Sign Up with the Oilfield News Online

Oilfield NEWS

www.oilfieldnews.ca

Published By: NEWS COMMUNICATIONS since 1977

Wednesday February 1st, 2017

IMPERIAL APPOINTS SENIOR VICE-PRESIDENT, UPSTREAM

Imperial announced today the appointment of J.R. (John) Whelan as senior vice-president, upstream, effective March 1, 2017. Mr. Whelan, currently vice-president, production, Imperial, succeeds B.P. (Bart) Chair, who has been appointed executive advisor to the chairman, Exxon Mobil Corporation.

A professional engineer, Mr. Whelan started his career with Mobil Oil Canada in 1988 as a subsurface engineer in Drayton Valley, Alberta. In 1991, he moved to Stavanger, Norway and held a variety of roles related to the development of major offshore oil and gas projects.

Mr. Whelan returned to Canada in 1999 and progressed through various managerial assignments related to ExxonMobil Canada's east coast producing operations. In 2004, Mr. Whelan assumed a role at ExxonMobil Production Company's headquarters in Houston, Texas as a planning and business analyst. The following year, he coordinated ExxonMobil Production Company's global business plan and in 2006 he became operations technical manager with ExxonMobil's US production affiliate.

Two years later, Mr. Whelan moved to Stavanger, Norway to become operations manager for ExxonMobil's Norwegian affiliate. Following that assignment, Mr. Whelan returned to Houston to assume ExxonMobil Production Company's planning and commercial manager role until joining Imperial in 2013.

A native of St. John's, Newfoundland, Mr. Whelan earned a Bachelor of Engineering in Mechanical Engineering from Memorial University of Newfoundland. He is registered with The Association of Professional Engineers and Geoscientists of Alberta (APEGA) and Professional Engineers & Geoscientists, Newfoundland & Labrador (PEGNL).

ENERGY STORAGE CANADA AND ALBERTA STORAGE ALLIANCE JOIN FORCES

Energy Storage Canada (ESC) and the Alberta Storage Alliance (ASA) today announced a merger—a move intended to strengthen the national focus of Energy Storage Canada (formerly Energy Storage Ontario) and reinforce market development efforts of Alberta Storage Alliance companies. "There is strong alignment between our organizations and this move will allow us to capitalize on new opportunities," said ESC Chair Rob Harvey. "Several ESC members helped to found the ASA and we are excited to contribute greater support to the development of the storage market in Alberta."

Speaking on behalf of the ASA, Jan van Egteren, President, Rocky Mountain Power, said, "Energy storage technologies will be essential to meet Alberta's renewable energy objectives and can greatly optimize our existing infrastructure. Regulatory barriers must be addressed to ensure a level playing field for new technologies. There is an enormous opportunity for energy storage in Alberta and this partnership will allow us to engage a broader audience and leverage the exceptional work ESC has done to date in other jurisdictions."

The advocacy efforts of the ASA will now be led through the Alberta Advocacy Council for ESC.

OPPORTUNITIES FOR ENERGY STORAGE IN ALBERTA

In November 2015, the Alberta government announced a Climate Leadership Plan; central to the plan is transitioning the province's energy production away from coal and towards renewables. Energy storage assets help manage this transition by providing grid regulation services and shifting generation when it is not needed to peak demand periods. The successful deployment of energy storage around the world has demonstrated its ability to swiftly react to system needs, making storage a compelling solution for Alberta.

The Alberta Storage Alliance was launched by a consortium of private sector energy experts under the common goal of advancing the deployment of energy storage technologies in Alberta. The ASA is recommending a joint strategy for Alberta to leverage innovative energy storage technologies within its electricity market. These recommendations are highlighted in the ASA's white paper: Energy Storage: Unlocking the Value for Alberta's Grid

$100M ONTARIO NATURAL GAS GRANT DOES LITTLE FOR RURAL CUSTOMERS ALREADY SERVED BY CLEAN, AFFORDABLE PROPANE

Superior Propane, Canada's largest propane provider, expressed disappointment at the announcement of a $100 million Natural Gas Grant Program that hopes to subsidize natural gas expansion to Ontario communities where clean, affordable propane is already available.

