

E&P 4Q25 Preview; Target Adjustments

In this report, we preview 4Q25 earnings, which begin after market close today for our coverage universe, and update forward commodity price assumptions to reflect 4Q actuals and better align with current forward curves. We view the current environment as a stock-picker's market: valuations are structurally higher, commodities remain volatile, and upside is increasingly driven by execution, balance-sheet strength, and capital allocation, rather than simply getting oil or gas directionally right.

A highly uncertain oil macro into earnings, but the market may be overstating surplus risk. While rising OPEC and non-OPEC supply growth and OPEC+'s pivot toward market share have driven fears of a persistent glut, realized inventory data tell a less bearish story. Global inventories did rise counter-seasonally exiting 2025 (see Figure 6), but global liquids stockpiles are flat to down year-to-date, sharply at odds with expectations for ~3.6 mmbbl/d of builds in 1Q26. U.S. commercial crude inventories remain anchored near ~420 mmbbls (see Figure 7), and while stocks should build as refineries enter turnaround season, current levels remain inconsistent with a deep or enduring surplus. In our view, the market is pricing a glut that has yet to fully materialize, leaving sentiment more bearish than the underlying balances warrant.

What is increasingly evident is that U.S. shale growth appears to have peaked and is beginning to roll over (see Figure 9). This is notable given US shale supply has accounted for the majority of non-OPEC supply growth since 2010 (60-80% depending on the year), and how conditioned the market is to assume perpetual US growth. Whether this slowdown proves cyclical—reflecting lower prices, reduced rig activity, and capital discipline—or more structural, driven by inventory high-grading (recent DVN/CTRA would suggest this is the case) and declining productivity gains, will be a key driver of mid-cycle crude prices.

Natural gas: volatility persists. Volatility has returned to the North American natural gas market, driven by late-January cold weather and tightening storage balances. Spot Henry Hub prices briefly spiked to ~US\$7/MMBtu during the final week of January before retracing, with the near month (March delivery) now trading in the low US\$3s. Further out the curve, Cal '26 is priced at ~US\$3.50/MMBtu, down ~20% from its January peak. Recent price swings coincide with a meaningful normalization in Lower-48 storage levels, which now sit just below five-year averages following approximately 600 Bcf of cumulative withdrawals over the final two weeks of January. Looking ahead, we expect storage tightness to persist, supported by rising LNG feedgas demand, structurally higher power-sector consumption, and continued growth in pipeline exports to Mexico.

Meanwhile, AECO prices are struggling. Weather is not cooperating and Western Canadian supply at record highs. As of Feb 6, Western Canadian gas storage sat at 397 bcf, ~2.0% lower than last year but still ~40% higher than the seasonal average. Price performance from here will hinge on the remainder of winter weather, the pace of LNG Canada's ramp-up, and the degree of supply restraint across Western Canadian gas producers.

4Q25 Results; What to expect. For our coverage universe, our CFPS and production estimates are roughly 2% above consensus. Our CFPS estimate for TNZ is sitting 12% above consensus, while our forecasts for BIR sit 5% below consensus. Overall, we note that CFPS estimates have seen broad-based downward revisions since the start of 4Q25, with revisions to gas names contributing disproportionately to the decline. For 2026, CFPS revisions have also been biased downward (-6% on average) since Jan 1/26 (see Figure 3).

Our call. Canadian energy equities continue to trade at/near 52-week highs despite WTI prices anchored in the low-mid US\$60s and a macro backdrop that points to uncertainties. As we have argued previously, this disconnect reflects a structural shift in investor priorities rather than optimism on commodity prices. Capital discipline remains firmly intact across the sector, with producers prioritizing FCF generation, balance sheet strength, and shareholder return frameworks over production growth. Healthy base dividends, variable payouts, and ongoing buybacks have effectively re-rated the group, insulating equity valuations from near-term oil price volatility and reinforcing downside support even in a softer commodity environment. As a result, equity upside is increasingly tied to execution and capital allocation rather than a directional call on oil, allowing the group to continue working even in a challenging macro environment.

Updated commodity price deck. We revise our 4Q25 WTI oil price to the realized average of US\$59.30/bbl (from US\$59/bbl). For 2026, we increase our WTI assumption to US\$64/bbl (from US\$60/bbl), broadly in line with the forward strip at ~US\$63.20/bbl. Our 2027 WTI assumption remains unchanged at US\$62/bbl, versus the strip at ~US\$61.50/bbl. Natural gas assumptions see larger revisions following recent volatility. 4Q25 Henry Hub averaged US\$4.05/Mcf, modestly above our prior estimate of US\$4.00/Mcf. We reduce our 2026 and 2027 Henry Hub assumptions by 15% and 5%, respectively, to US\$3.50/Mcf and US\$4.00/Mcf, compared with the forward strip at ~US\$3.50/Mcf and US\$3.80/Mcf. For AECO, we lower our 2026 and 2027 assumptions by 26% and 19% to US\$2.65/Mcf and US\$3.20/Mcf, respectively, versus the strip at approximately US\$2.00/Mcf and US\$2.70/Mcf.

Adjusting estimates and PTs following our revised price deck. We are adjusting estimates and price targets following our recent update calls and revised commodity price deck, with updated PTs based on a median 2026E EV/EBITDA multiple of ~6.5x (up from ~6.0x previously), reflecting ongoing multiple expansion among Canadian E&Ps. We see limited risk of a return to the historical 3–4x valuation framework and expect target multiples to continue recalibrating higher as long as equities continue to outperform underlying commodity prices.

Figure 1: 4Q25 Haywood Estimates vs FactSet Consensus

Company Name	Ticker	CFPS (\$/share) ¹			Production (boe/d)			Capex (\$MM)		
		HY	Cons.	Δ %	HY	Cons.	Δ %	HY	Cons.	Δ %
Birchcliff Energy	BIR	\$0.41	\$0.43	-5%	81,498	82,408	-1%	\$43	\$43	1%
Bonterra Energy	BNE	\$0.61	\$0.61	-1%	14,410	14,736	-2%	\$16	\$15	8%
Coelacanth Energy	CEI	\$0.01	\$0.01	26%	4,103	4,128	-1%	\$29	\$24	21%
Freehold Royalties	FRU	\$0.32	\$0.33	-3%	16,317	16,189	1%	\$0	\$0	0%
Headwater Exploration	HWX	\$0.33	\$0.32	0%	24,156	24,250	0%	\$46	\$43	7%
Logan Energy	LGN	\$0.05	\$0.05	7%	15,189	15,205	0%	\$11	\$13	-15%
Lycos Energy	LCX	\$0.06	\$0.07	-3%	1,757	1,791	-2%	\$1	\$1	-8%
Pine Cliff Energy	PNE	\$0.02	\$0.02	-2%	20,321	20,180	1%	\$5	\$7	-26%
Parex Resources	PXT	\$1.12	\$1.12	-1%	48,606	48,466	0%	\$89	\$87	3%
Spartan Delta	SDE	\$0.32	\$0.33	-1%	44,627	46,313	-4%	\$64	\$69	-7%
TAG Oil Ltd.	TAO	\$0.00			70			\$0		
Tenaz Energy	TNZ	\$1.89	\$1.70	12%	16,000	15,648	2%	\$73	\$70	5%
Whitecap Resources	WCP	\$0.66	\$0.67	-2%	370,701	372,000	0%	\$647	\$649	0%
Avg.				2%				-1%		-1%

Note: (1) PXT reported in USD

Source: FactSet, and Haywood Securities Inc.

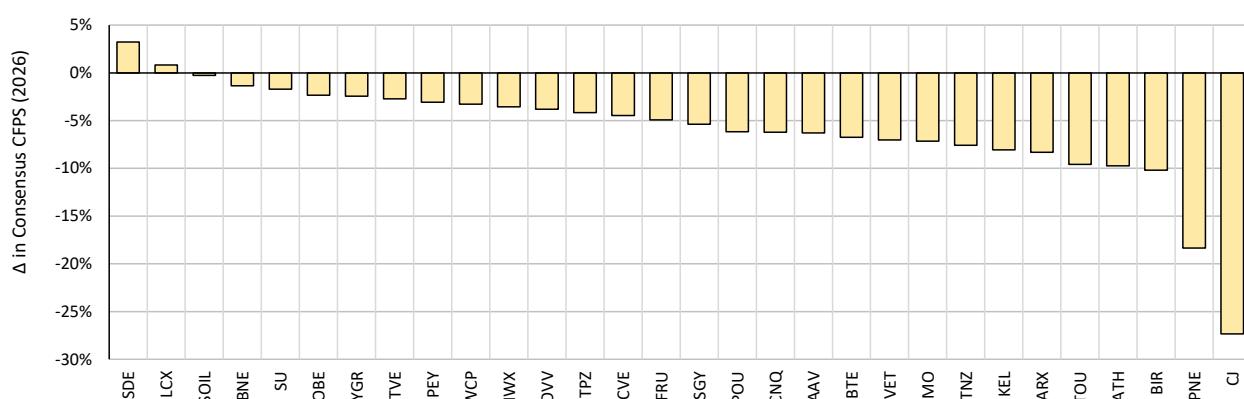
Figure 2: 2026 Haywood Estimates vs FactSet Consensus

Company Name	Ticker	CFPS (\$/share)			Production (boe/d)			Capex (\$MM)		
		HY	Cons.	Δ %	HY	Cons.	Δ %	HY	Cons.	Δ %
Birchcliff Energy	BIR	\$1.63	\$1.73	-6%	83,000	83,091	0%	\$350	\$359	-2%
Bonterra Energy	BNE	\$2.79	\$2.78	0%	16,200	16,227	0%	\$75	\$76	-2%
Coelacanth Energy	CEI	\$0.12	\$0.12	-2%	10,000	9,957	0%	\$75	\$82	-9%
Freehold Royalties	FRU	\$1.37	\$1.38	-1%	16,500	16,436	0%	\$0	\$0	-
Headwater Exploration	HWX	\$1.17	\$1.19	-1%	24,500	24,808	-1%	\$185	\$185	0%
Logan Energy	LGN	\$0.20	\$0.19	4%	15,500	15,555	0%	\$145	\$144	1%
Lycos Energy	LCX	\$0.24	\$0.23	2%	1,700	1,748	-3%	\$16	\$17	-8%
Pine Cliff Energy	PNE	\$0.10	\$0.13	-20%	20,600	20,712	-1%	\$15	\$22	-31%
Parex Resources	PXT	\$4.26	\$4.27	0%	47,000	46,851	0%	\$300	\$309	-3%
Spartan Delta	SDE	\$1.67	\$1.66	1%	51,500	51,203	1%	\$440	\$445	-1%
TAG Oil Ltd.	TAO	\$0.00	nmf		198	nmf		\$10	nmf	
Tenaz Energy	TNZ	\$9.65	\$10.17	-5%	21,329	21,805	-2%	\$263	\$259	1%
Whitecap Resources	WCP	\$2.69	\$2.67	1%	372,000	373,158	0%	\$2,050	\$2,053	0%
Avg.				-2%				0%		-5%

Note: (1) PXT reported in USD

Source: FactSet, and Haywood Securities Inc.

Figure 3: 2026 Haywood Estimates vs FactSet Consensus



Source: FactSet, and Haywood Securities Inc.



Commodity Price Outlook

We are updating our price deck ahead of 4Q25 results, incorporating strip pricing and the most recent actuals, while adjusting company-specific estimates for the quarter and beyond.

Looking further out, C\$ strip pricing for WTI is 4% higher and 3% lower than our prior deck for 2026 and 2027, while WCS is flat for 2026, and down 7% in 2027, on wider heavy differentials. AECO pricing continues to face pressure amid egress constraints, warmer-than-normal weather, and seasonally elevated inventories, resulting in strip pricing 20–30% below our previous assumptions. As a result, our AECO 2026/27 price assumptions have been lowered by 26%/19%, respectively.

As a result, we are making a number of estimate and target revisions in this report (see Figure 5).

