



## Monthly Market Overview May 2024

During May, 27 of the 48 publicly traded TSX E&P companies (with assets focused predominately in Canada) rose in value; one company (**i3 Energy plc**) was flat and the remaining 20 companies fell month-over-month. Of those companies that had an increase in their share price, the rise ranged from 0.36% (**Canadian Natural Resources Limited**) to **Strathcona Resources Ltd.'s** 15.30% climb. Strathcona has been in the top three best performers for three consecutive months. On a combined basis, the TSX E&P group had an average increase of 0.91% and median rise of 0.53%.

As for the companies listed on the TSX Venture Exchange, eight companies had an increase in their share price, one was flat and the remaining 11 companies experienced a drop. Overall, the group had an average increase of 15.79% and a median fall of 1.82%. The average increase was bolstered by the impressive gains of the top three companies which ranged from 75% to 250%.

Oil prices were down month-over-month. WTI fell 5.27% to USD \$77.44/bbl while Edmonton Par dropped 6.30% to USD \$73.49/bbl and WCS ended the month down 4.36% at USD \$64.71/bbl; the discount on WCS tightened as a wildfire continued to threaten the Fort McMurray oil sands hub. Oil was rangebound for most of the month until the last few days of the month over the prospect of U.S. borrowing costs staying higher for longer. In addition, the U.S. gasoline market was flashing signs of weakness at the start of summer driving season which blurs the picture for oil demand while Saudi Arabia's crude oil exports rose for the second straight month in March, reaching their highest in nine months. Providing support was China's industrial output growth which raised 6.7% year-over-year and economic strength from the US.

NYMEX natural gas prices jumped 27.72% month-over-month after spiking as high as 65%. NYMEX ended May at USD \$2.52/MMBtu on increased demand from the Freeport LNG's export plant in Texas. However, during the month, spot prices in Texas and Southern California reached negative pricing and power prices in Arizona and California dipped below zero. AECO pricing fell 10.87% to \$1.19/MMBtu by the end of May and averaged \$1.27/MMBtu during the month.

Below we illustrate the changes in commodities and in the Canadian dollar during May 2024; the Canadian dollar rose 1.12% to \$0.7339.

	WTI Oil (\$USD/bbl)	WCS (\$USD/bbl)	Cdn Light (\$USD/bbl)	NYMEX (\$USD/MMBtu)	AECO (\$CAD/MMBtu)	CDN\$/USD\$
<b>May 2024 Average</b>	\$78.57	\$66.79	\$75.73	\$2.40	\$1.27	0.7315
<b>End of May 2024</b>	\$77.44	\$64.71	\$73.49	\$2.52	\$1.19	0.7339
<b>End of April 2024</b>	\$81.75	\$67.66	\$78.43	\$1.97	\$1.33	0.7258
<b>Month-over-Month Change</b>	-5.27%	-4.36%	-6.30%	27.72%	-10.87%	1.12%

Sources: TradingView, Oilprice.com, Oilsands Magazine

### TSX-Listed E&P (Canadian Focused Operations) May 2024 Share Price Movements

As previously mentioned, 27 of the 48 publicly traded TSX E&P companies (with assets focused predominately in Canada) rose in value; one company was flat and the remaining 20 companies fell month-over-month.

The top performer in May was **Strathcona Resources Limited**, which climbed 15.30% to \$36.69/share. Strathcona released its first quarter 2024 financial and operating results.

**Questerre Energy Corporation** was the second-best performer in May, rising \$0.03/share or 14.29% to \$0.24/share. During the month, 279,700 shares traded.

**Pieridae Energy Limited** notched the third spot, increasing 10.53% to \$0.42/share. During the month, Pieridae reached a high of \$0.50/share which was last recorded in the middle of January 2024. The price of \$0.50/share is a point of resistance for the stock.

