The Broadcast

JUNE 2025

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Broadbill exists to create value differently. From our strong foundations we create unsurpassed value to boldly redefine the midstream industry as the partner of choice. We fearlessly pursue innovation and strategic opportunities. We are producer centric and we work with the right people.

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

PRODUCER PROFIT SHARE

$29,553,981

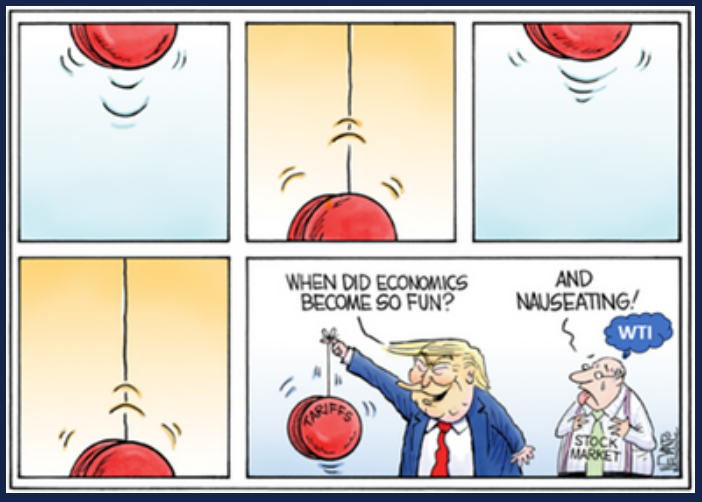
VISIT US ONLINE

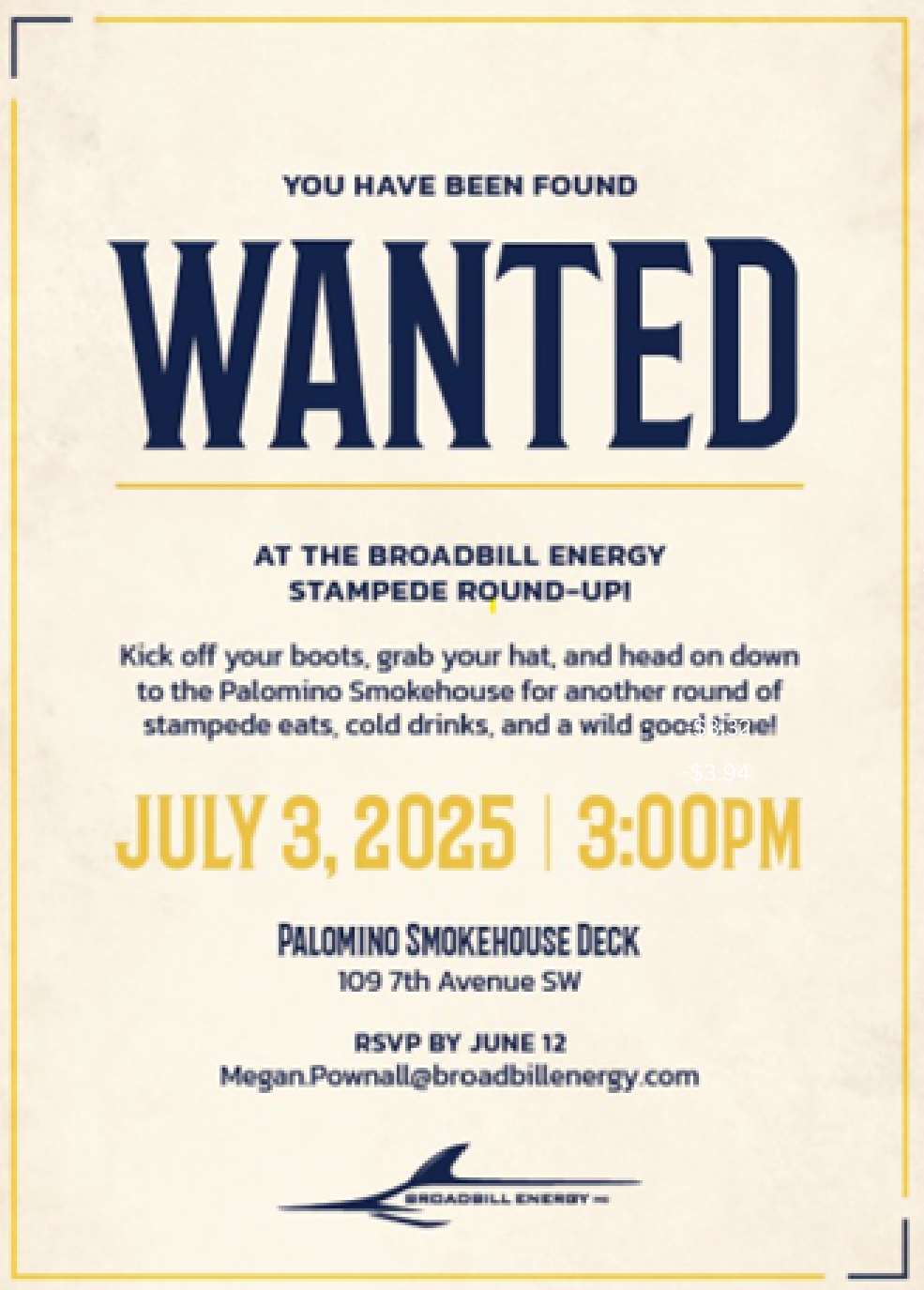
What's New in the Zoo

Summer has arrived. While May had its fair share of rain and moisture, things are drying up fast and the heat is rising across the basin.

We are getting ready for another busy season post breakup, and while the market hasn't been necessarily all roses, there are some signs of market resiliency that we will discuss.

It is hard to believe but we're a mere month away from another Broadbill Stampede Palamino Extravaganza and we think this year will be the biggest attendance yet. Please reach out to Megan.Pownall@broadbillenergy.com to RSVP your attendance at this year's event.




YOU HAVE BEEN FOUND
WANTED
AT THE BROADBILL ENERGY
STAMPEDE ROUND-UP!
Kick off your boots, grab your hat, and head on down to the Palomino Smokehouse for another round of stampede eats, cold drinks, and a wild good time!
JULY 3, 2025 | 3:00PM
PALOMINO SMOKEHOUSE DECK
109 7th Avenue SW
