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Earth Horse Energy Advisors' Monthly Market Overview August 2022

During August 2022, 20 of the 48 publicly traded TSX E&P companies had their share price climb while the remaining 28 companies declined month-over-month. Most the movements both up and down were fairly modest aside from one company that had a noteworthy increase. Overall, the average movement was a 0.15% decrease in August 2022 while the median change was a 1.36% fall.

During August, there continued to be volatility in the prices of oil, liquids and natural gas. The price of WTI and Edmonton Par were down 9.65% and 10.07% respectively while WCS was down 10.33% and C5+ dropped 8.63%. As was the case in July, there continued to be 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. Physical market fundamentals however point to a very tight market due to low supply, unless Iran is able to boost exports. In addition, there were contrasting demand views from the OPEC and IEA. OPEC cut its forecast for growth in world oil demand in 2022 by 260,000 bbl/d; it now expects demand to rise by 3.1 million bpd this year. The IEA on the other hand raised its forecast for demand growth by 380,000 barrels per day (bpd) to 2.1 million bpd, due to gas-to-oil switching in power generation as a result of soaring natural gas prices.

The prices of natural gas in the United States, Europe and Asia continued to spike higher while the price of AECO natural gas here at home was volatile and even plunged into negative territory as producers were finding it tough to export natural gas due to a lack of pipeline capacity; some Canadian producers shut in production. The headlines have focused on NYMEX and the natural gas prices globally. NYMEX breached \$10/MMBtu for the first time since 2008 and ended the month at \$9.15/MMBtu, up 10.77% month-over-month. Natural gas was substantially higher in Europe and Asia, hitting \$88/MMBtu and \$69/MMBtu in the respective regions as Russian state energy giant Gazprom said the country would halt natural gas supplies to Europe for three days at the end of the month via its main pipeline into the region. The ongoing outage at the Freeport liquefied natural gas (LNG) export plant in Texas, capped the price of NYMEX as utilities continue to inject into stockpiles for next winter. In contrast to global prices and south of the border, AECO fell 27.79% settling at \$3.04/MMBtu by the end of the month.

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

	WTI Oil (\$USD/bbl)	WCS (\$USD/bbl)	Cdn Light (\$USD/bbl)	C5+ (\$USD/bbl)	NYMEX (\$USD/MMBtu)	AECO (\$USD/MMBtu)	CDN\$/USD\$
August 2022 Average	\$91.48	\$71.83	\$89.28		\$8.78	\$4.08	0.7739
End of August 2022	\$88.80	\$69.60	\$84.65	\$85.00	\$9.15	\$3.04	0.7633
End of July 2022	\$98.28	\$77.62	\$94.13	\$93.03	\$8.26	\$4.21	0.7768
Month-over-Month Change	-9.65%	-10.33%	-10.07%	-8.63%	10.77%	-27.79%	-1.74%

Sources: GLJ, TradingView
DIFX.com

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

As previously mentioned, 20 of the 48 E&P companies (with domestic assets) on the TSX had positive movements in their share price in August. The top performer in August was **Questerre Energy Corporation** which was up 52.38%, increasing from \$0.21/share to \$0.32/share. Much of the movement was on the back prospects of an LNG terminal being expedited on the East Coast to provide natural gas to Germany and other European Union nations following restricted flows from Russia. Questerre stated that its "proven discovery is less than ten kilometres from an LNG export project with permits at Becancour and tidewater access to Europe. As the producer of the natural gas, we can deliver to the export facility directly, eliminating the risks of securing sufficient and reliable supply to meet long-term supply contracts. The business case is established for our Company which previously made a final investment decision supported by independent reports to proceed with the production of natural gas" following Trudeau's assertion that the business case for LNG is hindered by the distance of natural gas fields in Western Canada to export locations.

Birchcliff Energy Ltd. was the second-best performer in August, increasing 17.58%, to \$11.57/share. Birchcliff climbed during much of July and August before hitting some technical resistance near \$12.40/share. Keep an eye on this stock as it looks like it is setting up for some nice gains in the coming months.

