ENVERUS

Capital Pulse

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Vår Energi to place at least 220 million shares in Oslo IPO

Italy's Eni and Norwegian private equity group HitecVision are offering up to 275 million shares of their E&P JV company Vår Energi AS to buyers for initial listing on the Oslo Børs on Feb. 16. The IPO is currently being marketed in the NOK 28.0-31.5 ($3.17-$3.57) per share range through a bookbuilding period that began Feb. 7. The final price will be announced at the end of the bookbuilding period Feb. 15.

Bookbuild currently underway, with shares pricing in the NOK 28.0-31.5 range.

In addition to the 220 million-share base sale, Eni and HitecVision may sell in equal parts up to 55 million additional Vår shares through an up-size option, which could potentially bring the size of the deal close to NOK 8.7 billion, or about $1.0 billion. The base sale alone could result in gross proceeds of more than NOK 6.9 billion ($782 million). With or without the up-size option, the IPO will be one of European energy's biggest public offerings in a decade.

Including full use of the up-size option and an offering price at the high end of the range, the IPO would place a market value on Vår close to NOK 79 billion ($8.95 billion). *Read more...*

Exxon's $8.87B Q4 profit highest since 2014, driving a $23B 2021

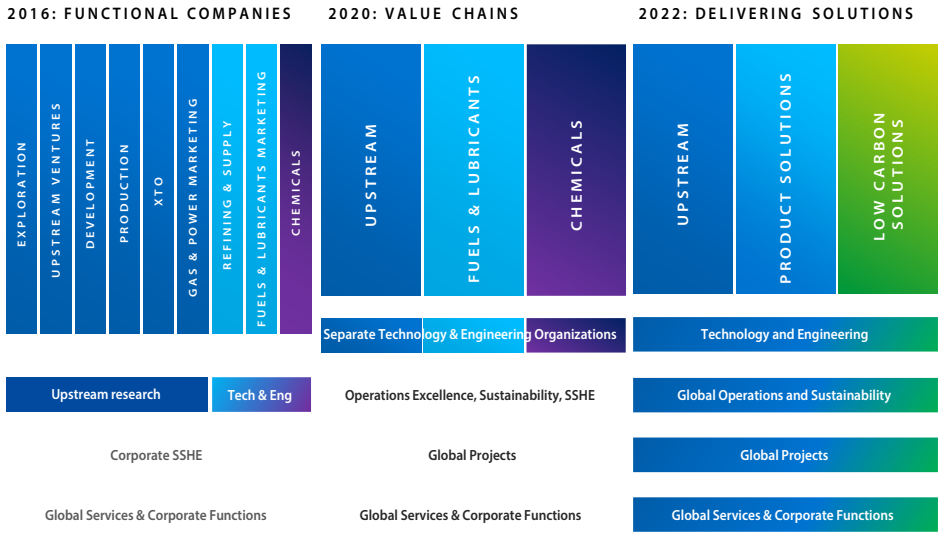
Exxon Mobil Corp. earned $8.87 billion on $85 billion of revenue in 4Q21, swinging back from a $20.1 billion loss on $46.5 billion of revenue a year earlier. Its most profitable quarter since 1Q14 led the company to 2021 earnings of $23 billion, compared with a $22.4 billion net loss for 2020. Revenue of $286 billion for the year was up 58% YOY. Exxon's operations delivered more than $17 billion in cash flow in Q4 and $48 billion for the year, the highest since 2012.

Cash flow of $48 billion for the year was the supermajor's highest since 2012.

"As a result of our cost reductions, improved efficiency and capital discipline, we've lowered our Brent breakeven price to $41/bbl," CEO Darren Woods said. "We're continuing to drive that down even more, expecting to average $35/bbl between now and 2027."

Q4 capex totaled $5.8 billion, finishing out a $16.6 billion year of spending. Upstream accounted for 74% of Exxon's expenditures last year. This year, the supermajor expects to spend $21-24 billion. *Read more...*

Following ExxonMobil's Business Model Progression



Source: ExxonMobil 02/01/22 presentation via **Enverus docFinder**

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ABOUT THIS REPORT

Capital Pulse is published every three weeks by **Enverus** and covers oil and gas finance primarily in the U.S. upstream sector, including the equity and debt markets, capital expenditures, restructurings and financial results.

All dollar amounts in this report are in U.S. dollars unless otherwise stated.

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Upstream

Kayne Anderson commits over $180MM to Treadstone Energy III

Treadstone Energy Partners III LLC announced that Kayne Anderson Energy Fund VIII has committed to invest over $180 million alongside the company's management. The private Houston-based E&P company is led by CEO Greg West, president Frank McCorkle, land VP and general counsel Leandro Vargas and subsurface VP David Kita. West said the 11-year relationship with Kayne Anderson "has been essential in our prior success and will play a critical part in the execution of the company's goals."

Treadstone team ready to pursue Lower 48 opportunities, initially in Texas & New Mexico.

The Treadstone team recently concluded the divestment of its oil and gas assets in the Hearne field in East Texas via Treadstone II and is now ready to pursue and develop new and scalable opportunities across the Lower 48, with initial focus on Texas and New Mexico. It is believed that Treadstone II sold the assets to Lime Rock Resources for $271.3 million, according to Enverus data.

Ryan Sauer, managing director at Kayne Anderson Energy Funds, said its partnership with Treadstone has been "extremely successful." As of YE21, Kayne Anderson managed $31 billion in assets for institutional investors, family offices, high net worth and retail clients.

New SPAC Kimbell Tiger hunting for energy industry combo

Kimbell Tiger Acquisition Corp. priced an IPO of 20 million units at $10 each on the NYSE on Feb. 4. The subsidiary of Fort Worth, Texas-based Kimbell Royalty Partners LP will seek a business combination "in the energy and natural resources industry in North America." The special-purpose acquisition company also granted sole underwriter UBS a 3 million-share overallotment option that, if exercised in full, would bring gross proceeds from the IPO to $230 million.

The units for sale contain one Class A common share and one-half of a warrant to buy a common share at $11.50. The units began trading as TGR.U and once separated, the common stock will trade as TGR and the warrants as TGR.WS.

Sponsor Kimbell Tiger Acquisition Sponsor LLC committed to buy 12.75 million warrants, or 14 million on full greenshoe exercise, at $1.00 each in a private placement closing simultaneously with the IPO. The warrants are exercisable at the same price as the IPO warrants. Proceeds from the sales will be placed in a trust account until the company executes a business combination. The sponsor, controlled by Kimbell Royalty Partners, is expected to own 20% of Kimbell Tiger's common shares outstanding.

Magnolia board increases common stock buyback plan

Directors of Magnolia Oil & Gas Corp. increased the Eagle Ford-focused E&P company's Class A share repurchase authorization by 10 million shares, bringing the total authorized number of Class A shares available for repurchase to around 15.8 million. The company's Class B common shares, owned by EnerVest, would need a separate authorization for repurchase, the company said. Magnolia reduced its share count in 2021 by 10%, or 25.3 million, through the combination of Class A share buybacks and direct Class B purchases from EnerVest.

Returned $358 million to shareholders in 2021 via dividends and share buybacks.

The company currently has 181 million Class A shares and 49 million Class B shares outstanding. Its shares closed at $22.48 on Feb. 2 and have ranged $9.00-$23.16 in price over the past 52 weeks.

Chairman, president and CEO Steve Chazen said Magnolia returned $358 million to its shareholders last year through dividends and share buybacks. The amount returned to shareholders represents about 65% of the company's free cash flow for the year.

"The increase in the share repurchase authorization is aligned with our plan to repurchase at least 1% of our outstanding shares per quarter," Chazen said. Magnolia is scheduled to report 4Q21 and full-year earnings Feb. 16.

- ASX-listed Calima Energy Ltd. announced plans to place 100 million ordinary shares with institutional and sophisticated investors at A$0.20 each to gross A$20 million ($14.4 million). The Perth, Australia-based company, which has assets in Alberta's Montney, Thorsby and Brooks plays, plans to use net proceeds to complete wells and develop and expand facilities, as well as to pay down revolver debt. The placement price represents a 13% discount to Calima's Feb. 4 closing price. Canaccord Genuity is the placement agent, and settlement is expected Feb. 16. Calima currently has 514.1 million shares outstanding.
- EQT Corp. bought back just over $206 million aggregate principal amount of the almost $569 million outstanding of its 3% senior notes due 2022, pursuant to its offer to buy back up to $250 million of the securities. While the Appalachia-focused gas producer's offer expired Jan. 27, all but $124,000 of the 2022 notes had been tendered by the early deadline of Jan. 12. EQT is repurchasing the notes for $962.50 per each $1,000 face amount tendered. Early tenderers will get a $50 premium per $1,000.
- Houston-based private equity group North Hudson Resource Partners LP closed its North Hudson Production Partners LP fund at $127 million, exceeding its $100 million target. The fund will focus on investing in non-operated onshore U.S. oil and gas assets in a similar approach to two of the firm's previous funds, North Hudson SRR LP and North Hudson Fortuna III LP. North Hudson said the new fund will benefit from an existing footprint that includes more than 1,100 horizontal wells with 30 different operators.
- PetroShale announced Feb. 2 that it completed equity raises to bring in C$54.5 million in proceeds. The company said both its brokered and non-brokered private placements were oversubscribed. Total equity issued through both placements amounted to 136.25 million shares. Because of the successful completion, the company can fully fund its 2022 capex budget of C$57 million. The North Dakota Bakken driller will change its name to Lucero Energy Corp. at its next shareholders' meeting.

Upstream

TVE issues C$200MM in SSL notes on its way to Crestwynd closing

Tamarack Valley Energy Ltd. priced C$200 million aggregate principal amount of 7.25% senior unsecured sustainability-linked notes due 2027 at 100. The notes will be sold privately to parties within Canada and the U.S. through joint bookrunners National Bank Financial Markets and RBC Capital Markets. The offering is expected to close Feb. 10. Tamarack Valley will use net proceeds from the offering to fund a portion of the C$184.6 million purchase price for Crestwynd Exploration Ltd., a Clearwater pure-play it expects to close on within February. Proceeds will also pay down borrowings under a C$100 million sustainability-linked credit facility that the company said was no longer necessary now that it is selling the notes.

The coupon for the new 2027 notes is tied to the company's sustainability-linked bond framework. Under this structure, the company must meet certain sustainability performance targets or pay additional interest on the notes, amounting to an additional 75 bps if it doesn't reduce its Scope 1 and 2 emissions intensity by 39% by 2025 over the 2020 baseline. Also, at least 6% of Tamarack Valley's workforce must be composed of Indigenous people by 2025 or it has to pay 25 bps more on the notes.

The company approved 2022 capex of C$250-270 million ($199-215 million) and is forecasting production of 45,000-46,000 boe/d (73-75% liquids). It also declared an inaugural monthly cash dividend of C$0.0083/share, which will be paid Feb. 15 to shareholders of record as of Jan. 31.

Pieridae wraps up strategic review, decides against sale

Pieridae Energy completed the strategic review it launched last year after the collapse of its proposed Goldboro LNG project. The company, which had acquired a large base of upstream Alberta Foothills assets over several years to supply feedgas for the project, had formed a special committee and hired Peters & Co. as an advisor to evaluate strategic alternatives, including a corporate sale, merger, a sale of a material portion of its assets and other transactions. Ultimately, the committee determined the alternatives were not compelling compared to Pieridae's standalone prospects, according to a Jan. 24 statement.

Pieridae said the restructuring of its credit agreement played a role in the committee's conclusion, which the board has approved. Pieridae had nearly 1.2 million net acres across British Columbia, Alberta, Quebec and New Brunswick as of YE20, with an average 74% WI across its holdings. According to its 2020 annual report, the assets have 584 producing wells, 374 non-producing wells and eight service wells, with net proved reserves of 901 Bcfe (82% gas) and 2P reserves of 1.22 Tcfe. Pieridae also owns and operates three gas processing plants, which operated at 66% of their 750 MMcf/d aggregate throughput capacity in 2020. Its 3Q21 production averaged 232 MMcfe/d (82% gas).

North American Upstream Stock Movers—Last Month Source: S&P Capital IQ

Company	Ticker	$/Share 02/09/22	$/Share 01/10/22	% Chg	% Chg YOY
Top 5					
Petrus Resources Ltd.	TSX:PRQ	$1.35	$0.69	95%	511%
Gear Energy Ltd.	TSX:GXE	$1.22	$0.73	66%	392%
ECA Marcellus Trust I	OTCPK:ECTM	$1.04	$0.69	50%	238%
InPlay Oil Corp.	TSX:IPO	$2.69	$1.82	48%	765%
Vaalco Energy Inc.	NYSE:EGY	$5.35	$3.65	47%	81%
Bottom 5					
Denbury Inc.	NYSE:DEN	$66.89	$75.51	-11%	91%
NG Energy International Corp.	TSXV:GASX	$1.29	$1.46	-12%	-4%
Advantage Energy Ltd.	TSX:AAV	$5.07	$5.81	-13%	147%
Comstock Resources Inc.	NYSE:CRK	$7.37	$8.59	-14%	39%
Houston American Energy Corp.	NYSEAM:HUSA	$1.17	$1.43	-18%	-61%

Note: Data includes U.S. and Canadian-domiciled public companies operating in upstream oil and gas, limited to >$1.00 share and >100,000 daily share volume. All amounts are in US$.

Crescent adds on to 2026 notes to pay down revolver debt

Crescent Energy Co. and its finance arm Crescent Energy Finance LLC announced the upcoming offering of $200 million aggregate principal amount of 7.25% senior notes due 2026 to eligible buyers via a private placement. The issuing company is the result from the combination of Contango Oil & Gas and Independence Energy, which closed Dec. 7.

The offering will be an add-on to a $500 million sale of the 2026 notes made by Independence last May. The newly issued notes will have substantially identical terms—other than the issue price and date, and the first interest payment date—as the existing notes, and both tranches will be treated as a single class of securities. The new offering, announced Feb. 7, will be made under SEC Rule 144A and Regulation S guidelines. Proceeds will be used to repay a portion of the company's revolving credit facility. As of the end of 3Q21, Contango and Independent had an aggregate $500 million in bonds outstanding and total revolving credit of $279 million, according to S&P.

Crescent plans to spend $375-425 million on capex this year. Its operated activity is focused mainly on the Eagle Ford, where it expects to bring online 32-38 wells with an average stake of more than 90%.

