SAYER'S

An Oil and Natural Gas Industry Newsletter

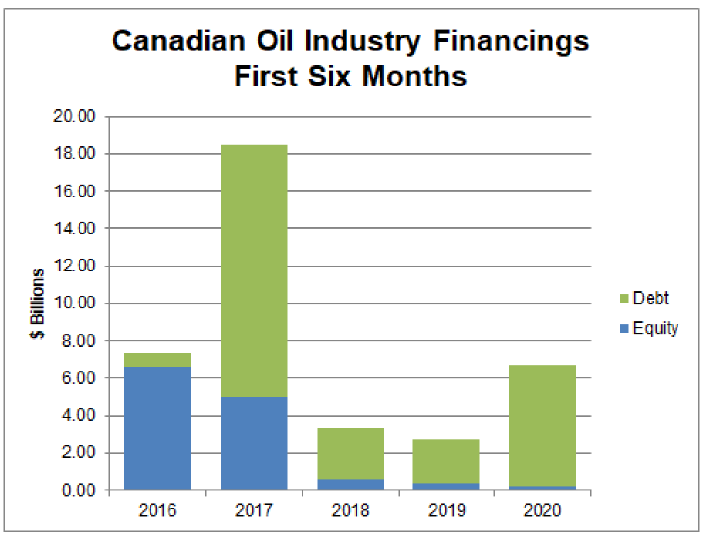
Viewpoint

Fall 2020

Debt Financings Jump 169% Year Over Year

A total of $6.7 billion in equity and debt was raised by the Canadian oil and natural gas industry in the first six months of 2020, up 145% from the $2.7 billion recorded over the same time period in 2019. Debt financings were up significantly year-over-year while the amount of equity raised declined.

The amount of debt raised increased 169% to $6.5 billion from $2.4 billion in the first half of 2020, while equity financings decreased 36% to approximately $212.0 million from $329.3 million in the first six months of 2020.



As previously mentioned, debt financings in the first six months of 2020 totaled $6.5 billion, of which only $2.2 million was categorized as convertible debt. Debt financings accounted for 97% of the total capital raised in the first half of 2020. In the first six months of 2019, debt financings accounted for 88% of the total capital raised in the first half of 2019.

The largest single debt issue in the first half of 2020 was done by **MEG Energy Corp.** which had initially announced an offering of USD $800.0 million which was subsequently increased to USD $1.2 billion (approximately CDN $1.6 billion). The offering was comprised of senior unsecured notes due in 2027 with a coupon rate of 7.125%. MEG used the proceeds of this debt offering, together with cash on hand, to refinance its 6.375% unsecured senior notes due in January 2023 and to redeem a portion of its 7.0% unsecured notes due in March 2024.

Suncor Energy Inc. raised approximately $1.7 billion through three separate debt issues. In April, Suncor raised $1.3 billion in medium-term notes with a 10-year term, which bear interest at 5.0%. In May, Suncor completed two unsecured senior note offerings, a USD $450.0 million (CDN $633.3 million) on a three-year term with a coupon rate of 2.8% and a USD $550.0 million (CDN $774.0 million) on a five-year term with a coupon rate of 3.1%. Suncor used the proceeds to repay short-term indebtedness and for general corporate purposes.

Canadian Natural Resources Limited was also active in the first six months of 2020, completing two unsecured debt issues in June. Canadian Natural raised USD $600.0 million (CDN $815.5 million) of five-year term notes with a coupon rate of 2.05% and USD $500.0 million (CDN $679.6 million) of ten-year term notes with a coupon rate of 2.95%. Canadian Natural used the proceeds to refinance outstanding short-term indebtedness and for general corporate purposes.

The $212.0 million in equity raised in the first half of 2020 accounted for only 3% of the total capital raised. In the first half of 2019, $329.3 million in equity was raised, accounting for 12% of the total capital raised. The top three equity

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Debt Financings Jump...
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issuances, totalling approximately $146.9 million, accounted for 69% of the total equity raised in the first half of 2020. This is the fifth consecutive year where equity financings have declined on a year-over-year basis. There were no flow-through financings closed in the first six months of 2020.

