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## Earth Horse Energy Advisors' Monthly Market Overview February 2023

During February 2023, the vast majority of the publicly traded TSX E&P companies (with assets focused predominately in Canada) experienced a fall in their share while only 10 companies were in positive territory. Of those companies that had an increase in their share price, the rise ranged from 0.36% (**InPlay Oil Corp.**) to the 22.73% increase of **Questerre Energy Corporation**. On a combined basis, TSX E&P group had an average fall of 3.83% and a 5.46% median drop. This is the fourth consecutive month where the group has fallen.

As for the companies listed on the TSX Venture exchange, five companies had an increase in their share price, three were flat and 10 companies had a drop. One company, **Altima Resources Ltd.**, had a substantial gain in the month, increasing 85.71% and took the title for the second consecutive month.

During February 2023, much like in January, WTI and Edmonton Par decreased while WCS increased (differentials tightened closer to \$18.50/bbl); NYMEX natural gas declined while AECO climbed. The price of oil was range bound in the month, the price of WTI was down 2.71%, Edmonton Par fell 2.97% while WCS climbed a further 11.73%; recall that in January WCS was up 7.82%. A stronger US dollar, threats of rising interest rates and global recession risks pulled oil down, while Russia announcing that it would cut production by 500,000 bbl/d helped it from falling more. Morgan Stanley raised its global oil demand growth estimate to 1.9 million bbl/d for 2023, up 36%, citing growing momentum in China's reopening and a recovery in aviation. Morgan Stanley's estimate is close to IEA's estimate of a 2.0 million bbl/d climb in oil demand for 2023.

The price of natural gas in the United States fell 1.95% to USD \$2.81/MMBtu in February (after plunging 36% in January and 32% in December) while AECO was up 5.05% ending the month at USD \$2.91/MMBtu. The decline in US natural gas price occurred as a result of warmer weather and despite a drop in natural gas output in the month and an increase in the amount of natural gas flowing to liquefied natural gas (LNG) export plants with Freeport LNG's export plant in Texas slowly returned to service after being down from a fire since June 2022.

Below we illustrate the changes in commodities and in the Canadian dollar during February 2023; the Canadian dollar fell 2.38% to 0.7339.

	WTI Oil (\$USD/bbl)	WCS (\$USD/bbl)	Cdn Light (\$USD/bbl)	C5+ (\$USD/bbl)	NYMEX (\$USD/MMBtu)	AECO (\$USD/MMBtu)	CDN\$USD\$
February 2023 Average	\$76.86	\$57.82	\$75.28		\$2.44	\$2.13	0.7435
End of February 2023	\$76.86	\$61.65	\$72.63	\$82.58	\$2.81	\$2.91	0.7339
End of January 2023	\$79.00	\$55.18	\$74.85	\$82.25	\$2.87	\$2.77	0.7518
Month-over-Month Change	-2.71%	11.73%	-2.97%	0.40%	-1.95%	5.05%	-2.38%

Sources: GLJ, TradingView

### TSX-Listed E&P (Canadian Focused Operations) February 2023 Share Price Movements

As previously mentioned, only 10 of the 46 E&P companies (with domestic assets) on the TSX had an increase in their share price in February; the remaining 36 companies saw their share price drop month-over-month.

The top performer in February was **Questerre Energy Corporation** which increased 22.73% to \$0.27/share. A total of 691,000 shares were traded in the month (approximate value of \$175,000 trading hands) or an average of 36,368 shares a day.

**Journey Energy Inc.** was the second-best performer in February, rising from \$5.09/share to \$6.05/share, an increase of 18.86%. The company announced that it achieved record year-end reserves and that its PDP value per share increased by over 138%. Its PDP NPV (@ a 10% discount) increased 169% to \$485.0 million and its PDP RLI increased to 8.3 years from 7.8 years. Journey's PDP reserve additions replaced 544% of its 2022 annual production which was the result of its M&A activity in the year.