The third best performer in August was **Crew Energy Inc.** which increased 16.07%, ending the month at \$6.50/share. During the month, Crew announced that it has sold some non-core assets at Attachie and Portage in NE BC to **Pacific Canbriam Energy Inc.** for \$130.0 million with the proceeds being used to redeem \$128.0 million principal amount of the Company's 6.5% senior unsecured notes due 2024, of which an aggregate principal amount of \$300 million is currently outstanding.

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

Company	TSX Ticker	August 2022 % Change	End of August 2022	End of July 2022
Questerre Energy Corporation	QEC	52.38%	\$0.32	\$0.21
Birchcliff Energy Ltd.	BIR	17.58%	\$11.57	\$9.84
Crew Energy Inc.	CR	16.07%	\$6.50	\$5.60
Pipestone Energy Corp.	PIPE	13.75%	\$4.88	\$4.29
Enerplus Corporation	ERF	13.26%	\$20.24	\$17.87
InPlay Oil Corp.	IPO	11.64%	\$3.74	\$3.35
Obsidian Energy Ltd.	OBE	8.24%	\$11.82	\$10.92
Athabasca Oil Corporation	ATH	7.02%	\$2.59	\$2.42
Ovintiv Inc.	OVV	6.89%	\$69.80	\$65.30
Pieridae Energy Limited	PEA	6.78%	\$1.26	\$1.18
Vermilion Energy Inc.	VET	5.95%	\$35.08	\$33.11
Imperial Oil Limited	IMO	5.04%	\$64.46	\$61.37
Journey Energy Inc.	JOY	4.42%	\$5.91	\$5.66
MEG Energy Corp.	MEG	4.14%	\$18.36	\$17.63
Pine Cliff Energy Ltd.	PNE	2.72%	\$1.89	\$1.84
Prairie Provident Resources Inc.	PPR	2.04%	\$0.25	\$0.25
Advantage Energy Ltd.	AAV	1.91%	\$11.22	\$11.01
Canadian Natural Resources Limited	CNQ	1.82%	\$72.00	\$70.71
Cenovus Energy Inc.	CVE	0.98%	\$24.64	\$24.40
ARC Resources Ltd.	ARX	0.95%	\$18.13	\$17.96
Spartan Delta Corp.	SDE	-0.45%	\$13.25	\$13.31
Surge Energy Inc.	SGY	-0.79%	\$10.08	\$10.16
Baytex Energy Corp.	BTE	-1.02%	\$6.81	\$6.88
Freehold Royalties Ltd.	FRU	-1.24%	\$14.34	\$14.52
Crescent Point Energy Corp.	CPG	-1.48%	\$9.98	\$10.13
Kiwetinohk Energy Corp.	KEC	-1.57%	\$15.67	\$15.92
Suncor Energy Inc.	SU	-2.23%	\$42.49	\$43.46
Whitecap Resources Inc.	WCP	-2.25%	\$9.57	\$9.79
Tourmaline Oil Corp.	TOU	-3.22%	\$77.65	\$80.23
Headwater Exploration Inc.	HWX	-3.54%	\$5.99	\$6.21
PrairieSky Royalty Ltd.	PSK	-4.74%	\$17.90	\$18.79
Tenaz Energy Corp.	TNZ	-4.81%	\$1.98	\$2.08
Yangarra Resources Ltd.	YGR	-5.05%	\$2.82	\$2.97
NuVista Energy Ltd.	NVA	-5.18%	\$10.80	\$11.39
Tamarack Valley Energy Ltd.	TVE	-5.84%	\$4.19	\$4.45
Paramount Resources Ltd.	POU	-5.88%	\$29.94	\$31.81
Topaz Energy Corp.	TPZ	-7.76%	\$20.68	\$22.42
Petrus Resources Ltd.	PRQ	-7.98%	\$1.96	\$2.13
Kelt Exploration Ltd.	KEL	-8.58%	\$6.29	\$6.88
Bonterra Energy Corp.	BNE	-8.81%	\$8.80	\$9.65
Gear Energy Ltd.	GXE	-8.82%	\$1.24	\$1.36
Cardinal Energy Ltd.	CJ	-10.11%	\$8.36	\$9.30
i3 Energy plc	ITE	-10.99%	\$0.41	\$0.46
TransGlobe Energy Corporation	TGL	-11.74%	\$4.36	\$4.94
Peyto Exploration & Development Corp.	PEY	-14.93%	\$12.25	\$14.40
Rubellite Energy Inc.	RBV	-17.14%	\$2.90	\$3.50
Perpetual Energy Inc.	PMT	-17.32%	\$1.05	\$1.27
International Petroleum Corporation	IPCO	-17.38%	\$12.93	\$15.65
Average Increase/Decrease		-0.15%		
Median Increase/Decrease		-1.36%		
Number of Companies with Share Price Increases		20		
Number of Companies Flat Month Over Month		0		
Number of Companies with Share Price Declines		28		
Largest Share Price Increase		52.38%		
Largest Share Price Decline		-17.38%		

