

MAY 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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## What's New in the Zoo

Another month has passed and we find ourselves in both familiar and unfamiliar territory. Volatility is nothing new for our readers, but we continue to find new lessons as the world deals with unprecedented events. Spring finally feels in season and taking over from winter and we are excited to close out break up season given the current price environment.

Stampede season is going to be here before we know it. If you didn't receive the invite, please consider this as one. We once again have the Palamino booked and hope to see you all there! Please send an RSVP, as we hope to have another record attendance.



## Pricing View - April 30, 2026

	March 2026 Index Diff	February 2026 Index Diff	May 2026 Index Diff	June 2026 Index Diff View
WCS	-\$15.19	-\$12.63	-\$15.48	-\$16.50
LIGHT SWEET (MSW)	-\$3.35	-\$3.43	\$9.20	\$4.00
CONDENSATE (C5)	-\$0.81	-\$2.33	\$7.99	\$3.25
LIGHT SOUR BLEND (LSB)	-\$5.44	-\$5.08	\$3.73	\$1.50
MIDALE (MSM)	-\$6.44	-\$6.06	\$2.86	\$0.50

### MAY 2026

#### MARKET SUMMARY & CANADIAN ENERGY

##### NATURAL GAS, LNG & TMX

While crude has had a wild ride through April, natural gas has been effectively a non-event from a pricing perspective. LNG on the water has certainly reflected the ~20% impact of the Hormuz closure, but our domestic gas prices all but shrugged off events overseas. For the year, Nymex natural gas price is down 25% off winter lows, currently trading at \$2.75US/GJ. While it did get some initial Hormuz premium, it has cooled considerably. We note that supply continues to outstrip available demand (including exports) as the U.S. reported gross withdrawals of 134BcF (billion cubic feet) for February 2026, which is a 5% increase year over year. While LNG exports have increased by over 15% year over year to ~20BcF, they are still not enough to counter production growth. We see the same impacts in Canada despite LNG Canada success.

Bridger Pipeline and South Bow continue to advance their re-creation of Keystone XL. The pipeline would allow for 550Kbd of heavy blend to ship from Hardisty to Guernsey, WY and effectively bypass many of the problematic crossing's XL posed. From there, existing pipeline would be utilized to access markets in Cushing and ultimately the Gulf Coast. The project seems to be well supported and gaining traction on both sides of the border, with President Trump signing an executive order May 1 required for the project to proceed with cross border crossing implications.

##### NORTH AMERICA - CANADA IN FOCUS

While the geological events continue to dominate, we are starting to get some new news items. The Liberals finally got their much-anticipated majority, gaining full control in by-elections held through the month. Still frustrating considering they gained the majority with floor crossings, which is something that needs to change in Canadian politics. That said, we may see an improvement in that the Liberals no longer need to posture with the Bloc in Quebec, nor the depleted NDP representatives to manage a minority government, so we'll take that as a win. Time will tell if it's a true win, or just wishful thinking.

Prime Minister Carney announced Canada’s version of a sovereign wealth fund: the Canada Strong Fund. While details were relatively thin on funding, it will almost certainly have to involve improved support for resource development, as realistically there is nothing else the country can use to fund such a fund.



We also received a spring economic update which again, was more of the same discussion points. While the deficit does appear to be coming in lower, it does read a little like Carney is big on under promise and over deliver methods. They continue to spend into the economy (driving record deficits in the process) so while deficits came in lower, they are still deficits.

One area we are seeing continued positive uptake is a continued interest in Canada from a foreign investment point of view. “Invest Canada” themes are apparent as countries see Canada as a reliable, safer investment space as wars rage elsewhere either in economic terms with the U.S. tariff policy or quite literally from a military point of view. Two large deals were announced in month one of the service space as Secure Waste Services was acquired by GFL Environmental in a \$6.2B deal. The Dutch have come back strong with Shell’s acquisition of Arc Resources in a \$22B deal.

