

ADVANCE CONTRACT AWARD NOTICE (ACAN)

1. Definition

An Advance Contract Award Notice (ACAN) allows departments and agencies to post a notice, for no less than fifteen (15) calendar days, indicating to the supplier community that it intends to award a good, service or construction contract to a pre-identified contractor. If no other supplier submits, on or before the closing date, a Statement of Capabilities that meets the requirements set out in the ACAN, the competitive requirements of the government's contracting policy have been met. Following notification to suppliers not successful in demonstrating that their Statement of Capabilities meets the requirements set out in the ACAN, the contract may then be awarded using the Treasury Board's electronic bidding authorities.

If other potential suppliers submit Statement of Capabilities during the fifteen calendar day posting period, and meet the requirements set out in the ACAN, the department or agency must proceed to a full tendering process on either the government's electronic tendering service or through traditional means, in order to award the contract.

2. Definition of Requirements

NRCan's Energy Sector (ES) constantly draws upon market intelligence and research to inform policy discussions.

NRCan requires a dependable source of information and analysis on Canadian, North American and global energy markets to provide services to our clients, particularly the Minister of Natural Resources Canada. Sophisticated and timely access to market intelligence is critical for informing departmental policy discussions. Written reports, retainer client services, customized consulting as well as on-line access to data and reports are essential. PIRA's long-term energy forecasts also provide some of the best insights into the energy industry's expectations about future energy markets.

PIRA's service is unique as it is privy to commercially sensitive information regarding energy commodities and the politics of energy. PIRA uses their contacts and information to provide market analysis and forecasts that no other company can provide. No other company provides equally frequent and comprehensive oil and gas market reports, which include geo-political analysis and raw data. This information is vitally important in the context of major policy discussions that could have lasting ramifications.

The following are the Deliverables under this requirement;

GLOBAL OIL RETAINER SERVICE

Oil Reports

(Accessible on PIRA's Web Online and/or sent via email)

- **World Oil Market Forecast (Monthly, 18 pages)**

This report contains PIRA's short- and medium-term outlook for world crude and petroleum products markets, along with critical intelligence on current market drivers. Price forecasts are provided for WTI and Brent, as well as for petroleum products for USGC and NYH. Highlights include: Comprehensive overview of the underlying supply/demand fundamentals; Updates to PIRA's world oil balances, including OPEC crude production; non-OPEC oil supply and world stocks; Key insights into global demand and production.

- **DOE Weekly Analysis (Weekly, 13 pages)**

Weekly report published each Wednesday after the U.S. DOE releases its Weekly Petroleum Status Report, this report covers PIRA's market perspective and analysis of the most recent U.S. crude oil and petroleum products supply/demand data, exports and imports, US refining margin tracker, including forecasts for the next week. The report is accompanied by statistics on the DOE's latest stock data.

- **North American Midcontinent Oil Forecast (Monthly, 12 pages)**

This monthly report examines the factors affecting shale plays and tight oil productions in the Midcontinent, as well as Canadian crude and WTI prices. Highlights include: Cushing crude supply/demand forecast balance, price outlook for Canadian light and heavy crude prices (including WTS and Mars), and light-heavy spreads.

- **European Oil Market Forecast (Monthly, 13 pages)**

This monthly report provides an outlook for European crude and products markets, including supply/demand analysis and forecasts for Northwest Europe and Mediterranean crude and products prices.

- **Asia-Pacific Oil Market Forecast (Monthly (13 pages) + Mid-Month Update, 3 pages)**

PIRA periodically issues a mid-month update to Asia Pacific Oil Monthly so to assess how the markets are evolving relative to our expectations. Most of the update will focus on refining margins, cracks, crude price spreads, along with flat price. In addition, the **Asia-Pacific Oil Mid-Month Update** highlights key updates of the Asian pacific market.

- **Latin American Oil Market Report (Bi-Monthly, 11 pages)**

This report focuses on Latin American (Mexico, Columbia, Chile, Brazil, Argentina, Venezuela, Peru) crude and products markets, providing country-level analysis with forecast projections. Highlights include: PIRA's downstream outlook, crude supply/ differentials, and refinery requirements.

