



Monthly Market Overview June 2024

During June, 10 of the 48 publicly traded TSX E&P companies (with assets focused predominately in Canada) rose in value while the remaining 38 companies fell month-over-month. Of those companies that had an increase in their share price, the rise ranged from 0.15% (**Kiwetinohk Energy Corp.**) to **Greenfire Resources Ltd.**'s 12.80% climb. On a combined basis, the TSX E&P group had an average decrease of 4.03% and median fall of 4.97%.

As for the companies listed on the TSX Venture Exchange, six companies had an increase in their share price, four were flat and the remaining 11 companies experienced a drop. Overall, the group had an average decrease of 4.90% and a median fall of 2.86%.

Oil prices edged higher month-over-month. WTI rose 5.29% to USD \$81.54/bbl while Edmonton Par climbed 4.69% to USD \$76.94/bbl and WCS ended the month up 1.24% at USD \$65.51/bbl; the discount on WCS widened. Oil fell early in the month after OPEC+ ministers signaled their intention to start increasing production from the fourth quarter of 2024. OPEC+ has changed its strategy from depleting excess inventories and driving prices towards USD \$100/bbl to focusing on stabilizing or regaining some of the market share it has lost in the last two years to rival producers in the United States, Canada, Brazil and Guyana. As the month progressed, oil moved higher on forecasts of improving 2024 demand and falling oil and fuel inventories in the U.S. while J.P. Morgan announced that it expected global demand to outpace supply in the summer months. In addition, OPEC+ maintained its forecasts for strengthening demand driven by China and other emerging economies. On the geopolitical front, concerns of a wider Middle East war lingered. Keeping oil prices under pressure were expectation of interest rates being higher for longer.

NYMEX natural gas prices edged up 3.17% to USD \$2.60/MMBtu while AECO fell 42.31% to \$0.68/MMBtu on the usual summer weakness. US prices climbed early in June, increasing to USD \$3.11/MMBtu on warmer weather forecasts and started to slide on expectations the startup of the Mountain Valley Pipeline will soon allow more cheap natural gas from the Appalachia shale basin to flow to markets and incoming tropical storms would lead to lower demand.

Below we illustrate the changes in commodities and in the Canadian dollar during June 2024; the Canadian dollar slipped 0.37% to \$0.7312.

	WTI Oil (\$USD/bbl)	WCS (\$USD/bbl)	Cdn Light (\$USD/bbl)	NYMEX (\$USD/MMBtu)	AECO (\$CAD/MMBtu)	CDN\$/USD\$
June 2024 Average	\$81.54	\$67.49	\$74.84	\$2.81	\$0.82	0.7296
End of June 2024	\$78.70	\$65.51	\$76.94	\$2.60	\$0.68	0.7312
End of May 2024	\$77.44	\$64.71	\$73.49	\$2.52	\$1.19	0.7339
Month-over-Month Change	1.63%	1.24%	4.69%	3.17%	-42.31%	-0.37%

Sources: TradingView, Oilprice.com, Oilsands Magazine

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

As previously mentioned, 10 of the 48 publicly traded TSX E&P companies (with assets focused predominately in Canada) rose in value; while 38 companies fell month-over-month.

The top performer in June was **Greenfire Resources Ltd.**, which climbed 12.80% to \$9.25/share. Greenfire announced its financial and operational results for the first quarter of 2024 and announced it would reallocate drilling rigs, reiterated its 2024 outlook and experienced bitumen production growth quarter-over-quarter.

Topaz Energy Corp. was the second-best performer in June, rising 4.71% to \$24.00/share. Topaz broke from its consolidation trend to move to the upside and had steady increases during June. Topaz announced its first quarter results where it announced lower revenues on lower commodity prices but also announced strong drilling across its royalty acreage.

Questerre Energy Corporation notched the third spot, increasing 4.17% or \$0.01/share to \$0.25/share. The average daily volume during June was 45,050 shares, this compares to the average daily volume of 24,044 shares traded for the twelve months prior. Questerre hit a high of \$0.34/share on June 6th leading up to the news the Quebec Government tabled Bill 69.

