



RystadEnergy

Is Canadian energy competitive internationally?

2026 CGAI Energy Analyst Summit– 9 March 2026

Rystad Energy Commodity Markets - Oil

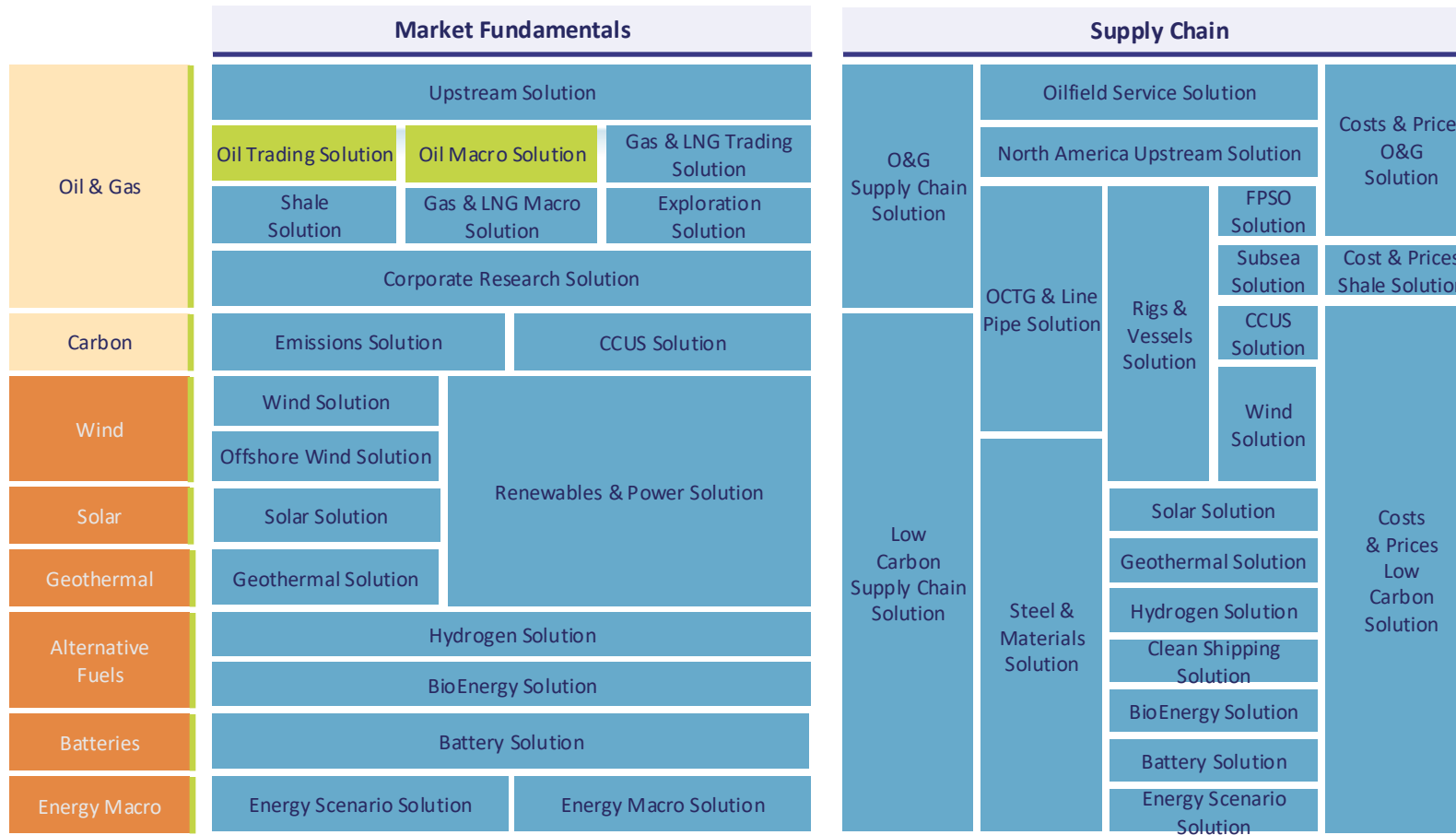
Susan D Bell

Rystad Energy – who we are



World-leading, independent advisory and analysis company with solutions that cover the entire energy value chain