The new grant program will take funds previously earmarked for rural infrastructure programs and spend these taxpayer dollars on natural gas pipeline expansions into a small number of rural municipalities, leaving others under-served and creating an even less balanced economic playing field. It may in fact only benefit a small few; the majority of rural Ontarians still would not have access to a natural gas footprint due to low population density and the expense of building distribution infrastructure in local geography.

While the cost of natural gas at the commodity level currently appears favourable for consumers, the high cost of building distribution infrastructure and connecting customers in rural areas has been proven to be uneconomic. Recent efforts by natural gas companies to compel existing consumers to fund this expansion through cross subsidization have been appropriately rejected by experts at the Ontario Energy Board. The announcement today simply provides a different and equally problematic vehicle for using taxpayer's money to fund uneconomic natural gas line expansion which will benefit a small group of customers.

Electricity for heating remains one of the highest costs for a rural homeowner in Ontario. If the province wants to provide subsidies for affordable, clean sources of energy, it should provide similar incentives for customers to convert their heating systems from oil and electricity to propane as this would ensure benefits could flow to all rural customers. Consumers should be able to choose alternatives to natural gas with equal access to funding. Low emission propane is readily available in rural and remote areas today, has a comparable carbon footprint to natural gas and requires no major infrastructure investment to reach people's homes.

"This announcement does little to address the rising energy costs for rural Ontarians and eliminates the level playing field for comparable energies like propane," said Superior Propane President Greg McCamus. "We remain eager to serve rural and remote consumers across Ontario whether by heating their homes, fueling their farm equipment or powering their vehicle fleets."

TAG OIL EXPANDS OIL & GAS OPERATIONS INTO AUSTRALIA

International oil and gas production company TAG Oil Ltd. (TSX: TAO and OTCQX: TAOIF) is pleased to announce that the Company's wholly owned Australian subsidiary, Cypress Petroleum Pty Ltd. ("Cypress"), has closed the purchase of 100% interest in Petroleum Lease 17 ("PL 17") from privately held Southern Cross Petroleum & Exploration Pty Ltd. ("Southern Cross").

PL 17 is an oil and gas production permit and high-value exploration acquisition that covers 104 km2 (25,700 acres) in the Surat Basin, one of Australia's first producing basins. It is located in a light-oil discovery trend, and is situated approximately 20 km and on trend with the Moonie Oil Field, which has produced ~25 mmbbl to date. PL 17 contains two undeveloped oil fields, the Bennett and Leichhardt fields, and the production permit area is largely unexplored despite the proven and significant oil and gas potential.

TAG Oil CEO Toby Pierce commented, "On behalf of the team we are all very excited to announce the closing of this acquisition, which is TAG Oil's second acquisition since the beginning of 2016, and TAG's first operated asset outside of New Zealand. Similar to our recent Puka acquisition in New Zealand, PL 17 provides TAG with proven production, reserves and attractive exploration prospects in another stable country with the benefit of extensive service and production infrastructure. With the application of modern 3D seismic and production equipment, PL 17 brings immediate value to our portfolio and the potential to deliver substantial development and exploration upside."

PL17 Highlights

Hutton Sand and Precipice Conventional Play (~2,000m depth)

The Bennett and Leichhardt fields are both undeveloped oil fields located within PL 17. The fields have produced light oil intermittingly from the Jurassic-aged Hutton Sand and Precipice formations since being discovered in the 1960s, with current production from the Bennett Field of approximately 15 b/d of oil from dated production equipment. TAG plans to develop the fields, as well as drill exploration wells to test structures identified in the Precipice and the Hutton Sand play fairway, the main producing reservoir sands in eastern Australian basins.

Permian Play Opportunity

PL 17 also has high-impact exploration potential in the deeper Permian formation that has similar characteristics to the United States' Permian play, and is the primary unconventional tight gas/ condensate play opportunity within PL 17. The Permian formation lies approximately 1,000 meters lower than the conventional prospects in PL 17 and is both the source rock as well as the trapping mechanism for potentially significant quantities of oil and gas along the erosional edge.

