



January 28, 2025

- Energy Producers - Junior & Intermediate
- Energy Producers - Seniors & Integrated
- Energy Producers - US E&P

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## Q4/24 PREVIEW: TARIFF TALK + MOUNTING MACRO RISKS COULD OVERSHADOW REPORTING

### THE TD COWEN INSIGHT

Q4/24 earnings season loosely coincides with looming U.S. energy tariff threats, which should also be a focus on conference calls. That said, we are tempering our expectations on management insights since everyone is still largely in the dark. We ultimately expect energy tariffs not to materialize (especially heavy oil) or be short-lived. We will also be looking for market-moving reserves updates.

**Impact: NEUTRAL**

#### Key Themes To Look For With Q4/24 Results

**Expecting U.S. tariffs to be topical on conference calls, but not expecting management teams to offer much until visibility improves (it feels like they too are largely in the dark):**

The Trump administration could potentially enact 25% tariffs on Canada/Mexico as early as February 1, although this threat could extend well beyond that, in our view. Since this loosely coincides with the start of Q4/24 earnings, we expect it to be topical on conference calls, although we do not expect management teams to have too much to say until some clarity is provided. We continue to believe energy may ultimately be exempt since Cdn. oil exports make up ~60% of total U.S. imports, and because the U.S. is structurally short heavy oil (where heavy oil comprises ~75% of total Cdn. imports). In a recent [note](#), we highlighted looming oil sands turnarounds (we est. a >380mmbbl/d Q2/24 impact, and 140mmbbl/d in Q3/24) and modest prod'n curtailments (has been used before) as potential mitigating options should WCS differentials widen more than expected (should tariffs be imposed).

**Cdn. downstream currently relatively safe:** We have repeatedly highlighted that we believe IMO/SU's Cdn. downstream businesses are strategically advantaged and typically enjoy a material crack spread advantage vs. U.S. downstream peers. We expect this quarter to be no different, favouring IMO/SU (note a LIFO tailwind for IMO, and FIFO headwind for SU) over CVE (FIFO headwind), which is expected to be hit by additional weakness in USMC 321 crack spreads and heavy turnaround activity (plus related turnaround costs). It remains to be seen how (and if) potential 25% export tariffs would impact the Integrated downstream segments, but we see IMO/SU as relatively sheltered since the majority of upstream volumes are processed within their own Cdn. refining networks and refined products are sold into Cdn. markets (vs. CVE's cross-border refining business).

In aggregate, we estimate that our coverage universe (excluding Euro Majors) will generate Q4/24 CF of ~\$16bln (-5% q/q; -12% y/y) and FCF of ~\$8bln (-11% q/q; -30% y/y).

**U.S. Natural Gas Fundamentals Improved; WCSB Pricing Remains Volatile.** Over the last several quarters we have seen U.S. natural gas fundamentals improve with supply averaging below previous highs on a combination of producer restraint and cold weather-related freeze-offs. We have also seen U.S. LNG exports generally marching higher with Plaquemines Phase 1 now online. This has driven U.S. storage levels back near historical averages (and below normal on a days of supply basis). Canadian fundamentals have remained weak with volumes tracking near highs and an enduring storage overhang. Given the bifurcation of natural gas pricing benchmarks (AECO, Dawn, HHUB...), we expect producers to provide more commentary regarding natural gas marketing and hedging strategies. We do not expect meaningful changes to any gas-focused capex programs. That said, producers with significant WCSB pricing exposure could continue to actively manage volumes given current AECO basis and as the market awaits start-up of LNG Canada.

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WTI prices fell through Q4/24, averaging ~US\$70/bbl (-6% q/q; -10% y/y). Edmonton Par averaged ~\$93/bbl (-6% q/q; -4% y/y). The WTI/WCS heavy differential narrowed modestly to ~US\$12.90/bbl (+5% q/q), with WCS prices averaging ~\$80/bbl (-4% q/q, but +5% y/y). Improved egress following TMX ramp-up and a perceived upward shift in WCSB producer bargaining power vs. USGC refiners (which were increasingly having to compete for heavy feedstock with Mid-Con/West Coast refiners), tightened the differential into the low-teens (hit US\$11.75/bbl in November), despite Q4 being a period of seasonal weakness. Since then, tariff risk has widened the heavy differential to as high as US\$16.75/bbl and while we ultimately believe Cdn. energy will be exempt, a combination of planned turnarounds and modest curtailments could largely mitigate the heavy differential risk.

Q4/24 USMC 321 crack spreads were down 35% q/q as market fundamentals further eroded into year-end amid forecasts for softer fuel demand and tariff noise. USMC 321 cracks were down 32% y/y. With oil prices down q/q, we anticipate modest downstream FIFO headwinds for CVE/SU, and a LIFO tailwind for IMO, which positions it better for an upside surprise.

AECO averaged only C\$1.48/mcf in Q4, up 111% q/q, but still down 36% y/y.

**See our revised estimates in figures 9-11.**

## Potential Market-Moving Catalysts We Are Watching For

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Listed alphabetically, we highlight:

**Advantage (AAV-T) – More data regarding recent Charlie Lake wells; potential asset dispositions:** Advantage has been bringing on new Charlie Lake pads on the acreage acquired last year from Longshore and should be in a position to disclose more on productivity and costs for these wells with Q4 results. The company has also been actively discussing potential non-core dispositions.

**Why it could be market-moving:** Strong results from the Charlie Lake have the potential to ease investor concerns regarding the acquisition and could add meaningful liquids volumes/cash flow given the company's relatively high natural gas weighting. Non-core dispositions could also help move financial leverage lower and move the company closer to its debt target (and potential reinstatement of share buybacks).

**Baytex (BTE-T) - Positive RoC momentum into year-end, but then fades temporarily as 2025 buybacks set-up shaping up to be much like 2024:** Recall, Q1/24 buyback activity was muted amid a very front-end weighted capex program, and that H2/24 featured a steady pace of buyback activity. We estimate BTE repurchased \$54mm of shares in Q4/24, bringing annual 2024 RoC to 45% of FCF, just shy of its 50% commitment. Here, we note that the 2025 budget is similarly expected to be front-end weighted (60% in H1/25). We are therefore expecting a slow-down in buybacks (and potential debt reduction) through H1/25, with an acceleration into H2/25.

**Why it could be market-moving:** Solid buyback activity into year-end should reinforce investor confidence in BTE's cash flow generation potential, even at today's backwardated WTI strip.

**Birchcliff (BIR-T) – Reserves data including potential type curve revisions in the Montney on the back of recent capital efficiency improvements.** While the company recently disclosed improving capital efficiencies in the Montney, we should get more color with YE results. Updated reserves disclosures will be released with Q4 and should include efficiency ratios and an overview of technical revisions.

**Why it could be market-moving:** Reserves could provide more evidence that capital efficiencies have improved and reinforce our view that the company is on stronger operational footing. This could lead to better-than-expected volumes in 2025 and beyond.

**Imperial Oil (IMO-T) – Not expecting announcement of a fourth SIB with Q4/24 results, but an on-cycle annual base dividend hike is all but certain, and on today's strip, we still see potential for an H1/25 SIB:** Recall, IMO accelerated its NCIB for completion prior to YE24, opening a pocket in H1/25 for a potential fourth SIB ahead of NCIB renewal in late-June. With IMO set to report Q4/24 earnings on January 31, just one day before a potential tariff announcement from the Trump Administration, we are not expecting an SIB announcement with the quarter. That said, we definitely have not written off the possibility of a fourth SIB with Q1/25 results. It is our understanding that IMO continues to target a cash balance in the \$1bn range, and we model IMO with a YE24 cash balance of only ~\$0.9bn. We also model a 10% annual base dividend hike, which would only represent a 5% increase in the absolute dollar annual dividend outlay given strong buybacks.

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**Why it could be market-moving:** While we believe the Street remains mixed on the potential for a fourth SIB in H1/25 (clearly complicated by potential tariff implications, higher-than-expected 2025 capex—although we had modeled \$2bln), the potential gap in RoC ahead of NCIB renewal in late-June may serve as a drag on the stock should IMO forego a fourth SIB in H1/25.

**Royalty Producers (FRU-T; PSK-T; TPZ-T) – Details around WCSB spending and market share.** The Canadian royalty producers typically provide more details around recent WCSB activity levels and share of capital by play with YE results.

**Why it could be market-moving:** This data provides the market with a better view of potential near and long-term growth which is generally more difficult to forecast for royalty producers.

**Strathcona Resources (SCR-T) – Potential WEF distribution in Q1/25, thereby increasing float (but contingent on how many WEF unitholders actually sell their SCR shares, in our view):** This has the potential to increase the public float from 9% currently, to upwards of 20%. SCR has indicated that WEF investors receiving the internal distributions are part of a smaller series of partnerships (vast majority medium/long-term holders, with a small percentage potentially liquidating immediately). Capital across all WEF partnerships is expected to be returned over the next ~3 years (smaller ones first, with roughly a 12-month rolling cadence). Beyond this, we highlight that SCR achieved its debt target in Q2/24 and is now allocating 100% of FCF to RoC (likely special dividends, on an ad hoc basis) or M&A, but it has yet to declare a special dividend.

**Why it could be market-moving:** Should WEF LP holders (to whom SCR shares are to be distributed to) choose to sell in the open market (blocks or otherwise), this could potentially increase the public float through Q1/25 and may provide a much-needed liquidity boost for institutional investors, forcing them to revisit the name. In addition, we believe that declaration of an inaugural special dividend should serve to increase market confidence in SCR's RoC commitment.

**Tourmaline (TOU-T) – Potential details around tariff treatment of LNG agreements.** We expect Tourmaline could provide some discussion around the company's LNG agreements and how they might be treated if U.S. tariffs are enacted.

**Why it could be market-moving:** Given the company's strong exposure to LNG exports in the U.S. (and soon Canada), if these contracts are excluded from potential tariffs, it could provide meaningful CF insulation.

**Veren (VRN-T) – More color surrounding YE24 reserves:** Although the company recently released YE24 reserves data, this did not include efficiency ratios or future development capital details.

**Why it could be market-moving:** More color surrounding Montney/Duvernay reserves and/or wells could reassure investors that recent operational missteps are being resolved.

**Whitecap (WCP-T) – Montney and Duvernay reserve details:** We expect 2024 reserves will be released with the quarter and should include more details around efficiency ratios and costs in the Montney/Duvernay.

**Why it could be market-moving:** Given the strong push into high-impact plays (and recent history of volume beats versus TD/Consensus expectations) more

color on reserves growth and potential type curve improvements/technical revisions could impact the stock.

## Ratings And Target Prices

Our target prices and ratings remain unchanged with this update. We believe it is prudent to review Q4/24 results before considering any changes to our target prices.

Figure 1 - Investment Matrix

Top Pick Investment Matrix				
Strategy	Core Growth Yield Value	Product Mix		
		Oil	Gas	Mixed
		CVE, SU	-	ARX, SHEL
		MEG	AAV	-
		FRU, WCP	PEY	CNQ
BTE		NVA		

Source: TD Cowen

Figure 2 - TD Price Deck vs. Strip

Commodity	Q/Q Comparison			2025E			2026E			LT (2027E+)		
	Q4/24	Q3/24	% Diff	TD	Fwd Strip	% Diff	TD	Fwd Strip	% Diff	TD	Fwd Strip	% Diff
WTI (US\$/bbl)	\$70.42	\$75.29	-6%	\$71.00	\$72.54	-2%	\$68.00	\$67.87	0%	\$65.00	\$65.87	-1%
Brent (US\$/bbl)	\$74.67	\$80.31	-7%	\$74.50	\$76.08	-2%	\$72.00	\$71.82	0%	\$69.00	\$70.09	-2%
WTI-Brent Diff (US\$/bbl)	-\$4.25	-\$5.02	-15%	-\$3.50	-\$3.54	-1%	-\$4.00	-\$3.94	1%	-\$4.00	-\$4.22	-5%
Edmonton Light (C\$/bbl)	\$93.19	\$98.65	-6%	\$98.50	\$100.51	-2%	\$91.75	\$93.04	-1%	\$85.25	\$89.03	-4%
WTI-Edmonton Light Diff (US\$/bbl)	\$3.80	\$2.97	28%	\$2.00	\$2.09	-4%	\$2.00	\$1.80	11%	\$2.00	\$1.80	11%
Syncrude (C\$/bbl)	\$97.08	\$102.71	-5%	\$103.50	\$99.14	4%	\$96.50	\$99.09	-3%	\$89.75	\$95.00	-6%
WTI-SCO Differential (US\$/bbl)	\$1.02	\$0.00	nmf	-\$1.50	\$3.05	nmf	-\$1.50	-\$2.50	-40%	-\$1.50	-\$2.50	-40%
Edmonton Condensate (C\$/bbl)	\$99.13	\$97.11	2%	\$98.56	\$98.37	0%	\$92.36	\$93.46	-1%	\$85.81	\$89.45	-4%
WTI-Edm. Condi. Differential (US\$/bbl)	-\$0.44	\$4.10	nmf	\$2.01	\$3.59	-44%	\$1.50	\$1.50	0%	\$1.50	\$1.50	0%
WCS (C\$/bbl)	\$80.44	\$84.22	-4%	\$81.50	\$81.67	0%	\$75.00	\$75.86	-1%	\$67.50	\$72.08	-6%
WTI-WCS Differential (US\$/bbl)	\$12.92	\$13.55	-5%	\$14.00	\$15.30	-8%	\$14.00	\$14.00	0%	\$15.00	\$14.00	7%
Henry Hub (US\$/mmBtu)	\$2.45	\$2.12	16%	\$3.50	\$3.96	-12%	\$3.75	\$4.07	-8%	\$3.50	\$3.89	-10%
AECO (C\$/mcf)	\$1.48	\$0.70	nmf	\$2.50	\$1.99	26%	\$2.90	\$2.91	0%	\$3.15	\$3.02	4%
AECO Basis Differential (US\$/mmBtu)	\$1.39	\$1.61	-13%	\$1.75	\$2.57	-32%	\$1.70	\$2.01	-15%	\$1.20	\$1.71	-30%
NBP (US\$/mmBtu)	\$13.70	\$10.64	29%	\$14.00	\$15.12	-7%	\$12.00	\$12.53	-4%	\$10.00	\$10.41	-4%
TTF (US\$/mmBtu)	\$13.47	\$11.42	18%	\$14.00	\$15.12	-7%	\$12.00	\$12.68	-5%	\$10.00	\$10.50	-5%
FX (US\$/C\$)	\$0.71	\$0.73	-2%	\$0.70	\$0.70	0%	\$0.72	\$0.71	1%	\$0.74	\$0.72	3%
NYH 321 Crack Spread (US\$/bbl)	\$21.06	\$21.51	-2%	\$15.25	\$21.21	-28%	\$16.00	\$20.53	-22%	\$16.00	\$20.57	-22%

