

AUGUST 2025

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

\$31,459,216

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What's New in the Zoo

The dog days of summer are here, and Stampede is in the rearview mirror. Huge thank you to everyone who made it out for our annual Stampede event. Along with the Stampede, we broke attendance records at the Palamino, which never fails to disappoint.

While the summer weather hasn't been the best, there's still a month left before we're back to school. Pour a cup of joe and enjoy another summer edition of the Broadcast as we head into the fall season shortly. Despite the market being a little more tame than last month, there are still lots of interesting developments so let's dive in!



Pricing View - August 6, 2025

	June 2025 Index Diff	July 2025 Index Diff	August 2025 Index Diff	September 2025 Index Diff View
WCS	-\$9.10	-\$8.93	-\$10.32	-\$11.65
LIGHT SWEET (MSW)	-\$1.18	-\$1.31	-\$2.88	-\$2.25
CONDENSATE (C5)	\$2.13	-\$0.65	-\$2.85	-\$1.55
LIGHT SOUR BLEND (LSB)	-\$2.29	-\$2.69	-\$3.39	-\$3.50
MIDALE (MSM)	-\$3.12	-\$4.19	-\$4.51	-\$4.65

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TMX Update/LNG Canada

With summer, it has been relatively quiet on the TMX news front. While the federal government was certainly painting a rosy picture of Bill C-5 and its prospects for nation building projects, we still have not seen much in the way of projects despite promises of pending project announcements from both the Alberta Premier Danielle Smith and federal Energy Minister Tim Hodgson. We have heard from many of the large companies that would push such projects and so far, the announcements have been few in the way of clear-cut regulations on such a project being firmly approved in the two-year timeline.

LNG Canada had its first cargo voyage on Canada Day July 1, 2025. This cargo was booked for South Korea. It's been reported the plan loaded four cargoes through its first month of operations, however, like all start-ups, it has not been without some challenges. The Daily Oil Bulletin (DOB) reported that there has been some production ramp up challenges on account of some gas turbine and refrigeration challenges. Shell reportedly diverted a ship away from the plant on account of lack of gas availability. We'll chalk it up to start up wrinkles that'll likely be smoothed out. We are well on our way to over 1.0Bcf per day of export capacity from this terminal and if liquification capacity continues, the terminal has a name plate of over 1.8Bcf per day, which would make it one of the largest on the continent. The BC Government and LNG Canada continue to press into positive phase 2 investment decision. Gas prices have yet to respond as pipeline outages and maintenance continue to pressure AECO pricing, keeping it sub \$1 CAD/GJ.

Macro Update

Equity markets continue to perform well as the AI revolution continues to stir high hopes of continued high earnings expectations from the magnificent seven and the come along effects of this technological push. Led by North American indexes, the stock market continues to push into all-time high highs. Of course, Trump's Tariff policies continue to move forward as we saw through the month. While the TACO trade no longer appears to be front and center, we are seeing a consistent narrative from the U.S. President.

Trump does appear fixed on resolving the Russia Ukraine crisis, of course using tariff policy as his primary motivator for this resolution. Trump announced 25% tariffs on goods from India being imported into the U.S. should they continue to source Russian crude and despite his announcements that India will stop these purchases, the comments were immediately disregarded by Indian officials citing logistics, price, and quality requirements for Indian refineries to continue the purchase of these volumes. That said, we also read news of a large 7MM barrel order of crude for India Oil Corp. was filled consisting of crude from the U.S., Canada (500K barrels of WCS), as well as the Middle East. Trump also announced an August 8th deadline for the war to stop or further sanctions and tariffs would be placed on those who are purchasing Russian volumes.

OPEC & OPEC+

OPEC has been relatively quiet over the past month, likely also getting in some vacation time. The group did confirm this past weekend what most market participants expected: a full return of the 2.3MM voluntary barrels by the end of September. The last volumes, some 547,000 barrels per day are expected to return. These volumes in general will be almost certainly medium and high sulphur volumes (heavy oil), which is starting to show up in our monthly price indices. More on that below.

Otherwise, between up arrows and down, OPEC members are slowly trickling the volume increases into the market. For their part, it was reported that the Saudi's did increase production in June by over 450,000 barrels per day. For the most part, WTI and Brent seem to be absorbing these increases in what appears to be a victory for OPEC (Saudi Arabia) in gaining back lost market share as the U.S. production profile in crude appears to be flat lining around 13.3MM barrels per day, as demand seems to be there for the increased production.

