

DECEMBER 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

\$35,829,956

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What's New in the Zoo

Welcome to another holiday edition of the *Broadcast*. As we all get ready to hang those stockings with care, we are reminded how grateful we are to be celebrating another year end.

With that in mind, another reminder we are hosting our annual holiday drop in at the Bear and Kilt this upcoming Thursday December 4th starting at 3:00 pm.

We hope you have the time to drop in and say hello and have a few laughs with us.



JOIN US FOR ANOTHER YEAR OF
GOOD FOOD, DRINKS AND

Christmas CHEER!

THURSDAY
December 4th | 3:00PM

THE BEAR AND KILT
110 8TH AVE SW CALGARY, AB

PLEASE RSVP BY NOVEMBER 18TH TO
miranda.mcmurphy@broadbillenergy.com

FROM YOUR FRIENDS AT
BROADBILL ENERGY



It's been a year filled with news, challenges, and opportunity so let's spend a little time recapping 2025 Broadbill style with our annual Christmas poem:

Well, there goes '25...
It was a very big year.
TMX on the tide,
Sending crude far and near—
And the tankers to Asia,
Humming a yuletide cheer.
With those sweet tightening spreads,
Gave the WCSB Strong differentials this year.

The summer brought more good tidings...
as LNG found its star.
First cargoes shipped west,
Past the moon and the bar.
From Kitimat's lanterns,
To the world's best bids.
Giving way to strong price,
Giving smiles to many, like Christmas morning to kids.

A late Xmas gift,
Trudeau resigned in defeat.
Pierre got excited, Carney would be easy to beat.
Though a frosty campaign, would cost him his seat,
Conservatives watched with a sigh,
As Liberal's government would form.
Spending policy warming the room,
Fiscal deficits: now being the norm.

But down in Washington's glow,
A spring wind turned sharp—
Tariffs from Trump,
Played the ghost of old Scrooge in the dark.

And the broader markets shivered,
Every sector on guard—
Yet Western Canada held the line,
Like a steady pine in the yard.

Here comes OPEC down Santa's lane,
With a sleigh full of crude—
A surplus on the horizon,
That could sour the mood.

Whispers of a glut,
Stirred the traders' solitude—
Every candle flickered near,
On a crude market unsure next year.

And far to the east,
Where the winter runs deep,
Sanctions on Russia,
Put the trade routes to sleep.

Tankers wandered detours
Past shadows they keep—
Global crude flows rearranged,
Like a map caught in a gust's sweep.

And so we arrive at year end,
With the world at half speed,
Energy carries the Team Canada sleigh,
On its mixture of steam and need.

A new Grand Bargain,
More crude to the coast,
Maybe...just maybe...
this Carney will be better than hoped.

Pricing View - December 1, 2025

	October 2025 Index Diff	November 2025 Index Diff	December 2025 Index Diff	January 2026 Index Diff View
WCS	-\$11.45	-\$10.71	-11.44	-\$12.70
LIGHT SWEET (MSW)	-\$4.16	-\$4.27	-\$4.32	-\$4.00
CONDENSATE (C5)	-\$2.21	-\$2.28	-\$1.89	-\$0.25
LIGHT SOUR BLEND (LSB)	-\$5.14	-\$4.43	-\$5.46	-\$4.90
MIDALE (MSM)	-\$6.05	-\$4.84	-\$6.29	-\$5.85

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TMX & CANADIAN ENERGY

Natural gas markets held firm through the period, with NYMEX extending into the US\$4 range and AECO holding above C\$3/GJ across the 2026 hedge window. Liquefied natural gas exports from the U.S. reached a fresh record at 18.1 Bcf/d, reinforcing the persistence of global demand, even as industrial indicators in North America remain mixed. The combination of firm winter pricing, strong LNG pull and stable storage expectations kept sentiment constructive throughout the month.

