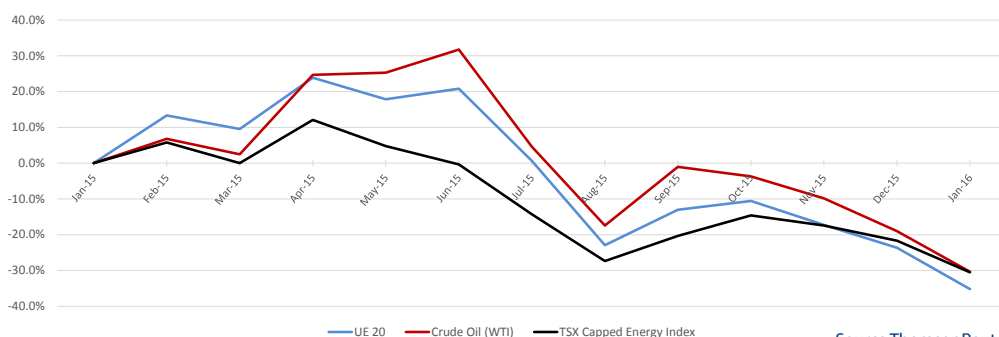




Market Overview

The Ubika Energy 20 (UE20) index slipped 15.2% during the past month, largely in line with the 14.2% drop in the crude oil (WTI) price. The TSX Capped Energy Index, meanwhile, eased 11.3%, still suffering due to the oil price diverging further down to the US\$30/barrel level.

12 Month Performance



Source: Thomson Reuters

Iran is preparing to restart regular crude-oil shipments to the European Union possibly as early as February, Iranian officials said last week. Iran's state-owned National Iranian Oil Co. is tentatively preparing a shipment of at least one million barrels of light crude to a Mediterranean port in the European Union. The preparations come as rivals such as Russia and Saudi Arabia have been aggressively discounting their crude oil to Europe in a price war ahead of Iran's full return to the market. Both countries seized a greater share of the Iranian market after Western countries tightened sanctions on Iran in 2012. Anticipation of increased supply has weighted on oil prices, sending WTI to lows of US\$26/bbl.

Highlights

- Mart Resources Inc. (TSX: MMT) made headlines once again, after announcing yet another acquisition agreement with a consortium of companies, which include Midwestern Oil & Gas Company Limited, San Leon Energy Plc, and 1038221 B.C. Ltd. The consortium agreed to buy Mart's shares at a CAD\$0.25/share valuation, sending its stock price up 88% on the TSX. Oddly enough, this is the third acquisition announcement of MMT shares (with the previous two failing to materialize), at a reduced acquisition price (due to the worsening economic outlook for oil). Its shares are currently trading at \$0.17, which is still much lower than the offered \$0.25, and shows the lack of confidence the market has in this offer closing.
- Tamarack Valley Energy Ltd. (TSX: TVE) released Q4/2015 production results, achieving record average production of 9,870 boe/d. Because of the oil price, the Company canceled an expansion project, drilling two fewer wells and exiting 2015 with total net debt estimated at \$100-105 million (vs. previous estimates at \$115-120 million). Tamarack is planning \$52-57 million in CapEx for 2016, with average production of 9,500-9,700 boe/d.
- Another updated guidance came from Cardinal Energy Ltd. (TSX: CJ), reducing its 2016 capital expenditure program from \$35 million to \$25 million. Cardinal expects to produce an average of 14,600 boe/d in 2016 (vs. Q4 2015 production average of 13,800 boe/d). As expected, cash flow from operations for 2016 were reduced from previous guidance of \$92 million to \$60 million, forcing Cardinal to reduce its dividend from \$0.84 per year to \$0.42 per year beginning in January 2016.

What to Watch For

Oil rose by more than 6 percent on Friday, as a cold snap boosted demand for heating oil across the United States and Europe. However, analysts said there had been no shift in the fundamental backdrop of supply that far exceeds demand as well as swelling inventories of unwanted oil and oil products. A look at the IEA report, especially the first half of this year, implies that the market is going to be oversupplied throughout 2016.

