



## Monthly Market Overview October 2023

During October, 25 of the 48 publicly traded TSX E&P companies (with assets focused predominately in Canada) rose in value, while one company (Questerre Energy Corporation) was flat and the remaining 22 companies fell month-over-month. Of those companies that had an increase in their share price, the rise ranged from 0.17% (**Baytex Energy Corp.**) to **Tenaz Energy Corp.**'s 14.17% climb. On a combined basis, the TSX E&P group had an average decrease of 0.59% and while it had a median increase of 0.21% in October.

As for the companies listed on the TSX Venture Exchange, six companies had an increase in their share price, two were flat and the remaining 14 companies experienced a drop. Overall, the group had average and median decreases of 1.73% and 5.82% respectively.

Oil prices were volatile in October, starting the month with its steepest weekly decline since March triggered by a U.S. bond market sell-off which sparked concerns of a global economic slowdown and worries about a sharp fall in fuel demand. The fall was followed by a rally from military conflicts between Israeli and Hamas (a Palestinian Islamist group) forces and tightening US sanctions on Russian crude exports, raising supply concerns in an already tight market. Prices then fell on expectations that the U.S. and Venezuela could reach a deal easing sanctions on Venezuelan crude exports, a jump in freight costs and the belief that the Israel-Hamas conflict would not threaten oil supplies in the short term. Throughout the month, WCS differentials widened due to a busy refinery maintenance season in the U.S. and Canada which impacted demand for Canadian heavy crude. During the month, the price of WTI oil fell 10% to USD \$81.99/bbl while the price of Edmonton Par and WCS fell to USD \$73.87/bbl and USD \$56.73/bbl respectively or declines of 15.37% and 19.67%.

NYMEX natural gas climbed 31.27% to USD \$3.59/MMBtu by the end of the month, a nine-month high on forecasts for colder weather, higher heating demand and on contract expiration volatility. AECO declined slightly, closing the month at CDN \$2.45/MMBtu, down 3.32%. AECO averaged \$2.62/MMBtu in October.

Below we illustrate the changes in commodities and in the Canadian dollar during October 2023; the Canadian dollar decreased 2.13% to 0.7208.

	WTI Oil (\$USD/bbl)	WCS (\$USD/bbl)	Cdn Light (\$USD/bbl)	NYMEX (\$USD/MMBtu)	AECO (\$CAD/MMBtu)	CDN\$/USD\$
<b>October 2023 Average</b>	\$85.25	\$62.08	\$80.52	\$2.70	\$2.62	0.7291
<b>End of October 2023</b>	\$81.99	\$56.73	\$73.87	\$3.59	\$2.45	0.7208
<b>End of September 2023</b>	\$91.10	\$70.62	\$87.29	\$3.00	\$2.54	0.7365
<b>Month-over-Month Change</b>	-10.00%	-19.67%	-15.37%	19.67%	-3.32%	-2.13%

Sources: Daily Oil Bulletin, TradingView, Oilprice.com

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

As previously mentioned, 25 of the 48 E&P companies (with domestic assets) on the TSX had an increase in their share price in October, while one company was flat and the remaining 22 companies fell month-over-month.

The top performer in October was **Tenaz Energy Corp.**, which increased 14.17% from \$3.81/share to \$4.35/share. Tenaz had steady increases during the month.

**International Petroleum Corporation** ("IPC") was the second-best performer in October, rising 12.06% to \$14.49/share. IPC fell early in the month but experienced strong moves to the upside thereafter. IPC announced its Q3 2023 results which highlighted that production would average near the high end of its guidance, that it closed a non-core divestiture for proceeds of USD \$17.0 million, it is renewing its normal course issuer bid and details of executive succession.

**Rubellite Energy Inc.** rounded out the top three performers, rising 11.97% to \$2.62/share. Rubellite announced it entered into a definitive purchase and sale agreement to acquire additional Clearwater assets and that it expanded its credit facility. Rubellite also announced that its conventional heavy oil production, based on field estimates for the first two weeks of October, was approximately 3,577 bbl/d, "driven by strong early time performance from new development wells in the Figure Lake area."

