



### **The Broadcast**

*Broadbill Energy Inc.* is a safety centric, technology driven infrastructure company offering producers transparent and diversified access to market through five facilities across Canada. With strategic producer and midstream partnerships throughout Western Canada, Broadbill Energy is able to relentlessly improve the ultimate netback for our producer partners.

***The Broadcast*** is a monthly marketing newsletter from Broadbill Energy Inc. to provide market insight and company updates.

**PRODUCER PROFIT SHARE \$6,042,200**

## What's New in the Zoo

It has been a busy fall at Broadbill Energy. We recently closed the Greencourt Terminal acquisition and are excited to be providing our Broadbill service model in the W5. If you have any questions regarding this new facility, please reach out and we would be happy to discuss the diverse services being offered. Thank you all for your continued support and we look forward to working with you heading into the final quarter of 2022!

## Market Summary

### Dictionary

Definitions from [Oxford Languages](#) · [Learn more](#)

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## bro·ken rec·ord

*noun*

used, especially in similes, to refer to a person's constant and annoying repetition of a particular statement or opinion.

"at the risk of **sounding like a broken record**, let me repeat: it will be difficult to do well without attending classes regularly"

## Pricing View - October 20, 2022

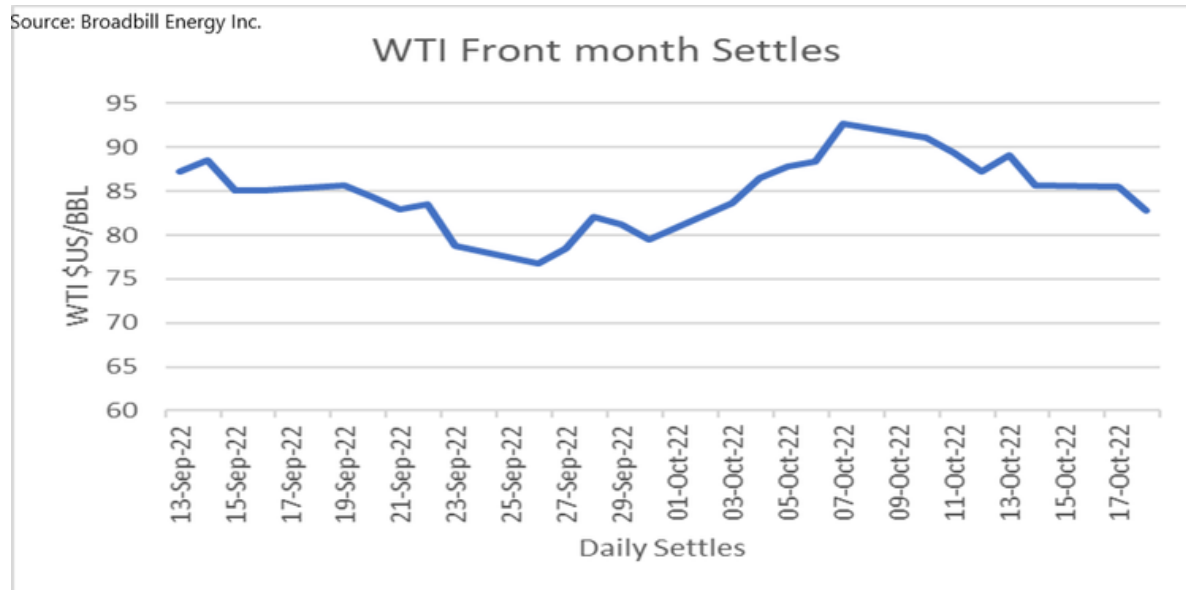
	Sept-2022 Index Diff	Oct-2022 Index Diff	Nov-2022 (Est) Index Diff
WCS	-\$19.62	-\$19.62	-\$26.95
LIGHT SWEET (MSW)	-\$1.57	-\$1.57	-\$2.95
CONDENSATE (C5)	-\$2.08	-\$2.08	\$0.40
LIGHT SOUR BLEND (LSB)	-\$3.27	-\$3.27	-\$4.20
MIDALE (MSM)	-\$6.22	-\$6.22	-\$7.60

A broken record indeed. The persistent themes of early fall continue and we can agree the constant themes are getting annoying. Inflation, recession, supply chain/threat and volatility. These are the buzz words we are continually hearing. These themes are swinging crude price up and down ~5% almost daily. While this makes things interesting, it leads to a bullish market that doesn't give it the confidence needed to push hard on investing aggressively into the space.

## Never a Dull Moment

Crude remains volatile on the day to day trade but remains stubbornly above \$80 us/bbl on calendar month average. With the weak Canadian dollar (another persistent theme) relative to the U.S. dollar, basis netbacks continue to shine.

Source: Broadbill Energy Inc.



The Biden Vs. OPEC match continues. As we have mentioned several times, Biden is fighting hard to keep a lid on oil prices (gasoline prices more specifically) as a major contributor to mainstream inflation. He continues to plead with the refinery industry to reduce price/margins (which are very strong, especially on diesel), while also pleading with the upstream segments to invest more heavily into production.

OPEC has continued to show its desire to keep crude prices elevated by recently announcing further output target cuts of an additional 2MM bbls/day. Biden has thrown the most recent jab by continuing his relentless release from the strategic reserves. Keep an eye on this heading into mid terms early next month.

