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Earth Horse Energy Advisors' Monthly Market Overview March 2022

During March 2022, the vast majority of publicly traded TSX E&P companies had an increase in their share price with 38 companies seeing a gain while two were flat and seven fell month-over-month. Overall, the average rise in March 2022 was 15.33% while the median was 9.37%. In February 2022 the average increase was 11.74%, while the median increase was 9.45%.

During March, the prices of liquids continued to move higher. The price of WTI crude increased 4.76%, while Edmonton Par was up 9.79% during the month, ending at USD\$100.28/bbl and USD\$98.58/bbl respectively. WCSB, had the strongest gain at 10.81% ending the month at USD \$87.86/bbl. During the month, oil prices were volatile. WTI reached a high of USD\$130.50/bbl and a low of USD\$93.53/bbl and averaged USD\$108.26/bbl; Edmonton Par's March 2022 average was slightly higher than WTI at USD\$108.39/bbl. The rise is on the back of supply worries from various OPEC+ countries as they struggle to meet their quotas, sanctions on Russia and gasoline consumption recovering to pre-pandemic levels. On the flip side, there was softness in crude over concerns over slower fuel demand in China after authorities in Shanghai said they would shut the country's financial hub for a COVID-19 testing blitz, there were talks about peace talks between Russia and the Ukraine and the US signaled that it may release additional barrels of oil from its reserves. Of note, is that the implications of the ban on Russian oil have not fully taken effect and the impact may become more prominent later in April.

The prices of natural gas roared ahead. The price of NYMEX natural gas spiked 27.96% ending the month at \$5.72/Mmbtu while AECO was up 11.11%, settling at \$4.30/Mmbtu. The price increase also came as global demand for natural gas to replace Russian fuel after its invasion of Ukraine keeps U.S. liquefied natural gas (LNG) exports near record highs and unable to export more LNG. The North American market remains shielded from much higher global prices; European natural gas prices are approximately six times higher than the prices in North America.

The Canadian dollar edged upwards in March, increasing 1.42% to 0.8007 by the end of March and averaged at 0.7903 during the month.

Below we illustrate the changes in commodities and in the Canadian dollar during March 2022.

	WTI Oil (\$USD/bbl)	WCS (\$USD/bbl)	Cdn Light (\$USD/bbl)	C5+ (\$USD/bbl)	NYMEX (\$USD/Mmbtu)	AECO (\$USD/Mmbtu)	CDN\$/USD\$
March 2022 Average	\$108.26	\$96.50	\$108.39		\$4.98	\$3.74	0.7903
End of March 2022	\$100.28	\$87.86	\$98.58	\$99.27	\$5.72	\$4.30	0.8007
End of February 2022	\$95.72	\$79.29	\$89.79	\$94.49	\$4.47	\$3.87	0.7895
Month-over-Month Change	4.76%	10.81%	9.79%	5.06%	27.96%	11.11%	1.42%

Sources: Oil Sands Magazine, Oilprice.com
QFX.com

TSX-Listed E&P (Canadian Focused Operations) March 2022 Share Price Movements

As previously mentioned, 38 of the 47 E&P companies (with domestic assets) on the TSX experienced strength in their share price in March while two were flat (**Gear Energy Ltd.** and **Kiwetinohk Energy Corp.**) and the remaining seven companies had weakness in their share price. The top performer in March was **Petrus Resources Ltd.** which was up 83.33%, increasing from \$1.38/share to \$2.53/share month-over-month. Petrus started the month announcing that it had entered into a definitive agreement to acquire a privately owned limited partnership and its general partner with assets in Petrus' core area of Ferrier for \$14.4 million. The next day it announced its year end 2021 financial, operating and reserves results and launched a fully backed rights offering on March 24th for gross proceeds of \$20.0 million. Petrus had the largest gain in Q1 2022, increasing 187.50% from \$0.88/share.

Journey Energy Inc. jumped 60.90% in March, increasing to \$6.42/share from \$3.99/share. Journey was one of the top performers in 2021 and was the third best performer in the first quarter of 2022, increasing 177.42%. Journey announced its year end results, closed a bought deal flow-through financing for gross proceeds of \$12.1 million and announced that it entered into two definitive agreements, one for the acquisition of a private company and the other for a plant and gathering infrastructure. The third best performer in March was **Yangarra Resources Ltd.** which increased 53.80% from \$1.84/share to \$2.83/share. Yangarra announced strong year end 2021 and Q4 2021 results and that it is expecting a revised cash flow per share of \$1.90 and that it will reach its targets by summer 2022, at which point a return of capital strategy will be implemented.

