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Earth Horse Energy Advisors' Monthly Market Overview September 2022

During September 2022, all but two of the 48 publicly traded TSX E&P companies had their share price fall month-over-month; the increases were modest with **Topaz Energy Corp.** rising 0.68% and **Freehold Royalties Ltd.** notching a 0.28% gain. Rounding out the best performers was **PrairieSky Royalty Ltd.**, which slipped 0.50%; the top three performers were all royalty focused entities. Overall, the average movement for the TSX E&P group was a 13.76% fall and the median change was 14.46% to the downside.

As for the companies listed on the TSX Venture exchange, there were only three companies that had an increase in their share price; the increases ranged from 4.35% to 60%. The top performers were **Petrolympic Ltd.**, **Wescan Energy Corp.** and **Tenth Avenue Petroleum Corp.**

During September, there continued to be volatility in the prices of oil, liquids and natural gas. The price of WTI and Edmonton Par were down 10.28% and 10.79% respectively while WCS was down 17.40% as differentials started to widen further; C5+ dropped 8.33%. The release of oil from the U.S. Strategic Petroleum Reserve continues to help widen the WCS-WTI discount as WCS Canadian oil has similar qualities to the oil in US reserves; Russia discounting its Urals medium sour crude is another factor. Oil in general was impacted by the strong US Dollar, continued concerns that rising inflation and aggressive interest rate hikes could slow the global economy and reduce fuel demand all while slow recovery in the Chinese economy is weighing on market sentiment. Near the end of the month, oil started to rebound as OPEC+ was scheduled to have a meeting on October 5, with the intention of cutting its crude oil output and reports that the U.S. Biden administration was considering refilling its strategic oil reserve.

The prices of natural gas in the United States, Europe and Asia took a breather in September and fell while the price of AECO natural gas rebounded. Canadian producers have been struggling with volatile pricing for years because of tight capacity on pipelines shipping natural gas from Alberta and British Columbia to other North American markets. The problem tends to worsen every summer when pipeline maintenance work reduces capacity. Early in the month, NYMEX fell as natural gas output soared to a record high and there were forecasts of lower demand, but it recovered as U.S. coal supplies were threatened amid a potential strike by the U.S. railroad union workers. The rail strike could force generators to burn more natural gas to produce electricity. The US natural gas prices were also impacted on expectations demand would decline when the Cove Point LNG plant in Maryland shuts for a couple weeks of maintenance in October (Cove Point consumes ~0.8 billion cubic feet per day of natural gas) and as Hurricane Ian was heading for the Carolinas after knocking out power to over 2.6 million customers in Florida, reducing the amount of natural gas generators need to burn to produce electricity.

Below we illustrate the changes in commodities and in the Canadian dollar during September 2022; the Canadian dollar fell 5.15% to 0.724.

	WTI Oil (\$USD/bbl)	WCS (\$USD/bbl)	Cdn Light (\$USD/bbl)	C5+ (\$USD/bbl)	NYMEX (\$USD/MMBtu)	AECO (\$USD/MMBtu)	CDN\$/USD\$
September 2022 Average	\$83.80	\$62.47	\$82.21		\$7.76	\$3.50	0.7511
End of September 2022	\$79.67	\$57.49	\$75.52	\$77.92	\$6.90	\$4.28	0.7240
End of August 2022	\$88.80	\$69.60	\$84.65	\$85.00	\$9.15	\$3.04	0.7633
Month-over-Month Change	-10.28%	-17.40%	-10.79%	-8.33%	-24.59%	40.79%	-5.15%

Sources: GLJ, TradingView

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

As previously mentioned, only two of the 48 E&P companies (with domestic assets) on the TSX had positive movements in their share price in September. The top performer in September was **Topaz Energy Corp.** which had a modest 0.68% increase while **Freehold Royalties Ltd.** inched up 0.28%. The third best performer was **PrairieSky Royalty Ltd.**, which was down only 0.50%. The top three performers were royalty focused entities.

Topaz announced the acquisition of a newly created 5% gross overriding royalty on all current and future oil production from **Deltastream Energy Corporation's** entire Clearwater acreage in Alberta for total cash consideration of \$265.3 million.

Company	TSX Ticker	September 2022 % Change	End of September 2022	End of August 2022
Top Three % Performers				
Topaz Energy Corp.	TPZ	0.68%	\$20.82	\$20.68
Freehold Royalties Ltd.	FRU	0.28%	\$14.38	\$14.34
PrairieSky Royalty Ltd.	PSK	-0.50%	\$17.81	\$17.90

