



# Canadian Oil & Gas 2013 Outlook

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# Methodology

Torys LLP commissioned mergermarket to interview 100 senior corporate executives and investment bankers focused on the Canadian oil and gas market to gain insight on their predictions surrounding some of the key challenges and opportunities for the sector. All responses are anonymous and results are presented in aggregate.

## Foreword

Torys LLP is pleased to present the Canadian Oil & Gas 2013 Outlook, published in association with mergermarket. Based on a series of interviews involving 100 senior corporate executives and investment bankers focused on the Canadian oil and gas market, this report provides a detailed analysis of some of the key challenges and opportunities for the sector.

Global threats of increased austerity, dynamic production sources and pervasive anemic global economic growth present operational challenges for a majority of participants. Notwithstanding these challenges, through interviews with senior corporate oil and gas professionals we found that most expect merger and acquisition (M&A) activity in the sector to increase over the next 12 months.

### Variety of catalysts boost appetite for deals

Following the precipitous contraction of capital markets in 2008, the flow of investment capital has improved, creating opportunities for oil and gas companies. Conditions continue to be difficult for junior and intermediate companies for which access to capital remains limited and ongoing consolidation among these companies may be expected. The report highlights important global and domestic factors and uncertainties that will affect transactions, such as pipeline approval, access to capital investment, global realignment of oil production, availability of unconventional hydrocarbon sources, and underlying commodity supply and demand fundamentals.

Navigating the challenges and balancing the risks is critical in order to be successful in the global oil and gas industry as a whole. Forty-two percent of survey respondents cite economic risk as the most significant challenge Canadian oil and gas companies face when contemplating a foreign transaction, while political risk and legal risk followed with 31% and 25%, respectively.

The final quarter of last year provided senior executives and industry observers with a considerable amount of detail to analyze in making short-term capital investment decisions. Specifically, the uncertainty of how future expanding US oil production will impact global demand for sour crude is important for project planning, particularly for Canadian oil sands producers which historically have been largely dependent on US markets. While underscoring significant themes, regulatory issues and industry developments for 2013, an important takeaway of this report is that the majority of respondents expect a stimulative M&A environment to materialize.

“There is a tremendous need for capital investment to develop Canada’s energy resources. Foreign interest remains strong and we expect it will continue to drive M&A and joint venture activity in the sector in 2013. Operational challenges remain, including changing US supply and demand fundamentals as well as market access and infrastructure constraints; however, growing global demand for hydrocarbons combined with Canada’s political and economic stability, technological advances and highly skilled workforce are expected to continue to create attractive investment opportunities moving forward.”

Ron Deyholos, Torys LLP

### Access to capital

Foreign interest in Canadian oil and gas exploration and production companies is expected to remain strong; however, future projects are likely to require more creative structures. The Canadian federal government has recently announced a new policy stating that exposure to Canadian oil sands deposits for foreign enterprises will be subject to more restrictive governmental scrutiny; this will likely lead to more joint ventures with domestic partners as opposed to takeovers of Canadian oil companies. This policy development will provide foreign investors with exposure to the desired resources, and disperse project risks across multiple parties. The objective is to facilitate Canadian industry expertise in retaining control of oil sands projects, funded and assisted by foreign capital and talent.

### Operating plans

Organic growth, improving balance sheets, joint ventures and acquisitions will all be important strategic considerations for public, private, national and institutional organizations involved in the oil and gas industry, regardless of the geographical location or the relative size of market capitalization. This report explores how these strategies are expected to affect activity in the Canadian oil and gas sector over the next 12 months.

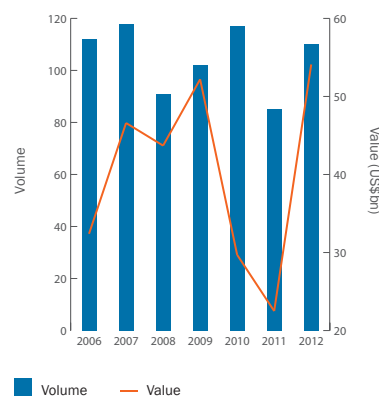
### Price forecasts

As is the case with most commodities, oil and gas price forecasts are a vital planning component that underpins the pace and scope of project development and transaction activity in the oil and gas sector. The Energy Information Agency (EIA) forecasts that Brent and WTI crude oil spot prices will average US\$104 per barrel and US\$88 per barrel, respectively, in 2013. The long-time historical WTI discount to Brent crude oil, which averaged US\$23 per barrel in November, is expected to fall to an average of US\$11 per barrel by the end of 2013 as planned new pipeline capacity lowers the cost of transporting oil to refining centers in the Gulf Coast. However, Canadian heavy oil is expected to continue to be significantly discounted against the Brent and WTI benchmarks given current processing constraints and lack of market access.

