

OCTOBER 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

Here comes fall. As the leaves change color, and the mornings turn cooler, we are excited to bring another addition of The Broadcast. Some similar themes arrived with the fall weather, but there was also a return to market volatility across several commodities and equity markets.

The equity markets sustained pull back, dropping some ~5% across major indexes as the market grappled with Fed rate hikes. The Bond markets maintained their sell offs, driving yields ever higher. The U.S. dollar became the go to currency against other major indexes, but the Nasdaq, with its tech weighted, AI capex driven theme bucked the trend with large tech and semi-conductor showing no signs of receding despite Google posting its first ever quarter of negative cash flow since becoming a publicly traded company.

The Middle East continues to see-saw, in what genuinely felt like a market ready to accept that there is low chance for peace in the region anytime soon. Fuel prices started to bite, as diesel prices globally showed no signs of receding until President Trump started launching threats to ban product exports (similarly to Russia and China who have maintained such practices throughout the conflicts).

We enter U.S. midterm election season on the edge of our seats as volatility continues, and the market tries to figure out where the plane will land. We hope you had a good start to the fall season and enjoy this month's publication.

Pricing View - October 5, 2026

	August 2026 Index Diff	September 2026 Index Diff	October 2026 Index Diff	November 2026 Index Diff View
WCS	-\$14.23	-\$15.38	-\$16.52	-\$24.25
LIGHT SWEET (MSW)	-\$3.08	\$2.88	\$2.72	-\$1.75
CONDENSATE (C5)	-\$3.09	-\$0.04	\$1.85	\$4.75
LIGHT SOUR BLEND (LSB)	-\$5.37	-\$2.58	-\$2.49	-\$6.75
MIDALE (MSM)	-\$6.46	-\$4.96	-\$6.43	-\$9.40

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MARKET SUMMARY & CANADIAN ENERGY

NATURAL GAS, LNG & TMX

What a month for positive news flow for Canadian Energy. First, Pacific Link pipeline received its awaited news from the Canadian federal government and the Major Projects office. Prime Minister Mark Carney, in a landmark joint press conference with Alberta Premier Danielle Smith in Fort McMurray announced they officially designated \$35.2~47.7 billion mega-project as Canada's very first Project of National Interest under the new Building Canada Act. This will mean a fast track (as fast as we have seen in recent memory) for the pipeline to receive necessary oversight and required approvals to be built, though there have already been reports that First Nations will be stepping in to challenge it, despite being able to invest a minimum of 10% into the project.

[Canada to fast-track oil pipeline designed to diversify economy away from US | BOE Report](#)

Prior to the announcement, two other critical announcements were made. Prime Minister Carney announced the permanent changes to depreciation tax rules—collectively known as the Productivity Mega Deduction. He unveiled the sweeping corporate tax cuts during his keynote address on the second day of the inaugural Canada Investment Summit in Toronto. Building on the temporary "Super Deduction" framework from Budget 2025, the newly expanded permanent policy allows companies to immediately write off 100% of the cost of eligible depreciable capital assets acquired on or after September 15. Designed to trigger a private sector "investment supercycle" amidst shifting North American trade conditions, the measure effectively lowers Canada's marginal effective tax rate (METR) on new business investments to 6.4%, making it the lowest among major G7 economies.

Secondly, Alberta Premier Danielle Smith announced that the provincial government will unveil an overhaul of its oil and gas royalty regime in November 2026. Speaking at the Oil Sands Expo in Fort McMurray, Smith confirmed that the province is designing a new greenfield oil sands royalty framework specifically to restore private-sector confidence and de-risk major asset spending.

The overarching strategic goal of these incentives is to motivate Canada's oil sands majors to reach final investment decisions on new production, ensuring there is enough volume to entirely fill the newly designated 1 million-barrel-per-day Pacific Link pipeline running to the West Coast.

And finally, on September 29, 2026, LNG Canada's Joint Venture Participants officially announced their Final Investment Decision (FID) to move forward with the multi-billion-dollar Phase 2 expansion of the liquefied natural gas export terminal in Kitimat, British Columbia. Prime Minister Mark Carney and B.C. Premier David Eby joined LNG Canada executives at a press conference in Vancouver to celebrate the historic milestone, characterizing the \$33 billion private infrastructure development as a vital step toward solidifying Canada's role as a global energy superpower. Some exciting times across the Canadian energy sector no doubt about it.

OPEC & OPEC+

Despite continued hostilities in the Middle East, policy news flow from OPEC and OPEC+ remains understandably quiet. While clearly the shipping issues have taken center stage, the group continues to discuss policy where the seven core OPEC+ members (Saudi Arabia, Russia, Iraq, Kuwait, Algeria, Kazakhstan, and Oman) agreed to keep output targets steady at their monthly meeting on September 6, and policy output will remain the same for October.

Shifting Focus to 2027:

With fourth-quarter production policies largely expected to remain paused, the alliance shifted its attention to negotiating 2027 production baselines. An independent review by U.S. consultant DeGolyer and MacNaughton—intended to assess each member's maximum sustainable production capacity to set those 2027 quotas—faced delays due to the Middle East conflict disrupting regional oil projects. The deadline for the review slipped from late September to mid-November.