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

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Topaz Energy Corp.	TPZ	0.68%	\$20.82	\$20.68
Freehold Royalties Ltd.	FRU	0.28%	\$14.38	\$14.34
PrairieSky Royalty Ltd.	PSK	-0.50%	\$17.81	\$17.90
Petrus Resources Ltd.	PRQ	-0.51%	\$1.95	\$1.96
Enerplus Corporation	ERF	-3.36%	\$19.56	\$20.24
Perpetual Energy Inc.	PMT	-5.71%	\$0.99	\$1.05
Imperial Oil Limited	IMO	-7.21%	\$59.81	\$64.46
i3 Energy plc	ITE	-7.41%	\$0.38	\$0.41
Tourmaline Oil Corp.	TOU	-7.55%	\$71.79	\$77.65
Gear Energy Ltd.	GXE	-8.06%	\$1.14	\$1.24
Suncor Energy Inc.	SU	-8.45%	\$38.90	\$42.49
ARC Resources Ltd.	ARX	-8.49%	\$16.59	\$18.13
Whitecap Resources Inc.	WCP	-8.67%	\$8.74	\$9.57
Ovintiv Inc.	OVV	-8.91%	\$63.58	\$69.80
NuVista Energy Ltd.	NVA	-9.17%	\$9.81	\$10.80
Pine Cliff Energy Ltd.	PNE	-9.52%	\$1.71	\$1.89
Tamarack Valley Energy Ltd.	TVE	-9.55%	\$3.79	\$4.19
Kiwetinohk Energy Corp.	KEC	-9.83%	\$14.13	\$15.67
Peyto Exploration & Development Corp.	PEY	-10.04%	\$11.02	\$12.25
Canadian Natural Resources Limited	CNQ	-10.69%	\$64.30	\$72.00
Advantage Energy Ltd.	AAV	-11.50%	\$9.93	\$11.22
Headwater Exploration Inc.	HWX	-12.19%	\$5.26	\$5.99
Cenovus Energy Inc.	CVE	-13.88%	\$21.22	\$24.64
Baytex Energy Corp.	BTE	-14.10%	\$5.85	\$6.81
Crescent Point Energy Corp.	CPG	-14.83%	\$8.50	\$9.98
Cardinal Energy Ltd.	CJ	-15.07%	\$7.10	\$8.36
Birchcliff Energy Ltd.	BIR	-15.21%	\$9.81	\$11.57
TransGlobe Energy Corporation	TGL	-15.37%	\$3.69	\$4.36
Vermilion Energy Inc.	VET	-15.71%	\$29.57	\$35.08
International Petroleum Corporation	IPCO	-15.78%	\$10.89	\$12.93
MEG Energy Corp.	MEG	-15.80%	\$15.46	\$18.36
Obsidian Energy Ltd.	OBE	-15.99%	\$9.93	\$11.82
Kelt Exploration Ltd.	KEL	-17.17%	\$5.21	\$6.29
Athabasca Oil Corporation	ATH	-17.76%	\$2.13	\$2.59
Rubellite Energy Inc.	RBV	-18.28%	\$2.37	\$2.90
Paramount Resources Ltd.	POU	-18.50%	\$24.40	\$29.94
Yangarra Resources Ltd.	YGR	-18.79%	\$2.29	\$2.82
Journey Energy Inc.	JOY	-20.30%	\$4.71	\$5.91
Crew Energy Inc.	CR	-20.77%	\$5.15	\$6.50
Prairie Provident Resources Inc.	PPR	-22.00%	\$0.20	\$0.25
Bonterra Energy Corp.	BNE	-22.50%	\$6.82	\$8.80
Surge Energy Inc.	SGY	-22.52%	\$7.81	\$10.08
Spartan Delta Corp.	SDE	-22.57%	\$10.26	\$13.25
Pipestone Energy Corp.	PIPE	-24.18%	\$3.70	\$4.88
Pieridae Energy Limited	PEA	-24.60%	\$0.95	\$1.26
Tenaz Energy Corp.	TNZ	-25.25%	\$1.48	\$1.98
Questerre Energy Corporation	QEC	-28.13%	\$0.23	\$0.32
InPlay Oil Corp.	IPO	-29.14%	\$2.65	\$3.74
Average Increase/Decrease		-13.76%		
Median Increase/Decrease		-14.46%		
Number of Companies with Share Price Increases		2		
Number of Companies Flat Month Over Month		0		
Number of Companies with Share Price Declines		46		
Largest Share Price Increase		0.68%		
Largest Share Price Decline		-29.14%		

The three worst performing stocks in September 2022 were **InPlay Oil Corp.**, **Questerre Energy Corporation** and **Tenaz Energy Corp.** which fell 29.14%, 28.13% and 25.25% respectively.

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

As previously mentioned, and outlined below, during September 2022, there were only three TSX-Venture listed E&P companies with operations focused mainly in Canada that had an increase in their share price, while three were flat and the remaining 13 companies had a decline in their share price.

Petrolympic Ltd. had the largest increase at 60%, rising from \$0.05/share to \$0.08/share. Petrolympic is “a Junior Canadian gold mining and oil and gas company actively exploring for gold, and premium light crude oil and natural gas in North America.” During the month, the company announced it had closed a small financing bringing in gross proceeds of \$186,000, completed a Lithium property acquisition and announced, “favourable geological context for Lithium-Rich Spodumene Crystals in the Decelles Reservoir Area, Abitibi, Quebec.” There were only 208,900 shares of Petrolympic traded in September with approximate value of less than \$15,000.

Wescan Energy Corp. was the second-best performer, increasing 23.08% from \$0.26/share to \$0.32/share. Wescan provided an update on its drilling program in the Provost area of Alberta.

Tenth Avenue Petroleum Corp. was in the top three for the second straight month, it increased 4.35% during September and closed at \$0.24/share. Recall that in August, Tenth Avenue jumped 21.05%. Tenth Avenue announced that it closed a small acquisition in southern Alberta in September.

