

SECOND QUARTER 2023

Median Reserves Acquisition Price	Enterprise Value of Transactions
N.A. *	\$4.5 billion
Median Production Acquisition Price	Assets and Companies for Sale
N.A. *	\$2.1 billion

* There is insufficient data this quarter to calculate metrics.



**CANADIAN OIL INDUSTRY
MERGER AND ACQUISITION REPORT**

(blank page)

CANADIAN OIL INDUSTRY MERGER AND ACQUISITION REPORT

HIGHLIGHTS

SECOND QUARTER 2023

Median Reserves Acquisition Price	Enterprise Value of Transactions
N.A. *	\$4.5 billion
Median Production Acquisition Price	Assets and Companies for Sale
N.A. *	\$2.1 billion

Purchaser	Acquisition	Enterprise Value \$MM	Acquisition Price		Page Number
			\$/boe	\$/boe/d	
ConocoPhillips	TotalEnergies assets	\$4,440.00	\$4.28	\$63,429	28
<u>Updated First Quarter 2023 Transaction</u>					
Logan	Spartan Delta assets	\$60.59	\$3.55	\$9,754	30
Storm	ARC assets	\$76.50	\$5.00	\$83,974	32

*There is insufficient data this quarter to calculate metrics.

Table of Contents

M&A Value Up 38% Quarter-Over-Quarter	5
Enterprise Value of Transactions.....	6
Total Financings Versus M&A Enterprise Value	7
Number of Transactions	8
Median Production Acquisition Price	10
Median Reserves Acquisition Price	11
Production and Reserve Metrics By Area	12
Cash Flow Multiples	14
Discounted Cash Flow Rates	15
Reserve Life Index	16
Correlation of M&A Prices and Commodity Prices	17
Prior Quarter Update	18
Third Quarter 2023 Merger & Acquisition Activity.....	19
Merger and Acquisition Candidates	20
Transaction Analysis Summary	
First Quarter 2023.....	22
Second Quarter 2023.....	24
Listing of Second Quarter 2023 Transactions	26
Selected Second Quarter 2023 Transactions	27
Analysis of Second Quarter 2023 Transactions	
ConocoPhillips / TotalEnergies assets	28
First Quarter 2023 Updated Analysis	
Logan / Spartan Delta assets.....	30
Storm / ARC assets.....	32
Notes.....	35

M&A VALUE UP 38% QUARTER-OVER-QUARTER

The total M&A activity in the second quarter of 2023 was approximately \$4.5 billion, up 38% from the \$3.3 billion of total enterprise value of M&A activity recorded in the first quarter of 2023. On a year-over-year basis total M&A value is up 7% from the \$4.2 billion calculated in the second quarter of 2022. There was one transaction valued at over \$1.0 billion in the second quarter of 2023.

The largest transaction this quarter was ConocoPhillips' planned purchase of TotalEnergies EP Canada Ltd.'s 50% non-operated working interest in the Surmont Oil Sands Project for \$4.4 billion consisting of an upfront cash payment of \$4.0 billion and contingent payments of up to \$440.0 million (page 28). With this acquisition, ConocoPhillips will own a 100% working interest in the Surmont Oil Sands Project. On April 26, 2023, Suncor Energy Inc. announced it had entered into an agreement with TotalEnergies for the sale of all of the shares of TotalEnergies EP Canada Ltd. for \$5.5 billion in cash plus a contingent payment of up to \$600.0 million. The transaction with Suncor was conditional upon ConocoPhillips waiving its right of first refusal with respect to the Surmont Oil Sands Project. ConocoPhillips exercised its preemption right to acquire the interest from TotalEnergies and as a result, both Suncor and TotalEnergies have the right to terminate the agreement under which Suncor would acquire TotalEnergies' Canadian operations. In light of this change, Suncor announced it will be assessing the proposed transaction with TotalEnergies. TotalEnergies, in addition to its 50% working interest in the Surmont Oil Sands Project, also holds a 31.23% working interest in the Fort Hills Oil Sands Project which is operated by Suncor. It is interesting to note that in the first quarter of 2023, TotalEnergies exercised its preemption right to acquire an interest in the Fort Hills Oil Sands Project for \$312.0 million after Suncor coincidentally announced its intention to acquire all of Teck Resources Limited's interest in the Fort Hills Oil Sands Project in the fourth quarter of 2022 for a net purchase price of \$688.0 million.

The number of large transactions (over \$5 million in value) in the second quarter of 2023 decreased to two deals from 17 in the first quarter of 2023. With the increase in enterprise value in the second quarter, the average deal size for large transactions increased to \$2.2 billion; last quarter it was \$188.1 million. The second quarter of 2023 saw the lowest number of large transactions (over \$5 million in value) recorded on a quarterly basis since Sayer began tracking M&A statistics approximately 35 years ago.

Both of the large transactions in the second quarter were property transactions with a total enterprise value of \$4.4 billion. Last quarter there were 14 property transactions valued at \$2.6 billion and three corporate transactions valued at approximately \$614.0 million. Of the approximately \$4.4 billion in large transactions in the quarter one deal was oil-weighted while the other one was natural-gas weighted.

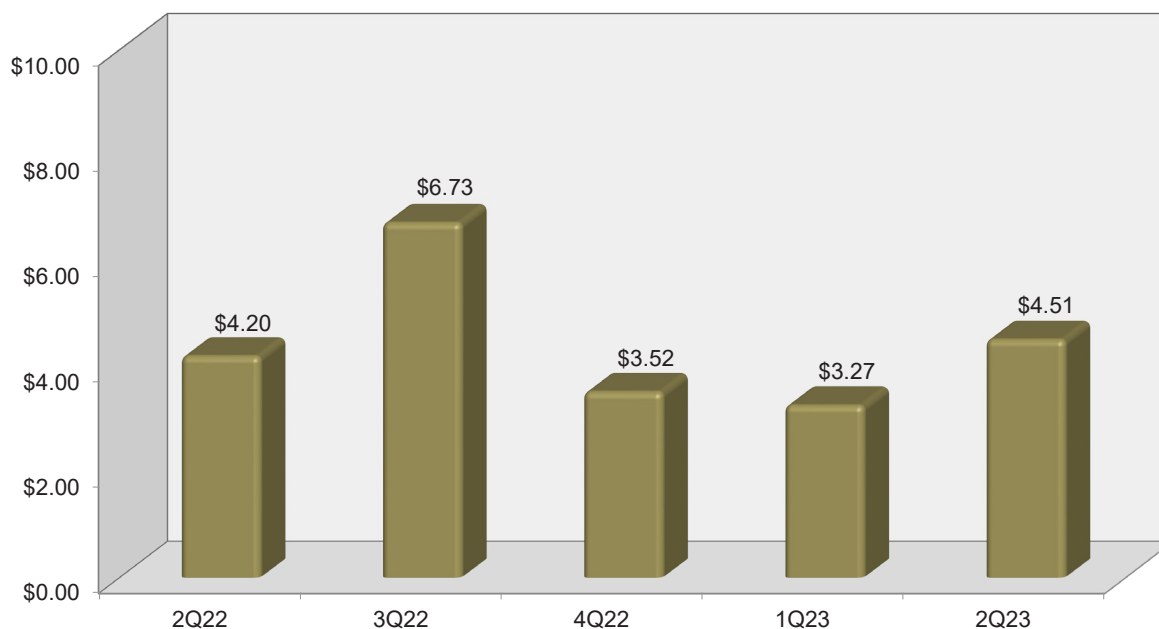
There is insufficient data this quarter to make comparisons for the median prices being paid as there is only one unconventional (oil sands) transaction with calculated metrics that has been disclosed. Last quarter, the median acquisition price paid per flowing barrel was \$31,022/boe/d and the median price paid for reserves was \$5.19/boe.

During the second quarter of 2023, the total amount of debt financings was \$4.5 billion while only \$8.3 million of equity was raised. Last quarter, \$768.1 million of total capital was raised, consisting of \$388.2 million of equity and \$379.9 million of debt. In the second quarter of 2022, the total amount of debt financings was \$577.1 million and the total amount of equity raised was \$323.1 million.

The low number of large transactions announced in the second quarter of 2023 was driven by a disconnect between buyer and seller on value expectations precipitated by weakening prices for both oil and natural gas during the quarter. In addition, the low amount of equity raised in the second quarter of 2023 was also a factor. With commodity prices starting to stabilize at the end of the second quarter this could be a catalyst for more M&A activity in the second half of 2023.

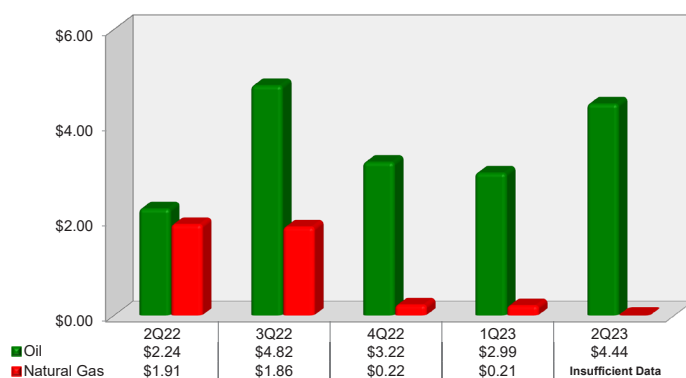
M&A ENTERPRISE VALUE

M&A Enterprise Value of Transactions - \$Billions

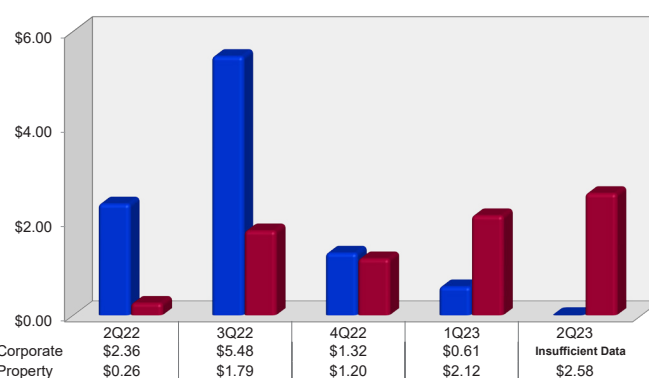


The total M&A enterprise value (large and small deals) in the second quarter of 2023 increased 38% to \$4.5 billion from the \$3.3 billion recorded in the first quarter of 2023. On a year-over-year basis, the enterprise value in the second quarter rose 7% from the \$4.2 billion recorded in the second quarter of 2022.

