



## Monthly Market Overview July 2024

During July, 29 of the 48 publicly traded TSX E&P companies (with assets focused predominately in Canada) rose in value, one was flat while the remaining 19 companies fell month-over-month. Of those companies that had an increase in their share price, the rise ranged from 0.06% (**Ovintiv Inc.**) to **Tenaz Energy Corp.**'s massive spike of 96.70% on the announcement of an acquisition. On a combined basis, the TSX E&P group had an average increase of 2.68% and median rise of 0.85%.

As for the companies listed on the TSX Venture Exchange, seven companies had an increase in their share price, three were flat and the remaining 11 companies experienced a drop. Overall, the group had an average increase of 0.28% while the group fell 0.59% on a median basis.

Oil prices fell month-over-month with WTI slipping 1.00% to USD \$77.91/bbl, Edmonton Par dropped 3.03% to USD \$74.61/bbl and WCS ended the month down 10.24% at USD \$58.80/bbl as the discount on WCS widened further in July. Oil fell on concerns of swelling supply and lower demand from China as manufacturing looks to shrink for the third month. These factors outweighed the Middle East conflict which was volatile in July and the prospect of the US lowering interest rates as early as September. There was little impact from a failed assassination attempt on former president of the US, Donald Trump.

NYMEX natural gas prices fell 22.65% to USD \$2.01/MMBtu while AECO edged up 10.85% to \$0.76/MMBtu. US prices fell on higher-than-normal storage and higher natural gas production following drilling activity spurred by the higher prices in April and May. Hurricane Beryl impacted LNG exports early in July but by the end of the month LNG exports resumed. Most attention was on the Freeport LNG terminal since Freeport has a history of swaying global gas prices when it shuts.

Below we illustrate the changes in commodities and in the Canadian dollar during July 2024; the Canadian dollar slipped 0.95% to \$0.7242.

	WTI Oil (\$USD/bbl)	WCS (\$USD/bbl)	Cdn Light (\$USD/bbl)	NYMEX (\$USD/MMBtu)	AECO (\$CAD/MMBtu)	CDN\$/USD\$
<b>July 2024 Average</b>	\$80.35	\$66.07	\$77.10	\$2.20	\$0.83	0.7293
<b>End of July 2024</b>	\$77.91	\$58.80	\$74.61	\$2.01	\$0.76	0.7242
<b>End of June 2024</b>	\$78.70	\$65.51	\$76.94	\$2.60	\$0.68	0.7312
<b>Month-over-Month Change</b>	-1.00%	-10.24%	-3.03%	-22.65%	10.85%	-0.95%

Sources: TradingView, Oilprice.com, Oilsands Magazine

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

As previously mentioned, 29 of the 48 publicly traded TSX E&P companies (with assets focused predominately in Canada) rose in value, one was flat, while 18 companies fell month-over-month.

The top performer in July was **Tenaz Energy Corp.** which surged 96.70% to \$7.16/share on the back of the announcement that it entered into an agreement with **Nederlandse Aardolie Maatschappij B.V.** ("NAM"), a 50/50 joint venture between **Shell PLC** and **ExxonMobil Corporation**, to acquire all of the issued and outstanding shares of **NAM Offshore B.V.** ("NOBV") for base consideration of \$246 million, prior to closing adjustments and contingent payments. The transaction has an effective date of January 1, 2024, and is expected to close mid-2025 following statutory merger clearances and operational transition activities. NOBV is expected to produce nearly 11,000 boe/d (99% natural gas) and generate approximately \$134 million of free cash flow based on current strip prices in 2024. Tenaz's estimate of required cash-to-close is approximately \$45 million assuming a mid-year closing date.

**International Petroleum Corporation** was the second-best performer in July, rising 10.06% to \$19.92/share. IPC reached a high of \$20.59/share before a pullback. On the last day of the month, IPC released its second quarter 2024 financial and operational results which were at or better than its guidance.

