



SECOND QUARTER 2025

Median Reserves Acquisition Price
\$3.76/boe

Median Production Acquisition Price
\$39,460/boe/d

Median Acquisition Operating Cash Flow Multiple
3.8 X

Enterprise Value of Transactions
\$4.2 billion

Assets and Companies for Sale
\$8.6 billion



CANADIAN OIL INDUSTRY MERGER AND ACQUISITION REPORT

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CANADIAN OIL INDUSTRY MERGER AND ACQUISITION REPORT

HIGHLIGHTS

SECOND QUARTER 2025

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\$3.76/boe	\$4.2 billion
Median Production Acquisition Price	Assets and Companies for Sale
\$39,460/boe/d	\$8.6 billion
Median Acquisition Operating Cash Flow Multiple	
3.8 X	

Purchaser	Acquisition	Enterprise Value	Acquisition Price		Page Number
		\$MM	\$/boe	\$/boe/d	
Allied	Vermilion assets	415.00	6.18	39,524	30
ARC, Canadian Natural & Tourmaline	Strathcona assets	2,836.50	4.47	39,396	32
Fiddlehead	Lucky Strike	21.00	3.05	9,375	34
Strathcona's Unsolicited Offer to Acquire MEG		6,760.84	3.24	61,165	36
Tourmaline	Saguaro	508.91	1.58	44,035	38

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SECOND QUARTER M&A VALUE DOWN 64% QUARTER-OVER-QUARTER

The total M&A activity in the second quarter of 2025 was approximately \$4.2 billion, down 64% from the \$11.5 billion of total enterprise value of M&A activity recorded in the first quarter of 2025. On a year-over-year basis total M&A value is up 162%, from the \$1.6 billion calculated in the second quarter of 2024. There was one transaction valued at over \$1.0 billion in the second quarter of 2025.

The second quarter of 2025 was highlighted by Strathcona Resources Ltd. announcing and subsequently completing the sale of its Montney assets in three separate transactions to ARC Resources Ltd., Canadian Natural Resources Limited and Tourmaline Oil Corp. for aggregate proceeds of approximately \$2.8 billion.

ARC's acquisition of assets from Strathcona for approximately \$1.7 billion was the largest transaction this quarter (page 32). The assets acquired by ARC are located in the Kakwa area of Alberta, adjacent to ARC's existing Montney interests. The acquisition includes approximately 40,000 boe/d of production (50% liquids), and ownership in key natural gas processing facilities and infrastructure.

The second largest transaction in the quarter was also one of the three dispositions announced by Strathcona. The assets acquired by Canadian Natural for \$850.0 million are located in the Grande Prairie area of Alberta and include approximately 24,000 boe/d of production (page 32).

The third largest transaction this quarter was Tourmaline's acquisition of Saguaro Resources Ltd. for \$508.9 million. Saguaro's Montney assets consisted of the remaining 50% working interest in the Laprise-Conroy area of British Columbia operated by Tourmaline (page 38). Tourmaline acquired the initial 50% working interest from Saguaro in April 2021.

Tourmaline also acquired Strathcona's assets in the Groundbirch area of northeastern British Columbia targeting the Montney Formation for \$291.5 million in Tourmaline shares (page 32). The assets acquired directly offset Tourmaline's operations and include approximately 8,000 boe/d of production and 166 future net drilling locations (page 32).

Subsequent to announcing the sale of its Montney assets, Strathcona commenced with an unsolicited offer to acquire all of the issued and outstanding shares of publicly-held MEG Energy Corp. (page 36). MEG's board of directors rejected the offer from Strathcona and initiated a strategic alternatives process to maximize shareholder value. MEG's main producing property is its oil sands project located in the Christina Lake area of Alberta which produced approximately 102,000 bbl/d of bitumen in the first quarter of 2025.

The number of large transactions (over \$5 million in value) in the second quarter of 2025 decreased to 10 deals from 15 in the first quarter of 2025. With the drop in enterprise value in the second quarter, the average deal size for large transactions fell to \$407.1 million; last quarter it was \$760.6 million.

Of the 10 large transactions in the second quarter, there were 8 property deals and 2 corporate transactions, with total enterprise values of \$3.5 billion and \$529.9 million, respectively. Last quarter there were 3 corporate deals valued at \$10.0 billion and 12 property transactions valued at \$1.4 billion. Of the approximately \$4.1 billion in large transactions in the quarter, 5 transactions were weighted towards natural gas and 5 deals were oil-weighted, with total enterprise values of approximately \$3.4 billion and \$721.0 million, respectively.

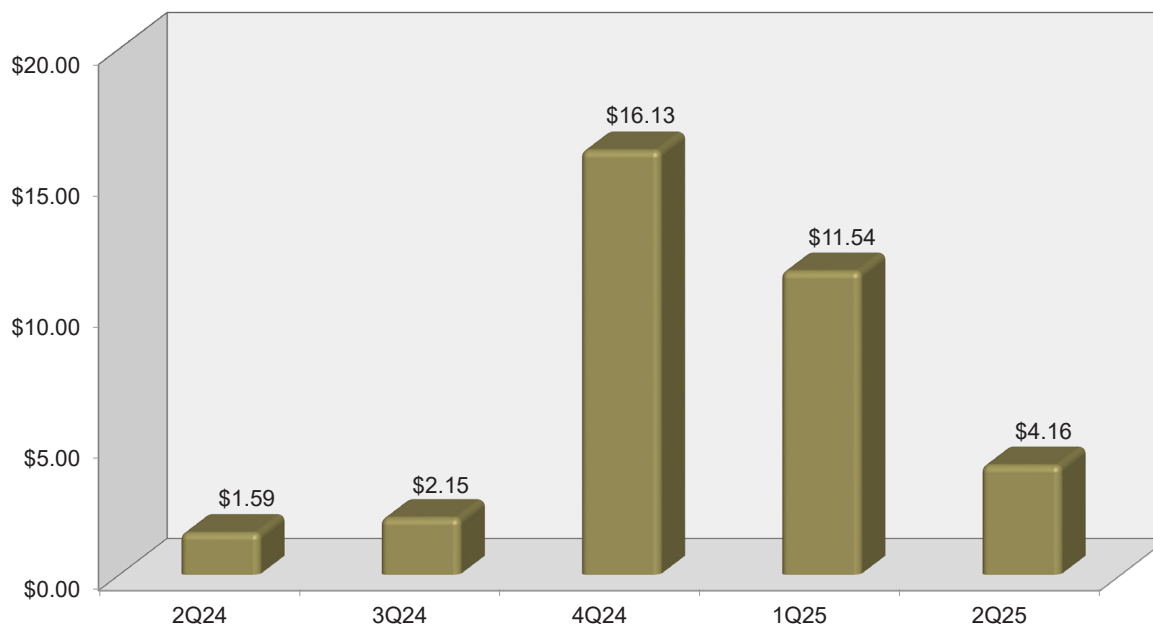
The median acquisition price paid per flowing barrel increased 28% to \$39,460/boe/d in the second quarter of 2025 from \$30,734/boe/d in the first quarter. The median acquisition price for proven plus probable reserves decreased 20% to \$3.76/boe in the second quarter of 2025 from \$4.70/boe in the first quarter.

In the second quarter of 2025 the median price paid for oil transactions was \$41,715/boe/d versus \$24,449/boe/d for natural gas transactions, a spread of \$17,266/boe/d. On a proved plus probable reserves basis, the median acquisition price for oil in the second quarter was \$4.62/boe and \$3.03/boe for natural gas, a spread of \$1.59/boe towards oil. Due to the small sample size of natural gas transactions, there were no median metrics calculated for natural gas transactions in the first quarter of 2025.

A trend we saw in early 2025 was the M&A landscape dominated by a small number of companies involved in multiple transactions as evidenced by the transactions done by both Strathcona and Tourmaline. We expect to see the ongoing trend of consolidation to continue.

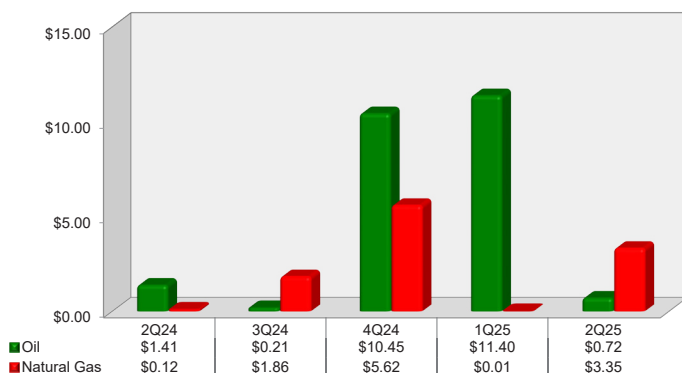
M&A ENTERPRISE VALUE

M&A Enterprise Value of Transactions - \$Billions

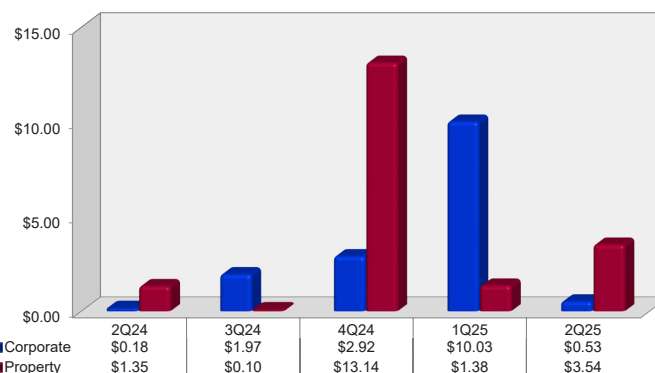


The total M&A enterprise value (large and small deals) in the second quarter of 2025 decreased 64% to \$4.2 billion from the \$11.5 billion recorded in the first quarter of 2025. On a year-over-year basis, the enterprise value in the second quarter rose 162% from the \$1.6 billion recorded in the second quarter of 2024.

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



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

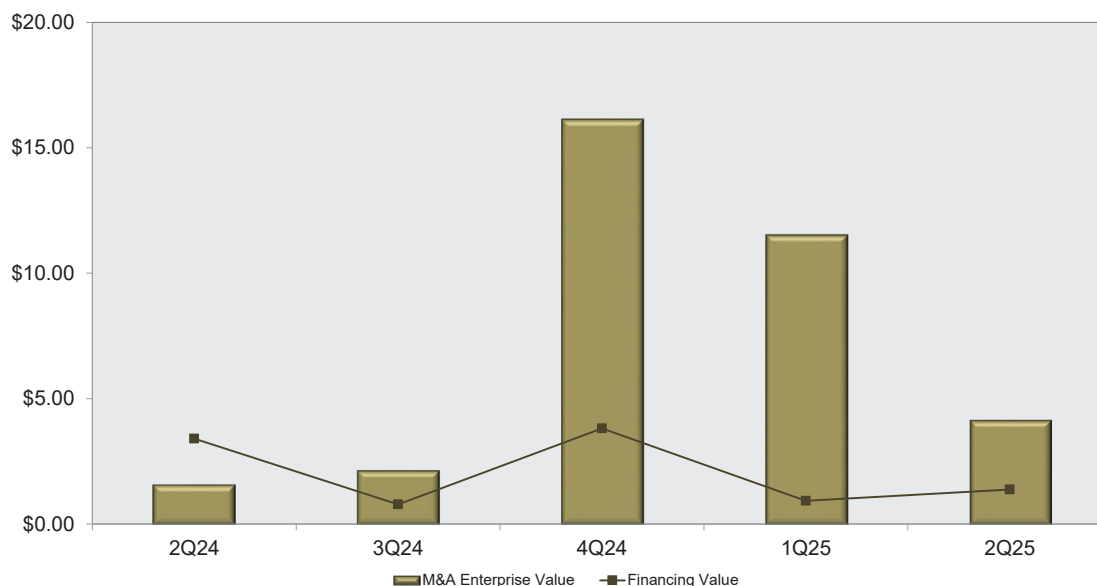


The enterprise value for large oil-weighted transactions valued at over \$5.0 million was \$721.0 million in the second quarter of 2025, a 94% decrease from the \$11.4 billion calculated in the first quarter of 2025. The enterprise value for large natural gas-weighted transactions in the second quarter rose to \$3.4 billion from the nominal value recorded in the first quarter of 2025.