Company	TSX Ticker	March 2022 % Change	End of March 2022	End of February 2022
Top Three % Performers				
Petrus Resources Ltd.	PRQ	83.33%	\$2.53	\$1.38
Journey Energy Inc.	JOY	60.90%	\$6.42	\$3.99
Yangarra Resources Ltd.	YGR	53.80%	\$2.83	\$1.84

TSX-Listed E&P (Canadian Focused Operations) March 2022 Share Price Movements

Company	TSX Ticker	March 2022 % Change	End of March 2022	End of February 2022
Petrus Resources Ltd.	PRQ	83.33%	\$2.53	\$1.38
Journey Energy Inc.	JOY	60.90%	\$6.42	\$3.99
Yangarra Resources Ltd.	YGR	53.80%	\$2.83	\$1.84
Prairie Provident Resources Inc.	PPR	47.22%	\$0.27	\$0.18
Pieridae Energy Limited	PEA	43.33%	\$0.86	\$0.60
Crew Energy Inc.	CR	39.62%	\$5.18	\$3.71
Pine Cliff Energy Ltd.	PNE	32.56%	\$1.14	\$0.86
Bonterra Energy Corp.	BNE	32.41%	\$12.95	\$9.78
Questerre Energy Corporation	QEC	31.82%	\$0.29	\$0.22
International Petroleum Corporation	IPCO	31.24%	\$11.93	\$9.09
Birchcliff Energy Ltd.	BIR	24.04%	\$8.36	\$6.74
Rubellite Energy Inc.	RBV	20.13%	\$3.82	\$3.18
Cardinal Energy Ltd.	CJ	17.90%	\$7.64	\$6.48
Advantage Energy Ltd.	AAV	17.54%	\$8.71	\$7.41
Kelt Exploration Ltd.	KEL	17.22%	\$6.74	\$5.75
Ovintiv Inc.	OVV	16.66%	\$67.63	\$57.97
Peyto Exploration & Development Corp.	PEY	15.90%	\$12.68	\$10.94
Surge Energy Inc.	SGY	15.21%	\$8.86	\$7.69
Tourmaline Oil Corp.	TOU	15.20%	\$57.60	\$50.00
Spartan Delta Corp.	SDE	11.87%	\$9.80	\$8.76
Paramount Resources Ltd.	POU	10.99%	\$31.21	\$28.12
Vermillion Energy Inc.	VET	10.76%	\$26.25	\$23.70
NuVista Energy Ltd.	NVA	9.42%	\$10.57	\$9.66
Canadian Natural Resources Limited	CNQ	9.32%	\$77.41	\$70.81
InPlay Oil Corp.	IPO	7.94%	\$3.67	\$3.40
Whitecap Resources Inc.	WCP	6.93%	\$10.34	\$9.67
ARC Resources Ltd.	ARX	6.83%	\$16.74	\$15.67
Imperial Oil Limited	IMO	6.35%	\$60.50	\$56.89
Topaz Energy Corp.	TPZ	5.24%	\$20.90	\$19.86
Suncor Energy Inc.	SU	5.01%	\$40.70	\$38.76
Cenovus Energy Inc.	CVE	4.57%	\$20.84	\$19.93
Pipestone Energy Corp.	PIPE	4.53%	\$5.31	\$5.08
MEG Energy Corp.	MEG	3.14%	\$17.07	\$16.55
Athabasca Oil Corporation	ATH	3.05%	\$2.03	\$1.97
Obsidian Energy Ltd.	OBE	2.69%	\$11.08	\$10.79
Perpetual Energy Inc.	PMT	1.33%	\$0.76	\$0.75
Freehold Royalties Ltd.	FRU	1.13%	\$14.31	\$14.15
PrairieSky Royalty Ltd.	PSK	0.88%	\$17.29	\$17.14
Gear Energy Ltd.	GXE	0.00%	\$1.60	\$1.60
Kiwetinohk Energy Corp.	KEC	0.00%	\$11.95	\$11.95
Crescent Point Energy Corp.	CPG	-0.11%	\$9.06	\$9.07
Enerplus Corporation	ERF	-2.22%	\$15.84	\$16.20
i3 Energy plc	ITE	-2.74%	\$0.36	\$0.37
Tamarack Valley Energy Ltd.	TVE	-3.88%	\$4.96	\$5.16
Baytex Energy Corp.	BTE	-5.87%	\$5.45	\$5.79
Headwater Exploration Inc.	HWX	-7.79%	\$6.63	\$7.19
TransGlobe Energy Corporation	TGL	-7.89%	\$4.55	\$4.94
Average Increase/Decrease		15.33%		
Median Increase/Decrease		9.37%		
Number of Companies with Share Price Increases		38		
Number of Companies Flat Month Over Month		2		
Number of Companies with Share Price Declines		7		
Largest Share Price Increase		83.33%		
Largest Share Price Decline		-7.79%		

The three worst performing stocks in March were **TransGlobe Energy Corporation**, **Headwater Exploration Inc.** and **Baytex Energy Corp.** which were down 7.89%, 7.79% and 5.87% respectively.

