SAYER ENERGY ADVISORS

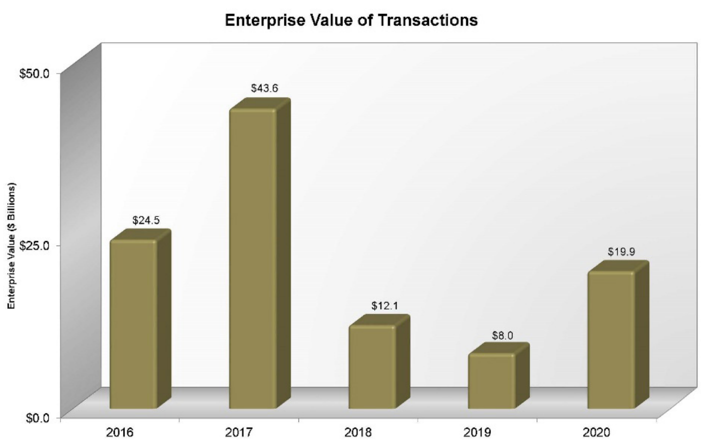
Viewpoint

An Oil and Natural Gas Industry Newsletter

Spring 2021

M&A Value Increases to Highest Level Since 2017

The total enterprise value of merger and acquisition ("M&A") transactions in the Canadian oil and natural gas industry more than doubled to approximately $20.0 billion in 2020 from $8.0 billion in 2019, a 149% increase.



There was one deal in 2020 valued at over a billion dollars; with **Cenovus Energy Inc.** acquiring **Husky Energy Inc.** for $15.0 billion which made up 75% of the total M&A value for the year. This is the largest transaction in the Canadian oil and natural gas industry since Cenovus' acquisition of assets from **ConocoPhillips Co.** in the first quarter of 2017 for $17.7 billion. Husky's main Canadian assets were located in the Lloydminster area of Alberta and Saskatchewan, the Cold Lake, Edson, Grande Prairie and Rainbow Lake areas of Alberta as well as offshore Atlantic Canada off the coast of Newfoundland. Husky also held interests in China and Indonesia as well as refineries in the United States. With this transaction, Cenovus became the third largest Canadian oil and natural gas producer with approximately 750,000 boe/d of production. Cenovus is now 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. Cenovus has 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, Cenovus has 16 million barrels of crude oil storage capacity as well as strategic crude-by-rail assets that will provide takeaway optionality. Cenovus is expected to generate an incremental $1.2 billion of annual free funds flow, comprised of $600.0 million in annual corporate and operating synergies and $600.0 million in annual capital allocation synergies, achievable independent of commodity prices.

The second-largest transaction in 2020 was **Whitecap Resources Inc.**'s acquisition of **TORC Oil & Gas Ltd.** for $848.9 million. TORC's main producing properties were located in the Kaybob and Pembina areas of Alberta and the Flat Lake, Openshaw, Steelman, Wapella, Weir Hill and Willmar areas of Saskatchewan. The transaction significantly increased Whitecap's scale as TORC's asset base fit directly into Whitecap's current core areas which increased Whitecap's production to approximately 100,000 boe/d (78% liquids). There is significant overlap in Whitecap's and TORC's asset bases providing for operational synergies and inventory optimization opportunities. The resulting entity has 67% of its production under waterflood recovery, supporting its base production decline rate of 17%. Prior to announcing this transaction, Whitecap announced and subsequently acquired all of the issued and outstanding shares of **NAL Resources Limited** for approximately $214.0 million.

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M&A Value Increases...

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Another significant transaction in 2020 was **Canadian Natural Resources Limited**'s acquisition of all of the issued and outstanding shares of **Painted Pony Energy Ltd.** for $638.8 million. Painted Pony's main producing properties were Montney interests located in the Beg, Blair, Daiber, Gundy, Kobes, Townsend and West Blair areas of British Columbia. Painted Pony's land and production were located within Canadian Natural's core operating area providing Canadian Natural with the opportunity to leverage synergies and utilized a significant amount of pre-built infrastructure and transportation capacity which was available.

Corporate transactions dominated the marketplace making up 93% or $18.4 billion of the $19.7 billion in total enterprise value of large deals (over $5 million in value) in 2020. Property deals made up the remaining $1.3 billion in total enterprise value. The split between property and corporate transactions is opposite to what occurred in 2019 when property transactions made up 73% of the total M&A value.