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

Company	TSX Ticker	October 2023 % Change	End of October 2023	End of September 2023
Tenaz Energy Corp.	TNZ	14.17%	\$4.35	\$3.81
International Petroleum Corporation	IPCO	12.06%	\$14.49	\$12.93
Rubellite Energy Inc.	RBY	11.97%	\$2.62	\$2.34
Spartan Delta Corp.	SDE	10.12%	\$4.46	\$4.05
Hammerhead Resources Ltd.	HHRS	9.75%	\$17.89	\$16.30
Kelt Exploration Ltd.	KEL	8.69%	\$7.88	\$7.25
Advantage Energy Ltd.	AAV	8.63%	\$10.07	\$9.27
Tamarack Valley Energy Ltd.	TVE	7.44%	\$4.19	\$3.90
Tourmaline Oil Corp.	TOU	7.29%	\$73.33	\$68.35
Pine Cliff Energy Ltd.	PNE	6.94%	\$1.54	\$1.44
Peyto Exploration & Development Corp.	PEY	6.65%	\$14.60	\$13.69
Crew Energy Inc.	CR	6.17%	\$6.19	\$5.83
Obsidian Energy Ltd.	OBE	5.46%	\$11.79	\$11.18
Headwater Exploration Inc.	HWX	4.19%	\$7.46	\$7.16
MEG Energy Corp.	MEG	3.67%	\$27.40	\$26.43
NuVista Energy Ltd.	NVA	3.46%	\$13.45	\$13.00
Paramount Resources Ltd.	POU	3.35%	\$33.33	\$32.25
Ovintiv Inc.	OVV	3.08%	\$66.58	\$64.59
ARC Resources Ltd.	ARX	2.91%	\$22.31	\$21.68
Surge Energy Inc.	SGY	2.81%	\$9.52	\$9.26
Kiwetinohk Energy Corp.	KEC	1.46%	\$13.20	\$13.01
Vermilion Energy Inc.	VET	0.70%	\$20.01	\$19.87
Cardinal Energy Ltd.	CJ	0.27%	\$7.42	\$7.40
Canadian Natural Resources Limited	CNQ	0.25%	\$88.06	\$87.84
Baytex Energy Corp.	BTE	0.17%	\$6.00	\$5.99
Questerre Energy Corporation	QEC	0.00%	\$0.21	\$0.21
Birchcliff Energy Ltd.	BIR	-1.03%	\$7.66	\$7.74
Topaz Energy Corp.	TPZ	-1.07%	\$21.20	\$21.43
Crescent Point Energy Corp.	CPG	-1.24%	\$11.12	\$11.26
PrairieSky Royalty Ltd.	PSK	-2.44%	\$24.35	\$24.96
Freehold Royalties Ltd.	FRU	-2.86%	\$14.28	\$14.70
Suncor Energy Inc.	SU	-3.85%	\$44.91	\$46.71
Yangarra Resources Ltd.	YGR	-4.42%	\$1.73	\$1.81
Athabasca Oil Corporation	ATH	-5.29%	\$4.12	\$4.35
Imperial Oil Limited	IMO	-5.53%	\$79.03	\$83.66
Cenovus Energy Inc.	CVE	-6.58%	\$26.42	\$28.28
Whitecap Resources Inc.	WCP	-6.63%	\$10.71	\$11.47
Gear Energy Ltd.	GXE	-6.82%	\$0.82	\$0.88
InPlay Oil Corp.	IPO	-7.22%	\$2.57	\$2.77
Bonterra Energy Corp.	BNE	-8.17%	\$6.86	\$7.47
Journey Energy Inc.	JOY	-8.46%	\$4.98	\$5.44
Strathcona Resources Ltd.	SCR	-9.01%	\$27.16	\$29.85
Pieridae Energy Limited	PEA	-10.17%	\$0.53	\$0.59
Prairie Provident Resources Inc.	PPR	-13.64%	\$0.10	\$0.11
Saturn Oil & Gas Inc.	SOIL	-14.34%	\$2.45	\$2.86
Perpetual Energy Inc.	PMT	-15.38%	\$0.55	\$0.65
i3 Energy plc	ITE	-16.33%	\$0.21	\$0.25
Petrus Resources Ltd.	PRQ	-19.58%	\$1.15	\$1.43
Average Increase/Decrease		-0.59%		
Median Increase/Decrease		0.21%		
Number of Companies with Share Price Increases		25		
Number of Companies Flat Month Over Month		1		
Number of Companies with Share Price Declines		22		
Largest Share Price Increase		14.17%		
Largest Share Price Decline		-19.58%		