Of the three largest gainers in February of 2022, in March **Athabasca Oil Corporation** was up 3.05%, **Pieridae Energy Limited** increased a further 43.33%, or \$0.26/share to \$0.86/share i3 Energy plc was down 2.74% to \$0.36/share.

TSX-Venture Listed E&P (Canadian Focused Operations) March 2022 Share Price Movements

As outlined below, during March 2022, 14 TSX-Venture listed E&P companies with operations focused mainly in Canada had an increase in their share price, seven were flat, while three companies had a decline in their share price. **Source Rock Royalties Ltd.** (SRR-V) made its trading debut on March 2, 2022, after its Initial Public Offering at \$0.90/unit. The stock opened at \$1.01/share and closed at \$0.85/share on its debut.; it closed at \$0.93/share at the end of March. Source Rock is a pure-play oil and natural gas royalty company with an existing, light oil focused portfolio of royalty interests concentrated in southeast Saskatchewan, east-central Alberta, west-central Alberta and west-central Saskatchewan.

Of the companies that had their share prices rise, increases ranged from 3.33% to 121.28% with an average increase of 31.56%. **Razor Energy Corp.** had the largest increase, rising 121.28% or \$1.71/share from \$1.41/share to \$3.12/share; Razor reached a high of \$4.14/share on March 8th. Razor's increase was the result of the release of its 2021 Year-End Reserves and Optional Outlook. Razor announced that its PDP reserves jumped 32% and the before-tax NPV spiked 236% year-over-year. On a TP and 2P basis, the NPV was up 103% and 90% respectively. The company also announced that it continues to progress its reactivation program and that its subsidiary company, **FutEra Power Corp.** continues to advance the construction of its 21 MW co-produced geothermal and natural gas hybrid power project in Swan Hills and is expected to deliver power to the grid by Q3 2022.

A close second was **Leucrotta Exploration Inc.**, which increased from \$0.91/share to \$2.00/share or 119.78%. Leucrotta's surge was the result of the announcement that it entered into an arrangement agreement with **Vermilion Energy Inc.** whereby the shareholders of Leucrotta will receive \$1.73/share along with one common share and 0.1917 common share purchase warrant in a new company ("ExplorCo"). ExplorCo will hold a portion of Leucrotta's land base (including 400 boe/d of production) and \$43.5 million in cash.

Rounding out the top three best performers in March was **Altima Resources Ltd.** which increased 66.67% from 0.03/share to \$0.05/share. Altima is a thinly traded company. In March, a total of 28,800 shares were traded for a total value of \$1,225.

On a combined basis, the TSX-V E&P companies had an average increase of 18.52% during March 2022 while the median movement was 8.33%. Of the top % gainers in February 2022, in March 2022, **Prospera Energy Inc.** was down 12.5%, **Petrox Resources Corp.** was flat while **Razor**, as previously mentioned, was the month's top performer jumping 121.28%.; in February, Razor's stock jumped 60.23%.