M&A Enterprise Value - \$Billions
Oil vs. Natural Gas



M&A Enterprise Value - \$Billions
Corporate vs. Property

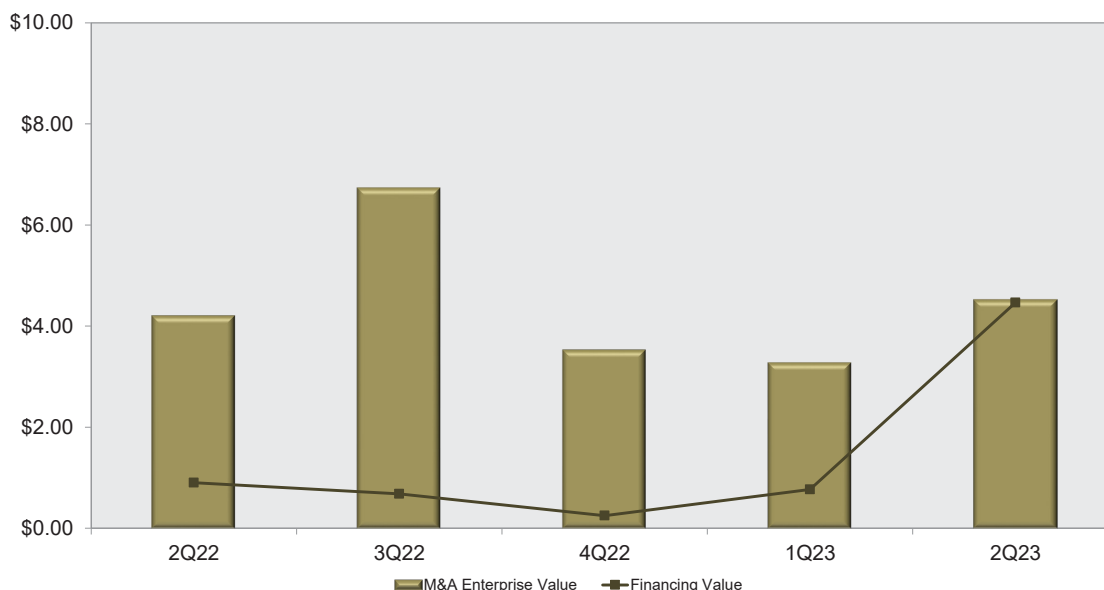


The enterprise value for large oil-weighted transactions valued at over \$5.0 million was \$4.4 billion in the second quarter of 2023, a 48% increase from the \$3.0 billion calculated in the first quarter of 2023. There is insufficient data available in the second quarter 2023 to calculate the enterprise value for large natural gas-weighted transactions. In the first quarter of 2023 there was \$206.8 million of large natural gas-weighted transactions.

There were no corporate transactions valued at over \$5.0 million in the second quarter, compared to \$614.0 million in the first quarter of 2023. The enterprise value for property transactions valued at over \$5.0 million increased 73% to \$4.5 billion in the second quarter of 2023 from \$2.6 billion in the prior quarter.

TOTAL FINANCINGS VERSUS M&A ENTERPRISE VALUE

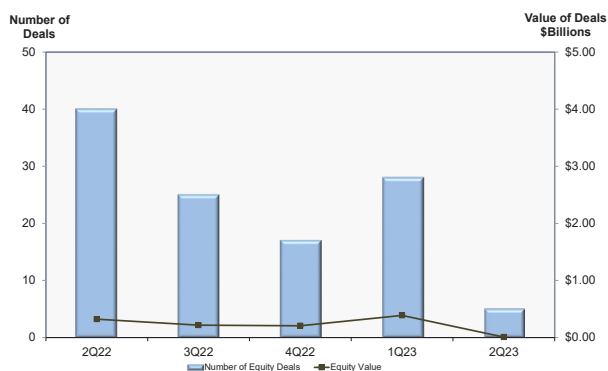
Enterprise Value of Transactions Relative to Total Value of Financings - \$Billions



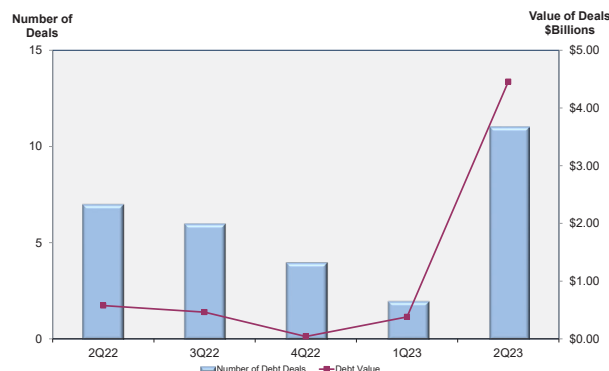
The total value of financings in the second quarter of 2023 increased 481% to \$4.5 billion from \$768.2 million in the first quarter of 2023. The total number of financings in the second quarter of 2023 was 24, compared to 30 in the previous quarter.

The amount of equity raised in the second quarter of 2023 was \$8.3 million, compared to \$388.2 million in the first quarter of 2023. The total number of equity financings in the second quarter was 13, compared to 28 in the first quarter of 2023. Debt financings rose to \$4.5 billion in the second quarter from \$379.9 million in the first quarter of 2023. The total number of debt financings in the second quarter was 11, compared to two in the previous quarter.

Equity Financings Value - \$Billions



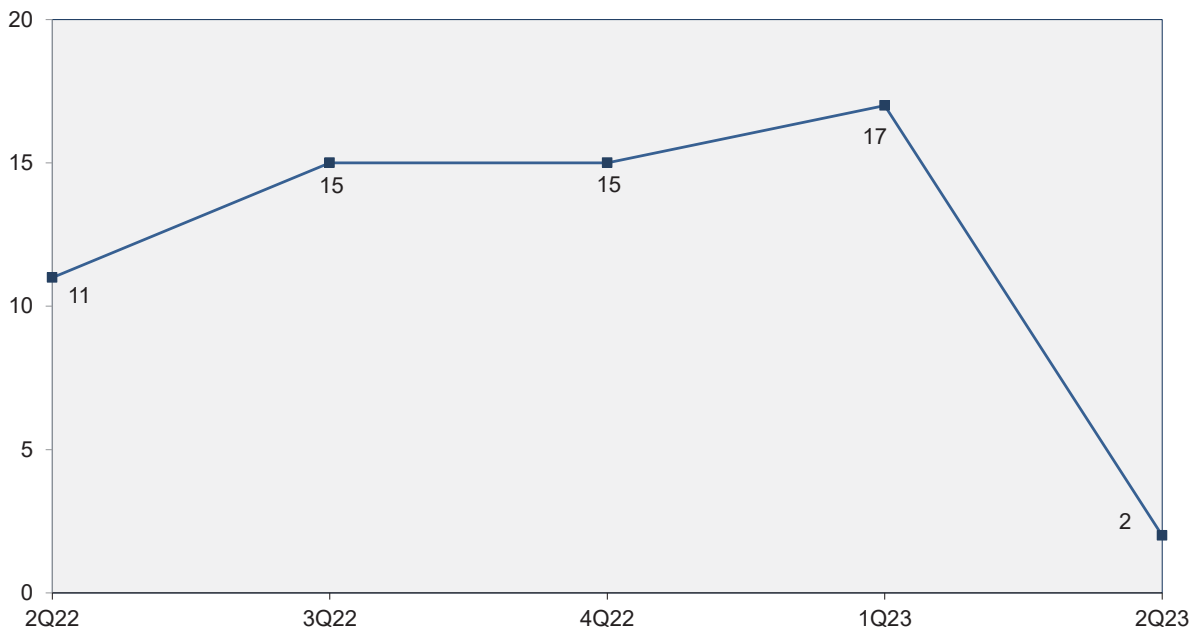
Debt Financings Value - \$Billions



The largest equity offering in the quarter was Razor Energy Corp.'s rights offering in June for approximately \$4.0 million. Razor intends to use the proceeds to fund certain production enhancement activities and for general working capital purposes.

Ovintiv Inc. raised \$3.1 billion this quarter with four separate debt issues in May. Ovintiv completed a senior note offering for \$816.2 million with a two-year term and a coupon rate of 5.65%, a senior note offering for \$952.2 million with a five-year term and a coupon rate of 5.65%, a senior note offering for \$816.2 million with a 10-year term and a coupon rate of 6.25% and a senior note offering for \$544.1 million with a 20-year term and a coupon rate of 7.1%. Ovintiv used the proceeds towards its acquisition of assets in the United States from Black Swan Oil & Gas, PetroLegacy Energy and Piedra Resources.

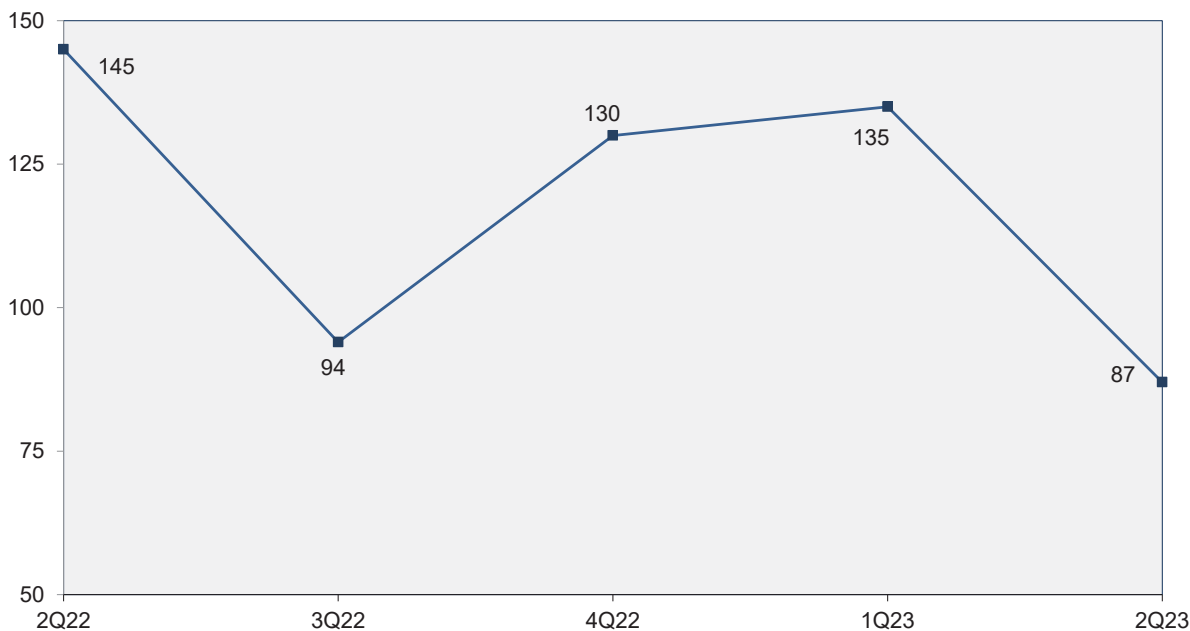
Number of Transactions Over \$5.0 Million



The number of large transactions (valued at over \$5 million in size) was two in the second quarter of 2023, down 88% from the 17 deals recorded in the previous quarter. The average deal size for large transactions in the second quarter was approximately \$2.2 billion compared to \$188.1 million last quarter. There were no large corporate transactions and two large property transactions in the second quarter. The enterprise value of large transactions this quarter was \$4.5 billion compared to \$3.2 billion in the previous quarter.