- **Tight Oil Operator Review (Quarterly)**

This report covers the following companies that are active in U.S. tight oil plays: Anadarko (APC), Apache (APA), Chesapeake (CHK), Cimarex (XEC), Concho (CXO), ConocoPhillips (COP), Continental (CLR), Devon (DVN), EOG (EOG), ExxonMobil (XOM), Hess (HES), Marathon Oil (MRO), Newfield (NFX), Noble (NBL), Pioneer (PXD), and Whiting (WLL). PIRA estimates these companies together account for 54% of production in Bakken, 57% in Eagle Ford, and 50% in the Permian — or 45% of total U.S. tight oil production.

- **Japan Oil Analysis (Weekly, 7 pages)**

This report features the latest information on major (gasoil/jet/kero/gasoline) product demand and stock draws, crude runs/forecasts for the next week.

- **India Oil Demand Monitor (Quarterly, 7 pages) & China Oil Demand Monitor (Quarterly, 7 pages)**

These two reports monitor key variables pertaining to Indian and Chinese oil demand. Highlights include: major economic statistics, supply/demand data, and key demand drivers such as vehicle sales.

- **U.S. Refinery Turnarounds (Twice a year, 5 pages)**

Published twice a year (late summer and at year-end), this confidential survey of the U.S. refining industry's turnaround plans are presented by PADD.

- **Fracking Policy Monitor (Quarterly, 11 pages)**

This quarterly report examines the latest U.S. policy developments at the local, state and federal level. The analysis underpins PIRA's fundamental assessments of future prospects for liquids and gas from fracking, which are critical to both short- and longer-term balances for North American gas and, to an increasing extent, North American and global oil. Highlights include: regulatory actions, legislative initiatives, court rulings, trends in public opinion and scientific studies that influence future production.

- **Oil Market (Monthly, 110 page slides report)**

The presentation features extensive graphs, charts, and data on global oil markets.

- **Current News & Analysis Reports (6 to 7 reports per month)**

- **Global Oil Special Reports and Oil Bulletins**

- **OPEC Logs (updates on latest developments from OPEC meetings)**

These short, timely reports, delivered on an "as events dictate" basis, cover topics of immediate importance relating to breaking oil market developments and input from OPEC meetings (often attended by PIRA consultants) — along with how these affect PIRA's market outlook.

- **Political Risk Scorecard (Weekly, 2 pages)**

This weekly scorecard tracks global political developments in major oil producing and consuming countries, while assessing price impact (bearish, neutral, bullish).

- **Global political risk strategy papers and special reports; Global Political Risk Alerts (2-3 per Month, 2-3 pages)**

These periodic reports identify emerging trends such as overseas investment patterns, royalty regime changes, and U.S. Congressional policy direction. Highlights include: the Annual Country Stability Rankings and Disruption Analysis report, which tracks and measures economic, political and social risks in 35 key countries; in-depth analysis of emerging political and regulatory trends; the outlook for energy supply and demand; and the global investment climate.

- **Global political risk Annual Country Stability Rankings**

- **Periodic political risk conference calls with country experts**

Global Oil Data

(accessible only via PIRA Online)

- **PIRA's oil price forecasts on the Energy Price Portal.** Includes: 1) **short- and long-term price forecasts for 34 worldwide crudes and 92 worldwide petroleum products**; and 2) PIRA's Price Equation Manager (PEM), a utility that allows users to define, analyze and store up to 100 custom price spreads in the form of multi-variable equations that use PIRA's forecast prices. Updated monthly, or more frequently as historic data becomes available.

- **U.S. Oil Rig Monitor (Weekly)**

The U.S. Oil and Gas Rig Monitor and supplemental Excel data file of historical oil and gas rig counts provides a detailed summary of U.S. oil and gas drilling activity in selected plays and regions.