### Outlook

Amid a muted global M&A market, the total value of Canadian oil and gas transactions hit a record high in 2012, largely impacted by CNOOC's US\$17.7bn acquisition of Nexen (China's largest foreign acquisition to date) and the US\$5.1bn acquisition of Progress Energy Resources by Malaysia's Petronas. A combination of domestic and foreign interest, availability of financing and attractive targets suggests the sector will continue to drive Canadian M&A.

### Canadian Energy M&A Deal Activity



“The cash held on corporate balance sheets is at a near all time high. Companies will continue to pursue strategic acquisitions as sophisticated buyers, with the ability to assess and manage risk, and will exploit the current economic uncertainty to make opportunistic investments in the Canadian oil and gas sector.”

Oil and gas CFO, Canada





## Industry Overview and Regulatory Environment

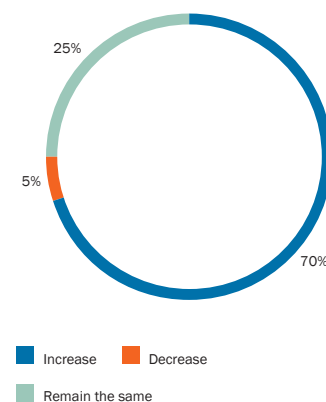
Debate among stakeholders and policymakers continues to contribute uncertainty relating to approval of major pipeline projects, but foreign investment into Canada's oil and gas sector is expected to hold steady. Decisions concerning the proposed Northern Gateway pipeline linking the Alberta oil sands to the British Columbia coast, as well as the Keystone XL pipeline to the US, are long awaited. Enbridge's Northern Gateway Pipeline has been an ongoing proposal since 2006. TransCanada Corp. is the major proponent for the Keystone XL project, maintaining confidence that the pipeline will be approved by the end of March 2013, following approval from the US to build the southern portion of the project. While the delays seem unending, there is no clear consensus as to the impact on investment into the sector. Only a slight majority (51%) of survey participants believe that the pipeline issues have had little or no impact on foreign investment in Canadian oil and gas companies.

The International Energy Agency's (IEA) World Energy Outlook generated significant publicity in the middle of November when it was released. Industry stakeholders were especially interested in the organization's forecast that the US will eclipse both Saudi Arabia and Russia to become the world's largest oil producer as early as five years from now. This represents a dramatic change, as the US presently imports 20% of its total energy requirements, 30% of which is supplied from Canadian sources representing nearly all of Canada's oil exports, according to the EIA.

The implied outcome from the IEA publication is a decline in oil imports for the US, eventually enabling North America to become a net oil exporter in less than 20 years. This directly impacts the development of international oil markets, intensifying the focus on security of the strategic delivery methods of marketing Middle Eastern oil sources to Asian markets. The results further noted that five of the world's largest 10 oil consumers are now countries that do not belong to The Organisation for Economic Co-operation and Development (OECD) group. While the US still leads in the top 10, Brazil, Russia, India, China and Saudi Arabia comprise five of the next six countries.

Potential changes in the regulatory framework for domestic offshore drilling would also stimulate M&A activity. The Fraser Institute issued a document in late 2012, calling for the suspension of a federal moratorium on offshore drilling on the West Coast dating back to 1972.<sup>4</sup> The report says that big rigs like those off Newfoundland and Labrador could bring in US\$10bn for British Columbia over the next 25 years. That moratorium, however, would not easily be suspended. Note that 79% of respondents expect Canadian companies involved in offshore projects to present significant domestic takeover targets over the next

**What do you expect to happen to the overall volume of oil and gas M&A transactions in Canada over the next 12 months?**



“Canadian regulations have policies covering robust safety, environmental protection and disaster prevention. When it comes to antitrust and competition, Canadian policies are perceived to be less risky for foreign investors as compared to those in regions like the US, Europe, and Australia.”

Managing director, Canada

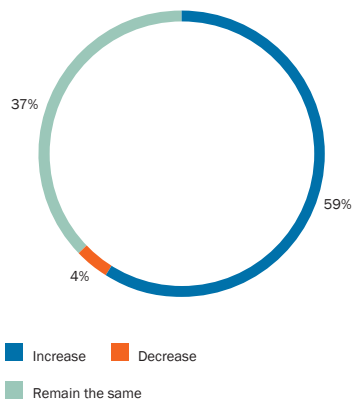
<sup>4</sup>Document available at (last accessed February 21, 2013):

URL: <http://www.fraserinstitute.org/uploadedfiles/fraser-ca/Content/research-news/research/publications/lifting-the-moratorium-offshore-oil-drilling-in-BC.pdf>

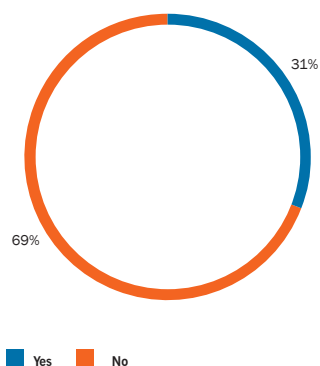
### US energy independence from Canada?