Company	TSX-V Ticker	March 2022 % Change	End of March 2022	End of February 2022
Razor Energy Corp.	RZE	121.28%	\$3.12	\$1.41
Leucrotta Exploration Inc.	LXE	119.78%	\$2.00	\$0.91
Altima Resources Ltd.	ARH	66.67%	\$0.05	\$0.03
Cobra Venture Corporation	CBV	28.57%	\$0.27	\$0.21
Vital Energy Inc.	VUX	15.79%	\$0.22	\$0.19
Hemisphere Energy Corporation	HME	14.39%	\$1.51	\$1.32
Canadian Spirit Resources Inc.	SPI	14.29%	\$0.08	\$0.07
PetroFrontier Corp.	PFC	12.50%	\$0.09	\$0.08
ROK Resources Inc.	ROK	11.54%	\$0.29	\$0.26
Pan Orient Energy Corp.	POE	11.36%	\$0.98	\$0.88
Tenaz Energy Corp.	TNZ	9.24%	\$2.60	\$2.38
Wescan Energy Corp.	WCE	8.33%	\$0.13	\$0.12
Tenth Avenue Petroleum Corp.	TPC	4.76%	\$0.22	\$0.21
Source Rock Royalties Ltd.	SRR	3.33%	\$0.93	\$0.90
Highwood Oil Company Ltd.	HAM	0.00%	\$11.00	\$11.00
Perisson Petroleum Corporation	POG	0.00%	\$0.04	\$0.04
Petrolympic Ltd.	PCQ	0.00%	\$0.07	\$0.07
Petrox Resources Corp.	PTC	0.00%	\$0.03	\$0.03
Pulse Oil Corp.	PUL	0.00%	\$0.06	\$0.06
Samoth Oilfield Inc.	SCD	0.00%	\$0.10	\$0.10
Softrock Minerals Ltd.	SFT	0.00%	\$0.03	\$0.03
Saturn Oil & Gas Inc.	SOIL	-3.36%	\$2.88	\$2.98
Prospera Energy Inc.	PEI	-12.50%	\$0.07	\$0.08
Huntington Exploration Inc.	HEI	-25.81%	\$0.23	\$0.31
Average Increase/Decrease		18.52%		
Median Increase/Decrease		8.33%		
Number of Companies with Share Price Increases		14		
Number of Companies Flat Month Over Month		7		
Number of Companies with Share Price Declines		3		
Max Share Price Increase		121.28%		
Greatest Share Price Decline		-12.50%		

Canadian E&P M&A Activity in March 2022

In March 2022, there were a number of M&A transactions announced in the Canadian oil & natural gas sector which included five corporate transactions and various asset deals with a total transaction value of approximately \$726.9 million.

The largest transaction in March 2022 involved **Vermilion Energy Inc.**, which announced that it entered into an arrangement agreement to acquire **Leucrotta Exploration Inc.** for approximately \$500.0 million. Leucrotta is a Montney-focused oil and natural gas exploration and development company with lands located in the Mica area of Northeast British Columbia and Northwest Alberta and had corporate production of approximately 1,817 boe/d (82% natural gas) in Q3 2021 and assembled over 270 net sections on Montney land. As part of the arrangement, Leucrotta shareholders will receive \$1.73 in cash per Leucrotta share held, plus 1.0 common share of a newly formed Montney company ("ExploreCo") and 0.1917 of one ExploreCo common share purchase warrant, exercisable at \$0.27 per share at any time on or before 30 days following the closing of the Arrangement. If all ExploreCo arrangement warrants are exercised by the holders, proceeds to ExploreCo will be approximately \$15.0 million. In conjunction with the arrangement, Vermilion has agreed to purchase approximately 53.3 million ExploreCo shares at a price of \$0.27/share for total proceeds of approximately \$14.4 million. In addition, certain current officers, employees, directors and shareholders of Leucrotta will purchase up to approximately 27.8 million units of ExploreCo at a price of \$0.27/unit for gross proceeds of up to \$7.5 million. ExploreCo will retain over 140 net sections of Montney land and approximately 400 boe/d of production and will have \$80.0 million in cash (including \$43.5 million transferred from Leucrotta) and no debt. Vermilion has forecasted that the Leucrotta assets acquired will produce approximately 13,000 boe/d in 2023 once it spends \$75.0 million developing the property, with anticipated capacity to grow to a sustainable plateau production base of 28,000 boe/d over the next few years.

Topaz Energy Corp. announced that it has entered into a definitive agreement with **Keystone Royalty Corp.** for the purchase of its outstanding common shares, for approximately \$85.2 million, payable through the issuance of 4,187,193 Topaz shares which closed at \$20.34/share the day prior to the announcement of the transaction. Keystone's assets are located primarily in southeastern Saskatchewan and includes over 480,000 gross acres of royalty lands, over 310,000 gross acres of fee mineral title lands, has current royalty production of approximately 450 boe/d (83% liquids) and an interest in the Weyburn Unit, in which Topaz owns an existing 5% royalty interest. Keystone has federal tax pools of over \$25.0 million, positive working capital and no debt. Topaz expects to generate approximately \$17.0 million of annualized royalty revenue in 2022 from the Keystone assets.

