

OCTOBER 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

\$33,635,986

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What's New in the Zoo

“September was a great month. Kids back to school, incredible fall weather across most of Western Canada. Unfortunately, based on the frost this morning and the pending Alberta Teachers strike both these items appear to be coming to an end as the weather cools and the kids come back home in what is hopefully a short-lived strike.

As we enter the fourth quarter, global energy markets continue to reflect a complex interplay between economic headwinds, restructuring within the Canadian energy sector, and shifting geopolitical alliances. As always, we have you covered on key developments shaping current market sentiment. Finally, be on the lookout for our annual Christmas Festivus being held at the Bear and Kilt. Invites will be sent out formally in the not too distant future.



Pricing View - October 6, 2025

	August 2025 Index Diff	September 2025 Index Diff	October 2025 Index Diff	November 2025 Index Diff View
WCS	-\$10.34	-\$11.90	-\$11.45	-\$11.15
LIGHT SWEET (MSW)	-\$2.69	-\$2.61	-\$4.16	-\$4.50
CONDENSATE (C5)	-\$2.88	-\$1.94	-\$2.21	-\$2.20
LIGHT SOUR BLEND (LSB)	-\$3.39	-\$4.10	-\$5.14	-\$5.25
MIDALE (MSM)	-\$4.51	-\$6.60	-\$6.05	-\$5.90

OCTOBER 2025

TMX Update/LNG Canada

No news continues to be good news on the TMX front over the month of September. Shipments continue to the west coast where we continue to see strong interest in Western Canadian Sedimentary Basin (WCSB) barrels on the water making their way to Asia, as geopolitical struggles continue to make the flows advantageous.

There was some news on LNG Canada and phase 2 expansion, which we'll talk more about below in the North American update as Prime Minister Mark Carney finally came out with the Liberal Governments much anticipated Nation Building Project(s) Platform. The Alberta Government also recently announced they will be proposing a new government backed crude oil pipeline to the west coast in what should be an interesting dialogue between industry, and both provincial and federal government.

Macro Update

International developments remain fluid. Despite continual demands by President Trump, he must be wondering if anyone is listening. India has reaffirmed its commitment to purchasing Russian crude, despite the threat of tariffs and sanctions from the U.S. Russia's attacks on Ukraine intensified through September, while Ukraine's retaliatory strikes targeted Russian energy infrastructure through intense drone usage. Poland and NATO aircraft were deployed in response to Russian aircraft activity in the no-fly zones near their shared border. Trump continues to urge European Union members to halt all Russian energy imports, while Iran stated that it will continue crude sales to China regardless of U.S. pressure.

Israel conducted targeted operations in Qatar against Hamas leadership, but the good news is Trump and Israel's Prime Minister Netanyahu announced they have a deal to firm peace in the region. Hamas has very recently announced they have agreed to some of the demands of the deal, but Netanyahu has re-affirmed that their will be no peace until hostages are fully returned to Israel.

OPEC & OPEC+

OPEC+ was at it again this month on production quota increases, as they agreed to further production quotas with a 137,000 bbl/d production increase for October. As the news continued to evolve, they have signalled a possible expansion to of 500,000 barrels/day in November. These volumes would now be putting phase 1 voluntary cuts and ultimately spare capacity back to market, which if they come to fruition would leave the market incredibly vulnerable to inevitable supply disruption, especially if demand meets supply.

Meanwhile, you may recall from former Broadcast's, the Kirkuk-Ceyhan had been shut between Iraq and Turkey. These pipeline exports from Iraq's Kurdistan region appear to be coming back online as the two sides have agreed to terms, which will bring 230,000 barrels/day from global markets.

Given these supply increases from the cartel, The International Energy Agency (IEA) is forecasting that global inventories will rise by an average of 2 million barrels/day through Q1 2026, significantly revising prior expectations. The agency now projects **Brent crude to average \$51/bbl in 2026**, compared to \$68/bbl previously.

Despite persistent Ukrainian attacks on Russian energy infrastructure, Russian export volumes have remained resilient, but attacks continue to be aimed at critical infrastructure. Any severe impacts could prove to be impactful on price.