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

Company	TSX Ticker	June 2024 % Change	End of June 2024	End of May 2024
Greenfire Resources Ltd.	GFR	12.80%	\$9.25	\$8.20
Topaz Energy Corp.	TPZ	4.71%	\$24.00	\$22.92
Questerre Energy Corporation	QEC	4.17%	\$0.25	\$0.24
NuVista Energy Ltd.	NVA	4.10%	\$14.22	\$13.66
Athabasca Oil Corporation	ATH	3.39%	\$5.18	\$5.01
Petrus Resources Ltd.	PRQ	2.99%	\$1.38	\$1.34
InPlay Oil Corp.	IPO	2.94%	\$2.22	\$2.31
Saturn Oil & Gas Inc.	SOIL	1.91%	\$2.67	\$2.62
Kelt Exploration Ltd.	KEL	1.11%	\$6.37	\$6.30
Kiwetinochk Energy Corp.	KEC	0.15%	\$13.19	\$13.17
International Petroleum Corporation	IPCO	-0.60%	\$18.10	\$18.21
MEG Energy Corp.	MEG	-1.08%	\$29.27	\$29.59
Obsidian Energy Ltd.	OBE	-1.82%	\$10.24	\$10.43
Tenaz Energy Corp.	TNZ	-1.89%	\$3.64	\$3.71
Bonterra Energy Corp.	BNE	-2.65%	\$5.15	\$5.29
Tamarack Valley Energy Ltd.	TVE	-2.86%	\$3.73	\$3.84
Imperial Oil Limited	IMO	-3.14%	\$93.28	\$96.30
Birchcliff Energy Ltd.	BIR	-3.22%	\$6.01	\$6.21
Rubellite Energy Inc.	RBY	-3.33%	\$2.32	\$2.40
Surge Energy Inc.	SGY	-3.57%	\$7.03	\$7.29
Crew Energy Inc.	CR	-3.60%	\$4.29	\$4.45
Gear Energy Ltd.	GXE	-4.17%	\$0.69	\$0.72
Peyto Exploration & Development Corp.	PEY	-4.64%	\$14.58	\$15.29
Cardinal Energy Ltd.	CJ	-4.96%	\$6.70	\$7.05
Headwater Exploration Inc.	HWX	-4.98%	\$7.25	\$7.63
Paramount Resources Ltd.	POU	-5.22%	\$31.08	\$32.79
Cenovus Energy Inc.	CVE	-5.35%	\$26.89	\$28.41
ARC Resources Ltd.	ARX	-5.35%	\$24.41	\$25.79
Yangarra Resources Ltd.	YGR	-5.36%	\$1.06	\$1.12
Baytex Energy Corp.	BTE	-5.39%	\$4.74	\$5.01
Freehold Royalties Ltd.	FRU	-5.87%	\$13.62	\$14.47
Spartan Delta Corp.	SDE	-6.06%	\$4.03	\$4.29
PrairieSky Royalty Ltd.	PSK	-6.17%	\$26.00	\$27.71
Whitecap Resources Inc.	WCP	-6.19%	\$10.01	\$10.67
Suncor Energy Inc.	SU	-6.21%	\$52.15	\$55.60
Pine Cliff Energy Ltd.	PNE	-6.48%	\$1.01	\$1.08
Canadian Natural Resources Limited	CNQ	-6.91%	\$48.73	\$52.35
Pieridae Energy Limited	PEA	-7.14%	\$0.39	\$0.42
Tourmaline Oil Corp.	TOU	-8.22%	\$62.05	\$67.61
Perpetual Energy Inc.	PMT	-8.33%	\$0.44	\$0.48
Ovintiv Inc.	OVV	-8.91%	\$64.13	\$70.40
Veren Inc.	VRN	-9.02%	\$10.79	\$11.86
Advantage Energy Ltd.	AAV	-10.44%	\$10.38	\$11.59
Vermilion Energy Inc.	VET	-10.68%	\$15.06	\$16.86
Journey Energy Inc.	JOY	-11.05%	\$3.06	\$3.44
Strathcona Resources Ltd.	SCR	-12.16%	\$32.23	\$36.69
i3 Energy plc	ITE	-13.16%	\$0.17	\$0.19
Prairie Provident Resources Inc.	PPR	-15.38%	\$0.06	\$0.07
Average Increase/Decrease			-4.03%	
Median Increase/Decrease			-4.97%	
Number of Companies with Share Price Increases			10	
Number of Companies Flat Month Over Month			0	
Number of Companies with Share Price Declines			38	
Largest Share Price Increase		12.80%		
Largest Share Price Decline		-15.38%		

The three worst-performing stocks in June 2024 were **Prairie Provident Resources Inc.**, **i3 Energy plc** and **Strathcona Resources Ltd.** Prairie Provident dropped 15.38% in June, i3 declined 13.16% and Strathcona took a breather and fell 12.16%.

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

As previously mentioned, and outlined below, during June 2024, six companies had an increase in their share price, four were flat and the remaining 11 companies experienced a drop.