The three worst-performing stocks in October 2023 were **Petrus Resources Ltd.**, **i3 Energy plc** and **Perpetual Energy Inc.** Petrus dropped 19.58% in October, i3 declined 16.33% and Perpetual fell 15.38%.

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

As previously mentioned, and outlined below, during October 2023, six TSX-Venture listed E&P companies (with operations focused mainly in Canada) had an increase in their share price, two were flat and the remaining 14 companies experienced a drop.

**Petrolymic Ltd.** had the largest increase, rising 66.67% to \$0.05/share from \$0.03/share. During the month, 754,000 shares were traded with the majority of the shares being traded after Petrolymic, announced exploration results on its Rayon d'Or and Vauquelin gold and base metals property in Val- d'Or, Québec. While Petrolymic has some minor oil & natural gas assets, the majority of its value is derived from other operations.

**PetroFrontier Corp.** had the second largest increase in October, rising 33.33% from \$0.06/share to \$0.08/share. There were only 175,000 shares traded in October with value of approximately \$12,000.

**Canadian Spirit Resources Inc.** rounded out the top three best performers in October, increasing 16.67%, notching a \$0.01/share rise to \$0.07/share. There were only 152,000 shares traded in Canadian Spirit in October with a value of approximately \$10,600.

Recall that in September, each of PetroFrontier and Canadian Spirit fell 14.29%.

On a combined basis, the TSX-V E&P companies fell an average 1.73% and 5.82% on a median basis month-over-month. The biggest decliners were **Altima Resources Ltd.**, **Criterion Energy Ltd.** and **Prospera Energy Ltd.** Altima fell 33.33%, while Criterion dropped 20% and Prospera declined 16.67%.

Company	TSX-V Ticker	October 2023 % Change	End of October 2023	End of September 2023
Petrolympic Ltd.	PCQ	66.67%	\$0.05	\$0.03
PetroFrontier Corp.	PFC	33.33%	\$0.08	\$0.06
Canadian Spirit Resources Inc.	SPI	16.67%	\$0.07	\$0.06
Resolute Resources	RRL	12.31%	\$0.37	\$0.33
Hemisphere Energy Corporation	HME	1.54%	\$1.32	\$1.30
Source Rock Royalties Ltd.	SRR	1.22%	\$0.83	\$0.82
Pulse Oil Corp.	PUL	0.00%	\$0.04	\$0.04
Tuktu Resources Ltd.	TUK	0.00%	\$0.07	\$0.07
Logan Energy Corp.	LGN	-0.99%	\$1.00	\$1.01
Lycos Energy Inc.	LCX	-2.57%	\$3.79	\$3.89
Highwood Oil Company Ltd.	HAM	-5.76%	\$5.40	\$5.73
Cobra Venture Corporation	CBV	-5.88%	\$0.16	\$0.17
ROK Resources Inc.	ROK	-7.14%	\$0.39	\$0.42
Coelacanth Energy Inc.	CEI	-8.89%	\$0.82	\$0.90
Wescan Energy Corp.	WCE	-10.00%	\$0.09	\$0.10
Tenth Avenue Petroleum Corp.	TPC	-13.33%	\$0.13	\$0.15
Razor Energy Corp.	RZE	-14.52%	\$0.53	\$0.62
Cypress Hills Resource Corp.	CHY	-15.38%	\$0.06	\$0.07
Vital Energy Inc.	VUX	-15.38%	\$0.22	\$0.26
Prospera Energy Inc.	PEI	-16.67%	\$0.10	\$0.12
Criterion Energy Ltd.	CEQ	-20.00%	\$0.08	\$0.10
Altima Resources Ltd.	ARH	-33.33%	\$0.02	\$0.03
Average Increase/Decrease		-1.73%		
Median Increase/Decrease		-5.82%		
Number of Companies with Share Price Increases		6		
Number of Companies Flat Month Over Month		2		
Number of Companies with Share Price Declines		14		
Max Share Price Increase		66.67%		
Greatest Share Price Decline		-33.33%		

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

In October 2023, the M&A marketplace was active in the Canadian oil & natural gas sector.

