



# press release

mergermarket Canada M&A Year End Round-up 2009  
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### **An 81% increase in M&A volumes in Canada in Q4, although value figures remain low**

The slowdown in Canadian M&A continued in 2009 as overall values decreasing by 20.8% and volume by 14.2%. However, there was an upward trend in volume figures throughout 2009 as the last quarter of the year saw an 81% increase from 65 announced transactions in Q1 to 118 in Q4.

### **Consolidation in the Energy sector is the driving force of Canadian M&A**

The sharp increase in number of deals was led by the Energy sector, which with 99 announced deals representing a quarter of Canadian M&A volume for 2009. Major transactions such as Suncor Energy's acquisition of Petro-Canada and the Sinopec - Addax Petroleum deal contributed to lifting overall acquisition values in the sector to an all time high of US\$51.9bn for 2009 – a 19% increase compared to 2008. Approximately 84% of M&A in the Energy sector are domestic transactions, indicating that the market is moving towards increased consolidation. Acquisitions by foreign companies were comparatively few compared to previous years, although there has been a steady rise in this trend throughout the year. US based companies continue to inject capital into the country, but UK and Chinese companies have also shown interest.

### **Energy sector domination expected to continue into 2010**

As the US and global economies recover, interest in commodities are expected to increase. The energy and mining sectors in Canada are already off to a jumpstart in 2010 with the announcement of PetroBakken Energy's all-cash US\$222m offer for Berens Energy, and the announcement by Suncor Energy of plans to start divesting US\$3.5bn worth of non-core natural gas assets within the year. Shale assets in particular will be of interest because the technology used in those areas to extract resources can be used worldwide in similar formations, particularly in European countries such as France and Germany and in parts of Eastern Europe.

### **RBC Capital Markets the top financial advisor in the Canadian market**

RBC Capital Markets has secured the number one position in the Canadian financial advisor league tables, with a total of 40 deals and a total value of US\$45.9bn. Runners-up CIBC World Markets advised on over 30 deals with a total value of US\$28.7m. All top four financial advisors have had a good year advising on the largest Canadian deal of 2009, the US\$18bn Suncor Energy and Petro-Canada merger. For Morgan Stanley it represents 76.5% of their total deal value, and has pushed their comeback from 15th position in 2008 to the top three in 2009, advising on a total of 9 deals with a value US\$24bn.

Blake, Cassels & Graydon, also involved in the Suncor – Petro Canada deal, topped the 2009 value and volume tables advising on a total of 73 deals with a total value of US\$34bn. Second place for overall M&A value was taken by Torys advising on a total value US\$30.1bn over 31 deals. Shearman & Sterling had a remarkable year, climbing from 55th position in 2008 to third in 2009 advising on 10 deals and a total deal value of US\$26.7bn. Canadian company Goodmans also had a strong year advising on US\$21bn on 20 deals resulting in a jump to 4th position from last years 34th.