Cobra Venture Corporation had the largest increase in June, jumping 35.71% from \$0.14/share to \$0.19/share. Cobra Venture is thinly traded with only 15,500 shares traded during June.

Altima Resources Ltd. experienced the second largest increase, rising 21.43%, or \$0.03/share to \$0.17/share. During the month, there were nearly 3.7 million shares traded or a daily average of 184,395 compared to the daily average of 76,496 shares for the 12 months prior. There was no news released in June. In early July, Altima announced a delay in filing its audited annual financial statements and the company requested a management cease trade order.

Wescan Energy Corp. rounded out the top three best performers in June, increasing 11.11%, or \$0.01/share to \$0.10/share. Nearly 600,000 shares of Wescan were traded in June.

On a combined basis, the TSX-V E&P companies had an average decline of 4.90% and a 2.86% fall on a median basis. The biggest decliners were **Westgate Energy Inc.**, **Tuktu Resources Ltd.** and **Petrolympic Ltd.** Westgate fell 45.65% ending at \$0.25/share from its opening price of \$0.46/share (following its transaction to go public), Tuktu fell 28.57% while Petrolympic fell another 20%, recall that in May Petrolympic was down 37.50%.

Company	TSX Ticker	June 2024 % Change	End of June 2024	End of May 2024
Cobra Venture Corporation	CBV	35.71%	\$0.19	\$0.14
Altima Resources Ltd.	ARH	21.43%	\$0.17	\$0.14
Wescan Energy Corp.	WCE	11.11%	\$0.10	\$0.09
Hemisphere Energy Corporation	HME	6.59%	\$1.78	\$1.67
Source Rock Royalties Ltd.	SRR	5.62%	\$0.94	\$0.89
Logan Energy Corp.	LGN	4.65%	\$0.90	\$0.86
Canadian Spirit Resources Inc.	SPI	0.00%	\$0.06	\$0.06
Pulse Oil Corp.	PUL	0.00%	\$0.03	\$0.03
Resolute Resources	RRL	0.00%	\$0.01	\$0.01
Tenth Avenue Petroleum Corp.	TPC	0.00%	\$0.11	\$0.11
Lycos Energy Inc.	LCX	-2.86%	\$3.40	\$3.50
Coelacanth Energy Inc.	CEI	-3.85%	\$0.75	\$0.78
Vital Energy Inc.	VUX	-10.00%	\$0.27	\$0.30
ROK Resources Inc.	ROK	-10.71%	\$0.25	\$0.28
Criterion Energy Ltd.	CEQ	-12.50%	\$0.07	\$0.08
Prospera Energy Inc.	PEI	-14.29%	\$0.06	\$0.07
Highwood Oil Company Ltd.	HAM	-19.69%	\$5.10	\$6.35
PetroFrontier Corp.	PFC	-20.00%	\$0.04	\$0.05
Petrolympic Ltd.	PCQ	-20.00%	\$0.04	\$0.05
Tuktu Resources Ltd.	TUK	-28.57%	\$0.05	\$0.07
Westgate Energy Inc.	WGT	-45.65%	\$0.25	\$0.46
Average Increase/Decrease			-4.90%	
Median Increase/Decrease			-2.86%	
Number of Companies with Share Price Increases			6	
Number of Companies Flat Month Over Month			4	
Number of Companies with Share Price Declines			11	
Max Share Price Increase		35.71%		
Greatest Share Price Decline		-45.65%		

Canadian E&P M&A Activity in June 2024

In June 2024, there were a number of M&A transactions announced in the Canadian oil & natural gas sector.

Advantage Energy Ltd. announced that it entered into a definitive asset purchase agreement to acquire Charlie Lake and Montney assets from a private seller (**Longshore Resources Ltd.**) for cash consideration of \$450.0 million. The acquisition is expected to add approximately 14,100 boe/d (53% liquids) of production in the Glacier, Valhalla, Progress, and Gordondale areas, “enabling multi-zone development across portions of Advantage’s existing land base”. The assets include complementary infrastructure, with over 60 MMcf/d of gas handling capacity and 22,500 bbl/d of liquids handling capacity. Through the transaction, Advantage gains 163 net sections of Charlie Lake rights with over 100 drill ready locations and 70 net sections of Montney land with 37 net sections in the greater Progress area and 33 net sections adjacent to Advantage’s Attachie/Inga property. A portion of the acquired natural gas volumes are planned to be rerouted into Advantage’s new Progress natural gas plant, which will reduce drilling expenditures for Advantage.