Respondents believe that the expansion of exploration and production in the US (including the development of new plays and the increase of offshore drilling activities) is creating more competition between the countries for supply markets. The US has been a major consumer of Canadian oil and gas exports and there is a perceived risk that reliance on their northern neighbor is diminishing.

What do you expect to happen to the overall value of oil and gas M&A transactions in Canada over the next 12 months?



Would you change the contractual terms or structure of a deal to avoid a regulatory risk in connection with an investment in the Canadian oil and gas sector?



## Foreign Investment

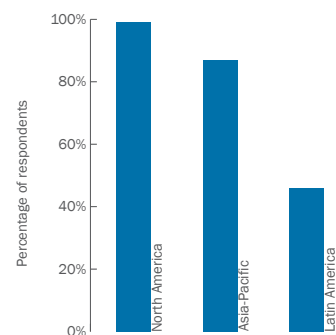
Late last year the federal government announced enforcement policy changes that are expected to make it more difficult for state-owned enterprises (SOEs) to invest in certain oil sands projects. Those recent developments in Investment Canada Act enforcement policy are not expected to affect other types of foreign investment or change the discretionary legal test for approval, which is whether the federal Minister of Industry is “satisfied that the investment is likely to be of net benefit to Canada.” The financial review threshold is currently C\$344m, based on the book value of the Canadian target’s assets, making most acquisitions of control in Canadian oil and gas businesses subject to review. Joint ventures and other types of investment are usually not reviewable.

Following the approval of two controversial SOE takeover bids, the Canadian government has sent a signal that future M&A activity in the oil sands sector by SOEs will be subject to additional scrutiny. “To be blunt, Canadians have spent years reducing ownership of sectors of the economy by our own governments only to see them bought and controlled by foreign governments instead,” Prime Minister Stephen Harper explained in a rare public address on corporate concerns. However, the majority of survey respondents believe the general outlook for Canadian oil and gas to be positive. In fact, almost 66% of the senior executives and industry stakeholders that participated in the survey believe that the overall volume of oil and gas M&A will increase in Canada over the next 12 months, and 75% of respondents did not expect regulatory risk in connection with a foreign investment in the Canadian oil and gas sector to be an impediment to deal activity over the next year.

On the flip side, outbound M&A by Canadian oil and gas companies will target Latin America, North America, and the Middle East-North Africa, according to respondents. Interest in these disparate regions is driven by these companies' desire to remain active in the conventional Gulf Coast while also expanding exposure to the emerging markets. Canada-based Fortress Energy Inc. has illustrated this trend after acquiring two Brazilian exploration and production targets in 2012. Canadian oil and gas bidders paid an aggregate US\$6.9bn for US-based targets during the same period.

The risks presented to Canadian acquirers vary when considering foreign targets. Primarily concerning acquisitions in the US, the struggling economy has distorted valuation metrics for assets, respondents say, bringing costly delays in negotiations. Politics is an issue for respondents in the emerging markets as forced nationalization of oil companies is a concern raised by Argentina’s controversial takeover of its largest oil producer, YPF. Further regulatory risk is considered in markets like the Middle East-North Africa where the purchase of local goods and services is required, but is often short of demands by major oil and gas firms.

**Companies based in which of the following regions will be most acquisitive in the Canadian oil and gas sector over the next 12 months?**

