TRIMBLE ENERGY GROUP

Monthly Market Recap

OCTOBER 2026

—— Welcome back ——

After a short hiatus, the Trimble Monthly Newsletter is back, and it’s got a new look!

We took a short break. The oil market did not. Here’s our hand-picked catch-up on what’s been moving Western Canadian energy, and what it means for producers.

Canada picks growth

Banks and investors expect Canadian producers to grow, oil is back above $100, and Alberta heavy oil is getting a smaller share of that price.

TLDR

- ATB Cormark's fall survey found investors now prefer growth spending over buybacks for the first time since 2021, and the month's deals followed suit.
- Pacific Link became a project of national interest, and Cenovus and Ovintiv made large bets on Canadian oil.
- Oil rose for a fourth straight month, but the heavy oil discount widened to its worst level in four years.
- New gas demand is being built from three directions: data centres, LNG exports and Alberta's Industrial Heartland.

The industry is turning back to growth

ATB Cormark Capital Markets' fall survey of producers, service companies and institutional investors found companies planning to increase production and investment in 2027, even with most expecting oil prices to settle lower over the next year. For the first time since the survey began in 2021, investors ranked growth spending as their preferred use of capital. A large majority view the federal government's approach to expanding the industry positively, and 79% of investors said Middle East supply disruptions have made them more likely to invest in Canadian energy.

The month's deals followed the same direction. Cenovus agreed to buy Athabasca Oil for $5.7B. Ovintiv agreed to buy Montney oil producer Logan Energy for about C$1.26B including debt, adding roughly 266,000 net acres and 20,000 boe/d, with Logan's non-Montney assets spun out to

shareholders as a new company, Logan Oil Corp. Whitecap set a 2027 capital budget of $2.4B to $2.6B, up from about $2.2B this year, and Precision Drilling ran 16% more rigs in Canada in the third quarter than a year earlier. Abroad, BHP's chair pointed to Canada's new immediate-expensing tax incentive as a model for attracting investment.

Why it matters: After several years focused on debt reduction and shareholder returns, capital is moving back toward drilling and acquisitions. That points to a busier 2027 for field activity, A&D and the technical and advisory work that supports them.

Pacific Link gets national-interest status

On October 1, the Prime Minister named the proposed West Coast oil pipeline, now called Pacific Link, a project of national interest. The line would run roughly 1,250 km from Bruderheim, Alberta, to a deepwater port near Delta, B.C., carrying about one million barrels a day to Asian markets. Final regulatory conditions are expected by September 2027, with service targeted for 2032 or 2033. No private company has offered to pay the full cost, though Pembina has a non-binding agreement for an initial stake.

Four days later, Cenovus agreed to buy Athabasca Oil, citing recent federal policy changes as a reason it can grow the acquired oilsands production from about 40,000 to 115,000 bbl/d by 2032. The deal also gives Cenovus full ownership of Duvernay Energy in the Kaybob Duvernay.

Why it matters: This is the first step toward new oil export capacity in years, and a major producer is already investing on the strength of it. Watch for who commits as shippers and equity partners, and whether labour supply holds up; EY has flagged that several large projects could end up competing for the same workers.

Oil above $100, but heavy oil’s discount hits a four-year high

Brent rose about 13% in October to above $115, and WTI finished the month above $100, its fourth straight monthly gain. Alberta heavy oil producers saw less of that. The WCS discount to WTI widened from about US$24.80 on October 5 to US$27.00 by October 16, and Bloomberg reported it at about US$31 on October 27, the widest since October 2022.

Analysts point to several causes: Canada's main export pipelines are essentially full, more Venezuelan crude is reaching US Gulf Coast refiners, refinery outages, and the record cost of shipping Canadian barrels re-exported from the Gulf Coast. By comparison, North Dakota light crude sold an average of only about $4 below WTI through August.

Why it matters: Headline prices overstate what heavy oil producers receive. TD Cowen called the widening a surprising negative that shows why Canada needs new export pipelines.

Alberta gas is getting more places to go

Data centres. Enerflex won a contract to supply about 450 MW of behind-the-meter gas-fired power for a North American data centre developer, with deliveries in 2027 and 2028.

LNG exports. TC Energy plans to double Coastal GasLink's capacity with new compression following LNG Canada's Phase 2 decision, and closed a deal giving five First Nations along the route an

economic interest in the pipeline. Globally, Qatar signed its first long-term deal to buy US LNG after war damage and Hormuz disruptions limited its own exports, a sign of how buyers now value supply that doesn't pass through the Middle East.

The Industrial Heartland. Canadian Utilities broke ground on the $2.9B Yellowhead Pipeline, a 235 km line from Peers to Fort Saskatchewan that will deliver 1.1 Bcf/d by late 2027. It's fully subscribed, and the province expects it to enable about $20B of downstream investment.

Why it matters: Tourmaline describes current local gas prices as a cyclical low and expects them to strengthen as export capacity and Alberta demand grow. These projects are where that growth is coming from.

Saturn buys Corex, priced off the reserves report

Saturn Oil & Gas agreed to buy privately held Corex Resources for C$302M in cash and shares. Corex adds about 7,000 bbl/d of 100% light oil in Southwest Manitoba, next to Saturn's Southeast Saskatchewan core area.

Saturn is paying about 1.6 times net operating income and about 82% of the proved developed producing NPV10 in Corex's April 1, 2026 reserves report. Saturn says it has identified about 30 net unbooked Lodgepole locations and 25 Spearfish locations beyond what the report includes.

Why it matters: Deals like this are priced against a current, credible reserves report, with the buyer's upside built on what the report doesn't yet book.

