of the Non-Brokered Placement and upon completion of the Transactions is expected to own approximately 9.5% of the Rubellite Shares.

**Certus Oil and Gas Inc.** announced that it had acquired **Sitka Exploration Ltd.** effective July 16th, 2021. Sitka had production of approximately 5,000 boe/d and an estimated annualized cash flow from operations of \$28.0 million for 2021. The acquired assets surround Certus' existing core asset base in central Alberta and include working interest in over 197 producing wells. Sitka has an LMR rating of 3.9. Post-acquisition, the combined entity will produce 10,000 boe/d (50% liquids), with an annualized cashflow from operations of approximately \$64 million and have a combined LMR of 2.0.

Genovus entered into agreements in June and July to divest assets in the East Clearwater and Kaybob areas of Alberta for total expected cash proceeds of approximately \$110 million. Combined net production from the East Clearwater and Kaybob assets was approximately 12,000 boe/d (about 45% oil and NGLs) and the sale of these assets is now assumed in the updated 2021 Guidance ranges for the Conventional segment.

**Greenfire Acquisition Corporation** ("GAC") announced that it signed a definitive sale and purchase agreement to acquire all of the shares of **Japan Canada Oil Sands Limited** ("JACOS"), which has a 75% working interest in the Hangingstone Site ("JACOS Hangingstone"). GAC, which is backed by **McIntyre Partners** ("McIntyre") and **Griffon Partners** ("Griffon"), is making the acquisition via a special purpose acquisition vehicle. The acquisition unites the nearby Greenfire Hangingstone asset, owned by GAC, with the JACOS Hangingstone site, and together creates a leading low-cost oil sands producer in Canada. The JACOS Hangingstone oil sands asset is located 50km southwest of Fort McMurray, Alberta. The site achieved first oil on August 3, 2017 and has a good track record of production, running at over 20,000 bbl/d of production with capacity for 35,000 bbls/d. By acquiring JACOS, GAC will have ownership of 75% of the site's production. The acquisition follows GAC's purchase of the smaller Greenfire Hangingstone facility, a 10,000 bbl/d nameplate facility located in the same reservoir, in April 2021.

In the second quarter of 2021, ARC Resources Inc. disposed of certain non-core assets for \$78.1 million; the company announced that it had divested its properties in the Pembina area of central Alberta to **Ricochet Oil Corp.** ARC had an average working interest of 80% in approximately 76,281 gross hectares (61,058 net hectares) in the Pembina area.

On July 29, 2021, **Kelt Exploration Ltd.** completed the disposition of certain non-core assets for gross proceeds of \$9.0 million. Production from the assets was approximately 400 boe/d (25% liquids).

### **Canadian E&P M&A Activity in August 2021**

In August 2021, the M&A deal flow was less active than in July. There was one deal that was announced and was scheduled to close later in the month. The transaction involved **Razor Energy Corp.** entering into an agreement to acquire certain non-operated working interest assets in its Swan Hills core area of northern Alberta for \$5.0 million. The assets acquired consist of an interest in the Swan Hills Unit No. 1 (the "Unit"), Judy Creek Gas Plant (the "Plant") and South Swan Hills Unit Gas Gathering System (the "Gathering System") at 32.5%, 8.6% and 22.8% working interest, respectively. The Acquisition was funded by Arena Investors, LP ("Arena") by way of an amended term loan agreement in the total principal amount of US\$18,158,182 (the "Amended Term Loan"). The Amended Term Loan will be amortized and repaid over a total of 37 months, where payments began in April 2021 and will conclude in April 2024. The increase in principal will fund the purchase of the Assets, associated joint account liability, and interim purchase price adjustments. These price adjustments are capital expenditures and expenses from the effective date until the anticipated closing date. In that time there has been significant expenditures and expenses including well reactivations, pipeline repairs, and infrastructure projects. The assets had production of 950 boe/d (95% liquids), 2.7 MMboe of proved developed producing reserves, an estimated annual decline rate of 10% and an undiscounted ARO of \$22.9 million.