**Tamarack Valley Energy Ltd.** notched the third spot, increasing 9.92% to \$4.10/share and nearing a resistance point and the formation of a cup and handle formation. Technical traders may want to keep Tamarack Valley on their radar, it could pop on increasing volume.

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

Company	TSX Ticker	July 2024 % Change	End of July 2024	End of June 2024
Tenaz Energy Corp.	TNZ	96.70%	\$7.16	\$3.64
International Petroleum Corporation	IPCO	10.06%	\$19.92	\$18.10
Tamarack Valley Energy Ltd.	TVE	9.92%	\$4.10	\$3.73
Athabasca Oil Corporation	ATH	9.27%	\$5.66	\$5.18
Topaz Energy Corp.	TPZ	8.29%	\$25.99	\$24.00
Baytex Energy Corp.	BTE	8.23%	\$5.13	\$4.74
PrairieSky Royalty Ltd.	PSK	6.73%	\$27.75	\$26.00
Whitecap Resources Inc.	WCP	6.29%	\$10.64	\$10.01
i3 Energy plc	ITE	6.06%	\$0.18	\$0.17
Imperial Oil Limited	IMO	6.04%	\$98.91	\$93.28
Gear Energy Ltd.	GXE	5.80%	\$0.73	\$0.69
Suncor Energy Inc.	SU	5.73%	\$55.14	\$52.15
Greenfire Resources Ltd.	GFR	4.97%	\$9.71	\$9.25
Questerre Energy Corporation	QEC	4.00%	\$0.26	\$0.25
Freehold Royalties Ltd.	FRU	3.96%	\$14.16	\$13.62
InPlay Oil Corp.	IPO	3.60%	\$2.30	\$2.22
Cenovus Energy Inc.	CVE	3.46%	\$27.82	\$26.89
Kiwetinochk Energy Corp.	KEC	3.11%	\$13.60	\$13.19
Canadian Natural Resources Limited	CNQ	2.94%	\$49.02	\$48.73
Cardinal Energy Ltd.	CJ	2.54%	\$6.87	\$6.70
Perpetual Energy Inc.	PMT	2.27%	\$0.45	\$0.44
Journey Energy Inc.	JOY	1.31%	\$3.10	\$3.06
Peyto Exploration & Development Corp.	PEY	1.23%	\$14.76	\$14.58
Obsidian Energy Ltd.	OBE	0.88%	\$10.33	\$10.24
Headwater Exploration Inc.	HWX	0.83%	\$7.31	\$7.25
Spartan Delta Corp.	SDE	0.74%	\$4.06	\$4.03
Strathcona Resources Ltd.	SCR	0.53%	\$32.40	\$32.23
Surge Energy Inc.	SGY	0.14%	\$7.04	\$7.03
Ovintiv Inc.	OVV	0.06%	\$64.17	\$64.13
Petrus Resources Ltd.	PRQ	0.00%	\$1.38	\$1.38
Veren Inc.	VRN	-0.09%	\$10.78	\$10.79
Birchcliff Energy Ltd.	BIR	-0.33%	\$5.99	\$6.01
Saturn Oil & Gas Inc.	SOIL	-0.75%	\$2.65	\$2.67
Vermilion Energy Inc.	VET	-1.39%	\$14.85	\$15.06
Yangarra Resources Ltd.	YGR	-1.89%	\$1.04	\$1.06
Tourmaline Oil Corp.	TOU	-2.10%	\$60.75	\$62.05
ARC Resources Ltd.	ARX	-2.13%	\$23.89	\$24.41
MEG Energy Corp.	MEG	-2.25%	\$28.61	\$29.27
Paramount Resources Ltd.	POU	-3.64%	\$29.95	\$31.08
Rubellite Energy Inc.	RBY	-4.31%	\$2.22	\$2.32
Crew Energy Inc.	CR	-4.43%	\$4.10	\$4.29
Kelt Exploration Ltd.	KEL	-5.02%	\$6.05	\$6.37
NuVista Energy Ltd.	NVA	-5.98%	\$13.37	\$14.22
Bonterra Energy Corp.	BNE	-7.18%	\$4.78	\$5.15
Advantage Energy Ltd.	AAV	-7.23%	\$9.63	\$10.38
Pine Cliff Energy Ltd.	PNE	-9.90%	\$0.91	\$1.01
Pieridae Energy Limited	PEA	-10.26%	\$0.35	\$0.39
Prairie Provident Resources Inc.	PPR	-18.18%	\$0.05	\$0.06
Average Increase/Decrease			2.68%	
Median Increase/Decrease			0.85%	
Number of Companies with Share Price Increases			29	
Number of Companies Flat Month Over Month			1	
Number of Companies with Share Price Declines			18	
Largest Share Price Increase		96.70%		
Largest Share Price Decline		-18.18%		