Source: Bloomberg, TD Cowen

Figure 3 - Reporting Calendar and TD Cowen Estimates versus Consensus

	Reporting		TD Est.		Consensus		% Δ vs. Consensus			
	Date		CFPS	Prod'n	CFPS	Prod'n	CFPS	Prod'n		
IMO	31-Jan	(B)	\$3.14	460,794	\$3.08	461,155	2%	0%		
SU	5-Feb	(A)	\$2.66	874,000	\$2.63	874,000	1%	0%		
ARX	6-Feb	(A)	\$1.19	382,245	\$1.20	383,211	-2%	0%		
PSK	10-Feb	(A)	\$0.40	25,502	\$0.40	25,097	1%	2%		
BIR	12-Feb	(A)	\$0.25	76,846	\$0.26	76,586	-3%	0%		
WCP	19-Feb	(A)	\$0.64	175,603	\$0.65	174,836	-2%	0%		
SDE	19-Feb	(A)	RESTRICTED							
CVE	20-Feb	(B)	\$0.87	810,817	\$0.92	810,000	-6%	0%		
VNOM <sup>1</sup>	24-Feb	(A)	\$0.89	52,934	\$0.87	52,780	2%	0%		
TPZ	24-Feb	(A)	\$0.47	20,719	\$0.49	21,115	-2%	-2%		
VRN	27-Feb	(B)	\$0.91	188,721	\$0.91	188,353	0%	0%		
MEG	27-Feb	(A)	\$1.29	100,223	\$1.34	100,621	-4%	0%		
KRP <sup>1</sup>	27-Feb	(B)	\$0.55	24,043	\$0.58	24,336	-5%	-1%		
AAV	4-Mar	(A)	\$0.47	75,202	\$0.48	75,177	-2%	0%		
BTE	4-Mar	(A)	\$0.57	152,974	\$0.57	152,798	0%	0%		
ATH	5-Mar	(A)	\$0.27	36,755	\$0.27	37,232	1%	-1%		
TOU	5-Mar	(A)	\$2.37	611,330	\$2.43	609,488	-2%	0%		
VET	5-Mar	(A)	RESTRICTED							
NVA	5-Mar	(B)	\$0.65	84,121	\$0.67	83,812	-4%	0%		
CNQ	6-Mar	(B)	\$1.74	1,427,379	\$1.76	1,434,193	-1%	0%		
PEY	11-Mar	(A)	\$0.98	132,098	\$0.99	132,803	-2%	-1%		
FRU	12-Mar	(A)	\$0.37	15,252	\$0.36	15,076	2%	1%		
KEL	13-Mar	(B)	\$0.32	34,064	\$0.31	34,971	1%	-3%		
LGN	19-Mar	(A)	\$0.03	9,481	\$0.03	9,541	-5%	-1%		
SCR	TBD	(A)	\$1.97	185,021	\$2.15	187,190	-8%	-1%		

	Reporting		TD Est.		Consensus		% Δ vs. Consensus	
	Date		EBITDA	Prod'n	EBITDA	Prod'n	EBITDA	Prod'n
SHEL <sup>1</sup>	30-Jan	(B)	\$13,383	2,742,528	\$13,541	2,766,500	-1%	-1%
BP <sup>1</sup>	11-Feb	(B)	\$8,046	2,340,802	\$8,027	2,343,560	0%	0%

(B) = Before Market, (A) = After Market

<sup>1</sup>Reports in USD

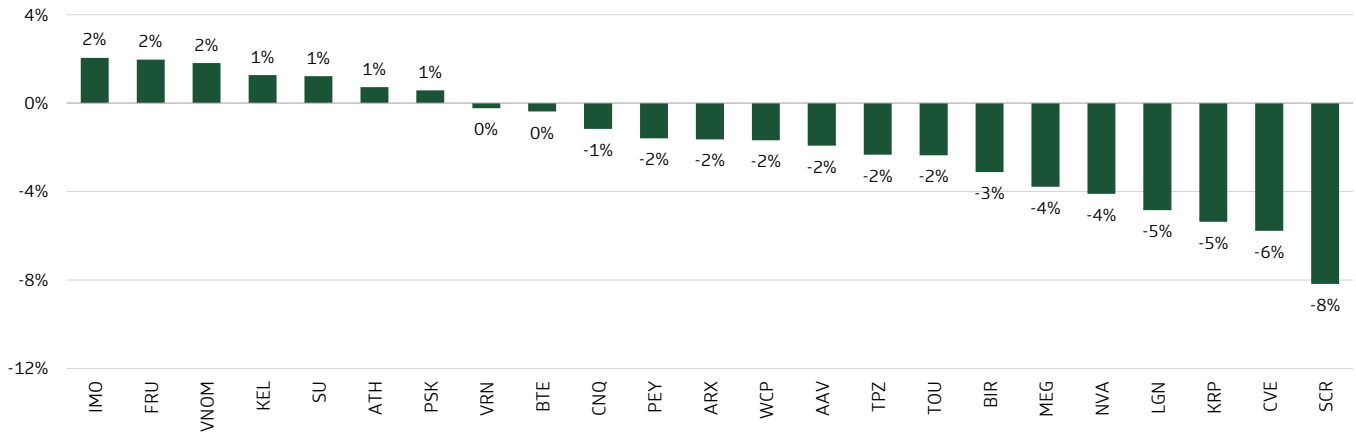
CFPS is post ARO expenses

\* Consensus based on estimates published over the last 60-days, and excludes material outliers

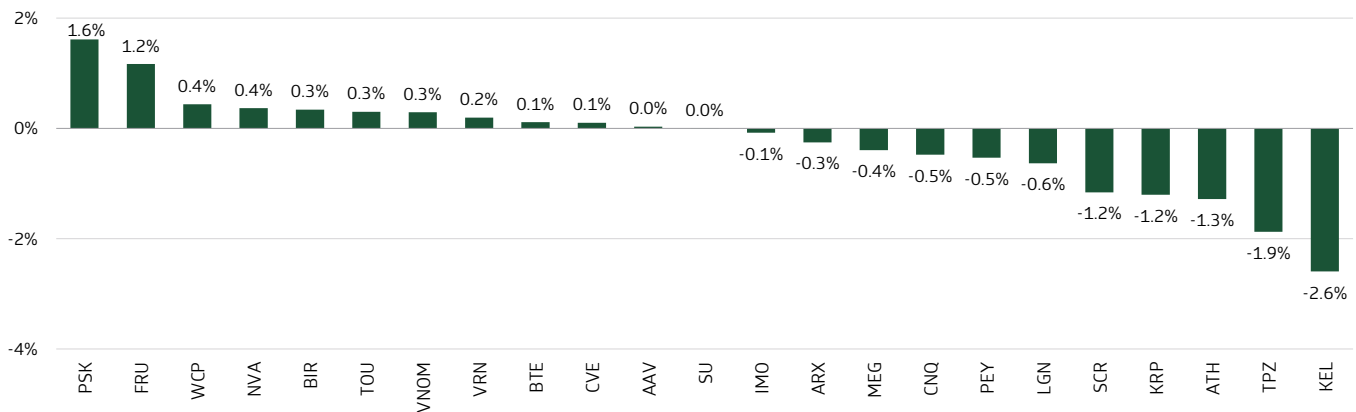
Source: Company reports, FactSet, TD Cowen

Figure 4 - TD Cowen Estimates versus Consensus

CFPS TD Est vs. Consensus (% diff)



Prod'n TD Est vs. Consensus (% diff)



\* Consensus based on estimates published over the last 60-days, and excludes material outliers

