



**SAYER  
SECURITIES  
LIMITED**





***SUCCESSFUL  
ACQUISITION STRATEGIES  
FOR  
JUNIOR COMPANIES***

**SAYER SECURITIES' PERSONNEL**

**ALAN W. TAMBOSSO, P.Eng. P.Geol., President**  
**24 years industry experience**

**TOM PAVIC, CFA, Vice-President**  
**9 years industry experience**

**BRENT HEINZ, Vice-President**  
**9 years industry experience**

**FRANK J.D. SAYER, Advisor**

## **SAYER SECURITIES' PHILOSOPHY**

**Control of the Western Canadian Sedimentary Basin is moving from bigger companies to smaller ones.**

**The bigger agents are geared towards serving bigger clients and bigger packages.**

**Sayer Securities focuses on servicing the needs of the smaller companies and the smaller transactions.**

**We can (and we do) provide better service to the smaller companies for a lower price.**

**We have a credible, repeatable marketing process.**

## SAYER SECURITIES' CURRENT TRANSACTIONS

### CHIRRIPO RESOURCES

currently marketing this public corporation (400 boepd)



currently marketing this private corporation (370 boepd)

- assisting a RIT in a “one-off” transaction worth more than \$250 million
- assisting a client in finding a JV partner to pursue a 200 Bcf gas play
- advising in two separate merger transactions

**SAYER SECURITIES' RECENT TRANSACTIONS**



**15 minor properties  
200+ boepd**



**Pembina property  
10 boepd**



**Swan Hills and Jenner properties  
200 boepd**



**Cabri and Lloydminster properties  
40 boepd**

## TYPES OF DIVESTITURES

### **PUBLIC AUCTIONS**

widely advertised, 4-6 week process  
typically see interest from 20-50 parties

### **“SELECT” AUCTIONS**

discreetly advertised, shorter timeline  
usually limited to 3-12 parties

### **“ONE-OFF” TRANSACTIONS**

usually initiated by the Vendor

### **OTHER**

unsolicited offer, hostile takeover, etc.

**PUBLIC AUCTION STRATEGIES**

**GET A PARTNER**

- **allows you to pursue the larger properties**
- **you have a better ability to compete for the larger packages**
- **your interest will receive more credibility with the Vendor and the Agent**



## PUBLIC AUCTION STRATEGIES

### ALLOCATE YOUR BID PRICE

**Allocating the bid price amongst properties on a multi-property bid allows the Agent the ability to sort out multiple combinations of bids. Certain larger companies with successful acquisition histories do this regularly.**

- **In a recent marketing program we had two parties with virtually identical bids on two properties. On being asked to split the bids, it became apparent that each company had higher value on different properties, and each party ultimately acquired the property that it wanted.**

# SUCCESSFUL ACQUISITION STRATEGIES FOR JUNIOR COMPANIES

## PUBLIC AUCTION STRATEGIES

### **MINIMIZE YOUR BID CONDITIONS NO FINANCING CONDITIONS!**

**The Vendor wants to SELL the property. Conditions put the ability to close at risk. Including a financing condition is a particularly bad strategy.**

- **Often a lower bid with no financing conditions will be accepted before a higher bid with one. We often hear “I know that XXX’s cheque won’t bounce.”**

# SUCCESSFUL ACQUISITION STRATEGIES FOR JUNIOR COMPANIES

## PUBLIC AUCTION STRATEGIES

### **MINIMIZE YOUR BID CONDITIONS**

### **MINIMIZE THE TIME TO CLOSE**

**The Vendor wants to SELL the property. Long closings put the ability to close at risk.**

- **Be prepared to do your due diligence immediately upon being advised of being successful. This should allow you to be ready to close within 3-4 weeks of the acceptance of your bid.**

**PUBLIC AUCTION STRATEGIES**

**FOLLOW-UP IF YOUR BID IS NOT ACCEPTED**

**The Agent should want you to come back to his process again, the next time as a successful buyer. He is not interested in having you waste his time and yours with a bid that has no chance of succeeding, so call him to ask how you can succeed next time.**

- **Don't call immediately after the process ends. Wait until the transaction closes and call for a post-mortem. Without violating confidentiality he should be able to provide some guidance.**

**PUBLIC AUCTION STRATEGIES**

**ESTABLISH RELATIONSHIPS WITH DIFFERENT AGENTS**

**You and the Vendor are the customers of the Agent. He needs your business to feed his family. Get to know him.**

- **Let the Agent know your areas of interest. If he has something available in one of these areas, he might call you.**
- **The agent wants to sell properties. If a property has seen limited interest and he thinks you may be interested, he might call you to come and have a look.**

**“SELECT” AUCTION STRATEGIES**

**ESTABLISH RELATIONSHIPS WITH DIFFERENT AGENTS**

**When a property or company becomes available and the Vendor requires a selective marketing process, the Agent can't (and won't) call you if he doesn't know you.**

- **The Agent needs to be aware of your areas of interest.**
- **The Agent needs to be comfortable with your ability to “pay up” and with your ability to close.**

**“SELECT” AUCTION STRATEGIES**

**ESTABLISH RELATIONSHIPS WITH DIFFERENT AGENTS**

**Not all properties receive adequate bids in the initial marketing phase. The Agent and the Vendor want to move these properties NOW.**

**The Agent will call the unsuccessful bidders to see if they can up the price. Then calls will be made to other potentially interested parties. You can become one of these by getting to know the agents.**

**“Cold calls” to Agents often result in post-process property transactions.**

**“ONE-OFF” TRANSACTION STRATEGIES**

**ESTABLISH RELATIONSHIPS WITH DIFFERENT AGENTS**

People like Paul Colborne are able to acquire properties and companies in “one-off” transactions because everyone in town believes in Paul’s ability to pay-up and close a transaction.

In a “one-off” people like Paul are the ideal candidate to approach first. You can get in this queue only by getting to know the agents, and letting the agents get to know you.



**“ONE-OFF” TRANSACTION STRATEGIES**

**ESTABLISH RELATIONSHIPS WITH DIFFERENT AGENTS**

All agents “chase the same puck” – we chase jobs to market properties or companies in much the same way as you chase properties or companies to buy.

If we successfully identify an opportunity, we will know it’s coming before “the street” does.

If we see an obvious fit, and we aren’t violating any confidentiality conditions, with permission of the vendor we may be able to pass it on to a potential buyer in advance of a pending process.

## SUMMARY

- **GET A PARTNER**
- **ALLOCATE YOUR BID PRICE**
- **MINIMIZE YOUR BID CONDITIONS**
- **NO FINANCING CONDITIONS!**
- **MINIMIZE THE TIME TO CLOSE**
- **FOLLOW-UP IF YOUR BID IS NOT ACCEPTED**
- **ESTABLISH RELATIONSHIPS WITH DIFFERENT AGENTS**
- **LAND THE NEXT ONE!**

**... and remember ...**

***YOU ALL KNOW WHO THE BIGGEST AGENTS ARE,  
TODAY YOU HAVE MET WITH THE BEST!***



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