The largest equity issue recorded in the first six months of 2020 was **Return Energy Inc.**'s $58.9 million subscription receipt financing and its concurrent $5.1 million common share offering. Proceeds of the financing were used towards the acquisition of assets from **Bellatrix Exploration Ltd.**, to further fund the development of the acquired assets and for general working capital purposes. Contemporaneous with the closing of the acquisition, Return completed a name change to **Spartan Delta Corp.**

Corridor Resources Inc. raised a total of $50.0 million by way of a $30.0 million subscription receipt financing and a $20.0 million non-brokered private placement as part of a definitive investment agreement which also consisted of the appointment of a new management team made up of former members of the management team of **Raging River Exploration Inc.** and the reconstitution of the board of directors. Following the closings, Corridor completed a name change to **Headwater Exploration Inc.**

The third-largest equity financing was completed by **Africa Energy Corp.** which raised USD $25.0 million (CDN $32.9 million) through a common share offering. Proceeds of the offering were used to finance the drilling of up to three exploration wells offshore South Africa.

Topaz Energy Corp. late last week announced an initial public offering ("IPO") of its shares for total proceeds of approximately $252.5 million consisting of a $217.5 million treasury offering and a $35.0 million secondary offering (Topaz shares held by **Tourmaline Oil Corp.**). Topaz is a royalty and energy infrastructure company focused on generating free cash flow growth and paying sustainable dividends to shareholders. Topaz's initial assets were spun out of Tourmaline. Tourmaline will continue to maintain significant ownership in Topaz following the IPO holding just over a 50% interest in Topaz.

Topaz's planned IPO is significant in that the total amount of the treasury offering portion of the IPO of $217.5 million is higher than the total amount of equity raised in the first half of 2020. Outside of the Topaz IPO, with continued depressed share prices, a lack of investor support for Canadian oil and natural gas exploration and production companies coupled with continued uncertainty relating to the COVID-19 pandemic, we forecast the amount of equity which will be raised for the remainder of 2020 will be in line with what we witnessed in the first half of 2020.

Written by Tom Pavic
Sayer Energy Advisors
Originally Appeared in the Daily Oil Bulletin on September 30, 2020

Sayer in the News...

Calgary Herald

Posthaste: It's not just Chesapeake - These Canadian Oil and Gas Companies are in Trouble Too

Yadullah Hussain
Published June 29, 2020

Good morning!

Chesapeake Energy Corp. is the depressed oil market's latest victim — but it likely won't be the last.

On Sunday, the company filed for Chapter 11 to become the largest American oil and gas producer to seek bankruptcy protection in recent years, as the pandemic and heavy debt levels weighed on the company.

While not as high profile, a number of private and public Canadian energy companies are also discovering that they are unable to cope with the commodity price depression. Brent crude dropped 2 per cent to US$40.21 this morning, while U.S. crude was at US$37.74, also down 2 per cent.

While the pandemic is to blame for demand destruction, Saudi Arabia and Russia are also responsible for triggering an oil market share war as the pandemic was unfolding in the first quarter, that pretty much smashed investor confidence.

Sayer Energy Advisors, a Calgary-based mergers and acquisitions broker, notes that privately-held Bow River Energy Ltd. has entered into The Companies' Creditors Arrangement Act (CCAA) process and BDO Canada Ltd. has been appointed monitor for the company. Bow produces around 1,400 barrels of oil equivalent per day from its assets in Alberta and Saskatchewan.

In late May, Cequence Energy Ltd. said it started a strategic process to identify and pursue potential strategic options and alternatives to maximize value for its stakeholders, which will be carried out under the CCAA.

"The strategic process will explore a broad range of options and alternatives that may be available to the Company to address its liquidity challenges brought on by the significant deterioration in commodity prices, driven largely by the economic impact of the COVID-19 pandemic," the company said.

Cequence's produced around 5,700 boed from its assets in Simonette area in Alberta, and the Peace River Arch and in British Columbia.