The North American Upstream Top 40

Company	Exchange: Ticker	Market Cap ($MM)	Shares Out (MM)	Share Price	52-Week Share Price High	52-Week Share Price Low
Exxon Mobil Corp.	NYSE:XOM	$334,881	4,239.0	$79.00	$83.08	$48.78
Chevron Corp.	NYSE:CVX	$265,616	1,927.7	$137.79	$139.43	$90.08
ConocoPhillips	NYSE:COP	$121,044	1,302.2	$92.95	$94.93	$45.21
EOG Resources Inc.	NYSE:EOG	$66,301	585.1	$113.31	$116.53	$58.16
Canadian Natural Resources Ltd.	TSX:CNQ	$60,406	1,177.1	$51.32	$54.81	$25.64
Pioneer Natural Resources Co.	NYSE:PXD	$54,154	244.1	$221.82	$232.84	$127.13
Suncor Energy Inc.	TSX:SU	$41,830	1,448.7	$28.87	$30.48	$17.28
Occidental Petroleum Corp.	NYSE:OXY	$37,639	934.0	$40.30	$42.31	$21.62
Devon Energy Corp.	NYSE:DVN	$35,273	676.8	$52.12	$55.44	$18.69
Cenovus Energy Inc.	TSX:CVE	$30,058	1,995.3	$15.06	$16.14	$6.23
Imperial Oil Ltd.	TSX:IMO	$29,335	678.1	$43.26	$44.48	$19.91
Hess Corp.	NYSE:HES	$28,722	307.8	$93.31	$96.76	$57.36
Diamondback Energy Inc.	NasdaqGS:FANG	$23,350	181.2	$128.88	$135.70	$63.05
Continental Resources Inc.	NYSE:CLR	$19,897	358.3	$55.53	$59.82	$21.61
Coterra Energy Inc.	NYSE:CTRA	$18,493	813.6	$22.73	$24.26	$14.28
Marathon Oil Corp.	NYSE:MRO	$16,762	778.5	$21.53	$22.01	$8.51
APA Corp.	NasdaqGS:APA	$12,144	363.3	$33.43	$36.46	$15.55
Tourmaline Oil Corp.	TSX:TOU	$11,903	330.9	$35.98	$39.46	$17.39
Ovintiv Inc.	TSX:OVV	$10,578	261.1	$40.51	$43.36	$19.78
EQT Corp.	NYSE:EQT	$8,126	377.9	$21.50	$24.84	$15.71
ARC Resources Ltd.	TSX:ARX	$7,941	694.5	$11.43	$12.34	$5.65
Chesapeake Energy Corp.	NasdaqGS:CHK	$7,692	117.1	$65.68	$73.66	$40.00
Antero Resources Corp.	NYSE:AR	$6,062	313.9	$19.31	$22.03	$7.90
PDC Energy Inc.	NasdaqGS:PDCE	$5,811	97.4	$59.67	$63.42	$26.69
Southwestern Energy Co.	NYSE:SWN	$5,081	1,114.3	$4.56	$5.96	$3.74
Matador Resources Co.	NYSE:MTDR	$5,054	117.3	$43.07	$48.78	$18.61
Murphy Oil Corp.	NYSE:MUR	$4,915	154.5	$31.82	$35.32	$13.51
Range Resources Corp.	NYSE:RRC	$4,620	240.1	$19.24	$26.48	$8.47
Civitas Resources Inc.	NYSE:CIVI	$4,488	84.8	$52.89	$59.65	$24.37
Whitecap Resources Inc.	TSX:WCP	$4,458	626.2	$7.12	$7.45	$3.70
SM Energy Co.	NYSE:SM	$4,229	121.5	$34.81	$38.25	$10.94
Magnolia Oil & Gas Corp.	NYSE:MGY	$3,911	181.8	$21.51	$23.34	$9.54
Crescent Point Energy Corp.	TSX:CPG	$3,758	582.2	$6.46	$7.03	$2.90
MEG Energy Corp.	TSX:MEG	$3,664	306.9	$11.94	$12.61	$4.20
Denbury Inc.	NYSE:DEN	$3,353	50.1	$66.89	$91.30	$33.93
California Resources Corp.	NYSE:CRC	$3,268	80.4	$40.65	$47.18	$21.79
PrairieSky Royalty Ltd.	TSX:PSK	$3,228	238.8	$13.52	$14.11	$8.97
Callon Petroleum Co.	NYSE:CPE	$3,188	61.4	$51.96	$65.45	$20.35
CNX Resources Corp.	NYSE:CNX	$3,056	202.5	$15.09	$16.22	$10.41
Enerplus Corp.	TSX:ERF	$2,970	254.8	$11.66	$12.74	$4.18

Note: Data includes U.S. and Canadian-domiciled public companies operating in upstream oil and gas, limited to >$1.00 share. All amounts are in US$.

Source: S&P Capital IQ (as of 02/09/22)

Upstream

- Obsidian Energy Ltd. commenced trading on the NYSE American exchange on Jan. 31 under the ticker symbol OBE. The Alberta-focused producer will continue to trade on the Toronto Stock Exchange under the same symbol but gave up its listing on the OTCQX market as of the end of trading Jan. 28. The company recently reduced its credit facility to C$366.8 million from C$415 million.
- Pioneer Natural Resources Co. has called $1.25 billion of senior notes. The Dallas-based, Permian-focused E&P company delivered notices for full redemption of all $750 million of its 0.75% senior notes due 2024 and $500 million of its 4.45% senior notes due 2026 outstanding. The redemption dates are Feb. 14 for the 2024s and Feb. 24 for the 2026s. In both cases, Pioneer will redeem the notes at 100 plus accrued and unpaid interest, plus a make-whole premium for the 2026 notes. Pioneer will release its 4Q21 and FY21 results Feb. 16.
- Gulf of Mexico-focused Talos Energy said it paid down $25 million on its credit facility during 4Q21, reducing its balance to $375 million. The company has reduced its balance by $90 million since the end of 1Q21. A hedging loss of $100 million was incurred in 4Q21, excluding unrealized mark-to-market hedge losses as of year's end, and realized prices before hedges were $73/bo, $33/bbl of NGLs and $5/Mcf. Looking forward, Talos plans to continue to generate "meaningful" free cash flow, delever its balance sheet and increase liquidity, CEO Timothy Duncan said.
- Tourmaline Oil achieved record free cash flow in 2021, which it expects to come in at more than C$1.5 billion. It also achieved its net debt target of C$1.0-1.2 billion in Q4. During 2021, the company increased the base quarterly dividend three times to an annualized C$0.72/share and distributed its first special dividend of C$0.75/share in October. Tourmaline said Jan. 18 it is increasing the quarterly dividend again by 11% to C$0.20/share beginning in Q1. The company will also distribute a second special dividend of C$1.25/share on Feb. 1 to shareholders of record as of Jan. 25. Tourmaline anticipates paying additional special dividends this year as well as using its normal-course issuer bid to buy back shares.

Earnings & Capex

Chevron earns $5.1B in Q4, biggest annual profit since 2014

Chevron Corp. reported 4Q21 earnings of $5.1 billion on $48 billion of revenue, reversing from a $656 million loss in 4Q20 when the company generated 48% less revenue at $25.2 billion. Cash flow from operations of $9.5 billion less its $2.6 billion in capex produced $6.9 billion in free cash flow during the quarter.

The company's 2021 profit of $15.6 billion, swinging back from a 2020 net loss of $5.5 billion, was the supermajor's highest since 2014. At around $25 billion, operating expenses including SG&A were flat, and DD&A was down 8% YOY.

"By the end of 2021, we had one of our most successful years ever with return on capital employed approaching 10%, our highest since 2014; the successful integration of Noble Energy, while more than doubling initial synergy estimates; and record free cash flow, 25% greater than our previous high," CEO Mike Wirth told analysts. "I expect 2022 will be even better for cash returns to shareholders … We're optimistic about the future, focused on continuing to reward our shareholders while investing to grow our businesses and maintaining a strong balance sheet."

Upstream activities generated $5.1 billion in profit in Q4, $15.8 billion for the year.

Cash flow from operations in 2021 was $29.2 billion, compared with $10.6 billion in 2020. Excluding working capital effects, it was $30.6 billion, compared with $12.2 billion in 2020. Chevron spent $11.7 billion in 2021, compared with $13.5 billion in 2020.

Upstream operations earned $5.1 billion in Q4 compared with $500 million a year earlier. Production averaged 3.12 MMboe/d. In the U.S, Chevron's upstream business made $2.97 billion on an average 1.22 MMboe/d, realizing $63/bbl for oil and NGLs and $4.78/Mcf for gas, up 91% and 221% YOY, respectively. International upstream activities brought in $2.18 billion from 1.9 MMboe/d, realizing $74/bbl for oil and NGLs and $7.90/Mcf for gas. Realized prices were up 85% and 86%, respectively, from 4Q20. For the year, upstream delivered $15.8 billion in profits, reversing from a 2020 loss of $2.43 billion.

Chevron's downstream business earned $760 million in Q4 compared with a $338 million loss a year earlier. U.S. downstream brought in $660 million on higher margins on refined product sales, higher earnings from its Chevron Phillips Chemical JV and more sales volume. International downstream earnings of $100 million included $142 million in favorable foreign currency impacts. For the year, downstream earned $2.9 billion compared with $47 million in 2020.

The company plans $15.3 billion of organic capital and exploratory spending this year. Of that amount, $12.6 billion, or 82%, is dedicated to its upstream business. CFO Pierre Breber told analysts that 2022 production should be flat to down 3% due to contract expirations in Indonesia and Thailand. Excluding these expirations and the impact of 2022 asset sales, he said Chevron expects a 2-5% increase in production, led by the Permian.

Apache parent APA releases prelim data ahead of Q4 results

APA Corp., the holding company for Apache Corp., provided supplemental information regarding its 4Q21 results prior to the company's full earnings report for the quarter, anticipated to be released Feb. 23. The company said Jan. 25 that it realized estimated oil prices of $76/bbl in the U.S. and $80/bbl internationally during 4Q21, while NGL prices came in at $34/bbl in the U.S. and $70/bbl internationally. APA also realized $4.70/Mcf for natural gas in the U.S. and $5.40/Mcf internationally during the quarter.

In the U.S., APA produces from the Permian. Its international operations include production in the U.K and Egypt and exploration activity in Suriname. It reported producing 24,000-25,000 boe/d in "Egypt tax barrels" during the quarter as well as pre-tax dry hole costs of $25-30 million.

The company will also report a pre-tax loss of $38 million on commodity derivatives. APA bought back around 31.8 million common shares during 4Q21 at an average price of $27.13 a share. It estimated 361 million weighted-average basic common shares for 4Q21, compared with 379 million in 3Q21.

Cenovus' Q4 loss concludes an otherwise profitable 2021

Cenovus Energy Inc. reported record oil sands production in 4Q21, C$2.2 billion in cash from operating activities and C$1.1 billion in free funds flow, but a C$1.9 billion non-cash impairment in its U.S. manufacturing segment dragged Q4 into the red with a C$408 million net loss. The impairment was related to the carrying value of U.S. refining assets and changes in current independently derived commodity price outlooks, specifically around crack spreads, renewables credits and the WCS differential. Revenue for the quarter totaled C$13.9 billion.

A year ago, Cenovus reported a C$153 million quarterly net loss on revenue of C$3.75 billion, numbers that reflected operations prior to the company's acquisition of Husky Energy as well as pandemic-related issues. For 2021 overall, Cenovus earned C$587 million on over C$46 billion of revenue, reversing from a C$2.38 billion net loss on C$13 billion of revenue in 2020.

Oil sands production was a record in Q4 as company earned a C$2.5B upstream operating margin.

The company spent C$2.6 billion for the year and generated C$7.2 billion in adjusted funds flow and free funds flow of nearly C$4.7 billion. In 2022, Cenovus plans to spend C$2.6-3.0 billion, including C$1.7-2.0 billion for upstream operations. It anticipates annual capex ranging C$2.4-3.0 billion through 2026, which it believes is sustainable at $45/bbl WTI.

In the oil sands, production hit a record of about 251,000 bo/d at Christina Lake and 212,000 bo/d at Foster Creek. Upstream operations produced more than 825,000 boe/d overall and earned the company a C$2.5 billion operating margin on C$7.4 billion of revenue in Q4, and a C$9.4 billion operating margin on C$46.4 billion in revenue in 2021. Downstream's operating margin was C$42 million on C$8.1 billion of revenue in Q4 and C$785 million on revenue of C$26.7 billion for the year.

Cenovus ended 2021 with C$2.87 billion in cash and C$15.4 billion in total debt, which will decrease by about C$384 million upon the redemption of 2023 and 2024 notes.

Earnings & Capex

Conoco reports $2.6B in profits during Q4, $8.1B for 2021

ConocoPhillips announced 4Q21 earnings of $2.6 billion on almost $16 billion of revenue, compared with a 4Q20 loss of $800 million on $5.5 billion of revenue. The latest quarter was Conoco's most profitable since 3Q19 despite writing down $753 million in impaired assets related to its investment in the Australia Pacific LNG project and non-core assets in the U.S. Lower 48. It was also the biggest revenue generator since 1Q14. The most recent results reflect the integration of the assets of Concho Resources, which the company acquired in January 2021. Conoco also began to integrate Shell's Permian position into its portfolio during Q4 after completing that purchase Dec. 1.

Capital spending during 2021 amounted to $5.7B, will increase to $7.2B this year.

For 2021 overall, the company reported $8.1 billion in earnings, reversing from a 2020 loss of $2.7 billion. Annual revenue jumped 150% YOY to $48.3 billion, the highest since 2014.

Chairman and CEO Ryan Lance called 2021 "remarkable." It was a year in which, he said, the company "generated a 14% return on capital employed and returned $6 billion, or 38% of our cash from operations, to shareholders through ordinary dividends and share repurchases." For 2022, the company expects an $8 billion total return of capital to shareholders.

Q4 production excluding Libya was 1.567 MMboe/d, up 37% YOY including Concho barrels. Lower 48 output averaged 818,000 boe/d. The company realized $65.56/boe, up 97% YOY. For the year, Conoco averaged 1.527 MMboe/d excluding Libya, up 2% YOY, with an average realized price of $54.63/boe, up 70% YOY. It plans to spend $7.2 billion on capex this year after spending $5.7 billion in 2021. Production guidance is 1.8 MMboe/d.

