

SEPTEMBER 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.

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\$32,483,526

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What's New in the Zoo

“Back to school, back to school, going to prove to dad that I’m not a fool...” – Billy Madison

Summer is done and it’s back to school specials for all! Like most summers, this one went fast. It feels like yesterday we were yee’hawing at Stampede and getting in some vacation time. Now it is fall and it’s time to get excited about year end and budget season for 2026. Plenty of moving parts as we transition into fall – geopolitics, tariffs, and OPEC production strategies are colliding with softer economic data.



Pricing View - September 5, 2025

	July 2025 Index Diff	August 2025 Index Diff	September 2025 Index Diff	October 2025 Index Diff View
WCS	-\$8.93	-\$10.32	-\$11.90	-\$11.60
LIGHT SWEET (MSW)	-\$1.31	-\$2.88	-\$2.61	-\$3.80
CONDENSATE (C5)	-\$0.65	-\$2.85	-\$1.94	-\$2.15
LIGHT SOUR BLEND (LSB)	-\$2.69	-\$3.39	-\$4.10	-\$4.95
MIDALE (MSM)	-\$4.19	-\$4.51	-\$6.60	-\$6.00

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TMX Update/LNG Canada

Summer has been mostly quiet on the TMX and LNG Canada front. Gas prices have been on vacation most of the summer, as cooling demand wasn't quite what we all hoped for from the weather man. Unfortunately, like most start up projects, LNG Canada has been having train cooling issues getting to full capacity. All good things take a little time. As we watch the U.S. eclipse 15.5Bcf per day of natural gas export, all signs are pointing to better days ahead as LNG makes advances across the continent.

There are some signs of optimism in the air as LNG Canada gets running to nameplate capacity and we see support for price (albeit in Nymex and not AECO) where we are steady slightly below \$3US/GJ. We noted this past month that while rig counts in the crude space were falling, they were being re-allocated to gas specifically in the U.S. markets. While not our primary focus, we do see this as positive trending as the AI/Tech space firms are growing electricity demand. As countries around the world (except China) close down coal fired power, we see this growing demand being almost exclusively filled through gas fired plants. While there has been more talk around nuclear it would seem "natural" that natural gas wins the day being abundant and available especially in North America.

TMX continues to chug along proving excess egress for Canadian crude. Storage is filling as we enter refinery maintenance season and we have seen some differential widening (more on this below), but in general the market is in good shape heading into the always eventful winter season. While we do see some widening into this winter, we don't foresee any dramatic blowouts.

Macro Update

All eyes were on Alaska, where Trump and Putin met August 16. Ukraine President Zelensky was also lined up for direct talks with Vladimir Putin, fueling speculation about peace negotiations through the month.

Recently however Germany's Chancellor Merz dismissed the chances of a Putin-Zelensky summit, damping ceasefire hopes. While the optics appear more constructive than earlier diplomacy rounds, the reality is that fighting continues – drone strikes on Russian crude infrastructure have disrupted flows to Hungary and Slovakia, keeping products supported late in the month.

Sanctions remain in the spotlight. Washington has imposed new restrictions on firms moving Iranian barrels, adding to the supply-side narrative, though the market is skeptical this will materially choke Russian flows. Trump has been talking oil prices down, suggesting crude will soon fall below \$60, but at the same time he's threatening sharper sanctions on India over Russian imports. Markets aren't sure which way to lean on his rhetoric.

Outside of energy, NVIDIA earnings reinforced the AI momentum trade. While on the geopolitical front, at the same time, Russia, China, and India have made a public show of aligning economic interests under a "Global South" banner – a direct counterweight to U.S. diplomacy. Even South Korea joined the festivities, as was reported and shown during the annual Military Parade in Tiananmen Square yesterday as we saw President Xi inspect the troops by himself like he has done in the past. Apparently, this demonstrates Xi is still in charge despite reports of political infighting. Interesting to note that this was the first time the three leaders were together publicly. Your move Trump.



