

THIRD QUARTER 2014

HIGHLIGHTS

Median Reserves Acquisition Price
\$13.67/boe

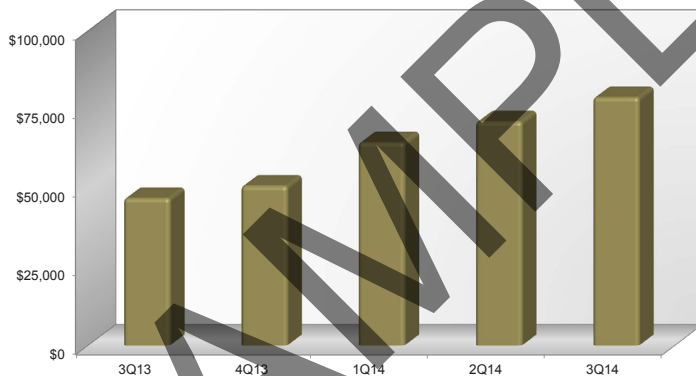
Enterprise Value of Transactions
\$5.9 billion

Median Production Acquisition Price
\$78,872/boe/d

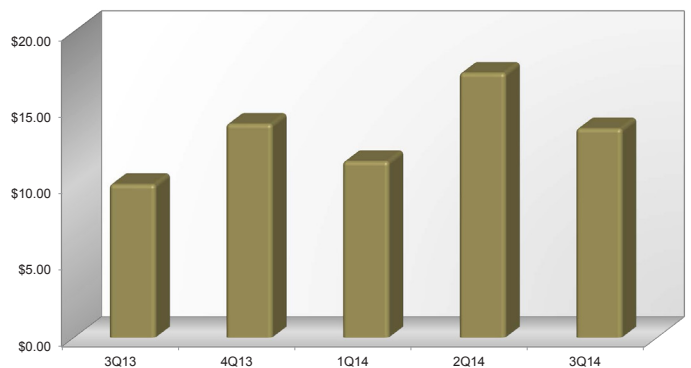
Assets and Companies for Sale
\$3.2 billion

The total enterprise value of M&A activity during the third quarter of 2014 was approximately \$5.9 billion, down 50% from the \$11.6 billion recorded in the second quarter of 2014. On a year-over-year basis, the total M&A value is up 23% from the \$4.8 billion recorded in the third quarter of 2013. The M&A activity level in 2014 continues to be significantly higher than 2013. In the first nine months of 2014 the total enterprise value was \$26.0 billion compared to \$9.1 billion in the first three quarters of 2013.

Median Production Acquisition Price - \$/boe/d



Median Reserves Acquisition Price - \$/boe

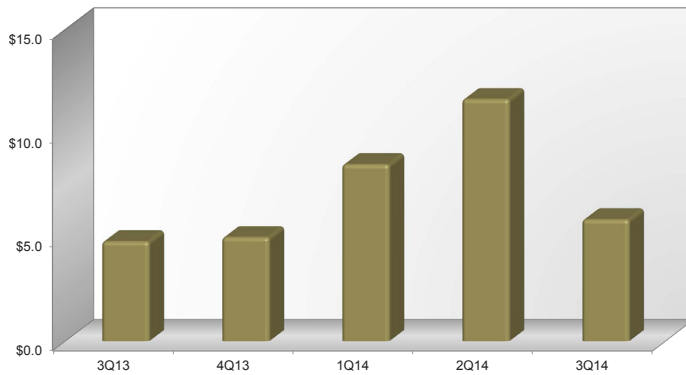


TRANSACTION HIGHLIGHTS

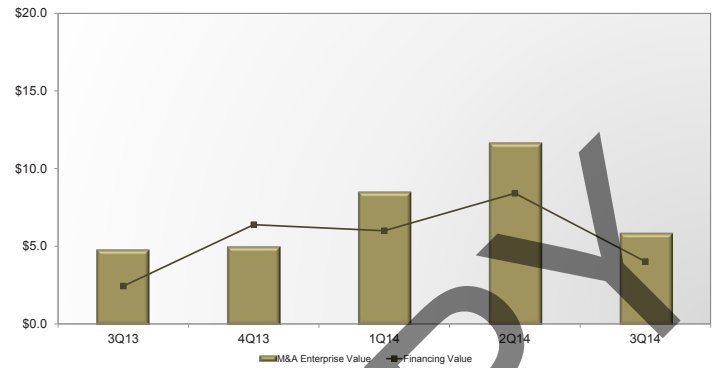
Month	Purchaser	Acquisition	Enterprise Value	Acquisition Price	
			\$MM	\$/boe	\$/boe/d
July	Cardinal	Muirfield	\$15.17	\$6.90	\$76,213
July	Crescent Point	T.Bird	\$86.02	\$24.18	\$99,008
August	Ikkuma	Alberta assets	\$24.00	\$4.63	\$18,750
August	Whitecap	Bashaw, Forge, Alberta assets	\$266.70	\$19.57	\$106,680
September	PrairieSky	Encana assets	\$2,562.18	\$116.31	\$207,447

