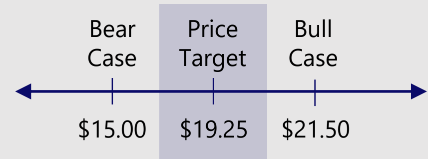
RESEARCH REPORT

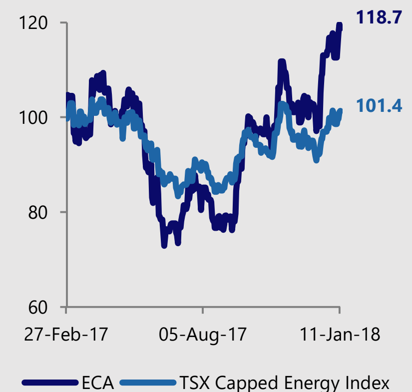
January 15, 2018

Stock Rating	HOLD
Price Target	$19.25



Ticker	ECA
Market Cap. (MM)	$16,981
EV/EBITDA NTM	9.4x
EV/DACF 2019E	9.7x

52 Week Performance



Encana Corporation (TSX: ECA)

"Conden-save" the Day

Encana Corporation (TSX:ECA) ("Encana") is a leading upstream producer that focuses on the development and production of crude oil, condensate, natural gas, and natural gas liquids. Encana is a multi-basin producer with core positions in the Permian, Eagle Ford, Montney, and Duvernay basins. Encana has successfully repositioned its strategy to a highly disciplined capital allocation approach, focusing on developing top tier assets and disciplined debt management.

The E&U team has identified the following three investment theses that make Encana a good fit for the portfolio:

I. Underappreciated resource play

II. Neglected San Juan opportunity

III. Shift away from natural gas

By evaluating the company through a relative comparable company analysis against large cap players in Canada and the Permian, we see upside in Encana moving forward. However, the recent surge in oil prices has caused steep upward momentum on energy names, causing its recent price appreciation to limit the margin of safety on this potential investment. We will continue to monitor the stock and are prepared to enter the name at a more attractive entry point.

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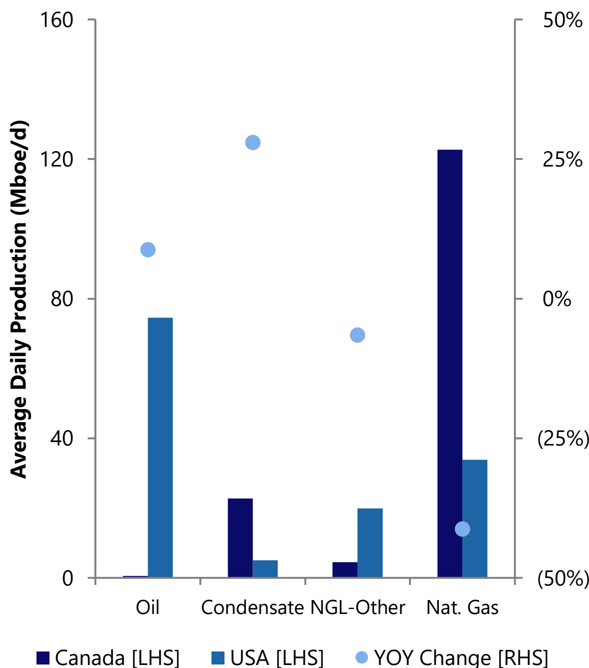
Company Overview (Part i of ii)

Encana Corporation is a leading upstream producer that focuses on the development and production of crude oil, condensate, natural gas, and natural gas liquids. Encana is a large producer, averaging 127.5Mbbls/d and 939MMcf/d of liquids and gas production through 3Q17, respectively. Encana is a multi-basin producer with core positions in the Permian, Eagle Ford, Montney, and Duvernay basins. CEO Doug Suttles has successfully repositioned Encana's strategy to a highly disciplined capital allocation approach towards developing top tier assets in its core areas, and altering production to a higher ratio of liquids. This was exemplified by a $605MM divesture of non-core natural gas assets in northwestern Colorado this past year.

EXHIBIT I

Geographical Production Breakdown, 3Q17



Source(s): Company Filings

Operational Overview

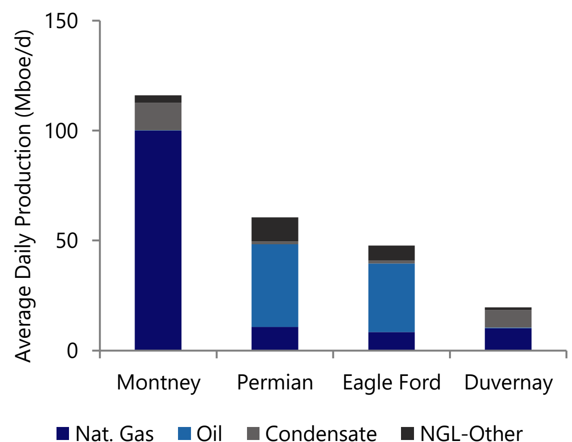
Encana's oil production is essentially all pumped from the United States, while its NGL and natural gas distribution is split, as shown in Exhibit I.