Index Overview

Number of Companies	20
Market Cap (\$MM)	\$4,198
Monthly Change	-15.2%
Dividend Yield	3.3%

Monthly Breakouts

Price Gainer (month)	MMT.TO
Price Gainer (year)	GXO.TO
Volume Gainer (month)	IKM.V

Monthly Price Gainers

Company	Symbol	% Chg.
Mart Resources Inc	MMT.TO	142.9%
Ikkuma Resources Corp	IKM.V	9.6%
Painted Pony Petroleum Ltd	PPY.TO	6.3%
Tamarack Valley Energy Ltd	TVE.TO	4.7%
Leucrotta Exploration Inc	LXE.V	1.3%

Monthly Volume Gainers

Company	Symbol	% Chg.
Ikkuma Resources Corp	IKM.V	282.9%
Granite Oil Corp	GXO.TO	76.1%
TAG Oil Ltd	TAO.TO	44.4%
Cardinal Energy Ltd	CJ.TO	25.8%
Leucrotta Exploration Inc	LXE.V	11.3%

Commodity Snapshot

Crude Oil (WTI)	
Current price, \$/BBL	\$32.22
% Change (month)	-14.1%
% Change (year)	-30.4%
Crude Oil (Brent)	
Current price, \$/BBL	\$32.15
% Change (month)	-13.9%
% Change (year)	-33.7%
Natural Gas	
Current price, \$/MMBTU	\$2.14
% Change (month)	7.8%
% Change (year)	-24.6%



Ubika Energy 20 Performance

Company	Symbol	Price	Monthly Price Change (%)	52-week Price Change (%)
Blackpearl Resources Inc	PXX.TO	\$0.54	-34.9%	-39.3%
Cardinal Energy Ltd	CJ.TO	\$6.58	-25.6%	-48.6%
Cequence Energy Ltd	CQE.TO	\$0.30	-1.7%	-66.5%
Corridor Resources Inc	CDH.TO	\$0.43	-5.6%	-51.1%
Crew Energy Inc	CR.TO	\$3.56	-13.4%	-35.9%
Delphi Energy Corp	DEE.TO	\$0.80	-11.1%	-34.4%
Granite Oil Corp	GXO.TO	\$7.76	-2.1%	25.3%
Ikkuma Resources Corp	IKM.V	\$0.57	9.6%	-18.6%
Leucrotta Exploration Inc	LXE.V	\$0.81	1.3%	-13.8%
Long Run Exploration Ltd	LRE.TO	\$0.34	-9.3%	-72.8%
Manitok Energy Inc	MEI.V	\$0.14	0.0%	-79.7%
Mart Resources Inc	MMT.TO	\$0.17	142.9%	-67.9%
Orca Exploration Group Inc	ORCb.V	\$2.35	-11.3%	-20.3%
Painted Pony Petroleum Ltd	PPY.TO	\$3.69	6.3%	-49.3%
Spartan Energy Corp	SPE.TO	\$2.41	-3.6%	-6.2%
Storm Resources Ltd	SRX.V	\$3.51	0.0%	7.3%
TAG Oil Ltd	TAO.TO	\$0.53	-8.6%	-62.4%
TORC Oil & Gas Ltd	TOG.TO	\$5.05	-8.7%	-32.8%
Twin Butte Energy Ltd	TBE.TO	\$0.08	-21.1%	-89.0%
Tamarack Valley Energy Ltd	TVE.TO	\$2.92	4.7%	-11.5%
UE 20		\$3.57	-15.2%	-35.2%
Crude Oil (WTI)		\$32.19	-14.2%	-30.5%
TSX Capped Energy Index		\$148.54	-11.3%	-30.5%

Source:ThomsonReuters

In the News

January 13, 2015:

Painted Pony Petroleum Ltd. (TSX: PPY) announced a strong operational start to 2016, ongoing success in obtaining firm transportation service, and an update on construction of the new gas processing facility in the Townsend area by AltaGas Ltd. Construction of the Facility is progressing well ahead of schedule and is now approximately 70% complete. As a result, AltaGas and Painted Pony expect to commission the Facility earlier than initially scheduled

January 4, 2016:

Crew Energy Inc. (TSX: CR) announced that the Board of Directors has approved a 2016 capital expenditure program of \$74 million structured to preserve balance sheet strength, optimize production throughput to enhance netbacks through firm transportation arrangements and focus on continued cost reductions. The capital activities planned for 2016 highlight Crew's strategy to maintain financial flexibility while continuing to develop our Montney asset base, positioning the Company for significant future production growth.

December 29, 2015:

Delphi Energy (TSX: DEE) is now singularly focused on its Bigstone assets where it holds 139.5 gross sections (118.1 net) of Montney rights and 81.5 gross sections (60.0 net) of contiguous shallow Cretaceous rights. The Bigstone Montney now represents 87% of corporate production. Delphi estimates \$6.0 - \$7.0 million in reduced operating costs in 2016 over 2015, as the more efficient Montney production replaces the lower netback properties disposed of in 2015.

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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