**Tenaz Energy Corp.** rounded out the top three performers, rising 15.91% to \$2.55/share. Tenaz had a strong start to the month rising to \$2.41/share two days in. The stock then bounced around for the remainder of the month.

Company	TSX Ticker	February 2023 % Change	End of February 2023	End of January 2023
<b>Top Three % Performers</b>				
Questerre Energy Corporation	QEC	22.73%	\$0.27	\$0.22
Journey Energy Inc.	JOY	18.86%	\$6.05	\$5.09
Tenaz Energy Corp.	TNZ	15.91%	\$2.55	\$2.20

## TSX-Listed E&P (Canadian Focused Operations) February 2023 Share Price Movements

Company	TSX Ticker	February 2023 % Change	End of February 2023	End of January 2023
Questerre Energy Corporation	QEC	22.73%	\$0.27	\$0.22
Journey Energy Inc.	JOY	18.86%	\$6.05	\$5.09
Tenaz Energy Corp.	TNZ	15.91%	\$2.55	\$2.20
Obsidian Energy Ltd.	OBE	9.30%	\$9.64	\$8.82
NuVista Energy Ltd.	NVA	7.62%	\$12.00	\$11.15
Rubellite Energy Inc.	RBY	3.85%	\$2.43	\$2.34
Kelt Exploration Ltd.	KEL	2.84%	\$4.70	\$4.57
Athabasca Oil Corporation	ATH	1.71%	\$2.98	\$2.93
Crew Energy Inc.	CR	1.30%	\$4.67	\$4.61
InPlay Oil Corp.	IPO	0.36%	\$2.82	\$2.81
Bonterra Energy Corp.	BNE	-0.45%	\$6.62	\$6.65
Suncor Energy Inc.	SU	-0.69%	\$45.86	\$46.18
Birchcliff Energy Ltd.	BIR	-1.64%	\$8.39	\$8.53
MEG Energy Corp.	MEG	-1.96%	\$21.56	\$21.99
Peyto Exploration & Development Corp.	PEY	-2.23%	\$11.86	\$12.13
Paramount Resources Ltd.	POU	-3.12%	\$29.80	\$30.76
Tourmaline Oil Corp.	TOU	-3.56%	\$59.80	\$62.01
Pipestone Energy Corp.	PIPE	-3.72%	\$2.85	\$2.96
Freehold Royalties Ltd.	FRU	-3.73%	\$15.48	\$16.08
Advantage Energy Ltd.	AAV	-3.86%	\$7.98	\$8.30
ARC Resources Ltd.	ARX	-3.88%	\$14.86	\$15.46
International Petroleum Corporation	IPCO	-4.04%	\$13.77	\$14.35
Cenovus Energy Inc.	CVE	-5.34%	\$25.16	\$26.58
Canadian Natural Resources Limited	CNQ	-5.58%	\$77.11	\$81.67
Whitecap Resources Inc.	WCP	-5.68%	\$10.46	\$11.09
Crescent Point Energy Corp.	CPG	-6.14%	\$9.33	\$9.94
PrairieSky Royalty Ltd.	PSK	-6.26%	\$21.43	\$22.86
Topaz Energy Corp.	TPZ	-6.52%	\$19.34	\$20.69
Gear Energy Ltd.	GXE	-6.96%	\$1.07	\$1.15
Cardinal Energy Ltd.	CJ	-7.05%	\$7.12	\$7.66
Imperial Oil Limited	IMO	-7.19%	\$67.49	\$72.72
i3 Energy plc	ITE	-7.25%	\$0.32	\$0.35
Perpetual Energy Inc.	PMT	-7.25%	\$0.64	\$0.69
Pine Cliff Energy Ltd.	PNE	-7.63%	\$1.21	\$1.31
Headwater Exploration Inc.	HWX	-7.85%	\$5.99	\$6.50
Yangarra Resources Ltd.	YGR	-8.23%	\$2.23	\$2.43
Kiwetinohk Energy Corp.	KEC	-9.47%	\$12.72	\$14.05
Surge Energy Inc.	SGY	-9.73%	\$8.81	\$9.76
Tamarack Valley Energy Ltd.	TVE	-9.96%	\$4.34	\$4.82
Prairie Provident Resources Inc.	PPR	-10.34%	\$0.13	\$0.15
Vermilion Energy Inc.	VET	-10.39%	\$18.28	\$20.40
Ovintiv Inc.	OWV	-10.79%	\$58.35	\$65.41
Baytex Energy Corp.	BTE	-14.61%	\$5.26	\$6.16
Spartan Delta Corp.	SDE	-17.56%	12.39	\$15.03
Petrus Resources Ltd.	PRQ	-18.98%	\$1.75	\$2.16
Pieridae Energy Limited	PEA	-21.05%	\$0.75	\$0.95
Average Increase/Decrease		-3.83%		
Median Increase/Decrease		-5.46%		
Number of Companies with Share Price Increases		10		
Number of Companies Flat Month Over Month		0		
Number of Companies with Share Price Declines		36		
Largest Share Price Increase		22.73%		
Largest Share Price Decline		-21.05%		