The number of small deals (under \$5 million in size) decreased 36% to 87 in the second quarter of 2023 from the 135 recorded last quarter. The total value of small deals fell 23% on a quarter-over-quarter basis to approximately \$52.5 million from approximately \$68.4 million in the first quarter of 2023.

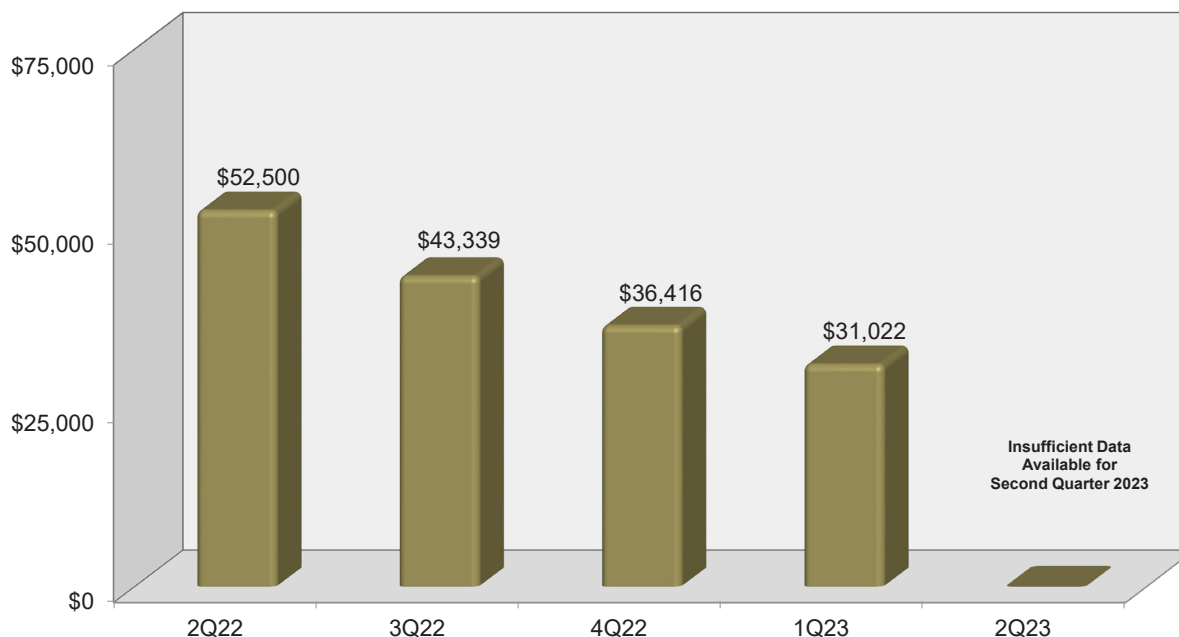
Number of Transactions Under \$5.0 Million



(blank page)

MEDIAN PRODUCTION ACQUISITION PRICE

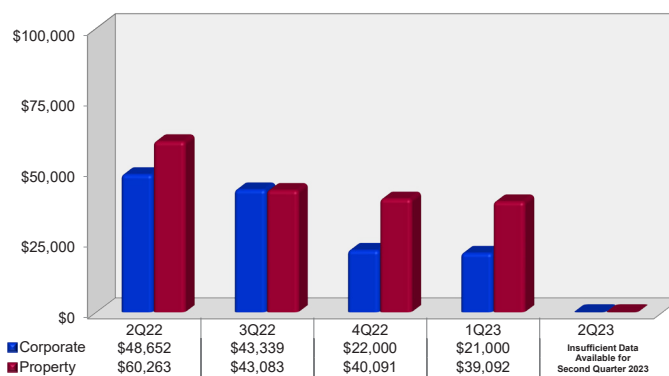
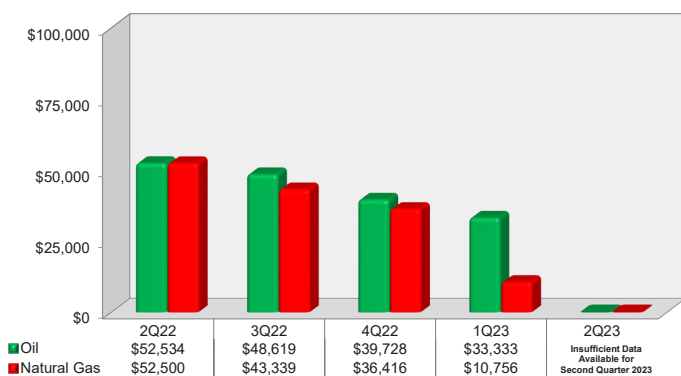
Median Production Acquisition Price - \$/boe/d



There is insufficient data from the transactions to calculate a median acquisition price per producing barrel of oil equivalent in the second quarter of 2023. Due to the deficiency of deals in the quarter, a median would not be statistically representative. In the first quarter of 2023, the median acquisition price per producing barrel of oil equivalent was \$31,022/boe/d.

Median Production Acquisition Price - \$/boe/d
Oil vs. Natural Gas

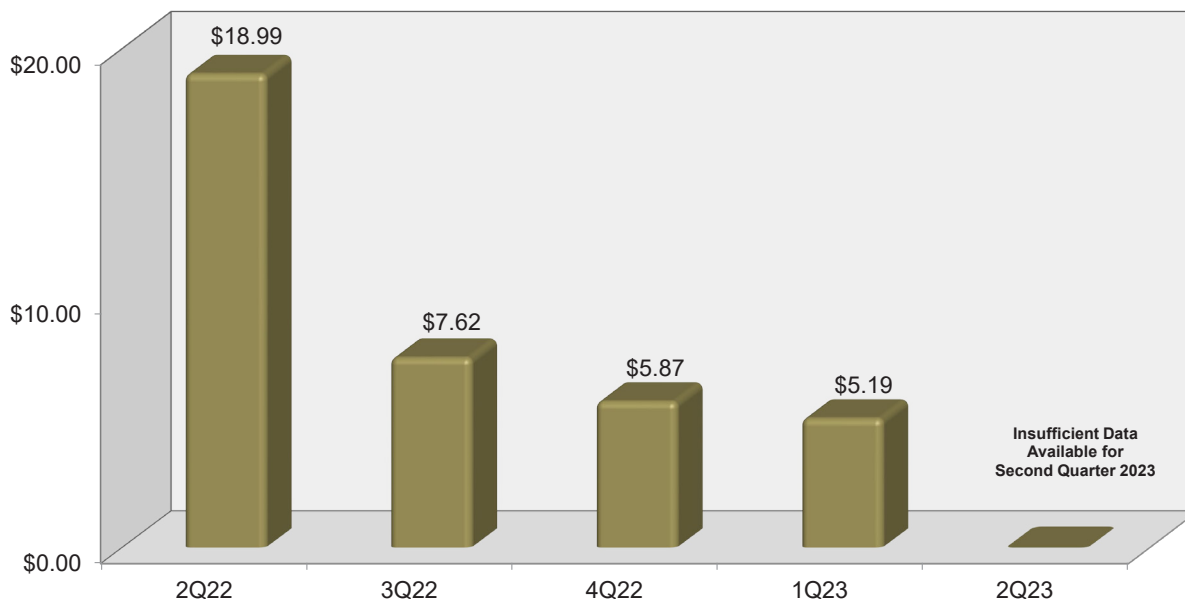
Median Production Acquisition Price - \$/boe/d
Corporate vs. Property



There is insufficient data from the transactions to calculate a median acquisition price per producing barrel for oil, natural gas, corporate or property deals in the second quarter of 2023. Due to the deficiency of deals in the quarter, a median would not be statistically representative. In the first quarter of 2023, the median acquisition price for oil production was \$33,333/boe/d, \$10,756/boe/d for natural gas production, \$21,000/boe/d for corporate deals and \$39,092/boe/d for property transactions.

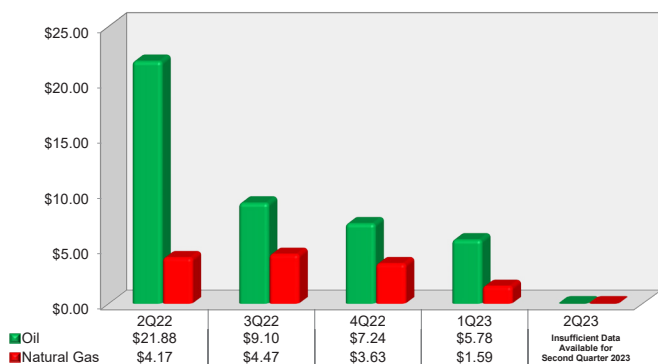
MEDIAN RESERVES ACQUISITION PRICE

Median Reserves Acquisition Price - \$/boe P+P

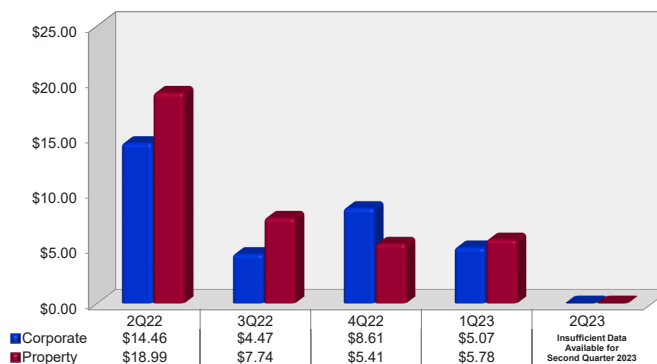


There is insufficient data from the transactions to calculate a median acquisition price for proven plus probable reserves in the second quarter of 2023. Due to the deficiency of deals in the quarter, a median would not be statistically representative. In the first quarter of 2023, the median price for proven plus probable reserves was \$5.19/boe.