**ConocoPhillips** announced that it completed the purchase of the remaining 50% interest in Surmont from **TotalEnergies EP Canada Ltd.** for approximately \$3.7 billion after closing adjustments, as well as future contingent payments of up to approximately \$400.0 million for a period of five years representing \$2.7 million for every dollar that WCS pricing exceeds \$52.00/bbl during the month, subject to certain production targets being achieved.

Following the close of the ConocoPhillips acquisition, **Suncor Energy Inc.** announced that it has agreed to purchase **TotalEnergies EP Canada Ltd.**, which holds a 31.23% working interest in the Fort Hills oil sands mining project for \$1.468 billion. The acquisition adds 61,000 barrels per day of net bitumen production capacity and 675 million barrels of proved and probable reserves to Suncor's existing oil sands portfolio. Regulatory approvals have been received and, subject to closing, the transaction will have an effective date of April 1, 2023. Upon closing of the transaction, Suncor will own 100% of Fort Hills.

**Tourmaline Oil Corp.** announced that it has entered into a definitive share purchase agreement to acquire all of the shares of **Bonavista Energy Corporation** for \$1.45 billion, consisting of \$725.0 million in Tourmaline common shares and \$725.0 million of cash, less Bonavista's net debt at closing. The Bonavista assets are a natural extension of Tourmaline's existing operations in the Deep Basin and have production of 60,000 boe/d, estimated net operating income of \$450.0 million, 459.0 MMboe of 2P reserves, 839 gross (656.7 net) horizontal drilling locations and 1.2 net acres of land. Following the closing of the acquisition, Tourmaline expects to exit 2023 with production of over 600,000 boe/d. Based on the \$1.45 billion purchase price, the metrics of the transaction were \$24,167/boe/d, 3.2X estimated 2024 NOI and \$3.15/boe for the 2P reserves.

**Tamarack Valley Energy Ltd.** announced it entered into an agreement to sell its non-core west central Alberta assets for \$123.0 million. The assets have production of approximately 7,000 boe/d (40% liquids) which is mainly from the Cardium and Leduc formations. The price paid per flowing barrel was \$17,571/boe/d. Tamarack Valley stated that the transaction was completed at a multiple of 2.5X the estimated operating netback over the next 12 months based on current strip pricing.

**Pine Cliff Energy Ltd.** announced that it entered into a definitive agreement to acquire all of the issued and outstanding shares of privately held **Certus Oil & Gas Inc.** for \$100.0 million in cash. Certus' assets are focused in Pine Cliff's core area of Caroline and have production of approximately 5,300 boe/d (49% liquids) with estimated net operating income of \$38.4 million in 2024. Pine Cliff has identified 31 gross (15.4 net) deep basin liquids-rich natural gas and oil development locations on Certus' land. The transaction increases Pine Cliff's liquids weighting and is accretive to its net operating income. The transaction will be funded with Pine Cliff's current cash on hand and a new secured debt facility. The metrics of the transaction are \$18,868/boe/d and 2.6X forecasted NOI.

**Perpetual Energy Inc.** announced that it entered into a definitive agreement with **Pointbreak Resources Inc.** to sell certain assets at Mannville in eastern Alberta for gross proceeds of \$35.8 million. The assets have production of 1,449 boe/d (65% conventional heavy oil) resulting in the transaction being completed at \$24,707/boe/d.

**Rubellite Energy Inc.** announced that it entered into an agreement to acquire additional Clearwater assets within its Figure Lake and Edwaud areas and undeveloped land in the Nixon area of northeast Alberta for \$34.0 million. The acquisition includes approximately 800 bbl/d of conventional heavy oil production, along with 215 net sections of land on the Southern Clearwater play trend. Rubellite has identified 49 gross drilling locations on the lands. Based on the \$34.0 million purchase price, the price paid for production was \$42,500 boe/d. Certain wells held by **Clear North Energy Corp.** are in the process of being transferred to Rubellite.