Source: Company reports, FactSet, TD Cowen

Figure 5 - TD Cowen Estimates – Q4/24E

	AAV	ARX	ATH	BIR	BP <sup>1</sup>	BTE	CNQ	CVE	FRU	IMO	KEL	KRP <sup>1</sup>	LGN	MEG
<b>Production</b>														
Oil (bbl/d)	8,254	105,983	35,726	6,855	1,152,491	109,967	990,144	647,619	7,788	455,794	9,985	7,288	2,785	100,223
NGLs (bbl/d)	3,897	42,142	323	7,162	n/a	19,274	64,936	21,293	2,041	0	3,980	4,308	354	0
Gas (mmcf/d)	378	1,405	4	377	6,892	142	2,234	851	33	30	121	75	38	0
Total (BOE/d)	75,202	382,245	36,755	76,846	2,340,802	152,974	1,427,379	810,817	15,252	460,794	34,064	24,043	9,481	100,223
% Gas	84%	61%	2%	82%	51%	16%	26%	18%	36%	1%	59%	52%	67%	0%
<b>Netback (\$/BOE)</b>														
Gross Revenue	\$23.33	\$36.35	\$68.89	\$22.48	n/a	\$67.56	\$61.07	\$64.63	\$52.35	\$66.17	\$39.93	\$32.35	\$34.46	\$81.35
Hedge Gain/(Loss)	\$3.59	\$1.51	\$0.51	\$0.52	n/a	-\$0.07	\$0.01	\$0.06	\$0.00	\$0.00	\$0.42	\$1.43	\$0.18	-\$0.70
Royalties	-\$2.45	-\$4.18	-\$4.69	-\$2.02	n/a	-\$14.68	-\$10.60	-\$10.57	-\$1.57	\$0.00	-\$4.99	-\$2.26	-\$3.34	-\$15.13
Operating	-\$5.55	-\$4.50	-\$11.80	-\$3.50	n/a	-\$11.30	-\$15.04	-\$11.02	-\$0.15	-\$28.14	-\$9.90	\$0.00	-\$9.50	-\$7.26
Transportation	-\$3.80	-\$5.25	-\$6.59	-\$5.25	n/a	-\$2.69	\$0.00	-\$7.23	\$0.00	\$0.00	-\$3.40	\$0.00	-\$2.50	-\$19.05
Operating Netback	\$15.13	\$23.92	\$46.32	\$12.23	n/a	\$38.81	\$35.44	\$35.87	\$50.63	\$38.03	\$22.05	\$31.52	\$19.30	\$39.21
G&A	-\$0.97	-\$1.28	-\$1.65	-\$1.20	n/a	-\$1.90	n/a	n/a	-\$2.14	n/a	-\$1.04	-\$2.49	-\$1.78	-\$1.78
Interest Expense	-\$2.03	-\$0.80	-\$1.94	-\$1.52	n/a	-\$3.04	n/a	n/a	-\$3.01	n/a	-\$0.16	-\$4.37	-\$0.83	-\$1.71
Cash Taxes & Other	\$0.05	-\$1.73	-\$0.15	-\$0.08	n/a	-\$1.42	n/a	n/a	-\$4.93	n/a	-\$0.38	-\$0.95	-\$0.13	\$0.00
Cash Flow Netback	\$12.19	\$20.12	\$42.58	\$9.44	n/a	\$32.45	n/a	n/a	\$40.55	n/a	\$20.48	\$23.72	\$16.57	\$35.72
<b>Other</b>														
Cash Flow (\$mm)	\$80	\$708	\$143	\$67	\$5,834	\$449	\$3,679	\$1,597	\$57	\$1,624	\$64	\$52	\$14	\$341
CFPS	\$0.47	\$1.19	\$0.27	\$0.25	\$2.14	\$0.57	\$1.74	\$0.87	\$0.37	\$3.14	\$0.32	\$0.55	\$0.03	\$1.29
Capex (\$mm)	(\$85)	(\$350)	(\$100)	(\$54)	(\$3,489)	(\$192)	(\$1,346)	(\$1,413)	\$0	(\$406)	(\$90)	\$0	(\$44)	(\$174)
Payout (Post DRIP)	106%	65%	70%	121%	82%	47%	67%	109%	73%	44%	140%	75%	307%	59%
Net Debt (\$mm)	\$642	\$1,492	(\$107)	\$549	\$34,417	\$2,244	\$17,806	\$3,891	\$234	\$1,673	\$128	\$496	\$37	\$498
EBITDA (\$mm)	\$94	\$796	\$150	\$77	\$8,046	\$519	\$4,518	\$2,064	\$63	\$1,951	\$64	\$66	\$18	\$357
	NVA	PEY	PSK	SCR	SDE	SHEL <sup>1</sup>	SU	TOU	TPZ	VET	VNOM <sup>1</sup>	VRN	WCP	
<b>Production</b>														
Oil (bbl/d)	23,586	0	13,416	133,869		1,479,487	874,000	58,266	6,157		29,533	102,436	93,924	
NGLs (bbl/d)	8,122	16,019	2,330	12,089		n/a	0	95,986	0		11,758	18,664	20,105	
Gas (mmcf/d)	314	696	59	234		7,326	0	2,742	87		70	406	369	
Total (BOE/d)	84,121	132,098	25,502	185,021		2,742,528	874,000	611,330	20,719		52,934	188,721	175,603	
% Gas	62%	88%	38%	21%		46%	0%	75%	70%		22%	36%	35%	
<b>Netback (\$/BOE)</b>														
Revenue	\$37.73	\$18.07	\$49.49	\$61.57		n/a	\$88.70	\$22.76	\$42.43		\$45.61	\$58.70	\$55.19	
Hedging	\$2.11	\$7.53	\$0.00	-\$0.29		n/a	\$0.00	\$4.28	\$1.22		\$0.35	\$1.50	\$1.01	
Royalties	-\$4.15	-\$1.26	\$0.00	-\$11.79		n/a	-\$10.84	-\$2.50	-\$0.16		-\$3.19	-\$6.16	-\$9.06	
Operating	-\$11.50	-\$3.00	\$0.00	-\$8.42		n/a	-\$29.34	-\$4.90	-\$1.15		\$0.00	-\$13.25	-\$14.25	
Transportation	-\$5.20	-\$1.70	\$0.00	-\$11.70		n/a	-\$4.15	-\$5.20	\$0.00		\$0.00	-\$4.50	-\$2.10	
Operating Netback	\$18.98	\$19.63	\$49.49	\$29.36	RESTRICTED	n/a	\$44.36	\$14.44	\$42.33	RESTRICTED	\$42.77	\$36.29	\$30.79	
G&A	-\$0.84	-\$0.25	-\$2.56	-\$1.56		n/a	n/a	-\$0.68	-\$0.94		-\$0.90	-\$1.30	-\$0.93	
Interest Expense	-\$0.89	-\$2.00	-\$0.72	-\$2.25		n/a	n/a	-\$0.38	-\$3.55		-\$3.57	-\$2.21	-\$1.14	
Cash Taxes & Other	\$0.04	-\$1.26	-\$5.47	\$0.00		n/a	n/a	\$2.49	-\$0.03		-\$2.89	-\$0.29	-\$5.02	
Cash Flow Netback	\$17.30	\$16.12	\$40.74	\$25.55		n/a	n/a	\$15.86	\$37.81		\$35.40	\$32.50	\$23.69	
<b>Other</b>														
Cash Flow (\$mm)	\$134	\$193	\$96	\$423		\$9,214	\$3,339	\$892	\$72		\$172	\$564	\$383	
CFPS	\$0.65	\$0.98	\$0.40	\$1.97		\$2.96	\$2.66	\$2.37	\$0.47		\$0.89	\$0.91	\$0.64	
Capex (\$mm)	(\$72)	(\$109)	\$0	(\$396)		(\$7,588)	(\$1,787)	(\$700)	(\$1)		\$0	(\$325)	(\$230)	
Payout (Post DRIP)	54%	90%	63%	106%		105%	75%	114%	71%		70%	70%	88%	
Net Debt (\$mm)	\$247	\$1,346	\$114	\$2,968		\$10,817	\$5,668	\$1,771	\$469		\$965	\$2,535	\$915	
EBITDA (\$mm)	\$142	\$237	\$115	\$473		\$13,383	\$4,037	\$992	\$79		\$204	\$603	\$464	

<sup>1</sup> Net Debt calculated as Total LT Debt + ST Debt - NWC, which may differ significantly from reported.

<sup>1</sup> In U.S. dollars

Source: TD Cowen

Figure 6 - TD Cowen Estimates – 2024E

	AAV	ARX	ATH	BIR	BP <sup>1</sup>	BTE	CNQ	CVE	FRU	IMO	KEL	KRP <sup>1</sup>	LGN	MEG
<b>Production</b>														
Oil (bbl/d)	6,389	88,022	35,650	6,580	1,167,246	109,982	932,265	632,011	7,619	428,312	8,796	7,733	2,552	102,033
NGLs (bbl/d)	3,250	42,572	305	6,933	n/a	19,643	64,559	21,447	1,950	0	3,406	4,410	345	0
Gas (mmcf/d)	364	1,304	4	378	6,970	141	2,135	855	32	30	122	76	33	0
Total (BOE/d)	70,342	347,883	36,695	76,500	2,368,900	153,068	1,352,663	795,911	14,949	433,354	32,515	24,858	8,436	102,033
% Gas	86%	62%	2%	82%	51%	15%	26%	18%	36%	1%	62%	51%	66%	0%
<b>Netback (\$/BOE)</b>														
Gross Revenue	\$21.02	\$35.78	\$72.13	\$21.27	n/a	\$70.67	\$63.10	\$70.27	\$55.52	\$67.13	\$38.27	\$33.75	\$36.93	\$81.45
Hedge Gain/(Loss)	\$2.00	\$1.52	-\$0.21	\$0.04	n/a	\$0.03	-\$0.04	-\$0.02	\$0.00	\$0.00	\$0.27	\$1.26	\$0.36	-\$0.76
Royalties	-\$2.04	-\$4.15	-\$6.46	-\$1.60	n/a	-\$15.71	-\$11.51	-\$11.61	-\$1.69	\$0.00	-\$5.11	-\$2.36	-\$3.32	-\$16.03
Operating	-\$4.92	-\$4.77	-\$12.13	-\$3.54	n/a	-\$11.91	-\$15.79	-\$12.00	-\$0.18	-\$29.23	-\$10.35	\$0.00	-\$12.29	-\$7.63
Transportation	-\$3.92	-\$5.27	-\$6.49	-\$5.35	n/a	-\$2.46	\$0.00	-\$5.48	\$0.00	\$0.00	-\$3.45	\$0.00	-\$2.97	-\$16.84
Operating Netback	\$12.15	\$23.10	\$46.83	\$10.81	n/a	\$40.62	\$35.76	\$41.17	\$53.65	\$37.90	\$19.63	\$32.65	\$18.70	\$40.31
G&A	-\$1.18	-\$1.78	-\$1.64	-\$1.25	n/a	-\$1.57	n/a	n/a	-\$2.76	n/a	-\$1.10	-\$2.42	-\$1.94	-\$1.91
Interest Expense	-\$1.72	-\$0.90	-\$1.83	-\$1.34	n/a	-\$3.55	n/a	n/a	-\$2.88	n/a	-\$0.23	-\$4.29	-\$0.11	-\$1.79
Cash Taxes & Other	\$0.38	-\$1.58	-\$0.22	-\$0.06	n/a	-\$0.44	n/a	n/a	-\$6.60	n/a	-\$0.36	-\$1.09	-\$0.24	-\$0.08
Cash Flow Netback	\$9.63	\$18.84	\$43.14	\$8.16	n/a	\$35.06	n/a	n/a	\$41.40	n/a	\$17.95	\$24.85	\$16.41	\$36.51
<b>Other</b>														
Cash Flow (\$mm)	\$248	\$2,398	\$558	\$229	\$28,701	\$1,920	\$13,857	\$7,990	\$227	\$6,450	\$214	\$226	\$51	\$1,386
CFPS	\$1.49	\$4.01	\$1.01	\$0.85	\$10.35	\$2.38	\$6.48	\$4.28	\$1.49	\$12.32	\$1.07	\$2.36	\$0.10	\$5.14
Capex (\$mm)	(\$256)	(\$1,846)	(\$275)	(\$270)	(\$16,000)	(\$1,250)	(\$5,420)	(\$4,950)	\$0	(\$1,850)	(\$325)	\$0	(\$157)	(\$550)
Payout (Post DRIP)	103%	94%	49%	165%	74%	69%	71%	81%	72%	48%	152%	74%	310%	42%
Net Debt (\$mm)	\$642	\$1,492	(\$107)	\$549	\$34,417	\$2,244	\$17,806	\$3,891	\$234	\$1,673	\$128	\$496	\$37	\$498
EBITDA (\$mm)	\$292	\$2,787	\$584	\$314	\$37,875	\$2,188	\$17,106	\$9,728	\$275	\$8,109	\$211	\$281	\$54	\$1,487
	NVA	PEY	PSK	SCR	SDE	SHEL <sup>1</sup>	SU	TOU	TPZ	VET	VNOM <sup>1</sup>	VRN	WCP	
<b>Production</b>														
Oil (bbl/d)	24,943	0	13,150	131,144		1,459,917	827,257	49,270	6,021		27,074	107,178	92,187	
NGLs (bbl/d)	7,578	15,487	2,340	11,733		n/a	0	93,185	0		11,078	17,909	20,197	
Gas (mmcf/d)	301	656	59	238		7,657	0	2,629	80		65	396	370	
Total (BOE/d)	82,703	124,868	25,316	182,531		2,780,065	827,257	580,660	19,337		48,989	191,163	173,972	
% Gas	61%	88%	39%	22%		47%	0%	75%	69%		22%	35%	35%	
<b>Netback (\$/BOE)</b>														
Revenue	\$40.49	\$18.34	\$50.33	\$64.09		n/a	\$93.65	\$25.14	\$43.96		\$47.62	\$60.75	\$57.27	
Hedging	\$0.95	\$7.21	\$0.00	-\$1.60		n/a	\$0.00	\$2.82	\$1.44		-\$0.02	\$0.87	\$0.65	
Royalties	-\$4.57	-\$1.34	\$0.00	-\$9.80		n/a	-\$12.39	-\$2.47	-\$0.19		-\$3.36	-\$6.36	-\$9.40	
Operating	-\$11.72	-\$3.17	\$0.00	-\$8.62		n/a	-\$30.03	-\$4.85	-\$1.12		\$0.00	-\$13.58	-\$13.85	
Transportation	-\$4.94	-\$1.79	\$0.00	-\$12.18		n/a	-\$4.17	-\$5.17	\$0.00		\$0.00	-\$4.51	-\$2.10	
Operating Netback	\$20.21	\$19.26	\$50.33	\$31.88	RESTRICTED	n/a	\$47.05	\$15.47	\$44.08	RESTRICTED	\$44.24	\$37.17	\$32.58	
G&A	-\$0.83	-\$0.35	-\$3.94	-\$1.48		n/a	n/a	-\$0.74	-\$1.01		-\$1.03	-\$1.72	-\$0.98	
Interest Expense	-\$1.18	-\$2.15	-\$1.25	-\$2.54		n/a	n/a	-\$0.39	-\$3.86		-\$4.04	-\$2.84	-\$1.40	
Cash Taxes & Other	-\$0.35	-\$1.55	-\$4.44	\$0.00		n/a	n/a	\$0.99	\$0.00		-\$2.93	-\$0.28	-\$5.03	
Cash Flow Netback	\$17.86	\$15.22	\$40.70	\$27.86		n/a	n/a	\$15.34	\$39.21		\$36.24	\$32.33	\$25.16	
<b>Other</b>														
Cash Flow (\$mm)	\$541	\$696	\$377	\$1,931		\$47,904	\$13,692	\$3,260	\$278		\$650	\$2,262	\$1,602	
CFPS	\$2.59	\$3.53	\$1.58	\$9.01		\$15.01	\$10.74	\$9.04	\$1.89		\$3.57	\$3.65	\$2.67	
Capex (\$mm)	(\$500)	(\$450)	\$0	(\$1,300)		(\$21,750)	(\$6,700)	(\$2,172)	(\$5)		\$0	(\$1,510)	(\$1,100)	
Payout (Post DRIP)	92%	102%	63%	73%		64%	69%	103%	70%		72%	79%	96%	
Net Debt (\$mm)	\$247	\$1,346	\$114	\$2,968		\$10,817	\$5,668	\$1,771	\$346		\$965	\$2,535	\$915	
EBITDA (\$mm)	\$590	\$866	\$456	\$2,031		\$64,905	\$17,287	\$3,449	\$305		\$782	\$2,464	\$1,988	

\* Net Debt calculated as Total LT Debt + ST Debt - NWC, which may differ significantly from reported.

