

Long-Term Perspective

August 17, 2018

Model Oil Portfolio

We have created a high-quality portfolio of oil stocks with a focus on recovery and growth.

NOTE: *The Model Oil Portfolio has a longer-term perspective. As such, we will update it once a week, using Friday's closing prices. Also, it will be essentially a Buy-and-Hold portfolio, with minimal trading involved.*

The initial investment will be a total of \$300,000. To begin with, we chose and purchased twelve stocks, but with varying initial positions. If a stock is sold and replaced, the maximum position in the new holding will be governed by the amount of cash in the portfolio, to a limit of \$25,000. Any residual will be put into "Cash" and is available to purchase a new stock holding.

COMMENT: *The Portfolio slipped a bit over the past week, but it is out-performing all of the industry index benchmarks. It is currently down 2.1%. We added Athabasca Oil Corporation to the Portfolio last week and are eyeing possibly adding Tourmaline Oil, and also adding to all of the under-represented entities.*

The current portfolio is presented below.

MODEL OIL PORTFOLIO		Portfolio Performance			As at: 17-Aug-18		Initiation: 1-Jul-18	
Company	Symbol	Number of Shares	Purchase Price	Current Price	Purchase Cost	Current Value	\$ Gain or (Loss)	% Gain or (Loss)
1 Athabasca Oil Corporation	ATH	8,000	\$1.53	\$1.50	\$12,240	\$12,000	-\$240	-2.0%
2 Baytex Energy Corp.	BTE	1,500	\$4.33	\$3.64	\$6,495	\$5,460	-\$1,035	-15.9%
3 Birchcliff Energy	BIR	1,000	\$4.71	\$4.83	\$4,710	\$4,830	\$120	2.5%
4 Bonterra Energy	BNE	300	\$17.44	\$18.85	\$5,232	\$5,655	\$423	8.1%
5 Canadian Natural Resources	CNQ	200	\$46.95	\$44.64	\$9,390	\$8,928	-\$462	-4.9%
6 Cenovus Energy	CVE	1,000	\$13.75	\$11.96	\$13,750	\$11,960	-\$1,790	-13.0%
7 Encana Corp.	ECA	300	\$16.82	\$16.41	\$5,046	\$4,923	-\$123	-2.4%
8 Peyto Exploration	PEY	1,500	\$10.34	\$9.98	\$15,510	\$14,970	-\$540	-3.5%
9 PrairieSky Royalties	PSK	400	\$25.47	\$23.60	\$10,188	\$9,440	-\$748	-7.3%
10 Seven Generations Energy	VII	1,000	\$13.83	\$15.15	\$13,830	\$15,150	\$1,320	9.5%
11 Vermilion Energy	VET	300	\$47.28	\$40.10	\$14,184	\$12,030	-\$2,154	-15.2%
12 Whitecap Resources	WCP	1,800	\$8.98	\$8.23	\$16,164	\$14,814	-\$1,350	-8.4%
Stock Totals					\$126,739	\$120,160	-\$6,579	-5.2%
					Stock Annualized Return: -36.3%			
Cash					\$173,261	\$173,261	57.8%	
Dividends						\$251		
Net Trading Profits						\$96		
Portfolio Totals					Purchase Cost \$300,000	Current Value \$293,768	\$ Gain or (Loss) -\$6,232	% Gain or (Loss) -2.1%
					Portfolio Annualized Return: -14.5%			

INDUSTRY COMPARISON

The return on the portfolio is compared to various energy bench-marks:

	<u>Purchase Cost</u>	<u>Current Value</u>	<u>\$ Gain or (Loss)</u>	<u>% Gain or (Loss)</u>
Portfolio Totals	\$300,000	\$293,768	-\$6,232	-2.1%
			Portfolio Annualized Return:	-14.5%

S&P/TSX ENERGY INDEX	206.20	195.35	-10.85	-5.3%
(.SPTTEN-ut)			S&P/TSX Energy Annualized Return:	-36.8%

	<u>Initial Value</u>	<u>Current Value</u>	<u>Change</u>	<u>% Change</u>
Crude Oil (SWTIC-sc)	\$74.13	\$65.95	-\$8.18	-11.0%
Canadian Crude Oil Index (CCX-bc)	\$12.00	\$10.20	-\$1.80	-15.0%
Crude Oil Bull 2X ETF (HOU-bc)	\$12.31	\$9.95	-\$2.36	-19.2%
Energy Index ETF (XEG-bc)	\$13.14	\$12.40	-\$0.74	-5.6%
Energy Bull 2X ETF (HEU-bc)	\$11.00	\$9.77	-\$1.23	-11.2%
U.S. Oil Fund ETF (USO-bc)	\$14.92	\$13.69	-\$1.23	-8.2%
S&P/TSX Composite Index	16,277.73	16,323.71	45.98	0.3%

STOCK RANKINGS

The table below shows the change in the portfolio in terms of \$ and %.