# Canada: M&A Activity Table for Year End 2009

Activity Table of Canadian M&A for Year End 2009								
Announced Date	Bidder Company	Bidder Financial Advisor	Bidder Legal Advisor	Target Company	Target Industry	Target Financial Advisor	Target Legal Advisor	Deal Value (US\$m)
23-Mar-09	Suncor Energy Inc	CIBC World Markets; Morgan Stanley	Blake, Cassels & Graydon; Shearman & Sterling	Petro-Canada Resources Inc	Energy, Mining & Utilities	Deutsche Bank; RBC Capital Markets	Goodmans (Advising Deutsche Bank; RBC Capital Markets); Macleod Dixon; Torys	18,400
24-Jun-09	Sinopec International Petroleum Exploration and Production Corporation	Credit Suisse	Stikeman Elliott; Vinson & Elkins	Addax Petroleum Corporation	Energy, Mining & Utilities	BNP Paribas; RBC Capital Markets	Fasken Martineau; Fraser Milner Casgrain; Osler, Hoskin & Harcourt	8,800
07-May-09	Crescent Point Energy Corp	Peters & Co	Burnet Duckworth & Palmer	Crescent Point Energy Trust	Energy, Mining & Utilities	CIBC World Markets; RBC Capital Markets	McCarthy Tetrault	4,335
21-Oct-09	Korea National Oil Corporation	Bank of America Merrill Lynch	Bennett Jones; Vinson & Elkins	Harvest Energy Trust	Energy, Mining & Utilities	TD Securities	Burnet Duckworth & Palmer	3,876
16-Mar-09	Agrium Inc	Goldman Sachs; RBC Capital Markets; Scotia Capital	Blake, Cassels & Graydon; Paul Weiss Rifkind Wharton & Garrison; Shearman & Sterling (Advising RBC Capital Markets)	CF Industries Holdings Inc	Industrials & Chemicals	Morgan Stanley; Rothschild	McDermott Will & Emery (Advising Morgan Stanley; Rothschild); Skadden Arps Slate Meagher & Flom	3,818
04-Aug-09	PetroBakken Energy Ltd	Bank of America Merrill Lynch; TD Securities; UBS Investment Bank	McCarthy Tetrault	TriStar Oil & Gas Ltd	Energy, Mining & Utilities	BMO Capital Markets; Macquarie Group; National Bank Financial	Blake, Cassels & Graydon; Heenan Blaikie	2,417
23-Feb-09	International Petroleum Investment Company	HSBC Bank	Binder Groesswang & Partners; Clifford Chance; Shearman & Sterling; Torys	NOVA Chemicals Corporation	Industrials & Chemicals	RBC Capital Markets; UBS Investment Bank	Gibson Dunn & Crutcher (Advising UBS Investment Bank); Osler, Hoskin & Harcourt; Wachtell, Lipton, Rosen & Katz	2,028
19-May-09	Viterra Inc	Genuity Capital Markets; Macquarie Group	Freehills; Torys	ABB Grain Ltd	Business Services	JPMorgan	Johnson Winter & Slattery; Morgan Lewis & Bockius; Stikeman Elliott	1,695
22-Jul-09	TransAlta Corporation	Goldman Sachs; RBC Capital Markets	Burnet Duckworth & Palmer	Canadian Hydro Developers Inc	Energy, Mining & Utilities	FirstEnergy Capital Corp; SG	Blake, Cassels & Graydon; Skadden Arps Slate Meagher & Flom (Advising SG)	1,509
03-Jul-09	Fullbloom Investment Corporation	Scotia Capital	Torys	Teck Resources Limited (17.20% stake)	Energy, Mining & Utilities		Paul Weiss Rifkind Wharton & Garrison; Stikeman Elliott	1,508

# Canada: Expected Deals in the Energy Sector

Pipeline of Canadian Expected Deals in the Energy Sector				
Target Company	Potential Bidder Company	Financial Advisor (T/B/S)	Estimated Value (US\$m)	Comments
Suncor Energy Inc (natural gas assets)			3,568	Suncor Energy is looking to sell natural gas assets in 2010.
OPTI Canada Inc	Nexen Inc; Total SA; China Petroleum & Chemical Corporation; China National Offshore Oil Corporation Ltd	Scotia Capital (T); TD Securities (T)	560	OPTI Canada is considering strategic alternatives which is likely to result in an outright sale.
Painted Pony Petroleum	Crescent Point Energy Corp; Glamis Resources Ltd; PetroBakken Energy Ltd		264	Painted Pony Petroleum is an increasingly likely acquisition target for Saskatchewan energy majors. Its assets are extremely attractive to suitors such as Crescent Point Energy, Glamis Resources and PetroBakken Energy.
Naikun Wind Energy Group	ENMAX Green Power Inc		21	Naikun Wind Energy Group will become a takeover target should it receive an Electricity Purchase Agreement (EPA) award from BC Hydro. A likely suitor is ENMAX Green Power, Naikun's partner in its 396MW offshore wind energy project.
Questerre Energy (Liard Shale play)	Undisclosed bidder	Bordner Ladner Gervais (S); Rundle Energy Partners (S)	-	Questerre Energy has confirmed that it has hired Rundle Energy Partners to find a joint venture partner for its Liard shale play at Beaver River Field in northeast British Columbia. The company is in talks with a number of potential partners.

