MARCH 2026

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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$39,008,486

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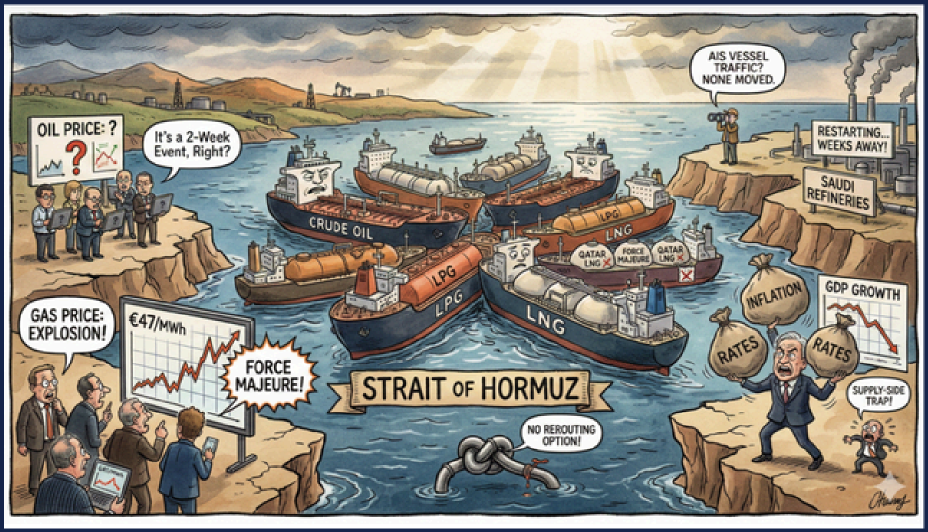
What's New in the Zoo



February is in the books and Christmas in the rearvciew mirror. The U.S., along with support from Israel, launched attacks into Iran that have killed Iranian Supreme Leader Ali Khamenei. Iran has counter attacked in what is an evolving situation, but pictures and videos show a very different situation in the Middle East compared to the pictures of U.S. authorities arresting Venezuelan President Nicholas Maduro.

Winter finally provided some actual winter weather in the past couple of weeks, which was a welcome sight for gas pricing but also seems to be back on the defensive. Geopolitics continue to drive price in the crude markets as the U.S. positions chess pieces in the region lending support to crude prices despite seasonal products and crude builds. As we'll discuss lower the "Super Glut" has taken a back seat to news coming out of the Middle East.

Pricing View - March 2, 2026

	January 2026 Index Diff	February2026 Index Diff	March 2026 Index Diff	April 2026 Index Diff View
WCS	-$13.08	-$14.22	-$15.19	-$12.75
LIGHT SWEET (MSW)	-$3.83	-$4.11	-$3.35	-$4.25
CONDENSATE (C5)	-$0.02	-$0.76	-$0.81	-$2.75
LIGHT SOUR BLEND (LSB)	-$4.96	-$5.32	-$5.44	-$5.25
MIDALE (MSM)	-$6.28	-$6.22	-$6.44	-$6.40

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MARKET SUMMARY & CANADIAN ENERGY

NATURAL GAS & LNG

Volatility continues to define natural gas markets. On February 2, 2026, NYMEX posted the largest one-day loss in its history — just weeks after the largest one-day gain ever recorded on January 20, 2026. These back-to-back extremes underscore the sensitivity of gas pricing to weather, positioning, and macro sentiment.

On the supply side, confirmed production from Western Canada exceeded 20 Bcf/d in November 2025 — an exceptional milestone. While this remains roughly one-sixth of U.S. production levels, structural progress is underway. LNG Canada seems to have recovered from its blip in December and is now on its way to nameplate takeaway capacity. Despite this, AECO Gas pricing continues to struggle surprising many who felt this new egress would promote tighter spreads between Nymex Gas and AECO pricing. For now, the companies who maintain egress to water borne markets or who control storage are winning the gas price volatility trade.

Given the situation in the Middle East, the effective closure of the Straight of Hormuz as a result of shipping insurance agencies pulling all insurance available for cargoes who choose to attempt the voyage has rippled through global energy price structures. We are seeing 45-50% price spikes in Asia/Europe at the open Monday morning. Additionally, Qatar LNG has shut in production at the largest LNG platform in the world on reported drone counter attacks launched by Iran. Given there is no egress other than the Straight for LNG out of the Middle East producing giants, this will certainly push LNG prices for the duration. North American benchmarks are also getting a price lift, but given all North American LNG export terminals are effectively shipping at maximum capacity, the price spike is more in line with crude price shock at the time of writing for domestic AECO and Nymex price structures.

TMX
Pipeline egress remains the defining structural theme in Western Canada. Alberta Premier Danielle Smith met with Prime Minister Mark Carney and British Columbia Premier David Eby to discuss the logical terminus for a new pipeline build. While Kitimat remains technically suitable, it continues to face challenges, particularly in light of the failed Northern Gateway experience. Smith later commented this terminus would not be pursued at this time given roadblocks and challenges.