**Cardinal Energy Ltd.** announced it has completed an asset acquisition, consolidating working interests in an existing, operated, long-life light oil unit at Mitsue, Alberta with 400 boe/d of production and approximately 500 bbl/d of Clearwater heavy oil production in the Buffalo-Figure Lake area of Alberta for \$25.0 million. Cardinal estimates that the properties have remaining PDP reserves of 2.0 MMboe and has identified up to 25 associated development drilling locations on the lands. The combined metrics of the transaction is \$27,778/boe/d. In addition, Cardinal announced that it entered into agreements to divest non-core Alberta assets with higher future asset retirement obligations and approximately 400 boe/d of production.

**Prairie Provident Resources Inc.** announced that it entered into a definitive agreement with a private oil and gas company to sell its assets in the Evi area of northern Alberta for \$27.0 million and stated that assets had deemed abandonment liabilities of approximately \$48.1 million gross (\$43.5 million net). The Evi assets had production of 874 boe/d during the third quarter of 2023, resulting in a price paid for production of \$30,892/boe/d. Prairie Provident stated that the purchase price (before adjustments) represents a prior twelve-month operating net income multiple of 3.5x. Prairie Provident has a pending application for the transfer of wells to **Vantage Point Resources Inc.** at Evi.

Concurrently, Prairie Provident announced it entered into another agreement to sell certain non-core assets located in the Provost area of central Alberta for a base purchase price of \$1.8 million payable in cash, with potential future payments of up to \$720,000 in aggregate based on the price of oil and production from the Provost assets during the 24-month period following closing. The Provost area has production of 70 boe/d; the price paid per flowing barrel is \$25,714/boe/d. Prairie Provident has a pending application for the transfer of wells to **White Tundra Petroleum** at Provost.

**Topaz Energy Corp.** announced that it entered into definitive agreements for the acquisition of infrastructure and royalty assets in the Clearwater area for \$26.3 million. The acquisition includes a new 7% gross overriding royalty and supporting capital commitment, on approximately 20,000 gross acres in the West Nipisi area and a 99% working interest in a planned natural gas gathering system that is supported by a long-term fixed take-or-pay and cumulative volume commitment. The Clearwater Natural Gas Gathering Infrastructure is anticipated to generate \$3.7 million in infrastructure processing revenue for Topaz in 2025 and Topaz expects to generate incremental royalty production revenue from the new Clearwater royalty lands.

As previously mentioned, **International Petroleum Corporation** announced that it sold certain non-core properties in the John Lake and Fishing Lake areas of Alberta for approximately \$23.3 million (USD \$17.0 million). The assets have production of approximately 365 barrels of oil per day and 2P reserves of approximately 0.6 MMboe. The John Lake divestiture closed in Q3 2023 and the Fishing Lake deal closed in early October 2023. Based on the estimated purchase price of \$23.3 million, the metrics of the transaction were \$63,835/boe/d and \$38.83/boe for the 2P reserves.

**Tuktu Resources Ltd.** announced that it entered into an agreement to purchase certain oil assets with production of 165 bbl/d, PDP reserves of 0.31 MMbbl and 2P reserves of 2.1 MMbbl located in southern Alberta. Tuktu has identified at least 30 gross unrisks drilling locations on the lands. The initial purchase price was \$3.0 million, however, there was a nine-month adjustment period resulting in a net purchase price of \$1.5 million.

Concurrent with the execution of the PSA, Tuktu entered into a best-efforts brokered private placement for gross proceeds of \$2.5 million, raising units at \$0.06/unit. Each Unit will consist of one common share and one warrant with each warrant exercisable into one common share at \$0.0975 for a period of 36 months from closing. Tuktu also entered into a non-binding term sheet with a lender to establish a \$1.5 million credit facility.