# Canada: League Tables of Financial Advisors

League Table of Financial Advisors to Canadian M&A: Value				
Y/E 2008	Y/E 2009	House	Value (US\$m)	Deal Count
3	1	RBC Capital Markets	45,906	40
2	2	CIBC World Markets	28,722	30
15	3	Morgan Stanley	24,065	9
9	4	Deutsche Bank	19,843	5
10	5	Goldman Sachs	12,864	17
24	6	TD Securities	10,527	28
12	7	Credit Suisse	10,255	7
4	8	Scotia Capital	9,738	24
14	9	Macquarie Group	9,428	27
1	10	Bank of America Merrill Lynch	8,966	9
8	11	BMO Capital Markets	7,480	25
11	12	Peters & Co	5,793	23
13	13	JPMorgan	5,793	12
19	14	UBS Investment Bank	5,164	6
7	15	Rothschild	4,940	8
22	16	FirstEnergy Capital	4,642	19
6	17	National Bank Financial	3,672	15
80	18	BNP Paribas	3,427	4
38	19	Lazard	3,365	10
18	20	GMP Securities	3,125	28

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18	8	Peters & Co	5,793	23
15	9	FirstEnergy Capital	4,642	19
35	10	Goldman Sachs	12,864	17
17	11	National Bank Financial	3,672	15
28	12	Cormark Securities	1,572	14
14	13	JPMorgan	5,793	12
10	14	KPMG	1,093	12
13	15	Canaccord Adams	537	11
31	16	Lazard	3,365	10
9	17	Morgan Stanley	24,065	9
5	18	Bank of America Merrill Lynch	8,966	9
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League Table of Legal Advisors to Canada M&A: Value				
Y/E 2008	Y/E 2009	House	Value (US\$m)	Deal Count
8	1	Blake, Cassels & Graydon	34,217	74
9	2	Torys	30,122	31
55	3	Shearman & Sterling	26,695	10
34	4	Goodmans	21,218	21
29	5	Macleod Dixon	20,980	19
4	6	Osler, Hoskin & Harcourt	19,620	61
5	7	Stikeman Elliott	17,135	49
36	8	Fasken Martineau	15,852	37
1	9	McCarthy Tetrault	14,458	55
12	10	Burnet Duckworth & Palmer	13,685	23
44	11	Vinson & Elkins	12,982	3
19	12	Fraser Milner Casgrain	9,933	12
2	13	Paul Weiss Rifkind Wharton & Garrison	9,675	13
21	14	Skadden Arps Slate Meagher & Flom	9,157	15
3	15	Bennett Jones	6,158	17
32	16	Dorsey & Whitney	5,630	22
37	17	Heenan Blaikie	5,265	16
61	18	Freehills	4,883	8
25	19	Ogilvy Renault	4,597	26
13	20	Cassels Brock & Blackwell	3,965	25