On a combined basis, the TSX-V E&P companies had an average decline of 7.41% during September 2022 while the median fall was 10.71%. Of the top % gainers in August 2022, in September 2022, **ROK Resources Inc.** fell 11.43%, **Tenth Avenue** was up 4.35% and **Canadian Spirit Resources Inc.** fell 28.57% and was the second worst performer in September.

Company	TSX-V Ticker	September 2022 % Change	End of September 2022	End of August 2022
Petrolympic Ltd.	PCQ	60.00%	\$0.08	\$0.05
Wescan Energy Corp.	WCE	23.08%	\$0.32	\$0.26
Tenth Avenue Petroleum Corp.	TPC	4.35%	\$0.24	\$0.23
Highwood Oil Company Ltd.	HAM	0.00%	\$9.00	\$9.00
Perisson Petroleum Corporation	POG	0.00%	\$0.04	\$0.04
Prospera Energy Inc.	PEI	0.00%	\$0.07	\$0.07
Coelacanth Energy Inc.	CEI	-5.48%	\$0.69	\$0.73
Cobra Venture Corporation	CBV	-5.88%	\$0.16	\$0.17
Saturn Oil & Gas Inc.	SOIL	-9.09%	\$2.40	\$2.64
Softrock Minerals Ltd.	SFT	-10.00%	\$0.05	\$0.05
ROK Resources Inc.	ROK	-11.43%	\$0.31	\$0.35
Hemisphere Energy Corporation	HME	-12.10%	\$1.38	\$1.57
Vital Energy Inc.	VUX	-15.79%	\$0.32	\$0.38
Pulse Oil Corp.	PUL	-18.18%	\$0.05	\$0.06
Altima Resources Ltd.	ARH	-20.00%	\$0.04	\$0.05
Samoth Oilfield Inc.	SCD	-20.00%	\$0.04	\$0.05
Source Rock Royalties Ltd.	SRR	-21.18%	\$0.67	\$0.85
Razor Energy Corp.	RZE	-27.88%	\$1.50	\$2.08
Canadian Spirit Resources Inc.	SPI	-28.57%	\$0.10	\$0.14
PetroFrontier Corp.	PFC	-30.00%	\$0.07	\$0.10
Average Increase/Decrease		-7.41%		
Median Increase/Decrease		-10.71%		
Number of Companies with Share Price Increases		3		
Number of Companies Flat Month Over Month		3		
Number of Companies with Share Price Declines		14		
Max Share Price Increase		60.00%		
Greatest Share Price Decline		-30.00%		

Canadian E&P M&A Activity in September 2022

In September 2022, there were eight transactions announced in the Canadian oil & natural gas sector for total enterprise value of approximately \$3.5 billion. There were three corporate transactions and five asset deals. Two of the transactions were over \$1.0 billion and accounted for 81% of the month's enterprise value.

The largest transaction that was announced in September was the purchase of **Deltastream Energy Corporation** by **Tamarack Valley Energy Ltd.** for \$1.425 billion, consisting of \$825.0 million in cash, \$300.0 million in shares of Tamarack Valley at a deemed price of \$3.75/share and a \$300.0 million deferred acquisition payment ("DAP"). Tamarack Valley traded at \$3.98/share the day before the announcement of the transaction which would increase the total consideration by nearly \$20.0 million if we use the most recent share price.

The cash portion of the acquisition is expected to be funded, in part, through a structurally transformed expansion of Tamarack Valley's sustainability-linked revolving credit facility, from a revolving \$650.0 million reserve-based credit facility to a fully-underwritten \$700.0 million, three year senior secured covenant-based, sustainability-linked revolving credit facility. The remaining cash portion will be funded via a fully-underwritten \$275.0 million senior secured amortizing two-year term loan, a \$125.0 million equity offering, and a proposed additional \$75.0 million aggregate principal amount of Tamarack's 7.25% senior unsecured sustainability-linked notes due May 10, 2027 on a private placement basis. The DAP will be unsecured and payable in cash over the 18-month period subsequent to close in six installments (\$50.0 million quarterly) plus 5.75% interest.

Deltastream's assets are adjacent to Tamarack Valley's Nipisi and Marten Hills core areas and targets the Clearwater Formation. Tamarack Valley has forecasted that in 2023 Deltastream will have production of approximately 23,000 boe/d (94% liquids) and EBITDA of \$500.0 million; the average production from the assets in 2022 is estimated at 19,500 boe/d. The remaining reserves are estimated to be 13.4 MMboe on a PDP basis and 51.0 MMboe on a 2P basis. Tamarack Valley has identified over 500 drilling locations on the land. Proforma, Tamarack Valley estimates that its corporate production will average 68,000-72,000 boe/d (82-84% liquids) with EBITDA of \$1.2-\$1.4 billion in 2023. In conjunction with the announcement of the transaction, Tamarack Valley announced that its board of directors approved a 25% increase to its monthly dividend to \$0.0125/share, or \$0.015/share on an annual basis.