Figure 4: Commodity Price Outlook

	4Q25			2026E			Forward	2027E			Forward
	Actual	Est.	Δ%	new	prior	Δ%	Curve	new	prior	Δ%	Curve
FX (US\$/C\$)	\$0.72	\$0.72	0%	\$0.74	\$0.72	3%	\$0.74	\$0.74	\$0.72	3%	\$0.74
Crude Oil Benchmarks											
WTI	US\$/bbl	\$59.27	\$59.00	0%	\$64.00	\$60.00	7%	\$63.18	\$62.00	\$62.00	0%
Brent	US\$/bbl	\$63.11	\$63.11	0%	\$68.00	\$63.50	7%	\$67.25	\$65.50	\$65.50	0%
WTI - Brent Differential	US\$/bbl	\$3.84	\$4.11	-7%	\$4.00	\$3.50	14%	-\$3.50	\$3.50	\$3.50	0%
Canadian Light Sweet Crude	C\$/bbl	\$77.09	\$76.39	1%	\$81.10	\$78.30	4%	\$80.80	\$78.40	\$81.00	-3%
WTI - Ed. Par Differential	US\$/bbl	\$4.00	\$4.00	0%	\$4.00	\$3.70	8%	\$3.65	\$4.00	\$3.65	10%
Western Canadian Select	C\$/bbl	\$65.25	\$65.25	0%	\$66.30	\$66.60	0%	\$66.75	\$64.10	\$68.70	-7%
WCS - WTI Differential	US\$/bbl	\$12.08	\$12.30	-2%	\$14.80	\$12.00	23%	\$14.00	\$14.50	\$12.50	16%
Natural Gas Benchmarks											
Henry Hub	US\$/Mmbtu	\$4.05	\$4.01	1%	\$3.75	\$4.10	-8%	\$3.50	\$4.00	\$4.20	-5%
AECO	C\$/Mcf	\$2.25	\$2.42	-7%	\$2.65	\$3.60	-26%	\$1.96	\$3.20	\$3.96	-19%
AECO Basis Differential	US\$/Mmbtu	\$1.81	\$1.85	-2%	\$1.80	\$1.58	14%	\$2.04	\$1.50	\$1.40	7%
TTF	US\$/mcf	\$10.27	\$9.94	3%	\$10.05	\$9.43	6%	\$10.59	\$9.40	\$9.40	0%

Source: Bloomberg, Haywood Securities Inc



Energy Sector Update

We are adjusting estimates and price targets following our recent update calls and revised commodity price deck. Our updated price targets are based on a median 2026E EV/EBITDA target multiple of ~6.5x (up from ~6.0x previously), reflecting continued multiple expansion among Canadian E&Ps. We do not believe the sector is reverting to the historical 3–4x valuation framework, which fails to capture the structural improvements in capital discipline, balance sheet strength, and shareholder return models across the Canadian E&P landscape. With Canadian producers increasingly outperforming underlying commodity price movements, we see a growing likelihood that target multiples continue to recalibrate higher and chase equity price appreciation, rather than remain anchored to legacy ranges.

Figure 5: Estimate and Target Revisions

Company Name	Ticker	New Rating	Prior Rating	Share Price	New Target	Prior Target	Return to Target	CFPS (New) ¹		CFPS (Prior) ¹		Change (%)		Production (New)	Production (Prior)	Change (%)			
		2026	2027	2026	2027	2026	2027	2026	2027	2026	2027	2026	2027	2026	2027	2026	2027		
Birchcliff Energy Ltd.	BIR	Buy	Buy	\$7.10	\$10.00	\$10.00	41%	\$1.63	\$1.71	\$1.75	\$1.98	-7%	-13%	83.0	86.5	82.5	86.5	1%	0%
Bonterra Energy Corp.	BNE	Buy	Buy	\$5.06	\$6.25	\$5.50	24%	\$2.79	\$2.81	\$2.84	\$3.09	-2%	-9%	16.2	16.8	16.2	16.8	0%	0%
Coelacanth Energy, Inc.	CEI	Buy	Buy	\$0.84	\$1.30	\$1.30	55%	\$0.12	\$0.13	\$0.15	\$0.19	-22%	-29%	10.0	12.7	11.5	14.8	-13%	-14%
Freehold Royalties Ltd.	FRU	Hold	Buy	\$16.70	\$18.00	\$17.00	8%	\$1.37	\$1.42	\$1.37	\$1.51	0%	-6%	16.5	17.1	16.5	17.1	0%	0%
Headwater Exploration Inc.	HWX	Hold	Buy	\$11.67	\$12.50	\$11.00	7%	\$1.17	\$1.27	\$1.19	\$1.31	-2%	-3%	24.5	25.8	24.5	25.8	0%	0%
Logan Energy Corp	LGN	Buy	Buy	\$0.78	\$1.00	\$1.10	28%	\$0.20	\$0.23	\$0.21	\$0.27	-4%	-14%	15.5	19.2	15.5	19.2	0%	0%
Lycos Energy Inc	LCX	Buy	Buy	\$1.07	\$1.20	\$0.65	12%	\$0.24	\$0.24	\$0.24	\$0.29	-1%	-16%	1.7	2.1	1.7	2.1	0%	0%
Pine Cliff Energy Ltd.	PNE	Buy	Buy	\$0.74	\$0.90	\$1.10	22%	\$0.10	\$0.17	\$0.15	\$0.21	-35%	-19%	20.6	22.5	21.5	22.5	-4%	0%
Parex Resources Inc.	PXT	Buy	Buy	\$20.85	\$25.00	\$22.00	20%	\$4.26	\$4.73	\$4.17	\$4.36	2%	9%	47.0	50.1	47.0	50.1	0%	0%
Spartan Delta Corp	SDE	Buy	Buy	\$9.47	\$12.00	\$10.00	27%	\$1.67	\$2.02	\$1.70	\$1.95	-1%	3%	51.5	57.5	51.5	55.0	0%	5%
TAG Oil Ltd	TAO	Buy	Buy	\$0.08	\$0.15	\$0.15	88%	\$0.00	\$0.03	\$0.00	\$0.03			0.2	0.6	0.2	0.6		
Tenaz Energy Corp.	TNZ	Buy	Buy	\$41.23	\$55.00	\$32.50	33%	\$9.67	\$12.49	\$9.29	\$13.90	4%	-10%	21.3	30.0	21.3	27.5	0%	9%
Whitecap Resources Inc.	WCP	Buy	Buy	\$12.81	\$15.00	\$13.50	17%	\$2.69	\$2.78	\$2.77	\$3.10	-3%	-10%	372.0	385.0	372.0	385.0	0%	0%
Average							29%					-6%	-10%					-1%	0%

Notes: (1) PXT is in USD

Source: Haywood Securities Inc.

Figure 6: Global Crude and Liquids Commercial Inventories (onshore + oil-on-water)

