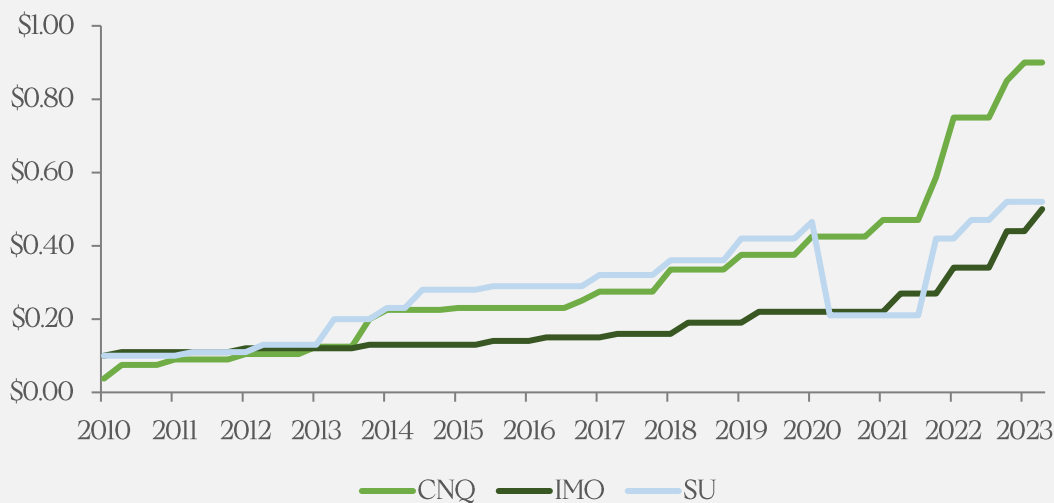


Daily Thought

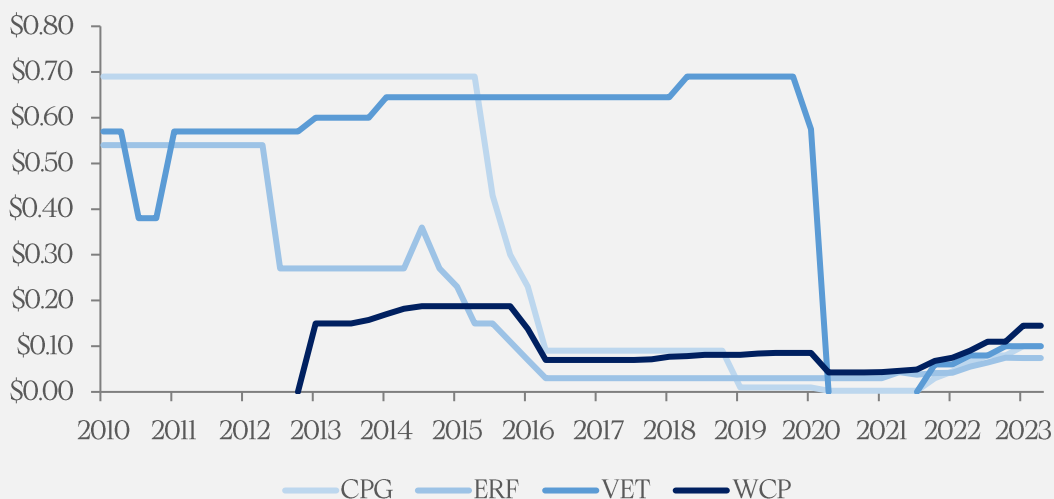
Canadian Upstream Dividend Aristocrats – August 17th, 2023

Owing to laughably volatile commodity prices – there is only one thing for sure about dividend distributions in oil and gas – and that is they're certainly uncertain. Of E&Ps in our coverage universe, with a dividend established prior to 2020 – only CNRL, Imperial, and Tourmaline have been “dividend aristocrats” *since 2010*. Of those with new post-2020 dividends – Paramount, Pine Cliff, and Tamarack all qualify – so far.

(Fig. 1) Canadian Upstream Senior Dividends per Share



(Fig. 2) Canadian Upstream SMID Liquids Dividends per Share



Source: Bloomberg, HTM Analysis

Daily Pricing & Week on Week Benchmark Chg.

CAD Priced Liquids

Condy | \$102.80 (-5.8%)
 Bonny Light | \$119.19 (-3.0%)
 Synthetic | \$111.41 (-6.0%)
 WCS | \$85.81 (-7.6%)

USD Priced Liquids

LLS | \$82.28 (-5.2%)
 MEH | \$81.18 (-5.4%)
 NYMEX | \$79.38 (-6.0%)
 WTI FOB | \$82.50 (-2.2%)