TRADE, TARIFFS & MARKET SENTIMENT

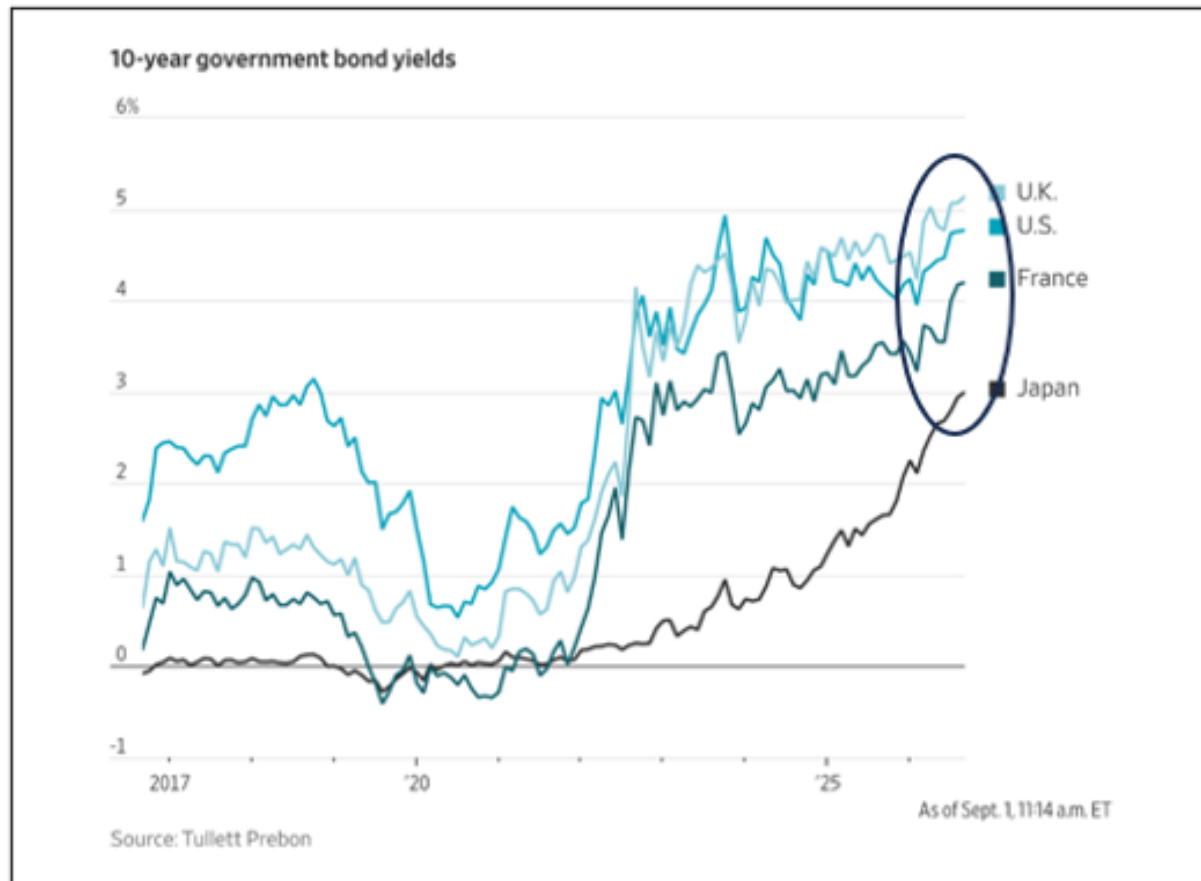
As the kids started to dust off the textbooks, macroeconomic data showed a resilient but highly pressured North American landscape, balancing strong backward-looking economic growth against tightening credit and policy intervention. Strong domestic indicators—including a 6.5% nominal YOY GDP increase, a 4.5% jump in Q2 consumer spending, and positive core CPI data—front-ran the Fed's aggressive policy, which ultimately pushed 30-year mortgages up to ~7.3% now sitting at highs not seen since the financial crisis.

BOND Rates Continue to Lead the Way

Despite the U.S. Federal Reserve increasing the key lending rate by 25 basis points during their September meeting, the bond market is taking the lead, while the Fed's wait for data to guide rate decisions. U.S. Treasury yields continued their upward trade now at multi-decade highs, driven by ongoing geopolitical tensions in the Middle East and structural inflation concerns. Although a weaker-than-expected September, nonfarm payrolls report temporarily slowed expectations for further October interest rate hikes, the longer-dated benchmark bonds closed the first week of October higher, as the broader market prices in elevated global energy and economic costs.

The benchmark 10-year U.S. Treasury yield stands at ~5.28%, remaining near its highest level since 2002. Meanwhile, the 30-year bond yield is at ~5.62%, reflecting a steepening yield curve on the long end as investors factor in long-term fiscal debt paths and inflation risk. Notably, the 2-year note is now knocking at the ~5% door, prompting discussions regarding possible yield curve inversions should the Feds take further action against soaring bond rates through the purchase of shorter-term bonds to influence monetary policy.

Yield rates aren't just expanding in North America. In the chart below we see 10-year notes from key G7 countries are all on the rise.