Permian

Encana possesses a 12,000 well inventory, including 3,950 locations. The firm is the second largest producer in the Permian, and sees the oil-rich basin as the cornerstone to its growth strategy. Encana has allocated 50% of its 2018 capital program towards the play as it expects Permian production to grow at a CAGR of 25% through 2022. Encana has made a significant effort to improve margins in the Permian as it creates efficiency through scale; as a result, its income margin is $15/bbl. This margin has been achieved by cutting direct costs from $11/boe to $6/boe in 2015 and 2017, respectively. Production in 3Q17 averaged 64.1Mboe/d, with October volumes reaching a record 80.0Mboe/d, which was comprised of 90% liquids.

EXHIBIT II

"Core Four" Year-to-Date Product Mix", as of 3Q17



Source(s): Company Filings

Company Overview (Part ii of ii)

Eagle Ford

Relative to its Permian position, Encana has a small position in the Eagle Ford comprising of 220 premium locations. However, Encana has been able to maximize value by triple stacking its wells to optimize spacing both vertically and horizontally. Encana plans to use its best-in-basin production efficiency to utilize the basin as a cash flow generator over their 5-year plan. As of 3Q17, Encana averaged 51.9Mboe/d of production in the Eagle Ford, which was just slightly above the 50.8Mboe/d it averaged in 2Q17, due to shut-ins related to Hurricane Harvey.

Duvernay

Encana entered the Duvernay in 2012 though an agreement with a subsidiary of PetroChina, and it is the cornerstone of the condensate-focused strategy. In 3Q17, ECA produced 20.7Mboe/d (47% liquids).

Montney

Encana is amongst the largest producers in the Montney at 111.3Mboe/d, with a deep inventory of 6,900 premium drilling locations. Encana focuses on stacked horizontal development, with over 1,000 feet of pay and up to 6 stacked horizon laterals.

In the Montney, the focus is on condensate-rich wells that offer high margins, resulting in an income margin of $5/boe in the basin at $50 WTI. In addition, its well productivity has been superb; ECA's condensate IP180 yields ~350boe/d, second highest amongst its Montney peers.

Encana has an ongoing initiative in the Montney to capitalize on its growth, while simultaneously cutting costs. The goal is to grow liquids production at a 35% CAGR through 2022, with liquids production increasing to 70Mbbl/d by the end of 2019. Encana has designed, built, and currently operates three processing facilities in the Montney (Tower, Sunrise, and Saturn plants), and is anticipating to commission two facilities in 2018 to increase condensate capacity by 19.5Mbbl/d.

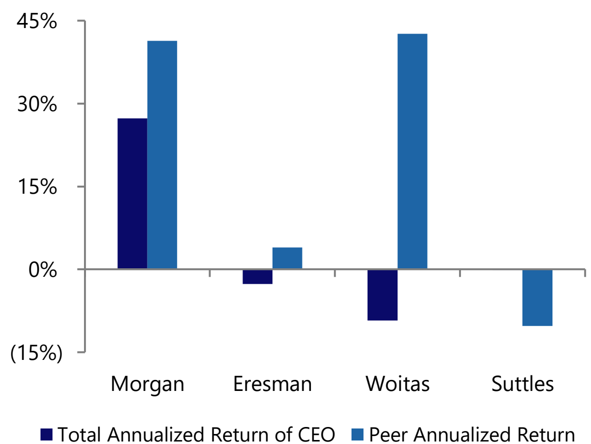
Management

Since taking over as CEO in 2013, Doug Suttles has turned the company around based on a strategy surrounding four key pillars: top tier assets, capital allocation, operational excellence, and balance sheet strength. Suttles has held significant positions at supermajor oil firms, such as President of BP Exploration. In addition, he has experience in managerial roles in a diverse set of countries including Russia and Trinidad & Tobago. He currently serves as the Vice Chairman of the National Petroleum Council.

Historically, Encana's management has underperformed relative to its peers on a returns basis; however, that was prior to the appointment of Doug Suttles. As shown in Exhibit X, Suttles' implementation of his vision for Encana has resulted in him outperforming his peers by significantly more than his predecessors. Throughout his tenure, he has returned -0.11%, which gives the E&U team confidence in Suttles as a manager, as his peers have returned -10.21%. Exhibit III shows ECA's CEO returns since 2002.

EXHIBIT III

Annualized Returns of the Most Recent ECA CEO's



Source(s): Bloomberg

Industry Overview: The Permian

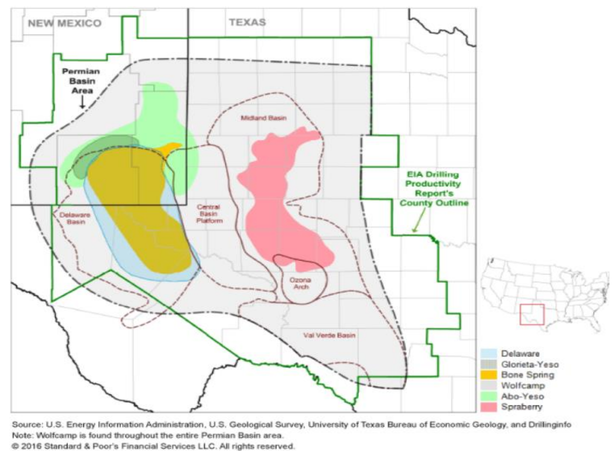
The Permian is strategically located across western Texas and south east New Mexico. Currently, the play spans ~250 miles wide and ~300 miles long. As shown in Exhibit V, the American Gulf Coast refineries are in close proximity to Permian drilling locations. Unlike many resource plays in the northern U.S. such as the Bakken and Marcellus, the Permian's location has been favoured by many E&P's because they are able to realize lower transportation costs to end markets.