Exxon's $8.87B Q4 profits driving a $23B 2021 From PG.1

The company paid down $9 billion in debt during Q4, bringing its total debt reduction in 2021 to $20 billion and returning debt to pre-pandemic levels of around $48 billion. It also initiated a $10 billion stock buyback program during the year. Exxon closed out 2021 with $6.8 billion in cash and equivalents.

Exxon's upstream business earned almost $6.1 billion in Q4: $1.77 billion in the U.S. and $4.3 billion internationally. This compares to the segment's $18.5 billion net loss in 4Q20. Production of over 3.8 MMboe/d was up 3% YOY as the company realized $73.62/bbl for oil and $4.96/Mcf for gas in the U.S., up 88% and 125% YOY, respectively. Exxon realized $69.97/bbl and $14.32/Mcf internationally, up 85% and 195% from 4Q20. Upstream's almost $15.8 billion in 2021 profits compares with $20 billion in losses the previous year.

Total downstream earnings approached $1.47 billion in Q4 compared with a net loss of $1.2 billion in 4Q20. U.S. downstream earned $913 million while international operations brought in $554 million. For 2021 overall, downstream income was $2.1 billion after sustaining $1.1 billion in 2020 losses. Chemicals earned $1.9 billion for Q4 and $7.8 billion for the year.

The company announced sweeping structural changes starting in April, when its operations will be split across three business lines: upstream, product solutions and low-carbon solutions. A centralized technology and engineering unit will service the groups.

"Aligning our businesses along market-focused value chains and centralizing service delivery provides the flexibility to ensure our most capable resources are applied to the highest corporate priorities and positions us to deliver greater shareholder returns," Woods said. The company expects to save around $6 billion in operating costs by 2023, compared to 2019, because of the new structure and some changes that began two years ago. Exxon will relocate its corporate headquarters to its Spring, Texas, campus from Irving, Texas, by mid-2023.

See Also...
Exxon reportedly in talks with Presidio for Fayetteville sale

ROCKIES

GREEN RIVER PRODUCING ASSETS
57-PDP Wells. 70,000-Net Acres
SWEETWATER COUNTY, WYOMING
& MOFFAT COUNTY, COLORADO
Primarily Targets Mesaverde Formation
Operated: 97% WI (82% NRI) In 20-Wells
With An Additional ORRI In 12-Wells
Non-Operated: 67% WI (54% NRI) In
52-Wells With Additional ORRI In 33-Wells
Net Production: 6 MMCFED
Avg 8/8th Production: 9.688 MMCFED
Current Avg Net Income: $392,741/Mn
21-PUDs. 185-Hz Baxter Locations
Contiguous Acreage & Well Locs Provide
Economy For Operations & Workovers
Deal ID: 13480

WILLISTON CONVENTIONAL ASSETS
49-PDP Wells. 28,342-Net Acres
ACROSS MULTIPLE COUNTIES IN
MONTANA & NORTH DAKOTA
Oil-Weighted Targets Includes The
Ratcliffe, Mission Canyon, & Red River
34-PDNPs. 12-PUD Locations
90.6% OP WI (81.6% 8/8th NRI)
11% NonOp WI (86.1% 8/8th NRI)
Net Production: 500 BOPD
Avg Cash Flow (3-Mn): $624,000/Mn
Net PDP Reserves: 1.953 MMBOE
Net Total Reserves: 5.592 MMBOE
Deal ID: 13472

DJ BASIN MINERAL & ROYALTY SALE
52-PDP Wells. 894-NRA
WELD COUNTY, COLORADO
Acreage Leased At 12.5% To 15% RI
36-Hz PDP Wells. 16-Vert. PDP Wells
18-Permitted PUDs In 426-NRA
With First Prod Expected In Q2-2023
46-Unpermitted Hz Loc. In 68-NRA
W/ Development Program In Q1-2024
Estimated Net Production: 324 BOED
Est Cash Flow (Mar-2022): $542,849
Est NTM PDP Cash Flow: $3,800,000
Net PDP Reserves: 334 MBOE
Net Total Reserves: 829 MBOE
Deal ID: 13473

POWDER RIVER BASIN ASSET SALE
56-PDP Wells. 16,500-Net Acres.
CONVERSE & NATRONA COS., WY
Barron Flats & Cole Creek Field Units
Non-Operated Conventional Assets
Includes 86-Locations.
28% Non-Operated WI (22% NRI)
Net Production: 500 BOPD
NTM PDP Cash Flow: $5,000,000
Average 2022E Netback: $46/BBL
Potential For Miscible Gas Flood
17-Recompletions In Cole Creek Field Unit
Deal ID: 13445

Earnings & Capex

Suncor back from quarterly & annual losses as oil sands deliver

Suncor reported 4Q21 earnings of $1.55 billion on revenue of $11.1 billion, swinging back from a year-ago loss of $168 million on $6.5 billion of revenue. The quarter capped a year in which the company earned $4.1 billion and generated $39.0 billion of revenue, a reversal from a $4.3 billion net loss on $24.6 billion of revenue in 2020.

CEO Mark Little told analysts Feb. 3 that at $3.1 billion, Q4 was Suncor's best quarter for adjusted funds from operations, a metric the company uses to measure cash available for increasing distributions to shareholders and to fund growth investments. The oil sands delivered $896 million in profits during Q4, while Suncor's E&P and refining/marketing segments showed profits of $465 million and $450 million. For the year, Suncor earned $2.1 billion from the oil sands, $1.3 billion from E&P and $2.1 billion from its downstream activities.

Production from oil sands brought in $896MM in profits during Q4, out of $1.55B total.

Total upstream production was 743,300 boe/d in Q4, down 4% YOY owing to the sale of Suncor's stake in the CNOOC-operated Golden Eagle area development in the U.K. North Sea, which closed in October. Q4 synthetic crude production totaled 515,000 bo/d, flat YOY, and non-upgraded bitumen production was 150,900 bbl/d, down 4%. The E&P segment produced 77,400 boe/d, off 21% YOY on the Golden Eagle sale.

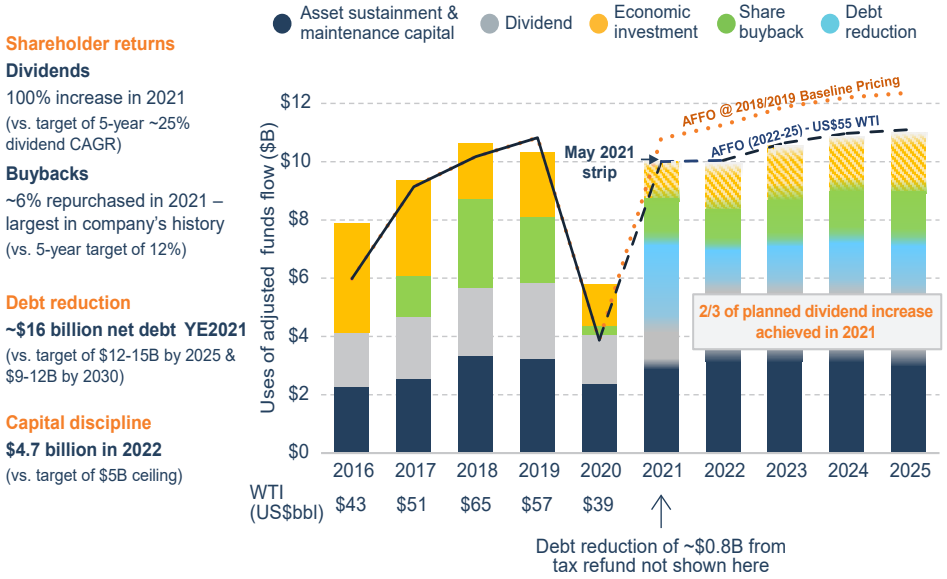
Suncor's refinery crude throughput increased to 447,000 bbl/d, with 96% refinery utilization. Refined product sales grew over 8% to 551,000 bbl/d.

The company spent $4.4 billion in 2021. CFO Alister Cowan told analysts that capex came in a little higher than the $4.2 billion guidance because of increased spending at Syncrude and Firebag on a combination of operational issues and the earlier receipt of materials for 2022's planned turnarounds. The company plans to spend up to $4.7 billion this year.

Suncor returned $1.2 billion to shareholders through dividends and buybacks in Q4, and nearly $4 billion for the year. It repaid about $4 billion during the year, ending 2021 with $18.4 billion of total debt versus $2.2 billion in cash and short-term investment.

See Also...
Suncor sets C$4.7B ceiling for 2022, up to 80% for upstream

Accelerating All Elements of 5-Year Plan



Source: Suncor 02/05/22 presentation via **Enverus docFinder**

ROCKIES

WYOMING NON-OPERATED ASSETS
26-PDP Wells. 1,680-Net Acres
GREEN RIVER BASIN
PROJECT WHITE WALKER
11,994-Gross Acres
Over-Pressured Lance Gas Formation
5-Existing 2-Mile Laterals
Up To 21.25% NonOp WI (16.69% NRI)
Avg Net Production: 1.819 MMCFED
NTM PDP Cash Flow: $2,140,000
Net Proved Reserves: 6.548 BCFE
Potential For Horizontal Deep Development
In Hillard, Rock Springs, Blair Formations
Deal ID: 13418

DJ BASIN NON-PRODUCING ACREAGE
28,000.31-Net Non-Producing Acres
WELD COUNTY, COLORADO
361.46-Net HBP Acres
Non-Producing Acreage Expiring Jul-2025
With Option To Extend Thru Sep-2030
No Regulatory Setback Issues
Offset Area: 2-Rigs, 892-Permits,
And 1,656-Producers
CONTACT AGENT FOR MORE INFO
Deal ID: 13395

PICEANCE BASIN RI & ORRI ASSETS
269-Wells. 164-Producing
GARFIELD COUNTY, COLORADO
Williams Fork Formation
Average 1.1% RI in 160-Wells
Average 0.65% ORRI In 208-Wells
Avg Production: 32.857 MMCFED
Net Cash Flow (Oct-2021): $74,627/Mn
Total Cash Flow (Last 6-Mn): $369,095
Deal ID: 13387

PERMIAN

MIDLAND NON-OPERATED SALE
51-PDP Hz Wells. 918-Net Acres.
UPTON, REAGAN, HOWARD,
MIDLAND, & GLASSCOCK COS., TX
21-Units. Key Units Includes Taggert,
Honey Badger, & Goldenrod
8-DUCs. 3-Permits.
82-Quantified Undeveloped Locations
2.9% Average NonOperated WI
Forecasted NTM Cash Flow: $1,700,000
Net PDP Reserves: 309 MBOE
Net Total Reserves: 2.063 MMBOE
Total Reserves: $16,800,000
BIDS ARE DUE FEBRUARY 24, 2022
Deal ID: 13486

PERMIAN

PERMIAN BASIN WI & ORRI ASSETS
34-PDP Wells. 6,482-Net Acres
PRIMARILY IN ANDREWS, PECOS,
AND ECTOR COS., TX, ALSO IN NM
Lockhart, University & May Price Fields.
18-Undev Locs. 11-Behind-Pipe Projects
Conventional Targets Include Detrital, Holt,
Simpson, Wolfcamp & Wichita Albany Fms
OPERATED, NonOp WI, & ORRI Available
Proj Net Prod (Mar-2022): ~359.16 BOED
Proj NTM PDP Cash Flow: $5,500,000
Net PDP Reserves: 1.574 MMBOE
Net Total Reserves: 4.365 MMBOE
BIDS ARE DUE FEBRUARY 22, 2022
Deal ID: 13476

DELAWARE & EAGLE FORD ASSETS
33-Producing Hz Wells.
NON-OPERATED WELLBORE-ONLY
PRIMARILY IN EDDY & LEA COS., NM
AND ALSO IN GONZALES CO., TX
Wolfcamp A, 2nd Bone Spring,
And Eagle Ford Formations
Holds 41.6% Non-Op WI (33.6% NRI)
Projected Net Production: 4.536 MBOED
NTM Cash Flow: $52,500,000
Total PDP PV-10: $143,000,000
Low Lifting Costs Of $4.98/BOE Across
Allow Large Operating Cash Flow Margins
Deal ID: 13434

MIDLAND BASIN PRODUCING ASSETS
51-PDP Wells. 8,554-Net Acres
NW STERLING COUNTY, TEXAS
11-PNP, 94-PBP, 22-PUD Locations
2-SWD (1-Active & 1 Permitted)
90-Horizontal Locations Targeting
Wolfcamp A, B, & D Formations
50-Sq Miles Of 3D Seismic Data
75% WI (58% NRI, 77% Lease-Level NRI)
Est Production (Dec-2027): 9.4 MBOED
Asset Stays FCF Positive From 2024
Net PDP Reserves: 412 MBOE
Net 1P Reserves: 3.078 MMBOE
Net Total Reserves: 36.838 MMBOE
Deal ID: 13398

DELAWARE MINERAL & ROYALTIES
230-DSUs. 70,000-Net Royalty Acres
REEVES, PECOS, LOVING, WARD,
WINKLER, & CULBERSON COS., TX
ALSO IN LEA & EDDY CO., NM
Acreage Normalized to 1/8th Royalty
7.3-Net Near-Term Devel. Inventory
3.8-DUCs And 2.8-Permits
Avg Net Production: 7 MBOED
Annualized Cash Flow: $95,000,000
Seller Is Willing To Divest All Or
Undivided Portions Of The Properties
CONTACT AGENT FOR MORE INFO
Deal ID: 13399

PERMIAN

TEXAS OPERATED & NON-OP SALE
57-Operated PDP Wells. 21,400-Net Acres
DELAWARE BASIN
CULBERSON & REEVES COUNTIES
Wolfcamp A & Wolfcamp B Formations
6-Operated DUCs Online By Jan-2022
80-Remaining Core Development Locs
Upside in Wolfcamp C Formation
HOLDS 99% WI
Net Production (Nov-2021): 17.5 MBOED
Est Net Prod (Jan-2022): 23.9 MBOED
Est Free Cash Flow: $176,000,000
Gas Gathering & Lift System
Owned & Integrated Water Infrastructure
Deal ID: 13394

DELAWARE WATERFLOOD ASSETS
110-Wells. 6,500-Gross Acres
PECOS COUNTY, TEXAS
85-Prod. 22-Inj. 3-Source.
99.9% Operated WI (81% NRI)
Net Production:103.5 BOE/D
OOIP (2017): 175.4 MMBOE
Net PDP Reserves: 311 MBOE
Current Operating Profit: $117,725/Month
LTM Operating Profit: $928,878
NTM Operating Profit: $1,140,000
Deal ID: 13381