Corporate transactions valued at over \$5.0 million fell 95% to \$530.0 million in the second quarter from \$10.0 billion in the first quarter of 2025. The enterprise value for property transactions valued at over \$5.0 million increased 157% to \$3.5 billion in the second quarter of 2025 from \$1.4 billion in the prior quarter.

TOTAL FINANCINGS VERSUS M&A ENTERPRISE VALUE

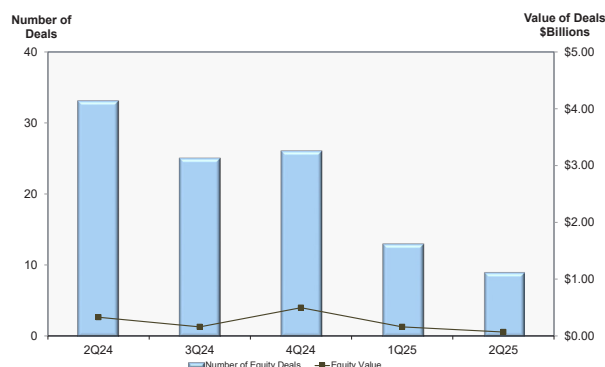
Enterprise Value of Transactions Relative to Total Value of Financings - \$Billions



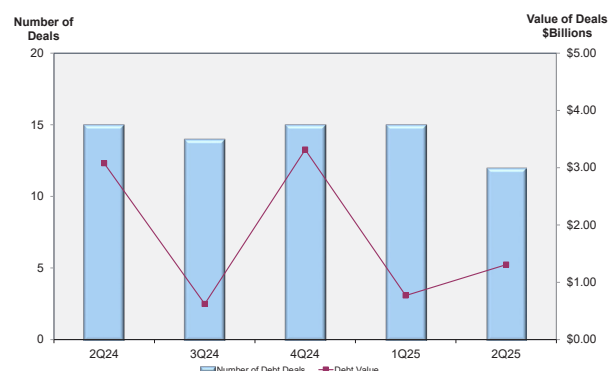
The total value of financings in the second quarter of 2025 increased 48% to \$1.4 billion from \$928.5 million in the first quarter of 2025. The total number of financings in the second quarter of 2025 was 21, compared to 28 in the previous quarter.

The amount of equity raised in the second quarter of 2025 was \$68.8 million, compared to \$159.4 million in the first quarter of 2025. The total number of equity financings in the second quarter was 9, compared to 13 in the first quarter of 2025. Debt financings rose to \$1.3 billion in the second quarter from \$769.1 million in the first quarter. The total number of debt financings in the second quarter was 12, compared to 15 in the previous quarter.

Equity Financings Value - \$Billions



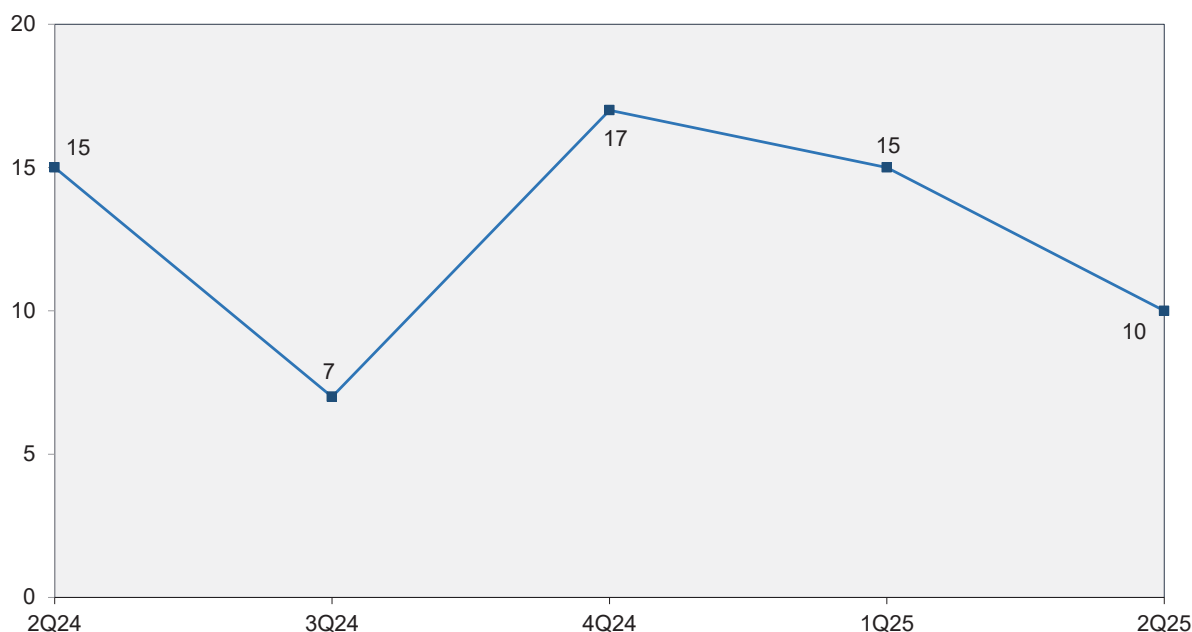
Debt Financings Value - \$Billions



The largest equity offering in the quarter was Atlas Energy Corp.'s non-brokered private placement for \$30.0 million. Atlas issued 300,000,000 units at a price of \$0.05 per unit comprised of one common share and one common share purchase warrant, and 300,000,000 common shares at a price of \$0.05 per common share. Proceeds from the offering will be used to fund future acquisition opportunities and for general working capital purposes.

ARC raised \$1.0 billion in the second quarter of 2025 with two separate debt issues. ARC completed a senior unsecured note offering of \$550.0 million with a 3 year term and a coupon rate of 3.577% and \$450.0 million with an 8 year term and a coupon rate of 4.409%. Proceeds from the financings were used towards the previously-mentioned purchase of assets in the Kakwa area of Alberta from Strathcona (page 32) and for general corporate purposes.

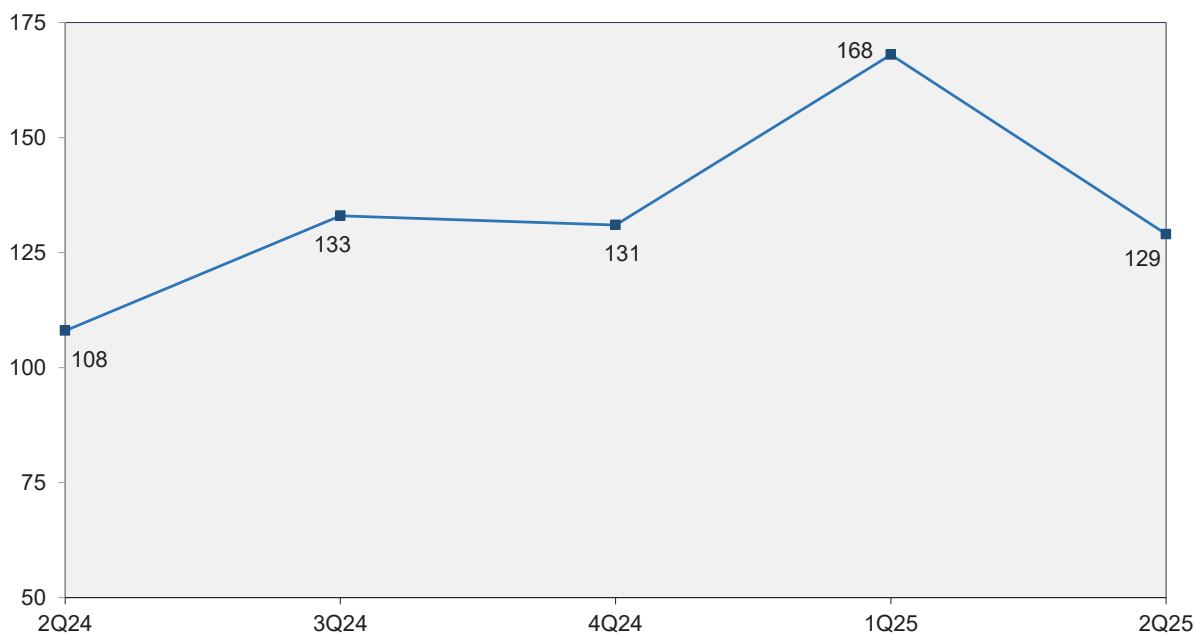
Number of Transactions Over \$5.0 Million



The number of large transactions (valued at over \$5 million in size) was 10 in the second quarter of 2025, down 33% from the 15 deals recorded in the previous quarter. The average deal size for large transactions in the second quarter was approximately \$407.1 million compared to \$760.6 million last quarter. There were 2 large corporate transactions and 8 large property transactions in the second quarter, with average deal sizes of \$265.0 million and \$442.7 million, respectively. The enterprise value of large transactions this quarter was \$4.1 billion compared to \$11.4 billion in the previous quarter.

The number of small deals (under \$5 million in size) decreased 23% to 129 in the second quarter of 2025 from the 168 recorded last quarter. The total value of small deals fell 32% on a quarter-over-quarter basis to approximately \$86.8 million in the second quarter of 2025 from approximately \$128.0 million in the first quarter of 2025.

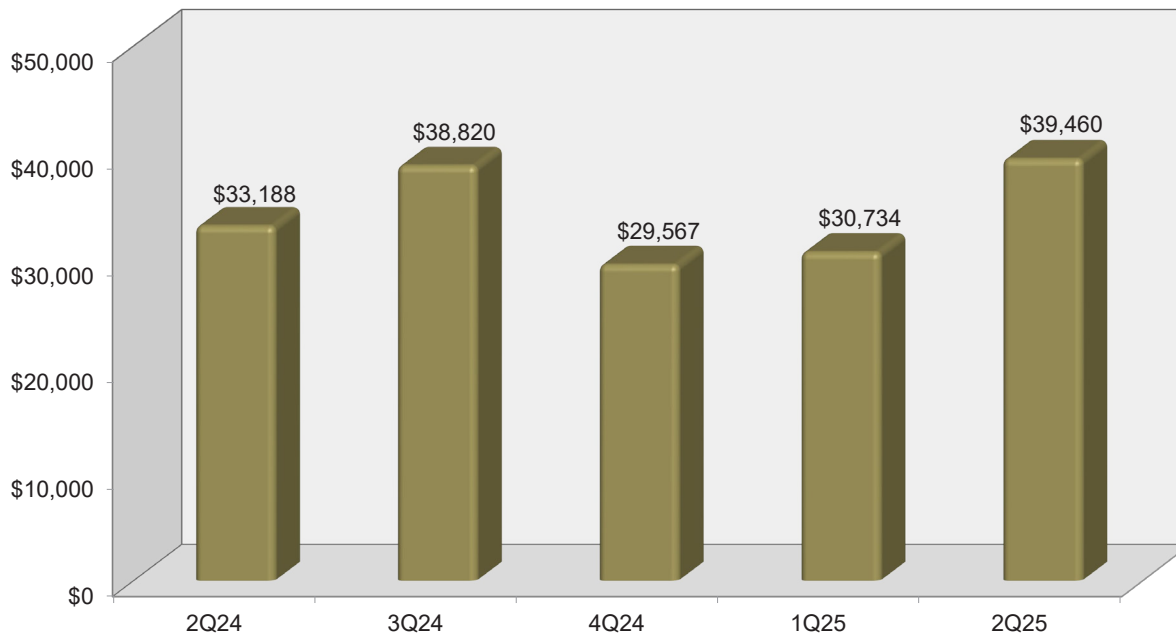
Number of Transactions Under \$5.0 Million



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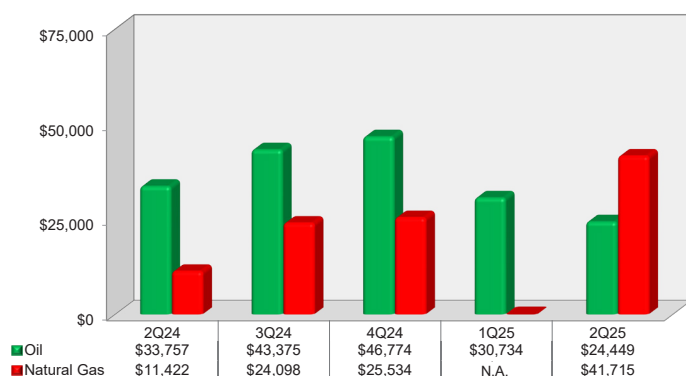
MEDIAN PRODUCTION ACQUISITION PRICE

Median Production Acquisition Price - \$/boe/d

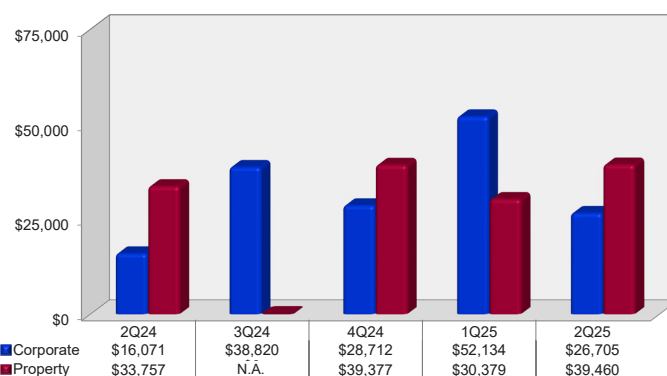


The median acquisition price per producing barrel of oil equivalent increased 28% to \$39,460/boe/d in the second quarter of 2025 from the first quarter price of \$30,734/boe/d. On a year-over-year basis, the median acquisition price for production is up 19% from the \$33,188/boe/d recorded in the second quarter of 2024.

