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PLS CanadianCapital

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ENERGY FINANCE

Encana boosts 2017 profit margin projection by 25%

Encana expects to deliver a corporate margin of more than $10/boe in 2017 assuming $55/bbl WTI and $3.00/Mcf gas prices, up 25% from $8/boe in October. The upward revision is a result of expected lower costs through 2017 and increased total volumes in 2H17.

The company said it is well positioned for 2018, when it expects to grow its corporate margin to $13/boe on the same price assumptions and to grow volumes by more than 30% from 4Q17 to 4Q18.

Spending up to $1.8 billion on capex, split among four core areas.

Announced in October, Encana's five-year growth plan aims for a 300% increase in cash flow to fuel 60% production growth by 2021 in its core operating areas: the Montney and Duvernay as well as the US' Permian Basin and Eagle Ford shale. With projected 2017 capex of $1.4-1.8 billion (vs. an expected $1.1-1.2 billion in 2016), Encana plans to invest $850 million-$1.0 billion in the Permian, $200-300 million in the Montney and $300-450 million in each of the Eagle Ford and Duvernay. Continues On Pg 4

PrairieSky $289MM equity sale funds $250MM Lindbergh buy

PrairieSky Royalty completed the issuance of 9.2 million common shares at $31.40 each for $288.9 million. Of those shares, 1.2 million were issued through the underwriters' overallotment option, which was fully exercised. PrairieSky now has more than 238.7 million shares outstanding as a result of the offering and full exercise of the greenshoe. **TD Securities Inc**. was lead underwriter while co-leader was **CIBC Capital Markets.**

BlackPearl contributed a 1.75% royalty stake.

Proceeds will be used to pay for the acquisition of a 4% royalty on **Pengrowth's** Lindbergh SAGD thermal oil project as well as $250 million in seismic over certain lands in British Columbia and Alberta. The deal provides a further $250 million of tax pools, including $225 million of COGPE and $25 million of CEE which reduces PrairieSky's future taxability. It also increases PrairieSky's oil production and liquids weighting by adding more than 600 bbl/d of crude oil royalty interest production and exposure to future phases of development. Continues On Pg 13

Pembina Pipeline sells $600MM in notes, cuts debt to $4.2B

Pembina Pipeline Corp. closed its offering of $600 million aggregate principal amount of senior unsecured medium-term notes in two $300 million tranches. The company said its Series 8 notes will pay 2.99% p.a. and mature in 2024 and Series 9 notes will pay 4.74% p.a. and mature in 2047. Interest on both tranches will be paid semi-annually. The company did not disclose participants in the underwriting syndicate.

Series 8 & 9 notes go for 7- & 30-year maturities, respectively.

The company has more than $3.6 billion in existing senior bonds and notes outstanding spread across nine separate issues, including the numbered series of notes that have maturities ranging from 2021 through 2044, and Series C and D notes that have nearer maturities. Pembina's largest singular issue is its $600 million principal amount of 4.81% Series 4 senior unsecured notes due 2044, but most of the company's notes were issued in $450-500 million increments.

Proceeds will be used for general corporate purposes and to fund the company's 2017 capital program, which at an expected $1.9 billion would equal 2016 spending. Most of the funds will support Pembina's completion of $4.0 billion worth of growth projects that could be in service by mid-year. Continues On Pg 10

Tamarack gets borrowing base boost to $220 million

Tamarack Valley Energy issued 90.1 million common shares to the shareholders of privately held **Spur Resources** in conjunction with Tamarack's $390 million buyout of the company on Jan. 11. Each Spur share could be exchanged for either 1.68 Tamarack Valley shares or a package consisting of $6.08 in cash, 0.3 common shares of a newly-formed private company and one-fifth of a warrant to purchase another common share of the that company at $2.87 each on or before Feb. 11. In addition to the stock compensation, Tamarack paid $57.3 million in cash and assumed $25.7 million in Spur's debt.

New stock issue brings common outstanding to 227.7MM shares.

Tamarack also announced that its extendible revolving credit facilities were amended to raise the borrowing base by more than 80% to $220 million from $120 million. Continues On Pg 14

Earnings & Capex

Marquee closes $2.8MM placement & reveals $7MM H1 capex

Marquee Energy closed its $2.8MM bought deal private placement of 14,705,883 common shares on a flow-through basis at $0.17 each for $2.5 million in gross proceeds. **Acumen Capital Finance Partners** led the offering as an underwriter and exercised its option to buy an additional 1,847,617 shares at $0.17 each for additional gross proceeds of $314,095. Marquee will use the $2.8 million of total proceeds to incur eligible Canadian expenses prior to Dec. 31, 2017. The company will also renounce the qualifying expenditures to subscribers of the shares for the fiscal year ended Dec. 31.

The company also announced $7.0 million in capex for 1H17, which will be funded by cash on hand and free cash flow. Marquee plans to drill three horizontal oil wells and recomplete two horizontal wells at its core Michichi asset in SE Alberta.

Delphi doubles down on drilling program in 2017

Delphi Energy's 2017 capex of $65-70 million will largely be funded by the recently completed $50 million Bigstone Montney transaction and a new $80 million senior secured credit facility with **Alberta Treasury Branches.** The company also expects annual run-rate funds from operations (FFO) to rise about 82% based on an average WTI of $55/bbl and NYMEX of $3.25/MMbtu. This increasing cash flow is expected to reduce bank debt to annualized 4Q17 FFO of 0.8x and total debt to annualized Q4 FFO of 1.5x as well as to fund the doubling of its drilling program this year.

Delphi expects funds from operations to be $52-57 million in 2017 and net debt to be $120-125 million. For 4Q17, production is expected to average 11,000-11,500 boe/d, funds from operations $18.0-20.0 million and annualized FFO to be $72-80 million ($0.46-0.51 per share). For FY16, Delphi expects funds from operations of $29.0-31.0 million and net debt of $109.0-111.0 million.

Delphi has spent $325 million over the past four years to capture 74,880 net acres (88,320 gross) in the Deep Basin at Bigstone and to de-risk the natural gas play by drilling 28 successful wells. The recent $50 million deal further strengthens its position as the area's top acreage holder.

Delphi's Montney Well-Cost Improvements

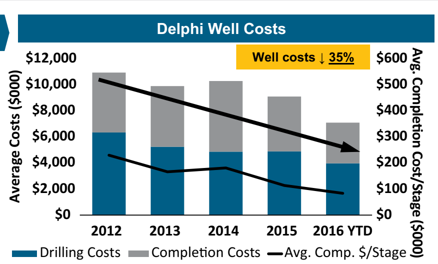
Montney Capital Efficiencies

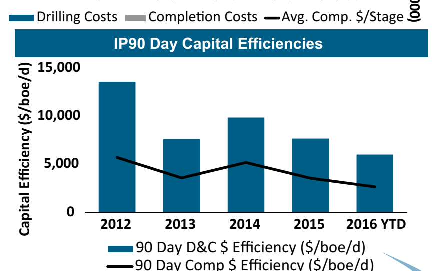
Drilling & Completions:

- ✓ Average drilling & completion costs per well have trended down by 35%;
  - ✓ $11 million in 2012 to $7 million in most recent five wells.
- ✓ Record low drilling & completions cost of $6.5 million achieved
- ✓ Additional cost savings are being achieved;
  - ✓ 3 - 4 wells per pad from 2 well pads

IP90 Capital Efficiencies:

- ✓ Top decile efficiencies of $6,000 boe/d.
- ✓ Achieved through cost reductions and robust IP90 rates of 1,200 boe/d.





Source: Delphi Dec. 1 Presentation via **PLS docFinder www.plsx.com/finder**

7G's '17 capex may hit $1.6B, '16 comes in 7% below target

Natural gas producer **Seven Generations Energy's** actual spend in 2016 was about 7% lower than its planned capex of $1.05-$1.1 billion. The company reported in Nov. that in the nine months to Sept. 30 it had spent $694.2 million YTD, then $208 million in Q4. At the time, 7G said that amount was in line with its 2016 forecast but the impact of completion delays and the temporary shutting in of producing wells adjacent to completion operations resulted in the reduced capex, in turn yielding 4% lower than forecast at 11,500 boe/d compared with an expected 120,000 - 125,000 boe/d.

$850-950 million allocated to drilling and completions.

LY production 95% higher than 2015- 15% from Montney.

Still, the company confirmed its 2017 capex of $1.5-1.6 billion based on confidence in its liquids-rich natural gas Kakwa River Project, which covers about 420,000 net acres across the Montney formation. 7G expects to increase production by more than 50% in 2017, with output between 180,000 and 190,000 boe/d. Most of the planned investments will be on drilling and completions, where it plans to allocate $850-$950 million. $525 million well be allocated to facilities and infrastructure, while $125 million is earmarked for operating enhancements, construction and other expenses.

Market cap of $9.01MM and 347.1MM shares outstanding.

7G's hedge targets include up to 65% of forecasted condensate and natural gas volumes for the upcoming four quarters, up to 35% of forecasted volumes for the next four quarters after that and up to 20% for the four quarters beyond that period.

Canada oil 2017: 'Easy does it,' not 'full steam ahead' yet

Major output-cut agreements by OPEC and other global producers have sent oil prices north, encouraging investment and more expected production in 2017. This year's capex forecasts for Canadian O&G companies are about 40% above 2016 though still 50% lower than 2013-2014 pre-downturn levels, according to investment bank **TD Securities Inc.** Still, this "up and to the right" trajectory marks a strong shift from the prevailing bearish headwinds this time last year.

IN THIS ISSUE

The "drilling abounds" theme **PLS** underscored last issue continues in earnest. **Delphi** plans to double its drilling program in 2017 with $65-70 million in capex **(PG. 2),** while **Bellatrix** is allocating about $70 million of its $105 million capex (about 66%) on drilling activity, mainly at its low-cost Spirit River gas play **(PG. 5).** Of course, prudent front-end investment is geared to profitability down the road, which was the rationale for **Encana's** 25% boost of its 2017 profit margin projection as it advances its liquids-centric strategy in its four core areas **(PG. 1).**

For now, discipline & caution still mark O&G sector plans.

Producers are thus recalibrating the quality and quantity of their investments going forward. **Athabasca** hopes its C$832 million acquisition of **Statoil's** oil sands business will help it achieve free cash flow generation **(PG. 15). Valeura** is deploying $11 million in proceeds from its recent private placement to fund its US$18.5 million acquisition of **Turkiye**, doubling its interests in Turkey's Thrace Basin **(PG. 14).**

The **Bank of Montreal** expects Canada's midstream sector to lead debt issuances this year with a projected C$5.5 billion, up from C$3.8 billion last year. Still, in the broader O&G space, equity raises are exceeding debt sales **(PG. 10). Shawcor** closed its C$173 million equity offering and plans to use the proceeds for large pipe-coating projects and future acquisitions **(PG. 11).**

Earnings & Capex

Penn West's $180MM capex builds on basic platform

Penn West announced a 2017 capex of $180 million, which is expected to provide around 15% production growth to 27,000-29,000 boe/d. The company plans to build on its basic platform: Cardium waterflooding, cold flow heavy oil manufacturing in Peace River and infrastructure-advantaged Alberta Viking development. CEO David French also said it will explore the commercialization of its Mannville position.

In the Cardium, Penn West has planned a 55-well program, including 45 vertical injection wells. At Peace River, the company plans to increase the development pace with a program of 24 producing wells. At Viking, Penn West's 11-well program in the Esther area includes seven operated wells. Regarding its Mannville position, Penn West plans to extend its reach by drilling three Mannville wells in 2017 and its first operated development into the multi-horizon potential across the Cardium and to partner on an additional four Mannville wells.