Median Reserves Acquisition Price - \$/boe P+P
Oil vs. Natural Gas

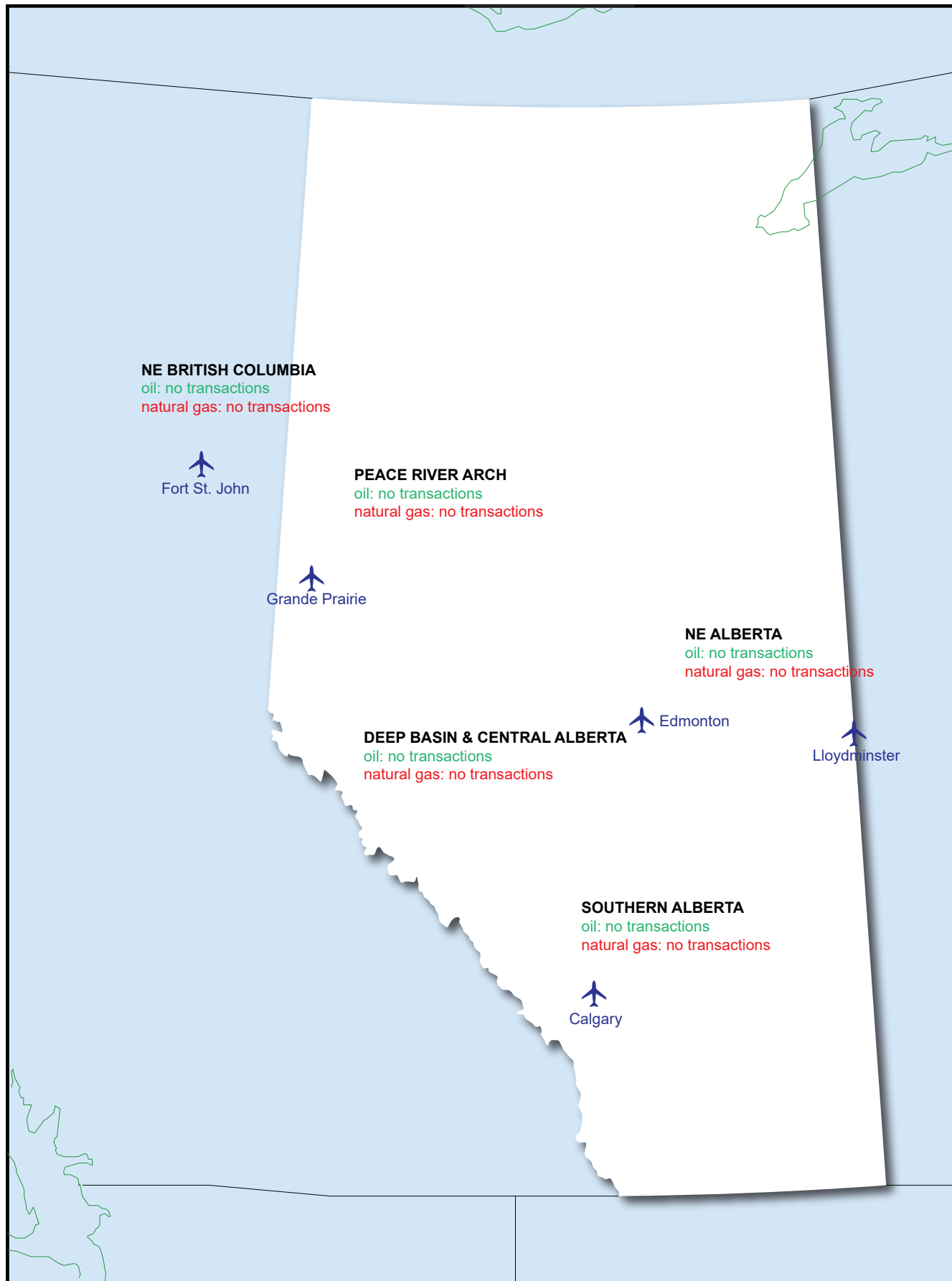


Median Reserves Acquisition Price - \$/boe P+P
Corporate vs. Property

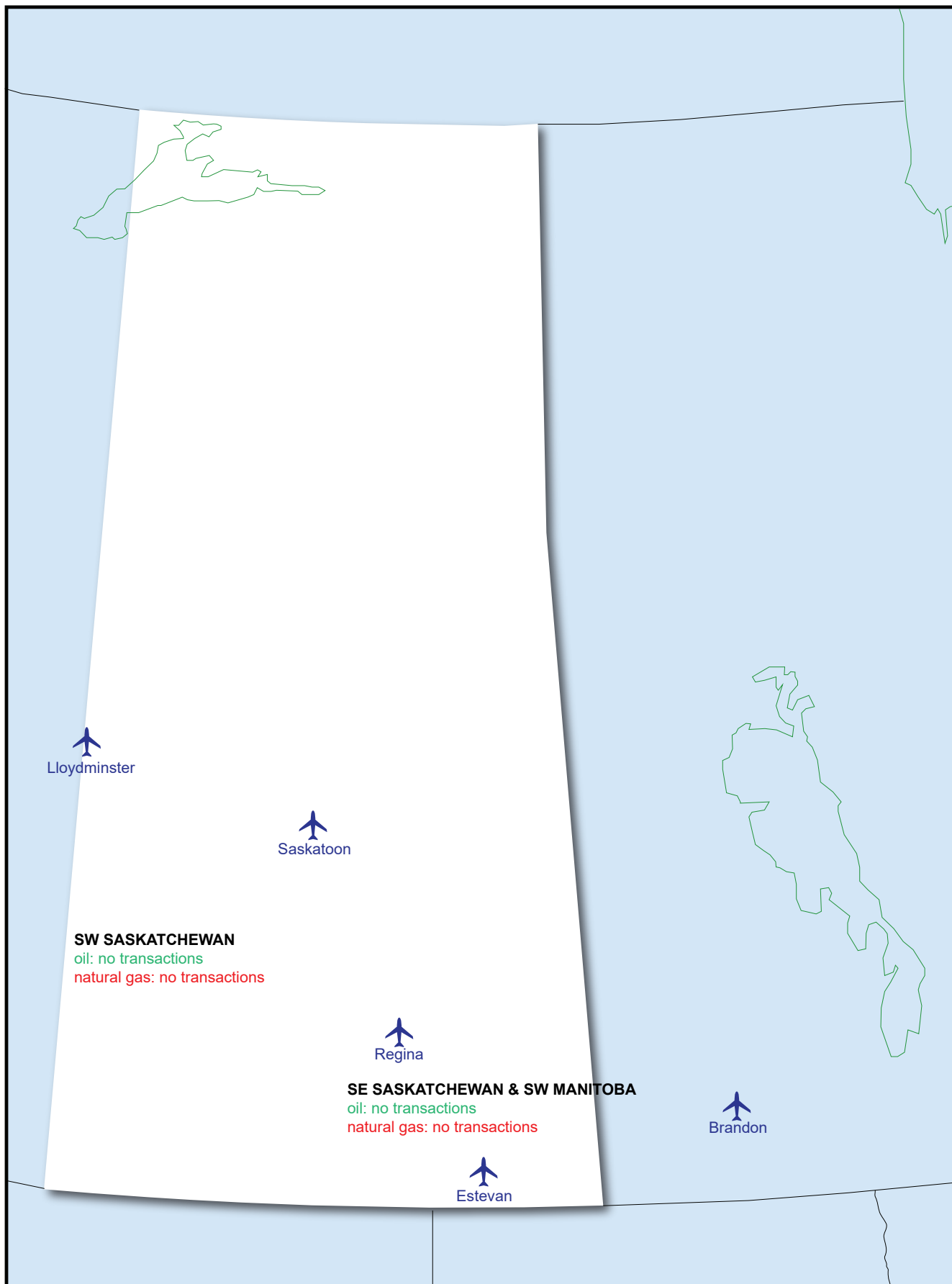


There is insufficient data from the transactions to calculate a median reserves acquisition price for oil, natural gas, corporate or property deals in the second quarter of 2023. Due to the deficiency of deals in the quarter, a median would not be statistically representative. In the first quarter of 2023, the median reserves acquisition price for oil was \$5.78/boe, \$1.59/boe for natural gas reserves, \$5.07/boe for corporate deals and \$5.78/boe for property transactions.