The assets have estimated remaining reserves of 13.18 MMboe on a PDP basis, 42.83 MMboe on a total proved basis and 65.92 MMboe of 2P reserves. The purchase price of \$450.0 million results in transaction metrics of approximately 3.2x operating income, \$31,915/boe/d, \$34.15/boe on a PDP basis, \$10.51/boe on a total proved basis and \$6.83/boe for the 2P reserves.

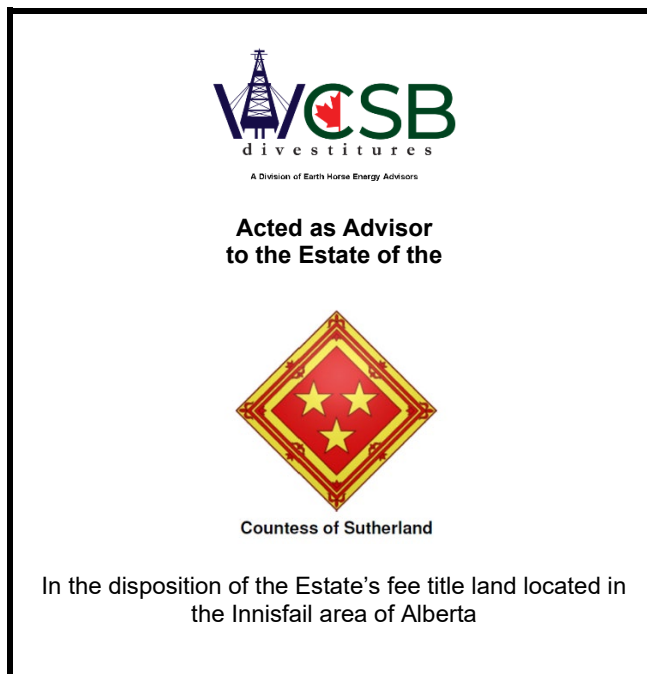
The acquisition will be funded through a combination of common equity, convertible debentures and an upsized credit facility.

ARC Financial Corp. announced the recapitalization of **Aspenleaf Energy Limited**. Aspenleaf has assets focused mainly in the Leduc-Woodbend, Swan Hills, Twining and Workman areas of Alberta with corporate production of approximately 25,000 boe/d. As stated by ARC, “the transaction provides over \$400 million of liquidity for ARC Energy Fund 7’s investors and co-investors and raises over \$100 million in new equity for Aspenleaf”.

Clearview Resources Ltd. announced that it divested certain underutilized infrastructure assets at its 100% owned Northville property in West Central Alberta for gross cash proceeds of \$10.8 million. The disposition includes the sale of a 90% working interest in 10.9 kilometres of certain gathering pipeline systems, a 75% working interest in a compression facility and a 94% working interest in a 22.1-kilometre sales pipeline. Clearview retained a small working interest in the infrastructure to continue to gather and compress its existing production and to preserve reserve values. Concurrent with the announcement of the infrastructure sale, Clearview also announced it acquired approximately 100 boe/d (77% liquids) of production for \$3.3 million from **Teine Energy Ltd.** The asset acquired consists of 5 producing horizontal Duvernay oil wells and 3 drilled and cased vertical wells with a 100% working interest in the Pembina area of central Alberta. The estimated remaining reserves of the property as at December 31, 2022 were 215 Mboe on a PDP and total proved basis and 284 Mboe on a 2P basis; in 2023 the estimated annual production from the property was 42.7 Mboe. In 2023, net operating income from the acquired asset was approximately \$2.5 million. Included with the acquisition is 177 sections of land of varying petroleum and natural gas rights with only six of the sections being developed. Based on the \$3.3 million purchase price, the metrics of the transaction were \$33,000/boe/d, 1.3X NOI and \$19.15/boe for the adjusted PDP reserves to December 31, 2023, and \$13.68/boe for the adjusted 2P reserves.

Canadian Spirit Resources Inc. announced that it entered into a definitive purchase and sale agreement to sell 10,350 net acres of undeveloped Montney lands located in the Farrell Creek and Attachie areas of Northeastern British Columbia for \$5.0 million. There is no production, facilities, or reserves associated with the assets.

During June, one of divestiture opportunities that was marketed by **WCSB Divestitures**, a division of **Earth Horse Energy Advisors**, in 2023 closed. The Estate of the Countess of Sutherland sold its fee title land located in the Innisfail area of Alberta.