Calgary-based Delphi Energy Corp. also announced in April "that it intends to continue to carry out its strategic alternatives process, which may involve the sale of all or a portion of the business and assets or shares of the company, or a refinancing, recapitalization or other restructuring transaction", through a court-supervised restructuring proceeding.

The company also intends to pursue well abandonment funding from the federal and provincial government programs, to continue to reduce its well abandonment obligations.

Meanwhile, Bonavista Energy Corp. is also entering into a recapitalization transaction along the lines of what Delphi did in late 2019.

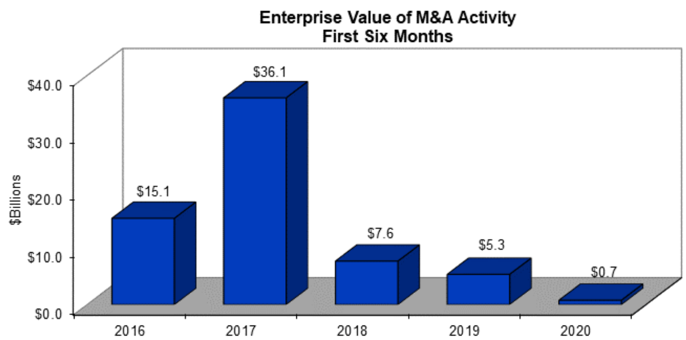
The company said its proposed recapitalization transaction would reduce its total outstanding debt by approximately $482.6 million (representing 56 per cent of the company's current outstanding debt), reduce cash interest payments by approximately $16 million annually (or 43 per cent of the company's current annual cash interest payments), and strengthen its overall financial position.

"As the Canadian oil and natural gas industry continues to deal with the mess caused by the COVID-19 pandemic, we believe that more oil and natural gas companies will be pursuing a Court-supervised CCAA process," Tom Pavic, analyst at Sayer Energy Advisors, wrote in a note last week.

"The CCAA process allows companies the ability to maximize returns to all creditors while under a Court-supervised restructuring proceeding and the possibility to come out of CCAA to fight another day."

M&A Value Hits Record Low in First Half of 2020

In the first half of 2020, the total enterprise value of merger and acquisition ("M&A") activity in the Canadian oil and natural gas industry plummeted 86% to $748.7 million from $5.3 billion recorded in the first half of 2019. This is the lowest M&A value on record, for the first six month time period, since Sayer began tracking M&A statistics over 30 years ago.



There were not any deals in excess of $1.0 billion in size in the first six months of 2020. The largest deal in the first half of this year was **Spartan Delta Corp.**'s acquisition of all of the oil and natural gas interests of **Bellatrix Exploration Ltd.** for $108.8 million. This transaction arose through Bellatrix's restructuring proceedings under the *Companies' Creditors Arrangement Act* (Canada). Bellatrix's main producing properties were located in the Alder Flats, Baptiste, Brazeau, Ferrier and Willesden Green areas of Alberta. Spartan Delta financed a portion of the acquisition through both a subscription receipt and common share offering for total proceeds of $64.0 million.

The second-largest deal in the first half of 2020 was **International Petroleum Corporation**'s ("IPC") acquisition of **Granite Oil Corp.** for $98.5 million. Granite's main producing property was located in the Ferguson area of Alberta. Granite's oil and natural gas interests were southwest of IPC's existing operations in the Suffield area of Alberta and complement IPC's current southeastern Alberta operations. IPC identified a number of drill ready opportunities on the Granite lands that it believes could add further near-term production.

Another significant transaction in the first half of 2020 was **Longshore Resources Ltd.**'s acquisition of all of the issued and outstanding shares of **Primavera Resources Inc.**, **Rifle Shot Oil Corp.** and **Steelhead Petroleum Ltd**. With this acquisition, Longshore's production increased to over 14,000 boe/d (75% oil). All four companies were backed by **ARC Financial Corp.** and ARC will continue to be the majority shareholder in Longshore.