The three worst-performing stocks in July 2024 were **Prairie Provident Resources Inc.**, **Pieridae Energy Limited** and **Pine Cliff Energy Ltd.** Prairie Provident dropped a further 18.18% in July (recall that PPR fell 15.38% in June), Pieridae declined 10.26% and Pine Cliff fell 9.90%.

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

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

**Tuktu Resources Ltd.** had the largest increase in July, jumping 80.00% from \$0.05/share to \$0.09/share (Tuku reached a high of \$0.12/share) upon Tuktu's announcement that it had a successful test of a new oil zone in the deep basin of southern Alberta and that it earned 6 gross (4.8 net) sections of land containing mineral rights in the new Mississippian reservoir following the recompletion of a standing well. Tuktu deployed approximately \$365,000 to complete this operation. When it released the news, Tuktu stated "through the most recent 7 hours of swab operations, the well produced at rates of between 327 to 383 bb/d of light oil. Tuktu has an 80% working interest in the well and has tied up (through its previously announced acquisition, above earning and under option with the aforementioned farm-in Agreement) approximately 26 gross sections in the area of the discovery." The discovery more than triples Tuktu's oil production and delineates a new oil fairway.

**Prospera Energy Inc.** experienced the second largest increase, rising 33.33%, or \$0.02/share to \$0.08/share. Early in July, Prospera announced its 2024 drilling program would commence in mid-July and initially focus on multi-pad medium-oil infill directional wells based on its 2023 drilling results.

**PetroFrontier Corp** rounded out the top three best performers in July, increasing 25.00%, or \$0.01/share to \$0.05/share. During July, only 80,600 shares traded hands.

On a combined basis, the TSX-V E&P companies had an average increase of 0.28% but was down 0.59% on a median basis. The biggest decliners were **Resolute Resources Ltd.**, **Canadian Spirit Resources Inc.** and **Tenth Avenue Petroleum Corp.** Resolute fell 50.00% ending at \$0.005/share on news that it entered into a definitive agreement to sell its sole direct wholly-owned subsidiary, Resolute Resources Limited which holds all of its oil and gas assets to a private arm's length purchaser for cash consideration of \$75,000. Recall that Resolute drilled two wells following its go public transaction in 2023. The results were disastrous. Canadian Spirit fell 33.33% to \$0.06/share and PetroFrontier dropped 25% to \$0.04/share.

