

Total Financings Down 36% In The First Half Of 2025



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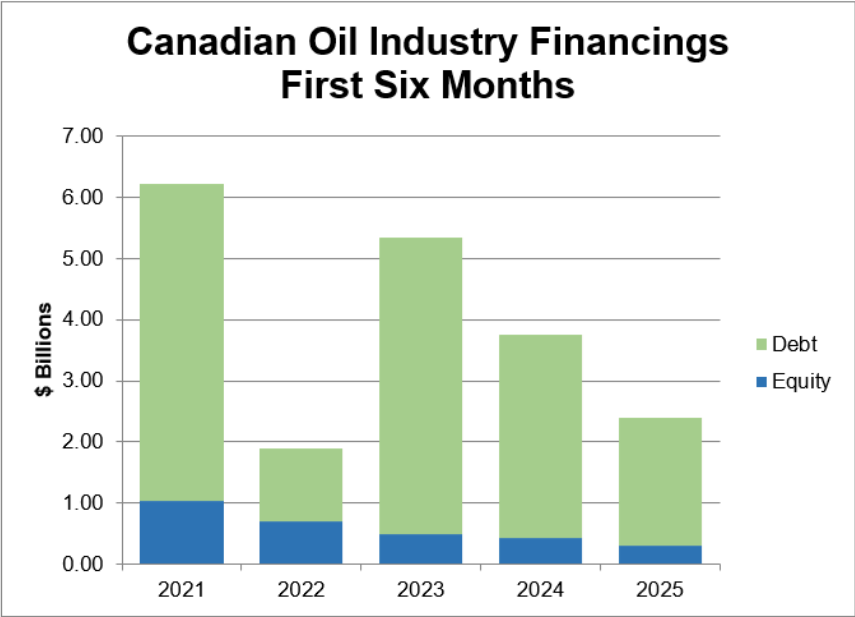
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A total of \$2.4 billion of capital was raised by the Canadian oil and natural gas industry in the first six months of 2025, down 36 per cent from the \$3.8 billion recorded over the same time period in 2024. Financings for both debt and equity were down significantly year-over-year.

The amount of debt raised declined 37 per cent to \$2.1 billion from \$3.3 billion in the first half of 2024. Equity financings also decreased 33 per cent to \$294.7 million from \$438.7 million in the first six months of 2024. 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 \$2.1 billion of debt that was raised in the first six months of 2025, the vast majority of debt issues were comprised of straight debt. Convertible debt accounted for only \$5.9 million of the total debt financings in the first half of the year. The top three debt issuances accounted for 89 per cent of the total debt raised in the first half of 2025, or approximately \$1.9 billion.

ARC Resources Ltd. raised \$1.0 billion with two separate debt issues in the first six months of 2025. ARC completed a senior unsecured note offering of \$550.0 million with a three-year term and a coupon rate of 3.577 per cent and a senior unsecured note offering of \$450.0 million with a seven-year term and a coupon rate of 4.409 per cent. The proceeds from the note offerings were used towards the purchase of assets in the Kakwa area of Alberta from **Strathcona Resources Ltd.** for \$1.7 billion and for general corporate purposes.

The second-largest debt offering in the first half of 2025 was **Vermilion Energy Inc.**'s senior unsecured note offering of US\$400.0 million (approximately C\$572.3 million) with an eight-year term and a fixed coupon rate of 7.25 per cent. Vermilion used the proceeds to redeem or repay its existing 5.625 per cent senior notes due in 2025, fund a portion of the acquisition of **Westbrick Energy Ltd.** for approximately \$1.1 billion and for general corporate purposes.

The third-largest debt financing was completed by **Whitecap Resources Inc.** in the second quarter of 2025 when it raised \$300.0 million of 3.761 per cent senior unsecured notes due in 2028. Proceeds of the note offering were used to repay existing debt outstanding and for general corporate purposes. In the first quarter of 2025, Whitecap announced and subsequently completed its business combination with **Veren Inc.** for approximately \$9.9 billion. Upon completion of the transaction, Whitecap had approximately 370,000 boe/d (63 per cent liquids) of production.

As previously mentioned, equity financings totalled \$294.7 million, accounting for only 12 per cent of the total capital raised in the first six months of 2025. In the first half of 2024, \$438.7 million in equity was raised accounting for also 12 per cent of the total capital raised.

The largest equity financing in the first half of 2025 was **Spartan Delta Corp.**'s bought deal financing, through the issuance of 25,589,800 shares at a price of \$3.82 per share for approximately \$97.8 million. Proceeds from the financings were used to fund the acceleration of its Duvernay development program and for general corporate purposes.

The second-largest equity financing was completed by **Central European Petroleum Ltd.**, which raised \$32.9 million through the issuance of 1,646,722,197 Class A common shares. Central European's operations are located in northern Poland.

InPlay Oil Corp. completed the third-largest equity financing in the first six months of 2025. InPlay issued a total of 23,903,750 subscription receipts at an offering price of \$1.55 per subscription receipt for approximately \$32.8 million. Proceeds from the financing were used to fund a portion of InPlay's acquisition of assets in the Pembina area of Alberta from **Obsidian Energy Ltd.** for approximately \$309.4 million. Each subscription receipt converted into one common share of InPlay upon closing of the acquisition.

In the third quarter of 2025, to date, a total of approximately \$405.0 million in capital has been raised consisting of approximately \$380.0 million in debt and \$25.0 million in equity. With interest rates forecasted to continue to decline in the near term we most likely will see additional debt financings announced in the fourth quarter of 2025.