Exhibit 2 - Spring 2026 Economic Update - Highlights

Category	Measure	Key Changes / Updates	Page
Defence	Defence Investment Agency: \$103.8M/5 yrs to establish/operate as stand-alone + intent for enabling legislation + Defence Production Act amendments.	Net new funding and governance step.	82
Energy (incremental)	CCUS ITC expanded to Enhanced Oil Recovery (EOR) (rates specified; jurisdiction designation; applies as of Update day).	Improves project economics for CCUS tied to EOR. Investable for <b>CCUS developers, EOR operators, CO<sub>2</sub> transport/storage</b> , select oilfield services.	162
Energy (incremental)	Accelerated CCA for low-carbon LNG: implementation details + emissions intensity threshold ( <b>≤0.20 tCO<sub>2</sub>e/tLNG</b> ).	Clarity on qualification can de-risk capex decisions for LNG proponents that can meet the intensity threshold.	64
Finance	Ban crypto ATMs + enhanced powers around MSBs (FINTRAC).	Regulatory headwind for crypto-ATM operators; could redirect flows to regulated channels; supports compliance / regtech spend.	102
Finance	FINTRAC to receive \$17.9M in new funding.	Regulatory tailwind.	103
Finance	Stablecoins / tokenised assets: intention to engage Federally Regulated Financial Institutions (FRFIs) + potential regulatory clarity.	Provides regulatory trajectory in payments and digital assets.	85
Housing	Mortgage insurance rule changes: allow private insurers to insure 5-8 unit residential; more flexibility for 3-4 unit new builds (consultation).	Potentially expands financing availability for small multiplex / missing-middle builds. Constructive for <b>multi-family developers, mortgage insurers, and specialty lenders</b> (timing depends on consultation + regs).	98
Housing	Homebuilding innovation package ( <b>\$41.9M/5 yrs</b> ) for building codes, factory-built/modular pathways, housing data modernization.	Direct support for <b>industrialized construction</b> (modular/panelized), standards/certification and faster approvals. Tailwind for <b>prefab/modular supply chain</b> and productivity enablers.	98
Housing	Home Buyers' Plan grace period from 2 + 5 years (for first withdrawal Jan 1 2026-Dec 31 2028).	Household cashflow support, which could boost overall spending.	99

Source: Scotiabank GBM.

While GFL is a Canadian Corporation, they are now headquartered in Florida (hmmm I wonder why they made that move), where much of their business has grown since inception. Shell had all but exited the Canadian upstream space, but are making a big comeback, showing that the investment thesis in Canada is changing and making LNG Phase 2 a very strong prospect.

### **OPEC & OPEC+**

OPEC finally made some news this month (despite how many of their members are impacted by Hormuz they have been exceptionally quiet of late) but not the good kind. The UAE has announced they will leave the cartel as of May 1. It has been well documented that the UAE has been at odds with cartel king pin Saudi Arabia as they look to advance their own agenda in a blow to the organization. This marks the first departure from the cartel since Qatar dropped membership in January of 2019. They had been a member since 1967 and had been one of the longest standing members outside of the founding members (1960). The message has been they will still follow the market closely as they seek to exercise their own energy policy moving forward.

The market also expects the cartel to continue announcing increased production quotas (with or without UAE at the table) when they can once Hormuz reopens. Expectations are for the group to add back an additional 500Kbd of production quota.

### **TRADE, TARIFFS & MARKET SENTIMENT**

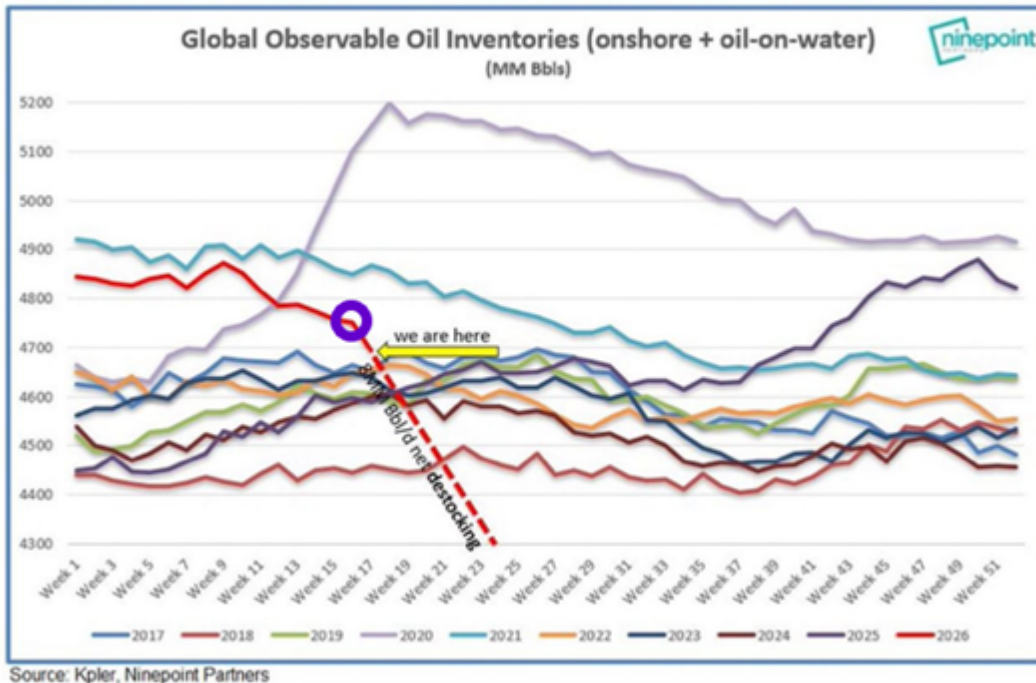
Hormuz Crisis? What Crisis?