Company	TSX Ticker	July 2024 % Change	End of July 2024	End of June 2024
Tuktu Resources Ltd.	TUK	80.00%	\$0.09	\$0.05
Prospera Energy Inc.	PEI	33.33%	\$0.08	\$0.06
PetroFrontier Corp.	PFC	25.00%	\$0.05	\$0.04
Westgate Energy Inc.	WGT	20.00%	\$0.30	\$0.25
Highwood Oil Company Ltd.	HAM	7.84%	\$5.50	\$5.10
Altima Resources Ltd.	ARH	5.88%	\$0.18	\$0.17
Hemisphere Energy Corporation	HME	2.81%	\$1.83	\$1.78
Petrolympic Ltd.	PCQ	0.00%	\$0.04	\$0.04
Pulse Oil Corp.	PUL	0.00%	\$0.03	\$0.03
Criterion Energy Ltd.	CEQ	0.00%	\$0.07	\$0.07
Lycos Energy Inc.	LCX	-0.59%	\$3.38	\$3.40
Coelacanth Energy Inc.	CEI	-1.33%	\$0.74	\$0.75
Logan Energy Corp.	LGN	-4.44%	\$0.86	\$0.90
Source Rock Royalties Ltd.	SRR	-6.38%	\$0.88	\$0.94
ROK Resources Inc.	ROK	-8.00%	\$0.23	\$0.25
Wescan Energy Corp.	WCE	-10.00%	\$0.09	\$0.10
Vital Energy Inc.	VUX	-11.11%	\$0.24	\$0.27
Cobra Venture Corporation	CBV	-21.05%	\$0.15	\$0.19
Tenth Avenue Petroleum Corp.	TPC	-22.73%	\$0.09	\$0.11
Canadian Spirit Resources Inc.	SPI	-33.33%	\$0.04	\$0.06
Resolute Resources Ltd.	RRL	-50.00%	\$0.01	\$0.01
Average Increase/Decrease			0.28%	
Median Increase/Decrease			-0.59%	
Number of Companies with Share Price Increases			7	
Number of Companies Flat Month Over Month			3	
Number of Companies with Share Price Declines			11	
Max Share Price Increase		80.00%		
Greatest Share Price Decline		-50.00%		

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

In July 2024, there were few upstream M&A transactions announced in the Canadian oil & natural gas sector. The most significant deals announced were a facility transaction deal, an infrastructure partnership and one upstream deal across the pond.

**PrairieSky Royalty Ltd.** released its Q2 2024 results disclosing that it had completed \$12.3 million of royalty acquisitions related primarily to exploration projects in the Mannville Stack.

As previously mentioned, **Resolute Resources Ltd.** announced that it has entered into a definitive agreement to sell its sole direct wholly-owned subsidiary, **Resolute Resources Limited**, to a private arm's length purchaser for cash consideration of \$75,000. The subsidiary holds all oil and gas assets of the company as well as all issued and outstanding shares of an indirect subsidiary, **Resolute Resources Corp.** Together, these represent all of the operating assets of Resolute.

**Tenaz Energy Corp.**, which has assets in Canada and has been growing its international presence, announced a transformational transaction by entering into an agreement with **Nederlandse Aardolie Maatschappij B.V.** ("NAM"), a 50/50 joint venture between **Shell PLC** and **ExxonMobil Corporation**, to acquire all of the issued and outstanding shares of **NAM Offshore B.V.** ("NOBV") for base consideration of \$246 million, prior to closing adjustments and contingent payments. The transaction has an effective date of January 1, 2024 and is expected to close mid-2025 resulting in cash to close of approximately \$45.0 million.

NOBV is expected to produce nearly 11,000 boe/d (99% natural gas), generate approximately \$134 million of free cash flow based on current strip prices in 2024 and have estimated 2P reserves of 53.6 million boe. According to Tenaz, the acquisition results in a 3.9x increase in corporate production, a 3.7x increase in 2P reserves, and 6.2x increase in 2P reserve value. Upon closing of the transaction, Tenaz will become the second largest operator in the Dutch North Sea.

**Whitecap Resources Inc.** announced a 50% working interest sale of its Musreau 05-09 facility to **Topaz Energy Corp.** for gross proceeds of \$100 million and a strategic infrastructure partnership with **Pembina Gas Infrastructure** ("PGI") which includes a 50% working interest sale of its 15-07 Kaybob Complex and funding of Whitecap's Montney facility at Lator for gross proceeds of \$420 million.