Rystad Energy solutions span the entire energy map



Oil Trading Solution

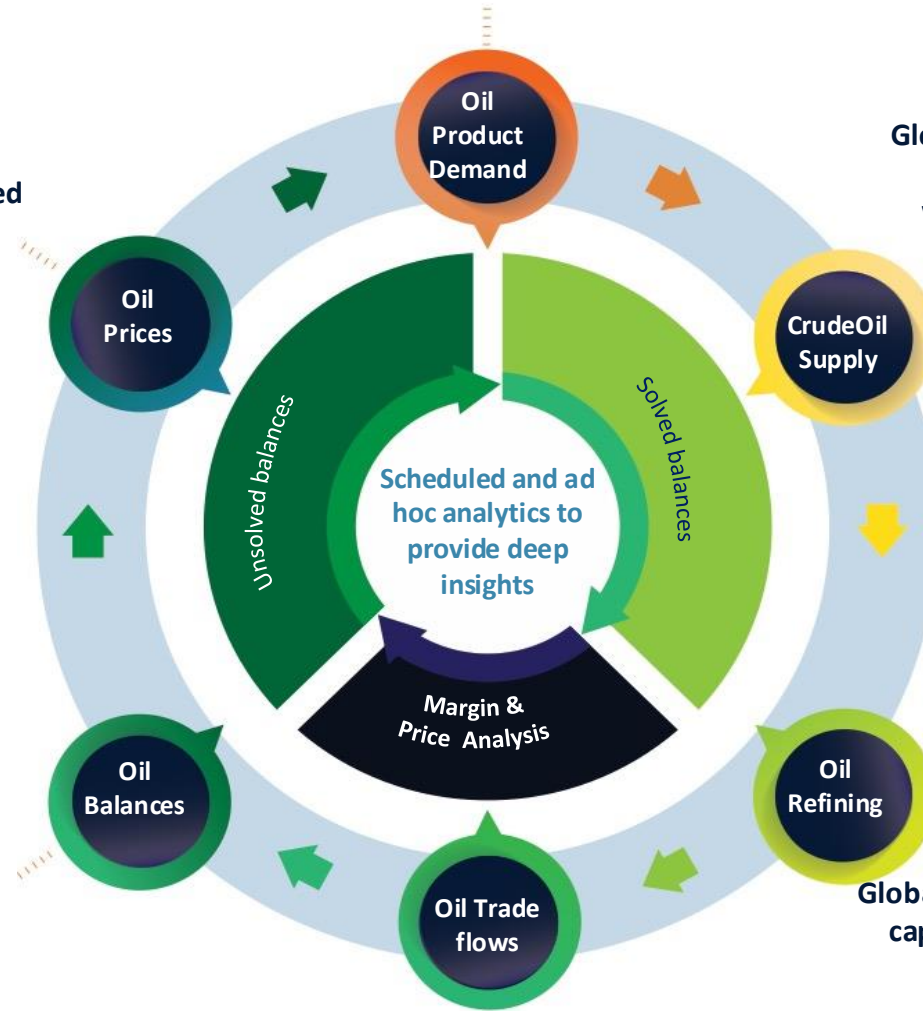
Monthly short-term market fundamentals solution with highly granular data, plus scheduled and ad hoc analytics to provide deep insights on key market signals & signposts

Key trading price signals derived from advanced modeling of unsolved and solved balances.

Comprehensive database on global crude oil, condensates, natural gas liquids (NGLs) and refined products balances, including agency comparisons and detailed analysis.

Global database for 12 sectors and 22 products with real-time indicators.

Global database with high granularity at asset, well, crude grade and quality levels.



Global crude and product trade flow data covering seaborne and pipeline flows with high granularity.

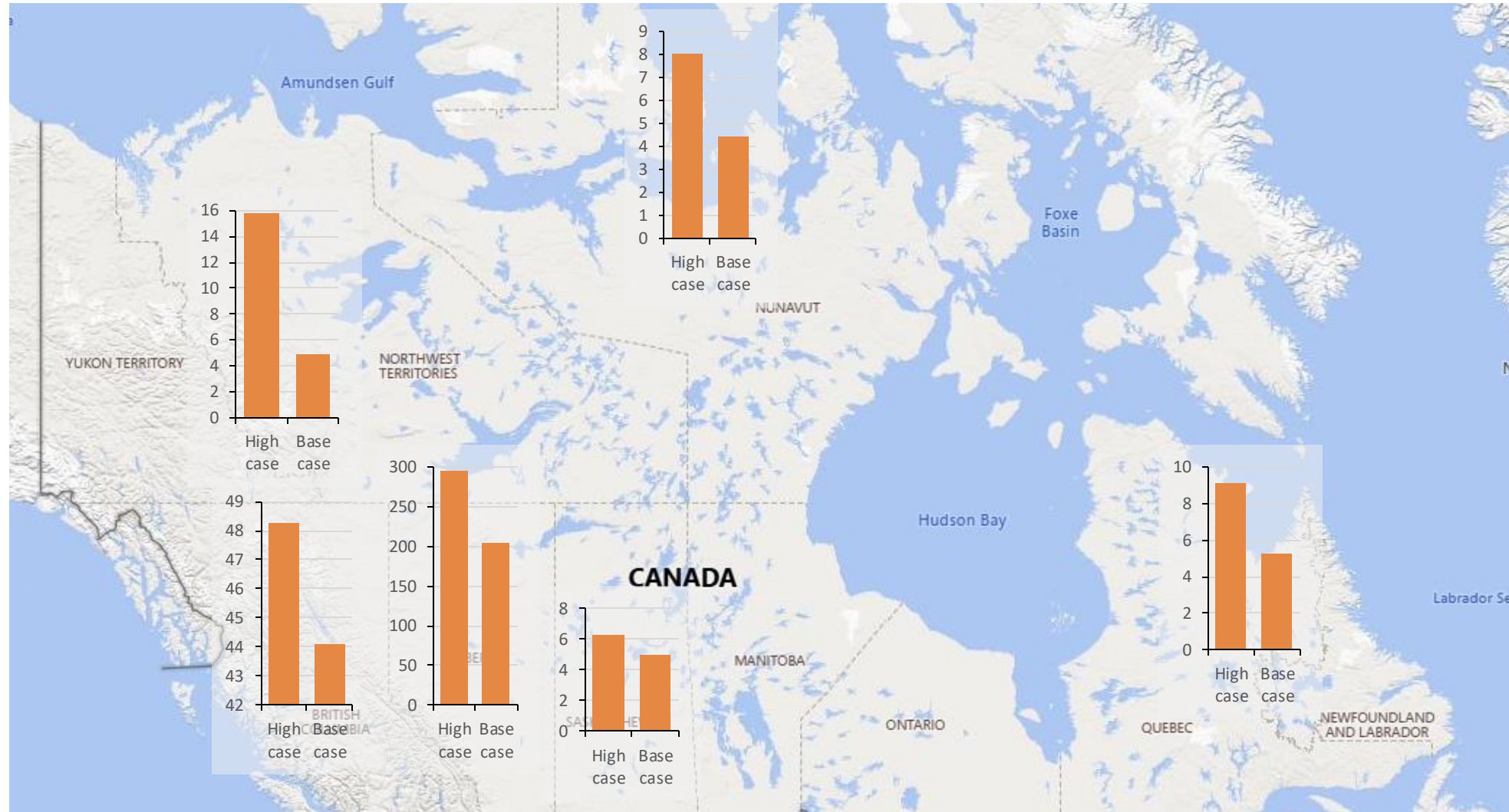
Global refining database covering capacities, projects, outages, margins and run rates.

