



PRODUCER PROFIT SHARE \$12,193,362

About Broadbill Energy

From our strong foundations, we create unsurpassed value to boldly redefine the midstream industry as the partner of choice. We are a driven infrastructure company offering producers transparent and diversified access to market, while relentlessly improving the ultimate netback for our producer partners. We fearlessly pursue innovation. We work with the right people. We are producer centric and we pursue strategic opportunities.

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

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What's New in the Zoo

We are pleased to announce that we went live with our ninth site this month and are on track to operate 10 sites by the end of summer. As we grow, we continue to look for opportunities to optimize existing facilities and deliver our customers value. A huge thank you to our producer partners for your continued support. We appreciate the opportunity to work with you.

It is hard to believe it is already July. We are getting ready for our Stampede Round Up at the Palomino Smokehouse. It is on July 6th starting at 3:00pm and we hope you can pop in for some drinks and food.



For future potential customers, we look forward to working with you and creating this conduit to incremental value. With this in mind, as we move past breakup, please reach out to hear about our new projects for enhanced market access and premium opportunities.

Lastly, it is hard to believe but with Stampede plans already underway, keep your eye out for our annual Stampede event invite. We hope this year's Thursday Stampede opener is the best one yet and hope to see you all there!

Pricing View - June 28, 2023

	MAY-2023 Index Diff	JUNE - 2023 Index Diff	JULY - 2023 Index Diff
WCS	-\$15.50	-\$13.88	-\$11.94
LIGHT SWEET (MSW)	-\$4.37	-\$3.33	-\$2.39
CONDENSATE (C5)	-\$4.24	-\$3.99	-\$4.73
LIGHT SOUR BLEND (LSB)	-\$3.96	-\$3.85	-\$3.26
MIDALE (MSM)	-\$5.43	-\$6.00	-\$5.11

MARKET SUMMARY

June was a big month as many of our customers brought back production that was shut-in due to Alberta Wildfires. The Trans Mountain pipeline received additional government support and Chrystia Freeland announced that Ottawa does not intend to be the long-term owner of the pipeline. Opponents of the project were quick to point out that sale of the pipeline will be at a loss, as the pipeline went over budget. Trans Mountain expects expansion mechanical completion by the end of 2023. The project went overbudget due to environmental opposition, regulatory hurdles, and construction delays.

Wisconsin Pipeline is the latest pipeline facing challenges due to environmental concerns. Enbridge was ordered by a U.S. judge to close parts of the pipeline within three years and pay \$5.2MM for trespassing on tribal reservation, plus a portion of their profits until shutdown is completed. Enbridge proposed re-routing the pipeline around the tribal reservation but did not receive federal approvals and intends to appeal the judgement.

