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Earth Horse Energy Advisors' Monthly Market Overview April 2022

During April 2022, 29 of the 47 publicly traded TSX E&P companies had an increase in their share price, two were flat and the remaining 16 companies fell month-over-month. Overall, the average rise in April 2022 was 4.57% while the median increase was 3.23%. The average increase in April was the most subdued month in 2022 thus far. In March 2022 the average increase was 15.33%, compared to 11.74% in February and 24.69% in January.

During April, the prices of liquids continued to move higher with the price of WTI and Edmonton Par up 4.40% and 5.18% respectively. The price of WTI crude averaged USD\$101.64/bbl and ended the month at USD\$104.69/bbl while Edmonton Par averaged USD\$100.88/bbl and closed out the month at USD\$103.69/bbl. WCS was up 4.64% month over month, ending at USD\$91.94/bbl and averaging USD\$89.10/bbl while C5+ edged up 3.19% to USD\$102.44/bbl.

During the month, the price of oil continued to be impacted by the Russia-Ukraine war, lock downs in China and the release of strategic oil reserves.; US President Biden announced the release of 1.0 million barrel per day for the next six months. Of note, is that India has been taking advantage of the discount on Russian oil, increasing purchases; India imports approximately 85% of the 5.0 million barrels of day the country requires. Canadian crude prices, and synthetic in particular, are finding support as annual maintenance work in the oil sands is under way.

	WTI Oil (\$USD/bbl)	WCS (\$USD/bbl)	Cdn Light (\$USD/bbl)	C5+ (\$USD/bbl)	NYMEX (\$USD/Mmbtu)	AECO (\$USD/Mmbtu)	CDN\$USD\$
April 2022 Average	\$101.64	\$89.10	\$100.88		\$6.70	\$4.89	0.7914
End of April 2022	\$104.69	\$91.94	\$103.69	\$102.44	\$7.24	\$5.21	0.7786
End of March 2022	\$100.28	\$87.86	\$98.58	\$99.27	\$5.72	\$4.30	0.8007
Month-over-Month Change	4.40%	4.64%	5.18%	3.19%	26.57%	21.16%	-2.76%

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

The prices of natural gas soared in April, climbing to its highest level in more than a decade. The price of NYMEX natural gas spiked a further 26.57% ending the month at \$7.24/Mmbtu while AECO was up 21.16%, settling at \$5.21/Mmbtu. In March NYMEX increased 27.96% and AECO was up 11.11%. The price of natural gas has increased as strong demand overseas has emptied storage and left inventories well below average for the time of year and a cold front hit Alberta. U.S. liquefied natural gas (LNG) exports reached a record, topping the previous record tallied in January.

The Canadian dollar averaged 0.7914 In April but fell 2.76% month-over-month to end April at 0.7786; the majority of the decline started after April 20th.

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

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

As previously mentioned, 29 of the 47 E&P companies (with domestic assets) on the TSX experienced strength in their share price in April while two were flat (**Headwater Exploration Inc.** and **Kiwetinohk Energy Corp.**) and the remaining 16 companies had weakness in their share price. The top performer in April was **Pine Cliff Energy Ltd.** which was up 35.09%, increasing from \$1.14/share to \$1.54/share month-over-month. Pine Cliff's increase was on the back of the surging natural gas prices in April; Pine Cliff is 88% natural gas weighted and is highly torqued to natural gas prices.

i3 Energy plc rose 30.99% in April, increasing to \$0.47/share from \$0.36/share. i3 gapped up on April 2nd, reached a high of \$0.55/share on April 18th before retracing and settling at \$0.47/share at the end of the month. The company announced record corporate production and reserves, a May 2022 dividend, its 2021-year end financials and that it had executed a farm-in agreement with **Europa Oil & Gas Limited**. The third best performer in April was **TransGlobe Energy Corporation**, which increased 24.84% from \$4.55/share to \$5.68/share. TransGlobe provided an operational update and that it ended Q1 2022 with ~\$37.0 million in cash and only \$3.1 million outstanding on its RBL facility.