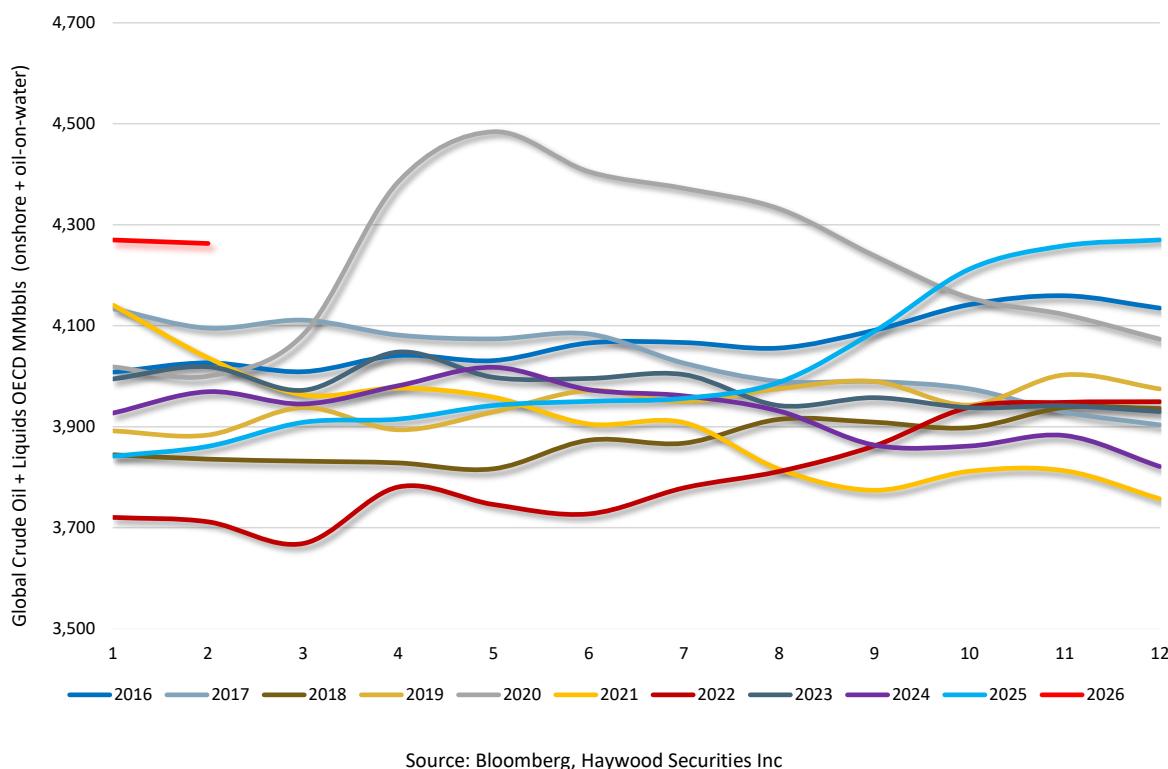


Figure 7: US Commercial Crude Inventories

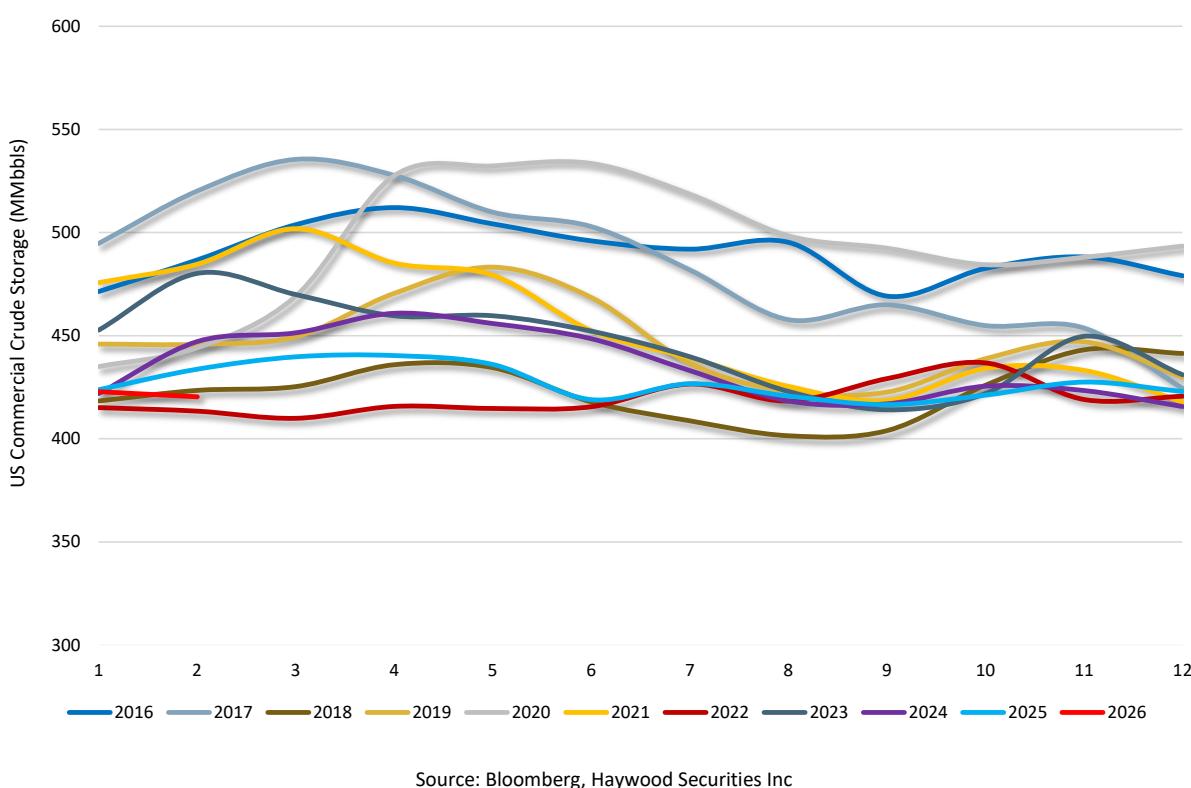
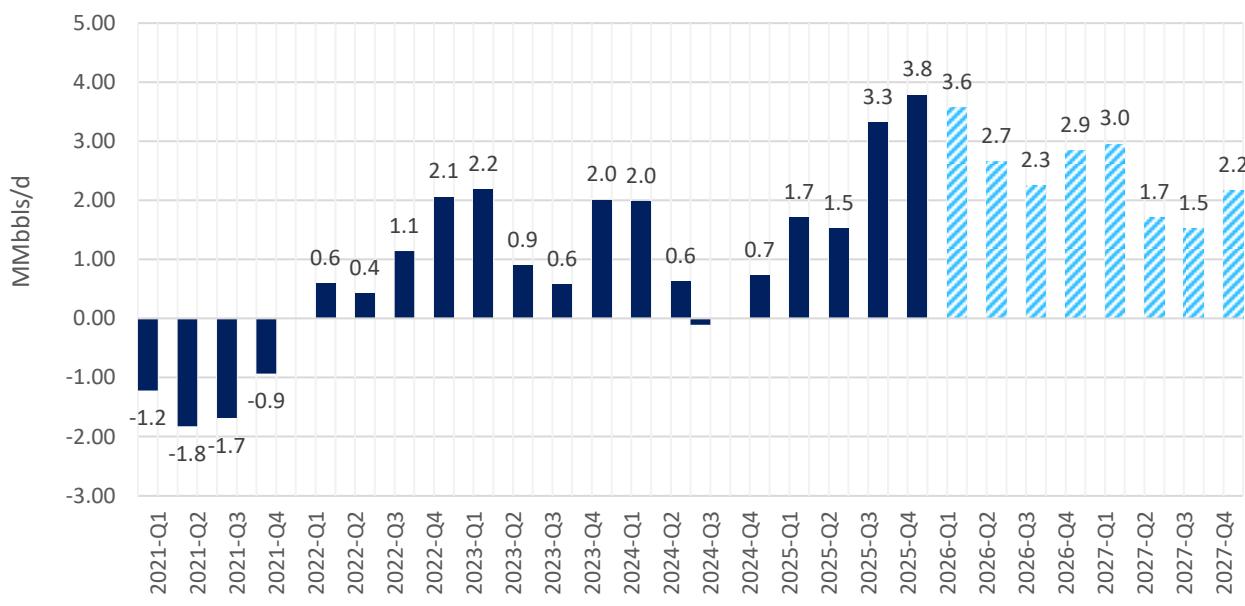
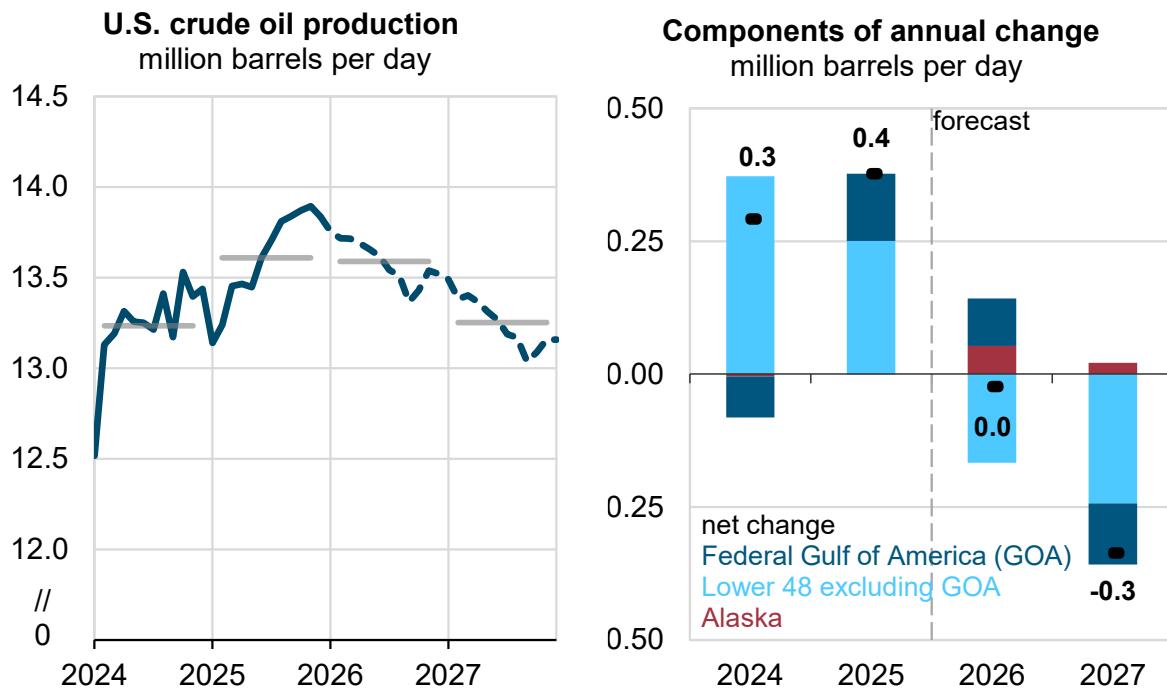


Figure 8: EIA Global Oil Balance (Quarterly Surplus/Deficit)



Source: EIA, Haywood Securities Inc

Figure 9: US Crude Production



Data source: U.S. Energy Information Administration, Short-Term Energy Outlook, January 2026

Source: EIA, Haywood Securities Inc



Company Earnings/Catalysts Preview

Birchcliff Energy (Buy; \$10.00 PT) – We are forecasting average production of 81.5 mboe/d, trending modestly higher sequentially, reflecting normal completion phasing. Our quarterly CFPS estimate sits at \$0.41 per share. We are maintaining our Buy rating and our 2026 EV/DACF multiple based price target of 10.00 per share, which maps to a 2026 multiple of 6.5x (6.0x previously).

- **Catalysts to watch for.** Key upcoming operational catalysts include three multiple well pads at Pouce Coupe targeting high-rate natural gas in the Lower and Upper Montney. BIR shares have performed relatively in line with other natgas peers YTD (-4% vs. -6% gas peers). A constructive update on cash flow forecasts for 2026 (incorporating exposure to HHUB/Dawn through the Jan price spike), and improved visibility into the 2026+ capital efficiency and debt reduction outlook could support modest relative outperformance.
- **2026 outlook.** We expect management to reaffirm its 2026 guidance, calling for average production of 81–84 mboe/d supported by a \$325–\$375 MM capital program. We anticipate management commentary will emphasize continued D&C optimization and the completion of the Pouce Coupe turnaround in 1H25. Following the turnaround, productive capacity is expected to increase to approximately 87.5 mboe/d, positioning the company to exit the year at record production levels. We currently forecast 2026E production of 84.6 mboe/d (84% natural gas) and a 4Q26 exit rate of 87.4 mboe/d, representing year-over-year growth of approximately 7% on an exit basis. At US\$60 WTI and S\$2.60 AECO, BIR we're expecting BIR to generate \$80 MM in FCF.

Bonterra Energy (Buy; \$6.25 PT) – We forecast average production of 14.4 mboe/d, essentially flat quarter-over-quarter. Our 4Q25 CFPS estimate is \$0.61/sh. We are maintaining our Buy rating and increasing our 2026 EV/DACF multiple based price target to \$6.25 per share, which maps to a multiple of 3.0x (unchanged).

- **Catalysts to watch for.** Having transitioned from a mature, cash-flowing Cardium base toward higher-impact growth opportunities in the Montney and Charlie Lake, BNE is in a different place today than in prior years, with multiple, credible pathways for value creation spanning organic growth, balance sheet improvement, and capital returns. Two strong Charlie Lake wells were brought on stream in 4Q25, with ~1,325 boe/d average IP30-day peak rates per well — among the strongest yet for BNE. An additional Charlie Lake well (0.9 net) drilled from the same pad is scheduled to be completed and brought on production in 1Q26. Beyond this, a total of 7 (6.6 net) Charlie Lake wells are scheduled to be brought on-stream in 2026, including step-outs and wells on the recently acquired Bonanza lands. In addition, BNE is currently completing a Montney delineation well (16-12) with an on-production date in 1Q26. The well is being completed with increased frac intensity versus the first two wells. The Montney is still early-stage for BNE but carries large scalability (95 unbooked locations and likely growing) so confirmation of liquids-rich results and pressure/decline performance, could justify faster capital reallocation to the Montney.
- **2026 outlook.** BNE outlined a budget of \$75-80 MM with average production volumes of 16.2-16.4 mboe/d (~52% oil). Management expects 60% of capital to be spent in the Charlie Lake, 25% in the Cardium, 10% in the Montney, and 5% on land and facilities. After adjusting for the tuck-in acquisition, production is expected to grow ~3-4% year-over-year, generating \$105-\$110 MM in funds flow, and \$21 MM in FCF at US\$60 WTI and C\$3.00/GJ AECO, supporting continued debt repayment and modest share buybacks.

Coelacanth Energy (Buy, \$1.30 PT) - We are forecasting average production of 5.5 mboe/d, trending meaningfully higher sequentially, reflecting the tie-in of Lower Montney wells from the 5-19 pad at the company's Two Rivers East project. Our quarterly CFPS estimate sits at \$0.01 per share. We are maintaining our Buy rating and our 2026 EV/DACF multiple based price target to \$1.30 per share, which maps to a multiple of 10x (9x previously).

- **Catalysts to watch for.** We are within weeks of the full production ramp from the 5-19 pad, and the market will see the impact of 12 producing wells flowing into reported volumes and cash flow. Looking forward, 2Q26 is expected to be the first clean quarter showing "manufacturing mode" rather than build-out – a significant inflection event for the company. Ahead of this, the company is installing additional compression at the 16-03 battery facility which will take nameplate capacity to 16 mboe/d. This takes out a near-term bottleneck and effectively lifts the ceiling on volumes over time, which should help drive stronger exit rates as we move through the year.
- **2026 outlook.** CEI has not formalized 2026 guidance, though with incremental compression lifting nameplate capacity to ~16,000 boe/d and recent pads transitioning into steady-state production, the company enters 2026 with reduced infrastructure constraints, improved visibility on exit-to-average volumes, and greater flexibility to convert inventory into production without requiring incremental midstream investment.



Freehold Royalties (Buy, \$18 PT) – Our 2026 estimates call for average production of 16.3 mboe/d and CFPS of \$0.32, effectively in line with Street consensus. We are moving to a Hold rating (from Buy) and increasing our 2026 EV/DACF multiple based price target to \$18 per share, which maps to a multiple of 13x (12x previously).

- **Catalysts to watch for.** Items to watch for include 2026 guidance which we expect will underscore royalty volumes that are expected to remain broadly stable, supported by resilient US shale operator activity. YTD performance has tracked PSK (+7%); A clean quarter, coupled with a solid 2026 outlook could support modest relative outperformance.
- **2026 outlook.** While FRU has not yet formalized 2026 guidance, we expect management to guide to stable to modestly growing royalty volumes, supported by continued third-party capital deployment across the company's diversified royalty platform. This includes stable production contributions from the U.S. franchise and broadly flat royalty volume growth in Canada.

Headwater Exploration (Buy, \$12.50 PT) – Fourth-quarter average production of 24 mboe/d was pre-released, representing ~7% sequential growth versus the prior quarter. We have moved our rating to a Hold (from Buy) and increasing our 2026 EV/DACF multiple based price target to \$12.50 per share, which maps to a multiple of 10.5x (9x previously). Our Hold rating reflects valuation rather than fundamentals. At ~10x EV/DACF, the stock now trades at roughly a ~5x multiple premium to peers, which we believe limits further near-term upside and could slow momentum despite solid operational execution.

- **Catalysts to watch for.** We expect an in line quarter from HWX given key operating and financial items were pre-released with a January 15 /26 update. Looking forward, declining corporate base declines (<20% by 2026) and falling maintenance capital (<30% of cash flow) driven by expanding secondary recovery, alongside successful exploration step-outs that continue to add inventory and extend asset durationn, should continue to support modest relative outperformance in the near-term.
- **2026 outlook.** HWX is targeting ~8% production growth to ~24.5 mboe/d at a ~37% reinvestment rate, generating ~C\$300mm of funds flow with maintenance capital at ~30% of CF (~C\$90mm), underpinned by ~60% of production under secondary recovery, resulting in rising FCF and improving asset durability. Based on US\$60 WTI the budget delivers a 60% payout ratio and US\$12.80/bbl WCS diffs, the company expects to generate \$320 MM in funds flow and exit with \$37 MM in positive working capital.