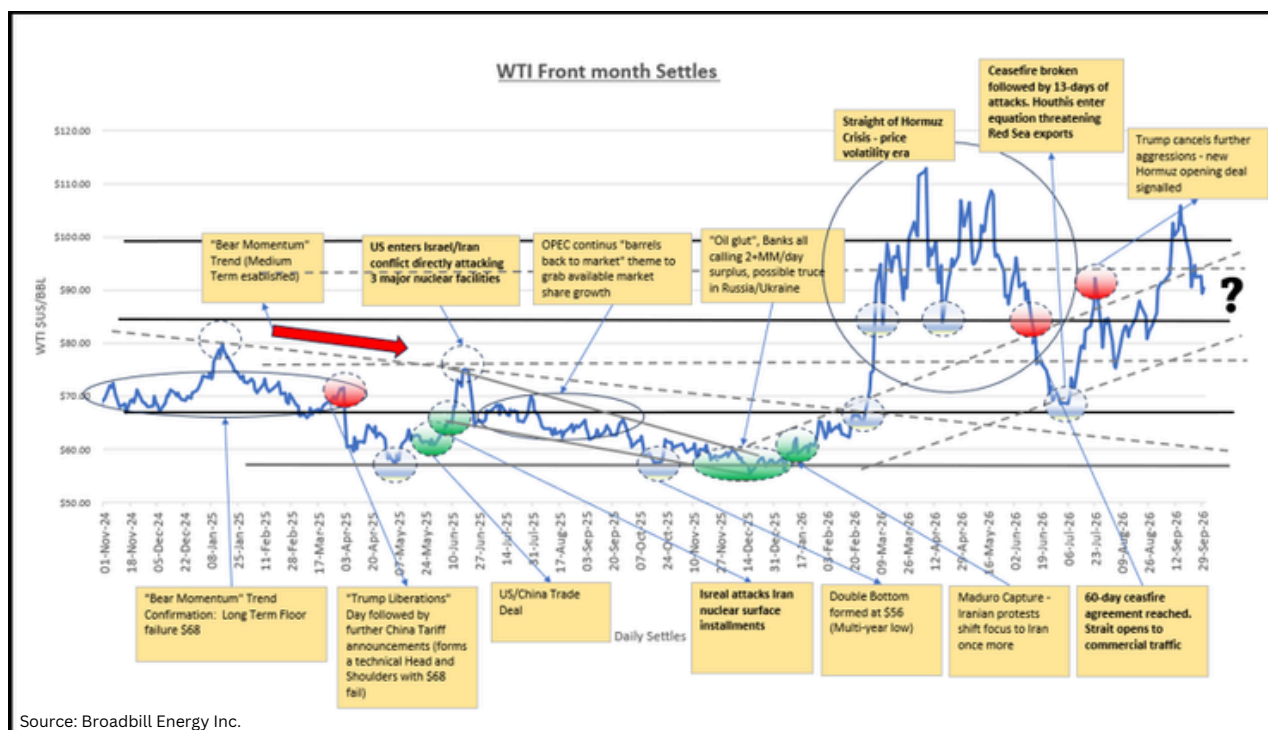


WTI & Market Fundamentals

WTI crude oil futures closed higher for September CMA, settling at almost \$96 per barrel some 16% higher than August. Market prices spiked to a mid-month high above \$105 per barrel due to widening geopolitical conflicts in the Middle East and continued shipping disruptions around the Strait of Hormuz, the Strait of Bab El Mandeb, and forced utilization of the Suez Canal. However, these gains were pared late in the month as Saudi Arabia successfully restored critical pipeline capacities (80% to 5.5MM barrels per day) on their East-West pipeline after having shut down the pipeline following a drone attack, which took the system down completely for over a week which took the market into a brief frenzy.

Metric / Date	WTI Price per Barrel (USD)	Market Context & Drivers
September 1	\$86.31 – \$90.22	Direct Military Clashes: Prices gap higher immediately as U.S. forces strike Iranian rocket launchers. The resulting military exchange renews immediate fears over global transit safety routes.
September 4–5	\$91.48	7-Month Breakout: WTI surges past long-standing resistance to close the period at a peak, fueled by U.S. military strikes on Iranian tankers and zero civilian tanker traffic passing through the Strait.
September 10 (Period High)	\$95.37 – \$104.04	Strait Blockade Peak: Futures contract prices spike to their highest point of the year as an intense regional maritime blockade halts crude shipments, triggering widespread supply panic.
September 15	\$97.40 – \$100.75	Prolonged Volatility: WTI continues testing the \$100 resistance mark due to extreme asymmetric global inventories and persistent localized refinery product squeezes.
September 21–22	\$88.67 – \$92.37	Alternative Routes Active: Prices break back below \$95 after reports verify that Saudi Arabia successfully rerouted flows, ramping its East-West pipeline to 3.5M barrels per day.
September 29–30	\$88.58 – \$90.42	Geopolitical Risk Cooling: Crude stabilizes to close out the month near \$90 as local infrastructure repairs solidify and immediate regional shipping anxieties moderately ease.

Brent and WTI spreads increased over the course of the month as shipping freights continue to find all-time highs amidst Middle East producers executing whatever workarounds possible to keep crude and products moving to land in extremely short markets across the globe.



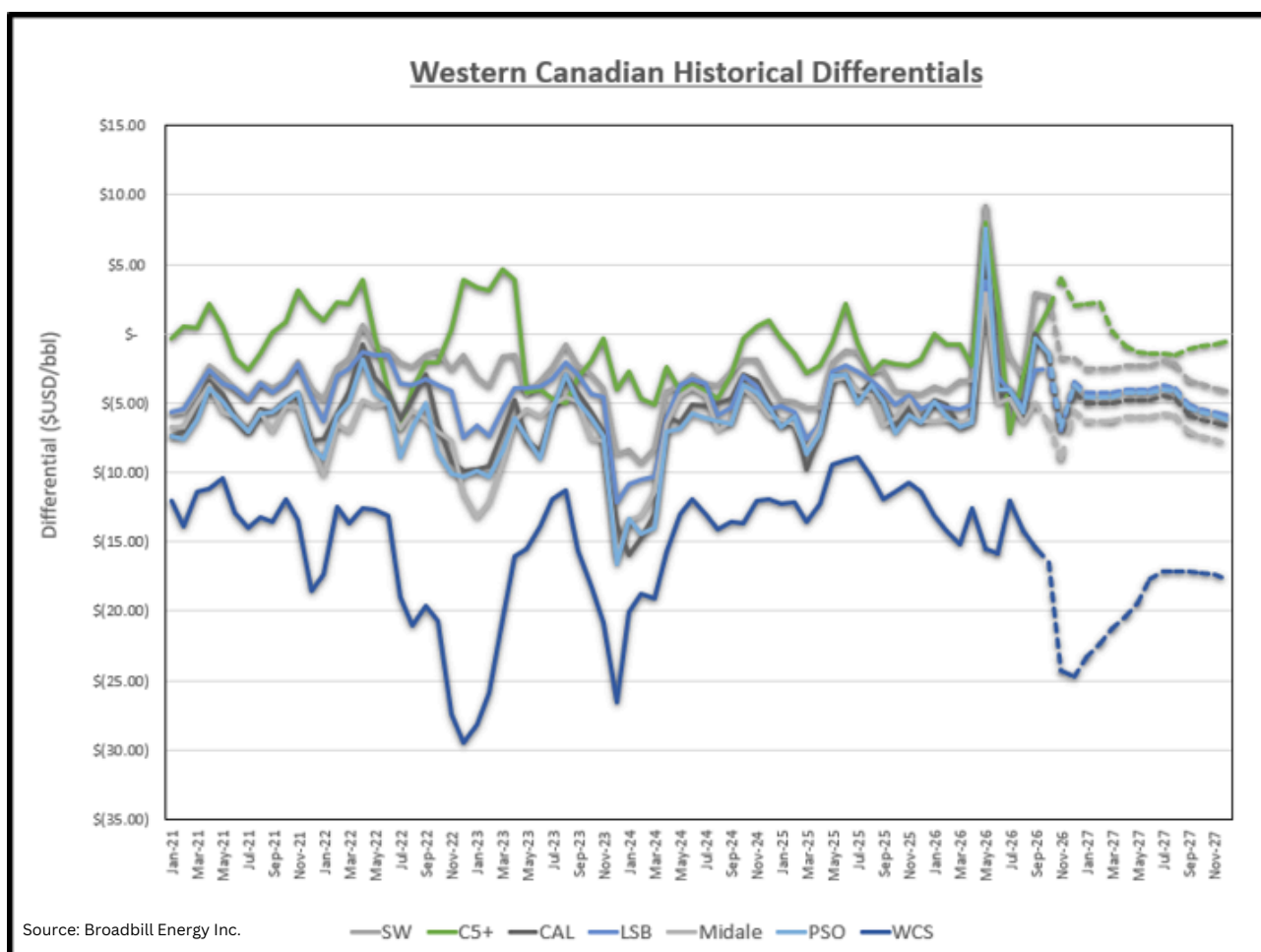
Source: Broadbill Energy Inc.