OPEC & OPEC+

OPEC continues to feed supply into the market, despite signals of oversupply ahead of the fall refinery slowdown. The group raised its 2026 global oil demand forecast and cut expectations for non-OPEC growth, pointing to a tighter medium-term balance in an effort to justify increases. In ways they have been proven correct, especially considering the on-going geopolitical tensions laden in the market. July's production gains were led by Saudi and the UAE, as the group seeks to ensure any incremental demand is filled by their production.

The 2.2 mbpd voluntary cuts remain a key variable and the next OPEC meeting is shaping up to be a pivot point, with pressure to keep Brent anchored north of \$60. Behind that, another 1.65 mbpd of withheld volumes could return in stages. The signal is clear: OPEC wants to be ready to add barrels but won't jeopardize price stability, in our opinion. The market feels over corrected in some respect that should the balances be too over supplied, the group could pull volumes back ensuring price stability, which seems to be overlooked in the current narrative.

NORTH AMERICA

U.S. macro data is starting to show the strain. While fiscal support and tax cuts have provided tailwinds, Trump's tariff policy looks to be offsetting much of that momentum. The result has been a mixed picture for growth. At the annual Jackson Hole summer meetings, policymakers leaned dovish, with September rate cuts still in play. This continues to provide a broad lift to risk assets, including energy on the prospect of cheaper money and stronger demand.

The bigger surprise was Trump's move to oust Fed Governor Lisa Cook – a reminder that the central bank may no longer be operating at full arm's length. That raises questions for the dollar and for broader policy direction. Meanwhile, leading indicators are flashing yellow as the back-to-school season begins, data looks soft, and the upcoming nonfarm payroll job print could be the weakest since the COVID era. Bond yields are already reflecting this shakier backdrop, rising along with precious metal pricing.

At home, we saw Cenovus cordially offer to acquire all the outstanding shares of MEG Energy in a cash/share offer to go over the top of Strathcona's hostile takeover bid of the company. This deal would make Cenovus the largest oil sands operator/producer and is just a continuation of industry consolidation that is starting to feel the new normal in the industry.

INFLATION/TARIFFS

Trade policy remains volatile. A U.S.–China tariff truce has been agreed upon through November 10, offering some relief to markets. On the other hand, the U.S. has announced a sharp 50% tariff on Indian imports, one of the steepest in years, designed to pressure New Delhi into scaling back Russian crude purchases. That headline alone rattled WTI in recent sessions.

On the Canadian side of the border, Prime Minister Carney announced Canada would be removing all counter tariff measures effective September 1, with the exception of those tariffs in the steel, aluminum and automobile industries as the two sides continue to battle on these trade areas. Meanwhile, Trump is showing no signs of backing down (as of writing) and so the rhetoric continues.

Gold Bullion traded to all time highs over the summer, and this trend does not appear poised to slow down. Haven asset in times of uncertainty, hedge against inflation, and in general has been an excellent return this year as it continues to gain in value (USD denominated).