Logan Energy (Buy, \$1.00 PT) – We are forecasting 4Q25 average production of 15.2 mboe/d (pre-released) and associated CFPS of 0.05. We are maintaining our Buy rating and lowering our 2026 EV/DACF multiple based price target to \$1.00 per share.

- **Catalysts to watch for.** Execution of the 2026 development program driving ~19% production growth, improving capital efficiency and free cash flow, with appraisal success at Flatrock and continued Montney/Duvernay delineation offering upside to inventory depth and valuation are the key drivers of future outperformance.
- **2026 outlook.** LGN outlined a \$140-\$150 MM capital budget, including \$105 MM in DCET capital which is expected to deliver average production of 15-16 mboe/d, implying 19% growth YoY. Based on timing of drilling and tie-ins, LGN forecasts 2H average production in the range of 16.5-17.5 mboe/d. LGN noted that unit opex and transportation costs are forecasted to decrease by 10% vs. 2025. CF guidance at US\$60 WTI and C\$3.00/GJ AECO sits at \$120 MM (\$0.20/sh) with year-end net debt of \$116 MM in net debt (1.0x D/CF).



Lycos Energy (Buy, \$1.20 PT) – We are forecasting 4Q25 average production of 1.7 mboe/d and CFPS of \$0.06. We have maintained our Buy rating and increased our 2026 EV/DACF multiple based price target to \$1.20 per share, which maps to a multiple of 5.0x (3.0x previously).

- **Catalysts to watch for.** We believe the value proposition for LCX rests largely on investor confidence in asset quality rather than headline production growth. As such, successful waterflood expansion (Wildmere, then Swimming) coupled with solid exploratory results on Mannville step outs, particularly in new OHML and hybrid OHML/conventional opportunities would serve to help broaden the inventory base, extend development runway, and support longer-term growth optionality. Any M&A must be bolt-on, accretive, and operationally synergistic.
- **2026 outlook.** LCX has not formalized 2026 plans so for now we are modeling a more or less cash flow neutral budget designed to maintain production levels and protect the balance sheet. We are forecasting '26 average production of 2.1 mboe/d on a capital budget of \$15 MM, implying a healthy D/CF of 0.1x at YE'26.

Pine Cliff Energy (Buy, \$0.90 PT) – We are forecasting 4Q25 average production of 20.3 mboe/d and CFPS of \$0.02, with both metrics screening as in line with consensus. We are maintaining our Buy rating and decreasing our 2026 EV/DACF multiple based price target to \$0.90 per share, which maps to a multiple of 8x (7x previously).

- **Catalysts to watch for.** We expect PNE's 4Q25 results to reflect continued operational resilience in a challenging Western Canadian gas price environment, supported by its hedge book and disciplined capital management. Following the \$15 MM asset disposition of Basal Quarta assets completed late last year, we anticipate modest quarter-over-quarter net debt reduction to ~\$42 MM (1.5x D/CF). Another key item to watch this quarter is realized natural gas pricing, which we expect to continue tracking meaningfully above AECO due to the company's diversified marketing portfolio and firm transportation strategy.
- **2026 outlook.** With formal 2026 guidance not yet provided, management commentary is likely to emphasize operational and financial flexibility, with capital and activity levels expected to remain responsive to commodity prices while prioritizing balance sheet improvement.

Parex Resources (Buy, \$25 PT) - Fourth quarter average production of 48.6 mboe/d was pre-released. Our CFPS estimate sits at US\$1.12. We are maintaining our Buy rating and increasing our 2026 EV/DACF multiple based price target to \$25.00 per share, which maps to a multiple of 4.5x (4x previously).

- **Catalysts to watch for.** PXTs 2026 drilling catalysts are led by the mid-2026 spud of the Floreña Huron (Niscota) well in the Llanos Foothills, a 50/50 JV with Ecopetrol that represents a company-defining, gas-weighted exploration test (~15 mboe/d type-curve potential, ~40%+ POS), while downside is supported by a resilient base business; alongside this, Southern Llanos near-field exploration at CPO-10 and LLA-111 provides low-risk, short-cycle production adds with strong historical economics (high success rates, ~\$6–8MM well costs), Putumayo Basin development and appraisal in 2026+ offers medium-risk, basin-scale upside through horizontal drilling and early EOR validation across a large OOIP base, and LLA-34 polymer expansion acts as a lower-risk operational catalyst by reducing declines, lowering sustaining capital, and improving FCF durability.
- **2026 outlook.** PXT has guided 2026 capex of US\$280–320MM (US\$300MM midpoint), with operating costs expected to average US\$13–16/boe (slightly above estimates), transportation costs of US\$4.25/boe (materially higher than expected), and an effective tax rate of 1–3% broadly in line with forecasts; the program allocates US\$190MM to base and development drilling, US\$45MM to longer-term growth initiatives, and US\$65MM to acquisition-related spend, primarily farm-in carries across Foothills exploration, Putumayo, and Capachos, with activity already underway and spend front-end weighted before moderating in the back half of the year. 2026 production guidance of 45–49 mboe/d implies ~5% YoY growth at the midpoint.



ReconAfrica (Buy, \$1.70 PT). We are maintaining our Buy rating and NAV-based price target of \$1.70.

- **Catalysts to watch for.** RECO enters 2026 with a fully funded, catalyst-rich work program anchored by the production testing of the Kavango West 1X discovery in Namibia, scheduled to commence by the end of 1Q26. The multi-zone test program is expected to provide critical data on deliverability, fluid composition, and reservoir pressure across multiple carbonate intervals and represents the key near-term value inflection point, in our view. A successful test result would underpin all subsequent value creation, including the mid-year appraisal well, an updated independent resource report, and management's targeted commercialization/FID decision by late 2026. Following production testing, the Company plans to spud an appraisal well at Kavango in mid-2026, with a resource update to follow. In parallel, the company is advancing its Gabon NGULU offshore block through 3D seismic reprocessing and release of a resource report, ahead of drilling readiness for the Loba appraisal well in 2H26. In Angola, early-stage basin validation work, including oil seep sampling and preparation of 2D seismic, is expected to progress throughout the year. Management targets a commercialization and final investment decision for the Kavango discovery by late 2026, positioning the Company for potential transition from exploration to early development.

Spartan Delta (Buy, \$12 PT) – We are forecasting 4Q25 average production of 44.6 mboe/d and CFPS of \$0.32. We are maintaining our Buy rating and increasing our 2026 EV/DACF multiple based price target to \$12.00 per share, which maps to a multiple of 8.0x (6.5x previously).

- **Catalysts to watch for.** Key 2026 catalysts for SDE are centered on execution of its Duvernay-heavy growth program, with 24 net Duvernay wells scheduled to come onstream following a \$350 MM capital allocation. Early-2026 production additions are expected to be highly liquids-weighted, supporting management's forecast of 89% y/y liquids growth and driving realized pricing and netback expansion. Additional upside could come from continued improvements in Duvernay well productivity and drilling efficiencies, which have already delivered lower costs and stronger IP rates. In our view, successful delivery of the drilling program and early well performance will be the primary near-term drivers of revisions to production, cash flow, and NAV expectations through 2026.
- **2026 outlook.** SDE has set a 2026 capital budget of \$410–470 MM, alongside average production guidance of 50–52 mboe/d, implying ~28% y/y growth at the midpoint. Importantly, this growth is driven by high-margin, liquids-weighted volumes, with liquids production forecast to increase 89% y/y. Capital allocation remains heavily skewed to the Duvernay (~80% of capex, \$350 MM), with the remaining \$90 MM directed to the Deep Basin. In total, SDE plans to drill 38 net wells in 2026, including 24 Duvernay wells to drive growth and 14 Deep Basin wells to largely maintain base production. At US\$60/bbl WTI and C\$3.00/GJ AECO, SDE forecasts \$331 MM of funds flow, representing ~69% y/y CFPS growth on our estimates. Net debt is expected to exit the year at \$319 MM, equating to a manageable ~1.0x debt-to-cash flow, preserving balance sheet flexibility amid the growth ramp.

TAG Oil (Buy, \$0.15 PT) – We forecast 4Q25 average production of 65 boe/d and negligible CFPS. We maintain our Buy rating and NAV-based price target of \$0.15, which reflects a 50% discount to our NAV estimate of \$0.30. Our NAV incorporates value for undeveloped resources based on a hypothetical drilling schedule.

- **Catalysts to watch for.** Following the most recent offering, TAG is now funded to advance appraisal and development across its BED-1 and SERQ concessions in Egypt's Western Desert. Near-term catalysts include the drilling of a new vertical delineation well at BED-1 targeting lighter-gravity oil the ARF, as well as the execution of a Diagnostic Fracture Injectivity Test (DFIT) in an existing wellbore at SERQ to evaluate ARF reservoir potential. The company also intends to drill an additional well at SERQ, accelerating appraisal of the unconventional resource. Success on one or all of these initiatives could drive a sentiment shift among investors.



Tenaz Energy (Buy, \$55 PT) - We forecast 4Q25 average production of 16 mboe/d and CFPS of \$1.71. We maintain our Buy rating and increase our 2026 EV/DACF multiple-based price target to \$55 per share, which is based on a multiple of 6.0x (4.0x previously).

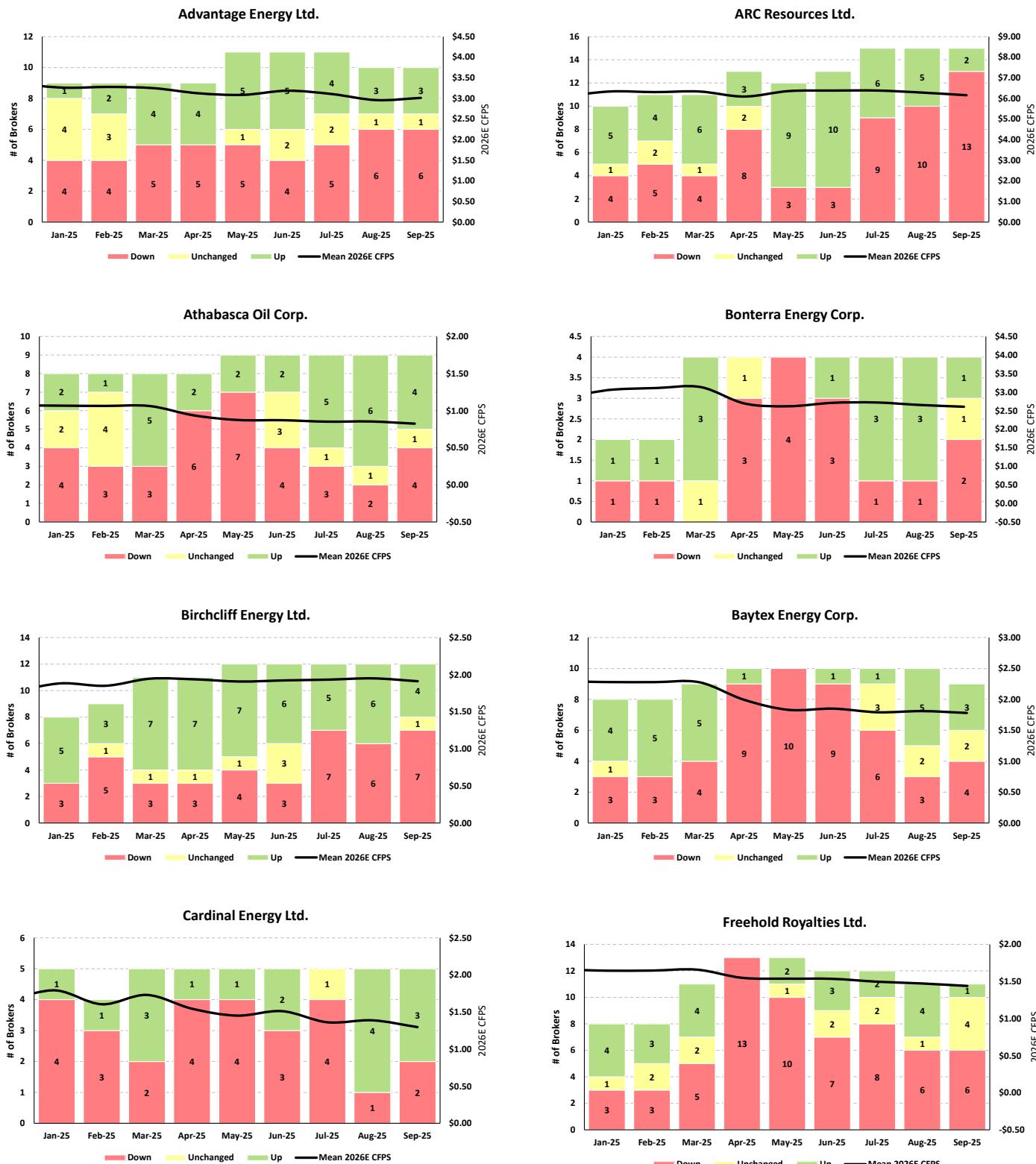
- **Catalysts to watch for.** Near-term catalysts include continued DNS execution and drilling results that support confidence in TNZ's organic growth trajectory. Advancing production towards targeted ~27,000 boe/d exit rates in 2026 should further shift the investment narrative from M&A to scalable development-led growth. Success here could drive upward estimate revisions and support multiple expansion as visibility improves into a materially higher 2027 production base.
- **2026 outlook.** TNZ has tabled a capital budget of \$250 - \$275 MM (consensus average: \$175 MM; range: \$150-\$225 MM) and supports average production of 19,500-22,500 boe/d, representing 115% year-over-year growth. The company will direct 80% of capital towards drilling activity, 10% towards workovers, and 10% to long-lead purchases and facility projects. Management expects spending to remain within forecasted funds flow at current strip pricing and noted flexibility to adjust the program as the year progresses. The program is structured to drive exit-rates of 27,000 boe/d, setting up a materially higher base for 2027.