The three worst performing stocks in August 2022 were International Petroleum Corporation, Perpetual Energy Inc. and Rubellite Energy Inc. IPC dropped 17.38%, Perpetual fell 17.32% while Rubellite declined 17.14%.

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

As outlined below, during August 2022, eight TSX-Venture listed E&P companies with operations focused mainly in Canada had an increase in their share price, six were flat and the remaining seven companies had a decline in their share price.

Of the companies that had their share prices rise, increases ranged from 4.94% to 25% with an average increase of 13.22%. **ROK Resources Inc.** had the largest increase, rising 25% from \$0.28/share to \$0.35/share. ROK's share price increased leading to its month end announcement of its second quarter 2022 financials. ROK had average production of 3,054 boe/d and an operating netback of \$65.99/boe during the quarter; ROK also announced that it decreased its net debt by 16.2% to \$38.4 million.

Tenth Avenue Petroleum Corp. was the second-best performer in August, rising from 21.05% from \$0.19/share to \$0.23/share. Tenth Avenue announced that it increased corporate production 63% quarter-over-quarter, increased its operating netback 116% to \$57.46/boe and exited the second quarter with a working capital surplus of \$1.6 million.

Rounding out the top three best performers in August was **Canadian Spirit Resources Inc.** which increased 16.67%, or \$0.02/share to \$0.14/share.

On a combined basis, the TSX-V E&P companies had an average increase of 2.92% during August 2022 while the median movement was flat at 0.00%. Of the top % gainers in July 2022, in August 2022, **Softrock Minerals Ltd.** was flat, **Altima Resources Ltd.** fell 16.67% and **Coelacanth Energy Inc.** slipped 6.41%.

Company	TSX-V Ticker	August 2022 % Change	End of August 2022	End of July 2022
ROK Resources Inc.	ROK	25.00%	\$0.35	\$0.28
Tenth Avenue Petroleum Corp.	TPC	21.05%	\$0.23	\$0.19
Canadian Spirit Resources Inc.	SPI	16.67%	\$0.14	\$0.12
Vital Energy Inc.	VUX	15.15%	\$0.38	\$0.33
Pulse Oil Corp.	PUL	10.00%	\$0.06	\$0.05
Saturn Oil & Gas Inc.	SOIL	7.76%	\$2.64	\$2.45
Pan Orient Energy Corp.	POE	5.22%	\$1.21	\$1.15
Source Rock Royalties Ltd.	SRR	4.94%	\$0.85	\$0.81
Cobra Venture Corporation	CBV	0.00%	\$0.17	\$0.17
Perisson Petroleum Corporation	POG	0.00%	\$0.04	\$0.04
Prospera Energy Inc.	PEI	0.00%	\$0.07	\$0.07
Samoth Oilfield Inc.	SCD	0.00%	\$0.05	\$0.05
Softrock Minerals Ltd.	SFT	0.00%	\$0.05	\$0.05
Wescan Energy Corp.	WCE	0.00%	\$0.26	\$0.26
Hemisphere Energy Corporation	HME	-1.88%	\$1.57	\$1.60
Razor Energy Corp.	RZE	-3.26%	\$2.08	\$2.15
Coelacanth Energy Inc.	CEI	-6.41%	\$0.73	\$0.78
PetroFrontier Corp.	PFC	-9.09%	\$0.10	\$0.11
Highwood Oil Company Ltd.	HAM	-10.00%	\$9.00	\$10.00
Altima Resources Ltd.	ARH	-16.67%	\$0.05	\$0.06
Petrolympic Ltd.	PCQ	-37.50%	\$0.05	\$0.08
Average Increase/Decrease		2.92%		
Median Increase/Decrease		0.00%		
Number of Companies with Share Price Increases		8		
Number of Companies Flat Month Over Month		6		
Number of Companies with Share Price Declines		7		
Max Share Price Increase		25.00%		
Greatest Share Price Decline		-16.67%		

