

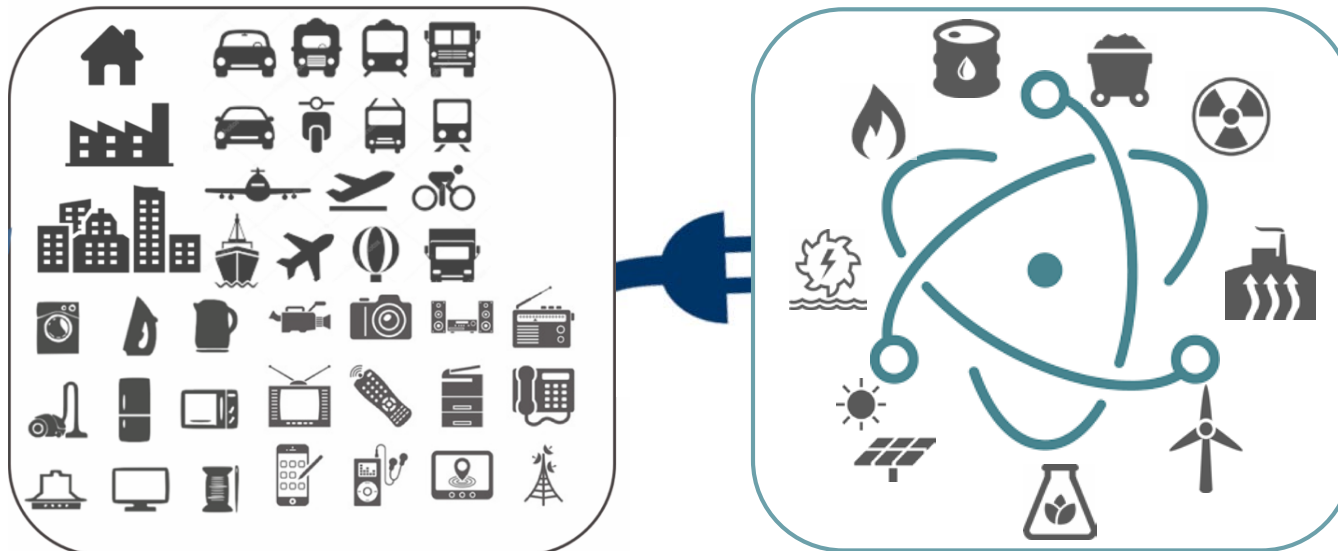


Energy Investing

Short-term opportunity. Long-term necessity.

We Are All Things Energy

- Human demand for energy is second only to oxygen.
 - Even staples like food and water require enormous amounts of energy to satisfy our appetite
- Vast majority of energy comes at a cost.
- We seek the profits.
- We invest in the exploration, development, manufacturing, transportation and marketing of electrons



Electron: a stable subatomic particle with a charge of negative electricity, found in all atoms and acting as the primary carrier of electricity in solids.