Liquids markets were driven by an active slate of infrastructure milestones. LNG Canada’s Train 2 officially entered service on November 7, adding another increment of long-awaited export capacity to the West Coast. Enbridge continued advancing several large projects with meaningful implications for western Canadian barrels. The company sanctioned the US\$500-million Southern Illinois Connector, fully backed by 100,000 bbl/d of long-term commitments, which will link the Platte system to the Energy Transfer Crude Oil Pipeline by 2028.

Momentum also continued on Enbridge’s Mainline Phase 1 expansion, which has now been formally PID’d (Positive Investment Decision) and is expected to add 150,000 bbl/d of capacity by 2027. A parallel expansion to Flanagan South will add another 100,000 bbl/d, with both projects oversubscribed—underscoring strong market demand for Gulf Coast access as TMX ramps toward nameplate.

Policy speculation intensified as Mark Carney continued to hint at a new pipeline initiative, keeping industry attention on whether a federally supported project may soon be announced. That speculation sharpened after news of a government-backed pipeline project surfaced—prompting pushback from Premier Eby, who expressed frustration at being excluded from early conversations. The month ultimately closed with Alberta and the federal government reaching a “Grand Bargain,” supported by a signed Memorandum of Understanding (MOU) through the Nation Building Projects office. The agreement lays out the framework for a future 1-million-bbl/d pipeline and includes provisions enabling Alberta to advance its carbon elimination strategy. The announcement was immediately followed by the resignation of Cabinet Minister Steven Guilbeault.

NORTH AMERICA

Fiscal and political developments provided no shortage of market catalysts through November. The Carney Budget landed with spending projected to approach \$1 trillion over five years. While many economists characterized it as overly optimistic, it nonetheless marked the most growth-oriented and productivity-focused plan Ottawa has advanced in more than a decade. Despite initial skepticism, the budget appears likely to pass, as fractures deepen within the Conservative caucus, including another MP crossing the floor, which helped the Liberals avoid triggering an election.



South of the border, the longest government shutdown in U.S. history continued and then came to an end after 43 days, making it the longest ever shut down. Things got sloppy as airlines started grounding up to 10% of air traffic as funding disputes raged on. Challenger job-cut data marked 2025 as the worst year for layoffs since 2009. Interesting data point given 2009 was a result of the global financial crisis.

In Canada, headline inflation sits near 2.4%, while core readings hover closer to 2.5%. The Bank of Canada noted that structural shifts tied to U.S. trade actions are constraining domestic capacity and raising costs, limiting how much monetary policy alone can stimulate demand. The Bank signaled that the policy rate is now “about the right level,” implying little appetite for near-term cuts barring deterioration in economic indicators.

MACRO & GEOPOLITICAL DEVELOPMENTS

Globally, uncertainty continues to shape commodity flows. On the heels of the U.S. sanctions on Russian energy related infrastructure, Gunvor withdrew its bid for Lukoil’s international assets, leaving roughly US\$50 billion in assets without a clear buyer as major western producers including Exxon and Chevron quietly assess opportunities. Chinese inflation surprised to the upside, hinting at early signs of stabilization in domestic demand. At the same time, U.S. political tensions escalated as former President Trump announced a 10% tariff hike on Canadian imports in response to a television advertisement criticizing his tariff record.

Markets increasingly expect the U.S. Supreme Court to rule against the legality of Trump-era tariffs, with analysts assigning an 85% probability that the court overturns the mechanism used to impose them.

OPEC & OPEC+

OPEC+ reported modest net supply growth in October, with small increases across Saudi Arabia, Iraq and the UAE, largely offset by declines in Libya and Nigeria. Saudi Arabia sharply reduced crude prices for Asian buyers in response to ample regional supply, adding pressure to global benchmarks. OPEC's updated 2026 outlook shifted from its standard deficit projection to a balanced-market expectation, triggering a more downdrafts in crude prices as their views slowly align with the International Energy Agency (IEA).

Geopolitical tension also intensified as Iran seized a tanker near the Strait of Hormuz and moved the cargo into Iranian waters, reminding the market that supply-chain risk remains elevated even in an oversupplied environment.