## **Trimble Energy Group Divestiture Offerings in the Market**



### **Acquisition Opportunity**

**Bid Deadline: December 13, 2023 @ 4:00 pm MST**

Trimble Energy Group (“TEG”) has been engaged by an Oilfield Services Company (the “Company”) as its exclusive financial advisor and agent to assist with the sale of the shares of the Company or the sale of its assets (the “Opportunity”).

### **Opportunity Overview**

- Service Rigs Currently Used in Heavy Oil Operations
  - Contracts in Place with Reputable E&P Clients
    - Opportunity for Continued Growth
- Steadily Increasing EBITDA (~\$900,000+ Annualized)
  - Estimated Profit Margins of ~27%
  - Service Rig Utilization is Nearly 100%
    - Excellent Safety Record
- Highly Skilled Crews with High Employee Retention
  - Recent Equipment Appraisal
- Positive Working Capital with Minimal Debt Outstanding
- Current President Willing to Assist with the Transition

**If you have any questions and/or would like to execute a CA, please contact Ryan Ferguson Young, Executive Vice President of TEG at [Ryan@trimbleenergygroup.com](mailto:Ryan@trimbleenergygroup.com) or (403) 615-2975.**

## **Recently Completed Divestitures by Trimble/Earth Horse Energy Advisors**



### **Corporate Divestiture**



## Board of Director & Executive Changes in October 2023

**Birchcliff Energy Ltd.** announced that, as part of its orderly and planned leadership succession process, Mr. Jeff Tonken will retire as CEO effective December 31, 2023 and Mr. Chris Carlsen, currently the President and COO of Birchcliff will become Birchcliff's new President and CEO. Mr. Tonken will remain as the Chairman of the board of directors.

In addition to Mr. Tonken's retirement, both Mr. Myles Bosman, Executive Vice President, Exploration, and Mr. David Humphreys, Executive Vice President, Operations, have chosen to retire effective December 31, 2023 but remain as executive advisors to Birchcliff to assist with a transition. Mr. Theo van der Werken, currently Vice President, Engineering of Birchcliff, has been appointed as COO to replace Mr. Carlsen. Mr. van der Werken has been with Birchcliff since 2011 and has served as Vice President, Engineering since January 2022, and prior to that position was Asset Manager for Birchcliff's Pouce Coupe assets. Mr. Duane Thompson, currently Production Manager, has been appointed as Vice President, Operations effective January 1, 2024. Mr. Thompson has served as Birchcliff's Production Manager since May 2017.

In addition, Birchcliff announced that Mr. Cameron Proctor has been appointed to its board of directors. Mr. Proctor is an executive and lawyer with over 20 years of experience in the energy industry. Mr. Proctor was most recently the COO and Corporate Secretary of **PrairieSky Royalty Ltd.** Prior to joining PrairieSky in 2014, Mr. Proctor was the Executive Vice President and Chief Legal Officer and a member of the board of directors of **Sinopec Canada** and its predecessor **Daylight Energy Ltd.** Prior thereto, Mr. Proctor was a barrister and solicitor at **Blake, Cassels & Graydon LLP**, specializing in corporate, securities and mergers and acquisitions law. Mr. Proctor holds a Bachelor of Arts from the University of Victoria and a Bachelor of Laws from the **University of Calgary**.

**Greenfire Resources Ltd.** announced that Mr. Tony Kraljic has been appointed CFO of the company. Most recently, Mr. Kraljic served as the CFO of **WesternZagros Resources Ltd.**, an international petroleum exploration and production company with interests in the Kurdistan Region of Iraq. Prior thereto, he held a variety of increasingly senior finance and planning positions with **Shell Canada**, **Western Oil Sands** and **Marathon Oil Canada**. Mr. Kraljic has a Bachelor of Commerce degree from the University of British Columbia and is a Chartered Professional Accountant. As previously disclosed by the company, following the completion of the business combination with **M3-Brigade Acquisition III Corp.**, which resulted in Greenfire becoming a public company listed on the New York Stock Exchange, Mr. David Phung resigned as CFO of Greenfire. Mr. Phung served as the CFO of Greenfire (and certain predecessors) since December 2020. Mr. Phung also served on the board of directors of **Greenfire Resources Inc.**

**International Petroleum Corporation** announced that Mr. Mike Nicholson will retire at the end of 2023 and that Mr. William Lundin, currently COO, will assume the role of President and CEO starting January 1, 2024. Mr. Nicholson will continue to be a director of IPC and Mr. Lundin will join an increased board size (increased to 7 people) as a new board member. Through the succession, Nicki Duncan, IPC's Group Operations Lead, will assume the role of COO.