While markets correctly sold off during March, we are once again watching the key indexes move into all-time high mode. Almost all major equity indexes enjoyed gains over the month of April, as the AI induced spending spree continues to drive equity markets ever higher. The Japan225 led the charge with a large 15% monthly gain, while the S&P500 wasn't far behind enjoying a 14% lift. The Dow was up 9%, effectively erasing all March's losses as it pushes back up over 50,000 to record highs. Here at home, our beloved TSX was only up 5.6% for the month, though it didn't see the drop offs through March given the energy company influences its composition.

Tariff news was hard to find through the month but expect this to come back into view especially once the Hormuz situation comes to any kind of conclusion. In Canada, we are nearing the July 1, 2026 CUSMA review date, which could mean the U.S. gives six month's notice to end the deal. We expect cooler heads to prevail, but likely a few more TACOS to be served up in the lead up to the review.

Metals trade moderated during the month. Gold continued to soften during the month despite the geopolitical situation. Copper continues to hold gains in a sign industrial demand remains solid.

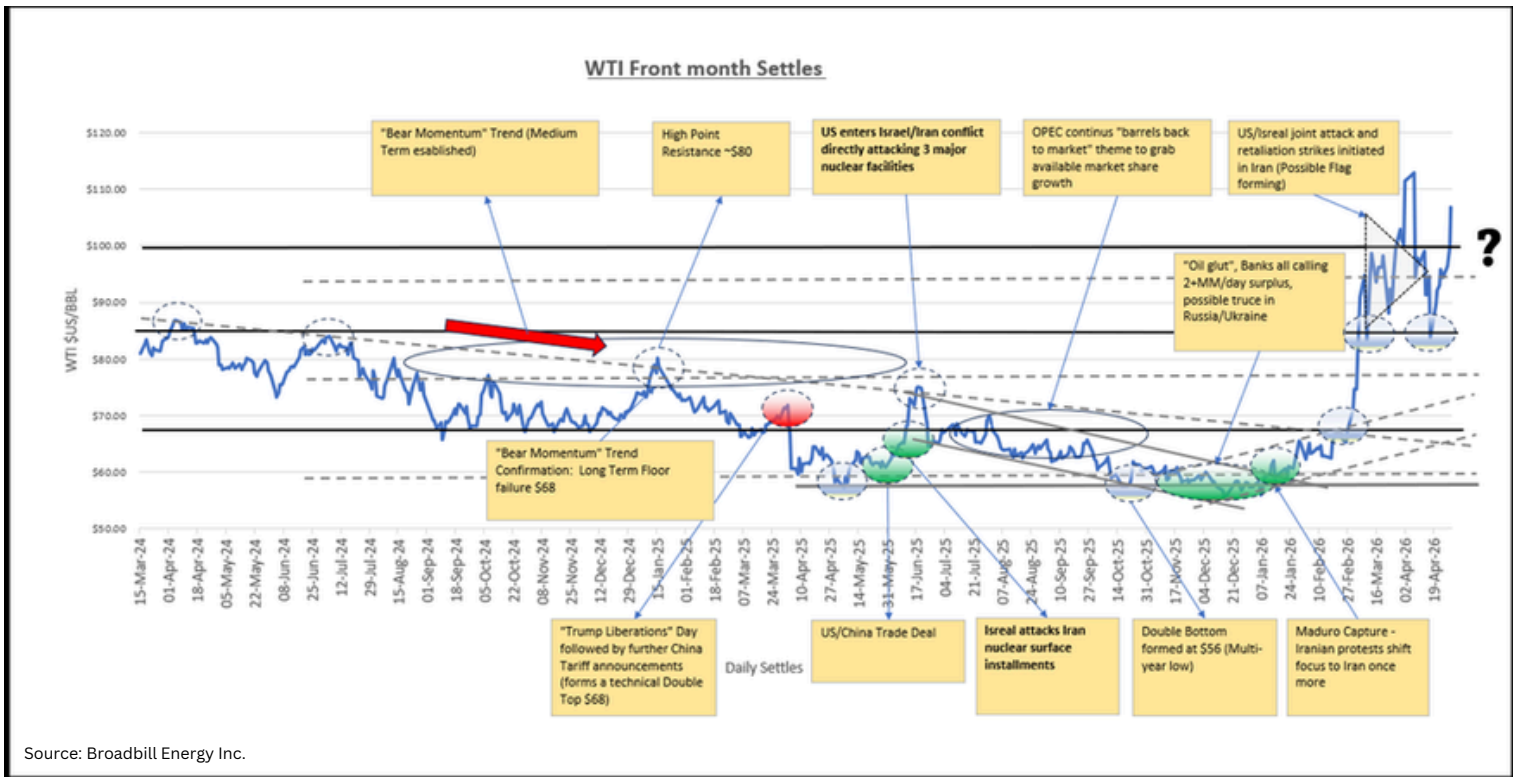
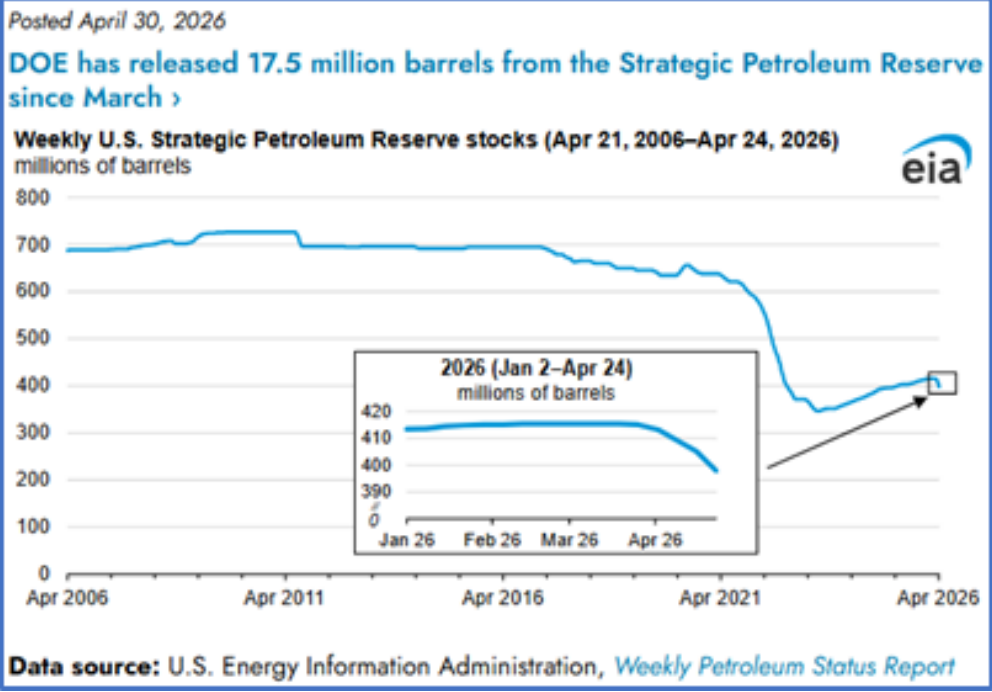
WTI & MARKET FUNDAMENTALS



WTI maintained its volatility trade through the month of April. Despite very little traffic through Hormuz through the month, somehow Trump’s tweets managed to keep upside momentum on its heels that a deal would be reached. The sell side sell offs were more violent than upside buying in the month punctuated by a high print close early in the month at \$112.95US/bbl on April 8th followed abruptly by a ~\$94US/bbl close the following day on news of the 2-week ceasefire being accepted by both U.S. and Iran. Later in the month we saw an \$11US/bbl sell-off April 17th to close at a month low of \$83.85US/bbl on news Hormuz would be back “open for business.” We then reverted back to the upside through month end as peace (or even getting the parties in a room together to negotiate) seems very distant.

While we read about open straits and imminent peace, the two sides are very far apart in terms. Iran, still being heavily influenced by the hardline regime (who also control the IRGC/military) seem entrenched in maintaining nuclear capability, tolling all vessels that cross the coveted strait, and effectively pushing out all forces who are against their will and intent. The U.S., while clearly wanting to make some kind of deal, clearly can’t allow any of these deal requirements to stick, as it would severely change the middle east dynamics and likely damage long term allegiances with Isreal and the Saudi’s, along with any other nation who rely on the strait for export.