2000-2017

Major Energy Market Changes: Fundamentals & Influences

FUNDAMENTALS

**Robust Demand
Leading Supply
Higher**

**New Sources of
Supply Needed to
Fulfill Strong
Demand**

**North American
Shale Boom
Overwhelms Steady
Demand Growth**

**OPEC/Russia
Production Cuts &
Strong Global
Demand Growth**

2000– 2006

Jan '09 – Aug '14

Sept '14 – Oct '16

Nov '16 - Today

INFLUENCES

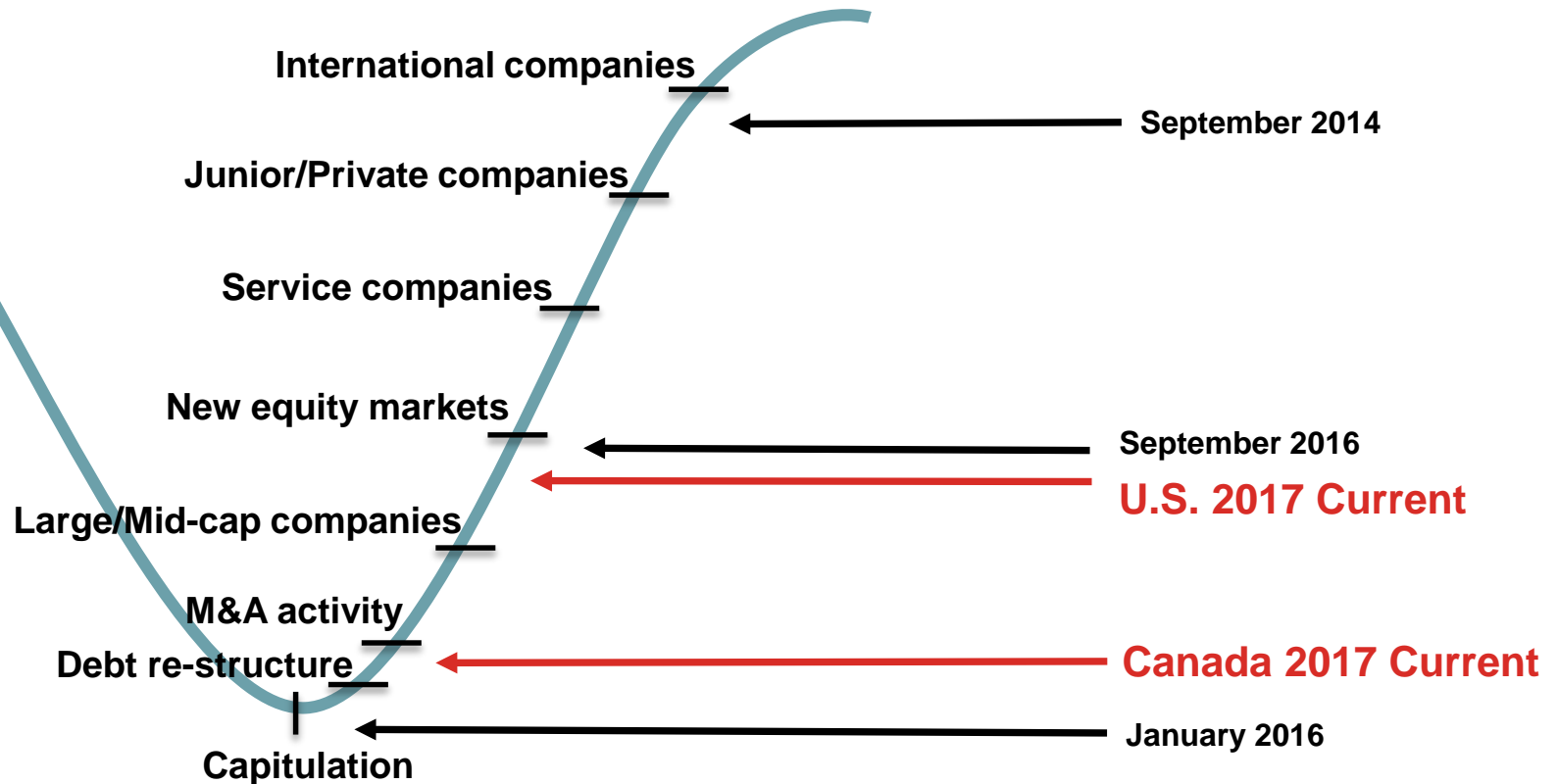
Royalty Trust

Technology

Speculators

Politics/Sentiment

The Energy Life Cycle: Canada and U.S.