Canadian E&P M&A Activity in August 2022

In August 2022, there were seven transactions announced in the Canadian oil & natural gas sector for total enterprise value of \$2.57 billion. There were two corporate transactions and five asset deals. One deal accounted for 89.4% of the month's total enterprise value.

The largest transaction that was announced in August was the \$2.3 billion purchase of **Serafina Energy Ltd.** by **Strathcona Resources Ltd.** Serafina had 40,000 boe/d of thermal heavy oil (10-12° API) production with assets located primarily in the Edam and Meota areas of southwestern Saskatchewan. The transaction was completed at an acquisition price of \$57,500/boe/d.

As previously mentioned, **Crew Energy Inc.** announced that it sold certain non-core assets at Attachie and Portage in NE BC to **Pacific Canbriam Energy Limited** for gross proceeds of \$130 million. The disposition includes approximately 47,025 net acres of Montney rights on land north of the Peace River with no associated production or facilities, total proved reserves of 4.7 MMboe, representing 2.3% of total corporate proved reserves, with associated future development capital of \$25.7 million, and 2P reserves of 34.2 MMboe, representing 8.5% of total corporate proved plus probable reserves, with associated future development capital of \$182.9 million. For Pacific Canbriam, the transaction increases its total Montney land holdings to 224,805 net acres and represents a 26% increase to its total acreage. The price paid for total proved reserves was \$27.66/boe while it was \$3.80/boe on a 2P basis.

Kiwetinohk Energy Corp. announced that it entered into an agreement to acquire an additional 28.5% average working interest in Kiwetinohk-operated Montney assets in the Placid area for total cash consideration of \$61.4 million. The acquisition includes 1,200 boe/d (45% liquids) of current Montney production and increases Kiwetinohk's Placid area natural gas processing and condensate handling capacity to 100 MMcf/d and 5,000 bbl/d respectively (an increase of 30 mmcf/d and 1,750 bbl/d). Through the transaction, Kiwetinohk will obtain an incremental 14.12% ownership in the 14-28 Bigstone sweet natural gas processing facility, bringing its total working interest to 39.31% resulting in total owned processing capacity at the Bigstone sweet natural gas processing facility increasing from 20 MMcf/d to 31 MMcf/d.

With the acquisition, Kiwetinohk increased its working interest to 100% in 53,000 Montney acres in the area where all of its new Montney drilling has occurred in the past two years. The acquisition consolidates Kiwetinohk's position in the Placid Montney area and increases its average working interest over 79,000 acres in the region to 88.2%.

The assets acquired have current production of 1,200 boe/d (45% liquids), estimated 2P reserves of 12.9 MMboe and an estimated operating netback of \$48.00/boe, resulting in acquisition prices of \$51,167/boe/d, \$4.76/boe on a 2P basis and 2.9 times NOI.

Paramount Resources Ltd. announced that it entered into a definitive agreement in July to acquire additional Duvernay lands and production directly offsetting its existing 150,000+ net acre position in the Willesden Green area of Alberta for \$68.5 million in cash prior to adjustments. The acquisition adds 1,700 boe/d (55% liquids), approximately 90,000 net acres of land and over 200 internally estimated drilling locations. Based on the \$68.5 million purchase price the assets were acquired for \$40,294/boe/d and 3.0x cash flow (as mentioned by Paramount in the press release).

Paramount also announced that in July it entered into a definitive agreement for the sale of certain non-core infrastructure assets for approximately \$63.0 million in cash prior to adjustments and that following closing, the company's annual operating expenses are expected to increase by approximately \$7.8 million (approximately \$0.20/Boe).