We are still seeing a great deal of posturing as the world prepares for further efforts to curb Russian petroleum funds by reducing or eliminating Russian crude purchases by Western nations. While the bbls will likely still clear to China and India (at discount), it still threatens global energy supplies in the medium and long term.

With fall maintenance programs coming to an end, AECO has finally found its footing. We are seeing some weakness on the winter price strips as gas inventories appear to

be building, especially given the continued warmer than normal fall weather.

A quick view of the stock market shows that it has been a good month to not look at the portfolio. Most indexes continue to come under pressure with the persistent hawkish central bank views across the globe. Oil and Gas companies are showing resilience as price support remains.

### **WCSB Pricing Summary**

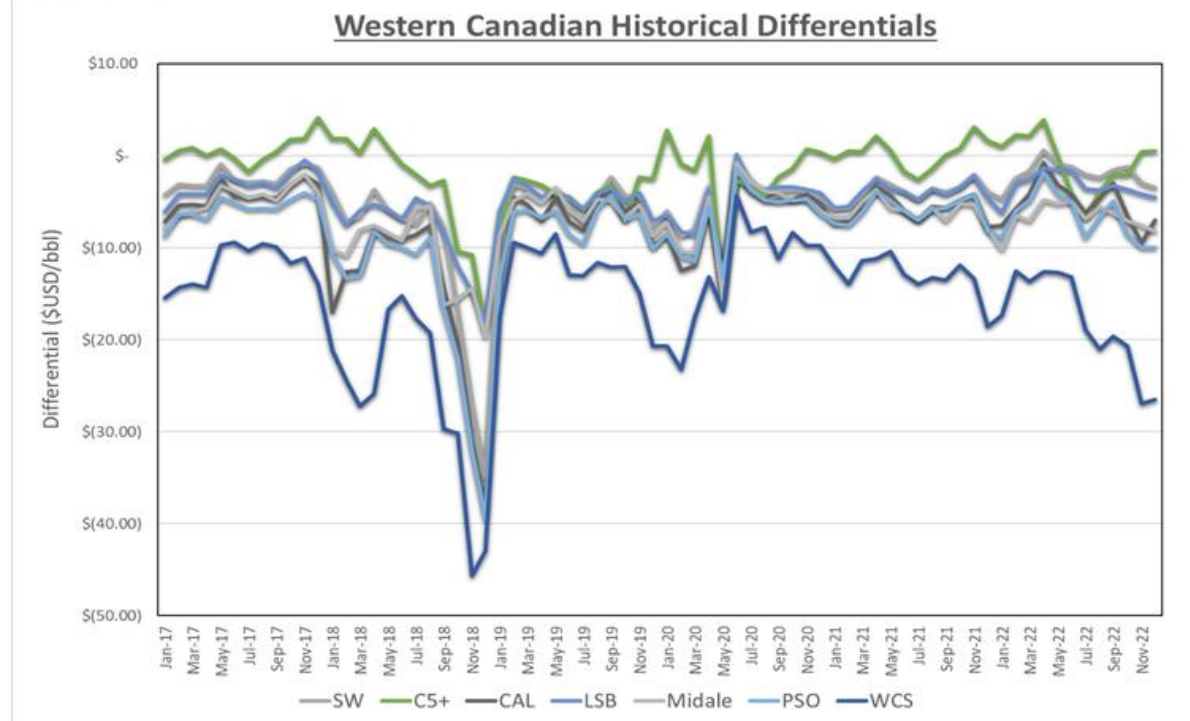
Apportionment: after a brief increase to 6%, we are back at 2% and at the time of publishing, November has been announced at 2% once again for November flow. Despite this, with continued downstream maintenance (BP Whiting advanced some work to coincide with their recent downtime) and Toledo Refinery also had a down post event, heavy discounts have continued to widen. In fact, during the November trade cycle we briefly saw WCS trade as low as minus \$34 us/bbl before recovering to minus \$30.

Light and medium continue to show solid price performance relative to the higher basis of WTI. Diesel and gasoline crack spreads continue to show strength. There have been more news clippings suggesting Biden could once again enforce finished good export bans in an attempt to put a ceiling on pricing, but so far he has maintained an active (through shrinking) pull on the SPRs.

We attended the Canadian Crude Oil Conference in the middle September and thought we would share some of the key takeaways from the event. There were a few more pictures being painted around how crude could come down in 2023, but generally even the bearish views are discussing the challenges in the supply side of the equation. Past President of the Transmountain Pipeline expansion project spoke about the challenges of gaining approval to build the 500KBD pipeline to Richmond, B.C., but also gave a positive view of the pipeline being completed and coming to market likely later in 2023. It is exciting to see this coming together.

The last piece of news we wanted to share on the state of Canadian energy comes from our Deputy Prime Minister. A snippet from the Financial Post, "Canada will have to fast-track energy and mining projects if it is to help its democratic allies and achieve its own net-zero ambitions, Deputy Prime Minister Chrystia Freeland said in a speech this week in Washington." We aren't making this up. While this could be simple political posturing, it is hard not to take notice that the energy shift seems to be moving into the left side of the political spectrum.

Source: Broadbill Energy Inc.



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