Note: (*) - pending

M&A Enterprise Value of Transactions - \$Billions



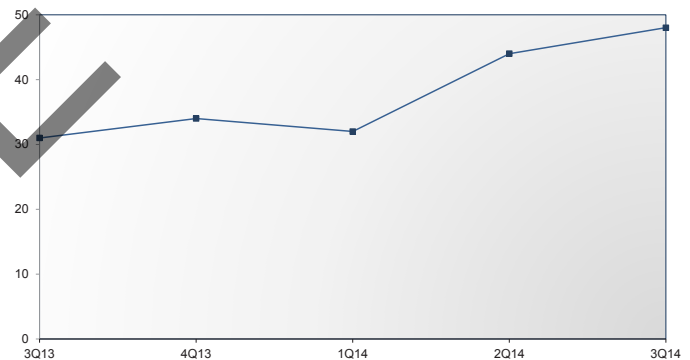
Total Financings versus M&A Enterprise Value



The total M&A enterprise value (large and small deals) in the third quarter of 2014 decreased 50% to \$5.9 billion from the \$11.6 billion recorded in the second quarter of 2014. On a year-over-year basis, the enterprise value in the third quarter increased 23% from the \$4.8 billion recorded in the third quarter of 2013.

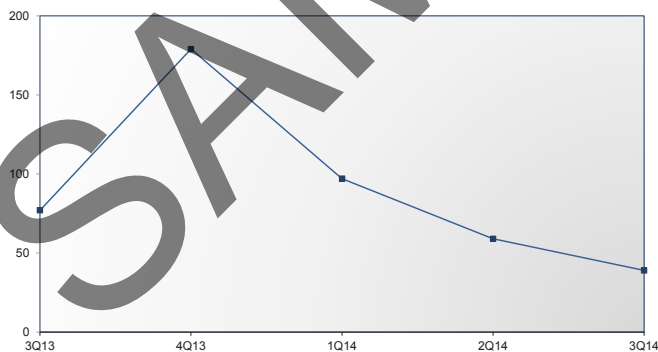
The total value of financings in the third quarter of 2014 decreased 52% to \$4.0 billion from \$8.4 billion in the second quarter of 2014. The total number of financings in the third quarter was 86, compared to 115 in the second quarter of 2014.

Number of Transactions Over \$5 Million



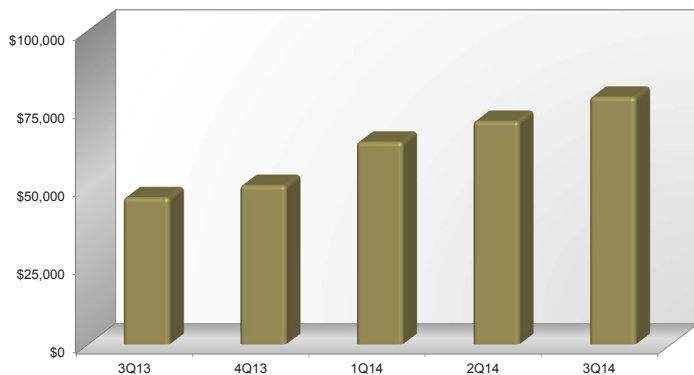
The number of large transactions (valued at over \$5 million in size) was 48 in the third quarter of 2014, up from the 44 deals recorded in the previous quarter. The average deal size for large transactions in the third quarter of 2014 was approximately \$120 million compared to \$262 million last quarter. There were nine large corporate transactions and 39 large property transactions in the third quarter, with average deal sizes of \$94 million and \$127 million respectively.