TRADE, TARIFFS & MARKET SENTIMENT

Market sentiment swung between political risk and economic softness. October recorded more than 153,000 announced layoffs, the highest for the month since 2003 and cementing 2025 as the most severe year for job cuts since the aftermath of the global financial crisis as mentioned above. Trump's approval rating hovers near 40%, a reminder that political volatility remains elevated even against a backdrop of strong equity markets and stable employment data.

Meanwhile, the prolonged U.S. government shutdown finally came to a resolution as a Senate-approved bill was approved. The market continues to parse whether tariff relief or renewed tariff uncertainty will influence manufacturing activity heading into the new year, as available data remained weak globally. China recorded a seventh consecutive month of contraction, and the U.S. marked its eighth.

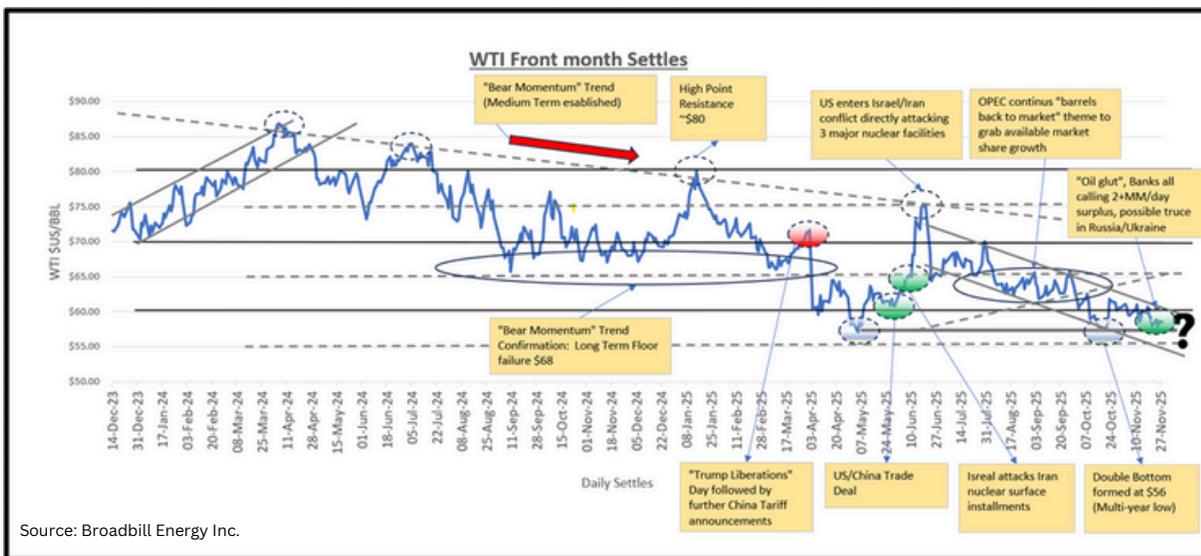
November saw all-time highs before letting some air out the balloon. Earnings season for big tech as results from Google, NVIDIA, and others provided enough boost to recover some of the sell off through the month. So far, the S&P 500 has yielded 17.81% total returns. It will be interesting to see if Santa can continue filling stockings with high portfolio yields and return rates in 2026. Bitcoin wasn't so fortunate finding its way off a cliff to sub \$90KUS for the first time since April, giving back almost all its gains from January 1st.

WTI & MARKET FUNDAMENTALS

The IEA's latest World Energy Outlook came out with a blockbuster change of view, projecting that oil and gas demand may continue rising until 2050, a significant revision from its previous call for a near-term peak as soon as 2030. The updated forecast reflects a shift back to modeling based on existing policies rather than aspirational climate targets, resulting in stronger long-term demand curves. Crude pricing remained anchored with WTI trading near US\$60 and Brent near US\$64, as the market toggled between oversupply concerns and uncertainty surrounding the impact of upcoming Russian sanctions.

OPEC’s balanced outlook weighed on prices, while Chevron, through its latest investor materials, noted Permian break evens as low as US\$30/bbl, offering insight into why U.S. output has continued to hold near highs despite recent price softness.