Journey Energy Ltd. announced that it entered into a definitive agreement to purchase a private company for total consideration of \$17.1 million, consisting of 1.75 million Journey shares and \$8.0 million in cash. The company has assets focused in the Carrot Creek area of Alberta, within Journey's Central core area, has production of 622 boe/d (52% liquids), PDP reserves of 3.006 MMboe and 7.029MMboe on a 2P basis. The acquisition comes with significant development drilling upside, which includes a 1.5 mile Ellerslie horizontal well (31% working interest) that was tested in March and will be connected to the private company's 79% working interest, operated, natural gas processing plant in April. This well is forecast to add approximately 75-100 boe/d net of production. In addition to the extensive operated and non-operated infrastructure, the acquired assets have a low decline rate that is below 10%. The annualized April 2022 adjusted funds flow from the asset base is estimated at \$7.5 million. Based on the acquisition price of \$17.1 million, the metrics of the acquisition were \$27,360/boe/d, \$5.69/boe for the PDP reserves, \$2.43/boe on a 2P basis and 2.28X annualized adjusted funds flow. Concurrent with the announcement of the private company acquisition, Journey announced that it had also acquired additional interests in plant and gathering infrastructure in the Gilby area for \$5.0 million; Journey will become operator of the infrastructure.

Peyto Exploration & Development Corp. announced that closed the purchase of a private junior company with assets adjacent to its properties in the Brazeau River area for \$22.0 million. Included in the acquisition is 880 boe/d of net production (16 bbl/mmcf of liquids) from 20 gross producing wells (100% working interest), 82 gross (73 net) sections of sparsely drilled lands, and a 100% owned and operated 45 MMcf/d sweet natural gas plant. The metrics on a per flowing barrel basis of the transaction is \$25,000/boe/d.

Paramount Resources Ltd. announced that in the first quarter of 2022 it completed a highly complementary asset acquisition in the Grande Prairie area of Alberta for \$24.4 million. The assets are expected to contribute approximately 1,000 boe/d to Paramount's annual 2022 sales volumes.

Petrus Resources Ltd. announced that it acquired a privately owned limited partnership and its general partner (the "Acquired Entities") for total consideration of approximately \$14.4 million, consisting of 10 million common shares of Petrus at a deemed price of \$1.44/share. The Acquired Entities' assets are Cardium focused in Petrus' core area of Ferrier, Alberta. The assets have stable base production of 425 boe/d (83% natural gas) with an estimated annual decline rate of 10%. Petrus has identified 40 gross unbooked drilling locations on 8 net undeveloped sections of land directly offsetting Petrus' core development in Ferrier.

In its year end 2021 financial results, **Tourmaline Oil Corp.** announced that in Q4 2021 and thus far in Q1 2022, the company has completed a number of small acquisitions totaling total cash consideration of \$63.8 million. The assets acquired include 2,400 boe/d of production, an estimated 43 mboe of reserves (based on internal estimates), 295 gross sections of land (including land sales), and 238 gross drilling locations.

Also in March, **Rubellite Energy Inc.** announced that it entered into a letter of intent to execute a farm-in and option arrangement in the Peavine area of northern Alberta, capturing exposure to an additional 61.25 gross sections of land prospective for the Clearwater formation at West Dawson in northern Alberta. As part of the arrangement, a minimum of two exploratory wells are to be drilled and completed prior to April 1, 2023, targeting to establish production and evaluate the future development potential on the land; Rubellite stated that it "*plans to drill four to six (3.0 – 4.0 net) exploratory wells at Peavine and on its other northern exploratory blocks to earn acreage and delineate area type curves.*" Rubellite also announced that it spent approximately \$11.0 million to acquire crown land prospective for the Clearwater formation in the first quarter of 2022.

Board of Director & Executive Changes in March 2022

As part of its board succession plan and following the appointment of Ms. Jennifer Kaufield to **TransGlobe Energy Corporation's** board of directors in January 2022, Mr. Steven Sinclair announced his retirement from the board effective March 25, 2022. Ms. Kaufield has assumed the role of Audit Committee Chair.

Pieridae Energy Limited announced promotions within the company which included Mr. Darcy Reding becoming President & Chief Operating Officer, after serving as the Company's COO since joining Pieridae in April 2021. In addition, interim Chief Financial Officer, Mr. Adam Gray is no longer fulfilling the role on an interim basis and is promoted to CFO.

Suncor Energy Inc. announced the appointment of Mr. Peter Zebedee as the executive vice president of Mining and Upgrading, effective April 11, 2022. This appointment comes following the announcement that Mr. Mike MacSween, the current executive vice president, Mining and Upgrading, is retiring early from Suncor on April 14, 2022. Mr. Zebedee was formerly with LNG Canada, where he had been seconded by Shell as the chief executive officer since 2019. Prior to his secondment into the LNG Canada joint venture, his last position with Shell was vice president Canada Manufacturing and general manager Scotford. Mr., Zebedee has over 25 years of experience in oil sands mining and upgrading from his time at Shell, Petro-Canada and Syncrude.