In the Whitecap-Topaz transaction, Whitecap will retain operatorship and the remaining 50% working interest. In addition, Whitecap has entered into a long-term fixed take-or-pay commitment with Topaz to access their working interest capacity. The transaction closed on June 24, 2024.

Whitecap and PGI entered into a purchase and sale agreement whereby PGI will acquire a 50% working interest in the Kaybob Complex, which includes natural gas processing capacity of 165,000 mcf/d and condensate stabilization capacity of 15,000 bbl/d. Whitecap will retain operatorship and the remaining 50% working interest in the Kaybob Complex. In addition, at the closing of the transaction Whitecap will enter into long-term fixed take-or-pay commitment with PGI to access their working interest capacity. Closing of the transaction is expected to occur in the third quarter of 2024.

Concurrent with the announcement of the transactions, Whitecap announced that it reached a positive final investment decision on its Lator Facility. The Lator area "represents the next stage of meaningful growth for Whitecap with 90,000 acres and up to 450 identified top tier Montney locations. Full-scale development of Lator is expected to commence in 2026 with facility start up in late 2026 to early 2027 and a ramp up to facility capacity by late 2029. Whitecap will design, construct and operate the future Montney facility at Lator and PGI will fund 100% of the new battery and gathering lateral which includes natural gas compression capacity of approximately 150,000 mcf/d and condensate stabilization capacity of 10,000 – 15,000 bbl/d. In exchange, Whitecap will enter into long-term fixed take-or-pay commitments for priority access to the Lator Facility and will enter into an area of dedication."

## Board of Director & Executive Changes in July 2024

The board of directors of **Trans Mountain Corporation** announced the retirement of Mr. William (Bill) Downe as its Board Chair after six years of service. Ms. Dawn Farrell, Trans Mountain's President and CEO, will succeed him as Board Chair effective September 1, 2024. The board of directors is undertaking a CEO succession process and will have further announcements once a replacement is found.

**MEG Energy Corp.** announced the appointment of Mr. Michael McAllister to its board of directors. Mr. McAllister, P.Eng., has 40 years of energy industry experience, holding several executive roles with North American oil and gas companies. Mr. McAllister spent 20 years at **Ovintiv Inc.** (formerly **Encana Corporation**) where he held several executive roles and was most recently Ovintiv's President. Prior to Ovintiv, Mr. McAllister held various technical and leadership roles for **Texaco Canada** and **Imperial Oil Resources**. Mr. McAllister currently serves as a Director of **ARC Resources Ltd.** and **Mediterra Energy Corporation**, and he was previously a Governor with the **Canadian Association of Petroleum Producers**.

**Tuktu Resources Ltd.** announced the appointment of Ms. Kathleen Dixon as the Chair of the company's board of directors. Mr. Robert Dales, who has served as the Chairman of the Board since July 15, 2022, will continue as a board member for Tuktu.

## Miscellaneous News Announced in July 2024

**TC Energy Corporation** announced an equity interest purchase agreement with an **Indigenous-owned investment partnership** for a minority equity interest of 5.34% in the NGTL System and the Foothills Pipeline assets (“Partnership Assets”) for a gross purchase price of \$1 billion. The Agreement is backed by the **Alberta Indigenous Opportunities Corporation** (“AIOC”) and was negotiated by a consortium committee (Consortium) representing specific Indigenous Communities (Communities) across Alberta, British Columbia and Saskatchewan. This results in an implied enterprise value of approximately \$1.65 billion, inclusive of the proportionate share of the Partnership Assets’ collective debt.

The partnership will enable up to 72 Indigenous Communities closest to the Partnership Assets to become equity owners in the 25,000-kilometre highly integrated network of natural gas infrastructure assets spanning western Canada.

The AIOC will provide the Communities with a \$1 billion equity loan guarantee to support the newly formed Indigenous-owned investment partnership. Once finalized, the Communities will enter into definitive agreements as co-investors in the Partnership Assets through the Indigenous-owned investment partnership.

