

M&A Value In First Half Of 2026 Up 70% Year-Over-Year

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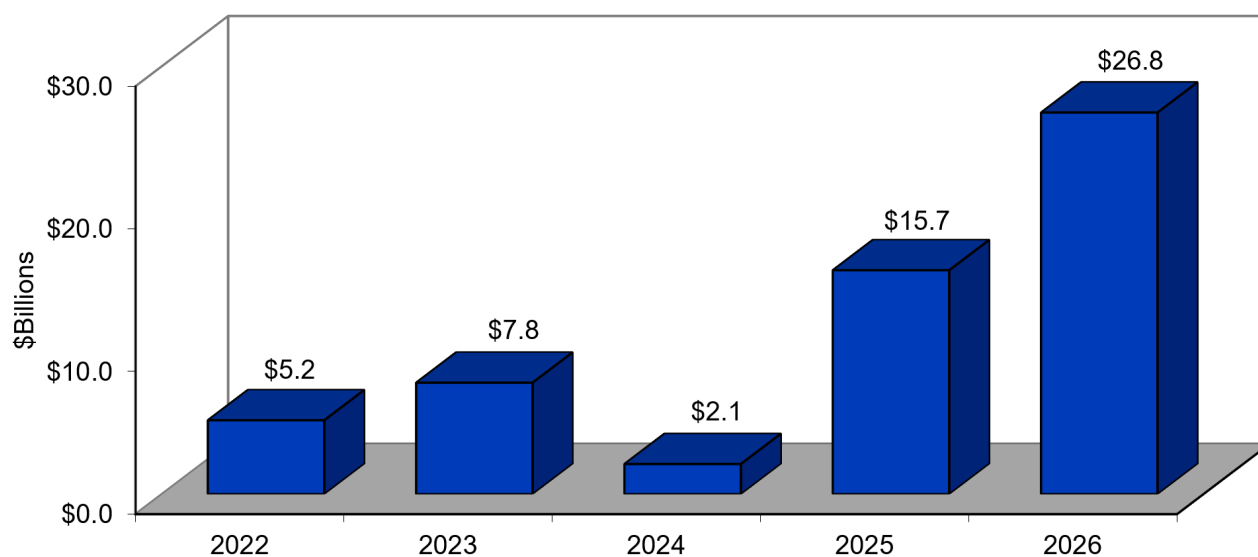
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The total enterprise value of merger and acquisition (M&A) activity in the Canadian oil and natural gas industry for the first half of 2026 was approximately \$26.8 billion, up 70 per cent from the \$15.7 billion recorded in the first six months of 2025.

This was the highest amount of M&A activity in the first six months of a year since 2017, when there was approximately \$36.1 billion in total M&A value.

**Enterprise Value of M&A Activity
First Six Months**



The largest transaction in the first half of 2026, which accounted for approximately 86 per cent of the total M&A transaction value in the first six months of 2026, was the acquisition of **ARC Resources Ltd.** by **Shell plc** for approximately \$23.0 billion in the second quarter.

ARC's main producing properties were located in the Ante Creek and Kakwa areas of northwestern Alberta and the Attachie, Dawson, Parkland, Septimus, Sundown and Sunrise areas of northeastern British Columbia targeting the Montney formation. ARC's properties were proximal to Shell's interests in the Gold Creek area of Alberta and the Groundbirch area of British Columbia.

At the time of the announcement of the transaction, Shell forecasted that within a year of closing, the transaction would bring operational synergies of \$250 million per year.

The second largest transaction in the first six months of 2026 was **Canadian Natural Resources Limited's** acquisition of assets from **Tamarack Valley Energy Ltd.** for \$804.0 million. The assets acquired are located in the Pipestone, Saddle Hills, Valhalla and Wembley areas of Alberta targeting the Charlie Lake formation.

Tamarack Valley used the proceeds from the transaction to eliminate its debt outstanding.

Another significant transaction in the first half of 2026 was Canadian Natural's acquisition of assets from **Tourmaline Oil Corp.** for \$765.0 million. The assets acquired are located in the Earring, Mulligan and Spirit River areas of Alberta targeting the Charlie Lake and Montney formations and in the Wapiti area of Alberta targeting the Cardium formation.

The assets include approximately 2,400 identified horizontal drilling locations including over 600 booked locations. The acquisition also included associated infrastructure, notably two oil batteries capable of handling 50,000 bbls/d of fluids and third-party natural gas processing as well as a natural gas processing facility at Spirit River.

Of the \$26.6 billion in large transactions (valued at over \$5.0 million) in the first six months of 2026, \$23.8 billion were corporate deals while \$2.8 billion were property transactions. Of the 30 large transactions during the first half of this year, 22 were property deals and the remaining eight were corporate. This compares to the first half of 2025, when the split between large corporate and property transactions was four corporate deals totalling \$10.5 billion in enterprise value and 19 property deals with an aggregate value of \$4.9 billion.

During the first half of 2026, 10 large natural gas-weighted transactions accounted for \$24.5 billion in aggregate value and 20 large oil-weighted transactions made up the remaining \$2.1 billion. This compares to 2025, when 17 of the 23 large transactions in the first six months were oil-weighted, with a total enterprise value of approximately \$12.1 billion and the remaining six deals were weighted towards natural gas, with a total enterprise value of \$3.4 billion.

M&A activity to date in the second half of 2026 has reached approximately \$15.0 billion, including five publicly announced transactions over \$1 billion in value which are listed below.

The largest acquisitions announced in the second half of 2026 to date include the recently announced planned purchase of **Athabasca Oil Corp.** by **Cenovus Energy Inc.** for \$5.7 billion and the planned takeover of **Headwater Exploration Inc.** by Tamarack Valley for approximately \$3.2 billion, which account for the majority of the overall value.

The three other publicly announced deals over \$1.0 billion in the second half of 2026 include the acquisition of **Connacher Oil and Gas Limited** by **Greenfire Resources Ltd.** for approximately \$1.3 billion, the planned takeover of **Logan Energy Corp.** by **Ovintiv Inc.** for approximately \$1.3 billion and the sale of certain offshore assets held by **Suncor Energy Inc.** to **Ithica Energy plc** for approximately \$1.2 billion.

The recent M&A landscape has been dominated by a number of significant transactions. We expect to see this consolidation trend continue for the remainder of this year and into 2027.