Whitecap Resources (Buy, \$15 PT) - We are forecasting 4Q25 production of 370 mboe/d, and associated CFPS of \$0.66. We maintain our Buy rating and increase our 2026 EV/DACF multiple-based price target to \$15 per share, which maps to a multiple of 6.5x (5.5x previously).

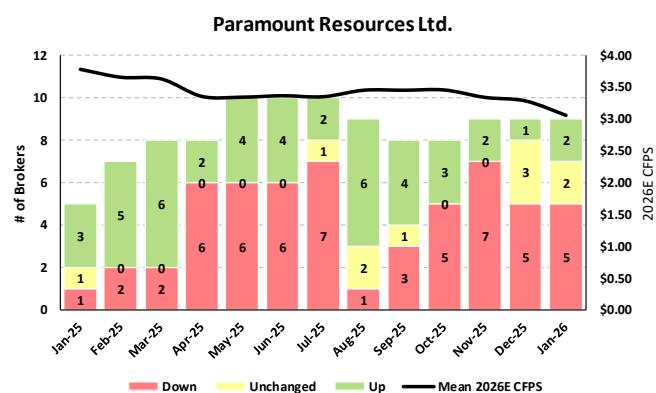
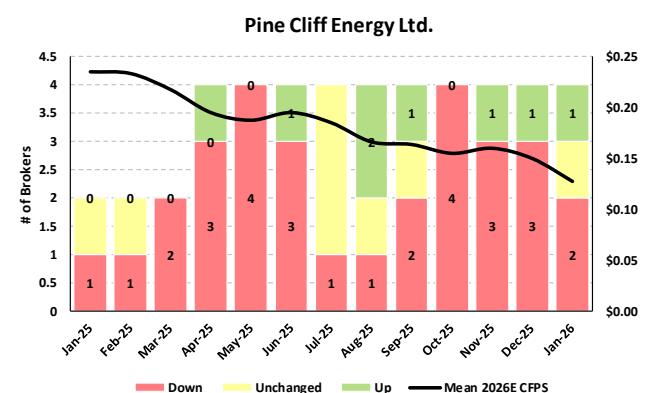
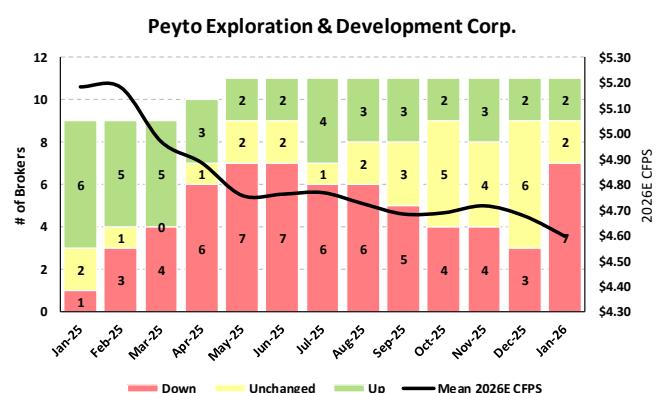
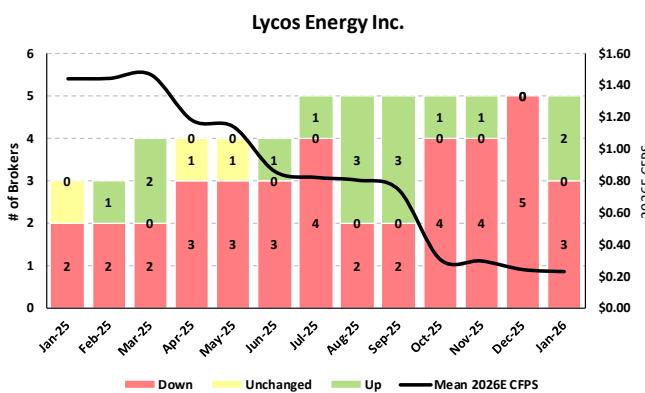
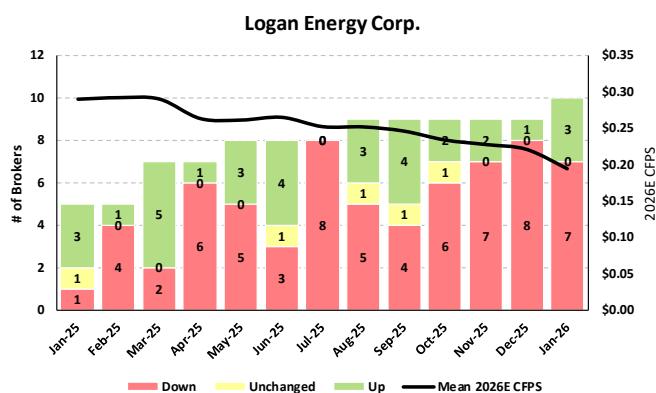
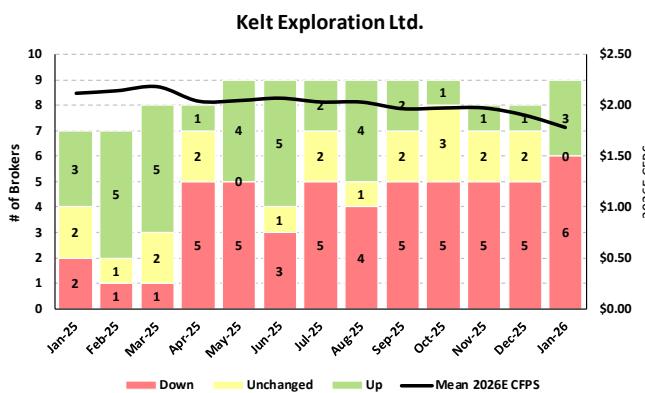
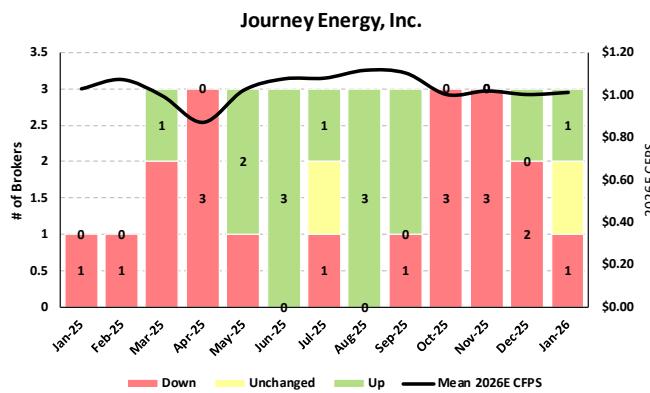
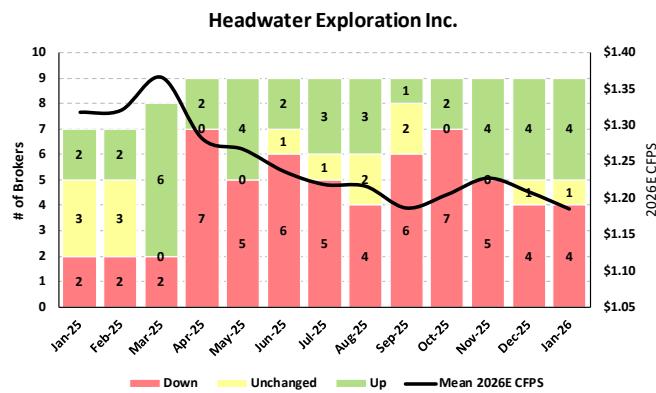
- **Catalysts to watch for.** Key operational catalysts to watch for in 2026 include Lator phase 1 construction and commissioning (4Q26) and Kaybob Duvernay transitioning into stabilized, FCF phase later this year as debottlenecking lifts productive capacity towards 115-120 mboe/d, materially lowering reinvestment rates and incremental FCF.
- **2026 outlook.** 2026 early guide sees capital efficiency improvements and unit opex reductions. On oil + condensate, WCP expects volumes to average 181 mboe/d, NGL volumes to average 44 mboe/d, and natural gas volumes to average 885 mmcf/d. Total production guidance sits at 372.5 mboe/d (60% liquids) and supported by a \$2.0-\$2.1 Bn capex budget. Importantly, WCP sees exit rates of 380 mboe/d after the Lator 04-13 facility is completed in 4Q26. The budget is split 75% unconventional (98 net wells) and 25% conventional (133.6 net wells) and embeds \$300 MM of synergies from the ongoing integration of Veren – about 40% higher than the initial estimate of \$210 MM. At US\$60/bbl WTI and C\$3.00/GJ AECO, WCP sees FFO of \$3.3 Bn, and \$300 MM in FCF after \$883 MM in dividends.