In other news TC Energy news, a free trade arbitration tribunal rejected TC Energy’s claim that it is owed US\$15 billion in damages as a result of U.S. President Joe Biden’s cancellation of the **Keystone XL** pipeline permit. TC Energy launched a claim in 2021 under the legacy rules tied to the old North American Free Trade Agreement, or NAFTA, because of what it said was the U.S. government’s breach of its free trade obligations. As many are aware, TC Energy proposed the Keystone XL project under the Obama administration, which ultimately rejected it on environmental grounds. U.S. President Donald Trump revived the project, but Biden killed it again by revoking the pipeline’s permit on his first day as president in 2021.

The **International Centre for Settlement of Investment Disputes** (ICSID) tribunal refused to hear the case stating that “the legacy provisions tied to the old NAFTA only permit claims based on breaches that allegedly occurred while NAFTA was in force.” Biden revoked Keystone XL’s permit a year after NAFTA was terminated and the new US-Mexico-Canada Agreement (USMCA) took its place.

It was announced that the **Alberta Energy Regulator’s** industry-wide closure spend requirement for 2025 has been set at \$750 million, a \$50 million increase over last year’s requirement. As of June 30, 2024, the reported industry closure spend for 2023 was about \$923 million, which includes the remaining funding from the Government of Alberta’s **Site Rehabilitation Program**. Industry-funded closure exceeded the \$700 million set for 2023 by 22%.

It was posted that the **Alberta government** plans to relax a rule that requires energy companies seeking to buy viable wells from bankruptcy proceedings to first pay all the failed producer’s outstanding taxes. Energy Minister Brian Jean stated, “I have informed the Alberta Energy Regulator and the Orphan Well Association that my office will be amending the order in a way that will protect the value of productive assets and ensure that they can be acquired by responsible operators. We believe that a significant minority of the assets sent to the (association) in the recent past will be found attractive by industry.”

The **Blueberry River First Nations** (“Blueberry”) has filed a Notice of Civil Claim (“NOCC”) against the province of British Columbia in order to protect Blueberry’s Treaty rights and enforce the Province’s constitutional, fiduciary and contractual obligations. It was stated that “in the face of the Province’s improper approval of the Gundy Plan and its outright rejection of any discussion regarding that, the majority of Blueberry’s elected Chief and Council have determined that the Nation has no choice but to bring legal action seeking the protection of the court once again. Despite the court filing, Blueberry continues to work with the Province on referrals, land use planning and other aspects of the Implementation Agreement. Together, a truly Blueberry-approved Gundy Plan – including New Disturbance caps – would ensure a sustainable and balanced approach to oil and gas development, amicable working relations under the Implementation Agreement, and respect for Blueberry’s Treaty rights.”

Internationally, it was announced that Venezuela granted a long-term license to British energy producer **BP** and state-owned **National Gas Company of Trinidad and Tobago** (NGC) to develop the Venezuelan side of the Cocuina-Manakin natural gas field that extends into the Venezuela’s Caribbean waters. It is estimated that the field has approximately 1 Tcf of proven gas reserves which are currently inactive.

The companies accelerated negotiations with Venezuela’s government and state energy company **PDVSA** to have the license signed before the July 28 presidential election.

On July 21<sup>st</sup> **President Biden** announced he would not continue his bid for reelection, saying it is in “the best interest” of the Democratic Party and the country to withdraw from the race, and he endorsed Vice President Kamala Harris to be the nominee.

A federal court in **Alaska** overturned an oil and natural gas lease sale that had been mandated by the Biden administration’s signature climate law as part of a political compromise, on grounds that the U.S. government violated the law when holding the sale. The ruling affects a lease sale held in December 2022 of offshore tracts for oil and natural gas development in the Cook Inlet in the northern Gulf of Alaska that had been mandated as part of a compromise to pass the 2022 Inflation Reduction Act. The reasoning for the overturn was that “the federal district court found that the Interior Department failed to consider a reasonable range of alternative leasing areas, which violates the National Environmental Policy Act, did not weigh the impact of vessel noise on Beluga whales in the area and did not assess the “cumulative impact” of this sale on the environment.”

