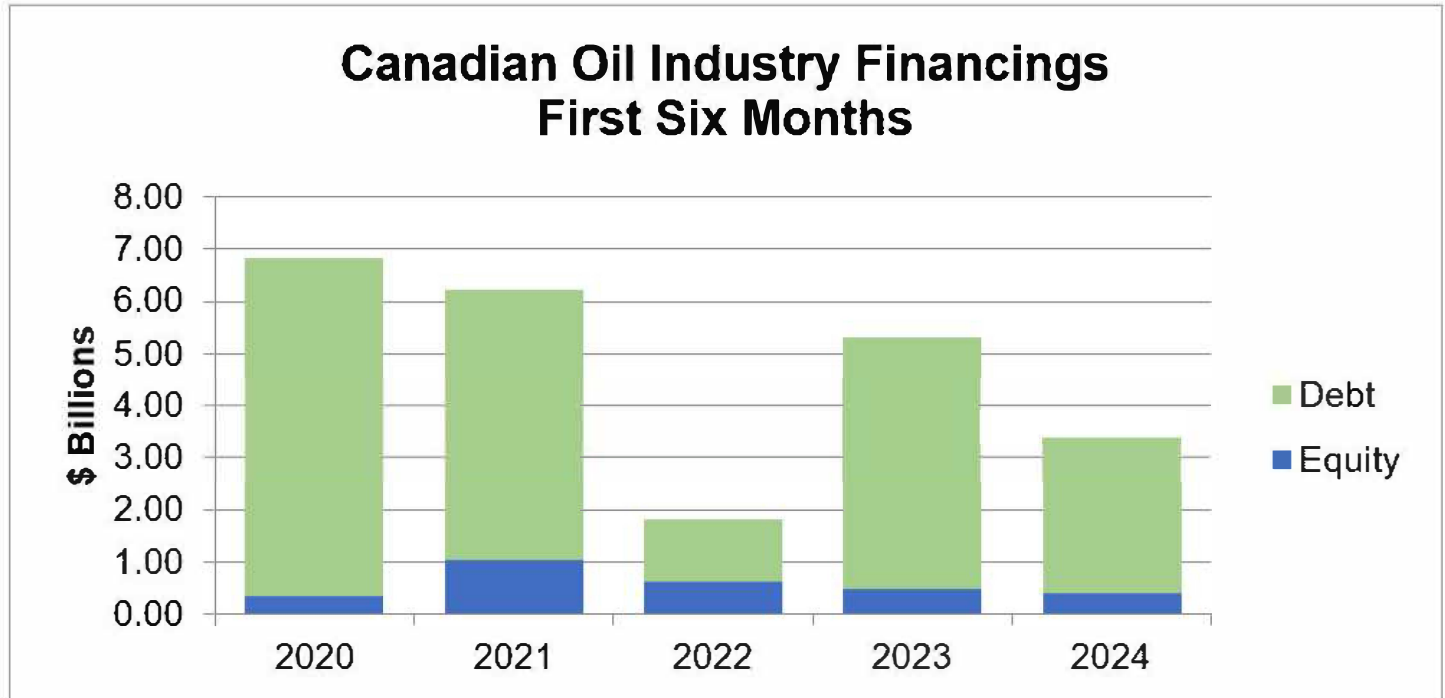


Total Financings Down Significantly In The First Half Of 2024

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A total of \$3.4 billion of capital was raised by the Canadian oil and natural gas industry in the first six months of 2024, down 36% from the \$5.3 billion recorded over the same time period in 2023. Financings were down year-over-year for both debt and equity.

The amount of debt raised declined 38% to approximately \$3.0 billion from \$4.8 billion in the first half of 2023. Equity financings also decreased 18% to approximately \$397.3 million from \$482.6 million in the first six months of 2023. For equity, this is a continued downward trend since 2021, when approximately \$1.0 billion was raised during the first half of 2021.

Of the approximately \$3.0 billion of debt that was raised in the first six months of 2024, the majority of debt issues, \$2.8 billion, were comprised of straight debt and were completed in the second quarter of 2024. Convertible debt accounted for only \$172.6 million of the total debt financings in the first half of the year. The top three debt issuances accounted for 90% of the total debt raised in the first half of 2024, or approximately \$2.7 billion.

Veren Inc. raised \$1.0 billion with two separate debt issues in the first six months of 2024. Veren completed a senior unsecured note offering of \$550.0 million with a five-year term and a coupon rate of 4.968% and a senior unsecured note offering of \$450.0 million with a 10-year term and a coupon rate of 5.503%. The proceeds of the notes offering were used to repay existing indebtedness under bank facilities, including fully retiring Veren's bank term loan.

The second-largest debt offering in the first half of 2024 was completed by **Saturn Oil & Gas Inc.** Saturn raised US\$650.0 million (approximately C\$893.8 million) in senior unsecured notes with a five-year term which bear interest at 9.625%. A portion of the proceeds from the offering were used towards the \$600.0 million acquisition of assets from Veren, the repayment of Saturn's senior secured term loan as well as for general corporate purposes. The assets acquired from Veren are located in the Battrum, Butte, Cantuar, Flat Lake, Hatton and Premier areas of Saskatchewan. The assets acquired are contiguous with Saturn's existing core properties and include over 410,000 gross acres of land with approximately 950 drilling locations.

The third-largest debt financing was completed by **Baytex Energy Corp.**, which raised US\$575.0 million (C\$780.5 million) of 7.375% senior unsecured notes due in 2032. Baytex used the net proceeds from the offering to redeem its outstanding US\$409.8 million aggregate principal amount of 8.75% notes due April 1, 2027, to repay a portion of the debt outstanding on its credit facilities and for general corporate purposes.

As previously mentioned, equity financings totalled \$397.3 million, accounting for only 12% of the total capital raised in the first six months of 2024. In the first half of 2023, \$482.6 million in equity was raised accounting for only 9% of the total capital raised.

In addition to the previously mentioned debt offering, Saturn also completed two significant equity financings in the first six months of 2024. In February 2024, Saturn completed a bought deal private placement equity financing for gross proceeds of \$50.0 million through the issuance of 22,223,000 shares at a price of \$2.25 per share. In June 2024, Saturn completed another bought deal equity financing for gross proceeds of approximately \$100.0 million through the issuance of 42,554,000 shares at a price of \$2.35 per share. The proceeds of the June 2024 equity offering were used towards the previously mentioned \$600.0 million acquisition of assets from Veren.

Advantage Energy Ltd. also completed a significant equity and debt financing in the first half of 2024 through the issuance of 5,910,000 shares at a price of \$11.00 per share for \$65.0 million and \$125,000,000 of 5.0% extendible convertible unsecured subordinated debentures on a five-year term. Proceeds of the financings were used towards the acquisition of assets from **Longshore Resources Ltd.** The assets acquired by Advantage are located in the Glacier, Gordondale, Progress, Valhalla and Wembley areas of Alberta and the Attachie and Inga areas of British Columbia. The acquisition includes 163 net sections of Charlie Lake rights, 37 net sections of Montney rights in Alberta and 33 net sections of Montney rights in northeastern British Columbia which are contiguous with Advantage's existing core areas.

In the third quarter of 2024, to date, a total of approximately \$600.0 million in capital has been raised consisting of approximately \$540.0 million in debt and \$60.0 million in equity. With interest rates forecasted to continue to decline in the near term we may see additional debt financings announced in the fourth quarter of 2024.