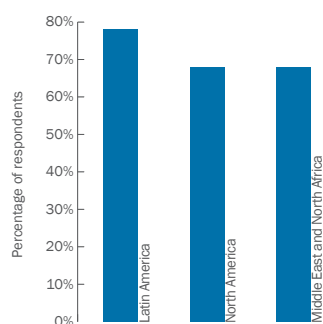




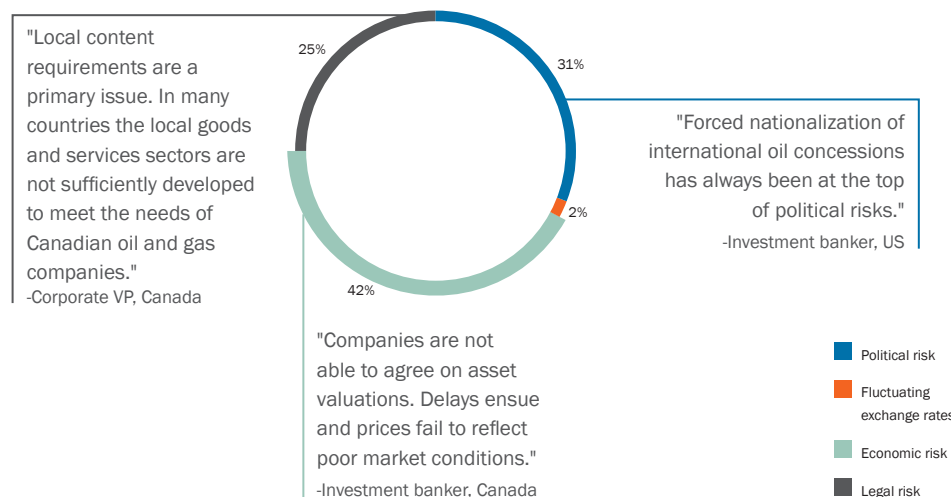
“Canadian oil and gas companies will continue to stream into the North American unconventional resource plays and conventional assets in Latin America, particularly in Brazil and Argentina. There is robust supply of oil and gas assets in Latin America which are very attractive as the region has become politically very stable and is not very sensitive to international events.”

Director of finance, Canada

**Where will Canadian oil and gas companies be most acquisitive over the next 12 months?**



**What is the most significant challenge Canadian oil and gas companies face when contemplating a foreign transaction?**



#### Trend watch: Asian buyers

#### Top deals in Canadian Energy 2012

Announced Date	Target Company	Bidder Company	Bidder Dominant Country	Deal Value (US\$m)
07/23/2012	Nexen Inc	China National Offshore Oil Corporation Ltd	China	17,654
06/28/2012	Progress Energy Resources Corp.	Petroliaam Nasional Berhad	Malaysia	5,055
01/16/2012	Provident Energy Ltd	Pembina Pipeline Corp	Canada	3,588
10/17/2012	Celtic Exploration Ltd	Exxon Mobil Corporation	USA	2,917
02/17/2012	Encana Corporation (Cutbank Ridge Partnership) (40% Stake)	Mitsubishi Corporation	Japan	2,909
01/3/2012	Athabasca Oil Corp. (40% interest in MacKay River Oil Sands Project)	PetroChina International Investment Limited	China	680

## Strategy

Survey participants largely expect that exploration and production strategy for management of senior oil and gas companies will focus on growth through acquisitions and partnerships. More than 71% of survey participants favor growth through acquisitions while 12% favor growth through farm-in agreements.

Although the Canadian investments by state-owned CNOOC and Petronas were approved, Prime Minister Stephen Harper announced that in the future proposed SOE investments to acquire control of an oil sands business would only be approved on an exceptional basis. However, the government also announced that non-controlling investments in the oil sands (including joint ventures) will continue to be welcomed and prior practice will remain unchanged for those non-controlling investments. The announcement also hinted that the government could potentially look into other industries as well. For now, SOE investment in the oil sands will likely focus on minority stakes and joint venture arrangements, which are not subject to review, as the safest investments from a regulatory standpoint.

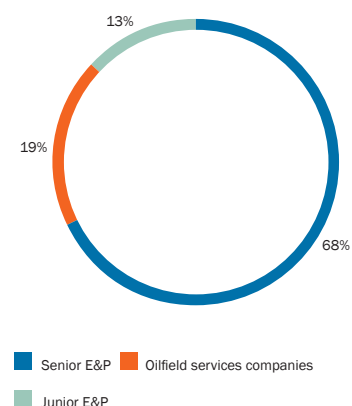
Junior exploration and production company strategy appears to be relatively equally divided between organic growth and improving balance sheets, followed closely by growth through acquisitions or joint venture partnerships. Participants in the survey anticipate the focus to be 28% organic, 19% on restructuring balance sheets and 25% expecting strategic partnership and acquisition growth to be most prominent.

Ninety-five percent of survey participants expect strong corporate balance sheets will be the most popular method of financing new and existing projects. To finance future M&A transactions, 44% of respondents anticipate issuing equity to be the single most common method, with only eight percent expecting the majority of transactions to be financed by debt alone.

