



WEEKLY MARKET UPDATE

Global-Petroleum.com

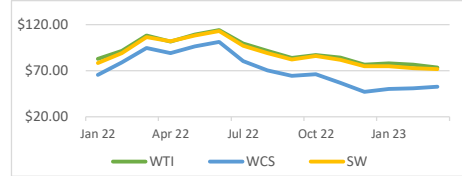
NEWS HEADLINES/REGULATORY UPDATES

- The BC regulator has issued an order to Coastal GasLink requiring it to cease all construction in two areas in BC to address and prevent erosion and sediment control issues
- NGTL filed an application with the CER for reaffirmation of the North Montney mainline tolling methodology
- 1,650 North Sea Oil & Gas workers are set to strike on June 1st making this the biggest walk out to date
- The Canadian Renewable Energy Association says Canada saw 1.8 gigawatts of new solar and wind generation capacity added in 2022, with more than 75 per cent of it landing in Alberta
- Canadian natural gas exports to the US are back at levels seen before the Alberta wildfires
- NGTL is currently reporting that there are no service restrictions on the pipeline

Crude Oil Pricing

USD/Bbl - April Settles

FX	1.34839
WTI	\$79.44
WCS	\$63.48
SW	\$78.15



Spot FX= 1.3595	WTI	WCS Basis	SW Basis
May 23 WTI CMA	\$71.85	-\$15.38	-\$4.30
June 2023	\$71.86	-\$13.25	-\$2.25
July 2023	\$72.91	-\$13.20	-\$3.10
Q3 2023	\$72.42	-\$13.95	-\$3.35
Q4 2023	\$71.21	-\$16.40	-\$3.50
Cal 2023	\$71.97	-\$14.66	-\$2.85

Change from Previous Week

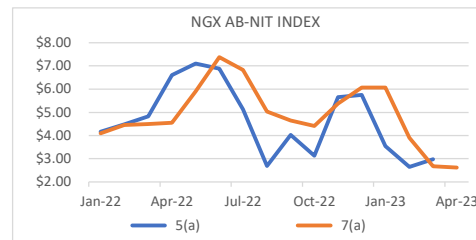
\$0.35		
\$1.00	-\$0.25	\$0.25
\$2.07	-\$0.25	\$0.15
\$2.23	-\$0.30	-\$0.05
\$2.10	-\$0.15	-\$0.20
\$2.16	-\$0.12	\$0.25

Alberta Natural Gas Pricing

CAD/GJ

Current Market

		Change from Previous Week
April 2023 Settle	\$2.3715	
May 2023 Bal/month	\$2.1000	-\$0.63
June 2023	\$2.0290	-\$0.18
July 2023	\$1.6610	-\$0.32
Q3 2023	\$1.8480	-\$0.27
Q4 2023	\$2.6030	-\$0.29
Winter 23/24	\$2.9920	-\$0.34
Summer 2023	\$1.9390	-\$0.24



Alberta Power Prices

	Flat Rate	Flat Heat Rate	Change from previous week		Extended Peak	Ext. Heat Rate	Change from previous week	
	\$/MWh	Mkt HR GJ/MWh			\$/MWh	Mkt HR GJ/MWh		
ROY 2023	\$ 177.23	86.13	\$1.94	5.44	\$ 220.63	107.82	\$3.27	7.19
2024	\$ 93.58	33.11	\$0.53	1.75	\$ 110.58	39.09	\$0.84	2.15
2025	\$ 77.58	21.85	-\$0.75	1.03	\$ 92.48	26.01	-\$1.13	1.16
2026	\$ 74.50	19.98	-\$0.75	0.98	\$ 89.00	23.87	-\$1.13	1.11
2027	\$ 74.50	20.03	-\$0.75	0.99	\$ 89.00	23.93	-\$1.13	1.13
2028	\$ 74.50	19.88	-\$0.75	0.88	\$ 89.00	23.74	-\$1.13	0.98

Commentary:

Oil – Monday was the last day of trading for June contract – it settled at \$71.99 US/Bbl. The prompt month July contract is currently at \$74.28 US/Bbl up \$1.40 on the day and over \$4 in last 3 days. The contract is trading above both the 20 day and 50 moving average and closing in on the 100 day average. The oil market has for the most part this week been trading along side the equities market with US feds rate hike and debt ceiling negotiations being in the forefront. US exports to China has grown by 1MMbpd since Q4 providing some hope for Chinese demand. India is discussing refilling their strategic reserve. Libya, who currently is not meeting their supply obligations, announced plans to grow production to over 2MM bpd by 2028. OPEC is hinting at a June production cuts based on its statements to short sellers in the market. Nets short positions by speculators have grown by 125 MM bbls over the last month – largest 4 week growth since Nov 2018. Loosely translated, they told speculators to be ready for some pain. Their statements have helped give crude a rally over the last few days along with API data showing a large crude draw. Baker Hughes showed a gain of 2 rigs in Canada and a large drop of rigs in the US of 11. Rest of year WTI is at \$73.51 US/Bbl up \$1.90 WoW, 2024 is \$70.25 US/Bbl up \$1.40 WoW. June Index settles from CalRock Brokers: WCS -\$13.85 US/Bbl, SW -\$3.2836 US/Bbl and C5 -\$3.75 US/Bbl.

Gas – The prompt month June gas contract had picked up some momentum over the past week – until Monday. On Thursday the contract peaked a high of \$2.63 US/Mmbtu from a rally that started on the 11th. Since then it has fallen to its current \$2.39 US/MMbtu – up 7 cents on the day. The move higher was due to a combination of factors: lower than expected storage injection, reduced Alberta gas supply making its way to the US and higher than expected demand. Alberta volumes are about 2 Bcf/d lower than last year with over 70 wild fires including 20 out of control with most affecting gas regions. Weather forecasts are showing a mild start to summer. Stronger US production, eventual return of Alberta supply and reduced LNG exports doesn't paint a bullish picture. Canadian gas rigs are off by 11 – led by shut in production due to wildfires and spring breakup with no change out of the US week over week. The main bullish driver is power burns across the US. Renewable generation is down while gas plant generation is up. Power burns are almost 5.5 Bcf/d higher in May than the 5 year average and June is projected to be even higher above the 5 yr average. Weather forecasts in Europe are normal and keeping a lid on demand but gas prices expected to be higher in Q3 due to lack of enough long term LNG contracts. British NBP is \$8.227 US/Mmbtu off \$1 WoW while Dutch TTF is at \$9.218 US/Mmbtu off \$.95 WoW. Rest of year NYMEX - \$2.804 US/MMbtu – up 3 cents WoW, 2024 \$3.517 US/MMbtu – down 2 cents WoW. Big moves on AeCo Basis (US/MMbtu) (WoW): June - \$0.735 (-\$0.09), Q3 -\$1.09 (-\$0.17), June-Oct -\$0.999(-\$0.14), winter -\$1.162 (-\$0.18), summer 24 -\$1.292 (-\$0.18).

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