Alex P. Guidi, TAG Oil Chairman commented, "I congratulate the team for identifying this attractive opportunity and completing the PL 17 acquisition on very attractive terms. This represents the perfect stepping-stone into Australia, and supports our vision for further expansion in Australasia. Over the past seven years, TAG has grown in a very significant way, completing six distressed asset acquisitions and one corporate acquisition during the 2009 and present industry downturn. This has resulted in the accumulation of eight new field discoveries under operatorship and a compelling Australasian growth platform with a diverse suite of assets, combining reserve-building, high netback production, and drill-ready exploration targets in proven high-impact discovery fairways. I am confident that our team will create even greater shareholder value through further acquisition and by unlocking the significant resource development and exploration upside that has been demonstrated across our entire oil and gas portfolio."

PL 17 Work Program

TAG's initial work plans at PL 17 include mechanical enhancements to the existing dated production equipment and the acquisition of 70 km2 of 3D seismic over the most prospective area of the block. This 3D seismic program will better define structures and prospects that exist in the Hutton Sand and Precipice oil fairways, and give TAG a better understanding of the deeper Permian tight gas/condensate potential. This work program is expected to commence in April 2017 and will be followed with a multi-target drilling campaign.

Transaction Background

As previously announced on October 31, 2016, the acquisition was subject to several conditions including obtaining all necessary government approvals, which have now been met. As a result, the initial payment of AUD$750,000 (less an initial AUD$40,000 deposit) has been released from escrow and transferred to Southern Cross. Further payments to Southern Cross are as follows:

AUD$500,000 payable in cash on July 20, 2017;

AUD$500,000 payable, at the sole discretion of Cypress, in cash or satisfied by shares of TAG Oil, on the second anniversary of the closing date; and

AUD$750,000 payable, at the sole discretion of Cypress, in cash or satisfied by shares of TAG Oil, on the third anniversary of the closing date.

About TAG Oil Ltd.

TAG Oil Ltd. (http://www.tagoil.com/) is a development-stage international oil and gas producer with established high netback production, development and exploration assets, including production infrastructure in New Zealand and Australia. TAG is poised for significant reserve and production growth with several oil and gas fields under development and high-impact exploration in proven oil and gas fairways. TAG is debt-free and currently has 62,212,252 shares outstanding.

Cautionary Note Regarding Forward-Looking Statements

Statements contained in this news release that are not historical facts are forward-looking statements that involve various risks and uncertainty affecting the business of TAG. Such statements can generally, but not always, be identified by words such as "expects", "plans", "anticipates", "intends", "estimates", "forecasts", "schedules", "prepares", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. All estimates and statements that describe the Company's objectives, goals, or future plans relating to operations are forward-looking statements under applicable securities laws and necessarily involve risks and uncertainties. Actual results may vary materially from the information provided in this release, and there is no representation by TAG that the actual results realized in the future will be the same in whole or in part as those presented herein.

Other factors that could cause actual results to differ from those contained in the forward-looking statements are also set forth in filings that TAG and its independent evaluator have made, including TAG's most recently filed reports in Canada under National Instrument 51-101, which can be found under TAG's SEDAR profile at www.sedar.com. TAG undertakes no obligation, except as otherwise required by law, to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors change.

NEW STUDY: CANADIAN M&A EXPECTED TO BE ROBUST IN 2017

A majority (66%) of M&A practitioners predict a rise in Canadian M&A activity in 2017 from 2016's record level, according to a new M&A study produced by Citi, in conjunction with Mergermarket. Moreover, none of the 50 senior Canadian practitioners interviewed believes that M&A volumes in Canada will decrease in 2017, the study found.

The report, titled Navigating Change: Canadian M&A in a Period of Global Upheaval, finds that the positive expectations for 2017 are focused on traditionally strong sectors such as energy and industrials and financial services. Similarly, the recent high levels of outbound and domestic M&A are predicted to continue to drive deals in 2017 activity.

"2017 is certain to be another very interesting year for M&A in Canada," says Grant Kernaghan, Managing Director at Citi Canada. "Despite continued political and economic uncertainty, it is encouraging that practitioners see that there remain a number of positive factors which are expected to deliver another strong outcome for M&A."

Key findings of this report include:

Two-thirds of respondents (66%) believe Canadian M&A activity will increase in 2017, with 14% looking forward to significant growth and 52% predicting a moderate rise. Not one respondent predicts a fall in M&A during 2017.

Respondents see the Asia-Pacific region as offering the greatest potential for cross-border deal activity in the year ahead: 72% think it will be one of the two main regional sources of inbound M&A while 62% expect Asia-Pacific to be one of the top two target regions for Canadian buyers.