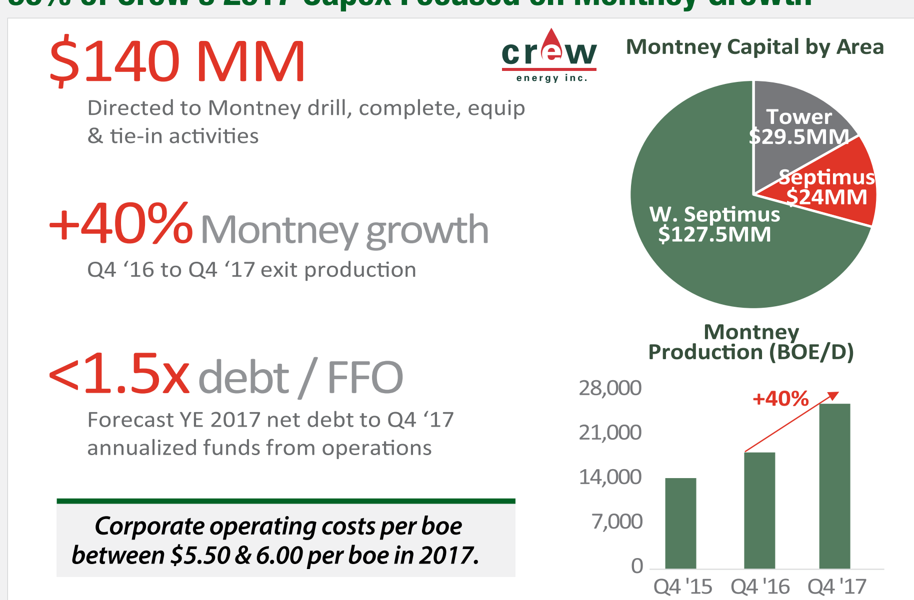
Crew to spend $200MM to boost Montney volumes by 40%

Crew Energy's $200 million 2017 capex is aimed at achieving production growth to more than 30,000 boe/d in 4Q17, representing a more than 40% increase in its Montney production. The planned spend will be funded through funds from operations and Crew's credit facility, leading to an exit 2017 debt to trailing 4Q17 annualized funds from operations ratio of less than 1.5x.

Crew also plans to spend $40 million on its key infrastructure projects, including the expansion of its West Septimus gas-processing facility to 120 MMcf/d in Q4. This expansion, combined with its Septimus and Tower facilities, will provide Crew with 45,000 boe/d of processing capacity for Montney gas and liquids production. Pipeline construction will also start to provide physical access to the Trans-Canada Pipeline system by 2Q18, which the company says will support its three-year growth plan to boost volumes to more than 60,000 boe/d.

The company's core Montney acreage in northeast British Columbia consists of over 300,000 net acres and over 100 Tcfe in place. Crew plans to designate $140 million to drilling, completion and tie-in activities, including the drilling of 26.3 net (28 gross) wells and the completion of 37.3 net (39 gross) Montney wells in 2017.

90% of Crew's 2017 Capex Focused on Montney Growth



Source: Crew Energy Jan. 5 Presentation via **PLS docFinder www.plsx.com/finder**

Earnings & Capex

Encana boosts profit margin projection Continued From Pg 1

The company hopes this investment will yield 15-20% production growth this year and 30% growth in 2018. For FY16, the company expects to show final production of 340-360 MMboe/d by having spent $1.1-1.2 billion in capex.

Encana also hedged expected 2017 production of ~78,000 bbl/d of crude and condensate at an average price of $53.98/bbl and ~862 MMcf/d at an average price of $3.14/Mcf. As a result, CEO Doug Suttles said Encana enters 2017 with "a robust hedge position to protect cash flow and support our capital program."

Aims for 300% increase in cash flow by 2021 from four core areas.

Focus on debt reduction—

Encana has reduced its debt load by $3.0 billion since YE14. The sale of its Gordondale assets in northwest Alberta for $625 million and its US DJ Basin assets for $900 million enabled the company to reduce debt by $1.0 billion. These divestitures, and a $1.0 billion equity offering last September, further facilitated debt reduction and freed up cash to pre-fund a portion of its 2017 capex.

Biggest capex expense will be in Permian at up to $1B.

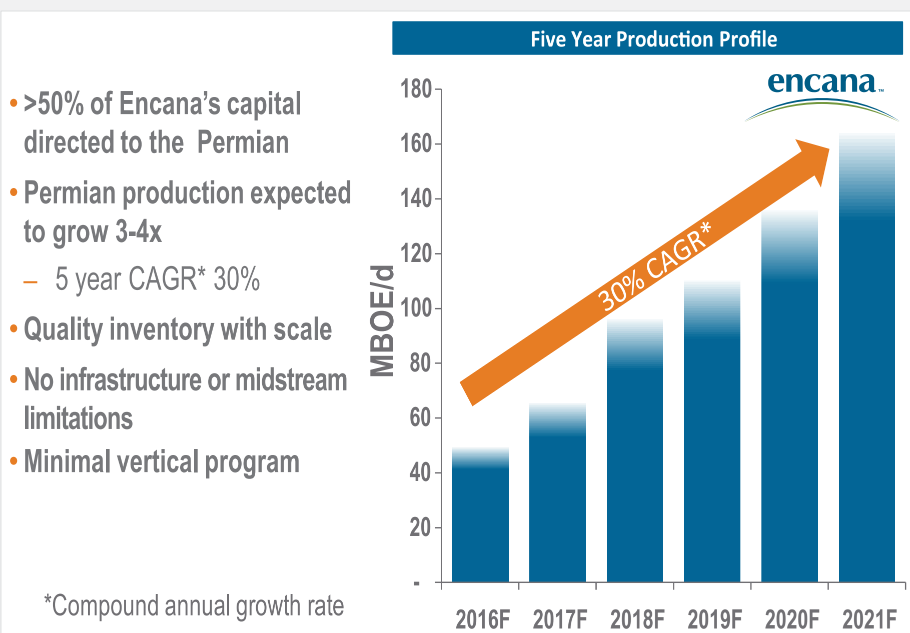
For the last three years, Encana has significantly realigned its portfolio through divestitures of natural gas-weighted assets and the acquisition and development of higher-margin oil and NGL opportunities. The company's US$5.93 billion acquisition of Texas-based **Athlon Energy** in 3Q14, which secured its initial foothold in the Permian Basin, was one of the largest early moves that advanced Encana in this direction. In that same quarter, Encana's total liquids production surpassed 100,000 bbl/d for the first time.

Encana has pursued a 'value versus volumes' strategy since 2014.

Canadian Scout Oct. 5

Encana eyes 60% production growth over 5 years.

Encana's 5-Year Permian Growth Profile



Source: Encana December 2 Presentation via **PLS docFinder www.plsx.com/finder**

AIMCo ups O&G exposure with new midstream stake

Alberta Investment Management Corp (AIMCo) will acquire an ownership interest in Texas-based midstream company **Howard Energy Partners (HEP)**. AIMCo's 28% stake will make the pension fund manager Howard's second-largest unit holder. The agreement, set to close in 1Q17, follows AIMCo's initial commitment in August of up to $500 million of Series B preferred units of HEP. AIMCo is Canada's fifth-largest pension fund manager with $90.2 billion of assets under management as of YE2015. Of the 10 sectors in which it holds investments, energy comprises 18% of total portfolio value with nine direct investments.

18% of AIMCo's current portfolio focused on oil & gas.

Howard will be one of AIMCo's only non-Canadian energy-related holdings. Among its Canadian energy investments, AIMCo owns a 37.15% stake in **Chinook Energy**, a 7.33% stake in oil services company **Calfrac Well Services** and a 15% stake in **Precision Drilling,** and it has invested $166.8 million in **Savanna Energy Services.** Before Howard, AIMCo's most recent oil and gas investments included **Pine Cliff Energy** ($22.9 million) and **Journey Energy** ($22.7 million via a private placement) last fall. AIMCo's exposure to the oil and gas industry is second only to its concentration in Industrials, in which it holds 10 direct investments making up 20% of its total portfolio value.

Canada's fifth-largest pension fund manager with $90.2B AUM.

Earnings & Capex

US Oil Sands closes $7.5MM financing

US Oil Sands moved forward with its share consolidation on the basis of one post-consolidation common share for every 50 pre-consolidation common shares. The outstanding common shares began trading Jan. 3 on the TSX Venture Exchange. The Calgary-based company holds a 100% interest in bitumen leases covering 32,005 acres in Utah's Uinta Basin.

> ***Would be first commercial-scale oil sands mining operation in US.***

Its $100 million PR Spring project in the eastern part of the state would be the US' first commercial-scale oil sands mining operation. However, project start-up was delayed in early December until the company could close a $7.5 million financing deal with **ACMO,** its largest shareholder. Both Canadian and US-based employees were temporarily laid off as a result of the delay. On Dec. 26, the company announced the TSX-V approved the financing of the deal subject to certain conditions. The deal closed Jan. 12, and activities are expected to resume in early 2017. CEO Cameron Todd said that while the project is mechanically complete, financing is needed to complete the final commissioning step.

> ***US Oil Sands holds 100% stake in leases covering 32,005 acres in Uinta Basin.***

Perpetual extends note exchange, changes acceptance terms

Perpetual Energy extended the acceptance date for the exchange of its 8.75% senior notes due in 2018 and 2019. The 8.75% senior notes due March 15, 2018, and the 8.75% notes due July 23, 2019, now mature on Jan. 11, 2022, and can be exchanged until Jan. 23, 2017, (extended from Jan. 11).

> ***53.5 MM shares outstanding and a $120.5 million market cap.***

The completion of the note exchange proposal is no longer conditional upon noteholders holding at least $20 million aggregate principal amount of the issued and outstanding existing notes accepting the proposal and tendering notes prior to Jan. 23.

As of Jan. 12, $17.4 million principal amount of notes have been tendered to the note exchange proposal, consisting of $8.4 million principal amount of 2018 notes and $9.0 million of 2019 notes. Noteholders who choose to participate in the exchange will receive $1,000 principal amount of exchange notes for each $1,000 principal amount of existing note tendered.

Bellatrix's $105MM capex aimed at 10% volume growth

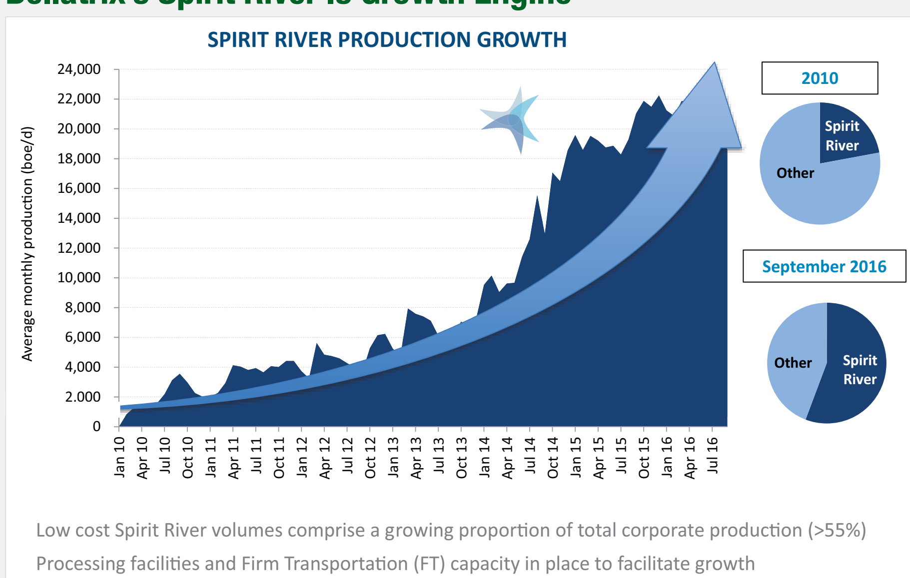
Bellatrix Exploration will spend $105 million in 2017 to target production growth of more than 10% to 33,500 boe/d, with an exit rate of 35,000 boe/d. The company also outlined its three-year development plan, which seeks production CAGR of over 10% through 2019. The ongoing development of the low-cost Spirit River gas play in Alberta will be the company's key focus.