Of the $646.0 million in large transactions (valued at over $5.0 million) in the first six months of 2020, $245.3 million were property deals while $400.7 million were corporate transactions. In total there were 16 large transaction (over $5 million) with an average deal size of $40.4 million in the first half of 2020, compared to 15 large transaction with an average deal size of $339.4 million during the same time period in 2019. There were 11 corporate deals and the remaining five were property. This compares to the first half of 2019, when the split between large corporate and property transactions was two corporate deals totaling $985.1 million in enterprise value and 13 property deals with an aggregate value of $4.1 billion.

During the first half of 2020, 12 large oil-weighted transactions accounted for $449.5 million in aggregate value and four large natural gas-weighted transactions made up the remaining $196.6 million. This compares to 2019, when nine large transactions in the first six months were oil-weighted, with total enterprise value of approximately $3.9 billion and the remaining six deals were weighted towards natural gas, with total enterprise value of $1.2 billion.

With M&A activity hampered in large part in the first half of 2020 by the COVID-19 pandemic we have seen M&A activity pickup recently, with oil prices having stabilized in and around the $40 WTI range as evidenced by **Cenovus Energy Inc.** announcing its intention to acquire all of the issued and outstanding shares of **Husky Energy Inc.** for $10.2 billion. The combined company will be the third largest Canadian oil and natural gas producer, with total production of approximately 750,000 boe/d. It will be the second largest Canadian-based refiner and upgrader, with total North American upgrading and refining capacity of approximately 660,000 bbl/d, which includes approximately 350,000 bbl/d of heavy oil conversion capacity. The company will have access to about 265,000 bbl/d of current takeaway capacity out of Alberta on existing major pipelines, as well as about 305,000 bbl/d of committed capacity on planned pipelines. In addition, it will have 16 million barrels of crude oil storage capacity as well as strategic crude-by-rail assets that provide takeaway optionality.

Other significant transactions which have been announced since Canada Day were **Canadian Natural Resources Limited**'s acquisition of all of the issued and outstanding shares of **Painted Pony Energy Ltd.** for approximately $638.8 million. **Kelt Exploration Ltd.** selling its interests in the Inga, Fireweed and Stoddart areas of British Columbia to **ConocoPhillips** for $551.0 million and **Whitecap Resources Inc.** announcing its intention to acquire **NAL Resources Limited** for $213.9 million.

With M&A activity reaching a record low in the first half of 2020, the number of deals announced so far in the second half of 2020 as highlighted above, has led to a respectable year, with total M&A value already reaching its highest level since 2017. With the ability to raise capital non-existent for many Canadian oil and natural gas companies, we most likely will witness more activity on the M&A front prior to the end of 2020.

Written by Tom Pavic
Sayer Energy Advisors
Originally Appeared in the Daily Oil Bulletin on October 28, 2020

Assets for Sale Value Down 75% Year Over Year

The amount of Canadian oil and natural gas assets publicly available for sale is down roughly 75% from this time last year. Currently, there is just under $1.0 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.

As with last year, strategic alternatives processes constitute the bulk of the assets for sale in current public marketing processes. In November, privately-held **Turm Oil & Gas Ltd.** initiated a strategic alternatives process to evaluate strategic options and alternatives to maximize shareholder value. Strategic alternatives include but are not limited to, a sale of some or all of the assets, a recapitalization of the company or a sale or merger of the company. Turm's main assets consist of heavy oil properties located in the Neilburg, Lashburn-Maidstone, Edam, Aberfeldy and Gully Lake areas of Saskatchewan. Prior to temporarily shutting-in production with the onset of the COVID-19 pandemic, average daily production net to Turm from the properties was approximately 638 barrels of oil per day.

In October, publicly-held **Highwood Oil Company Ltd.** initiated a strategic alternatives process to identify, examine and consider strategic and financial alternatives available to Highwood. According to Highwood, *"alternatives may include, but are not limited to, the sale of the company, investment in, merger or other business combination, recapitalization, sale of all or a portion of the company's assets, or any combination thereof, continued execution of its business plan, among all other alternatives"*. Highwood's main assets are located in the Craigend, Jarvie/Newbrook, Nipisi and Red Earth areas of Alberta. Subsequent to the announcement of the process, Highwood announced the divestiture of its Red Earth property which it considered to be non-core. Current production from the Red Earth field is approximately 1,000 barrels of oil per day. The divestiture closed in escrow subject to regulatory approval, a condition which Highwood anticipates being satisfied in late January 2021.