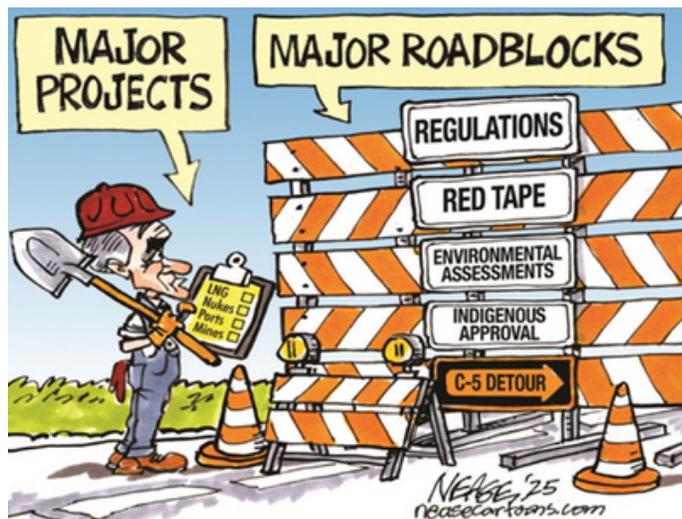
NORTH AMERICA

The North American energy landscape is undergoing notable transition, with several major corporations announcing significant workforce reductions and strategic realignments. ConocoPhillips earlier this summer announced it will reduce its workforce by approximately 25%. Closer to home, ExxonMobil has announced a 20% cut and the closure of its Calgary operations by 2027, impacting nearly 2,000 positions. This will mark the end of Imperial Oil's Calgary presence, affecting roughly 900 employees, a notable shift for what was once regarded as a premier corporate posting. Halliburton has also confirmed reductions in its services division amid weakening activity levels. On the M&A front, MEG Energy reaffirmed its support for Cenovus Energy's proposed acquisition, rejecting Strathcona Resources' higher-value revised bid.

Labour data across North America has softened through the month. The U.S. September employment report reflected slower job creation, while Canada reported a loss of more than 70,000 jobs. In response, Mark Carney introduced a nine-step economic support plan, including a \$5 billion fund for firms impacted by the current tariff environment. As part of this announcement came the much heralded "Nation Building Project Platform." He also announced the development of the Indigenous Advisory Council to fast-track projects and provide a clearer line of site for project initiation and necessary approvals. The following projects were outlined as the first of many more projects to come:

- **LNG Canada Phase 2** – Regulatory approvals secured (Kitimat, BC).
- **Darlington New Nuclear Project** – Construction underway (Clarington, ON).
- **Contrecoeur Terminal Expansion** – Advancing container capacity (Contrecoeur, QC).
- **Mcllvenna Bay Copper Mine** – Under development (Saskatchewan).
- **Red Chris Mine Expansion** – Progressing in northwest British Columbia.

Additional projects in early-stage federal focus areas include critical minerals, Wind West Atlantic Energy, Pathways Plus, the Arctic Economic and Security Corridor, the Port of Churchill, and the Alto High-Speed Rail Project. Each initiative will incorporate the Indigenous Advisory Council to streamline engagement and approvals. While a positive step forward, many observed that several of the projects were well on their way and were not necessarily new. While Pathway’s is certainly a prospective oil and gas initiative, many were curious if we would see a project for future crude oil pipeline egress. Later in the month, Danielle Smith announced the Alberta provincial government is exploring participation in a new west coast pipeline initiative through the federal special project’s framework, ensuring Indigenous participation from inception.



In policy developments, California has extended its Cap-and-Trade program to 2045, providing longer-term clarity for emissions management, while maintaining a cap on hydrocarbon development. Separately, Pembina Pipeline Corporation announced a joint venture with Meta to construct a large-scale AI data centre in Alberta—an intersection of traditional energy infrastructure and emerging technology.

Finally, In the U.S., ongoing political gridlock triggered a federal government shutdown, which has suspended key government services and furloughed several hundred thousand employees, further dampening near-term demand sentiment with those people not going to work without an approved spending mandate.

