

NEWS & REGULATORY UPDATES

- ▶ The AER has issued a penalty of \$450,000 to Taber Water Disposal Inc. for accepting and disposing of waste that it was not authorized to accept and, on multiple occasions, accepted out of province waste contrary to its approvals
- ▶ The Bank of Canada raised its benchmark interest rate by 25 basis points, increasing its key policy rate from 2.25% to 2.5% in its first rate hike since July 2023
- ▶ Ovintiv announced it will acquire Logan Energy in an all-cash deal valued at about \$1.26 billion. Ovintiv said the acquisition would add about 420 net drilling locations, including 220 premium return wells
- ▶ Conoco has informed its staff of a reduction to its workforce in Canada, however the Houston based company did not disclose how many jobs would be affected
- ▶ Alberta is backing a private member's bill that would repeal the federal oil tanker ban on BC's northern coast, arguing the change could open the door to crude-by-rail exports through Prince Rupert
- ▶ NGTL is reporting that there are currently no restrictions on the pipeline

MARKET COMMENTARY

Oil –WTI settled yesterday at \$99.90 US/Bbl, up 2.75 from last Wednesday's \$97.15 US/Bbl settle. It hit a peak of \$103.27 US/Bbl before trading back down and is trading at \$102.68 US/Bbl this morning – up \$2.76 on the day. In the Middle East, Houthi attacks on Saudi Arabia escalated, with a drone strike on an oilfield, attacks on the Red Sea port of Yanbu and Riyadh airport, and Aramco sending headquarters staff home. Iran said two tankers hit mines in Hormuz. No US strike on Iran is expected before the midterms, and Saudi exports appear back at pre-war levels with production at 9 to 10 MMb/d. In Russia and Ukraine, Russia agreed to trilateral talks with the US and Ukraine. Russian diesel output and loadings are recovering after export quotas were granted, and Ukrainian refinery attacks slowed to their lowest monthly count since February. In the US, crude inventories drew 3.1 MMb in the latest EIA week and the API reported another 2.0 MMb draw, with production at 13.3 MMb/d after Hurricane Isaias, refinery runs near 16.6 MMb/d and gasoline stocks at their lowest seasonal level since 2014. A 40 MMb SPR drawdown is planned for November and December. Baker Hughes shows a rise of 2 rigs in Canada and a rise of 1 rig in US this past week. In Asia, China's refined product demand is down about 2 MMb/d year-over-year on high fuel prices, with diesel inventories drawing 5.4 MMb in September. Globally, oil-in-transit inventories rose to a record of about 1.28 billion barrels. Tanker freight rates remain at record highs, with a VLCC from the US Gulf Coast to Asia averaging \$30 to \$35 US/Bbl versus about \$5 US/Bbl in 2025. In Canada, WCS differentials continue to widen as heavy barrels pile up on the US Gulf Coast, and Trans Mountain is running above its nameplate capacity of about 890 Mb/d. CalRock December End of Day Settles show: WCS -\$31.00 US/Bbl (\$3.05 wider week-over-week), SW at -\$1.80 US/Bbl (+\$0.45) and condensate (ENB) at +\$5.75 US/Bbl (up \$0.50). TSX closed yesterday at 36,171.49, up 63.53 points (0.18%) from last Tuesday's 36,107.96.