Board of Director & Executive Changes in June 2024

Fiddlehead Resources Corp. and its board of directors announced it has recommended that Mr. Dale Miller, Mr. David Ritter, Mr. Gregory Turnbull, and Mr. C. Neil Smith stand for election as independent directors at the company's upcoming 2024 Annual General and Special Meeting of Shareholders. These individuals will join Mr. Brent Osmond currently as the Chairman, President & CEO of the company.

Recall that in May, Fiddlehead announced that it entered into an agreement to acquire assets in the South Ferrier/Strachan area for total consideration of \$22.5 million and announced its line up of senior executives.

Mr. Miller is a professional engineer with over 40 years of experience in the Oil and Gas industry, primarily in the Western Canadian Sedimentary Basin. He is currently President of **Dark Horse Energy Consultants Ltd.** and serves on the board of directors of **Yangarra Resources Ltd.** and **Prairie Provident Resources Ltd.** Prior thereto, Mr. Miller was President, COO & Director of **Long Run Exploration Ltd.**, which was sold to **Calgary Sinoenergy Investment** in 2016. He has an extensive senior management resume with exploration and production companies, including **Pace Oil & Gas, Gibraltar Exploration** and **Penn West Petroleum**. Mr. Miller holds a Bachelor of Science degree, Petroleum Engineering, from the **University of Tulsa**, and is a member of APEGA.

Mr. Ritter is currently the President of **The Haymarket Group, LLC**, a boutique management consulting firm based in The Woodlands, Texas, USA. He is also an External Advisor for **McKinsey and Company**. Most recently he was the COO of **Philadelphia Energy Solutions (PES)**. Prior to that he was Senior Vice President in **Saudi Refining, Inc.** ARAMCO's US affiliate. Mr. Ritter retired from **Royal Dutch Shell** at the end of 2010, as group Vice President of Global Competitive Intelligence and Strategy. Mr. Ritter received his MBA in Finance as well as his bachelor's degree in civil engineering from **Lehigh University**.

Mr. Turnbull has previously served as an officer or director of many public and private companies, including as a director of **Crescent Point Energy, Heritage Oil, Storm Resources**, and **Sunshine Oilsands**, and as the Chair of **Alberta Health Services** and Chair of the **Calgary Zoo**. Mr. Turnbull is currently a director of **SNDL** and is also a strategic advisor for **Fasken Martineau DuMoulin LLP**. Prior to joining Fasken, Mr. Turnbull was a long-time partner and managing partner at **McCarthy Tétrault LLP**. He holds a Bachelor of Arts degree (with honours) from **Queen's University** and a Bachelor of Laws degree from the **University of Toronto**.

Mr. Smith was most recently COO at **Crescent Point Energy Corp. (Veren Inc.)** and has been in the oil & gas industry for 35 years. Mr. Smith also sits on the board of **Southern Energy Corp.**, a Toronto and London exchange listed company. Mr. Smith holds a Bachelor of Applied Science degree in Geological Engineering and a Masters of Business Administration in Finance (Dean's List).

Tamarack Valley Energy Ltd. announced the appointment of Mr. Rene Amirault to its board of directors, effective June 14, 2024. Mr. Amirault was previously the President and CEO of **SECURE Energy Services Inc.** until his retirement in May 2024.

Tenaz Energy Corp. announced that Mr. Michael Kaluza announced his intention to retire as COO of the company and that Mr. Jenson Tan would replace Mr. Kaluza as COO after an appropriate transition period. Mr. Tan has twenty-two years of energy industry experience and was most recently Vice President of Business Development at **Vermilion Energy Inc.** Mr. Tan has a Bachelor of Science degree in Petroleum Engineering from the **University of Texas**.

Miscellaneous News Announced in June 2024

Trans Mountain Pipeline Expansion ("TMX"), which commenced operations on May 1, announced that it has revised standards for accepting crude oil on its expanded system after companies and refiners raised concerns about the crude oil arriving on the line. The U.S. West Coast refining market is expected to be a major outlet for the Canadian heavy oil shipped via the TMX and companies such as Chevron and Valero Energy told a pipeline regulator the line's crude quality specifications could deter their purchases. In response, Trans Mountain said it would replace the existing pool of "Low TAN (Total acid number) Dilbit" with a pool of "Pacific Cold Lake," or bitumen diluted with crude having a density of less than 800 kilograms per cubic meter. Pacific Cold Lake's and Pacific Dilbit's acidity will be limited to a maximum of 1.1 milligrams of potassium hydroxide (KOH) per gram, compared with an earlier limit of 1.3 mg KOH/g. High levels of acidity can corrode processing equipment and cause damage.