<sup>1</sup> In U.S. dollars

Source: TD Cowen

Figure 7 - TD Cowen Estimates – 2025E

	AAV	ARX	ATH	BIR	BP <sup>1</sup>	BTE	CNQ	CVE	FRU	IMO	KEL	KRP <sup>1</sup>	LGN	MEG
<b>Production</b>														
Oil (bbl/d)	9,292	107,749	37,270	7,149	1,162,547	108,121	1,055,875	658,808	8,814	440,814	12,664	9,263	4,821	100,401
NGLs (bbl/d)	4,181	44,890	359	7,057	n/a	19,315	68,009	22,922	2,281	0	4,759	4,833	593	0
Gas (mmcf/d)	406	1,404	5	382	7,015	137	2,453	839	37	30	175	80	49	0
Total (BOE/d)	81,120	386,676	38,545	77,812	2,371,977	150,298	1,532,660	821,547	17,241	445,814	46,579	27,438	13,644	100,401
% Gas	83%	61%	2%	82%	51%	15%	27%	17%	36%	1%	63%	49%	60%	0%
<b>Netback (\$/BOE)</b>														
Gross Revenue	\$28.37	\$42.83	\$70.80	\$28.50	n/a	\$70.52	\$63.35	\$68.91	\$58.53	\$68.40	\$41.96	\$37.88	\$45.69	\$83.62
Hedge Gain/(Loss)	\$1.63	\$0.89	-\$0.01	\$1.26	n/a	\$0.16	\$0.01	\$0.01	\$0.00	\$0.00	\$0.12	\$0.11	-\$0.17	\$0.00
Royalties	-\$2.55	-\$5.14	-\$5.52	-\$2.42	n/a	-\$15.93	-\$10.10	-\$10.52	-\$1.76	\$0.00	-\$5.04	-\$2.65	-\$3.60	-\$13.08
Operating	-\$5.57	-\$4.70	-\$13.63	-\$3.50	n/a	-\$12.11	-\$15.53	-\$12.56	-\$0.15	-\$30.28	-\$9.90	\$0.00	-\$9.50	-\$8.92
Transportation	-\$4.11	-\$5.25	-\$7.02	-\$5.60	n/a	-\$2.53	\$0.00	-\$7.40	\$0.00	\$0.00	-\$3.00	\$0.00	-\$2.70	-\$20.74
Operating Netback	\$17.77	\$28.63	\$44.62	\$18.24	n/a	\$40.12	\$37.74	\$38.44	\$56.62	\$38.11	\$24.14	\$35.33	\$29.72	\$41.07
G&A	-\$0.81	-\$1.42	-\$1.60	-\$1.20	n/a	-\$1.64	n/a	n/a	-\$2.23	n/a	-\$0.94	-\$2.30	-\$1.61	-\$1.81
Interest Expense	-\$1.71	-\$0.67	-\$1.94	-\$1.41	n/a	-\$3.32	n/a	n/a	-\$2.90	n/a	-\$0.12	-\$4.01	-\$1.57	-\$1.75
Cash Taxes & Other	\$0.06	-\$2.59	-\$0.14	-\$0.08	n/a	-\$0.56	n/a	n/a	-\$6.27	n/a	-\$0.28	-\$1.01	-\$0.40	\$0.00
Cash Flow Netback	\$15.31	\$23.95	\$40.94	\$15.55	n/a	\$34.60	n/a	n/a	\$45.22	n/a	\$22.81	\$28.02	\$26.14	\$37.47
<b>Other</b>														
Cash Flow (\$mm)	\$453	\$3,380	\$555	\$442	\$28,605	\$1,873	\$16,429	\$9,593	\$285	\$6,658	\$388	\$281	\$130	\$1,416
CFPS	\$2.67	\$5.86	\$1.11	\$1.64	\$10.81	\$2.45	\$7.89	\$5.35	\$1.72	\$13.21	\$1.92	\$2.67	\$0.21	\$5.68
Capex (\$mm)	(\$285)	(\$1,650)	(\$335)	(\$300)	(\$16,000)	(\$1,250)	(\$6,150)	(\$4,800)	\$0	(\$2,000)	(\$328)	\$0	(\$195)	(\$635)
Payout (Post DRIP)	63%	61%	60%	75%	74%	70%	66%	63%	62%	50%	85%	70%	150%	52%
Net Debt (\$mm)	\$474	\$1,500	(\$78)	\$440	\$33,880	\$1,913	\$15,748	\$3,400	\$127	(\$373)	\$68	\$491	\$102	\$518
EBITDA (\$mm)	\$504	\$3,841	\$584	\$480	\$39,530	\$2,111	\$20,511	\$11,531	\$342	\$8,010	\$385	\$338	\$152	\$1,480
	NVA	PEY	PSK	SCR	SDE	SHEL <sup>1</sup>	SU	TOU	TPZ	VET	VNOM <sup>1</sup>	VRN	WCP	
<b>Production</b>														
Oil (bbl/d)	27,380	0	14,023	137,332		1,451,561	826,785	58,795	6,887		32,056	104,814	93,779	
NGLs (bbl/d)	8,270	17,012	2,442	12,395		n/a	0	8,270	0		12,518	18,214	19,921	
Gas (mmcf/d)	330	740	60	255		7,648	0	2,931	96		74	414	398	
Total (BOE/d)	90,631	140,291	26,512	192,168		2,770,209	826,785	555,614	22,840		56,970	192,019	180,104	
% Gas	61%	88%	38%	22%		48%	0%	88%	70%		22%	36%	37%	
<b>Netback (\$/BOE)</b>														
Revenue	\$43.99	\$25.01	\$54.54	\$65.21		n/a	\$92.77	\$27.85	\$46.38		\$49.98	\$61.49	\$58.99	
Hedging	\$2.04	\$4.21	\$0.00	\$0.25		n/a	\$0.00	\$2.29	\$0.80		\$0.12	-\$0.25	\$0.71	
Royalties	-\$4.84	-\$2.25	\$0.00	-\$8.88		n/a	-\$12.30	-\$2.90	-\$0.22		-\$3.37	-\$6.46	-\$9.98	
Operating	-\$11.25	-\$3.00	\$0.00	-\$8.61		n/a	-\$30.11	-\$4.60	-\$1.06		\$0.00	-\$13.00	-\$14.00	
Transportation	-\$4.40	-\$1.70	\$0.00	-\$11.79		n/a	-\$4.36	-\$4.80	\$0.00		\$0.00	-\$3.75	-\$2.10	
Operating Netback	\$25.55	\$22.27	\$54.54	\$36.19	RESTRICTED	n/a	\$46.00	\$17.85	\$45.91	RESTRICTED	\$46.73	\$38.03	\$33.61	
G&A	-\$0.79	-\$0.23	-\$3.82	-\$1.51		n/a	n/a	-\$0.67	-\$0.86		-\$1.00	-\$1.50	-\$0.97	
Interest Expense	-\$0.76	-\$1.86	-\$0.10	-\$1.93		n/a	n/a	-\$0.26	-\$2.98		-\$2.95	-\$1.87	-\$0.74	
Cash Taxes & Other	-\$2.30	-\$1.70	-\$6.80	\$0.00		n/a	n/a	\$1.54	\$0.00		-\$2.77	-\$0.57	-\$4.67	
Cash Flow Netback	\$21.70	\$18.47	\$43.81	\$32.75		n/a	n/a	\$18.45	\$42.06		\$40.00	\$34.09	\$27.22	
<b>Other</b>														
Cash Flow (\$mm)	\$718	\$946	\$424	\$2,262		\$46,668	\$13,869	\$4,377	\$351		\$832	\$2,389	\$1,790	
CFPS	\$3.57	\$4.78	\$1.76	\$10.56		\$15.37	\$11.48	\$11.61	\$2.28		\$4.17	\$3.93	\$3.03	
Capex (\$mm)	(\$450)	(\$475)	\$0	(\$1,350)		(\$23,150)	(\$6,520)	(\$2,875)	(\$4)		\$0	(\$1,550)	(\$1,150)	
Payout (Post DRIP)	63%	78%	56%	78%		68%	67%	89%	59%		71%	76%	88%	
Net Debt (\$mm)	\$180	\$1,135	-\$71	\$2,468		\$3,090	\$5,280	\$1,400	\$346		\$727	\$2,243	\$848	
EBITDA (\$mm)	\$826	\$1,135	\$510	\$2,432		\$59,200	\$17,015	\$4,960	\$376		\$951	\$2,540	\$2,078	

\* Net Debt calculated as Total LT Debt + ST Debt - NWC, which may differ significantly from reported.

<sup>1</sup> In U.S. dollars

Source: TD Cowen

Figure 8 - TD Cowen Estimates – 2026E

	AAV	ARX	ATH	BIR	BP <sup>1</sup>	BTE	CNQ	CVE	FRU	IMO	KEL	KRP <sup>1</sup>	LGN	MEG
<b>Production</b>														
Oil (bbl/d)	9,621	108,560	41,253	7,630	1,164,182	112,878	1,061,490	684,695	9,074	450,932	14,552	10,030	6,984	110,000
NGLs (bbl/d)	4,420	45,254	677	7,479	n/a	19,328	64,672	23,075	2,342	0	5,265	4,870	887	0
Gas (mmcf/d)	429	1,414	10	394	7,010	135	2,459	849	37	30	195	81	74	0
Total (BOE/d)	85,555	389,512	43,622	80,709	2,372,804	154,701	1,536,054	849,325	17,611	455,932	52,320	28,429	20,188	110,000
% Gas	84%	61%	4%	81%	51%	15%	27%	17%	35%	1%	62%	48%	61%	0%
<b>Netback (\$/BOE)</b>														
Gross Revenue	\$29.01	\$40.95	\$64.50	\$28.92	n/a	\$66.64	\$59.47	\$64.34	\$55.91	\$62.75	\$41.44	\$38.14	\$44.08	\$75.55
Hedge Gain/(Loss)	\$0.94	\$0.33	\$0.00	\$0.64	n/a	\$0.00	\$0.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.07	\$0.00	\$0.00
Royalties	-\$2.61	-\$5.32	-\$4.67	-\$2.60	n/a	-\$14.94	-\$8.60	-\$8.98	-\$1.68	\$0.00	-\$4.97	-\$2.67	-\$3.49	-\$10.71
Operating	-\$5.55	-\$4.70	-\$14.25	-\$3.50	n/a	-\$12.06	-\$15.65	-\$12.45	-\$0.15	-\$29.71	-\$9.90	\$0.00	-\$8.75	-\$9.24
Transportation	-\$4.10	-\$5.25	-\$6.80	-\$5.60	n/a	-\$2.48	\$0.00	-\$7.02	\$0.00	\$0.00	-\$3.00	\$0.00	-\$2.70	-\$18.71
Operating Netback	\$17.69	\$26.00	\$38.77	\$17.86	n/a	\$37.17	\$35.23	\$35.89	\$54.08	\$33.03	\$23.57	\$35.53	\$29.14	\$36.89
G&A	-\$0.90	-\$1.41	-\$1.60	-\$1.15	n/a	-\$1.59	n/a	n/a	-\$2.18	n/a	-\$0.84	-\$2.22	-\$1.22	-\$1.80
Interest Expense	-\$1.02	-\$0.67	-\$1.69	-\$1.02	n/a	-\$2.98	n/a	n/a	-\$1.58	n/a	-\$0.10	-\$3.40	-\$1.28	-\$1.62
Cash Taxes & Other	\$0.05	-\$2.35	-\$0.12	-\$0.08	n/a	-\$0.44	n/a	n/a	-\$5.99	n/a	-\$0.25	-\$1.03	-\$0.79	\$0.00
Cash Flow Netback	\$15.82	\$21.57	\$35.36	\$15.61	n/a	\$32.15	n/a	n/a	\$44.32	n/a	\$22.38	\$28.88	\$25.86	\$33.47
<b>Other</b>														
Cash Flow (\$mm)	\$494	\$3,067	\$542	\$460	\$27,826	\$1,791	\$15,414	\$9,601	\$285	\$6,305	\$427	\$300	\$191	\$1,397
CFPS	\$2.91	\$5.86	\$1.18	\$1.71	\$10.99	\$2.52	\$7.65	\$5.85	\$1.73	\$12.99	\$2.11	\$2.83	\$0.31	\$6.24
Capex (\$mm)	(\$300)	(\$1,700)	(\$350)	(\$300)	(\$16,000)	(\$1,300)	(\$6,200)	(\$4,200)	\$0	(\$2,300)	(\$350)	\$0	(\$175)	(\$650)
Payout (Post DRIP)	61%	68%	65%	72%	75%	76%	72%	56%	62%	58%	82%	75%	92%	53%
Net Debt (\$mm)	\$280	\$1,537	(\$41)	\$312	\$33,634	\$1,672	\$14,707	\$3,400	\$19	(\$464)	(\$9)	\$416	\$86	\$518
EBITDA (\$mm)	\$526	\$3,497	\$571	\$488	\$37,580	\$2,009	\$19,150	\$11,486	\$333	\$7,554	\$425	\$353	\$218	\$1,462
	NVA	PEY	PSK	SCR	SDE	SHEL <sup>1</sup>	SU	TOU	TPZ	VET	VNOM <sup>1</sup>	VRN	WCP	
<b>Production</b>														
Oil (bbl/d)	29,791	0	14,584	149,908		1,449,137	849,304	61,476	7,174		34,406	111,032	96,777	
NGLs (bbl/d)	9,682	18,214	2,496	12,423		n/a	0	108,665	0		13,019	19,220	21,228	
Gas (mmcf/d)	372	792	61	271		7,777	0	3,105	102		77	447	425	
Total (BOE/d)	101,539	150,201	27,307	207,546		2,789,971	849,304	687,592	24,101		60,317	204,749	188,766	
% Gas	61%	88%	37%	22%		48%	0%	75%	70%		21%	36%	37%	
<b>Netback (\$/BOE)</b>														
Revenue	\$42.60	\$26.22	\$52.21	\$61.32		n/a	\$86.00	\$28.97	\$46.69		\$48.89	\$58.21	\$55.58	
Hedging	\$1.84	\$1.51	\$0.00	\$0.00		n/a	\$0.00	\$0.72	\$0.00		\$0.00	-\$0.01	\$0.14	
Royalties	-\$4.69	-\$2.36	\$0.00	-\$7.99		n/a	-\$9.80	-\$3.01	-\$0.22		-\$3.30	-\$6.11	-\$9.13	
Operating	-\$11.25	-\$3.00	\$0.00	-\$8.58		n/a	-\$28.03	-\$4.60	-\$1.00		\$0.00	-\$13.00	-\$14.00	
Transportation	-\$4.40	-\$1.70	\$0.00	-\$11.47		n/a	-\$4.36	-\$4.80	\$0.00		\$0.00	-\$3.75	-\$2.10	
Operating Netback	\$24.11	\$20.67	\$52.21	\$33.28	RESTRICTED	n/a	\$43.81	\$17.28	\$45.47	RESTRICTED	\$45.59	\$35.34	\$30.49	
G&A	-\$0.70	-\$0.22	-\$3.71	-\$1.48		n/a	n/a	-\$0.65	-\$0.82		-\$1.00	-\$1.45	-\$0.93	
Interest Expense	-\$0.67	-\$1.34	\$0.00	-\$2.12		n/a	n/a	-\$0.19	-\$1.78		-\$2.43	-\$1.52	-\$0.62	
Cash Taxes & Other	-\$2.32	-\$1.60	-\$6.74	\$0.00		n/a	n/a	\$0.64	-\$1.14		-\$2.71	-\$2.04	-\$3.95	
Cash Flow Netback	\$20.42	\$17.51	\$41.76	\$29.68		n/a	n/a	\$17.07	\$41.73		\$39.45	\$30.32	\$24.99	
<b>Other</b>														
Cash Flow (\$mm)	\$757	\$960	\$416	\$2,213		\$47,880	\$13,636	\$4,284	\$367		\$869	\$2,266	\$1,722	
CFPS	\$4.02	\$4.86	\$1.73	\$10.33		\$16.39	\$12.06	\$11.36	\$2.39		\$4.36	\$3.91	\$2.99	
Capex (\$mm)	(\$575)	(\$475)	\$0	(\$1,550)		(\$23,000)	(\$6,250)	(\$2,750)	(\$4)		\$0	(\$1,550)	(\$1,150)	
Payout (Post DRIP)	76%	77%	57%	92%		66%	65%	95%	56%		74%	80%	91%	
Net Debt (\$mm)	\$135	\$909	-\$248	\$2,282		(\$4,553)	\$5,090	\$1,279	\$346		\$502	\$1,996	\$766	
EBITDA (\$mm)	\$876	\$1,129	\$502	\$2,409		\$59,774	\$16,817	\$4,812	\$393		\$982	\$2,513	\$1,969	