TMX has flowed above 800 Mb/d for the past month, while Enbridge's Mainline posted its first apportionment for February nominations since 2024, both signs of tightening egress. There has been some news releases over the past month on prospective alternatives to a new pipeline to the coast. On capacity expansion we note the following:

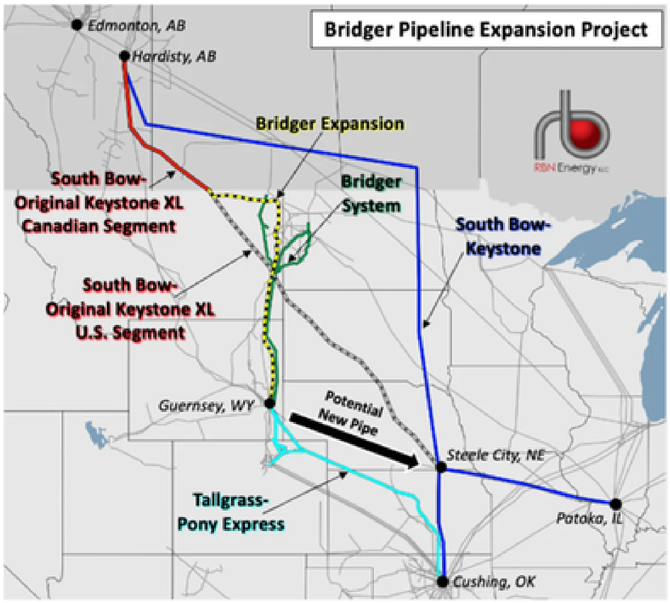
- The Trans Mountain Pipeline (TMPL) plans to deploy Drag Reducing Agents (DRA) sooner than expected though this likely will only amount to reduced amounts of capacity.
- Capacity on the 890 Mb/d system will increase by approximately 90 Mb/d (10%) for roughly $9 million, targeting in-service by January 2027.
- This equates to approximately $100 per barrel of added capacity, dramatically lower than the estimated $58,300 per barrel cost of a major expansion ($35B / 600 Mb/d).

Looking ahead:

- TMX could add another ~360 Mb/d via mainline optimization (pump stations).
- An additional ~60 Mb/d may be achievable via Puget Sound expansion (likely not incremental to the 360 Mb/d).
- Enbridge's Mainline Optimization Phase 1 is expected to deliver 150 Mb/d in 2027.

However, with these projects not arriving until 2027 and oil production projected to grow 150–200 Mb/d in 2026, late-2026 egress tightness is possible. The key swing factor may be whether the DRA project is accelerated.

Lastly, we ended the month by hearing news of a potential not so new idea where the Bridger Pipeline system would be utilized along with the Canadian leg of the failed Keystone XL pipeline potentially creating 550 Mb/d of incremental egress, though the project has many challenges most noteworthy likely needing to be approved and construction commenced by the end of Trump's second term as President (https://rbnenergy.com/daily-posts/blog/bridger-pipeline-aims-create-550-mbd-outlet-canadian-crude).



NORTH AMERICA

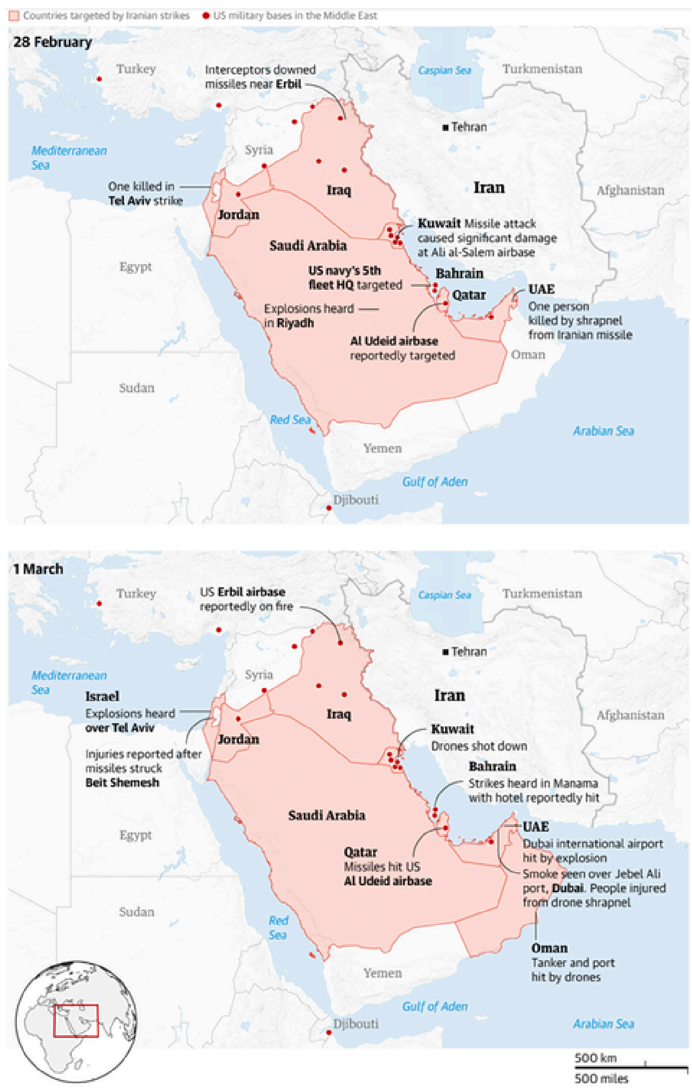
Consolidation continues in U.S. shale. Devon Energy and Coterra Energy announced a $58B merger, reinforcing the trend toward scale and capital discipline.

On trade policy, the U.S. House passed a motion to end tariffs levied against Canada. President Donald Trump retains veto authority unless the Senate overrides with a two-thirds majority — an unlikely outcome. Notably, six Republican House members voted against the administration, potentially signaling evolving party dynamics ahead of midterm elections, which are fast approaching this November. Trump also immediately announced a new global 15% tariff using different rules to continue some form of tariff policy.

India recently signaled strong interest in Canadian energy supplies. India's High Commissioner to Canada, Dinesh Patnaik, stated: "On energy, there is an appetite which even Canada cannot fulfill and we are willing to buy whatever Canada is offering on crude, on LPG, on LNG." He further indicated that strengthening trade ties could help both countries turn the page on previous diplomatic strains, particularly as diversification away from U.S. trade exposure becomes strategic.

