SAYER ENERGY ADVISORS

Viewpoint

An Oil and Natural Gas Industry Newsletter

Summer 2025

Number of Dealers Slightly Down in 2024

A total of $8.3 billion in capital was raised by the Canadian oil and natural gas industry in 2024, down slightly from the $8.8 billion raised in 2023. The slight drop in total financings led to a corresponding decrease in the number of dealers servicing the sector. Year-over-year the number of active dealers servicing the Canadian oil and natural gas industry fell to 29 in 2024 down from the 32 recorded in 2023.

The total number of active dealers in 2024 (defined as those completing over $5.0 million in total issues per year) was comprised of 12 Canadian independent brokerage companies, 10 foreign-based dealers and seven Canadian bank-owned firms. By comparison, in 2023 the total number of active dealers was comprised of 15 foreign-based dealers, 11 Canadian independent brokerage companies and six Canadian bank-owned firms.

In 2024, total debt financings were $7.2 billion, the same amount which was raised in 2023. The top five spots in 2024 consisted of three Canadian bank-owned firms and two foreign-based dealers. Whereas, in 2023, the top five dealers consisted of four Canadian bank-owned firms and one foreign-based dealer. The top five dealers in debt financings in 2024 were: **Scotia Capital Inc.**, **RBC Dominion Securities Inc., Goldman Sachs & Co. LLC, BMO Nesbitt Burns Inc.** and **BofA Securities Inc.** Together these dealers raised approximately $4.3 billion of debt in 2024. RBC and Scotia were the only dealers which remained in the top five year-over-year.

Canadian Natural Resources Limited completed three separate debt financings for total proceeds of approximately $2.6 billion in late 2024. Canadian Natural used the proceeds from the financings towards its acquisition of assets from **Chevron Canada Limited** for approximately $8.8 billion and for general corporate purposes. The assets acquired were Chevron's oil sands and Duvernay interests. BMO, RBC and Scotia were in all three of the underwriting syndicates for the debt financings completed by Canadian Natural in 2024.

There was a total of approximately $1.1 billion in equity raised during 2024, down 36% from the approximately $1.7 billion raised in 2023. The top five equity underwriters in 2024 consisted of two Canadian independent brokerage companies, two Canadian bank-owned firms and one foreign-based dealer. In 2023, the top five equity underwriters consisted of three Canadian independent brokerage companies and two Canadian bank-owned firms.

The top five dealers in equity financings in 2024 were: **Houlihan Lokey, National Bank Financial Inc., Canaccord Genuity Corp., TD Securities Inc.** and **Eight Capital Corp.** Together these dealers raised over $400.0 million of equity in 2024. Canaccord was the only dealer which remained in the top five year-over-year.

Topaz Energy Corp. completed the largest equity financing in 2024 for approximately $202.0 million. Canaccord, National Bank and TD were all underwriters in the financing. The financing was announced concurrently with Topaz's acquisition of gross overriding royalty interests on certain of **Tourmaline Oil Corp.**'s lands for approximately $278.0 million. The acquisition increased Topaz's royalty acreage by 50% as well as its Montney acreage by 38%.

(continued on page 2)

Index

Number of Dealers ...
(continued from page 1)

In terms of the number of equity financings completed, Canaccord was the most active dealer by participating in ten equity financings of which it was the lead in two of them. **Haywood Securities Inc.** participated in eight deals of which it was the lead in two. In third place was National Bank, which participated in five equity financings in 2024 and was the lead underwriter in three of them.

In reviewing the financings completed in the first three months of 2025 and comparing them to the first quarter of 2024, the total amount of capital raised is up 167%, to approximately $920.0 million from the $345.0 million raised over the same time period last year. This increase in the amount of capital raised could possibly lead to a jump in the number of dealers servicing the Canadian oil and natural gas industry in 2025.

Note that the methodology we have used to derive the dollar value for dealer activity was to assign the lead dealer of a financing a value of two and all the other dealers in an underwriting syndicate a value of one. For example, in a $40.0 million financing with one lead dealer and two other dealers in an underwriting syndicate, the lead dealer would be credited a value of $20.0 million and the other two dealers would be assigned a value of $10.0 million each.

Written by Tom Pavic
Sayer Energy Advisors
Originally Appeared in the Daily Oil Bulletin on May 28, 2025

Sayer in the News...