CAD Priced Gas

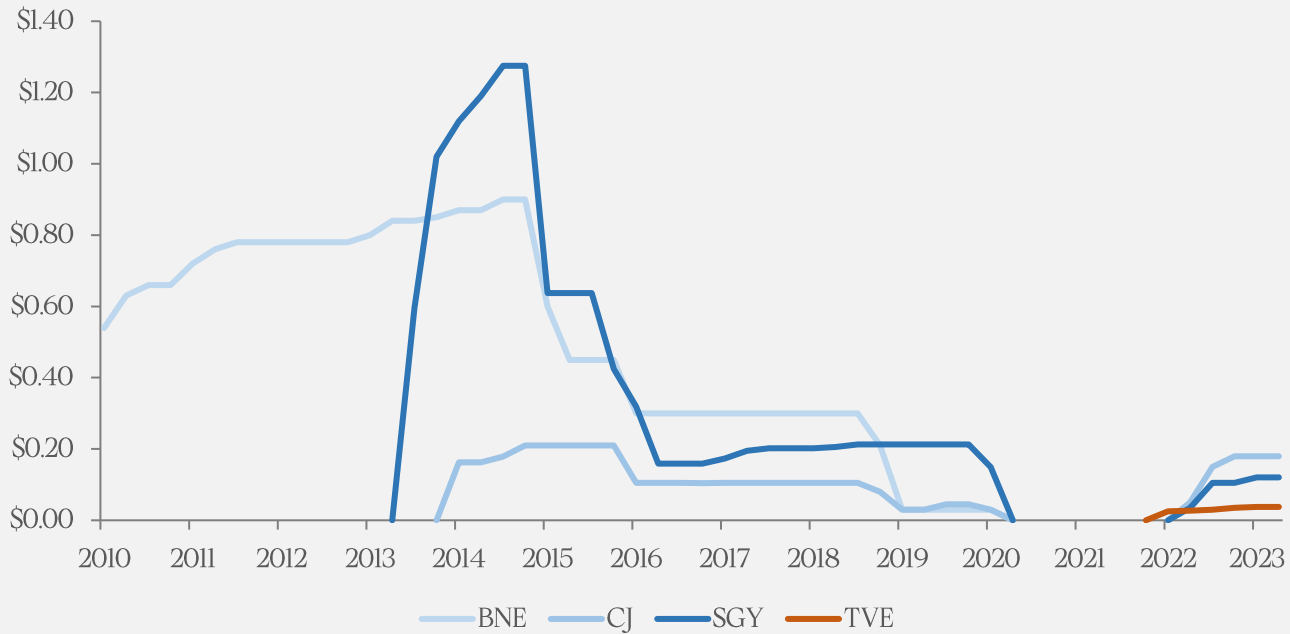
AECO | \$2.62 (-4.7%)
 Alliance | \$2.18 (+6.2%)
 Empress | \$2.59 (-5.6%)
 Station 2 | \$2.35 (+9.7%)

USD Priced Gas

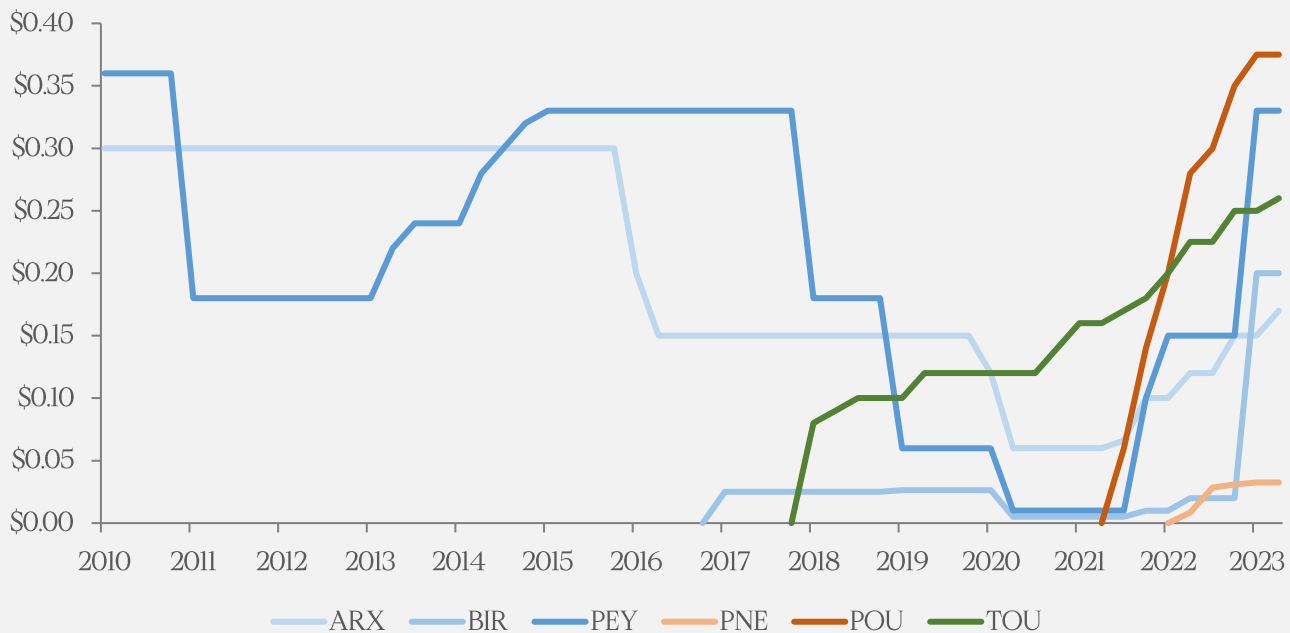
Dawn | \$2.31 (-3.5%)
 Houston | \$2.42 (-1.4%)
 Malin | \$3.77 (-17.0%)
 PG&E | \$5.64 (-2.4%)
 SoCal | \$7.80 (+54.2%)
 Waha | \$2.26 (-4.2%)

Among the non-aristocrat crowd, the average dividend lasted 17 quarters before being cut, with the largest modern gap being Vermilion during COVID-19 (shown in fig. 2). The shortest time period between raise and cut, and the largest sequential raises both go to Surge during 2013 (shown in fig. 3). The average dividend yield across coverage is 5.25%, 5.21% excluding royalties, and 3.82% including non-payers.

(Fig. 3) Canadian Upstream Junior Liquids Dividends per Share



(Fig. 4) Canadian Upstream Gas Dividends per Share



Source: Bloomberg, HTM Analysis