MACRO & GEOPOLITICS

Just before the U.S. and Iran were set to resume negotiations, airstrikes took place at the end of Trump's negotiation timelines in what was being described as a rare moment where Israeli intelligence pinpointed the location of not just the Iranian supreme leader, but several senior officials in the Cleric. Iran has since counter attacked including hitting a crude ship attempting to cross the Straights of Hormuz. These are early days, but we expect WTI to be extremely volatile as news comes given the regions lack of stability.



Meanwhile this last month:

- China has aggressively shifted toward discounted Russian Urals crude, as India pulls back from Russian barrels amid tariff pressure and continues to fill strategic reserves.
- Data indicates China imported over 2 million barrels per day in February from Russia as global trade flows adjust.
- Iran conducted live-fire drills and temporarily closed the Strait of Hormuz as talks resumed.
- The supreme leader warned that attempts to topple the regime would fail.
- India has also signalled it will reduce purchases of Russian crude but will not completely eliminate the trade. Price has to be appealing for them to walk the diplomatic tight rope of the Whitehouse tariff threats against purchasing steeply discounted crude under pressure.

OPEC & OPEC+

OPEC, while quiet given the situation unfolding in Iran, continues discussions regarding monthly production increases, but maintained current output levels at their February meetings. Given Middle East tensions and the Iran-U.S. dynamic, incremental crude from non-Iranian OPEC members could help stabilize pricing if disruptions emerge and over the past weekend rumors are swirling that OPEC may begin tapping into the last tranche of spare capacity being help offline. OPEC+ agreed this past weekend in principle to raise production by 206,000 barrels per day after having debated options ranging from 137,000 bpd to 548,000 bpd, the five sources told Reuters on Sunday. This, despite the knowledge of possible disruptions given the evolving situation in Iran and neighboring countries. Additionally, oil, gas and other shipments from the Middle East via the Strait of Hormuz have come to a halt since Saturday after shipowners received a warning from Iran saying the area was closed for navigation.

OPEC members do have some alternative egress points to move product, but given the magnitude of the choke point, there is simply a limited amount of product that can clear via alternative points. Additionally, these egress points are well known to Iran and are now seen as high-risk target points for counter attacks, which will again create more concern about reliance on them for product movements.

TRADE, TARIFFS & MARKET SENTIMENT

As mentioned above the U.S. Supreme Court ruled 6-3 against the legal pathway used to impose prior tariffs, placing over $100B in collected duties into question. President Trump introduced a new 15% global tariff in what appeared to be a swift rebuke of the ruling. Market reaction remains fluid.

For Canada, the White House confirmed that USMCA-compliant goods are exempt from the new tariff. However, sectoral tariffs remain in place — steel, aluminum, and autos continue to face pressure. Net impact: little change for Canada's energy exports, but ongoing uncertainty for manufacturing.

The market at large continues to hold near all time highs as major earnings reports have yet to disappoint. The major tech players continue to show resilient earnings profiles as the AI investment thesis continues to hold. That said, the Dow remained flat over the last month as investors evaluated market risk and direction amidst the geopolitical backdrop. The metals trade resumed its upward movement back towards all time highs after a quick sell off to start the month as traders booked profits. Gold retraced some $US700/oz to begin the month, but given global uncertainty it is quickly finding a path back to all time high's once again nearing $US5,500/oz. Silver's parabolic ascent came back to earth some $US45/oz, but is working its way back up towards $US100/oz and appears that will continue its volatile trading trend into the spring.

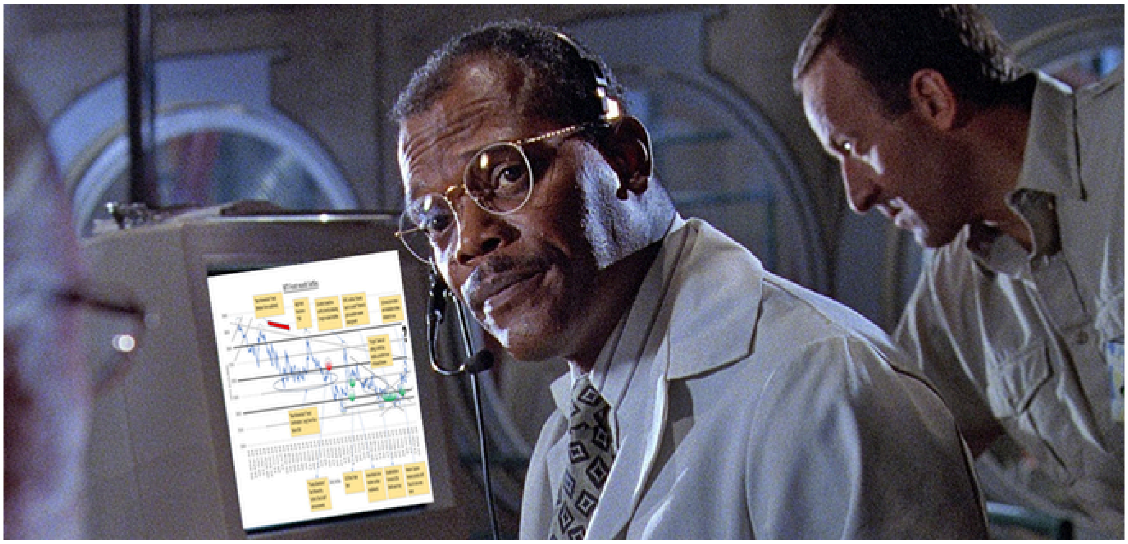
Crypto currencies remain flat over the month as the market licks wounds after dropping towards $US60,000/Bitcoin. Market players have to be rethinking strategy on Crypto given it may be failing as a safe haven against currency debasement having lost some 50% of its value since August 2025 highs of over $US120,000/Bitcoin.