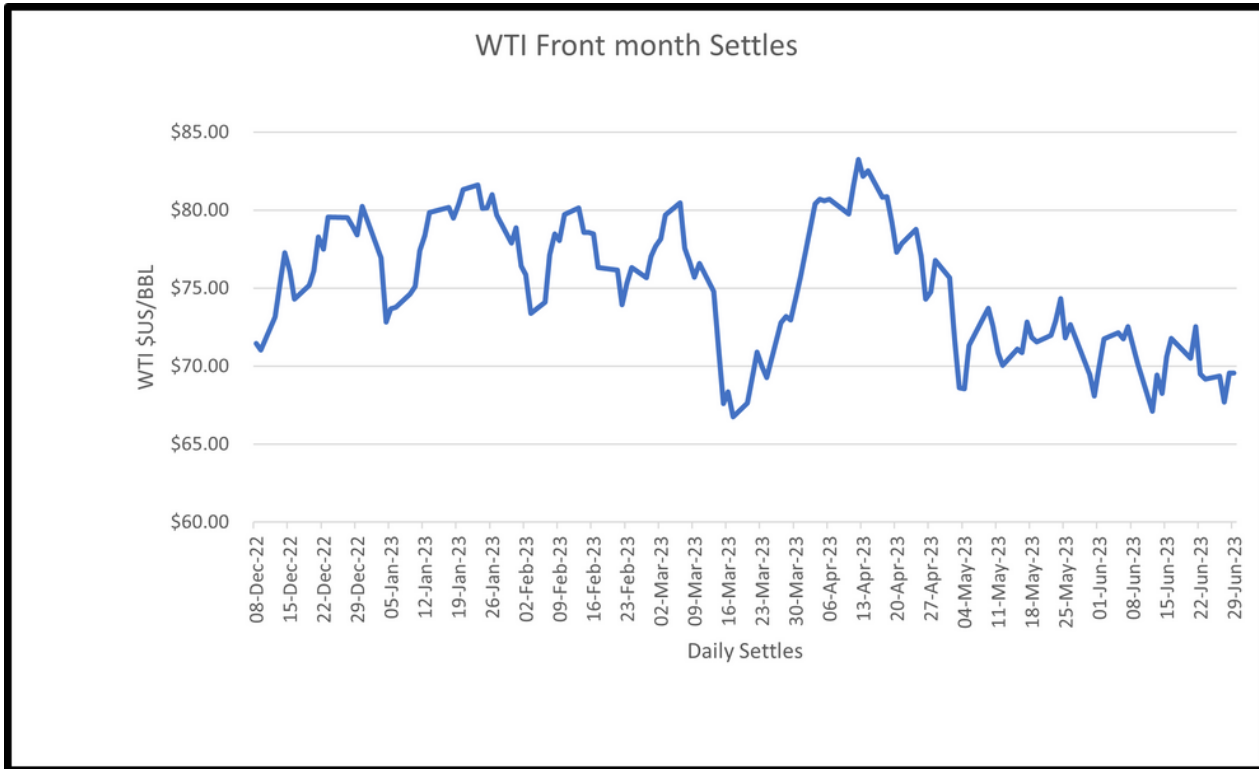
Both nationally and globally, we have seen a tug of war between balancing recession fears and actual demand. The market reacted to weaker than expected Chinese export data, Chinese refiners adding to crude inventories, rising U.S. crude inventories, rising U.S. fuel inventories, a rising U.S. unemployment rate, a potential U.S.-Iran nuclear deal, and minimalized Saudi Arabia's production cuts. On the other hand, Iranian oil exports reached five year highs and Venezuela is planning to hit a 15% month-over-month increase in oil output this month. Moreover, the most recent two EIA reports showed crude inventories decreased. Last week's report suggested U.S. crude oil inventories (excluding strategic petroleum reserve (SPR)) are roughly at the five-year average and this week's inventories are about 1% below the five-year average for this time of year.

Some good news came out of the OPEC+ meeting at the beginning of June, but it was short lived. Saudi Arabia is planning to cut oil production in July and the group extended cuts through end of 2024, with UAE increasing production. Lower targets are set for Nigeria, Angola and Russia, bringing them in line with current production. Saudi pledged to allocate its full volume to its Asian buyers, which could potentially result in cuts to crude shipments to the U.S.

OPEC's monthly forecast for 2023 remained mostly unchanged, while concerns about high debt levels, Euro-zone, and high inflation in many regions and high interest rates persist. Speaking of interest rates, central banks of Australia, Canada, UK, Norway, and Switzerland all increased interest rates. While Chile's central bank held their policy rate with the market expecting rate cuts in July, China cut key policy rates after 10 months but less aggressive than expected. Powell signaled slower rate hikes and San Francisco Fed. president made hawkish statements.

Russia continues to make news as Pakistan purchased the first Russian cargo with Chinese yuan. BRICS (Brazil, Russia, India, China, and South Africa) nations have been pushing to move away from the dollar and there's been growing interest from other countries to ally with the group. Russia, Iran, Brazil, Argentina, and Bangladesh are set to trade or already trading with Russia using the yuan. Russian imports in India and China are more than imports from all other OPEC countries.