The COVID-19 pandemic along with the continued lack of investment capital were the dominating factors that drove the M&A market in 2020. These factors led to significantly more M&A activity in the second half of 2020 as illustrated by the aforementioned Cenovus/Husky, Whitecap/TORC and Canadian Natural/Painted Pony transactions.

The early part of 2021 has continued where 2020 ended with total estimated M&A value of approximately $7.0 billion. The most significant transaction announced so far in the first quarter of 2021 was **ARC Resources Ltd.** announcing its intentions to acquire **Seven Generations Energy Ltd.** for approximately $4.9 billion. With somewhat stable commodity prices coupled with investment capital coming back to the industry, as witnessed by recent equity financings completed by both **Spartan Delta Corp.** for $124.0 million and **Tamarack Valley Energy Ltd.** for $68.0 million, could lead to more consolidation and thus increased M&A activity for the remainder of 2021.

Written by Tom Pavic
Sayer Energy Advisors
Originally Appeared in the Daily Oil Bulletin on March 31, 2021

Financial Post

Oilpatch Primed for more Consolidation in Wake of Cenovus-Husky Deal

Victor Ferreira
Published October 27, 2020

Four companies now dominate Canadian oil — if two were to merge they could create a global powerhouse

The merger of Cenovus Energy Inc. and Husky Energy Inc. may prove to be a catalyst that sets off a wave of M&A activity leading to much-needed consolidation in the oil-and-gas space, according to analysts who watch the sector.

On Sunday, the two companies announced a $3.8 billion, all-stock merger that will see Cenovus pay a 23 per cent premium for Husky. The combined entity will become Canada's third-largest oil producer if the deal clears as expected in the first quarter of 2021 and boost Cenovus' output to 750,000 barrels per day.

The merger follows on the heels of a few smaller moves in the Canadian sector, including Whitecap Resources Inc. buying NAL Resources Limited for $155 million in an all-stock deal and Canadian Natural Resources Ltd.'s $111 million purchase of Painted Pony Energy Ltd. Whether it's a case of two smaller companies combining to form a larger entity like the former or one of the sector's leaders plucking up a junior for its assets like the latter, analysts expect there's more to come.

"This could likely be the catalyst we need to set off a merger wave." Jeffrey Craig, Veritas Investment Research Analyst

"Everyone was waiting for the first shoe to drop and this could be it," said Veritas Investment Research analyst Jeffrey Craig. "I would say this could likely be the catalyst we need to set off a merger wave."

Analysts and critics alike have long called for consolidation in Canada's oil-and-gas sector. The problem was that due to the years-long bear market in energy, there was little capital to throw around and even less space available on balance sheets for additional debt.

According to Craig, the Cenovus-Husky deal may have done two things to accelerate M&A in the sector. For one, Cenovus may have to divest from some of the non-core assets it acquired in the transaction. Merging with Husky gives the company new asset types it didn't possess before in retail, midstream and offshore Atlantic Canada. Cenovus CEO Alex Pourbaix has already hinted that the company may look at unloading some of these assets.

Secondly, the deal provides a blueprint for others to follow. Prior to COVID-19, a merger of this sort would've simply been seen as dilutive to shareholders, he said. (And perhaps it still is after Cenovus' stock closed down nearly nine per cent on Monday.) Without cash or room for additional debt, all-stock deals may be the best solution. Better still if unlike the Cenovus-Husky merger, they don't involve premiums and are simply seen as a "merger of equals," he said.

"Given where we're at now, investors and management teams are starting to see deals have to happen to make these companies stronger, even if they're dilutive in the short-term," Craig said. "(Before COVID-19) if you tried to sell for a tiny premium or no premium, your shareholders might say 'What the heck (is going on),' but I think you're going to start to see them realize it's pure survival at this point."

Mergers like these may in fact be the only solution for some smaller producers, who may soon be called into action. If two of the largest companies in the sector realized they had to merge in order to continue to thrive, then what does that mean for the junior producers or even for the Crescent Point Energy Inc.'s or Vermilion Energy Inc.'s?

"Before, no one would've been willing to merge on a non-premium deal but as they see their big brothers throwing in the towel and merging, the bar for a deal has dropped," Craig said.