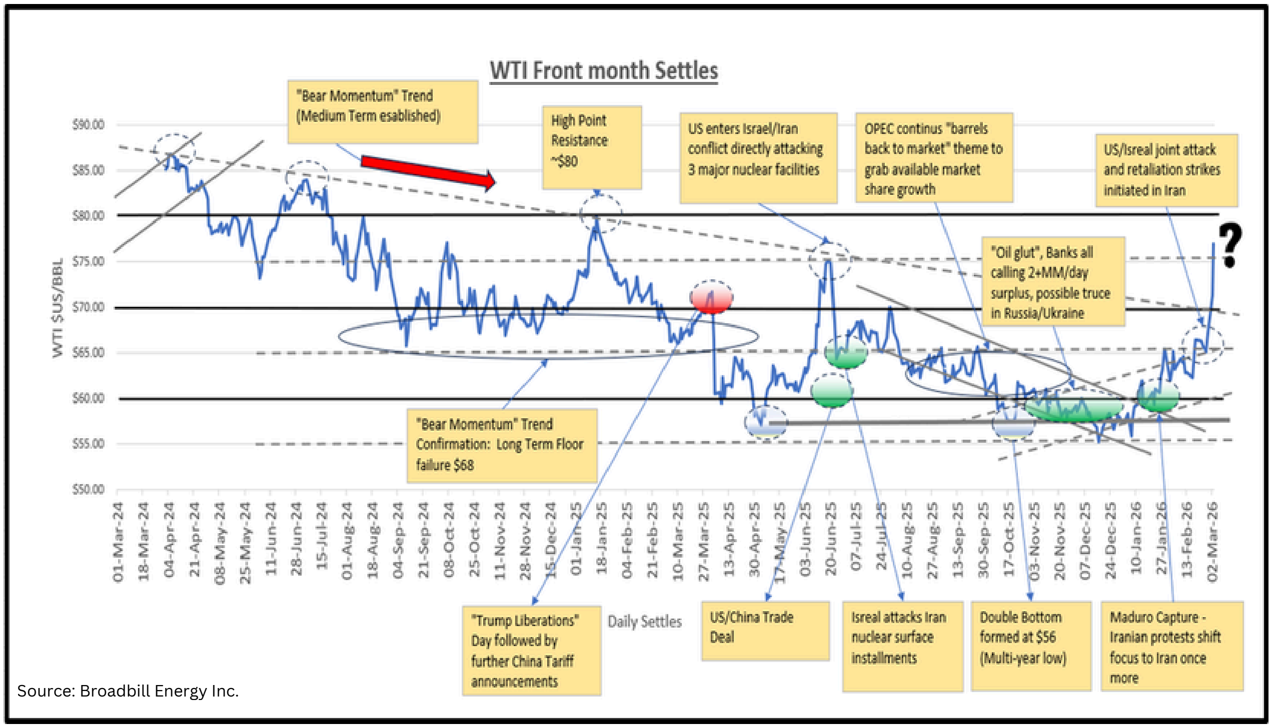
WTI & MARKET FUNDAMENTALS
U.S. production came off over February when winter finally arrived and caused freeze offs and impacted U.S. domestic production in North Dakota and Texas. As WTI regains footing it will be interesting to see if rigs add back swiftly to take advantage of the price run up. While sub $US60WTI certainly weighs heavy on production growth as we start to play peek-a-boo with $US70WTI, things may change swiftly in response.

Product balances remain healthy on the gasoline side of the market where we continue to see refinery runs near 90%. Distillate fuels continue to remain on the lower end of supplies. Important reminder our friends in California are only two months now from permanent refinery closures in what will surely result in product re-routes and price spikes. Refineries may be positioning products early to take advantage of the policies enacted by California Governments.

WTI remained technically supported around $US65 through the back half of the month as tensions escalated between the U.S. and Iran. While backwardated, there were still some solid hedging opportunities for producers given only two months ago we were flirting with sub $US55 WTI on forward strip pricing. It was Interesting to note crude price support despite sizable weekly inventory builds reported by the U.S. Energy Information Administration (EIA), largely attributed to post-winter freeze-offs and well flush-backs.

Despite initial hostilities in Venezuela to start the year, clearly Geopolitical events in the heart of the Middle East can still have severe price risk given the amount of crude oil flows in the region. Crude closed the month of February on a healthy gain through the week ending February 27 at around $US67 per barrel for WTI. Once attacks were confirmed on Saturday, we saw WTI open over $US70 and peak at over $US75 Sunday evening. First day of March trading has been volatile with crude printing as high as $US75.33 to a low of $US69.20. Given the magnitude of supply and possible disruption, it’s a wait and see moment while the traders trade, but one thing is for certain that geopolitical risk premiums are back in WTI and energy pricing in general.





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WCSB DIFFERENTIALS & WESTERN CANADIAN TRADE DESK OVERVIEW

Key highlights:

- Differentials widened once again in the March cycle, likely given pipeline constraints. We see **tightening differentials on heavy** to begin the April cycle, which could gain support given instability with the U.S./Iran crisis. Lights have slid somewhat in the reflection of the typical shoulder season trade.
- March apportionment announced at 13% for light grades at Kerrobert injection point, while heavies came through at 11% at Kerrobert. Its possible producers were expecting similar percentages for March, which could result in crude being over nominated. May want to hang on to some volumes just in case spring break up hits early, which could be a safe bet given the overall mild weather forecasts and winter that feels ready to be concluded.

