GLOBAL PETROLEUM MARKETING INC.
WEEKLY MARKET UPDATE
Global-Petroleum.com

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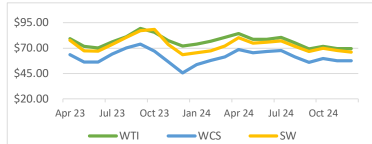
NEWS HEADLINES/REGULATORY UPDATES

- The AER has directed the Orphan Well Association to assume control of the majority of Sequoia Resources sites. The reasonable care and measures order directs the OWA to immediately take responsibility for the care of about 2500 sites now orphaned for closure
- Ovintiv has closed its $2.3 Billion acquisition of Motney assets from Paramount Resources adding approximately 70 thousand barrels of oil equivalent of production , 900 net 10,000 foot equivalent well locations and approx. 109,000 net acres of land
- TransAlta Corp has been hit with $32.7 million in penalties for misrepresenting the availability of backup power from its Brazeau power plant Alberta's largest hydroelectric dam, according to the provinces electricity market monitor
- The AESO has published its 2025 Long Term Transmission 20 year Plan outlining how they aim to meet Alberta's growing energy demands, support economic development and ensure the grid operates safely, reliably and efficiently
- NGTL is reporting that FT-R is 100% and IT-R is 0% Upstream James River

Crude Oil Pricing
USD/Bbl - January Settles

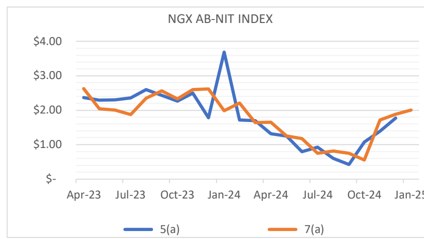
FX	1.424
WTI	$69.70
WCS	$57.76
SW	$66.25



Spot FX= 1.4288	WTI	WCS Basis	SW Basis	Change from Previous Report		
Feb 25 WTI CMA	$72.34	-$12.24	-$4.77	-$0.85		
Mar 2025	$72.70	-$13.85	-$5.50	-$1.07	$0.65	$1.00
Apr 2025	$72.34	-$14.15	-$5.85	-$0.60	$0.85	$0.75
May 2025	$71.87	-$13.25	-$5.55			
Q2 2025	$71.17	-$13.50	-$5.55	-$0.09	$2.10	$0.85
Q3 2025	$69.55	-$13.50	-$5.10	$0.04	$3.00	$1.90
Q4 2025	$68.20	-$15.50	-$6.50			
Mar- Dec 2025	$69.89	-$14.00	-$5.63	-$0.38	$2.05	$1.35

Alberta Natural Gas Pricing
CAD/GJ

Current Market		Change from Previous Report
January 2025 Settle	$1.7608	
Feb 2025 Bal/month	$2.2500	$0.37
Mar 2025	$1.8050	$0.15
Apr 2025	$1.7250	$0.19
May 2025	$1.6070	$0.19
Q2 2025	$1.6540	$0.14
Q3 2025	$1.6950	
Summer 2025	$1.7180	$0.10
Winter 25/26	$2.8400	$0.18



Alberta Power Prices

	Flat Rate $/MWh	Flat Heat Rate Mkt HR GJ/MWh	Change from previous report		Extended Peak $/MWh	Ext. Heat Rate Mkt. HR GJ/MWh	Change from previous report	
2025	$ 42.73	23.30	-$3.33	-3.50	$ 49.24	26.88	-$4.02	-4.56
2026	$ 48.99	17.41	-$3.41	-2.65	$ 54.44	19.34	-$6.08	-3.81
2027	$ 57.25	21.07	-$3.00	-1.30	$ 67.08	24.69	-$3.41	-1.56
2028	$ 67.75	24.68	-$0.50	0.44	$ 82.33	29.99	$0.41	0.83
2028	$ 69.25	24.10	-$0.50	0.31	$ 84.58	29.44	-$0.36	0.45
2029	$ 69.25	23.89	-$0.50	1.06	$ 84.58	29.18	-$0.55	1.31

Commentary:

Oil- Oil prices have traded sideways since our last report with Trump's administration settling into The White House. Today, testing the 100 day moving average, oil prices are reacting counterintuitively to geopolitical tensions, likely due to bearish fundamentals in the market. WTI (down to $71.15 US/bbl today) and Brent (down to $74.70 US/bbl today) are weak despite Trump's executive memorandum re-establishing trade pressures on Iran, suggesting that broader supply and demand dynamics are at play. One key factor is the significant crude build in the US, with the API reporting a 5.025 MMBbl increase in inventories for the week ending January 31. This follows last week's build and disrupts the drawdown trend seen since November 2024, signaling weaker demand or stronger domestic production. Meanwhile, OPEC+ production remained relatively stable, declining only 50,000 Bbl/d, with total output at 26.53 MMBbl/d. Increases from Libya and the UAE helped offset declines from Nigeria and Iran, reducing concerns about immediate supply disruptions. At the same time, Trump's commitment to refilling the Strategic Petroleum Reserve (SPR) continues, but these purchases are being counterbalanced by broader market pressures. While the SPR saw a net decrease of 244 MMBbls during the Biden administration, Trump's refill strategy has yet to provide a significant bullish push to crude markets. Another factor influencing market sentiment is uncertainty around Iran sanctions. While the executive memorandum signals a return to economic pressure, traders may be waiting for further clarity on enforcement. The partial lifting of sanctions under Biden allowed some Iranian exports to return, and without clear action, the market may not be pricing in a full reversal just yet. Additionally, Trump's announcement regarding Gaza and a potential US role in the region adds another layer of geopolitical risk, but without immediate supply disruptions, prices remain under pressure. Baker Hughes shows +7 rigs in the US and +12 rigs in Canada. Q2-25 WTI is $71.17 US/Bbl (-$1.92 WoW) and 2026 is $66.33 US/Bbl (-$3.94 WoW). Canadian Feb indices have settled, as reported by CalRock Brokers (US/Bbl): WCS -$12.65, SW ENB EDM -$5.00 and C5 ENB EDM -$3.90. Indices down the curve are starting to tighten.

Gas – Natural gas prices hit a high of $3.32 US/MMbtu on Friday as the Mar contract is now trading. Natural gas prices remain volatile as February demand remains uncertain. Today, Henry Hub contracts are slightly down, trading at $3.246 US/MMBtu, a $0.007 us/MMBtu decrease. Demand has fallen by 2.6 Bcf/d, with declines across residential, commercial, and power burn sectors. On the supply side, production has dropped by 0.8 Bcf/d, particularly in the East, Mountain, and South-Central regions. Despite these declines, colder weather is forecasted across much of Canada and the US next week, with freezing temperatures expected in the Northern states and Midwest, while the West is set to experience cooler conditions without dipping below freezing. Meanwhile, gas inventories in Europe remain low this winter, largely due to sanctions on Russia, which previously dominated Europe's LNG supply. The ongoing trade row between China and the US may ease competition for US LNG exports, making more volumes available to European buyers. Ukrainian Foreign Minister Andriy Sybiha has expressed Ukraine's interest in purchasing large quantities of US LNG to support European gas needs. With Ukraine severing ties with Russia, it is looking to secure its position as an LNG supplier for Europe, despite ongoing infrastructure risks from the war. In the US, pipeline operators are grappling with weather-related disruptions. Much of the northwest and California region are experiencing rising heating demand and prices are rebounding following last week's Arctic Blast. Baker Hughes shows -1 rigs in the US, and Canada adding +1 rig. NYMEX prices (US/MMbtu): Mar25 is $3.253 – down $0.218 US/MMbtu week over week and 2026 is $3.942 US/MMbtu – up 0.024 cents week over week, Mar European prices (US/MMbtu): Dutch TTF $15.871, +1.117 WoW, British NBP $15.799, +0.73 cents WoW. Aeco – next day cash $2.60 Cad/GJ – up $0.92 Cad/gj from last week. Aeco basis is tighter across the board (US/MMbtu)(WoW): Mar25 -$1.92 (-$0.10), Q225 -$2.156 (+$0.027), summer 25 -$2.32 (+$0.013), winter 25/26 -$2.149 (+$0.114), summer 26 -$1.75 (+$0.128), winter 26/27 -$1.758 (+$0.064), summer 27 -$1.584 (+$0.089).

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