> ***Spirit River assets comprise about 55% of total corporate production.***

Breaking down the projected spend, Bellatrix expects to allocate $70 million to drilling and completion activity, $13 million to construction of Phase 2 of the Alder Flats plant, $7.0 million in minor infrastructure projects, and $15 million in other projects. The company's three-year development plan contemplates drilling 55 net Spirit River and 10 net Cardium wells, representing only a respective 14% and 4% of its net Spirit River and Cardium locations.

Bellatrix undertook several divestments in 2016 to simplify its portfolio and strengthen its Spirit River operations, most recently the $60.2 million sale of its Cardium light oil and Mannville liquid-rich assets in the southern Harmattan area of Alberta to **TransGlobe Energy.** Following the sale, Bellatrix's Spirit River assets comprise 55% of corporate production.

Bellatrix's Spirit River Is Growth Engine



Source: Bellatrix January 4 Presentation via **PLS docFinder www.plsx.com/finder**

Debt

Madalena Energy sells $3 million Point Loma debenture

Argentina-focused **Madalena Energy** sold its $3.0 million convertible debenture of **Point Loma Resources Ltd.** for $700,000 (US$522,000). This note was part of the consideration the Canada-based company received when it sold its Canadian assets last May.

The balance of the consideration Madalena received for these assets was 6,244,814 Point Loma shares, 10% of which are currently free trading. The balance of the shares is escrowed and began to be released at six-month intervals starting Dec. 30. Madalena closed the sale of its Canadian assets in July to become an Argentina pure-play. The company is active in the Vaca Muerta and Lower Agria shales as well as the Loma Montosa tight oil and Sierras Blancas conventional plays. Last fall, the company launched a review of its strategic alternatives, with options to include asset sales, a merger, sale or recapitalization transaction or a JV.

Earnings & Capex

Claren closes final portion of $2.2MM private placement

Romania-focused **Claren Energy** closed the final tranche of its private placement financing announced Nov. 30 by issuing 2.51 million units at $0.08 each to gross $201,000. In total, Claren has issued 27.6 million units to gross $2.2 million under the private placement financing.

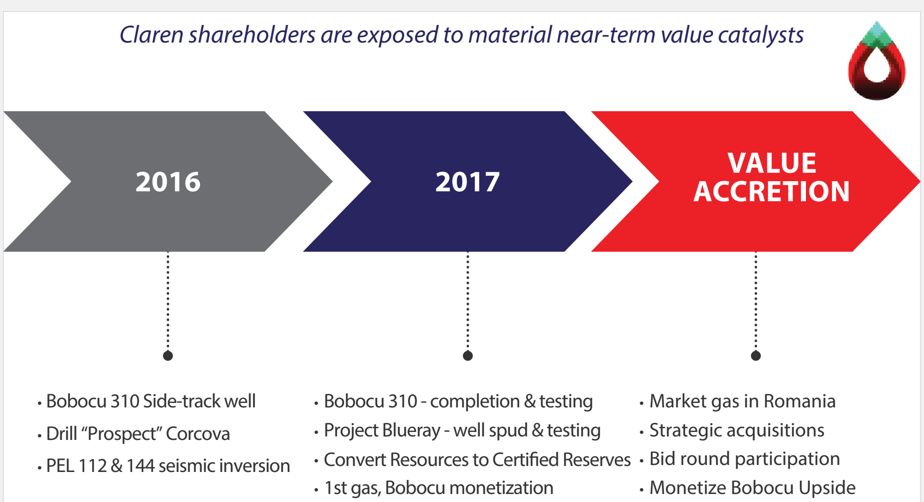
Proceeds will be used for Claren's Bobocu interests in Romania.

Offering proceeds will be used to carry out Claren's second phase work at the Bobocu License onshore Romania and for working capital purposes. Claren closed the initial tranche of private placement Dec. 6 by issuing 9.95 million units at $0.08 each to gross $796,000. The second tranche was completed Dec. 16 via the issuance of 15.1 million units at $0.08 each for proceeds of $1.2 million.

Each unit is comprised of one common share of Claren and one warrant to buy an additional common share at $0.15 each for a two-year period. The company will be able to accelerate the expiry date of the warrants if the average closing price of Claren's common shares is equal to or greater than $0.25 for 10 consecutive trading days.

Claren has a right to acquire up to an 80% participating interest in the Bobocu License. Claren also has a 51.49% WI in onshore PELs 112 and 444, including a 1.47% gross overriding royalty interest, on the western flank of the Cooper Eromanga Basin in South Australia.

Claren's 2016-2017 Value Drivers



Source: Claren January 10 Presentation via **PLS docFinder www.plsx.com/finder**

Earnings & Capex

■ **Jericho Oil** placed an additional 3,653,378 units at $0.40 each to gross $1.46 million on Dec. 23. Each unit consists of one common share and half of a warrant good for 36 months to buy another common share at $0.60. The move follows Jericho's $3.92 million placement Nov. 24. Proceeds will be used for acquisitions of primarily proven, developed and producing assets in Oklahoma and for working capital.

■ **Marksmen Energy** placed up to 12.5 million units privately at $0.10 each with existing shareholders for aggregate gross proceeds of up to $1.25 million. Each unit consists of one common share and half of a warrant to buy one common share at $0.25. Marksmen will use the net proceeds to drill one or two offset wells to the Davis Holbrook #1 well estimated at $400,000 each. The offering is open until Jan. 31.

■ **Relentless Resources** said Jan. 10 that it completed its two previously announced private placements. The company completed the placement of 10 million units privately at $0.05 each for gross proceeds of $500,000, with each unit consisting of one share and one purchase warrant. In the second placement, the company issued 8.8 million units privately at $0.05 each for proceeds of up to $500,000. Relentless said the net proceeds of both will be used for general working capital purposes.

■ **Serinus Energy** filed a preliminary prospectus Jan. 9 concerning its $25.2 million equity offering. **Kulczyk Investments,** Serinus' major shareholder, owns 39,909,606 shares representing about 50.76% of the total 78.6MM outstanding shares. KI will purchase $12.8MM of the offering to keep its ownership position. Proceeds will in part fund the development of the Moftinu gas plant and pre-work for the 2018 drilling program in the Satu Mare concession in Romania.

Earnings & Capex

Strategic sells $5MM in equity, closes $40MM financing

Strategic Oil & Gas said Jan. 11 that it will place common shares privately on a best efforts basis at $0.12 each for proceeds of up to $5.0 million. The company appointed **Paradigm Capital** as the agent, which has been granted the option to sell up to an additional 15% of shares. Proceeds will mainly be used for development of Strategic's Alberta assets, general corporate and working capital purposes. Closing is expected on or about Jan. 31. Strategic has 592.4 million shares outstanding and a market cap of $77 million.

$30 million capex directed mainly at drilling 6 Muskeg wells at Marlowe.

The company also placed 337 million shares privately at $0.12 each to gross $40.4 million in a transaction that closed Dec. 22. The proceeds will provide funding for the $30 million capital program for 1H17. A large portion of capex will be designated to drill six Muskeg wells at Marlowe adjacent to the wells drilled during 2016. The program also includes building road and pipeline to tie-in the 14-35 Muskeg well. Expected production exiting 1Q17 is 4,000 boe/d. A significant portion of the private placement will be acquired by insiders of the company.

■ **Sunshine Oilsands** placed 150 million Class A common shares privately for about C$7.6 million (HK$43.5 million). The net proceeds will help cover the costs of the West Ells steam-assisted gravity drainage project in the Athabasca oil sands. Common shares were issued to **Zhengwei International Investment** and **Management Co. Ltd.** The placement is slated for completion by March 28, 2017, pending approval of the Stock Exchange of Hong Kong and other regulatory approvals.

Gran Tierra to spend 93% of 2017 capex on Colombia

Gran Tierra expects its core Colombian operations to account for 93%, or $185-235 million, of its $200-250 million 2017 capex. Its recent acquisitions of PetroLatina and PetroAmerica for $600 million firmly established its Colombian footprint and increased its market cap to ~$1.14 billion. Now, the company plans to harness these new opportunities by drilling development and exploration oil wells throughout its new Colombian "opportunity set." Based on the midpoint of the guidance, the capital budget is forecasted to be split with 57% directed to development and 43% to exploration.

2017 guidance includes 1,200-1,500 boe/d of Brazil production.

Capex assumes up to 6 drilling rigs being active during in 2017.

The company plans to allocate 15-20% of its capex to facilities, a large portion of which will be dedicated to facilities expansion at Acordionero field to boost oil production capacity to 15,000 boe/d by YE17. Gran Tierra operates more than 90% of its production and 23 of 33 blocks in Colombia. CEO Gary Guidry said the development of the company's enlarged portfolio of reserves can be paced with oil price recovery.

At its budgeted 2017 Brent oil price of $56.00/bbl, Gran Tierra forecasts that it will generate cash from operating activities of $240-260 million, which is expected to equal or surpass its 2017 planned spend. The company aims to drill 30-35 exploration wells over the next three years, all funded from cash from operating activities.

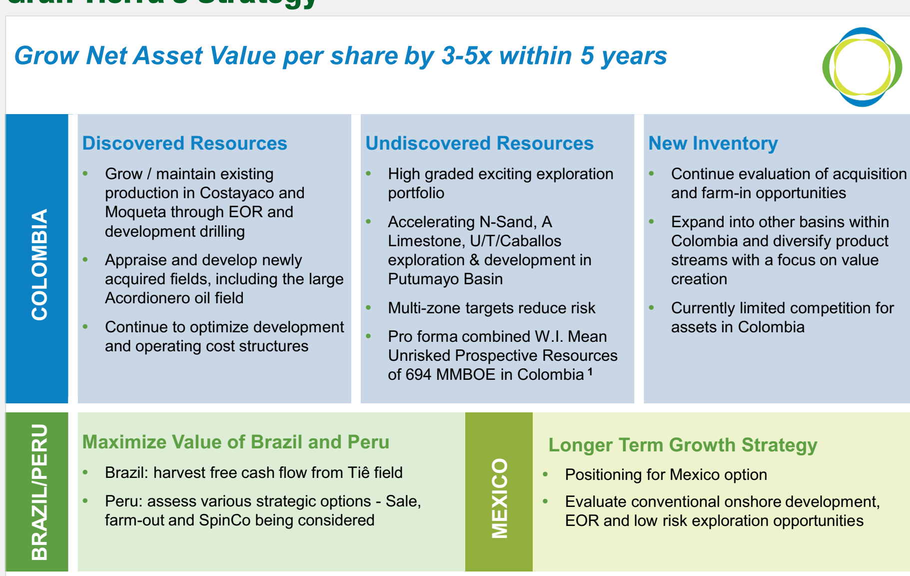
Also plans to sell, farm-out or spinout Peruvian assets.

The company also reaffirmed its plans to sell its Peruvian assets, as it does not consider them core to its ongoing plans. Gran Tierra is considering a sale, farm-out or spinout of such assets to a separate entity. Gran Tierra has not yet entered into a binding agreement to pursue the proposed transaction or any other transaction relating to the direct or indirect disposition of these assets, which are located in the Maranon and Ucayali Basins.