MULTI REGION

LOUISISANA ASSET PACKAGE
7-Counties. 42-Wells. 13-Active. 4SWD
ALLEN, BIENVILLE, CADDO, LINCOLN
CLAIBORNE, BEAUREGARD, WEBSTER
Cotton Valley, Hosston, Pettit, Wilcox
And Tuscaloosa Formations.
Upside & Waterflood Opportunities
~87% OPERATED WI; 71% NRI (24-Wells)
~1.0% NonOp WI; 0.8% NRI (18-Wells)
Gross Prod: >80 BOPD & 800 MCFD
Net Volume: ~50 BOPD & 3 MCFD
Net Operating Cash Flow: >$65,000/Mn
Net PDP Reserves: >430 Mboe (~100% Oil)
Some SI Wells Possible For PDNP & SWD
CONTACT AGENT FOR MORE INFO
Deal ID: 13478

EASTERN EAGLE FORD ASSET SALE
78,614-Net Acres.
MULTIPLE COUNTIES IN TEXAS
Black & Volatile Oil Windows
Includes 58-Identified Locations
94% Of Operated Acreage Is HBP
With Minimal Lease Expirations
Delivers 79% Avg 8/8ths NRI (Operated)
Oct-2021E Net Production: 1.597 MBOED
Upside Potential In The Austin Chalk
Sub-Clarksville, Woodbine, & Ottos Sands
CONTACT AGENT MORE INFO
Deal ID: 13466

MULTI REGION

TEXAS ROYALTY ASSETS
2-Pckgs. 913-Hz PDP. 10,310-NRA
PERMIAN BASIN & EAGLE FORD
Normalized To 1/8th Royalty
Permian Basin: 2,812-NRA, 225-Hz PDPs,
18-Hz DUCs, 6-Permits, 649-Undev Locs
Eagle Ford: 7,498-NRA, 688-Hz PDPs,
5-Hz DUCs, 10-Permits, 397-Undev Locs
Net Production (Jan-2022): 855 BOED
NTM PDP Cash Flow: $13,897,000
NTM Total Cash Flow: $18,971,000
OFFERS WILL BE ENTERTAINED FOR
ALL ASSETS OR INDIVIDUAL AREAS
Deal ID: 13462

TEXAS & NEW MEXICO ACQUISITION
Covers ~112,000-Net Acres.
CORE PERMIAN BASIN AND
EAST TEXAS HAYESVILLE TREND
Includes 1,290 Gross Operated PDP Wells
(716-Haynesville And 574-Permian)
~350 Horizontal Undeveloped Locations
(~200-Haynesville And ~150-Permian)
Net Production (Jan-2022):174 MMcfe/d
Forecasted Operating CF (2022): $311MM
Includes Midstream Assets: Gas Gathering
And Takeaway Infrastructure In Place.
432 Miles Of Gathering Pipelines In E.TX
FINAL BIDS DUE MID/LATE FEB 2022
Deal ID: 13453

HAYNESVILLE, DJ & MIDLAND BASINS
3-MAJOR PLAYS. 19-WELLS
HAYNESVILLE, NIOBRARA & WOLFCAMP
NLA (Haynesville) - Comstock
Midland Basin (Wolfcamp) - Apache
DJ Basin (Niobrara/Codell) - Oxy
Various NonOp WI; High Lease NRI
Gross Prod: 441 BOPD & 31.2 MMCFD
Net Volume: 40 BODP & 5.0 MMCFD
Net Operating Cash Flow: ~$600,000/Mn
Net PDP Reserves: >18 BCFE (96% Gas)
Deal ID: 13390

MID-CONTINENT

JACK CO., TX - FORT WORTH BASIN
343-Wells. 244-Producing. 13-SWD.
MARBLE FALLS, CONGLOMERATES
BARNETT SHALE & STRAWN
53,250-Net Acres. 94% HBP.
Liquids-rich gas at 1,250 MMBTU/MCF
415 sq.mi. of seismic and well control
Substantial production and low-risk
Avg 100% Operated WI; 77% NRI
Production: 3,500 BOED
Net Operating Income: $23.8 MM/Yr
Dominant position in the basin
Low-risk gas-lift to rod pump conversions
Deal ID: 13497

Midstream & Downstream

Vigorous profit flow at EPP with $1B for Q4, $4.6B for 2021

An almost 200% YOY increase in Q4 profit to $1.06 billion pushed yearly income at Enterprise Products Partners to $4.6 billion, 21% higher than in 2020. EPP's 61% revenue jump in Q4 to $11.37 billion propelled the midstream partnership's 2021 revenue up 50% YOY to $40.8 billion. Q4 cash flow from operations of $2.1 billion capped an $8.5 billion year, and $1.66 billion of quarterly distributable cash flow put EPP's 2021 total figure at $6.6 billion, up 3% from 2020. Free cash flow of $6.3 billion for the year was up 133% over 2020.

Co-CEO Jim Teague said EPP reported five operational records in 2021 driven by the rebound from the pandemic, for ethane marine terminal exports, natural gas transportation volumes, propylene production, and refined product and petrochemical transportation volumes.

2022 growth capex of $1.5B, excluding planned deepwater terminal, down from 2021's $1.8B.

"Entering 2022, we expect a continuation in the global economic recovery and growth in crude oil, natural gas and NGL production in the United States driven primarily by the Permian Basin and Haynesville Shale," Teague said. He added that the anticipated closing of EPP's acquisition of Navitas Midstream Partners this quarter "gives us an attractive entry point for our natural gas processing and NGL businesses in the prolific Midland Basin."

EPP spent $424 million on capex in Q4 and over $2.2 billion for the year, consisting of $1.8 billion for growth capital projects and $430 million for sustaining capex. In 2022, EPP expects to spend about $1.5 billion on growth capex, excluding costs related to its proposed deepwater Seaport Oil Terminal off Texas, and $350 million on sustaining capex.

At around $52 billion, EPP is the U.S.'s largest midstream company by market cap. At YE21, it had around $29.8 billion in total debt outstanding, $2.8 billion of cash on hand and $4.5 billion of borrowing capacity. EPP paid out $4 billion in cash distributions and bought back $200 million of its common units during 2021.

Icahn retooling his Southwest Gas plans, he tells shareholders

Nearly a month after Southwest Gas Holdings Inc. closed its $1.975 billion acquisition of Questar Pipelines, activist investor Carl Icahn announced new plans with respect to his tender offer and board nominations. He told fellow Southwest shareholders in a Jan. 26 letter that he would agree to vote only 24.9% of the shares tendered in his $4.2 billion offer for his nominees, thereby removing the risk that utility regulators in Nevada, Arizona and California would block him from taking control. The remaining shares would be placed in a trust that would vote them "without any consultation" with Icahn Enterprises.

Tender offer extended to Feb. 23, with 16% of Southwest's shares having tendered into offer.

Spurred on by the Questar acquisition—a move he vehemently opposed—Icahn launched a tender offer for Southwest's shares at $75 each and began laying the groundwork for a slate of new board nominees to replace the company's existing directors at the next annual meeting. The tender offer has now been extended to Feb. 23. As of a Jan. 26 filing, 9,443,158 shares had been tendered, equal to about 16% of Southwest's shares outstanding.

A poison pill currently blocks Icahn's offer. He said he would alter the offer only if the majority of the Southwest board was replaced with his nominees, who would then vote on the fate of the poison pill and on whether his offer could proceed. He said the change of strategy "takes the false claim off the table" that his offer was "highly illusory" and that it would unlikely give any offer consideration to shareholders—both statements made by Southwest.

In a response to Icahn's Jan. 26 letter, Southwest said the strategy shift "reinforces our belief that the Icahn slate has been assembled with one goal in mind—to facilitate Mr. Icahn's effort to take control of Southwest Gas without paying a control premium to Southwest Gas stockholders." It continued to call the offer illusory, as well as "inadequate and contingent upon a long list of ambiguous conditions."

MID-CONTINENT

WESTERN ANADARKO ASSETS
2-Pckgs. 188-PDPs. 37,300-Net Acres
PRIMARILY IN ELLIS COUNTY & ALSO
ROGER MILLS COUNTY, OKLAHOMA
23-PDNPs (RTP). 4-Cherokee DUCs.
386-Undeveloped Locations
Pckg-1 (Cherokee): 37,272-Net Acres
Pckg-2 (Marmaton): 21,524-Net Acres
Majority OPERATED (81% Avg 8/8th NRI)
Net Production: 2.77 MBOED
NTM PDP Cash Flow: $37,000,000
Net PDP Reserves: 10.208 MMBOE
Net Proved Reserves: 58.945 MMBOE
BIDS MUST BE ALLOCATED BY PCKG
BIDS ARE DUE MID/LATE MARCH, 2022
Deal ID: 13494

LARGE-SCALE JACK CO. OPPORTUNITY
14-Wells. 5,750-Net Acres. 100% HBP.
MAIN BEND CONGLOMERATE (AT 4,575')
5.4 MMbbl in proved oil reserves
Capital program offers a 3.35 P/I ratio
Successful Pilot, Neighboring Anolog
WORSHAM-STEED FIELD UNIT (WSU)
Avg 100% Operated WI / 75% NRI
Production: 130 BOED
Net Operating Income: $2.1 MM/Yr
Stephens Engineering Study (Nov. 2021)
Deal ID: 13496

ARKOMA NON-OPERATED ASSETS
23-Gross PDP Wells. 2,214-Net Acres
COAL, HUGHES, & ATOKA COS., OK
23,682-Gross Acres
21-Woodford & 2-Mayes PDP Wells
44-Undeveloped Locations Targeting
The Woodford Formation & Additional
Quantified Upside In Mayes Formation
71.3% NON-OPERATED WI (57.7% NRI)
Proj Net Prod (Feb-2022): 13.5 MMCFED
Proj NTM Cash Flow: $12,900,000
Net PDP Reserves: 53.1 BCFE
Net Total Reserves: 73.7 BCFE
Takeaway Infrastructure In Place
BIDS ARE DUE FEBRUARY 24, 2022
Deal ID: 13475

CORE SCOOP / MERGE ASSETS
104-Hz Producers. 5,700-Net Acres
ANADARKO BASIN
GRADY, MCCLAIN, CANADIAN,
CADDO, & CLEVELAND COS., OK
~4,200-Net Operated Acres
~1,500-Net Non-Operated Acres
140-Undev Locs Across 50-Drilling Units
Targeting Woodford & Mississippian Fms
Net Production: 760 BOED
NTM Operating Cash Flow: $10,000,000
Net Total Reserves: 17.8 MMBOE
BIDS ARE DUE FEBRUARY 23, 2022
Deal ID: 13470

The North American Midstream & Downstream Top 40

Company	Exchange: Ticker	Market Cap ($MM)	Shares Out (MM)	Share Price	52-Week Share Price High	52-Week Share Price Low
Enbridge Inc.	TSX:ENB	$87,041	2,026.1	$42.96	$43.72	$33.92
Enterprise Products Partners LP	NYSE:EPD	$53,069	2,182.1	$24.32	$25.69	$20.42
TC Energy Corp.	TSX:TRP	$50,886	979.3	$51.96	$53.82	$41.98
Marathon Petroleum Corp.	NYSE:MPC	$46,198	579.0	$79.79	$80.78	$48.32
Kinder Morgan Inc.	NYSE:KMI	$39,386	2,267.5	$17.37	$19.29	$14.45
Phillips 66	NYSE:PSX	$39,216	438.4	$89.45	$94.34	$63.19
The Williams Cos. Inc.	NYSE:WMB	$37,022	1,215.0	$30.47	$31.02	$22.09
Valero Energy Corp.	NYSE:VLO	$36,321	408.8	$88.84	$90.34	$58.85
MPLX LP	NYSE:MPLX	$33,619	1,016.0	$33.09	$34.41	$23.24
Energy Transfer LP	NYSE:ET	$30,754	3,081.6	$9.98	$11.55	$6.62
Cheniere Energy Inc.	NYSEAM:LNG	$29,404	253.6	$115.95	$118.27	$65.23
Oneok Inc.	NYSE:OKE	$28,379	445.9	$63.64	$66.78	$42.55
Cheniere Energy Partners LP	NYSEAM:CQP	$23,320	484.0	$48.18	$51.78	$38.00
Pembina Pipeline Corp.	TSX:PPL	$18,019	550.4	$32.74	$33.93	$25.49
Targa Resources Corp.	NYSE:TRGP	$14,288	229.0	$62.40	$62.98	$29.09
Western Midstream Partners LP	NYSE:WES	$10,798	408.4	$26.44	$26.70	$14.73
Magellan Midstream Partners LP	NYSE:MMP	$10,343	212.6	$48.65	$53.85	$40.30
Phillips 66 Partners LP	NYSE:PSXP	$10,088	228.3	$44.18	$45.10	$24.96
Plains All American Pipeline LP	NasdaqGS:PAA	$8,263	711.1	$11.62	$12.38	$8.07
HollyFrontier Corp.	NYSE:HFC	$7,995	220.9	$36.19	$42.39	$27.17
DCP Midstream LP	NYSE:DCP	$6,464	208.4	$31.02	$33.85	$19.57
Keyera Corp.	TSX:KEY	$5,239	221.0	$23.71	$28.21	$18.93
DT Midstream Inc.	NYSE:DTM	$5,179	96.7	$53.54	$53.72	$38.21
Shell Midstream Partners LP	NYSE:SHLX	$5,030	393.3	$12.79	$16.50	$10.76
Antero Midstream Corp.	NYSE:AM	$4,842	477.5	$10.14	$11.71	$7.57
New Fortress Energy Inc.	NasdaqGS:NFE	$4,768	206.9	$23.05	$57.00	$19.17
Parkland Corp.	TSX:PKI	$4,379	154.9	$28.26	$33.06	$25.18
EnLink Midstream LLC	NYSE:ENLC	$4,187	488.0	$8.58	$8.73	$3.85
Sunoco LP	NYSE:SUN	$3,629	83.4	$43.54	$46.95	$30.01
Equitrans Midstream Corp.	NYSE:ETRN	$3,157	432.5	$7.30	$11.52	$6.81
Gibson Energy Inc.	TSX:GEI	$2,755	146.6	$18.79	$21.29	$15.00
Crestwood Equity Partners LP	NYSE:CEQP	$2,703	96.7	$27.95	$33.94	$20.01
Plains GP Holdings LP	NasdaqGS:PAGP	$2,402	194.1	$12.37	$12.96	$8.25
PBF Energy Inc.	NYSE:PBF	$2,383	120.2	$19.82	$20.15	$7.24
CVR Energy Inc.	NYSE:CVI	$2,130	100.5	$21.19	$27.02	$11.22
Holly Energy Partners LP	NYSE:HEP	$1,978	105.4	$18.76	$23.69	$15.01
BP Midstream Partners LP	NYSE:BPMP	$1,959	104.8	$18.69	$19.08	$11.01
Delek Logistics Partners LP	NYSE:DKL	$1,907	43.5	$43.89	$51.56	$33.60
NuStar Energy LP	NYSE:NS	$1,813	109.6	$16.55	$20.73	$13.53
Genesis Energy LP	NYSE:GEL	$1,500	122.6	$12.24	$13.48	$6.45