In **Canadian Natural Resources Limited's** Q2 2021 quarterly announcement, the company stated that it had completed three opportunistic acquisitions. The first two acquisitions consisted of natural gas assets located in the Montney region of British Columbia, with aggregate production of approximately 11,100 boe/d (consisting of 63 MMcf/d and 600 bbl/d of NGLs), approximately 107,000 acres of Montney lands, and related processing infrastructure with approximately 140 MMcf/d of capacity. These two acquisitions build on the company's expansive natural gas operations in northeastern British Columbia increasing its total Montney lands to approximately 1.3 million acres. The third acquisition consisted of a 5% net carried interest on an existing Canadian Natural oil sands lease, from which all of Canadian Natural's Horizon production is derived. Total cash consideration paid for these acquisitions was approximately \$450 million.

## **Board of Director & Executive Changes in July**

**ARC Resources Ltd.** announced that Mr. David Holt resigned from his position as Senior Vice President and Chief Operating Officer, effective August 27, 2021.

Mr. Andy Mah has confirmed his plan to retire from the role of Chief Executive Officer of **Advantage Energy Ltd.** effective December 31, 2021. Mr. Mah will continue to provide his expertise and experience as a director on Advantage's Board after his retirement. Effective January 1, 2022, Mr. Michael Belenkie will be appointed to the role of Chief Executive Officer. Mr. Belenkie joined Advantage in 2018 and currently serves as President and Chief Operating Officer.

**Baytex Energy Ltd.** appointed Mr. Chad Lundberg to Chief Operating and Sustainability Officer to lead its sustainability efforts and to reinforce Baytex's commitment to developing responsible energy for the future. He will retain his existing responsibilities as head of the Light Oil business.

**Yangarra Resources Ltd.** appointed Mr. Brett Booth to the role of Vice President, Land, replacing Mr. Randall Faminow who is retiring. Mr. Booth has over 12 years of land experience in all aspects of oil and gas land work, including negotiations, acquisitions and divestments, mergers and contracts. He was previously VP Land at Prairie Thunder Resources, Banded Peak Energy, Petrus Resources and prior thereto held various other land positions at Bonavista Energy.

**Tamarack Valley Energy Ltd.** announced that Mr. Floyd Price, Chairman of the Board, would retire effective July 27, 2021. Mr. Price has served on the Board of Directors since inception. Tamarack Valley also announced that Mr. Dave Christensen, Vice President, Engineering would retire effective August 31st, 2021. Mr. Christensen has been an officer of the Company since 2014. As a result of the strategic organizational changes and retirements, Tamarack Valley made the following executive appointments: Mr. John Rooney, a director of the Company, has been elected to be Chair of the Board of Directors. Mr. Kevin Screen has been promoted to Chief Operating Officer. Mr. Screen has served as Vice President, Production & Operations since he joined the Company in 2011. Mr. Martin Malek has been appointed as successor to Mr. Christensen as Vice President, Engineering. Mr. Malek has served in various roles across the organization since joining in 2014. He most recently served as Vice President, Business Development. Tamarack Valley also announced the appointment of Ms. Christine Ezinga as Vice President, Corporate Planning and Business Development, and Mr. Scott Shimek as Vice President, Production and Operations.

**Pieridae Energy Limited** announced the appointment of Mr. Adam Gray as Interim CFO. This follows Pieridae's earlier announcement that Mr. Rob Dargewicz resigned as CFO, effective July 30, 2021, to pursue other opportunities.

**Vermilion Energy Inc.** announced the appointments of Ms. Manjit Sharma and Ms. Judy Steele to our Board of Directors. Ms. Sharma brings over 25 years' experience in a wide range of operational matters in a variety of industries, most recently as Chief Financial Officer of WSP Canada, and previously with GE Canada for over 20 years, serving in various senior management roles. Ms. Sharma serves as a member of the Board of Directors for Export Development Canada, and is a member of the GE Canada Pension Trust Committee. Since October 2012, Ms. Steele has been the President & Chief Operating Officer of Emera Energy Inc., where she is responsible for commercial performance, operations, business growth and development, risk management, and team leadership and development. She has been involved in overseeing various energy businesses including hydro, wind, biomass and natural gas fired electrical generating facilities. Prior to her current role, Ms. Steele held a variety of executive and senior management positions within Emera Inc. She is currently a Board member of Canadian Blood Services and a Governor of St. Francis Xavier University. Ms. Steele holds the designation Fellow Chartered Accountant, and a Bachelor of Public Relations from Mount Saint Vincent University.

**Bonavista Energy Corporation** announced the appointment of Mr. K. Earl Reynolds as President and Chief Executive Officer effective July 15, 2021. Mr. Reynolds has over 37 years of E&P energy experience and more than 25 years of senior management experience within the oil and gas industry, most recently as CEO at Chaparral Energy.