## TSX-Listed E&P (Canadian Focused Operations) May 2024 Share Price Movements

Company	TSX Ticker	May 2024 % Change	End of May 2024	End of April 2024
Strathcona Resources Ltd.	SCR	15.30%	\$36.69	\$31.82
Questerre Energy Corporation	QEC	14.29%	\$0.24	\$0.21
Pieridae Energy Limited	PEA	10.53%	\$0.42	\$0.38
NuVista Energy Ltd.	NVA	9.81%	\$13.66	\$12.44
Birchcliff Energy Ltd.	BIR	9.72%	\$6.21	\$5.66
Pine Cliff Energy Ltd.	PNE	9.09%	\$1.08	\$0.99
Advantage Energy Ltd.	AAV	7.91%	\$11.59	\$10.74
International Petroleum Corporation	IPCO	6.99%	\$18.21	\$17.02
Spartan Delta Corp.	SDE	6.45%	\$4.29	\$4.03
Vermilion Energy Inc.	VET	6.31%	\$16.86	\$15.86
Suncor Energy Inc.	SU	5.84%	\$55.60	\$52.53
PrairieSky Royalty Ltd.	PSK	5.64%	\$27.71	\$26.23
Kiwetinohk Energy Corp.	KEC	5.02%	\$13.17	\$12.54
Athabasca Oil Corporation	ATH	4.38%	\$5.01	\$4.80
ARC Resources Ltd.	ARX	3.45%	\$25.79	\$24.93
Tamarack Valley Energy Ltd.	TVE	2.95%	\$3.84	\$3.73
Paramount Resources Ltd.	POU	2.94%	\$32.79	\$31.20
Whitecap Resources Inc.	WCP	2.20%	\$10.67	\$10.44
Freehold Royalties Ltd.	FRU	2.12%	\$14.47	\$14.17
Headwater Exploration Inc.	HWX	2.01%	\$7.63	\$7.48
Imperial Oil Limited	IMO	1.74%	\$96.30	\$94.65
Greenfire Resources Ltd.	GFR	1.23%	\$8.20	\$8.10
Kelt Exploration Ltd.	KEL	0.80%	\$6.30	\$6.25
Topaz Energy Corp.	TPZ	0.57%	\$22.92	\$22.79
Tourmaline Oil Corp.	TOU	0.49%	\$67.61	\$67.28
Cenovus Energy Inc.	CVE	0.46%	\$28.41	\$28.28
Canadian Natural Resources Limited	CNQ	0.36%	\$104.70	\$104.32
i3 Energy plc	ITE	0.00%	\$0.19	\$0.19
Cardinal Energy Ltd.	CJ	-0.14%	\$7.05	\$7.06
Ovintiv Inc.	OVV	-0.31%	\$70.40	\$70.62
Peyto Exploration & Development Corp.	PEY	-0.65%	\$15.29	\$15.39
Gear Energy Ltd.	GXE	-1.37%	\$0.72	\$0.73
Crew Energy Inc.	CR	-1.55%	\$4.45	\$4.52
Baytex Energy Corp.	BTE	-1.76%	\$5.01	\$5.10
Saturn Oil & Gas Inc.	SOIL	-1.87%	\$2.62	\$2.67
Petrus Resources Ltd.	PRQ	-2.19%	\$1.34	\$1.37
Veren Inc.	VRN	-2.31%	\$11.86	\$12.14
Surge Energy Inc.	SGY	-2.41%	\$7.29	\$7.47
Yangarra Resources Ltd.	YGR	-4.27%	\$1.12	\$1.17
Journey Energy Inc.	JOY	-4.71%	\$3.44	\$3.61
InPlay Oil Corp.	IPO	-4.94%	\$2.31	\$2.43
MEG Energy Corp.	MEG	-5.49%	\$29.59	\$31.31
Prairie Provident Resources Inc.	PPR	-7.14%	\$0.07	\$0.07
Rubellite Energy Inc.	RBY	-8.40%	\$2.40	\$2.62
Perpetual Energy Inc.	PMT	-9.43%	\$0.48	\$0.53
Bonterra Energy Corp.	BNE	-10.79%	\$5.29	\$5.93
Obsidian Energy Ltd.	OBE	-11.69%	\$10.43	\$11.81
Tenaz Energy Corp.	TNZ	-13.32%	\$3.71	\$4.28
Average Increase/Decrease			0.91%	
Median Increase/Decrease			0.53%	
Number of Companies with Share Price Increases			27	
Number of Companies Flat Month Over Month			1	
Number of Companies with Share Price Declines			20	
Largest Share Price Increase		15.30%		
Largest Share Price Decline		-13.32%		

The three worst-performing stocks in May 2024 were **Tenaz Energy Corp.**, **Obsidian Energy Ltd.** and **Bonterra Energy Corp.** Tenaz dropped 13.32% in May, Obsidian declined 11.69% and Bonterra fell 10.79%.

## TSX-Venture Listed E&P (Canadian Focused Operations) May 2024 Share Price Movements

As previously mentioned, and outlined below, during May 2024, eight companies had an increase in their share price, one was flat and the remaining 11 companies experienced a drop.

**Altima Resources Ltd.** had the largest increase in May, spiking 250% from \$0.04/share to \$0.14/share. During the month, there were 8,921,200 shares traded or a daily average of 405,509 shares, substantially higher than the average daily volume of 45,854 shares for the 12 months prior. There was no news released by Altima in May.

**Wescan Energy Ltd.** had the second largest increase, rising 80%, or \$0.05/share to \$0.09/share. During the month, there were nearly 1.2 million shares traded or a daily average of 54,532 compared to the daily average of 33,501 shares for the 12 months prior. Wescan provided an amended 2023 MD&A.

**Tuktu Resources Ltd.** rounded out the top three best performers in May, increasing 75%, to \$0.07/share. Tuktu announced that it obtained a senior secured interest free loan for \$1.2 million which was used for a deposit with the Alberta Energy Regulator allowing the company to close on its earlier asset transactions. The loan matures on June 1, 2027. In addition, Tuktu closed its private placement for \$1.35 million.