Company	TSX Ticker	April 2022 % Change	End of April 2022	End of March 2022
Top Three % Performers				
Pine Cliff Energy Ltd.	PNE	35.09%	\$1.54	\$1.14
i3 Energy plc	ITE	30.99%	\$0.47	\$0.36
TransGlobe Energy Corporation	TGL	24.84%	\$5.68	\$4.55

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

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Pine Cliff Energy Ltd.	PNE	35.09%	\$1.54	\$1.14
i3 Energy plc	ITE	30.99%	\$0.47	\$0.36
TransGlobe Energy Corporation	TGL	24.84%	\$5.68	\$4.55
Advantage Energy Ltd.	AAV	23.19%	\$10.73	\$8.71
Athabasca Oil Corporation	ATH	21.18%	\$2.46	\$2.03
Spartan Delta Corp.	SDE	20.61%	\$11.82	\$9.80
Baytex Energy Corp.	BTE	20.55%	\$6.57	\$5.45
Rubellite Energy Inc.	RBV	18.59%	\$4.53	\$3.82
Tourmaline Oil Corp.	TOU	14.86%	\$66.16	\$57.60
Cenovus Energy Inc.	CVE	13.96%	\$23.75	\$20.84
Suncor Energy Inc.	SU	13.46%	\$46.18	\$40.70
MEG Energy Corp.	MEG	13.06%	\$19.30	\$17.07
Birchcliff Energy Ltd.	BIR	12.44%	\$9.40	\$8.36
Surge Energy Inc.	SGY	11.06%	\$9.84	\$8.86
Pieridae Energy Limited	PEA	10.47%	\$0.95	\$0.86
Topaz Energy Corp.	TPZ	8.90%	\$22.76	\$20.90
Yangarra Resources Ltd.	YGR	7.42%	\$3.04	\$2.83
Imperial Oil Limited	IMO	6.91%	\$64.88	\$60.50
ARC Resources Ltd.	ARX	6.39%	\$17.81	\$16.74
InPlay Oil Corp.	IPO	5.72%	\$3.88	\$3.67
Perpetual Energy Inc.	PMT	5.26%	\$0.80	\$0.76
Freehold Royalties Ltd.	FRU	4.68%	\$14.98	\$14.31
NuVista Energy Ltd.	NVA	3.69%	\$10.96	\$10.57
Peyto Exploration & Development Corp.	PEY	3.23%	\$13.09	\$12.68
International Petroleum Corporation	IPCO	3.02%	\$12.29	\$11.93
Canadian Natural Resources Limited	CNQ	2.71%	\$79.51	\$77.41
PrairieSky Royalty Ltd.	PSK	1.97%	\$17.63	\$17.29
Whitecap Resources Inc.	WCP	1.84%	\$10.53	\$10.34
Tamarack Valley Energy Ltd.	TVE	1.41%	\$5.03	\$4.96
Headwater Exploration Inc.	HWX	0.00%	\$6.63	\$6.63
Kiwetinohk Energy Corp.	KEC	0.00%	\$11.95	\$11.95
Paramount Resources Ltd.	POU	-0.48%	\$31.06	\$31.21
Enerplus Corporation	ERF	-0.63%	\$15.74	\$15.84
Kelt Exploration Ltd.	KEL	-1.63%	\$6.63	\$6.74
Crescent Point Energy Corp.	CPG	-1.77%	\$8.90	\$9.06
Crew Energy Inc.	CR	-2.51%	\$5.05	\$5.18
Ovintiv Inc.	OW	-2.78%	\$65.75	\$67.63
Vermilion Energy Inc.	VET	-4.65%	\$25.03	\$26.25
Obsidian Energy Ltd.	OBE	-4.69%	\$10.56	\$11.08
Gear Energy Ltd.	GXE	-6.88%	\$1.49	\$1.60
Prairie Provident Resources Inc.	PPR	-7.55%	\$0.25	\$0.27
Pipestone Energy Corp.	PIPE	-9.23%	\$4.82	\$5.31
Bonterra Energy Corp.	BNE	-9.58%	\$11.71	\$12.95
Cardinal Energy Ltd.	CJ	-10.34%	\$6.85	\$7.64
Petrus Resources Ltd.	PRQ	-13.83%	\$2.18	\$2.53
Journey Energy Inc.	JOY	-25.23%	\$4.80	\$6.42
Questerre Energy Corporation	QEC	-31.03%	\$0.20	\$0.29
Average Increase/Decrease		4.57%		
Median Increase/Decrease		3.23%		
Number of Companies with Share Price Increases		29		
Number of Companies Flat Month Over Month		2		
Number of Companies with Share Price Declines		16		
Largest Share Price Increase		35.09%		
Largest Share Price Decline		-31.03%		