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WCSB DIFFERENTIALS & WESTERN CANADIAN TRADE DESK OVERVIEW

Key highlights:

- Light differentials remained well supported for October trading index window, while WCS continue slipping to \$(16.52)US/bbl. This may have been a prelude as we see WCS prices open November trade \$(24.00)US/bbl.
- With fuel cracks remaining stubbornly high, President Trump lobbed ideas of product export bans to help keep a lid on pricing. This doesn't appear to be immanent, but it was certainly used to force G7 nations to once again release another 100MM barrels, a strategic reserve release of crude and finished products (diesel primarily) to keep pricing at bay.
- Line 5 pipeline break in late August spurs mid-month September apportionment. This primarily impacted Light Sour (LSB) crude in southeast Saskatchewan with up to 25% of crude require re-pricing.
- Mainline Enbridge apportionment for October flows returned primarily as a result of back logged Line 5 shipping requirements. NGL and Refined Products saw First Point apportionment of 7% at Regina with Second Point 3% at Kerrobert. Light crude was apportioned 8% at Kerrobert, while heavies were set at 4%.



From the trade desk (All pricing quotes in US/bbl unless otherwise stated):

The October trade cycle was shaped by refinery disruptions, pipeline constraints, changing synthetic crude supply, and growing competition among heavy barrels in the U.S. Gulf Coast. On the heavy side eyes were glued to the bid in the USGC to see where pricing would land for a heavy barrel. While on the light side, end users were keen to fill their assets with synthetic barrels so they could continue to capture that strong diesel crack spread. It wasn't all smooth sailings for everyone involved as Enbridge Line 5 had issue's during the month and this caused mid-month apportionment in September to occur.

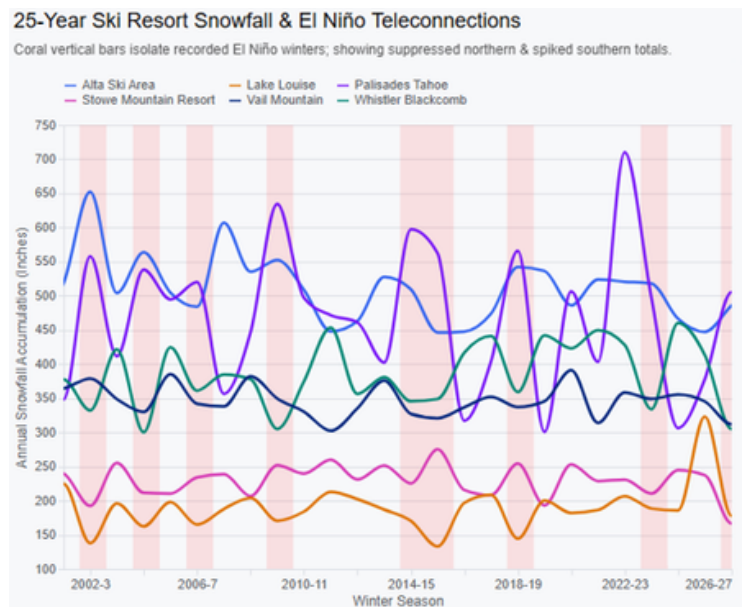
WCS first came across the screens at \$(16.10) before settling at \$(16.52). The Canadian heavy grade was the definition of range bound during the October cycle, as we didn't see much movement on it. The USGC bid didn't move much during October, however leading into November we are seeing the ARV contract (WCS at Houston) get pressured quite substantially.

The light crude market began strongly as an opening premium of a +2 handle but didn't last long before it climbed to a +4 handle. Prices weakened sharply later in the cycle after operational issues at the Joliet refinery and Enbridge Line 5 backed crude into Western Canada. Recovering synthetic production added further supply and reduced demand for the Mixed Sweet Blend. Mid-month apportionment, caused by Line 5 constraints, intensified the pressure. The MSW October COMM index ultimately settled at +2.72. We also saw light sour take a hit during October, as operational issues occurred at both Exxon's Joliet and BP's whiting refineries, which created less of a bid for the southeast Saskatchewan product. LSB ended up settling at \$(2.49), while the Midale grade settled at \$(6.43).