We begin to see the impacts of Hormuz closure, as product supplies swing to draw balances across crude and transportation fuels with both gasoline and diesel pushing below 5-year averages (see charts below). Global observables have maintained their downward trend fortifying the back end of the WTI curve with 2027 now above \$72US/bbl. We see the rest of the year WTI now at ~\$87US/bbl.



MAY 2026

## WCSB DIFFERENTIALS & WESTERN CANADIAN TRADE DESK OVERVIEW

### Key Highlights:

- Oh me, oh my: WCSB light differentials stage massive rally in attempt to catch up with global spot benchmarks.
- The strength we discussed in last month's Broadcast at the start of the May cycle continued to gain momentum through most of the cycle, producing some record prints for Synthetic, Light Sweet, Light and Medium Sour grades. Only WCS produced a weaker month over month index as buyers favored light grades over heavy to take advantage of coveted line space and strong distillate and gasoline crack spreads.
- May Enbridge Mainline apportionment announced at 15% for light grades at Kerrobert injection point, while heavies maintained at 14% at Superior.

The May WCSB trade cycle was not a run of the mill trade window. Geopolitics made their way into the WCSB market and were both strong and volatile. Consistent, reliable, and high transportation value supply proved favorable for Canadian light barrels. Meanwhile, heavies saw weakness creep back as differentials widened over April. With the Strait of Hormuz constraining supply, product markets continue to see strength in transportation fuels as buyers race to find needed supply. This caused end users to call an audible for their feedstock slates with them looking to capitalize on the strength of these products.

As we discussed pre-May trade window, we saw May TMR (Edmonton Sweet Financial) continue to gain momentum transacting as high as +\$5.00US/bbl prior to the opening of the cycle, which is where we began the fun. From memory, the +\$5.00US/bbl offer was what could be considered an auto lift, only being on the screen for a few seconds before racing quickly up to +\$7.75US/bbl before settling at +\$8.15US/bbl on day one of May trading. Day two of trading was more of the same, we saw +\$13.00US/bbl exchange hands. Double digits held for a solid week until finally differential seemed to give way to Trump tweets mid-month, indicating that the Hormuz would open. This began the fall back in the second half of the window down to a cycle low of +\$2.50US/bbl. Despite the volatility, enough volume was sourced at higher levels, producing an incredible May MSW COMM +\$9.20US/bbl.

Not to be outdone, Synthetic barrels, well known for their high distillate and kerosene yields, gained even more steam and transacting north of +\$20.00US/bbl in what was the talk of the town. The lift in synthetic and light pricing came from refiners and traders putting a premium on these light barrels given high crack spreads and desperate buyers on the water for dwindling fuel supplies. For sectors such as agriculture, rail transport, and long-haul trucking, they don't have a substitute, which keeps demand high. Being a spring trade window, refiners were already likely running near output capacity for diesel, and this put more pressure on ensuring they had necessary products for various reasons. Synthetic upgraders were also in spring turnaround or maintenance, which caused a lack of supply and additional desire for these synthetic barrels. Truly a perfect storm. Light sour shared a similar theme printing almost to double digits before retreating and even posting several trades back in their familiar negative territory. Still, all grades finished at positive levels setting the stage for strong producer netbacks for the May cycle.