Gas — The November prompt month settled last Wednesday at \$2.790 US/MMbtu and settled yesterday at \$2.697 US/MMbtu, down \$0.093 on the week, with futures trading around \$2.78 US/MMbtu – up 9 cents this morning in the contract's final session. Prices hit a low of \$2.497 US/MMbtu on Monday as mild early-November forecasts pointed to continued inventory builds. The move higher the last couple days is a result of LNG flows recovering and weather forecasts turned cooler. On the US storage side, the EIA reported a 77 Bcf build for the week ending October 16. US production is running ~109-111 Bcf/d, LNG feedgas hit a near-record ~21 Bcf/d over the weekend and TCO/Transco outages are holding back roughly 2 Bcf/d of Appalachian supply into early November. End-of-October storage is projected near 3.9 Tcf, with injections likely continuing into mid-November given warm forecasts and a developing El Niño winter. Kinder Morgan took FID on the 2.8 Bcf/d Permian Link pipeline (target in-service 3Q30). Globally, LNG prices moved higher again on renewed Hormuz-related supply concerns. Europe added ~17 Bcf last week to ~2.9 Tcf, with LNG imports running ~2-3 Bcf/d below year-ago levels. In Ontario, Dawn inventories have risen close to record levels and is near capacity. On NGTL, Ovintiv agreed to buy Logan Energy's Montney assets for C\$1.26 billion. Balances tightened ahead of a cold snap before warmer-than-average conditions return in early November. GTN maintenance is expected to finish this weekend, which should lift WGAT flows back above 3.0 Bcf/d, and an FT-D cut on EGAT is announced for November 1. Baker Hughes shows -1 rig in the US and no change in rigs in Canada this past week. NYMEX futures sit at \$2.78 US/MMbtu (-\$0.01) for the prompt (Nov26) and \$2.987 US/MMbtu (-\$0.066) for Cal27, while prompt-month global prices (Dec) stand at Dutch TTF \$31.41 US/MMbtu (+\$3.35), British NBP \$31.60 US/MMbtu (+\$3.57), and Asian JKM \$31.74 US/MMbtu (+\$2.19). AECO next-day cash is at \$1.90 CAD/GJ, up \$0.03 from last week, with AECO basis at -\$1.380 US/MMbtu (+\$0.055) for the prompt (Nov26), -\$1.483 US/MMbtu (+\$0.070) for Nov-Dec26, -\$1.555 US/MMbtu (+\$0.050) for Q1-27, -\$1.552 US/MMbtu (+\$0.008) for Cal-27, -\$1.457 US/MMbtu (-\$0.002) for Summer-27, -\$1.526 US/MMbtu (+\$0.058) for Winter-26/27, and -\$1.794 US/MMbtu (-\$0.014) for Summer-28.

Electricity - Alberta pool prices held steady last week while demand kept climbing. Interest in data centres keeps growing with more than 40 proposals, totalling about 26 GW of potential demand, have now applied to the AESO to connect, compared with Alberta's record peak of 12,785 MW. On October 26, the AUC clarified that any power plant or energy storage facility of 1 MW or more needs its approval before it is built or operated which includes on-site, temporary and backup units, and splitting a site into smaller units does not avoid the requirement.

Emissions - Per Carbon Assessors, Alberta TIER credits firmed through October. The daily spot basket was assessed at \$28.35 a tonne on October 23, up \$0.06 on the day, and traded in a narrow \$28.00–\$28.56 range over the week. That's up from the September monthly assessment of \$27.00, but still far below the \$95 a tonne fund price. Climate Action Tracker's latest report card on Canada was critical. It estimates current federal policies would cut national emissions only 14% below 2005 levels by 2030, about half the earlier planned reduction. It also notes that oil sands emissions, now over 92 Mt a year, have risen 178% since 2005, while the first phase of Pathways has been scaled back to about 6 Mt a year after 2032.