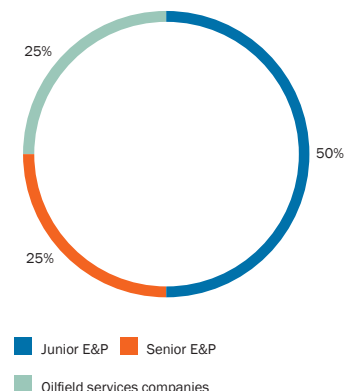
**The government's announced new investment rules effectively block a control acquisition of the oil sands entities by SOEs which will likely lead to more joint ventures and other structures relating to minority investment positions. We think that these investment structures will in some ways be more complex structures than perhaps we've seen before."**

Scott Cochlan, Torys LLP

**Which will be most acquisitive in the Canadian oil and gas sector over the next 12 months?**



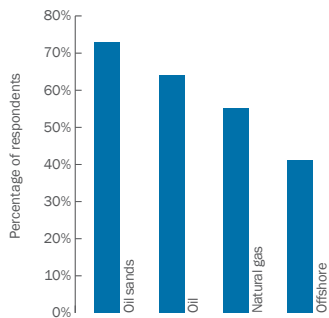
**Which will be most commonly targeted in the Canadian oil and gas sector over the next 12 months?**



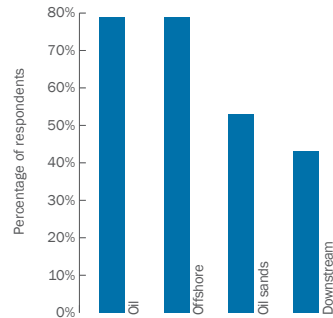
### The return of income trusts

2012 witnessed the IPO of the third, newly-minted, cross-border income trust (CBIT), with Argent Energy raising C\$212m. These trusts circumvent the 2006 taxation changes by acquiring only foreign assets. Argent, along with its two predecessors, Eagle Energy and Parallel Energy, focuses on oil and gas plays in the United States. Continuing the trend, in November, Crius Energy Trust raised C\$100m for US energy retailers.

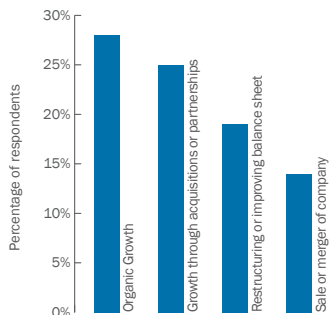
**Which oil and gas subsectors in Canada will see the most cross-border M&A activity over the next 12 months?**



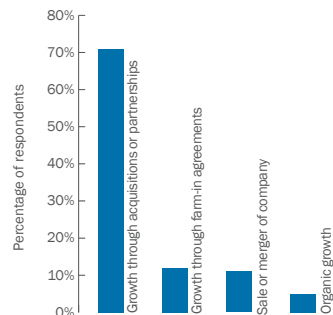
**Which oil and gas industry subsectors in Canada will see the most domestic M&A activity over the next 12 months?**



**What will be the primary focus of junior E&P companies in Canada over the next 12 months?**



**What will be the primary focus of senior E&P companies in Canada over the next 12 months?**



## Pricing

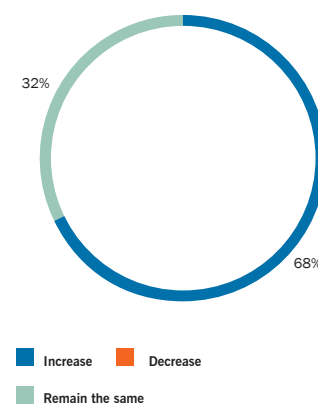
In the survey results, 65% of respondents expect that oil prices will remain stable or decline as United States production continues to grow over the next six months. The bearish view of oil prices is also held by Caroline Bain at the Economist Intelligence Unit, “Our analysis of supply and demand in 2013 suggests the oil market will be in comfortable surplus next year (barring an unforeseen disruption to supply) and thus we expect prices to fall back.”

As a result of this expectation for lower oil prices, 85% of survey participants believe that underlying commodity prices could represent a strong catalyst for M&A activity as Canadian oil producers may face a more challenging operating environment. The valuation climate is going to be a fundamental concern, as 98% of respondents see it as a strong or moderate cause for deals. In addition to the direction of commodity prices and equity valuation, almost 89% of respondents believe that oil price volatility will have either a strong or moderate impact on corporate restructuring.