The three worst performing stocks in February 2023 were **Pieridae Energy Limited**, **Petrus Resources Ltd.** and **Spartan Delta Corp.** Pieridae dropped 21.05% in February, Petrus was down 18.98% and Spartan Delta fell 17.56%.

## TSX-Venture Listed E&P (Canadian Focused Operations) February 2023 Share Price Movements

As previously mentioned, and outlined below, during February 2023, five of the 18 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 10 companies had a decline.

**Altima Resources Ltd.** had the largest increase in February, rising 85.71% from \$0.07/share to \$0.13/share in the month. Recall that in January, Altima was tied as the best performer with a 40% increase in its share price. In February, Altima announced it has reached an agreement through a binding term sheet with **St-George Eco-Mining Corp.** and its wholly owned subsidiary, **H2SX Corp.** (the "H2SX") with the intent to form an exclusive partnership, whereby Altima will use H2SX's technology partner's patented hydrogen production (cCH<sub>2</sub><sup>TM</sup>) and nano-carbon technology for the conversion of natural gas originating from gas & condensate wells in Alberta and British Columbia, into clean hydrogen. Concurrent with the announcement, Altima will issue to H2SX 6,000,000 performance shares upon the completion of certain milestones. In addition to the issuance of performance shares, Altima has committed to the construction of a hydrogen processing facility utilizing the patented technology. Altima will be responsible to provide and manage the natural gas input into the joint venture operations and all infrastructures and logistics associated with it and will receive credits for the sale of hydrocarbons to the green hydrogen through this producing joint venture. H2SX and its partner will be entitled to receive a 5% NRR.

**Vital Energy Inc.** rose 6.45% to \$0.33/share; Vital announced the appointment of a new director.

**Saturn Oil & Gas Inc.** was the third best performer in February, increasing 5.37%, ending the month at \$2.55/share. Saturn announced the results of its 2022 drilling program and that it obtained record production in Q4 2022. Through its drilling program, Saturn drilled 57 gross horizontal wells targeting light oil at Oxbow and Viking and had a 100% success rate. The estimated average production for Q4 2022 was 12,514 boe/d (96% liquids) and in line with its production guidance from May 2022. On February 28<sup>th</sup>, Saturn announced the closing of the acquisition of **Ridgeback Resources Inc.** The transaction more than doubles Saturn's corporate production; Saturn estimates its production to be ~30,000 boe/d (82% liquids).

On a combined basis, the TSX-V E&P companies had an average decrease of 0.96% during February 2023 while the median was 3.00% to the downside.