RSVP BY JUNE 12
Megan.Pownall@broadbillenergy.com
BROADBILL ENERGY INC

Pricing View -June 3, 2025

	April 2025 Index Diff	May 2025 Index Diff	June 2025 Index Diff	July 2025 Index Diff View	
				Current	Trend (last trade)
WCS	-$12.28	-$9.44	-$9.10	-$8.91	-$8.95
LIGHT SWEET (MSW)	-$5.30	-$2.03	-$1.18	-$1.10	-$1.15
CONDENSATE (C5)	-$2.28	-$0.68	$2.13	$0.08	-$0.25
LIGHT SOUR BLEND (LSB)	-$6.48	-$2.75	-$2.29	-$2.54	-$2.70
MIDALE (MSM)	-$6.66	-$3.34	-$3.12	-$4.25	-$4.25

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TMX Update

TMX continues to chug along, providing western Canadian producers both the egress and market diversification we knew it would, despite persistent claims from certain federal politicians suggesting there is no business base for augmenting or new tidewater infrastructure outlets.

There have been some interesting data points emerging from the economics point of view in that Asian buyers seem to be liking the crude diet being provided from Westridge Dock, perhaps even making Afromax vessel size economic to keep pricing not only competitive with pipeline egress to the Gulf, but perhaps even move the price upwards as much as $1 US/bbl. Now several months into operation the data continues to show that Canadian seaborn exports are trending higher proportionately to non-U.S. destinations. In fact, total U.S. proportionate seaborn exports are currently at 40% (and dropping), where the five-year average is >70%.