Note: Data includes U.S. and Canadian-domiciled public companies operating in midstream and downstream oil and gas, limited to >$1.00 share. All amounts are in US$. Source: S&P Capital IQ (as of 02/09/22)

MID-CONTINENT

ANADARKO ROYALTY & NON-OP SALE
180-PDP Wells. 1,973-NRA. 140-Net Acres
BLAINE, CANADIAN, KINGFISHER,
GRADY, MCCLAIN, CUSTER, &
STEPHENS COUNTIES, OKLAHOMA
Targets STACK Formations
Minerals - 1,564-NRA & ORRI - 409-NRA
21-DUCs. 72-Proposed Wells.
~500-Remaining Drilling Locations
Forecasted Net Production: 66 BOED
Forecasted Net Cash Flow: $600,000
Significant Remaining Reserves With
EURs Of 1.5 MMBOE - 4 MMBOE
Additional Unquantified Resource Potential
Deal ID: 13433

MICHIGAN MINERALS FOR SALE
~1,483 Mineral Acres (1,115-Net)
ANTRIM, DETROIT RIVER,
NIAGARAN & PRAIRIE DU CHIEN
STACKED MULTI-PAY
18-Wells/Units. 14-Active. 4-Inactive
~363-Gross Producing Acres (312-Net)
~1,120-Gross NonProducing Ac. (803-Net)
Small Royalty For Sale
Gross Prod: 149 BOPD & 4,711 MCFD
Net Volume: 0.8 BOPD & 7.7 MCFD
Deal ID: 13419

FORT WORTH OPERATED ASSETS
33-Wells. 6,500-HBP Acres
STEPHENS COUNTY, TEXAS
20-Active PDP. 9-Active Injectors
Caddo, Strawn, & Mississippian Reef
2-Waterfloods Targeting Caddo Fm
100% WI OPERATED (85.1 % NRI)
Avg Gross Production: 59 BOPD
Avg Net Production: 50 BOPD
Net PDP Reserves: 167 MBO
Net PDP Cash Flow: $91,779/Mn
NTM PDP Cash Flow: $831,000
Deal ID: 13415

CALHOUN CO., MI PROSPECTS
2-Immediate Re-Entry. 1-Development Well
Michigan Basin. Step-Out Locations.
Trenton-Black River, 4800'
3-Low Risk Prospects in Established Field
Reprocessed 2D and 3D Seismic
46-54% WI Available; 78-80% NRI's
Est. Reserves: 75 - 115 MBO/Well
3-D Seismic Confirms Solid Results
Drilling Permits Approved
Deal ID: 13405

Midstream & Downstream

Valero ends 2021 with a $1B quarter & an optimistic CEO

Valero Energy Corp. reported a $1 billion profit for 4Q21, reversing a $359 million net loss in 4Q20 and capping a 2021 earnings year of $930 million in net income, also a reversal from a red 2020. Q4 revenue of almost $36 billion more than doubled YOY and operations generated $2.5 billion of net cash, which helped deliver $5.9 billion in cash flow for the year. Valero spent $752 million in Q4 and paid out $401 million to shareholders.

Refining operations earned $1.3 billion in Q4. Valero also earned $474 million in its ethanol business, compared with $15 million in 4Q20. In its newer but growing renewable diesel business Diamond Green Diesel, a JV with Darling Ingredients, Valero reported $150 million in Q4 earnings.

Issues $650 million in new debt to help fund tender offer for $1 billion in older notes.

CEO Joe Gorder was "optimistic on refining margins with low global light product inventories, strong demand, global supply tightness due to significant refining capacity rationalization, and wider sour crude oil differentials."

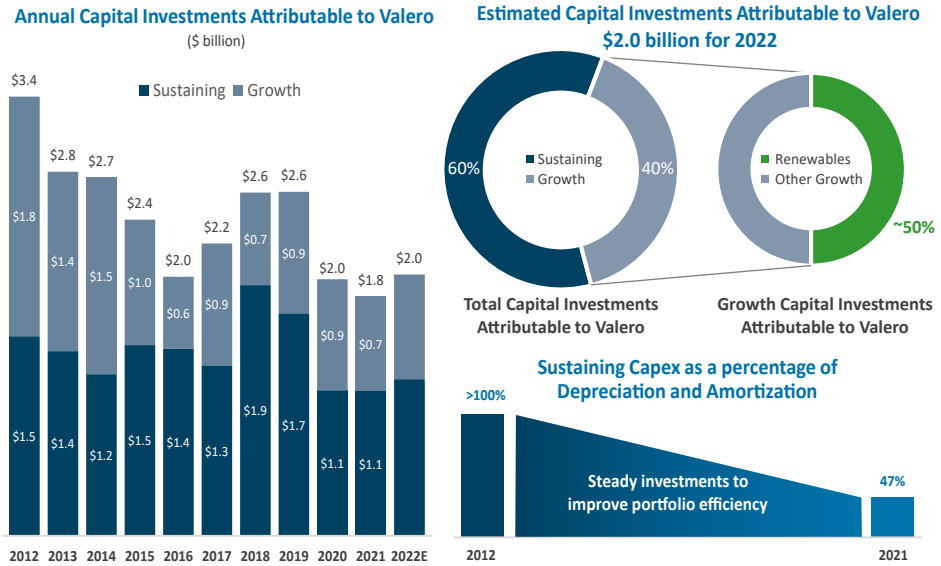
The BBB rated company also offered $650 million aggregate principal amount of 4% senior unsecured notes due 2052 at 98.261 for a 4.101% yield to maturity. Lead bookrunners include BofA, Citi, J.P. Morgan, MUFG, RBC, Scotia, US Bancorp and Wells Fargo. Proceeds will be used to help fund a tender offer to buy back up to $1 billion of older debt.

Valero is asking holders of seven separate debt securities to tender their notes by March 2, with first priority given to the company's two 2025 maturities, subject to a combined $500 million tender cap. Early tenderers by Feb. 15 will receive a $30 premium for each $1,000 tendered, on top of the fixed spreads Valero will pay.

The aggregate principal amount outstanding represented by the seven bonds in the offer is around $4.85 billion. As of YE21, Valero had $13.9 billion in total debt and $4.1 billion in cash and equivalents.

See Also...
Houston-area refining giants weigh large-scale CCS deployment

Focusing on Disciplined Capital Allocation



Source: Valero Energy 02/11/22 presentation via **Enverus docFinder**

Phillips ends a red 2021 on an upswing as refining biz recovers

Phillips 66 announced $1.3 billion in 4Q21 profits, more than tripling its 3Q21 earnings and reversing from a $549 million loss in 4Q20. Results took a $192 million one-time hit related to the shutdown of its Alliance refinery in Belle Chasse, Louisiana.

Earnings in most of Phillips' segments were off slightly from the previous quarter, but its refining business swung back with a $346 million profit after a $1 billion-plus Q3 loss. Phillips earned $593 million from midstream activities in Q4, with its midstream MLP affiliate Philips 66 Partners reporting $286 million in earnings for the quarter. The company said it expects to close its rollup of the MLP's units this quarter.

Expects to complete its rollup of midstream MLP's units this quarter.

The second-biggest U.S. refiner by market cap generated $1.8 billion in cash from operations in Q4 and spent $597 million on capex. It also paid out $403 million in dividends and repaid $450 million in debt.

Though its refining business had a good Q4, the segment's $6.1 billion in accumulated losses dragged full-year 2021 results down to a $4 billion net loss. For the year, the company generated $6.0 billion in cash from operations, spent $1.9 billion on capex, paid $1.6 billion in dividends and repaid $1.5 billion in debt. At YE21, Phillips had $3.1 billion of cash and equivalents versus $14.4 billion in total debt.

"We continue to focus on returns and disciplined capital allocation," CEO Greg Garland said. "Looking ahead, we are optimistic on economic recovery and the outlook for our businesses."

Oilfield Services

Halliburton ends 2021 with best quarter since '14, $824MM profit

Halliburton Co. capped a profitable 2021 with $824 million in Q4 earnings, not only a reversal from a $235 million loss a year earlier and a 3.5x hike from Q3, but also its largest quarterly profit in seven years. Revenue of $4.3 billion was up 10% from 3Q21. While Q4 results were boosted by a nearly $500 million gain from a tax benefit, operating income of $550 million was also the company's highest in 12 quarters.

Cash flow of $682 million was up 10% from Q3. Halliburton spent $316 million and made $112 million from PP&E sales, leaving free cash flow of $478 million, up 2% from Q3.

On a full-year basis, Halliburton earned $1.8 billion on $15.3 billion of revenue in 2021, compared with a $2.4 billion loss on $14.4 billion of revenue in 2020. Cash flow of $1.91 billion was up 6% YOY. Spending $799 million and making $257 million from PP&E sales left 2021 free cash flow of $1.37 billion, off 5% YOY. The company ended 2021 with more than $9.1 billion of long-term debt and over $3.0 billion in cash and equivalents.

CEO Jeff Miller: Several years of underinvestment in new production now apparent.

Halliburton raised its quarterly dividend to $0.12 a share from the previous $0.045. CEO Jeff Miller told analysts he was "excited about the accelerating upcycle as we enter 2022," pointing to increasing activity worldwide and improving service pricing that will enable Halliburton to "grow profitably, accelerate free cash flow generation, strengthen our balance sheet and increase cash returns to shareholders."

The company also called $600 million aggregate principal amount of its 3.8% senior notes due 2025 for redemption. It currently has $1 billion aggregate principal amount of the notes outstanding. The redemption will take place Feb. 23, funded with cash on hand.

NOV narrows losses as wellbore & rig tech units operate in black

NOV Inc. lost $40 million in 4Q21, narrowing 42% sequentially, while revenue climbed 13% to more than $1.5 billion. For the full year, NOV brought its net loss down by more than 90% YOY to $245 million against a 9% drop in revenue to $5.5 billion. Net cash provided by operating activities in 2021 fell 69% YOY to $291 million.

Chairman, president and CEO Clay Williams said pandemic issues such as persistent and increasing supply chain disruptions increased costs in a number of areas and affected incremental margin flow-through in all three of the company's segments. These issues are continuing into 2022, he added.

Rig tech backlog at $2.77B; completion & production solutions backlog up 85% at $1.29B.

In Q4, NOV's wellbore technologies segment turned a $50 million operating profit on $576 million of revenue, helped by growth in global drilling activity, market share gains in certain product lines, and higher prices. For 2021, wellbore technologies generated $1.96 billion of revenue, up 5% YOY.

Completion and production solutions lost $16 million on $549 million of revenue. Continued operational challenges impacted margin flow-through during the quarter. New orders totaled $495 million, a book-to-bill of 159% compared with $311 million of orders shipped from backlog. At YE21, the segment had a $1.29 billion backlog for capital equipment orders, up 85% YOY. For 2021, it generated $1.96 billion of revenue but was off 19% YOY.

Rig technologies earned $1 million on $431 million of revenue in Q4 because of a less favorable sales mix, supply chain disruptions, and inflationary costs. New orders totaled $191 million, a book-to-bill of 102% compared with $188 million of orders shipped from backlog. At YE21, the segment's backlog for capital equipment orders was $2.77 billion.

NOV ended the year with $1.59 billion in cash and equivalents versus total debt of $1.71 billion.

Baker Hughes makes Q4 profit, with all segments in the black

Baker Hughes Co. kept its positive earnings momentum for a second consecutive quarter, reporting net income of $294 million in 4Q21 on revenue of $5.5 billion. The results expand upon the company's turnaround quarter of 3Q21, in which it earned $8.0 million on revenue of $5.1 billion. Operating income of $574 million was 52% higher than in the previous quarter, with growth in all four of its business lines. The company reported new orders of $6.7 billion for the quarter, up 24% sequentially and up 28% YOY.

New orders grew 28% YOY to $6.7 billion led by TPS orders of $2.97 billion, up 62% YOY.

Cash flow from operations of $773 million grew 60% sequentially, and the quarter's free cash flow of $645 million was up 115% from Q3's $305 million. Q4 capex of $129 million was up 16%. Chairman and CEO Lorenzo Simonelli said the quarter's cash flow metrics were records and that the company expects the "broader macro recovery to translate into rising energy demand for 2022 and relatively tight supplies for oil and natural gas, providing an attractive investment environment for our customers and a strong tailwind for many of our product companies." The company also switched its equity and debt listings to the Nasdaq from the NYSE during Q4, citing costs.

Despite the two profitable quarters, Baker reported a 2021 net loss of $219 million on $20.5 billion of revenue—albeit much narrower than 2020's $9.9 billion net loss on $20.7 billion of revenue. It incurred restructuring charges of $269 million in 2021 but did not have to contend with almost $15 billion of impairment charges as in 2020. The company ended the year with $3.85 billion in cash and equivalents versus $6.7 billion in total debt.

See Also...