On a combined basis, the TSX-V E&P companies had an average jump of 15.79% due to the significant gains of three best performers; on a median basis the movement was 1.82% to the downside. The biggest decliners were **Petrolympic Ltd.**, **Canadian Spirit Resources Inc.** and **Pulse Oil Corp.** Petrolympic fell 37.50%, Canadian Spirit dropped 33.33% while Pulse declined 16.67%.

Company	TSX Ticker	May 2024 % Change	End of May 2024	End of April 2024
Altima Resources Ltd.	ARH	250.00%	\$0.14	\$0.04
Wescan Energy Corp.	WCE	80.00%	\$0.09	\$0.05
Tuktu Resources Ltd.	TUK	75.00%	\$0.07	\$0.04
Prospera Energy Inc.	PEI	16.67%	\$0.07	\$0.06
Criterion Energy Ltd.	CEQ	14.29%	\$0.08	\$0.07
Cobra Venture Corporation	CBV	7.69%	\$0.14	\$0.13
Vital Energy Inc.	VUX	7.14%	\$0.30	\$0.28
Source Rock Royalties Ltd.	SRR	1.14%	\$0.89	\$0.88
Resolute Resources	RRL	0.00%	\$0.01	\$0.01
Logan Energy Corp.	LGN	-1.15%	\$0.86	\$0.87
Coelacanth Energy Inc.	CEI	-2.50%	\$0.78	\$0.80
Hemisphere Energy Corporation	HME	-2.91%	\$1.67	\$1.72
Lycos Energy Inc.	LCX	-4.63%	\$3.50	\$3.67
Highwood Oil Company Ltd.	HAM	-5.79%	\$6.35	\$6.74
ROK Resources Inc.	ROK	-6.67%	\$0.28	\$0.30
Tenth Avenue Petroleum Corp.	TPC	-8.33%	\$0.11	\$0.12
PetroFrontier Corp.	PFC	-16.67%	\$0.05	\$0.06
Pulse Oil Corp.	PUL	-16.67%	\$0.03	\$0.03
Canadian Spirit Resources Inc.	SPI	-33.33%	\$0.06	\$0.09
Petrolympic Ltd.	PCQ	-37.50%	\$0.05	\$0.08
Average Increase/Decrease			15.79%	
Median Increase/Decrease			-1.82%	
Number of Companies with Share Price Increases			8	
Number of Companies Flat Month Over Month			1	
Number of Companies with Share Price Declines			11	
Max Share Price Increase		250.00%		
Greatest Share Price Decline		-37.50%		

## Canadian E&P M&A Activity in May 2024

In May 2024, there were a number of M&A, JV and farm-in transactions announced in the Canadian oil & natural gas sector.

In May 2024, **Saturn Oil & Gas Inc.** entered into a definitive purchase agreement for the acquisition of oil-weighted assets in the Battrum area of southwestern Saskatchewan and in the Flat Lake area of southeastern Saskatchewan from **Crescent Point Energy Corp.** for \$600.0 million. The assets have aggregate production of 13,000 boe/d (96% liquids), NOI of \$251.0 million, PDP reserves of 44.1 MMboe, 78.4 MMboe of P+P reserves and a low decline rate of 16% with active waterfloods. The price paid was \$46,154/boe/d, 2.39 times forecasted NOI, \$13.61/boe on a PDP basis and \$7.65/boe on a P+P basis.

**Obsidian Energy Ltd.** announced it has entered into a purchase and sale agreement to acquire approximately 1,700 boe/d (100% oil) of Clearwater production and 148 net sections of land in the Peace River area for \$76.0 million (net of closing adjustments). The property has an estimated 2.3 million boe of remaining PDP reserves, 6.3 million boe on a total proved basis and 12.3 million boe in 2P reserves. The property has estimated net operating income of approximately \$22.3 million (based on WTI pricing of US \$75.00/bbl). Combining the acquisition with other smaller acquisitions completed in 2024, Obsidian announced that it has over 680 net sections of land with Clearwater and/or Bluesky heavy oil rights. Based on the \$76.0 million acquisition price, the transaction metrics were \$44,706 boe/d, 3.4 X NOI, \$33.04/boe on a PDP basis, \$12.06/boe for the total proved reserves and \$6.18/boe on a 2P basis.

Further, Obsidian announced that in the second quarter of 2024, it completed an acquisition of 13.5 (10.1 net) sections of land for \$2.4 million in the greater Peace River area. Obsidian will be the operator with a 75% working interest and plans to drill its first Bluesky well on the lands in the first quarter of 2025.

**Spartan Delta Corp.** announced that it acquired assets in the West Shale Duvernay Basin located in the Willesden Green/Westerose area of Alberta from **Tourmaline Oil Corp.** for \$53.1 million. Tourmaline acquired the assets through its acquisition of **Bonavista Energy Corporation**. The assets include approximately 38,000 net acres (59.5 net sections) of Duvernay rights and approximately 1,600 boe/d (70% liquids) of production and associated infrastructure. Spartan Delta has identified more than 50 drilling locations in the oil and condensate rich fairway. Spartan Delta stated that the transaction was completed at a multiple of NOI of 2.8 times. Based on \$53.1 million, the price paid for production was \$33,188/boe/d.