Trans Mountain also defined vapor pressure limits for its Pacific Cold Lake, Pacific Dilbit and Synthetic Bitumen crude pools, as less than or equal to 70 kilopascal (kPa) between May 1 and Nov. 30, and less than or equal to 76 kPa between Dec. 1 and April 30. High pressures cause more vapors to leak from tanks into the atmosphere.

The Trans Mountain pipeline historically has had higher vapor pressure limits than other export pipelines because it shipped refined products as well as crude oil.

Alberta's opposition **New Democratic Party** (NDP) elected former Calgary mayor Mr. Naheed Nenshi as its new leader in a landslide victory where he won with 86% of the vote. The NDP said the 62,700 votes cast for Nenshi were the largest number of votes ever received by a provincial leadership candidate in Canadian history. The next provincial election will be in 2027.

There were a number of organizations that publicly objected to or minimized the amount of information that they disclose as a result of the **Competition Act's** amendments related to environmental representations with respect to the benefits of a business or business activity included

in **Bill C-59. The Canadian Association of Petroleum Producers (CAPP)** released a statement which included certain excerpts, “The effect of this legislation is to silence the energy industry and those that support it in an effort to clear the field of debate and to promote the voices of those most opposed to Canada’s energy industry. Buried deep into an omnibus bill and added at a late stage of Committee review, these amendments have been put forward without consultation, clarity on guidelines, or the standards that must be met to achieve compliance. As a result, businesses across Canada are being put at significant risk for communicating their efforts to reduce their impact on the environment. The burden of proof provision included in the amendments means those making the complaint face no risk or accountability. Rather, the burden falls entirely on companies to justify how the comments they have made on public policy issues like climate and the environment accord with the newly introduced and nebulous “internationally recognized methodology. The amendments also empower private parties to compel companies to appear before the Competition Tribunal to defend themselves. This radical shift from current practice, where only the Competition Bureau enforces misleading advertising laws, opens the floodgates for frivolous, resource-draining complaints. The ambiguity of these amendments to the Competition Act coupled with very significant penalties for violating these provisions, effectively prevents not only CAPP, but any business that wants to communicate its environmental efforts, from having important discussions with Canadians.

As a result, CAPP has chosen to reduce the amount of information it makes available on its website and other digital platforms until the Competition Bureau has released further guidance on how these amendments will be implemented.

Pathways Alliance minimized the amount of content that is on its website and stated “our ability to remain transparent has been significantly compromised as a result of Bill C-59, which was recently passed and includes amendments to the Competition Act related to environmental and climate disclosure. With these changes, it is possible that certain public representations by a business about the benefits of the work it is doing to protect or restore the environment or address climate change will violate the Competition Act and subject it to significant financial penalties unless the business can adequately and properly substantiate their claims according to “internationally recognized methodology,” which may or may not exist.”

Creating a public disclosure standard that is so vague as to lack meaning and that relies on undefined “internationally recognized methodology” opens the door for frivolous litigation, particularly by private entities who will now be empowered to directly enforce this new provision of the Competition Act. This represents a serious threat to freedom of communication.

These amendments create significant uncertainty and risk for all Canadian companies regardless of sector, that communicate publicly about environmental performance, including actions to address climate change. As a result, we have been forced to remove information on environmental and climate performance, progress, and plans from our websites, social media platforms and other communications channels at this time. These actions are a direct consequence of this legislation and are not related to our commitments or belief in the accuracy of our environmental communications.”

The **Haisla Nation and Pembina Pipeline Corporation**, partners in **Cedar LNG Partners LP** announced a positive Final Investment Decision on the Cedar LNG Project, a floating liquefied natural gas facility with a nameplate capacity of 3.3 million tonnes per annum, located in the traditional territory of the Haisla Nation, on Canada’s West Coast.

Birchcliff Energy Ltd. and AltaGas Ltd. announced an expanded partnership “focused on reducing long-term operating costs and connecting more liquified petroleum gas (“LPG”) into premium global markets” As part of the operating agreement, Birchcliff will take over operatorship of AltaGas’ Gordondale deep-cut gas processing facility which will allow Birchcliff to leverage cost optimization opportunities that exist between its 100% owned and operated gas plant at Pouce Coupe and the Gordondale facility, which are located approximately six miles apart and are pipeline connected. These optimization opportunities are expected to “drive lower operating costs, reduce downtime, and optimize natural gas liquids recoveries for Birchcliff, with no net impact on AltaGas’ profitability.”