International Deals Aug. 23

Gran Tierra closes $525MM acquisition of PetroLatina.

Gran Tierra's Strategy



Source: Gran Tierra Nov. 7 Presentation via **PLS docFinder www.plsx.com/finder**

Debt

Cathedral amends $23 million credit facility

Cathedral Energy Services negotiated certain amendments to its credit facility with **The Bank of Nova Scotia** (BNS) and **Export Development Canada** (EDC). Under the amended facility, Cathedral's total availability is $23 million. The lenders have also agreed to extend the maturity date of Cathedral's credit facility to December 2018.

Cathedral has reduced bank debt by about $44.8 million (80%) since YE14 and has remained cash flow positive except for the traditional slow activity level in 2Q16. To assist with securing additional liquidity, in August 2016 the company arranged for EDC to join its lending syndicate. Cathedral entered into a strategic alternatives process the following month with a view to improving its balance sheet and provide funds to support growth opportunities in its directional drilling business.

MEG's refinancing plan provides 5-year growth window

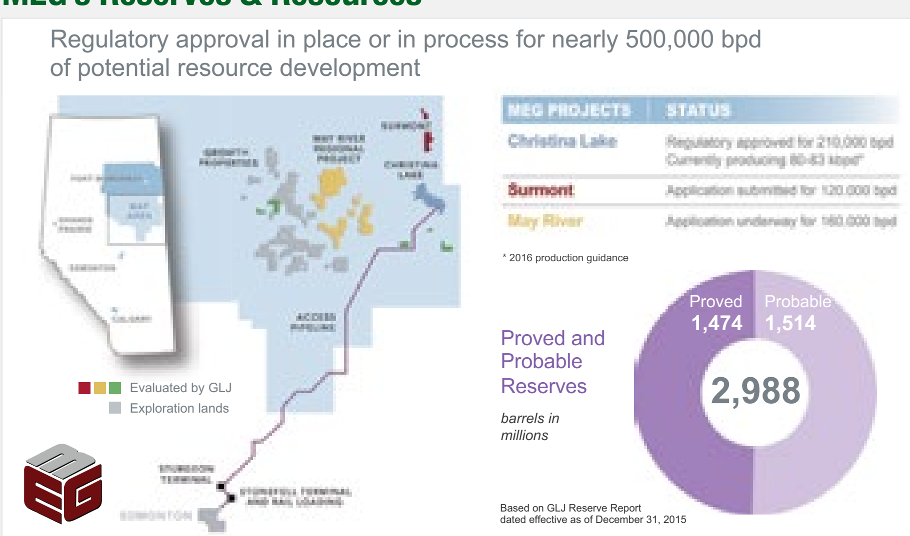
MEG Energy. hopes to achieve a stronger balance sheet, increased production and lower costs over the next five years as the result of the comprehensive refinancing plan it unveiled Jan. 11. The company also announced a 2017 capex of $590 million, significantly higher than both its actual 2016 spend of $125 million and planned 2016 capex of $328 million.

Underwriters to purchase 46MM subscription receipts at $7.75 each.

The four-part refinancing plan includes a two-year extension (to Nov. 5, 2021) of the maturity date on the commitments under MEG's revolving credit facility. Further, the commitment amount of the facility will be reduced to US$1.4 billion. The company's US$1.2 billion term loan will be refinanced to extend its maturity, its existing US$750 million of unsecured notes due 2021 will be refinanced and extended with new second-lien indebtedness, and $357 million of equity will be raised in subscription receipts from a syndicate of underwriters. MEG expects to close all elements of the refinancing plan by mid-February.

Of the $590 million capex, largely funded by the proceeds from the aforementioned equity issuance, 55% will be directed toward initiation of its eMSAGP growth project at Christina Lake Phase 2B, 35% toward sustaining and turnaround costs and the remainder toward supporting marketing and other corporate initiatives. The company hopes to achieve 20,000 bbl/d of eMSAGP production growth by early 2019, representing a 25% increase from current levels.

MEG's Reserves & Resources



Source: MEG Energy Nov. 4 Presentation via **PLS docFinder www.plsx.com/finder**

Rooster nears bankruptcy as $4.5MM payment missed

Rooster Energy received a default notice in late November for non-compliance with covenants of the second amendment and waiver to amended note purchase agreement that was due to expire Dec. 31. In a Jan. 3 update, Rooster said that while the noteholders did not accelerate payment, they did reserve all legal rights and remedies. The company was also obligated to further reduce the outstanding principal balance of the notes by $4.5 million prior to year's end.

Focus is in the state waters of Louisiana & the shallow-water GOM.

As of Jan. 3, Rooster had failed to negotiate an extension of the waiver and had not made the scheduled $4.5 million principal payment. However, the noteholders still had not accelerated payment, and the company continued to engage in discussions with the holders to restructure the terms of its senior secured obligations. If the noteholders exercise their legal remedies against Rooster, the company will likely seek relief under applicable bankruptcy or reorganization laws to preserve the going concern value of the company.

Rooster hired Seaport Global Securities in mid-December.

Rooster announced Dec. 16 that it hired **Seaport Global Securities** as its exclusive financial advisor in connection with exploring the restructuring, exchange, redemption or other refinancing of its existing secured debt and/or other strategic alternatives.

Debt

Condor establishes US$10MM credit facility

Turkey-focused **Condor Petroleum** entered into a loan agreement to establish a US$10 million credit facility, which bears interest at 14%, matures three years from the date the loan proceeds are received and provides for a one-year repayment holiday whereby interest for the first year is due on the first anniversary of the receiving date followed by eight payments of US$1,250,000 of principal plus interest due quarterly in arrears. The lender will also receive a warrant certificate for $1 million common shares of Condor at C$2.35 each. Condor expects to receive the loan proceeds this month.

Proceeds to be used for Poyraz Ridge field in Turkey.

Proceeds will be used to fund capital expenditures related to drilling, infrastructure and workovers at Condor's Poyraz Ridge field in northwestern Turkey. Construction of a 15 MMcf/d gas facility, multi-well drilling and completion program and a 6-in. sales pipeline continue on schedule and the project is targeting first gas by mid-2017. The proceeds will allow a portion of Condor's existing working capital to be used for exploration activities adjacent to Poyraz Ridge, which is a near-term focus given the recent positive results of the Poyraz Ridge drilling program.

100% stake in four contiguous operating licenses in Gallipoli Peninsula.

Bengal grosses $4.09MM in fully subscribed rights offering

Bengal Energy completed its fully subscribed rights offering, which expired on Dec. 28, resulting in gross proceeds of $4.09 million and the issuance of 34,088,898 common shares at a $0.12 per share subscription price. Bengal director W.B. Wheeler, his spouse and **Texada Capital Management**, Bengal's largest shareholder and a corporation controlled by Wheeler, were issued 13.37 million of the common shares. In a supplemental announcement Jan. 6, Bengal added that the common shares issued include 13,201,418 shares issued collectively to Wheeler, his spouse and Texada, inclusive of the 3,214,100 shares purchased pursuant to the terms of the agreement with Texada.

Proceeds will fund Bengal's Barta project in Australia's Cooper Basin.

Of the aggregate 34,088,898 shares, Bengal insiders as a group, including directors and officers of Bengal and Texada, subscribed for an aggregate of 8,072,766 shares per the agreement and an aggregate of 6,464,714 shares. All other persons, as a group, subscribed for an aggregate of 16,732,184 shares pursuant to the Basic Subscription Privilege and an aggregate of 2,819,234 shares pursuant to the Additional Subscription Privilege.

Bengal has 102,266,694 common shares issued and outstanding.

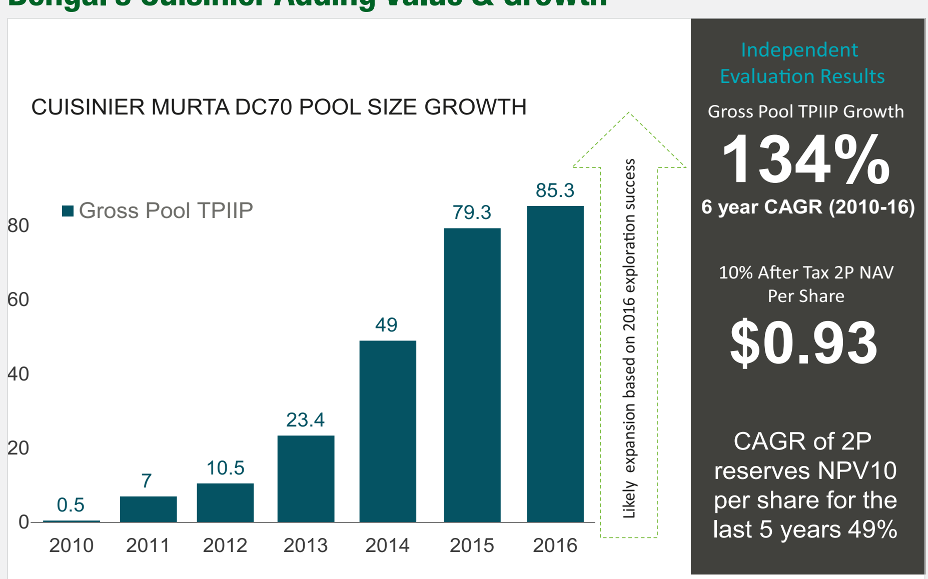
After completion of the offering, there are 102,266,694 common shares issued and outstanding. Wheeler directly or indirectly controls over approximately 27 million outstanding common shares, representing approximately 26% of the issued and outstanding shares on a non-diluted basis.

The net proceeds will be used to fund Bengal's development program on the Barta Sub-Block of ATP 752 in Australia's onshore Cooper/Eromanga Basin. This development program is expected to include the completion and tie-in of the Cuisinier oil wells drilled in 2016, fracture stimulation of select Cuisinier wells, and the acquisition of Barta West 3D seismic. Completion operations on the 2016 Cuisinier wells are expected to be concluded in January 2017, to be followed by tie-in activities.

Completion ops at Cuisinier wells to be completed in January.

The Barta West 3D seismic program will allow Bengal to further delineate and define the Shefu-1 oil discovery. Planning for the 3D seismic program is underway, with acquisition activities expected to begin following the wet season in 2Q17.

Bengal's Cuisinier Adding Value & Growth



Source: Bengal Energy October 31 Presentation via **PLS docFinder www.plsx.com/finder**

Debt

Zargon amends debentures & adds a hedge

Zargon Oil & Gas has proposed to amend its convertible unsecured subordinated debentures and will seek the approval of the holders of its 6.0% convertible unsecured subordinated debentures (due June 30) in February. The proposed amendments consist of extending the maturity date of the debentures from June 30 to Dec. 31, 2019.

In a separate release on Jan. 12, Zargon said it entered into an additional hedge to fix the WTI price of oil on 650 bbl/d of oil production at an average of C$71.50 for the period February to December 2017. When combined with previously announced hedges, the total volumes hedged during this timeframe are 1,300 bbl/d at an average price of C$69.24.

Zargon's operations are focused in the Western Canadian and Williston sedimentary basins and is focused oil exploitation projects (waterfloods and tertiary ASP) that increase oil production and recovery factors from existing oil reservoirs.

Zargon has 30.6MM shares outstanding & $22.3MM market cap.

Zargon is allocating $7.8 million of its 2017 capex to polymer chemical purchases for its Alkaline Surfactant Polymer in Little Bow, Alberta, $1.5 million of non-discretionary land retention costs and $3.6 million to property/well reactivations, recompletions and waterflood modifications. Based on this planned spend, the company expects stable production throughout the year of 2,500 bbl/d and 2.7 MMcf/d.