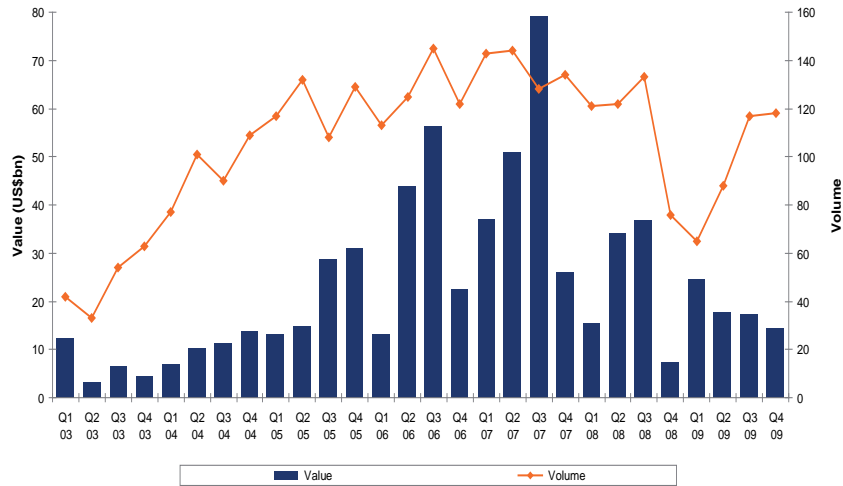
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7	8	Ogilvy Renault	4,597	26
12	9	Cassels Brock & Blackwell	3,965	25
14	10	Burnet Duckworth & Palmer	13,685	23
15	11	Dorsey & Whitney	5,630	22
11	12	Goodmans	21,218	21
8	13	Davies Ward Phillips & Vineberg	1,815	20
21	14	Macleod Dixon	20,980	19
9	15	Bennett Jones	6,158	17
33	16	Heenan Blaikie	5,265	16
20	17	Skadden Arps Slate Meagher & Flom	9,157	15
18	18	Paul Weiss Rifkind Wharton & Garrison	9,675	13
17	19	Gowling Lafleur Henderson	1,076	13
13	20	Fraser Milner Casgrain	9,933	12