Based on the \$1.425 billion acquisition price, the transaction was completed at \$73,077/boe/d (based on 19,500 boe/d), \$106.34/boe on a PDP basis and \$27.94/boe for the 2P reserves. The transaction based on the forecasted 2023 figures equate to \$61,956.52/boe and 2.85 x EBITDA.

On the same day as Tamarack Valley announced the acquisition of Deltastream, **Topaz Energy Corp.** announced that it had entered into definitive agreements with Deltastream for the purchase of a newly created 5% gross overriding royalty on all current and future oil production from Deltastream's entire Clearwater acreage in Alberta, for total cash consideration of \$265.3 million which will be funded through Topaz's existing credit facility. Concurrent with the announcement of the acquisition, Topaz is announced a 7% increase to its quarterly dividend.

Topaz further stated that "Deltastream generated average heavy oil production of 16,685 bbl/d from the assets during the second quarter of 2022 which would have generated 834 bbl/d of heavy oil royalty production and \$34.9 million in annualized royalty revenue to Topaz, had the new overriding royalty been in place during that time. The representative second quarter royalty production implies 70% growth relative to Topaz's 1,191 bbl/d average heavy oil royalty production and 5% growth relative to Topaz's 16,676 boe/d average total royalty production, during the same time period. Deltastream's recent development activity has generated growth to approximately 19,000 bbl/d of average heavy oil production during the month of July. Topaz expects that Deltastream's undeveloped acreage will continue to attract commodity-resilient development capital and further grow to a range of 24,000 to 25,000 bbl/d of heavy oil by 2024 attributed to lower capital costs driving superior economics; well-established area infrastructure; and upside opportunity through enhanced oil recovery and tertiary recovery schemes." Topaz estimates its Clearwater royalty production will exceed 2,000 boe/d following the Deltastream transaction and Topaz will have royalty interests across nearly 700,000 gross acres in the greater Clearwater area."

The second largest deal announced was the business combination between **Hammerhead Resources Inc.**, and **Decarbonization Plus Acquisition Corporation IV**, a special purpose acquisition company. The business combination values Hammerhead at \$1.39 billion based on a \$10.00 share price and will provide the shareholders of Hammerhead with a liquidity event as the company will be listed on the Nasdaq under the symbol, HHRS. Closing of the transaction is expected to occur in Q1 2023. The combined company will continue to be managed by Hammerhead's current executive team, led by CEO Mr. Scott Sobie. Hammerhead's asset base on June 30, 2022 comprised of approximately 111,000 net acres and 146 gross producing wells within the light oil window of the Alberta Montney. Hammerhead has an extensive undeveloped inventory of over 1,500 gross well locations targeting the Upper and Lower Montney within its core development areas of Gold Creek, South Karr, and North Karr. Hammerhead expects its 2022 production to average 31,500-32,500 boe/d (approximately 42% liquids). At December 31, 2021, Hammerhead had PDP and 2P reserves of approximately 51.0 MMboe and 310.0 MMboe respectively, with 276 booked 2P locations and a 2P PV10% value of approximately \$2.5 billion. Hammerhead is being valued at \$44,531/boe/d, \$4.60/boe for its PDP reserves and \$2.78/boe on a 2P basis.

During September, it was announced that **Repsol SA** agreed to sell about 95,000 net acres of oil and natural gas producing land in the Chauvin area of Alberta along with Repsol's Hardisty Midstream and Marketing business to **Teine Energy** for an estimated \$400.0 million. Based on data from **XI Technologies'** AssetBook, Repsol's general Chauvin area has production of approximately 6,600 boe/d (95% liquids). The Hardisty Midstream and Marketing business would add substantial value to Teine going forward.

Blacksteel Energy Inc. announced that it signed a letter of intent to acquire **Drakkar Energy Ltd.**, a privately held oil and natural gas producer in Alberta whose sole producing asset is a 70% working interest in the jointly held light oil Montney asset in the Girouxville area of Alberta with Blacksteel. Total consideration is approximately \$3.2 million consisting of a combination of shares, cash and assumption of debt. As part of the LOI, Blacksteel plans to list its shares on a recognized stock exchange on or before June 30, 2023. Blacksteel plans to develop the Girouxville property while evaluating international prospects for farmin or acquisition to provide growth for the company.

Prospera Energy Inc. announced that it entered into a number of transactions to acquire certain assets in Alberta for total acquisition costs of approximately \$2.6 million. One transaction was paid for by a convertible debenture in the amount of \$302,000; the debentures are convertible into common share units at the option of the holder at \$0.075 during the first year and \$0.10 during the second year, bear interest at 8% per annum, and are for a two-year term. Each unit consists of one common share and one warrant exercisable at \$0.075 for two years from issuance, subject to the Corporation's right to accelerate the expiry date if the common shares of the Corporation trade at \$0.30 for a period of 20 consecutive days. In addition, Prospera has the right to recomplete an additional well, on the basis of such costs being split equally with the vendor. If successful, the company will pay an additional \$405,500 (half cash and half in common shares at the then 30-day weighted average) to purchase a 50% interest in such well and lands. If the first option is exercised, the Corporation will have the right to recomplete 2 further wells on the same basis. If successful, the Corporation will pay \$1,776,000 on the same basis as above for a 50% working interest in the additional wells and property.