The three worst performing stocks in April were **Questerre Energy Corporation**, **Journey Energy Inc.** and **Petrus Resources Ltd.** which were down 31.03%, 25.23% and 13.83% respectively. Questerre was down following the announcement that the **Government of Quebec** passed Bill 21, an act mainly to end petroleum exploration and production and the public financing of those activities. Journey has had a spectacular run this year and took a breather; the stock looks set up to continue its movement to the upside.

Of the three largest gainers in March of 2022, in April Petrus and Journey were down as mentioned above and **Yangarra Resources Ltd.** rose 7.42% ending the month at \$3.04/share.

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

As outlined below, during April 2022, only seven TSX-Venture listed E&P companies with operations focused mainly in Canada had an increase in their share price, three were flat, while 13 companies had a decline in their share price.

Of the companies that had their share prices rise, increases ranged from 0.50% to 130.77% with an average increase of 61.15%. **WesCan Energy Corp.** had the largest increase, rising 130.77% or \$0.17/share from \$0.13/share to \$0.30/share. Leading into April, WesCan announced that it closed a private placement of \$500,000 used primarily for the company's drilling program of a new development well located in its Provost core area and general working capital purposes. WesCan also announced that it is reviewing production optimization schemes including pipeline enhancements and overall field operational efficiencies. Near the end of the month, WesCan announced that it entered into an agreement for a loan transaction providing for an additional infusion of capital in the amount of \$500,000 from a current shareholder that holds greater than 10% of the issued and outstanding shares of the company and that it repaired eight gross wells, up from the planned five, which increased production by 67 bbl/d to nearly 90 bbl/d.

Vital Energy Inc. was second best performer in April, rising from \$0.22/share to \$0.41/share or 86.36%. Vital had average daily trading volume of 144,975 shares in April, compared to the average of 13,318 shares traded from April 1, 2021 to March 31, 2022. The share price rose leading up to the press of its 2021 financial statements on April 27th. Vital announced that in 2021, the company reported net income of \$8.9 million, up from a loss of \$7.6 million in 2021. In addition, production averaged at 579 boe/d in 2021, up from 373 boe/d in 2021: Vital exited 2021 at 809 boe/d. In addition, the company repaid \$3.8 million of a loan payable in the year.

Rounding out the top three best performers in April was **Altima Resources Ltd.** which increased an additional 40% to \$0.07/share. In March, Altima increased 66.67% from 0.03/share to \$0.05/share.

On a combined basis, the TSX-V E&P companies had an average increase of 8.36% during April 2022 while the median movement was 2.27% to the downside. Of the top % gainers in March 2022, in April 2022, **Razor Energy Corp.** dropped 12.82%, **Leucrotta Exploration Inc.** was flat with a 0.50% increase, while Altima, as previously mentioned, was up 40%.