Number of Transactions Under \$5 Million



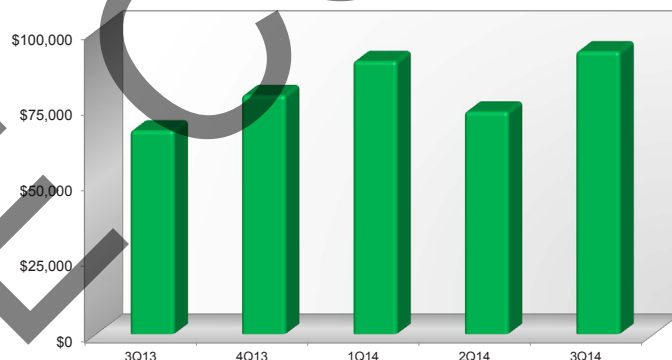
The number of small deals (under \$5 million in size) decreased 34% to 39 in the third quarter of 2014 from the 59 recorded last quarter. The total value of small deals dropped 40% on a quarter-over-quarter basis to approximately \$60 million from approximately \$100 million.

Median Production Acquisition Price - \$/boe/d



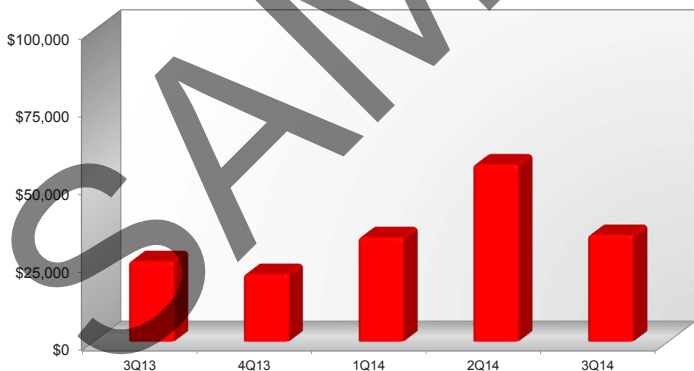
The median acquisition price per producing barrel of oil equivalent increased 11% to \$78,872/boe/d in the third quarter of 2014 from the second quarter price of \$71,155/boe/d. On a year-over-year basis, the median acquisition price for production is up 68% from the \$46,809/boe/d recorded in the third quarter of 2013.

Median Acquisition Price of Oil Production - \$/boe/d



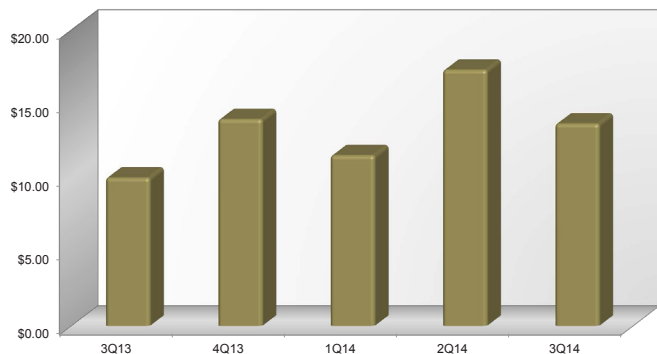
The median price paid for oil production increased 27% to \$93,226/boe/d in the third quarter of 2014 from \$73,347/boe/d in the second quarter. There were 27 large oil-weighted transactions this quarter.

Median Acquisition Price of Natural Gas Production - \$/boe/d



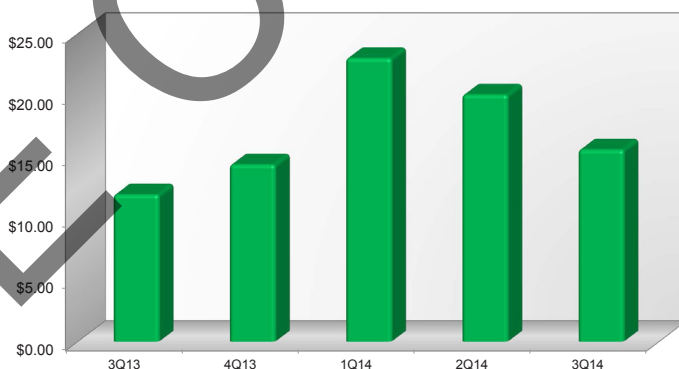
The median price paid for natural gas-weighted transactions on a \$/boe/d basis decreased 40% to \$34,278/boe/d in the third quarter of 2014 from \$56,898/boe/d in the second quarter of 2014. There were 21 large natural gas-weighted transactions this quarter.