Midstream

Pipelines lead debt issuance in Canada energy sector

Canada's midstream sector will lead the country's energy companies in debt issuance in 2017, with the **Bank of Montreal** forecasting C$5.5 billion (US$4.2 billion) in issuance from pipeline companies, up from C$3.8 billion in 2016. Upstream players are expected to issue significantly less this year—about C$1 billion to C$2 billion—as their budgets are more closely calibrated to oil prices that are still below $60. These E&Ps will allocate these issuances largely to refinance existing maturities.

Expected to tap debt markets in 2017 vs depending on credit facilities.

Midstream companies are expected to tap the debt markets in 2017 whereas last year they may have depended on credit facilities, issued more equity, or postponed a project or investment, Manmit Pandori, an analyst with Bank of Montreal, told Bloomberg. Some of the infrastructure projects with big spending include **TransCanada's** NGTL gas-pipeline system, **Enbridge**'s Line 3 pipeline replacement and **North West Redwater's** refinery construction, he added.

Pembina raises $600MM in note sale Continued From Pg 1

The company announced Jan. 5 that it had started construction of a $235 million, 145-km expansion of its NEBC pipeline system in British Columbia to 75,000 bo/d.

The NEBC project will be part of the company's $1.14 billion conventional pipelines budget, which will be used to complete Phase III of the Peace and Northern pipeline systems to bolster capacity to 1.2 MMbbl/d or up to 1.5 MMbbl/d with pump stations. The company's 9,100-km conventional pipelines segment is its largest. Pembina said it will also spend $540 million in its midstream segment, earmarking $260 million for its Redwater site to commission a third 55,000 bbl/d fractionator in 3Q17. It will also spend $280 million to expand service and enhance interconnectivity. Gas services will get $165 million.

Proceeds will help fund 2017 capex of $1.9B & general purposes.

CEO Mick Dilger said the company expects $600-950 million in EBITDA in 2018 to be generated from the $1.3 billion in new projects finished this year and the anticipated $4.0 billion in projects that are completed next year.

■ **Dundee Energy Limited** announced that discussions between **Dundee Energy Limited Partnership** (DELP) and its lenders resulted in the terms of DELP's credit facility being further amended to require that DELP reduce borrowings under its operating facilities to $55.0 million by Jan. 31, 2017, extending the previously announced deadline of Jan. 13, 2017.

■ **Tethys Petroleum** prepaid about US$322,161 of the US$3.5 million non-convertible loan received March 20, 2015, and due March 20, 2017, from **Annuity and Life Reassurance Ltd.,** an affiliate of **Pope Asset Management Inc.** It has also entered amendment agreements with ALR to the loan as well as to the US$1,760,978 convertible debenture due June 30, 2017. The partial loan repayment was satisfied through the issuance of 20,227,854 shares at US$0.0159266 each. Following the issuance of the prepayment shares, PAM owned or controlled 87,903,396 ordinary shares, or about 17.3% of the outstanding shares.

■ **Whitecap Resources** closed its private placement of C$200 million senior secured notes, which have an annual coupon rate of 3.46% and mature on Jan. 5, 2022, or $200 million principal amount of 3.46% senior secured notes due 2022. Proceeds will be used to repay part of Whitecap's outstanding bank debt. The issue expands the company's borrowing capacity to $1.3 billion from $1.1 billion. Whitecap has an estimated 4Q16 net debt to funds flow ratio of 1.8x and is targeted to decrease to 1.3x in 2017. The Calgary-based company has $368.3 billion shares outstanding and a market cap of about $4.5 billion.

Midstream

■ Preliminary estimates show that **Blackbird Energy** completed the construction of its Elmworth/Pipestone facility and gathering system near the budget of $16.1 billion. Production is expected to begin by the end of this month. Blackbird's facility will have an initial capacity of approximately 10 MMcf/d of natural gas plus associated liquids of about 1,500 bbl/d, for aggregate throughput of around 3,150 boe/d.

■ **Tidewater Midstream and Infrastructure** closed its $69 million bought deal financing through the issuance of 44,231,300 shares at $1.56 each, including the full exercise of the overallotment option. Proceeds will fund recent acquisitions of infrastructure tied to its Brazeau River Complex gas plant. Tidewater also expects to render FIDs in 2017 that could include the Montney infrastructure/egress hub, the Pipestone area sour gas plant, and a potential polypropylene or iso-octane facility.

Oilfield Services

■ **Emera Inc**. completed its offering of 6,630,000 shares at $45.25 each for gross proceeds of $300 million on Dec. 16. The overallotment option granted to the underwriters to purchase up to an additional 994,500 shares was exercised on Dec. 21, for additional proceeds of about $45 million. The total proceeds of $345 million will be used for general corporate purposes. The Halifax, Nova Scotia-based energy services company has investments throughout North America, and in four Caribbean countries.

■ **Strad Energy Services Ltd.** sold 7,763,976 Class A common shares at $1.68 each in a bought deal financing that grossed about $13,043,480, and granted underwriters, led by **Raymond James,** a 30-day overallotment option for 1,164,596 more common shares. Full exercise of the option will bring total gross proceeds to around $15 million, which Strad will use to pay down bank debt. The company, which provides rental equipment and matting solutions to the oil and gas and energy infrastructure sectors, said the offering had been upsized.

Kinder clears final regulatory hurdle for Trans Mountain

British Columbia approved **Kinder Morgan's** $6.8 billion Trans Mountain pipeline expansion project, announcing that all five conditions the government had placed on the project have been met with a $1.0 billion commitment by **Kinder Morgan Canada** that will go toward environmental protection projects over the next two decades.

Ian Anderson, the president of Kinder Morgan Canada, said the deal means the company will contribute a minimum of $25 million to a maximum of $50 million per year over the next 20 years, depending on how much bitumen is transported via the pipeline. The company also agreed to give BC firms the first opportunity at jobs for work related to the project. The Canadian government approved the project in late November after the National Energy Board recommended it proceed if 157 conditions were met.

Project still requires final approval from Kinder's board.

Trans Mountain is a 1,150-km line connecting Strathcona County, Alberta, just east of Edmonton, to Kinder Morgan's Westridge marine terminal in BC. The project would boost Canadian crude exports to Asia and cut its dependence on the US market, where Canada's heavier oil sells at a sizeable discount. Kinder Morgan plans to increase exports of crude oil to foreign markets, including China, to 34 vessels a month from five now, The Wall Street Journal reported. Kinder Morgan said the project still requires final approval from its board of directors. Construction should begin in September 2017 with service starting in late 2019.

Canadian Scout Jan. 5

Trudeau doubles down in support for Trans Mountain project.

Shawcor closes $173 million equity offering

Canadian integrated services company **Shawcor** closed its bought deal public offering of 5.26 million common shares, including 686,250 common shares at C$32.80 per common share for approximately C$173 million. The offering was underwritten by a syndicate led by **TD Securities.**

Shawcor plans to use the proceeds for booked and future potential orders for large pipe-coating projects and to repay outstanding debt in order to free up funds for future investments, which could include future acquisitions. The company expects to invest funds that it does not immediately require in investment grade income securities or short-term marketable securities.

Proceeds will be used to free up funds for future investments.

In the initial announcement of the offering on Dec. 7, Shawcor said underwriters had agreed to buy and sell to the public 4.57 million common shares at C$32.80 each for gross proceeds of C$150 million. At the time, the company offered an underwriters' overallotment option to buy an additional 686,250 shares at C$32.80 during the 30 days after closing, which was exercised in full.

The Offering was underwritten by a syndicate led by TD Securities Inc. and included **National Bank Financial Inc., Scotiabank, AltaCorp Capital Inc., Cormark Securities Inc., BMO Capital Markets, HSBC Securities (Canada) Inc., Industrial Alliance Securities Inc., J.P. Morgan Securities Canada Inc.** and **RBC Capital Markets.**

Shawcor currently has about $2.5 billion in projects under firm bid or per budgetary estimates, with an order backlog of around $600 million as of Sept. 30. The company has 69.9 million shares outstanding and a market cap of $2.3 million.

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100% WORKING INTEREST FOR SALE
ORIGINALLY Q3 2016 SALE
CONTACT AGENT - POST BID STATUS
L 11247DV

L — FOR SALE

ALBERTA PROPERTY
2-Producing Wells. 1-Water Injection Well.
PEMBINA.
Nisku Oil Pool.
1-Water Potential Injector Well And ---
---Associated Pad Facilities.
46.875% OPERATED WI FOR SALE
Gross Production: ~1,500 BOED
Original Oil-In-Place: 8.2 MMBBLS
ORIGINALLY Q4 2016 SALE
CONTACT AGENT FOR UPDATE
PP 11179DV

PP — ~1,500 BOED

ALBERTA PROPERTY SALE
2-Producing Properties.
BIGSTONE & WILSON CREEK
3-Horizontal Montney Producing Wells.
2-Belly River Oil Producing Wells.
OPERATED & NonOp WI FOR SALE
Comb Est. Net Production: 49 BOED
PV10 Value: $11,600,000
Total Proved Reserves: 983 MBOE
Total Proved Plus Probable: 3,510 MBOE
ORIGINALLY Q3 2016 SALE
BIGSTONE HAS ALREADY SOLD!
CONTACT AGENT FOR UPDATE
PP 11101

PP — 49 BOED

ALBERTA PROPERTY SALE
1-Producing Property.
NITON / MCLEOD AREA T54-56.
Production From Cardium, Wilrich--
--And Lower Mannville Formations.
CA Required To View Data Room.
OPERATED WI FOR SALE
Recent Net Oct 2016 Prod: 195 BOED
Recent Net Operating Income: $90,000/M
Est, Net PV10 Value: $26,200,000
Total Proved Reserves: 3,208 MBOE
Proved Plus Probable: 5,195 MBOE
CONTACT AGENT FOR UPDATE
PP 11275DV

PP — 195 BOED

Equity

PrairieSky's sale funds Lindbergh buy

Continued From Pg 1

Around 10% of the company's total crude oil production is expected to be sourced from thermal oil projects following the close of the agreement.

Over the last several months, PrairieSky has made several moves to expand its portfolio, including the completion of four separate acquisitions announced Dec. 1 for a total of $117.3 million, which represents 460 boe/d of high-quality royalty production and more than 100,000 acres of mineral title and royalty lands.

With fully exercised greenshoe, 238.7MM shares outstanding.

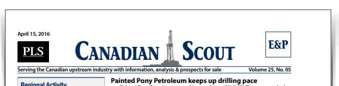
$250MM in tax pools—$225MM from COGPE & $25MM from CEE.

Lindbergh production averaged 15,190 bbl/d during 3Q16—implying royalty production net to PrairieSky's interest of more than 600 bo/d. The project is expected to realize 2016 average production of 15,600 bo/d.

The company recently repurchased 390,500 shares, representing 0.17% for C$10.15 million. With this, the company has completed the repurchase of 633,000 shares, representing 0.28% for C$16.15 million under the buyback announced on April 26, 2016.

Owns Canada's largest independent fee simple mineral title position.

