



GLOBAL PETROLEUM MARKETING INC.

WEEKLY MARKET UPDATE

Global-Petroleum.com

July 17, 2024

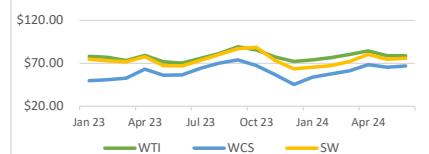
NEWS HEADLINES/REGULATORY UPDATES

- The AER has fined CNRL \$278,000 for a breach of the Environmental Protection and Enhancement Act. An investigation showed they failed to prevent a hazardous substance containing bitumen from coming into contact with birds and other wildlife
- TC Energy's US\$15 Billion Keystone XL claim has been thrown out by a trade tribunal that sided with the US government by refusing to hear their case
- The Federal energy minister has announced an intention to ban the installation of oil furnaces in new construction as early as 2028
- Saudi Arabia has entered into joint ventures with two Chinese solar firms to build solar plants in the country worth around \$3 billion
- Strathcona Resources announced a strategic partnership with Canada Growth Fund, a \$15 billion investment vehicle, for the development of carbon capture and sequestration infrastructure on their SAGD oil sands facilities
- NGTL is currently reporting 100% FT and 0% IT at the Foothills BC border

Crude Oil Pricing

USD/Bbl - June Settles

| | |
|-----|---------|
| FX | 1.37074 |
| WTI | \$78.70 |
| WCS | \$66.83 |
| SW | \$75.78 |



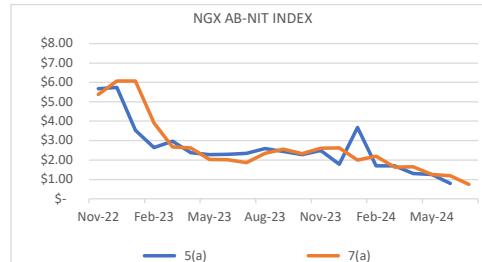
Spot FX= 1.3696

| | WTI | WCS Basis | SW Basis | Change from Previous Week |
|----------------|---------|-----------|----------|---------------------------|
| Jul 24 WTI CMA | \$81.88 | -\$12.99 | -\$3.52 | -\$0.97 |
| Aug 2024 | \$80.76 | -\$13.95 | -\$2.65 | -\$0.65 |
| Sep 2024 | \$79.71 | -\$15.10 | -\$3.75 | -\$0.85 |
| Oct 2024 | \$78.67 | -\$16.60 | -\$4.20 | -\$1.04 |
| Aug-Sep 2024 | \$78.87 | -\$14.65 | -\$3.60 | -\$0.99 |
| Q4 2024 | \$76.95 | -\$17.70 | -\$4.75 | -\$1.14 |
| Q1 2025 | \$75.31 | -\$16.95 | -\$4.55 | -\$1.17 |
| Aug-Dec 2024 | \$77.72 | -\$15.60 | -\$4.15 | -\$1.08 |

Alberta Natural Gas Pricing

CAD/GJ

| Current Market | Change from Previous Week |
|--------------------|---------------------------|
| June 2024 Settle | \$1.2485 |
| Jul 2024 Bal/month | \$1.0100 |
| Aug 2024 | \$0.7720 |
| Sep 2024 | \$0.8710 |
| Oct 2024 | \$1.0160 |
| Aug-Sep 2024 | \$0.8210 |
| Q4 2024 | \$1.8660 |
| Aug-Dec 2024 | \$2.5970 |
| Winter 24/25 | \$2.4740 |



Alberta Power Prices

| | Flat Rate \$/MWh | Flat Heat Rate Mkt HR GJ/MWh | Change from previous week | Extended Peak \$/MWh | Ext. Heat Rate Mkt. HR GJ/MWh | Change from previous week |
|------|---------------------|------------------------------------|---------------------------|-------------------------|-------------------------------------|---------------------------|
| 2024 | \$ 65.55 | 60.55 | \$2.55 -1.81 | \$ 77.38 | 72.38 | \$4.31 -0.74 |
| 2025 | \$ 52.08 | 21.10 | \$0.25 1.85 | \$ 58.93 | 23.76 | \$0.38 2.09 |
| 2026 | \$ 51.50 | 18.04 | \$0.00 0.95 | \$ 58.63 | 20.55 | \$0.00 1.08 |
| 2027 | \$ 54.75 | 18.22 | \$0.00 0.37 | \$ 63.88 | 21.26 | \$0.00 0.44 |
| 2028 | \$ 61.75 | 20.23 | \$0.00 0.45 | \$ 73.88 | 24.20 | \$0.00 0.54 |
| 2029 | \$ 63.00 | 20.04 | \$0.00 0.10 | \$ 75.75 | 24.10 | \$0.00 0.13 |