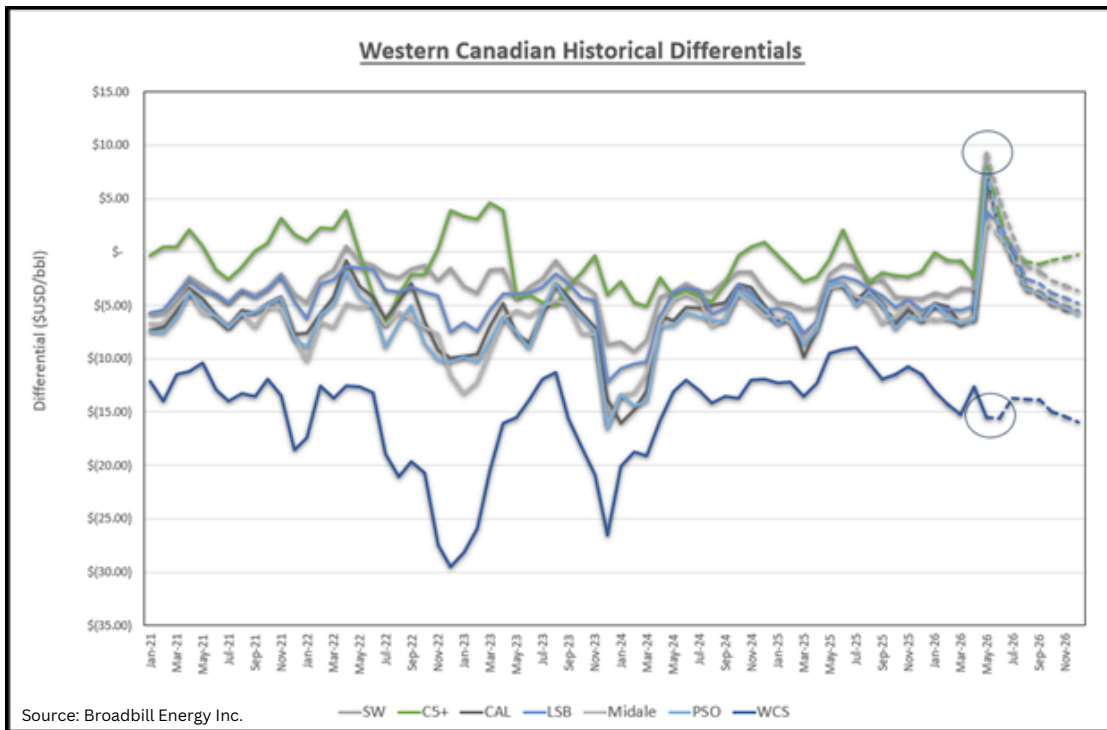


On the heavy side, we saw a different story. Pre trade window May TMW (WCS Financial) was trading strong off April momentum at \$(10.70)US/bbl. Once the cycle began, it didn't take long for WCS to weaken as it first flew across the screens at \$(11.75)US/bbl closing the opening day of trading as the at \$(13.10)US/bbl to end the day. On day two, WCS didn't stop sliding as \$(13.45)US/bbl went first thing in the morning extending previous days weakness. Unlike the lights, heavy continued to weaken finding support at \$(17.00)/US/bbl for WCS before settling at \$(15.48) for the month. With so much demand for the light barrel and TMX filling up with these lighter grades, it left minimal room for the heavy barrels. Strategic reserve releases may also have factored into the softness for heavy grades, as vessels began loading cargoes once they reached U.S. ports through the month.

Finally, C5+ (condensate) saw strength and support much in line with the light sweet trade though slightly discounted reflecting the seasonal shift in diluent demand. C5+ COMM settled at +\$7.99US/bbl to round lights.

South of the border also held promise for light grades. UHC (Bakken at Clearbrook) COMM settled at +\$12.27US/bbl, but also traded north of +\$20.00US/bbl briefly as well. DAPL barrels at Johnson's corner also saw transactions above +\$20.00US/bbl as U.S. mid-continent refineries competed for the same refinery yields against a solid export market in the gulf coast.

As we look ahead to the June cycle it appears we could see more of the same as diesel and jet fuel continue to stay strong. JUN sweet trading at +\$4.00US/bbl at the time of writing while JUN WCS is trading at \$(16.35)US/bbl. This time around we might not see the heavy to light spread get quite as wide as May as end users are better prepared for these spreads and with the earlier push to produce diesel and jet fuel it is creating less supply of other products. This could cause refining margins to look more attractive towards other products. We also have synthetic upgraders coming back online, which in theory would create more supply for the market.



## KEY TAKEAWAYS & CLOSING THOUGHTS

- Physical and financial markets are playing in both a left and right brain mentality**, with financial markets trading more off day-to-day news, tweets, and equity market optimism while physical markets show the price buyers will pay to secure needed energy cargoes.
- Equity markets appear bedazzled**, as they return to all time highs effectively turning a blind eye to the severity of the disruption signalling a belief that while severe, this too shall pass.
- North American energy showing its reliability and importance**, as import nations across the globe grow desperate, announcing fuel rations, flight cancellations and are forced to pay increasingly higher premiums to source energy supplies, North American markets are well stocked and situated muting the more severe problems faced outside the continent.
- Volatility continues and may even accelerate**, headline risks, unknown negotiation outcomes, and increasingly dangerous rhetoric could lead to whipsaw affects across markets.