Despite peace talks between Russia and Ukraine gaining momentum, drone strikes temporarily halted operations at the Port of Novorossiysk before exports resumed, introducing fresh geopolitical tension. A series of increasingly bearish bank forecasts followed: Goldman Sachs called for 2026 averages of US\$56 Brent and US\$52 WTI, JPMorgan suggested Brent could briefly fall into the US\$30s on a potential 2-million-bbl/d surplus, and Reuters’ economist survey now sees 2026 Brent around US\$62. Saudi Arabia is expected to reduce Asian crude prices further in the new year as global supply remains heavy.



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WCSB DIFFERENTIALS & WESTERN CANADIAN TRADE DESK OVERVIEW

Key highlights:

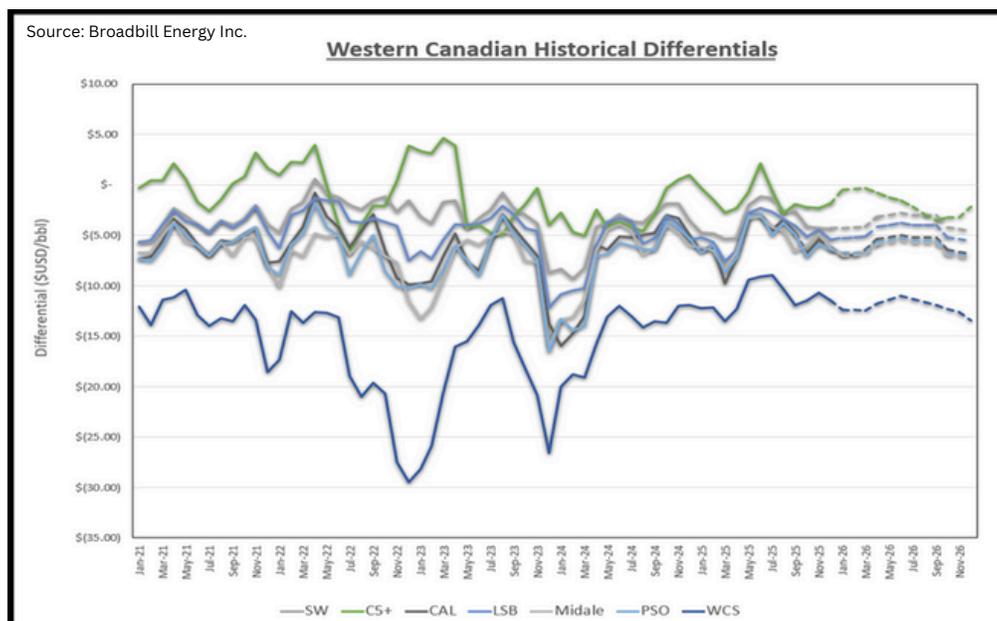
- Differentials continue to outperform seasonal expectations.
- Crack spreads held comfortably above \$20US/bbl amid low inventories and strong refinery utilization.
- December WCS indexing produced the narrowest December settle since 2020 and, outside of that year, the strongest since at least 2013. Full-year 2025 differentials were among the tightest in more than a decade, with WCS at \$(11.11)US/bbl, MSW at \$(3.57)US/bbl and C5 at \$(1.21)US/bbl.
- Refinery utilization climbed to 92.3%, up more than six percentage points in three weeks and outpacing both the prior year and the five-year average. U.S. crude production held at 13.8 million bbl/d—roughly 300,000 bbl/d above year-ago levels—despite continued rig attrition, highlighting ongoing efficiency gains and resilience in shale operations.

December WCS transacted as high as \$(10.95)US/bbl before plateauing and gradually printing lower and lower all the way back down to \$(11.70)US/bbl.