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



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



The median price paid for oil production decreased 20% to \$24,449/boe/d in the second quarter of 2025 from \$30,734/boe/d in the first quarter. The median price paid for natural gas-weighted transactions on a \$/boe/d basis was \$41,715/boe/d in the second quarter of 2025. Due to the small sample size of natural gas transactions, there was no median price paid for production calculated for natural gas transactions in the first quarter of 2025. There were 5 large oil-weighted transactions and 5 large natural gas-weighted transactions this quarter.

The median price paid for production for corporate transactions dropped 49% in the second quarter to \$26,705/boe/d from \$52,134/boe/d in the first quarter of 2025. The median production price paid for property transactions increased 30% to \$39,460/boe/d from \$30,379/boe/d. There were 2 large corporate transactions and 8 large property transactions in the second quarter of 2025.

A transaction that is representative of the median acquisition price on a \$/boe/d basis was Allied Energy II Corp.'s acquisition of assets from Vermilion Energy Inc. for \$39,524/boe/d (page 30). The assets acquired are predominantly located in southeastern Saskatchewan and southwestern Manitoba targeting the Midale, Frobisher, Torquay, Ratcliffe and Bakken formations. As part of the transaction, Vermilion also sold its 17.3% working interest in the Midale Unit as well as its 6.9% working interest in the Weyburn Unit. Vermilion used the proceeds from the sale to reduce its debt outstanding. With this transaction, Vermilion is forecasting its full year 2025 production to average between 120,000-125,000 boe/d.

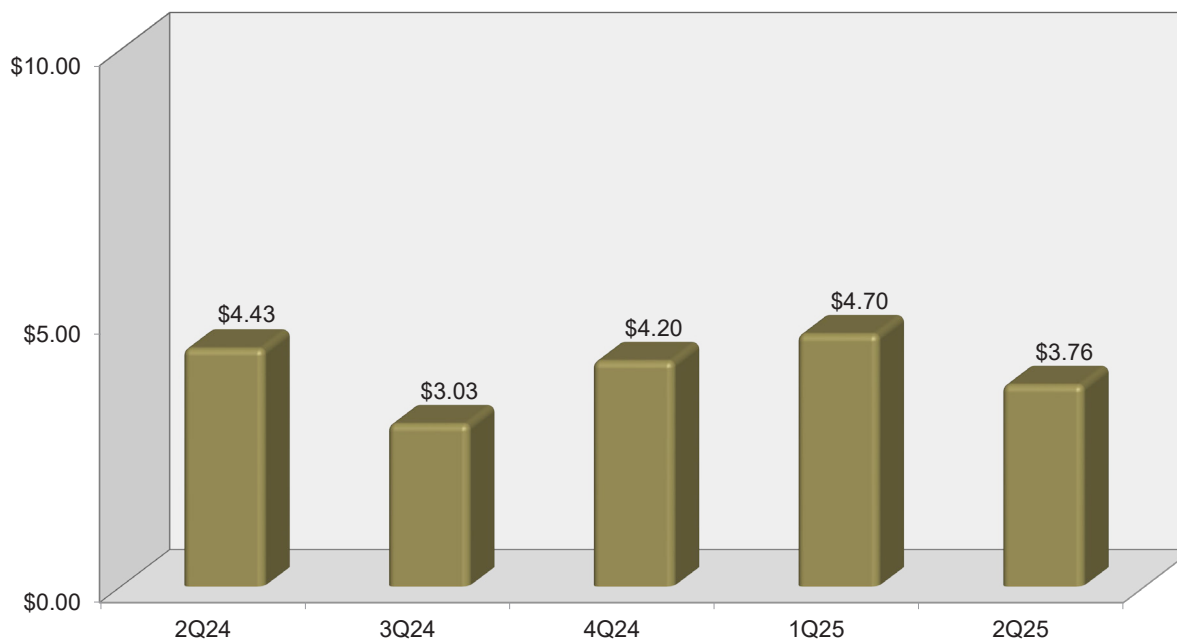
Another transaction that is representative of the median acquisition price on a \$/boe/d basis was Strathcona's sale of its Montney assets to ARC, Canadian Natural and Tourmaline for \$39,396/boe/d (page 32) in three separate transactions. The assets acquired by ARC for \$1.7 billion are located in the Kakwa area of Alberta, adjacent to ARC's existing Montney assets. The acquisition includes 40,000 boe/d of production (50% liquids), includes 100% ownership of two natural gas processing facilities and condensate handling infrastructure. In addition, the assets include a 19% interest in a third-party natural gas processing facility with deep cut NGL recovery. ARC funded the acquisition through a new \$1.0 billion committed 2 year term loan and existing credit facilities as well as through a \$1.0 billion note offering consisting of a senior unsecured note offering of \$550.0 million with a 3 year term and a coupon rate of 3.577% and \$450.0 million with an 8 year term and a coupon rate of 4.409%. The assets acquired by Canadian Natural for \$850.0 million are located in the Grande Prairie area of Alberta and include approximately 24,000 boe/d of production. The assets acquired by Tourmaline for \$291.5 million in Tourmaline shares are located in the Groundbirch area of northeastern British Columbia targeting the Montney Formation directly offsetting Tourmaline's existing operations and include approximately 8,000 boe/d of production and 166 future net drilling locations. The acquisition expands Tourmaline's existing natural gas plant processing capacity at Groundbirch to 120-160 MMcf/d.

The highest-priced transaction on a production basis was Tourmaline's acquisition of Saguaro for \$44,035/boe/d (page 38). Saguaro's Montney assets consisted of the remaining 50% working interest in the Laprise-Conroy area of British Columbia operated by Tourmaline. Tourmaline acquired the initial 50% working interest from Saguaro in April 2021. The Laprise-Conroy assets include 165 gross (82.5 net) sections of land with 244 development locations and key facilities and infrastructure including a 140 MMcf/d compression and dehydration facility. Also during the quarter, Tourmaline acquired assets in the Pembina area from Discovery Resources Ltd. for an undisclosed amount (page 29).

The lowest-priced transaction on a production basis was Fiddlehead Resources Corp.'s pending acquisition of Lucky Strike Energy Ltd. for \$9,375/boe/d (page 34). Lucky Strike's assets are located in the Cynthia area of central Alberta near Fiddlehead's existing lands and are producing from the Nisku Formation. Fiddlehead has identified 9 recompletion candidates and 7 identified unbooked drilling locations. Lucky Strike plans to spin out certain assets into a new company which will not be included in the proposed transaction with Fiddlehead. Concurrent with the completion of the transaction, Fiddlehead will raise gross proceeds of \$1.0 million through a non-brokered private placement through the issuance of 5,000,000 units at a price of \$0.20 per unit. Each unit consists of one common share of Fiddlehead and one whole share purchase warrant. The cash consideration of the acquisition is expected to be funded by a new senior secured term debt facility in the amount of USD \$25.0 million, provided by a syndicate of North American-based private credit investors.

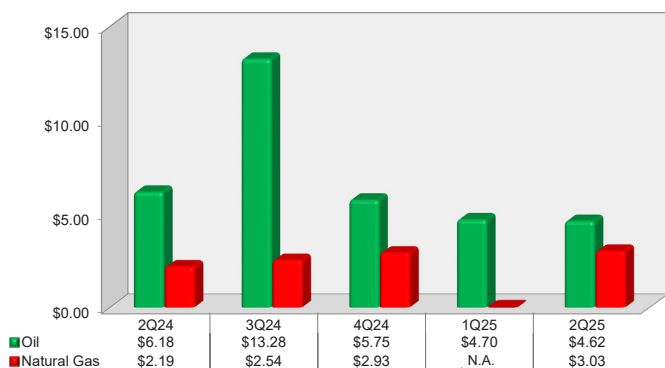
MEDIAN RESERVES ACQUISITION PRICE

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

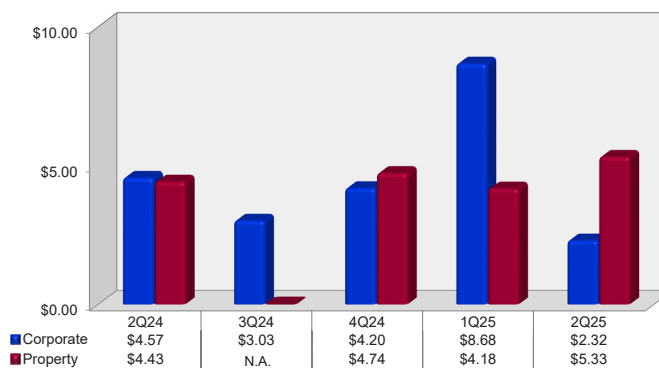


The median acquisition price for proven plus probable reserves decreased 20% to \$3.76/boe this quarter from the \$4.70/boe calculated in the first quarter of 2025. On a year-over-year basis, the price for proven plus probable reserves decreased 15% from the \$4.43/boe recorded in the second quarter of 2024.

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



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



The price paid for oil-weighted transactions decreased 2% to \$4.62/boe in the second quarter of 2025 from the \$4.70/boe calculated in the previous quarter. The price paid for natural gas-weighted transactions was \$3.03/boe in the second quarter of 2025. Due to the small sample size of natural gas transactions, there was no median price paid for reserves for natural gas-weighted transactions calculated in the first quarter of 2025.

The median reserves acquisition price paid for corporate transactions in the second quarter of 2025 decreased 73% to \$2.32/boe from the \$8.68/boe paid in the first quarter of 2025. The price paid for property transactions rose to \$5.33/boe in the second quarter compared to the \$4.18/boe calculated last quarter, a 28% increase.