Baker Hughes to supply turbomachinery to Santos CCS project

The Oilfield Services Top 40

Company	Exchange: Ticker	Market Cap ($MM)	Shares Out (MM)	Share Price	52-Week Share Price High	52-Week Share Price Low
Schlumberger Ltd.	NYSE:SLB	$55,293	1,403.4	$39.40	$41.04	$24.52
Halliburton Co.	NYSE:HAL	$29,338	898.6	$32.65	$32.87	$17.82
Baker Hughes Co.	NasdaqGS:BKR	$25,134	909.0	$27.65	$28.40	$18.75
China Oilfield Services Ltd.	SEHK:2883	$9,325	4,771.6	$1.09	$1.47	$0.70
NOV Inc.	NYSE:NOV	$6,357	390.7	$16.27	$18.02	$11.46
ChampionX Corp.	NasdaqGS:CHX	$4,943	202.1	$24.46	$30.48	$16.00
Helmerich & Payne Inc.	NYSE:HP	$3,442	105.5	$32.62	$36.26	$20.93
Valaris Ltd.	NYSE:VAL	$3,149	75.0	$41.99	$43.79	$20.25
Cactus Inc.	NYSE:WHD	$2,890	58.9	$49.02	$50.47	$27.26
Weatherford International plc	NasdaqGS:WFRD	$2,367	70.2	$33.73	$34.95	$8.05
Patterson-UTI Energy Inc.	NasdaqGS:PTEN	$2,360	215.1	$10.97	$11.27	$5.96
Transocean Ltd.	NYSE:RIG	$2,347	655.5	$3.58	$5.13	$2.63
Liberty Oilfield Services Inc.	NYSE:LBRT	$2,017	178.3	$11.31	$17.78	$8.50
Expro Group Holdings N.V.	NYSE:XPRO	$1,665	109.0	$15.28	$21.36	$11.74
USA Compression Partners LP	NYSE:USAC	$1,614	97.1	$16.62	$17.83	$13.84
NexTier Oilfield Solutions Inc.	NYSE:NEX	$1,607	242.0	$6.64	$6.69	$3.06
Noble Corp.	NYSE:NE	$1,554	60.2	$25.82	$29.06	$20.34
Secure Energy Services Inc.	TSX:SES	$1,491	308.7	$4.83	$5.19	$2.31
RPC Inc.	NYSE:RES	$1,480	213.0	$6.95	$7.43	$3.33
Oceaneering International Inc.	NYSE:OII	$1,389	99.8	$13.92	$18.20	$9.12
Archrock Inc.	NYSE:AROC	$1,248	154.0	$8.10	$10.80	$6.99
Core Laboratories N.V.	NYSE:CLB	$1,201	46.3	$25.95	$49.87	$21.08
PAO TMK	MISX:TRMK	$1,180	1,033.1	$1.14	$1.68	$0.77
ProPetro Holding Corp.	NYSE:PUMP	$1,147	103.4	$11.10	$13.99	$6.39
Nabors Industries Ltd.	NYSE:NBR	$982	8.2	$119.18	$133.61	$65.58
Aspen Aerogels Inc.	NYSE:ASPN	$953	33.1	$28.80	$65.99	$16.33
National Energy Services Reunited Corp.	NasdaqCM:NESR	$923	91.4	$10.10	$15.95	$8.56
Bristow Group Inc.	NYSE:VTOL	$863	28.3	$30.50	$39.72	$24.82
Pason Systems Inc.	TSX:PSI	$835	82.2	$10.16	$10.48	$5.92
Dril-Quip Inc.	NYSE:DRQ	$821	35.4	$23.20	$40.62	$18.17
U.S. Silica Holdings Inc.	NYSE:SLCA	$730	74.6	$9.79	$15.38	$7.23
DMC Global Inc.	NasdaqGS:BOOM	$704	19.3	$36.54	$70.00	$34.46
Select Energy Services Inc.	NYSE:WTTR	$661	94.2	$7.02	$7.71	$4.37
Trican Well Service Ltd.	TSX:TCW	$651	247.0	$2.64	$2.90	$1.37
Precision Drilling Corp.	TSX:PD	$620	13.3	$46.57	$49.13	$19.50
Tidewater Inc.	NYSE:TDW	$572	41.3	$13.85	$16.24	$9.75
Helix Energy Solutions Group Inc.	NYSE:HLX	$555	150.9	$3.68	$6.76	$2.88
Enerflex Ltd.	TSX:EFX	$549	89.7	$6.12	$8.78	$4.93
KNOT Offshore Partners LP	NYSE:KNOP	$521	34.9	$14.92	$20.34	$12.34
CES Energy Solutions Corp.	TSX:CEU	$467	253.8	$1.84	$2.00	$1.07

Note: Data includes public companies operating in oilfield services, limited to >$1.00 share. All amounts are in US$.
Source: S&P Capital IQ (as of 02/09/22)

Oilfield Services

- After EMGS's cash balance decreased by 32% during 4Q21 to $9.9 million, the electromagnetic survey company has reached out to bondholders for a 24-month extension of the maturity of $24.2 million outstanding in convertible bonds to May 2025. A sufficient majority of bondholders support the extension, which includes a 100 bps adjustment to the interest margin, EMGS said. Much of the 4Q21 cash draw came from the December repurchase of $4 million in bonds at 75% of par.
- EnCap Investments LP has made an equity investment in Encino Environmental Services LLC alongside primary sponsor BP Energy Partners LLC. Encino, an environmental monitoring, measurement, and technical services and products company, said Jan. 26 that the new funds will help it "deliver high-resolution technologies and services that support our customer's goals." The amount of the investment was undisclosed. EnCap currently manages capital on behalf of more than 350 investors. Dallas-based BP Energy Partners manages more than $560 million in committed capital.
- Merchant bank Intrepid Financial Partners has made a strategic investment in methane emissions monitor Ecotec International Holdings LLC. Funds managed by Intrepid's investing arm will provide funding to help Colton, California-based Ecotec "accelerate the production and roll-out of its patented instrumentation and emissions data collection software to fulfill strong customer demand in the biogas and oil and gas industries." Ecotec designs and develops specialty equipment and software solutions through its Ecotec, Aqmesh, Gas Data and Gazomat brands.

Oilfield Services

Infrastructure suppliers Enerflex & Exterran in $735MM combo

Enerflex Ltd. and Exterran Corp. will combine in an all-stock deal valued at $735 million to create a company with a $1.5 billion implied enterprise value, the pair announced Jan. 24. Enerflex, the Calgary-based gas compression, oil and gas processing, and electric generation equipment supplier, will pay 1.021 of its TSX-traded shares for each of the 33.3 million NYSE-listed Exterran shares outstanding. The transaction will bring Enerflex's shares outstanding to about 124 million, with Exterran shareholders owning about 27.5% of the combined company.

'Meaningful' excess FCF starting in 2023 to cut debt, return to shareholders & fuel growth.

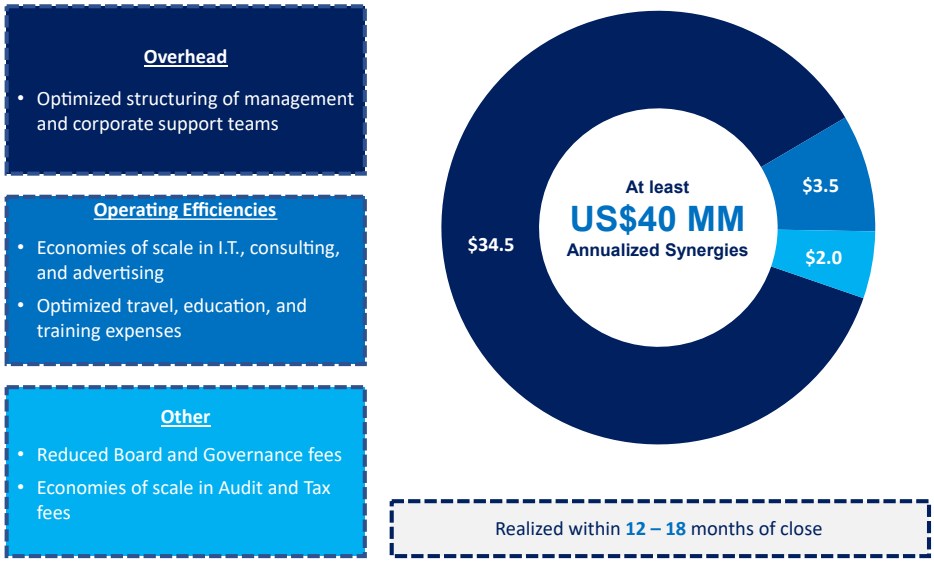
The companies said the transaction value for Exterran represents an 18% premium to Exterran's EV as of Jan. 21 and implies an EV to 2022 estimated adjusted EBITDA ratio of 3.6x and a price to 2022 estimated cash flow ratio of 1.9x, including synergies. Moving forward as Calgary-based Enerflex, the combined companies expect to realize at least $40 million of annual run-rate synergies within 12-18 months after closing through overhead savings and operating efficiencies. The new Enerflex will continue to trade on the Toronto Stock Exchange and intends to apply for a listing on the NYSE or the Nasdaq, the companies announced.

The companies said the enhanced scale will result in pro forma 2023 estimated adjusted EBITDA of $360-400 million inclusive of synergies. "Meaningful" excess free cash flow will begin in 2023 and support debt reduction, shareholders returns and continued growth.

In conjunction with the transaction, Enerflex signed a new $1.525 billion credit agreement with Royal Bank of Canada comprising a $600 million, three-year revolving credit facility and a $925 million five-year bridge loan facility that will provide financing to backstop an anticipated issuance of new debt securities prior to closing of the transaction. The financing will fully repay existing Enerflex and Exterran notes and revolvers, as well as provide capex and other capital needs for the combined company.

The deal, unanimously supported by both companies' boards and supported by Exterran's largest shareholders, is expected to close in either Q2 or Q3.

Synergies Accelerate Free Cash Flow Generation



Source: Enerflex 01/24/22 presentation via **Enverus docFinder**

Power & Renewables

- Directors at gas-fired power plant builder Argan Inc. authorized an increase of the NYSE-listed company's stock buyback plan to $50 million from $25 million. In the Jan. 24 announcement, the company said it had bought back around $18 million in shares under the authorization to date. Shares will continue to be repurchased from time to time on the open market or through privately negotiated transactions. The authorization runs through January 2024. Argan closed at $38.07 in NYSE trading Jan. 24 and has a 52-week price range of $36.60-$55.99.
- Greenbacker Capital Management LLC announced that it has invested an undisclosed amount in the equity of solar developer Noria Energy. Its backing will help Noria "scale its platform, while executing on and expanding its existing pipeline" of solar projects, which "includes both ground-mounted arrays and solar installations that float atop bodies of water." The investment marks Greenbacker's entrance into the floating solar space, or "floatovoltaics." Noria has designed, engineered and co-developed the largest floating solar array in the U.S., a 4.8 MW installation at the water reclamation facility in Healdsburg, California.
- Li-Cycle Holdings Corp., which provides end-of-life solutions for lithium-ion batteries, has ended the lifecycle of warrants that were issued in conjunction with the IPO of Peridot Acquisition Corp., the SPAC with which the company combined last August. The NYSE listee announced Feb. 2 that holders exercised 22,540,651 of the 22,999,994 warrants outstanding since September 2020 on a cashless basis and 9,678 at $11.50 per common share. The remaining 449,665 were redeemed at $0.10 each. As a result of the warrant exercises, Li-Cycle issued 5,712,322 common shares for a new total of 168,891,877 outstanding.

Power & Renewables

Exxon tries a different kind of farm-in for $125MM

Exxon Mobil Corp. may take up to a 25% stake in renewable diesel producer Global Clean Energy Holdings Inc., after agreeing to invest $125 million to help the Torrance, California, company grow its proprietary camelina business. Camelina, also known as "false flax," is an ancient grain with fuel production potential that is primarily used in fallow rotation. Exxon and GCEH have been working together on "feedstock deployment efforts in multiple U.S. growth regions" for four years, GCEH CEO Richard Palmer said. GCEH has an existing commercial agreement with Exxon for over 4 million barrels of drop-in renewable diesel from its Bakersfield, California, biorefinery, which is set to start up this year.

"We are investing in a number of technologies and initiatives that can reduce greenhouse gas emissions from vital sectors of the global economy, and are progressing lower-emission fuels to help industries like heavy transportation, marine and aviation," said Ian Carr, president of ExxonMobil Fuels & Lubricants Co. "Our agreement with GCE is an example of how we are leveraging our significant resources, technology and capabilities to deliver more renewable fuels to help customers reduce their emissions."

Sunrun adds new lenders, signs new $425MM facility

Sunrun Inc. has signed a new $425 million resource lending facility after retiring an older $250 million facility. The San Francisco-based home solar, battery storage and energy services company said its new facility matures in January 2025, two years later than its previous facility's extension allowed for.

Sunrun said initial commitments for $425 million came from three new lenders and its six existing lenders. It has a $100 million letter of credit sublimit and an accordion feature to upsize total capacity to $600 million. The new facility reflects a higher valuation for the company's operating assets and an increased advance rate against Sunrun's project backlog.

Borrowings under the facility will be payable at rates determined by either a base rate or SOFR. Base rate loans accrue at 225 bps plus either the Fed funds rate plus 50 bps or, if higher, one of three other defined rates. Term SOFR loans accrue at a spread of 325 bps over the benchmark, with other factors that could affect interest.

Lenders in the facility are led by KeyBank and Silicon Valley Bank and include MUFG, Morgan Stanley, BofA, Credit Agricole, Credit Suisse, Deutsche Bank and RBC.

New Blackstone platform may invest up to $100B in renewables

The credit arm of Blackstone, the world's largest private equity investor, launched its Sustainable Resources Platform in late January. The unit will invest in and lend to renewable energy companies and other entities related to energy transition activities, building on the more than $15 billion in funds Blackstone has already disbursed to such companies since 2019. The group estimates putting $100 billion into the space over the next decade.

Blackstone's platform will invest across the spectrum in both investment-grade and non-investment-grade credit, as well as preferred and convertible securities. Its focus within the space will include residential solar and home efficiency; renewable electricity generation and storage; products, services, technologies and natural resources that enable the energy transition; decarbonized transportation; sustainability-linked loans; green financings that fund environmental projects; and other energy infrastructure investments.

New platform builds on the $15B Blackstone has invested in this space since 2019.

Robert Horn will lead the new platform as global head of the Sustainable Resources Group for Blackstone Credit. Horn has been with Blackstone Credit since its founding. Formerly of EIG, Simon Hayden will be senior managing director and lead European activities.

In early January, Blackstone committed to invest around $3 billion in Invenergy LLC, the largest private renewable energy developer in the U.S. In a definitive agreement among funds managed by Blackstone Infrastructure Partners, Invenergy Renewables Holdings LLC and Canadian pension fund manager Caisse de dépôt et placement du Québec, the global private equity giant committed to a nearly $3 billion equity investment that will provide capital to accelerate Invenergy's renewables activities.