Enerplus Corporation announced the appointment of Mr. Mark A. Houser to its board of directors. Mr. Houser has spent his career in the energy industry, most recently as the founder and principal of **Symphero Energy Solutions, LLC**, an advisory services company in the oil and gas and renewable energy development markets. Prior to starting Symphero, Mr. Houser served as Chief Executive Officer of **University Lands** from 2015 to 2021, which manages the surface and mineral interests of 2.1 million acres of land in West Texas. Prior to that, he held multiple executive roles for **Enervest, Ltd.** from 1999 to 2015, including Executive Vice President and Chief Operating Officer. Mr. Houser served in a variety of executive and senior management roles with **Occidental Petroleum & Canadian Occidental Petroleum, Ltd.** from 1989 to 1999. He began his career in 1984 with **Kerr-McGee Corporation** in various production and reservoir engineering positions.

MEG Energy Corp. announced that Mr. Eric L. Toews its CFO announced his plans to retire effective September 1, 2022. Mr. Toews has agreed to continue in his role as Chief Financial Officer until his successor is appointed, and then remain with the Corporation during a transition period until his retirement date. MEG announced that its intends to conduct an external search for its next CFO.

Prairie Provident Resources Inc. announced the appointment of Mr. Jason Dranchuk as Vice President, Finance and CFO effective April 1, 2022. Mr. Dranchuk brings more than 25 years of experience across the Western Canadian upstream energy sector in various senior finance roles, including 10 years as CFO. Mr. Dranchuk holds the Chartered Professional Accountant (CPA, CA, CMA) designation, and received a Bachelor of Commerce Degree from the University of Saskatchewan.

Prairie Provident also announced the appointment of Ms. Bettina Pierre-Gilles to its board of directors effective March 03, 2022 and the creation of its Environmental, Social and Governance (ESG) Board Committee. Ms. Pierre-Gilles has more than 20 years of experience across the conventional and renewable energy sector, significant knowledge of capital markets and M&A activity. Currently, Ms. Pierre-Gilles is the Chair and Managing Director of the Piikani Investment Corporation, a Treaty 7 First Nations based in Southern Alberta; Board Member of Bow Valley College, where she is the Chair of the Community Relations Committee for the College; Board of Trustees Member of Queen's University's Board of Governors; Associate Mentor at the Creative Destruction Lab ("CDL") Rockies; and Junior Achievement of Southern Alberta Business Program Mentor. She holds the Certified Professional Accountant (CPA-CMA) designation, an ICD.D designation from the Institute of Corporate Directors of Canada and received an MBA from Queen's University. Ms. Pierre-Gilles will be appointed Chair of the newly formed ESG Committee and will serve as a member of the Corporation's Audit Committee.

Vermilion Energy Inc. announced that Mr. Lorenzo Donadeo announced his plan to retire from the role of Executive Chairman of Vermilion's board of directors, effective September 1, 2022. Lorenzo was a co-founder of Vermilion in 1994 and has been a member of the senior leadership and board of directors since inception. Mr. Donadeo retired as Chief Executive Officer in 2016 and became Chairman of the Board at that time. In May 2020 he returned as Executive Chairman to facilitate an orderly senior management transition and to strengthen the company's balance sheet. In addition to Mr. Donadeo's departure, Mr. Larry Macdonald announced that after 20 years on Vermilion's board, he will not be standing for re-election. He will continue as a board member until Vermilion's 2022 Annual General Meeting.

As part of Vermilion's planned board succession, Mr. Bob Michaleski will be appointed Lead Director effective May 12, 2022 and will assume the role of independent Chairman on Mr. Donadeo's departure, effective September 1, 2022. Mr. Michaleski has 41 years of experience in various senior management and executive roles at **Pembina Pipeline Corporation**.

Freehold Royalties Ltd. announced that Ms. Susan MacKenzie, is not standing for re-election and will retire from the board of directors of Freehold at the Annual General Meeting to be held on May 10, 2022. Ms. MacKenzie was appointed to the Board in 2014. She serves on the Governance, Nominating and Compensation ("GNC") and Reserves Committees and was Chair of the GNC Committee from May 2015 until May 2021.