The Permian basin, named after the abundance of Permian geological-era rock developments found in this area, was found to be the largest oilfield ever assessed in the U.S. More specifically, experts estimate that over 20 billion barrels of oil can still be recovered in the years to come. Exhibit IV illustrates a detailed geographic overview of the different basins available for tapping within the Permian. The abundance of several different layers and types of rock formation all stacked vertically fosters a more valuable drilling environment within this play. As a result of the larger potential to harvest value, E&P's have been paying upward of $60,000 per acre of land in this region and among other reasons, demand for land in this area has exploded in recent years.

Some of those other reasons include: the Permian's long production history, favourable location, specific geology, lower service costs and ongoing productivity gains through advanced drilling technology. With oil prices collapsing, the Permian has offered E&P's a lifeline amidst record-low oil prices because of its favourable economics. S&P Global Ratings claims that the Permian requires the lowest breakeven oil prices amongst all U.S. shale plays. Accordingly, production in the region has not faltered. Exhibit V demonstrates the Permian's resiliency alongside similar regions who have struggled to keep up as E&P's began pulling money from more expensive plays and dumping capital into the Permian during the recent oil price crash. In fact, production in the Eagle Ford and Bakken regions fell by 20% and 10%, respectively, while Permian production figures grew by 14%.

EXHIBIT IV

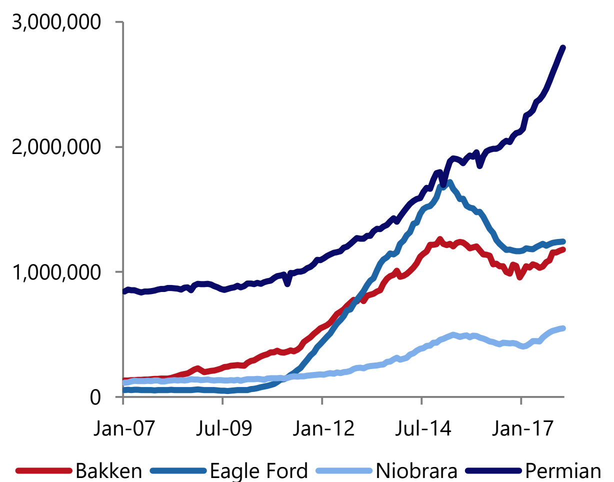
Oil-Production Formation in the Permian



Source(s): S&P Capital IQ

EXHIBIT V

Oil Production in Selected Regions (Bbls/d)



Source(s): EIA

Industry Overview: Canadian Natural Gas

Background

Accounting for approximately 5% of global production, Canada is the world's fifth largest natural gas producer. Most production takes place in the Western Canada Sedimentary Basin (WCSB) in British Columbia, Alberta and Saskatchewan. Canada exports most excess gas to the US. Efforts have been made to increase the amount of gas that is liquified and exported to countries outside of North America, particularly in Asia. However, many LNG projects have been abandoned in recent years.

Montney Region

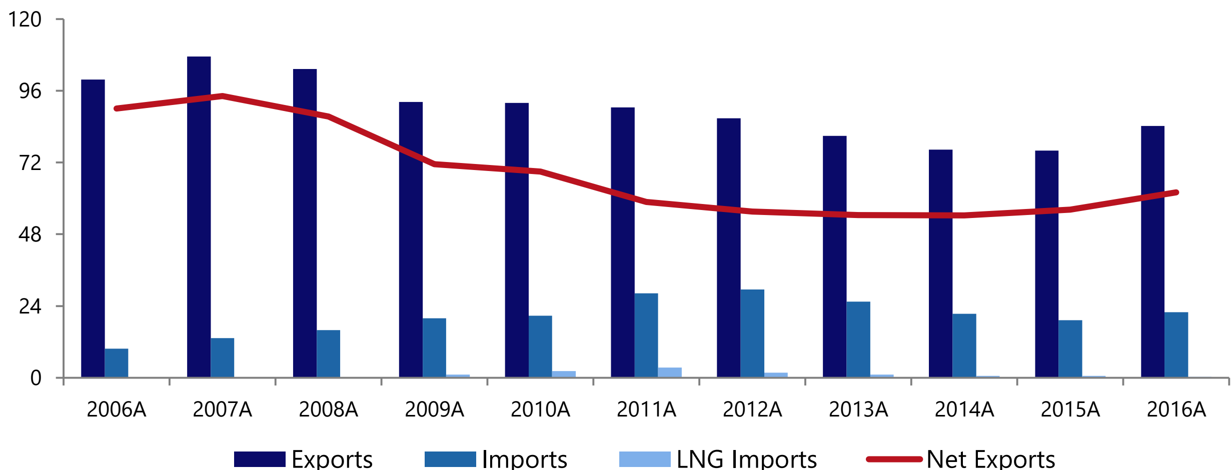
Canada's largest and most productive natural gas play is the Montney. Located between northwestern Alberta and northeastern BC, the Montney spans 130,000 km^2, 700 km north to south. The National Energy Board estimates the region to contain approximately 90 billion boe of gas, oil, and NGLs. Encana is the largest producer in the region producing 735 MMcf/d.