- Oya Solar raised additional capital, bringing its corporate investment to $35 million. The Toronto-based company, which develops, builds and owns solar and battery storage assets, will use proceeds to accelerate work on its pipeline of more than 3 GW of projects in the U.S. Northeast and mid-Atlantic and to fund acquisitions. Greenbacker Capital Management led the transaction, investing through an affiliated fund. Lewis & Clark Holdings and entities controlled by Scotland-based investment company Abrdn plc were also part of the investment. The Greenbacker-affiliated fund and NY Green Bank closed an initial investment in 2020, which was upsized last year.
- Quaise, Inc., a developer of gyroton-powered millimeter wave drilling systems backed by Nabors Industries, announced that it has raised $40 million through a Series A funding round led by Safar Partners. New investors Prelude Ventures, Fine Structure Ventures and Safar join Nabors and existing backers The Engine, and Collaborative Fund. The Cambridge, Massachusetts-based company started in 2018 and had raised $63 million to date. Its technology uses a gyrotron to generate millimetric electromagnetic waves for drilling at depths to access deep geothermal energy. New board members include Safar's Arunas Chesonis and Prelude's Mark Cupta.
- Moore Strategic Ventures led a $23 million Series A funding round for Houston-based Zeta Energy, which is making a lithium sulfur battery for the electric vehicle and energy storage markets. The round closed Feb. 1, and the funds raised will be used to expand Zeta's laboratory facility in Houston and further commercialize the battery technology. Moore Strategic Ventures is a private investment firm incorporated in Delaware and run by Louis M. Bacon, founder and CEO of Moore Capital Management LP.

Power & Renewables

VC firms commit $80MM to new CCS tech developer Verdox

Carbon capture technology company Verdox announced that a group of venture capital firms have committed $80 million in a funding round to help commercialize carbon removal technology developed at the Massachusetts Institute of Technology. The syndicate of investors includes Breakthrough Energy Ventures, Prelude Ventures and Lowercarbon Capital.

Boston-based Verdox's technology centers on faradaic electro-swing reactive absorption for CO2 capture by "combining the efficiency of electrochemistry with the tunability of organic chemistry." The pairing enables the targeted use of electrical energy to capture and release CO2 at any concentration and eliminates the needs for large amounts of heat and water that current CCS processes use, the company said.

"The high energy efficiency and scalability of Verdox's technology could enable the company to play a major role in addressing the carbon removal challenge," said Carmichael Roberts, co-leader of Breakthrough Energy Ventures' investment team.

International

Innergex selling C$187MM in equity to get windy in Chile

Quebec-based hydroelectric, solar and wind operator Innergex Renewable Energy Inc. took to the public equity markets Feb. 4 with a bought-deal equity offering of 8.45 million common shares at C$17.75 each for C$150 million in gross proceeds. The company granted underwriters CIBC, National Bank Financial, BMO and TD Securities a 30-day overallotment option of an additional 1.27 million shares. In addition, the company is selling 2.1 million shares privately to Hydro-Québec, already its largest shareholder, at the same price. The combined sales will bring the TSX-listed company's shares outstanding to an estimated 204.6 million and generate C$187 million ($147 million) in gross proceeds, which Innergex plans to use to fund an acquisition in Chile.

Innergex agreed to buy the 332 MW Aela portfolio of newly built wind parks from a JV of Actis and Mainstream Renewable Power for $686 million, consisting of $300 million cash and $386 million of assumed debt. In addition to funds raised through the equity sales, Innergex intends to refinance the non-recourse debt at the wind parks and at its existing Chilean projects in Q2. A portion of the financing plan is backed by acquisition debt facilities provided by CIBC, Innergex said.

Vår to place at least 220 million shares in Oslo IPO From PG.1

According to sources cited by Bloomberg, the size of the IPO and its valuation target have already been scaled back because of volatility in the market. Initially, Vår was looking to land at a market value equal to around $15 billion.

The offering will consist of up to 8.8% of Vår's total shares outstanding, excluding any additional shares and the up-size option. If those additions are included, the offering size jumps to 12.7% of the shares outstanding. Vår expects the Oslo Børs to grant an exemption from its 25% free float requirement.

Eni, which owns 69.85% of Vår, mentioned a potential IPO in November as part of a way to "free up new resources" to fund low-carbon plans. The Italian energy company will retain the majority stake in Vår following the IPO.

Vår plans to pay out $800 million in dividends to shareholders this year, including a Q1 dividend of $225 million. The company currently has around $3.9 billion of debt outstanding.

Vår produced 247,000 boe/d in September, the most recent period for which data is available, and it is targeting 350,000 boe/d by YE25. It operates four fields on the Norwegian Continental Shelf: Goliat, Marulk, Balder and Ringhorne, including Ringhorne East. It also owns non-operated stakes in 32 producing fields on the NCS.

Vår was formed in 2018 through the combination of Eni Norge and Point Resources AS. Morgan Stanley, J.P. Morgan, DNB Markets and SpareBank 1 Markets are joint global coordinators for the offering, with bookrunners ABG Sundal Collier, BofA, Carnegie Investment Bank, Jefferies and Pareto Securities.

Ivanhoe becomes battery maker SES AI, closes $275MM PIPE

Ivanhoe Capital Acquisition Corp. combined with lithium-metal battery maker SES AI Corp., after shareholders approved the deal Feb. 1. The buyer took over the SES name, but not before it raised an additional $275 million in proceeds from a PIPE offering at $10 a share.

The special-purpose acquisition company went public in January 2021. Around $276 million in proceeds generated from the IPO and a concurrent private placement were placed in escrow, and the combination agreement was signed last July. Now, as Boston-based SES AI Corp., the company will focus on developing and producing high-performance lithium-metal rechargeable batteries for electric vehicles and other applications.

Will produce high-performance lithium-metal rechargeable batteries for EVs & other applications.

"The capital raised through this transaction is expected to provide SES with the necessary proceeds to continue accelerating its growth and fund key development initiatives," CEO Qichao Hu said. "Key partnerships with world-class automakers strengthen the commercialization of SES's technology and help position it to emerge as a leading global Li-metal battery supplier." SES, which changed its name from SolidEnergy Systems ahead of last year's combination agreement, was founded in 2012 and has operations in Singapore, Shanghai and Seoul, South Korea, in addition to Boston.

PIPE investors include car manufacturers Honda, General Motors, Hyundai and Kia, as well as Franklin Templeton, Fidelity Canada and Koch Strategic Platforms, among others. The company's Class A common stock and warrants began trading on the NYSE on Feb. 4 as SES and SES.WS, respectively.

International

Shell sheds A/B share structure, now trading as one line

Shell plc announced that its A and B shares have been assimilated into a single line of ordinary shares. Trading commenced Jan. 31 on the London Stock Exchange and Euronext Amsterdam. In the U.S., Shell's American depositary shares likewise began trading Jan. 31 as a single line on the NYSE.

Shell has over 7.6 billion shares outstanding, including those found within its ADSs. With one class of shares, Shell said it will be able accelerate distributions through buybacks and manage its portfolio with more agility. Chairman Andrew Mackenzie said a simpler structure will "normalize our share structure under the tax and legal jurisdictions of a single country and make us more competitive. As a result," he added, "Shell will be better positioned to seize opportunities and play a leading role in the energy transition."

The share simplification is the last piece in a multi-pronged process that involved shedding its tax residence in the Netherlands to become solely domiciled in the U.K. and changing its name from Royal Dutch Shell. Shareholders approved the measures Dec. 10, and by Jan. 24 the company had shortened its name to Shell plc. The old name had been used since 1907.

Shell makes $11.5B profit in Q4, its highest since 2008

In one of its busiest and most profitable quarters, Royal Dutch Shell earned $11.5 billion on $85 billion of revenue, turning around from a $4 billion net loss on $44 billion of revenue in 4Q20. Gains from commodity derivative accounting and asset sales totaling $6.2 billion helped lift Q4 results to the company's highest since 2008.

The company, which changed its name to Shell plc after year's end, swung back from a 2020 net loss of $21.7 billion to 2021 net income of $20.1 billion on revenue of $262 billion, up 45% YOY. CEO Ben van Beurden called 2021 "a momentous year" for the supermajor, which also streamlined its share structure and shed its tax residence in the Netherlands to become solely domiciled in the U.K.

2021 capex was $20B; this year Shell will spend at lower end of a $23-27B range.

"Progress made in 2021 will enable us to be bolder and move faster," said van Beurden, who announced plans for a 4% dividend increase and $8.5 billion in stock buybacks for 1H22, including the remaining $5.5 billion of proceeds from the sale of Shell's Permian assets.

Cash flow from operating activities in Q4 was $8.2 billion, and capex hit $6.5 billion. For the year, Shell's activities brought in $45 billion in cash flow while spending $20 billion on capex. Spending for 2022 will be at the lower end of a $23-27 billion range, Shell said.

CFO Jessica Uhl described Q4 as an "absolute standout quarter for our LNG business." Shell sold 16.72 million tonnes of LNG in Q4, and trading profits brought its Integrated Gas, Renewables and Energy Solutions segment's earnings up to almost $6.6 billion for the quarter, with net earnings of $6.3 billion for the year. The IGRE business was helped by gains of $2.8 billion from the fair value accounting of commodity derivatives, mainly because of gas price developments. The segment delivered almost $1.2 billion in cash flow during Q4 and $13 billion for the year.

Shell's upstream business earned $4.9 billion in Q4, a reversal from a $2.1 billion loss a year earlier. For the year, it earned $9.7 billion compared with a $10.8 billion loss a year ago. The results include a nearly $3.3 billion net gain from asset sales, mainly in the Permian, and higher realizations of $73.49/bbl for liquids and $8.88/Mcf for gas, up 10% and 46% sequentially.

Oil products earned $620 million during Q4, compared to a $1.8 billion loss a year ago. For the year, products provided more than $2.6 billion in earnings compared with a $494 million 2020 loss. Sales amounted to 4.45 MMbbl/d for Q4.

Moving forward now that the company has been reorganized, van Beurden told analysts that Shell is looking into the market on a "segment by segment" basis to engage with companies seeking to become net zero carbon emitters. The company ended 2021 with $89 billion in total debt, down 18% YOY, while total cash and short-term investments at YE21 were up 16% YOY at $37 billion. Shell has about $3.46 billion in debt maturing this year.

Higher realizations & volumes push BP profits past $4B

BP reported a $4.1 billion underlying replacement cost profit in 4Q21 as revenue exceeded $52 billion. The supermajor said the quarter benefited from higher oil and gas realizations, more upstream production and stronger refining commercial optimization, which offset lower trading results and contributions from gas marketing and trading. In 4Q20, the company's URC profit was $115 million and revenue was $45 billion.

For 2021 overall, BP reported URC profit of $12.8 billion on $164 billion of revenue, compared with a nearly $5.7 billion net loss on $109 billion of revenue in 2020. BP famously uses URC profit as a proxy for net income.

OCF for 2021 nearly doubled YOY to $23.6B and for Q4 almost tripled YOY to $6.1B.

Operating cash flow was $6.1 billion for Q4 and $23.6 billion for the year, versus $2.3 billion and $12.2 billion for the same periods of 2020. BP spent $3.6 billion and $12.8 billion in capex for Q4 and 2021, respectively. This year, BP plans to make $14-16 billion in overall capital expenditures.

It also realized divestment proceeds of $2.3 billion and $7.6 billion for Q4 and 2021. It ended 2021 with total debt of $69.7 billion and about $31 billion in cash and equivalents.

BP will repurchase another $1.5 billion of shares with surplus 2021 cash flow before it announces Q1 results. CEO Bernard Looney said the company is "performing while transforming," with plans to reach net zero carbon emissions by the middle of the century. Its growing portfolio of renewables, electric vehicle charging, hydrogen and other energy transition activities is expected to use 40% of the company's capex by 2025 and 50% by 2030, up from 15% last year. They are also expected to contribute $9-10 billion to BP's earnings by 2030, comprising nearly 25%.

See Also...

HyCC & BP to develop 250 MW hydrogen project in Netherlands

International

Indian power producer ReNew announces $250MM share buyback

ReNew Energy Global plc announced a $250 million program to buy back Class A ordinary shares. The India-based independent power producer said Feb. 2 that the buyback will be made through open-market purchases. The company's shares trade on both the Nasdaq and the Deutsche Börse. The buyback is pending court approval, which ReNew expects to come in time for repurchases to begin in mid-February.

"Our stock is providing the highest return opportunity for its shareholders, and this repurchase is expected to be meaningfully accretive to our long-term EBITDA and cash flow per share targets," ReNew CEO Sumant Sinha said. ReNew's shares closed Nasdaq trading Feb. 2 at $6.26, with a 52-week range of $5.06-$12.73. The company has 400.8 million shares outstanding.

The company expects to fund the stock repurchases with proceeds from the sale of its 117 MW/138 MWp solar rooftop portfolio and its cash balance. ReNew announced the portfolio sale to India-based solar firm Fourth Partner Energy, backed by Norway's Norfund and U.S. investment company TPG, on Jan. 27 for $89.9 million.

In January, ReNew's Mauritius-based subsidiary issued $400 million aggregate principal amount of 4.5% senior secured notes due 2027. The securities were certified as green bonds by Climate Bond Initiative and are now listed on the Singapore Exchange. ReNew has raised more than $3.5 billion across eight bond issuances, the company said. Proceeds from the 2027s will be used to refinance existing debt and fund renewable energy projects.

Developments & Trends

Upstream got most of the credit in Q4, per Enverus Capitalize

Industry borrowers launched or amended $38.81 billion worth of credit facilities in 4Q21 across 54 agreements, up 104% from 3Q21 and 668% YOY, according to Enverus' Capitalize capital markets platform. Upstream borrowers represented 60% of the quarterly total at $23.35 billion. The sector's activity in Q4 jumped 5.5x higher than 3Q21's $4.23 billion and represent a more than 14-fold increase over activity in 4Q20. Occidental Petroleum and its lenders amended and restated a $4 billion credit agreement in December in the leading upstream credit event of the quarter. Southwestern Energy's $1.8 billion and Chesapeake Energy's $1.75 billion amended facilities rounded out the top three upstream results for 4Q21.

LIBOR out, SOFR in as the new borrowers' main benchmark moving forward.

Midstream delivered $11.98 billion in facilities, up 989% YOY but 2% off from 3Q21. The downstream sector was responsible for $600 million of the quarterly action, 31% less than in the prior quarter. Oilfield services activity was up 24% YOY and 69% on a sequential basis to $2.89 billion. Integrated borrowers launched or amended $1.9 billion in credit facilities in Q4, after no activity a quarter earlier or a year earlier.

The decades-old benchmark LIBOR was retired at the end of 2021. Some of the new borrowing activity in Q4 may have used the Secured Overnight Financing Rate, or SOFR, as a benchmark, but moving forward into 2022 and beyond SOFR will be the main replacement for U.S. borrowers.