\* Includes lapsed and withdrawn bids

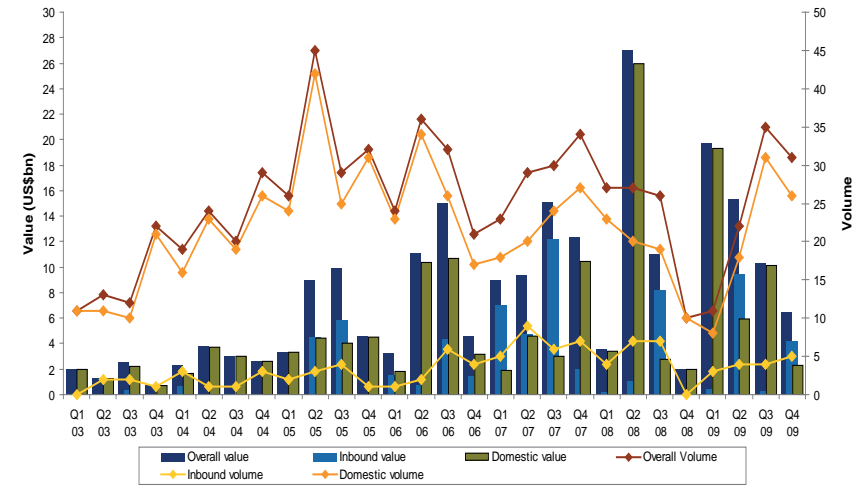
# Canada: M&A Activity Trend



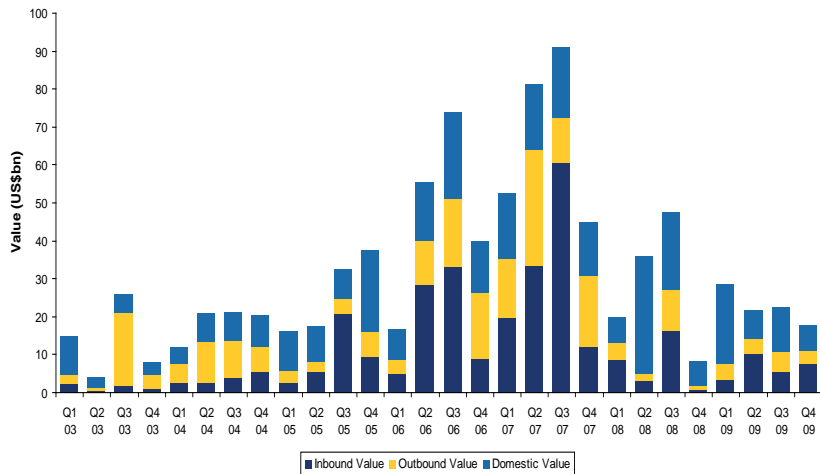
Canadian M&A Activity - Quarterly



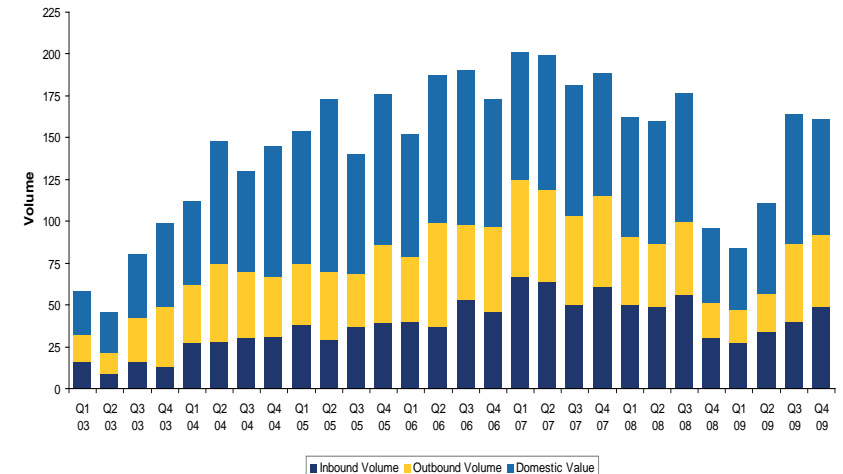
Canadian M&A Activity in the Energy sector - Quarterly



Canadian M&A Activity Breakdown - Quarterly (Value)

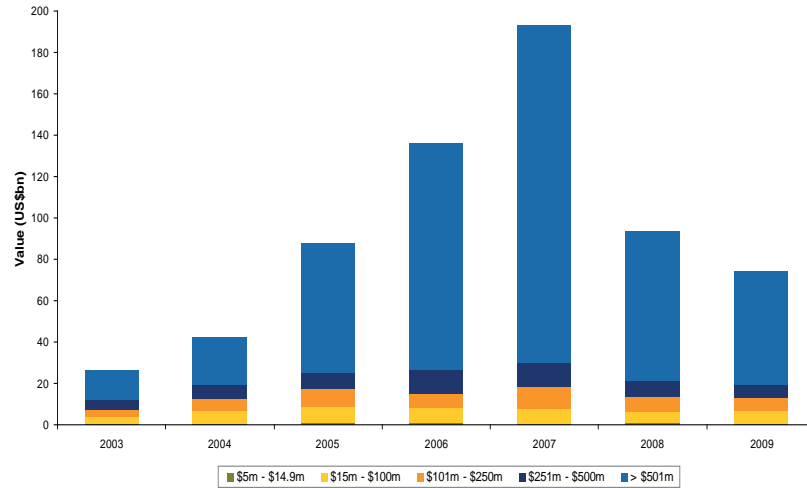


Canadian M&A Activity Breakdown - Quarterly (Volume)