Is Canada's petroleum energy competitive globally?

- Canada's petroleum competitiveness – recoverable reserves versus break-even costs
- The medium-term outlook for global and North America oil markets and how Canada's oil trade patterns will need to shift
- Current market supply shocks support Canada's case as a reliable energy supplier

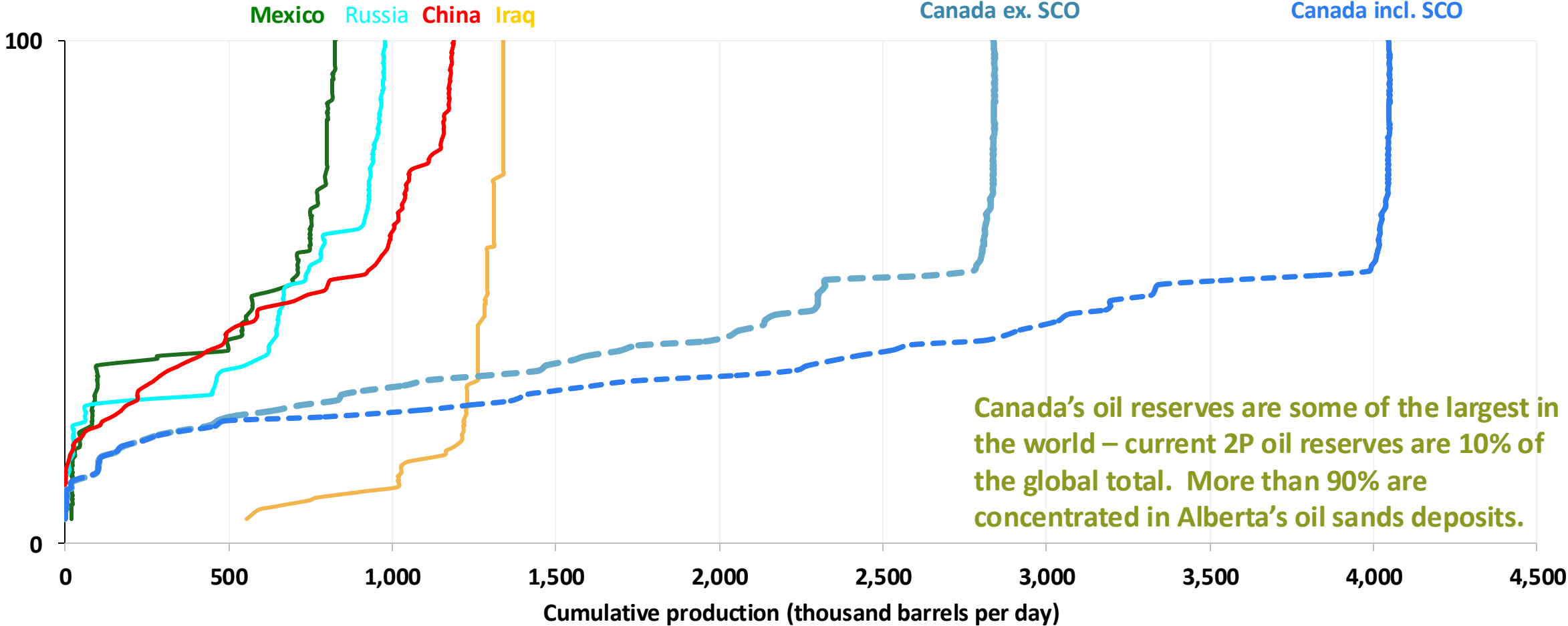
Canada has 270 billion barrels of petroleum and gas reserves with upside of 400 billion barrels