### April 2026: Key events throughout the month:

#### March 30

- Yemeni Houthis agree to join Iran in attacks against Israel.
- Trump again threatens to resume hits to energy infrastructure if a resolution is not reached, immanently drawing sharp criticism from Iranian hard line and comments that the U.S. tactics are delusional. Brent closes above \$110US/bbl while WTI prints as high as \$105US/bbl.
- Brigade of 3,000 marines have landed in the Gulf as the U.S. prepares for possible ground operations.

**March 31**

- President of Iran was quoted as saying they would be interested in ending the war with stipulations of no future aggressions against the nation. Likely more of a political posturing as the IRGC is controlled by the supreme leader, where all final veto power resides.

**April 1**

- No April fool's day here. President Trump in a State of the Union address regarding Iran gives market no comfort the conflict will end soon and further emphasized the U.S. will resume strikes. It fell short on specifics, but the market took the speech as a sign diplomacy is far from certain as WTI rallied back in overnight trading to over \$106US/bbl.

**April 2**

- WTI continues its upswing from prior news announced on April 1 and moves above \$112US/bbl.
- Canadian light differentials move way up as refiners bid for volumes in the May trading cycle with light sweet moving above +\$10US/bbl for the first time ever while Synthetics traded +\$22US/bbl in lock step. Heavies seem to be the "third wheel" at the dance as they slide back to \$(14)US/bbl.
- Trump threatens action against Iranian power plants and bridge infrastructure but indicates oil targets could be in play but likely to be avoided. Additional Truth Social comments made about bombing Iran "back to the stone ages" were made.

**April 5**

- Downed U.S. pilots both retrieved in a replay of "Behind Enemy Lines."
- Large push for 45-day ceasefire in play.

**April 6**

- Iran rejects 45-day ceasefire and resumes tactical operations against the UAE, who are readying to join the fight with the U.S. and Israel as they have seen over 60% of attacks from Iran.
- Trump reiterates Tuesday April 7 deadline for Iran to make a deal, while Iran rejecting ceasefire terms while also demanding a permanent end to war.
- Hormuz traffic increases to highest levels since closure.

**April 7**

- Fuel rationing begins globally as product balances bite in.
- 2-week ceasefire announced.
- WTI down \$20US/bbl on the news. Claims of a "workable" 10-point Iranian plan immediately drawing question marks, given most of the terms are the same and likely not amenable to the U.S., Israel, or other Gulf Arab states (Iran maintaining control and tolling of Strait on-going).

**April 8**

- Despite ceasefire between U.S. and Iran, attacks still taking place most notably to Saudi's East/West pipeline via claimed Iranian drone strike.

**April 9/10**

- Similar news flow coming out of the Middle East. Assaults continue in Lebanon from Israel, while Iran insists that the ceasefire must include Lebanon. Iran continues drone strikes on critical energy infrastructure, while maintaining a tight grip on the Strait for passage as rumors continue to indicate that by in large only Iranian ships are passing along with a few others paying tolling for safe haven.
- VP Vance to lead negotiations in Islamabad.

- News begins flooding in of eventual fuel shortages anywhere impacted (basically anywhere outside of North America) heading into the busy transportation season. Fuel rationing expected across many industries.
- Paper market continues to show resolve that an end to the conflict is near, ignoring the clear physical signs of market strain.

**April 11**

- After 23 hours of negotiations in Pakistan U.S. delegates leave without a deal.

**April 12**

- Trump has announced the strait will now be blockaded meaning on ships, Iranian inclusive will be able to pass the water way. Crude opens up trade once again up over \$100US/bbl.

**April 13**

- Naval blockade of the Strait has commenced. Iran threatens to do the same out of the U.S. Gulf Coast. In the early afternoon Trump goes to text indicating once again Iran wants “to make a deal” despite what appears to be more of the same rhetoric when both sides appear to be increasingly distant in their terms and conditions of a lasting peace offering. Crude settled higher, but well off its highs of the session.
- No missile attacks, despite failing talks also lending support to possible back channel discussions taking place.
- There is a tone that perhaps if Iran agrees to not ever have a nuclear weapon that perhaps that may be the deal terms that come to pass...but for now the sides appear much too far apart and any concessions will be perceived as victory for the other side.
- Trump also signaled high probability of \$4 gasoline thru November mid-terms. A clear indication that even with a possible deal there could be lingering effects of the war in the aftermath.
- OPEC cut demand growth by 500Kbd given economic impacts of higher pricing taking their view of 2026 oil demand to just slightly above 105MMbd.