Spartan Delta also announced that it acquired additional undeveloped crown land in the Duvernay totaling greater than 21,000 net acres for aggregate cash consideration of approximately \$17.9 million.

On May 29, 2024, **Surge Energy Inc.** announced that it closed the sale of two non-core assets at Shaunavon and Westerose for total net proceeds of \$37.4 million. The assets have production of 1,100 boe/d and generate annual cash flow from operating activities of approximately \$10 million. The net proceeds from the sales were applied against Surge's outstanding debt on its revolving first lien credit facility. Based on the \$37.4 million in proceeds, the price paid for assets was \$34,000 boe/d and 3.74 times cash flow.

**Fiddlehead Resources Corp.** announced that it, along with a wholly owned subsidiary of Fiddlehead, entered into a definitive agreement to acquire assets in the South Ferrier/Strachan area for total consideration of \$22.5 million. The assets have estimated Q2 2024 average production of 1,750 boe/d with \$9.3 million in annualized net operating income and estimated remaining PDP reserves of 3.7 million boe and 7.9 million boe on a 2P basis. The metrics of the transaction were \$12,857/boe/d, 2.42 X NOI, \$6.08/boe on a PDP basis and \$2.85/boe on a 2P basis. Concurrent with the announcement of the transaction, Fiddlehead announced that its subsidiary entered into a private placement offering of subscription receipts for minimum proceeds of \$10.0 million and that the management and directors of the company will be participating alongside investors in the offering, in conjunction with a "presidents list", for an aggregate minimum of \$4.0 million.

**CanAsia Energy Corp.**, on behalf of its wholly owned subsidiary **Andora Energy Corporation** announced that Andora completed the acquisition of certain assets of **Northern Alberta Oil Ltd.** and **Deep Well Oil & Gas (Alberta) Ltd.** of an aggregate 25% working interest in 11 sections of heavy oil sands leases in Sawn Lake through a receivership process. The purchase price was \$2 million (which includes the assumption of various obligations and a credit bid component of approximately \$0.7 million). Following the acquisition, Andora's working interest in the 11 sections at the Sawn Lake Central block increased from 75% to 100%. Andora is now the operator of, and holds a 100% working interest in, four heavy oil sands leases with 27 sections at Sawn Lake.

**i3 Energy plc** announced that it closed the sale of certain non-operated, shallow dry-gas assets in i3's Northern Alberta Hangingstone asset, for realized proceeds of USD \$300,000. The asset had approximately 115 boe/d of production and was forecasted to have negative cash flow over the next 12 months based on strip pricing. The sale of the assets decreases i3's ARO by approximately USD \$1.2 million.

**Journey Energy Inc.** announced that it has entered into an agreement with **Spartan Delta Corp.** to jointly develop a block of land in the west shale basin of the Duvernay oil and liquids fairway. The joint venture block of land covers 128 sections in the oil window of the Duvernay where shale thickness is approximately 30-40 meters. The initial working interests for the JV are Spartan Delta 62.5% with Spartan Delta being the operator and Journey holding 37.5%. The parties currently control 94 sections within the JV block. Spartan Delta has the potential to increase their interest within the JV from 62.5% to 70% with the contribution of additional lands acquired at their cost. The vast majority of the lands controlled within the block have significant tenure exceeding six years, with applicable extensions. Expenditures within the block will be capped at \$30 million in 2024 and \$100 million for 2025 on a gross basis. Duvernay production within the JV block is overlain by liquid-rich glauconitic production, which is expected to be processed through Journey's operated, gas processing facility and gathering system in the Gilby area.

**Blacksteel Energy Inc.** announced a farmout and royalty agreement with four private companies to expand on its current Montney land in the Girouxville East area of Alberta. The farm in agreement creates a contiguous 8,000-acre block of prospective land for future drilling. Blacksteel will acquire a 100% working interest in the 8,000-acre block by drilling three (3) wells at various times before August 31, 2025.

## Trimble Energy Group Divestiture Offerings in the Market



### **Fee Title Land with Lessor Royalty & GORR Revenue in Alberta and Saskatchewan**

**Bid Deadline: June 20, 2024 @ 4:00 pm MST**

Kennibar Resources Ltd. ("Kennibar") has retained Trimble Energy Group ("TEG") as its exclusive financial advisor to assist with the marketing of its Fee Title Land and Royalty Interests in Alberta and Saskatchewan.

#### **DIVESTITURE OVERVIEW**

In Alberta, Kennibar holds fee title interests in an aggregate of 4,389 acres (~ 6.85 sections) and receives lessor royalty revenue of approximately \$2,300 per year from the Herronton/Arrowwood area. Additional revenue from the area is expected to recommence in May 2024.

