



OIL & GAS



Toronto Stock Exchange | TSX Venture Exchange

A Capital Opportunity

A Global Market for Oil & Gas Companies

CAPP ScotiaBank Investment Symposium – April 2014

Toronto Stock Exchange | TSX Venture Exchange | TMX Select | Alpha | Montreal Exchange | BOX | NGX | Shorcan
The Canadian Depository for Securities Limited | Canadian Derivatives Clearing Corporation
TMX Datallinx | TMX Atrium | TMX Technology Solutions | Equicom | TMX Equity Transfer Services

OIL & GAS

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Canada and TSX: Strong Fundamentals



Economically stable

- Canada is the fifth largest equity market by float capitalization in the MSCI World Index
- World's soundest banking system
- Lowest debt-to-GDP among G7
- Strong equity culture
- ~\$2.4 Trillion in market cap
- \$270 billion in equity capital raised in last 5 years

Energy and resource rich

- 3rd largest oil reserves in the world
- #1 in resource listings



Canadian Markets...Global Leaders

1st

In Listed Oil & Gas Companies

1st

In Listed Energy Services Companies

1st

In Oil & Gas Analysts

1st

In Listed Renewable Energy and Clean Technology Companies

2nd

In New Listings

3rd

In New International Listings

2nd

In Number of Listed Companies

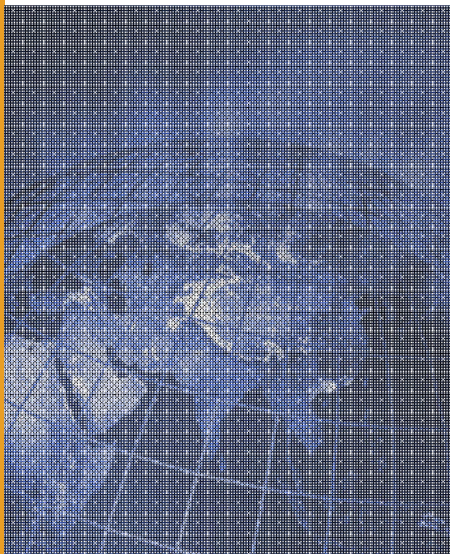
7th

In Equity Capital Raised

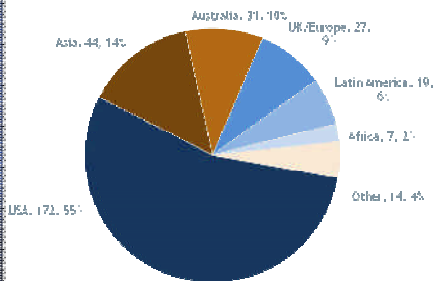
7th

In Market Capitalization and Value Traded

The World Lists on TSX and TSXV



TSX and TSXV International Listings by Country/Region



Total International Listings as at December 31 2013= 314

TSX = 164 Listings | QMV=\$151 B

TSXV = 150 Listings | QMV= \$2.8 B



The World Trades on TSX and TSXV



~40%

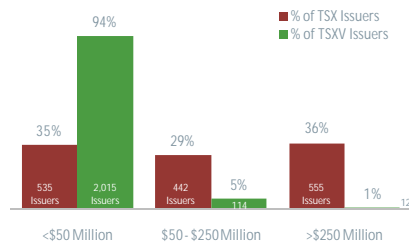
of daily trading originates from international brokers