Reserves by region, billion barrels of oil equivalent



Canada's vast oil reserves are cost-competitive globally in their oil quality category

Medium and heavy oil* cost-of-supply curve (2030) for top 5 countries
 Brent crude oil equivalent breakeven oil price** (USD per barrel; y-axis)

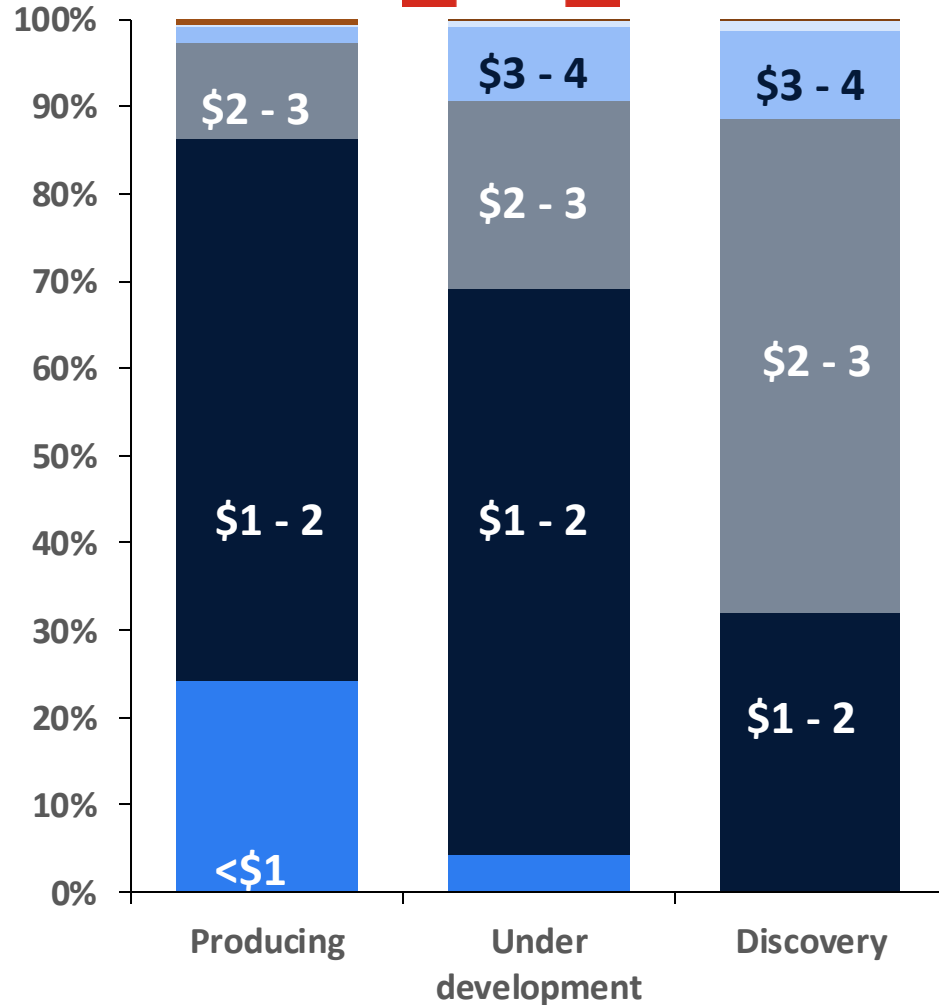


Canada's oil reserves are some of the largest in the world – current 2P oil reserves are 10% of the global total. More than 90% are concentrated in Alberta's oil sands deposits.