INFLATION / TARIFFS / MARKET OVERVIEW

The U.S. Federal Reserve finally made good on plans to reduce interest rates, lowering the key lending rate by 25 basis-points. With a dovish tone throughout, it appears they are ready to reduce interest rates further should the economic data and indications continue to print soft numbers. Pretty much everything under the sun is getting a bid, with the exception of oil and gas, as equity markets, gold, and even Bitcoin are racing to record levels.

In tariff news, the U.S. administration has encouraged European allies to adopt tariff measures against China and India for their continued purchase of Russian crude.

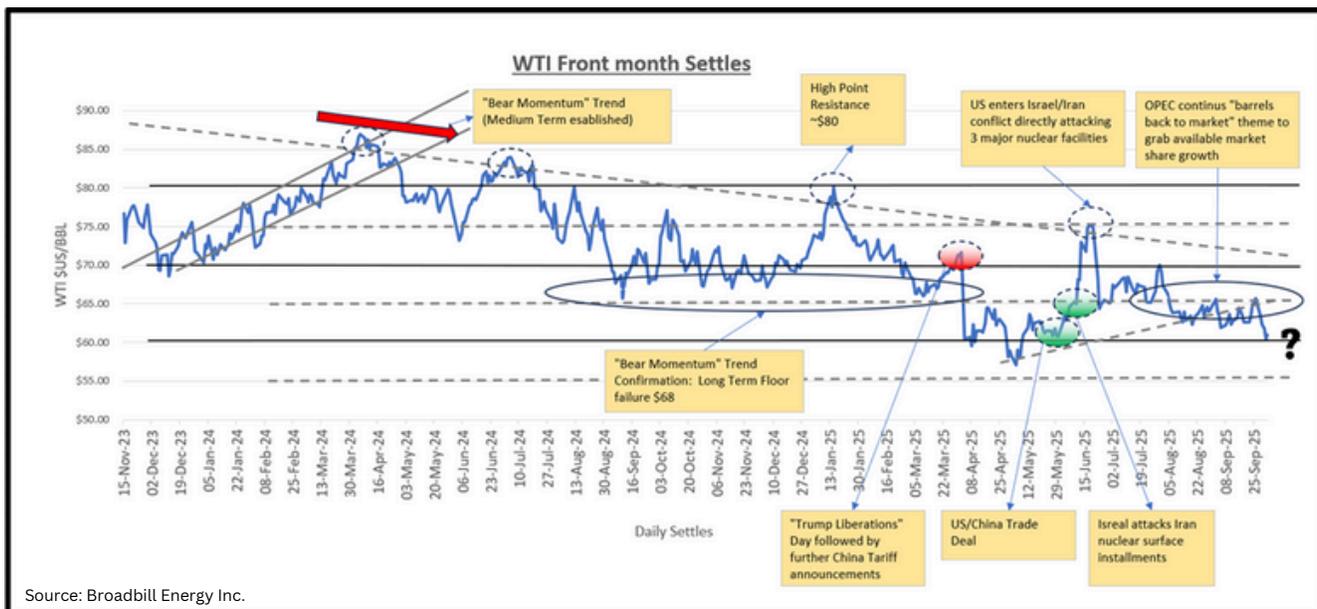
Mark Carney will once again sit with President Trump this week and many are hoping for something positive regarding ongoing steel and aluminum tariffs between the countries. Carney has also been facing pressure from the opposition to land a win, as Trump continues to inflict new tariffs impacting Canadian businesses. Earlier this week, Trump imposed a new 10 per cent levy on softwood lumber imports and a 25 per cent tariff on cabinets and furniture that are set to take effect October 14th as reported by CTV News.

WTI PRICING SUMMARY

As mentioned above, WTI has been struggling to advance, given the continued pressure of OPEC production signals. Additionally, many analysts expect global oil demand to moderate through Q4 2025 and into early 2026, while OPEC+ output continues to rise as discussed above.