NORTH AMERICA

Back to Tariffs. President Trump, growing increasingly frustrated by the lack of deals, pressed back into tariff increases announcing he had personally sent letters to all global trade partners and that if no deals had been signed and sealed by August 1, massive tariffs would be instituted. Most country's lacking a position of negotiation quickly came to the table and deals were announced with the European Union, and Mexico was granted another 90-day extension as they work out details with the U.S. Administration. Canada, on the other hand, saw tariffs on Canadian made goods increase 35% that includes hefty duties on steel, aluminum, automobiles and more recently, semi-finished copper. This only impacts around 5% of Canadian goods as the remainder still fall under CUSMA Agreements (energy included here) and as such this continues to feel like the east is taking it on the chin as the U.S. is likely still needing to ensure a steady and reliable supply of energy without retaliatory measures being taken should tariffs be enacted on these goods and resources.

The other market moving tariff announcement came from a different resource in the form of copper. Trump had initially announced 50% tariffs on the raw material, but then quickly back peddled as the price of the commodity surged 17% on the news, as the U.S. produces very little of the commodity domestically. His office then clarified that the tariff would only apply to semi-finished copper products. The commodity gave up most of the gains, but once again concerns are mounting on the inflationary issues such a policy may bring.

Trading partners with an agreement

Country	Date announced	Tariff rate after trade agreement	Tariff rate before agreement
UK	May 8	10%	25%
Vietnam	July 2	20%	46%
Indonesia	July 15	19%	32%
Philippines	July 22	19%	20%
Japan	July 23	15%	25%
EU	July 27	15%	30%
South Korea	July 31	15%	25%
China*	May 12, talks still ongoing	30%	145%

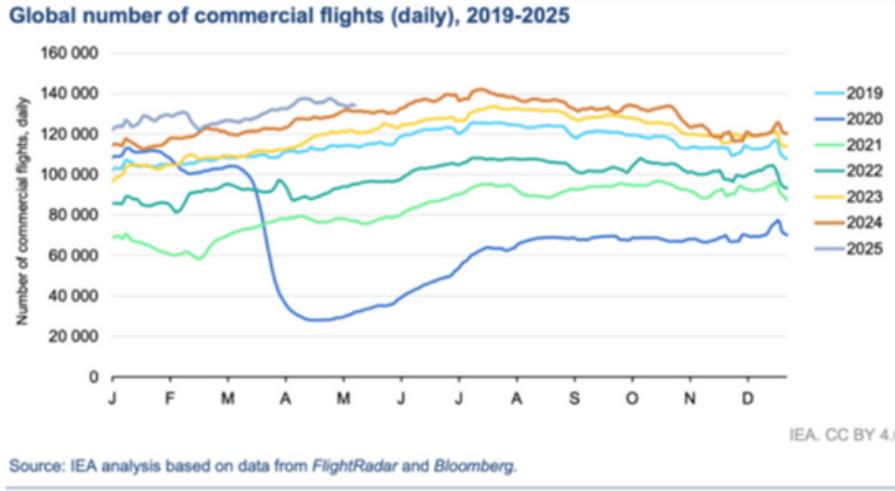
INFLATION

There has not been much change in the inflation discussion over the past month. While tariffs have been slow to show immediate impacts on consumption in the U.S., there have been some recent signs that they are starting to have an impact. Last week we saw some potential lagged impacts as the U.S. revised its labor data from the previous two month’s data filing, along with some weaker June non-farm payroll data. In a throwback of “The Apprentice,” President Trump immediately fired the Commissioner of the Bureau of Labor Statistics (Erika McEntarfer) citing incompetency's in the bureau and its reporting. Despite the news, inflation in general still seems to be negated as the energy side of the equation remains tame. That said, the jobs data adjustments could play into the U.S. finally dropping interest rates, which would add inflationary pressure.

WTI

After last month’s volatility cycle, WTI appeared in full blown summer vacation mode relatively speaking. We saw the barrel move more or less in a range between \$65-70 through the month either up or down, depending on what news snip got more attention on the day. The Isreal/Iran conflict has also been quiet, but given how fast the events played out, we see the price stability as a positive indication of price support in the market.