Earlier in July, the **state of Alaska** sued the US government seeking to recover revenues it lost out on after President Joe Biden’s administration canceled oil and gas drilling leases in the federal Arctic National Wildlife Refuge. The state claims that the cancellation of the leases issued during Donald Trump’s administration cost it hundreds of millions if not billions of dollars. They stated that “the new rules were passed without proper input from affected parties, exceeded their congressional authorization and were rushed into place as an end-run on congressional oversight”.



Also in the US, a federal judge has ordered the **U.S. Bureau of Land Management** to pause approving new permits to drill for oil and natural gas on nearly 120,000 acres of federal land in Wyoming until it finishes reevaluating the environmental impacts of a lease sale.

**Woodside Energy Group Ltd.** has entered into a definitive agreement to acquire all issued and outstanding common stock of **Tellurian Inc.** including its owned and operated US Gulf Coast Driftwood LNG development opportunity for \$1.2 billion, consisting of cash consideration of approximately \$900 million, or \$1.00/share of Tellurian and assumed debt. It has been stated that “the acquisition of Tellurian and its Driftwood LNG development opportunity positions Woodside to be a global LNG powerhouse.”

**Strathcona Resources Ltd.** announced a strategic partnership with **Canada Growth Fund** (“CGF”) for the development of carbon capture and sequestration (CCS) infrastructure on Strathcona’s steam-assisted gravity drainage (SAGD) oil sands facilities across Saskatchewan and Alberta. Under the terms of the arrangement, CGF will invest up to \$1 billion toward CCS infrastructure on Strathcona’s assets, with an initial commitment of \$500 million. Strathcona will construct, operate and own the CCS infrastructure, with 50% of the initial capital costs funded by CGF and 50% by Strathcona. Substantially all of Strathcona’s share of capital costs is expected to be recouped through the federal CCS investment tax credit and other grants. Strathcona will retain full ownership of the CCS infrastructure and associated carbon credits and will repay CGF’s investment over time out of the actual cash flows generated by the CCS infrastructure, based on actual captured volumes and costs. The repayment of CGF’s investment will not be subject to any fixed payments or minimum volume commitments and will be driven by the actual performance of each CCS project. As part of the arrangement, Strathcona has agreed to an area dedication of the CO<sub>2</sub> volumes from its SAGD facilities and will guarantee a fixed price of carbon to the partnership which will serve as a hedge to Strathcona’s annual carbon tax obligations. Each CCS project’s fixed price per tonne will be set at the time of final investment decision. All of Strathcona’s oil sands facilities in the Lloydminster and Cold Lake regions lie directly atop suitable CO<sub>2</sub> storage reservoirs, allowing for local injection. In 2024, the **Government of Saskatchewan** granted Strathcona subsurface CO<sub>2</sub> sequestration rights, making Strathcona the first and only oil sands producer in Canada with approval to capture and store CO<sub>2</sub>.

**Entropy Inc.**, a subsidiary of **Advantage Energy Ltd.** announced a final investment decision (“FID”) at Glacier Phase 2 carbon capture and storage project, with an onstream date expected in Q2 2026. Phase 2 is expected to have total CO<sub>2</sub> capture capacity of 160,000 tonnes per annum (“tpa”), from nine gas-fired engines plus one gas-fired power generation turbine. This is in addition to the existing Phase 1 capacity of 32,000 tpa. The total cost of Glacier Phase 2 capture equipment, compression, transportation and storage wells is estimated at \$127 million, resulting in a capital efficiency of \$800/tpa, or \$600/tpa for capture only excluding compression, transportation and storage. Revenue from the project is contractually underpinned 75% by a 15-year carbon credit offtake agreement with **CGF** and 25% by a 15-year power purchase agreement with Advantage.