Prospera also announced that closed a debt settlement with a joint venture partner, **Petrolia Canada Corporation** in the amount of approximately \$1.7 million through the acquisition of an undivided 13.423% working interest in the Cuthbert, Luseland and Hearts Hill properties located in Saskatchewan and Alberta. The Corporation also agreed to purchase Petrolia's remaining 14.577% working interest for \$585,000, payable by \$75,000 in cash and \$510,000 by the issue of convertible debentures. The convertible debentures are convertible into common share units at the option of the holder at \$0.05 during the first year and \$0.10 during the second year, bear interest at 8% per annum, and are for a two-year term. Each unit consists of one common share and one warrant exercisable at \$0.075 for two years from issuance, subject to the Corporation's right to accelerate the expiry date if the common shares of the Corporation trade at \$0.30 for a period of 20 consecutive days.

Tenth Avenue Petroleum Corp. announced that it closed the acquisition of a "light oil, high netback" asset in the Vulcan area of Southern Alberta from **Danzig Resources Ltd.** for \$760,000, consisting of \$400,000 in cash and 1,500,000 in common shares of Tenth Avenue. The asset has production of 38 boe/d (69% liquids), and an operating netback of \$66.90/boe. As part of the transaction, Danzig will retain a three percent (3%) gross overriding royalty on production from a natural gas well which is awaiting tie-in.

Board of Director & Executive Changes in September 2022

Equinor announced that Mr. Torgrim Reitan has been appointed CFO and executive vice president of the company effective of October 6, 2022; he succeeds Ms. Ulrica Fearn. Mr. Reitan is a hire within and served as senior vice president for Finance and Control in the Equinor's Renewables business area since 2020. Mr. Reitan joined Equinor in 1995 and was executive vice president for Development and production international from 2018 –2020. Reitan, executive vice president of Development and Production USA from 2015 – 2018 and held the same position he will fill from 2010 to 2015. He has held several management positions in Equinor prior to this, including senior vice president in Trading and Operations in the Natural Gas business area in 2009-2010, senior vice president in Performance Management and Analysis from 2007 – 2009, and from 2005-2007 he was senior vice president in Performance Management, Tax and M&A. From 1995 to 2004 Reitan held various positions in the Natural Gas business area and corporate functions. He holds a Master of science degree from the Norwegian School of Economics and Business administration.

i3 Energy plc announced the resignation of Mr. Graham Heath as CFO and Executive Director of the company; the intention is that Mr. Ryan Heath will be appointed to the Board of Directors following completion of relevant AIM Rules requirements. Mr. Heath was appointed President of i3 Canada, following i3's December 2020 acquisition of **Toscana Energy Income Corporation**, where he served as the CEO since 2019. Prior to Toscana, Ryan was VP Land & Negotiations at **Paredes Energy Corporation**. He has also held position at **Striker Exploration Corp.**, **Hyperion Exploration Corp.**, and **Severo Energy Corp**. Ryan graduated from the University of Calgary with a Bachelor of Commerce degree, specializing in Petroleum Land Management.

i3 also announced the appointment of Mr. John Festival as Non-Executive Chairman of i3's board of directors. Ms. Linda Beal, who was Interim Chairperson will remain as a Non-Executive Director with i3 and will focus on her roles as chair of the Audit and Governance Committees. Mr. Festival has been a Non-Executive Director with i3 since its December 2020 acquisition of Toscana, where he had long served as a director. John is a chemical engineer with 38 years of experience in the oil and gas sector and has a track record of founding, growing and monetizing oil and natural gas ventures. He is currently the CEO of **Broadview Energy Ltd.** and was the President and CEO of **Black Pearl Resources Inc.** prior to its acquisition by **International Petroleum** and founder and President of **BlackRock Ventures Inc.**

Shell plc announced that Mr. Ben van Beurden will step down as CEO at the end of 2022 and will continue working as adviser to the board of directors until June 30, 2023. Effective January 1, 2023, Mr. Wael Sawan will become CEO and join Shell's board of directors. Wael is currently the Director Integrated Gas, Renewables and Energy Solutions, and was previously the Director Upstream. He is based in The Hague and has been a member of Shell's Executive Committee (EC) for three years. Prior to joining EC, Mr. Sawan was the Executive Vice President Deepwater and a member of the Upstream Leadership Team, and Executive Vice President Qatar and a member of the Integrated Gas Leadership Team. He has worked in Europe, Africa, Asia and the Americas during his 25-year Shell career, and has also held roles in Downstream Retail, and in various commercial and New Business Development projects. Wael was born in Beirut, Lebanon, and is a dual Lebanese-Canadian national. He grew up in Dubai and holds a Master's degree in Chemical Engineering from McGill University in Montreal and an MBA from Harvard Business School.

Clearview Resources Ltd. announced that Mr. Tony Angelidis retired as President and CEO effective September 1, 2022. The board of directors has appointed Mr. Rod Hume as interim President and CEO effective September 2, 2022. Mr. Hume joined Clearview in September 2021 as Vice President Engineering and Chief Operating Officer. Rod is a professional engineer with over 25 years of industry experience in the acquisition, production, development and exploitation of oil and gas assets and formerly Senior Vice President, Engineering at **Delphi Energy Corp.**

Saturn Oil & Gas Ltd. announced a number of promotions and nominations to its board of directors during September. The promotions include:

Mr. Justin Kaufmann was promoted to the position of Chief Development Officer. Mr. Kaufmann has been Saturn's Vice President Exploration since its recapitalization and management change in 2017. Justin has over 15 years of industry experience, is a graduate from the University of Saskatchewan and a registered Professional Geologists with APEGS.