PRODUCTION AND RESERVE METRICS BY AREA

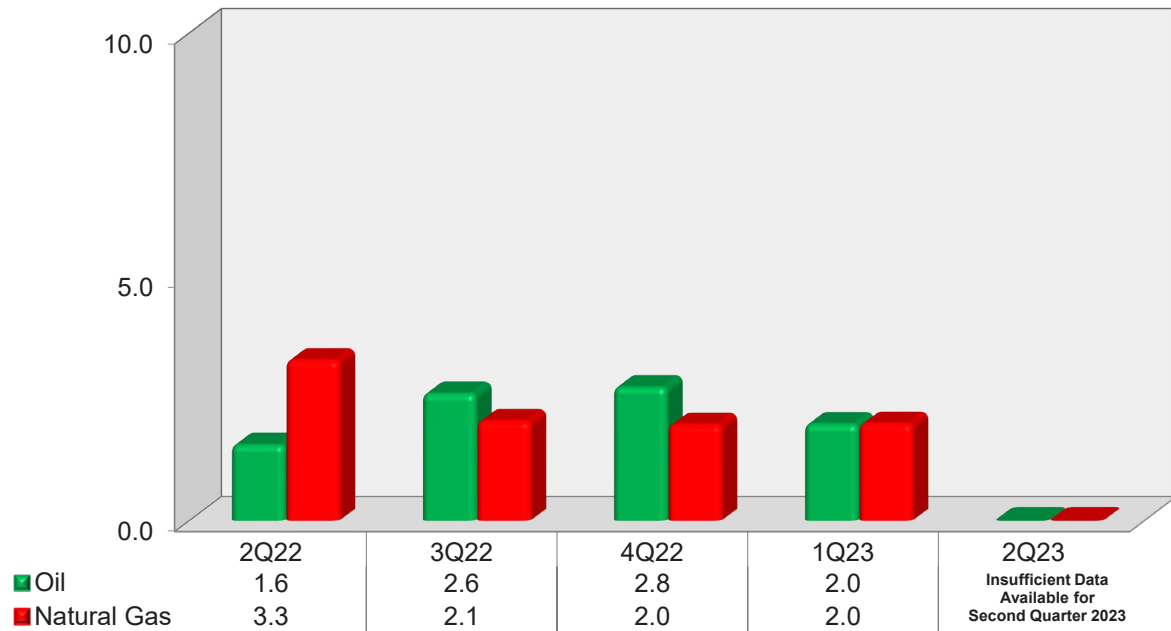


PRODUCTION AND RESERVE METRICS BY AREA



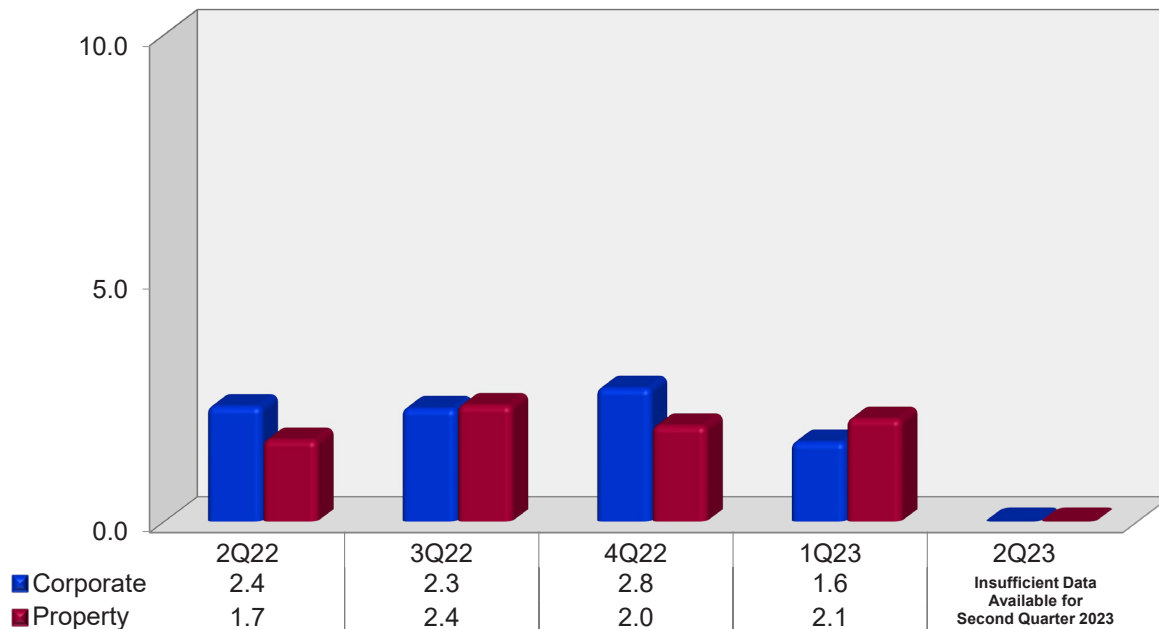
CASH FLOW MULTIPLES

Median Acquisition Operating Cash Flow Multiples
Oil vs. Natural Gas



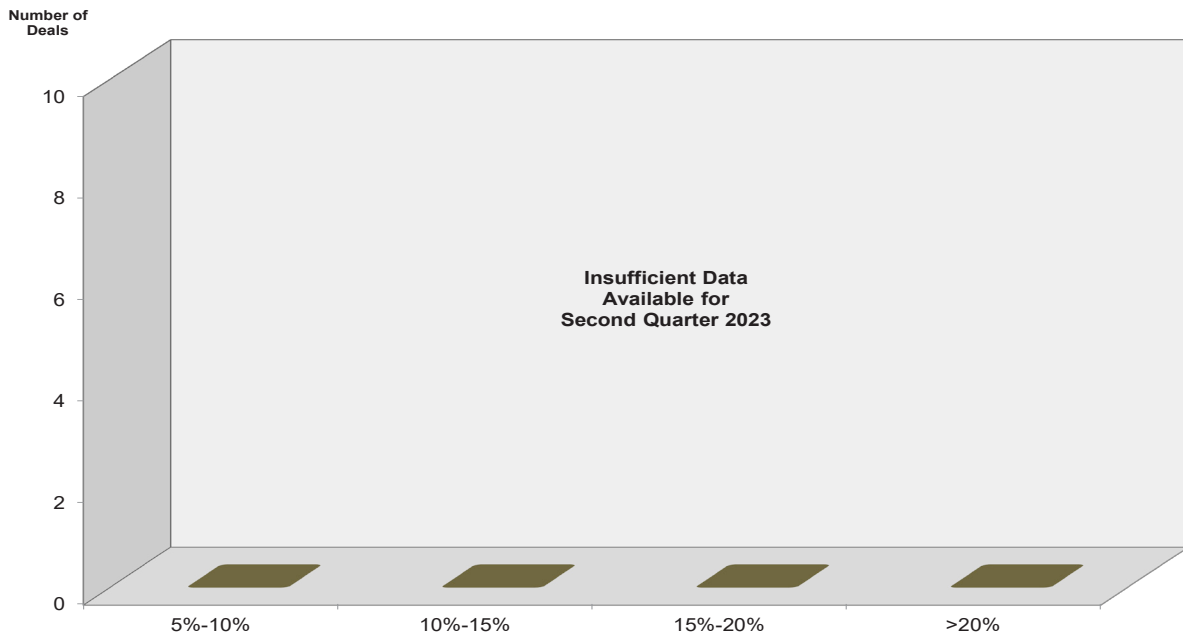
There is insufficient data from the transactions to calculate a median acquisition operating cash flow multiple for the second quarter of 2023. In the first quarter of 2023, the median acquisition operating cash flow multiple was 2.0 for both oil and natural gas deals.

Median Acquisition Operating Cash Flow Multiples
Corporate vs. Property



There is insufficient data from the transactions to calculate a median acquisition operating cash flow multiple for the second quarter of 2023. In the first quarter of 2023, the median acquisition operating cash flow multiple was 1.6 for corporate deals and 2.1 for property transactions. Care should be taken in drawing conclusions on operating cash flow multiples, given that the cash flow assumptions that were available for this analysis are not the same for every transaction.

DISCOUNTED CASH FLOW RATES

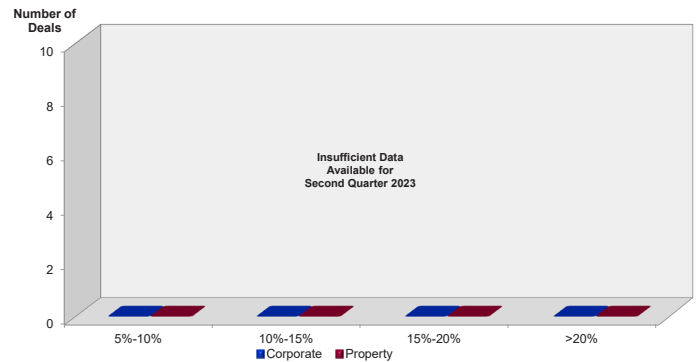


There is insufficient data from the transactions in the second quarter of 2023 to calculate discounted cash flow rates on a proven plus probable basis.

Discounted Cash Flow Rate
Oil vs. Natural Gas



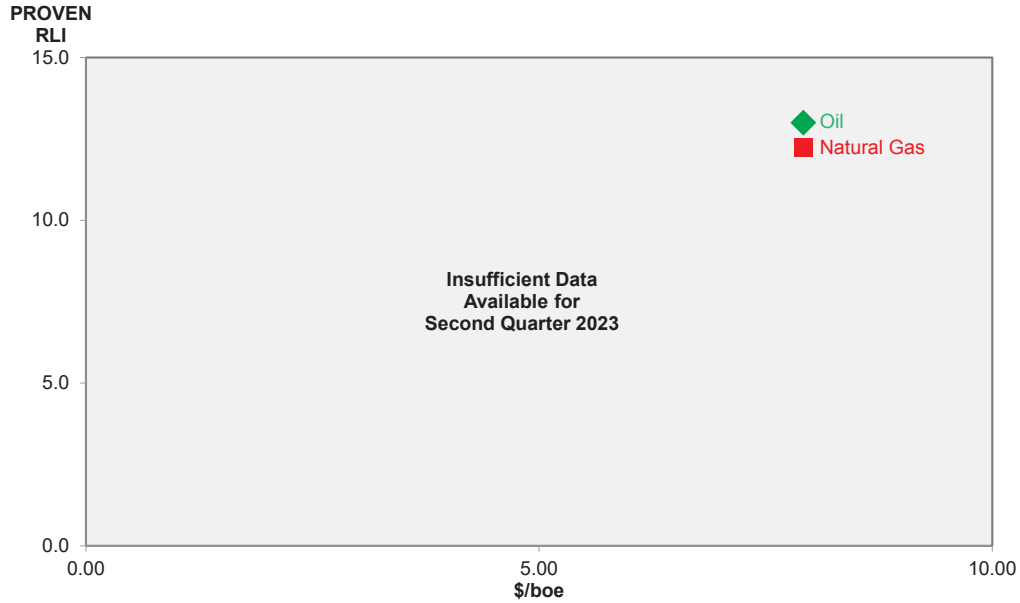
Discounted Cash Flow Rates
Corporate vs. Property



RESERVE LIFE INDEX COMPARED TO M&A PRICES

There is insufficient data from the transactions in the second quarter of 2023 to compare the proven RLI versus acquisition prices paid on a reserves and production basis. The RLI is normally calculated by dividing the total proven reserves by the annualized production.