Macro Update

Trump appears to have two primary concerns on the global stage. Tariffs of course are still leading the charge, but he has also been a steady critic of the Russian/Ukraine crisis, as well as talking tough on furthering sanctions on Iran should they continue to press into uranium enrichment. Through the month there was even talk of a potential deal that could see sanctions removed, thus paving the way for Iran to bring back 400-800K barrels per day of crude production to the market. We remain skeptical of how much Iranian crude is truly held off the market, given their ability to offer cargoes using ghost ships at reduced price to China and India, which we have discussed in previous *Broadcasts*.

In tariff news, we just about made it through a whole month without tariffs increasing, but rather being decreased across the board. Things kicked off with Trump putting China tariffs on the 90-day bandwagon delay, which markets certainly appreciated (both literally and metaphorically). Of course, Trump wasn't going to let us down citing China may in fact be cheating the system of late and as such returned to the podium announcing prospective tariff increases unless China gets back to being good guys.

This yo-yo effect has now been dubbed the “TACO” (TACO – Trump Always Chickens Out) trade and is now literally going viral. Let’s hope that doesn’t send him over the top. Otherwise for the most part, May was lovely looking dandelions, where at least from an equity market perspective we are back above all time highs across all major indices to start the summer months when wall streeter’s are typically getting the boats ready at their Hampton homes.

In what maybe should have received a little more media attention, the U.S. Federal Credit rating was downgraded to Aa1 from Aaa by Moody’s. While its nothing new, as other credit rating agencies had already moved the credit off the gold standard of triple-A (both Fitch & Standard and Poor’s had previously made the same downgrade) it’s a sign that even the safest of investments (U.S. Treasury Bonds) has risk, as the U.S. has used the printing presses to issue trillions of U.S. dollar treasuries over the last decade.

In some international energy news, Shell may be once again evaluating the purchase of BP…again. Nothing relatively new here as the two giants have been linked in the past, but it goes to show that even the mega consolidation deals may not be out of the question, as the industry continues to go down this path. Closer to home, Strathcona made a move of their own recently announcing their desire to take out the remaining outstanding shares of MEG Energy. This was after selling their Montney and Grounbirch positions to Arc and Tourmaline, respectively, again showing that consolidation is far from over as we saw the Veren Whitecap merger finalize as well through the month.

Other market tidbits this past month saw Bitcoin surge back above $100,000 U.S., hitting a high most recently of $110K. Gold has come back down, given the markets renewed risk appetite also hit a high of $3500 U.S. during the month, but as of writing is back to $3300.

OPEC & OPEC+

OPEC+ has confirmed this past weekend it will be continuing accelerated oil output increases of 411,000 barrels per day for July. This will be the third month in a row of such an increase effectively placing over 1.3MM barrels per day of crude back into the global market at a time when demand continues to falter under ongoing economic concerns due to Trump and his tariff games. While the Saudi’s appear to be persistent in their messaging that they will no longer tolerate production cheats from Kazakhstan and Iraq, this too is starting to feel like old news and given Trumps business tour over the month one has to consider if perhaps part of the deal making includes playing along so he can keep a lid on energy, which is a key component of inflation both directly and indirectly.