Company	TSX-V Ticker	February 2023 % Change	End of February 2023	End of January 2023
Altima Resources Ltd.	ARH	85.71%	\$0.13	\$0.07
Vital Energy Inc.	VUX	6.45%	\$0.33	\$0.31
Saturn Oil & Gas Inc.	SOIL	5.37%	\$2.55	\$2.42
Hemisphere Energy Corporation	HME	1.48%	\$1.37	\$1.35
Coelacanth Energy Inc.	CEI	1.30%	\$0.78	\$0.77
PetroFrontier Corp.	PFC	0.00%	\$0.07	\$0.07
Prospera Energy Inc.	PEI	0.00%	\$0.14	\$0.14
Wescan Energy Corp.	WCE	0.00%	\$0.10	\$0.10
Source Rock Royalties Ltd.	SRR	-1.35%	\$0.73	\$0.74
ROK Resources Inc.	ROK	-4.65%	\$0.41	\$0.43
Lycos Energy Inc.	LCX	-9.09%	\$0.50	\$0.55
Canadian Spirit Resources Inc.	SPI	-10.00%	\$0.09	\$0.10
Razor Energy Corp.	RZE	-11.64%	\$1.29	\$1.46
Pulse Oil Corp.	PUL	-12.50%	\$0.07	\$0.08
Tenth Avenue Petroleum Corp.	TPC	-14.89%	\$0.20	\$0.24
Highwood Oil Company Ltd.	HAM	-15.09%	\$9.00	\$10.60
Petrolympic Ltd.	PCQ	-16.67%	\$0.05	\$0.06
Cobra Venture Corporation	CBV	-21.74%	\$0.18	\$0.23
Average Increase/Decrease		-0.96%		
Median Increase/Decrease		-3.00%		
Number of Companies with Share Price Increases		5		
Number of Companies Flat Month Over Month		3		
Number of Companies with Share Price Declines		10		
Max Share Price Increase		85.71%		
Greatest Share Price Decline		-21.74%		

## Canadian E&P M&A Activity in February 2023

In February 2023, there was one deal announced in the Canadian oil & natural gas sector. In addition, two companies announced the completion of some small deals during 2022.

**International Petroleum Corporation** announced that it entered into a proposed acquisition to acquire **Cor4 Oil Corp.** for \$84.0 million. Cor4 has assets that are located in the Brooks area of southern Alberta with estimated 2023 production of 4,000 boe/d and estimated remaining 2P reserves of 15.9 MMboe as at December 31, 2022. The assets are proximal to IPC's current area of operations in southern Alberta. Based on the \$84.0 million purchase price the metrics of the transaction are \$21,000/boe/d and \$5.28/boe.

In the year end financials, **PrairieSky Royalty Ltd.** released that it completed \$6.2 million in acquisitions on mainly non-producing royalty properties in the fourth quarter of 2022. During 2022, PrairieSky completed \$30.6 million in acquisitions, comprised of \$13.5 million of royalty interests on producing properties and \$17.1 million consisting of royalty interests on non-producing properties.

In its press release announcing significant increases in oil and natural gas reserves for the year ended 2022, **Kelt Exploration Ltd.** announced that in 2022 it completed a property disposition for proceeds of \$2.6 million.

## Board of Director & Executive Changes in February 2023

**Suncor Energy Inc.** announced that Mr. Rich Kruger will become its President and CEO and one of its directors, effective April 3, 2023. Previously, Mr. Kruger was President, CEO and Chairman of Exxon Mobil Corporation, spending 39 years with the company until his retirement in 2019. Mr. Kris Smith, who has been the interim CEO of Suncor since July 2022, will work with Mr. Kruger to facilitate a smooth leadership transition before assuming the role of CFO and Executive Vice President of Corporate Development. Mr. Alister Cowan, the current CFO of Suncor, plans to retire but will remain with Suncor to the end of the year to support the transition to Mr. Smith and to provide advisory services.