As we enter the November cycle we are seeing the heavy differential fall very quickly. The November WCS contract hit a \$(26) handle in the second day of trading. This comes as the USGC is getting pressured with an abundance of heavy supply. On the light side, we are watching if Donald Trump will enforce a diesel export ban on the U.S. If so, this could lead to the synthetic barrel becoming very valuable globally, as global refiners could look to it to capitalize on what could be a greater need for global diesel. Higher synthetic values could also lift Edmonton light prices. However, increased synthetic movements on the Trans Mountain system could displace heavy barrels, worsening congestion in the WCSB market and placing additional pressure on WCS. C5 condensate remains a notable exception, with demand strengthening as colder weather increases the amount of diluent required to move growing volumes of heavy crude.

KEY TAKEAWAYS & CLOSING THOUGHTS

1. **The Day after...are we there yet??** It was reported late in September that Hormuz is now transiting almost 14MM barrels per day in the best performance since the war broke out in February. Its worth noting that while the market is cheering this outcome, its still some 4-5MM barrels per day underperforming. Given the persistent challenges, costs, and risks of logistics workarounds, we continue to view the present situation taking much longer to unravel and return to normal levels. With China hinting at possible stimulus to aid the much-beleaguered real estate sector, this could tip the scales and put demand back in view right when balances are at their tightest.
2. **U.S. midterms begin to take over the news wires.** With less than a month until U.S. midterms, expect news outlets to shift hard into reporting where polls and outcomes may land. Polls currently show Trump could easily replicate 2006, where President Bush lost the 12-year stranglehold on the houses of Government. This ushered in the new era of Democratic leadership, which only Trump himself could wrestle away.
3. **Can equity markets keep rallying?** Markets in general finally appear to have met their match in September. Big tech, while still maintaining high valuations, appears to be shifting. Pundits continue to question the viability of continued AI spend without any real sign of earnings attached to the capital being deployed to the space. The general market has taken its cues from the Federal Reserve and Bond market, as it sold off during the month. Earnings season will be something to watch to see if any air may start coming out of the balloon, or if the story can continue.
4. **Winter Ski Planning Tool:** For you winter enthusiasts out there as the mornings bring cooler weather and frosted windshields, our hearts warm to the not-too-distant thoughts of powder turns in our beloved Rocky Mountains. Unfortunately, the tale of the tape is not great as winter El-Nino weather tends to favor California, Utah, and Colorado ski resorts for accumulated snow fall. We shall remain vigilant in our search for the powder, but its not looking good for Western Canada as the Super El-Nino appears to be settling in. This said, it may be just the recipe needed for Europe to keep winter gas demand lower and avoiding what could otherwise be LNG rallying even higher in price as their balances look too low for comfort.

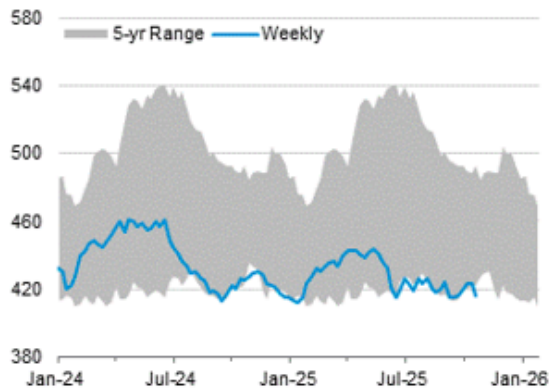


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Appendix

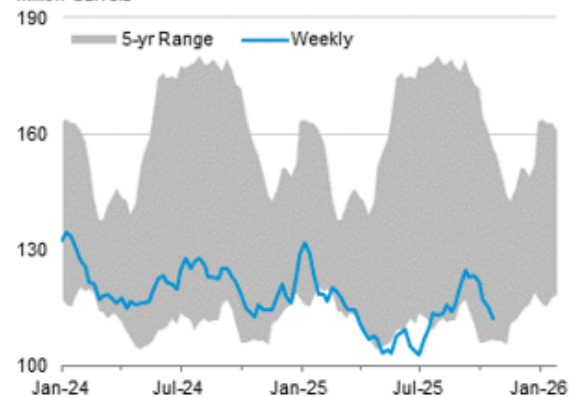
Stocks (million barrels)

U.S. crude oil stocks
million barrels



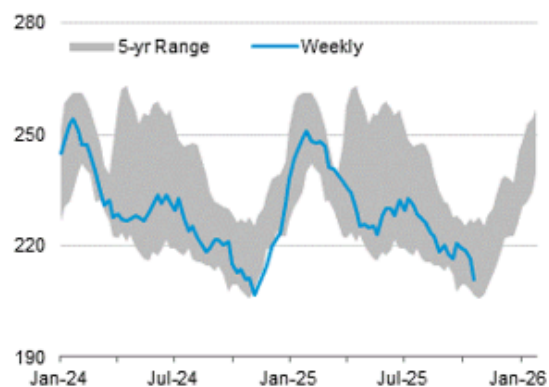
Data source: U.S. Energy Information Administration

U.S. distillate stocks
million barrels



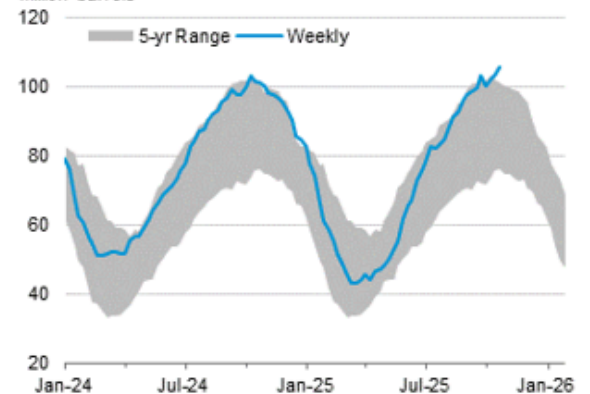
Data source: U.S. Energy Information Administration