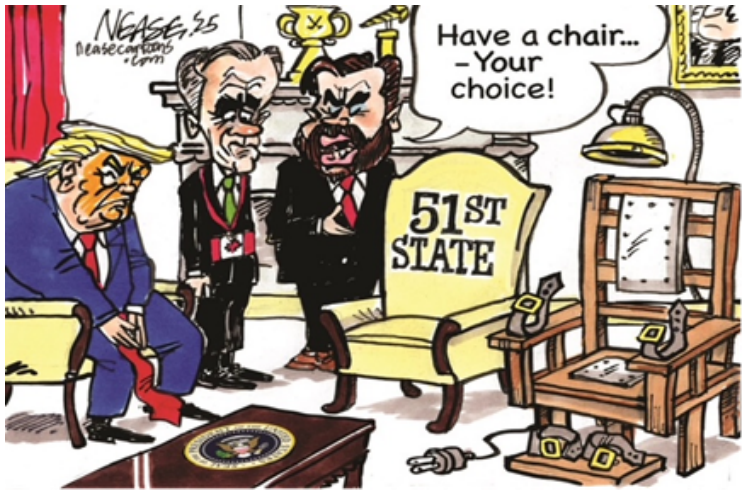
Also of note, early in May, National Bank discussed the potential that OPEC is reading tea leaves: high demand from China/India when prices slip sub $60 for any amount of time. Product demand seems to be there for this low price point and their imports always seem to increase when prices slip below this mark for extended periods. Let’s hope their crystal ball is indeed detecting demand will persist at $55+.

NORTH AMERICA

With the election in the rear-view mirror, it is time to face the reality of another Liberal minority driven government. In trying to keep the glass half full, we'll attempt to make some sense out of what we are seeing from our new Prime Minister.

While some of the house (cabinet) was cleaned, there's a few dirty dishes that somehow just didn't get cleaned in the old dishwasher. The Honourable Steven Guilbeault was shifted to Minister of Canadian Identity and Culture and Minister responsible for Official Languages from his last post of Minister of Environment. Of course, Mr. Guilbeault has been staunchly against the oil and gas industry and the many projects the industry has been advocating for over the Liberal tenure in Ottawa.

It wasn't a day after Carney's cabinet was announced that he was eagerly providing his environmental and business opinions on the potential for new energy infrastructure projects, most importantly getting energy dependence away from the US. He continues to believe there is no case for these infrastructure projects, which is laughable considering the basin has only built one pipeline that is of dire importance considering how the U.S. is openly laying siege to the resources whether it be through tariffs or 51st state propaganda from Trump. Just look at the table in our illustrations where Canada alone could add 5+ BCF/day of gas export capacity by 2030. Nope, no case whatsoever as Canada also clipped a record production of 15 BCF this past month, while the U.S. has pushed the needle above 107 BCF. Of course, LNG Canada is set to load its first liquid gas this month, and it can't come soon enough to provide AECO with a global benchmark alternative.



This said, Carney's energy appointment went to Tim Hodgson, one of his best buds from his banking days when Mr. Hodgson was the head of Goldman Sachs Canada. This is a move we feel could be positive for the industry. If there's one thing you have to love about bankers, is they love making money and if this gang takes this approach to running the country at a minimum, perhaps we will see some progress getting the industry moving favorably to tidewater on more LNG and crude export terminal opportunities. He then came to Calgary and reiterated Carney's promise that his government would approve projects in the "national interest" under a fast-tracked review system at a Calgary Chamber of Commerce meeting.

This was applauded by industry leaders and energy inventors alike, even getting rare praise from Erik Nutall, who gave immediate positive feedback on the speech where he viewed the messaging as a measured balance of getting energy to tidewater (away from the U.S. captive market) and a commitment to Carbon Capture, which Canada is already a global leader in. This is how they will pay for the recently announced federal spending plan, given that we still have yet to see a budget from the PM's office in what will be the longest this country has gone without a budget in history.

While it was a relative nothing burger, PM Carney did get his Oval Office cameo meeting with President Trump early in the month. He seemed to handle himself well, all things equal, despite Trump clearly requiring any meetings to be accompanied by the made for TV recordings to again allow Trump to show his constituent who the real big dog is. Trump did his best to induce a Zelenskyy repeat, but Carney didn't take the bait. Too bad, might make for an interesting fight between them. Stay tuned I'm sure there will be a sequel...