Proven RLI vs. \$/boe

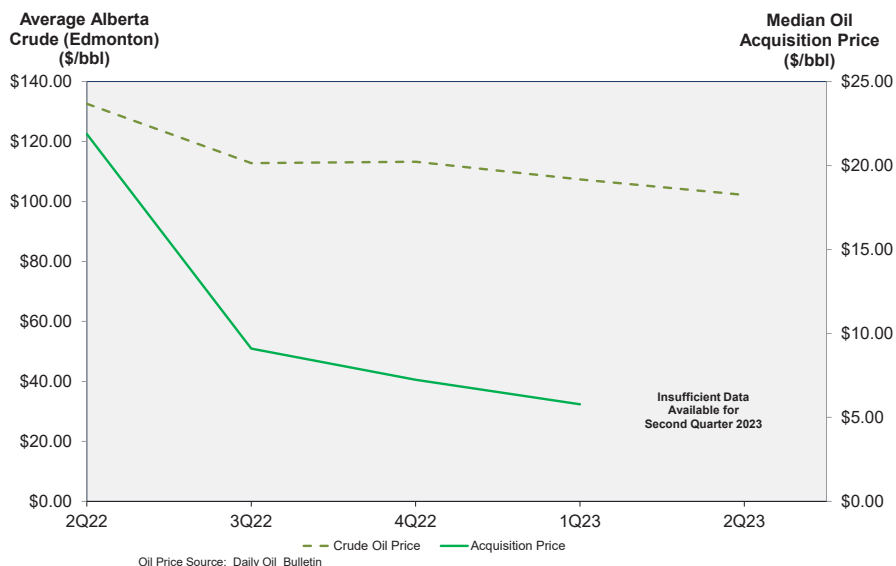


Proven RLI vs. \$/boe/d



CORRELATION OF M&A PRICES AND COMMODITY PRICES

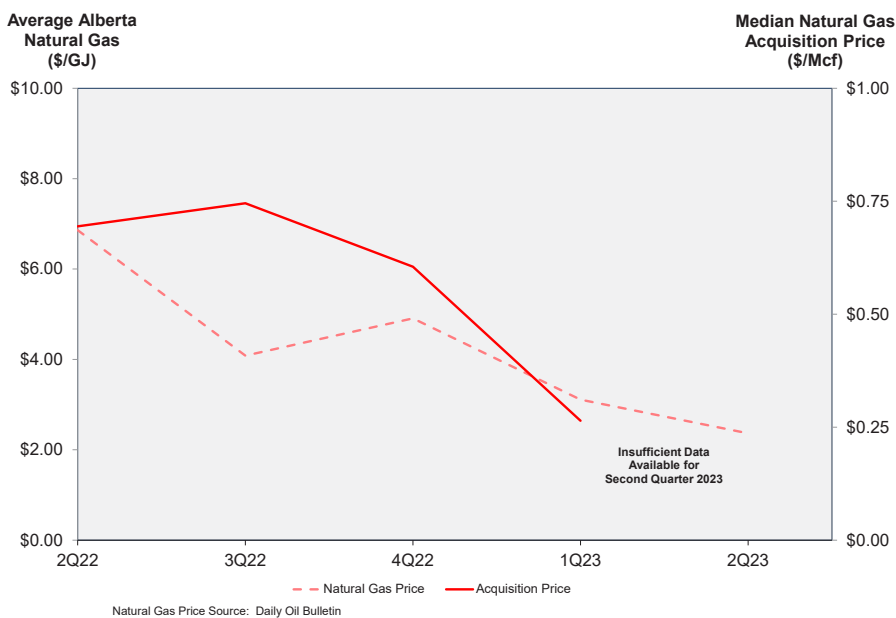
Oil Acquisition Price vs. Crude Oil Price



The preceding graph shows the average Alberta spot crude oil price based on par quality at Edmonton, versus the median proven plus probable reserve oil acquisition price calculated by Sayer Energy Advisors. There is insufficient data from the transactions in the second quarter of 2023 to compare the median proven plus probable reserve oil acquisition price to commodity prices in the quarter. As illustrated in the graph above, the commodity price has decreased slightly quarter-over-quarter.

The graph below shows the average Alberta natural gas price (AECO-C) versus the median proven plus probable reserve natural gas acquisition price calculated by Sayer Energy Advisors. There is insufficient data from the transactions in the second quarter of 2023 to compare the median proven plus probable reserve natural gas acquisition price to commodity prices in the quarter. As illustrated in the graph below, the price of natural gas has continued to decrease over the last several quarters.

Natural Gas Acquisition Price vs. Alberta Natural Gas Price



PRIOR QUARTER UPDATE

Sayer Energy Advisors is constantly updating previous quarters as new or updated information becomes available. Information subsequent to the first quarter of 2023 has allowed us to update our database and revise prior quarter statistics.

In the first quarter of 2023, Storm Development Corp. acquired assets from ARC Resources Ltd. in the Pouce Coupe area of Alberta. Additional data relating to the transaction was disclosed including the value of \$76.5 million (page 32).

As a result of updates to this transaction as well as confidential information we received, the median price paid for production in the first quarter of 2023 remained unchanged but the median price paid for proven plus probable reserves decreased slightly to \$5.19/boe from \$5.55/boe. The enterprise value in the first quarter of 2023 remained unchanged at \$3.3 billion.

THIRD QUARTER 2023 MERGER AND ACQUISITION ACTIVITY

There have been several deals announced in the first few weeks of the third quarter of 2023 which are highlighted below.

On July 5, 2023 publicly-held Highwood Asset Management Ltd. announced that it has agreed to purchase three privately-held companies, Boulder Energy Ltd., Castlegate Energy Ltd. and Shale Petroleum Ltd. for total consideration of approximately \$139.0 million. A brief synopsis of the three proposed transactions are found below.

Boulder is a subsidiary of privately-held West Lake Energy Corp. with operations in the Brazeau River area of Alberta. Total aggregate consideration of \$98.0 million is being paid by Highwood for the shares of Boulder, subject to a working capital adjustment. Boulder's current production is approximately 2,700 boe/d (74% oil and ngls).

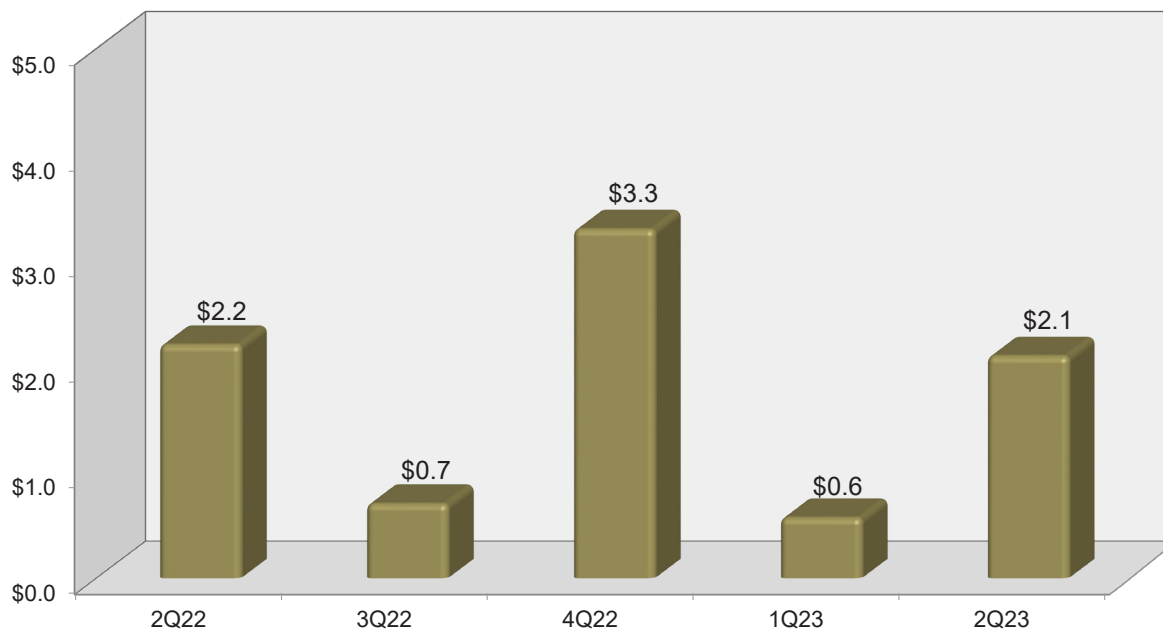
Castlegate is a privately-held oil and natural gas producer with assets in the Wilson Creek area of Alberta. The total purchase price being paid by Highwood for the shares of Castlegate is cash consideration of \$36.7 million plus payment for \$4.2 million of working capital, with Highwood expecting to assume an estimated \$7.2 million of working capital on closing. Castlegate's current production is approximately 1,400 boe/d (85% oil and ngls).

Shale is a privately held oil and natural gas company with production located in the Harmattan and Ricinus areas of Alberta. The purchase price of \$9.0 million for the shares of Shale is to be paid through the issuance of common shares of Highwood. Shale's current production is approximately 300 boe/d (37% oil and ngls).

The cash portion of the acquisitions is anticipated to be funded by Highwood through a "best efforts" marketed offering of subscription receipts expected to raise aggregate gross proceeds of approximately \$35.0 million and a draw on a new \$100.0 million reserve-based credit facility.

MERGER AND ACQUISITION CANDIDATES

Companies and Assets for Sale - \$Billions



The total value of companies and assets for sale increased 268% to \$2.1 billion in the second quarter of 2023 from \$573.2 million in the first quarter of 2023.

The “major assets for sale” category increased 165% to \$953.0 million in the second quarter from the \$360.0 million recorded last quarter. One of the major sellers in the second quarter was Anova Resources Inc. and Elevation Oil & Gas Ltd. which jointly announced their intention to sell certain interests in the Wilmar area of Saskatchewan. Production associated with the offering is 575 bbl/d of oil.

The “companies for sale” category increased 587% to \$1.1 billion in the second quarter of 2023 from the \$158.5 million recorded in the first quarter of 2023. In the second quarter, privately-held Primrose Drilling Ventures Ltd. entered into a corporate sale process. Primrose’s main assets are located in the Fenn West and Bon Accord areas of Alberta. Primrose’s production is 26 boe/d (93 Mcf/d of natural gas and 10 barrels of oil per day).

Fireweed Energy Ltd. initiated a strategic alternative process in the second quarter of 2023. Fireweed’s assets are Montney interests located in northeast British Columbia.

The “companies for sale” section includes those companies that are for sale, reviewing strategic alternatives to maximize shareholder value or are in insolvency processes.

MERGER AND ACQUISITION CANDIDATES

Companies with Major Assets for Sale

Anova Resources Inc.	Elevation Oil & Gas Ltd.
Athabasca Oil Corporation	West Lake Energy Corp.

Total approximate value⁽¹⁾ for major sellers **\$953.0 million**

Companies with Minor Assets for Sale

Aldon Oils Ltd.	Erdol Resources Corp.	Sinopec Canada
Ascensun Oil and Gas Ltd.	Insignia Energy Ltd.	Sprott Energy Holdco Ltd.
Asta Energy Ltd.	Kiwetinohk Energy Corp.	Tallahassee Exploration Inc.
Burgess Creek Exploration Inc.	Long Fortune Petroleum (SK) Corporation	Tamarack Valley Energy Ltd.
Calima Energy Limited	NuVista Energy Ltd.	Victoria University
Cardinal Energy Ltd.	Prairie Provident Resources Inc.	