Mr. Tyler Cheetham has been promoted to Vice President Land from his former role as Land Manager. Mr. Cheetham joined Saturn in March 2021 and has 20 years of mineral land experience including senior roles with **Husky Energy Inc.** and **Crescent Point Energy Corp.** Tyler has a Business degree from the University of Lethbridge and is an active member of the Canadian Association of Land and Energy Professionals.

Mr. Jordan Meyer has been promoted to the role of Vice President Engineering from his formal role of Exploitation Manager since joining the Saturn in July 2021. Mr. Meyer has over 10 years' experience as a professional engineer in the energy industry in both Canada's Western Canadian Sedimentary Basin and in Continental Europe. Jordan has held senior roles with **Vermilion Energy Inc.** and Crescent Point, holds a Bachelor of Science with Distinction in Chemical Engineering with a minor in Petroleum Engineering and is a member of APEGA.

Saturn announced that the following individuals were nominated and elected to the Company's board of directors:

Dr. Thomas Gutschlag – currently the Chairman of **Deutsche Rohstoff AG** ("DRAG"), a public company listed on the Frankfurt Stock Exchange which identifies, and develops resource projects globally, with a focus on oil and natural gas development in the United States. Dr. Gutschlag cofounded DRAG in 2006, was its Chief Financial Officer from 2007 to 2015 and was its Chief Executive Officer from 2015 to 2022. Dr. Gutschlag is a qualified economist with a degree in economics from the University of Heidelberg and a doctorate from the University of Mannheim.

Mr. Grant MacKenzie – a partner at **Dentons Canada LLP**, the worlds largest law firm, and is the corporate co-lead of Dentons' Calgary office. He has over 20 years' experience advising private and public companies in capital markets, mergers and acquisitions, start-ups, public offerings and stock exchange compliance advice. Mr. MacKenzie has extensive experience advising boards and management teams on matters concerning shareholder activism, corporate governance and TSX and TSX Venture Exchange listing matters. Mr. MacKenzie has been corporate secretary for Saturn since February 2022.

It was announced that Mr. Calvin Payne would not stand for renomination to Saturn's board of directors.

Blacksteel Energy Inc. announced that it has appointed Mr. Duncan Nightingale to its board of directors who will replace Mr. Les Treitz. Mr. Nightingale has extensive senior operational oil and natural gas experience, including positions including Vice President, Operations of **Frontera Energy** managing 60,000 barrels of day (boe/d) of production in Colombia, Chief Operating Officer and in-country President of **Gran Tierra** in Colombia managing 30,000 boe/d of production, Senior Vice-President of **Artumas Group** operating in Mozambique and Tanzania, General Manager of **Dana Gas** operating in Egypt, Iraq, and Kurdistan, President and General Manager of **EnCana Corporation Doha** based in Oman and General Manager/President/Manager of Development for **Nexen** operating and resident in Nigeria. While trained as a geologist his experience has led to reservoir maximization, operations efficiency, development projects, operations management, team development, and managing annual budgets of several hundred million dollars.

Source Rock Royalties Ltd. announced that Ms. Cheryne Lowe has been appointed as its CFO. Ms. Lowe replaces Mr. Sean Clausen, who was Source Rock's CFO since 2013. Ms. Lowe was most recently Interim CFO at **AgJunction Inc.**, an agriculture technology company, which was acquired in late 2021. Prior thereto, Ms. Lowe was CFO and Corporate Secretary at **Pine Cliff Energy Ltd.**, and Vice President Finance and CFO at **Orlen Upstream Canada Ltd.** and its predecessor **TriOil Resources Ltd.** Ms. Lowe began her career with **KPMG** and was also an Institutional Research Associate with **Tristone Capital Inc.**

Miscellaneous News Announced in September 2022

Tensions between the West, G7 countries and Russia continue to be evident. Officials in G7 countries have been negotiating a price cap on Russian oil to impact the revenues that Russia obtains from selling its hydrocarbons while keeping crude flowing to avoid price spikes. The G7 consists of Britain, Canada, France, Germany, Italy, Japan and the United States. Some officials in the coalition have said that the cap needs broader backing and have questioned whether it can be successful without the participation of major oil consumers China and India, which are unlikely to endorse the plan. China and India have been opportunistic and have been buying Russian oil and levels at or below the price cap. The cap would rely heavily on denying London-brokered shipping insurance, which covers about 95% of the world's tanker fleet, and finance to cargoes priced above the cap. It is rumored that the cap would be in the \$40-\$60 per barrel range for crude. The upper end of that range is consistent with historical prices for Russian crude, while the lower end is closer to Russia's marginal production cost, analysts say. Putin has said Russia will withhold exports to countries that enforce the cap, and fears about the threat could cause petroleum markets to rise before December.