Light sweet held a similar pattern to WCS transacting between \$(4.65)US/bbl to a high of \$(3.90)US/bbl. We also saw Synthetic rally throughout the window with it coming across the screens to begin December trading at \$(2.25)US/bbl and traded all the way up to \$(1.40)US/bbl to close out December trading. With Synthetic upgraders likely having issues it gave the Synthetic product a lift, which caused the Edmonton Sweets to follow. Sour grades (LSB/Midale) found similar patterns settling at \$(5.46)US/bbl and \$(6.29)US/bbl,, respectively. Condensate initially was in winter hibernation during the December window with little movement trading flat to November for the first half of the cycle. However late during the December window we saw activity on the C5 side with heavy producers lifting offers providing C5 a lift and eventually settling at \$(1.89)US/bbl.

To begin 2026, the January cycle will have eyes on heavy grades globally. Currently there is plenty of crude on the water and with a potential peace agreement between Russia and Ukraine, we could see some of this sanctioned crude get purchased. If this currently sanctioned volume becomes available this could lead to a weaker bid on the west coast coming off TMX, as well as a weaker bid for Canadian crude at Houston as well. This could cause WCS to fall in price with less demand for it. On the light grades traders will monitor distillate stocks as their inventory numbers have bounced around. Eyes will also be on the C5+/sweet spread as it has widened to ~\$4.00US/bbl to begin the cycle with colder weather finally arriving. Traders will look for ways to optimize their blend during the January term. With the cold we also know that production can (will) be impacted. Any outages could promote grade strength given tight inventory balances to begin the winter season.

January WCS opened trading at \$(12.40)US/bbl and has slid out to \$(12.70) while Edmonton Sweet will opened around \$(4.35)US/bbl and moved up to \$(4.00). The TMS contract (Financial Synthetic) looks to be trending round \$(1.00)US/bbl and January Condensate has a market forming around \$(0.25)US/bbl, again given the cold weather finally arriving to Western Canada.



CLOSING THOUGHTS

We hope you have enjoyed the *Broadcast* through 2025. We look forward to working with you all in 2026 and beyond. As always, we appreciate your feedback. Have a very Merry Christmas and all the best this new year!

The Broadbill Energy Team

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www.broadbillenergy.com

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Appendix

Summary of Critical Events through 2025 shaping our Industry and Market

- March 4, 2025 – U.S. tariff program announced/implemented under President Trump (escalating through spring).

Impact: raised trade uncertainty, increased costs for some imports and added risk premia to cross-border energy and industrial trade flows; markets priced in slower demand for manufactured goods and indirect effects on refined product flows and seasonal diesel/jet demand. The tariffs also prompted policy and counter-measures from trading partners, increasing volatility in commodity-linked FX and trade-dependent sectors. [Doane Grant Thornton LLP+1](#)

- April 28, 2025 – Canadian federal election; Liberals (Mark Carney) win and later pass Budget 2025 (early Nov enactment/outline).

Impact: political continuity and a pro-investment budget reduced policy uncertainty around large energy projects (permitting, Indigenous engagement funding, infrastructure financing). That political clarity supported longer-term investment signals for Canadian crude and LNG projects, helping underpin project financing and commodity offtake deals. Budget 2025 also signaled federal fiscal support that markets read as supportive of energy export infrastructure. [Al Jazeera+1](#)

- Late June 2025 (June 30) – LNG Canada loads and sails its inaugural cargo; subsequent runs through the year.

Impact: Canada became an active LNG exporter in global markets. Even the first cargo materially changed North American gas market psychology: it created a new, material outlet for western Canadian gas (longer-term upward pressure on Canadian wellhead pricing in export-connected basins), tightened seasonal regional balances in Western Canada, and gave global LNG buyers an alternative to other Atlantic and Pacific suppliers. Subsequent cargo milestones reinforced that this is an ongoing supply source. [LNG+1](#)

- Summer 2025 (H1→H2) – Trans Mountain Expansion (TMX) ramps waterborne exports; a growing share of Canadian crude goes to Asia.

Impact: TMX materially eased Canadian pipeline takeaway constraints and increased crude shipments to Asia, which helped narrow some inland logistical bottlenecks but also shifted pricing dynamics – stronger crude differentials emerged between grades (heavier Canadian blends vs. light benchmarks) depending on shipping economics and refinery demand in Asia. Markets reacted to the re-routing of barrels overseas by repricing Western Canadian differentials and U.S. Gulf/West Coast flows. [DOB Energy+1](#)

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Summary of Critical Events through 2025 shaping our Industry and Market

- April → December 2025 – OPEC/OPEC+ production decisions (periodic increases/pauses) and cumulative output additions.