Company	TSX-V Ticker	April 2022 % Change	End of April 2022	End of March 2022
Wescan Energy Corp.	WCE	130.77%	\$0.30	\$0.13
Vital Energy Inc.	VUX	86.36%	\$0.41	\$0.22
Altima Resources Ltd.	ARH	40.00%	\$0.07	\$0.05
Canadian Spirit Resources Inc.	SPI	37.50%	\$0.11	\$0.08
PetroFrontier Corp.	PFC	11.11%	\$0.10	\$0.09
Saturn Oil & Gas Inc.	SOIL	0.69%	\$2.90	\$2.88
Leucrotta Exploration Inc.	LXE	0.50%	\$2.01	\$2.00
Perisson Petroleum Corporation	POG	0.00%	\$0.04	\$0.04
Samoth Oilfield Inc.	SCD	0.00%	\$0.10	\$0.10
Softrock Minerals Ltd.	SFT	0.00%	\$0.03	\$0.03
Pan Orient Energy Corp.	POE	-1.02%	\$0.97	\$0.98
Highwood Oil Company Ltd.	HAM	-2.27%	\$10.75	\$11.00
Tenaz Energy Corp.	TNZ	-2.69%	\$2.53	\$2.60
Hemisphere Energy Corporation	HME	-3.31%	\$1.46	\$1.51
Source Rock Royalties Ltd.	SRR	-5.38%	\$0.88	\$0.93
Pulse Oil Corp.	PUL	-9.09%	\$0.05	\$0.06
ROK Resources Inc.	ROK	-10.34%	\$0.26	\$0.29
Tenth Avenue Petroleum Corp.	TPC	-11.36%	\$0.20	\$0.22
Razor Energy Corp.	RZE	-12.82%	\$2.72	\$3.12
Huntington Exploration Inc.	HEI	-13.04%	\$0.20	\$0.23
Petrolympic Ltd.	PCQ	-14.29%	\$0.06	\$0.07
Prospera Energy Inc.	PEI	-14.29%	\$0.06	\$0.07
Cobra Venture Corporation	CBV	-14.81%	\$0.23	\$0.27
Average Increase/Decrease		8.36%		
Median Increase/Decrease		-2.27%		
Number of Companies with Share Price Increases		7		
Number of Companies Flat Month Over Month		3		
Number of Companies with Share Price Declines		13		
Max Share Price Increase		130.77%		
Greatest Share Price Decline		-14.29%		

Canadian E&P M&A Activity in April 2022

In April 2022, there were two M&A transactions announced in the Canadian oil & natural gas sector. The transactions involved the acquisitive **Tamarack Valley Energy Ltd.** which announced that it entered into a definitive agreement to acquire **Rolling Hills Energy Ltd.**, a privately held pure play Clearwater oil producer, for total consideration of \$93.8 million and another included a second strategic partnership with the **Peavine Metis Settlement**. Rolling Hills had Viking and Sparky assets located in the Provost and Altario areas of Alberta and in the Totnes are of Saskatchewan but the company sold those assets prior to the transaction with Tamarack Valley. There is a pending transfer of assets from Rolling Hills to **Astara Energy Corp.** including 275 wells, 59 facilities and 22 pipelines in Twp 33-35, Rge 1-5W4.

Through the \$93.8 million corporate acquisition of Rolling Hills which consisted of \$46.5 million in cash and the issuance of 9,276,623 common shares of Tamarack Valley (which traded at \$5.21/share the day before the announcement of the transaction), Tamarack Valley will obtain 2,100 boe/d of production, 3.8 MMboe of 2P reserves, 34,560 net acres of Clearwater acreage with 70 gross (54 net) booked drilling locations and undiscounted ARO of \$3.8 million (less than \$1.0 million discounted). The estimated net operating income from the assets is \$61.0 million per annum. The acquisition of Rolling Hills fully consolidates Tamarack Valley's working interests and operatorship to 100% in the greater Jarvie play in the Southern Clearwater area. It is estimated that \$15-\$20.0 million in capital is required per year to keep production from the assets flat. Based on the acquisition price of \$93.8 million, the metrics of the transaction were \$44,667/boe/d, \$24.68/boe for the 2P reserves and 1.54X the estimated annualized net operating income.

Concurrent with the announcement of the acquisition of Rolling Hills, Tamarack Valley also announced that it had entered into another strategic partnership with the Peavine Metis Settlement on an additional 15 net sections (9,600 net acres) of prospective Clearwater land. Including the first partnership that it entered into, the agreements encompass a total of 44.5 net sections (28,500 net acres) of Clearwater land. Tamarack Valley also announced that it has amassed 26 net sections (16,640 net acres) in the greater Peavine Clearwater trend, providing further scale in the region and that "these lands are highly prospective offsetting recent drill results in up to three prospective Clearwater sand intervals."