\* Net Debt calculated as Total LT Debt + ST Debt - NWC, which may differ significantly from reported.

<sup>1</sup> In U.S. dollars

Source: TD Cowen

Figure 9 - TD Cowen Revised Estimates, Ratings, and Target Prices

Ticker	Share Price	Rating		Target Price (\$/sh)			NTM Dividend Est.			Yield	Total Return	Cash Flow Per Share									Analyst
		New	Old	New	Old	% Chg.	New	Old	% Chg.			2024E			2025E			2026E			
												New	Old	% Chg.	New	Old	% Chg.	New	Old	% Chg.	
<b>Integrations</b>																					
CNQ-T	\$44.95	BUY	BUY	\$56.00	\$56.00	0%	\$2.25	\$2.25	0%	5.0%	30%	\$6.48	\$6.42	1%	\$7.89	\$7.85	1%	\$7.65	\$7.56	1%	MH
CVE-T	\$21.25	BUY	BUY	\$29.00	\$29.00	0%	\$0.72	\$0.72	0%	3.4%	40%	\$4.28	\$4.53	-5%	\$5.35	\$5.63	-5%	\$5.85	\$6.19	-5%	MH
IMO-T	\$100.75	HOLD	HOLD	\$94.00	\$94.00	0%	\$2.52	\$2.40	5%	2.5%	-4%	\$12.32	\$12.32	0%	\$13.21	\$13.21	0%	\$12.99	\$12.99	0%	MH
SU-T	\$55.88	BUY	BUY	\$62.00	\$62.00	0%	\$2.28	\$2.28	0%	4.1%	15%	\$10.74	\$10.44	3%	\$11.48	\$11.29	2%	\$12.06	\$11.86	2%	MH
<b>Oil Sands</b>																					
ATH-T	\$5.08	HOLD	HOLD	\$5.50	\$5.50	0%	\$0.00	\$0.00	0%	0.0%	8%	\$1.01	\$1.01	0%	\$1.11	\$1.12	-1%	\$1.18	\$1.19	-1%	MH
MEG-T	\$23.56	BUY	BUY	\$33.00	\$33.00	0%	\$0.40	\$0.40	0%	1.7%	42%	\$5.14	\$5.16	-1%	\$5.68	\$5.66	0%	\$6.24	\$6.21	0%	MH
SCR-T	\$27.77	HOLD	HOLD	\$32.00	\$32.00	0%	\$1.37	\$1.00	37%	4.9%	20%	\$9.01	\$9.45	-5%	\$10.56	\$10.57	0%	\$10.33	\$10.26	1%	MH
<b>Conventional E&amp;Ps</b>																					
AAV-T	\$9.75	BUY	BUY	\$14.00	\$14.00	0%	\$0.00	\$0.00	0%	0.0%	44%	\$1.49	\$1.55	-3%	\$2.67	\$2.68	0%	\$2.91	\$2.97	-2%	AB
ARX-T	\$26.48	BUY	BUY	\$33.00	\$33.00	0%	\$0.76	\$0.76	0%	2.9%	27%	\$4.01	\$3.91	3%	\$5.86	\$5.80	1%	\$5.86	\$5.96	-2%	AB
BTE-T	\$3.65	BUY	BUY	\$5.50	\$5.50	0%	\$0.09	\$0.09	0%	2.5%	53%	\$2.38	\$2.39	-1%	\$2.45	\$2.59	-5%	\$2.52	\$2.68	-6%	MH
BIR-T	\$6.10	BUY	BUY	\$7.00	\$7.00	0%	\$0.12	\$0.12	0%	2.0%	17%	\$0.85	\$0.85	0%	\$1.64	\$1.64	0%	\$1.71	\$1.71	0%	AB
KEL-T	\$7.30	BUY	BUY	\$9.00	\$9.00	0%	\$0.00	\$0.00	0%	0.0%	23%	\$1.07	\$1.08	-1%	\$1.92	\$1.92	0%	\$2.11	\$2.11	0%	AB
LGN-V	\$0.72	BUY	BUY	\$1.50	\$1.50	0%	\$0.00	\$0.00	0%	0.0%	110%	\$0.10	\$0.10	0%	\$0.21	\$0.21	0%	\$0.31	\$0.31	0%	AB
NVA-T	\$13.58	BUY	BUY	\$18.00	\$18.00	0%	\$0.00	\$0.00	0%	0.0%	33%	\$2.59	\$2.68	-4%	\$3.57	\$3.62	-1%	\$4.02	\$4.05	-1%	AB
PEY-T	\$16.48	BUY	BUY	\$19.00	\$19.00	0%	\$1.32	\$1.32	0%	8.0%	23%	\$3.53	\$3.53	0%	\$4.78	\$4.78	0%	\$4.86	\$4.86	0%	AB
SDE-T																					AB
TOU-T	\$69.34	BUY	BUY	\$77.00	\$77.00	0%	\$2.76	\$2.95	-6%	4.0%	15%	\$9.04	\$9.06	0%	\$11.61	\$11.58	0%	\$11.36	\$11.39	0%	AB
VET-T																					MH
VRN-T	\$7.58	BUY	BUY	\$13.00	\$13.00	0%	\$0.46	\$0.46	0%	6.1%	78%	\$3.65	\$3.65	0%	\$3.93	\$3.93	0%	\$3.91	\$3.91	0%	AB
WCP-T	\$9.96	BUY	BUY	\$14.00	\$14.00	0%	\$0.73	\$0.73	0%	7.3%	48%	\$2.67	\$2.67	0%	\$3.03	\$3.16	-4%	\$2.99	\$3.08	-3%	AB
<b>Royalties</b>																					
FRU-T	\$12.84	BUY	BUY	\$22.00	\$22.00	0%	\$1.08	\$1.08	0%	8.4%	80%	\$1.49	\$1.50	-1%	\$1.72	\$1.72	0%	\$1.73	\$1.73	0%	AB
KRP-US	\$15.87	BUY	BUY	\$24.00	\$24.00	0%	\$1.87	\$1.87	0%	11.8%	63%	\$2.36	\$2.35	0%	\$2.67	\$2.69	-1%	\$2.83	\$2.85	-1%	AB
PSK-T	\$27.13	HOLD	HOLD	\$27.00	\$27.00	0%	\$1.00	\$1.00	0%	3.7%	3%	\$1.58	\$1.58	0%	\$1.76	\$1.76	0%	\$1.73	\$1.73	0%	AB
TPZ-T	\$26.80	BUY	BUY	\$31.00	\$31.00	0%	\$1.32	\$1.32	0%	4.9%	21%	\$1.89	\$1.89	0%	\$2.28	\$2.28	0%	\$2.39	\$2.39	0%	AB
VNOM-US	\$47.66	BUY	BUY	\$58.00	\$58.00	0%	\$2.99	\$3.03	-1%	6.3%	28%	\$3.57	\$3.62	-1%	\$4.17	\$4.17	0%	\$4.36	\$4.36	0%	AB
<b>European Majors</b>																					
BP-US	\$31.45	BUY	BUY	\$41.00	\$41.00	0%	\$1.94	\$1.92	1%	6.2%	37%	\$10.35	\$10.63	-3%	\$10.81	\$10.84	0%	\$10.99	\$11.05	-1%	MH
SHEL-US	\$65.39	BUY	BUY	\$80.00	\$80.00	0%	\$2.85	\$2.82	1%	4.4%	27%	\$15.01	\$15.67	-4%	\$15.37	\$15.32	0%	\$16.39	\$16.37	0%	MH

Note: U.S. and European companies are in U.S. dollars.

KRP, and VNOM each have a variable/special dividend policy. We also forecast variable/special dividends for CVE and SCR.

We do not forecast special dividends for CNQ at this time.