## **Board of Director & Executive Changes in August**

**Highwood Asset Management Ltd.** announced the resignation of Mr. Graydon Glans from the Company's management team effective September 24, 2021. Mr. Chris Allchorne will step into the role of Interim CFO of Highwood. Mr. Allchorne was appointed Controller of Highwood in January 2017 and brings with him an extensive accounting and public entity background. Mr. Allchorne is a Chartered Professional Accountant.

**MEG Energy Corp.** announced the appointment of Darlene Gates as the Company's Chief Operating Officer and Chi-Tak Yee in the new position of Chief Technology Officer commencing September 7, 2021. Ms. Gates joins MEG from ExxonMobil where she held a variety of leadership roles with the organization both domestically and internationally over the course of her 26 years with the company. Most recently, Ms. Gates served as the President for ExxonMobil Production Alaska. Ms. Gates led all operational, technical, public affairs, and financial aspects of the organization working internally and externally to advance ExxonMobil's interest in the region. Previously, Ms. Gates served as Cold Lake and Conventional Operations Manager for Imperial Oil. Mr. Yee has been a pioneer and a leader in in-situ development in our industry. Since joining MEG in 2004 he has held roles of increasing responsibility within the Company, with oversight for reservoir management and project development, facility operations, cost leadership, and technological development and application. Mr. Yee has been the key driver of innovative technologies for MEG such as eMSAGP and eMVAPEX. He was promoted to Chief Operating Officer in 2018.

**Bonterra Energy Corp.** announced the appointment of Ms. Stacey McDonald to its Board of Directors effective August 16, 2021. With more than 16 years of experience across the energy and finance sectors, deep knowledge of capital markets, financial analysis and the oil and natural gas industry, Bonterra believes Ms. McDonald will bring valuable insights and meaningful contributions to the Board. Along with her ICD.D designation from the Institute of Corporate Directors program, Ms. McDonald brings significant experience serving on corporate boards, which will add further diversity of thought, background, and corporate governance acumen to Bonterra's Board. Currently, Ms. McDonald provides Strategic and Financial Advisory consulting services and most recently was a Managing Director of Institutional Energy Research at GMP FirstEnergy (Stifel Financial), a leading independent global energy investment bank. She earned a Bachelor of Commerce degree in Finance from the University of Alberta. Ms. McDonald will be appointed Chair of the Reserves Committee, and will serve as a member of the Corporation's Audit Committee, Compensation Committee and Governance and Nominating Committee.

## Miscellaneous News Announced in July

**Pieridae Energy Limited** announced that the Company has initiated a formal process to identify, examine and consider a range of strategic alternatives with a view to enhancing shareholder value. Such strategic alternatives may include, but are not limited to, a corporate sale, merger, a sale of a material portion of Pieridae's assets or other transactions. **Peters & Co. Limited** has been engaged as financial advisor to advise the special committee in connection with this comprehensive review and analysis of strategic alternatives. **McCarthy Tétrault LLP** will also provide advice to the committee. At the beginning of July Pieridae released a statement saying "While Pieridae has made tremendous progress in advancing the Goldboro LNG Project, as of July 30, 2021, we have not been able to meet all of the key conditions necessary to make a final investment decision. Following consultation with our Board, we have made the decision to move Goldboro LNG in a new direction. The Project's fundamentals remain strong: robust LNG demand from Europe and high global LNG prices, Indigenous participation, a net-zero emissions pathway forward, and support from jurisdictions across Canada. This speaks to our ongoing efforts to find a partner to take advantage of these opportunities. We will now assess options and analyze strategic alternatives that could make an LNG Project more compatible with the current environment."

On July 18, **OPEC+** ministers agreed to boost oil supply from August 2021 to cool prices. The group, which includes OPEC countries and allies like Russia, crucially agreed new production allocations from May 2022 after Saudi Arabia and others agreed to a request from the United Arab Emirates (UAE) that had threatened the plan. OPEC+ cut production by a record 10 million barrels per day (bpd) last year amid a pandemic-induced slump in demand which caused prices to collapse. It has gradually reinstated some supply to leave it with a reduction of about 5.8 million bpd. From August until December 2021 the group will increase supply by a further 2 million bpd or 0.4 million bpd a month, OPEC said in a statement. It aims to fully phase out cuts by around September 2022. The group had agreed to extend their overall pact until the end of 2022 from an earlier planned date of April 2022, to leave more room for maneuver in case global recovery stalls due to new virus variants. The UAE will see its baseline production, from which cuts are being calculated, increase to 3.5 million bpd from May 2022 from today's 3.168 million. Saudi and Russia will see their baselines rise to 11.5 million bpd each from the current 11 million. Iraq and Kuwait will see their baselines rise by 150,000 bpd each.