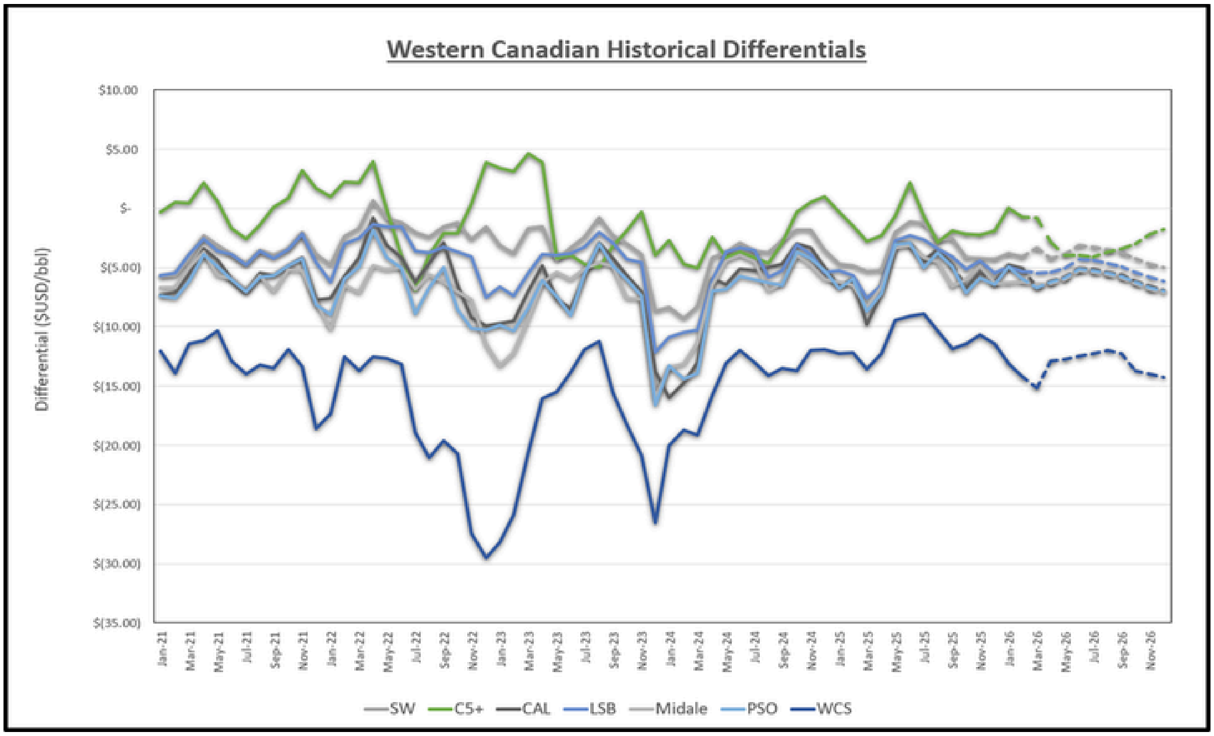
As 2026 continues and we rolled into the March cycle, we saw some similarities to the February cycle. Heavies began to fall, while lights also showed weakness in the second half of the March trade window. Refiners continue to have growing options for their assets and with gulf coast refiners eyeing up Venezuelan crude, it added pressure to the Canadian heavy differential. Precycle trading we saw TMW (WCS Financial) exchanging hands at $(14.25), while opening the March window at $(14.60). WCS did get slightly stronger after that reaching a window high of $(14.45) but was short lived as, as quickly as it went up, it went right back down. The heavy differential gradually fell each day of the March window on route to a cycle low of $(15.80). WCS later settled at $(15.19) for a March COMM mark. With Venezuelan crude having end users' attention as a possible feedstock option. Valero did comment on the product and said they "anticipate Venezuelan crude making up a large part of our heavy diet," while estimating the process capability for this stream could be "substantially north of 240,000 bpd."

The lights however did not have as much excitement in the March window as its first print came across the screens at $(3.30). Stronger than is pre window trading of TMR (Edmonton Sweet Financial) of $(3.70). The light product transacted up to $(3.00), before also gradually showing weakness throughout the march window and falling to a cycle low of $(4.00). March Sweet eventually settled in at $(3.35) for COMM. Like February, this weakness in the light differential can be attributed to synthetic upgraders having a lack of issues. Synthetic grades also fell throughout the March window, putting pressure on the sweet stream.

March COMM had LSB settle at $(5.44), while Midale finished up at $(6.44). Condensate showed strength throughout the window as the FSPL stream began the march window at $(1.40) before trading all the way up to $.10. FSPL did fall back after that before having a March COMM settlement of $(0.60). C5+ had March COMM settle at $(0.81).

As we look ahead to April, we will keep our eyes on the continued “supply glut” storyline but also how the situation in the Middle East will affect markets. If the Strait of Hormuz completely shuts, it could leave supply in question. When Russia invaded Ukraine flat price (WTI) did rally quite substantially, but we also saw differentials in the WCSB market gain strength as refiners were lifting any offer they could to ensure they had feedstock. The spread between Brent to WTI could grow, making a North American barrel more attractive not just for its price basis, but also its reliability.

However, we are also going into refinery turnaround season, which could mean demand might not be as high for feedstock overall. Breakup season in the field will also be taken into consideration as issues with getting equipment around the field and wide range of weather possibilities throughout the April/spring months could also affect how much producers sell through the April window.



Source: Broadbill Energy Inc.

CLOSING THOUGHTS

Please don’t hesitate to reach out if you’d like to discuss how these developments may impact your physical positions, differentials or risk management strategies. We will continue to monitor conditions closely and provide updates as events unfold.