A strategic alternatives process that was initiated last year and is included in our statistics for this year is **Obsidian Energy Ltd.,** which initiated a strategic alternatives process in September 2019 to evaluate the company's strategic options and alternatives to maximize shareholder value. According to Obsidian, *"Strategic alternatives may include, but are not limited to, a corporate sale, merger or other business combination, a disposition of all or a portion of the company's assets, a recapitalization, refinancing of its capital structure, or any combination of the foregoing"*. Obsidian's main assets are located in the Peace River, Cardium, Deep Basin and Alberta Viking areas of Alberta. Obsidian's current production is approximately 26,000 boe/d. In August 2020, as part of its strategic alternatives process, Obsidian announced a hostile take-over offer for all of the issued and outstanding shares of **Bonterra Energy Corp.**

Other recent public offerings include a variety of non-core property divestitures such as the processes underway by **Enercapita Energy Ltd.,** and **Razor Energy Corp.** as well as corporate divestitures such as **Rake Resources Ltd.**

Enercapita is currently marketing its natural gas assets in the Vegreville area of central Alberta The properties consist of both operated and non-operated interests with approximately 1.4 MMcf/d of natural gas and six barrels of oil and natural gas liquids per day (238 boe/d) of production.

Razor is currently publicly marketing certain non-core oil and natural gas interests located in the Badger, Chin Coulee, Enchant/Retlaw, Jumpbush and Majorville areas of southern Alberta. Production net Razor from these assets recently averaged approximately 620 boe/d consisting of 1.9 MMcf/d of natural gas and 297 barrels of oil and natural gas liquids per day.

Rake is private company with operations based in southeastern Saskatchewan near the Manitoba border. Rake's oil properties are located northwest of the town of Moosomin in the Welwyn and Burrows areas of Saskatchewan. The properties are 100% operated by Rake.

The number of insolvency processes is also down on a year-over-year basis. The only currently active insolvency marketing process is **Point Loma Resources Limited.,** with **BDO Canada Limited** as the Court appointed Receiver and Manager. Point Loma's oil and natural gas properties are located in the Gilby, Leaman, Paddle River, Pine Creek/Edson, Thornbury, Whitecourt and Wizard Lake areas of west central Alberta.

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. For instance, **Tourmaline Oil Corp.** announced earlier this month the acquisitions of both privately-held **Jupiter Resources Inc.** (closing scheduled in December 2020) and **Modern Resources Inc.** for total consideration of approximately $770 million. Neither Jupiter nor Modern publicly announced a corporate sale or strategic alternatives process.

Total merger and acquisition ("M&A") activity in the first three quarters of 2020 was approximately $2.7 billion, of which approximately $2.0 billion occurred in the third quarter of 2020. If increased M&A activity persists, we may see an increase in the amount of Canadian oil and natural gas companies and properties for sale in the early part of 2021.

Written by Ben Rye
Sayer Energy Advisors
Originally Appeared in the Daily Oil Bulletin on November 25, 2020

Sayer in the News...

Calgary Herald

Varcoe: Friendly or Hostile, Mergers and Acquisitions Picking up in the Oilpatch

Chris Varcoe
Published September 4, 2020

'You have investors saying the status quo clearly isn't working,' said Martin Pelletier, a portfolio manager at Wellington-Altus Private Counsel

It's not the $30-billion wave of consolidation that unfolded three years ago in the oilsands, but a handful of deals are breaking out in Canada's embattled energy sector, including some unsolicited proposals.

Only a handful of mergers and acquisitions took place in the oilpatch during the first half of the year as crude prices tanked.

But several proposals have been unveiled over the past week, including a friendly deal by Whitecap Resources to buy NAL Resources, Obsidian Energy proposing a union with a reluctant Bonterra Energy, and Texas-based Wilks Brothers LLC stepping up its hostile pursuit of Calfrac Well Services.

And there's likely more to come.