Source: TD Cowen

Figure 10 - TD Cowen Revised Estimates, Ratings, and Target Prices (Continued)

Ticker	EBITDA (\$mm)									D/CF (x)									NAV* (\$/Sh)			Analyst						
	2024E			2025E			2026E			2024E			2025E			2026E			New	Old	% Chg							
	New	Old	% Chg	New	Old	% Chg	New	Old	% Chg	New	Old	Chg	New	Old	Chg	New	Old	% Chg										
<b>Integrateds</b>																												
CNQ-T	\$17,106	\$17,027	0%	\$20,511	\$20,544	0%	\$19,150	\$19,050	1%	1.3x	1.3x	0.0x	1.0x	0.9x	0.0x	1.0x	0.9x	0.0x	\$51.99	\$51.99	0%	MH						
CVE-T	\$9,728	\$10,085	-4%	\$11,531	\$11,929	-3%	\$11,486	\$11,810	-3%	0.5x	0.4x	0.1x	0.4x	0.3x	0.0x	0.4x	0.3x	0.0x	\$28.76	\$28.76	0%	MH						
IMO-T	\$8,109	\$8,111	0%	\$8,010	\$8,010	0%	\$7,554	\$7,554	0%	0.3x	0.2x	0.0x	-0.1x	-0.1x	0.0x	-0.1x	-0.1x	0.0x	\$93.35	\$93.35	0%	MH						
SU-T	\$17,287	\$17,271	0%	\$17,015	\$16,661	2%	\$16,817	\$16,415	2%	0.4x	0.4x	0.1x	0.4x	0.4x	0.0x	0.4x	0.4x	0.0x	\$71.13	\$71.13	0%	MH						
<b>Oil Sands</b>																												
ATH-T	\$584	\$587	0%	\$584	\$589	-1%	\$571	\$574	-1%	-0.2x	-0.2x	0.0x	-0.1x	-0.2x	0.0x	-0.1x	-0.1x	0.0x	\$5.19	\$5.19	0%	MH						
MEG-T	\$1,487	\$1,494	0%	\$1,480	\$1,478	0%	\$1,462	\$1,459	0%	0.4x	0.4x	0.0x	0.4x	0.4x	0.0x	0.4x	0.4x	0.0x	\$33.15	\$33.15	0%	MH						
SCR-T	\$2,031	\$2,122	-4%	\$2,432	\$2,430	0%	\$2,409	\$2,393	1%	1.5x	1.4x	0.1x	1.1x	1.1x	0.0x	1.0x	1.0x	0.0x	\$38.04	\$38.04	0%	MH						
<b>Conventional E&amp;Ps</b>																												
AAV-T	\$292	\$301	-3%	\$504	\$503	0%	\$526	\$534	-1%	2.6x	2.4x	0.2x	1.0x	1.0x	0.0x	0.6x	0.5x	0.1x	\$14.06	\$14.06	0%	AB						
ARX-T	\$2,787	\$2,708	3%	\$3,841	\$3,739	3%	\$3,497	\$3,499	0%	0.6x	0.7x	-0.1x	0.4x	0.5x	-0.1x	0.5x	0.6x	-0.1x	\$18.54	\$18.54	0%	AB						
BTE-T	\$2,188	\$2,207	-1%	\$2,111	\$2,203	-4%	\$2,009	\$2,096	-4%	1.2x	1.2x	0.0x	1.0x	0.9x	0.1x	0.9x	0.8x	0.1x	\$5.28	\$5.28	0%	MH						
BIR-T	\$314	\$314	0%	\$480	\$480	0%	\$488	\$488	0%	2.4x	2.4x	0.0x	1.0x	1.0x	0.0x	0.7x	0.7x	0.0x	\$9.36	\$9.36	0%	AB						
KEL-T	\$211	\$213	-1%	\$385	\$385	0%	\$425	\$425	0%	0.6x	0.6x	0.0x	0.2x	0.2x	0.0x	0.0x	0.0x	0.0x	\$11.15	\$11.15	0%	AB						
LGN-V	\$54	\$54	0%	\$152	\$152	0%	\$218	\$218	0%	0.7x	0.7x	0.0x	0.8x	0.8x	0.0x	0.5x	0.5x	0.0x	\$0.65	\$0.65	0%	AB						
NVA-T	\$590	\$615	-4%	\$826	\$825	0%	\$876	\$875	0%	0.5x	0.4x	0.0x	0.3x	0.3x	0.0x	0.2x	0.2x	0.0x	\$12.87	\$12.87	0%	AB						
PEY-T	\$866	\$866	0%	\$1,135	\$1,135	0%	\$1,129	\$1,129	0%	1.9x	1.9x	0.0x	1.2x	1.2x	0.0x	0.9x	0.9x	0.0x	\$20.61	\$20.61	0%	AB						
SDE-T										RESTRICTED																		
TOU-T	\$3,449	\$3,456	0%	\$4,960	\$4,945	0%	\$4,812	\$4,822	0%	0.5x	0.5x	0.0x	0.3x	0.3x	0.0x	0.3x	0.3x	0.0x	\$76.79	\$76.79	0%	AB						
VET-T										RESTRICTED																		
VRN-T	\$2,464	\$2,464	0%	\$2,540	\$2,540	0%	\$2,513	\$2,513	0%	1.1x	1.1x	0.0x	0.9x	0.9x	0.0x	0.9x	0.9x	0.0x	\$12.55	\$12.55	0%	AB						
WCP-T	\$1,988	\$1,983	0%	\$2,078	\$2,106	-1%	\$1,969	\$1,996	-1%	0.6x	0.6x	-0.1x	0.5x	0.5x	0.0x	0.4x	0.5x	0.0x	\$15.44	\$15.44	0%	AB						
<b>Royalties</b>																												
FRU-T	\$275	\$277	-1%	\$342	\$342	0%	\$333	\$333	0%	1.0x	1.0x	0.0x	0.4x	0.4x	0.0x	0.1x	0.1x	0.0x	\$24.11	\$24.11	0%	AB						
KRP-US	\$281	\$280	0%	\$338	\$338	0%	\$353	\$353	0%	2.2x	2.2x	0.0x	1.8x	1.8x	0.0x	1.4x	1.4x	0.0x	\$25.95	\$25.95	0%	AB						
PSK-T	\$456	\$456	0%	\$510	\$510	0%	\$502	\$502	0%	0.3x	0.3x	0.0x	-0.2x	-0.2x	0.0x	-0.6x	-0.6x	0.0x	\$27.34	\$27.34	0%	AB						
TPZ-T	\$305	\$305	0%	\$376	\$376	0%	\$393	\$393	0%	1.7x	1.7x	0.0x	0.9x	0.9x	0.0x	0.4x	0.4x	0.0x	\$29.79	\$29.79	0%	AB						
VNOM-US	\$782	\$791	-1%	\$951	\$951	0%	\$982	\$982	0%	1.5x	1.5x	0.0x	0.9x	0.9x	0.0x	0.6x	0.6x	0.0x	\$56.20	\$56.20	0%	AB						
<b>European Majors</b>																												
BP-US	\$37,875	\$38,881	-3%	\$39,530	\$39,529	0%	\$37,580	\$37,578	0%	1.2x	1.2x	0.0x	1.2x	1.2x	0.0x	1.2x	1.2x	0.0x	\$33.10	\$33.10	0%	MH						
SHEL-US	\$64,905	\$65,999	-2%	\$59,200	\$59,043	0%	\$59,774	\$59,660	0%	0.2x	0.1x	0.1x	0.1x	0.0x	0.1x	-0.1x	-0.2x	0.1x	\$97.93	\$97.93	0%	MH						

Note: U.S. and European companies are in U.S. dollars.

\* NAV represents 2P for E&Ps, 2P+2C for Integrateds & Oil Sands, 1P for U.S. companies (BP, KRP, SHEL, VNOM), and Modified Growth for Royalties.

Source: TD Cowen

Figure 11 - TD Cowen Revised Estimates, Ratings, and Target Prices (Continued)

Ticker	Production (mboe/d)									Capex (\$mm)									Total Payout [(capex + dividend) / FFO]									Analyst
	2024E			2025E			2026E			2024E			2025E			2026E			2024E			2025E			2026E			
	New	Old	% Chg	New	Old	% Chg	New	Old	% Chg	New	Old	% Chg	New	Old	% Chg	New	Old	% Chg	New	Old	% Chg	New	Old	% Chg	New	Old	% Chg	
<b>Integrateds</b>																												
CNQ-T	1,352.7	1,342.6	1%	1,532.7	1,515.7	1%	1,536.1	1,518.5	1%	\$5,420	\$5,420	0%	\$6,150	\$6,200	-1%	\$6,200	\$6,200	0%	71%	72%	-1%	66%	66%	0%	72%	73%	-1%	MH
CVE-T	795.9	799.4	0%	821.5	822.6	0%	849.3	850.1	0%	\$4,950	\$4,750	4%	\$4,800	\$4,800	0%	\$4,200	\$4,200	0%	81%	74%	7%	63%	61%	2%	56%	54%	2%	MH
IMO-T	433.4	434.3	0%	445.8	445.8	0%	455.9	455.9	0%	\$1,850	\$1,850	0%	\$2,000	\$2,000	0%	\$2,300	\$2,300	0%	48%	48%	0%	50%	50%	0%	58%	58%	0%	MH
SU-T	827.3	827.3	0%	826.8	825.3	0%	849.3	846.2	0%	\$6,700	\$6,750	-1%	\$6,520	\$6,520	0%	\$6,250	\$6,250	0%	69%	72%	-2%	67%	68%	-1%	65%	67%	-1%	MH
<b>Oil Sands</b>																												
ATH-T	36.7	36.9	0%	38.5	38.5	0%	43.6	43.2	1%	\$275	\$275	0%	\$335	\$335	0%	\$350	\$350	0%	49%	49%	0%	60%	60%	1%	65%	64%	1%	MH
MEG-T	102.0	101.7	0%	100.4	100.4	0%	110.0	110.0	0%	\$550	\$550	0%	\$635	\$635	0%	\$650	\$650	0%	42%	41%	0%	52%	52%	0%	53%	53%	0%	MH
SCR-T	182.5	182.5	0%	192.2	191.5	0%	207.5	205.4	1%	\$1,300	\$1,300	0%	\$1,350	\$1,350	0%	\$1,550	\$1,550	0%	73%	70%	3%	78%	80%	-2%	92%	91%	0%	MH
<b>Conventional E&amp;Ps</b>																												
AAV-T	70.3	70.0	0%	81.1	81.6	-1%	85.6	86.8	-1%	\$256	\$245	4%	\$285	\$285	0%	\$300	\$300	0%	103%	95%	8%	63%	63%	0%	61%	59%	1%	AB
ARX-T	347.9	348.5	0%	386.7	386.8	0%	389.5	394.0	-1%	\$1,846	\$1,800	3%	\$1,650	\$1,650	0%	\$1,700	\$1,700	0%	94%	95%	-1%	61%	63%	-1%	68%	68%	1%	AB
BTE-T	153.1	152.9	0%	150.3	150.0	0%	154.7	154.6	0%	\$1,250	\$1,250	0%	\$1,250	\$1,250	0%	\$1,300	\$1,300	0%	69%	68%	1%	70%	67%	3%	76%	73%	3%	MH
BIR-T	76.5	76.5	0%	77.8	77.8	0%	80.7	80.7	0%	\$270	\$270	0%	\$300	\$300	0%	\$300	\$300	0%	165%	165%	0%	75%	75%	0%	72%	72%	0%	AB
KEL-T	32.5	32.5	0%	46.6	46.6	0%	52.3	52.3	0%	\$325	\$325	0%	\$328	\$328	0%	\$350	\$350	0%	152%	151%	1%	85%	85%	0%	82%	82%	0%	AB
LGN-V	8.4	8.4	0%	13.6	13.6	0%	20.2	20.2	0%	\$157	\$157	0%	\$195	\$195	0%	\$175	\$175	0%	310%	310%	0%	150%	150%	0%	92%	92%	0%	AB
NVA-T	82.7	82.5	0%	90.6	90.6	0%	101.5	102.8	-1%	\$500	\$500	0%	\$450	\$450	0%	\$575	\$575	0%	92%	89%	3%	63%	63%	0%	76%	76%	0%	AB
PEY-T	124.9	124.9	0%	140.3	140.3	0%	150.2	150.2	0%	\$450	\$450	0%	\$475	\$475	0%	\$475	\$475	0%	102%	102%	0%	78%	78%	0%	77%	77%	0%	AB
SDE-T										RESTRICTED																		
TOU-T	580.7	580.7	0%	649.9	649.3	0%	687.6	690.2	0%	\$2,172	\$2,140	1%	\$2,875	\$2,875	0%	\$2,750	\$2,750	0%	103%	102%	1%	89%	91%	-2%	95%	94%	1%	AB
VET-T										RESTRICTED																		
VRN-T	191.2	191.2	0%	192.0	192.0	0%	204.7	204.7	0%	\$1,510	\$1,510	0%	\$1,550	\$1,550	0%	\$1,550	\$1,550	0%	79%	79%	0%	76%	76%	0%	80%	80%	0%	AB
WCP-T	174.0	174.0	0%	180.1	180.1	0%	188.8	188.8	0%	\$1,100	\$1,100	0%	\$1,150	\$1,150	0%	\$1,150	\$1,150	0%	96%	96%	0%	88%	86%	2%	91%	89%	1%	AB
<b>Royalties</b>																												
FRU-T	14.9	15.0	0%	17.2	17.2	0%	17.6	17.6	0%	\$0	\$0	0%	\$0	\$0	0%	\$0	\$0	0%	72%	71%	1%	62%	62%	0%	62%	62%	0%	AB
KRP-US																												