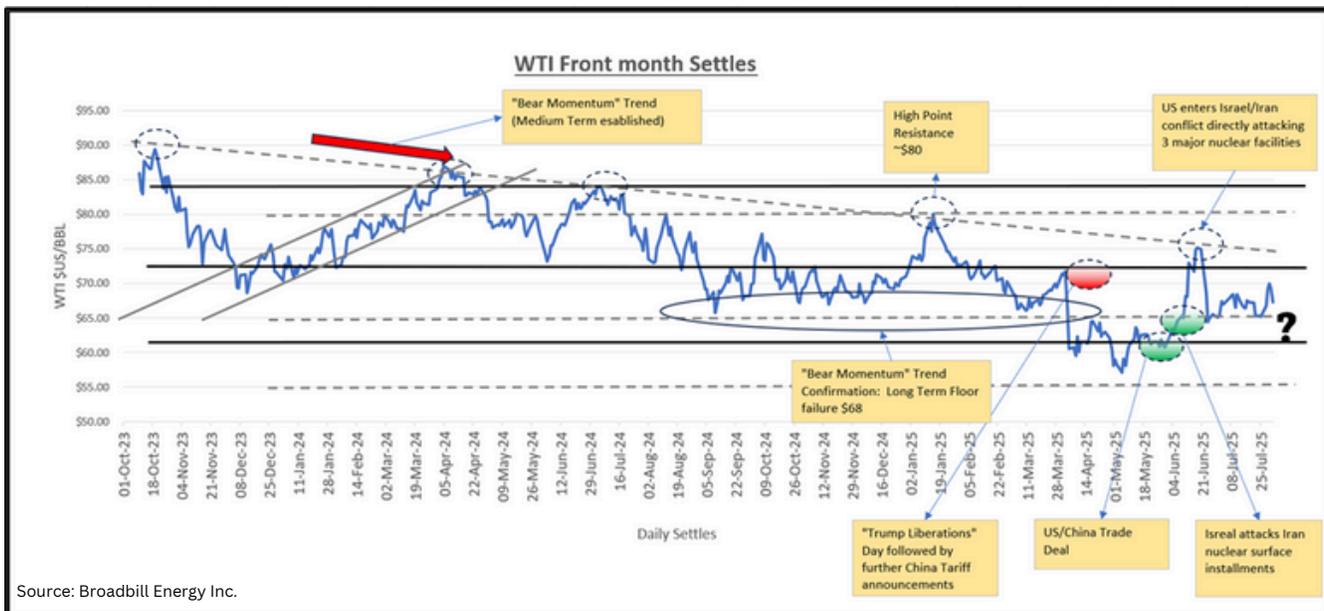
Refinery margins (crack spreads) continue to steady around \$25 U.S. per barrel, and this is meaningful from a supply demand viewpoint because if refiners can continue to see product margins in this territory, then it should be a good indicator of demand. Product inventories overall continue to be well drawn on crude and products. Distillates and gasoline stocks continue to hover on the lower end of the five-year historical, with distillates making a comeback after spending most of the month well below five-year historical averages. Jet fuel demand also continues to surprise to the upside as the International Energy Agency reported the highest jet fuel demand since 2019 (2019 was the all-time record high at 7.9MM barrels per day of consumption) and a 5% year over year increase in fuel consumed in May 2025. Airlines also continue to report record flights – this despite hearing about many cancelled or delayed flights from friends and colleagues out of our beloved YYC International Airport.



Should the Russia Ukraine crisis continue to persist, and Trump be forced to follow through on further sanctions and tariffs, this could be a catalyst for WTI bullishness. That said, there isn't anything particularly new going on and historically these price moves have not been sustainable.

U.S. rig counts continue to drop basically every week. We are now firmly at levels not seen since post COVID. We are entering an interesting phase with persistently declining rig counts (Permian Basin inclusive), stubbornly flat U.S. production and OPEC volumes coming to market fast and furious. If U.S. production begins to decline given the rig count indicator, we could be in a good position to see some price firmness around \$65 U.S. and potentially price lift, which feels more sustainable relative to other macro price indications.

On the technical side, we did note that WTI failed its 50-day moving average heading into August long weekend, which is a bearish price action. This on the heels of the U.S. job data adjustments has WTI on its heels to begin the month, along with the announcement of OPEC's continued volume returns as stated above.



Source: Broadbill Energy Inc.