**MEG Energy Corp.** announced that Mr. Ian D. Bruce, Board Chair, passed away unexpectedly on Sunday, October 15, 2023. Mr. Bruce was elected to the MEG Board in 2019 and served as Board Chair since 2020.

**Peyto Exploration & Development Corp.** announced the appointment of Ms. Nicki Stevens to its Board of Directors. Ms. Stevens is the Senior Vice President of Production, Marketing and ESG for **Hammerhead Energy Inc.** Ms. Stevens holds a Bachelor of Science in Mechanical Engineering from the **University of Alberta** and serves on the Board of Governors for the **Explorers and Producers Association of Canada**.

**PrairieSky Royalty Ltd.** announced there will be a number of changes to its board of directors at its next Annual General Meeting of Shareholders which is scheduled to be held on April 23, 2024. It was announced that Mr. James Estey, Chair of the Board, plans to retire as a member of the board of directors and that the board of directors of PrairieSky intends to appoint Ms. Margaret McKenzie as Board Chair following the 2024 AGM. In addition, it was announced that Mr. Grant Zawalsky will not stand for re-election as a director and that Ms. Anna Alderson has been appointed to the Board of Directors effective October 23, 2023, and will serve as a member of the audit committee of the Board of Directors.

In addition to changes to the board of directors, PrairieSky announced the appointment of Mr. Dan Bertram as Vice-President, Business Development & Chief Commercial Officer effective October 10, 2023. Mr. Bertram was most recently Senior Vice President and Chief Strategy Officer at **Superior Plus Corp.** From 2019 to 2023, Mr. Bertram was the Vice President, Business Development at **Certarus Ltd.** and prior to was Vice President, Business Development at **Alaris Royalty Corp.** and Investment Analysis at **Deans Knight Capital Management**. Mr. Bertram graduated in finance from **Boston College** and holds a CFA designation.

**Resolute Resources Ltd.** announced that Mr. Alexander Lindsay, Resolute's COO replaced Mr. Bradley Parkes as CEO of the company and that Mr. Parkes also resigned as Chairperson and director of the company. Mr. Chris Wolfenberg was named Chairperson of Resolute's board of directors following Mr. Parkes' departure.

## Miscellaneous News Announced in October 2023

It was announced that the **Coastal GasLink** pipeline which runs from Dawson Creek, B.C. to Kitimat, B.C., a 670 km route which took five years to construct, and 10 years of planning has been installed. TC Energy stated that "mechanical completion of the pipeline, which involves final documentation, engineering analysis and testing, will be done before the end of the year". As most people are aware, the pipeline will transport natural gas from western Canada to the Shell-led LNG Canada processing and export facility currently being built in Kitimat, providing new Asian markets for domestic natural gas exploration and production companies. It is anticipated that the first shipments will occur mid-decade.

**Keyera Corp.** announced that it recently completed the **KAPS** pipeline. KAPS is operated by Keyera and 50% owned by **Stonepeak Partners and Stonepeak Infrastructure Partners**. The pipeline will transport 350,000 barrels per day of NGLs and condensate from the liquids rich Montney and Duvernay basins to Keyera's liquids processing and storage hub in Alberta's Industrial Heartland, located in Fort Saskatchewan.

The **Liberal government** announced that it was exempting heating oil from the **carbon tax** for three years to offset the high price of the fuel, a move that largely benefits Atlantic Canada. Prime Minister Justin Trudeau stated, “it was so much more expensive and polluting than other types of fuel and disproportionately used by lower-income households”, however, many sources believe it is politically motivated to gain support from the region. The premiers of both Alberta and Saskatchewan hit back stating that all home heating sources, including natural gas, should be exempt and that the move further divides the country. Ontario Premier Doug Ford urged the government to eliminate carbon pricing altogether. Saskatchewan Premier Scott Moe vowed to stop collecting the federal carbon tax on homes heated with natural gas from 2024 if Ottawa does not expand the exemption. Federal Natural Resources Minister Jonathan Wilkinson said the government expects Moe “to comply with the laws of the land” and it was a requirement that the carbon tax be collected. Trudeau ruled out any further carve-outs from the federal carbon tax scheme.