U.S. gasoline stocks
million barrels

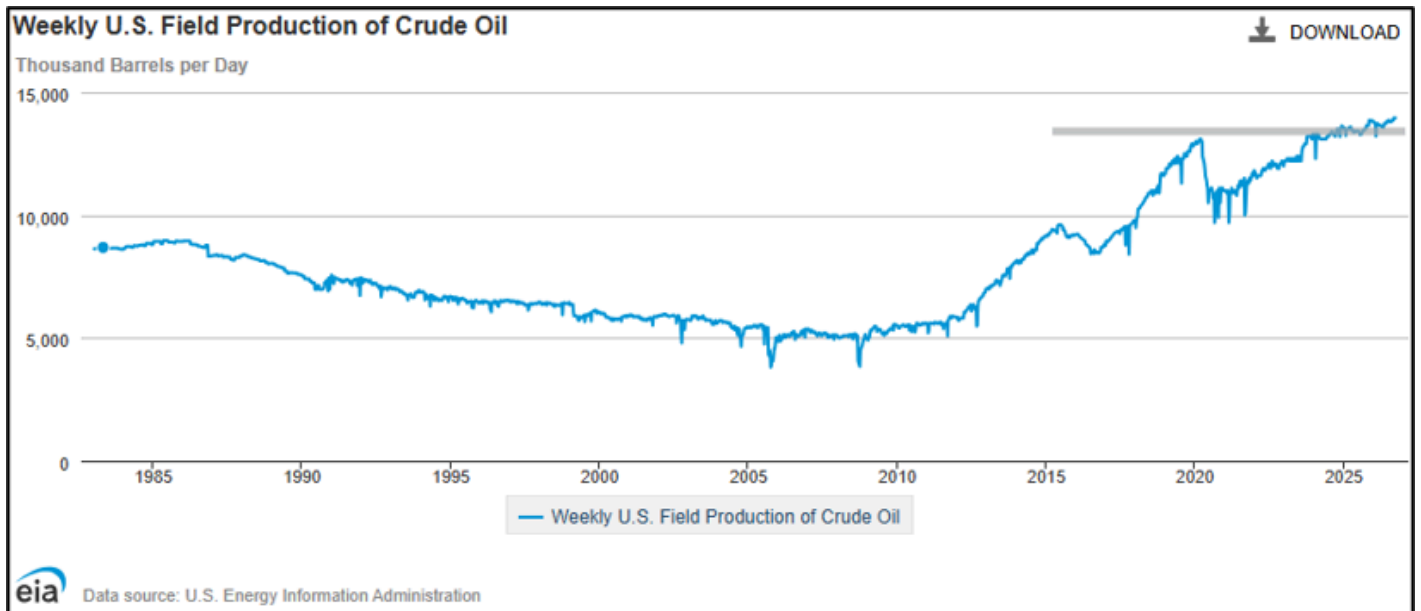
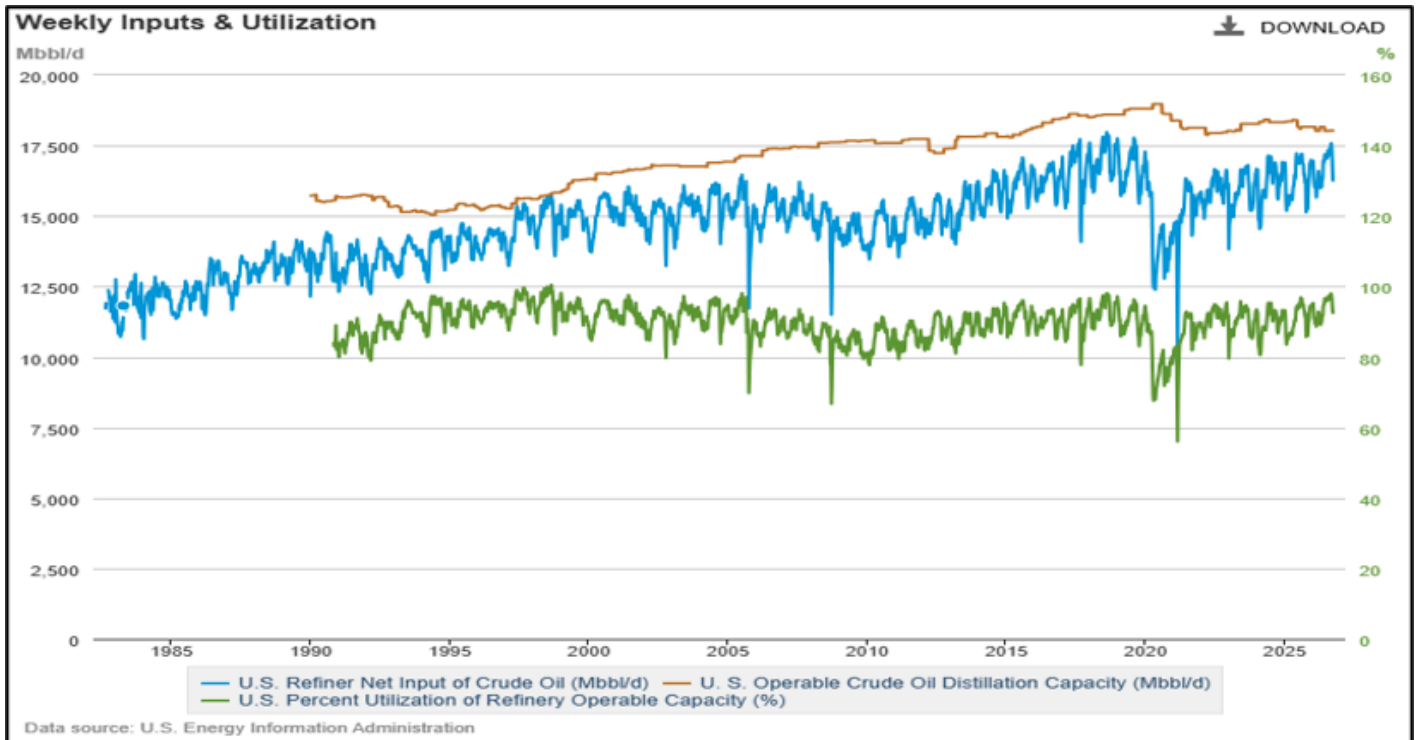