The U.S. Department of Energy (DOE) announced the second SPR purchase of 3.1 million barrels of crude in August and seeking to add another three million barrels for September. According to the latest Energy Information Administration (EIA) report, crude in SPR is 149.3 million barrels lower than last year for this time of year. In other words, it will take almost five years to catch up to last year's inventory if DOE keeps purchasing crude.



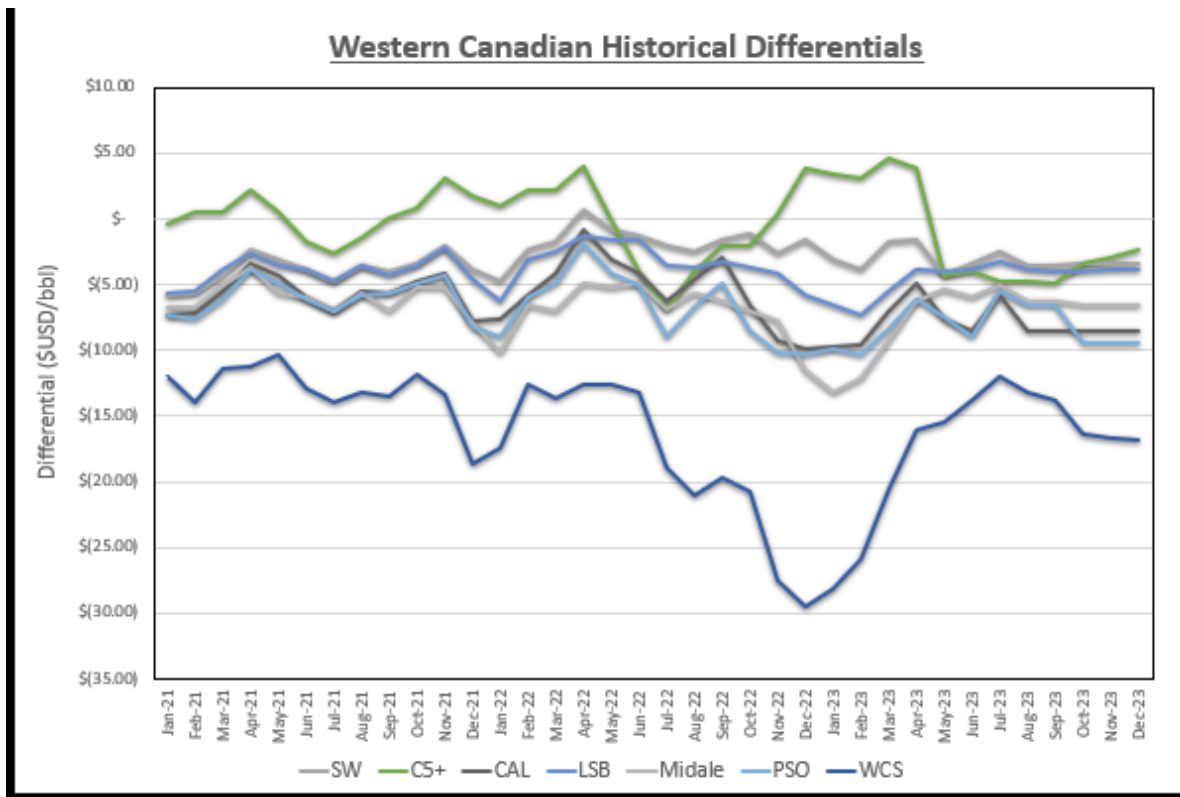
Source: Broadbill Energy Inc.

According to the latest EIA report, crude oil inventories decreased 9.6 million barrels while input to refineries went up 22 thousand barrels/day. Gasoline went up 37 thousand barrels/day, as we are well into a busy driving season. See appendix for EIA weekly data points.