Eight Capital analyst Phil Skolnick also foresees more mergers and acquisitions, but not just among the space's smallest players. The Cenovus-Husky merger has left four clear-cut companies at the top of Canada's oil and gas sector: Canadian Natural Resources, Suncor Energy Inc., Cenovus and Imperial Oil Ltd. In a move that could be similar to the Newmont Mining Corp and Goldcorp Inc. mega-merger of 2019, Skolnick can see two of those heavyweights merging.

The prospect of a Suncor and Canadian Natural Resources merger is what intrigues Skolnick most.

"If they were to merge, it would be a massive powerhouse of an energy company on a global level," said Skolnick, adding that while this proposed super-entity might seem light on downstream assets, the few that it would have would be among North America's best.

As far as some of the smaller players in the sector, Skolnick highlights MEG Energy Corp. as a potential target.

Like Skolnick, Tom Pavic, the President of Sayer Energy Advisors, an expert in M&A activity in the oil-and-gas sector, also expects more consolidation going forward, but he offered a warning. The Cenovus-Husky deal made sense for both parties, he said. Anyone following in their footsteps should ensure that a merger or acquisition reaps the same benefits.

"You can't just consolidate for the sake of consolidating," he said.

Revisiting the Consolidation Question in 2021

In an April 2020 article written by Sayer Energy Advisors the question was posed; "*Will We See an Increase in Consolidation in 2020?"*. Although it would have been impossible to know the full implications of the COVID-19 pandemic, our predictions at that time did take into consideration the fact that there would be some consolidation spurred on by the pandemic. Some significant consolidation transactions we have seen since our article in April 2020 include the following:

In June 2020 four companies backed by **ARC Financial Corp.** merged as **Longshore Resources Ltd.** acquired all of the issued and outstanding shares of **Primavera Resources Inc.**, **Rifle Shot Oil Corp.** and **Steelhead Petroleum Ltd.** Subsequent to the completion of these transactions, Longshore's production increased to over 14,000 boe/d (75% oil). ARC continues to be the majority shareholder in Longshore.

Spartan Delta Corp. was mentioned in the April 2020 article as it acquired the assets of **Bellatrix Exploration Ltd.** for $108.8 million in the second quarter of 2020. Spartan Delta has continued consolidating through the acquisitions of privately-held **Inception Exploration Ltd.** and assets from both **Cequence Energy Ltd.** and **Enerplus Corporation** for total consideration of approximately $187.0 million. Inception's main producing property was located in the Gold Creek area of Alberta. The assets acquired from Cequence and Enerplus are located in the Simonette and Willesden Green areas of Alberta.

Tourmaline Oil Corp. also continues to consolidate since its acquisitions of **Chinook Energy Inc.**, and **Polar Star Canadian Oil and Gas Inc.** which were described in our April 2020 article. In the fourth quarter of 2020 Tourmaline bought **Jupiter Resources Ltd.** for $615.8 million and **Modern Resources Inc.** for $143.5 million. Both Jupiter and Modern's main producing properties were located in the Musreau, Resthaven and Kakwa areas of Alberta. Tourmaline also sold a gross overriding royalty ("GORR") on both the Modern and Jupiter lands to **Topaz Energy Corp.** for $130.0 million. With these transactions, Tourmaline has forecasted its average daily production in 2021 to be 400,000 boe/d (78% natural gas and also increased its quarterly dividend from $0.12/share to $0.14/share.

The largest transaction in 2020 was **Cenovus Energy Inc.**'s acquisition of **Husky Energy Inc.** for $15.0 billion. This was the largest transaction in the Canadian oil and natural gas industry since Cenovus' acquisition of assets from **ConocoPhillips Co.** in the first quarter of 2017 for $17.7 billion. The acquisition of Husky resulted in Cenovus becoming the third largest Canadian oil and natural gas producer with approximately 750,000 boe/d of production. Cenovus became 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. Cenovus 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. Cenovus is expected to generate an incremental $1.2 billion of annual free funds flow, comprised of $600.0 million in annual corporate and operating synergies and $600.0 million in annual capital allocation synergies, achievable independent of commodity prices.