Tamarack Valley has announced six transactions involving production in the Clearwater Formation since July 2020 which includes four corporate transactions and two asset deals. Tamarack Valley now has 593.2 net sections in the Clearwater fairway.

Board of Director & Executive Changes in April 2022

Yangarra Resources Ltd. announced that it has appointed Mr. Gurdeep Gill to President of the company. Mr. Jim Evaskevich will retain the title of Chief Executive Officer.

The Board of Governors of the **Canadian Association of Petroleum Producers (CAPP)** announced the appointment of Ms. Lisa Baiton as President & Chief Executive Officer effective May 2, 2022. Ms. Baiton is an experienced global investment executive, most recently a member of the Global Leadership Team at the **Canada Pension Plan Investment Board**. Previously, Ms. Baiton was VP & Practice Lead, Government Relations for **Environics Communications**, worked for the **Canadian Bankers Association** and was a policy maker in three Canadian governments. Baiton holds a BA in Political Science from the **University of Saskatchewan** and an MBA from the **Kellogg Graduate School of Management** (Northwestern University) and **Schulich School of Business** (York University) and has an Institute of Corporate Directors ICD.D certification from the **Rotman School of Management** (University of Toronto).

LNG Canada announced that Mr. Jason Klein will be its new CEO, effective immediately, taking over from Interim CEO Mr. Steve Corbin, who returns to his role of Vice President and Executive Project Director. Mr. Klein brings to the position a wealth of experience and a deep understanding of liquified natural gas (LNG), its role in the global energy transition to lower carbon energy and the part LNG Canada will play in that transition. Mr. Klein joins LNG Canada from **Shell Canada**, where he served as VP Canada Integrated Gas, accountable for developing Shell's Integrated Gas business, including oversight and governance of the LNG Canada project. Mr. Klein has a Bachelor of Science in Finance from Trinity University in San Antonio and a Doctor of Jurisprudence from the University of Texas School of Law.

Crew Energy Inc. announced that Mr. John Hooks has been appointed to its board of directors. Mr. Hooks has over 30 years of experience in the Canadian and international oil and gas space. He has been the Chief Executive Officer, and formerly President, of **PHX Energy Services Corp.** and its predecessor, **Phoenix Technology Services Inc.**, since 1995, and has been Chairman of its board of directors since 2000. Additionally, Mr. Hooks was on the board of directors of **Savanna Energy Services Corp.** from 2005 until 2017 and is currently on the board of directors of **CES Energy Solutions Corp.**

Crescent Point Energy Corp. announced that Ms. Mindy Wight will stand for election as an independent director to its board of directors at the upcoming annual general meeting on May 19, 2022. Ms. Wight specializes in financial accounting, taxation and business development and holds significant cross-industry experience. She currently serves as Chief Financial Officer and Board Treasurer of the **Nch'kay Development Corporation**. Most recently, Ms. Wight was a partner and tax specialist with **MNP LLP** and was previously with **PricewaterhouseCoopers LLP**. Ms. Wight received a Bachelor of Commerce degree from the **University of Northern British Columbia** and holds CPA and CA designations. In conjunction with Ms. Wight's nomination, Crescent Point announced that Ms. Laura Cillis will not be standing for re-election.

Miscellaneous News Announced in April 2022

Near the end of April, it was announced that a U.S. Senate panel would consider a bill to open OPEC+ countries to lawsuits for collusion under anti-trust laws as the Biden administration struggles to control oil and gasoline prices that have surged on uncertainty about global crude supplies after Russia's invasion of Ukraine. This type of legislation has failed in the U.S. Congress for almost 22 years.