Earlier in the month, the **Supreme Court of Canada** ruled 5-2 that the **Impact Assessment Act** (IAA), formerly known as Bill C-69, and a federal law assessing how major infrastructure projects like pipelines impact the environment is largely unconstitutional as the act “intrudes more than incidentally into the provinces’ constitutional sphere.” The Canadian government released interim guidance on the law. It was stated that the Impact Assessment Agency of Canada (IAAC) will now look at all 23 projects currently under assessment and give an opinion on whether they impact areas of federal jurisdiction. Alberta’s Court of Appeal ruled the act was unconstitutional last year, in a case brought by former premier Jason Kenney’s government. The federal government then challenged that decision in the Supreme Court.

Reversing the recent decision to suspend the purchase of crude for its **Strategic Petroleum Reserves**, President Joe Biden’s administration announced that it hopes to buy 6.0 million barrels of crude oil for delivery in December and January at USD \$79/bbl or less. That is an increase from its earlier preferred range of USD \$68 -\$72/bbl.

An Alaska state agency sued the Biden administration over its decision to cancel oil and gas leases in the state’s North Slope. The lawsuit challenges the **U.S. Interior Department’s** Sept. 6 decision to cancel seven oil and gas leases. The **Alaska Industrial Development and Export Authority**, which held the leases before they were canceled, is asking the U.S. District Court for the District of Columbia to restore them, arguing the federal government’s decision violates a clear Congressional mandate in a 2017 tax bill to open up the Arctic to drilling.

**Imperial Oil Limited** announced its intention to launch a substantial issuer bid pursuant to which the company will offer to purchase for cancellation up to \$1.5 billion of its common shares. The substantial issuer bid will be made through a modified Dutch auction, with a tender price range of \$78.50-\$94.00/share. **Exxon Mobil Corporation** has advised Imperial that it intends to make a proportionate tender in connection with the offer in order to maintain its proportionate share ownership at approximately 69.6% following completion of the offer.

**Advantage Energy Ltd.** announced that it repurchased 1.7 million shares at a cost of \$15.8 million (\$9.34/share average) during the third quarter of 2023.

On October 10th, **Petrus Resources Ltd.** announced the declaration of its inaugural dividend payment providing shareholders with a special dividend of \$0.03/share.

**Clearview Resources Ltd.** announced that it has approved a distribution of \$0.1279 /share and will be conducted as a return of capital by way of a reduction in the stated capital of Clearview’s common shares.

**Source Rock Royalties Ltd.** announced that its board of directors has declared a monthly dividend of \$0.006/share, a 9% increase to its previous monthly dividend.

Concurrent with the announcement that it would acquire **Bonavista Energy Corporation, Tourmaline Oil Corp.** announced that its board of directors approved a 7.7% increase to its quarterly base dividend to \$1.12/share, on an annualized basis and declared a Q4 2023 special dividend of \$1.00/share.

**Hammerhead Energy Inc.** announced that it repaid, at par value, the remaining US\$63.7 million (C\$86.0 million) of principal and accrued interest outstanding on its term debt prior to maturity upon the expansion of its credit facility to C\$450 million (from C\$350 million) effective September 27, 2023. The early repayment of the term debt will reduce interest expense and eliminate any restrictions on Hammerhead instituting a return of capital strategy. Hammerhead announced that it has now entered into “free funds flow” status on the back of strong operational results and supportive crude oil prices.

## **Financings Announced in October 2023**

During the month, there was only one equity financing announced, which was the previously mentioned financing by **Tuktu Resources Ltd.** concurrently with its acquisition of assets. Additional companies announced credit facilities with M&A activity.

## **Contact Us!**

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

At Trimble, we are focused on supporting the corporate lifecycle from early-stage resource evaluation, exploration and development to end-stage exit strategies, and everything in between.

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