As mentioned in last months Broadcast, Trump is getting a win on energy price inflation, while the everything else continues to march upwards. For now, the barrel remains above \$60 U.S. but there appear to be few catalysts given the over arching supply/demand themes. We may have to weather some storms ahead on flat price, but some market pundits are starting to see some interesting bullish storms brewing as OPEC taps into spare capacity. There will be very little to stop volatile upward movements later in 2026 once the market has had a chance to absorb these supply increases. Additionally, except for crude from Kurdistan now flowing, there does appear to be a lag in the volume hitting the market and so for now we remain cautiously optimistic that we can remain north of \$60.

The current market environment is characterized by contradictory forces: labour reductions and macroeconomic weakness on one side and structural investment and supply recalibration on the other. In Canada, heavy crude fundamentals remain constructive, supported by infrastructure advancement and sustained demand for complex refinery feedstock.



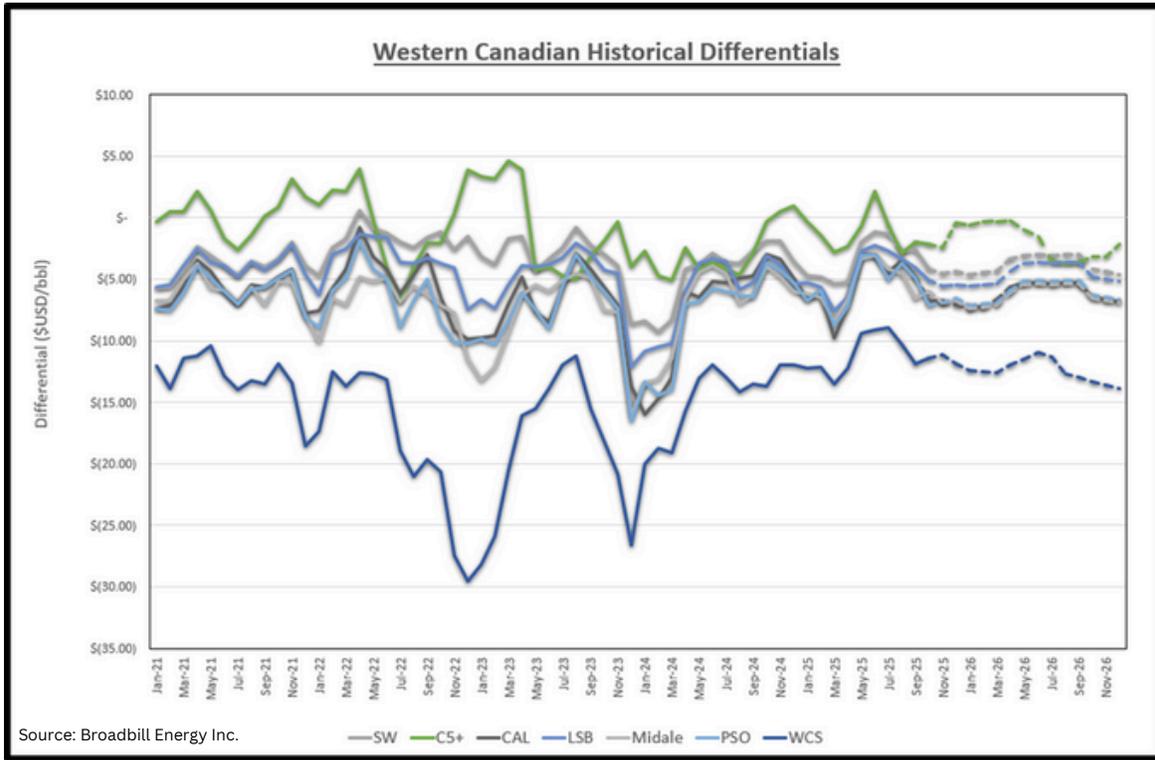
OCTOBER 2025

WCSB Differential Summary

Throughout the October cycle we saw a mixed bag of moves in the WCSB market. We saw strength in some grades, while some weakness in others. Alongside global events pressuring global supply, U.S. crude draws also supported domestic crude differentials throughout the October WCSB trade window. Pre-cycle we saw TMW (WCS Financial) for October printing at \$(12.30). Out of the gate the physical transaction first flew across the screens at \$(11.80) and strengthened throughout the window. October WCS index eventually settled at \$(11.45). Overall, the globe is looking for heavy supply and although OPEC has hiked production targets, tighter sanctions on Russia have also taken heavy product away from the global market and product flow disruptions have continued to place strong demand on Canadian volumes on TMX. Additionally, Cushing inventories remain notably low, providing domestic support for heavy crude differentials.