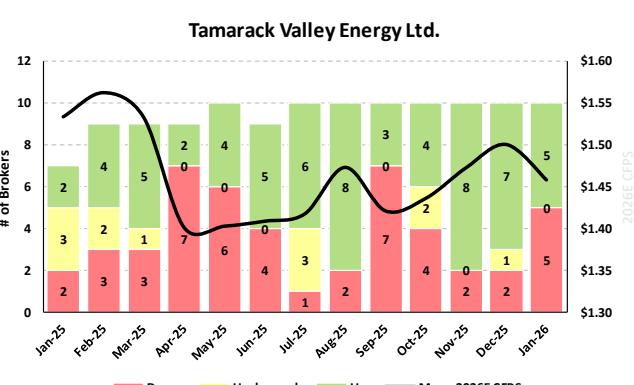
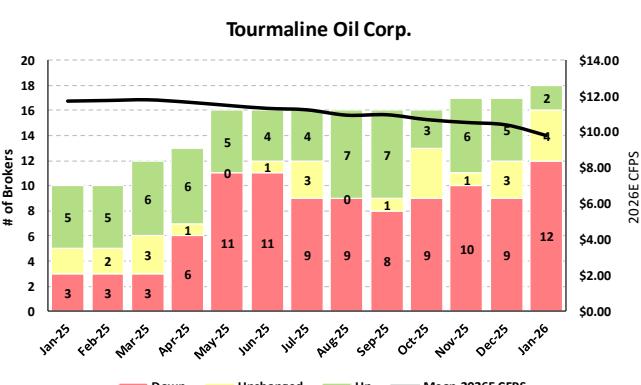
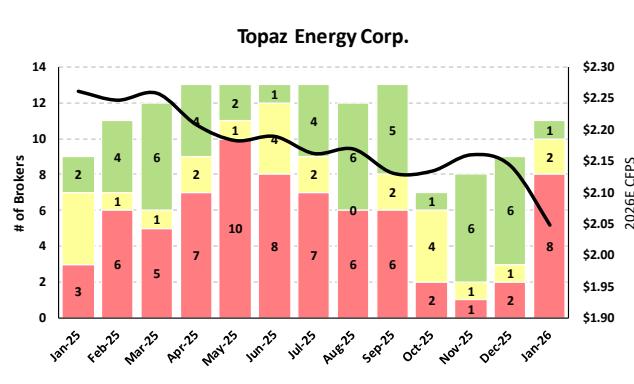
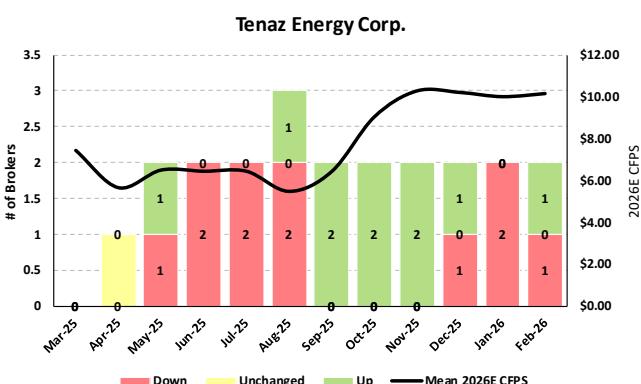
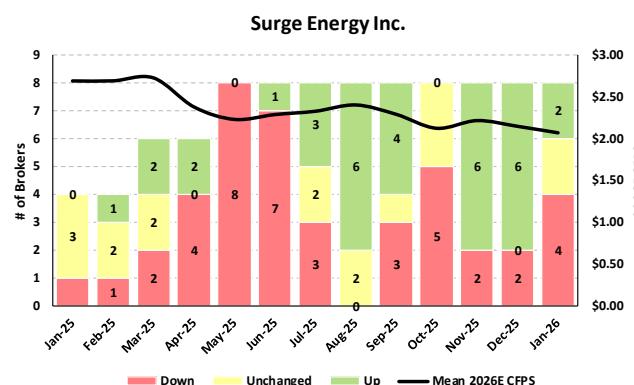
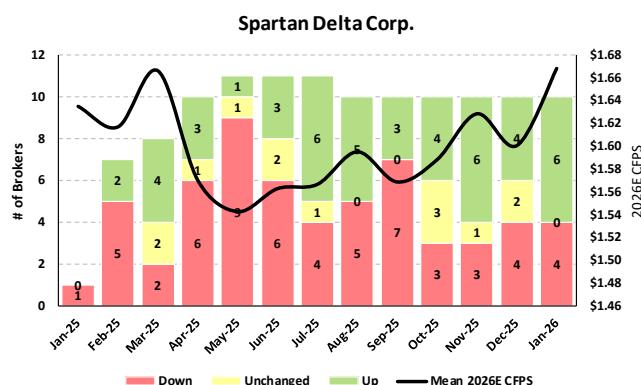
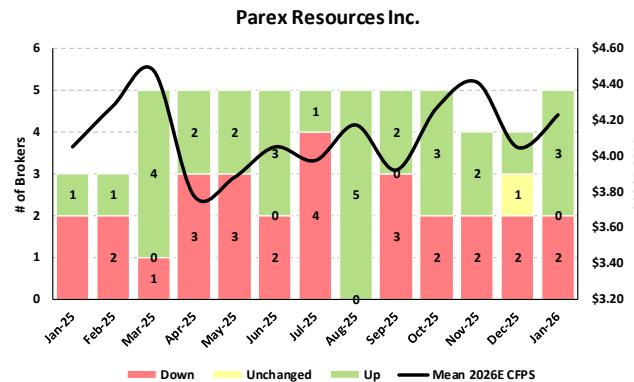
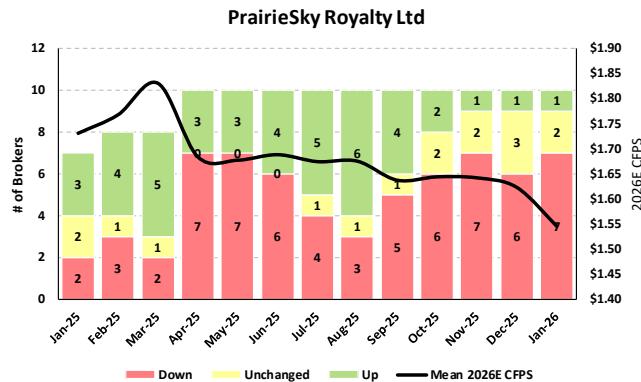
Figure 10: Consensus 2026 CFPS Estimate History

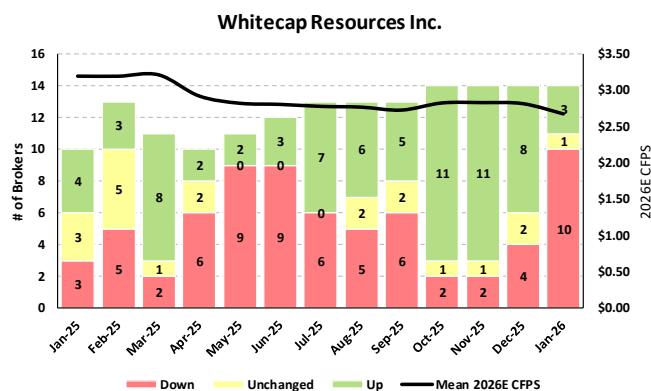
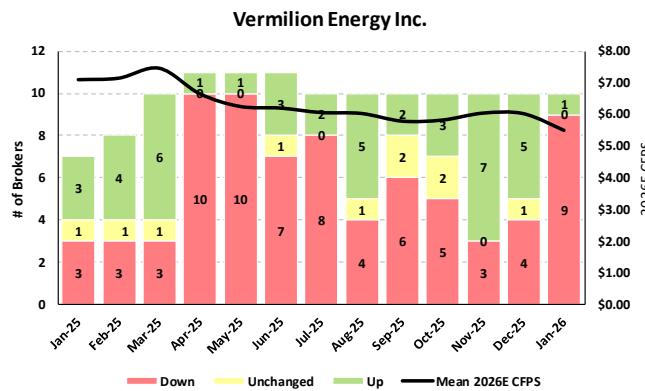


Energy Sector Update



Energy Sector Update





Source: FactSet, and Haywood Securities Inc.



Energy Sector Update

Figure 11: Company Comparables



Comparative Data - Ratings, Price Targets, Capitalization, Financial & Operational Metrics

Company	Ticker	Price	Target ¹	Rating	% off 52 Wk High		14 Day RSI	β (52 Wks)	Div. Yield ⁵	Total Return	Shares O/S (MM)	Float (%)	Short Interest ² (%)	Market Cap (\$MM)	Net Debt ³ (\$MM)	EV (\$MM)	Production		Prod. Growth		% Oil		
					(C\$/\$)	(C\$/\$)											(%)	(mboe/d)	(%)	(%)	(%)	(%)	
Oil-Weighted Producers																							
Athabasca Oil Corp.*	ATH	\$8.53	\$8.25		2%	74	0.90	0%	-3%	480	98%	0%	\$4,095	(\$76)	\$4,019	(0.2x)	(0.1x)	38.5	50.0	(2%)	30%	97%	98%
Bonterra Energy Corp.	BNE	\$5.06	\$6.25	Buy	8%	63	0.72	0%	24%	36	85%	0%	\$183	\$168	\$350	1.3x	1.0x	16.2	16.8	6%	4%	52%	52%
Baytex Energy Corp.*	BTE	\$4.84	\$5.00		1%	53	1.08	2%	5%	768	87%	3%	\$3,719	(\$471)	\$3,248	(0.7x)	(0.6x)	68.0	71.0	(53%)	4%	89%	90%
Cardinal Energy Ltd.*	CJ	\$9.47	\$9.50		1%	58	0.60	8%	8%	173	76%	0%	\$1,642	\$78	\$1,720	1.3x	1.5x	25.3	26.0	16%	3%	92%	92%
Headwater Exploration Inc.	HGX	\$11.67	\$12.50	Hold	1%	66	0.64	4%	7%	239	93%	0%	\$2,786	(\$36)	\$2,750	(0.1x)	(0.2x)	24.5	25.8	8%	5%	93%	93%
InPlay Oil Corp.*	IPO	\$15.51	\$17.00		1%	72	0.68	7%	16%	28	52%	0%	\$434	\$228	\$662	1.4x	0.9x	19.0	18.9	12%	(1%)	62%	62%
Lycos Energy Inc.	LX	\$1.07	\$1.20	Buy	134%	77	0.56	0%	12%	53	94%	0%	\$57	\$11	\$68	0.0x	0.2x	1.7	2.1	(46%)	24%	99%	99%
Obsidian Energy Ltd.*	OBE	\$10.52	\$9.50		2%	66	1.09	0%	-10%	67	90%	10%	\$706	\$219	\$925	1.0x	1.0x	29.0	30.0	(6%)	3%	74%	73%
Surge Energy Inc.*	SGY	\$7.62	\$9.00		3%	61	0.84	7%	25%	99	97%	2%	\$753	\$221	\$975	1.0x	1.2x	23.0	23.4	(2%)	1%	88%	90%
Saturn Oil & Gas Inc.*	SOIL	\$3.24	\$3.88		2%	67	1.10	0%	20%	185	98%	0%	\$600	\$783	\$1,383	2.0x	1.5x	40.0	40.0	(4%)	0%	81%	83%
Tamarack Valley Energy Ltd.*	TVL	\$9.43	\$9.88		3%	63	0.68	2%	6%	486	98%	1%	\$4,581	\$631	\$5,212	0.7x	0.6x	70.1	72.8	3%	4%	86%	85%
Whitecap Resources Ltd.	WCP	\$12.81	\$15.00	Buy	1%	68	0.61	6%	17%	1,232	98%	1%	\$15,779	\$3,318	\$19,097	1.0x	0.9x	372.0	385.0	22%	3%	60%	60%
Vermilion Energy Inc.*	VET	\$14.00	\$14.00		1%	60	1.06	4%	4%	153	99%	10%	\$2,146	\$1,385	\$3,531	1.4x	1.2x	120.1	122.6	0%	2%	31%	31%
Avg/Total						66	0.72	5%					\$219		1.0x	0.9x	29.0	30.0	0%	3%	86%	85%	
Gas-Weighted Producers																							
Advantage Energy Ltd.*	AAV	\$11.16	\$14.00		18%	48	0.49	0%	25%	167	96%	0%	\$1,863	\$572	\$2,435	1.0x	0.6x	83.0	91.0	6%	10%	15%	15%
ARC Resources Ltd.*	ARX	\$23.51	\$28.00		34%	37	0.54	4%	23%	571	100%	0%	\$13,433	\$2,872	\$16,304	1.0x	1.0x	411.1	411.6	10%	0%	39%	40%
Birchcliff Energy Corp.	BIR	\$7.10	\$10.00	Buy	15%	43	0.63	2%	41%	273	98%	0%	\$1,939	\$519	\$2,459	0.9x	0.9x	83.0	86.5	4%	4%	18%	18%
Coelacanth Energy Inc.	CEI	\$0.84	\$1.30	Buy	17%	55	0.08	0%	55%	533	40%	0%	\$448	\$47	\$494	1.1x	1.3x	10.0	12.7	326%	27%	40%	40%
Kelt Exploration Ltd.*	KEL	\$8.20	\$9.50		0%	54	0.62	0%	16%	201	81%	0%	\$1,645	\$224	\$1,869	0.5x	0.3x	51.0	57.2	26%	12%	38%	38%
Logan Energy Corp.	LGN	\$0.78	\$1.00	Buy	15%	38	0.45	0%	28%	596	81%	0%	\$465	\$102	\$566	0.8x	1.0x	15.5	19.2	19%	24%	43%	43%
Peyto Exploration & Development*	PEY	\$25.26	\$25.00		2%	63	0.52	5%	4%	205	97%	0%	\$5,172	\$1,222	\$6,394	1.0x	1.0x	145.2	151.0	8%	4%	12%	12%
Pine Cliff Energy Ltd.	PNE	\$0.74	\$0.90	Buy	27%	31	0.39	2%	22%	359	96%	0%	\$265	\$59	\$324	0.8x	0.1x	20.6	22.5	(1%)	9%	19%	19%
Paramount Resources Ltd.*	POU	\$25.62	\$28.00		28%	66	0.78	2%	12%	144	53%	0%	\$3,702	(\$475)	\$3,227	0.1x	0.7x	48.0	64.7	14%	35%	51%	50%
Spartan Delta Corp.	SDE	\$9.47	\$12.00	Buy	3%	64	0.75	0%	27%	200	88%	4%	\$1,897	\$179	\$2,076	0.8x	0.8x	51.5	57.5	25%	12%	45%	48%
Tourmaline Oil Corp.*	TOU	\$60.91	\$70.00		16%	46	0.44	3%	18%	387	95%	3%	\$23,573	\$2,264	\$25,837	0.5x	0.5x	691.0	730.0	8%	6%	24%	24%
Avg/Total						48	0.52	3%					\$224		0.8x	0.8x	51.5	64.7	10%	10%	38%	38%	
Royalties																							
Freehold Royalties Ltd.	FRU	\$16.70	\$18.00	Hold	1%	63	0.41	6%	8%	164	83%	0%	\$2,738	\$263	\$3,001	0.9x	0.7x	16.5	17.1	1%	4%	66%	66%
PrairieSky Royalty Ltd.*	PSK	\$29.48	\$33.00		4%	61	0.36	3%	15%	233	99%	0%	\$6,860	\$277	\$7,137	0.4x	0.1x	26.6	27.3	3%	3%	64%	65%
Topaz Energy Corp.*	TPZ	\$28.19	\$32.00		6%	50	0.41	5%	18%	154	80%	0%	\$4,341	\$535	\$4,876	1.2x	0.7x	23.7	25.0	6%	5%	30%	29%
Avg/Total						61	0.41	5%					\$277		0.9x	0.7x	24	25	3%	4%	64%	65%	
International E&Ps																							
Gran Tierra Energy Inc.*	GTE	\$7.81	\$7.48		11%	57	1.25	0%	(4%)	35	96%	7%	\$276	\$1,307	\$1,583	4.6x	3.9x	45.1	47.9	(2%)	6%	83%	84%
International Petroleum Corp.*	IPCO	\$29.88	\$30.93		2%	66	0.78	0%	4%	112	58%	0%	\$3,351	\$674	\$4,025	2.7x	0.8x	46.0	61.0	3%	33%	69%	77%
Parex Resources Inc.	PXT	\$20.85	\$25.00	Buy	4%	60	0.78	7%	20%	97	98%	0%	\$2,013	\$13	\$2,027	0.1x	0.2x	47.0	50.1	6%	7%	98%	98%
TAG Oil Ltd.	TAO	\$0.08	\$0.15	Buy	113%	65	0.80	0%	88%	474	76%	0%	\$38	(\$11)	\$27	(1.9x)	0.6x	0.2	0.6	195%	217%	100%	100%
Tenaz Energy Corp.	TNZ	\$41.23	\$55.00	Buy	4%	73	0.31	0%	33%	28	82%	0%	\$1,170	\$55	\$1,225	1.0x	0.5x	21.3	30.0	119%	41%	9%	9%
Valeura Energy Inc.*	VLE	\$10.99	\$12.41		2%	79	0.87	0%	13%	106	77%	0%	\$1,160	\$-	\$1,160	(1.5x)	(2.1x)	21.8	23.9	(6%)	10%	99%	100%
Avg/Total						65	0.79	7%					\$34		0.6x	0.5x	33.4	38.9	4%	21%	90%	91%	