Near the end of September, **Nord Stream AG**, the operator of the Russia-built network of Nord Stream pipelines in the Baltic Sea, announced that three offshore lines of the pipeline system sustained "unprecedented" damage in one day and is an energy security issue for the "entire continent". Putin directly accused the United States and its allies of blowing up the Nord Stream pipelines stating "It is clear to everyone who benefits from this. Of course, he who benefits did it."

The **First Nations Major Projects Coalition (FNMPC)** announced that **Cenovus Energy Inc.** will be a new member of its Sustaining Partners Program. The program furthers FNMPC's ability to advance relationships between its members and the private sector on issues of mutual interest. Cenovus, along with existing program members **CIBC**, **Colliers Project Leaders**, **COWI**, **Gowling WLG**, **IBI Group** and **New Gold Inc.**, will benefit from an exclusive relationship with FNMPC that will be focused on advancing progressive Indigenous business initiatives between the partners and FNMPC members. In working with these companies, FNMPC will further advance strategies that promote meaningful Indigenous inclusion in major developments and articulate Indigenous perspectives concerning ESG investment standards and sustainable business practices generally.

Enbridge Inc. and 23 First Nation and Métis communities announced an agreement whereby the communities will acquire, collectively, an 11.57% non-operating interest in seven Enbridge-operated pipelines in the Athabasca region of northern Alberta for \$1.12 billion. A newly created entity, **Athabasca Indigenous Investments (Aii)**, will steward the investment, which represents the largest energy-related Indigenous economic partnership transaction in North America to date. Pipelines included in the transaction are the Athabasca, Wood Buffalo/Athabasca Twin and associated tanks; Norlite Diluent; Waupisoo; Wood Buffalo; Woodland; and the Woodland extension. These assets are underpinned by long-life resources and long-term contracts, which provide highly predictable cash flows.

The **Petroleum Services Association of Canada** announced that due to how Canada's energy industry is transforming, that it would rebrand to its new moniker **Enserva**. It was stated that "For over 40 years, our Association has championed Canadian energy. Our roots run deep in the petroleum industry. Our future lies in the interconnected energy industry, where all verticals need the services, suppliers and manufacturers we represent. To showcase the kind of value our members can expect, we are launching our ESG playbook to members today. This toolkit, developed with the expertise of leading ESG professionals, supports our members in implementing ESG strategies to enable greater efficiency and opportunity in their businesses and to be catalysts for positive impacts in their communities. We are also rolling out our Advocacy Roadmap to members that outlines our industry advocacy plans and policy solutions as we continue to be collaborators on the road to NetZero. The launch of the rebrand also includes a new logo that better represents the direction of Enserva's brand. The layers represent the three origins of energy on our planet: underground (warm grey), on the surface (green), and in the sky (blue), and the three sectors of our membership, services, supply and manufacturing.

Obsidian Energy Ltd. announced the full repayment of its \$30.0 million non-revolving term loan. With the repayment of the term loan, Obsidian's remaining debt consists of a \$175.0 million revolving syndicated credit facility with a term-out period of July 27, 2024, and \$127.6 million of senior unsecured notes due July 27, 2027.

Suncor Energy Inc. announced that it has offered to purchase for cash any and all of the ten series of outstanding notes up to a maximum aggregate amount of \$1.75 billion.

Surge Energy Inc. announced that it is issuing a notice of redemption to holders of its currently outstanding \$44,500,000 5.75% Convertible Unsecured Subordinated Debentures due December 31, 2022; the Debentures are not subject to a pre-payment penalty.

Cenovus announced the early tender results for its tender offers to purchase for cash certain of its outstanding series of Notes. Cenovus also announced it has increased the previously announced Pool 1 Maximum Amount from \$.0 billion to a total cash amount sufficient to accept for purchase all 4.250%

Notes due 2027, 4.400% Notes due 2029, 4.450% Notes due 2042, 5.200% Notes due 2043 and 5.375% Notes due 2025 validly tendered and not validly withdrawn prior to or at the Early Tender Date. The Pool 2 Maximum Amount remains unchanged at \$500.0 million and as a result, Cenovus expects to accept for purchase the 6.750% Notes due 2039 validly tendered and not validly withdrawn prior to or at the Early Tender Date on a prorated basis.

Pieridae Energy Limited, one of the companies proposing a liquefied natural (LNG) gas terminal on Canada's east coast, has asked the federal government to help ensure pipeline operator TC Energy would be able secure permits to expand natural gas supply pipelines in a timely fashion as it was announced that its Goldboro LNG project can only go ahead if TC expands capacity on its existing pipeline network; TC's existing pipeline network is not large enough to ship the amount of natural gas that would be required.

Free Rein Resources announced it closed a financing agreement for its operations in the Golden Spike area southwest of Edmonton. The new funding will accelerate the company's capital program, including the drilling and completion of new wells, implementing planned waterflood and tertiary flood programs, and expanding facilities. Further to its conventional oil and gas operations, Free Rein is finalizing plans for a carbon capture, sequestration, and utilization (CCUS) hub in the Golden Spike area. The proposed project would develop a network of infrastructure to service the needs of some of the province's largest emitters. The company has acquired strategic infrastructure crossing under the North Saskatchewan River to give emitters flexibility in where they store their CO2 emissions. Free Rein Resources has applied for an evaluation permit from the Government of Alberta.