Total approximate value⁽¹⁾ for minor sellers **\$70.0 million**

Companies for Sale

Companies which announced in the quarter that they were either available for sale, seeking ways to "maximize shareholder value" or were insolvent are as follows:

Abbey Resources Corporation ⁽²⁾	Erikson National Energy Inc.	Ribbon Creek Resources Inc.
Canadian Spirit Resources Inc.	Everest Canadian Resources Corp. ⁽²⁾	West 5 Resources Inc.
Changhua Energy Canada Ltd. ⁽²⁾	Fireweed Energy Ltd.	Westdrum Energy Ltd.
CLEO Energy Corp.	Goldenkey Oil Inc. ⁽²⁾	Woodrush Royalty ULC
Copetrex Oil & Gas Co. Ltd. ⁽²⁾	Primrose Drilling Ventures Ltd.	

Total approximate value⁽¹⁾ for companies for sale **\$1.1 billion**

TOTAL APPROXIMATE VALUE⁽¹⁾ FOR ALL M&A CANDIDATES **\$2.1 billion**

- 1). Approximate value is an estimation of the overall value of the assets and companies for sale, including confidential offerings, but we have not conducted a detailed valuation of the individual assets or companies. The actual selling prices may vary, perhaps by a considerable amount, from the figures presented here.
- 2). Companies in BIA, CCAA or Receivership.

FIRST QUARTER 2023 TRANSACTION ANALYSIS SUMMARY

Month	Purchaser	Acquisition	Enterprise Value ⁽¹⁾	Reserves Value ⁽¹⁾
			(\$million)	(\$million)
January	Saturn	Ridgeback	524.68	488.10
January	TotalEnergies	Teck assets	312.00	312.00
February	International Petroleum	Cor4	84.00	84.00
March	Crescent Point	Spartan Delta assets	1,700.00	1,700.00
March	Lycos	Chronos assets	50.00	50.00
March	Storm	ARC assets	76.50	76.50
March	Woodland	Vermilion assets	225.00	225.00

Notes: (1) For definitions see page 35
 (2) Based on proven plus probable reserves
 (3) Based on proven plus probable producing reserves

FIRST QUARTER 2023 TRANSACTION ANALYSIS SUMMARY

Proven Producing Reserves Mix	Proven BOE Reserve Life Index ⁽¹⁾	Reserves ⁽¹⁾	Production ⁽¹⁾	Cash Flow Multiple ⁽¹⁾	Premium/(Discount) ⁽¹⁾ To Market Price ⁽¹⁾
(%oil/%natural gas)	(Res./Annualized Prod.)	(\$/boe)	(\$/boe/d)	Operating	%
69/31	10.7	5.07	28,711	1.6	-
100/0	22.5	2.03	26,500	3.0	-
84/16 ⁽²⁾	10.8 ⁽²⁾	5.31	21,000	-	-
56/44	12.5	5.87	51,208	3.5	-
100/0 ⁽³⁾	3.3 ⁽³⁾	27.65	33,333	1.9	-
13/87 ⁽³⁾	46.0	5.00	83,974	9.1	-
97/3	10.8	6.08	39,092	1.4	-

SECOND QUARTER 2023 TRANSACTION ANALYSIS SUMMARY

Month	Purchaser	Acquisition	Enterprise Value ⁽¹⁾ (\$million)	Reserves Value ⁽¹⁾ (\$million)
May	ConocoPhillips	TotalEnergies assets	4,440.00 ⁽³⁾	4,440.00

Notes: (1) For definitions see page 35
 (2) Based on total proven reserves
 (3) Pending but not closed

SECOND QUARTER 2023 TRANSACTION ANALYSIS SUMMARY

Proven Producing Reserves Mix	Proven BOE Reserve Life Index ⁽¹⁾	Reserves ⁽¹⁾	Production ⁽¹⁾	Cash Flow Multiple ⁽¹⁾	Premium/(Discount) ⁽¹⁾ To Market Price ⁽¹⁾
(%oil/%natural gas)	(Res./Annualized Prod.)	(\$/boe)	(\$/boe/d)	Operating	%
100/0 ⁽²⁾	39.4	4.28	63,429	4.8	-

SECOND QUARTER MERGER AND ACQUISITION TRANSACTIONS

(exceeding \$5 million in value)

Month	Purchaser	Acquisition	Enterprise Value
			(\$million)
May	ConocoPhillips	TotalEnergies assets	4,440.00 ⁽²⁾
May	HWN	Spur assets	(1) (2)
Second Quarter Total			\$4.5 billion⁽³⁾

Notes:

- (1) The estimated or confidential amount for this transaction is included in the quarter total
- (2) Pending but not closed
- (3) Confidential transactions are not included on the list, however their values are included in the total

SELECTED SECOND QUARTER TRANSACTIONS

At this time we do not have enough information to complete a detailed analysis on the following selected transactions. When and if more information becomes available we will update the transaction with a more detailed analysis in one of our future reports.

Purchaser: HWN Energy Ltd.

Acquisition: Spur Petroleum Ltd. assets

Transaction Type: Property
Price: Undisclosed

Date Announced: May 2023
Date Closed: Pending

The assets being acquired are Spur's Dunvegan interests located in the Simonette area of Alberta.

CONOCOPHILLIPS / TOTALENERGIES ASSETS

Purchaser: ConocoPhillips

Date Announced: May 26, 2023

Transaction Type: Property

Reserves Acquisition Price: **\$4.28/boe**

Acquisition: TotalEnergies EP Canada Ltd. assets

Date Completed: Pending

Operating CF Multiple: **4.8 X**Production Acquisition Price: **\$63,429/boe/d****Estimated Value:**

	<u>\$MM</u>
Enterprise Value	\$4,440.00 ^{(1) (2)}
less: Undeveloped land	-
Other assets	-
Value of Reserves	<u>\$4,440.00</u>

Reserves:

	<u>Oil & NGL</u>	<u>Natural Gas</u>	<u>Total</u>
	(MMbbls)	(Bcf)	(MMboe)
Total Proven	1,007.000	0.000	1,007.000
Probable	<u>31.000</u>	<u>0.000</u>	<u>31.000</u>
Total P+P	<u>1,038.000</u>	<u>0.000</u>	<u>1,038.000</u>

Source of reserves estimate:

McDaniel & Associates Consultants Ltd.

Effective date of reserves information:

December 31, 2022

<u>RLI:</u>	<u>Total Proven (years)</u>	<u>Total P+P (years)</u>	<u>Reserve Weighting:</u>	<u>Oil & NGL (%)</u>	<u>Natural Gas (%)</u>
Oil & NGL	39.4	40.6	Proven	100	0
Natural Gas	-	-	P+P	100	0
BOE	39.4	40.6			

Daily Production:

Oil & NGL: 70,000 bbls/d

Natural Gas: - MMcf/d

BOE: 70,000 boe/d

Basis of production information: Forecasted average daily production for the year ended December 31, 2024

CONOCOPHILLIPS / TOTALENERGIES ASSETS

<u>Undeveloped Land:</u>	N.A.
<u>Operating Cash Flow Estimate</u> ⁽²⁾ :	\$933.31 million per year
Basis of cash flow estimate:	Based on ConocoPhillips' forecast of operating cash flow from the assets for the year ended December 31, 2024 before interest, overhead and current income tax.
<u>Operating Cash Flow Multiple:</u>	4.8 X

Notes:

- 1) Based on a cash payment of \$4.0 billion and contingent payments of up to \$440.0 million.
- 2) Based on CAD/USD exchange rate of 1.3333.

Comments:

The asset being acquired is the remaining 50% non-operated working interest in the Surmont Oil Sands Project. With this acquisition, ConocoPhillips will own a 100% working interest in the Surmont Oil Sands Project. On April 26, 2023, Suncor Energy Inc. announced it had entered into an agreement with TotalEnergies for the sale of all of the shares of TotalEnergies EP Canada Ltd. for \$5.5 billion in cash plus a contingent payment of up to \$600.0 million. The transaction with Suncor was conditional upon ConocoPhillips waiving its right of first refusal with respect to the Surmont Oil Sands Project. ConocoPhillips exercised its preemption right to acquire the interest from TotalEnergies and as a result, both Suncor and TotalEnergies have the right to terminate the agreement under which Suncor would acquire TotalEnergies' Canadian operations. In light of this change, Suncor announced it will be assessing the proposed transaction with TotalEnergies. TotalEnergies, in addition to its 50% working interest in the Surmont Oil Sands Project, also holds a 31.23% working interest in the Fort Hills Oil Sands Project which is operated by Suncor. It is interesting to note that in the first quarter of 2023, TotalEnergies exercised its preemption right to acquire an interest in the Fort Hills Oil Sands Project for \$312.0 million after Suncor coincidentally announced its intention to acquire all of Teck Resources Limited's interest in the Fort Hills Oil Sands Project in the fourth quarter of 2022 for a net purchase price of \$688.0 million

Date of Analysis: July 6, 2023

UPDATED TRANSACTION FROM 1Q23

LOGAN / SPARTAN DELTA ASSETS

Purchaser: Logan Energy Corp.
 Date Announced: March 28, 2023
 Transaction Type: Property
 Reserves Acquisition Price: **\$3.55/boe**

Acquisition: Spartan Delta Corp. assets
 Date Completed: July 13, 2023
 Operating CF Multiple: **1.1 X**
 Production Acquisition Price: **\$9,754/boe/d**

<u>Estimated Value:</u>	<u>\$MM</u>
Enterprise Value	\$60.59 ⁽¹⁾
less: Undeveloped land	-5.70
Other assets	-
Value of Reserves	<u>\$54.88</u>

Reserves:Net Present Value of Reserves (\$MM):

	<u>Oil & NGL</u> (MMbbls)	<u>Natural Gas</u> (Bcf)	<u>Total</u> (MMboe)	<u>Discounted</u>				
				<u>0%</u>	<u>5%</u>	<u>10%</u>	<u>15%</u>	<u>20%</u>
Proven Producing	1.953	39.574	8.549	5.12	20.90	24.51	25.14	24.79
Proven Non-Producing	0.042	1.374	0.271	2.34	1.83	1.47	1.21	1.01
Undeveloped	<u>1.347</u>	<u>15.018</u>	<u>3.850</u>	<u>22.70</u>	<u>10.93</u>	<u>3.99</u>	<u>(0.17)</u>	<u>(2.69)</u>
Total Proven	3.342	55.966	12.670	30.15	33.66	29.97	26.18	23.11
Probable	<u>0.805</u>	<u>12.018</u>	<u>2.808</u>	<u>47.95</u>	<u>33.59</u>	<u>24.97</u>	<u>19.36</u>	<u>15.50</u>
Total P+P	4.147	67.984	15.478	78.10	67.25	54.94	45.54	38.61

Source of reserves estimate:

McDaniel & Associates Consultants Ltd.