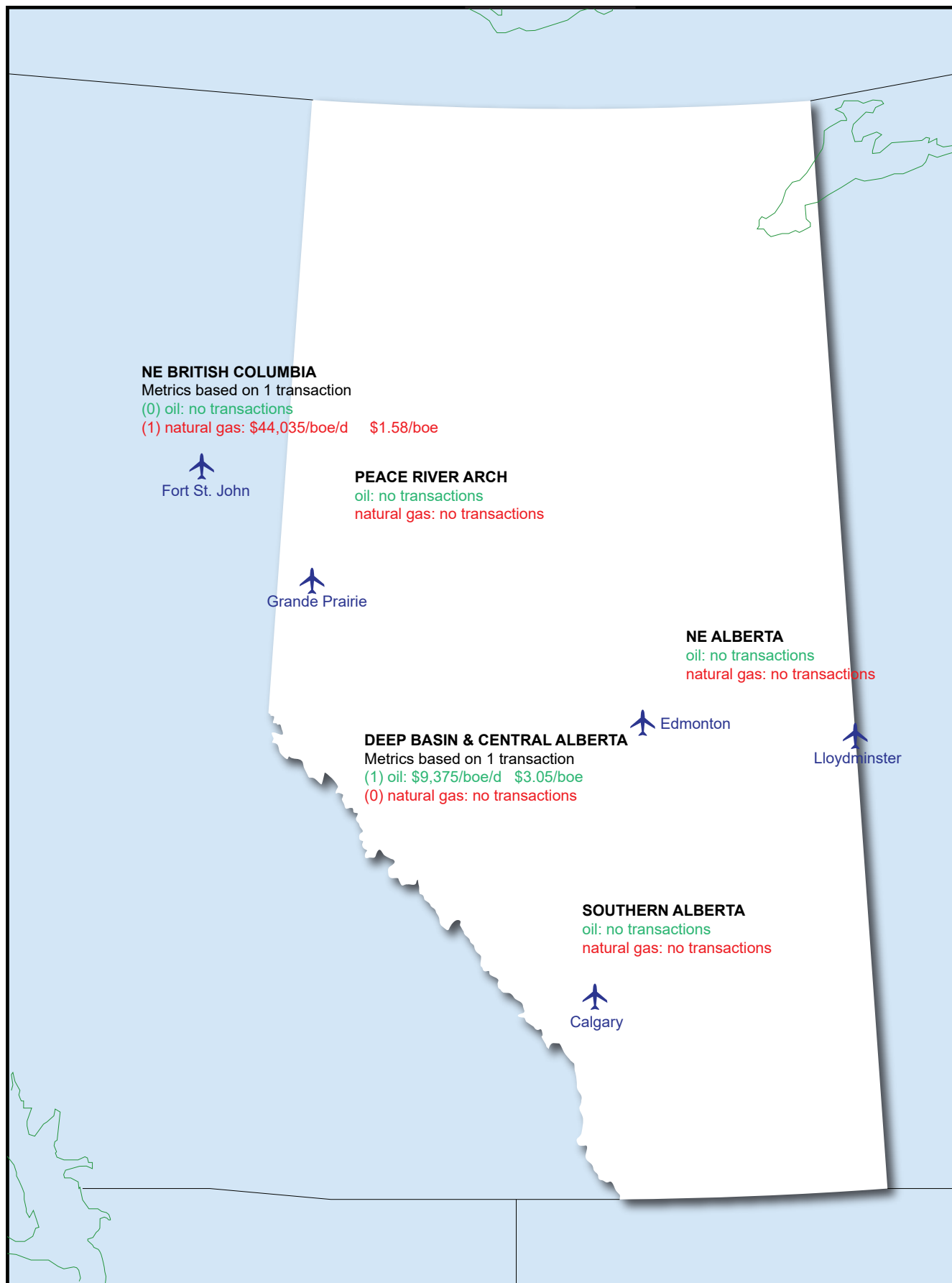
A transaction that is representative of the median reserves acquisition price on a \$/boe basis was Fiddlehead's pending acquisition of Lucky Strike for \$3.05/boe (page 34). Lucky Strike's assets are located in the Cynthia area of central Alberta near Fiddlehead's existing lands and are producing from the Nisku Formation. Fiddlehead has identified 9 recompletion candidates and 7 identified unbooked drilling locations. Lucky Strike plans to spin out certain assets into a new company which will not be included in the proposed transaction with Fiddlehead. Concurrent with the completion of the transaction, Fiddlehead will raise gross proceeds of \$1.0 million through a non-brokered private placement through the issuance of 5,000,000 units at a price of \$0.20 per unit. Each unit consists of one common share of Fiddlehead and one whole share purchase warrant. The cash consideration of the acquisition is expected to be funded by a new senior secured term debt facility in the amount of USD \$25.0 million, provided by a syndicate of North American-based private credit investors.

A property transaction that is representative of the median reserves acquisition price on a \$/boe basis was Strathcona's sale of its Montney assets to ARC, Canadian Natural and Tourmaline for \$4.47/boe (page 32) in three separate transactions. The assets acquired by ARC for \$1.7 billion are located in the Kakwa area of Alberta, adjacent to ARC's existing Montney assets. The acquisition includes 40,000 boe/d of production (50% liquids), includes 100% ownership of two natural gas processing facilities and condensate handling infrastructure. In addition, the assets include a 19% interest in a third-party natural gas processing facility with deep cut NGL recovery. ARC funded the acquisition through a new \$1.0 billion committed 2 year term loan and existing credit facilities as well as through a \$1.0 billion note offering consisting of a senior unsecured note offering of \$550.0 million with a 3 year term and a coupon rate of 3.577% and \$450.0 million with an 8 year term and a coupon rate of 4.409%. The assets acquired by Canadian Natural for \$850.0 million are located in the Grande Prairie area of Alberta and include approximately 24,000 boe/d of production. The assets acquired by Tourmaline for \$291.5 million in Tourmaline shares are located in the Groundbirch area of northeastern British Columbia targeting the Montney Formation directly offsetting Tourmaline's existing operations and include approximately 8,000 boe/d of production and 166 future net drilling locations. The acquisition expands Tourmaline's existing natural gas plant processing capacity at Groundbirch to 120-160 MMcf/d.

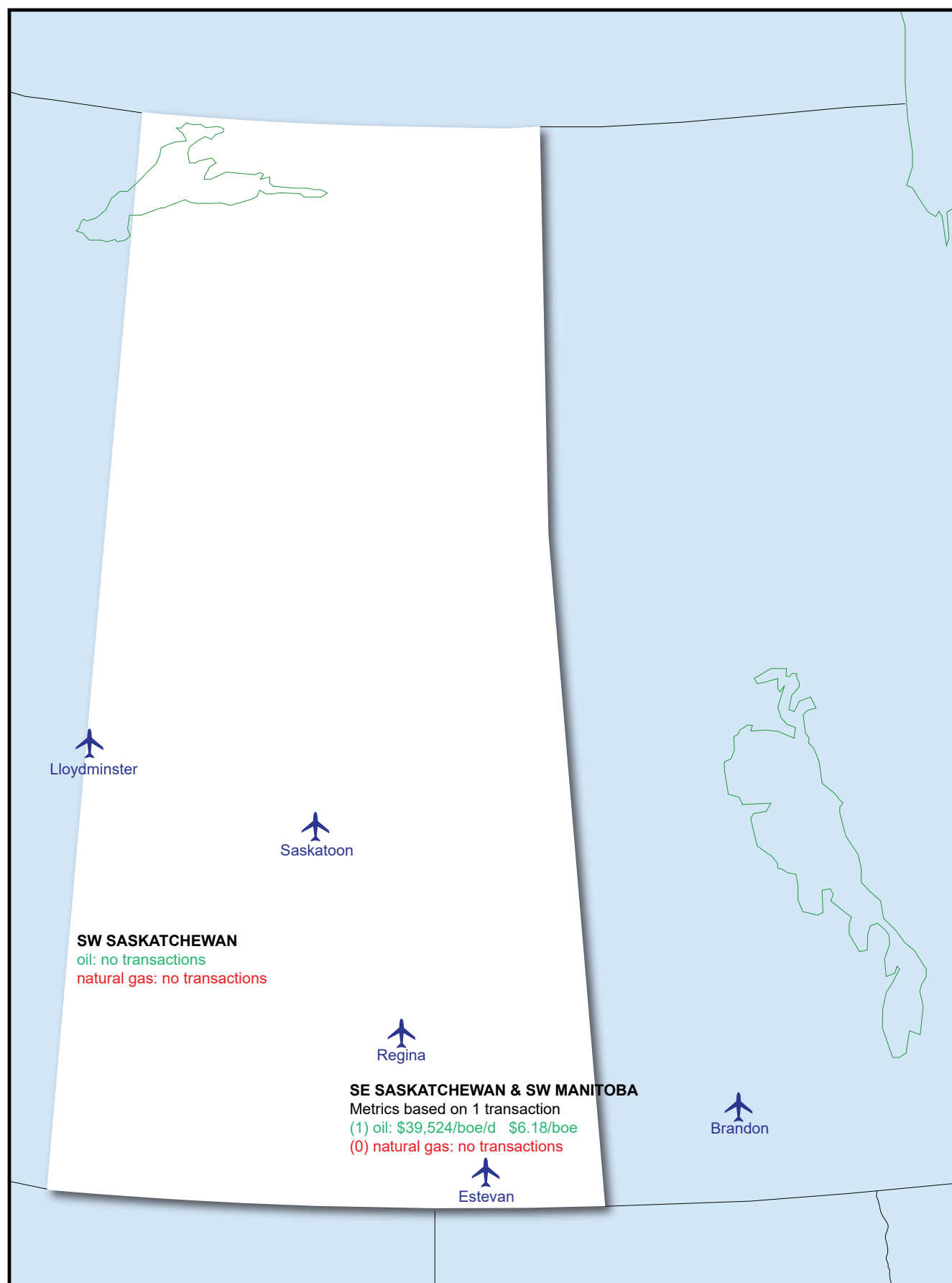
The lowest-priced transaction on a reserves basis was Tourmaline's acquisition of Saguaro for \$1.58/boe (page 38). Saguaro's Montney assets consisted of the remaining 50% working interest in the Laprise-Conroy area of British Columbia operated by Tourmaline. Tourmaline acquired the initial 50% working interest from Saguaro in April 2021. The Laprise-Conroy assets include 165 gross (82.5 net) sections of land with 244 development locations and key facilities and infrastructure including a 140 MMcf/d compression and dehydration facility. Also during the quarter, Tourmaline acquired assets in the Pembina area from Discovery for an undisclosed amount (page 29).

The highest-priced transaction on a reserves basis was Allied's acquisition of assets from Vermilion for \$6.18/boe (page 30). The assets acquired are predominantly located in southeastern Saskatchewan and southwestern Manitoba targeting the Midale, Frobisher, Torquay, Ratcliffe and Bakken formations. As part of the transaction, Vermilion also sold its 17.3% working interest in the Midale Unit as well as its 6.9% working interest in the Weyburn Unit. Vermilion used the proceeds from the sale to reduce its debt outstanding. With this transaction, Vermilion is forecasting its full year 2025 production to average between 120,000-125,000 boe/d.