Priced as of February 10, 2026

* Non-covered company values are based on company disclosures and FactSet consensus estimates

¹ Non-covered companies based on median consensus

² Short interest is a % of float

³ Net debt is as of latest reported quarter

⁴ Represented in USD except share price, market cap, net debt, and EV

⁵ Base dividend yield and dividend payout are averages. Other columns are medians.

Source: Bloomberg, FactSet, Company Reports, and Haywood Securities Inc.

Energy Sector Update

Figure 12: Company Comparables Cont.



Comparative Data - Cash Flow and Valuation Multiples

Company	Ticker	DACP		Net Debt		CFPS		Dividend		EV/DACP		EV/boe/d		E&D Capex		Dividend Payout ⁵		Total Payout		Capex/CF		FCF/EV Yield		
		2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E	
Oil-Weighted Producers																								
Athabasca Oil Corp.*	ATH	\$441	\$670	(\$79)	(\$74)	\$0.78	\$1.12	\$0.00	\$0.00	9.1x	6.0x	\$104,396	\$80,385	\$311	\$313	0%	0%	86%	62%	86%	62%	1%	5%	
Bonterra Energy Corp.	BNE	\$118	\$115	\$134	\$106	\$2.79	\$2.81	\$0.00	\$0.00	2.7x	2.5x	\$19,778	\$17,372	\$75	\$75	0%	0%	73%	72%	73%	72%	8%	8%	
Baytex Energy Corp.*	BTE	\$611	\$601	(\$471)	(\$355)	\$0.86	\$0.93	\$0.09	\$0.09	5.3x	5.4x	\$47,766	\$45,747	\$590	\$613	11%	11%	105%	110%	94%	99%	1%	0%	
Cardinal Energy Ltd.*	CJ	\$211	\$236	\$253	\$310	\$1.14	\$1.20	\$0.72	\$0.72	8.2x	7.3x	\$67,959	\$66,251	\$160	\$152	64%	60%	145%	134%	82%	73%	2%	3%	
Headwater Exploration Inc.	HWX	\$278	\$302	(\$33)	(\$46)	\$1.17	\$1.27	\$0.44	\$0.44	9.9x	9.1x	\$112,599	\$106,402	\$185	\$185	38%	35%	104%	96%	66%	61%	3%	4%	
InPlay Oil Corp.*	IPO	\$159	\$160	\$176	\$135	\$4.63	\$5.57	\$1.08	\$1.08	4.2x	4.2x	\$34,863	\$35,097	\$75	\$75	23%	19%	82%	67%	58%	48%	8%	12%	
Lycos Energy Inc.	LCX	\$13	\$13	\$0	\$2	\$0.24	\$0.24	\$0.00	\$0.00	4.4x	4.4x	\$33,555	\$28,130	\$16	\$15	0%	0%	127%	116%	127%	116%	(5%)	(3%)	
Obsidian Energy Ltd.*	OBE	\$229	\$225	\$227	\$214	\$3.62	\$3.74	\$0.00	\$0.00	4.0x	4.1x	\$31,896	\$30,888	\$210	\$218	0%	0%	92%	97%	92%	97%	2%	1%	
Surge Energy Inc.*	SGY	\$233	\$225	\$215	\$232	\$2.09	\$2.02	\$0.52	\$0.52	4.2x	4.3x	\$42,345	\$41,741	\$150	\$150	25%	26%	97%	102%	72%	76%	6%	5%	
Saturn Oil & Gas Inc.*	SOIL	\$423	\$363	\$666	\$549	\$1.82	\$1.84	\$0.00	\$0.00	3.3x	3.8x	\$34,587	\$34,570	\$200	\$235	0%	0%	59%	63%	59%	63%	10%	10%	
Tamarack Valley Energy Ltd.*	TVE	\$742	\$757	\$482	\$446	\$1.46	\$1.56	\$0.16	\$0.16	7.0x	6.9x	\$74,329	\$71,647	\$400	\$450	11%	11%	69%	73%	57%	62%	6%	5%	
Whitecap Resources Ltd.	WCP	\$3,424	\$3,503	\$3,245	\$3,104	\$2.69	\$2.78	\$0.73	\$0.73	5.5x	5.3x	\$50,860	\$48,562	\$2,050	\$2,350	27%	26%	90%	96%	62%	70%	6%	5%	
Vermilion Energy Inc.*	VET	\$960	\$963	\$1,252	\$1,066	\$5.67	\$5.84	\$0.54	\$0.54	3.7x	3.7x	\$29,399	\$28,810	\$615	\$655	10%	9%	80%	81%	71%	72%	7%	7%	
Avg/Total		\$278	\$302	\$215	\$214	\$1.82	\$1.84	\$0.33	\$0.33	4.4x	4.4x	\$42,345	\$41,741	\$200	\$218	16%	15%	90%	96%	72%	72%	6%	5%	
Gas-Weighted Producers																								
Advantage Energy Ltd.*	AAV	\$537	\$587	\$497	\$312	\$2.77	\$3.24	\$0.00	\$0.00	4.5x	4.1x	\$29,342	\$26,762	\$315	\$310	0%	0%	65%	57%	65%	57%	7%	9%	
ARC Resources Ltd.*	ARX	\$3,116	\$3,400	\$3,067	\$2,978	\$5.29	\$5.70	\$0.84	\$0.84	5.2x	4.8x	\$39,657	\$39,614	\$1,850	\$1,900	16%	16%	78%	77%	62%	62%	7%	7%	
Birchcliff Energy Corp.	BIR	\$488	\$509	\$398	\$413	\$1.63	\$1.71	\$0.12	\$0.12	4.8x	4.6x	\$28,159	\$27,193	\$350	\$450	7%	7%	86%	103%	79%	96%	4%	1%	
Coelacanth Energy Inc.	CEI	\$77	\$86	\$76	\$103	\$0.12	\$0.13	\$0.00	\$0.00	7.5x	7.0x	\$57,300	\$47,229	\$75	\$105	0%	0%	108%	134%	108%	134%	(1%)	(5%)	
Kelt Exploration Ltd.*	KEL	\$383	\$450	\$188	\$125	\$1.80	\$2.19	\$0.00	\$0.00	4.9x	4.2x	\$36,634	\$32,653	\$355	\$388	0%	0%	99%	90%	99%	90%	0%	2%	
Logan Energy Corp.	LGN	\$136	\$156	\$98	\$143	\$0.20	\$0.23	\$0.00	\$0.00	4.3x	4.1x	\$37,976	\$32,997	\$145	\$190	0%	0%	114%	131%	114%	131%	(3%)	(8%)	
Peyto Exploration & Development*	PEY	\$1,004	\$970	\$983	\$878	\$4.55	\$4.86	\$1.32	\$1.32	6.4x	6.6x	\$44,031	\$42,345	\$475	\$481	29%	30%	79%	84%	51%	54%	7%	6%	
Pine Cliff Energy Ltd.	PNE	\$40	\$61	\$27	\$3	\$0.10	\$0.17	\$0.02	\$0.02	7.3x	4.4x	\$14,206	\$11,936	\$15	\$30	15%	9%	57%	59%	42%	50%	6%	9%	
Paramount Resources Ltd.*	POU	\$487	\$707	\$25	\$447	\$3.12	\$4.40	\$0.60	\$0.60	6.6x	4.6x	\$67,221	\$49,838	\$1,100	\$1,100	20%	13%	276%	179%	256%	166%	(21%)	(14%)	
Spartan Delta Corp.	SDE	\$360	\$435	\$274	\$311	\$1.67	\$2.02	\$0.00	\$0.00	6.1x	5.2x	\$42,894	\$39,066	\$440	\$450	0%	0%	129%	109%	129%	109%	(5%)	(2%)	
Tourmaline Oil Corp.*	TOU	\$3,944	\$4,276	\$1,866	\$1,941	\$9.48	\$10.43	\$2.00	\$2.04	6.6x	6.0x	\$37,393	\$35,393	\$3,050	\$3,052	20%	19%	98%	92%	78%	73%	3%	4%	
Avg/Total		\$487	\$509	\$274	\$312	\$1.80	\$2.19	\$0.45	\$0.45	6.1x	4.6x	\$37,976	\$35,393	\$355	\$450	10%	9%	98%	92%	79%	90%	3%	2%	
Royalties																								
Freehold Royalties Ltd.	FRU	\$243	\$247	\$210	\$154	\$1.37	\$1.42	\$1.08	\$1.08	12.1x	11.7x	\$178,691	\$169,152	\$0	\$0	79%	76%	79%	76%	0%	0%	7%	8%	
PrairieSky Royalty Ltd.*	PSK	\$367	\$401	\$157	\$24	\$1.53	\$1.66	\$1.06	\$1.06	19.5x	17.8x	\$268,701	\$261,466	\$-	\$-	70%	66%	70%	66%	0%	0%	5%	5%	
Topaz Energy Corp.*	TPZ	\$340	\$364	\$389	\$235	\$2.04	\$2.20	\$1.36	\$1.36	14.3x	13.4x	\$205,711	\$195,287	\$5	\$6	65%	64%	66%	65%	2%	2%	7%	7%	
Avg/Total		\$340	\$364	\$210	\$154	\$1.53	\$1.66	\$1.17	\$1.17	14.3x	13.4x	\$205,711	\$195,287	\$0	\$0	71%	68%	70%	66%	0%	0%	7%	7%	
International E&Ps																								
Gran Tierra Energy Inc.*	GTE	\$192	\$227	\$885	\$893	\$5.28	\$6.32	\$0.00	\$0.00	6.1x	5.2x	\$35,113	\$33,075	\$140	\$185	0%	0%	73%	82%	73%	82%	3%	3%	
International Petroleum Corp.*	IPCO	\$208	\$417	\$489	\$298	\$1.55	\$3.22	\$0.00	\$0.00	14.3x	7.1x	\$87,506	\$65,944	\$122	\$128	0%	0%	69%	35%	69%	35%	1%	6%	
Parex Resources Inc.	PXT	\$410	\$448	\$57	\$70	\$4.26	\$4.73	\$1.13	\$1.13	3.7x	3.4x	\$32,527	\$30,303	\$300	\$310	26%	24%	100%	94%	74%	70%	5%	7%	
TAG Oil Ltd.	TAO	\$2	\$14	(\$4)	\$10	\$0.00	\$0.03	\$0.00	\$0.00	18.0x	3.4x	\$172,588	\$76,466	\$10	\$30	0%	0%	490%	185%	490%	185%	(30%)	(52%)	
Tenaz Energy Corp.	TNZ	\$358	\$435	\$331	\$188	\$9.67	\$12.49	\$0.00	\$0.00	4.7x	3.6x	\$79,487	\$51,743	\$263	\$270	0%	0%	82%	65%	82%	65%	5%	12%	
Valeura Energy Inc.*	VLE	\$270	\$334	(\$353)	(\$455)	\$1.97	\$2.67	\$0.00	\$0.00	3.2x	2.6x	\$53,164	\$48,530	\$185	\$195	0%	0%	79%	66%	79%	66%	4%	9%	
Avg/Total		\$239	\$375	\$194	\$129	\$3.11	\$3.98	\$0.19	\$0.19	5.4x	3.5x	\$66,325	\$50,136	\$162	\$190	4%	4%	81%	74%	76%	68%	4%	6%	

Priced as of February 10, 2026

* Non-covered company values are based on company disclosures and FactSet consensus estimates

¹ Non-covered companies based on median consensus

² Short interest is as of float

³ Net debt is as of latest reported quarter

⁴ Represented in USD except share price, target, market cap, net debt, and EV

⁵ Base dividend yield and dividend payout are averages. Other columns are medians.