DOB Energy

Level of First-Half Canadian M&A Activity a Surprise, Say Analysts

Paul Wells
Published June 10, 2025

The somewhat frenetic pace of western Canadian oil and gas merger and acquisition (M&A) activity in the first half of 2025 has surprised industry analysts, many of whom had forecast a fairly subdued market this year beget by uncertainty caused by political upheaval, commodity price volatility and the resulting market unrest.

But that's not how things have played out so far this year. Far from it, in fact, as a spattering of big-ticket deals and a bevy of smaller-scale transactions already has the year-to-date total M&A value eclipsing last year's and full-year 2023's total.

Jeremy McCrea, managing director of **BMO Capital Markets**' energy equity research team, who had a more bullish take at the beginning of this year on forthcoming 2025 Western Canada M&A activity than most, said the levels reached so far this year were unexpected.

"This is even more than what I was expecting. I felt it was probably going to be higher than a lot of people thought, but this is still more than I think anybody was probably expecting here. And it's not just been smaller deals, but big deals as well."

High profile deals have included the **Whitecap Resources Inc.-Veren Inc.** merger in March, while **Strathcona Resources Ltd.** has been active on both the sell and buy sides, divesting its Montney assets in three separate transactions while pursuing a takeover of **MEG Energy Corp.**, an effort that is ongoing.

EvaluateEnergy
Powered by geoLOGIC

All Canadian upstream deals valued at over C$100 million in 2025
Up to and including June 3, 2025

Acquirer	Target	Brief Description	Announcement Date	Total Acquisition Cost (C$ million)
Whitecap Resources Inc.	Veren Inc.	Whitecap Resources acquires Veren	10 Mar. 2025	15,000
Strathcona Resources Ltd.	MEG Energy Corp.	Strathcona Resources makes unsolicited offer to acquire the stake in MEG Energy that it does not already own	30 May 2025	5,900
ARC Resources Ltd.	Strathcona Resources Ltd.	ARC Resources acquires Strathcona Resources' Kakwa Montney asset	14 May 2025	1,695
Unspecified	Strathcona Resources Ltd.	Strathcona Resources sells its Grande Prairie Montney assets to an undisclosed buyer	14 May 2025	850
Tourmaline Oil Corp.	Saguaro Resources Ltd.; Unspecified	Tourmaline Oil Corp. acquires Saguaro Resources Ltd. and assets in the Greater Septimus area from a third party	07 May 2025	793
Unspecified	Vermilion Energy Inc.	Vermilion Energy Inc. divests its Saskatchewan and Manitoba assets	23 May 2025	415
InPlay Oil Corp.	Obsidian Energy Limited	InPlay Oil Corp. acquires operated Pembina assets from Obsidian Energy	19 Feb. 2025	311
Tourmaline Oil Corp.	Strathcona Resources Ltd.	Tourmaline Oil Corp. acquires Strathcona Resources' Groundbirch Montney asset	14 May 2025	292
Unspecified	Whitecap Resources Inc.	Whitecap Resources disposes of SW Saskatchewan assets and a minor interest in a Kaybob natural gas facility	12 May 2025	270

Ben Rye, vice-president of Sayer Energy Advisors, said he and his firm are also somewhat surprised at the level of western Canadian oil and gas M&A witnessed year-to-date.

"Early on in the year our prediction was still around what we saw last year, in and around the $15-billion range for 2025. Then the Whitecap-Veren deal put us already over what we were expecting to see for the year. And then the deals Strathcona has announced has already added to that," he said.

"What we're looking at so far this year, we've calculated that total Q1 M&A at $11.5 billion and we've already seen in the second quarter about $4 billion [not including the Strathcona-MEG potential deal]."

Mark Young, senior oil and gas analyst with **Evaluate Energy**, is also surprised at the level of activity witnessed so far this year.

(continued on page 3)

Sayer in the News...

(continued from page 2)

"We have nearly hit C$20 billion in new Canadian deals announced so far this year, even without … Strathcona's takeover bid for MEG that could see another approximately C$6 billion added to 2025's total spending if it completes," he said.

"This is a far busier year than originally anticipated in the face of uncertainty clouding the upstream space at the turn of the year, which we thought would lead to stagnation in the market. Instead, despite the uncertainty, we have seen a relatively great deal of portfolio streamlining," Young added.

"Acquirers have doubled down in core areas, including **ARC Resources** [**Ltd.**], **Tourmaline** [**Oil Corp.**] and, of course, Whitecap. Sellers, such as Strathcona and **Vermilion** [**Energy Inc.**], have enabled greater investment in core areas of their own by divesting non-core assets."