WTI

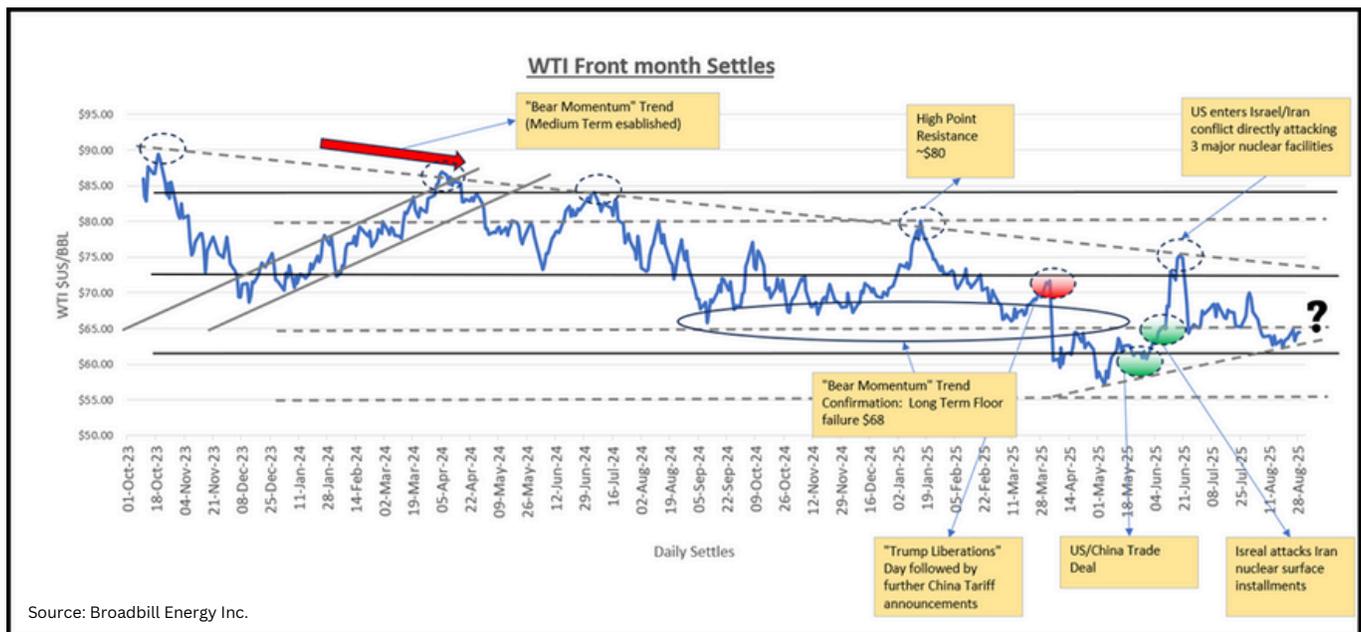
WTI has been choppy but maintained some general sideways movement over the last half of the month. Late July pricing could not hold through August and was unwound after new U.S. tariffs against India added more uncertainty to trade flows.

Near term, the market is pinned to geopolitical headlines: a peace signal from Trump–Putin would be bearish crude, while sanction rhetoric could flip the tape higher. Either way, these are short-term swings – fundamentals don’t shift unless sanctions truly bite into Russian exports.

We saw some new price forecasts by major investment banks on both Brent and WTI, including Goldman Sachs, Morgan Stanley, and JPMorgan, see Brent Crude prices averaging \$63.57 per barrel in the fourth quarter, a survey compiled by The Wall Street Journal showed this week. The projection is down from \$64.13 expected in July and down from the Friday prompt price of about \$68.00 a barrel. Brent is now expected to average \$63.60 and WTI \$60.30, both down from prior estimates. Looking out further, the Energy Information Administration (EIA) sees U.S. production slipping from record highs (13.6 mbpd end-2025) to 13.1 mbpd by late 2026, a slow but steady decline if rigs keep sliding.

U.S. refineries remain in high gear, with utilization near 97% at the end of July. On the price outlook, UBS trimmed its Brent year-end target by 10%, down to \$62, citing oversupply risks. Meanwhile, U.S. rig counts continue to fall toward four-year lows, but EIA data still shows production growth – crude moving from 13.2 to 13.4 mbpd, and gas from 103 to 106 bcf/d. The paradox remains: rigs are dropping, but output is proving resilient.

We start September WTI trading with cautionary tale. After the long weekend we saw WTI breach \$65 US only to retreat the following day on news OPEC may in fact look to reinstate additional barrels that are also technically being curtailed voluntarily. In what is bearish news given the market already could be over supplied with OPEC fully reinstating the voluntary 2.2MM barrels there is the longer-term bullish view that OPEC will be taking market share at the expense of price but also removing spare capacity from the market which could leave the market extremely vulnerable to any kind of disruption. The US may want to lean a little harder into strategic reserve purchases while the price is at the outcome levels.