Median Reserves Acquisition Price - \$/boe



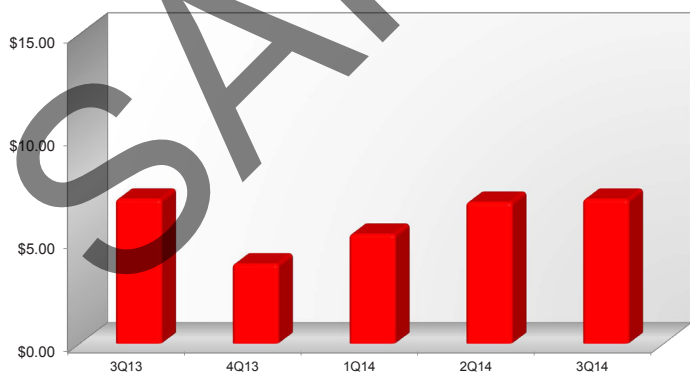
The median acquisition price for proven plus probable reserves decreased 21% to \$13.67/boe this quarter from the \$17.31/boe in the second quarter of 2014. On a year-over-year basis, the price for proven plus probable reserves increased 36% from \$10.02/boe in the third quarter of 2013.

Median Acquisition Price of Oil Reserves - \$/boe



The price paid for oil-weighted transactions decreased 22% to \$15.59/boe in the third quarter of 2014 compared to \$20.06/boe in the previous quarter.

Median Acquisition Price of Natural Gas Reserves - \$/boe



The price paid for natural gas-weighted transactions increased 2% in the third quarter to \$7.00/boe from the \$6.85/boe in the second quarter of 2014.

MERGER AND ACQUISITION CANDIDATES

Companies with Major Assets for Sale in the Quarter

Apache Canada Ltd.	Lightstream Resources Ltd.	Perpetual Energy Inc.
ARC Resources Ltd.	Long Run Exploration Ltd.	Spyglass Resources Corp.
Bonavista Energy Corporation	NEP Canada ULC	Talisman Energy Inc.
Conserve Oil Corporation	Openfield Energy Ltd.	Velvet Energy Ltd.
Legacy Oil + Gas Inc.		

Total approximate value ⁽¹⁾ for major sellers

\$2.0 billion

Companies with Minor Assets for Sale

1316751 Alberta Ltd.	Fortaleza Energy Inc.	RedWater Energy Corporation
Alpine Capital Corp.	Hitic Energy Ltd.	Richfield Oils Inc.
APL Oil and Gas (1998) Ltd.	Huntington Exploration Inc.	Rimfire Energy Inc.
Athabasca Oil Corporation	Hutton Energy Ltd.	Rock Energy Inc.
Bears paw Petroleum Ltd.	Insignia Energy Ltd.	Shooting Star Energy Ltd.
Black Swan Energy Ltd.	JDM Petroleums Inc.	Sonde Resources Corp.
BlackShale Resources Inc.	Kaisen Energy Corp.	Sonicor Energy Ltd.
Blaze Energy Ltd.	Legacy Oil + Gas Inc.	Taku Gas Limited
Brahma Resources Ltd.	Legend Energy Canada Ltd.	Tangle Creek Energy Ltd.
Cenovus Energy Inc.	Magna Carta Oils Ltd. & its partners	TimberRock Energy Corp.
Centennial Oil & Gas Corp.	MKE Canada Ltd.	Vermilion Energy Inc.
Coast Resources Ltd.	Mosaic Energy Ltd.	Vesta Energy Ltd.
Custom Energy Group Ltd.	Perpetual Energy Inc.	Whitecap Resources Inc.
Daroil Energy Limited	Perseverance Resources Ltd.	Woma Energy Ltd.
E-T Energy Ltd.	Progress Energy Canada Ltd.	Zargon Oil & Gas Ltd.
First Sahara Energy Ltd.		