There is potential for additional revenue from the Alberta properties in the Duvernay and Sparky Formations due to offsetting production and potential for pooling of land. There are a number of producing formations that are proximal to Kennibar's unleased fee title.

In Saskatchewan, Kennibar holds fee title interests and various gross overriding royalty ("GORR") interests in an aggregate of 2,120 acres (~3.3 sections). Kennibar's Saskatchewan properties provide the majority of its lessor royalty and GORR revenue. In 2023, Kennibar received approximately \$173,000 in revenue from wells producing from the Alida, Midale and Watrous Formations. There is identified drilling upside on the fee title and the GORR interests held by Kennibar.

**For more information visit Trimble Energy Group's website at [www.trimbleenergygroup.com](http://www.trimbleenergygroup.com) or contact Ryan Ferguson Young, Executive Vice President of TEG at [Ryan@trimbleenergygroup.com](mailto:Ryan@trimbleenergygroup.com) or (403) 615-2975.**

## Board of Director & Executive Changes in May 2024

**ARC Resources Ltd.** announced that Mr. Michael Culbert is standing for election to its board of directors. Mr. Culbert has 35 years of extensive energy industry experience, including co-founding **Progress Energy Canada Ltd.** where he held the role as President and CEO. Following the acquisition of Progress by **Petronas'** Canadian subsidiary, Mr. Culbert held the role of Vice Chairman of **PETRONAS Energy Canada Ltd.** until 2020. Mr. Culbert currently serves on the Board of Directors of **TC Energy Corporation**.

**Clearview Resources Ltd.** announced that Ms. Patricia Saputo, a longtime shareholder of the company, joined its board of directors. Ms. Saputo is a Fellow of the Chartered Professional Accountants (FCPA) and has her ICD.D designation from the Institute of Corporate Directors. Ms. Saputo will be assuming the role as Chair of the Audit Committee. Mr. Todd McAllister and Mr. Harold Pine did not stand for re-election at Clearview's AGM.

**Freehold Royalties Ltd.** announced that Mr. Peter Harrison and Ms. Sylvia Barnes would not be standing for re-election of its board of directors. Mr. Harrison is a founder of Freehold and has been a Freehold Board member since its initial public offering in 1996; he decided to retire. Freehold further announced that Ms. Kimberly Lynch Proctor and Mr. Mathieu Roy will be standing for election to the Freehold board. Ms. Lynch Proctor is an independent businesswoman and an experienced tax lawyer, accountant and executive with over 25 years of industry experience while Mr. Roy is currently Managing Director, Real Assets at **CN Investment Division**. He has over 20 years of experience in capital markets including 16 years at CN Investment Division.

**Pathways Alliance** announced the appointment of Mr. Derek Evans to Executive Chair. Most recently, Mr. Evans was the president and CEO of **MEG Energy Corp.**, where he was closely involved in the Pathways Alliance organization serving on the Steering Committee and at the CEO table and was involved in Alliance since its inception in 2021. Mr. Evans is a veteran oil and gas industry executive with more than 40 years of experience.

**Genovus Energy Inc.** announced certain changes to its senior management. Mr. Geoff Murray, currently Senior Vice-President, Commercial, has been promoted to Executive Vice-President, Commercial, and will continue to report to the Chief Commercial Officer and Mr. Jeff Hart, Executive Vice-President, Corporate & Operations Services, has chosen to leave the organization to pursue personal and other professional opportunities. Mr. Logan Popko, currently Vice-President, Well Delivery, is being promoted to Senior Vice-President, Corporate & Operations Services.

Concurrent with the announcement of its acquisition of assets in the South Ferrier/Strachan area of Alberta, **Fiddlehead Resources Corp.** announced the proposed management team of the company which includes Mr. Brent Osmond as President & CEO, Mr. Ron Hornseth as COO, Mr. Ying Yuen as CFO, Mr. Jim Shepherd as Vice President, Land & Business Development and Mr. R.W. (Ron) Shepherd as Vice President, Exploration.

**Gear Energy Ltd.** announced a number of board and management changes throughout the month. Gear announced that Mr. Scott Robinson has been appointed as the Chair of its board of directors replacing Mr. Don Gray who will continue to serve as a member of the board. Mr. Robinson has been a director of Gear since 2019. Mr. Robinson is an independent businessman who from 2019 to 2023 served as the Vice President, Business Development of **Peyto Exploration and Development Corp.** and served as Executive Vice President, Operations and COO of Peyto from 2006 to 2019. Mr. Robinson has a Masters Degree in Chemical Engineering from the **Colorado School of Mines** and has been a petroleum engineer for over 38 years. Also, Gear announced that Mr. Harry English would not be seeking re-election at Gear's May 1, 2024 Annual General Meeting and that Ms. Kathy Turgeon, formerly the Vice President, Finance and CFO of **Peyto Exploration & Development Corp.**, has been nominated for election as a director of Gear at the AGM. Ms. Turgeon's extensive financial experience will be very complementary to the skills and experience of the other members of the Gear Board of Directors. As for senior management, Gear announced that in April, it appointed Mr. Steve Power to role of Vice President of Exploration, replacing Mr. Dustin Ressler. Ms. Chrstine Mercier announced that she resigned from Gear to join **Outlier Resources Ltd.** as Vice President, Engineering.