"You have investors saying the status quo clearly isn't working," said Martin Pelletier, a portfolio manager at Wellington-Altus Private Counsel.

"You are seeing friendly deals but also seeing hostile ones, which typically doesn't happen in the Canadian oilpatch."

Wilks Brothers LLC signalled its intention Tuesday to launch a $26-million hostile takeover bid for Calfrac, providing 18 cents a share to acquire stock that it doesn't own in the Calgary-based oilfield services company.

Wilks Brothers has previously tried to acquire the company's U.S. division, while Calfrac has been pursuing its own recapitalization plan.

"This offer will provide shareholders with a clear path to financial recovery if the management transaction is voted down" at a Sept. 17 shareholders meeting, Wilks Brothers said in a statement Thursday.

Calfrac said this week its special committee and board of directors will evaluate the Wilks Brothers offer, "if and when" it's received.

"This cash offering places increased pressure on Calfrac to make its offer more competitive for shareholder votes, in our view, and we fully expect additional counter-actions to be taken," CIBC Capital Markets analyst Daine Biluk said in a note.

"Simply put, this dogfight is far from over."

The acrimonious battle comes a day after Whitecap Resources announced it would buy privately held NAL Resources Ltd. in a friendly $155-million transaction. NAL, owned by Manulife Financial, produces about 27,000 barrels of oil equivalent (boe) per day.

On a conference call, Whitecap CEO Grant Fagerheim pointed out that with oil prices still stuck under US$45 a barrel, it's better "to increase your inventory through acquisitions" rather than spending more money on drilling.

Meanwhile, Obsidian released a letter this week proposing it combine forces with Bonterra.

In the note to Bonterra CEO George Fink, Obsidian interim CEO Stephen Loukas pointed out the two sides have periodically held discussions about a potential friendly business combination since 2019.

Together, the companies would produce more than 35,000 boe per day and the enhanced size would give them access to alternative debt financing options, he said.

The letter states Obsidian's board would be prepared to offer two common shares in Obsidian per one common share of Bonterra. Bonterra's stock closed Thursday at $1.40 on the Toronto Stock Exchange. Obsidian's shares ended the day at 61 cents.

Loukas said he expected a response by Friday. Without any engagement by Bonterra, "Obsidian Energy is prepared to pursue all options to consummate this transaction."

In an interview, Fink said Bonterra is examining the proposal.

"I am not saying we don't want to do a deal, but we don't want to do a deal that they proposed at this point. It's too much in favour of their side," he said.

"There are a lot of positives putting the two entities together, but not the proposal that's in front of us right now."

The string of proposed transactions comes in the midst of one of the toughest environments facing the Canadian industry, with the sudden plunge in oil prices this spring, massive second-quarter losses and the effect of COVID-19 on energy demand.

RBC's new Canadian energy survey of investors and corporate executives shows 57 per cent of oilpatch officials cite access to capital as their most significant business challenge for the next three years, "which appears to be becoming more of an existential threat and may drive further consolidation."

Under these conditions, industry players expect to see more deals pitched through the fall and winter.

"I'm not predicting it's going to be running wild with mergers or acquisitions, but I think there (will be) more than we've experienced . . . for two or three years," said Fink.

"There's a lot more pressure out there, and generally it would be coming from the lenders."

During the first half of this year, only $750 million of M&A activity occurred in the Canadian oilpatch among producers, down from $5.3 billion a year earlier, according to data from Sayer Energy Advisors.

The oil-price war and COVID-19 crisis this spring paralyzed most deal-making action because of the volatility of commodity prices, said Sayer president Tom Pavic. Activity is picking up as oil prices have stabilized around US$40 a barrel.

Debt woes and the push to increase the size of junior and mid-sized producers — and attract more attention from investors — are key factors behind the recent proposals, he said.

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Sayer in the News...

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“If commodity prices continue to be stable and we don’t see huge swings up or down, that will help with increased M&A activity,” Pavic said.

It’s obvious that companies with high debt levels are under the most acute pressure. But a lack of investor interest is opening the door to consolidation talk — including the potential for more unwanted suitors launching hostile takeover bids, said Rafi Tahmazian, a senior portfolio manager at Canoe Financial.