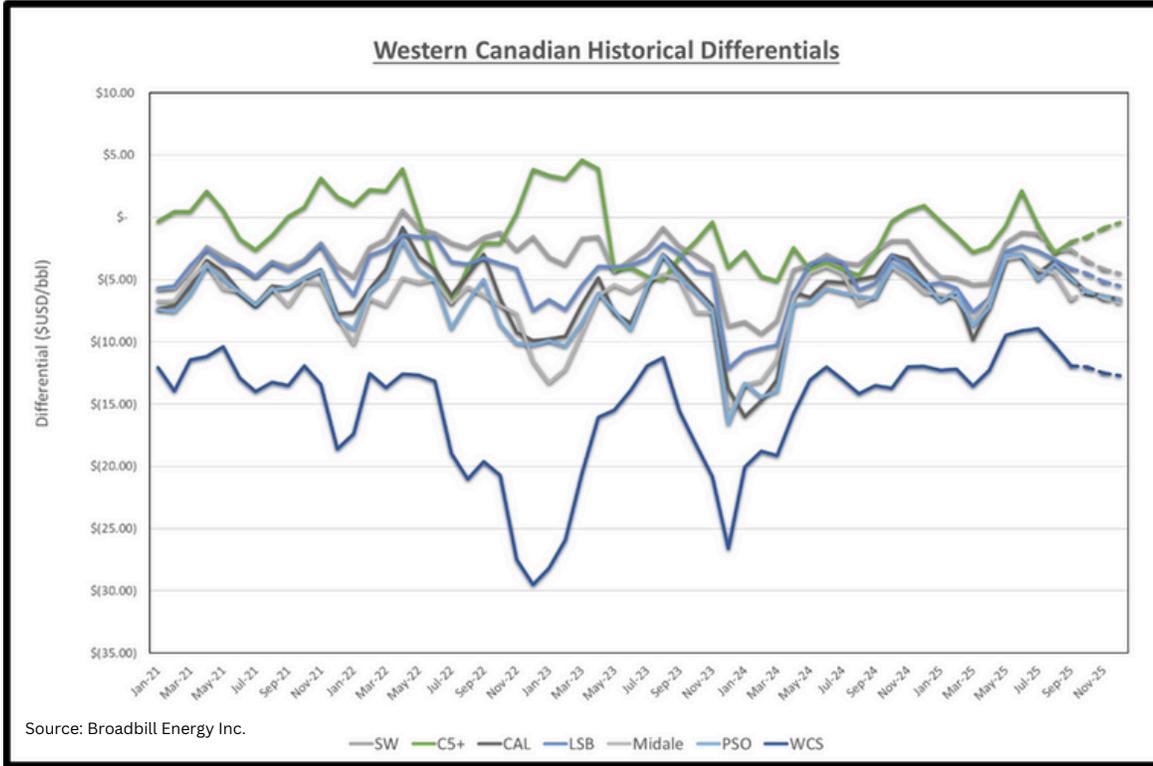
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WCSB Pricing Summary

The September cycle, like August, showed weakness on Canadian differentials. Alongside WTI taking a hit, we also saw Canadian heavy differentials weaken with OPEC announcing they would bring on additional supply. Previously OPEC had brought on 411,000 bpd, but this time they ended up hiking production by 548,000 bpd, giving end users more options for potential supply to use as feedstock for their refinery. Early September trading also had trader's paying close attention to the peace talks happening between Russia and Ukraine, as this would have also brought back more global heavy product. The concern and uncertainty about how much supply could have hit the market put pressure on prices where we saw the heavy barrel fall throughout the cycle. Pre September cycle we saw traders jockeying for positions in the final week before the window officially opened and we saw September TMW (WCS Financial contract) fall from \$(11.15) to \$(11.70) pre cycle. WCS came out of the gate at \$(11.80) and seemed to like that level, as it traded there numerous times before falling to a \$(12.00) handle in the second week of trading. In the last day of Sept trading, we did see WCS get a bit of strength back to the \$(11.00) handle with it eventually settling at \$(11.90) for the month of September. Other factors that put pressure on the WCS pricing in September were planned maintenance times in the Midwest, while BP Whiting getting flooded didn't help Canadian prices, as they were shut down with a flash flood running through Indiana.