The unloading of the U.S. dollar this week came after personal consumption expenditures (PCE) price index numbers came out aligned with expectations. The PCE price index rose more slowly month-over-month from 4.3% in April to 3.8% in May. Consumer spending stagnated and People’s Bank of China announced possibility of using interventions to support the yuan, triggering sell off in the U.S. dollar.

WCSB PRICING SUMMARY

The Canadian GDP came out with weaker than expected data. We will be keeping an eye out for next week’s employment report, as it will impact the next Bank of Canada meeting.



Source: Broadbill Energy Inc.

Canadian crude differentials continued their story of strength into the July trade. Downstream buying for heavy sour has been incredibly tight. We are seeing heavy differentials in the Gulf Coast trade a mere \$3 us/bbl under WTI. The WCS barrel closer to home is trading essentially to WCS Gulf Coast after transportation cost assumptions. This is a trend that can persist. If we think back to the last WCS blowout late last year, the initial catalyst was a widening of Gulf Coast sour differentials given high turnaround plans and continued releases of sour from the SPR. We are now witnessing the opposite. The U.S. has begun purchasing SPR volumes and for now they will be sour purchases. Additionally, foreign buyers seem to have high demand heading into summer seasons and with all refineries out of turnaround, the bids have been persistent.

Keep a close watch on summer driving this year. We believe with a busy season of summer driving there could be another catalyst pulling gasoline inventory even further below its five year average. This will support crack spreads, which will continue to provide strength to the light barrels in the WCSB.

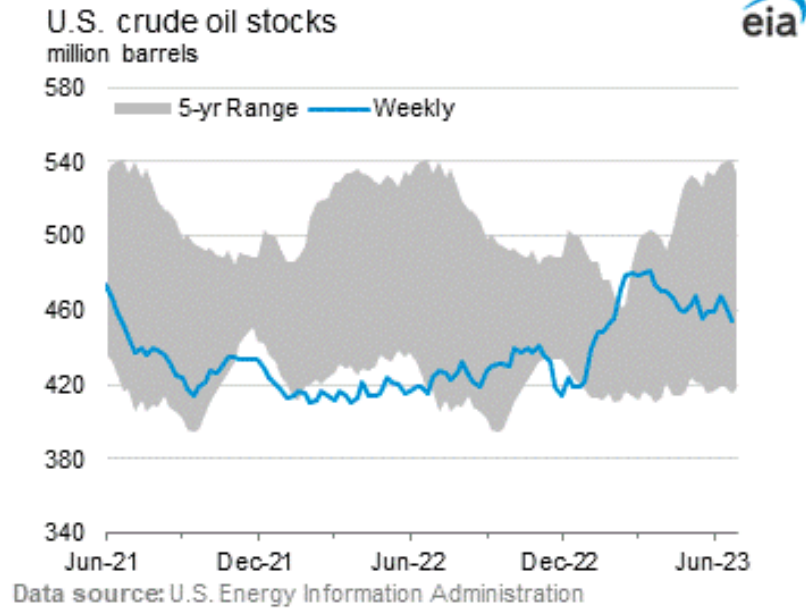
Only a few days until Stampede! We hope you have a chance to sneak in down to the Palamino this Thursday. We'll be hosting our 3rd annual stampede kick off event there and are looking forward to sharing a beverage and a few stories heading into what should be a great summer season.