Why the surge?

BMO's McCrea, who calculates that roughly $32 billion in deals have been enacted since Oct. 1 of last year (including the potential Strathcona-MEG transaction), says there are myriad reasons as to why western Canadian oil and gas M&A has flourished in recent months.

"What is the environment that precipitated this whole thing? Lower oil prices is one. When you have lower oil prices there's a lot of valuations that come down with that. So valuations have come down with the oil price which basically makes [a potential acquirer] say, 'Hey, this is probably a good time to buy,'" he said.

"It's better to buy when oil is $60 versus $120. So that's your first marker."

The second marker, according to McCrea, is the desire and need for larger entities to bulk-up on tier-one inventory, which will only dwindle in abundance going forward.

"As tier-one inventory becomes more scarce operators' tier-one inventory is more of a concern and an issue nowadays then it ever was in the past, especially in the U.S.," he said.

"We're not saying tier-one is the same issue here as in the U.S., but when someone else is gobbling up a bunch of inventory and I know there's eventually going to be a shortage, even if you currently have a lot of inventory you start thinking that maybe we should be looking to get even more. So that's what you're starting to see here in Canada."

Another factor in play is what McCrea called an apparently improving political landscape when it comes to oil and gas.

"So, you are going to be able to develop some of this inventory. So the political environment looks more favourable for oil and gas development and growth," he said.

One other factor in play, McCrea said, is the relative health of balance sheets, which he says "have never been better" for many companies.

"So you can leverage up to make an acquisition, make it accretive and carry on. And that's why some of this is happening here, too," he said.

Lastly, McCrea noted that members of the investment community are generally more supportive of larger entities with plenty of running room and financial clout.

"There really is a belief with investors that bigger is better. You look at how there are fewer oil and gas portfolio managers now and, as a result, they're only looking at some of the larger companies. And to be on the radar screen with energy investors you've got to be larger cap and you've got to have liquidity," he said.

"As a result, to have the liquidity for these companies and not have the idiosyncratic risk and to be investment-grade for debt, you've just got to be bigger. So there's synergies and all those other kinds of soft markers that come with being bigger, but you've almost got to be bigger to be on the radar screens of investors."

Like McCrea, **Sayer's Rye says the western Canadian oil and gas M&A market should continue to remain relatively strong in the back half of 2025.**

"I'd say it's healthy right now. Softening of prices can sometimes change strategies. So instead of going forward with a business plan where you were trying to develop assets, maybe you now look to acquire because you can take advantage of better prices in M&A," he said.

Sayer in the News...

Calgary Herald

Varcoe: Calgary Office Vacancy Rate Creeps Above 30% - ‘Like Climbing Out of A Hole Made of Quicksand’

Chris Varcoe
Published March 31, 2025

‘It’s just a sign of turbulent times, whether it be COVID, work from home, oilpatch consolidating, tariffs — it just seems like it’s one thing after another,’ said Greg Kwong, CBRE’s Alberta executive chair

Two major factors could shake up efforts to revitalize the downtown and fill empty office buildings in the core.

One is ongoing oilpatch consolidation, which has pushed the downtown office vacancy rate back above 30 per cent during the first three months of the year.

The tremors from U.S. tariff threats are creating uncertainty, but have not yet fully struck — and hopefully can be avoided.

On Monday, a report released by commercial real estate firm CBRE noted the downtown office vacancy rate increased during the first quarter to 30.2 per cent — its highest point since last spring — and up from 29.5 per cent at the end of last year.

“Merger and acquisition activity is resulting in consolidated office footprints in Calgary, whose downtown was impacted by the exit of Chevron,” CBRE said in a news release.

In October, Chevron announced it would exit Alberta by selling its 20 per cent stake in the Athabasca Oil Sands Project, along with properties in the Duvernay formation, to Canadian Natural Resources for $8.85 billion.

The U.S. oil supermajor owns Chevron Plaza on Fifth Avenue S.W. and has put the building up for sale. Company officials confirmed Monday the office tower, built in 1981, has 24 occupiable floors with 265,000 square feet of rentable space.