Project Cancellations and Weak Pricing

The Canadian natural gas industry has faced numerous challenges in recent years. Weak pricing for Canadian natural gas and opposition from certain political, social, environmental, and aboriginal groups have been cited as the primary reasons for several high profile LNG project cancellations. In July 2017, Petronas announced the cancellation of its Pacific Northwest LNG project, worth $36B. In September 2017, China's CNOOC cancelled its Aurora LNG project in BC. Out of the 20 LNG projects pitched in recent years, only one is proceeding. Lack of political support for projects and pipelines, as well as weak price performance of AECO (see Exhibit VII) were cited as reasons for numerous project cancellations. Weak Canadian pricing has been largely due to increased US shale gas production (see Exhibit VII), which has largely outstripped demand.

EXHIBIT VI

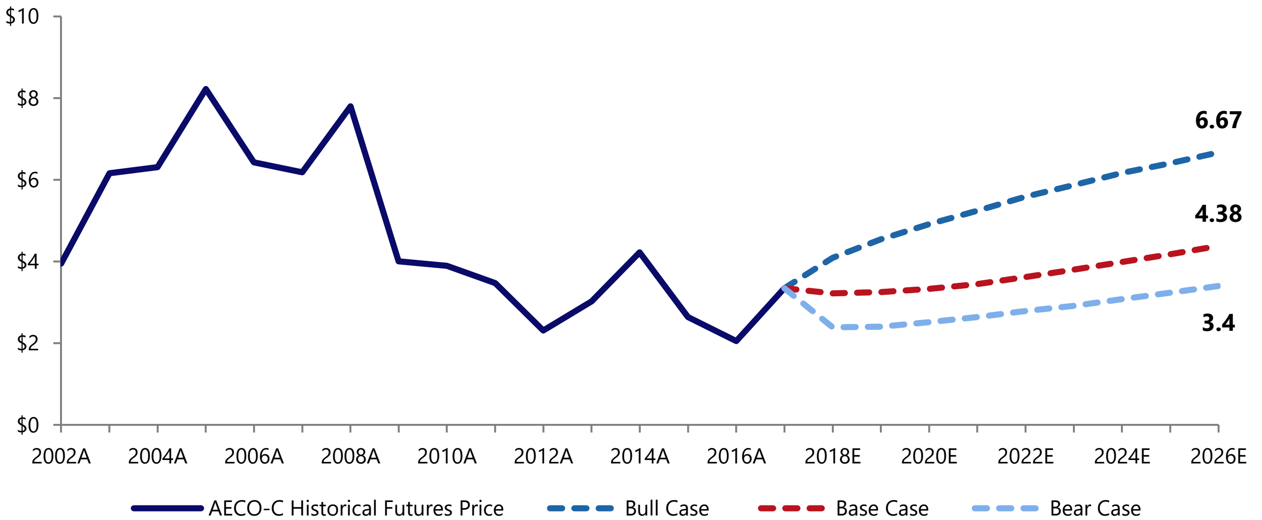
Canadian Net Natural Gas Exports (Billions m^3)



Source(s): National Energy Board

EXHIBIT VII

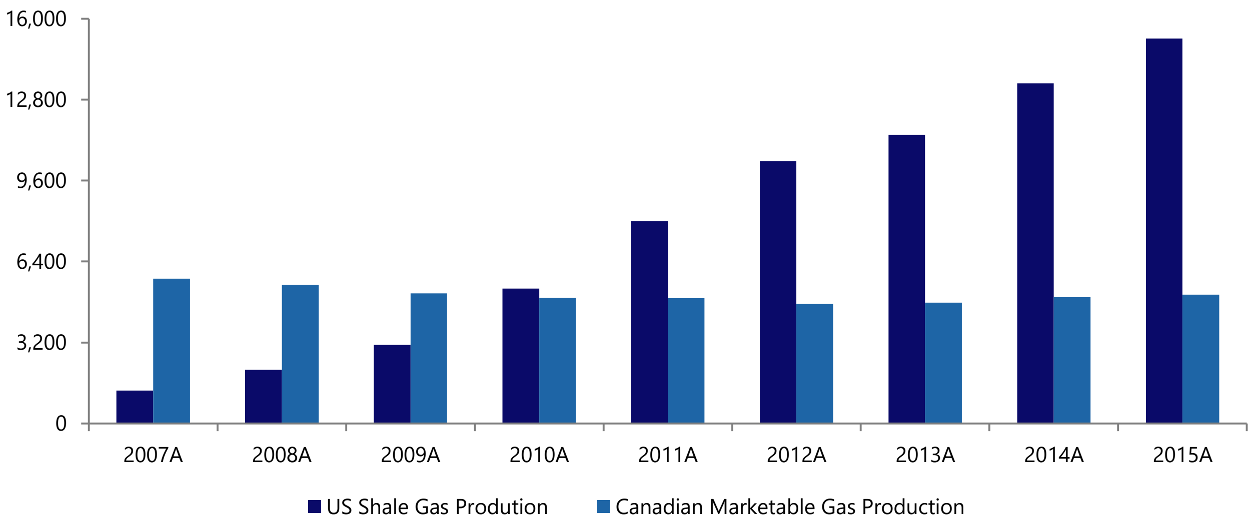
Historical and Forecasted AECO-C Futures Prices ($CAD/GJ)