Source: Bloomberg, FactSet, Company Reports, and Haywood Securities Inc.

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I, Christopher Jones, hereby certify that the views expressed in this report (which includes the rating assigned to the issuer's shares as well as the analytical substance and tone of the report) accurately reflect my/our personal views about the subject securities and the issuer. No part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations.

Important Disclosures

Of the companies included in the report the following Important Disclosures apply:

Ticker	Company	1	2	3	4	5	6	7	8	9
TSX:BIR	Birchcliff Energy Ltd.			X						
TSX:BNE	Bonterra Energy Corp.		X							
TSXV:CEI	Coelacanth Energy Inc.		X							
TSX:FRU	Freehold Royalties Ltd.				X					
TSX:HWX	Headwater Exploration Inc.									
TSXV:LGN	Logan Energy Corp.									
TSXV:LCX	Lycos Energy Inc.									
TSX:PXT	Parex Resources Inc.			X						
TSX:PNE	Pine Cliff Energy Ltd.		X							
TSXV:RECO	ReconAfrica Ltd.			X	X					
TSX:SDE	Spartan Delta Corp.									
TSXV:TNZ	Tenaz Energy Corp.									
TSXV:TAO	Tag Oil Ltd.									
TSX:WCP	Whitecap Resources Inc.									
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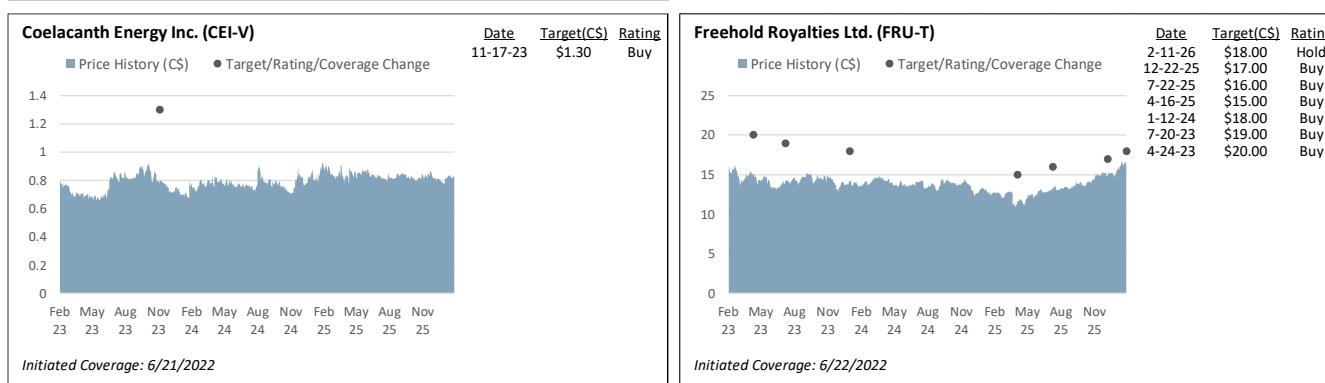
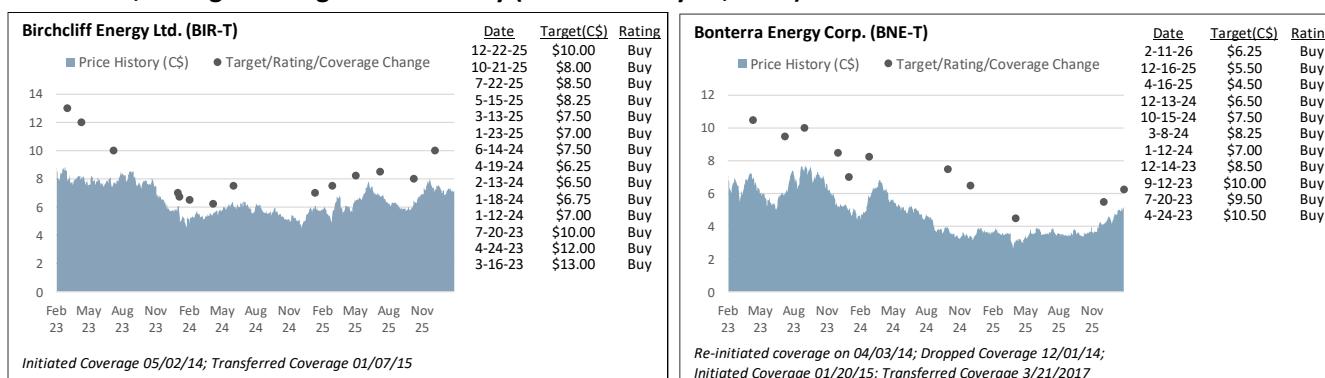


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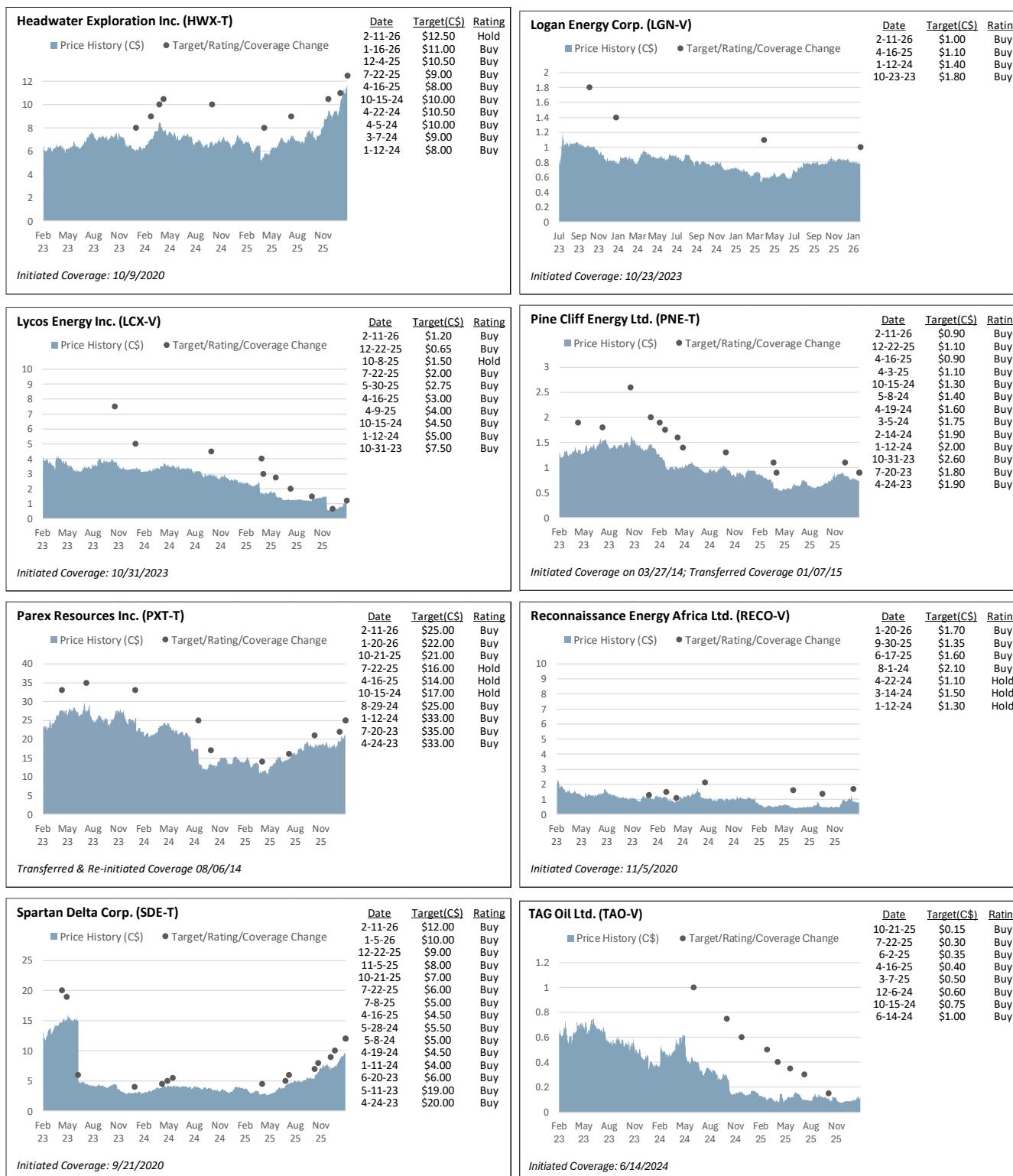
Distribution of Ratings (as of February 11, 2026)

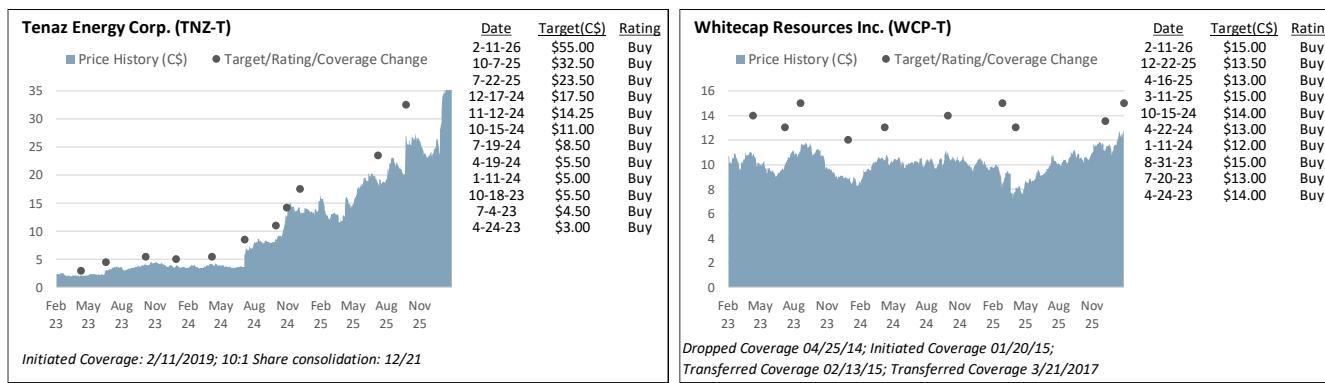
	%	#	IB Clients (TTM)
Buy	78.2%	68	100.0%
Hold	3.4%	3	0.0%
Sell	0.0%	0	0.0%
Tender	2.3%	2	0.0%
UR	0.0%	0	0.0%
Dropped (TTM)	16.1%	14	0.0%

Price Chart, Rating and Target Price History (as of February 11, 2026)



Energy Sector Update





B: Buy; H: Hold; S: Sell; T: Tender; UR: Under Review

Source: Capital IQ and Haywood Securities

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