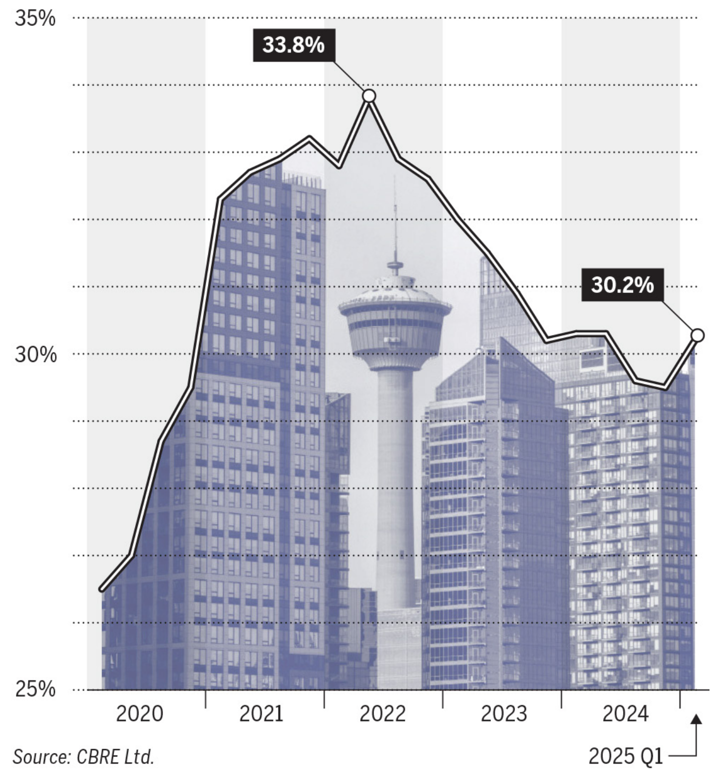
Downtown office vacancies climbed sharply last decade after global oil prices crashed.

As more people worked remotely and some businesses closed during the pandemic, the rate peaked at 33.8 per cent during the second quarter of 2022. It gradually eased below 30 per cent at the end of December, before edging back up this winter.

“It’s just a sign of turbulent times, whether it be COVID, work from home, oilpatch consolidating, tariffs — it just seems like it’s one thing after another. It’s like climbing out of a hole that’s made of quicksand,” said Greg Kwong, CBRE’s Alberta executive chair.

VACANCY RATE TICKS UPWARDS

The downtown office vacancy rate increased during the first quarter of 2025 to 30.2% — its highest point since last spring.



DARREN FRANCEY / POSTMEDIA

However, there are bright spots ahead for downtown Calgary, he noted.

A number of downtown office buildings have traded hands from institutional to private equity investor, “and private equity typically buys on optimism. So, there are a lot of people out there that are placing money on the long-term viability of Calgary’s downtown office space,” Kwong said.

“And if it wasn’t for a lot of these mergers and acquisitions (M&A), a lot of companies are renewing their leases.”

The city’s overall office vacancy rate sat at 26.1 per cent during the quarter. Calgary and Halifax saw the largest improvement in suburban office vacancy rates compared with other large Canadian cities, CBRE reported.

(continued on page 5)

Sayer in the News...

(continued from page 4)

The trend of oilpatch consolidation continues as companies seek to become larger, have better access to capital and become more relevant for investors. However, M&A activity often leads to layoffs. It also triggers more office space being vacated.

Last year, the total value of mergers and acquisitions activity among upstream oil and gas companies jumped to $20.4 billion, up 24 per cent from the previous year, according to data from Sayer Energy Advisors.

There are also indications of another busy year shaping up in 2025 amid further sector consolidation.

So far this year, the value of the deal-making has reached about $8.6 billion, including this month's blockbuster merger between Whitecap Resources and Veren Inc., noted Sayer president Tom Pavic.

As well, several energy sector companies have begun to review their strategic alternatives, which could include potential asset divestments or a corporate sale.

"Bottom line: I would say expect more M&A this year," said BMO analyst Jeremy McCrea.

"I think everything is 'pencils down' here until we figure out what will happen with tariffs. But once we see what ultimately happens, I think there will be some (leaders saying), 'OK, let's get together here.' "

U.S. President Donald Trump has pledged to place 10 per cent tariffs on Canadian energy and 25 per cent on other exports, with more details expected as soon as this week.

Tariffs imposed on the country's energy sector could hinder downtown Calgary's office occupancy growth in the short to medium term, as it could lead to less industry spending or lower revenues, the CBRE report stated.

Without the tariff threat, demand for office space would likely be higher, said Kwong.