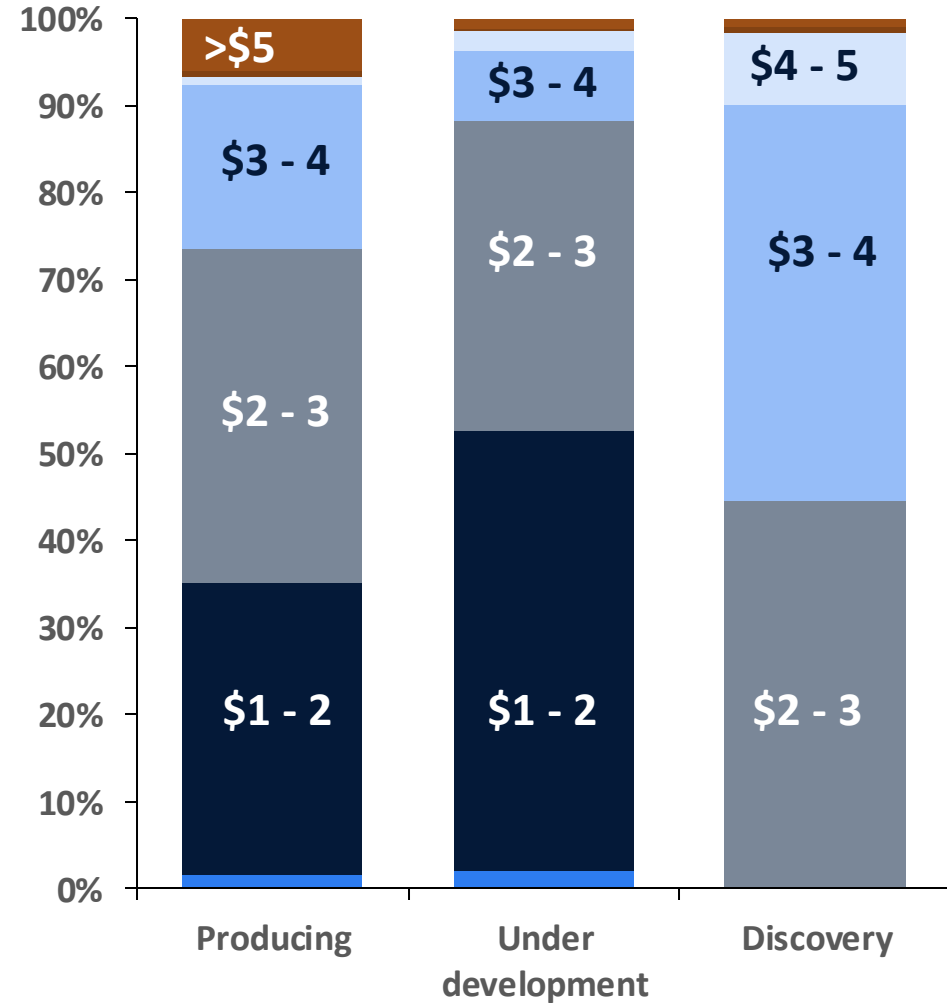
*Includes oil production with API gravity below 26 degrees except for 'Canada (incl. SCO)', which includes higher-API synthetic blends.
 **Breakeven oil prices do not include effects of carbon pricing.
 Source: Rystad Energy UCube

Canada's current 2P natural gas resource is around 21% of the US but is proportionally more economic with lower break-even costs

% of total locations



% of total locations

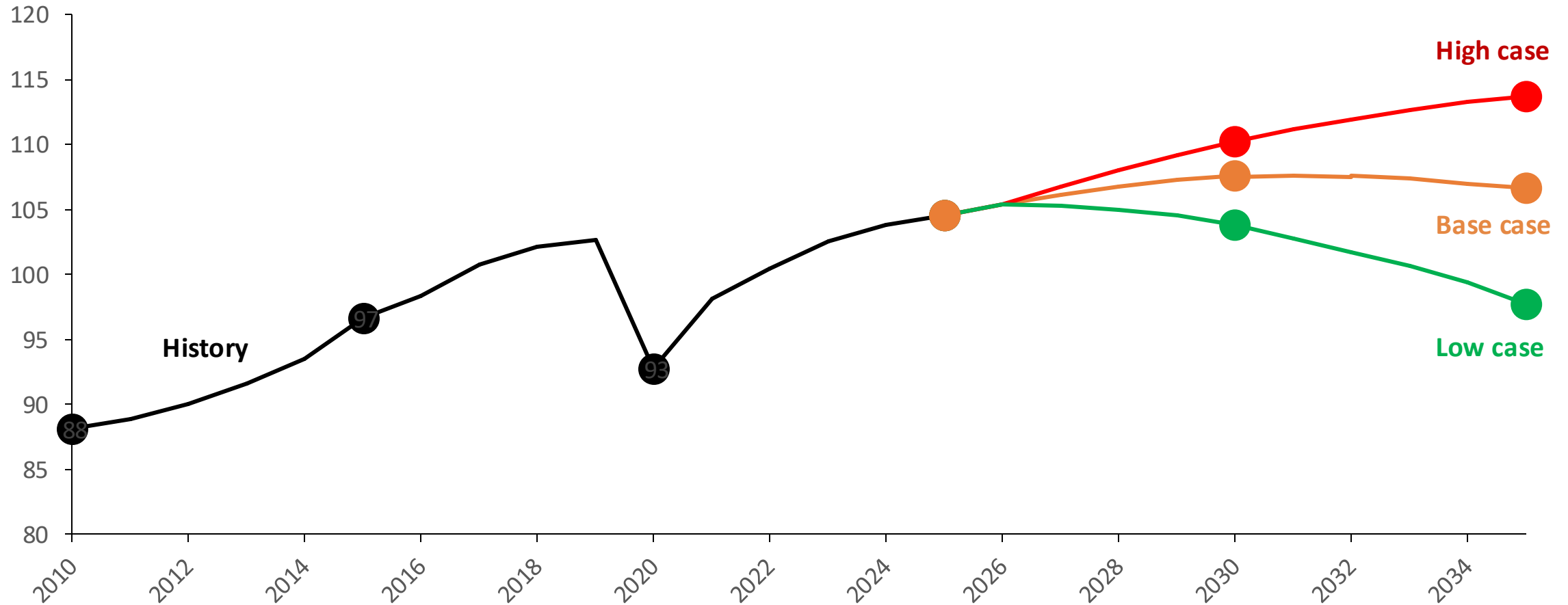


The global energy landscape is changing

Global liquids demand peaks in 2031; demand declines accelerate post-2035 in Rystad Energy's base case forecast