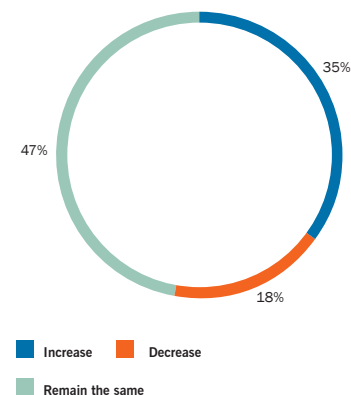
Many industry participants and analysts believe Saudi Arabia will reform its domestic natural gas pricing during 2013, since the world’s lowest price has been unchanged for decades; and was determined when natural gas served as a relatively cheap by-product of the state run oil production. Natural gas producers in North America have been resistant to restrain natural gas output despite weak pricing. However, last summer’s relatively high temperatures and several nuclear outages increased demand, which suitably diminished existing market supply overhang. During the last year, the Henry Hub commodity spot price for natural gas declined from an average of four dollars per thousand cubic feet to US\$2.78, and the Energy Information Agency (EIA) has forecasted an average price of US\$3.68 for 2013. The anticipated trend from the EIA is also a prevailing expectation according to 95% of survey participants that estimate natural gas prices to either remain stable or increase over the next six months.

The North American natural gas price environment could produce some investment interest for exploration and production companies with low operating costs and suitable shale deposits for hydraulic fracturing. As many as 55% of survey participants believe that Canadian natural gas companies will see the most cross-border M&A activity next year.

**What do you expect will happen to Canadian oil and gas company valuations over the next 12 months?**



**What do you expect will happen to oil prices over the next 6 months?**

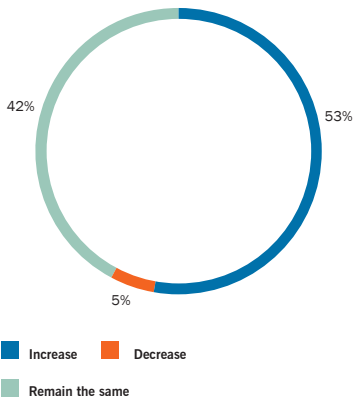




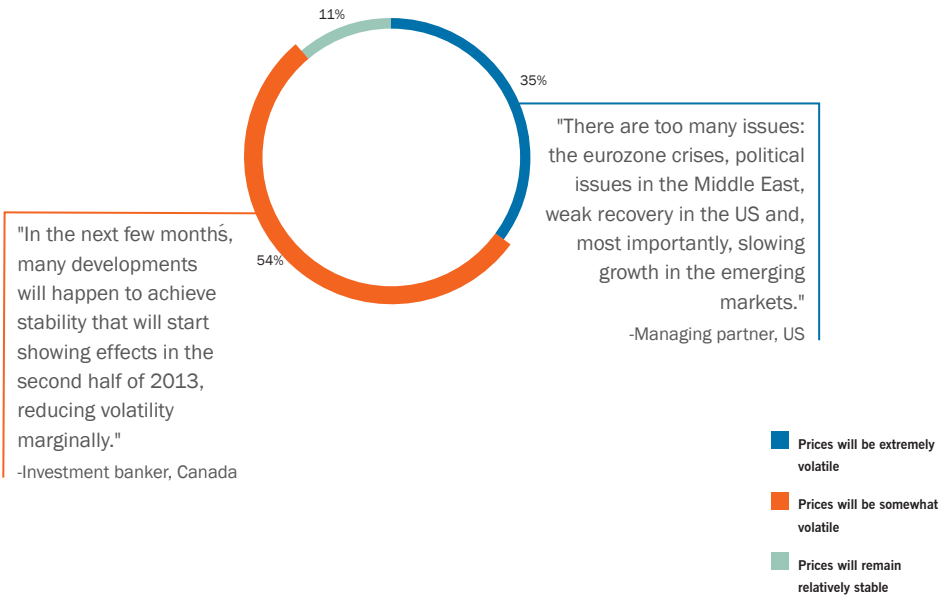
“The expectation for lower oil prices, together with already depressed natural gas prices, could be a strong catalyst for consolidation either through acquisitions or increased joint venture activity as producers in Canada continue to face a challenging operating environment.”

Neville Jugnauth, Torys LLP

What do you expect will happen to natural gas prices over the next 6 months?



What do you expect to happen to oil price volatility over the next 12 months?



## Private Equity

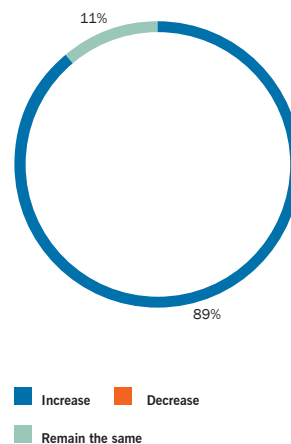
Through 2012, five private equity transactions were completed involving Canadian energy, representing US\$1.5bn (publicly disclosed). Canadian private equity deals have exhibited relatively diversified interest in various sectors, with dollar flows more concentrated in conventional oil and gas sectors. Peter van der Velden, President of the Canada's Venture Capital & Private Equity Association indicated, "The strong mid-market orientation of dealmaking in Canada has meant that private equity is reaching a wider array of businesses." Thirty-nine percent of survey participants indicated private equity funds' involvement is expected to be most active in the senior exploration and production sector followed by 24% in oilfield services companies.