Earlier in the month, Free Rein announced that it signed a Memorandum of Understanding with the **Alberta Motor Transport Association (AMTA)** to explore a commercial-scale business to produce blue hydrogen for use in heavy trucks. The CO2 captured from the hydrogen units will be used for the company's EOR program.

Athabasca Oil Corporation, Baytex Energy Corp., Cardinal Energy Ltd., Crew Energy Inc., MEG Energy Corp., Paramount Resources Ltd., Pipestone Energy Corp. and Tourmaline Oil Corp., were all included in the 2022 TSX30 ranking of the Toronto Stock Exchange's ("TSX") 30 top-performing stocks based on share price appreciation over a three-year period from June 30, 2019, to June 30, 2022. The TSX 30 is an annual list of the top-performing stocks on the TSX over a three-year period, based on dividend-adjusted share price performance.

Saturn Oil & Gas Inc. announced that it has qualified to trade on the OTCQX Best Market under the symbol "OILSF." The Company upgraded to OTCQX from the Pink market. For those unfamiliar, to qualify for OTCQX, companies must meet high financial standards, follow best practice corporate governance and demonstrate compliance with applicable securities laws.

The **Biden administration** announced that it had reinstated bids from a November 2021 Gulf of Mexico sale of offshore oil and natural gas drilling rights, a requirement buried in U.S. President Joe Biden's new climate change and drug pricing law. Biden vowed during his 2020 election campaign to end federal oil and natural gas drilling to fight climate change but has faced pressure to increase oil and natural gas production in the face of soaring fuel prices.

Prospera Energy Inc. announced the engagement of **Aduro Clean Technologies Inc.** innovation that reduces blend down stock, improves the product specification, increases unit economics, and has a lower carbon footprint. Prospera's core assets are medium to heavy oil properties (12-17 API) located along the Alberta-Saskatchewan border. Aduro Clean Technologies is a Canadian developer of patented water-based technologies to chemically recycle plastics and transform heavy crude and renewable oils into new-era resources and higher-value fuels. On September 7, Aduro announced that its scaled-up continuous flow bitumen reactor is nearing completion and readiness for customer trials and engagement acceleration. This LOI is Aduro's second engagement on the bitumen vertical with a producer in Alberta.

District Court Judge William Conley of Wisconsin ruled in favour of Bad River Band of the Lake Superior Chippewa in its dispute with Enbridge over the **Line 5** pipeline but stopped short of shutting down the controversial cross-border oil and natural gas link. Conley acknowledged that such an order would have serious foreign-policy ramifications for both Canada and the United States and noted Foreign Affairs Minister Mélanie Joly's recent decision to invoke a 1977 treaty between the two countries that specifically covers cross-border pipelines. Judge Conley did say however, that the Bad River Band, which wants the pipeline removed from its territory, is entitled to financial compensation and ordered Enbridge to reroute the pipeline around Bad River territory within five years; Enbridge is already looking for an alternative route. For some background, a 12-mile section of the pipeline crosses Bad River tribal land but easements allowing Enbridge to use the land expired in 2013. In 2019 the band filed a lawsuit seeking an injunction that would force Enbridge to cease operations and remove the pipeline, citing concerns it could rupture and leak.

Teck Resources Limited announced that it intends to spin-off or divest its stake in the Fort Hills oil sands project if the value of the asset is not reflected in its share price. Teck announcement came a day after French company, **TotalEnergies** said it is planning to spin off its oil sands assets to create a new company. The spin-off would include TotalEnergies' 24.58% stake in the Fort Hills oil sands mining project in northern Alberta and its 50% stake in the Surmont thermal project, as well as midstream and trading-related activities. TotalEnergies said the proposal would be subject to a shareholder vote at its next annual general meeting in May 2023.

Exxon Mobil Corp and Shell PLC announced that they sold their California oil joint-venture Aera to German asset manager **IKAV** for \$4.0 billion, ending a 25-year-long partnership that was one of the largest oil producers in the state. Aera was formed in 1997 and has operations in eight onshore fields in central California. In 2021; Exxon, which owned 48% of Aera, produced about 95,000 boe/d from the JV, combined production would be approximately 198,000 boe/d.

Financings Announced in September 2022

Below we outline equity and debt financings that were announced or closed in September 2022.

Tamarack Valley Energy Ltd. closed a bought-deal financing of 33,334,000 common shares at a price of \$3.75/share for gross proceeds of approximately \$144.0 million, including 5,000,100 common shares attributed to an over-allotment. In addition, Tamarack Valley closed a private placement offering of \$100.0 million aggregate principal amount of 7.25% senior unsecured sustainability-linked notes due May 10, 2027. The financings will partially fund the previously mentioned acquisition of **Deltastream Energy Corporation**.

Petrolympic Ltd. announced the closing of a non-brokered private placement, consisting of 3,100,000 units at a price of \$0.06 per unit raising aggregate gross proceeds of \$186,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase a common share at \$0.10/share for a period of 36 months from closing, subject to acceleration in the event that the shares trade at or above \$0.20 for 30 consecutive trading days.

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