The Broadbill Energy Team

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www.broadbillenergy.com

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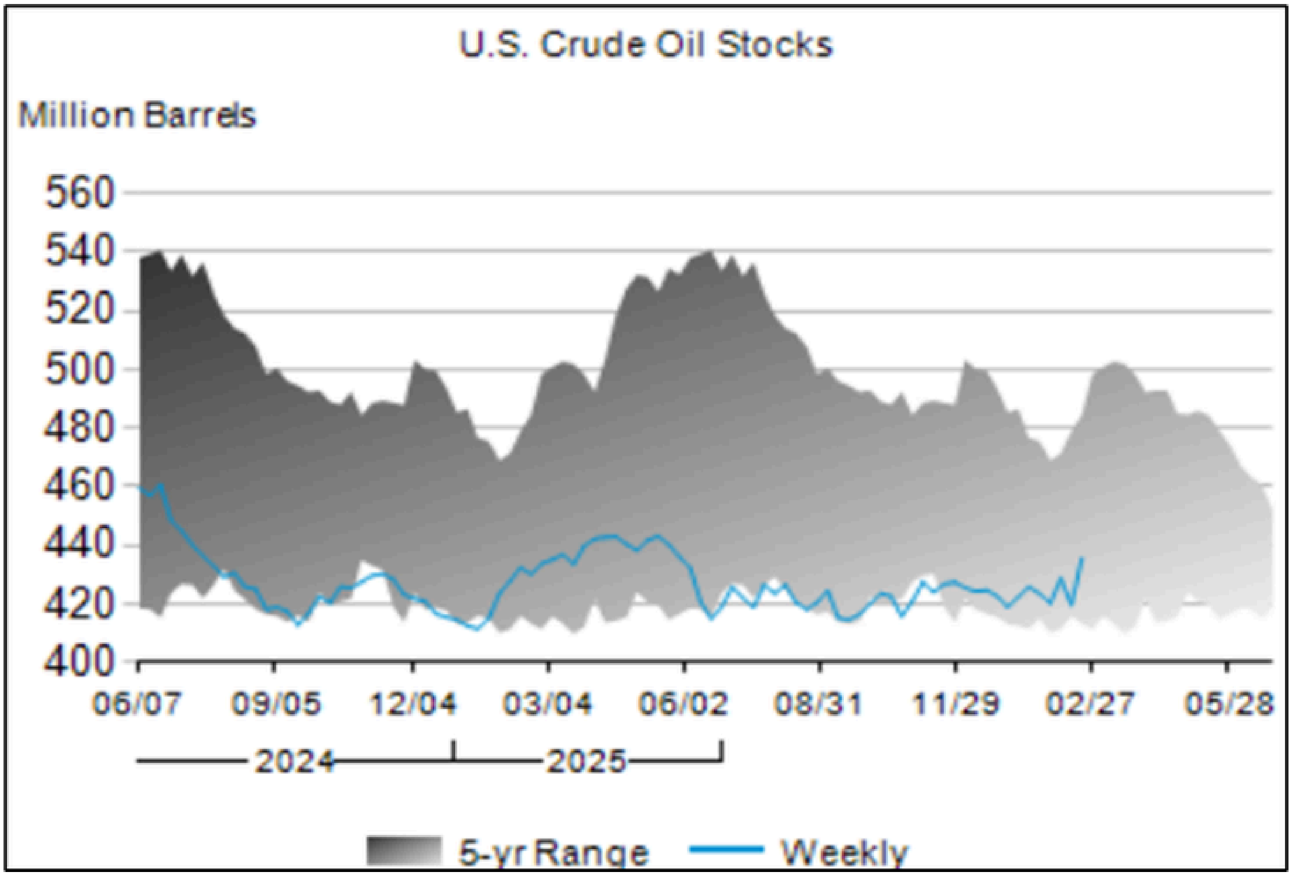
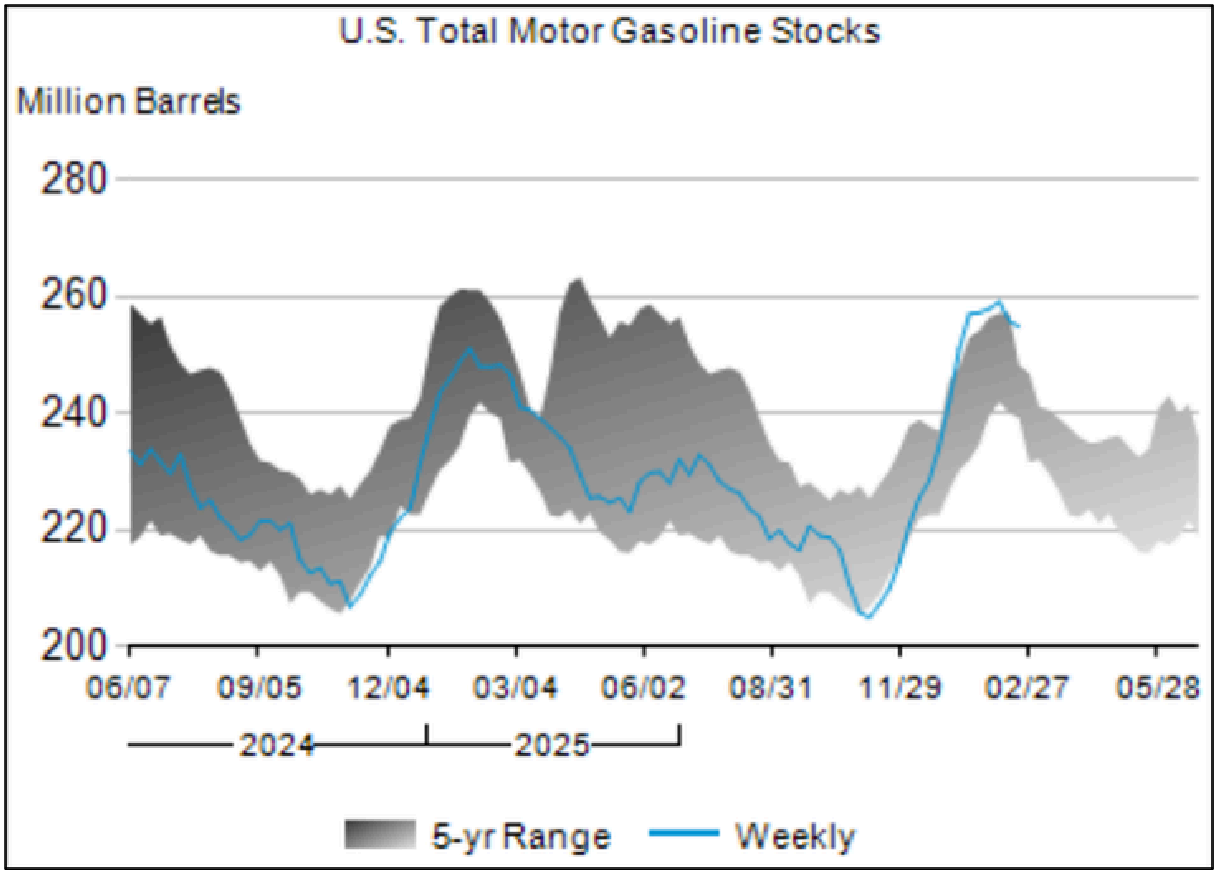
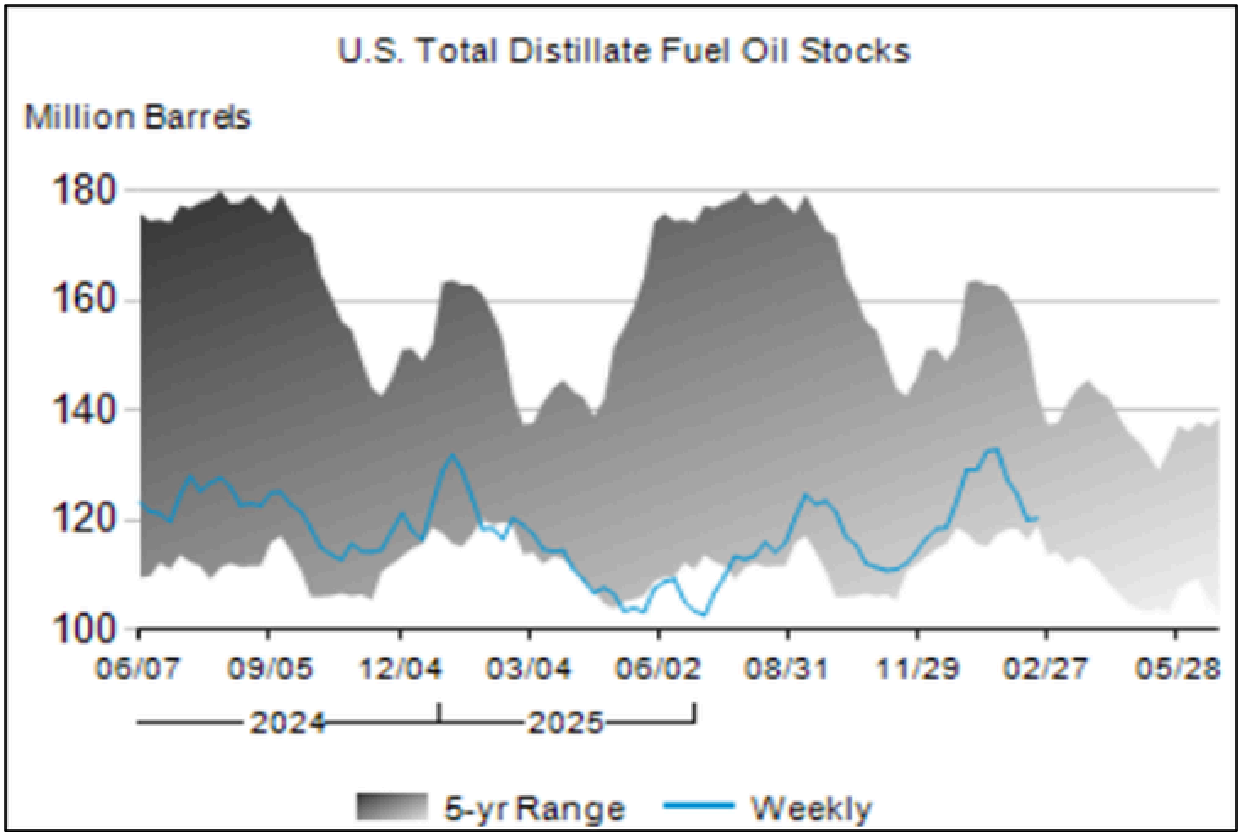
Appendix