PRODUCTION AND RESERVE METRICS BY AREA

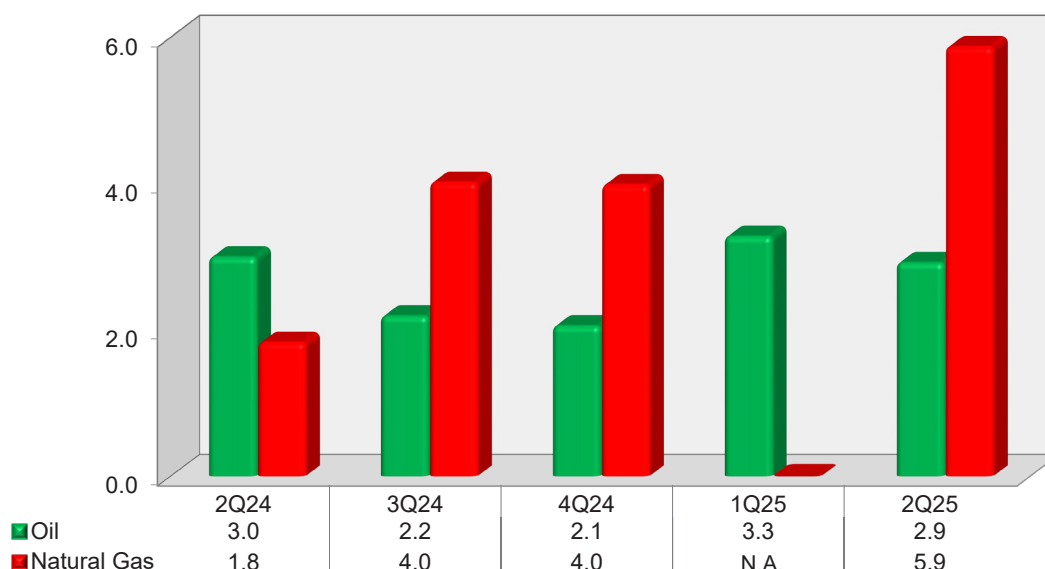


PRODUCTION AND RESERVE METRICS BY AREA



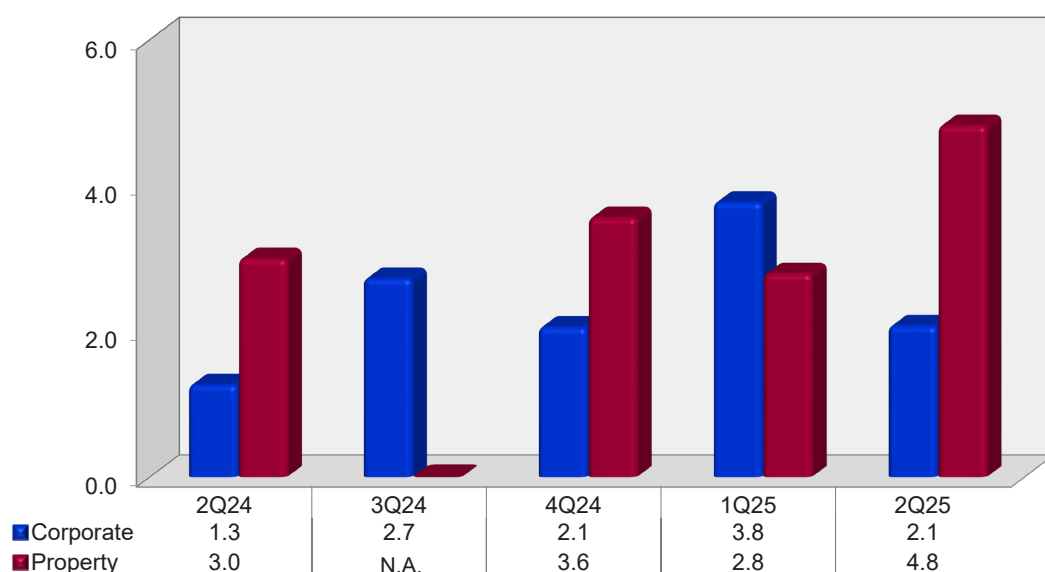
CASH FLOW MULTIPLES

Median Acquisition Operating Cash Flow Multiples
Oil vs. Natural Gas



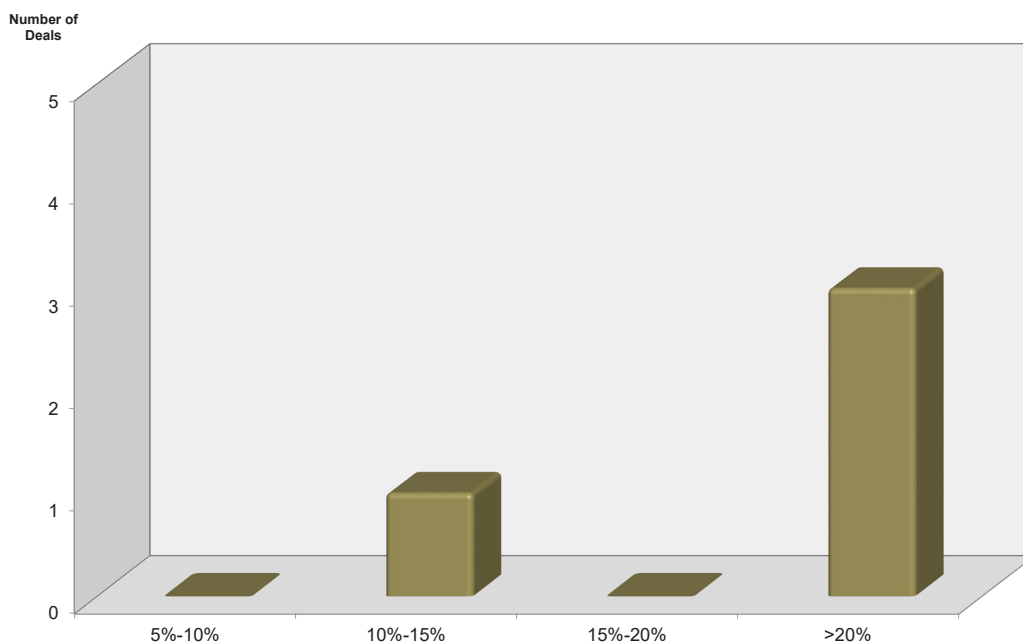
The median operating cash flow multiple for oil-weighted transactions in the second quarter of 2025 was 2.9, down 12% from the 3.3 recorded in the first quarter. The median operating cash flow multiple for natural gas-weighted transactions in the second quarter of 2025 was 5.9. Due to the small sample size of natural gas transactions, there was no median operating cash flow multiple calculated for natural gas-weighted transactions in the first quarter.

Median Acquisition Operating Cash Flow Multiples
Corporate vs. Property



The median operating cash flow multiple for corporate transactions in the second quarter of 2025 decreased to 2.1, compared to the 3.8 recorded in the first quarter. The median operating cash flow multiple for property transactions in the second quarter of 2025 rose to 4.8 from the 2.8 recorded in the first quarter. 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.

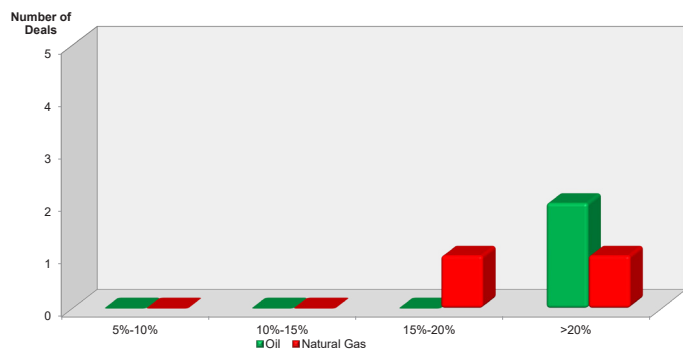
DISCOUNTED CASH FLOW RATES



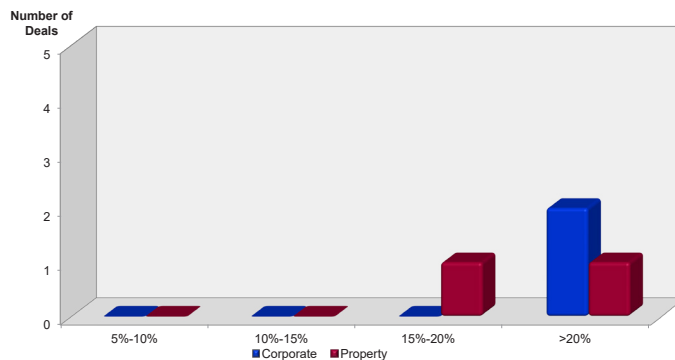
The discounted cash flow ("DCF") rates on a proven plus probable basis have been analyzed for five transactions in the second quarter of 2025.

Care should be taken in drawing conclusions on DCF rates, given that the price forecasts in the engineering reports that were available for this analysis are not the same for each transaction. If price forecasts could be matched to current reserve evaluations at the time of the transactions, a more accurate representation of the DCF rates would exist.

Discounted Cash Flow Rate
Oil vs. Natural Gas



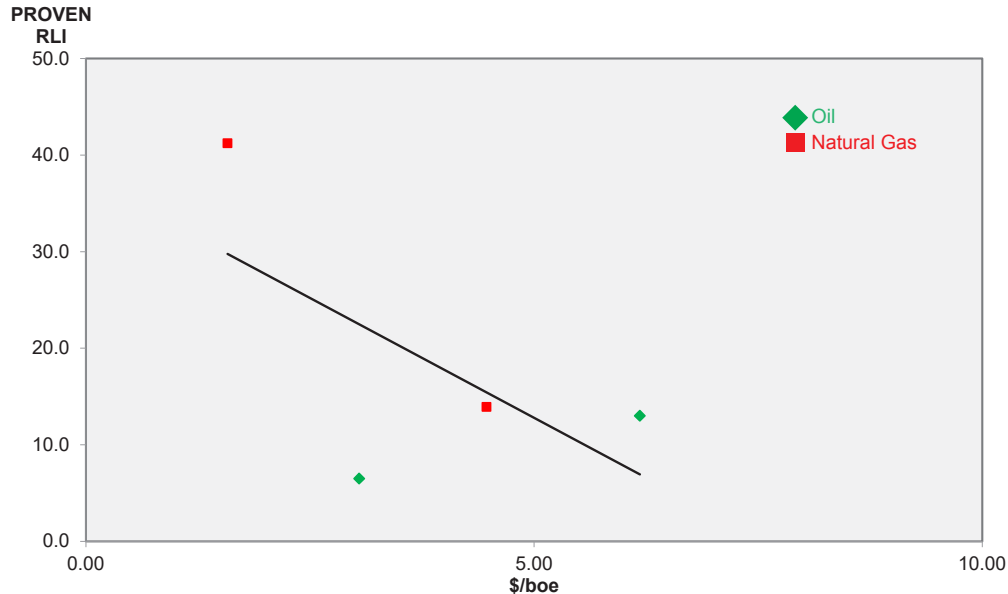
Discounted Cash Flow Rates
Corporate vs. Property



RESERVE LIFE INDEX COMPARED TO M&A PRICES

The graphs below show the relationship between proven RLI and acquisition prices paid on a reserves and production basis during the second quarter of 2025. The RLI is calculated by dividing the total proven reserves by the annualized production.

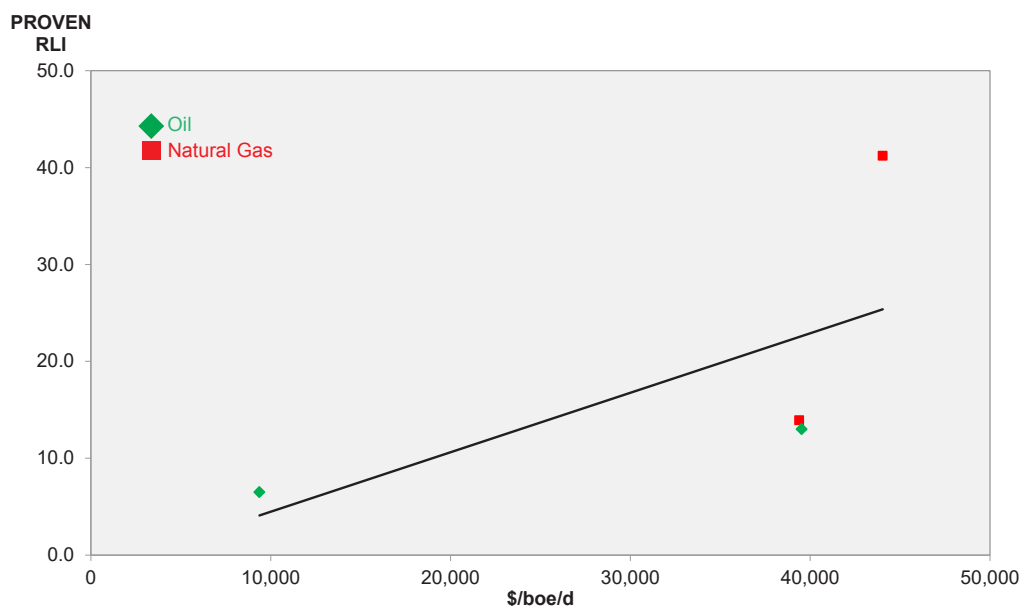
Proven RLI vs. \$/boe



The trend line for RLI versus reserve acquisition prices (\$/boe) illustrated above shows a negative correlation between the RLI and price paid for reserves on a \$/boe basis in that as RLI decreases, reserves acquisition costs increase.