INFLATION

On both sides of the border inflation appears to be moderately under control. We continue to see signs of slowing economic growth and output. On any given day we also can see economic indications that suggest the market, at a minimum, seems to be coping with economic pressure, while also not necessarily seeing dramatic price inflation increases. This has allowed central bankers to maintain the status quo on interest rate policy for the time being, all singing from the same song sheet that rates will likely remain on hold until the effects of tariffs become clearer. The market continues to call for at least one rate drop from the U.S. and two or more from Canada as the year progresses. The Canadian dollar maintained its position against the greenback this month, hovering between 1.37 and 1.40 on any given news day. As long as fiscal policy per above remains status quo, we would expect this to remain the case.

WTI

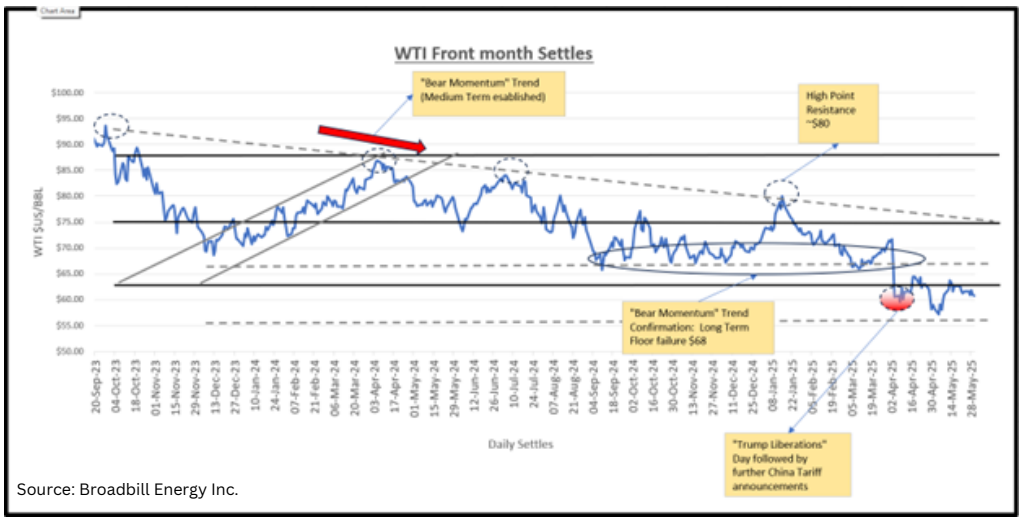
April showers are supposed to bring May flowers. That's how the old saying goes, but May did not bring May flowers, more like dandelions. Beautiful to begin with, they revert to fields of seeds. Of course, this then produces more dandelions and so to was WTI ebbing and flowing through the month after Trump launched his tariff brigade in early April. When you examine a dandelion closely through its cycle, its actually quite a thing. Complex, intricate, and to a degree, predictable. Between Trump tariffs coming and going, and OPEC doing their part to help Trump keep a lid on pricing WTI inflation, the barrel appears for the time being to be in the early stages of a new range between $55~$62.

With news breaking that a possible deal could take place with Iran ceasing to enrich uranium some pricing analysts have suggested this could push the price of WTI to $50 US or lower. That said, we would consider this a short-term trade unwind risk, as Iranian volumes are still flowing through other means, which remain difficult to track and you know that Indian and Chinese buyers love buying discounted crude because hey, who doesn't love a good deal. And just to add another interesting data point, as traders brace for a flood of increased supply in coming months from OPEC+, U.S. crude oil storage demand has surged in recent weeks to levels similar to the COVID-19 pandemic, according to data from storage broker The Tank Tiger.

While the market digests tariffs, OPEC supply boosts whether through the Saudi's or a deal with Iran, several banks have rolled out downward price forecasts through the month, emphasizing the continued pressure the tariff environment is placing on economic stability. Goldman Sachs, CITI, and Barclays all lowered their short-term price outlooks, citing tepid demand surrounding tariff uncertainty and increased volume coming to market as mentioned above from our friends at OPEC.