Companies that have strong balance sheets are in the driver’s seat and can add production more cheaply through acquisitions than by drilling.

“There’s a certain degree of politeness, and then there’s just damn survival. That’s the kind of environment we’re in today,” he said.

Regardless of the reasons — a drive for size, a bid to attract capital or simply deal-hungry buyers on the prowl — it appears more oilpatch transactions are coming.

“The M&A cycle is on,” said Tahmazian. “It’s alive and well right now.”

Current Disposition Packages Available through Sayer Energy Advisors

TURMOIL & GAS

- Strategic Alternatives Process
- Lloydminster, Saskatchewan Area
- 150 bbl/d Heavy Oil (638 bbl/d Capability)
- Bid Deadline: December 3, 2020

RAKE RESOURCES LTD.

- Corporate Divestiture
- Welwyn/Burrows, Saskatchewan
- 11 bbl/d Oil (22 bbl/d Capability)
- Bid Deadline: December 10, 2020

ENERCAPITA

- Property Divestiture
- Central Alberta Natural Gas Properties
- 238 boe/d (1.4 MMcf/d, 6 bbl/d)
- Bid Deadline: December 10, 2020

razor ENERGY

- Property Divestiture
- Southern Alberta
- 620 boe/d (1.9 MMcf/d, 297 bbl/d)
- Bid Deadline: December 17, 2020

Visit our website at www.sayeradvisors.com for more information

Recent Transactions Completed by Sayer Energy Advisors

This announcement appears as a matter of record only.

Certain oil and natural gas interests in the Crossfield area of Alberta previously held by

LEXIN RESOURCES LTD.

have been sold through its receiver

Grant Thornton

to

HESC ENERGY LIMITED PARTNERSHIP

The undersigned acted as financial advisor to Grant Thornton for this transaction.

July 2020

SAYER ENERGY ADVISORS

This announcement appears as a matter of record only.

Certain oil and natural gas interests held by

TRIDENT EXPLORATION CORP.

have been sold through its receiver

pwc

The undersigned acted as agent to PwC for these transactions.

July 2020

SAYER ENERGY ADVISORS

This announcement appears as a matter of record only.

TIDEWATER Midstream and Infrastructure Ltd.

has sold certain non-core facility interests

The undersigned acted as financial advisor to Tidewater for this transaction.

August 2020

SAYER ENERGY ADVISORS

This announcement appears as a matter of record only.

Certain oil and natural gas interests held by

WOLF COULEE RESOURCES INC.

have been sold through its receiver

BDO

The undersigned acted as financial Advisor to BDO for these transactions.

July/August 2020

SAYER ENERGY ADVISORS

This announcement appears as a matter of record only.

Certain oil and natural gas interests held by

HOUSTON OIL & GAS LTD.

have been sold through its receiver

BDO

The undersigned acted as financial advisor to BDO for these transactions.

September/October 2020

SAYER ENERGY ADVISORS

This announcement appears as a matter of record only.

TOSCANA ENERGY INCOME CORPORATION

completed an arrangement with

i3 ENERGY

for total consideration of

$10.2 million

The undersigned acted as financial advisor to the Board of Directors of Toscana and provided them with a Fairness Opinion for this transaction.

September 2020

SAYER ENERGY ADVISORS

This announcement appears as a matter of record only.

Burgess Creek Exploration INC

has sold certain gross overriding royalty and Fee Title interests in Saskatchewan

The undersigned acted as agent to Burgess Creek for this transaction.

November 2020

SAYER ENERGY ADVISORS

This announcement appears as a matter of record only.

CANAMAX ENERGY LTD

has sold its interests in the Hardy area of Saskatchewan

The undersigned acted as agent to Canamax for this transaction.

November 2020

SAYER ENERGY ADVISORS

This announcement appears as a matter of record only.

Certain oil and natural gas interests held by

HOUSTON OIL & GAS LTD.

have been sold through its receiver

BDO

The undersigned acted as financial advisor to BDO for this transaction.

November 2020

SAYER ENERGY ADVISORS