AltaGas will continue to own 100% of the Gordondale Facility with no plans to reduce its ownership. The Gordondale Facility will continue to operate under the existing long-term take-or-pay processing agreement between the parties (the “Processing Agreement”), with Birchcliff as operator for the remainder of the Processing Agreement’s term, which will continue until at least December 31, 2032. Birchcliff has also entered into additional long-term tolling agreements with AltaGas whereby Birchcliff will market additional LPG volumes through AltaGas’ global exports platform, which is aligned with AltaGas’ strategy to grow tolling volumes and cash flow predictability, while providing Birchcliff with direct market access to premium LPG netbacks in Asia with Far East Index pricing.

The shareholders of **TC Energy** voted in favour of spinning off the Canadian company’s liquids pipeline business, creating a new energy infrastructure firm known as **South Bow Corp.** TC Energy shareholders will receive one new common share of TC Energy and 0.2 of a common share in a new public company named South Bow Corporation (South Bow), in exchange for each common share of TC Energy held. South Bow’s assets consist of nearly 4,900 kilometres of liquids pipelines that connect oil supply in Alberta and parts of the United States to refining markets in Illinois, Oklahoma and Texas. Its signature asset is the 622,000 barrel per day Keystone pipeline. The new company will retain a \$7.9 billion debt owing to TC.

The U.S. **Energy Information Administration** estimates that US oil production and global oil demand will likely post bigger records this year than previously expected. The EIA now expects US oil output to grow by around 310,000 bbl/d to 13.24 million bbl/d this year, about 40,000 bbl/d. Global oil demand this year is also expected to be above estimates. World crude oil and liquid fuels consumption is expected to rise by 1.1 million bbl/d to 103 million bbl/d in 2024. EIA stated that a slower increase in OPEC+ supplies should lead to a decline in global oil inventories through the first quarter of 2025 and put upward pressure on oil prices.

The largest oil trade group in the US, which includes **Exxon Mobil** and **Chevron**, announced that it will file a federal lawsuit seeking to block the Biden administration’s efforts to encourage electric vehicle manufacturing. The **U.S. Environmental Protection Agency (“EPA”)** issued new tailpipe emission rules in March that will force the nation’s automakers to produce and sell more electric vehicles to meet the new standards. Under the rule, the administration projects up to 56% of all car sales will be electric between 2030 and 2032. The **American Petroleum Institute**

says the EPA has exceeded its congressional authority with a regulation that will eliminate most new gas cars and traditional hybrids from the U.S. market in less than a decade.

In the middle of June, **Baker Hughes** announced that U.S. energy firms cut the number of oil and natural gas rigs operating to the lowest since January 2022, to 590 rigs. Baker Hughes said the total rig count is down 97 rigs, or 14%, below this time last year.

In early June, it was announced that **Saudi Arabia** would initiate a secondary share sale of 1.545 billion shares in oil giant **Aramco** for proceeds of approximately USD \$12.0 billion; the banks can increase the offering by a further US \$1.0 billion. The sovereign wealth fund, the **Public Investment Fund** (PIF) is likely to be a beneficiary of the funds. If all the shares are sold, the Saudi government will be cutting its stake in the world's top oil exporter by 0.7%. The Saudi government directly holds just over 82% of Aramco. PIF owns 16% – 12% directly and 4% through subsidiary Sanabil, with the remainder held by public investors.

CNOOC Petroleum North America ULC announced the pricing of a cash tender offer to purchase outstanding debt securities of the company up to a combined aggregate principal amount of USD \$951,123,000 which was increased from USD \$750,000,000.

It was announced that **European Union** countries adopted a 14th package of **sanctions on Russia** that aims to close some circumvention loopholes and hits Russia's gas exports for the first time. The package will also add 116 entities and individuals to the sanctions list bringing the total to more than 2,200. The new restrictions on gas aim to reduce Russia's revenues from liquefied natural gas (LNG) exports by banning transshipments off EU ports and a clause allowing Sweden and Finland to cancel some LNG contracts. The measures stop short of an EU ban on LNG imports, which have risen since the start of the war. The sanctions will take effect after a nine-month transition period. The package also prohibits new investments and services to complete certain LNG projects under construction in Russia. The new package aims to limit circumvention by creating more responsibility and penalties at member state level for those found flouting the regulations.

Obsidian Energy Ltd. announced that it reached a mutually beneficial agreement in principle with the **Woodland Cree First Nation** which resulted in the reinstatement of production from Obsidian's Harmon Valley South field in its Peace River area. Obsidian and the WCFN had a conflict which caused Obsidian to shut down approximately 4,500 boe/d of production from the area. It was stated that "the Company and the WCFN engaged in extensive discussions with the help of a mediator to arrive at a fair and equitable agreement that is beneficial to both parties." The agreement between Obsidian and the WCFN has a term through to the end of 2025.