The Broadbill Energy Team

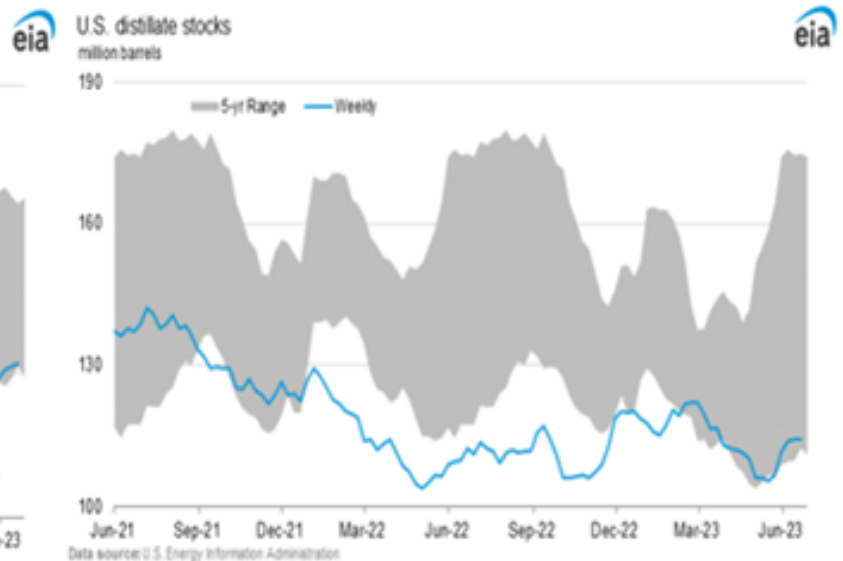
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APPENDIX



	Stocks 06/23/23	Change from last	
		Week	Year
Crude oil	453.7	-9.6 ↓	38.1 ↑
Gasoline	222.0	0.6 ↑	0.4 ↑
Distillate	114.4	0.1 ↑	2.0 ↑
Propane	79.547	2.595 ↑	25.544 ↑

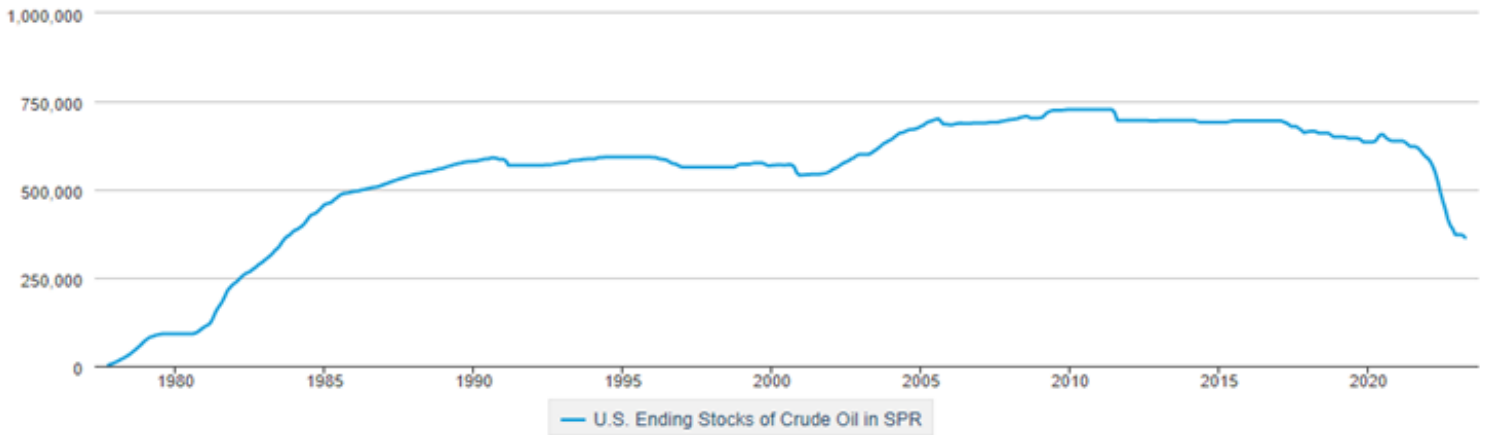


APPENDIX

U.S. Ending Stocks of Crude Oil in SPR

[DOWNLOAD](#)

Thousand Barrels



 Data source: U.S. Energy Information Administration

DXY chart >