PrairieSky has royalty interests in British Columbia, Alberta, Saskatchewan and Manitoba across interests in about 8.8 million acres of fee lands, 6.6 million acres of gross overriding royalty lands, and 200,000 acres each of GRT and crown interest lands. Other offering syndicate members included **BMO Nesbitt Burns, RBC, Scotia, Canaccord Genuity, National Bank Finance, Peters & Co., GMP, AltaCorp, Dundee, Macquarie** and **Raymond James.**

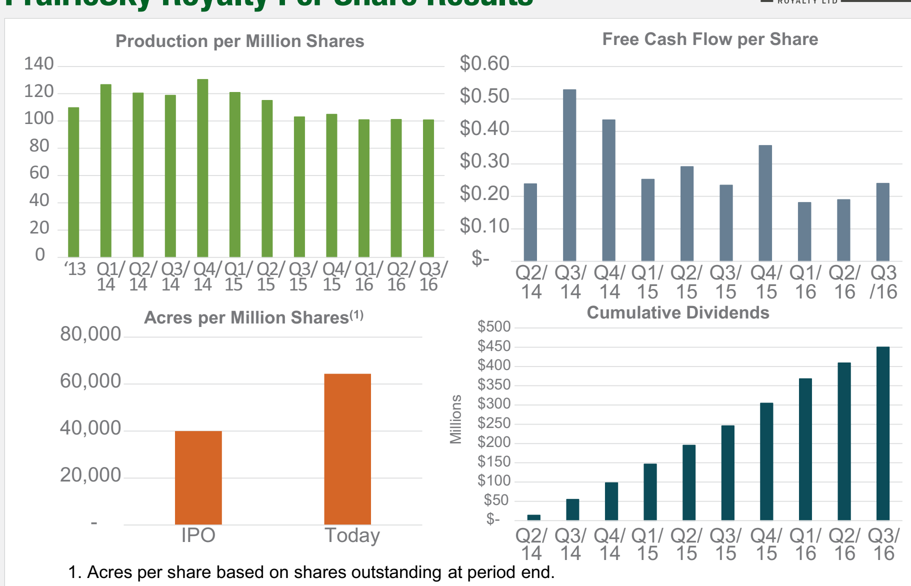


Canadian Scout November 14

Pengrowth's 3Q production stable YTD.

Before striking its deal with Pengrowth, PrairieSky completed a $109 million debut in another thermal oil project: Onion Lake in western Saskatchewan. In two separate transactions, PrairieSky picked up a combined 3.95% royalty stake from Onion Lake operator BlackPearl Resources and another company for $109 million.

PrairieSky Royalty Per Share Results



1. Acres per share based on shares outstanding at period end.

Source: PrairieSky January 5 Presentation via **PLS docFinder www.plsx.com/finder**

Developments & Trends

Valeura closes $11MM receipts offering for Thrace Basin buy

Valeura Energy completed the private placement of 14.6 million subscription receipts at $0.75 each to gross $11 million, which the company used to help pay for the US$18.5 million acquisition of Turkish JV partner **Thrace Basin Natural Gas Corp.** (TBNGC) The offering was upsized from a 10 million receipt sale that would have raised $7.5 million.

Since announcing last August that it intended to pursue strategic acquisition opportunities, Valeura has entered four interrelated transactions: two sales, the $11 million private placement and an acquisition funded by the first three. Two of the deals involved **Statoil**—an investment of US$36 million (including US$6.0 million upfront payment) for a 50% stake in a deep play on Valeura's Banarli licenses and the purchase of a 50% stake in other deep rights from Valeura at West Thrace for US$15 million. These deals, with the $11 million proceeds from the private placement, provided Valeura the funds to acquire TBNGC for US$18.5 million.

Tamarack borrowing base to $220MM

Continued From Pg 1

The facilities consist of an extendible revolving syndicated term credit facility of $200 million, up from $110 million, and an extendible revolving working capital credit facility of $20 million, which was increased from $10 million.

Following the Spur acquisition, the company has approximately 227.7 million shares outstanding including 500,000 flow-through shares issued Dec. 29 at $5.00 each.

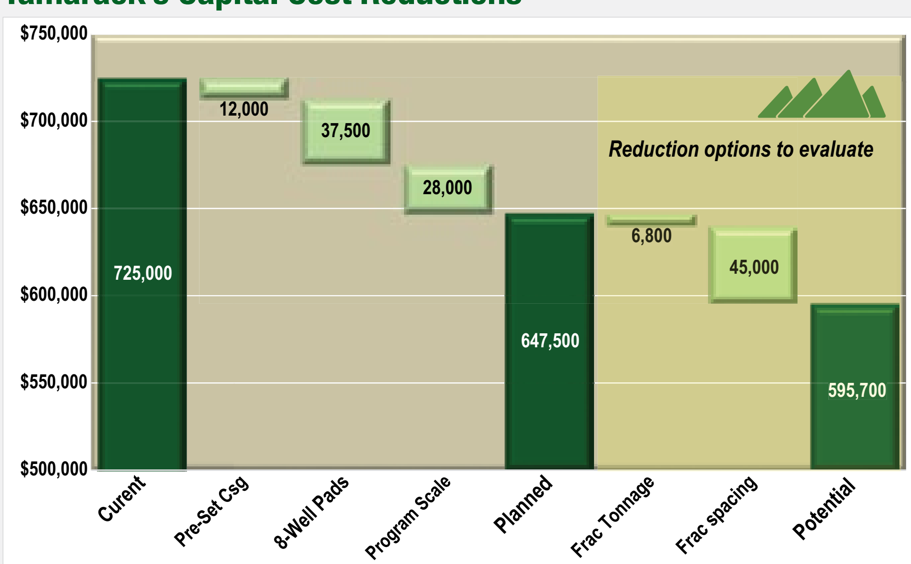
Tamarack's projected 2017 capex of $160-170 million (versus an estimated $45-53 million in 2016) is split evenly between TVE and Spur lands. The company aims to produce 19,000-20,000 boe/d. Tamarack's 2017 average guidance price assumptions are WTI at $50/bbl, Edmonton Par at $61.33/bbl, AECO at $2.75/GJ, and the Canadian dollar at $0.75.

Proceeds from FTS sale used to incur & renounce exploration expenses.

The Spur deal boosts Tamarack's overall production 58% to 17,040 boe/d and its Viking production more than 500% to 5,808 boe/d (66% liquids)—34% of total output—making it one of the play's leading operators. The company invested $127.3 million in the nine months ended Sept. 30 versus $99.7 million in the same period in 2015.

Peters & Co. Ltd was financial advisor to Tamarack on the Spur deal. **CIBC World Markets** and **Macquarie Capital Markets** were strategic advisors.

Tamarack's Capital Cost Reductions



Source: Tamarack Nov. 7 Presentation via **PLS docFinder www.plsx.com/finder**

Lack of growth challenge to Canada's oil hub, report finds

Corporate and personal income tax increases are exacerbating Alberta's core economic challenges of high unemployment and a steep decline in economic output, the **Fraser Institute** concluded in a recent study. With provincial unemployment at 9%, economic growth and job creation should be the principal aims of tax policy. Instead, Premier Rachel Notley's support for eliminating the single-rate personal income tax (PIT), as well as a recent corporate tax rate hike, are detrimental economically, according to the study.

Tax hikes have exacerbated, not remedied, Alberta's challenges.

Notley's opposition to the single-rate PIT is moored in her view that it is regressive, or disproportionately penalizes lower-income earners. The Fraser study argues that this is not a legitimate representation because the single rate was paired with the highest personal exemption rate in the country. This also means, the study says, that in many instances low income Albertans paid less income tax than individuals with similar incomes in any other province.

The Fraser report identified two reasons why PIT increases will reduce economic growth. First, tax increases

Low oil prices & higher taxes are twin challenges for Alberta economy.

generally reduce economic growth rates. The report cited a 2010 study by the American Economic Review by Romer and Romer, which examined the relationship between economic growth and the overall level of taxation in the US between 1945 and 2007, estimated that raising taxes by 1% of GDP would decrease real GDP by 2.5 to 3%.

Secondly, the economically harmful impacts of high personal income tax rates have been clearly demonstrated, the Fraser study found. "The reality is higher income taxes create disincentives for hard work and entrepreneurship, two important drivers of growth," the report said.

Developments & Trends

Statoil takes $500MM loss to exit oil sands

Statoil has pulled out of Canada's oil sands, selling its two 100% operated Kai Kos Dehseh (KKD) lease areas to **Athabasca Oil Corp.** for C$832 million (US$626 million). The major now has no operated assets in Western Canada. Athabasca's unsolicited offer includes $435 million in cash, 100 million common shares valued

Leismer project commissioned in 2010 and it has production of 24,000 bbl/d.

at $147 million and up to $250 million in a tranche of contingent payments triggered when and if WTI tops $65/bbl. Statoil will take a loss of $500-550 million on the sale. Statoil's share position, constituting just below 20% of the equity in Athabasca, will be managed as a financial rather than strategic investment.

Athabasca hopes deal will help achieve free cash flow generation by 2019.

The move follows the exodus of several oil majors from the region in recent years, including **ConocoPhillips, Chevron, Total, BP** and **Repsol.** Low oil prices, high upfront investment costs, tightened regulations and limited pipeline access have rendered Alberta's resources less competitive. There have been 42 deals worth at least $9.4 billion in recent years involving foreign company divestments from Canadian oil, Evaluate Energy data show.

Leismer expected to generate free cash flow of more than $575MM.

"The energy market has changed since 2007 quite considerably, and the oil price has been a lot lower for longer, we are focused on spending capital on core assets, and our own portfolio has changed in that time," Paul Fulton, president of Statoil's Canadian affiliate, said. Over the next five years, Athabasca estimates that Leismer will generate free cash flow in excess of $575 million and $325 million under US$60/bbl WTI and strip commodity forecasts.

Canada's economy slowly improving after oil price crash

There are signs that the Canadian economy is beginning to improve from the oil crash that began more than two years ago. Results from the **Bank of Canada's** winter Business Outlook Survey show improvement in employment, sales prospects and measures of investment. The survey also showed an expected recovery in the oil market to prompt an uptick in activity in regions at the epicenter of the oil price shock, principally Alberta, where businesses now expect at least some sales growth following a period of decline. All of which bodes well for employment.

Sales growth & expansion main reasons for hiring uptick in non-oil areas.

The bank found that the number of companies planning to hire staff outnumbered those planning to reduce staff by the largest margin since 3Q14, when the oil price collapse was in its nascent stages. "Both investment and employment intentions recovered and are more broad-based, driven by stronger demand and … the need to catch up following a period of anemic investments and layoffs," the Bank of Canada said.

Firms expecting more layoffs noted declining sales and demand & efficiency.

In a separate report, **Statistics Canada** showed an unexpected though modest rise in full-time employment and the first trade surplus in over two years in December. But despite the addition of 54,000 jobs, most growth was still in part-time positions. For FY16, Canada added only 60,400 full-time jobs, a number which Statistics Canada says is statistically insignificant. Contrast this figure with the YE results of 156,000 full time jobs in 2014 and 147,000 in 2015.

Substantial labor market slack in oil regions expected.

The Bank of Canada report, however, cited a number of firms that still reported limited hiring, especially in the resource sector. Firms anticipating staff reductions noted declining sales and demand and, in some cases, efficiency gains through technology and automation. For the first time since the oil price shock, firms reported little change, on balance, in the intensity of labor shortages compared with last year. The results suggest ongoing, substantial labor market slack, especially in regions tied to oil, with mild tightening in provinces experiencing sustained demand. The number of firms reporting that labor shortages are restricting their ability to meet demand increased for the second consecutive quarter. These firms were more likely to report plans to expand their workforces.

Canada added 60,400 full-time jobs in 2016 vs. 156,000 in 2014.

Projects have thus changed significantly in only a few months. As recently as October, Bank of Canada Governor Stephen Poloz had cut his growth forecast and said policymakers "actively" discussed the potential of adding more stimulus as business investment and exports remained subdued.

The number of companies planning to increase investment in machinery and equipment versus those expecting a decline increased to 24 from 18 in 4Q16, matching the data from 2Q14 prior to the oil price collapse. The future sales reading of 26 was also the highest since 2014. "Business prospects have improved following two years of overall modest activity," the bank said. "The drag from the oil price shock and related spillovers is gradually dissipating."