Source(s): Alberta Energy Regulator

EXHIBIT VIII

US Shale Natural Gas Production versus Canadian Marketable Gas Production Volumes (Billion Cubic Feet)



Source(s): US Energy Information Administration, National Energy Board

Investment Thesis I: Underappreciated Resource Plays

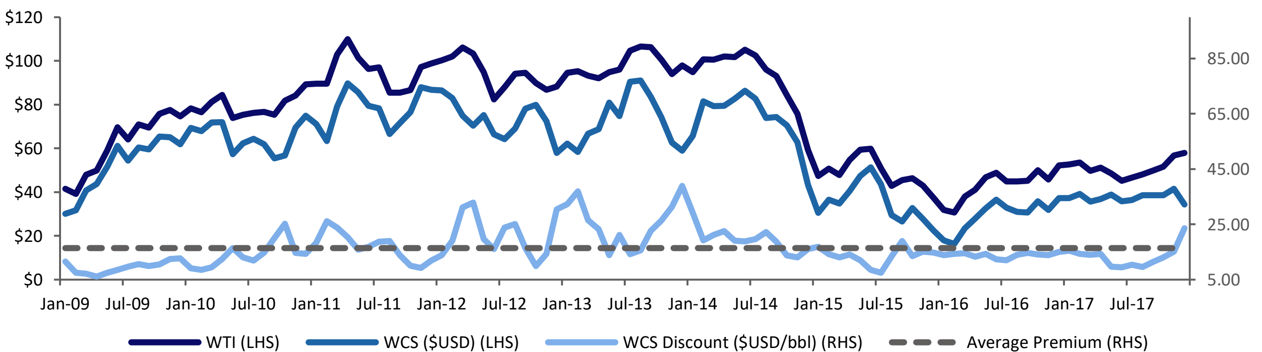
ECA's exposure to the Permian basin compares very favorably with its Canadian large cap peers who operate in the oil sands. The U.S. shale play is regarded as North America's most prolific oil play mainly due to its potential for highly efficient and low-cost wells. As ECA continues to dedicate 50% of its capital budget to growing its Permian liquids volume into 2022, output will increase approximately 3-fold during the next five years. With the Canadian oil price differential relative to the U.S. continuing to widen, ECA will outperform its Canadian oil focused E&Ps. In our view, the transportation constraints in Canada remain a very prominent issue in crude pricing, which has lead the current Canadian price discount of nearly 40% compared to WTI. ECA on the other hand is well positioned in the Permian basin that currently has sufficient midstream infrastructure and strong international demand driving strong pricing. This provides ECA with a strong competitive advantage relative to Canadian oil producers but is underappreciated at the current valuation. Canadian investors are overlooking the additional value of ECA's Permian assets relative to similar large cap producers who invest in large scale oil sands projects, which requires more lead time and significantly more investment to achieve similar production growth results.

As well, we believe that ECA is undervalued due to the lack of attention from U.S. investors. While U.S. investors are very familiar with the Permian basin, ECA's Canadian Montney and Duvernay operations may not be as familiar. U.S. peers that operate in the Permian have similar gas mixes as ECA but focus on the Marcellus and Utica plays in the Appalachian basin. However, the Montney provides a very defensible resource play that generates strong wellhead IRRs of ~25% and requires $2.3 pricing to breakeven, which is nearly identical to the economics of Appalachian wells, and it does not suffer from the same pricing differentials as Canadian crude. In fact, ECA's condensates in the Montney, which is its core strategic focus over the next five years in Canada, are priced at ~95% of WTI versus Appalachian condensates at ~80% of WTI. This bodes well for ECA moving forward as current Canadian supply for condensates is ~300 Mbbl/d versus demand of ~490 Mbbl/d, whereas the shale revolution and a saturated market in northeast U.S. is putting some downward pressure on pricing.

When taken together, we view that ECA is positioned in the best resource plays on both sides of the border and this is not necessarily reflected in the current valuation.

EXHIBIT IX

Historic WCS Differential to WTI



Source(s): Sproule

Investment Thesis II: Neglected San Juan Opportunity

Although early, Encana has began production at a site it owns near San Juan, New Mexico. Results from the initial wells can be found in Exhibit X and appear to show results similar to other well sites found in the Permian based on oil gravity.

As of late, ECA has ~250 sections of *undeveloped* land in this area, with ~60 sections that are already developed or are in the process of completion. Aggregately, this amounts to ~200,000 acres of land that mimics similar oil quality (sweet crude) to that of the Permian.

Using National Bank's analysis, the NPV of this asset base is estimated around $1B. This assumes a 50% utilization rate of 4 wells per section which amounts to 600 total wells, over 10 years with a 10% discount rate. If ECA is able to develop this asset faster with additional reductions in cost and technological advancements, this NPV figure could be even higher. Based on these calculations, the suggested NPV would add ~$1.15 to ECA's current share price.

Due to the asset base having only shown good results from initial testing, a degree of uncertainty exists around the promise of future wells to demonstrate similar results. As a result, investors are pricing in a significant discount to ECA's share price because of the added uncertainty from this project. The QUIC E&U team is confident in Encana's ability to develop the asset base in San Juan due to the similarities this play has with Encana's existing Permian resources. We feel that the upside potential can only be fully acquired through taking on additional project completion risk before further announcements are released by Encana.