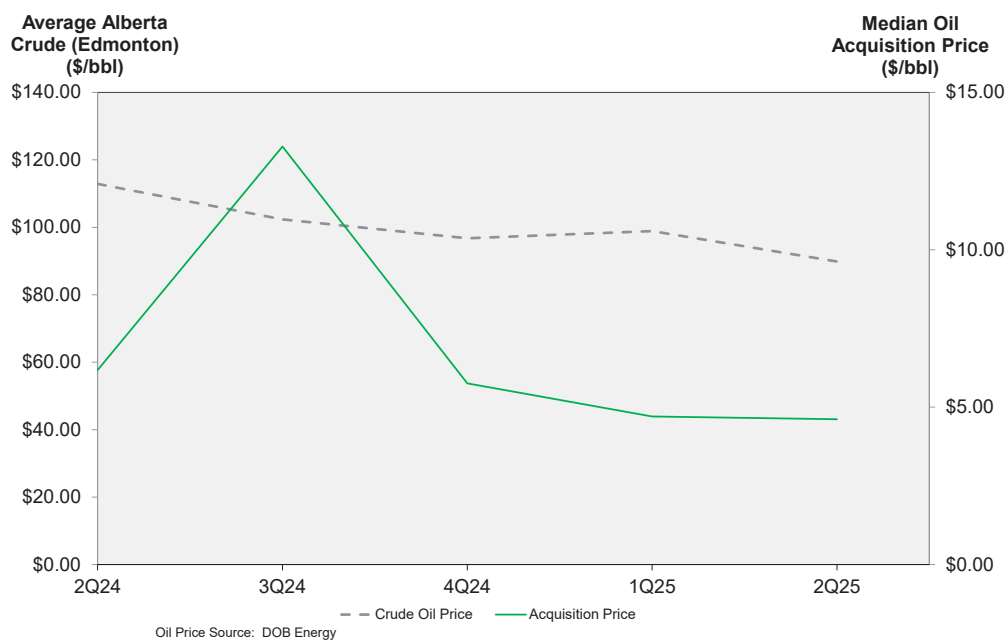
The chart for RLI versus production acquisition prices (\$/boe/d) illustrated below shows a positive correlation, in that as RLI increases, production acquisition costs increase.

Proven RLI vs. \$/boe/d



CORRELATION OF M&A PRICES AND COMMODITY PRICES

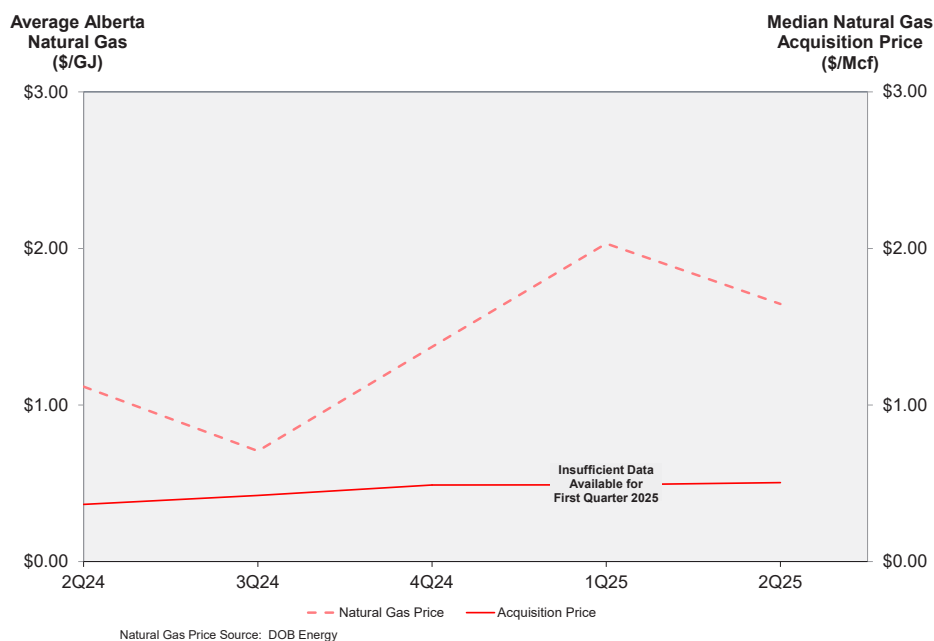
Oil Acquisition Price vs. Crude Oil Price



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. As illustrated in the graph above, oil prices have declined slightly quarter-over-quarter while the acquisition price has remained stable.

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. As illustrated in the graph below, the price of natural gas has declined quarter-over-quarter while the acquisition price has remained flat.

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 2025 has allowed us to update our database and revise prior quarter statistics.

There were no material changes to our statistics since the first quarter of 2025.

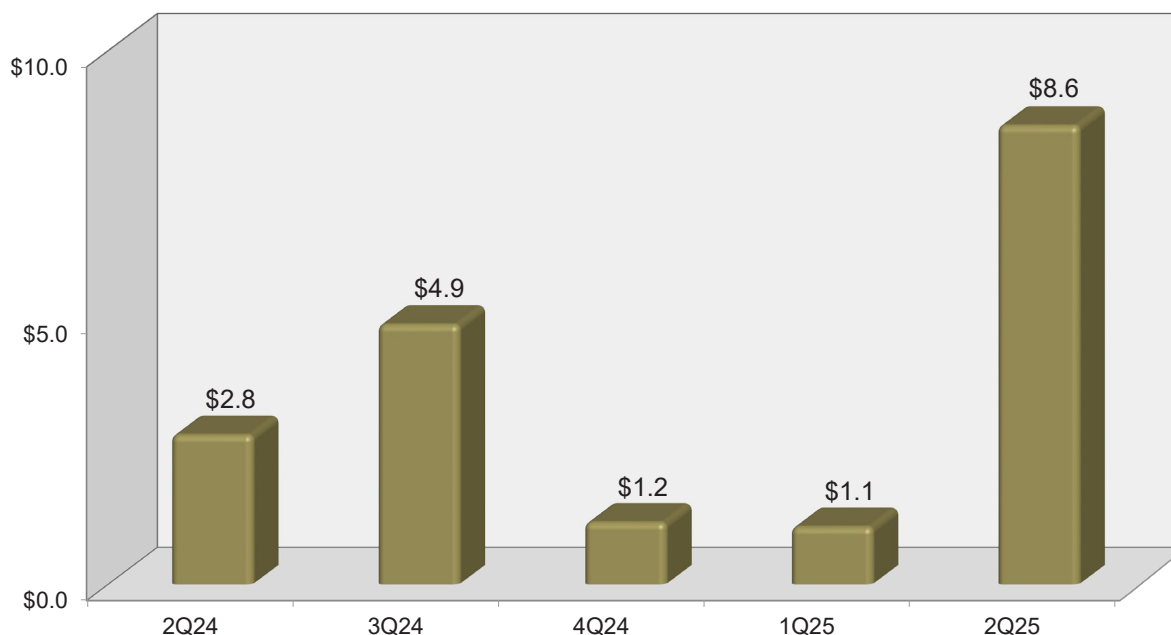
THIRD QUARTER 2025 MERGER AND ACQUISITION ACTIVITY

There has been one significant deal announced in the first few weeks of the third quarter of 2025 which we have highlighted below.

On July 30, 2025, Tamarack Valley Energy Ltd. announced that it had acquired all of the issued and outstanding shares of Woodcote Oil & Gas Inc. for cash consideration of \$51.5 million. The acquisition adds approximately 1,100 bbl/d of heavy oil production. Woodcote's assets are contiguous to Tamarack Valley's existing operations in the Nipisi area of Alberta and add more than 114 net sections of Clearwater mineral rights.

MERGER AND ACQUISITION CANDIDATES

Companies and Assets for Sale - \$Billions



The total value of companies and assets for sale increased to approximately \$8.6 billion in the second quarter of 2025 from \$1.1 billion in the first quarter of 2025.

The “major assets for sale” category decreased 54% to approximately \$265.0 million in the second quarter from the \$580.0 million recorded last quarter.

The “companies for sale” category increased to \$8.3 billion in the second quarter of 2025 from the \$408.6 million recorded in the first quarter of 2025. In the second quarter, MEG initiated a strategic alternatives process in an effort to maximize shareholder value following Strathcona’s unsolicited take-over bid (page 36). MEG’s main producing property is its oil sands project located in the Christina Lake area of Alberta which produced approximately 102,000 bbl/d of bitumen in the first quarter of 2025.

10101906 Manitoba Ltd. also initiated a strategic alternatives process to enhance shareholder value in the second quarter of 2025. 101 is a private junior oil and natural gas company with operated working interests in the Greater Manson area of Manitoba.

The “companies for sale” section includes those companies that are for sale, reviewing strategic alternatives to maximize shareholder value or are in CCAA or receivership. Several entities, including Lucky Strike (page 34) and Saguaro (page 38) were sold or have received offers to purchase in the second quarter and had not previously publicly announced their intention to sell in advance.

MERGER AND ACQUISITION CANDIDATES

Companies with Major Assets for Sale

Cavvy Energy Ltd.

Harvest Operations Corp.

Total approximate value⁽¹⁾ for major sellers
\$265.0 million

Companies with Minor Assets for Sale

A2N Energy Corporation

Coastal Resources Limited

Prairie Thunder Resources Ltd.

Acquisition Oil Corp.

Conifer Energy Inc.

Rally Canada Resources Ltd.

Aeneid Exploration Inc.

Corex Resources Ltd.

Redondo Resources Ltd.

Alexander Royalty Holders

Harvard Resources Inc.

RTD Energy Inc.

Bounty Developments Ltd.

Lycos Energy Inc.

Silverleaf Resources Inc.

Canlin Energy Corporation

Peyto Exploration & Development Corp.

Superb Operating Company Ltd.

Cardinal Energy Ltd.

Pismo Energy Ltd.

Topanga Resources Ltd.

City of Medicine Hat

Prairie Provident Resources Inc.

West Lake Energy Corp.

Total approximate value⁽¹⁾ for minor sellers
\$74.2 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:

10101906 Manitoba Ltd.

Halo Exploration Ltd.

Prospect Oil & Gas Management Ltd.⁽²⁾Beta Energy Corp.⁽²⁾Kaden Energy Ltd.⁽²⁾Revitalize Energy Inc.⁽²⁾

Canadian Spirit Resources Inc.

Kingsland Oil Corp.⁽²⁾

Ribbon Creek Resources Inc.

Clearview Resources Ltd.

Kiwetinohk Energy Corp.

SCCC Petroleum Corporation

CLEO Energy Corp.⁽²⁾Long Run Exploration Ltd.⁽²⁾Taber Water Disposal Inc.⁽²⁾

Emerald Lake Energy Ltd.

MEG Energy Corp.

Tallahassee Exploration Inc.⁽²⁾Enerstar Petroleum Corp.⁽²⁾

Outpost Energy Ltd.

Total approximate value⁽¹⁾ for companies for sale
\$8.3 billion
TOTAL APPROXIMATE VALUE⁽¹⁾ FOR ALL M&A CANDIDATES
\$8.6 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 2025 TRANSACTION ANALYSIS SUMMARY

Month	Purchaser	Acquisition	Enterprise Value ⁽¹⁾	Reserves Value ⁽¹⁾
			(\$million)	(\$million)
January	Sharptail	Tamarack Valley assets	28.00	28.00
February	InPlay	Obsidian assets	309.40	309.40
March	Whitecap	Veren	9,936.60	9,838.81

Notes: (1) For definitions see page 41
 (2) Based on total proven reserves

FIRST QUARTER 2025 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	%
85/15 ⁽²⁾	11.1	5.22	31,088	2.8	-
66/34	13.9	4.18	30,379	2.2	-
67/33	10.7	8.68	52,134	3.8	39.1

SECOND QUARTER 2025 TRANSACTION ANALYSIS SUMMARY

Month	Purchaser	Acquisition	Enterprise Value ⁽¹⁾	Reserves Value ⁽¹⁾
			(\$million)	(\$million)
April	Fiddlehead	Lucky Strike	21.00 ⁽²⁾	20.98
May	Allied	Vermilion assets	415.00	415.00
May	ARC, Canadian Natural & Tourmaline	Strathcona assets	2,836.50	2,836.50
May	Tourmaline	Saguaro	508.91	508.91

Notes: (1) For definitions see page 41
 (2) Pending but not closed

SECOND QUARTER 2025 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	%
54/46	6.5	3.05	9,375	2.1	-
86/14	13.0	6.18	39,524	3.8	-
28/72	13.9	4.47	39,396	5.9	-
18/82	41.2	1.58	44,035	-	-

SECOND QUARTER MERGER AND ACQUISITION TRANSACTIONS

(exceeding \$5 million in value)

Month	Purchaser	Acquisition	Enterprise Value
			(\$million)
March	Baytex	Alberta assets	(1)
April	Cenovus	Rife assets	(1)
April	Fiddlehead	Lucky Strike	21.00 ⁽²⁾
April	Tourmaline	Discovery assets	(1)
May	Allied	Vermilion assets	415.00
May	Durham Creek	Whitecap assets	215.00
May	ARC, Canadian Natural & Tourmaline	Strathcona assets	2,836.50
May	Tourmaline	Saguaro	508.91
Second Quarter Total			\$4.1 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: Baytex Energy Corp.