Source: Canoe Financial LP

Natural Selection Makes for Stronger Herd

Offense

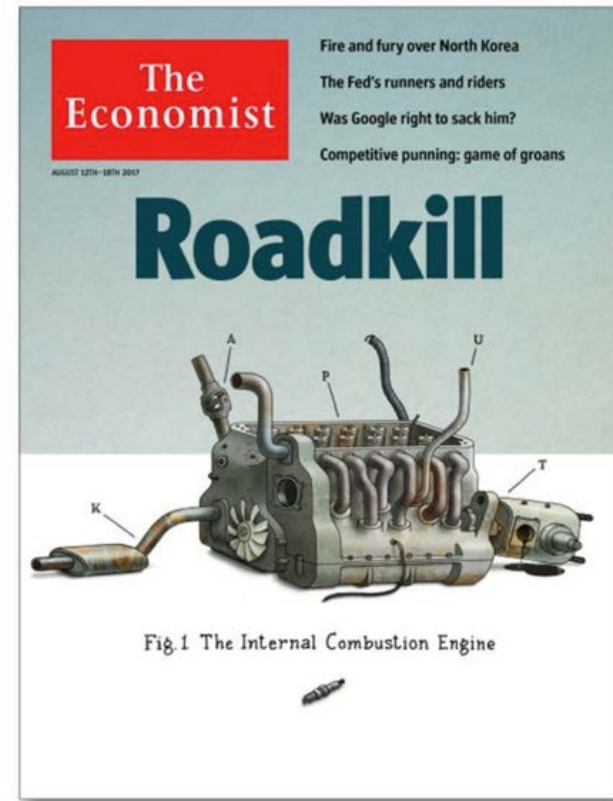
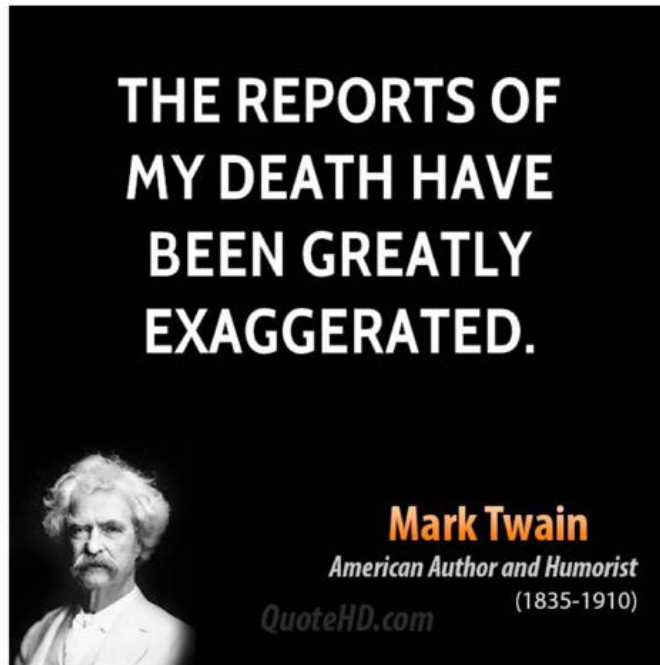
1. Clean balance sheet
2. Growing resource inventory
3. Production/Reserve growth
4. Own infrastructure
5. Capital spending flexibility
6. Access to new equity
7. Access to assets/corporate sales
8. Cost efficiency through scale



Defense

1. Debt burdened/Overwhelming interest payments
2. Limited inventory
3. Fighting production declines
4. Third party processing
5. Maintenance capital challenges
6. No new equity
7. Forced to sell good inventory
8. Margin squeeze

I.C.E Age or E.V.olution



I.C.E Age or E.V.olution

Are E.V.'s really going to affect oil demand?