Pieridae Energy Limited announced that it executed a binding agreement to dispose of certain non-core assets located in the Ekwan and Sierra areas of NE BC for \$1.2 million in cash and either a 10% gross overriding royalty interest in certain lands included in the package or a \$6.5 million cash payment, at the option of the purchaser.

Spartan Delta Energy Ltd. announced that it closed the acquisition of **Bellatrix Exploration Ltd.** through a court supervised process under the Companies' Creditors Arrangement Act (the "CCAA") for a cash purchase price of \$6.0 million (the "Acquisition"). Pursuant to the Acquisition, Spartan acquired 1,000 new common shares issued by Bellatrix and all other existing equity securities of Bellatrix were cancelled for no consideration, resulting in Spartan holding 100% of the aggregate issued and outstanding equity securities of Bellatrix. Spartan previously acquired substantially all of Bellatrix's assets for total consideration of \$109.0 million in June 2020, which established the Company's core operating area in the Alberta Deep Basin. Following the Acquisition and reorganization under the CCAA, Bellatrix will not have any significant assets or liabilities remaining except for approximately \$600.0 million of non-capital loss tax pools estimated to be available for use by Spartan as of the closing date.

Board of Director & Executive Changes in August 2022

Vermilion Energy Inc. announced the appointment of Mr. Myron Stadnyk to its Board of Directors. Mr. Stadnyk brings over 35 years of business and industry knowledge, with extensive experience in senior leadership, cost management, operational effectiveness, governance, health, safety, and environment. He most recently served as the President and Chief Executive Officer of **ARC Resources Ltd.** Prior to ARC, Mr. Stadnyk worked at a major oil and gas company in both domestic and international operations. He currently serves as a member of the Board of Directors for **Crescent Point Energy Corp.**, **Prairie Sky Royalty Ltd.** and the **University of Saskatchewan Engineering Trust.** Mr. Stadnyk holds a Bachelor of Science in Mechanical Engineering from the University of Saskatchewan and is a graduate of the Harvard Business School Advanced Management Program. He is a member of the **Association of Professional Engineers and Geoscientists of Alberta** and served as a Governor for the **Canadian Association of Petroleum Producers** for over 10 years.

Pine Cliff Energy Ltd. announced the appointment of Mr. Calvin Jacober to its Board of Directors. Mr. Jacober was most recently the Vice Chair Canada for **PricewaterhouseCoopers LLP** (“PwC”) until his retirement earlier this year. Prior thereto, he was both the Managing Partner and the Assurance Leader for PwC’s Calgary office. Mr. Jacober has provided both US and Canadian GAAP expertise to Canadian public Audit Committees and Boards for over 30 years, including on public offerings and market transactions. Mr. Jacober has significant boardroom experience reporting to Audit Committees on audit strategy and risks, internal controls and other complex accounting issues. Mr. Jacober has a Bachelor of Business from the University of Alberta and is a Chartered Professional Accountant.

Peyto Exploration and Development Corp. announced the addition of Mr. Tavis Carlson, as Vice President of Finance, to the company’s management team. Mr. Carlson was previously the CFO, VP Finance and Corporate Secretary with **Altura Energy Inc.**

The Board of Directors of **Trans Mountain Corporation** announced the appointment of Mrs. Dawn Farrell to the position of President and Chief Executive Officer and member of the Board of Directors. The appointment was effective August 15, 2022. Mrs. Farrell brings over 35 years’ experience in the energy business, having held various senior level positions, including most recently President & CEO of **TransAlta Corporation.** She is currently the Chair of the Board for **The Chemours Company and Portland General Electric** and is currently the Chancellor for **Mount Royal University** and a member of the Trilateral Commission, a non-governmental, policy-oriented international forum, as well as community champion for Momentum.

NuVista Energy Ltd. announced that Mr. Ross Andreachuk, its VP Finance and CFO, has elected to retire effective Dec 31, 2022 after 16 years with the company. As a result, NuVista announced the promotion of its Controller, Mr. Ivan J. Condic, to the role of VP Finance and CFO, effective January 1, 2023; Mr. Condic has been NuVista’s Controller since 2014. Prior to NuVista, Ivan began his career as a staff accountant at KPMG and subsequently held a variety of roles including controller and CFO at smaller energy companies.