Figure 12 - Justification of and Key Risks to Target Prices – Integrateds

Ticker	Target	Rating	Justification of Target Prices and Key Risks
CNQ-T	\$56.00	BUY	<p>Applying a 1.15x multiple to our fully-expanded risked NAV generates a value of \$59.79/share (75% weighting), while applying a projected 6.5x EV/DACF multiple to our 2025E DACF estimate generates \$46.02/share (25% weighting). Blending the two valuation methodologies drives a 12-month target price of \$56.00/share which supports our BUY recommendation.</p> <p>Key risks to target price include loss of key employees; drilling success; volatile commodity prices; operating costs; capital cost overruns; product supply/demand; financing/access to capital; government regulations; legislation; royalties; taxes; exchange rates; interest rates; and the environment. Key near-term risks specific to CNQ include: 1) Execution on debottlenecking and growth projects; 2) Unplanned downtime; 3) Proving up new plays; and 4) Potential TMX toll increase stemming from uncapped portion of the cost overrun.</p>
CVE-T	\$29.00	BUY	<p>Applying a 1.0x multiple to our fully-expanded risked NAV generates a value of \$28.76/share (50% weighting), while applying a projected 5.0x EV/DACF multiple to our 2025E DACF estimate generates \$28.60/share (50% weighting). Blending the two valuation methodologies drives a 12-month target price of \$29.00/share which supports our BUY recommendation.</p> <p>Key risks associated with our target price include business risks of the company and industry, including loss of key employees; drilling success; volatile commodity prices; operating costs; capital cost overruns; product supply and demand; financing/access to capital; government regulations; legislation; royalties; taxes; exchange rates; interest rates; and environment and weather concerns.</p> <p>The key near-term risks specific to CVE include the following: 1) Long-term sustainability of cost savings realized to-date; 2) Successful execution of the West White Rose project; 3) Consistency in U.S. downstream performance; and 4) Potential TMX toll increase stemming from uncapped portion of the cost overrun.</p>
IMO-T	\$94.00	HOLD	<p>Applying a 1.05x multiple to our fully-expanded risked NAV generates a value of \$98.02/share (75% weighting), while applying a projected 6.5x EV/DACF multiple to our 2025E DACF estimate generates \$83.34/share (25% weighting). Blending the two valuation methodologies drives a 12-month target price of \$94.00/share which supports our HOLD recommendation.</p> <p>Key risks associated with our target price include business risks of the company and industry, including but not limited to: loss of key employees; drilling success; volatile commodity prices and operating costs; capital cost overruns; product supply and demand; royalties; government regulations and taxes; exchange rates; interest rates; and environment and weather concerns.</p> <p>The key near-term risks specific to Imperial Oil include: 1) Downstream utilization and margins; 2) A controlling shareholder (ExxonMobil); 3) Reliability at Syncrude and Cold Lake; 4) WCS heavy differential exposure; 5) Timely execution of the Strathcona Renewable Diesel Facility and overall RD fundamentals in Canada; and 6) Potential TMX toll increase stemming from uncapped portion of the cost overrun.</p>
SU-T	\$62.00	BUY	<p>Applying a 0.9x multiple to our fully-expanded risked NAV generates a value of \$64.02/share (50% weighting), while applying a projected 5.5x EV/DACF multiple to our 2025E DACF estimate generates \$60.49/share (50% weighting). Blending the two valuation methodologies drives a 12-month target price of \$62.00/share which supports our BUY recommendation.</p> <p>Key risks include business risks of the company and industry, including, but not limited to loss of key employees; drilling success; volatile commodity prices; operating costs; capital cost overruns; product supply and demand; financing/access to capital; government regulations; legislation; royalties; taxes; exchange rates; interest rates; and environment and weather concerns.</p> <p>The key near-term risks specific to SU are: 1) Operational challenges at Fort Hills; 2) Reliability improvements at Syncrude; 3) Cost inflation exceeding industry expectations; 4) Execution on major projects/turnarounds; 5) Potential TMX toll increase stemming from uncapped portion of the cost overrun; and 6) ESG headwinds.</p>

Source: Company reports, TD Cowen

Figure 13 - Justification of and Key Risks to Target Prices — Oil Sands

Ticker	Target	Rating	Justification of Target Prices and Key Risks
ATH-T	\$5.50	HOLD	<p>Applying a 1.1x multiple to our fully-expanded risked NAV generates a value of \$5.71/share (75% weighting), while applying a projected 4.5x EV/DACF multiple to our 2025E DACF estimate generates \$5.77/share (25% weighting). Blending the two valuation methodologies drives a 12-month target price of \$5.50/share which supports our HOLD recommendation.</p> <p>Key risks associated with our target price include: business risks of the company and industry, including, but not limited to: loss of key employees; drilling success; volatile commodity prices and operating costs; capital cost overruns; product supply and demand; government regulations and taxes; interest rates; environment and weather concerns; and unfavourable tax legislation. Other key near-term risks specific to ATH are as follows: 1) The market may not be receptive to increased growth spending and capacity growth, given ongoing demands for deleveraging (not a factor for ATH, given a very strong balance sheet), shareholder capital returns and longer-term WCSB egress concerns.; 2) Further potential volatility in the WCS heavy differential, although largely mitigated over the mid-term given the successful ramp-up of TMX, in our view.</p>
MEG-T	\$33.00	BUY	<p>Applying a 1.05x multiple to our fully-expanded risked NAV generates a value of \$34.80/share (75% weighting), while applying a projected 5.0x EV/DACF multiple to our 2025E DACF estimate generates \$29.38/share (25% weighting). Blending the two valuation methodologies drives a 12-month target price of \$33.00/share which supports our BUY recommendation.</p> <p>Key risks associated with our target price include business risks of the company and industry, including, but not limited to: loss of key employees; drilling success; volatile commodity prices and operating costs; capital cost overruns; product supply and demand; government regulations and taxes; interest rates; environment and weather concerns; and unfavourable tax legislation.</p> <p>Other key near-term risks specific to MEG are: 1) The market may not be receptive to new capacity growth and increased growth spending given ongoing demands for deleveraging and shareholder capital returns; 2) Volatility in the heavy differential, although this risk has largely been mitigated through TMX ramp-up and MEG's other tidewater access initiatives (USGC), in our view; 3) Access to the full benefit of 100mbl/d of capacity on the Flanagan</p>
SCR-T	\$32.00	HOLD	<p>Applying a 0.90x multiple to our fully-expanded risked NAV generates a value of \$34.24/share (25% weighting), while applying a projected 4.0x EV/DACF multiple to our 2025E DACF estimate generates \$31.29/share (75% weighting). Blending the two valuation methodologies drives a 12-month target price of \$32.00/share which supports our HOLD recommendation.</p> <p>Other risks specific to SCR: 1) Market may not be receptive to higher-than-average levels of production growth and growth spending; 2) Small public float likely poses challenges for larger institutional investors; however initial steps are now being taken to address it; and 3) Execution of 105mboe/d of growth projects through 2030.</p>

Source: Company reports, TD Cowen

**Figure 14 - Justification of and Key Risks to Target Prices – Canadian Conventional E&Ps and Royalties**

Ticker	Target	Rating	Justification of Target Prices and Key Risks
AAV-T	\$14.00	BUY	<p>Our target price combines 1.0x our 2P NAV at a 25% weighting and an EV/DACF multiple of 4.70x 2025E DACF at a 75% weighting. Both methodologies include Entropy at a \$360mm net value to AAV.</p> <p>Key risks associated with our target price include business risks of the company and industry, including but not limited to: loss of key employees, drilling success, volatile commodity prices, operating costs, capital cost overruns, product supply and demand, financing/access to capital, government regulations, legislation, royalties, taxes, exchange rates, interest rates, environmental and weather concerns. Company specific risks include: 1) ability to meet capital costs and carbon sequestration targets for Phase 1 and 2 of Entropy CCS project.</p>
ARX-T	\$33.00	BUY	<p>Our target price combines 1.3x our 2P NAV at a 25% weighting and an EV/DACF multiple of 6.25x 2025E DACF at a 75% weighting.</p> <p>Key risks associated with our target price include business risks of the company and industry, including the loss of key employees; drilling success; volatile commodity prices; operating costs; capital cost overruns; product supply and demand; financing/access to capital; government regulations; legislation; royalties; taxes; exchange rates; interest rates; and environment and weather concerns.</p> <p>The key near-term company-specific risks include: 1) unplanned outages at thirdparty pipelines and facilities; 2) disappointing drilling results; and 3) uncertainty surrounding the B.C. well-permitting process.</p>
BIR-T	\$7.00	BUY	<p>Our target price combines 0.8x our 2P NAV at a 25% weighting and an EV/DACF multiple of 4.70x 2025E DACF at a 75% weighting.</p> <p>Key risks associated with our target price include business risks of the company and industry, including, but not limited to: loss of key employees; drilling success; volatile commodity prices and operating costs; capital cost overruns; product supply and demand; government regulations and taxes; exchange rates; interest rates; environment and weather concerns; and unfavourable tax legislation. In addition to industry risks, the key near-term risks specific to Birchcliff include the following: 1) decline rates from new wells could be substantially higher than expected; 2) its concentrated asset base; and 3) there is no guarantee that current bank credit facilities will be renewed at current levels or that undrawn credit capacity will be available to repay other creditors in the future.</p>
BTE-T	\$5.50	BUY	<p>Applying a 0.9x multiple to our 2P NAV generates a value of \$4.75/share (25% weighting), while applying a projected 3.0x EV/DACF multiple to our 2025E DACF estimate generates \$5.59/share (75% weighting). Blending the two valuation methodologies drives a 12-month target price of \$5.50/share which supports our BUY recommendation.</p> <p>Key risks associated with our target price include business risks of the company and industry, including, but not limited to: loss of key employees; drilling success; volatile commodity prices; operating costs; capital cost overruns; product supply and demand; financing/access to capital; government regulations; legislation; royalties; taxes; exchange rates; interest rates; and environment and weather concerns.</p> <p>The key near-term company-specific risks include: 1) Consistent operatorship of the ROCC assets; 2) The largely non-operated nature of its MRO (now COP pending close of the transaction) Eagle Ford assets and a limited ability to control the pace of spending; 3) Disappointing drilling results in the Pembina Duvernay, and other emerging heavy oil plays; and 4) Unfavourable ruling from CRA on reassessment appeal, although now largely hedged through the purchase of insurance coverage for ~65% of total exposure.</p>

Source: Company reports, TD Cowen

**Figure 15 - Justification of and Key Risks to Target Prices — Canadian Conventional E&Ps and Royalties**

Ticker	Target	Rating	Justification of Target Prices and Key Risks
FRU-T	\$22.00	BUY	<p>Our target price combines 1.0x our modified growth NAV at a 75% weighting and an EV/DACF multiple of 9.00x 2025E DACF at a 25% weighting.</p> <p>Key risks associated with our target price include business risks of the company and industry, including but not limited to: loss of key employees, drilling success, volatile commodity prices, operating costs, capital cost overruns, product supply and demand, financing/access to capital, government regulations, legislation, royalties, taxes, exchange rates, interest rates, and environmental and weather concerns. Also, specific to Freehold, we identify 1) third-party spending on royalty lands and 2) an unfavorable ruling with CRA regarding its tax reassessment</p>
KEL-T	\$9.00	BUY	<p>Our target price combines 1.0x our 2P NAV at a 25% weighting and an EV/DACF multiple of 4.50x 2025E DACF at a 75% weighting.</p> <p>The key risks associated with our target price include business risks of the company and industry, including, but not limited to: loss of key employees; drilling success; volatile commodity prices; operating costs; capital cost overruns; product supply and demand; financing/access to capital; government regulations; legislation; royalties; taxes; exchange rates; interest rates; and environment and weather concerns.</p> <p>In addition to industry risks, we believe that the following key near-term risks are specific to Kelt: 1) premium valuation associated with management pedigree; 2) future acquisitions are an ongoing component of the business model and could materially affect future estimates; 3) asset and production base are highly levered to Canadian natural gas pricing.</p>
LGN-V	\$1.50	BUY	<p>Our target price is based on an EV/DACF multiple of 5.25x 2026E DACF at a 100% weighting.</p> <p>Key risks associated with our target price include business risks of the company and industry, including, but not limited to: loss of key employees; drilling success; volatile commodity prices and operating costs; capital cost overruns; product supply and demand; government regulations and taxes; exchange rates; interest rates; environment and weather concerns; and unfavourable tax legislation. In addition to industry risks, the key near-term risks specific to Logan include the following: 1) lower-than-expected productivity from new wells; 2) decline rates from new wells could be substantially higher than expected; 3) exploratory nature of certain assets could result in lower-than-anticipated economic drilling inventory; 4) purchase price and integration of future acquisitions; and 5) finding an infrastructure solution at Pouce and Flatrock.</p>
NVA-T	\$18.00	BUY	<p>Our target price combines 1.0x our 2P NAV at a 25% weighting and an EV/DACF multiple of 5.20x 2025E DACF at a 75% weighting.</p> <p>Key risks associated with our target price include business risks of the company and industry, including but not limited to: loss of key employees, drilling success, volatile commodity prices, operating costs, capital cost overruns, product supply and demand, financing/access to capital, government regulations, legislation, royalties, taxes, exchange rates, interest rates, environmental and weather concerns and a potential temporary headwind if Paramount (POU-T) elects to divest its stake in the company.</p>
PEY-T	\$19.00	BUY	<p>Our target price combines 1.0x our 2P NAV at a 25% weighting and an EV/DACF multiple of 4.70x 2025E DACF at a 75% weighting.</p> <p>Key risks associated with our target price include business risks of the company and industry, including but not limited to: loss of key employees; drilling success; volatile commodity prices; operating costs; capital cost overruns; product supply and demand; financing/access to capital; government regulations; legislation; royalties; taxes; exchange rates; interest rates; and environment and weather concerns.</p>
PSK-T	\$27.00	HOLD	<p>Our target price combines 1.0x our modified growth NAV at a 75% weighting and an EV/DACF multiple of 15.00x 2025E DACF at a 25% weighting.</p> <p>Key risks associated with our target price include business risks of the company and industry, including but not limited to: loss of key employees; volatile commodity prices on an unhedged production base; financing/access to capital; government regulations; legislation; taxes; exchange rates; interest rates; and environmental and weather conditions. Company specific risks include 1) a decrease in third-party E&amp;P spending on PrairieSky's royalty lands and 2) There is no guarantee that current bank credit facilities will be renewed at current levels or that undrawn credit capacity will be available to repay other creditors in the future.</p>