	2015	2035	Impact to Demand
Number of Cars	950 million ¹	1.8 Billion ²	
Total Oil Demand	~19 mmbopd ²	~44 mmbopd*	
Number of E.V.'s	2 million ³	100 million	-1.9 mmbopd**
New Car Fuel Efficiency	~31 mpg ⁴	~50 mpg	-13.0 mmbopd***

- Today, increased fuel efficiency will have a far more dramatic impact on demand with the primary catalyst being the pace of hybrid vehicle adoption
- Government policy focus likely to shift from EV incentives to compliance with fuel efficiency

Source: Canoe Financial LP, BP, OICA, GFEI, iea

1 – OICA

2 – BP

3 – iea, 2016 yr.-end estimate

4 – Global Fuel Economy Initiative (GFEI)

* Based on no improvement in fuel economy and 1% annual increase in vehicle miles travelled

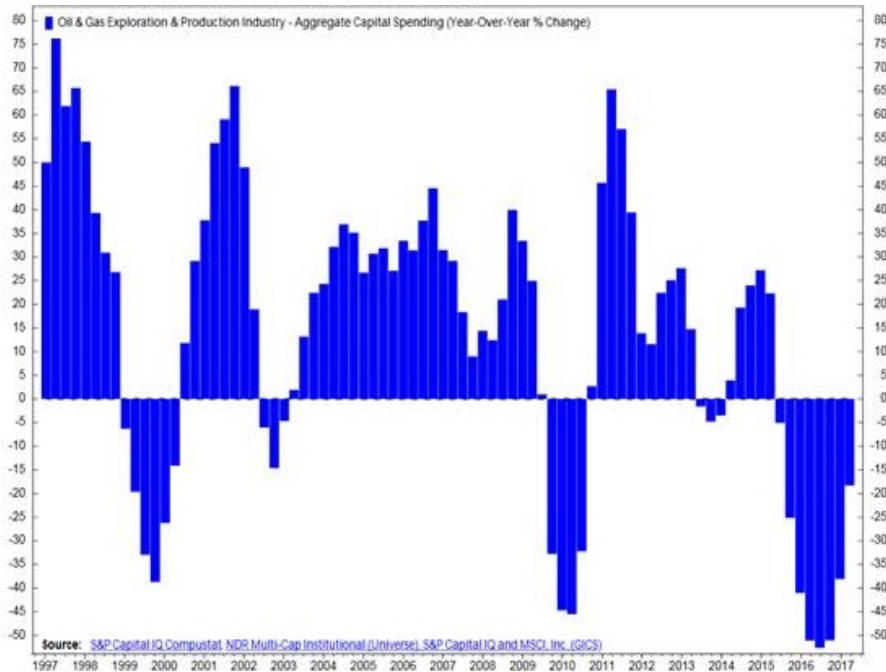
** Based on BEV displacement of ICE with avg. new car fuel economy of ~40 mpg and ~11,700 miles per car p.a.