CENTRAL ALBERTA

CENTRAL ALBERTA ASSET SALE

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3D Seismic & Geotechnical Data Available
Avg ~97% OPERATED WI AVAILABLE
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Production Is 57% Liquids.
Total P+P Reserves: 7,606 MBOE
Total P+P PV10: $72,200,000
CONTACT AGENT FOR MORE INFO
PP 13621DV

PP *~820 BOED*

CENTRAL ALBERTA LAND SALE

Fee Simple Land.
LOCHEND AREA
Natural Gas Rights To South Half Of Section
FEE SIMPLE TITLE INTEREST AVAILABLE
ORIGINALLY Q4 2016 SALE
CONTACT AGENT FOR UPDATE
L 13250

L *FEE SIMPLE*

NONCORE ALBERTA LAND SALE

50-Sections. 1-Producing Hz Well.
KAYBOB. T62-65.
Duvernay Rights.
Swap & Farmout Proposals Considered
100% OPERATED WI FOR SALE
Current Production: 50 BOED
ORIGINALLY Q4 2016 SALE
CONTACT AGENT FOR UPDATE
PP 11001

PP *~50 BOED*

NORTHERN ALBERTA

NORTHWEST ALBERTA ASSETS

145,924-Gross Acres. 115,151-Net Acres.
DEEP BASIN, PEACE RIVER ARCH &
WABASCA AREAS.
83-Horizontal Development & Infill Drilling.
Waterflood Upside Targeting Light Oil.
Net Production: 2,618 BOED (56% Liquids)
Total Proved Reserves: 6,412 MBOE
Probable Reserves: 9,760 MBOE
ORIGINALLY Q3 2016 SALE
CONTACT AGENT - POST BID STATUS
PP 13072DV

PP *2,490 BOED*

SOUTHERN ALBERTA

SOUTH ALBERTA NONOP ASSETS

4-Key Areas. ~25-Net Producing Wells.
SUNDANCE, HARMATTAN & FENN
BIG VALLEY AREAS.
Wilrich, Falher, Notikewin, Dunvegan,
Cadomin, Gething & Cardium Production
Varying NonOperated WI Available
Current Net Prod: 4,202 MMCFD, 9 BOPD,
~20 BCPD & 2.5 BPD NGL
CONTACT AGENT FOR UPDATE
PP 13520

PP *NONOP*

SOUTHERN ALBERTA

ALBERTA NONCORE ASSET SALE

10-Wells. 47.5-Sections.
QUEENSTOWN. T16-21.
Mannville Production.
Additional Upside In The Ellerslie, Nisku-
--And Pekisko/Shunda Formations.
OPERATED WI & ROYALTY FOR SALE
Current Production: 100 BOED
Net Asset Value: $5,527,269
Proved PV10 Value: $3,459,000
Total Proved Reserves: 467 MBOE
Proved Plus Probable: 698 MBOE
ORIGINALLY Q4 2016 SALE
CONTACT AGENT FOR UPDATE
PP 11118RR

PP *100 BOED*

ALBERTA NON-CORE PROPERTIES

2-Producing Properties.
CHIN COULEE & CLARESHOLM
Sawtooth & Barons Sand Formations.
Data Room Opens January 16, 2017
CA Required To View Data Room.
100% WORKING INTEREST FOR SALE
Comb. Production: 61 BOED
Chin Coulee Net Value: $1,800,000
Claresholm Net Value: $277,372
Chin Coulee Total Proved: 118 MBOE
Claresholm Total Proved: 38 MBOE
BIDS ARE DUE FEBRUARY 9, 2017
PP 20100DV

PP *~61 BOED*

SOUTHEAST ALBERTA ASSET SALE

7-Total Wells. 640-Acres.
CRESSFORD AREA.
Producing From Mannville Pool
Rights From Surface To Base Of Mannville
6 UnBooked Drilling Locations.
All Wells Flow-Lined To Proration Battery
100% OPERATED WI AVAILABLE
Current Production: 20 BOPD & 80 MCFD
PDP Reserves: 107 MBO & 225 MMCF
PDP PV10: $2,814,000
CONTACT AGENT FOR MORE INFO
PP 13272DV

PP *MANNVILLE*

MULTIPLE ALBERTA

ALBERTA PROPERTY SALE

6-Producing Properties.
GARRINGTON, VIKING, BUCK LAKE--
--PEMBINA, SKARO & MEYER LAKE
Glauconitic, Ellerslie, Elkton, Cardium--
--And Other Formations.
OPERATED WI FOR SALE
Recent Oct 2016 Production: 440 BOED
Monthly Net Operating Income: $250,000
PV10 Value: $33,200,000
Total Proved Reserves: 2,311 MBOE
Total Proved Plus Probable: 3,976 MBOE
ORIGINALLY Q4 2016 SALE
CONTACT AGENT FOR STATUS
PP 11126DV

PP *440 BOED*

Developments & Trends

New rules aimed at making wiser O&G investors

New regulations took effect in January that will allow Canadian investors to receive reports detailing service and administration fees and investment performance. The rules, called CRM2 (Client Relationship Model 2), are the result of reforms

> *CRM2 aimed at greater cost disclosure and performance reporting.*

phased in over the last three years that are aimed at bringing more transparency and disclosure to the investment industry. According to a survey conducted by **Tangerine Investment Funds**, the changes are much needed, as the majority surveyed were not aware that this information would be included in their reports, and nearly half said they would make them more knowledgeable and empowered investors.

> *83% of respondents unaware that service & fee info were in reports.*

These changes will particularly benefit investors in Canada's oil and gas sector as oil prices begin to recover and activity begins to pick up. The greater transparency and disclosure of the reports will provide potential investors with essential data to equip them to make sound decisions amid the still-volatile market. This is especially significant, as the Tangerine study revealed that nearly half of Canadian investors surveyed stated they do not pay investment fees, or are unsure if they do.

> *44% said fees weren't presented in a transparent manner.*

And of those who were aware that they pay the investment fees, almost half did not know what they pay in dollar amounts. Additionally, when asked if the level of information provided about the fees they pay is presented in a transparent manner, 44% of all investors either disagreed or were unsure, indicating a lack of clarity regarding the way fees are presented.

Developments & Trends

■ **Enbridge** declared a quarterly dividend of $0.583 per common share, representing a 10% increase from the prior quarterly rate and the 22nd consecutive year in which the company has increased its dividend. Upon close of the acquisition of **Spectra Energy**, Enbridge expects to further increase its dividend by an amount sufficient to bring the aggregate increase in the quarterly dividend to approximately 15% above the prevailing quarterly rate in 2016.

■ **Savanna Energy Services** unanimously rejected an unsolicited buyout offer from oilfield services peer **Total Energy Services**, saying the hostile bid significantly undervalued its shares and was not in the best interest of its shareholders. Total Energy first submitted a proposal to acquire Savanna in November, offering 0.1132 of its shares for each Savanna share. Total subsequently raised its bid to 0.13 of its shares and took the offer directly to Savanna's shareholders. In mid-December, Savanna said it had received interest from other potential bidders after Total Energy went hostile with its offer.

People & Companies

■ Calgary-based **Baytex Energy** appointed president *Ed LaFehr* to succeed *James Bowzer* as CEO in May. LaFehr joined Baytex in July 2016 with responsibility for the company's Canadian and US business operations and corporate development. Bowzer has served as CEO since September 2012 and will remain on the board.

■ **Blue Sky Energy** appointed corporate secretary *Neil Said* as VP and to the board following its acquisition of **Sonoro Energy's** Iraqi exploration and development assets. The company changed its name in July from **Brookwater Ventures** and began trading on the TSX Venture exchange as BSI.

■ **Cenovus Energy** named retired **Canadian National Railway** executive *Claude Mongeau* to its board. Mongeau spent 22 years at CN Rail before retiring as president and CEO in July.

Analyst Takes

Encana Corp. (ECA: NYSE; US$11.94-Jan.3; Overweight/Negative; PT-$US14.00)

Encana continues to demonstrate strong early delivery on its five-year plan that it disclosed at its Analyst day this past October. The company has exceeded initial expectations in 4Q16 and has enhanced its 2017 forecasts. We believe the **strong execution could allay some investor skepticism** about the feasibility of the plan for 2018 and beyond. **—Barclays**

Kinder Morgan Inc. (KMI: NYSE; US$22.42-Jan.12)

KMI gets BC approval for Trans Mountain expansion – another step in the right direction as FID now in sight ($21.94 – B) – Positive. News out yesterday that KMI's Trans Mountain project received final environmental approval from British Columbia. Approval brings KMI one step closer to FID on the project as company now looks to secure remaining construction permits & come to an agreement with contractors/shippers on final cost estimates, which puts the ball in KMI's court rather than the regulators. If project is officially placed in backlog, **KMI will likely JV 50% of the project & potentially fetch a large premium vs. the $6.8B CAD cost.** For reference, a 10x sale of half of KMI's stake would be enough to bring leverage from 5.4x to 5.0x by YE'17, opening the door for a return to div. growth in 2018. **—Tudor, Pickering, Holt & Co.**

Pengrowth Energy Corp. (PCF; C$1.81- Jan. 19; Underweight; PT- C$2.00

Pengrowth announced 2017 guidance, including spending of $125mn and production of 50-52,000 boe/d. **We had been forecasting a $100mn capital budget with stronger volumes of 53,100 boe/d**. Management has earmarked $80mn towards Lindbergh optimization, Phase II design, and the drilling of two infill wells which should support stronger volumes (18,000 bbl/d) by year-end. Conventional (non-thermal) spending of $42mn will be directed entirely towards safety and maintenance, with no drilling plans. **This largely explains the variance relative to our forecasts, as we had anticipated productive conventional investment.** **—Barclays**

Penn West Petroleum Ltd. (PWT:TSX; C$2.44-Jan.4; Equal Weight/Neutral; PT-C$2.50

[T]he focus for **Penn West** now is execution. The company's significantly increased budget (up 125% yr/yr) and growth plans, along with a dramatically improved cost structure, must be supported with results. It is uncertain if any non-core volumes are remaining in the system (which could provide a buffer on volumes at the expense of higher costs), but in the near-term, delivering on the program is paramount. Our recent conversations with management suggest a conservative approach to guidance and a strong resolve on the operational front – **we are optimistic that the company may be turning the corner, but we still expect that consistent execution will be required before the valuation can improve meaningfully.** **—Barclays**

Seven Generations Energy Ltd. (VII:TSX; C$29.76-Jan. 9; Overweight; PT-C$42.00

Seven Generations provided an operational update, highlighted by annual volumes of ~117,500 boe/d and capital expenditures of ~117,500 boe/d and capital expenditures of <$1bn. This implies a 9% miss on implied Q4 volumes (131,300 boe/d), albeit with capital spending of ~$300mn during the quarter, compared to our $380mn forecast. **The volume shortfall is attributable to the lower spending and higher than anticipated downtime related to adjacent completion activity.** For the full year, volumes were 3% behind our 120,800 boe/d forecast, while capital spending was 7% lower. **—Barclays**

MULTIPLE ALBERTA

CANADA LEASEHOLD SALE
L

FOR SALE

151.5-P&NG Leases & 93 Oilsands Leases.
VARIOUS ALBERTA AREAS
Cold Lake, Driftwood, Athabasca----
Enchant, Claresholm, Atlee Buffalo,-----
-Milkwan, Turner Valley, Chip Lake, Gunn-
-Blueridge, Goose River, Shadow, Nipisi-
-Woking/Rycroft & Worsley.
WORKING INTEREST FOR SALE
CA Required To View Data Room.
ORIGINALLY Q4 2016 SALE
CONTACT AGENT FOR UPDATE
L 11116DS