Total approximate value ⁽¹⁾ for minor sellers

\$190 million

Companies for Sale

Companies which announced in the quarter that they were either available for sale, in receivership or were seeking ways to "maximize shareholder value" are as follows:

Atikwa Resources Inc. ⁽²⁾	Karl Energy Trust Inc. ⁽²⁾	Riley Resources Inc. ⁽²⁾
Bernum Petroleum Ltd.	Legend Energy Canada Ltd. ⁽²⁾	Scollard Energy Inc.
Birchwood Resources Inc.	Mutual Oil & Gas Ltd. ⁽²⁾	Sedna Oil and Gas Ltd. ⁽²⁾
Bradley Oil & Gas Inc. ⁽²⁾	Neo Exploration Inc. ⁽²⁾	Sheffield Energy Ltd.
Canadian Abraxas Petroleum, ULC	New Star Energy Ltd.	Shoreline Energy Corp.
Century Energy Ltd.	Northpine Energy Ltd.	SilverWillow Energy Corporation
Drakkar Energy Ltd.	Onco Petroleum Inc. ⁽²⁾	WLA Investment Ltd.
Exoro Energy Inc.	PetroGlobe Inc. ⁽²⁾	

Total approximate value ⁽¹⁾ for Companies for sale

\$951 million

TOTAL APPROXIMATE VALUE ⁽¹⁾ FOR ALL M&A CANDIDATES

\$3.2 billion

- 1). Approximate value is an estimation of the overall value of the assets and companies for sale but we have not conducted a detailed valuation of the individual assets or companies. The actual selling prices may vary, perhaps by a considerable amount, from the figures presented here.
- 2). Companies in CCAA or Receivership.

THIRD QUARTER MERGER AND ACQUISITION TRANSACTIONS

(exceeding \$5 million in value)

Month	Purchaser	Acquisition	Enterprise Value (\$million)
July	Aldon	Openfield assets	6.07
July	Cardinal	Alberta assets	165.00
July	Crescent Point	Painted Pony assets	100.00
July	Crescent Point	T.Bird Oil	86.02
July	Maha	Palliser	64.75 ⁽²⁾
July	Mapan	Shell assets	132.50
July	Petrus	Arriva	95.48
July	Pine Cliff	Alberta assets	33.25
July	Pine Cliff	Nexen assets	100.00
July	PrairieSky	Shoreline assets	9.00
July	Predator	Pengrowth assets	46.30
July	Spartan	Saskatchewan assets	17.25
July	Undisclosed Buyer	Petrox	(1)(2)
July	Undisclosed Buyer	Shoreline assets	20.80
July	Undisclosed Buyer	Sunshine assets	20.00
July	Velvet	Alberta assets	(1)(2)
August	Cardinal	Muirfield	15.17
August	Chronos	Whitecap assets	57.00
August	Delphi	Blackbird assets	8.89
August	Freehold	Saskatchewan assets	6.90 ⁽²⁾
August	Ikkuma	Alberta assets	24.00
August	Imaginea	Crew assets	150.00
August	NuVista	Alberta assets	35.00 ⁽²⁾
August	Spartan	Saskatchewan assets	15.40
August	Undisclosed Buyers	Spyglass assets	51.00
August	Whitecap	Bashaw/Forge/Alberta assets	266.70
September	Canadian Non-Operated	Bellatrix assets	250.00
September	Cardinal	Genovus assets	241.00
September	Catch	Alberta assets	(1)(2)
September	Chronos	Titan West assets	8.00
September	Crescent Point	Lightstream assets	378.40
September	Delphi	Alberta assets	9.30
September	InPlay	Kingsmere	(1)
September	Leucrotta	British Columbia assets	26.90
September	Petrus	Alberta assets	14.80
September	Petrus	Ravenwood	195.00
September	PrairieSky	Encana assets	2,562.18
September	Tamarack	Suncor assets	168.50
September	Undisclosed Buyer	Delphi assets	17.20 ⁽²⁾
September	Undisclosed Buyer	Marquee assets	14.00
September	Undisclosed Buyer	NEP Canada ULC assets	(1)
September	Undisclosed Buyer	Surge assets	52.00
September	Undisclosed Buyer	Whitecap assets	5.00
September	Undisclosed Buyer	Zargon assets	6.00
		Third Quarter Total	\$5.9 billion

Notes: (1) The estimated or confidential amount for this transaction is included in the quarter total
(2) Pending but not closed
(3) Confidential transactions are not included on the list, however their values are included in the total