Miscellaneous News Announced in August 2022

Alberta Premier Jason Kenney made an announcement that based on first-quarter projections for the current fiscal year that the province is on track for a \$13.2-billion budget surplus due to high global oil and gas prices along with higher royalty payments from maturing oilsands projects. Finance Minister, Mr. Jason Nixon says the plan is to make a \$13.4-billion repayment on the provincial debt and add almost \$3 billion to the Heritage Savings Trust Fund. Kenney says the extra cash also allows the province to end a policy decision made in 2019 to de-index non-refundable income tax brackets and tax bracket thresholds.

During August, **Germany Chancellor Olaf Scholz** meet with **Prime Minister Trudeau** with hopes of securing natural gas supplies for Germany through agreements on LNG imports. Unfortunately, Trudeau stated there was a limited business case for the economic viability and speed of setting up new export terminals to export natural gas to Europe. Germany left with a signed agreement on hydrogen, and Canada signed agreements with German carmakers Volkswagen and Mercedes-Benz to intensify efforts to secure access to key battery materials like lithium, nickel and cobalt that are needed for electric vehicles. As expected, many people took exception to Trudeau’s comments, which included Mr. Mario Levesque, CEO of **Utica Resources**, who stated “The business case for Quebec gas is crystal clear. Quebec has enormous quantities of natural gas (about 20% of Canada’s total recoverable gas), enough to replace all Russian imports into Germany for 20 to 40 years. As Mr. Trudeau well knows, several buyers in Germany and elsewhere in Europe are looking at options to secure natural gas. The gas reserves in Quebec are located near deep water port installations, requiring little in the way of infrastructure investment. Additionally, these ports are much closer to Europe than the other potential major sources of gas for Germany such as Qatar or the US. There is no need for government subsidies for this opportunity. On the contrary, governments in Canada would make tens of billions in royalties and taxes.”

In the middle of August, a Michigan judge ruled in favour of **Enbridge Inc.** in its long-standing dispute with the state over the Line 5 cross-border pipeline citing that the dispute between Enbridge and the state of Michigan belongs in federal court. At the end of the month, the **Federal government** invoked a little-known 1977 energy treaty, the second time in a year, this time in Wisconsin where Line 5 skirts the shores of southwestern shores of Lake Superior before crossing into Michigan. Foreign Affairs Minister, Ms. Mélanie Joly says Canada was seeking treaty talks with the U.S. because of the importance of Line 5 to North America’s energy security. In both states, federal judges are hearing court cases aimed at getting the cross-border pipeline shut down. In addition, an Indigenous band in Wisconsin is arguing that Enbridge no longer has the right to operate on its territory; Canada “strongly” supports a proposal by Enbridge to reroute the pipeline around the Bad River Band reservation in northern Wisconsin.

FortisBC Holdings Inc. and **Musqueam Indian Band** announced the signing of an agreement, which will result in the parties sharing benefits associated with the Tilbury LNG Projects (“Projects”). The agreement will see Musqueam and FortisBC working in close collaboration as the Projects are developed, including the Tilbury Marine Jetty. A shared goal of this agreement is to develop a world-leading LNG facility that will result in beneficial outcomes for Musqueam and the region, while improving the overall quality of these Projects. In recent years, Musqueam and FortisBC have worked to develop a mutually beneficial relationship. The Tilbury LNG Projects Agreement is a direct result of this relationship. It includes options, subject to regulatory approvals and certain conditions precedent, for Musqueam to acquire equity ownership in the proposed Projects. This

includes the Tilbury LNG Storage Expansion Project and the Tilbury Marine Jetty Project. The equity options recognize the important relationship between FortisBC and Musqueam to be “true partners”.

Early in August, **Russia** announced that President Vladimir Putin signed a decree to ban investors from countries which supported sanctions on Russia from selling their assets in production sharing agreements (PSA), banks, strategic entities, companies producing energy equipment, as well as in other projects, from oil and natural gas production to coal and nickel until the end of the year, stepping up pressure in the sanctions stand-off with the West. Russia has retaliated to the sanctions by the West by placing obstacles on Western businesses and their allies from leaving Russia, and in some cases seized their assets.