**Pieridae Energy Limited** announced that it had completed the sale of its Goldboro LNG assets on July 25, 2024 for cash consideration of \$12.0 million. Pieridae also issued notice to repay in full its subordinated secured bridge loan in the amount of \$24.0 million and has agreed to a private placement of common shares for gross proceeds of \$4.48 million with **Alberta Investment Management Corporation** (“AIMCo”), an existing Pieridae shareholder. With the Goldboro sale, Pieridae has now completed its shift to focus on its natural gas, NGL and sulphur production and midstream processing facilities in the Foothills region of Alberta.

Pieridae stated that in response to sustained low natural gas prices, it was shutting-in approximately 6,250 boe/d of production that flows to a third-party owned and operated facility in Central Alberta.

**Kelt Exploration Ltd.** announced that in light of higher-than-average natural gas storage inventories in both the United States and Canada and the fall of natural gas prices (especially at AECO and Station 2) to below \$1.00/GJ, Kelt has elected to defer the start-up of certain gassier wells in its drilling portfolio to November/December 2024 when prices are at significantly higher forecast prices.

**Greenfire Resources Ltd.** announced the redemption of approximately US\$61 million of its US\$300 million senior secured notes due 2028 (the “2028 Notes”). On June 30, 2024, the Company’s closing cash and cash equivalents balance was approximately \$160 million, including approximately \$50 million of additional working capital resulting from the accelerated collection of oil sales for June 2024. Under the indenture governing the 2028 Notes, Greenfire must direct 75% of excess cash flow (“ECF”) to indebtedness so that it is less than US\$150 million. The remaining 25% of ECF in the period can be used for shareholder returns. Once consolidated indebtedness falls below US\$150 million, the required redemption in every six-month period is reduced to 25% of ECF, with 75% of ECF becoming available for shareholder returns. The opening balance for the first ECF calculation was CAD\$43 million.

**Baytex Energy Corp.** announced that it repurchased 16.4 million common shares in Q2 2024 for \$79 million, at an average price of \$4.84/share.

**Hemisphere Energy Corporation** announced that the TSXV accepted its notice of intention to renew its Normal Course Issuer Bid (the “NCIB”) to purchase up to 8,255,766 common shares commencing on July 14, 2024 and terminating on July 13, 2025. Under its previous NCIB, Hemisphere purchased 4,074,400 shares at weighted-average price of \$1.425/share.

**Paramount Resources Ltd.** announced that the TSX accepted the renewal of its NCIB for the purchase of up to 7,888,902 class A common shares from July 8, 2024 to July 7, 2025. Under its previous NCIB, Paramount did not purchase any shares.

**Vermilion Energy Inc.** announced that the TSX approved its NCIB to purchase up to 15,689,839 common shares commencing on July 12, 2024 and expiring on July 11, 2025. In connection with the NCIB, Vermilion will enter an automatic purchase plan.

**Veren Inc.** announced it was active on its NCIB in second quarter, repurchasing 3.6 million shares for \$42.4 million and that it year-to-date, it had repurchased 5.4 million shares.

**MEG Energy Corp.**’s board of directors declared an inaugural quarterly cash dividend of \$0.10/share.

**Surge Energy Inc.** announced an 8% increase in its monthly dividend to \$0.043/share or \$0.52/share per year.

## Financings Announced in July 2024

During the month, there was only one financing announced.

As previously mentioned, concurrent with the closing of the sale of its Goldboro LNG assets, **Pieridae** announced that it entered into a subscription agreement with **AIMCo** to issue 12,800,000 common shares at a price of \$0.35/share for proceeds of \$4.48 million. Proceeds from the private placement were used to repay a portion of Pieridae's existing credit facilities.

### 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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