Global oil product demand

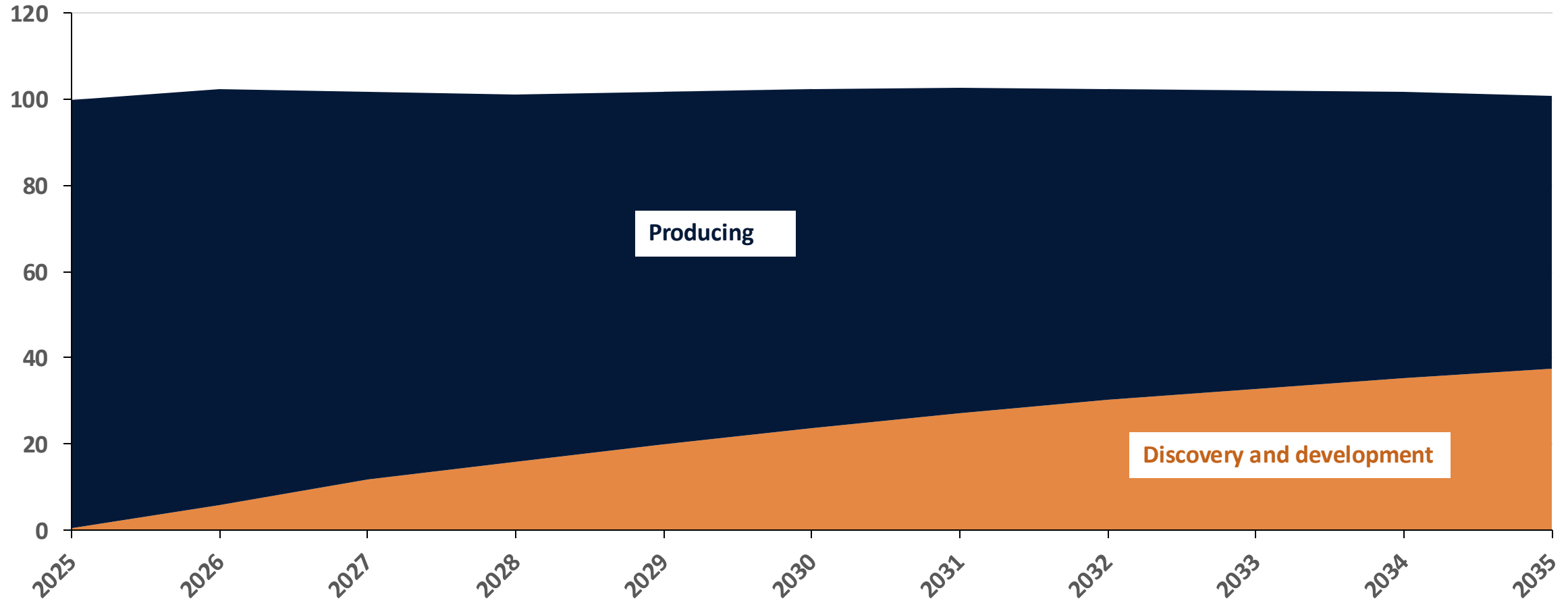
Million barrels per day



Source: Rystad Energy Oil Macro Solution

Almost 90 billion barrels of crude oil, condensate, and NGLs must be developed and produced between now and 2035 despite flat to declining demand