- **U.S. DOE Petroleum Data Portal (Weekly)**

- **World Petroleum Product Yield Monitor and Product Demand Monitor**

- **Iraq Oil Monitor (Quarterly)**
- Miscellaneous charts and data tables tracking global and regional oil markets (supply, demand, stocks, flows, etc.), updated on a monthly basis or as new data become available
- PIRA's **refining margins charting tool** covering major global refining centers (U.S., Europe and Asia)

Economic and Weather Data

(accessible on PIRA Online, *also sent by email)

- **Economic Recap (weekly)** (analyses key regional and global economic data and events of the past week and the week ahead)*
- **Global Equity Markets and Financial Stress Monitors (weekly)**
- **US DOE Data Portal (weekly)**
- Periodic **world and regional macroeconomic slide** decks (world economy, U.S. economy, U.S. regions, U.S. manufacturing, Canada/Mexico/North America, Europe, and Asia)*
- **Currencies charting tool** for comparing five key currencies versus the U.S. dollar and for demonstrating the “real oil buying power” of those currencies
- **Storm Watch**, an online feature of the latest tracking information from the National Hurricane Center for storms that threaten oil and gas production facilities in the Gulf of Mexico
- Weather-impact maps for Baltic and Black seas' ice and wind conditions
- Temperature maps for U.S., Europe, the former Soviet Union, and East Asia

NOTE: The service NRCan is considering would INCLUDE an in-house briefing by Dr. Gary Ross (or another PIRA's executive to cover the crude oil markets and geopolitical developments and would INCLUDE phone access to PIRA's global oil experts.

NORTH AMERICAN NATURAL GAS RETAINER SERVICE

Natural Gas Reports

(Accessible on PIRA's Web Online and/or sent via email)

- **North American Gas Forecast (Monthly, 8-10 pages)**
The report (along with a data spreadsheet) is published in advance of the settlement of the NYMEX front-month contract and covers North American natural gas price forecasts 12-18 months forward, along with supporting market fundamentals. It features timely analysis of changing U.S. gas balances and production trends in key shale plays— with respect to gas volumes from oil/liquids production. The analysis also covers economic impacts, coal-gas dynamics and weather-driven scenarios for residential/ commercial demand.
- **North America Gas Trade Monthly: Canada (Monthly, 8-10 pages)**
The monthly Canadian report includes analysis of natural gas production, imports, exports, active rigs (oil and gas) and storage. It is complemented with a monthly PIRA's Producers Survey of the 14 Canadian natural gas producers.
- **North America Gas Trade Monthly: LNG (Monthly, 8-10 pages)**
Monthly analysis of the North American LNG market. In addition to the monthly report, a data spreadsheet provides the following data: Henry Hub, NYMEX Futures, NBP, and Other LNG Pricing Points; U.S. Monthly LNG Imports and Send-Out; Annual Historical World LNG Supply by Importing Country; Monthly Historical World LNG Imports; U.S. LNG Import Terminals; North American LNG Export Terminals.

- **North American Gas Trade Monthly: Mexico (Monthly)**
- **North American Gas Regional (Monthly, 12 pages)**

This report contains an overview of market dynamics, impact on regional gas prices, , along with commentary on current issues in the marketplace. The first section examines key developments that will impact basis differentials in the Northeast (NY Z6, Algonquin, Dominion), Midwest (Chicago, Dawn, Midcontinent, AECO), West (SoCal, Waha, Opal, PG&E) and South (South TX, HSC, Transco St. 85, FGT Z3). Highlights include: Storage in the U.S. and Canada and a breakdown of U.S. drilling and production trends, and gas exports from the Rockies and Canada. Coverage addresses regional degree days, gas-fired electric generation by major grid (i.e. East, EROCT, and the WECC) and major market gas demand by Census Region.

- **Gas Flash (Weekly, 3 pages)**

This report is released after the US EIA storage survey. It provides analysis of the results and an update of PIRA's short-term gas market fundamentals and price outlook. Projections of U.S. and Canadian monthly gas balances and production data are analysed. Highlights include: End-month storage levels, identification of weather-related impacts and supply/demand storage outlook.

- **Current News and Analysis Reports (6 to 7 reports per month, 5-10 pages each)**
- **U.S Gas Producers Quarterly Earnings Call (Quarterly)**

A detailed written summary of quarterly earnings calls from top shale-focused U.S. natural gas producers, with an emphasis on factors likely to affect production. Such factors include drilling activity levels and recent well results — as well as any pricing or infrastructure issues.