San Juan has been described by E&P's to consist mostly of natural gas resources, yet, ECA's drilling locations have proven to yield more oil than gas and liquids. This means that investors may be overlooking the potential to extract oil from this play and may come to realize the potential in coming updates.

EXHIBIT X

San Juan Well Data

			Peak Month Rate			
Well Name	Drill Type	Days on Production	Oil	boe/d	% Oil	Oil Gravity
Alamito Unit 306	Horizontal	126	769	1175	65%	42.4
Alamito Unit 307	Horizontal	153	757	1307	58%	42.8
Alamito Unit 308	Horizontal	126	715	1147	62%	43.3
Nageezi Unit 221	Horizontal	106	244	409	60%	N/A
Nageezi Unit 405	Horizontal	21	877	1449	61%	N/A
Nageezi Unit 406	Horizontal	20	692	1350	51%	N/A
		Average:	676	1140	60%	

Source(s): National Bank

Investment Thesis III: The Move Away from Natural Gas

Although oil's recent surge has made all of the headlines in the energy space, the Canadian natural gas market has continued to take a large hit into the beginning of 2018 as tight shale producers in the States continue to increase production and ease their reliance on exporting gas from north of the border. This production, combined with infrastructure bottlenecks and political noise in the United States, has caused the price of Canadian natural gas to drop 40% since the fall. Encana's strategy to shift production from natural gas to a higher liquids mix has positioned the company to outperform its peers who have committed an exodus of their capital programs to the discounted commodity. In alignment with this strategy, it has shifted its Canadian focus towards condensate from the Montney while simultaneously diversifying its end market for its natural gas.

Historically, Encana has been viewed by investors as a natural gas company, which was justified by its 67% and 65% gas weighting in 2015 and 2016, respectively. While investors may see Encana as a gas company, CEO Doug Suttles has successfully begun its transition to become a more liquids-weighted player.

Firstly, the company has completed acquisitions to reallocate capital from natural gas plays towards liquids rich resources in the Permian (oil) and Montney (condensate), exemplified by their 4Q17 divesture of a 60MMcf/d asset in the Wheaton play in Alberta. Encana has allocated 50% of its capital program to the Permian and 20% to the Montney play, which is viewed as a natural gas play; therefore, investors may not be fully appreciating its condensate potential.

Shift to Condensate Creates Meaningful Growth

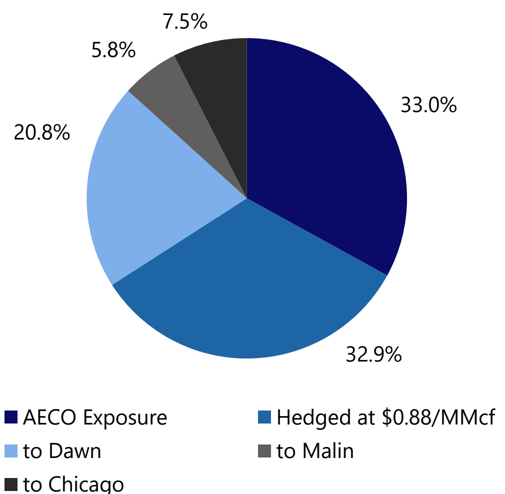
Driven by production in the oil sands, demand for condensate in Canada is expected to outpace indigenous supply in the next five years, creating an even more attractive pricing environment. Encana has a 6,900-deep inventory of condensate-rich sections, with plans to have condensate growth at 35% CAGR through 2022, with 55,000bbls/d by the end of 2018. To support this, they completed the development of three processing plants in 2017 on a fee-for-service basis with Veresen, and will roll out two more in this coming year, providing a net 58,000bbls/d of capacity. The shift to condensate benefits the bottom line, as it is a premium priced Canadian product (ECA's 2017 realization was 97% of WTI) that will expand margins. In addition, condensate revenues are realized in Alberta and help mitigate price differential/exchange rate risk that is associated with traditional oil and gas products, offering stability.

Market Diversification Diminishes Poor Exposure

Following the theme of diversifying its product portfolio to limit downside of an adverse Canadian natural gas market, Encana has been able to diversify the end market for its natural gas through hedging and transport for expected growth. Exhibit XI illustrates Encana's mitigated exposure to AECO volatility in the coming years adjacent to the completion of its 5-year growth plan, enabling the benchmark to be responsible for only 4% of its revenue in 2018.

EXHIBIT XI

Natural Gas Exposure Management for 2019E-2020E



Source(s): Company Filings, National Bank

Risks

High Debt Load with Approaching Maturities

ECA holds approximately $4.5B of USD denominated debt with maturities ranging from 2019 to 2041 with a weighted average coupon rate of 6.34%. S&P has assigned ECA a BBB rating with negative outlook; however, Moody's has recently changed its outlook on the Company to positive from stable, maintaining its Ba2 rating. These ratings place ECA within junk bond territory along with many of its highly levered and capital intensive peers. ECA's LTM net debt/EBITDA ratio is ~2.3x compared to the median of ~1.3x for its peers Cenovus, Canadian Natural Resources, Husky, Seven Generations, and Tourmaline.

Over the next three years, ECA will have $1.4B (~31%) of its long-term debt come due. With central banks across the globe starting to raise interest rates and remove historic levels of stimulus, the coming years could prove challenging for ECA if it needs to refinance maturing debt.

