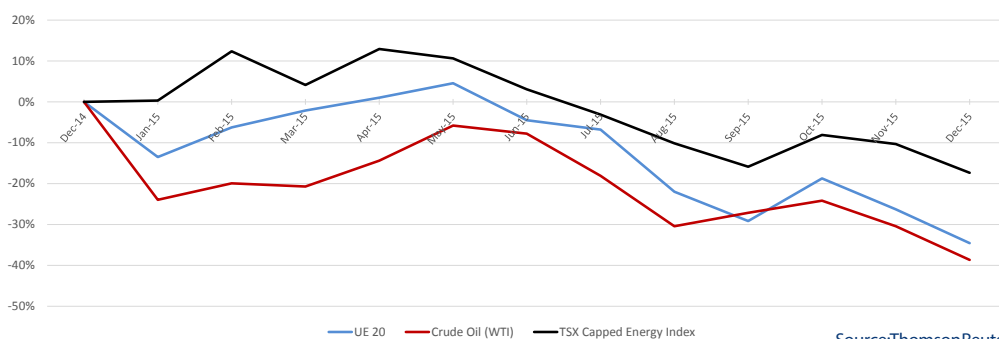




## Market Overview

The Ubika Energy 20 (UE20) index slipped 11.2% during the past month, largely in line with the 11.9% drop in the Crude Oil (WTI) price. The TSX Capped Energy Index, meanwhile, eased 7.8%, still suffering due to the oil price diverging closer towards the US\$40/barrel level.

## 12 Month Performance



Source: Thomson Reuters

The Obama administration said it expects to start lifting sanctions on Iran as early as January after the United Nations' nuclear watchdog found no credible evidence that Tehran has recently engaged in atomic-weapons activity. Lifting sanctions will have a significant impact on the global market for oil, the Iranian economy, and Iran's trading partners. The country's full return to the global market will add an estimated one million boe/d, lowering oil prices by an expected US\$10/barrel, [as according to the World Bank](#). Although some of this shock might already be priced into the current price of crude, some analysts are forecasting prices to fall much further, with [Goldman Sachs warning of a \\$20/barrel](#) level.

## Highlights

- As 2015 winds down the best performing energy junior, by far, is *Granite Oil Corp.* (TSX: GXO), and rightfully so. Over the past year, the Company gained 42.2% (the only Company in the positive for the year). Granite Oil saw a price bump this month due to highly positive Q3/2015 financial results, driven by \$14.5MM in cash from operations, which was used to fund expansionary Capex of \$6.6 MM, pay down \$3.5MM in debt, and pay out \$2.9MM in dividends.
- Another company that has persevered this year was *Orca Exploration Group Inc.* (TSXV: ORC.B), slipped just 3.3% for the year. Orca, operator of a natural gas field in Tanzania, produced revenues of US\$15.9MM and collected a total of \$24.1MM in cash from operations. The stock is thinly traded, with research coverage from Mackie Research supporting a target price of \$4.00/share (38% upside).
- Long Run Exploration* (TSX: LRE) took another sharp hit this month, sinking 47.7% (88.0% for the year), with the Company running into hot water with its creditors. Long Run is \$650MM indebted, with \$100MM due January 31, 2016, \$125MM due May 29, 2016, \$125MM due November 30, 2016, and \$300MM due May 31, 2017. The Company generated \$28MM in cash from operations for Q3/2015, voluntarily repaying \$30.3MM in debt (to bring total debt down to \$650MM).

## What to Watch For

The Energy Information Administration also reported that U.S. output grew slightly to 9.2 million barrels, confounding expectations that brutally low prices would reduce shale production. Crude oil prices are expected to tumble even further after Friday's OPEC meeting signals high production guidance.

## Index Overview

Number of Companies	20
Market Cap (\$MM)	\$5,071
Monthly Change	-11.2%
Dividend Yield	3.8%

## Monthly Breakouts

Price Gainer (month)	SRX.V
Price Gainer (year)	GXO.TO
Volume Gainer (month)	PXX.TO

## Monthly Price Gainers

Company	Symbol	% Chg.
Storm Resources Ltd	SRX.V	0.3%
Tamarack Valley Energy Ltd	TVE.TO	-2.4%
Painted Pony Petroleum Ltd	PPY.TO	-2.4%
Delphi Energy Corp	DEE.TO	-2.5%
Crew Energy Inc	CR.TO	-3.7%