Acquisition: Alberta assets

Transaction Type: Property
Price: Undisclosed

Date Announced: March 4, 2025
Date Closed: First Quarter, 2025

Baytex acquired 44.5 net sections of land on the Peavine Métis settlement through an asset exchange. The lands acquired are immediately adjacent to Baytex's existing 90 section acreage position.

Purchaser: Cenovus Energy Inc.

Acquisition: Rife Resources Ltd. assets

Transaction Type: Property
Price: Undisclosed

Date Announced: March 24, 2025
Date Closed: April 3, 2025

Cenovus has acquired all of Rife's working interests with the exception of Rife's working interest in the Weyburn Unit.

Purchaser: Durham Creek Energy Ltd.

Acquisition: Whitecap Resources Inc. assets

Transaction Type: Property
Price: \$215.0 million

Date Announced: May 12, 2025
Date Closed: June 30, 2025

The assets acquired include approximately 8,000 boe/d (90% liquids) of medium oil production in southwestern Saskatchewan.

Purchaser: Tourmaline Oil Corp.

Acquisition: Discovery Resources Ltd. assets

Transaction Type: Property
Price: Undisclosed

Date Announced: April 9, 2025
Date Closed: April 9, 2025

The assets acquired are located in the Pembina area of Alberta targeting the Mannville Group.

Also in the quarter, Tourmaline acquired assets in the Laprise-Conroy area of Alberta targeting the Montney Formation through the acquisition of Saguaro for \$508.9 million (page 38), and assets from Strathcona located in the Groundbirch area of northeastern British Columbia also targeting the Montney Formation for \$291.5 million in Tourmaline shares (page 32).

ALLIED / VERMILION ASSETS

Purchaser: Allied Energy II Corp.

Date Announced: May 23, 2025

Transaction Type: Property

Reserves Acquisition Price: **\$6.18/boe**

Acquisition: Vermilion Energy Inc. assets

Date Completed: July 10, 2025

Operating CF Multiple: **3.8 X**Production Acquisition Price: **\$39,524/boe/d****Estimated Value:**

	<u>\$MM</u>
Enterprise Value	\$415.00
less: Undeveloped land	-
Other assets	-
Value of Reserves	<u>\$415.00</u>

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

	<u>Oil & NGL</u>	<u>Natural Gas</u>	<u>Total</u>	<u>Discounted</u>
	(MMbbls)	(Bcf)	(MMboe)	10%
Proven Producing	26.402	25.788	30.700	537.40
Proven Non-Producing & Undeveloped	<u>16.512</u>	<u>16.128</u>	<u>19.200</u>	<u>231.20</u>
Total Proven	42.914	41.916	49.900	768.60
Probable	<u>14.792</u>	<u>14.448</u>	<u>17.200</u>	<u>255.20</u>
Total P+P	<u>57.706</u>	<u>56.364</u>	<u>67.100</u>	<u>1,023.80</u>

Source of reserves estimate:

McDaniel & Associates Consultants Ltd. with oil/natural gas reserves split based on production weighting

Effective date of reserves information:

January 31, 2025

<u>RLI:</u>	<u>Proven Producing (years)</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	8.0	13.0	17.5	Proven Producing	86	14
Natural Gas	8.0	13.0	17.5	Proven	86	14
BOE	8.0	13.0	17.5	P+P	86	14

Daily Production:

Oil & NGL: 9,030 bbls/d

Natural Gas: 8.82 MMcf/d

BOE: 10,500 boe/d

Basis of production information: Current production as at May 20, 2025

ALLIED / VERMILION ASSETS

Undeveloped Land: N.A.

Operating Cash Flow Estimate: \$110.00 million per year

Basis of cash flow estimate: Based on Vermilion's forecast of operating cash flow from the assets for the twelve months ended April 30, 2026 before interest, overhead and current income tax.

Operating Cash Flow Multiple: 3.8 X

Price Assumptions Used in Evaluation:

	Edmonton Par Price 40° API (\$C/bbl)	AECO Natural Gas Price (\$C/MMbtu)
2025	94.79	2.36
2026	97.04	3.33
2027	97.34	3.48
2028	99.80	3.69
2029	101.79	3.76

Effective date of forecast pricing: Average of GLJ Ltd., McDaniel and Sproule Associates Limited's price forecasts as at January 1, 2025

Comments:

The assets acquired are predominantly located in southeastern Saskatchewan and southwestern Manitoba targeting the Midale, Frobisher, Torquay, Ratcliffe and Bakken formations. As part of the transaction, Vermilion also sold its 17.3% working interest in the Midale Unit as well as its 6.9% working interest in the Weyburn Unit. Vermilion used the proceeds from the sale to reduce its debt outstanding. With this transaction, Vermilion is forecasting its full year 2025 production to average between 120,000-125,000 boe/d.

Date of Analysis: July 28, 2025

ARC, CANADIAN NATURAL & TOURMALINE / STRATHCONA ASSETS

Purchaser: ARC Resources Ltd, Canadian Natural Resources Limited & Tourmaline Oil Corp.

Acquisition: Strathcona Resources Ltd. assets

Date Announced: May 14, 2025

Date Completed: June 1, 2025 and July 2, 2025

Transaction Type: Property

Operating CF Multiple: **5.9 X**

Reserves Acquisition Price: **\$4.47/boe**

Production Acquisition Price: **\$39,396/boe/d**

Estimated Value:	\$MM
Enterprise Value	\$2,836.50 ⁽¹⁾
less: Undeveloped land	-
Other assets	-
Value of Reserves	<u>\$2,836.50</u>

Reserves:

Net Present Value of Reserves (\$MM):

	Oil & NGL	Natural Gas	Total	Discounted
	(MMbbbls)	(Bcf)	(MMboe)	10%
Proven Producing	36.680	565.920	131.000	1,159.00
Proven Non-Producing & Undeveloped	<u>65.520</u>	<u>1,010.880</u>	<u>234.000</u>	<u>1,163.00</u>
Total Proven	102.200	1,576.800	365.000	2,322.00
Probable	<u>75.600</u>	<u>1,166.400</u>	<u>270.000</u>	<u>1,770.00</u>
Total P+P	<u>177.800</u>	<u>2,743.200</u>	<u>635.000</u>	<u>4,092.00</u>

Source of reserves estimate: McDaniel & Associates Consultants Ltd. with oil/natural gas split based on production weighting

Effective date of reserves information: December 31, 2024

RLI:	Proven Producing (years)	Total Proven (years)	Total P+P (years)	Reserve Weighting:	Oil & NGL (%)	Natural Gas (%)
Oil & NGL	5.0	13.9	24.2	Proven Producing	28	72
Natural Gas	5.0	13.9	24.2	Proven	28	72
BOE	5.0	13.9	24.2	P+P	28	72

Daily Production:

Oil & NGL: 20,160 bbls/d

Natural Gas: 311.04 MMcf/d

BOE: 72,000 boe/d

Basis of production information: Year ended December 31, 2024

ARC, CANADIAN NATURAL & TOURMALINE / STRATHCONA ASSETS

Undeveloped Land: N.A.

Operating Cash Flow Estimate: \$482.90 million per year

Basis of cash flow estimate: Based on actual operating cash flow from the assets for the year ended December 31, 2024 before interest, overhead and current income tax.

Operating Cash Flow Multiple: 5.9 X

Notes:

- 1) Based on cash consideration of \$2.4 billion, \$291.5 million in Tourmaline shares and the assumption of approximately \$145.0 million in lease obligations.

Comments:

Strathcona announced the sale of its Montney assets in three separate transactions as outlined below.

The assets acquired by ARC for \$1.7 billion are located in the Kakwa area of Alberta, adjacent to ARC's existing Montney assets. The acquisition includes 40,000 boe/d of production (50% liquids), includes 100% ownership of two natural gas processing facilities and condensate handling infrastructure. In addition, the assets include a 19% interest in a third-party natural gas processing facility with deep cut NGL recovery.

ARC funded the acquisition through a new \$1.0 billion committed 2 year term loan and existing credit facilities as well as through a \$1.0 billion note offering consisting of a senior unsecured note offering of \$550.0 million with a 3 year term and a coupon rate of 3.577% and \$450.0 million with an 8 year term and a coupon rate of 4.409%.

The assets acquired by Canadian Natural for \$850.0 million are located in the Grande Prairie area of Alberta and include approximately 24,000 boe/d of production.

The assets acquired by Tourmaline for \$291.5 million in Tourmaline shares are located in the Groundbirch area of northeastern British Columbia targeting the Montney Formation directly offsetting Tourmaline's existing operations and include approximately 8,000 boe/d of production and 166 future net drilling locations. The acquisition expands Tourmaline's existing natural gas plant processing capacity at Groundbirch to 120-160 MMcf/d. This is one of three transactions announced by Tourmaline this quarter, Tourmaline also acquired assets located in the Pembina area of Alberta from Discovery for an undisclosed amount (page 29) and the acquisition of Saguaro for \$508.9 million (page 38).

Date of Analysis: July 28, 2025

FIDDLEHEAD / LUCKY STRIKE

Purchaser: Fiddlehead Resources Corp.

Date Announced: April 10, 2025

Transaction Type: Corporate

Reserves Acquisition Price: **\$3.05/boe**

Acquisition: Lucky Strike Energy Ltd.

Date Completed: Pending

Operating CF Multiple: **2.1 X**

Production Acquisition Price: **\$9,375/boe/d**

Estimated Value:

	<u>\$MM</u>
Equity Value	\$21.00 ⁽¹⁾
plus: Long term debt	-
Working capital deficit	-
Other liabilities	-
Enterprise Value	<u>\$21.00</u>

	<u>\$MM</u>
Enterprise Value	\$21.00
less: Undeveloped land	-0.02
Working capital surplus	-
Other assets	-
Value of Reserves	<u>\$20.98</u>

Reserves:

Net Present Value of Reserves (\$MM):

	<u>Oil & NGL</u>	<u>Natural Gas</u>	<u>Total</u>	<u>Discounted</u>
	(MMbbls)	(Bcf)	(MMboe)	10%
Proven Producing	2.900	14.600	5.333	56.00
Proven Non-Producing	0.000	0.000	0.000	0.00
Undeveloped	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.00</u>
Total Proven	2.900	14.600	5.333	56.00
Probable	<u>0.900</u>	<u>3.900</u>	<u>1.550</u>	<u>9.50</u>
Total P+P	<u>3.800</u>	<u>18.500</u>	<u>6.883</u>	<u>65.50</u>

Source of reserves estimate:

GLJ Ltd.

Effective date of reserves information:

January 1, 2025

<u>RLI:</u>	<u>Proven Producing (years)</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	6.1	6.1	8.0	Proven Producing	54	46
Natural Gas	7.1	7.1	9.0	Proven	54	46
BOE	6.5	6.5	8.4	P+P	55	45

Daily Production:

Oil & NGL: 1,298 bbls/d

Natural Gas: 5.64 MMcf/d

BOE: 2,238 boe/d

Basis of production information: Current production as at April 10, 2025

FIDDLEHEAD / LUCKY STRIKE

Undeveloped Land:

Total net acres:	185
Estimated value	\$0.02 million
Unit value	\$100.00/net acre

Source of land value estimate: Sayer Energy Advisors

Operating Cash Flow Estimate: \$10.10 million per year

Basis of cash flow estimate: Based on Fiddlehead's forecast of operating cash flow from the Lucky Strike assets for the twelve months ended April 30, 2026 before interest, overhead and current income tax.

