

Daily Oil Bulletin

COPYRIGHT OF THE DAILY OIL BULLETIN 2015

A Number of Companies And Properties Publicly Available For Sale

NOV. 26, 2015 – [VIEW ISSUE \(/HEADLINES/2015-11-26\)](#)



By: Ben Rye, GIT
Sayer Energy Advisors

Considering the commodity price environment is currently depressed and unstable, it is encouraging for the mergers and acquisitions (M&A) market to see that companies are still entertaining the idea of marketing assets, regardless of their motives to do deals.

Sayer Energy Advisors continually tracks all of the companies with Canadian operations that have publicly announced a process to sell assets or the shares of the companies. This information is part of Sayer's analysis of the Canadian M&A activity throughout the year. The number of public asset and corporate listings is constantly changing so Sayer prepares a weekly report summarizing the assets publicly known to be for sale.

Comparing the assets for sale, data at any point during the year is problematic, however; because there are certain times of the year which are generally more active for corporate and asset listings than others. Discretion should be used when drawing conclusions on the data.

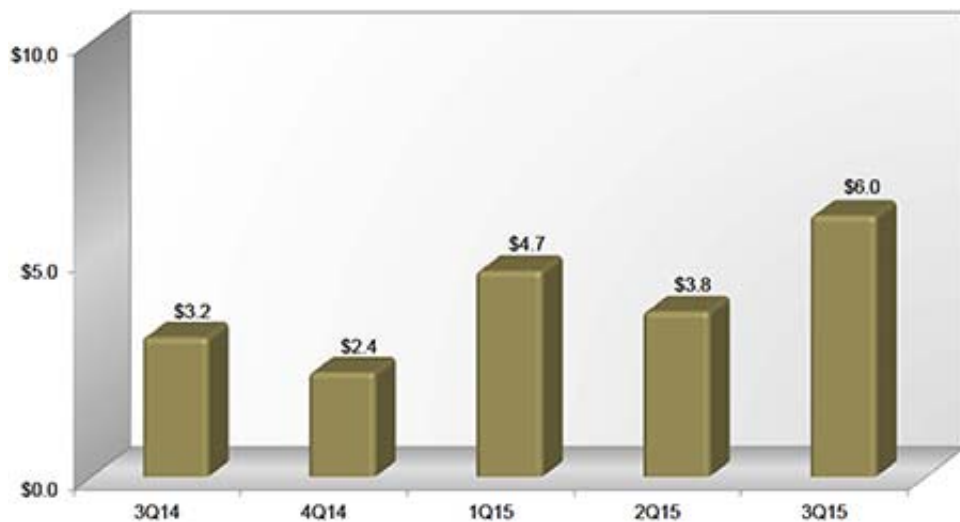
The number of companies with assets for sale varies quarter-over-quarter based on what is considered a good time of year to market assets, or when the largest prospective audience is likely to be reached. In general, the Christmas holiday season and the summer are not regarded as optimum times to market. The end of the third quarter is typically one of the busier times of the year for companies to look to the M&A market to monetize assets, before the beginning of the holiday season and prior to year-end.

Another point to consider is the number of assets and companies for sale in a “quiet process” where the opportunity hasn’t been announced publicly. Many public companies try to shop around for deals without announcing this to their shareholders until they come to an agreement worth announcing.

As of late November, a total of 36 companies had assets on the market; including 15 companies with assets for sale in a public process and 21 companies with assets that are still available after the bid deadline for the marketing process has passed. At least 11 companies have publicly announced that they are currently reviewing strategic alternatives to enhance shareholder value. There are also 11 companies currently in CCAA or receivership. The overall amount of production from these companies totals approximately 104,000 boe per day, with an estimated total value of over \$6 billion.

The value is an estimation of the overall value of the assets and companies without conducting a detailed valuation of the individual assets or companies. This does not include assets and companies with prior transactions “under review.” In some instances when a bid deadline for a corporate or asset sale has recently passed, companies may have a deal pending that has not yet been announced. From our experience, with a continued effort many assets end up selling after the bid deadline.

Companies and Assets for Sale (\$ Billions)



In late November of 2014, a total of 41 companies had assets for sale. This included 16 companies with assets for sale in a public process and 25 companies with assets that were still available post-bid deadline. The total number of companies publicly for sale at that time was 22. The number of companies for sale included 11 companies for sale outright or reviewing strategic alternatives, and 11 companies in CCAA or receivership. While the number of companies and assets on the market last November is similar to now, the estimated value of these opportunities is significantly higher today than it was a year ago.

The estimated value of companies and assets on the market at the end of the third quarter of 2015 was high, and continues to be high compared to 2014, largely because of a few significant asset packages on the market. **Penn West Petroleum Ltd.** and **Pengrowth Energy Corporation** currently have assets on the market with associated production of approximately 27,000 boe per day and 13,000 boe per day respectively. In addition, the strategic alternatives processes announced by **Cequence Energy Ltd.** and **Long Run Exploration Ltd.**, added current production of approximately 9,500 boe per day and 23,000 boe per day, respectively, to the total available production pot. **ConocoPhillips Canada** added significant value to the assets for sale in the third quarter of 2015, with almost 35,000 boe per day of production available, but ConocoPhillips currently has multiple sales pending. Much of what Penn West and Pengrowth had for sale has also been sold subsequent to the end of the third quarter.

The change in the number of companies and assets publicly for sale since the end of the third quarter demonstrates the constant variability of the M&A marketplace. Considering the number of companies with assets for sale has remained relatively stable and the value is up, we believe M&A activity should improve for the remainder of the fourth quarter of 2015 as well as early in 2016.

ARTICLE SECTION: [MARKET INTELLIGENCE \(/SECTION/MARKET-INTELLIGENCE/\)](#)

ARTICLE CATEGORY: [ASSET SALES AND ACQUISITIONS \(/CATEGORY/ASSET-SALES-AND-ACQUISITIONS/\)](#)