7th

in the world in value traded

Service at All Stages of Growth

Serving all Market Caps



A Unique Market Structure with Strong Feeder System

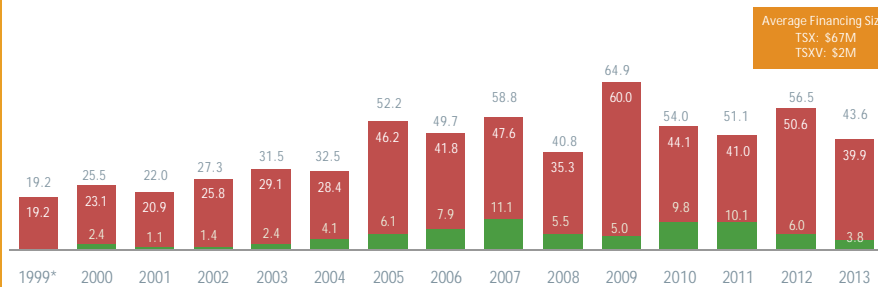


From January 1, 2000 – December 31, 2013

Access to Capital

Toronto Stock Exchange and TSX Venture Exchange

Total Financings (C\$ Billions) 1999 - 2013



Oil & Gas by the Numbers

369

Issuers
110 TSX + 259 TSXV

\$375B

Market Capitalization
\$364B TSX + \$11B TSXV

\$5.2B

Equity Capital Raised
\$3.9B TSX + \$1.3B TSXV

15

New Listings
9 TSX + 6 TSXV

246

Number of Financings
72 TSX + 174 TSXV



Leading Growth Markets for Oil & Gas

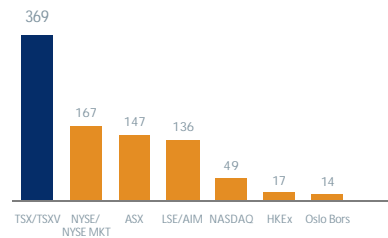
#1

in listed oil & gas
companies globally

32%

of the world's public
oil & gas companies

Number of Listed Oil & Gas Issuers



Leader in Energy Services

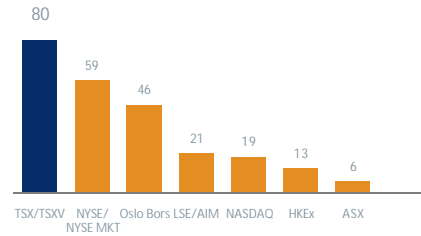
#1

in listed energy services companies globally

21%

of the world's public energy services companies

Number of Listed Energy Services Issuers



Access to Capital

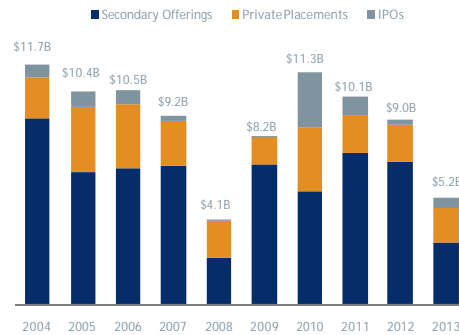
\$5.2B

Raised by oil and gas companies in 2013

246

Financings in 2013

Oil & Gas Equity Capital Raised on Toronto Stock Exchange and TSX Venture Exchange (C\$ Billions)



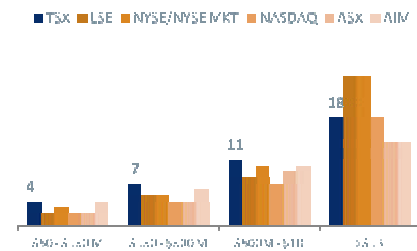
Service at All Stages of Growth

200+

Oil & Gas Equity Analysts
Cover the Sector

Companies of all sizes
receive analyst coverage

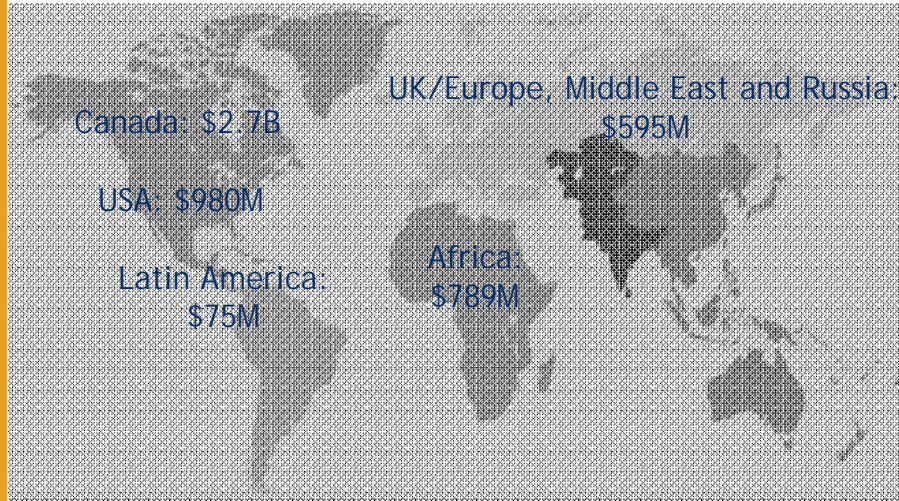
Oil and Gas Analyst Coverage



Who is Attracting Capital?

- § They have a good story
- § Strong balance sheet
- § Room for growth
- § Strong management team
 - § Are they known in the energy community?
 - § Are they known in the investment community: bankers, analysts, investors?
 - § Have they done it before?
 - § What is their track record?

Where Is the Capital Going?

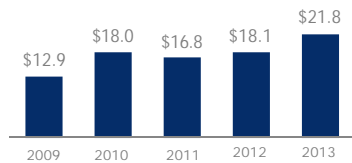


Equity capital raised on TSX and TSXV for oil & gas companies by location of project
 Source: TSX/TSXV Market Intelligence Group, 2014

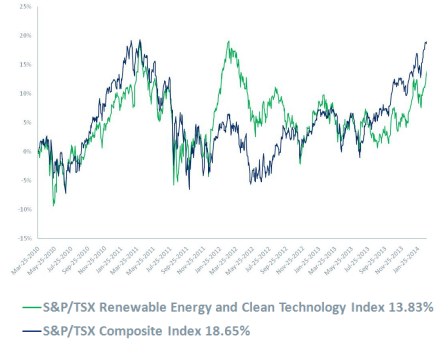


Clean Tech Sector Growth and Performance

Growth of Sector:
 Year-End Market Capitalization (C\$B)



Performance:
 S&P/TSX Renewable Energy and Clean Technology Index



2013 Oil & Gas Junior Market Overview

- § Depressed Capital Market Activity
- § Increased Private Equity financing
- § Junior companies traded up approximately 17% in the last half of 2013
- § A lot of consolidation, only 50% of juniors remain from 2007
- § Equity financings were down 30% from 2012
- § 5 companies raised 60% of equity capital raised
- § 75% of junior proceeds were raised in the second half of the year
- § More IPO's in the second half of the year
- § Companies are recapitalizing
- § Decreased M&A activity (67%) and higher cost of capital
- § 25% decrease in flowing oil metrics
- § A lot of assets on the market

Source: Paradigm Capital

General Trends

- § Increased interest in yield/dividends
- § Private Equity filled the gap that the sluggish capital markets created
- § Thirst for international projects
- § Increased activity and capital raising for African based projects
- § Capital raising and M&A activity has increased dramatically in 2014
- § Funds are flowing back into the Oil & Gas sector
- § Preference for oil-weighted E&P issuers
- § More room for midstream and oilfield services
- § Private placements and bought deals



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