Impact: OPEC+ moves to reclaim market share and ramp production through 2025 added global crude supply and by late year raised concerns about a supply glut. Those decisions depressed benchmark prices (Brent) intermittently and transmitted pressure into North American crude markets, widening differentials for some heavier North American crudes when seaborne barrels competed with inland barrels for refinery slots. By autumn, market commentary flagged a growing risk of oversupply into 2026. [Reuters+1](#)

- Throughout 2025 – Western sanctions on Russia and downstream secondary measures; Russian export patterns shift.

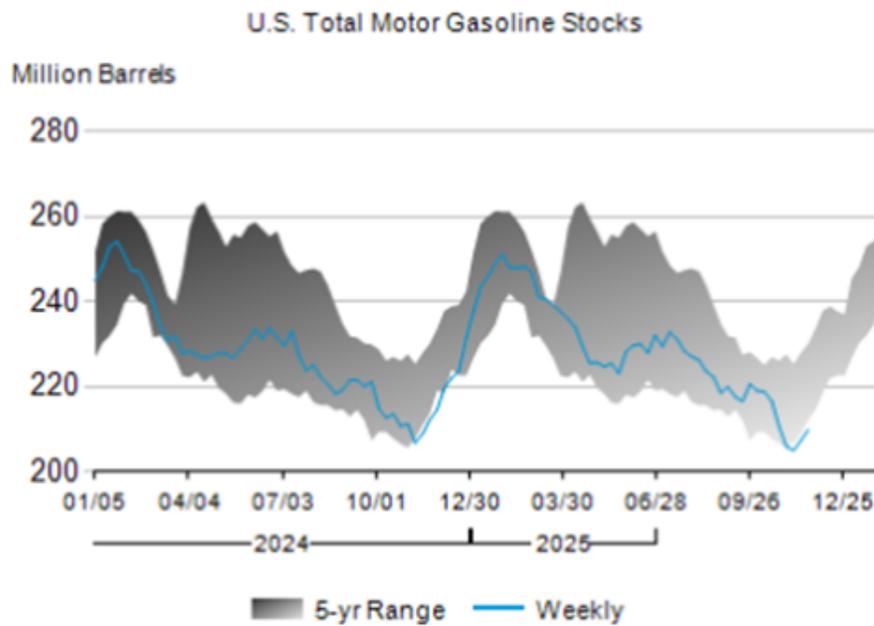
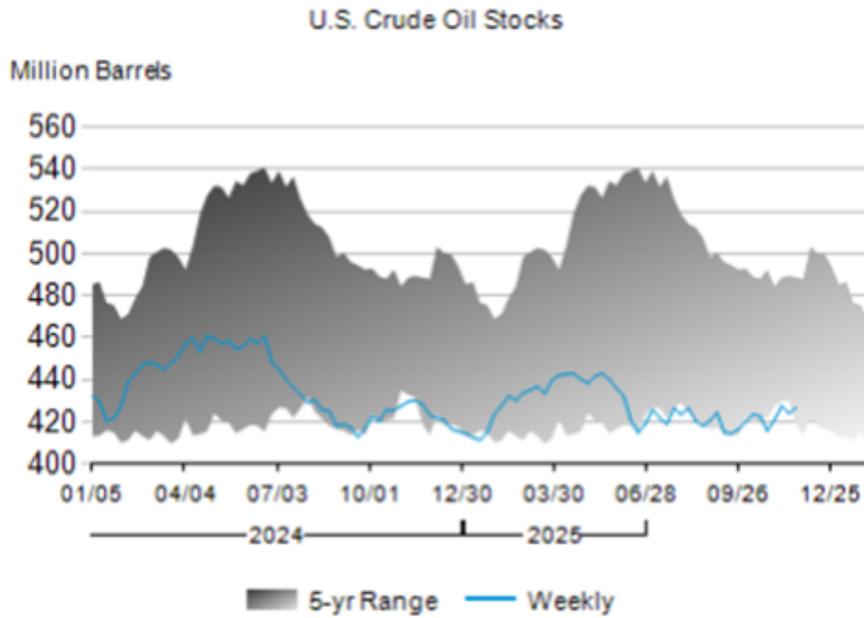
Impact: Sanctions, enforcement measures and shipping/insurance frictions reduced some Russian export revenues and complicated cargo logistics. Markets experienced periodic price support when Russian flows faced disruption, but over time buyers and traders used workarounds (alternative routes, spot tankers, pricing concessions), muting lasting tightness. The net effect was more volatility in global crude flows (and occasional short-term price spikes) rather than a persistent supply shock. [CREA+1](#)