The primary targets of global private equity firms and institutional investors in the Canadian oil and gas sector are expected to be companies valued at US\$500m and up. Forty-four percent of respondents believe private equity will concentrate on the US\$500m to US\$1bn range, while nearly a quarter expect institutional investors will focus on companies valued at US\$1bn or greater. Respondents note that firms with strategies focused on distressed buying opportunities will be active in large midstream activities, as well as companies with non-conventional gas assets (such as Marcellus Shale) which may be hurt by depressed natural gas prices.

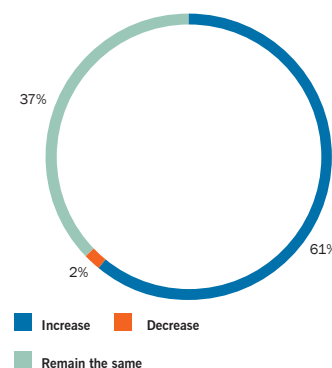
“New funds dedicated solely to investment in oilfield services and infrastructure development have been formed and are gaining popularity. Many private funds that have so far broadly invested in oil and gas assets are now looking to increase the percentage of their portfolio invested in the oilfield services sector.”

Investment banker, US

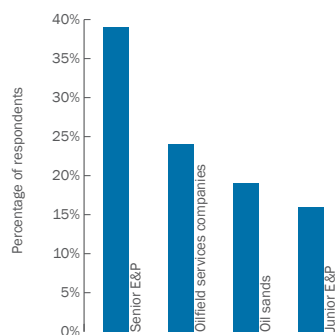
**What will happen to private equity investment in the Canadian oil and gas sector over the next 12 months?**



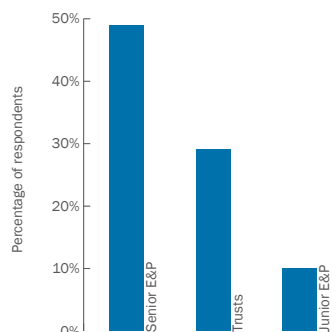
**What will happen to institutional investors' investment in the Canadian oil and gas sector over the next 12 months?**



**Where do you expect private equity funds' involvement to be most active in the Canadian oil and gas sector over the next 12 months?**



**Where do you expect institutional investors' involvement to be most active in the Canadian oil and gas sector over the next 12 months?**



## **Institutional investors and the oil and gas industry**

It's been a busy year for Canada's largest institutional investors in the oil and gas space. Ontario Teachers' Pension Plan (OTPP) tripled its stake in Nexen in Q3 before the approval by the government of CNOOC's takeover. In December, OTPP sold its stake in Express Pipeline System. But Teachers' isn't the only investor educated on the attractive returns the sector can offer. CPP Investment Board bought a \$300m stake in US-based Halcón Resources and made \$200m investments into each of Legacy Oil and Gas and Seven Generations Energy, both based in Calgary, and British Columbia Investment Management Corporation (BcIMC) joined a consortium of long-term investors to buy OGE, the longest regulated supra-regional gas transmission network in Germany. Sixty-one percent of respondents expect their activity to increase over the next 12 months.

## **Volume of club deals will increase in Canadian oil and gas, according to 66% of respondents**

With survey respondents expecting both private equity and institutional investors to target the upper tier of Canadian oil and gas companies, it's no shock that club deals – the acquisition of controlling interest by multiple firms – will be on the rise. In perhaps setting the trend, a 60% stake in the 680MW Canadian renewable generation portfolio of GDF Suez was acquired by Japan-based Mitsui & Co. and a Canada-based private equity consortium led by Fiera Axiom Infrastructure, Inc. for US\$1.2bn. The most attractive targets will be the most expensive in the coming year, and financial buyers will look to disperse risk.

# Game Changer? Foreign Investment in the Canadian Oil and Gas Sector

By Omar Wakil and Scott Cochlan

As demand for commodities grows, particularly in Asia, we have witnessed an upsurge in foreign direct investment in Canada's oil and gas sector. The involvement of state-owned enterprises (SOE) in these investments is challenging the traditional parameters of Canada's foreign investment review regime. Recent policy updates and continued regulatory uncertainty will increasingly prompt foreign investors to modify their investment strategies. Foreign investors will adapt by varying the structures of their transactions, engaging proactively with key stakeholders and strengthening the terms and conditions of their merger agreements.