Data source: U.S. Energy Information Administration

U.S. propane/propylene stocks
million barrels

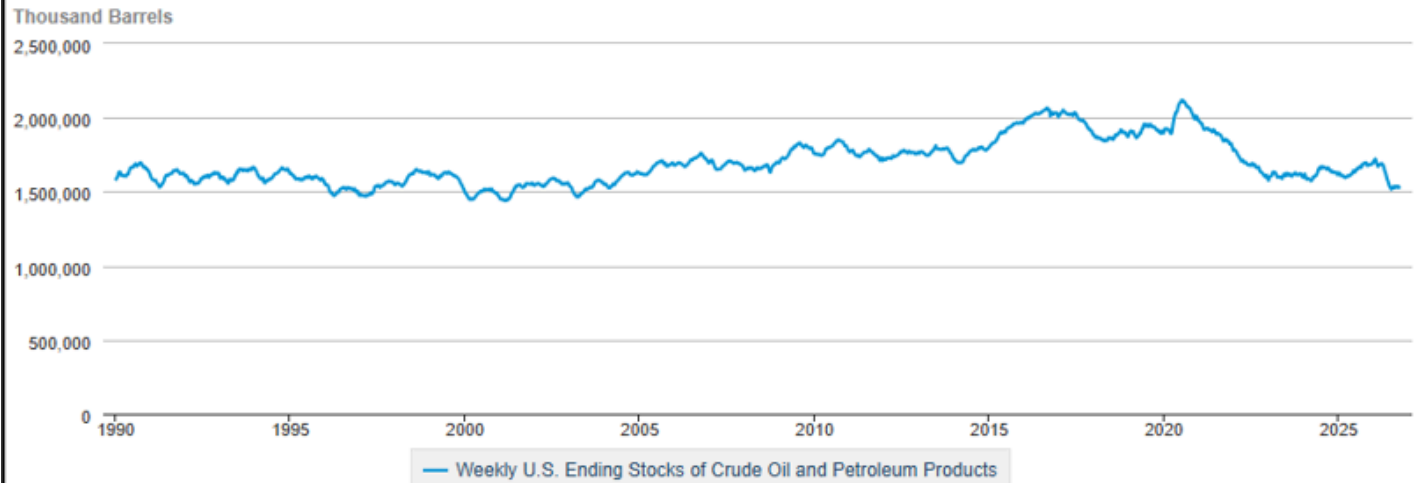


Data source: U.S. Energy Information Administration



Weekly U.S. Ending Stocks of Crude Oil and Petroleum Products

DOWNLOAD



Data source: U.S. Energy Information Administration





Daily Market Summary Highlights:**Sept 5**

- Iran says it's found ways around the U.S. blockades.
- Kpler indicated crude loadings are down 80% year over year, so the blockades clearly are still impacting them severely.

Sept 8

- Attacks escalate in both Hormuz and Ban El Manbeeb as the Houthis concentrate attacks on Saudi infrastructure and the U.S. hits Iranian vessels.
- Crude prices continue to advance as Trump has even started verbalizing that the end may be a long way out at this juncture.
- Gasoline cracks have eased, while diesel remains elevated and above \$100/bbl as we enter key consumption season (fall harvest).

Sept 9

- The U.S. confirms it destroyed 5 Iranian tankers in response to Iran targeting a U.S. warship in the Strait of Hormuz.
- Iran was also targeting vessels attempting to transit the Strait along the Oman passageway. Their leaders have also come out strong indicating more intense military action is coming, and they will not back down to U.S. threats and attacks in the region.
- President Trump has now indicated the war will end abruptly after mid-term elections and to not expect prices to subside until then. The market obliged with a strong upswing on crude prices as we are clear top \$95 on Oct WTI contracting. Brent has now eclipsed \$100.

Sept 10

- No end in sight for WTI as we open at \$100 hitting a day high above \$103. Brent is nearing \$110 as the market prepares to acknowledge there may be little to hold back price given there is no end in sight for global shipping around the Middle East.
- The Yemeni Houthis seized control of the Port of Mocha, strengthening control of the Red Sea and highlights continued risk.
- Inventory reports showed builds on gasoline ahead of Labor Day weekend and crude as exports fell. The market was not deterred and instead focussed on the resurgence of military aggression overseas.

Sept 12

- Equity markets rebound on Friday helping flatten earlier week losses in a shortened trading week.
- Inflation numbers came in as expected as core CPI fueled by...fuel...raised interest rate increases to almost 90% next week.
- 5-year government treasuries printed at 4.95% after flirting with multi year highs and the psychological 5% level.
- Crude took a long weekend settling back at \$100 after hitting \$103+ in Thursdays session. Another 9% week for WTI as the market begins to accept higher input costs given Middle East energy flow challenges.

Sept 13

- Houthis have now gained firm control over the Yemen Red Sea coast putting energy shipments through the Strait at direct risk.
- President Trump reportedly declined a Saudi request to strike at the Houthis.

- On Friday, Saudi Arabia was forced to shut down its crude shipments on its East/West pipeline which has been its primary lever to bypass Hormuz risks during the conflict. It now must face a difficult choice of dealing with Iran or face ever increasing costs and of limited shipments through the Suez Canal to the North.

Sept 14

- Talks in Oman have been again abruptly postponed.
- Crude opens back at \$102.35 to begin the week.