## Monthly Volume Gainers

Company	Symbol	% Chg.
Blackpearl Resources Inc	PXX.TO	322.8%
Long Run Exploration Ltd	LRE.TO	155.9%
Manitok Energy Inc	MEL.V	131.9%
Twin Butte Energy Ltd	TBE.TO	101.2%
Orca Exploration Group Inc	ORCb.V	93.6%

## Commodity Snapshot

Crude Oil (WTI)	
Current price, \$/BBL	\$38.65
% Change (month)	-11.9%
% Change (year)	-38.7%

Crude Oil (Brent)	
Current price, \$/BBL	\$41.92
% Change (month)	-11.2%
% Change (year)	-36.7%

Natural Gas	
Current price, \$/MMBTU	\$2.13
% Change (month)	-7.3%
% Change (year)	-40.7%



## Ubika Energy 20 Performance

Company	Symbol	Price	Monthly Price Change (%)	52-week Price Change (%)
Blackpearl Resources Inc	PXX.TO	\$0.66	-26.7%	-38.9%
Cardinal Energy Ltd	CJ.TO	\$9.67	-13.4%	-29.1%
Cequence Energy Ltd	CQE.TO	\$0.33	-17.7%	-70.2%
Corridor Resources Inc	CDH.TO	\$0.40	-4.8%	-58.5%
Crew Energy Inc	CR.TO	\$4.21	-3.7%	-24.3%
Delphi Energy Corp	DEE.TO	\$0.78	-2.5%	-40.9%
Granite Oil Corp	GXO.TO	\$8.01	-12.1%	42.2%
Ikkuma Resources Corp	IKM.V	\$0.53	-11.7%	-52.7%
Leucrotta Exploration Inc	LXE.V	\$0.85	-14.1%	-37.5%
Long Run Exploration Ltd	LRE.TO	\$0.17	-47.7%	-88.0%
Manitok Energy Inc	MEI.V	\$0.18	-32.7%	-82.5%
Mart Resources Inc	MMT.TO	\$0.11	-53.3%	-85.8%
Orca Exploration Group Inc	ORCb.V	\$2.90	-6.5%	-3.3%
Painted Pony Petroleum Ltd	PPY.TO	\$4.04	-2.4%	-55.2%
Spartan Energy Corp	SPE.TO	\$2.45	-5.4%	-1.6%
Storm Resources Ltd	SRX.V	\$3.60	0.3%	-18.2%
TAG Oil Ltd	TAO.TO	\$0.61	-14.1%	-54.8%
TORC Oil & Gas Ltd	TOG.TO	\$5.88	-13.9%	-23.5%
Twin Butte Energy Ltd	TBE.TO	\$0.19	-33.3%	-81.4%
Tamarack Valley Energy Ltd	TVE.TO	\$2.88	-2.4%	-6.2%
UE 20		\$4.40	-11.2%	-34.6%
Crude Oil (WTI)		\$38.65	-11.9%	-38.7%
TSX Capped Energy Index		\$169.32	-7.8%	-17.4%

Source:ThomsonReuters

## In the News

### December 7, 2015:

BlackPearl Resources Inc. (TSX: PXX) announced the renewal of its credit facilities and provided initial 2016 guidance for the Company. Credit facilities were renewed, with the borrowing base maintained at \$150 million, the 2016 capital budget was set at \$15 million, with excess cash flow used to repay debt.

### December 1, 2015:

Cequence Energy Ltd. (TSX: CQE) announced the Company has voluntarily elected to reduce its maximum borrowing capacity under its credit facility to \$60 million (previously \$135 million). The reduced facility is part of the Company's ongoing cost reduction initiatives and will save excess standby and commitment fees. The Company is currently undrawn on its credit facility.

### November 30, 2015:

Manitok Energy Inc. (TSXV: MEI) announced its financial and operating results for the third quarter of 2015 and an operational update. Production averaged 4,434 boe/d (53% light oil and liquids) which is a 12% increase over production of 3,962 boe/d (54% light oil and liquids) in the third quarter of 2014.

## About the Index

For most small cap investors there is a lack of good quality, widely available research and information on promising junior gold exploration companies. Ubika Research is filling this gap by offering quality information and research on small cap companies. The release of the Ubika Mining 20 Index is a continuation of our commitment to provide high quality research and information to small cap investors. Index constituents have a market capitalization between \$2 billion and \$25 million, three month average daily trading value above \$100,000 and a price above \$0.25.

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