NOTES

1. Definitions:
 - a. Acquisition Value: the estimated fair market value of the amount expended by the purchaser for the equity portion of the acquisition. In some transactions, this figure may be different from the Total Value as the purchaser only acquired a portion of the Total Value.
 - b. Enterprise Value: the total equity value plus long-term debt, working capital deficit and other liabilities. The latter item includes such things as site restoration, executive compensation, future overhead expense, hedging contracts liability or asset.
2. All Dollar amounts are in Canadian funds, unless noted otherwise.
3. This publication includes only those transactions that involve the purchase of oil and natural gas reserves and that are publicly disclosed. In addition to the transactions noted herein, a number of other private transactions have taken place. Although some transactions may not be included in our database, we believe the published data is representative of industry trends.
4. The Enterprise Value used in this report do not include any value for tax pools acquired in the transaction or created as a result of the transaction. Where available, existing tax pools of the acquired company are described in the Comments section on each individual analysis.
5. The information contained herein was based on information which was obtained from sources which we believe are reliable, however we cannot guarantee its accuracy or completeness. The opinions expressed herein are based on our analysis and interpretation of this information and are not to be construed as a solicitation of an offer to buy or sell any securities. Sayer Energy Advisors may act as financial advisor or fiscal agent for certain companies mentioned herein and may receive remuneration for its services. This report is furnished on the basis and the understanding that Sayer Energy Advisors is to be under no responsibility or liability in respect thereof.
6. While every effort has been made to ensure the accuracy and timeliness of this publication, the analysis and comments are necessarily of a general nature. We would also like to note that there is more information available in our files on specific transactions than we can publish in the Report. Clients are urged to seek specific advice on matter of concern and not to rely solely on the text of this publication.
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Recent Transactions Completed by Sayer Energy Advisors

This announcement appears as a matter of record only.



KEC
Kingsland Energy Corp

has sold its interests in the Souris Flat area of Saskatchewan

The undersigned acted as agent to Kingsland for this transaction.




July 2014

This announcement appears as a matter of record only.

OPENFIELD ENERGY LTD.


has sold its interests in the Macoun area of Saskatchewan to



ALDON OILS LTD.

for approximately **\$6.1 million**

The undersigned acted as agent to Openfield for this transaction.



July 2014

This announcement appears as a matter of record only.

ALKA RESOURCES LTD.

has been acquired by



Mistahiya Resources Ltd.


The undersigned acted as agent to Alka for this transaction.



August 2014


This announcement appears as a matter of record only.

The Pembina, Alberta property and other minor properties of




ALSTON ENERGY INC.

have been sold through its receiver




ALVAREZ & MARSAL ULC

The undersigned acted as agent to Alvarez for these transactions.




August 2014

This announcement appears as a matter of record only.



Muirfield RESOURCES LTD.


has been acquired by



CARDINAL ENERGY LTD.

for **\$12.0 million**

The undersigned acted as financial advisor to Muirfield and provided a Fairness Opinion to the Board of Directors of Muirfield for this transaction.



August 2014

This announcement appears as a matter of record only.



PENGROWTH

has sold its interests in the Red Earth area of Alberta to



Predator Oil Ltd.


for **\$46.3 million**

The undersigned acted as agent to Pengrowth for this transaction.




August 2014

This announcement appears as a matter of record only.




Mallee ENERGY LTD.

has sold its interests in the Puskwia area of Alberta to



BLACKBIRD ENERGY

The undersigned acted as agent to Mallee for this transaction.



September 2014

This announcement appears as a matter of record only.

ZARGON OIL & GAS LTD.

has sold its interests in the Jarro area of Alberta


for **\$6.0 million**

The undersigned acted as agent to Zargon for this transaction.



September 2014

This announcement appears as a matter of record only.



Titan West Resources Inc.


has sold its interests in the Seward and Ross Lake properties of Saskatchewan to



CHRONOS RESOURCES LTD.


for **\$8.0 million**

The undersigned acted as agent to Titan West for this transaction.



October 2014

This announcement appears as a matter of record only.




WHITECAP RESOURCES INC.

has sold its interests in the Sinclair area of Alberta

for approximately **\$5.0 million**

The undersigned acted as agent to Whitecap for this transaction.



October 2014

This announcement appears as a matter of record only.

The heavy oil interests of



Western Plains Petroleum Ltd.

have been sold through its receiver

Grant Thornton to



PACIFIC OIL

The undersigned acted as agent to Grant Thornton for this transaction.



October 2014



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