MODEL OIL PORTFOLIO

\$ Change As at: 17-Aug-18 **% Change As at: 17-Aug-18**
Since: 1-Jul-18 **Since: 1-Jul-18**

<u>Company</u>	<u>\$ Gain or (Loss)</u>	<u>% Gain or (Loss)</u>
1 Seven Generations Energy	\$1,320	9.5%
2 Bonterra Energy	\$423	8.1%
3 Birchcliff Energy	\$120	2.5%
4 Encana Corp.	-\$123	-2.0%
5 Athabasca Oil Corporation	-\$240	-2.4%
6 Canadian Natural Resources	-\$462	-3.5%
7 Peyto Exploration	-\$540	-4.9%
8 PrairieSky Royalties	-\$748	-7.3%
9 Baytex Energy Corp.	-\$1,035	-8.4%
10 Whitecap Resources	-\$1,350	-13.0%
11 Cenovus Energy	-\$1,790	-15.2%
11 Vermilion Energy	-\$2,154	-15.9%

STOCK SOLD

Here is a list of the stocks sold to date, since inception on July 1, 2018:

<u>Company</u>	<u>Purchase Date</u>	<u>Selling Date</u>	<u>Purchase Price</u>	<u>Selling Price</u>	<u>Purchase Cost</u>	<u>Selling Value</u>	<u>\$ Gain or (Loss)</u>	<u>% Gain or (Loss)</u>	<u>Cum. Gain or (Loss)</u>
Husky Energy	5-Jul-18	20-Jul-18	\$19.99	\$20.23	\$7,996	\$8,092	\$96	1.2%	\$96

DIVIDENDS and YIELDS

The table below indicates the annual dividend and corresponding annual income and yields. This table is updated monthly or when a stock is bought or sold. The table below is current as of August 17.

MODEL OIL PORTFOLIO		Annual Income/Yield		As at: 17-Aug-18		Initiation: 1-Jul-18				
<u>Company</u>	<u>Symbol</u>	<u>Number of Shares</u>	<u>Purchase Price</u>	<u>Current Price</u>	<u>Annual Dividend</u>	<u>Annual Income</u>	<u>Purchase Yield</u>	<u>Current Yield</u>	<u>Pay-Out To Date</u>	
1	Athabasca Oil Corporation	ATH	8,000	\$1.53	\$1.50	\$0.00	\$0	0.0%	0.0%	\$0
2	Baytex Energy Corp.	BTE	1,500	\$4.33	\$3.64	\$0.00	\$0	0.0%	0.0%	\$0
3	Birchcliff Energy	BIR	1,000	\$4.71	\$4.83	\$0.10	\$100	2.1%	2.1%	\$0
4	Bonterra Energy	BNE	300	\$17.44	\$18.85	\$1.20	\$360	6.9%	6.4%	\$30
5	Canadian Natural Resources	CNQ	200	\$46.95	\$44.64	\$1.10	\$220	2.3%	2.5%	\$0
6	Cenovus Energy	CVE	1,000	\$13.75	\$11.96	\$0.20	\$200	1.5%	1.7%	\$0
7	Encana Corp.	ECA	300	\$16.82	\$16.41	\$0.08	\$24	0.5%	0.5%	\$0
8	Peyto Exploration	PEY	1,500	\$10.34	\$9.98	\$0.72	\$1,080	7.0%	7.2%	\$90
9	PrairieSky Royalties	PSK	400	\$25.47	\$23.60	\$0.76	\$302	3.0%	3.2%	\$25
10	Seven Generations Energy	VII	1,000	\$13.83	\$15.15	\$0.00	\$0	0.0%	0.0%	\$0
11	Vermilion Energy	VET	300	\$47.28	\$40.10	\$2.58	\$774	5.5%	6.4%	\$65
12	Whitecap Resources	WCP	1,800	\$8.98	\$8.23	\$0.28	\$497	3.1%	3.4%	\$41
Portfolio Totals						\$3,557	1.2%	1.2%	\$251	
Dividends, Companies Sold									\$0	
Total Dividends Received									\$251	

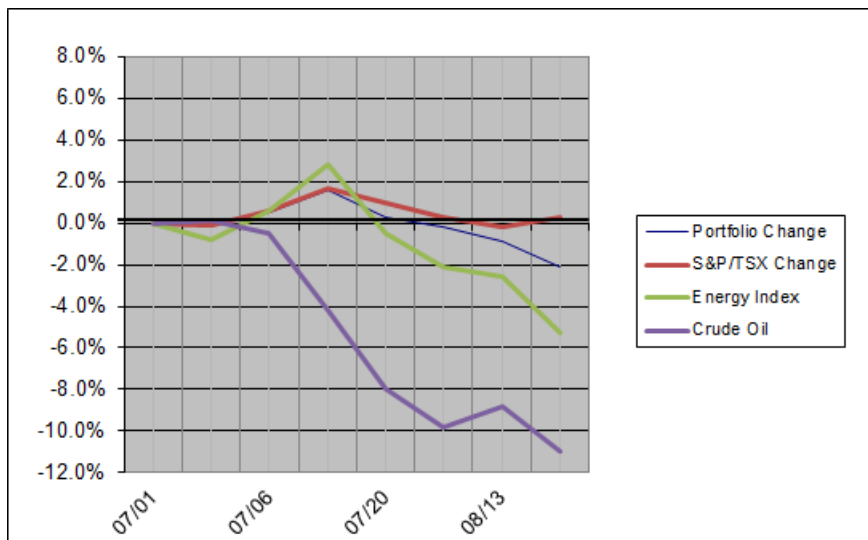
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GRAPHIC COMPARISON

For comparative purposes, the following graph depicts the performance, since initiation, of the eResearch portfolio (thin **BLUE** line) against the S&P/TSX Energy Index (**GREEN** line), the price of Crude Oil (**PURPLE** line), and the S&P/TSX Composite Index (**RUST** line).

The portfolio is down slightly and is out-performing the two industry indexes, but not the overall market:

Portfolio performance = -2.1% (includes dividends and trading profits)
S&P/TSX Energy Index = -5.3%
Crude Oil price (WTIS) = -11.0%
S&P/TSX Composite = +0.3%



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