Meanwhile, the city of Calgary continues to move ahead with its plans to convert some vacant downtown office buildings into residential properties.

Since unveiling its office conversion program in 2021 — providing civic grants to eligible projects — 11 such initiatives have been approved by the city.

The strategy to revitalize the downtown and transform aging office buildings into residences will add vibrancy to the core, but it will take time, said Trent Edwards, Canadian president for Brookfield Properties Development and co-chair of Calgary Economic Development's real estate sector advisory committee.

For every one step back — such as the Chevron office space being vacated — there are two steps forward, he said.

"We are still in the second or third inning," Edwards said.

"We have got the commitment from private industry of converting some of these buildings and putting a significant amount of capital in to do it."

Calgary Downtown Association executive director Mark Garner agreed the new projects will bring more people into the downtown, and attract more amenities such as grocery stores and new restaurants into the area.

"We are in a good spot," he said.

"Yeah, you get a little bump or a little hiccup here, but it's all explainable. And then next month or next quarter, you are going to see the (vacancy) number reduced yet again."

Success of Hostile Takeover Attempts in the Canadian Oil & Natural Gas Industry

Hostile takeover attempts have been a rarity in the Canadian oil and natural gas industry over the last several decades. The nature of unsolicited takeover bids leads to time in the spot light, even though the occurrences have been infrequent. Over the last 15 years Sayer has recorded six hostile takeover attempts and over the past three decades there has been a mixed rate of success. We consistently forecast a low number of these type of attempts but the question is how successful these hostile takeover attempts have truly been?

Going back to the second half of 2015, **Canadian Oil Sands Limited** was the target of a hostile takeover offer from **Suncor Energy Inc.** Suncor had originally entered into a hostile takeover to acquire Canadian Oil Sands in October 2015, offering 0.25 of a Suncor share for each Canadian Oil Sands share. Canadian Oil Sands rejected the offer and recommended its shareholders not to accept Suncor's offer. In January 2016, Suncor increased its offer to 0.28 of a Suncor share, which the board of directors of Canadian Oil Sands accepted and recommended to its shareholders. The enterprise value of this transaction was approximately $8.3 billion. Canadian Oil Sands held a 36.74% working interest in the Syncrude oil sands mining project located near Fort McMurray, Alberta. Suncor had a 12% working interest in the Syncrude project prior to the acquisition of Canadian Oil Sands.

In May of 2018, **Velvet Energy Ltd.** announced a hostile takeover bid to acquire all of the issued and outstanding shares of **Iron Bridge Resources Inc.** Velvet offered $0.75 in cash per Iron Bridge share. The board of directors of Iron Bridge rejected the offer at the time. Iron Bridge then created a special committee of the board of directors which retained a financial advisor to initiate a process to maximize shareholder value. The process to maximize shareholder value concluded with Velvet and Iron Bridge subsequently coming to terms in September 2018 on a higher offer price of $0.845 in cash per Iron Bridge share, which the board of directors of Iron Bridge accepted and recommended its shareholders accept. Iron Bridge's assets were located in the Gold Creek area of Alberta focusing on Montney production.

Husky Energy Inc. announced a hostile takeover bid to acquire all of the issued and outstanding shares of **MEG Energy Corp.** in the third quarter of 2018. Husky's attempt at a hostile takeover of MEG was unsuccessful and the offer was terminated in the first quarter of 2019. Husky was subsequently acquired by **Cenovus Energy Inc.** in the fourth quarter of 2020.

On August 31, 2020, **Obsidian Energy Ltd.** announced an unsolicited offer to acquire all of the issued and outstanding shares of **Bonterra Energy Corp.** Bonterra's board of directors rejected the offer from Obsidian and the hostile bid was unsuccessful. Bonterra's main producing properties are located in the Pembina and Willisden Green areas of Alberta targeting the Cardium Formation.

Also in 2020, **Waterous Energy Fund** announced an offer to increase its interest in **Osum Oil Sands Corp**. On November 4, 2020, **WEF Osum Acquisition Corp**., a company wholly-owned by Waterous, the owner of approximately 45% of the outstanding common shares of Osum, commenced an unsolicited offer to acquire up to a maximum of 52,500,000 additional common shares of Osum, representing 40% of Osum's outstanding shares or approximately 72% of the shares not already owned by Waterous, for cash consideration of $2.40 per share. Osum's board of directors rejected the $2.40 offer per share from Waterous and commenced a strategic alternatives process to maximize shareholder value. On February 18, 2021, Waterous increased its cash offer to $3.00 per share and the revised offer was accepted by Osum's board of directors. Osum's main producing property was its thermal Orion SAGD project located in the Cold Lake area of Alberta.