**Pine Cliff Energy Ltd.** announced the appointments of Mr. Daniel Keenan P. Eng to the position of Vice President Exploitation and Mr. Austin Nieuwdorp CA, CPA to the position of Vice President Finance and Controller both effective May 1, 2024. Mr. Keenan became part of Pine Cliff in 2016. He holds a Bachelor of Mechanical Engineering Degree from the University of Victoria obtained in 2001. Mr. Nieuwdorp originally joined Pine Cliff in May 2015 and later returned to the company in June 2022. He earned his Bachelor of Management and Organizational Studies from the **University of Western Ontario** in 2010, and Chartered Accountant designation in 2014.

**Spartan Delta Corp.** announced the retirement of Mr. Thanos Natras, Vice President, Exploration, effective June 15, 2024. In addition, Spartan Delta announced that Mr. Rob Day, Manager Geoscience Exploration, has been promoted to the role of Director, Exploration. Mr. Day has been with Spartan Delta since June 2020, leading the development of the Deep Basin and leading the geotechnical assessment of the Duvernay. Mr. OJay Platt, Director, Operations, has been promoted to the role of Vice President, Production. Mr. Platt has been with Spartan Delta since June 2020, leading the operations in the Deep Basin, as well as managing Spartan's previously divested Montney assets. Mr. Platt brings more than 25 years of operational and production experience. Lastly, Mr. Martin Malek, Vice President, Engineering and Business Development, has been promoted to the role of COO. Mr. Malek has been with Spartan Delta since June 2023, leading the optimization of the Deep Basin and co-leading the implementation and execution of the Duvernay strategy. Mr. Malek brings more than 16 years of experience in engineering, operations, and business development, both in Canada and the United States.

**Vermilion Energy Inc.** announced Mr. Jenson Tan has stepped down from his position as Vice President, Business Development and that Mr. Todd Keenan has been promoted to Director, Business Development. Mr. Keenan is an experienced Business Development professional and joined Vermilion in 2017. Prior to joining Vermilion, Mr. Keenan worked in engineering and A&D roles at **Prairie Sky Royalty, Talisman Energy** and **Tristone Capital / Macquarie Tristone**. Mr. Keenan has a Masters of Engineering degree in Petroleum Engineering and holds the CFA designation.

**Vital Energy Inc.** announced that Mr. Zhen Jiang has been appointed as CFO following Mr. Robert Gillies' decision to retire from the position as of May 31, 2024.

## **Miscellaneous News Announced in May 2024**

After 12 years and \$34 billion in expenditures, the **Trans Mountain pipeline expansion project (TMX)** commenced operations on May 1. On May 20<sup>th</sup>, crude oil tanker Dubai Angel, which was chartered by Suncor Energy Inc., moored at the Westridge Marine Terminal in Vancouver, preparing to load the first cargo of crude oil from the recently expanded pipeline. While the pipeline is now flowing product, logistical constraints at the Port of Vancouver could limit the number of shipments, traders and shipping sources have stated.

On May 11<sup>th</sup>, an evacuation alert was issued for **Fort McMurray**, Alberta, as an out-of-control fire raged southwest of the city.

The **University of Calgary** announced that it is planning a potential relaunch of its oil and gas engineering program, which it suspended in 2021 due to declining student demand. At the time, U of C said it had seen a dramatic decline in student interest in the program, which also coincided with an uptick in interest in renewable technology and the energy transition.

It was announced the **Western Energy Alliance**, a trade group representing oil and natural gas companies that drill on federal lands in the western U.S., and several other industry groups have sued the **U.S. Bureau of Land Management** in an effort to block a rule that will raise fees for oil and natural gas development on federal lands as a part of the U.S. government's broader effort to boost returns and address environmental harms stemming from drilling on public lands. Under the new policy finalized in April, oil and natural gas companies will pay higher bonds to help ensure

old oil and gas wells are plugged and restored, as well as increased lease rents, minimum auction bids and royalty rates for the fuels they extract. Royalty rates will jump to 16.67% from 12.5%, while minimum lease bonds will increase to \$150,000 from \$10,000. The group stated “the changes would ultimately deter future development, effectively close available land to new leasing, and disproportionately impact small companies. These violate government obligations to promote oil and gas development under the Federal Land Policy and Management Act, the Mineral Leasing Act and other laws.” About 10% of the nation’s oil and natural gas comes from drilling on federally owned land.

It was announced that the **Angolan** President, Mr. Joao Lourenco, is expected to approve a law that will offer new incentives to expand production in offshore blocks by June 2024. The law is among a number of recent regulatory changes aimed at overhauling the oil and natural gas industry in Angola, since leaving OPEC to “protect its domestic production targets”.