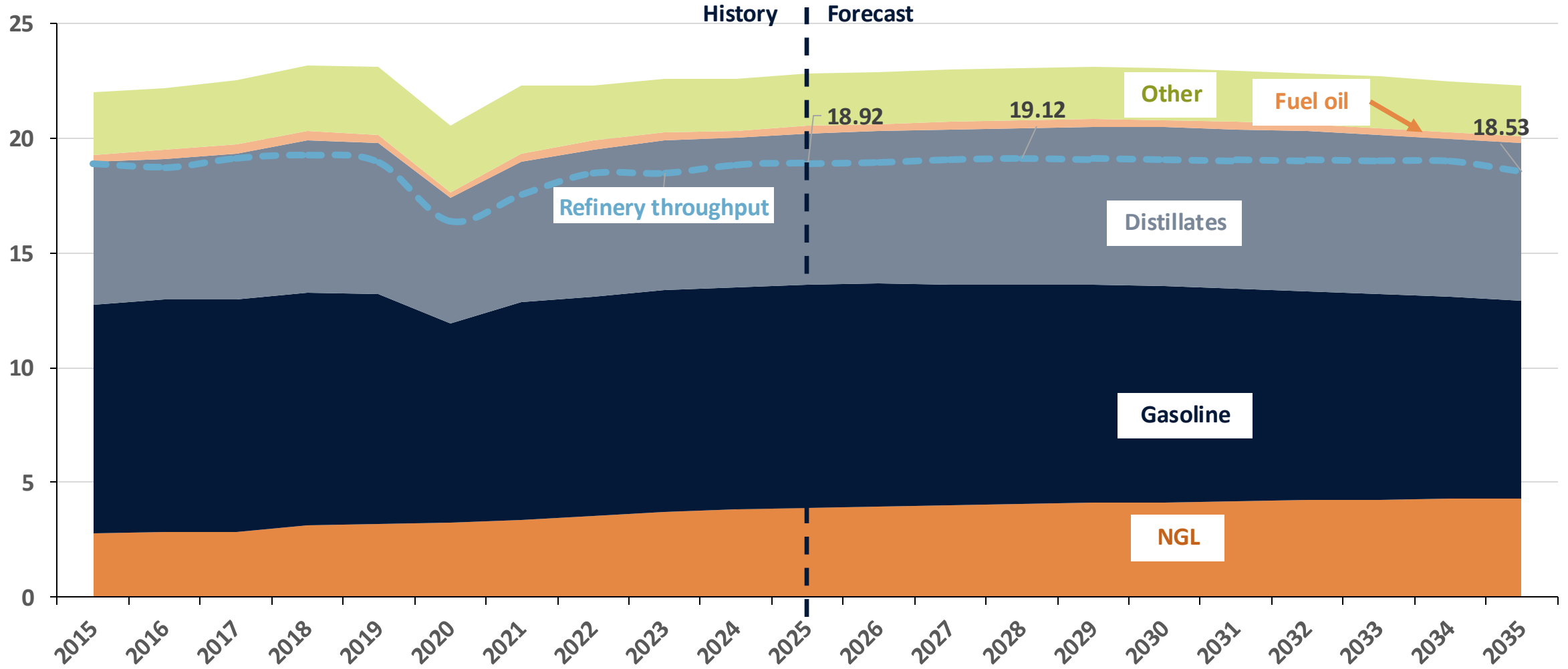
Global call on crude oil, condensate, and NGL
Million barrels per day



Source: Rystad Energy Oil Macro Solution

US, Canada oil demand now flatlined; refinery rationalization pressure intensifies post-2035

