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## **Waterous fund acquires two-thirds of Northern Blizzard Resources**

A fund founded by Adam Waterous, the former Bank of Nova Scotia investment banker, has acquired two-thirds of Northern Blizzard Resources Inc. for \$244-million, putting more Canadian oil assets back in domestic hands.

Waterous Energy Fund said it bought the shares from a pair of U.S. private-equity firms, Riverstone Holdings LLC and NGP Capital Management LLC, for \$3.60 apiece, marking the fund's second investment since its founding earlier this year.

Northern Blizzard is known for heavy-oil production in Saskatchewan. The company's initial public offering was one of several launched in the months before oil prices tumbled in 2014.

The acquisition follows the multibillion-dollar purchases of Canadian heavy crude and oil sands assets from Royal Dutch Shell PLC and ConocoPhillips by Canadian Natural Resources Ltd. and Cenovus Energy Inc. in recent weeks.

The deals have raised questions about the attractiveness of Canadian energy resources to international investors as crude prices stick in the range of \$40 to \$60 (U.S.) a barrel and production costs remain above conventional crude. Mr. Waterous sees the evolution as positive.

"I always like to go against the grain, go where the other guy is not, but this is part of a theme of heavy oil being Canadianized," Mr. Waterous said in an interview.

Mr. Waterous announced in January that he had left his position as global head of investment banking at Bank of Nova Scotia to start the new fund, which is focused on smaller energy companies in which it can take a majority stake.

Earlier, it purchased an interest in privately held Strath Resources Ltd., which operates in the Montney natural gas play.