Elliott Investment Management L.P., which holds a 3.4% interest in **Suncor Energy Inc.** sent a letter and presentation to the board of directors of Suncor which outlines the right path forward to restore Suncor to its role as a leader of the Canadian energy industry. The letter stated that, among other things, Suncor has missed production goals, has high costs, and safety failures. To deliver improved results and restore the confidence that has been lost, Elliott believes Suncor should add five new independent directors, implement a management review, overhaul the company's operational and safety culture, increase capital return and undertake a strategic review of its assets. Suncor responded with "*The Suncor Board and management team have received the letter and materials from Elliott. Suncor appreciates the views of its shareholders and will take the time to carefully assess the recommendations and materials provided, with a view to enhancing shareholder and other stakeholder value. Suncor's Board and management team looks forward to engaging with Elliott in due course to better understand their perspective. We remain confident in the Company's strategy for continued growth and will continue to execute our strategic plan and evaluate opportunities to enhance shareholder value.*"

It has been announced that Europe is attracting a greater share of liquefied natural gas (LNG) cargoes, taking volumes from top-importing Asia, amid ongoing concern about the security of pipeline supplies from Russia. Europe's LNG imports are expected to be around 11.13 million tonnes in April. Asia's imports are forecast at 20.55 million tonnes in April, which would be the lowest since June 2020; China's share is expected at around 4.56 million tonnes, which would be the weakest since October 2019.

Cenovus Energy Inc. announced that its base dividend will increase to \$0.42/share, up from \$0.14/share.

TC Energy Corporation announced that it, along with **Nikola Corporation** is evaluating a plan for a hydrogen production hub on 140 acres in Crossfield, Alberta, where the Company operates a natural gas storage facility. Nikola, based in Phoenix, Ariz., will be the hub's anchor customer for its long-haul fuel cell electric vehicles. TC Energy and Nikola previously announced a joint development agreement with the goal to locate and build hydrogen production hubs in North America.

TC Energy Corporation also announced that it and **GreenGasUSA**, an owner and operator of renewable natural gas (RNG) value chain critical assets, have formed a strategic collaboration to explore development of a network of natural gas transportation hubs, including RNG. These transportation hubs would provide centralized access to existing energy transportation infrastructure for renewable natural gas sources, such as farms, wastewater treatment facilities and landfills.

Concurrent with the announcement to acquire Rolling Hills and that it entered into another partnership with the Peavine Metis Settlement, **Tamarack Valley** announced that it plans to increase its base cash dividend by 20% to \$0.010 per share per month beginning with the June dividend declaration.

The **Biden administration** announced that it overturned a controversial Trump-era policy that would have opened more than 80% of a National Petroleum Reserves in Alaska consisting of 23 million areas on the west side of Alaska's North Slope to oil development. The Trump plan was challenged by two lawsuits filed in the federal court in Alaska. No lease sales were ever held under it.

However, the Biden administration, which is facing high energy prices, announced that it will offer oil and natural gas companies drilling rights on federal acreage in at least eight states in June, days after the U.S. Department of Interior said it would resume oil and gas lease sales on public land. The government will charge steeper royalties (18.75% compared to 12.5%) to oil and gas companies and assess the climate impact of developing the acreage. The move contradicts a pledge President Joe Biden made while campaigning for the White House.

Vermilion Energy Inc. announced that on March 17, 2022, the company has entered into a 10-year gas processing agreement with **NorthRiver Midstream Inc.** ("NRM") to provide 50 mmcf/d of firm processing capacity at NRM's West Doe gas processing facility. The agreement commences after the construction of **Leucrotta Exploration Inc.**'s Mica battery and is subject to a ramp-up period. Recall that Vermilion is in the process of acquiring Leucrotta. Concurrent with this agreement, NRM has agreed to provide up to \$55.0 million of capital funding that Leucrotta will use to construct a battery facility at Mica.

Seaton-Jordan & Associates Ltd., land evaluation specialists and **Impact Resolutions Ltd.**, engagement and social mitigation experts, announced that the two companies have integrated their teams to offer a one-stop-shop for independent environmental-, social- and governance- (ESG) related assessment services.

Lloyd's of London insurer **Aspen Insurance Holdings** said it would not renew coverage for the Trans Mountain pipeline. Aspen joins 16 other insurers which have dropped Trans Mountain or said they will not insure its expansion.