The oil is flowing again, but it costs more to move

Gulf crude exports excluding Iran recovered to more than 81% of pre-war levels in September, but Citi describes the recovery as one of volume, not logistics. More cargoes are moving through ship-to-ship transfers, insurance has risen, and Goldman estimates the average cost to ship a barrel of crude has gone from about $3 a year ago to more than $20. Both banks now see more risk of oil prices going up than down; only three months ago, Citi forecast Brent at $60 to $65 by year-end.

Diesel remains the tightest part of the market. The IEA and the US have both released diesel and heating oil from reserves, while Prairie diesel prices have run around $2.35 to $2.40 a litre. September inflation rose to 3.1%, driven by gasoline. On October 28, the Bank of Canada raised its policy rate by 25 basis points to 2.5%, its first increase since July 2023, to keep higher energy prices from spreading into wider inflation. It also raised its 2027 inflation forecast and said further increases may be needed.

Why it matters: Diesel is a direct operating cost in the field, and the rate increase raises borrowing costs for producers with bank debt.

Junior spotlight: heavy oil juniors keep investing

Prospera Energy restarted five more shut-in heavy oil wells at Luseland, Saskatchewan, for about $6,400 per flowing barrel, and reported that its first ten reactivations have returned 1.92 times their capital. Source Rock Royalties bought a heavy oil royalty on 126,000 acres of Alberta oil sands leases for $4.0M, backed by the operator's commitment to drill 10 horizontal wells by 2028. Westgate Energy

started its fall program with a multi-lateral well at Killam and a sidetrack at Beaverdam, with a follow-up program planned for early 2027.

Why it matters: Even with a wide heavy oil discount, juniors are finding ways to grow production efficiently, through reactivations, royalty financing and multi-lateral drilling.

Shell joins Bay du Nord

Shell agreed to take a 30% non-operated interest in Equinor's Bay du Nord project off Newfoundland. Equinor keeps 70% and remains operator, and a final investment decision is targeted for early 2027. If approved, it would be Canada's first deepwater oil development.

Why it matters: A second major partner makes a final investment decision more likely, and it's another sign of international capital coming back to Canadian oil.

Notable deals

Company	Deal	Region	Value
Cenovus	Acquiring Athabasca Oil	AB	**$5.7B**
Ovintiv	Acquiring Logan Energy; non-Montney assets spun out as Logan Oil Corp.	AB/BC	**$1.26B**
Saturn Oil & Gas	Acquiring Corex Resources	MB	**$302M**
Tourmaline	Secondary sale of Topaz shares; stake cut to about 5%	AB/BC	**$330.6M**
Shell	30% non-operated interest in Bay du Nord	NL	**Undisclosed**
TC Energy	Economic interest in Coastal GasLink to five First Nations	BC	**Undisclosed**
Source Rock Royalties	0.75% heavy oil royalty on 126,000 acres, with a 10-well drilling commitment	AB	**$4.0M**
Crescent Energy	Acquiring Devon's Eagle Ford assets	Texas	**US$3.85B**
Energy Transfer	Acquiring Vaquero Midstream	Texas	**US$2.63B**
Chevron	Selling Hess Midstream interests and DJ Basin midstream assets	N. Dakota, Colorado	**US$200M cash**

Values in CAD unless noted. A selection of this month’s announced deals, from company press releases and BOE Report.

—— What’s new at Trimble ——

Two new engineers, and a third generation

We’re growing! Two engineers have joined the team this year to expand what we can offer our clients.

Carlie Trimble, P.Eng.

Engineering Associate, Reserves & Business Operations

Six years across power, mining and oil and gas, most recently with EY. The third generation of Trimble engineers, and the next chapter in our 50-year history.

John Jacobson, P.Eng., PMP

Senior Engineering Associate, Reserves & Business Development

More than 11 years in the Western Canadian Sedimentary Basin on both the operator and consulting sides, including the Montney, Clearwater, Cardium, Spirit River/Mannville and Viking plays.

On our radar

More 2027 budgets as Q3 results roll in, whether the heavy oil discount narrows, who signs on as shippers for Pacific Link, and the Bank of Canada’s next rate decision on December 9.

Price outlook

Strip vs. our forecast vs. the GLJ, McDaniel and Sproule average

Commodity	Year	Strip[1]	Trimble[2]	GMS[3]
CLS C$/bbl	Q4 2026	118.96	**125.00**	124.41
	2027	106.12	**106.00**	106.66
	2028	92.88	**95.00**	95.95
	2029	86.23	**96.90**	94.57
WCS C$/bbl	Q4 2026	92.52	**100.00**	100.08
	2027	83.50	**90.00**	90.96
	2028	73.85	**80.00**	82.10
	2029	67.47	**81.60**	81.00
AECO C$/MMBtu	Q4 2026	2.27	**2.10**	2.00
	2027	2.16	**2.60**	2.34
	2028	2.60	**3.10**	2.85
	2029	2.70	**3.16**	3.20

1. Strip pricing as of September 30, 2026.
2. Trimble Energy Group October 1, 2026 price forecast (Commodity Price Forecast)
3. Average of the GLJ, McDaniel and Sproule October 1, 2026 price forecasts.

Prices escalate 2% a year after 2028 (Trimble) and after 2029 (GMS).

Need a reserves evaluation, or thinking about buying or selling an asset?

Trimble Energy Group offers independent evaluations and transaction advisory for producers of all sizes.

Ask about an evaluation **Ask about a transaction**

Compiled from public reporting, including BOE Report, Reuters, The Canadian Press and company press releases.

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