Effective date of reserves information:

March 1, 2023

<u>RLI:</u>	<u>Proven Producing</u> (years)	<u>Total Proven</u> (years)	<u>Total P+P</u> (years)	<u>Reserve Weighting:</u>	<u>Oil & NGL</u> (%)	<u>Natural Gas</u> (%)
Oil & NGL	4.0	6.8	8.4	Proven Producing	23	77
Natural Gas	4.2	6.0	7.2	Proven	26	74
BOE	4.2	6.2	7.5	P+P	27	73

Daily Production:

Oil & NGL: 1,345 bbls/d
 Natural Gas: 25.69 MMcf/d
BOE: 5,627 boe/d

Basis of production information: Quarter ended December 31, 2022

LOGAN / SPARTAN DELTA ASSETS

Undeveloped Land:

Total net acres:	55,769
Estimated value	\$5.70 million
Unit value	\$102.21/net acre

Source of land value estimate: *Seaton-Jordan & Associates Ltd.*

Operating Cash Flow Estimate: \$51.51 million per year

Basis of cash flow estimate: Based on actual operating cash flow from the assets for the three months ended December 31, 2022 before interest, overhead and current income tax.

Operating Cash Flow Multiple: 1.1 X

Price Assumptions Used in Evaluation:

	<u>Edmonton Par</u> <u>Price 40° API</u> <u>(\$C/bbl)</u>	<u>AECO Natural</u> <u>Gas Price</u> <u>(\$C/MMbtu)</u>
--	---	---

2023	84.67	2.94
2024	82.69	3.41
2025	81.03	3.93
2026	81.39	4.19
2027	82.65	4.28

Estimated Future Capital Costs (\$MM):

2023	5.75
2024	1.50
2025	25.60
Thereafter	<u>62.11</u>
Total	<u>94.97</u>

Effective date of pricing: *March 1, 2023*

Notes:

- 1) Based on each of 173,100,000 Spartan Delta shares exchanged for one share of Logan, with each Logan share priced at \$0.35 based on Logan's net asset value per share (see below).

Comments:

The assets which were spun-out of Spartan Delta into Logan are located in the Pouce Coupe and Simonette areas of Alberta and in the Flatrock area of northeastern British Columbia. Logan will be led by certain other members of Spartan Delta's existing executive team. Spartan Delta will retain and continue to develop its Deep Basin assets. These transactions were announced concurrently with the sale of Spartan Delta's Montney interests in the Gold Creek and Karr areas of Alberta to Crescent Point Energy Corp. for \$1.7 billion in the first quarter of 2023. As part of the transactions, Spartan Delta shareholders received \$9.50 in cash for each Spartan Delta share held as well as one common share of Logan for each Spartan Delta share held as well as one Logan share purchase warrant for each Spartan Delta share held. Each warrant will entitle the holder to acquire one Logan share at an exercise price equal to Logan's defined net asset value of \$0.35 per Logan share at any time on or before the close of business on July 17, 2023.

This analysis was provided for information purposes only and the metrics and values calculated were not included in our statistics for the first quarter of 2023.

Date of Analysis: July 10, 2023

UPDATED TRANSACTION FROM 1Q23

STORM / ARC ASSETS

Purchaser: Storm Development Corp.
 Date Announced: First Quarter 2023
 Transaction Type: Property
 Reserves Acquisition Price: **\$5.00/boe**

Acquisition: ARC Resources Ltd. assets
 Date Completed: First Quarter 2023
 Operating CF Multiple: **9.1 X**
 Production Acquisition Price: **\$83,974/boe/d**

Estimated Value:	\$MM
Enterprise Value	\$76.50
less: Undeveloped land	-
Other assets	-
Value of Reserves	<u>\$76.50</u>

Reserves:

	<u>Oil & NGL</u>	<u>Natural Gas</u>	<u>Total</u>
	(MMbbls)	(Bcf)	(MMboe)
Total P+P	<u>1.989</u>	<u>79.866</u>	<u>15.300</u>

Source of reserves estimate:

GLJ Ltd. with oil/natural gas reserves split based on production weighting

Effective date of reserves information:

December 31, 2021

<u>RLI:</u>	<u>Total P+P (years)</u>	<u>Reserve Weighting:</u>	<u>Oil & NGL (%)</u>	<u>Natural Gas (%)</u>
Oil & NGL	46.0	P+P	13	87
Natural Gas	46.0			
BOE	46.0			

Daily Production:

Oil & NGL: 118 bbls/d
 Natural Gas: 4.76 MMcf/d
BOE: 911 boe/d

Basis of production information: Average daily production for the ten months ended October 31, 2022

STORM / ARC ASSETS

<u>Undeveloped Land:</u>	N.A.
<u>Operating Cash Flow Estimate:</u>	\$8.40 million per year
Basis of cash flow estimate:	Based on actual operating cash flow from the assets for the ten months ended October 31, 2022 before interest, overhead and current income tax.
<u>Operating Cash Flow Multiple:</u>	9.1 X

Comments:

The assets acquired are Montney interests located in the Pouce Coupe area of Alberta. The management team of Storm Development previously ran Storm Resources Ltd. which was sold to Canadian Natural Resources Limited in late 2021 for approximately \$1.0 billion. Concurrent with the acquisition, Storm Development raised approximately \$162.0 million in equity through both a brokered and non-brokered private placement financing.

Date of Analysis: July 6, 2023

Recent Transactions Completed by Sayer Energy Advisors

This announcement appears as a matter of record only.

All the issued and outstanding shares of



have been sold to




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




April 2023

This announcement appears as a matter of record only.



has sold a portion of its interests in the Bonanza area of Alberta

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



April 2023

This announcement appears as a matter of record only.



has sold certain of its non-core interests in southern Alberta to



The undersigned acted as financial advisor to Tamarack Valley for this transaction.



April 2023

This announcement appears as a matter of record only.



has acquired certain interests in the Retlaw area of Alberta from



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



May 2023

This announcement appears as a matter of record only.

101091127
Saskatchewan Ltd.


has sold its Fee Title interests in the Lumsden, Northgate and Wapella areas of Saskatchewan

The undersigned acted as financial advisor to 101091127 Saskatchewan for this transaction.




June 2023

This announcement appears as a matter of record only.



has sold its interests in the Greater Farrow and Red Rock areas of Alberta

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



June 2023

This announcement appears as a matter of record only.



has sold its remaining interests in the Bonanza area of Alberta to



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



June 2023

This announcement appears as a matter of record only.



has sold its interests in the Grand Forks area of Alberta to



The undersigned acted as financial advisor to New North & OILPLUSWATER for this transaction.



June 2023

NOTES

1. Definitions:
 - a. \$/boe: the value ascribed on a per barrel of oil equivalent (“boe”) basis to proven and probable reserves before royalties using NI 51-101. The detailed analysis of each transaction and the summary graphs use the conversion rates of 6 Mcf equals one barrel. Non-reserve assets and liabilities are excluded from the reserve purchase price for this calculation.
 - b. \$/boe/d: Reserves Value divided by equivalent barrels of daily production.
 - c. Acquisition Value: the estimated fair market value of the amount expended by the purchaser for the equity portion of the acquisition. In some transactions, this figure may be different from the Total Value as the purchaser only acquired a portion of the Total Value.
 - d. Break Fee: the amount payable to the purchaser by the company being acquired (the “seller”) if the seller does not proceed with the transaction agreement in certain circumstances. This would include, but is not limited to, accepting a superior take-over bid.
 - e. Enterprise Value: the total equity value plus long-term debt, working capital deficit and other liabilities. The latter item includes such things as site restoration, executive compensation, future overhead expense, hedging contracts liability or asset.
 - f. GORR: gross overriding royalty.
 - g. Median Acquisition Price: the price where there is an equal number of transactions above and below the median. This approach is less sensitive to extreme values of \$/boe than a simple average and is less sensitive to larger deals than a weighted average.
 - h. Operating Cash Flow Multiple: Reserves Value divided by an estimate of yearly net operating income before overhead, interest and current income tax.
 - i. Premium/(Discount) to Market Price: the percentage premium of the price per common share paid by the purchaser for the acquisition compared to the closing market price of the purchased company on the day prior to the announcement of the take-over.
 - j. Reserve Life Index (“RLI”): Total Proven Reserves divided by total yearly production at production rates noted in the transaction analysis.
 - k. Reserves Value: the acquisition value excluding non-reserve assets and liabilities.
 - l. Total Value: the cash purchase price paid for the assets in the case of an asset acquisition or the price paid for 100% of the equity of the company acquired in the case of a corporate transaction.
2. All Dollar amounts are in Canadian funds, unless noted otherwise.
3. This publication includes only those transactions that involve the purchase of oil and natural gas reserves. In addition to the transactions noted herein, a number of other private transactions have taken place. Although some transactions may not be included in our database, we believe the published data is representative of industry trends.
4. The Enterprise Value and the Value of Reserves used in this report do not include any value for tax pools acquired in the transaction or created as a result of the transaction. Where available, existing tax pools of the acquired company are described in the Comments section on each individual analysis.
5. The information contained herein was based on information which was obtained from sources which we believe are reliable, however we cannot guarantee its accuracy or completeness. The opinions expressed herein are based on our analysis and interpretation of this information and are not to be construed as a solicitation of an offer to buy or sell any securities. Sayer Energy Advisors may act as financial advisor or fiscal agent for certain companies mentioned herein and may receive remuneration for its services. This report is furnished on the basis and the understanding that Sayer Energy Advisors is to be under no responsibility or liability in respect thereof.
6. While every effort has been made to ensure the accuracy and timeliness of this publication, the analysis and comments are necessarily of a general nature. We would also like to note that there is more information available in our files on specific transactions that we can publish in the Report. Clients are urged to seek specific advice on matter of concern and not to rely solely on the text of this publication.
7. Copyright © Sayer Securities Limited 2023. All rights reserved. No part of this publication may be reproduced in any form by any means without prior written permission from Sayer Energy Advisors. The annual subscription rate is \$1,600 plus GST, or \$500 plus GST for a single issue.

ISSN 1181-8077

Photocopying or reproduction of this report or parts of this report, even for internal distribution, is strictly prohibited.

Sayer Securities Limited 2023

(blank page)

1620, 540 – 5 Avenue SW
Calgary, Alberta T2P 0M2

Telephone: 403.266.6133 Facsimile: 403.266.4467
Email: research@sayeradvisors.com
www.sayeradvisors.com