Operating Cash Flow Multiple: 2.1 X

Price Assumptions Used in Evaluation:

	Edmonton Par Price 40° API (\$C/bbl)	AECO Natural Gas Price (\$C/MMbtu)
2025	94.79	2.36
2026	97.04	3.33
2027	97.37	3.48
2028	99.80	3.69
2029	101.79	3.76

Effective date of forecast pricing: Average of GLJ, McDaniel & Associates Consultants Ltd. and Sproule Associates Limited's price forecasts as at January 1, 2025

Notes:

- 1) Consists of \$18.0 million in cash and \$3.0 million in units of Fiddlehead. Each Fiddlehead unit consists of one common share of Fiddlehead valued at a price of \$0.20 per share and one whole share purchase warrant. Each warrant entitles the holder thereof to purchase one common share at an exercise price of \$0.24 per share at any time up to 60 months following the completion of the transaction.

Comments:

Lucky Strike's assets are located in the Cynthia area of central Alberta near Fiddlehead's existing lands and are producing from the Nisku Formation. Fiddlehead has identified 9 recompletion candidates and 7 identified unbooked drilling locations. Lucky Strike plans to spin out certain assets into a new company which will not be included in the proposed transaction with Fiddlehead.

Concurrent with the completion of the transaction, Fiddlehead will raise gross proceeds of \$1.0 million through a non-brokered private placement through the issuance of 5,000,000 units at a price of \$0.20 per unit. Each unit consists of one common share of Fiddlehead and one whole share purchase warrant (as described above).

The cash consideration of the acquisition is expected to be funded by a new senior secured term debt facility in the amount of USD \$25.0 million, provided by a syndicate of North American-based private credit investors.

Date of Analysis: July 25, 2025

STRATHCONA'S UNSOLICITED OFFER TO ACQUIRE MEG

Purchaser: Strathcona Resources Ltd.
 Date Announced: May 15, 2025
 Transaction Type: Corporate
 Reserves Acquisition Price: **\$3.24/boe**

Acquisition: MEG Energy Corp.
 Date Completed: Pending
 Operating CF Multiple: 3.7 X
 Production Acquisition Price: **\$61,165/boe/d**

Estimated Value:

	<u>\$MM</u>		<u>\$MM</u>
Equity Value	\$5,395.70 ⁽¹⁾	Enterprise Value	\$6,760.84
plus: Long term debt	+1,112.00	less: Undeveloped land	-23.35
Working capital deficit	-	Working capital surplus	-491.00 ⁽³⁾
Other liabilities	<u>+253.15 ⁽²⁾</u>	Other assets	-
Enterprise Value	<u>\$6,760.84</u>	Value of Reserves	<u>\$6,246.49</u>

Reserves:

Net Present Value of Reserves (\$MM):

	<u>Oil & NGL</u>	<u>Natural Gas</u>	<u>Total</u>	<u>Discounted</u>				
	<u>(MMbbls)</u>	<u>(Bcf)</u>	<u>(MMboe)</u>	<u>0%</u>	<u>5%</u>	<u>10%</u>	<u>15%</u>	<u>20%</u>
Proven Producing	212.909	0.000	212.909	7,519.25	6,335.25	5,426.25	4,735.25	4,199.25
Proven Non-Producing	7.200	0.000	7.200	289.00	199.00	142.00	103.00	77.00
Undeveloped	<u>928.800</u>	<u>0.000</u>	<u>928.800</u>	<u>35,517.00</u>	<u>14,062.00</u>	<u>7,058.00</u>	<u>3,979.00</u>	<u>2,435.00</u>
Total Proven	1,148.909	0.000	1,148.909	40,325.25	20,596.25	12,626.25	8,817.25	6,711.25
Probable	<u>780.700</u>	<u>0.000</u>	<u>780.700</u>	<u>44,743.00</u>	<u>8,824.00</u>	<u>2,771.00</u>	<u>1,346.00</u>	<u>856.00</u>
Total P+P	<u>1,929.609</u>	<u>0.000</u>	<u>1,929.609</u>	<u>85,068.25</u>	<u>29,420.25</u>	<u>15,397.25</u>	<u>10,163.25</u>	<u>7,567.25</u>

Source of reserves estimate:

GLJ Ltd. with production adjusted from January 1, 2025 to March 31, 2025 by Sayer Energy Advisors

Effective date of reserves information:

December 31, 2024

<u>RLI:</u>	<u>Proven Producing (years)</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	5.7	30.8	51.8	Proven Producing	100	0
Natural Gas	-	-	-	Proven	100	0
BOE	5.7	30.8	51.8	P+P	100	0

Daily Production:

Oil & NGL: 102,126 bbls/d

Natural Gas: - MMcf/d

BOE: 102,126 boe/d

Basis of production information: Quarter ended March 31, 2025

Undeveloped Land:

Total net acres: 233,478

Estimated value \$23.48 million

Unit value \$100.00/net acre

Source of land value estimate: Sayer Energy Advisors

STRATHCONA'S UNSOLICITED OFFER TO ACQUIRE MEG

Operating Cash Flow Estimate: \$1,704.00 million per year

Basis of cash flow estimate: Based on MEG's actual operating cash flow for the three months ended March 31, 2025 before interest, overhead and current income tax.

Operating Cash Flow Multiple: 3.7 X

Price Assumptions Used in Evaluation:

Estimated Future Capital Costs (\$MM):

	<u>WCS</u> <u>(\$C/bbl)</u>	<u>AECO Natural</u> <u>Gas Price</u> <u>(\$C/MMbtu)</u>		
2025	82.52	2.05	2025	622.00
2026	82.20	3.00	2026	523.00
2027	82.67	3.50	2027	391.00
2028	84.97	4.00	Thereafter	<u>29,747.00</u>
2029	86.80	4.08	Total	<u>31,283.00</u>

Effective date of pricing: January 1, 2025

Share Information:

Share price paid	\$20.92/share
Market price day prior to announcement	\$21.67/share
Share price discount	(3.5%)

Notes:

- 1) Based on each of 254,826,000 MEG shares, 2,436,000 MEG Performance Share Units and Restricted Share Units and 661,000 MEG Deferred Share Units exchanged for 0.62 of a Strathcona share and \$4.10 in cash, with each Strathcona share priced at \$27.13 on the last trading day prior to the announcement of the offer.
- 2) Includes site restoration costs, estimated executive severance, and an estimate of future overhead costs necessary to produce MEG's reserves.
- 3) Includes an adjustment for the three months of capital expenditures incurred by MEG between January 1, 2025 and March 31, 2025.

Comments:

On May 15, 2025, Strathcona announced an unsolicited offer to acquire all of the issued and outstanding shares of MEG. MEG's board of directors rejected the offer from Strathcona and initiated a strategic alternatives process to maximize shareholder value. The metrics of this unsolicited offer have not been included in our statistics for the third quarter of 2025. It is for information purposes only.

MEG's main producing property is its oil sands project located in the Christina Lake area of Alberta.

At December 31, 2024, MEG had approximately \$3.7 billion of available Canadian tax pools including \$2.3 billion on non-capital losses and \$0.2 billion of capital losses.

Date of Analysis: July 28, 2025
Date of Financial Information: March 31, 2025

TOURMALINE / SAGUARO

Purchaser: Tourmaline Oil Corp.

Date Announced: May 7, 2025

Transaction Type: Corporate

Reserves Acquisition Price: **\$1.58/boe**

Acquisition: Saguaro Resources Ltd.

Date Completed: June 6, 2025

Operating CF Multiple: **N.A.**Production Acquisition Price: **\$44,035/boe/d****Estimated Value:**

	\$MM		\$MM
Equity Value	\$508.91 ⁽¹⁾	Enterprise Value	\$508.91
plus: Long term debt	-	less: Undeveloped land	-
Working capital deficit	-	Working capital surplus	-
Other liabilities	-	Other assets	-
Enterprise Value	<u>\$508.91</u>	Value of Reserves	<u>\$508.91</u>

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

	Oil & NGL	Natural Gas	Total	Discounted
	(MMbbls)	(Bcf)	(MMboe)	10%
Proven Producing	5.943	162.453	33.019	246.00
Proven Non-Producing & Undeveloped	<u>28.133</u>	<u>675.202</u>	<u>140.667</u>	<u>436.00</u>
Total Proven	34.076	837.655	173.686	682.00
Probable	<u>29.539</u>	<u>708.931</u>	<u>147.694</u>	<u>684.00</u>
Total P+P	<u>63.615</u>	<u>1,546.586</u>	<u>321.380</u>	<u>1,366.00</u>

Source of reserves estimate:

Sproule Associates Limited

Effective date of reserves information:

December 31, 2024

RLI:	Proven Producing (years)	Total Proven (years)	Total P+P (years)	Reserve Weighting:	Oil & NGL (%)	Natural Gas (%)
Oil & NGL	7.7	44.3	82.8	Proven Producing	18	82
Natural Gas	7.8	40.5	74.7	Proven	20	80
BOE	7.8	41.2	76.2	P+P	20	80

Daily Production:

Oil & NGL: 2,106 bbls/d

Natural Gas: 56.71 MMcf/d

BOE: 11,557 boe/d

Basis of production information: Quarter ended December 31, 2024

TOURMALINE / SAGUARO

Undeveloped Land: N.A.

Operating Cash Flow Estimate: N.A.

Price Assumptions Used in Evaluation:

	Edmonton Par Price 40° API (\$C/bbl)	AECO Natural Gas Price (\$C/MMbtu)
2025	101.14	2.29
2026	104.69	3.42
2027	101.33	3.31
2028	103.36	3.35
2029	105.43	3.41

Effective date of forecast pricing: Sproule as at December 31, 2024

Notes:

- 1) Based on the issuance of approximately 8,265,551 Tourmaline shares, with each Tourmaline share priced at \$61.57 on the last trading day prior to the announcement of the transaction.

Comments:

Saguaro's Montney assets consisted of the remaining 50% working interest in the Laprise-Conroy area of British Columbia operated by Tourmaline. Tourmaline acquired the initial 50% working interest from Saguaro in April 2021.

The Laprise-Conroy assets include 165 gross (82.5 net) sections of land with 244 development locations and key facilities and infrastructure including 140 MMcf/d compression and dehydration facility.

Also during the quarter, Tourmaline acquired assets in the Greater Septimus area of British Columbia from Strathcona for \$291.5 million in Tourmaline shares (page 32) and in the Pembina area from Discovery (page 29).

Date of Analysis: July 25, 2025

Recent Transactions Completed by Sayer Energy Advisors

This announcement appears as a matter of record only.

1976218 ALBERTA LTR.

has sold its facility interest in the Armada area of Alberta

The undersigned acted as financial advisor to 1976218 Alberta for this transaction.

SAYER
ENERGY ADVISORS

February 2025

This announcement appears as a matter of record only.

CLEO
ENERGY CORP.

has sold its interests at Alliance as well as certain of its interests in the Atlee and Fabyan areas of Alberta through its Proposal Trustee

A & M

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

SAYER
ENERGY ADVISORS

April 2025

This announcement appears as a matter of record only.

COASTAL
RESOURCES LIMITED

has sold a portion of its interests in the Carbon/Twining/Swalwell areas of Alberta

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

SAYER
ENERGY ADVISORS

April 2025

This announcement appears as a matter of record only.

All of the issued and outstanding shares of

Muddy

have been sold

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

SAYER
ENERGY ADVISORS

April 2025

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.

SAYER
ENERGY ADVISORS

April 2025

This announcement appears as a matter of record only.

Certain oil and natural gas interests in various areas of Alberta held by

SEQUOIA

have been sold through its Licensed Insolvency Trustee

pwc

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

SAYER
ENERGY ADVISORS

April 2025

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.

SAYER
ENERGY ADVISORS

May 2025

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.

SAYER
ENERGY ADVISORS

May 2025

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.

SAYER
ENERGY ADVISORS

June 2025

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.

SAYER
ENERGY ADVISORS

June 2025

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.

SAYER
ENERGY ADVISORS

June 2025

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't 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.
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Sayer Securities Limited 2025

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