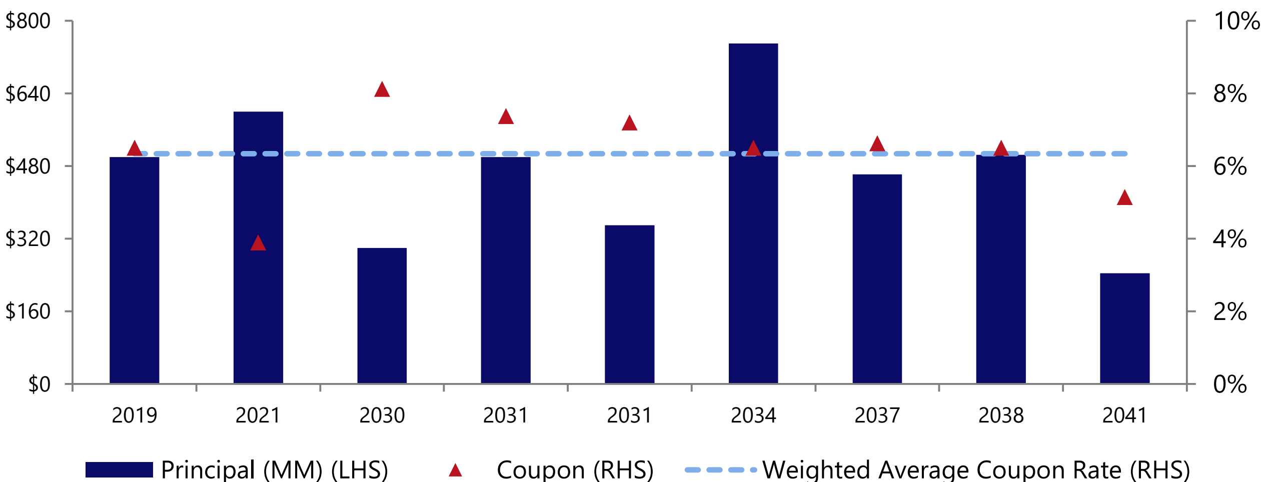
Foreign Exchange Rate Exposure

ECA operates in both Canada and the US. As such, its financial results are exposed to fluctuations in the USD/CAD exchange rate. ECA consolidates its results in CAD; however it reports results in USD to better reflect its operations and for easier comparison to other North American oil and gas companies. The primary foreign exchange risks for ECA are its USD denominated debt and risk management assets (primarily currency swaps and commodity futures, forwards, and options), and foreign denominated intercompany loans.

ECA currently holds approximately $39M in foreign exchange derivatives. Like all hedging and risk management programs, these derivatives do not provide perfect coverage for ECA's total risk profile and strip ECA of the ability to realize beneficial movements in the underlying assets.

Exhibit XII

Encana Corporation Long Term Debt Schedule



Source(s): S&P Capital IQ

EXHIBIT XIV

Comparable Companies Analysis of Large Cap E&P's with Canadian Operations

Canadian Large-Cap Diversified Company Name	Price	Market Cap (Millions)	Enterprise Value (Millions)	EV/EBITDA LTM	EV/EBITDA 2018E	EV/EBITDA 2019E	P / NAV	EV/ BOE P+P	EV/(BOE/D) 2018E	EV/(BOE/D) 2019E	Net Debt/ EBITDA 2018E	EV/DACF 2018E	EV/DACF 2019E	EV/DACF 2020E	FCF Yield	Gas Weighting	Production Growth 2019E
Suncor Energy Inc.	$47.35	$77,988	$91,078	9.3x	8.2x	7.4x	1.2x	$20.7	$132.7	$109.4	1.2x	10.8x	9.8x	10.0x	4.8%	0.2%	20.9%
Canadian Natural Resources Limited	$46.31	$56,412	$78,133	10.8x	8.0x	7.6x	1.0x	$19.8	$80.7	$67.1	2.4x	10.1x	8.6x	8.6x	4.2%	24.4%	9.3%
Imperial Oil Limited	$38.93	$32,607	$36,989	15.3x	9.5x	9.4x	1.0x	$28.5	$98.7	$91.1	1.0x	10.9x	9.7x	10.1x	2.6%	4.9%	7.1%
Husky Energy Inc.	$18.66	$18,756	$23,094	7.6x	5.6x	5.3x	1.1x	nmf	$71.4	$67.7	0.8x	6.4x	5.9x	5.8x	6.9%	26.1%	3.2%
Cenovus Energy Inc.	$13.60	$16,712	$28,174	10.8x	8.2x	7.7x	0.8x	$14.4	$59.8	$54.9	3.2x	13.7x	11.3x	9.0x	1.6%	18.2%	(3.4%)
Encana Corporation	$13.98	$13,564	$17,181	10.9x	7.5x	5.9x	1.0x	$24.5	$54.9	$38.3	1.7x	11.4x	7.8x	6.9x	(6.9%)	53.0%	32.8%
Mean		$36,006	$45,775	10.8x	7.8x	7.2x	1.0x	$42.7	$83.0	$71.4	1.7x	9.9x	8.4x	8.3x	2.2%	21.1%	11.6%
Median		$25,681	$32,581	10.8x	8.1x	7.5x	1.0x	$22.6	$76.1	$67.4	1.4x	10.8x	8.6x	8.6x	3.4%	21.3%	8.2%
Premium/(Discount) to Mean				1.4%	(4.2%)	(18.3%)	(5.4%)	(42.6%)	(33.9%)	(46.4%)	(0.6%)	14.7%	(6.9%)	(16.8%)	nmf	150.8%	181.7%
Premium/(Discount) to Median				1.2%	(7.2%)	(21.7%)	(5.6%)	8.4%	(27.8%)	(43.2%)	18.0%	5.5%	(9.5%)	(20.1%)	nmf	148.7%	300.4%