On July 15<sup>th</sup>, **Ovintiv Inc.** announced that it has issued a notice to the trustee of its 3.90% notes due 2021 (the "2021 notes") to redeem the entire \$517,823,000 aggregate principal amount. The outstanding 2021 notes will be redeemed, pursuant to their terms and conditions, on August 16, 2021.

**Hemisphere Energy Corporation** announced that the TSX Venture Exchange (the "TSXV") accepted the Company's Notice of Intention to renew of its Normal Course Issuer Bid (the "NCIB") to purchase for cancellation up to 7,687,830 common shares of the Company, representing approximately ten percent (10%) of the current public float.

**Shell Canada Limited** announced a proposal to build a large-scale carbon capture and storage (CCS) project at its Scotford Complex near Edmonton. This would be a key step in transforming Scotford into one of five energy and chemicals parks for Shell around the world. The proposed Polaris CCS project, the largest in a series of low-carbon opportunities Shell is exploring at Scotford, would capture carbon dioxide (CO<sub>2</sub>) from the Shell-owned Scotford refinery and chemicals plant. The initial phase is expected to start operations around the middle of the decade, subject to a final investment decision by Shell expected in 2023. Polaris would have storage capacity of about 300 million tonnes of CO<sub>2</sub> over the life of the project. The initial phase of the Polaris CCS project would capture and store approximately 750,000 tonnes a year of CO<sub>2</sub> from the Scotford refinery and chemicals plant. It would reduce Shell's direct and indirect emissions (Scopes 1 and 2) by up to 40% from the refinery and by up to 30% from the chemicals plant. Shell stated that it would also create up to 2,000 jobs. The second phase of the Polaris CCS project involves the creation of a CO<sub>2</sub> storage hub in Alberta, further decarbonizing Shell's facilities and storing emissions on behalf of third-party industry sources as a trusted and reliable CO<sub>2</sub> storage operator. Fully built, and contingent on acquiring pore space leases from the Province of Alberta, Polaris could serve as a CO<sub>2</sub> storage hub for more than 10 million tonnes of CO<sub>2</sub> each year.

**West Lake Energy Corp.** announced that it executed a first-of-its-kind carbon neutral heavy crude oil transaction in the Lloydminster region in Alberta. The Company views this as an important first step towards developing a market for climate-differentiated undiluted heavy crude oil. West Lake will collaborate with the Prax Group, a British multinational independent oil refining, trading, storage, distribution and retail conglomerate dealing in crude oil, petroleum products and bio-fuels, headquartered in London, United Kingdom. The Prax Group, which has trading offices in London, Singapore, and Houston, will work with West Lake to measure, reduce and mitigate greenhouse gas ("GHG") emissions across West Lake's value-chain to deliver these hydrocarbons with an operational "net zero" carbon impact.

The **Alberta government** announced that it is taking 50% ownership of the Sturgeon Refinery northeast of Edmonton. The province has signed a restructuring deal that also extends the length of Alberta's processing contract with the refinery by 10 years, to 2058. The province says that Alberta will benefit from being both a toll payer and a facility owner. The government says the restructuring deal won't cost the province anymore than it was already obligated to pay as a toll payer. The government-owned Alberta Petroleum Marketing Commission has a contract to provide bitumen to the refinery.

**TC Energy** says it will seek more than US\$15 billion from the U.S. government in the wake of President Joe Biden's cancellation of the Keystone XL pipeline's damage permit. TC launched a claim under the legacy rules tied to the old North American Free Trade Agreement, or NAFTA, because of what it says is the U.S. government's breach of its free trade obligations. TC Energy formally cancelled the project earlier in July, taking a \$2.2-billion writedown.

