



WEEKLY MARKET UPDATE

Global-Petroleum.com

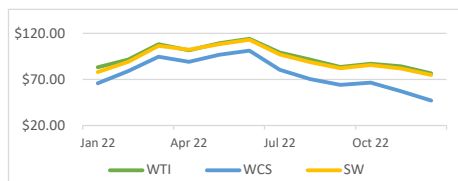
NEWS HEADLINES/REGULATORY UPDATES

- Twelve First Nations communities in BC will receive \$7.1 million to develop alternative-energy projects and advance energy efficiency through the provinces Community Energy Diesel Reduction program, a CleanBC initiative
- The Sask ministry has announced that the revised version of Directive: Off-Target Well Completion Requirements came into effect Jan 16, 2023
- The AESO has updated their Annual Market Statistics data file through to the end of December 2022
- The AUC is reporting in its 2022 summary that they achieved a 48.2% reduction in regulatory requirements - improving their regulatory efficiency
- NGTL is currently reporting that IT service is restricted to 10% USJR

Crude Oil Pricing

USD/Bbl - December Settles

FX	1.359
WTI	\$76.52
WCS	\$47.01
SW	\$74.98



Spot FX= 1.3439	WTI	WCS Basis	SW Basis
Jan 23 WTI CMA	\$77.30	-\$28.17	-\$3.16
February 2023	\$80.18	-\$23.75	-\$2.75
March 2023	\$80.45	-\$23.65	-\$3.40
Q1 2023	\$80.59	-\$22.98	-\$1.80
Q2 2023	\$80.41	-\$21.75	-\$3.10
Cal 2023	\$79.09	-\$21.66	-\$2.98

Change from Previous Week

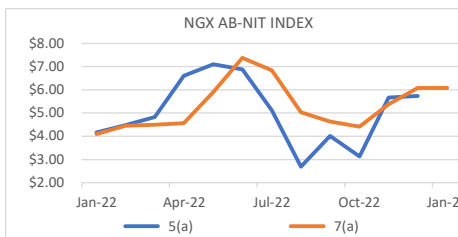
\$1.94	\$1.35	\$1.15
\$5.06	\$0.35	-\$0.50
\$5.08	\$0.07	\$1.80
\$4.65	\$0.65	\$0.23
\$3.97	\$1.13	\$0.58

Alberta Natural Gas Pricing

CAD/GJ

Current Market

December 2022 Settle	\$5.7452	
January 2023 Bal/month	\$3.9400	\$0.21
February 2023	\$4.1020	\$0.15
March 2023	\$3.5670	\$0.01
Q1 2023	\$3.8350	\$0.08
Q2 2023	\$3.0430	\$0.12
Winter 23/24	\$4.0440	\$0.11
Summer 2023	\$2.8730	-\$0.04



Alberta Power Prices

	Flat Rate		Flat Heat Rate		Extended Peak		Ext. Heat Rate		Change from previous week			
	\$/MWh	Mkt HR	GJ/MWh	Mkt HR	\$/MWh	Mkt HR	GJ/MWh	Mkt HR	\$/MWh	GJ/MWh		
2023	\$ 155.41	48.29	48.29	28.01	\$ 194.40	60.50	60.50	28.01	-\$9.31	-2.34	-\$14.68	-3.96
2024	\$ 100.31	28.01	28.01	22.14	\$ 122.96	34.23	34.23	22.14	-\$0.57	-0.72	-\$0.84	-0.90
2025	\$ 85.00	22.14	22.14	19.39	\$ 102.50	26.69	26.69	19.39	-\$2.00	-1.07	-\$3.00	-1.45
2026	\$ 78.75	19.39	19.39	19.04	\$ 93.13	22.93	22.93	19.04	\$0.00	-0.01	\$0.00	-0.01
2027	\$ 79.50	19.04	19.04	17.42	\$ 94.25	22.57	22.57	17.42	\$0.00	0.13	\$0.00	0.16
2028	\$ 79.50	17.42	17.42		\$ 94.25	20.65	20.65		\$0.00	0.09	\$0.00	0.11

Commentary:

Crude - Pretty strong week in crude with the prompt WTI contract moving from a low of \$74.31 US/Bbl last Wed to its current \$82.15 US/Bbl – up \$1.90 on the day so far. Overall crude has posted a gain 8 of the last 9 trading days. The daily gains have been small relative to the big swings we had seen in the past year but who’s complaining. Most of this gain is on the back of continued news of China’s reopening set to drive demand higher in 2023. The Chinese economy is growing faster than expected. Russia budget deficit is growing, suggesting the price cap is working, but cargo data suggests Russia is keeping shipments close to pre-war levels. EIA has US production growing by 550,000 barrels in 2023 – 11.9 to 12.4 million bbls a day after adding approx. 620,000 barrels in 2022. US hit a peak production of approx. 12.3 in October. They also see demand rising in next two years but prices falling over that time as well. The IEA Jan forecast expects Chinese reopening and a increase in jet fuel demand to lead to a rebound in global oil demand in 2023. They also believe the under investment in the industry the last couple years will be affecting the market due to the need for more supply to offset natural declines. IEA expects global demand to hit a record high of 101.7 up from 1.9 million from 2022. This is an increase of 200,000 barrels from their Dec forecast. Baker Hughes shows another large increase in drilling activity in Canada with an increase of 28 rigs and 5 in US. Rest of year WTI is \$81.24 US/Bbl up almost \$4 WoW and 2024 up \$1.75 at \$75.25 US/Bbl. CalRock Fed index report shows WCS settled at -\$25.705/Bbl and condensate at \$3.31 US/Bbl.

Nat Gas – Nat gas has had the opposite week to crude. Last Wed the nat gas prompt contract hit a low of \$3.422 US/MMBtu – lowest in the past year. It made some attempts to get back up with a couple 35 cent range days but ultimately the market has decided weather can’t hold this up – for now. Currently the Feb contract is trading \$3.395 US/MMBtu, down 20 cents on the day and printing new 52-week lows. There is cold to be expected in the 2 to 3 week forecast. February is the last shot. Storage had a slight build last week - first time ever for a build in January. There are reports of Freeport LNG start being pushed to Feb – although Freeport says they will be operational in back half of Jan. Governor of New York suggested a move away from gas for new apartment builds starting 2025 for low rise structures and 2028 for high rise. The warm weather is also hitting Europe, suggesting their gas crisis may be over. Coming into winter with highest ever inventories, mild weather (Dec was 10th warmest on record), and less industrial and residential consumption is leaving Europe in good shape for the rest of the winter. Baker Hughes has Canada with an increase of 10 gas rigs and a drop of 2 in US. Dutch TTF price is off \$3 WoW at \$19.06 US/MMBtu and British NBP is off \$2.30 US/MMBtu to \$18.53 US/MMBtu. Rest of Year NYMEX is \$3.457 US/MMBtu and 2024 is at \$3.056 US/MMBtu. Aeco fixed price (Cad/GJ) followed by (WoW change): Rest of month -\$3.94 (+\$0.21), Feb-Mar -\$3.84 (-\$0.11), summer \$2.87 (-\$0.04), winter \$4.04 (-\$0.03), summer 2024 \$3.205 (-\$0.115). Aeco Basis (US/MMBtu) (WoW): Feb-Mar - -\$0.39 (-\$0.225), summer - -\$1.185 (+\$0.225), winter - -\$1.128 (+\$0.15), summer 24 - -\$1.188 (+\$0.14).

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