Source: Company reports, TD Cowen

Figure 16 - Justification of and Key Risks to Target Prices – Canadian Conventional E&Ps and Royalties

Ticker	Target	Rating	Justification of Target Prices and Key Risks
SDE-T			RESTRICTED
TOU-T	\$77.00	BUY	<p>Our target price combines 1.0x our 2P NAV at a 25% weighting and an EV/DACF multiple of 7.30x 2025E DACF at a 75% weighting (excluding TPZ dividends and net cash uplift from JKM/TTF natural gas contracts). We then add back our calculated NPV of the JKM/TTF contracts plus TPZ equity ownership to our total implied equity value.</p> <p>Key risks associated with our target price include business risks of the company and industry, including but not limited to: loss of key employees, drilling success, volatile commodity prices, operating costs, capital cost overruns, product supply and demand, financing/access to capital, government regulations, legislation, royalties, taxes, exchange rates, interest rates, and environmental and weather concerns. There is also no guarantee that current bank credit facilities will be renewed at current levels.</p>
TPZ-T	\$31.00	BUY	<p>Our target price combines 1.0x our 2P NAV at a 75% weighting and an EV/DACF multiple of 14.50x 2025E DACF at a 25% weighting.</p> <p>Key risks associated with our target price include business risks of the company and industry, including, but not limited to: loss of key employees; drilling success; volatile commodity prices; operating costs; capital cost overruns; product supply and demand; financing/access to capital; government regulations; legislation; royalties; taxes; exchange rates; interest rates; and environment and weather concerns. Additionally, specific to Topaz, we identify: 1) third-party spending on royalty lands; 2) counterparty and operational concentration; and 3) potentially competing interests with Tourmaline Oil Corp.</p>
VET-T			RESTRICTED
VRN-T	\$13.00	BUY	<p>Our target price combines 1.0x our 2P NAV at a 25% weighting and an EV/DACF multiple of 3.75x 2025E DACF at a 75% weighting.</p> <p>Key risks associated with our target price include business risks of the company an industry, including loss of key employees; drilling success; volatile commodity prices; operating costs; capital cost overruns; product supply and demand; financing/access to capital; government regulations; legislation; royalties; taxes; exchange rates; interest rates; environment and weather concerns; successful execution of the transition plan and updated strategy; and there is no guarantee that current bank credit facilities will be renewed at current levels or that undrawn credit capacity will be available to repay other creditors in the future.</p>
WCP-T	\$14.00	BUY	<p>Our target price combines 1.0x our 2P NAV at a 25% weighting and an EV/DACF multiple of 4.50x 2025E DACF at a 75% weighting.</p> <p>Key risks associated with our target price include business risks of the company and industry, including, but not limited to: loss of key employees; drilling success; volatile commodity prices an operating costs; capital cost overruns; product supply and demand; government regulations and taxes; exchange rates; interest rates; environment and weather concerns; and unfavourable tax legislation. Company specific risks include 1) there is no guarantee that current bank credit facilities will be renewed at current levels or that undrawn credit capacity will be available to repay other creditors in the future.</p>

Source: Company reports, TD Cowen

**Figure 17 - Justification of and Key Risks to Target Prices — U.S. E&Ps and Royalties**

Ticker	Target	Rating	Justification of Target Prices and Key Risks
KRP-US	\$24.00	BUY	<p>Our target price combines 1.0x our 2P NAV at a 75% weighting and an EV/DACF multiple of 7.80x 2025E DACF at a 25% weighting.</p> <p>Key risks associated with our target price include business risks of the company and industry, including, but not limited to loss of key employees; drilling success; volatile commodity prices; operating costs; capital cost overruns; product supply and demand; financing/access to capital; government regulations; legislation; royalties; taxes; exchange rates; interest rates; changes in government attitudes towards fracking; and environment and weather concerns.</p> <p>In addition to industry risks, we believe that the following key near-term risks are specific to Kimbell: 1) A reduction in the company's borrowing base in a credit constrained capital environment; 2) Should the decline rate of Kimbell's wells underperform our estimate this would negatively impact our production and FCF estimates; 3) Third-party drilling activity; 4) Kimbell's key personnel are core to the business with family members holding the titles of President, CEO and CFO; 5) Title Defects and Certainty of Land Ownership and 6) Solvency of Operators.</p>
VNOM-US	\$58.00	BUY	<p>Our target price combines 1.0x our 2P NAV at a 75% weighting and an EV/DACF multiple of 15.00x 2025E DACF at a 25% weighting.</p> <p>The key risks associated with our target price include business risks of the company and industry, including, but not limited to: loss of key employees; drilling success; volatile commodity prices; operating costs; capital cost overruns; product supply and demand; financing/access to capital; government regulations; legislation; royalties; taxes; exchange rates; interest rates; environment and weather concerns; and changes in government attitudes towards fracking. Company-specific risks include the dependence on FANG's continued allocation of development capital to Viper's royalty acreage, as well as control by FANG (FANG controls significant votes). Company specific risks include: 1) There is no guarantee that current bank credit facilities will be renewed at current levels or that undrawn credit capacity will be available to repay other creditors in the future.</p>

Source: Company reports, TD Cowen

**Figure 18 - Justification of and Key Risks to Target Prices — European Majors**

Ticker	Target	Rating	Justification of Target Prices and Key Risks
BP-N	\$41.00	BUY	<p>Applying a 0.9x multiple to our NAV generates a value of \$29.79/share (25% weighting), while applying a projected 4.5x EV/DACF multiple to our 2025E DACF estimate generates \$45.23/share (75% weighting). Blending the two valuation methodologies drives a 12-month target price of \$41.00/share which supports our BUY recommendation.</p> <p>The key risks associated with our target price include business risks of the company and industry, including, but not limited to: loss of key employees; drilling success; volatile commodity prices; operating costs; capital cost overruns; product supply and demand; financing/access to capital; government regulations; legislation; royalties; taxes; exchange rates; interest rates; changes in government attitudes towards fracking; and environment and weather concerns.</p> <p>In addition to industry risks, we believe that the following key near-term risks are specific to BP: 1) execution risk, given its shift (albeit now far less aggressive) away from its legacy core competencies (hydrocarbons); 2) ongoing return compression in the renewables space; 3) missing its targeted improvements in oil and gas plant reliability and refinery availability; and 4) downstream margin compression.</p>
SHEL-N	\$80.00	BUY	<p>Applying a 1.0x multiple to our NAV generates a value of \$97.93/share (50% weighting), while applying a projected 4.5x EV/DACF multiple to our 2025E DACF estimate generates \$62.61/share (50% weighting). Blending the two valuation methodologies drives a 12-month target price of \$80.00/share which supports our BUY recommendation.</p> <p>Key company and industry risks include: loss of key employees; drilling success; volatile commodity prices; operating costs; capital cost overruns; product supply/demand; financing/access to capital; government regulations; legislation; royalties; taxes; exchange rates; interest rates; and environmental/weather concerns.</p> <p>SHEL-specific risks include: 1) project execution; 2) further IRR erosion driven by investment in lower-return renewables/power generation (although under the new leadership, it is now far less aggressive in this regard); and 3) downstream profitability.</p>

Source: Company reports, TD Cowen

Ticker	Rating	Price*	Price Target	Ticker	Rating	Price*	Price Target
AAV-T	Buy	C\$9.43	C\$14.00	ARX-T	Buy	C\$25.46	C\$33.00
ATH-T	Hold	C\$5.01	C\$5.50	BTE-T	Buy	C\$3.55	C\$5.50
BIR-T	Buy	C\$5.92	C\$7.00	BP-N	Buy	\$31.45	\$41.00
CNQ-T	Buy	C\$44.53	C\$56.00	CVE-T	Buy	C\$21.20	C\$29.00
FRU-T	Buy	C\$12.67	C\$22.00	IMO-T	Hold	C\$100.54	C\$94.00
KEL-T	Buy	C\$7.10	C\$9.00	LGN-V	Buy	C\$0.70	C\$1.50
MEG-T	Buy	C\$23.29	C\$33.00	NVA-T	Buy	C\$13.28	C\$18.00
PEY-T	Buy	C\$16.04	C\$19.00	PSK-T	Hold	C\$27.34	C\$27.00
SHEL-N	Buy	\$65.14	\$80.00	SCR-T	Hold	C\$27.76	C\$32.00
SU-T	Buy	C\$55.73	C\$62.00	TPZ-T	Buy	C\$26.06	C\$31.00
TOU-T	Buy	C\$67.20	C\$77.00	VRN-T	Buy	C\$7.46	C\$13.00
WCP-T	Buy	C\$9.78	C\$14.00	KRP-N	Buy	\$15.51	\$24.00
VNOM-N	Buy	\$46.59	\$58.00				

\*As of 01/27/2025

## VALUATION METHODOLOGY AND RISKS

### Valuation Methodology

Energy Producers - Junior & Intermediate:

Our target prices for the Canadian Integrations, E&Ps and Energy Royalties are derived through a combination of: i) a multiple (based on historical trading ranges) applied to forward Debt Adjusted Cash Flow (DACF), and ii) a DCF-based Net Asset Value estimate (NAV).

Energy Producers - Seniors & Integrations:

Our target prices for the Canadian Integrations, E&Ps and Energy Royalties are derived through a combination of: i) a multiple (based on historical trading ranges) applied to forward Debt Adjusted Cash Flow (DACF), and ii) a DCF-based Net Asset Value estimate (NAV).

#### Energy Producers - US E&P:

Our target prices for the Canadian Integrations, E&Ps and Energy Royalties are derived through a combination of: i) a multiple (based on historical trading ranges) applied to forward Debt Adjusted Cash Flow (DACF), and ii) a DCF-based Net Asset Value estimate (NAV).

### Investment Risks

Energy Producers - Junior & Intermediate:

Risks include: the loss of key employees, disappointing drilling results, volatile commodity prices, operating cost increases, capital cost overruns, product supply and demand, unplanned third-party infrastructure outages, financing/access to capital, government regulations, legislation, royalties, taxes, exchange rates, interest rates and environment and weather concerns.

Energy Producers - Seniors & Integrations:

Risks include: the loss of key employees, disappointing drilling results, volatile commodity prices, operating cost increases, capital cost overruns, product supply and demand, unplanned third-party infrastructure outages, financing/access to capital, government regulations, legislation, royalties, taxes, exchange rates, interest rates and environment and weather concerns.

#### Energy Producers - US E&P:

Risks include: the loss of key employees, disappointing drilling results, volatile commodity prices, operating cost increases, capital cost overruns, product supply and demand, unplanned third-party infrastructure outages, financing/access to capital, government regulations, legislation, royalties, taxes, exchange rates, interest rates and environment and weather concerns.

## ADDENDUM

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**Assumption:** The expected total return calculation includes annual return and forecasted dividend yield

**Cowen and Company, LLC Equity Research Rating Definitions applicable from 6:00PM ET March 22, 2024**

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**Suspended (4):** Due to evolving circumstances and potential conflicts of interest, we can no longer generate what we consider a defensible rating at the current time

**Assumption:** The expected total return calculation includes annual return and forecasted dividend yield

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**Assumption:** The expected total return calculation includes annual return and forecasted dividend yield

**TD Securities, Inc. Equity Research Rating Definitions applicable until 5:59PM ET March 22, 2024**

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## POINTS OF CONTACT

### Analyst Profiles



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Menno Hulshof is a managing director and senior research analyst covering the Canadian energy sector. He first joined TD Cowen in 2003.



**Samuel Babarinde, CFA^**  
Calgary

Samuel Babarinde is an associate covering the Canadian energy sector. He joined TD Cowen in 2022 and holds an MBA from Rotman.



**Aaron Bilkoski^**  
Calgary

Aaron Bilkoski is a Calgary-based senior analyst covering Canadian E&Ps and North American energy royalties. He joined TD Cowen in 2009.



**Dustin Besaw, CFA^**  
Calgary

Dustin Besaw, CFA is a Vice President covering Energy. He joined TD Cowen in 2015 and has been in capital markets since 2008.



**Jenna Weir, CFA^**  
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Jenna Weir is a vice president covering the Canadian energy sector. She joined TD Cowen in 2022 and is a CFA charterholder.

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