Miscellaneous News Announced in March 2022

It was announced that **Wolf Midstream, Whitecap Resources Ltd., the First Nation Capital Investment Partnership and Heart Lake First Nation** have been selected by the **Government of Alberta** to enter into an agreement to pursue the development of a potential carbon sequestration hub in the Fort Saskatchewan area, following a highly competitive RFPP process. Wolf and its partners will conduct a technical evaluation of the geographic area this year to confirm its suitability prior to applying for a long-term lease to be issued by the Government of Alberta.

Spartan Delta Corp. announced that Russian oligarch Mr. Igor Makarov's privately held investment company, **ARETI Energy SPV**, sold more than half of its stake, or 15 million shares at \$8.10/share for total proceeds of \$121.5 million. Following the sale, ARETI will own approximately 8.4% of the company. The sale of the shares was as a result of sanctions placed on some Russian oligarchs and companies by the Canadian government.

Earlier this month, Canada imposed sanctions on five Russian individuals and is banning 32 Russian companies and government entities from receiving defense equipment or supplies from Canada.

Entropy Inc., a subsidiary of **Advantage Energy Ltd.** announced that it had received a strategic investment agreement with **Brookfield Renewable** for \$300.0 million to allow the company to scale up deployment of Entropy's carbon capture and storage ("CCS") technology globally. It was announced that the investment will provide Entropy certain strategic advantages which will allow the company to fund its near-term projects, including its Glacier Phase 1 and 2 CCS projects, increase Entropy's access to other CCS projects, provide access to a large-scale international portfolio and enhances Entropy's capacity for global commercial, marketing and policy relationships.

Pieradae Energy Limited announced that it and **Shell Canada Limited** filed a request with the **Alberta Energy Regulator** to withdraw the licence transfer application for the Foothills assets from Shell to Pieradae. The AER approved the request. Pieradae announced that after changes to AER regulations late in 2021, both Shell and Pieradae decided to revise the application and plan to resubmit at a future date under the new regulatory framework. Pieradae continues to own the Foothills assets while Shell remains the licensee of record.

On March 22, it was announced by that **Federal government** that the **Liberals and New Democrats** reached an agreement that would see the NDP support Justin Trudeau's minority government through to 2025. The deal is a "confidence and supply" agreement effective immediately and because the deal isn't a formal coalition, the NDP will be able to continue to operate as an opposition party. While it is not specifically oil and gas related, this move will definitely negatively affect the industry.

The **Biden administration** announced that it would resume plans for oil and natural gas development on federal lands following a court ruling that temporarily restored a measure meant to factor the cost of global warming into federal decision-making. The announcement comes a month after the Interior Department said it would delay upcoming federal oil and natural gas lease sales because a Louisiana federal court judge blocked the administration from using its "social cost of carbon" value to factor the risks of climate change into decisions on permitting, investment and regulatory issues.

Waterous Energy Fund announced the closing of the amalgamation of **Strathcona Resources Ltd., Caltex Resources Ltd.**, and the Tucker thermal oil property. The amalgamated entity will continue in business as **Strathcona Resources Ltd.** and will remain 100% owned by WEF and Strathcona employees. Concurrent with the announcement it was announced that on January 31, 2022, WEF closed its fourth capital raise (approximately C\$345.0 million) to fund the acquisitions of Caltex and Tucker. Caltex produces ~13,000 bbl/d of heavy oil in Alberta and Saskatchewan using enhanced oil recovery ("EOR") techniques, and its primary asset, Greater Bodo, is a polymer flood located directly offset to Strathcona's Cactus Lake polymer flood. Tucker is a thermal oil field producing ~19,000 bbl/d in the Cold Lake region of Alberta, nearby Strathcona's existing Cold Lake thermal oil operations at the Orion and Lindbergh fields. Following the merger with Caltex and Tucker, Strathcona has ~110,000 bbl/d (~85% oil and liquids) of production and 1.9 billion boe of 2P reserves (~48-year reserve life index), making it one of the largest private oil companies in North America. In addition, Strathcona secured a new C\$1.5 billion covenant-based credit facility (expected to be approximately C\$870 million drawn at the end of March 2022) with a syndicate of Canadian, U.S., and international banks, a 67% upsizing from its existing covenant-based facility.

It was announced that the **Canadian Federal government** urged the **state of Michigan** to abandon efforts to shut down the controversial Line 5 cross-border pipeline which is owned and operated by **Enbridge Inc.** Natural Resources Minister, Mr. Jonathan Wilkinson says the ban on energy imports from Russia means Canada and the U.S. need all the shipping capacity they can get. As most are aware, Michigan Governor Ms. Gretchen Whitmer has been trying to close Line 5 since November 2020, fearing a leak in the Straits of Mackinac, where the pipeline crosses the Great Lakes.