Here's a quick synopsis of the price calls:
Barclays 2026: The bank's analysts lowered their Brent crude price forecast by $4 to $66 a barrel for 2025, and by $2 to $60 a barrel for 2026, citing expectations that OPEC's oil output will rise by 390,000 barrels per day in 2025 and by 230,000 barrels per day in 2026.
Goldman 2026: The bank estimates around $3-4 per barrel of upside risk to its Brent and WTI oil price forecast of $60/bbl and $56/bbl, respectively, for the rest of 2025 and $56/bbl and $52/bbl, respectively, in 2026.
Citi: Analysts at Citi Research lowered their three-month price forecast for Brent to $55 per barrel from $60 earlier but maintained its long-term forecast of $60 a barrel this year.

OPEC, as discussed above, joined the party with constant discussion around bringing their curtailed production back to market in what most news outlets have been dubbing as Saudi Arabia taking the proverbial stick to the habitual over producers. This past weekend the cartel met and has indeed maintained the 411K barrel/day production increase. As the IEA continues to see crude demand growth into 2026 (calling for growth of 760K barrels per day) it is possible the cartel is positioning itself to ensure its volumes are grabbing this available increase in market share. Rigs continue to drop south of the 49, most prevalently in the North Dakota Bakken, but we are also seeing rigs drop in the most prolific shale play in the Permian basin. Diamond Back Energy discussed this in their earnings call this past month, indicating that prices under $60 U.S. were no longer appealing from a value perspective. We also heard from Conoco CEO Ryan Lance, who indicated shale will indeed plateau at $60 and decline below this level and that several smaller players will have cash flow challenges even below $65. This all sounds like a longer term supply pinch if the U.S. actually starts declining volumes out of their prolific basins, which indeed will be bullish for longer term price, but it will take time to play out. Mr. Nutall agrees and has been moving off crude names this past month in favor of his new bull stance on natural gas on the brink of LNG Canada about to give Canadian gas egress 900MM/day of space in the coming month.



Source: Broadbill Energy Inc.

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WCSB Pricing Summary

June, like every cycle, provided plenty of storylines. PADD 2 refiners continued to bid Canadian grades strongly to make sure their slates are full. With WTI fluctuations and general downward pressure through the month, North Dakota's producers are leaving more wells uncompleted after drilling as they need an average of $65 US/bbl to turn a profit.