Commentary:

Oil – The prompt month August WTI has stayed in a relatively tight band the last two weeks. Although we have seen as high \$84 and low as \$80, the range has mainly been \$81.50 to \$83.50 US/Bbl, with most days having trading ranges over \$1. API's showed a larger than expected inventory withdrawal and US production is hitting all time highs at 13.3 MMB/d – even with rig counts at historic low levels. Hamas has dropped objections to a US backed cease fire. All three major agencies provided their monthly updates with IEA shifting their numbers to more supply and less demand, EIA got closer to a balanced market and OPEC left their model alone but indicated incremental supply if they phase out their cuts by 2025. All three have different forecasts with each having increased supply but varying demand projections. Chinese economic data missed projections with refinery utilization below expectations- led by the teapot refineries. Global jet fuel demand is the only product that's surpassing expectations. The Houthi continue its attacks in the Red Sea but with little to no impact on the WTI curve. BP's latest energy outlook has demand peaking in 2025 but with relatively minor declines over the next 10 years. Baker Hughes shows a rig count drop of 1 in US and a gain of 11 in Canada. Rest of year WTI Aug-Dec \$80.31 US/Bbl – up 14 cents WoW. 2025 WTI \$74.91 US/bbl – down 30 cents WoW. August Cad indices are weaker than July settles(US/Bbl): WCS -\$14.11 (-\$1.12 from July settles), SW EDM ENB -\$4.80 (-\$0.90), C5 EDM ENB -\$4.48 (-\$0.46).

Gas – From a June 10th high of \$3.20 US/MMbtu, the prompt gas contract has given up \$1.17. Today the August contract is currently at \$2.033 US/MMbtu – off 15.5 cents on the day. The contract has entered oversold territory. Its quite the reversal from early June when the storage overhang was narrowing, LNG was flowing and weather was coming in hot everywhere. This weeks 30 cent drop is related to the aftermath of Hurricane Beryl knocking out LNG and its subsequent slow recovery back as well as a storage build higher than expectation widening the storage surplus. The US is hitting seasonal demand highs and power burn highs with more demand expected return as we enter prime cooling season but overall its been underwhelming and production is creeping higher to the 103 Bcf/d level. Nuclear, coal and wind have lagged year over year and if they do come back, could mean more trouble for gas. Baker Hughes shows a drop of 1 rig in US and a gain of 3 in Canada. Rest of year NYMEX Aug-Dec \$2.449 US/MMbtu – off 23 cents WoW. 2025 \$3.249 US/MMbtu – off 15 cents WoW. Alliance pipeline FM from last Friday is forcing gas back to Alberta. They should be back by this weekend. Aeco next day price is \$0.96 Cad/GJ. Dutch TTF is \$10.477 US/MMbtu. Dutch TTF is \$10.477 US/MMbtu – up 30 cents WoW. British NBP is also up 30 cents WoW to \$9.877 US/MMbtu. Aeco Basis (US/MMbtu)(WoW): Aug -\$1.593 (+\$0.17), Sept -\$1.534 (+\$0.21), Aug-Oct -\$1.555 (+\$0.18), winter 24/25 -\$1.326 (-\$0.26), summer 25 -\$1.42 (-\$0.095), winter 25/26 -\$1.411 (-\$0.064), summer 26 -\$1.465 (-\$0.076), winter 26/27 -\$1.407 (-\$0.023).

Electricity – From AESO - The average pool price for the month of June was \$31.85/MWh. This is 9.9% lower than May's average of \$35.37/MWh. The maximum pool price was \$785.38/MWh, compared to \$366.68/MWh in May. The on peak pool price averaged \$33.33/MWh and ranged from \$0.00/MWh to \$785.38/MWh. The off peak pool price averaged \$28.89/MWh and ranged from \$0.00/MWh to \$442.79/MWh. Total energy in June was 6,901 GWh and peak demand was 10,682 MWh. The total energy is 0.2% lower than the previous month's total of 6,916 GWh. The peak demand is 592 MW higher than the previous month's peak of 10,090 MW.

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