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[dobenergy.com/news/headlines/2024/11/27/assets-for-sale-value-up-32-year-over-year](https://www.dobenergy.com/news/headlines/2024/11/27/assets-for-sale-value-up-32-year-over-year)

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### Analysis Assets For Sale Value Up 32% Year-Over-Year



The amount of Canadian oil and natural gas assets and companies publicly available for sale is up roughly 32 per cent from this time last year.

Currently, there is approximately \$4.9 billion in Canadian oil and natural gas properties and companies up for sale. This time last year there was a total of approximately \$3.7 billion in oil and natural assets for sale. These amounts are Sayer's estimates of the market value of the assets and companies up for sale publicly. The amount of available Canadian oil and natural gas assets for sale can be attributed to a combination of several companies pursuing public "strategic alternatives processes," corporate divestitures and property divestitures as well as entities involved in insolvency proceedings.

The bulk of the assets for sale publicly in the market in the third quarter of 2024 were made up of corporate sales processes and strategic alternatives processes, which constitute approximately \$3.5 billion of the assets for sale. This is similar to 2023, where the main segment of the assets for sale in public marketing processes was \$3.1 billion. The number of companies in sales is consistent with this time last year. With the exception of 2022, the trend for the last number of years has been strategic alternatives processes constituting the bulk of the publicly available assets for sale.

A company that is in a strategic alternatives processes is publicly-traded **Greenfire Resources Ltd.** Earlier this month, **Waterous Energy Fund Management Corp.** announced that it had acquired 43.3 per cent of the issued and outstanding common shares of Greenfire in a takeover bid. Greenfire's main operations are located in the Athabasca oilsands area with total production of 18,893 bbl/d of oil.

**Muddy Petroleum Company Ltd.** also recently announced a strategic alternatives process. Muddy is a private junior company with predominately non-operated working interests located in the Gilby, Gold Creek, Kaybob, Obed and Pembina areas of Alberta. Muddy's production is approximately 48 boe/d (209 mcf/d of natural gas and 13 bbl/d of oil and natural gas liquids).

The number of insolvencies in 2024 has increased year-over-year. There are currently eight insolvency sales processes compared to four this time last year.

Recently, **Erikson National Energy Inc.** filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act, as amended (the “NOI”). Erikson retained **KSV Restructuring Inc.** as proposal trustee for the NOI process, and engaged Sayer to assist with a sale and investment solicitation process (the “SISP”) in its NOI proceedings. Erikson’s oil and natural gas interests consist primarily of operated, high working interest shale natural gas production from several formations including the Baldonnel, Charlie Lake, Debolt, Halfway, Jean-Marie and Muskwa formations and are located in the Wildboy and Greater Fort St. John areas of British Columbia.

Earlier this year, **AlphaBow Energy Ltd.** announced a SISP for its oil and natural gas interests located throughout Alberta as part of an order pursuant to the *Companies’ Creditors Arrangement Act*, (CCAA) whereby KSV Restructuring was appointed by the Court to as the monitor of AlphaBow. As part of the CCAA, AlphaBow engaged Sayer to assist it with the SISP.

**Sequoia Resources Corporation** initiated a sales process in the second quarter of 2024, pursuant to the *Bankruptcy and Insolvency Act*. Sayer was engaged to assist with the sale of Sequoia’s remaining oil and natural gas properties located throughout Alberta. Further to a closure order from the **Alberta Energy Regulator**, Sequoia’s licensed properties have been shut-in since March 2018.

Further public sales processes currently underway include a variety of non-core property divestitures, which Sayer is also involved in, such as **Bounty Developments Ltd.**, **Coastal Resources Limited**, **Conifer Energy Inc.** and **Prairie Thunder Resources Ltd.**

Bounty has initiated a process farmout or sale for its predominantly 100 per cent working interests in Crown mineral rights. with prospective drilling locations for oil and natural gas primarily in the Montney, Charlie Lake, and Halfway formations. Bounty’s interests are located in the Elmworth, Valhalla, Wapiti and Wembley areas of Alberta.

Coastal is currently seeking offers for certain of its oil and natural gas interests located in Alberta. Current production associated with the properties is approximately 505 boe/d, consisting of 1.6 mmcf/d of natural gas and 238 bbls of oil and natural gas liquids per day.

Conifer is seeking offers for its oil and natural gas interests located in the Goose River area of Alberta, consisting of various working interests including Conifer’s interest in the Goose River Unit No. 1 and its interest in the Snipe-Goose Gas Gathering System. Conifer is selling the property in order to focus on its core operations.

Prairie Thunder is currently seeking offers for its oil and natural gas interests located in the Puskwa area of Alberta with production of approximately 94 boe/d, consisting of 94 bbl/d of oil.

A factor to consider when examining the amount of oil and natural gas production publicly for sale is that it may not truly reflect all assets or oil and natural gas companies for sale at any given time as a number of sales processes are conducted privately and are not included in our total value calculations. Several companies, including **Buffalo Mission Energy Corp.**, **Crew Energy Inc.**, **i3 Energy plc.** and **Perpetual Energy Inc.** were recently sold and had not announced their intention to sell in advance.

Factors which influence the amount of Canadian oil and natural gas assets publicly for sale include commodity prices and the amount of capital available. If weakness in commodity prices persist, along with the continued inability for many oil and natural gas companies to raise capital, we may see a decent amount of Canadian oil and natural gas companies and properties publicly for sale in early 2025.