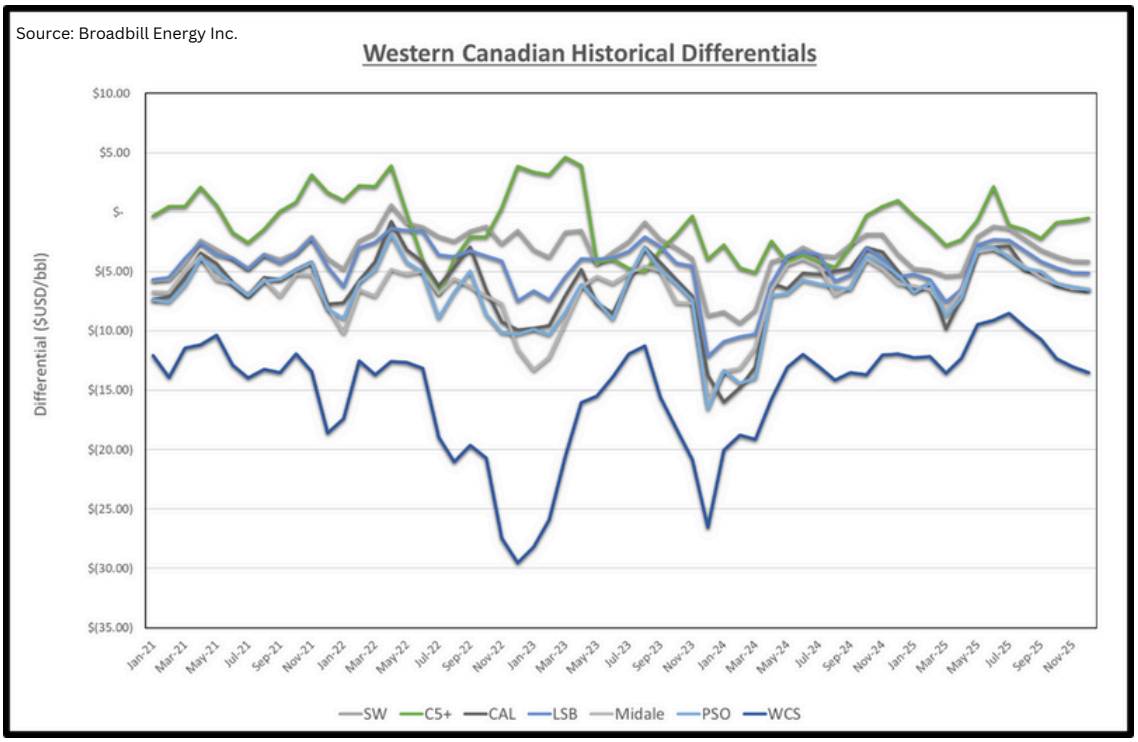
End users were not shy to pivot towards Canadian alternatives and fill their staches with Sweets, Synthetic's and Sours. WCS opened the June cycle at $(9.30) US/bbl, $(0.40) US/bbl stronger than where the financial contract was trading pre-June window. The heavy benchmark eventually reached a high of $(8.75) US/bbl during the cycle and had the index settling at $(9.10) US/bbl. Edmonton Sweet began flying across the screens at $(1.35) US/bbl, $(0.45) US/bbl stronger than where TMR (Edmonton SW financial contract) was exchanging hands pre cycle. After the initial print we saw a quick rollercoaster as the Sweet bbl at Edmonton transacted down to $(1.70) US/bbl before bouncing back up to where it began the day. Like WCS, we saw Edmonton SW creep in as we continue to see that HVY/SW spread to transact at ~ 7.75-8.00 US/bbl. Sweet briefly traded inside $(1.00) US/bbl before hitting some resistance and settling the cycle at (1.18) US/bbl for June.

Just like in the heavy market, we continued to see PADD 2 refiners buy up LSB and Midale with LSB settling at $(2.29) US/bbl and Midale at $(3.12) US/bbl. With the strength in UHC settling at $(0.51) US/bbl it makes sense the SE Sask sour grades continue to get support, considering the uncertainty amongst supply in the North Dakota market. Condensate followed its May trend and drifted down a new pathway different than its historical trend of trending weaker in summer months. With uncertainty of the peace pipeline, as well as the C5 Namao hub, we saw C5 offers get gobbled up steadily. To begin the cycle, C5 was trading in negative territory. That did not last long as we saw C5 print with +$3~$4 US/bbl handles. C5+ eventually settled at $2.13 US/bbl for June. As we look ahead to July, grades continue to get tighter, likely due to Alberta wildfire concern. July TMW (financial WCS) pre cycle is exchanging hands $(8.50) us/bbl and July TMR (Edmonton sweet financial contract) is being marked at $(1.35) us/bbl. Out of the gate we see July WCS printing at $(9.00) US/bbl and Edmonton sweet trading at $(1.10) US/bbl.

Given the above discussion on flat price and prospective production flat lining specifically in the U.S. market, we are keeping a close watch on differential structure moving in the back half of 2025. With rig counts falling weekly and U.S. production losing steam. we likely will continue to see strong prompt demand on Canadian differentials across all grades and slates. Continued WTI Price pressure likely means less capital for drilling and completions. Leave it in the ground strategy likely keeps differentials strong (especially on prompt demand), potentially pushing capacity constraints longer post 2026.

On a global view, Mexico Heavy Production (Maya) is staying low, which will result in increased demand for WCS as a proxy barrel for Gulf Coast refineries.