U.S. Total Motor Gasoline Stocks
Million Barrels
280
260
240
220
200
06/07
09/05
12/04
03/04
06/02
08/31
11/29
02/27
05/28
2024
2025
5-yr Range
Weekly


U.S. Total Distillate Fuel Oil Stocks
Million Barrels
180
160
140
120
100
06/07
09/05
12/04
03/04
06/02
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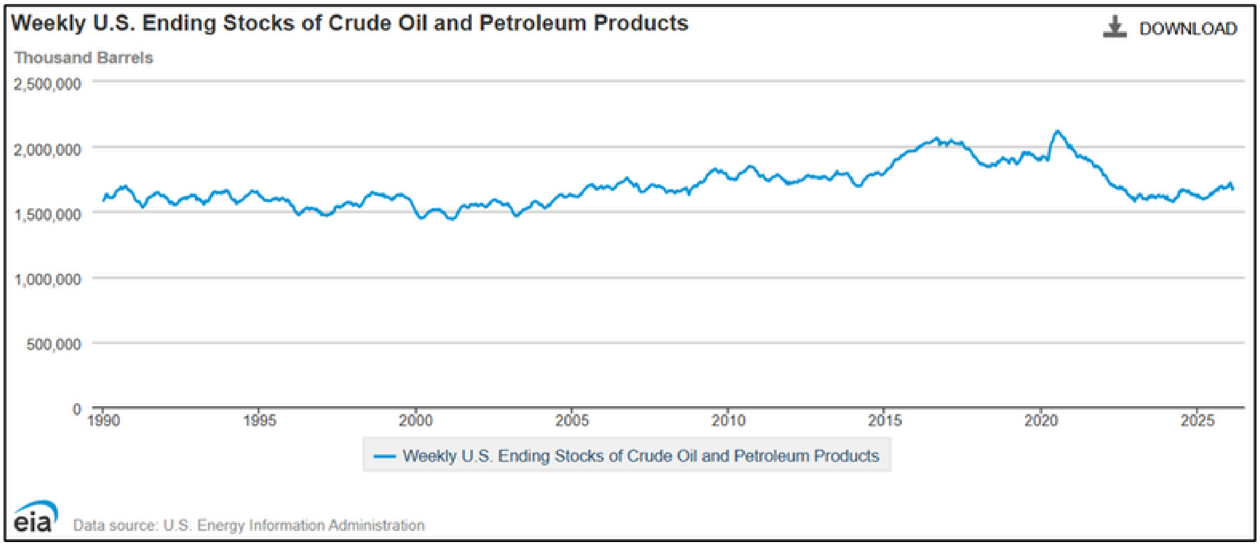
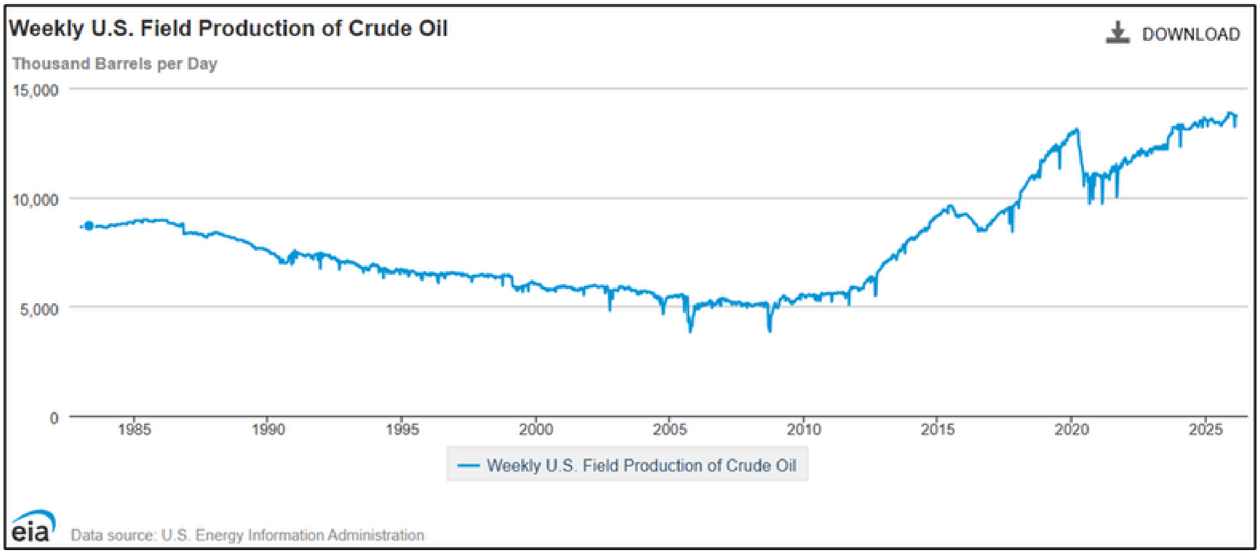
2024
2025
5-yr Range
Weekly


Weekly U.S. Ending Stocks of Crude Oil and Petroleum Products
DOWNLOAD
Thousand Barrels
2,500,000
2,000,000
1,500,000
1,000,000
500,000
0
1990
1995
2000
2005
2010
2015
2020
2025
Weekly U.S. Ending Stocks of Crude Oil and Petroleum Products
eia
Data source: U.S. Energy Information Administration


Weekly U.S. Field Production of Crude Oil
DOWNLOAD
Thousand Barrels per Day
15,000
10,000
5,000
0
1985
1990
1995
2000
2005
2010
2015
2020
2025
Weekly U.S. Field Production of Crude Oil
eia
Data source: U.S. Energy Information Administration


Dow Jones Industrial Average Index · 1D · TVC
48,977.92 −521.28 (−1.05%)
48,977.92 SELL
0.00
48,977.92 BUY
SMAs 20 close 50 close 100 close 200 close 49,481.00 49,094.39 48,100.22 46,184.08
USD
TradingView
RSI 14 close 45.91
Jun
Jul
Aug
Sep
Oct
Nov
Dec
2026
Feb


Bitcoin / U.S. Dollar · 1D · Bitstamp
67,044 +1,176 (+1.79%)
66,982 SELL
66,983 BUY
SMAs 20 close 50 close 100 close 200 close 67,497 78,206 83,741 97,370
USD
TradingView
RSI 14 close 41.85