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WCSB Pricing Summary

As the August cycle got kicked off, we saw some quieter sessions with liquidity not as active as other trade windows as summer holiday season and Stampede swung into high gear. However, that didn't mean there wasn't any lack of storylines that played a factor in August trading. The first factor was OPEC, bringing on additional supply. This gave global buyers more options to fill their refineries and pushing the Canadian heavy differential back to a double-digits. The cycle began with \$(10.00) US/bbl getting transacted. Although WCS did briefly move back into single digits, we eventually saw WCS fall back as far as \$(11.00) and settling at \$(10.34) for August production cycle. Pre trade cycle we saw TMW (WCS Financial) transacting \$(10.00) and \$(10.05). Some evidence of the U.S. pulling volumes from different nations can be shown in the image below. The below shows crude imports by the U.S. week over week and U.S. crude imports from Canada slightly bouncing around week over week.

Country	Graph	Clear	06/20/25	06/27/25	07/04/25	07/11/25	07/18/25	07/25/25
1- Canada		<input type="checkbox"/>	3,168	4,228	3,766	3,339	3,996	4,089
2- Mexico		<input type="checkbox"/>	397	342	414	372	165	172
3- Saudi Arabia		<input type="checkbox"/>	346	351	148	523	178	223
4- Iraq		<input type="checkbox"/>	183	212	164	314	273	214
5- Colombia		<input type="checkbox"/>	325	175	124	354	197	165
6- Brazil		<input type="checkbox"/>	299	191	231	253	249	70
7- Nigeria		<input type="checkbox"/>	203	419	38	252	85	250
8- Venezuela		<input type="checkbox"/>	70	64	25	0	0	0
9- Ecuador		<input type="checkbox"/>	5	126	441	216	103	98
10-Libya		<input type="checkbox"/>	240	80	90	0	105	87

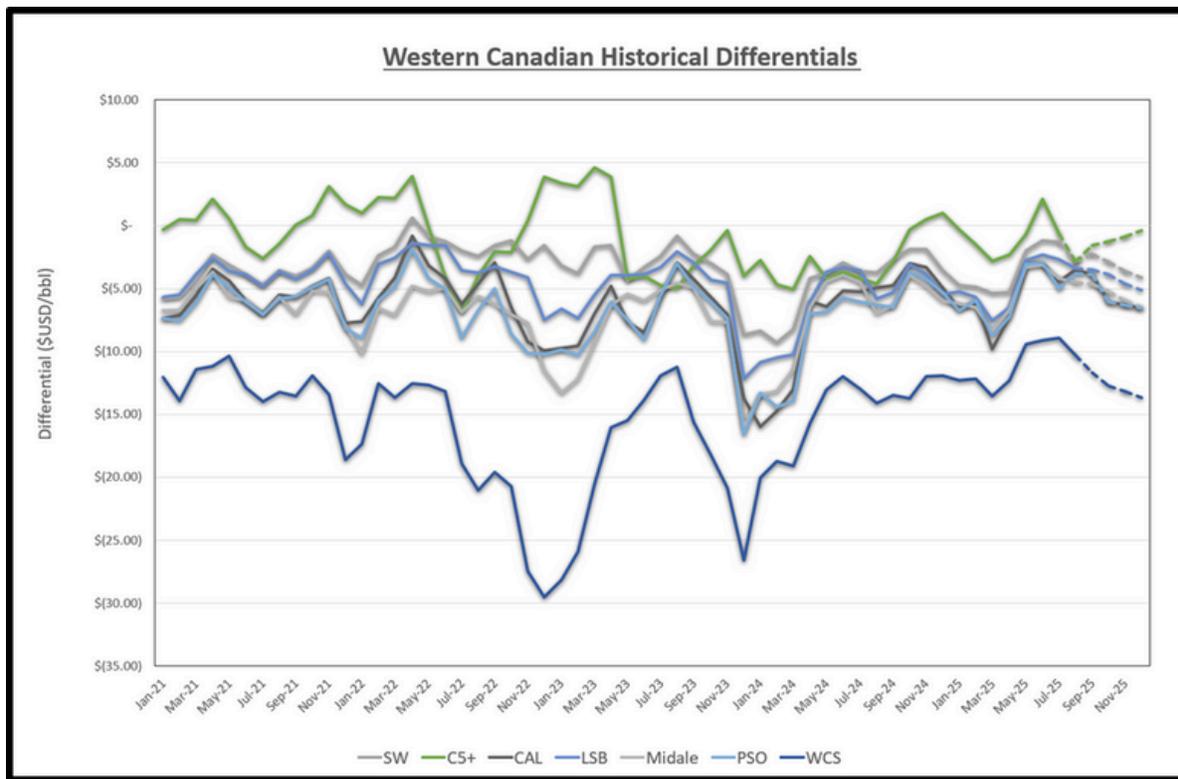
https://www.eia.gov/dnav/pet/pet_move_wimpc_s1_w.htm