Questerre Energy Corporation reported that the **Government of Quebec** has passed Bill 21, an Act mainly to end petroleum exploration and production and the public financing of those activities in the province.

The **Canadian Association of Petroleum Landmen** (CAPL), announced that it has changed its name to **Canadian Association of Land and Energy Professionals** (CALEP). In addition to the evolution of the name, a new logo was created.

TransGlobe Energy Corporation announced that the company changed its auditor from **BDO Canada LLP** to **Deloitte LLP**.

The board of directors of **Sunshine Oilsands Ltd.** announced that its West Ells project has fully resumed production.

Early in April, it was announced that the **Government of Canada** will offer a substantial incentive to companies that invest in carbon-capture technologies and will set aside as much as C\$3.8 billion over eight years to accelerate mineral exploration, extraction and processing as it seeks to cut carbon emissions. In the recent budget, the Federal government announced that it is introducing a 60% tax credit for equipment used to capture carbon from the air, and 50% for all other equipment, plus a 37.5% credit for transportation and storage equipment.

The Federal government will also set up a Growth Fund to attract private investment needed to reach zero carbon emissions by 2050, which will initially be capitalized at \$15 billion over five years. It has been reported that Canada needs to spend between \$125.0-\$140.0 billion every year to reach its net-zero goals by 2050; currently the annual investment is approximately \$15.0-\$25.0 million.

The **Government of Ontario** introduced legislation to reduce taxes on gas and fuel that, if passed, would come into effect after a June 2 election. The legislation would cut the tax rate on gas and fuel to \$0.09/litre from \$0.147/litre and \$0.143/litre respectively. The Alberta government was the first to cut its tax on fuel, which was cut to \$0.

Cenovus Energy Inc. announced that it was suspending its crude oil price risk management activities related to West Texas Intermediate (WTI) as it believes these activities are no longer required. Concurrently, Cenovus announced that the realized losses on all risk management positions for the three months ending March 31, 2022, were expected to total \$970.0 million.

Bison Low-Carbon Ventures Inc. (“BLVC”) announced that it has been notified by **Alberta Energy** of the success of its application for carbon storage tenure on its Meadowbrook Storage Hub project in Sturgeon County. BLVC expects to enter into an Evaluation Permit agreement that will allow it to conduct site specific evaluation activity and commence detailed consultation. If successful, the Evaluation Permit activities will support a commercial Sequestration Lease application within 12-24 months. The partners in the Meadowbrook Storage Hub project include BLCV, **Enerflex Ltd.**, **PrairieSky Royalty Ltd.** and **IRC Enterprises Inc.**

Financings Announced in April 2022

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

Vermilion Energy Inc. announced it had closed a private offering of USD\$400.0 million aggregate principal amount of 8-year senior unsecured notes priced at 99.241% of par. The notes mature on May 1, 2030 and have a fixed coupon of 6.875% per annum, paid semi-annually on May 1 and November 1, commencing November 1, 2022. The Company has given irrevocable notices to the lenders of its revolving credit facility that it will use the net proceeds from these notes to reduce the amount outstanding on the revolving credit facility. Concurrently with the closing of the new notes, the maturity date of Vermilion’s revolving credit facility was extended to May 29, 2026 (from May 31, 2024) and the total facility amount was reduced to \$1.6 billion from \$2.1 billion.

Razor Energy Corp. in conjunction with **FutEra Power Corp.**, a wholly owned subsidiary of Razor, announced that it was entering into a rights offering and that it expects to raise gross proceeds of \$5.0 million. Pursuant to the Rights Offering, each holder of common shares will receive one right for each common share held. Each whole Right will entitle the holder to subscribe for 0.0841016 of a common share resulting in 11.8903796 Rights required to acquire one common share which will be issued on a “flow-through” basis in respect of Canadian renewable and conservation expense (“CRCE”). A holder of Rights must pay \$2.55 to purchase one common share. Razor intends to use the proceeds to fund certain eligible expenses yet to be incurred for its 21 MW geothermal/natural gas power project, and eligible expenses on various early-stage power projects including additional geothermal initiatives.

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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