**Genovus Energy Inc.** announced that as part of the company's leadership succession plan, Mr. Alex Pourbaix will shift to the role of Executive Chair and Mr. Jon McKenzie, the company's current Executive Vice-President & COO, will become President & CEO. These changes will take effect at the conclusion of the company's annual general meeting (AGM) scheduled for April 26, 2023. At the AGM, McKenzie will be nominated for election to the board of directors. Mr. McKenzie joined Genovus in 2018 as CFO following Genovus's merger with Husky Energy, where he served as CFO. In addition, Genovus announced that Mr. Keith MacPhail will retire from its board of directors at this year's AGM.

**Peyto Exploration & Development Corp.** announced that Mr. Scott Robinson, Vice President of Business Development, and Mr. David Thomas, Vice President of Exploration would retire at the end of February. As part of the retirements, Mr. Derick Czember will take over Mr. Robinson's responsibilities in the position of Vice President of Land and Business Development. In addition, Mr. Mike Rees, Manager of Geoscience, and Mr. Blaine Stewart, Manager of Exploration will share Mr. Thomas' responsibilities moving forward. Mr. Rees has been with Peyto for over 10 years and Mr. Stewart has been in the BD group of Peyto for 6 years.

**Entropy Inc.** announced that Mr. Trevor MacFarlane has joined the board of directors. Mr. MacFarlane has over 25 years of energy infrastructure experience including areas of expertise in strategic planning, operational risk management and technology. He holds a Masters in Metallurgical Engineering from Queen's University and completed advanced leadership programs, including a QuantumShift Fellow, from the Ivy School of Business. Mr. MacFarlane currently sits on the Board of the **Canadian Energy Pipeline Association (CEPA) Foundation** as well as an independent director for **Skipper NDT**. Entropy also announced that Mr. Jason Chadwick has been promoted to Chief Commercial Officer. Jason joined Entropy in 2021 as Vice President, Business Development.

The **McKay Métis Group (MMG)**, a social enterprise owned by the **Fort McKay Métis Nation (FMMN)**, announced the appointment of Mr. Mike Macsween to its board of directors. Mr. MacSween retired from Suncor in 2022 where he was most recently Executive Vice President of Upstream. Prior to joining Suncor in 1996, he worked at **Betz Process Chemicals Inc.** and **Shell Canada Inc.**

**Canada West Land Services** announced the formal appointment of Mr. Mike Tidmarsh as President. Mr. Tidmarsh has been with CWL since 2018.

**Obsidian Energy Ltd.** announced that after being Interim President and CEO of the company since December 2019, Mr. Stephen Loukas will become permanent President and CEO.

**Highwood Asset Management Ltd.** announced that Mr. Joel MacLeod, its largest shareholder and who owns 67% of the outstanding shares of the company, had been named Executive Chairman by the Highwood board of directors.

**Vital Energy Inc.** announced that Mr. Jeffrey L. Standen, a former founder, officer and director of the corporation, was appointed to its board of directors. Mr. Standen has also been the founder, officer and director of numerous private and public energy companies during his career, including **Canadian Leader Energy Inc.**, **Centurion Energy International**, **Extreme Energy Corporation**, and **Charger Energy Corporation**. Mr. Standen is currently President, CEO and a director of **Home Run Oil & Gas Inc.**

## Miscellaneous News Announced in February 2023

**Gas Liquids Engineering Ltd.** announced the commencement of Front End Engineering and Design (FEED) on a major CO<sub>2</sub> pipeline, compression, and sequestration system for **Whitecap Resources Inc.**, in the province of Saskatchewan. GLE is “supporting Whitecap’s planned decarbonization strategy, involving expansion of their existing hub to include transportation for multiple additional industrial CO<sub>2</sub> sources to new sequestration wells.” On completion of a final investment decision, engineering, and construction, the project will represent a major extension of Whitecap’s existing sequestration network.