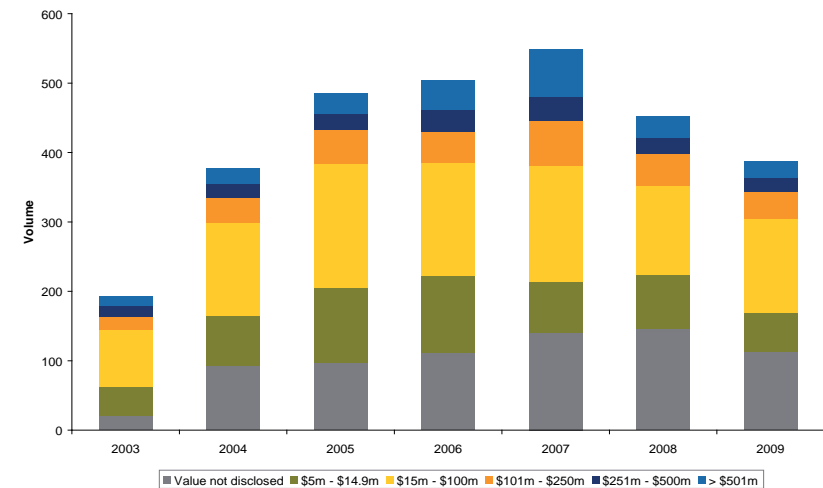


# Canada: M&A Dealsize and Industry Breakdown

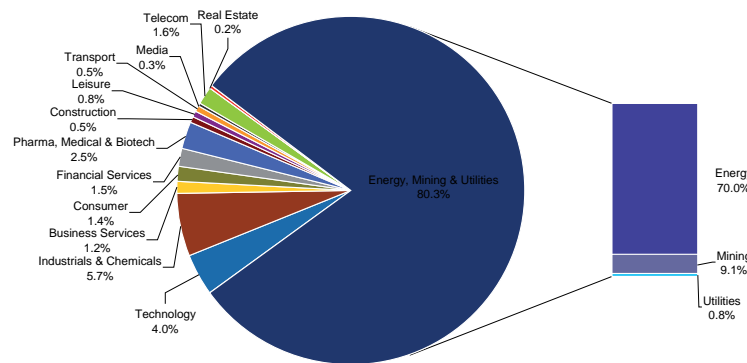
Canadian M&A deal size breakdown - Value



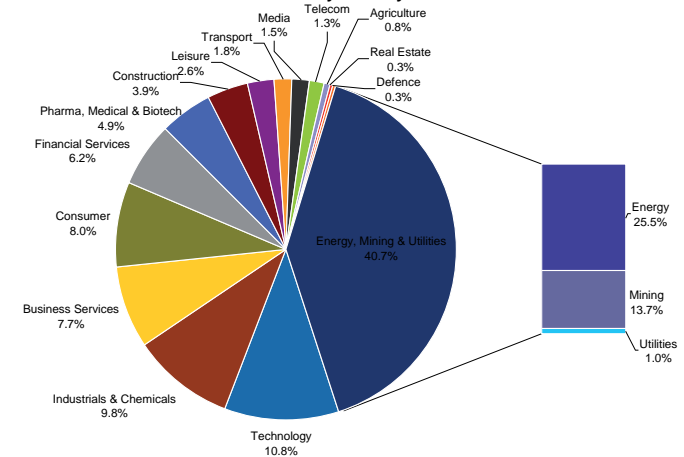
Canadian M&A deal size breakdown - Volume



Mix of Canadian Deals by Industry Sector 2009 - Value



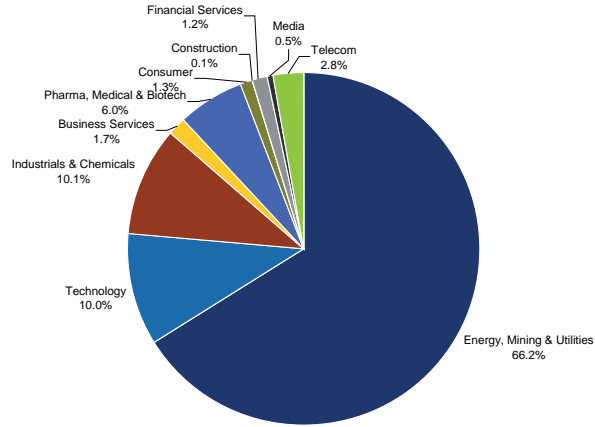
Mix of Canadian Deals by Industry Sector 2009 - Volume