On June 5th, the **Alberta Energy Regulator** ("AER") issued a corporate abandonment order to **Tallahassee Exploration Inc.**, requiring the company to decommission its sites and to submit and implement an approved reclamation plan. The order comes in response to Tallahassee's failure to comply with two previous orders issued in September and November 2023. On September 15, 2023, the AER issued a reasonable care and measures (RCAM) order to Tallahassee, citing concerns about a lack of reasonable care and measures to prevent impairment or damage to its sites. Tallahassee was directed to ensure reasonable care and measures at all sites, address outstanding noncompliance, and submit plans, including an RCAM plan and an abandonment plan for mineral lease-expired wells. Despite submitting plans, Tallahassee failed to fully comply with the September order. In response, on November 27, 2023, the AER rescinded the September order and issued a new RCAM, directing the **Orphan Well Association** (OWA) to ensure reasonable care and measures at all Tallahassee-licensed sites.

Baytex Energy Corp. announced that the Toronto Stock Exchange ("TSX") accepted the renewal of its normal course issuer bid ("NCIB"). The renewed NCIB allows Baytex to purchase up to 70,112,570 common shares during the 12-month period commencing July 2, 2024 and ending July 1, 2025.

Imperial Oil Limited announced it received final acceptance from the TSX for a NCIB to repurchase up to 26,791,840 shares during the 12 months starting on June 29, 2024, and ending on June 28, 2025.

NuVista Energy Ltd. announces that the TSX approved the renewal of its NCIB pursuant to which NuVista may purchase for cancellation up to a maximum of 14,234,451 common shares from June 19, 2024, to June 18, 2025.

Petrus Resources Ltd. announced that the TSX accepted Petrus' notice of intention to renew its NCIB which will allow Petrus to purchase up to 6,218,596 common shares over a period of twelve months commencing on June 28, 2024 and ending on June 27, 2025. In connection with the NCIB, Petrus has established an automatic share purchase plan.

Surge Energy Inc. announced that the TSX accepted its NCIB allowing Surge to repurchase up to 9,781,079 common shares over a period of twelve months commencing on June 19, 2024 and expiring no later than June 18, 2025.

Hemisphere Energy Corporation announced that its board of directors approved the declaration of a \$0.03/share special dividend to shareholders. It is in addition to the company's quarterly base dividend of \$0.025/share.

The **TXSE Group**, backed by **BlackRock** and **Citadel Securities**, announced that it plans to launch **Texas Stock Exchange** based in Dallas. The exchange, which has raised about \$120 million, plans to file registration documents with the **U.S. Securities and Exchange Commission** to start operating as a national securities exchange later in 2024. The Texas stock exchange aims to attract listings of exchange-traded products and challenge increasing compliance costs at the **Nasdaq** and the **NYSE**, as well as newer rules including setting targets for board diversity at the Nasdaq.

Financings Announced in June 2024

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

Veren Inc. announced that it raised \$1.0 billion aggregate principal amount of senior unsecured notes, consisting of \$550 million of 4.968% five-year notes priced at par and due June 2029, and \$450 million of 5.503% 10-year notes priced at par and due June 2034. The net proceeds were used to repay existing indebtedness, including fully retiring its bank term loan.

Saturn Oil & Gas Inc. announced that it closed US \$650.0 million (upsized from \$625.0 million) in aggregate principal amount of senior secured second lien notes due 2029. Saturn used the net proceeds of the offering, a \$100.0 million bought deal financing and cash on hand to acquire assets from **Veren Inc.** (as announced in our May report), repay in full the company's senior secured term loan and general corporate purposes, which may include the restructuring of certain hedges.

Advantage Energy Ltd. announced that it has completed a bought deal subordinated debenture financing for total gross proceeds of \$143,750,000. The financing was announced concurrent with the previously announced acquisition of assets from Longshore.

Avila Energy Corporation announced a private placement offering of up 80,000,000 units at a price of \$0.03/unit for gross proceeds of up to \$2,400,000. Each unit is comprised of one common share and one-half common share purchase warrant with each full warrant entitling its holder to purchase one additional common share at a price of \$0.12 for a period of 24 months following the closing.

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.

Visit us at www.trimbleenergygroup.com to learn more.

Thank you,

Ryan Ferguson Young
Executive Vice President
Trimble Energy Group
Formerly: Earth Horse Energy Advisors
Email: Ryan@trimbleenergygroup.com
Direct Phone: (403) 615-2975



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