We also heard news of BP reformer unit at Whiting Indiana restarting after late April unknown shut down. This will suck up potentially excess naphtha (condensate), as the unit converts heavy naphtha into high octane low sulphur reformate (major blending additive into gasoline) just in time for summer gasoline season.



The Broadbill Energy Team

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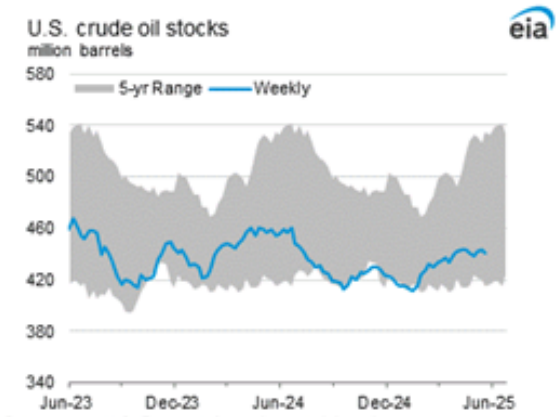
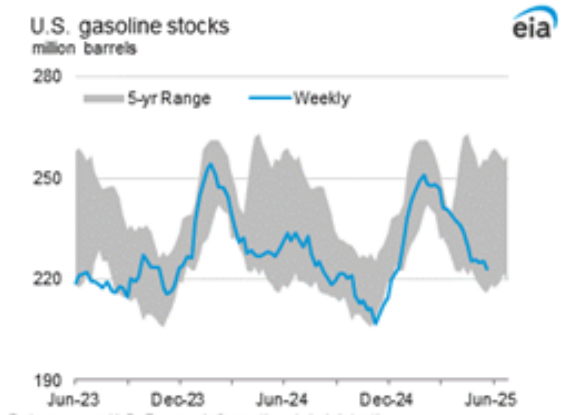
Appendix



Data source: U.S. Energy Information Administration

	Stocks	Change from last	
	05/23/25	Week	Year
Crude oil	440.4	-2.8 ↓	-14.3 ↓
Gasoline	223.1	-2.4 ↓	-5.8 ↓
Distillate	103.4	-0.7 ↓	-15.9 ↓
Propane	55.099	2.000 ↑	-11.190 ↓



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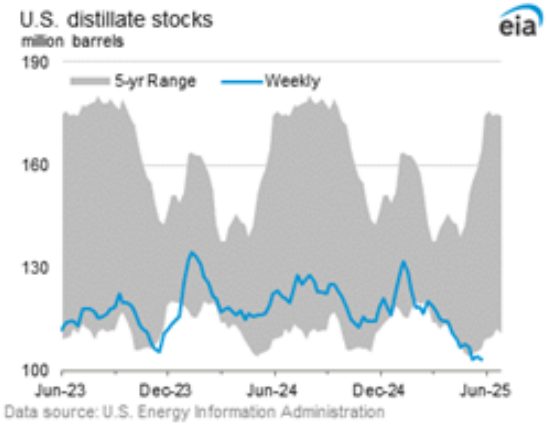

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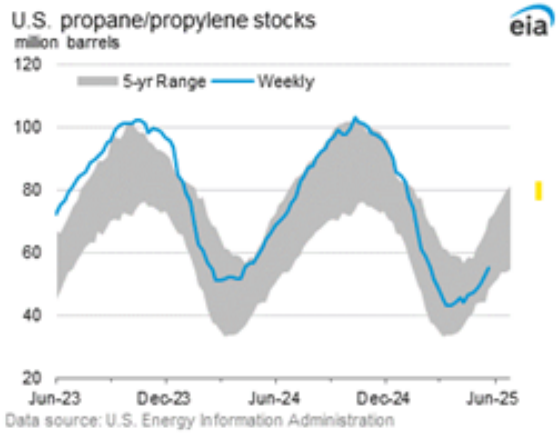

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