The largest transaction so far in 2021 was **ARC Resources Ltd.**'s acquisition of **Seven Generations Energy Ltd.** for $5.1 billion. Seven Generations' main producing property was located in the Kakwa area of Alberta. The transaction was a share exchange which resulted in the combined company continuing under the name ARC Resources Ltd., with expected average daily production of over 340,000 boe/d, consisting of approximately 138,000 bbl/d of liquids and approximately 1.2 Bcf/d of natural gas (approximately 60% in Alberta, 40% in British Columbia). The combined company has become Canada's largest condensate producer, third-largest natural gas producer, and sixth-largest upstream energy company.

Whitecap Resources Inc. recently announced the $300.0 million planned acquisition of privately-held **Kicking Horse Oil & Gas Ltd.** The consideration to be paid by Whitecap consists of the issuance of 34.5 million Whitecap common shares and $56.0 million in cash and assumption of net debt estimated at $54.0 million. Kicking Horse's assets are located in the Kakwa area of Alberta, primarily focusing on the condensate-rich play in the Montney Formation. Kicking Horse's production is approximately 8,000 boe/d (32% liquids, 90% of which is condensate) and includes 92 (60 net) sections of Montney rights that are 99% operated, with an average working interest of 65%.

Whitecap also bought **NAL Resources Limited** for $213.9 million in the third quarter of 2020 and **TORC Oil & Gas Ltd.** in the fourth quarter of 2020 for $848.9 million. There was significant overlap in Whitecap's and TORC's asset bases providing for operational synergies and inventory optimization opportunities. NAL was a privately-held wholly owned subsidiary of **Manulife Financial Corporation** which had oil and natural gas operations in Alberta and Saskatchewan.

In the fourth quarter of 2020 **Tamarack Valley Energy Ltd.** bought **Woodcote Oil Corp.** and assets from **Highwood Oil Company Ltd.** for approximately $90.0 million. Woodcote's main producing property was located in the Nipisi area of Alberta targeting the Clearwater Formation. Highwood was Woodcote's working interest partner in the Clearwater interests. Tamarack Valley, concurrent with the announcement of the transactions, completed a non-brokered private placement equity financing of $47.0 million and entered into an agreement with Topaz to sell a 2.0% GORR on a certain

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Revisiting the Consolidation...
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portion of the assets held by Highwood and Woodcote for $16.0 million.

Tamarack Valley in the first quarter of 2021 acquired **Woodcote Petroleum Inc.** and assets from **Surge Energy Inc.** for approximately $150.0 million. The assets acquired from Surge are located in the Nipisi and Provost areas of Alberta. Woodcote's main producing property was located in the Greater Nipisi area of Alberta targeting the Clearwater Formation. Concurrent with the announcement of these transactions, Tamarack Valley announced and subsequently completed a bought-deal equity financing for gross proceeds of approximately $68.0 million. Tamarack Valley also entered into an agreement with Topaz to sell a 4.0% GORR on a certain portion of the assets held by Surge and Woodcote for $13.7 million.

Tamarack Valley recently announced that it had entered into a definitive agreement to acquire privately-held **Anegada Oil Corp**., a Charlie Lake light oil producer, for total net consideration of $494.0 million after deducting the proceeds from the sale of a 2.0% newly created GORR on the acquired assets to Topaz for $32.0 million. The total net consideration to be paid by Tamarack Valley consists of $247.5 million in cash and debt (net of GORR), and the issuance of approximately 105.3 million common shares of Tamarack Valley. Anegada's production is approximately 11,800 boe/d, comprised of 6,500 bbl/d of light and medium oil, 1,900 bbl/d of natural gas liquids and 20.4 MMcf/d of natural gas.

As we have seen recently, combinations that lead to operational efficiencies and synergies seem to be rewarded by the capital markets as evidenced by both Spartan Delta and Tamarack Valley completing significant equity financings concurrent with their respective acquisitions. The transactions detailed above suggest that we are in the midst of a consolidation cycle which was kickstarted in the second half of 2020 and we expect to continue for the remainder of 2021.

Written by Ben Rye
Sayer Energy Advisors
Originally Appeared in the Daily Oil Bulletin on April 28, 2021

Current Disposition Packages Available through Sayer Energy Advisors

GS E&R Canada, Inc.

- Property Divestiture
- Maxhamish, Northeastern British Columbia
- 946 boe/d (5.5 MMcf/d of natural gas, 33 bbl/d of ngls)
- Bid Deadline: May 13, 2021

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

Sayer in the News...