**Hammerhead Resources Inc.** announced the completion of its previously announced business combination with **Decarbonization Plus Acquisition Corporation IV**. The combined company is named **Hammerhead Energy Inc.** Hammerhead is a Montney focused entity with assets in the Gold Creek and Karr areas of Alberta with production of ~40,000 boe/d. The company is now a reporting issuer under the Securities Act (Alberta) and its Class A common shares and warrants commenced trading on the NASDAQ under the ticker symbols “HHRS” and “HHRSW,” respectively, and on the TSX under the ticker symbols “HHRS” and “HHRS.WT,” respectively, on February 27. Earth Horse will start tracking Hammerhead in our March monthly overview.

It was announced that U.S. District Court Judge Janet Neff who is presiding over Michigan’s bid to shut down the **Line 5 pipeline** has agreed to let the state appeal (an interlocutory appeal) a key ruling even though the case remains unresolved. Michigan Attorney General Dana Nessel is challenging the August 2022 decision by Neff to keep the case in federal court, a critical blow to Michigan’s effort to shut down the cross-border pipeline. Neff ordered that the current case remain stayed and administratively closed until the appeal is resolved.

**Pathways Alliance** announced that engineering and field work is progressing quickly to support a regulatory application expected in the fourth quarter of 2023 for its capture and storage (CCS) network. Pathways Alliance awarded a \$10 million contract to **Wood**, a global engineering and consulting company, to develop detailed plans for a 400-kilometre CO<sub>2</sub> transportation line that will eventually link more than 20 oil sands facilities with a hub for permanent carbon storage in the Cold Lake, Alberta region. Wood’s engineering work will focus on the main transportation line that will link the initial 14 oil sands facilities to the storage hub. With anticipated co-funding from governments, Pathways Alliance expects that \$16.5 billion will be invested in the CCS network.

**ROK Resources Inc.** announced the successful drilling and multi-layer perforation and flow test of a wellbore strategically located on one of **Hub City Lithium Corp.’s** Subsurface Crown Mineral Dispositions located in the Viewfield Area of Saskatchewan; ROK has a 25% interest in Hub City. Third-party laboratory testing returned lithium concentrations in the Duperow formation of up to 259 mg/l, the highest lithium concentrations ever recorded in a brine in Canada.” A 43-101 resource report for the Mansur area has now been expanded to include the Viewfield area and is expected to be completed during this quarter. In parallel with the Resource Report, ROK has begun working on the Mansur development plan and Preliminary Economic Assessment which it expects to complete during Q2 2023. Further, the company plans to do additional drilling in the Viewfield area as part of the data gathering towards a second PEA dedicated to the Viewfield area which is expected in Q4 2023.

It was announced that the **Alberta government** will form a panel of oil & gas veterans to advise the government on the future of Alberta’s energy industry. The panel will consist of Mr. David Yager (Author, Writer & Energy Policy Analyst) as Chair, Mr. Hal Kvisle, (board member of **Genovus Energy**), Mr. Bob Curran (former director of the **Alberta Energy Regulator**), Ms. Carey Arnett (President of **Arnett and Burgess Pipeliners**) and Mr. Phil Hodge (President of **Pine Cliff Energy**). The panel is to meet with government ministries and industry stakeholders and advise the government on how Alberta can meet the world’s future energy needs with a final report to be completed by June 30.

The **Alberta government** also announced that it has offered to collaborate with the federal government to incentivize carbon capture utilization and storage (CCUS) investments, as long as Ottawa refrains from introducing climate policies that impact the oil and gas sector without Alberta’s consent. The policies include a proposed oil and gas emissions cap, Just Transition legislation, aimed at helping oil and gas workers retrain for green energy jobs, and clean electricity regulations. In an open letter to Prime Minister Trudeau, Premier Smith proposed coordinating a federal CCUS income tax credit with an expansion of Alberta’s Petrochemicals Incentive Program (APIP) to include CCUS projects.