On May 19<sup>th</sup>, the **President of Iran**, Ebrahim Raisi was killed in a helicopter crash. Mr. Raisi’s death may cause additional uncertainty in the region. However, sources have indicated that despite the title, the role of President is of secondary importance in the Islamic Republic. The main influence on foreign policy matters and most decisions of import is Supreme Leader Ali Khamenei, who has been in charge since 1989.

It was announced that **Russia** has been seizing assets of some Western companies through decrees signed by President Vladimir Putin and court orders related to lawsuits over halted projects or blocked funds amid Western sanctions.

**Perpetual Energy Inc.** announced that the Alberta Court of King’s Bench approved the previously announced settlement agreement with **PricewaterhouseCoopers Inc., LIT** in its capacity as trustee in bankruptcy of **Sequoia Resources Corp.** related to the Sequoia litigation. After several years of litigation, Perpetual previously announced that it had entered into the settlement to resolve the Sequoia litigation without any party admitting liability, wrongdoing or violation of law, regulations, public policy or fiduciary duties. The \$10.0 million initial payment held in escrow since the execution of the settlement agreement on March 22, 2024 was released to the Trustee, plus all accrued interest has been applied against the settlement amount owing, with a remaining obligation outstanding of \$19.9 million.

**NeeStaNaN Projects Inc.** and the **C2C2C Unity Corridor Foundation** announced that they have entered into a memorandum of understanding outlining mutual support and collaboration on the development of new trade corridors designed to enhance trade in Canada. C2C2C is a not-for-profit foundation championing the development of Indigenous-led multimodal resource corridors that are designed to advance unity, prosperity, and sustainability for Canada’s economy.

**Canadian Natural Resources Limited** announced that it is considering a 195,000 bbl/d expansion at its Horizon mining and upgrading plant in northern Alberta through new extraction and treatment processes. Horizon currently has capacity to produce about 255,000 bbl/d of synthetic crude oil made from bitumen. CNRL said that the expansion would depend upon new pipeline export capacity as well as government financial support for a carbon capture and storage project proposed by the Pathways Alliance group, which Canadian Natural is part of.

**Canadian Natural** also announced that it set June 3, 2024 as the record date for a two-for-one split of its common shares which was approved by its shareholders at its May 2, 2024 AGM. As of the close of markets on May 2, 2024, Canadian Natural had 1,068,104,423 common shares issued and outstanding. Adjusted for the share split, there would have been 2,136,208,846 common shares issued and outstanding.

Subsequent to quarter end, Canadian Natural announced that it repaid US\$0.5 billion of 3.8% debt securities due April 15, 2024.

**Highwood Asset Management Ltd.** achieved record corporate production in Q1 2024 of 5,023 boe/d, an increase of approximately 25% from the fourth quarter of 2023. The increase was the result of an effective capital program executed in the first quarter of 2024; production is expected to average 6,000 boe/d in May 2024. In addition, Highwood delivered record adjusted EBITDA of \$17.4 million (\$1.15 per basic share) and funds flow from operations of \$14.7 million (\$0.98 per basic share) in Q1 2024 representing increases of 70% and 88% respectively over Q4 2023.

**Kiwetinohk Energy Corp.** announced that it notched record quarterly production of 27,556 boe/d, a 12% increase over the fourth quarter of 2023 due to the performance of its 8-23 three well pad in the Duvernay that was placed on production in the first quarter and achieved an average peak 30-day production rate of 9.5 mmcf/d of liquids rich natural gas and 1,050 bbls/d of condensate per well.

**Suncor Energy Inc.** announced record upstream production of 835,000 barrels per day and all-time high Oil Sands production of 785,000 bbl/d. During the first quarter of 2024, Suncor purchased \$300.0 million in its stock.

**Canadian Spirit Resources Inc.** announced that “as a result of the continued deterioration of the North American natural gas prices accompanied by the further discounted price experienced by producers in northeastern British Columbia producing into the Spectra main pipeline, it has shut-in natural gas production at Farrell Creek/South Altares due to a negative netback on joint venture natural gas production.” Canadian Spirit’s production prior to the shut-in averaged 629 Mcf/d over the previous 60 days.

**Advantage Energy Ltd.** announced that the TSX approved its normal course issuer bid (NCIB) to purchase up to 13,835,841 common shares between May 14, 2024 and May 13, 2025.

**Hemisphere Energy Corporation** announced that it purchased and cancelled 869,100 shares for \$1.2 million under its NCIB during the first quarter of 2024.

**International Petroleum Corp.** announced that during May 2024, IPC cancelled 552,627 common shares repurchased under its NCIB. As at May 31, 2024, the total number of issued and outstanding IPC common shares is 124,599,115 with voting rights and IPC holds 291,100 common shares in treasury. Since December 5, 2023 up to and including May 31, 2024, a total of 3,916,805 IPC common shares have been repurchased under the NCIB through the facilities of the TSX and Nasdaq Stockholm. A maximum of 8,342,119 IPC common shares may be repurchased over the period of twelve months commencing December 5, 2023 and ending December 4, 2024.