Calgary Herald

Varcoe: Energy Sector Deals Show 'Size, Scale, Relevance do Matter'

Chris Varcoe
Published February 12, 2021

Wednesday's announcements come after a gruelling period for the sector that saw oil prices tank last year at the start of the pandemic

While a bone-chilling deep freeze settled over Alberta, two blockbuster deals unveiled within just a couple of hours on Wednesday turned up the temperature on M&A activity in the province's energy sector.

Brookfield Infrastructure Partners LP kick-started the action with an unsolicited $13.5-billion takeover bid for midstream company Inter Pipeline Ltd.

Later in the day, ARC Resources Ltd. announced a friendly union with Seven Generations Energy Ltd., pegging the enterprise value of the combined entity at $8.1 billion.

"It was crazy, it happened so fast," said Rafi Tahmazian, a senior portfolio manager at Canoe Financial, which is an investor in both ARC Resources and Inter Pipeline.

"It's going to feel a lot warmer today because of that."

The twin announcements are continued evidence of consolidation sweeping through the Canadian energy sector.

But the deals are distinctly different.

At ARC and Seven Generations, the all-stock transaction follows the familiar path of petroleum producers seeking to gain size and scale during a period of turbulence.

Operating under the ARC banner, the combined company will have an array of assets in the Montney formation in northern Alberta and British Columbia. Once the deal is completed, ARC will produce more than 340,000 barrels of oil equivalent (boe) per day — making it the third-largest natural gas producer in the country.

ARC's Terry Anderson will remain as chief executive, while Seven Generation's CEO Marty Proctor will become vice-chair of the company. Hal Kvisle will remain as ARC's board chair.

"The company will have resiliency to better withstand volatile and uncertain market conditions," Anderson said on a conference call.

Under the transaction, Seven Generations investors will own 51 per cent of the company; ARC shareholders will have 49 per cent.

In an interview, Proctor called it "essentially a merger of equals" given the similar size of the two organizations, and said it's in the best interests of shareholders to join forces.

"Early in the new year, we began the discussion in earnest, and it came at a time when our share price had recovered somewhat from the pandemic level. And it got to the point where both sides thought it could be a very attractive, accretive deal for all shareholders," he said.

"I think size, scale, relevance do matter, and that was one of our conclusions."

Investors appeared to agree.

Shares in Seven Generations rose almost six per cent to close at $8.48 on the Toronto Stock Exchange, while ARC Resources climbed five per cent to $7.78.

"What you have here today is a stronger, better entity with a really intriguing outlook for global investors," said analyst Patrick O'Rourke at ATB Capital Markets.

It's expected the merger will lead to costs being cut by about $110 million annually by 2022, which will likely lead to more job losses in Calgary. ARC has about 425 employees, while Seven Generations has 230 permanent and about 200 contractor positions.

The pursuit of Inter Pipeline is a different beast.

Aside from being a hostile bid for a midstream company, the Brookfield offer would bring "mainstream capital into the Canadian energy sector," said Tahmazian.

"That is a powerful statement to make."

If Brookfield is successful, Inter Pipeline would remain a stand-alone, private company with its headquarters in Calgary.

Brookfield, which owns almost 20 per cent of the company, is offering $16.50 a share and, unusually, suggested in a statement it might offer more if due diligence confirms a higher valuation is warranted.

On Thursday, Inter Pipeline issued a statement confirming it had previously received unsolicited, conditional proposals from Brookfield in the range of $17 to $18.25 a share.

"They did not reflect the intrinsic value of the company," it stated.

Inter Pipeline's share price was trading above $21 last

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Sayer in the News...

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February before the pandemic hit and had been hovering around $13 earlier this year.

Its shares closed Thursday at $17.32.

The Calgary-based company is constructing the Heartland petrochemical project in Strathcona County and work is expected to be completed early next year on the $4-billion development.

Analyst Elias Foscolos of Industrial Alliance Securities believes Inter Pipeline will garner interest from potential suitors both inside and outside Canada, given its stable assets in the oilsands transportation business and the potential of Heartland.

"We think the market isn't recognizing this petrochemical facility," Foscolos said. "I believe there is a lot of value in it."

Wednesday's announcements come after a gruelling period for the sector that saw oil prices tank last year at the start of the pandemic. Companies cut back production and piled on debt, while share prices plunged.