Earlier in February, the **Alberta government** announced that it is moving ahead with a plan that would give oil and natural gas companies a tax break for meeting their legal obligations to clean up old well sites and was inviting a select group of landowner organizations to a meeting to discuss a pilot project. The pilot program, called the **Liability Management Incentive Program**, would issue \$100 million in credits that qualified companies could use to apply against royalties earned from new production. Credits would be earned by cleaning up well sites that have been inactive for at least 20 years.

The **Federal Finance Department** announced that Canada is joining its fellow G-7 countries plus Australia to expand caps on Russian oil to include seaborne petroleum products. The department says the maximum price for seaborne Russian-origin petroleum will be US \$100/bbl for “premium-to-crude” products and US \$45/bbl for “discount-to-crude” products. The caps will be enforced by prohibiting buyers who do not abide by the price caps from obtaining services from companies in the G7 or Australia.

The **Biden administration** sold 26 million barrels of crude oil from the **Strategic Petroleum Reserve**, a release that had been mandated by Congress in previous years. The department had considered cancelling the sale, but a cancellation would have required Congress to act.

**Hemisphere Energy Corporation** announced that it has been named as one of the top performers on the TSX Venture Exchange for the second consecutive year.

**Genovus Energy Inc.** announced that it had repurchased approximately 15 million shares. In 2022, Genovus returned more than \$2.5 billion in value through its share buyback program and delivered over \$900 million to shareholders in both base and variable dividends. In addition, its board of directors declared a quarterly base dividend of \$0.105 per common share and a quarterly dividend on each of its Cumulative Redeemable First Preferred Shares – Series 1, Series 2, Series 3, Series 5 and Series 7.



**Suncor Energy Inc.** announced that it repurchased 116.9 million common shares (8.1% of its common shares as at December 31, 2021) at an average price of \$43.92/share, spending \$5.1 billion in 2022. Subsequent to the fourth quarter of 2022, Suncor's board approved a renewal of the company's normal course issuer bid (NCIB) for the repurchase of up to 10% of Suncor's public float as at February 3, 2023.

**ARC Resources Ltd.** announced that it repurchased 17 million shares during the fourth quarter of 2022. Since renewing its NCIB on August 30, 2022, ARC has repurchased 35 million common shares, representing 53% of its allotment under its current NCIB.

**Gear Energy Ltd.** announced that in 2022, it repurchased 3.6 million common shares at an average cost of \$1.45/share.

**MEG Energy Ltd.** announced that it repurchased for cancellation 20.7 million common shares, or approximately 7% of the company's outstanding shares at the end of 2021. MEG also announced that as its current NCIB will expire on March 9, 2023, MEG's board of directors approved the filing of a renewal application of MEG's existing NCIB with the TSX allowing it to buy back up to 10% of its public float.

**Baytex Energy Ltd.** announced that in 2022, it had repurchased 24.3 million common shares, representing 4.3% of our shares outstanding, at an average price of \$6.54/share. At the end of the month, the company announced that it had entered into a definitive agreement to acquire **Ranger Oil Corporation**, a pure play Eagle Ford company, for total consideration of USD \$2.5 billion (Cdn \$3.4 billion). Under the terms of the agreement, Ranger shareholders will receive 7.49 Baytex shares plus USD \$13.31 cash, for each Ranger common share, for total consideration of approximately USD \$44.36/share.

## Financings Announced in February 2023

During the month, only one company announced a closing of an equity financing.

**Blacksteel Energy Inc.** announced that it had issued 5,150,000 common shares at \$0.08/share for gross proceeds of \$412,000 and 1,700,000 flow-through shares at a price of \$0.09/share for gross proceeds of \$153,000. After completion of these financings, Blacksteel has 80,600,941 common shares issued and outstanding.

## Contact Us!

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

**Contact us Today!** We can be reached at [Ryan.FY@ehenergyadvisors.com](mailto:Ryan.FY@ehenergyadvisors.com) or [www.ehenergyadvisors.com](http://www.ehenergyadvisors.com).

Thank you,

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