More than half of respondents (58%) think the lower price of oil is having a positive impact on Canadian M&A, as major oil and gas players consolidate, and vulnerable companies come under pressure to sell up.

More than half of respondents (60%) expect corporate buyers to register the biggest increases in dealmaking during 2017, compared to only 10% who cite institutional investors. Respondents to the 2016 report believed private equity buyers would see the most activity.

Click here to view the results and download the full PDF of the report.

About Citi

Citi, the leading global bank, does business in more than 160 countries and jurisdictions. Citi provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management. In Canada, Citi is the country's most global financial institution with roots dating back to 1919. With an unmatched global reach, the company is uniquely positioned to enable the progress of its clients.

About Mergermarket

Mergermarket is a business development and market intelligence tool designed specifically for the M&A sector and provides proprietary intelligence and analysis on corporate strategy across the world. With around 200 M&A journalists talking directly to senior executives, dealmakers and other key players in over 60 locations globally, Mergermarket reports on the whole deal life cycle, from mapping out companies' early stage strategic intentions to tracking deals before they develop and providing real-time news on live events, thereby creating a large window of opportunity. Subscribers can also mine for trends, patterns and deal ideas using Mergermarket's comprehensive deals database and regular data-driven editorial analysis and commentary. Visit www.mergermarket.com to learn more.

THE HOME DEPOT TAPS TEXAS WIND FARM FOR RENEWABLE ENERGY

The Home Depot® today announced its first major investment in a wind-powered renewable energy project.

The energy purchased from the wind farm is enough to power 100 Home Depot stores for a year while also providing $150,000 in local community benefits.

The Los Mirasoles Wind Farm, owned and operated by EDP Renewables North America, is located in Hidalgo and Starr Counties, northeast of McAllen, Texas. Through a 20-year power purchase agreement (PPA), The Home Depot's annual purchase of 50 megawatts (MW) is a fifth of the wind farm's 250 MW capacity. The farm utilizes Vestas V110 2.0 MW wind turbines and produces enough power to provide more than 70,000 average U.S. homes with clean electricity each year.

The Home Depot partnered with EDP Renewables for the Texas development in 2016. EDP Renewables operates globally with 41 wind farms across North America.

As a part of its renewable energy initiative, The Home Depot's goal is to procure 135 megawatts of various renewable energy sources, including solar and wind, by the end of 2020.

In addition to the wind farm, the company also procures energy from solar farms in Delaware and Massachusetts with a combined annual output of 14.5 million kilowatt hours (kWh). More than 150 stores and distribution centers utilize on-site fuel cells that produce roughly 85 percent of the electricity each store needs to operate.

For more on The Home Depot's wind energy project, visit: https://corporate.homedepot.com/newsroom/texas-wind-farm-renewable-energy

The Home Depot is the world's largest home improvement specialty retailer, with 2,278 retail stores in all 50 states, the District of Columbia, Puerto Rico, U.S. Virgin Islands, Guam, 10 Canadian provinces and Mexico. In fiscal 2015, The Home Depot had sales of $88.5 billion and earnings of $7.0 billion. The Company employs more than 385,000 associates. The Home Depot's stock is traded on the New York Stock Exchange (NYSE: HD) and is included in the Dow Jones industrial average and Standard & Poor's 500 index.

FIRST QUARTER DIVIDEND DECLARATION

Imperial Oil Limited today declared a quarterly dividend of 15 cents per share on the outstanding common shares of the company, payable on April 1, 2017, to shareholders of record at the close of business on March 3, 2017.

This first quarter 2017 dividend compares with the fourth quarter 2016 dividend of 15 cents per share.

Imperial has a long and successful history of growth and financial stability in Canada as a leading member of the petroleum industry. The company has paid dividends every year for over a century and has increased its annual dividend payment for 22 consecutive years.

CGX ENERGY ANNOUNCES CHANGE TO ITS BOARD OF DIRECTORS

CGX Energy Inc. (TSX-V - OYL) ("CGX Energy" or the "Company") announced today that Dr. Dennis Pieters has resigned as a member of the board of directors of the Company, effective January 27, 2017 to pursue other opportunities. The Company has not appointed a replacement for Dr. Pieters at this time.

The Company would like to thank Dr. Pieters for his contribution over the years and wish him success in his future endeavors.