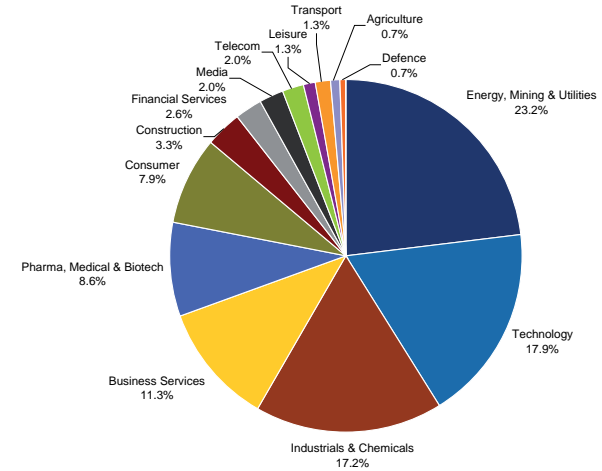
# Canada: Inbound and Outbound M&A Activity Breakdown



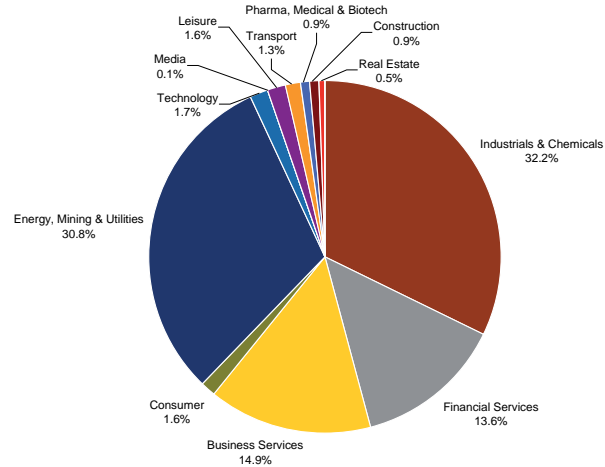
Mix of Canadian Inbound Deals by Industry Sector 2009 - Value



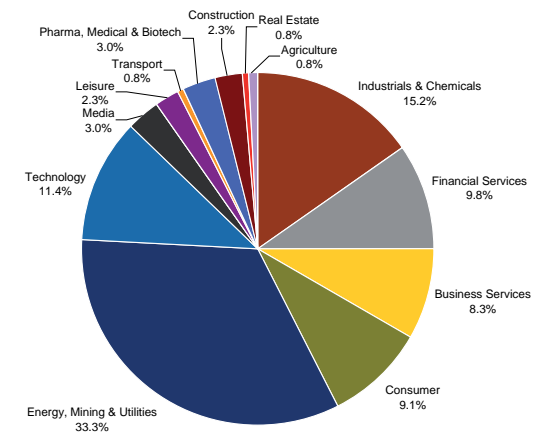
Mix of Canadian Inbound Deals by Industry Sector 2009 - Volume



Mix of Canadian Outbound Deals by Industry Sector 2009 - Value



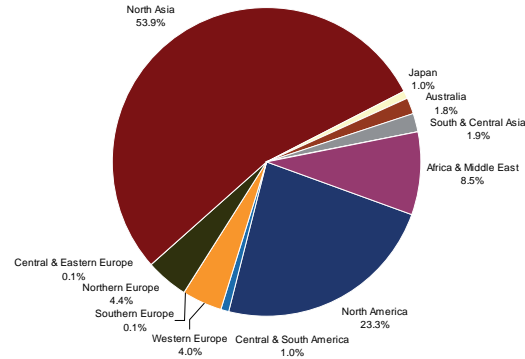
Mix of Canadian Outbound Deals by Industry Sector 2009 - Volume



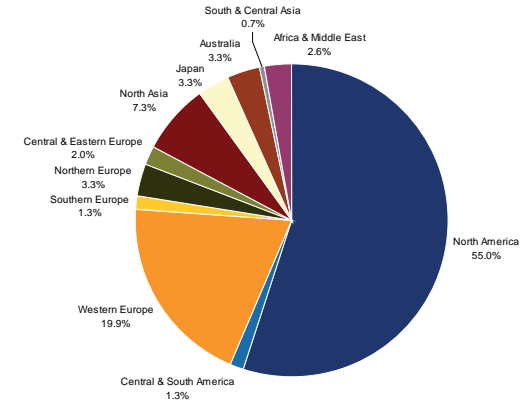
# Canada: M&A Activity Geography Breakdown