Waterous has been involved in several takeover offers, with its prior bids for Osum, and most recently MEG. In the fourth quarter of 2024 Waterous acquired 56.5% of the shares of **Greenfire Resources Ltd**. Greenfire's main producing property is its thermal SAGD project located in the Hangingstone area of Alberta. On September 16, 2024, Waterous announced that it was acquiring 43.2% of the issued and outstanding shares of Greenfire from **Allard Services Limited, Annapurna Limited** and **Modro Holdings LLC** pursuant to a private share purchase agreement with each of the sellers for $10.93 per share (the "Initial Sale"). Greenfire contested the Initial Sale by instituting a shareholder rights plan which Waterous challenged and was successful in preventing though an Alberta Securities Commission hearing in early November 2024. The Initial Sale transaction was completed on November 11, 2024. On December 23, 2024 Greenfire announced that Waterous had acquired 9,311,424 common shares of Greenfire for $11.25 in cash per share and 2,654,179 common share purchase warrants for $4.84 in cash per warrant from **M3-Brigade Sponsor III LP** (the "Subsequent Sale"). With the Subsequent Sale, Waterous now owns 56.5% of the issued and outstanding common shares of Greenfire on an undiluted basis and appointed six of its representatives to the board of directors of Greenfire.

Most recently, **Strathcona Resources Ltd.** began a formal takeover bid to acquire all of the issued and outstanding common shares of MEG. MEG was also the target of the formerly mentioned hostile takeover attempt by Husky in 2018. Strathcona's takeover offer for MEG comprises

(continued on page 7)

Success of Hostile...
(continued from page 6)

0.62 of a common share of Strathcona and $4.10 in cash for each MEG share it doesn't already own. At the time of the announcement, Waterous owned 79.6% of the outstanding Strathcona shares. MEG's board of directors formed a special committee to conduct a thorough evaluation of Strathcona's offer with the assistance of financial and legal advisors and MEG subsequently concluded the consideration to be inadequate and recommends that its shareholders reject the offer. MEG also launched a strategic review to explore alternatives that could lead to a better offer than MEG's current plan to be a standalone company.

The mixed rate of success that companies have historically had in pursuing hostile takeovers has likely prevented a number of buyers from pursuing this form of acquisition strategy. Head winds facing the industry such as persistently low natural gas prices and the lack of capital injection into the industry are all factors that may fuel more hostile takeover attempts in the future. The current economic and industry conditions have in some ways created the ideal environment for hostile takeovers; however, prior failed attempts will likely temper the enthusiasm for buyers to pursue this acquisition strategy.

Written by Ben Rye
Sayer Energy Advisors
Originally Appeared in the Daily Oil Bulletin on June 25, 2025

Sayer in the News...

Financial Post

Strathcona's Hostile Bid for MEG Energy Called the 'Largest Investment in the Canadian Oilpatch in a Decade'

Meghan Potkins
Published May 30, 2025

The terms of the deal are the same as a proposal that was originally made to MEG in April, which the board rejected

Strathcona Resources Ltd. chair Adam Waterous says the odds of a new oil pipeline to tidewater being built in Canada are improving, as well as a major carbon capture and storage project, but the large capital outlays involved will only be possible for the largest companies, which could trigger a consolidation drive in the Canadian oilpatch over the coming months.

"It is reasonable to expect that not only will new oil pipelines be built, but also it is more likely that (the Pathways Alliance carbon capture network) is going to be advanced," he said on Friday after Strathcona formally launched a $6.7-billion hostile takeover bid for oilsands major MEG Energy Corp.

"If there's going to be more pipelines, you need to be an investment-grade business to be able to make these large commitments. What this is really leading to is a further consolidation of the business."

Waterous's comments come as the clock begins ticking on Strathcona's hostile takeover of MEG Energy.

Bypassing MEG's management, Strathcona has gone directly to shareholders with its cash-and-stock offer valued at $23.27 per share — representing a 9.3 per cent premium to MEG's closing price on May 15 — and they have until Sept. 15, 2025, to decide whether to accept the offer, according to a circular filed on Friday.