In July, **Freehold Royalties Ltd.** announced that it closed the acquisition of certain U.S. royalty properties for US\$15.5 million (\$19.3 million). This acquisition includes exposure to the Eagle Ford, Delaware and Midland and basins, expanding Freehold's North American royalty footprint. Freehold forecasts greater than 500 gross development locations associated with the acquired royalty acres, plus near-term development upside from approximately 15 drilled and uncompleted wells (DUCs) and 30 permits (over 90% of forecast 2022 development activity and approximately 50% of forecast 2023 development activity). The acquired royalty assets provide exposure to a strong suite of E&P producers with multiple year development plans expected on the acreage. 2022 funds from operations from the acquired royalty properties is forecast at approximately \$2.7 million with production of approximately 150 boe/d.

## Miscellaneous News Announced in August

**ROK Resources Inc.** announced that it entered into an Exploration Management Agreement with **Hub City Minerals Corp.** (“Hub City Minerals”) dated July 23, 2021 (the “Agreement”) wherein ROK has been issued, for nil consideration, a twenty-five (25%) percent carried interest (the “Carried Interest”) in a private entity, **Hub City Lithium Corp.** (“Hub City Lithium”). The remaining seventy-five (75%) percent of Hub City is owned by Hub City Minerals. Hub City Lithium currently holds 119,739 acres (48,457 hectares) of Subsurface Crown Mineral Dispositions in Saskatchewan (the “Property”), and wishes to explore potential lithium resource prospects with the Property.

Under the terms of the Agreement, Hub City Lithium’s operations will be managed by a management committee consisting of four members, three of whom will be appointed by Hub City Minerals and one of whom will be appointed by ROK. Subject to direction from the management committee, the Company will manage and administer the following objectives in relation to the Property (“Objectives”):

- Identify & acquire additional strategic lithium land prospects;
- Complete multi-layer perforation and flow testing of a wellbore;
- Obtain samples and conduct test for lithium concentrations;
- Identify a location for a pilot project;
- Identify a strategic partner to negotiate a lithium extraction technology pilot project;
- Obtain a third party NI 43-101 resource report; and
- Facilitate the completion of a preliminary economic assessment.

**Tourmaline Oil Corp.** and **Topaz Energy Corp.** announced \$108 Million bought deal secondary offering of Topaz common shares. Tourmaline entered into an agreement with **Peters & Co. Limited**, on behalf of a syndicate of underwriters, pursuant to which the Underwriters have agreed to purchase, on a bought deal basis, from Tourmaline 7,000,000 common shares of Topaz at a price of \$15.45 per Common Share. Tourmaline holds 58,149,494 common shares of Topaz, representing approximately 45.17% of the issued and outstanding common shares. Following the closing of the secondary offering, Tourmaline will hold 51,149,494 common shares, representing approximately 39.73% of the issued and outstanding common shares of Topaz. Tourmaline is selling the common shares of Topaz as part of a long term plan to reduce its equity position as Topaz develops and continues to succeed as an independent royalty and infrastructure company. Tourmaline’s reduction in Topaz equity is also in step with its commitment to continue to reduce overall debt levels of Tourmaline.

**Altura Energy Inc.** announced that it entered into a definitive reorganization and investment agreement which provides for, among other things: (i) the appointment of a new management team (the “New Management Team”); and (ii) the reconstitution of the board of directors of Altura (the “New Board”), all as described below (collectively, the “Transaction”). The New Management Team will cause Altura to enter into agreements to issue units and subscription receipts of Altura, by way of private placement (the “Private Placement”), for minimum gross proceeds of \$25.0 million. Certain members of the New Management Team constituted part of the leadership of **Vermilion Energy Inc.** and prior to Vermilion, certain members of the New Management Team constituted part of the management of **Baytex Energy Corp.** The New Management Team will be led by Anthony Marino and certain member of management and board will be part of the investment agreement. Upon completion of the Transaction, the company intends to target conventional and semi-conventional assets in overseas markets in three target regions of Europe, Middle East & North Africa (MENA) and South America that can support a free cash flow operating model. The Initial Investors, together with additional subscribers identified by them, will subscribe for a minimum of 22,222,222 units of the Company (“Units”) at a price of \$0.18 per Unit for minimum gross proceeds of \$4 million (the “Non-Brokered Private Placement”). Each Unit will be comprised of one common share of the Company (a “Common Share”) and one warrant of the Company (a “Warrant”). Each Warrant will entitle the holder thereof to purchase one Common Share at a price of \$0.18 per Common Share for a period of 5 years from the issuance date. Concurrently, a brokered private placement will be completed by a syndicate of dealers led by National Bank Financial Inc. and including Royal Bank of Canada, Stifel FirstEnergy and ATB Financial for a minimum of 116,666,667 subscription receipts. Upon completion of the Transaction, Altura shareholders will be entitled to participate in a rights offering, by way of a rights offering circular (the “Rights Offering”). Pursuant to the Rights Offering, each Altura shareholder as of the record date for such offering (the “Record Date”) will be issued one right (“Right”) for each Common Share held on the Record Date, entitling that holder to purchase one Common Share for each eight Rights held at a price of \$0.18 per Common Share.