ARC Resources Ltd. announced that the TSX accepted the notice filed by ARC to commence a normal course issuer bid (“NCIB”). The NCIB allows ARC to purchase up to 65,269,511 of its outstanding common shares, representing 10% of its public float, over a 12-month period, commencing September 1, 2022 and will expire no later than August 31, 2023. ARC previously purchased an aggregate of 72,236,753 Common Shares at a weighted average price of \$14.26 under a normal course issuer bid that ran between September 1, 2021 and August 31, 2022.

Enerplus Corporation announced acceptance by the TSX of its notice to commence a NCIB. Pursuant to the NCIB, Enerplus proposes to purchase up to 23,140,231 common shares, being 10% of the public float of Enerplus, over the next twelve months. Under its prior NCIB Enerplus repurchased an aggregate of 25,565,811 common shares at a weighted-average price of US\$11.14 per share. In addition, Enerplus announced that it has received Board approval to increase its quarterly dividend by 16% to US\$0.05/share or approximately CDN\$0.064/share. The CDN dollar equivalent dividend will be based upon the actual US/Canadian exchange rate applied on the payment date.

Pine Cliff Energy Ltd. announced that its Board of Directors approved the declaration and payment of a 20% increase in the monthly dividend to an amount of \$0.01 per common share payable August 31, 2022, to shareholders of record on August 15, 2022.

NuVista Energy Ltd. announced that during the second quarter of 2022 it repurchased and canceled 2.56 million shares, and subsequent to the quarter have now increased the total to 4.61 million shares at an aggregate cost of \$47.6 million. This represents a total of 2.0% of all shares outstanding, and satisfaction of 25% of the NCIB to date.

Vermilion Energy Inc. announced a 33% increase to its Q3 2022 quarterly cash dividend to \$0.08/share, or \$0.32/share on an annual basis. Vermilion plans to limit its annual cash dividend to approximately 10% of its mid-cycle FFO. In early July, Vermilion announced the approval of a NCIB and that it has repurchased 1.25 million common shares since that time for \$35 million.

Birchcliff Energy Ltd. announced that it continues to expect to reach zero total debt and be in a cash surplus position in Q4 2022, which takes into account the redemption of all of its issued and outstanding cumulative redeemable preferred shares, Series A and cumulative redeemable preferred shares, Series C on September 30, 2022 for an aggregate redemption price of approximately \$88.2 million. Birchcliff stated is able to take full advantage of the strong commodity prices because it has no fixed price commodity hedges in place and it does not currently intend to hedge any future production.

Cenovus Energy Inc. announced that it will tender offers to purchase for cash certain of its outstanding series of notes for an aggregate purchase price, excluding accrued and unpaid interest, of up to \$1.5 billion.

Financings Announced in August 2022

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

Prospera Energy Inc. raised \$1,478,573 through share and convertible debt private placements.

Altima Resources Ltd. closed its first tranche of its planned \$500,000 equity financing. The company closed the issuance of 6.1 million units at a price of \$0.05 per unit for gross proceeds of \$305,000. Each Unit consists of one common share and one share purchase warrant with each warrant entitling the holder to purchase one additional common share, exercisable for a period of one year from the date of issuance at a price of \$0.075/share on or before September 1, 2023. The proceeds of the first tranche will be used for development of Altima’s oil and natural gas operations and for general working capital.

Contact Us!

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

Now that Labour Day has passed, engage Earth Horse and/or WCSB to assist with an upcoming disposition, or as an advisor on the buy-side to compliment your team.

If you already have a transaction, we do fairness opinions and provide valuations to companies looking to do a financing, or just want to provide their shareholders with an idea of value in the current marketplace.

In addition, through our partnership with Gryphon Geo, we can offer full geological services.

Contact us Today! We can be reached at Ryan.FY@ehenergyadvisors.com or www.ehenergyadvisors.com.

Thank you,

Ryan Ferguson Young
President & Founder
Earth Horse Energy Advisors & WCSB Divestitures

www.ehenergyadvisors.com



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