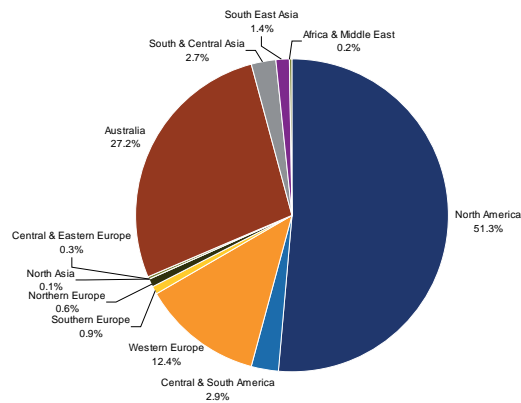
Mix of Canadian Inbound Deals by Target Geography 2009 - Value



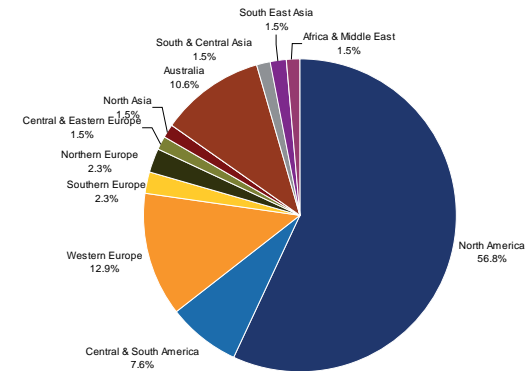
Mix of Canadian Inbound Deals by Target Geography 2009 - Volume



Mix of Canadian Outbound Deals by Target Geography 2009 - Value



Mix of Canadian Outbound Deals by Target Geography 2009 - Volume



# Criteria



All data is based on transactions over US\$5m announced between January 1, 2009 and December 31, 2009, unless stated otherwise. Deals with undisclosed deal values are included where the target's turnover exceeds US\$10m. Deals where the stake acquired is less than 30% will only be included if their value is greater than US\$100m. Activities excluded from the league tables include property transactions and restructurings where the ultimate shareholders' interests are not changed.

The M&A activity table and league tables are based on the dominant geography of any of the target, bidder or seller. The overall trend graph and pie charts are based on the dominant geography of the target being Canada. All sector breakdowns are based on the dominant sector of the target only.

The trend graphs are based on transactions announced in the given time periods.

For this report, "inbound" refers to deals where the dominant geography of the target is Canada and the dominant geography of the bidder is outside Canada; "outbound" refers to deals where the dominant geography of the target is outside Canada and the dominant geography of the bidder is Canada.

"Mid-market" refers to deals valued between US\$10m and US\$250m.

Unless stated otherwise, all data excludes lapsed and withdrawn bids.

All data correct as of January 12, 2010.

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## About mergermarket

mergermarket is a mergers & acquisitions (M&A) intelligence service.

mergermarket is part of The Mergermarket Group which has over 450 employees worldwide and regional head offices in New York, London and Hong Kong.

In any market, the life blood of advisers is deal flow. mergermarket is unique in the provision of origination intelligence to the investment banking, legal, private equity, acquisition finance, public relations (PR) and corporate markets.

With an unrivalled network of analysts covering M&A in the Americas, Europe, Middle-East, Africa and Asia-Pacific, mergermarket generates proprietary intelligence and delivers it together with daily aggregated content, on its mergermarket.com platform and by real-time email alerts to subscribers.

This wealth of intelligence, together with a series of deal databases, individual and house league tables, profiles and editorial have proven time and time again that this product can and does generate real revenues for clients. This is apparent when you see that mergermarket is used by over 1500 of the world's foremost advisory firms to assist in their origination process.

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