**ARC Resources Ltd.** announced that the Toronto Stock Exchange (“TSX”) has accepted the notice filed by ARC to commence a normal course issuer bid (“NCIB”). The NCIB allows ARC to purchase up to 72,236,753 of its outstanding common shares (“Common Shares”), representing 10% of the Company’s public float, over a 12-month period commencing September 1, 2021.

**Petrus Resources Ltd.** announced that it entered into a series of agreements (the “Transactions”) that will reduce the Company’s total debt by approximately \$49 million through the issuance of \$25.8 million of Petrus shares at \$0.55 per share, and extend the maturity date of the Company’s senior secured credit facility (the “First Lien Loan”). The Transactions will also result in the full settlement of the Company’s subordinated secured term loan (the “Second Lien Loan”) in the current principal amount of \$39.3 million (the “Second Lien Settlement”) for \$15.8 million of equity. Approval of the Second Lien Settlement by the lenders of the Company’s First Lien Loan was contingent on Petrus accelerating an incremental \$10.0 million payment to further reduce its First Lien Loan. As a result, concurrently with the Second Lien Settlement, Petrus will undertake a private placement financing for proceeds of \$10.0 million (the “Equity Financing”), which will be applied to outstanding indebtedness under the First Lien Loan, resulting in a substantial reduction of the Company’s indebtedness from an aggregate of approximately \$112 million to approximately \$63 million, and additional stability under its First Lien Loan, with expected annual interest savings of approximately \$5 million and an effective interest rate reduction of 2.4% from 7.4% to 5.0%. The Second Lien Settlement and Equity Financing have been made possible with additional investment by Don Gray, Glen Gray and Stuart Gray.

**Enerplus Corporation** announced that it entered into a definitive agreement to sell its interests in the Sleeping Giant field (Montana) and Russian Creek area (North Dakota) in the Williston Basin for total consideration of US\$115 million. In addition, Enerplus will receive up to US\$5 million in contingent payments if the WTI oil price averages over \$65 per barrel in 2022 and over \$60 per barrel in 2023. The effective date of the transaction is July 1, 2021. The sale consists of the Company’s Interests in the developed Sleeping Giant field in Montana and the southernmost portion of Enerplus’ North Dakota position in the Russian Creek area. The Interests do not include any future drilling locations in Enerplus’ identified Williston Basin drilling inventory. Enerplus’ working interest production from the assets is approximately 3,000 boe/d (77% liquids); the

estimated 2022 net operating income associated with the assets is approximately US\$22 million based on a US\$60 WTI oil price. Earlier in August, Enerplus announced a 15% increase in its quarterly cash dividend, from CDN\$0.033 per share to CDN\$0.038 per share.

**Imperial Oil Limited** announced that it is moving forward with plans to construct a world-class renewable diesel complex at its Strathcona refinery near Edmonton, Alberta. This new complex is expected to produce more than 1 billion litres per year of renewable diesel from locally sourced and grown feedstocks. The project is expected to realize about 3 million tonnes per year in emissions reductions in the Canadian transportation sector.

The shareholders of **Surge Energy Inc.** voted to approve the consolidation of Surge shares on the basis of one (1) post-Consolidation Surge share for each 8.5 pre-Consolidation Surge share. At the Meeting, 26.9% of the outstanding Surge Shares were represented and the Consolidation was approved by 93.2% of the Surge Shares voted at the Meeting. The 608.5 million pre-Consolidation Surge shares issued and outstanding will be consolidated to approximately 71.6 million Surge shares on a post-Consolidation basis.