TC Energy Corporation announced that it had signed option agreements to sell a 10 per cent equity interest in the **Coastal GasLink Pipeline Limited Partnership** to Indigenous communities across the project corridor. The opportunity to become business partners through equity ownership was made available to all 20 Nations holding existing agreements with Coastal GasLink. The Nations have established two entities that together currently represent 16 communities who have confirmed their support for the option agreements: **CGL First Nations Limited Partnership** and the **FN CGL Pipeline Limited Partnership**. The formal establishment of these agreements comes from interest expressed by Indigenous groups across the project corridor to become owners in Coastal GasLink alongside Alberta **Investment Management Corporation, KKR**, and TC Energy. The equity option is in addition to 20 agreements Coastal GasLink has with Indigenous groups along the route which provide opportunities for contracting and employment as well as other long-term benefits. The equity option is exercisable after commercial in-service of the pipeline, subject to customary regulatory approvals and consents, including the consent of **LNG Canada**.

Keyera Corp. and **Shell Canada Limited** announced that the two companies have signed a memorandum of understanding (MoU) to collaborate on potential low-carbon projects in Alberta's Industrial Heartland. Together, Keyera and Shell will explore opportunities to build a future open access gathering and distribution network to transport captured CO2 from Keyera and other operations in the region to Shell's proposed Polaris CCS storage hub. Keyera would also leverage an existing pipeline capable of transporting hydrogen to complement a hydrogen manufacturing and distribution network within the region.

Athabasca Oil Corp. announced that it and **Entropy Inc.** are progressing a partnership to implement a carbon capture module at its Leismer central processing unit and that it will be evaluating local storage and future carbon trunkline options. It is expected that “implementation will be done in stages with the aspiration of producing a net zero barrel longer-term.”

MEG Energy Corp. announced that it has issued a notice to redeem the remaining US\$171.0 million principal balance outstanding of its 6.50% senior secured second lien notes due 2025 at a redemption price of 101.625%, plus accrued and unpaid interest to, but not including, the redemption date. Inclusive of the redemption, MEG will have redeemed in full the original US\$750 million aggregate principal amount of its second lien notes.

Canadian Natural Resources Limited announced that its board of directors approved a 28% increase to its quarterly dividend to \$0.75/share, up from \$0.5875/share. CNRL has had 22 consecutive years of dividend increases. In addition, CNRL announced it purchased 33,644,400 share in 2021 for cancellation at an average price of \$46.98/share and that in has purchased 10.5 million share for total consideration of \$680.0 million or \$64.79/share from January 1, 2022 to March 2, 2022.

Tourmaline Oil Corp. announced that it increased the annual base dividend to \$0.80/share and paid a second special dividend of \$1.25/share in February 2022.

The board of directors of **Freehold Royalties Ltd.** declared a dividend of \$0.08/share for payment in April, which will be a 33% increase over the \$0.06/share dividend paid in March 2022.

Paramount Resources Ltd. also announced a 33% increase in its monthly dividend, increasing it to \$0.08/share from \$0.06/share.

Topaz Energy Corp.'s board of directors approved an 8% increase to the company's quarterly dividend and declared the first quarter 2022 dividend at \$0.26/share.

360 Energy Liability Management Ltd. announced the strategic acquisition of a non-core Environmental Consulting division from a publicly traded, Integrated Environmental and Midstream Infrastructure company.

Financings Announced in March 2022

Below we outline equity and debt financings that were announced or closed in March 2022, apart from the financings that may have been already announced.

Rubellite Energy Inc. announced that it completed an upsized bought deal financing for gross proceeds of \$25.32 million at a price of \$3.55/share. Concurrently with the bought deal financing, Rubellite also closed a non-brokered private placement in which certain directors, officers and employees of the company and **Perpetual Energy Inc.** purchased 3,783,820 shares for gross proceeds of \$13.43 million.

Source Rock Royalties Ltd. announced that it closes its initial public offering of 15,334,100 units at a price of \$0.90/unit for gross proceeds of \$13,800,690. Each Unit consists of one common share of Source Rock and one-half of one common share purchase warrant. Each Warrant entitles the holder to purchase one common share of Source Rock at an exercise price of \$1.25 until March 1, 2024. Source Rock's common shares and the warrants trade on the TSX Venture Exchange under the symbols “SRR” and “SRR.WT”, respectively.

Contact Us!

If you have any questions, please don't hesitate to ask.

Contact us Today! We can be reached at (587) 432-0584, Ryan.FY@ehenergyadvisors.com or www.ehenergyadvisors.com.

Thank you,

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