## Foreign Investors Becoming More Assertive

Traditionally, investment in the Canadian oil and gas industry has been structured in the form of joint ventures or partnerships with Canadian counterparties, which have not triggered foreign investment reviews under the Investment Canada Act (ICA). However, foreign entities have recently employed more assertive modes of investment, including outright acquisitions. In 2012, CNOOC put forward a US\$15.1 billion proposal to acquire all the shares of Nexen Inc. Also, in a first example of an Asian company buying out its Canadian oil and gas joint venture partner, Petronas announced that it planned to acquire Progress Energy Resources Corp for approximately C\$5.5 billion.

## State-Owned Enterprises Becoming the New Buyers

The transactions mentioned above are notable not only for the method of acquisition, but also for the changing face of the acquirer. While multinational corporations continue to execute takeovers in the Canadian energy industry, investments are increasingly being made by SOEs.

Although the Canadian government approved the closely observed acquisitions by CNOOC and Petronas, it issued new SOE guidelines which are particularly rigorous in respect of the oil sands sector. In the future, proposed SOE investments to acquire control of an oil sands business will only be approved on an exceptional basis; non-controlling investments in the oil sands (including joint ventures) will however continue to be welcomed. As a result, SOE investment in the oil sands will now likely revert to focusing on minority stakes and joint venture arrangements not subject to review. Indeed, shortly after the announcement of the new SOE policy, Encana Corp. and Petrochina Co. announced a C\$1.18 billion joint venture in which PetroChina will get a 49.9 per cent stake in Encana's Duvernay Shale acreage in a non-reviewable transaction.





Merger parties have sought to respond to the current regulatory regime in Canada in different ways - through their transaction structures, proactive government and public relations strategies and provisions in their M&A agreements. We expect parties will continue to pursue these investment strategies to address the ongoing regulatory uncertainty brought on by the rising incidence of foreign investment in Canada."

Omar Wakil, Torys LLP

### Addressing Regulatory Uncertainty on Investments into Canada

Merger parties have sought to respond to the current regulatory regime in three ways. First, they are structuring transactions to avoid a review or to minimize the risk of non-approval. Second, they are adopting proactive government and public relations strategies to minimise the risk of popular and political opposition. Third, they are managing risk through provisions in their M&A agreements.

### Shaping the Transaction to Increase Approval Prospects

Merger parties have been prepared to offer significant, specifically-tailored and creative commitments to the government to obtain approval. For example, CNOOC agreed to pay a large premium for its proposed acquisition of Nexen. It also offered to establish Calgary as CNOOC's North and Central American headquarters, retain Nexen's management team and employees, and list its shares on the TSX.

### Seeking Support from Key Stakeholders

Merger parties should plan to manage all key stakeholders in high-profile M&A transactions involving foreign buyers, particularly at the level of provincial governments. Having support from other stakeholders, such as unions, employees and the media, is also increasingly important. When Glencore agreed to acquire Viterro, the Saskatchewan government commissioned a report on the deal's "net benefit to Saskatchewan." Nexen reportedly met with a variety of government agencies prior to announcing the transaction.

### Tailoring the Transaction Documents to Minimize Regulatory Risk

Merger parties are also managing risk through the terms of their M&A agreements. We are seeing increased use of so-called hell or high water clauses that outline the steps that buyers must take to obtain regulatory approvals. In the extreme, these covenants can require buyers to agree to any terms imposed by regulators. More commonly, these clauses contain caps on the obligations that can potentially be imposed by the regulators as conditions for their approval. For example, parties may agree to longer than ordinary outside dates to accommodate extended reviews or to make reverse break fee payments to targets in the event of failure to secure regulatory clearance.

The regulatory uncertainty brought on by the rising incidence of foreign investment in Canada, particularly by SOEs, will inevitably encourage parties to address regulatory risk in pursuing their inbound investments in 2013. While we expect that most foreign investments into Canada will proceed in the normal course, for some investors, prudent management of their investment strategy will help put the odds of clearance on their side.

## About Torys LLP

Torys LLP is a highly respected international business law firm with a reputation for quality, creativity and teamwork. Our record of experience combined with the insight and imagination we bring to our work has made us our clients' choice for their large and complex transactions and major disputes on both sides of the Canada-U.S. border and internationally.

Our expertise extends to all aspects of the oil and gas sector. We work with clients in both the upstream and downstream markets on their most significant domestic, cross-border and international matters—from exploration and production to processing and transportation. Our clients include explorers, producers, service providers, marketers and investors.

Our oil and gas team combines industry expertise with a top-tier, full-service corporate practice that includes banking; capital markets; mergers and acquisitions; private equity; regulatory; real estate; and tax.

[For further information about this report or for information on our oil and gas expertise, please contact:](#)

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