**NuVista Energy Ltd.** announced that it repurchased and subsequently cancelled 1.3 million common shares, for an aggregate cost of \$15.1 million or \$11.25/share under its NCIB. Since the inception of its NCIB in mid-2022, NuVista repurchased and subsequently cancelled 30.1 million common shares for an aggregate cost of \$356.3 million or \$11.83/ share.

**PrairieSky Royalty Ltd.** announced that the TSX accepted its intention to commence a NCIB. The NCIB allows PrairieSky to purchase up to 5,000,000 common shares which represents approximately 2.1% of the common shares outstanding between June 4, 2024 and will expire no later than June 3, 2025.

**Whitecap Resources Inc.** announced that the TSX accepted its notice of intention to commence a NCIB. The NCIB allows Whitecap to purchase up to 59,110,613 common shares over a period of twelve months commencing on May 23, 2024 and expiring on May 22, 2025.

**Surge Energy Inc.** announced that concurrent with the increase of its first lien credit facility to \$210.0 million it elected to exercise a one-time option for early repayment of a portion of its second lien term debt facilities; Surge repaid the remaining \$36 million of outstanding principle under its second lien Term Facility B.

**Cenovus Energy Inc.** announced that its board of directors approved a 29% increase to its base dividend to \$0.72/share annually and declared a variable dividend of \$0.135/share to fulfill the company's first quarter shareholder return allocation. In addition, the Cenovus board declared a quarterly dividend on each of the Cumulative Redeemable First Preferred Shares – Series 1, Series 2, Series 3, Series 5 and Series 7.

**Paramount Resources Ltd.** announced that its board of directors approved a 20% increase in its regular monthly dividend from \$0.125/share to \$0.15/share.

**Tourmaline Oil Corp.** announced that its board of directors approved a 7% increase to its quarterly base dividend to \$0.32/share (\$1.28/share on an annualized basis) due to “ongoing financial strength and profitability of the Company.”

It was announced that south of the border, **ConocoPhillips** entered into an agreement to buy **Marathon Oil** for \$17.1 billion in all-stock deal, plus \$5.4 billion in debt. Marathon Oil shareholders will receive 0.255 shares of ConocoPhillips common stock for each share of Marathon Oil common stock that they own.

## Financings Announced in May 2024

During the month, there were a number of new financings announced.

**Tourmaline Oil Corp.** announced that it has agreed to issue \$250.0 million aggregate principal amount of senior unsecured notes through a private placement on a best-efforts basis due May 30, 2027, which will bear interest at a fixed rate of 4.856% per annum. The notes will be unsecured and will rank equally with all other present and future unsecured and unsubordinated indebtedness of the company. The notes have been assigned a provisional rating of BBB.

Concurrent with its acquisition of assets from Crescent Point for \$600.0 million, **Saturn Oil & Gas Inc.** announced that it closed a bought deal offering of 42,554,000 subscription receipts at a price of \$2.35 per subscription receipt for gross proceeds of approximately \$100.0 million.

As previously mentioned, concurrent with the announcement of its acquisition of assets for \$22.5 million, **Fiddlehead Resources Corp.** announced that its subsidiary entered into a private placement offering of subscription receipts for minimum proceeds of \$10.0 million and that the management and directors of the company will be participating alongside investors in the offering, in conjunction with a “presidents list”, for an aggregate minimum of \$4.0 million.

**763997 Alberta Ltd.** (formerly **Target Capital Inc.**) and **Grafton Ventures Energy Holdings Corp.** announced that TCI has received conditional approval from the TSX Venture Exchange for its previously announced business combination transaction that will result in the reverse take-over of TCI by Grafton and be named Westgate Energy Inc. Westgate closed a \$3.0 million non-brokered private placement and a \$3.6 million brokered private placement (24,333,901 subscription receipts at a price of \$0.15 per Grafton Subscription Receipt).

As previously mentioned, **Tuktu Resources Ltd.** announced that it has agreed to a \$1.2 million loan “evidenced by an interest free, senior secured promissory note from an arm's length third party”. The loan proceeds will be used to fund a deposit with the Alberta Energy Regulator, required as a condition of the license transfers for certain asset acquisition transactions announced on March 21, 2023 and October 18, 2023. Monthly principal payments are required beginning on July 25, 2024 which are calculated as a percentage of Tuktu's production times the realized commodity price; the promissory note matures on June 1, 2027 and is senior secured over the company's assets.



## 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.

Our team of engineers, geoscientists, technologists and business professionals have a broad depth of experience in reserve and resource evaluations, mergers, acquisitions and divestments, resource development and asset management. The suite of services that we offer allows us to approach your business holistically in order to serve you better.

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Thank you,

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