In the aftermath, mergers and acquisitions have picked up, even as oil prices have moved back above US$50 a barrel.

Last year, Whitecap Resources acquired NAL Resources and TORC Oil & Gas, while Tourmaline Oil bought Modern Resources and Jupiter Resources. In the biggest acquisition, Cenovus Energy bought integrated producer Husky Energy.

Led by the Cenovus-Husky transaction, the total value of oilpatch M&A activity jumped to $20 billion last year, up from $8 billion in 2019, according to Sayer Energy Advisors.

The recent stability in oil and gas prices has also made it easier for companies to look at acquisitions, said Sayer president Tom Pavic.

"I suspect there are a lot of other deals being talked about," added analyst Jeremy McCrea of Raymond James. "We are seeing the deals and it seems like they're coming quickly now."

He noted data indicates when a Canadian energy company has an enterprise value of $8 billion, there are potentially 1,200 separate funds that could make an investment in the firm. When it's valued at $3 billion, the number drops to about 500 funds.

The flurry of deal-making isn't over yet as energy companies strive to whittle down costs and garner the interest of investors.

Eric Nuttall, a senior portfolio manager with Ninepoint Partners, which is an investor in Seven Generations, believes the growing size of companies such as Tourmaline and ARC will provide greater impetus for smaller producers to consider mergers and acquisitions.

"They will just be left by the wayside if they don't act," said Nuttall.

"With each successive transaction, the pressure on the remaining laggards to do something different, to try to gain greater relevancy . . . that only gets stronger."

Recent Transactions Completed by Sayer Energy Advisors

This announcement appears as a matter of record only.

Cor4 Oil Corp.

has sold its interests in the Dinosaur/Patricia area of Alberta

The undersigned acted as financial advisor to Cor4 for this transaction.

SAYER ENERGY ADVISORS

January 2021

This announcement appears as a matter of record only.

CHAIR RESOURCES INC.

has sold its interests in the Swan Hills Unit No. 1

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

SAYER ENERGY ADVISORS

February 2021

This announcement appears as a matter of record only.

Medicine Hat The Gas City

has sold its interests in the Medicine Hat Glauconitic "C" East Unit to

CACHE ISLAND

for total consideration of

$20.0 million

The undersigned acted as financial advisor to The City of Medicine Hat for this transaction.

SAYER ENERGY ADVISORS

February 2021

This announcement appears as a matter of record only.

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

HOUSTON OIL & GAS LTD.

have been sold through its receiver

BDO CANADA

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

SAYER ENERGY ADVISORS

February 2021

This announcement appears as a matter of record only.

Certain oil and natural gas interests in Alberta held by

POINT LOMA RESOURCES LTD.

have been sold through its receiver

BDO CANADA

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

SAYER ENERGY ADVISORS

February 2021

This announcement appears as a matter of record only.

Certain oil and natural gas interests in Saskatchewan held by

BOW RIVER ENERGY

have been sold through its receiver

BDO CANADA

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

SAYER ENERGY ADVISORS

March 2021

This announcement appears as a matter of record only.

KNOWLEDGE energy inc.

has sold its interests in the Morningside, Provost, Wildmere and Veteran areas of Alberta to

GHOST RIVER Resources Inc.

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

SAYER ENERGY ADVISORS

March 2021

This announcement appears as a matter of record only.

LINTUS RESOURCES LIMITED

has sold its interests in the Swan Hills Unit No. 1

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

SAYER ENERGY ADVISORS

March 2021

This announcement appears as a matter of record only.

Certain mineral interests in the Bolloque area of Alberta held by

SEQUOIA

have been sold through its licensed insolvency trustee

pwc

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

SAYER ENERGY ADVISORS

March 2021

This announcement appears as a matter of record only.

KNOWLEDGE energy inc.

has sold its interests in the Mirage and Sneddon areas of Alberta to

TOURMALINE OIL CORP.

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

SAYER ENERGY ADVISORS

April 2021

This announcement appears as a matter of record only.

All of the issued and outstanding shares of

LOGIC Energy Ltd.

have been sold

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

SAYER ENERGY ADVISORS

April 2021

This announcement appears as a matter of record only.

Tallahassee EXPLORATION INC.

has sold its interests in the Pine Creek area of Alberta

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

SAYER ENERGY ADVISORS

April 2021