On the Canadian lights side we saw a \$(2.25) high before falling back to a range of ~\$(2.75) to ~\$(2.50) during that first week of the August trade window. The Edmonton feeder sweets did fall to \$(2.90) before settling at \$(2.69) for the month of August. Like WCS we saw sweets settle below where it was trading pre cycle as TMR (Edmonton Sweet Financial) was trading \$(2.10) and \$(2.05). Like July, August saw Canadian lights trade very close to one another. LSB settled at \$(3.39) CAL at \$(3.47) and UHC at Clearbrook closed at \$1.21. CAL likely bounced back from falling in July due to refinery turnarounds in the Pacific Northwest, allowing those end users to scoop up these barrels. With U.S. refiners relying more on US production likely from global trade concerns and rig counts falling in the Bakken we saw the UHC Clearbrook barrel continue to transact in positive territory. This has likely given the LSB barrel some support given PADD 2 refiners looking for alternatives to fill up their refineries and optimize their product.

As we look ahead to September trading we see WCS opening at \$(11.80) and Edmonton Sweet printing at \$(2.55). Eyes are on OPEC as they announced another September output hike of ~547,000 barrels per day. This will give end users even more options to fill their refineries.

Alongside OPEC’s additional supply, Venezuela is also looking to bring ~ 200,000 bpd of heavier crude to the market, which could continue to pressure the Canadian heavy differential, and news also broke that the U.S. may reverse course and allow super majors to continue operations in the heavily sanctioned nation.

We also note that fire season persisted through July, and despite these impacts, heavy differentials are still slipping so we are gaining more confidence in the view that Canadian heavies will be up against some fierce competition coming from the Saudi’s production return over the next few months. September trade cycle has kicked off and we’re seeing a similar theme play. Lights are still well bid, while WCS has slipped into the \$(11.00)s touching briefly \$(11.80) to open the cycle.



Source: Broadbill Energy Inc.

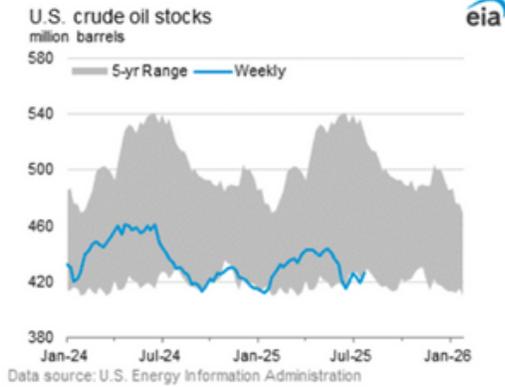
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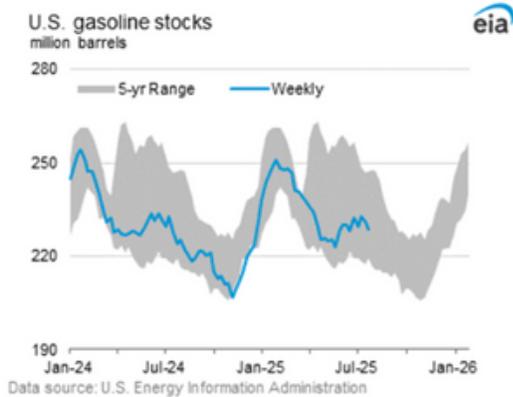


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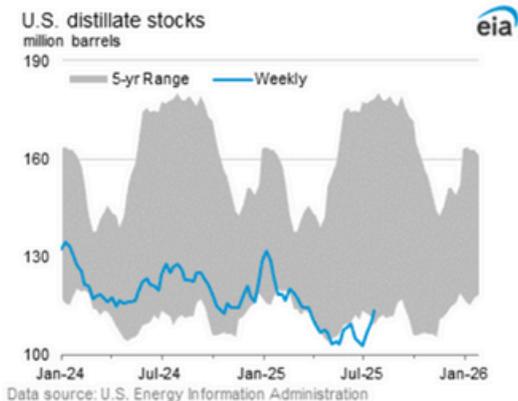
Appendix



	Stocks	Change from last	
	07/25/25	Week	Year
Crude oil	426.7	7.7 ↑	-6.4 ↓
Gasoline	228.4	-2.7 ↓	4.6 ↑
Distillate	113.5	3.6 ↑	-13.3 ↓
Propane	83.477	1.150 ↑	-3.918 ↓



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