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Canadian energy stocks rose sharply through the first four months of 2014, and that helped drive a big increase in both M&A deal-making and finance activity.

“Both financings and mergers and acquisitions (M&A) activity have picked up significantly in comparison to this time in 2013,” says Ryan Ferguson Young of Sayer Energy Advisors, in the Calgary-based firm’s latest report.

“The total enterprise value of the transactions in the M&A marketplace in the first quarter of 2014 was approximately \$8.6 billion, up 70 per cent from the \$5 billion in the fourth quarter of 2013.”

With the first month of the second quarter already in the books, the total enterprise value (i.e., assumed debt plus equity) of deals announced or completed since Jan. 1 has jumped to roughly \$10.4 billion, he notes.

That compares to just \$13.8 billion of deals that were unveiled or completed in all of 2013.

The financing side has also seen a spike in activity. A total of \$6 billion of capital was raised by energy firms in the first quarter of 2014, including \$3.3 billion of equity and \$2.7 billion of debt. On an annualized basis, that would equate to \$24 billion for the full year, he says.

In 2013, the industry raised total capital of \$15.9 billion.

The largest transaction in the first quarter of 2014 was the \$3.1 billion acquisition of the majority of Devon Canada’s conventional assets in Western Canada by Canadian Natural Resources.

Canadian Natural also purchased \$413 million of assets from Apache Corp. in Alberta and British Columbia.

“It looks like 2014 is gearing up to be an active year in the M&A marketplace, with total transaction value exceeding last year and perhaps 2011 when \$15.6 billion in value was recorded,” says Ferguson Young.