SETTLEMENT PRICES

CRUDE OIL US/BBL -SEPTEMBER

FX	1.39621
WTI	\$95.69
WCS	\$80.31
SW	\$98.57

ALBERTA NATURAL GAS CAD/GJ

Sep 2026 5A Index	\$1.5463
Sep 2026 7A Index	\$1.2505
Oct 2026 7A Index	\$1.4621

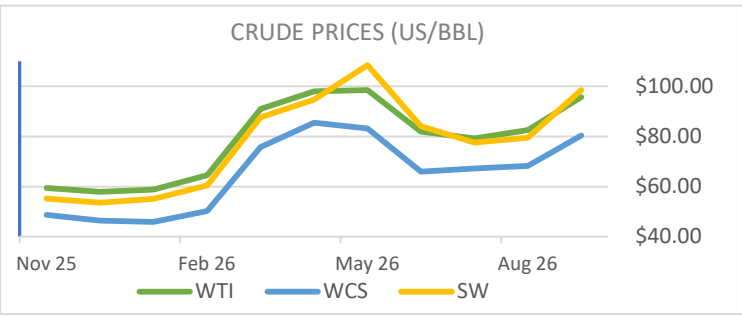
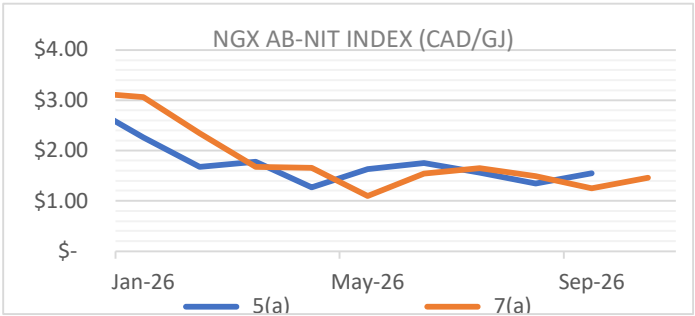
Spot FX (CAD/USD) 1.4048

CRUDE OIL PRICING - US/BBL

Period	WTI	WCS Basis	SW Basis	WoW WTI	WoW WCS	WoW SW	
Oct 26 WTI CMA	\$95.69	-\$16.52	\$2.72	\$1.88			
Nov 26	\$101.79	-\$30.00	\$0.35	\$0.00	-\$4.95	\$0.82	\$0.00
Dec 26	\$97.82	-\$31.00	-\$1.80	\$0.00	-\$3.05	\$0.45	\$0.00
Jan 27	\$96.02	-\$29.30	-\$3.10	\$0.00	-\$2.15	\$0.50	\$0.00
Q4 2026	\$96.38	-\$29.33	-\$2.75	\$0.00	-\$1.18	-\$3.43	\$0.00
Q1 2027	\$91.76	-\$27.25	-\$3.00	\$0.00	-\$1.40	\$0.50	\$0.00
Q2 2027	\$87.27	-\$21.85	-\$2.50	\$0.00	-\$0.85	\$0.30	\$0.00
Q3 2027	\$83.56	-\$19.25	-\$2.60	\$0.00	-\$1.00	\$0.20	\$0.00

ALBERTA NATURAL GAS PRICING — CAD/GJ

Period	CAD/GJ	WoW Change
Oct 2026 Bal/month	\$1.8000	0.0900
Nov 26	\$1.7540	0.0610
Dec 26	\$1.8870	0.0960
Jan 27	\$2.0270	0.0980
Q4 2026	\$1.8200	0.0790
Q1 2027	\$1.9440	0.0950
Q2 2027	\$1.6870	0.0980
Winter 26/27	\$1.8950	0.0880
Summer 2027	\$1.7320	0.0990



ALBERTA POWER PRICE

Year	FLAT RATE		WoW Change		EXTENDED PEAK		WoW Change	
	\$/MWh	GJ/MWh	\$/MWh	GJ/MWh	\$/MWh	GJ/MWh	\$/MWh	GJ/MWh
2026	\$36.25	39.17	-\$0.44	\$0.77	\$43.37	46.95	-\$0.72	\$0.79
2027	\$44.27	37.47	-\$0.25	\$1.96	\$52.15	44.10	-\$0.43	\$2.21
2028	\$61.39	41.73	-\$0.10	\$1.06	\$76.02	51.58	-\$0.15	\$1.28
2029	\$79.10	44.99	\$0.10	\$0.12	\$100.21	56.99	\$0.16	\$0.17
2030	\$85.95	34.23	\$0.00	\$0.41	\$110.08	43.84	\$0.00	\$0.53
2031	\$88.45	34.86	\$0.00	\$0.77	\$113.58	44.11	\$0.00	\$0.34
Avg	\$65.90	38.74	-\$0.12	\$0.85	\$82.57	47.93	-\$0.19	\$0.89

Please feel free to provide input on the information you would like to see.
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