CANADA OPPORTUNITY
PP

1,885 BOED

Multiple Producing Properties.
VARIOUS AREAS OF ALBERTA
Glauconitic Sandstone, Edmonton Sand-
-Belly River, Horseshoe Canyon And--
--Other Various Formations.
Joint Venture Drilling Upside Opportunities.
WI FOR SALE OR FOR FARMOUT
Production: 1,885 BOED
Total PV10 Value: $53,148,000
Total Proved Reserves: 11,025 MBOE
ORIGINALLY Q4 2016 SALE
CURRENTLY UNDER REVIEW
CONTACT AGENT FOR STATUS UPDATE
PP 11119FO

CANADA PROPERTY SUB PACKAGE 8
DS

SUB PACKAGE

46,492-Gross Hectares.
ALBERTA
Large Base of Undeveloped Land.
OPERATED & NonOperated WI
CA Required to view land details.
ORIGINALLY Q3 2016 SALE
CURRENTLY UNDER REVIEW
CONTACT AGENT - POST BID STATUS
DS 12208

MULTIPLE ALBERTA

CANADA PROPERTY SUB PACKAGE 9
PP

SUB PACKAGE

11-Properties.
ALBERTA
Bow Island, Little Bow, Coyote/Watts-
-Carbon, Trochu, Fenn West/Mikwan,
Ewing Lake, Evi, Pouce Coupe, Mirage-
-Gordondale & Fourth Areas.
NonOperated Working Interest For Sale
Comb. Recent Net Prod: 66 BOED
Comb Proved Reserves: 503 MBOE
ORIGINALLY Q3 2016 SALE
CONTACT AGENT - POST BID STATUS
PP 12209

CANADA RECEIVERSHIP SALE
PP

225 BOED

Producing & Non-Producing Properties.
CENTRAL & SOUTHERN ALBERTA
Oil & Natural Gas Properties Producing--
From Big Valley/Banff, Bow Island ---
Ellerslie And Other Formations.
OPERATED WI FOR SALE
Recent Sept 2016 Production: 225 BOED
Est Net PV10 Value: $11,700,000
Total Proved Reserves: 827 MBOE
Total Proved Plus Probable: 2,025 MBOE
ORIGINALLY Q4 2016 SALE
CONTACT AGENT FOR UPDATE
PP 11261CO

CANADA STRATEGIC ALTERNATIVES
CO

OFS

9-Facilities.
MULTIPLE AREAS ACROSS ALBERTA
Montney & Deep Basin Facilities
10th Facility To Be Commissioned End 2016.
Potential For Facility Expansion.
Assets Have Long Expected Lives.
OWNERSHIP & OPERATIONS
12-Mn Operating Revenue: ~$646,916/Mn
CONTACT AGENT FOR MORE INFO
CO 13151SV

Canadian Upstream Market Movers—Last 30 Days

Source: CapIQ

	Company	Ticker	$/Share 1/19/17	$/Share 12/22/16	% Change	YOY % Change
Top 5	MEG Energy	MEG	$7.34	$9.09	19%	62%
	Baytex Energy	BTE	$5.38	$6.61	19%	179%
	Crew Energy	CR	$6.15	$7.51	18%	110%
	Pengrowth Energy	PGF	$1.71	$2.08	18%	128%
	Seven Generations Energy	VII	$25.96	$30.71	15%	102%
Bottom 5	Penn West Petroleum	PWT	$2.50	$2.35	-6%	216%
	Encana Corporation	ECA	$17.39	$16.47	-6%	266%
	BlackPearl Resources	PXX	$1.66	$1.63	-2%	196%
	Surge Energy	SGY	$3.13	$3.19	2%	105%
	Husky Energy	HSE	$16.10	$16.52	3%	22%

Note: data includes public, Canadian-based companies operating in the oil & gas space, limited to companies >$1.00/share and market cap >$100MM.

People & Companies

■ South America-focused **CGX Energy** announced a board shake up with four of its seven members resigning: co-chairman *Serafino Iacono, Ronald Pantin, Marino Ostos* and *Michael Galego.* All four were nominated to the board of **Pacific Rubiales** when it acquired a majority stake in CGX. Pacific Rubiales was subsequently renamed **Pacific E&P** and recently emerged from a bankruptcy process. CGX has named two new board members, Pacific technical VP *Erik Lyngberg* and **Blackhill Partners** co-founder *Dan Gillett.* Lyngberg will serve as co-chairman along with **Trent University** senior professor *Suresh Narine.*

■ **Chinook Energy** announced that *Donald Archibald, Matthew Brister* and *Stuart Clark,* directors of the company, will not stand for reelection at Chinook's annual and special meeting of shareholders on May 11. The board said it is mindful that its reduction in the size is appropriate in the context of Chinook's evolved focus on its existing core Montney assets at Birley/Umbach.

■ **Imperial Oil** announced the retirement of *W.J. (William) Hartnett* as VP and general counsel effective Dec. 31, 2016. He will be succeeded by *P.M. (Peter) Dinnick*, who most recently served as Imperial's assistant general counsel, upstream, from May 2012 to December 2016.

■ **Penn West** announced the departures of CFO *David Dyck* and SVP of exploitation, production and delivery *Gregg Gegunde* on Jan. 5 with immediate effect. *David Hendry*, VP of finance, was named CFO. Hendry has over 25 years of finance experience, most recently as finance VP at **Talisman Energy.**

■ **Pine Cliff Energy** CFO and corporate secretary *Kristi Kunec* resigned her positions. The board appointed *Cheryne Lowe,* VP of finance as her replacement, effective Jan. 16. Lowe served as VP of finance and CFO at **Orlen Upstream Canada** and its predecessor from 2010-2015.

MULTIPLE ALBERTA

CENTRAL ALBERTA RECEIVERSHIP

26-Active Wells. 5-Key Areas.
REDWATER, NORRIS, PANNY, DAVEY LAKE & WESTLOCK AREAS.
Ellerslie, Mannville, Glauconitic & Keg River Production
9 Net Wells Identified For --Additional Upside.
Varying Operated & NonOperated WI
Current Net Prod: ~82 BOPD & 219 MCFD
H2 2016 Net Operating Income: ~$48,892/Mn
ORIGINALLY Q3 2016 SALE
CONTACT AGENT FOR UPDATE
PP 13220DV

PP *RECEIVERSHIP*

SASKATCHEWAN

SW SASKATCHEWAN PROPERTY

7-Total Wells. ~1,028-Gross Acres.
SUPERB AREA. T33-34.
Horizontal Potential
Viking-Kindersly, Mannville & Viking Zones
All PNG Rights to Base Of Mannville, Colorado & Joli Fou
50% NonOperated WI In 1 Well
100% OPERATED WI AVAILABLE
Current Production: 4 BOPD
CONTACT AGENT FOR MORE INFO
PP 13115

PP *VIKING*

MULTIPLE AREAS

ALBERTA & SASKATCHEWAN ASSETS

~95-Total Sections.
HARDY & RETLAW AREAS
BAKKEN FORMATION
Glauconitic, Ostracod, Lower Mannville, Suburt, Belly River, Second White Specks & Ellerslie Formation Upside
98.5% OPERATED WI AVAILABLE
Net Production: 236 BOED
Total Proved Resveres: 482 MBOE
PDP Resveres: 409 MBOE
Total Proved PV10: $5,323,000
ORIGINALLY Q4 2016 SALE
CONTACT AGENT FOR UPDATE
PP 13620DV

PP *~235 BOED*

CANADA NONCORE ASSET SALE

~12 Oil & Natural Gas Properties.
ALBERTA & BRITISH COLUMBIA
Aden/Lait, Manyberries, Brant, Majorville--Cessford, Crossfield, Carstairs, Warburg--Caroline & Boundary Lake Areas.
ROYALTY, UNIT & NonOp WI FOR SALE
Comb. Net Production: 186 BOED
Estimated PV10 Value: $5,400,000
Total Proved Reserves: 442 MBOE
Total Proved Plus Probable: 592 MBOE
BOUNDARY LAKE INTEREST SOLD!
CONTACT AGENT FOR STATUS
PP 11171RR

PP *>180 BOED*

MULTIPLE AREAS

CANADA COMPANY STAKE SALE

1-Producing & 4-NonProducing Properties.
SASKATCHEWAN & MANITOBA
6 unbooked horizontal locations.
Viking, Jurassic & Mississippian Fm.
Offsetting Production From All Prospectives.
WORKING INTEREST FOR SALE
Recoverable Reserves: 43.7 MBBls/Well.
Confidentially Agreement Required.
CONTACT AGENT FOR MORE INFO
PP 11227DV

PP *FOR SALE*

CANADA NONCORE ASSETS SALE

132,910-Net Acres.
DEEP BASIN, PEACE RIVER ARCH & NORTHEAST BRITISH COLUMBIA
Proven Formations: Cretaceous, Jurassic & Triassic Zones
~208 Net Sections Of Land
Avg ~46% WI AVAILABLE
Current Prod: 1,715 BOED (85% Gas)
Total Proved Reserves: 3.6 MMBOE
Total Proved PV10: $13,400,000
Established Infrastructure Access Through Gathering Systems & Major Pipelines
CONTACT AGENT FOR UPDATE
PP 13381

PP *1,715 BOED*

CANADA NON-CORE PROPERTY

Non-Core Properties & Pipeline.
ALBERTA & SASKATCHEWAN
Producing & Non-Producing Properties.
CA Required To View Data Room.
100% WI IN PIPELINE ALSO FOR SALE
OPERATED & NonOperated WI FOR SALE
Total Avg. Production: 152 BOED
PDP Reserves: 320 MBOE
Total Proved Reserves: 543 MBOE
Total Proved Plus Reserves: 659 MBOE
ORIGINALLY Q3 2016 SALE
CALL AGENT FOR STATUS UPDATE
PP 11201G

PP *152 BOED*

CANADA RECEIVERSHIP PROCESS

2-Key Areas.
ALBERTA & SASKACHEWAN
PROVOST & LLYODMINSTER AREAS
Medium & Heavy Oil Positions
750-1,000 HZ Drilling Locations Identified.
ACQUIRE, RESTRUCTURE OR RECAP
Q2 2016 Avg Production: 12,728 BOED
Net Operating Cash Flow: ~$4,916,667/Mn
Proved Reserves: 32.5 MMBOE
Well Costs: $620,000 - $920,000
CONTACT AGENT FOR UPDATE
PP 13130DV

PP *~12,700 BOED*

MULTIPLE AREAS

CANADA SALE PACKAGE

~174,400-Net Acres.
BRITISH COLUMBIA & ALBERTA
PROLIFIC MONTNEY OIL TREND
Additional Wilrich & Duvernay Upside.
HIGH WORKING INTEREST FOR SALE
Production Capable Of ~10,400 BOED
With ~5,700 BOED Currently Restricted
2016 Monthly Cash Flow: $2,233,333/Mn
Total Proved Reserves: 102 MMBOE
2P PV10 Value: $1,273,000,000
ORIGINALLY Q3 2016 SALE
CONTACT AGENT FOR UPDATE
PP 13268

PP *MONTNEY*

CANADA SALE PACKAGE

Multiple Producers. 3-Core Areas.
ALBERTA, SASKATCHEWAN & BRITISH COLUMBIA
300+ Drilling Locations Identified.
Varying OPERATED & NonOp WI
Avg Net Production: 1,646 BOED
Feb 2014-Jan 2015 Net Income: $428,458/Mn
Total Proven Reserves: 6.6 MMBOE
ORIGINALLY Q4 2016 SALE
CONTACT AGENT FOR UPDATE
PP 13283DV

PP *~1,650 BOED*

ABOUT PLS

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