Note: To-date EV mix has been 60% BEV, 40% PHEV

*** Based on ~10 mpg improvement in global avg. fuel economy and continued attrition of existing fleet

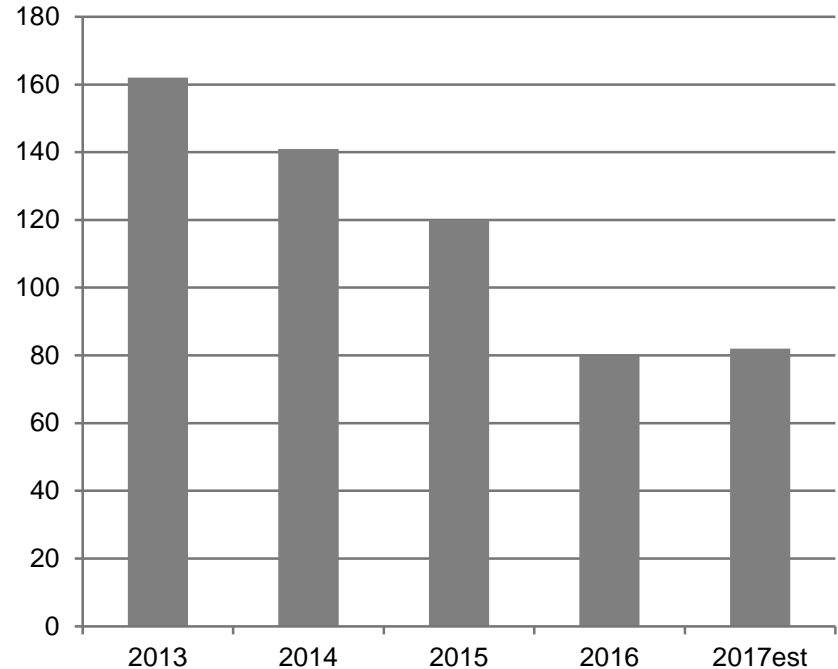
Capex Disappearing

Total Capex: Oil & Gas Exploration (YOY % Change)



Source: Ned Davis Research

Super Majors Spending Less (BP, Chevron, Exxon & Shell)

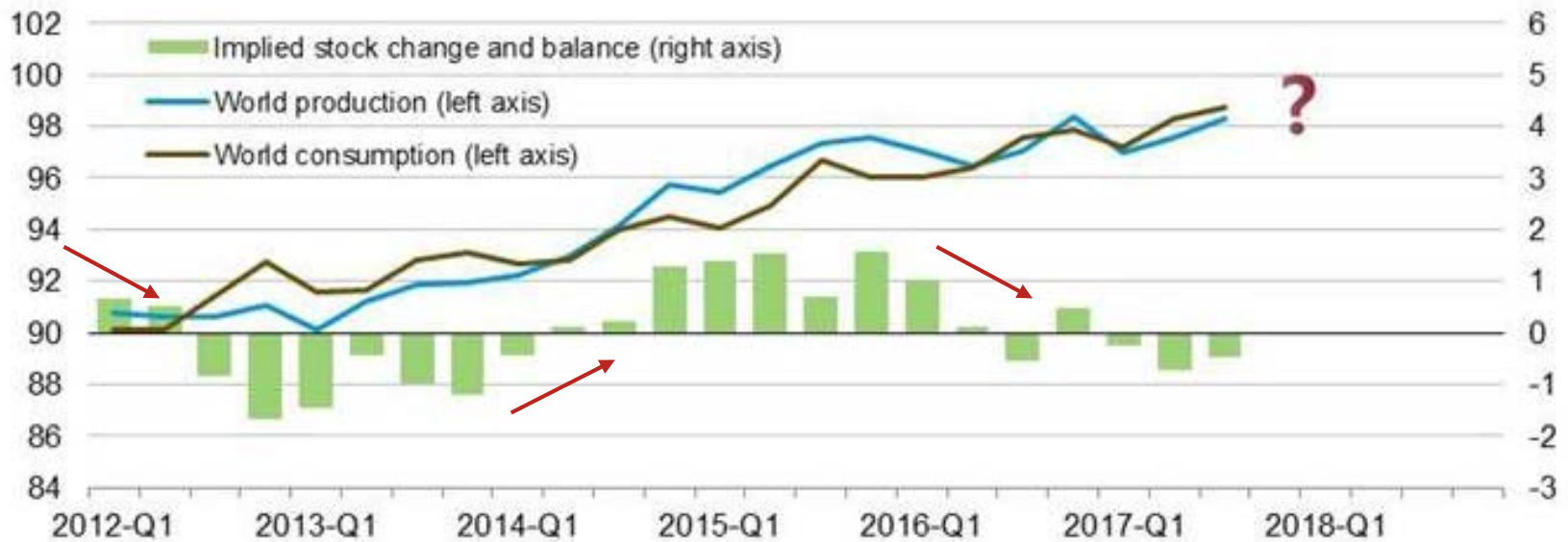


Source: Estimates based on website and 10k filings

Don't Cross the Streams



World Liquid Fuels Production and Consumption Balance



Source: eia. Short-Term Energy Outlook, October 2017