On the lights we saw Edmonton sweet come out of the gate at \$(2.55) before racing into a cycle high of \$(2.20). That was as high as sweet got as the price's quickly fell to a -3.00 handle, which then contributed to sweet settling at \$(2.61) in September. With refiners performing maintenance on their assets, we saw end users show a lack of demand for these Edmonton sweet barrels, as well as south of the border we also saw UHC (Clearbrook Minnesota Sweet) also weaken as it settled in negative territory to WTI for the first time since May of 2025. UHC in September settled at \$(0.50). We also saw Synthetic and Sour grades also show weakness in September with PNW refiners potentially buying ANS (Alaskan North Slope) from Alaska to allow their refinery to work around what could have been maintenance on a Coker and only filling up on limited sulfur grades. The October trade cycle has opened with heavy inside \$(12.00) US/bbl, as the market debates OPEC's ability to push more barrels against a backdrop of new U.S. sanctions. Edmonton lights are finding support despite summer driving season in the rear view, with BP back online post-Whiting outage, plus the Cherry Point turnaround adding some strength.

Fall maintenance season usually brings weakness, but this year looks lighter than usual. Phillips 66 will close its LA refinery a month early, which should keep product balances tight heading into winter and provide some support for diffs and may speak to refineries running flat out ahead of maintenance season and the LA closure.



The Broadbill Energy Team

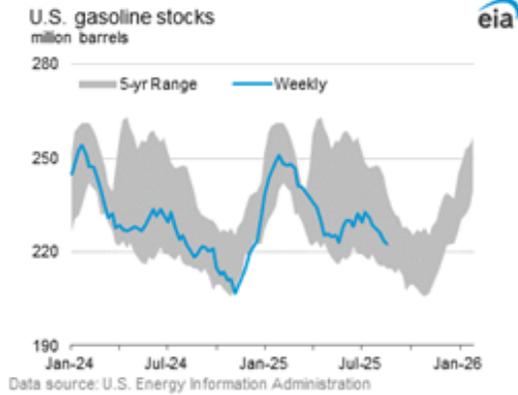
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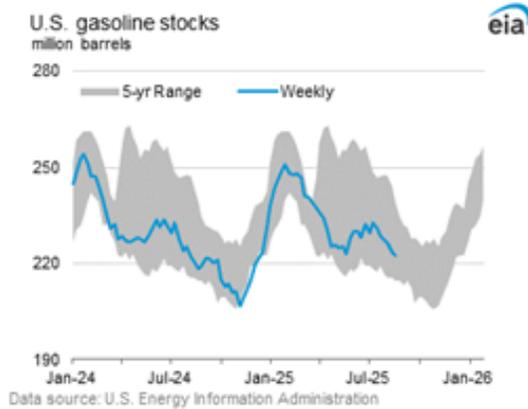
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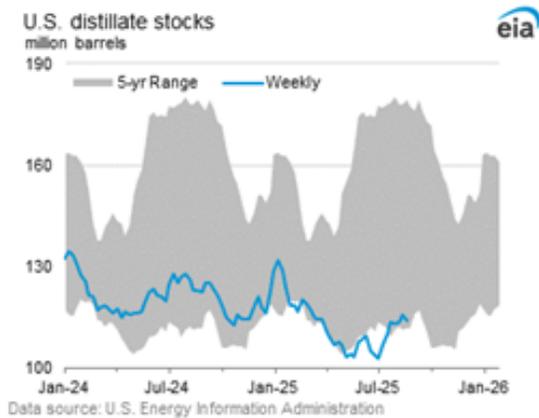
Appendix



	Stocks	Change from last	
	08/22/25	Week	Year
Crude oil	418.3	-2.4 ↓	-6.9 ↓
Gasoline	222.3	-1.2 ↓	3.9 ↑
Distillate	114.2	-1.8 ↓	-8.8 ↓
Propane	92.972	1.729 ↑	-0.097 ↓



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AUGUST 2025

Appendix