**April 14**

- More positive news regarding potential peace talks as Israel and Lebanon agreed to meet for the first time in decades.
- More rhetoric regarding second attempt at talks as Iran discusses the prospect of holding back shipments with the U.S. blockade in effect of the Strait.
- Crude traded down \$7US/bbl on the news of the day as the market continues to trade with hopes of peace at the forefront, despite an incredibly hostile looking prompt supply situation still dropping 12-13MM barrels per day in the meantime.
- In equities, the Dow continues its push back to all time highs, as the market praises potential for peace.

**April 15**

- Lest we forget about the Russian Ukraine war. Ukraine continues to drone energy installations impacting Russian ability to access ports at a time when Russia can all but receive premium pricing for energy given the relaxation of sanctions with the war in Iran. It also comes at time where the world desperately needs crude flows of any kind to not topple into unbalance.
- Crude prices have found a “comfort level” around \$91US/bbl in the futures markets, while negotiations apparently continue though no firm dates have been set and no details of deal making have yet been disclosed. There was scuttle of Iran wanting to extend the ceasefire period beyond two weeks giving the market hopes for an eventual peace accord.

**April 16**

- Incredible day on the Iran news front, as news broke early that the Strait was wide open for shipments, and that a deal could be struck by the end of the weekend.
- While the market's reaction was undeniably bearish on price, there continues to be words coming from the IRGC side of Iran refuting claims of such a hasty deal, which would clearly side with the U.S. claims that Iran is capitulating to their deal terms.

**April 17**

- Market rallies on Strait opening and broad views the war is coming to completion despite sparse details.
- Risk appetite in equities resumes driven primarily by AI thesis as the Dow gains 3.2% for the week while Nasdaq enjoyed gains of 6.8%.
- Treasury yields dropped through the week as news developments sided with peace talks and bonds followed suit.
- Crude ends a volatile week at \$84US/bbl as the market came off hard with the Strait re-opening. This, despite claims throughout the market that peace talks could take weeks if not months to come together.
- Even if the Strait remains open, logistics requires multiple reroutes which will take 60-90 days. Expect crude to remain both volatile and elevated on prompt physical volumes as the market learns of the continued supply chain challenges the Straits closure, along with damage caused by the conflict become realized.

**April 19**

- News circulating on “perfectly timed” oil trades amounting to over \$2.2B on trading gains all prior to Trump tweets (on two announcements, which were bearish comments on the ceasefire and one on Iran’s announcement to confirm the Strait would be open). Time will tell, but expect incredible gains to be reported on this conflict as time passes and earnings are reported from public disclosure entities.

**April 20**

- Despite canceling the latest rounds of negotiations Trump backpedals on tough talks with Iran and immediately extends the ceasefire order against further strikes to Iran. Crude moves back into the \$90s for June contract with May now having expired.

**April 21**

- Tuapse Refinery hit by multiple drone attacks by Ukraine. The facility is known as one of Russia’s most sophisticated facilities and hitting both refinery infrastructure (towers and tanks), as well as export infrastructure accessing the Black Sea.

**April 23**

- WTI and Brent prices caught a bid today with the former up over \$97US/bbl as air defenses were engaging targets over Tehran (Iranian Capital). Media is pushing the narrative that there is an internal battle brewing between hardliners (who also control the IRGC) and political level leaders who are supposedly more moderate seeking to find a path to diplomacy.
- Iranian Parliament Speaker Ghalibaf resigned today signaling the hardliners are firming control of Iran’s official position. He was seen as moderate among Iran’s high ranking officials.
- News that a soldier who had direct “insider” knowledge of the Seizure of Venezuelan President Nicholas Maduro earlier this year would be indicted by the Manhattan Grand Jury for fraud as he placed wagers on Polymarket - an online betting platform that allows users to make bets on potential political changes and ousting amongst other bets - as he allegedly profited over \$400,000 on wagers made prior to the arrest in early 2026.

**April 24/25**

- President Trump cancels the convoy heading to the Middle East as impasse continues to play into negotiations.

**April 28**

- President Trump pushes back hard on latest peace proposal and continues to double down on Iranian blockade on the heels of weekend peace talks that never came to pass. The TACO is turning into a NACHO (Not A Chance Hormuz Opens).
- Meanwhile, Ukrainian drone strikes continue on Russian energy infrastructure, causing an increasing pressure on global products.

**April 29**

- Large inventory draws showing signs of depletion across crude and products from weekly EIA reporting.
- Trump indicates further reinforcement of Iran blockade as Kharg Island inventory swells. Reports circulating of Iran bringing retired vessels back to service in effort to maintain production and avoid production curtailments.

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## Appendix