Sept 16

- U.S. Federal Reserve has raised interest rates 0.25%. While not surprising, it shows the Federal Reserve will act independently of President Trump's words and influence.
- Crude has been under pressure this day given the interest rate hike.
- Market at large seemed comfortable with a rate hike move, but it turned into a buy the rumor sell the fact trade as the Dow drops 750 points on Chairman Warsh's post raise speech.

Sept 17

- Saudi Aramco cuts all European Crude for October delivery as a result of recent attacks on the East/West Pipeline.
- Attacks forcing Saudis to load crude in the Persian Gulf and risk Hormuz transit.

Sept 22

- Crude fell for a second day on renewed optimism on the East/West Pipeline resuming shipments for Saudi Arabia.
- General risk premium falling as buyers shy away above \$105/bbl waiting on the next news release from the region. Bear bias as traders anticipate resumed flows through Middle East outlets.

Sept 23

- DXY 101. U.S. dollar finds footing and gaining momentum.
- Nominal YOY GDP 6.5%.
- Consumer spending up 4.5% Q2.
- 80,000 private sector job additions August.
- 30-year mortgage 7.13%.
- 10-year T-Bill over 5% highest levels since 2007 (5.13% on a large move with the PMI numbers released).
- Given the Fed Chair Warsh's persistent comments on looking for the data to guide the policy the market is front running harder than ever giving indication on how the Fed would respond.

Sept 24

- After five days of sell off, oil futures firmed waiting for purposeful direction. Crude was up on the day on light basis news, but the great eye has shifted to the U.S. next move with regards to price containment.
- President Trump looks to curtail product exports (diesel), while refiners are offering to reduce exports by some 5% as a compromise to an all-out export ban. President Trump has signalled a 90-day ban.
- Watch for differential impacts surrounding any efforts to contain finished goods pricing.
- Alberta Premier Danielle Smith has been out publicly of late, more so on Alberta separation (voting is coming to a school near you). Today she provided commentary on the recently announced Billy C-39 with its "one project, one review, one year" mandate. She believes this will be the start of pathway to Alberta production growth satisfying the new build of the 1MM west coast pipeline project, which she believes will be the template for new super projects in the country.

Sept 25

- Iran hit the news wire indicating they would be easily able to expand their war at sea efforts by hitting targets east in the Indian Ocean.
- Crude traded higher on the back of gains held from September 22nd partial reversal, as Brent marches its way back to \$110/bbl.
- YouGov polls are showing Trump is losing voter confidence as we trend towards the U.S. midterms. Confidence has dwindled across key support groups and optics will be on his ability to turn things around and not have a repeat of President Bush, which led to the 2006 republican wipeout at midterms (going from full Republican control of Presidency, House, and Senate to just the Presidency).
- WCS differentials may have found a short-term bottom after touch \$(22)/bbl for November indication. On the heels of Exxon Joliet unplanned outage in early September (power bump) and many refineries on turnaround in Eastern Canada and upcoming BP Whiting. Gulf coast differentials strengthening off lows also helping the case back up to \$(20)/bbl.
- Look for the Alberta Government to announce new royalty structures aiming at growth incentives to fill new pipelines. Premier Smith was discussing a new program to be announced shortly.

Sept 26

- WTI closes the week at over \$10 discount to Brent and off 2% from Thursday as the U.S. and Iran once again discuss possible return to earlier announced MOUs and re-opening of the Strait of Hormuz.
- Iran has verbalized that if the U.S. agrees to their control of the Strait, it can reopen safely which has historically been a non-starter for the U.S. administration.

Sept 27

- Trump has “vetoed” the “52nd” peace proposal. He indicates there will be renewed attacks after midterms, while also proposing to Axios there will be further talks held with Iranian leaders later this week.
- Iran has rejected (once again) there is any planned peace talks and once again affirms their desire to eradicate enemy forces from the Arabian Sea.
- Oil firms on the news that Hormuz is still in the same mode it’s been in for some time, and the two sides remain in “agree to disagree mode.”
- Crude flows thru the Middle East were reported at 12.8MMbpd, the highest export levels since the conflict began.

Sept 28

- The Saudi East-West pipeline has recommenced shipments, albeit at 50% capacity. It remains unclear how long it will take to resume full operations (7MM/bd nameplate capacity).
- Cracks down the curve have finally softened, while input price (WTI/Brent) has firmed.
- U.S. continues to mull a diesel export ban, conflicted by the likely refinery run cuts that would ensue, thus causing gasoline prices to rise when typically they would be falling after the busy summer driving season. Not really the headline you’re looking for if your a Republican heading into a challenging mid-term election.

Sept 29

- China looking at possible stimulus measures to step into the ailing real estate sector. Chinese stimulus almost always results in higher crude and product demand.
- 2027 WTI forward strip hits all time high at \$78US/bbl.
- U.S. to bring an additional 40MM strategic reserve barrels into the market, as diesel tops \$6US/gallon on the street.
- Qatar extends LNG Force Majeure as the Hormuz continues to stretch onwards.

Sept 30

- Kpler reports “crude oil flows” recover as September flows indicate 16.5MM barrels moved out of the Middle East.
- Still shows a problem as 20MM+ was the prewar level and of course no accounting yet for LNG, finished goods from Gulf Refineries.

Oct 1

- Prime Minister Mark Carney and Alberta Premier Danielle Smith announce the Pacific Link Pipeline will receive Major Projects Office Fast Track status allowing for the 1MM crude oil pipeline to Roberts Point to receive the go ahead.
- This will be a jointly owned Federal and Alberta Provincial pipeline. Estimated at \$42B, the line will also allow for a minimum of 10% First Nation ownership.
- U.S. added only 29,000 jobs in September falling short of expectations, while unemployment rose to 4.2%. Market discounting likelihood of immediate interest rate hike on account of softening labor trends.
- The U.S. also threatened a diesel export ban unless European nations start tapping reserves.
- G7 announced a 100MM strategic reserve release of crude and diesel into the market to assist in calming immediate concerns on crude and diesel pricing. This should postpone any American intervention in the diesel market for a period of time.