**Athabasca Oil Corporation** announced that it executed two strategic market egress transactions that increase corporate liquidity by approximately \$100 million through cash consideration and the release of restricted cash that was securing letters of credit. These transactions result in a 60% increase in pro forma unrestricted cash balances to approximately \$265 million. The transactions include Athabasca assigning its Keystone Base service of approximately 7,200 bbl/d of blended bitumen capacity and the Development Cost Agreement in relation to the Keystone XL pipeline to an industry player. The Company has also entered into a seven-year marketing agreement with the counterparty for 15,000 bbl/d of heavy oil that will diversify the Company's sales to the US Gulf Coast once the incremental Keystone Base service becomes available to industry. Additionally, Athabasca executed a sale and assignment agreement of its 20,000 bbl/d TMX pipeline service to a downstream player for \$20 million cash consideration.

**Freehold Royalties Ltd.** entered into a definitive agreement with an affiliate of OneMap Mineral Services LLC to acquire a concentrated, high quality U.S. royalty package for US\$52.3 million (\$67.1 million) (the Midland Assets) subject to confirmatory due diligence and any potential resulting adjustments and is scheduled to close in October 2021. The Midland Assets have more than 2,300 gross future development locations with over 50% of the development locations expected to be economic at a WTI price less than US\$35/bbl and approximately 85% of development locations expected to be economic at a WTI price less than US\$45/bbl. The 2022 production and funds from operations is forecast at approximately 550 boe/d and \$9.0 million respectively.

## Announced Financings

Below we outline equity and debt financings that occurred during the summer, apart from the financings that may have been announced with a concurrent M&A transaction.

**Tourmaline Oil Corp.** announced that it has agreed to issue \$200 million aggregate principal amount of senior unsecured notes due February 12, 2029 (the “Notes”). The Notes will be issued at par for aggregate gross proceeds of \$200 million and will bear interest at a fixed rate of 2.529% per annum, payable semi-annually on the 12th day of February and August of each year, commencing on February 12, 2022.

**Cuda Oil and Gas Inc.** announced an additional \$4.0 million of financing (“Credit Facility B”) from its Senior Lender, **Tallinn Capital Energy Limited Partnership** (“Tallinn”), under the Senior Credit Facility agreement signed on January 20, 2021. The additional proceeds will be used for the payment of account payables relating to, and continued development of, its oil assets and miscible gas flood injection program in the Powder River Basin, Converse County, Wyoming. The original maturity date of November 30, 2021 will remain in effect for the Senior Credit Facility and will also apply to Credit Facility B, and Credit Facility B will be charged interest at 16% per annum unless an event of default occurs and remains, allowing the Senior Lender to apply interest at 19% per annum on outstanding amounts. Repayment of the aggregate credit facilities will continue to follow the original repayment schedule under the Senior Credit Facility. Tallinn will receive customary commitment, work and monitoring fees and a 1% deferred interest fee on Credit Facility B. Approval of the additional financing was received from the Company’s subordinate Canadian institutional lender.

**Strathcona Resources Ltd.** announced that it closed its private offering (the “Offering of U.S.\$500 million in aggregate principal amount of 6.875% senior unsecured notes due in 2026 (the “Notes”). Strathcona used the net proceeds from this Offering to repay a portion of the outstanding borrowings under its revolving credit facility and operating facility without cancelling the revolving commitments thereunder and repay a portion of the outstanding borrowings under its term loan facility.

**NuVista Energy Ltd.** announced that it intends to undertake, subject to market and other conditions, a proposed private placement of senior unsecured notes (the “Notes”) in the amount of \$200 million (the “Offering”). Subject to the completion of the Offering, NuVista intends to use the net proceeds of the Offering, together with borrowings under its credit facility, to redeem all of the Company’s existing \$220 million senior unsecured notes due 2023 (the “2023 Notes”) at a redemption price of 101.625%, plus accrued and unpaid interest, which is expected to be completed shortly after closing of the Offering.

**PetroFrontier Corp.** completed a non-brokered private placement for aggregate gross proceeds of \$373,469 whereby the company issued an aggregate of 4,979,583 common shares from its treasury at a price of \$0.075 per Common Share. Proceeds from the Private Placement will be used to fund development and provide additional working capital to the company. Mr. Paul Cheung, a former director of the Company, acquired beneficial ownership of 3,319,888 of the Common Shares and now holds a total of 61,837,615 Common Shares which represents 27.64% of the total number of issued and outstanding Common Shares after giving effect to the Private Placement.

## 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