For the year, energy industry borrowers launched or amended $100.13 billion in credit agreements through 138 separate events, compared with $37.15 billion across 66 events in 2020. At $6 billion, Dominion Gas Holdings had the largest singular credit event, followed by Oxy's $4 billion and Williams' $3.75 billion agreements. The upstream sector accounted for $45 billion of the activity in 2021, followed by midstream's $41 billion, OFS's $7.5 billion, downstream's $4.7 billion and $1.9 billion in the integrated sector.

Enverus noted that 73% of the credit facilities mature between 2022 to 2024, of which upstream accounts for 33%, midstream accounts for 31%, OFS accounts for 17%, downstream accounts for 14%, and integrated companies account for 6%.

Meridian says Samuel Terry's FAR bid doesn't go far enough

Meridian Capital International Fund, which owns over 19% of Far Ltd., told the company's directors that it rejected the latest takeover bid for the Africa and Australia-focused E&P company. In a Feb. 3 letter, Meridian said that a A$0.45/share offer made by fund manager Samuel Terry Asset Management is "opportunistic and wholly inadequate." This bid follows unsuccessful ones made in 4Q20 by Remus Horizons PCC Ltd. and 1Q21 by Lukoil.

List Woodside contingent payment rights on exchange instead of taking offer, 19% FAR owner says.

Samuel Terry's off-market bid represents a 23.3% premium to FAR's Jan. 28 ASX closing price of A$0.365 and an 18.8% premium to the one-month volume-weighted average price of A$0.379. The offer, which will open Feb. 14 and close a month later, is conditional upon Samuel Terry, which currently owns 4.9% of FAR, obtaining a minimum 50.1% stake. FAR engaged Baker McKenzie as legal advisor for matters pertaining to the bid.

Meridian also told FAR directors that the bid does not offer shareholders any benefit from a contingent payment of up to $55 million from Woodside Petroleum tied to commodity prices and the delivery of first oil from the Sangomar project. FAR sold its share of the project off Senegal to operator Woodside last year for $111.6 million after Woodside blocked FAR's attempt to sell the stake to India's ONGC.

The fund manager suggests that FAR put the distribution of the rights to the contingent payment on a pro rata basis to a shareholder vote. Ideally, it said the rights would trade directly or indirectly as a listed security on an exchange. All other assets including FAR's cash and oil and gas interests would remain within the company. FAR holds exploration assets off the Gambia, Guinea-Bissau and Australia.

Developments & Trends

Industry issuers float $87B of new bonds in 2021, down 50% YOY

Energy industry issuers sold $87.24 billion aggregate principal amount of bonds in 2021, down 50% from 2020's total of $172.86 billion, according to Enverus' Capitalize capital markets platform. Last year's results put the brakes on three prior years of gradual growth in the bond market, falling below 2018's sales total of $90.33 billion. The most active quarter in 2021 was Q1, when the industry pushed out $35.38 billion in bonds. Q4 was the second-most active with $22.12 million principal amount of debt sold. The Q4 total was up 40% from Q3 and represented a 69% increase over 4Q20's total.

Upstream issuers sold $30.29 billion in bonds last year, 8% less than in 2020, and the midstream segment was responsible for $29.44 billion of the activity, off 34% YOY. The oilfield services sector sold $7.34 billion for 2021, up 7%. Downstream issuers put out 59% less debt at $6.43 billion, and integrated companies issued $13.74 billion, down 81%.

The year's biggest debt issuers were BP at $5.5 billion, Enbridge at $3.5 billion and Pioneer Natural Resources at $3.25 billion. The largest individual debt instrument offered by energy issuers in 2021 was NGL Energy Partners' $2.05 billion of five-year senior notes, offered last January.

Capital raised from equity sales totaled just over $4B in 2021

Energy industry issuers raised a total $4.14 billion through equity sales during 2021, according to Enverus' Capitalize capital markets platform. Money raised via equity sales among companies in the Capitalize universe fell 19% from 2020's $5.09 billion.

The year's largest single equity issue was a $900 million sale of preferred stock by Energy Transfer. Dominion Energy followed with a $750 million preferred stock sale. Five of 2021's 31 equity issuance were for preferred securities. Enverus Capitalize monitored four IPOs during the year that brought in a total $928 million compared with one IPO in 2020 that raised $345 million. The largest 2021 IPO and largest common stock issuance overall, Vine Energy, went public in March and raised $346 million. Eight months later, it was acquired by Chesapeake Energy.

The most frequent visitor to the equity salad bar was Northern Oil & Gas, which made four trips last year and filled up with a total $442 million.

Sector performance was mixed, with the $1.42 billion raised through upstream equity issuers 83% higher YOY while midstream activity dropped 58% YOY to $1.22 billion. The oilfield services sector's $490 million total easily beat 2020's total of $4.16 million. After two dry years, downstream made a comeback with Par Pacific's $80 million raise. Integrated companies, represented by sole issuer Dominion Energy, raised 30% less from equity sales in 2021 at $750 million.

A short public life: Biggest IPO, Vine, raised $345MM, was bought by Chesapeake 8 months later.

During Q4, equity issuers in the Enverus Capitalize universe raised $1.65 billion via 10 offerings. The market showed an 11-fold increase in Q4 over Q3's total of $150 million and was 2.75x higher than the total equity raised in 4Q20. The quarter featured two of the four IPOs last year, raising a combined $409.45 million. Dominion Energy's $750 million follow-on was the largest equity raise in the quarter.

Upstream led equity sales with $601.81 million raised across through five deals, up 87% YOY. Special-purpose acquisition company ROC Energy Acquisition sold $180 million of stock in its IPO. Northern Oil & Gas raised $220 million, and Kosmos Energy raised $142.31 million in the quarter. In addition, Kimbell Royalty Partners and Pedevco went to the public markets to raise $52.5 million and $7.0 million, respectively, during the quarter.

CSI Compressco's $52.7 million follow-on stock sale was the sole midstream equity deal during the quarter, bringing the sector's performance down 50% sequentially and 81% YOY. There were no downstream equity deals during the quarter.

In the OFS segment, environmental company Aris Water Solutions conducted an IPO that raised $229.45 million, comprising the bulk of the $241.93 million of equity capital raised by the segment in the quarter. OFS equity activity was up 476% sequentially and compares on a YOY basis to a completely dead quarter.

People & Companies

- Brigham Minerals appointed Gayle Burleson and Stacy Hock as independent directors, effective Jan. 24. Howard Keenan, a board member since 2013, announced his resignation. Burleson was Concho Resources business development and land SVP until its acquisition by ConocoPhillips in January 2021. Hock previously held senior management positions in the software industry, including IBM's WebSphere Software Services business.
- Chesapeake Energy hired Josh Viets as EVP and COO, effective Feb. 1. Viets has worked at ConocoPhillips for the last 20 years in operational positions of increasing importance in the U.S. and U.K., most recently as Delaware Basin VP.
- Vertically integrated Appalachian producer CNX Resources promoted Ravi Srivastava to president of its new technologies division. He most recently served as data operations VP. The company also named Hayley F. Scott as chief risk officer. She previously was internal audit and advisory services VP and financial planning and analysis VP, roles she also served in at Consol Energy before its separation into two companies. CNX also added Robert O. Agbede to its board. Agbede is chairman and CEO of holding company Chester Group and chairman of coating manufacturing and marketing company Sigma Paint Nigeria.
- Continental Resources operations SVP Patrick W. Bent retired from that position Jan. 20, remaining an employee of the company until Feb. 1. He joined in 2012 as drilling VP and in 2016 was appointing drilling operations SVP. He previously served in various leadership roles with El Paso Exploration, its successor companies Meridian Oil and Burlington Resources, and ConocoPhillips following its late 2005 acquisition of Burlington.

GULF COAST

GULF COAST CONVENTIONAL ASSETS
Hackberry Footprint W/ Operational Control
PRIMARILY NEAR THE TX-LA BORDER
Proximity To Major Commodities
Markets & Refining Capacity
9-PDNP Quantified Opportunities.
9-Quantified PUD Locations.
Majority Operated On PV-10 Basis
~93% PV-10 Weighted WI (~64% NRI)
Net Production (2022E): ~1.35 MBOED
NTM PDP Cash Flow: ~$20,000,000
Net PDP Reserves: 5.137 MMBOE
Net Proved Reserves: 7.986 MMBOE
Return To Production, Artificial Lift,
Behind Pipe, & New Drill Opportunities
Deal ID: 13467

GULF COAST OPERATED ASSETS
9-Wells Including 1-SWD.
DIMMIT COUNTY, TEXAS
30%-100% WI (21.6%-72.5% NRI)
Avg 8/8th Production: 30 BOPD
Estimated Revenues: ~$34,000/Mn
Deal ID: 13442

GULF COAST CONVENTIONAL SALE
12-Wells. 5,033-Net Acres (100% HBP)
LIVE OAK & JACKSON COS., TEXAS
98% OP WI (73% NRI) In 10-PDP Wells
NON-OPERATED WI In 2-Additional Wells
Projected Net Production: 1.4 MMCFED
Proj NTM PDP Cash Flow: $1,500,000
Upside: 2-Quantified PBP Opportunities
CONTACT AGENT FOR MORE INFO
Deal ID: 13439

CENTRAL EDWARDS CO, TX
27-Gas Wells. 13-Active. 600-Net Acres.
VAL VERDE BASIN
CANYON SANDS (TVD: 4,100-4,500')
NO MECHANICAL OR INTEGRITY ISSUES
Long Life Conventional Gas Production
100 % WI & 77-80% NRI FOR SALE
Gross: 191 MCFD; Net: 150 MCFD
Swab Workover Will Uplift Production
Average L3M Cash Flow: $8,800/Mn
Deal ID: 13417

KARNES CO., TX ACREAGE
378-Gross Acres (36 Net Acres). All HBP
DRILL THE KARNES TROUGH TREND
EAGLE FORD & AUSTIN CHALK
9.56% NonOp WI & 7.17% NRI For Sale
16 PUD Locations (11 EF / 5 AC)
Murphy Oil, BPX & Conoco Directly Offset
CONTACT AGENT FOR MORE INFO
Deal ID: 13416

GULF COAST

GULF COAST PRODUCING ASSETS
24-Wells. 11-PDP. 8-SWD
VERMILION, LAFOURCHE, ST MARY,
CALCASIEU, & CAMERON PAS., LA
ORANGE & JEFFERSON COS., TX
Operated: 64.7% WI (56.3% NRI) In
Riceville, Charenton, Lake Boeuf SW,
Peveto, & China Townsite Fields
Non-Op: 25.5% WI (18.7% NRI) in
Perkins SE & Chalkley West Fields
Avg Net Production: 515.67 BOED
Avg Cash Flow (Last 3-Mn): 354,104/Mn
NTM PDP Cash Flow: $4,600,000
Net Proved Reserves: 11.856 Bcfe
Deal ID: 13409

MATAGORDA CO., TX SALE PKG
11-Wells, 7-Active. ~1,800-Acres
PHEASANT SW & BLESSING FIELDS
FRIO FORMATION
PDNP & PUD UPSIDE POTENTIAL
3D Seismic Defined PUD Locations
Operated By Kebo Oil & Gas
94% OPERATED WI; 70-73% 8/8ths NRI
Gross Prod: 21 BOPD & 209 MCFD
Net Vols: 14 BOPD & 134 MCFD
Net Cash Flow: $37,800 Mn
Net PDP PV10: >$800,000
Deal ID: 13404

EAGLE FORD NONOP FOR SALE
306-Active Wells. ~4,660-Net Acres
DIMMIT, FRIO & LA SALLE
Significant Identified Upside
Operated by Callon, CHK & Crimson
~7.5% NonOp WI; 75% Lease NRI
Gross Prod: ~7,200 BOPD & 21 MMCFD
Net Volumes: ~270 BOPD & 870 MCFD
Net Cash Flow: >$500,000/Mn
Net PDP Reserves: ~1,650 MBOE
Deal ID: 13391

EASTERN

UTICA ORRI ASSETS DIVESTITURE
437-PDP Wells. 6,430-Net Royalty Acres
JEFFERSON, BELMONT, AND
HARRISON COUNTIES OHIO
12-DUCs, 6-Permits, 11-W/O Connection
~200-Remaining Undeveloped Locations
Averaging 6-Wells Completed Per Month
PDP Wells With Average 0.55% RI
Net Production (Jan-2022): 6.1 MMCFED
Net Revenue (2022): $13,700,000
Improvement In Gas Differentials Over
The Last 6-Months Underpin Robust CF
Preference To Single Cash Transaction
But Will Consider Offers On Ind. Packages
BIDS ARE DUE LATE FEBRUARY, 2022
Deal ID: 13459

People & Companies

- Enbridge gas transmission and midstream EVP Bill Yardley will retire effective May 31. With his departure, the midstream giant announced a few internal promotions. Yardley will be succeeded by gas distribution and storage EVP and president Cynthia Hansen. Replacing Hansen will be gas transmission and midstream SVP and COO Michele Harradence. EVP and CFO Vern Yu has been assigned expanded accountability for corporate development and energy services and has been named corporate development EVP, adding to his current role as CFO.
- Energy Advisors Group named Adrian Goodisman as a partner. Goodisman joined the Houston-based transaction advisory firm last March as an advisory board director. He has more than 30 years of investment banking and technical experience, including in managing director roles for Moelis & Co. and Scotiabank. Before entering the investment banking sector, he served in technical roles at ConocoPhillips predecessor Phillips Petroleum.
- Energy Transfer expanded its alternative energy group with the hiring of energy industry veteran Dilanka Seimon as alternative energy VP. Seimon will be responsible for developing alternative energy and carbon capture projects for the company along with various ESG initiatives. Seimon joins Energy Transfer from BHP, where he spent eight years culminating in a position as VP of global sales and marketing, oil, gas, power and carbon. Before BHP, he held positions with Southwest Energy, Wells Fargo Commodities and Sequent Energy Management.
- Magellan Midstream Partners president, CEO and chairman Michael Mears will retire effective April 30 after 11 years in these roles and 37 years with Magellan and its predecessors. COO Aaron Milford will succeed Mears as president and CEO and join the board, effective May 1. On the same date, Barry Pearl, who serves as lead director, will become chairman, separating that role from the CEO position. Milford has 27 years of industry experience, all with Magellan and its predecessors, including as CFO from 2015 to 2019.