Natural Gas and Macroeconomic Data

(Accessible via PIRA Online; *also sent via email)

- PIRA's **natural gas price forecasts on the Energy Price Portal**. Includes: 1) **short- and long-term price forecasts for 21 regional gas prices** throughout the United States and Canada. 2) PIRA's Price Equation Manager (PEM), a utility that allows users to define, analyze and store up to 100 custom price spreads in the form of multi-variable equations that use PIRA's forecast prices. Updated monthly, or more frequently as historic data becomes available.
- **US Gas Daily (Daily)** updates of demand and flows (utilizing 200 discrete inputs to generate 7 day forward demand forecasts)
- **Lower 48 Gas Production Daily Tracker** provides a snapshot of PIRA's pipeline flow models for the 14 day periods and comparing to the earlier seven-day period .
- **Economic Recap (Weekly)*** (analyzes key regional and global economic data and events of the past week and the week ahead)
- **Financial Stress Monitor (Weekly) ***
- **Periodic world and regional macroeconomic slide shows** (world economy, U.S. economy, U.S. regions, U.S. manufacturing, Canada/Mexico/North America, Europe, and Asia)*
- Miscellaneous **charts and data tables** tracking North American gas markets (supply, demand, storage, drilling, etc.) **are updated on a monthly basis** or as **new data** become available

NOTE: The service NRCan is considering would INCLUDE an in-house/webinar gas briefing and would INCLUDE access to PIRA's natural gas consultants.

The bundled oil and gas retainer service will include **2 invitations** to attend the PIRA's client-retainer seminar in New York in October each year and **2 invitations** to attend PIRA's June Seminar in Calgary.

All of the above research and information is to be sent to NRCan registered users via email, and will also be made available for later retrieval on the PIRA online portal. The research is to be provided in English, at the minimum. Materials for the annual retainer client seminar will also be provided electronically.

3. Trade Agreements

Agreement on Internal Trade (AIT)

The Canada-Chile Free Trade Agreement (CCFTA)

Canada - Colombia Free Trade Agreement and the Canada-Peru Free Trade Agreement (CPFTA)

North American Free Trade Agreement (NAFTA)

4. Title to Intellectual property

There will be no intellectual property resulting from this contract

5. Contract Period

The period of the proposed contract is from contract issuance to January 31st, 2016 with the option to extend the period up to two (2) twelve (12) month periods.

6. Estimated Cost

The estimated cost for this agreement is 193,500.00 USD plus applicable taxes which is inclusive of the initial contract with two (2) twelve (12) month option periods.

7. Exception to the Government Contracts Regulations and applicable trade agreements

Part 1, Section 6 d of the Government Contract Regulations

1. Only one person or firm is capable of performing the contract.

PIRA's connections and expertise within the industry, data collection methods and analysis, online portals and networks are unique and proprietary with exclusive ownership and rights to the information it collects and which NRCan requires access to. In order to ensure that NRCan receives all the deliverables under this request in a timely manner, it is crucial that they have direct access to a source of supply who has acquired all the deliverables under this requirement in advance. PIRA provides direct and immediate accessibility of all the information NRCan requires within all energy commodity groups.

No other company provides equally frequent and comprehensive oil and gas market reports, which include geo-political analysis and raw data. This information is vitally important in the context of major policy discussions that could have lasting ramifications.

8. Name and Address of the Proposed Contractor

PIRA Energy Group
3 Park Avenue
26th Floor
New York, NY
10016-5989

9. Inquiries on Submission of Statement of Capabilities

"Suppliers who consider themselves fully qualified and available to provide the services/goods described herein, may submit a Statement of Capabilities in writing, preferably by e-mail, to the contact person identified in this Notice on or before the closing date and time of this Notice. The Statement of Capabilities must clearly demonstrate how the supplier meets the advertised requirements."

10. Closing Date

The closing date for a submission of a Statement of Capabilities is March 5th, 2015 EST

11. Contract Authority

*Carli Grady
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