Source(s): S&P Capital IQ

EXHIBIT XV

Comparable Companies Analysis of Permian-Focused E&P's

Permian-Focused E&P's Company Name	Price	Market Cap (Millions)	Enterprise Value (Millions)	EV/EBITDA LTM	EV/EBITDA 2018E	EV/EBITDA 2019E	P / NAV	EV/ BOE P+P	EV/(BOE/D) 2018E	EV/(BOE/D) 2019E	Net Debt/ EBITDA 2018E	EV/DACF 2018E	EV/DACF 2019E	EV/DACF 2020E	FCF Yield	Gas Weighting	Production Growth 2019E
Anadarko Petroleum Corporation	$58.98	$32,271	$46,897	13.6x	7.3x	6.4x	0.9x	$73.0	$116.7	$107.4	1.8x	9.5x	7.5x	6.7x	0.2%	32.7%	2.4%
Concho Resources Inc.	$159.09	$23,477	$26,283	16.3x	11.9x	9.6x	1.0x	$37.4	$46.3	$41.1	1.4x	13.2x	10.2x	7.7x	(8.1%)	37.0%	39.9%
Devon Energy Corporation	$44.04	$23,143	$35,631	10.5x	8.5x	8.2x	1.0x	$55.4	$148.1	$105.0	1.9x	11.7x	9.3x	7.9x	0.9%	42.0%	6.2%
Continental Resources, Inc.	$57.66	$21,401	$28,005	14.6x	8.8x	7.7x	1.1x	$65.4	$147.0	$103.1	2.1x	11.1x	9.4x	7.2x	0.1%	41.9%	38.9%
Apache Corporation	$47.16	$17,965	$25,968	10.0x	6.7x	6.2x	1.0x	nmf	$83.0	$57.9	1.7x	8.6x	7.8x	6.6x	1.6%	42.9%	15.3%
Noble Energy, Inc.	$32.23	$15,571	$23,036	13.0x	7.4x	6.4x	0.8x	$69.3	$72.5	$65.2	2.3x	9.2x	7.4x	5.8x	(2.2%)	49.2%	(2.3%)
Encana Corporation	$13.98	$13,564	$17,181	10.9x	7.5x	5.9x	1.0x	$24.5	$54.9	$38.3	1.7x	11.4x	7.8x	6.9x	(6.9%)	53.0%	32.8%
Cimarex Energy Co.	$127.14	$12,111	$13,175	12.1x	8.6x	7.2x	1.0x	$19.0	$29.3	$26.4	0.7x	9.5x	7.6x	6.2x	(3.1%)	56.5%	33.8%
Mean		$19,938	$27,022	12.6x	8.3x	7.2x	1.0x	$7.2	$87.2	$68.1	1.7x	10.7x	8.5x	7.0x	(2.2%)	44.4%	20.9%
Median		$19,683	$26,126	12.5x	8.0x	6.8x	1.0x	$6.8	$77.7	$61.6	1.8x	11.1x	7.8x	6.9x	(1.1%)	42.4%	24.0%
Premium/(Discount) to Mean				(13.4%)	(10.1%)	(18.1%)	1.0%	240.3%	(37.0%)	(43.7%)	(0.9%)	6.2%	(8.4%)	(2.1%)	nmf	19.3%	57.2%
Premium/(Discount) to Median				(12.7%)	(6.4%)	(13.5%)	(0.3%)	260.3%	(29.4%)	(37.8%)	(4.9%)	2.2%	0.0%	0.0%	nmf	24.9%	36.5%

Source(s): S&P Capital IQ

Commentary & Target Price Derivation

In order to consider the full scope of Encana's peer group, we decided to create two separate comparable sets to evaluate how the firm is relatively valued against Canadian large caps and Permian-focused players. Encana trades at a discount on nearly every metric in both universes, which is something that we believe is unjustified due to their peer-leading production growth rate. We used a blended target price combining Canadian EV/EBITDA multiples and Permian EV/DACF multiples.

Our blended target price is $19.25, implying a total return of 10.76%. We will closely monitor Encana and wait for a more attractive entry opportunity.

Blended DACF Price	$17.11
Blended EBITDA Price	$21.31
Implied Enterprise Value	$18,605
Implied Equity Value	$14,982
Current Share Price	$17.45
Dividend Yield	0.44%
Target Price	**$19.25**
Total Return	***10.76%***

References

1. Alberta Energy Regulator
2. Bank of Canada
3. Bank of Montreal
4. Berkshire Hathaway
5. Bloomberg
6. Company Filings
7. Company Presentations
8. Cormark Securities
9. EIA
10. National Bank
11. National Energy Board
12. Sproule
13. S&P Capital IQ