- Late-2025 – Interaction effects: tariffs + OPEC supply + Russia sanctions + new Canadian export capacity.

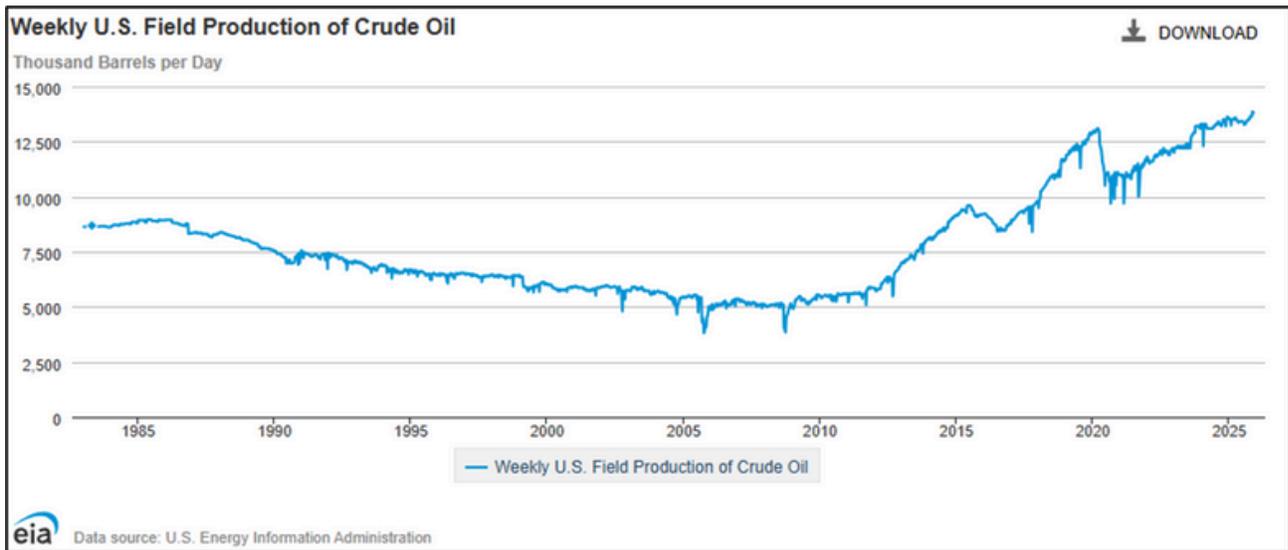
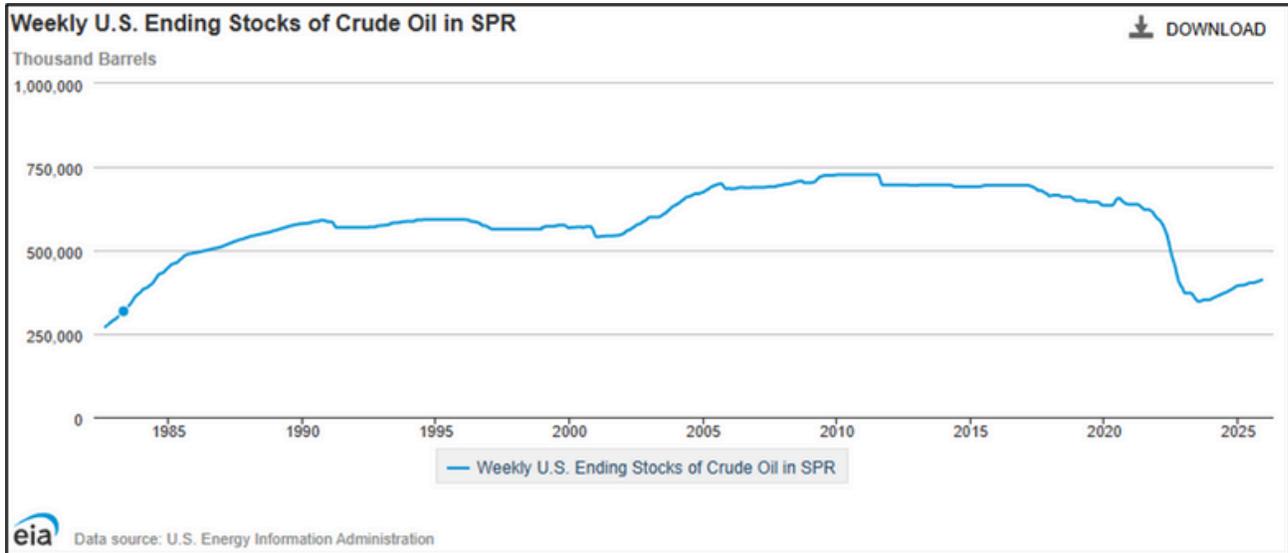
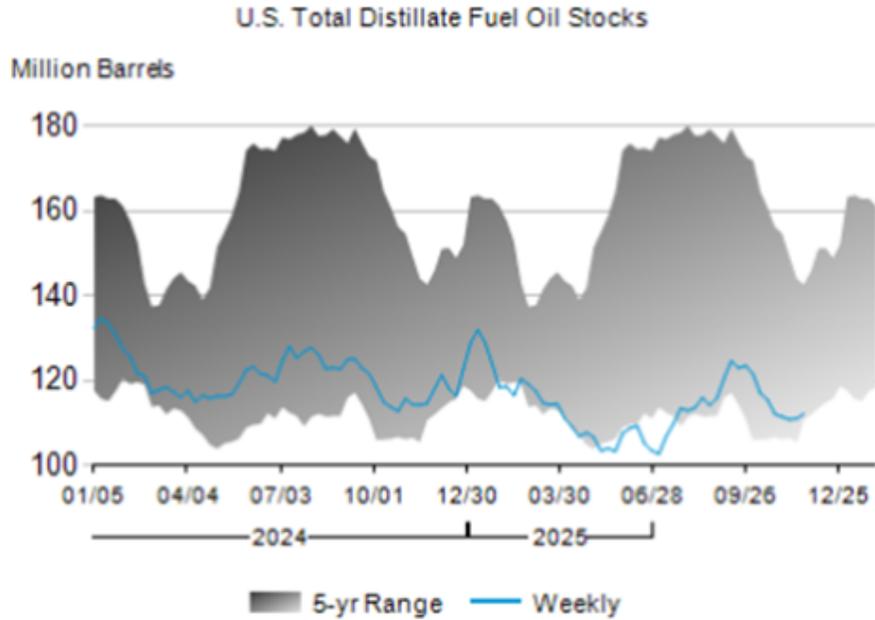
Impact: By autumn/winter, the combined picture mattered more than any single event. OPEC increases pushed global balances looser; Russian sanctions produced episodic dislocations; TMX and LNG Canada added new North American export capacity to global markets; and U.S.–Canada tariff frictions (and reciprocal measures) increased trade uncertainty. Together these forces produced: (a) lower headline global crude prices vs early-2025 peaks, (b) sustained pressure on heavy Canadian differentials when seaborne heavy barrels competed for Asian and Pacific refineries, and (c) higher volatility in North American gas/condensate flows as new export routes competed with domestic demand.

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Appendix



Appendix



Appendix



Appendix