The filing also confirmed and finalized a key element of financing for the deal, namely a $662-million equity commitment from Strathcona's controlling shareholder, Waterous Energy Fund (WEF), the Calgary-based private-equity firm founded and run by Strathcona chair and veteran oilpatch dealmaker Adam Waterous.

The fund will buy 21.4 million shares at $30.92 each, providing the $662 million to fund the cash portion of the MEG offer and reduce the reliance on short-term debt.

"We are obviously going very long on the oilsands business," Waterous said, adding that WEF's investment is the largest single public or private-equity investment in the Canadian oil and gas patch in more than a decade.

"WEF backing up the truck on this acquisition is clear evidence that we believe that the creation of this new Canadian champion will provide compelling returns."

The terms of the deal are the same as a proposal that was originally made to MEG in April, which was subsequently rejected by the company's board on May 13. MEG indicated at the time that it was not interested in pursuing a combination, according to Strathcona.

In response to Strathcona's filing Friday, MEG urged shareholders to wait until the board could provide a formal recommendation.

MEG's board has formed a special committee of independent directors to evaluate the offer, the company said Friday, noting that it would provide a recommendation within 15 days.

Some MEG shareholders have taken the view that Strathcona's bid doesn't sufficiently recognize the quality of

(continued on page 8)

Sayer in the News...

(continued from page 7)

the oilsand firm's Christina Lake assets and the potential of its undeveloped holdings at the Surmont Project in the southern Athabasca region of Alberta.

Waterous said the deal provides MEG shareholders with an immediate nine per cent premium on MEG's shares, stronger per-share earnings and cash flow, and the potential for a re-rating of Strathcona that would lower borrowing costs and boost its stock valuation.

If the bid succeeds, MEG would be Strathcona's 11th major acquisition.

Some MEG shareholders have said they're more than willing to throw their support behind a private-equity player with a track record for dealmaking.

Cole Smead, chief executive officer of Smead Capital Management Inc., said agreeing to Strathcona's offer would give MEG shareholders a piece of Waterous' private-equity fund without paying any management or performance fees.

"We just get to ride along as a public shareholder and we get to gain the benefits of his capital-allocation stewardship, and we don't pay any performance fees to him," Smead said. "There's a divide in the energy business between people who are good capital allocators and people who are not. Adam Waterous is one of the best."

Sayer Energy Advisors had been predicting a more subdued year for merger-and-acquisition activity in the Canadian upstream oil and gas sector compared to 2024, with total transaction values projected to be in the $15-billion range.

Then Whitecap Resources Inc. and Veren Inc. (formerly Crescent Point Energy Corp.) announced their multi-billion-dollar merger in March, followed by nearly $4 billion more in M&A activity in the second quarter so far.

"We're already higher than what we thought we were going to be for all of 2025," Tom Pavic, Sayer Energy Advisors' president, said. "And I'm not even counting (Strathcona's bid for MEG) because we don't know how this is going to shake out."

He said the softening price for oil has led some more companies to consolidate and look at disposing assets and shifting their focus.

Recent Transactions Completed by Sayer Energy Advisors

This announcement appears as a matter of record only.

Rife Resources Ltd.

has sold certain of its non-core interests in various areas of Alberta and British Columbia

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

April 2025 — SAYER ENERGY ADVISORS

This announcement appears as a matter of record only.

GALAXY ENERGY

has sold its interests in the Carruthers, Rush Lake and Turtle Lake areas of Saskatchewan to

Pentacor Energy

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

May 2025 — SAYER ENERGY ADVISORS

This announcement appears as a matter of record only.

Certain roads in the Marten Hills area of Alberta held by

SEQUOIA

have been sold through its Licensed Insolvency Trustee

pwc

to

Canadian Resource Roadways

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

May 2025 — SAYER ENERGY ADVISORS

This announcement appears as a matter of record only.

CLEO ENERGY CORP

has sold its interests in the Neutral Hills North, Sedgewick and Silver Heights areas of Alberta through its Proposal Trustee

A&M

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

June 2025 — SAYER ENERGY ADVISORS

This announcement appears as a matter of record only.

COASTAL RESOURCES LIMITED

has sold certain of its interests in the Gilby area of Alberta

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

June 2025 — SAYER ENERGY ADVISORS

This announcement appears as a matter of record only.

Silverleaf Resources Inc.

has sold certain of its interests in the Gilby area of Alberta to

LUCKY STRIKE ENERGY LTD.

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

June 2025 — SAYER ENERGY ADVISORS