Canadian light grades showed much more of a different story as the Edmonton sweet grade slid backwards throughout the October cycle. Pre October trading TMR (Edmonton Sweet Financial) was valued at ~ \$(3.30). As the cycle kicked off, we saw sweet grades transact around that level with \$(3.40) transacting out of the gate. Opposite to the heavy grades we witnessed the light grades slide and get weaker. It wasn't long until sweets hit a \$(4.00) handle and continued to fall to a \$(4.75) for a cycle low. The MSW index later settled at \$(4.16). Some factors behind this slide could be the case of rising gasoline stocks as we enter the swing season and gasoline demand dissipates into the winter season. Given less of a scarcity factor for the lighter barrel we have not seen the market give the sweet barrel the support that heavies have been receiving. Another reason could be refining margins and what the refinery decides to produce, and even with the heavy barrel getting more expensive, it looks apparent it still makes the most economic sense for the refinery.

With November trading starting up we are seeing a very similar trend to October with heavies holding their ground and staying strong, while lighter grades are more or less on track to maintain October trade levels. November WCS is transacting at ~\$(11.25), while Edmonton sweets are falling and printing at ~\$(4.55). C5 is also showing weakness in cycle as pre-cycle TMF (C5 Financial) was printing at \$(1.55) and after the first day of the window the C5 grades have fallen to a \$(2.00) handle.



The Broadbill Energy Team

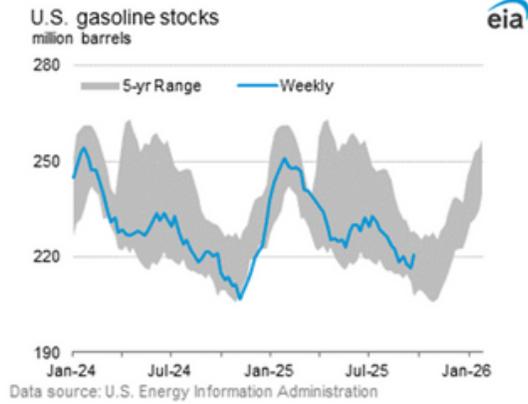
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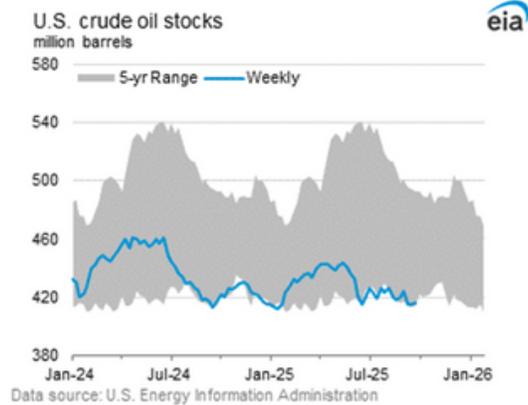
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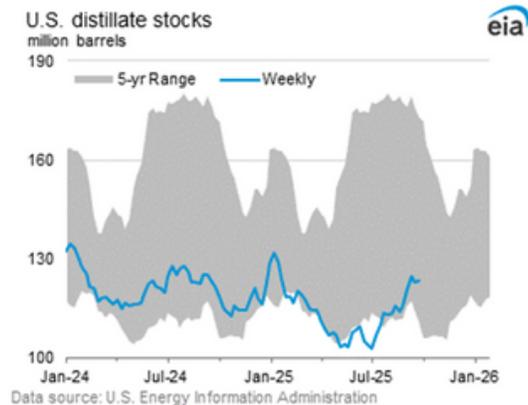
Appendix



	Stocks 09/26/25	Change from last	
		Week	Year
Crude oil	416.5	1.8 ↑	-0.4 ↓
Gasoline	220.7	4.1 ↑	-0.5 ↓
Distillate	123.6	0.6 ↑	1.9 ↑
Propane	103.376	3.458 ↑	5.553 ↑



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