US + Canada oil product demand and refinery throughput
 Million barrels per day

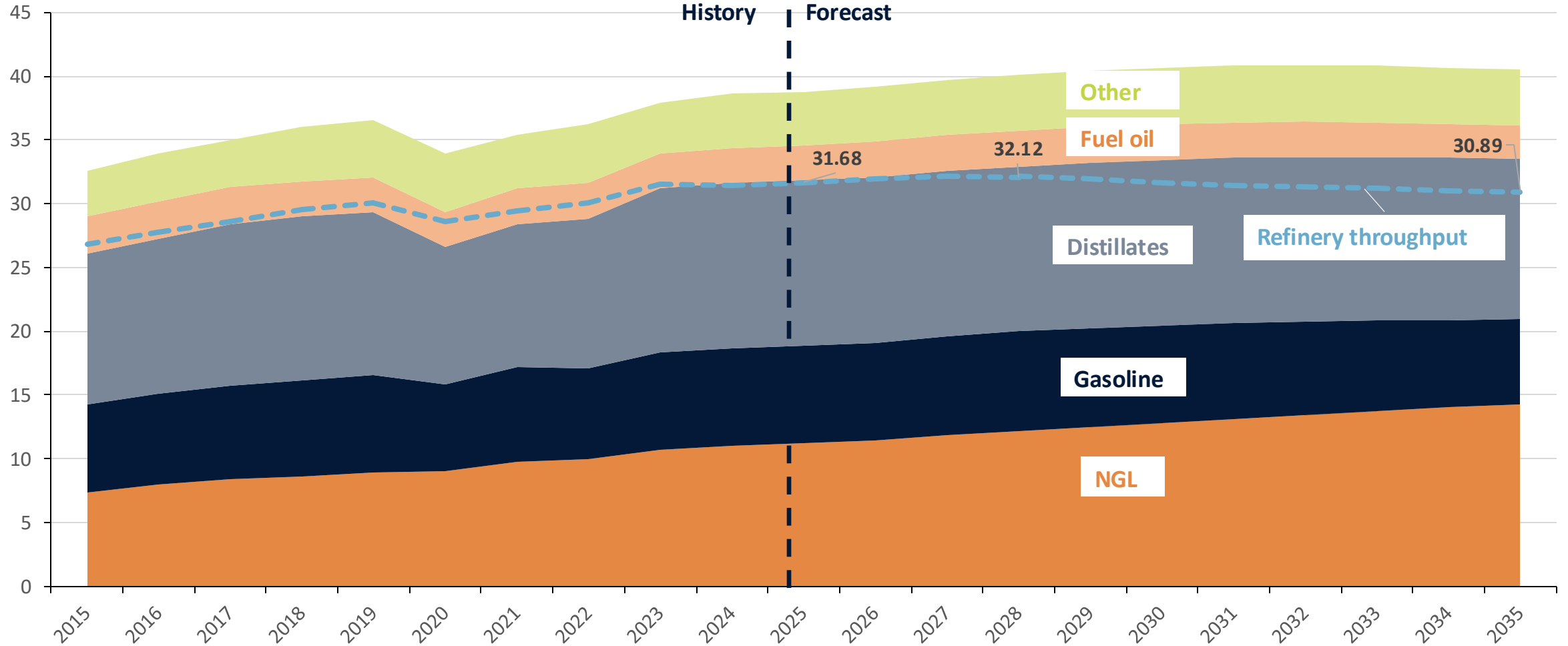


Source: Rystad Energy Oil Macro Solution

Asia's call on crude oil for refining peaks in 2027; change in refining configuration required to support petrochemical industry despite declining oil demand

Asia oil product demand and refinery crude oil throughput

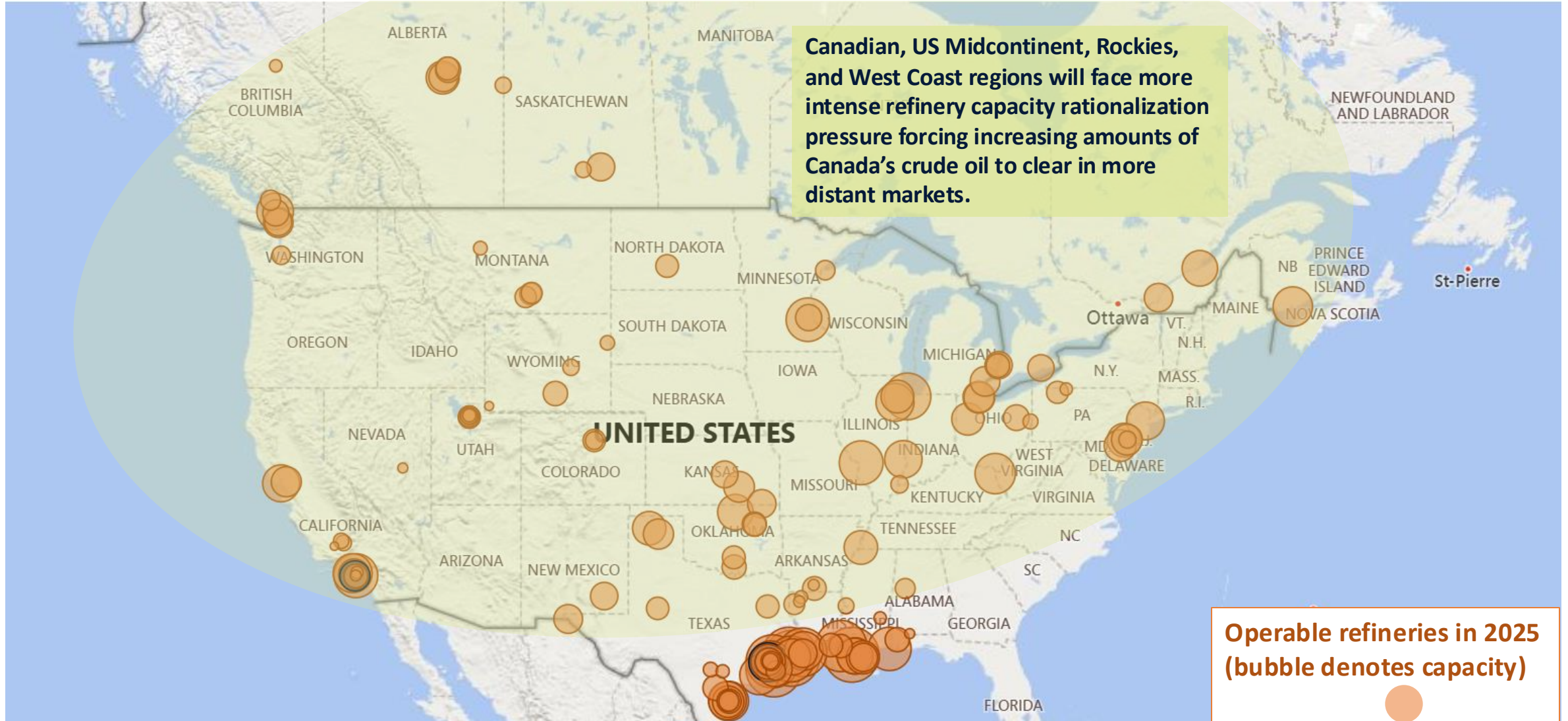
Million barrels per day



Source: Rystad Energy Oil Macro Solution

Canada's crude oil production will need to find alternative markets as continental refinery runs decline

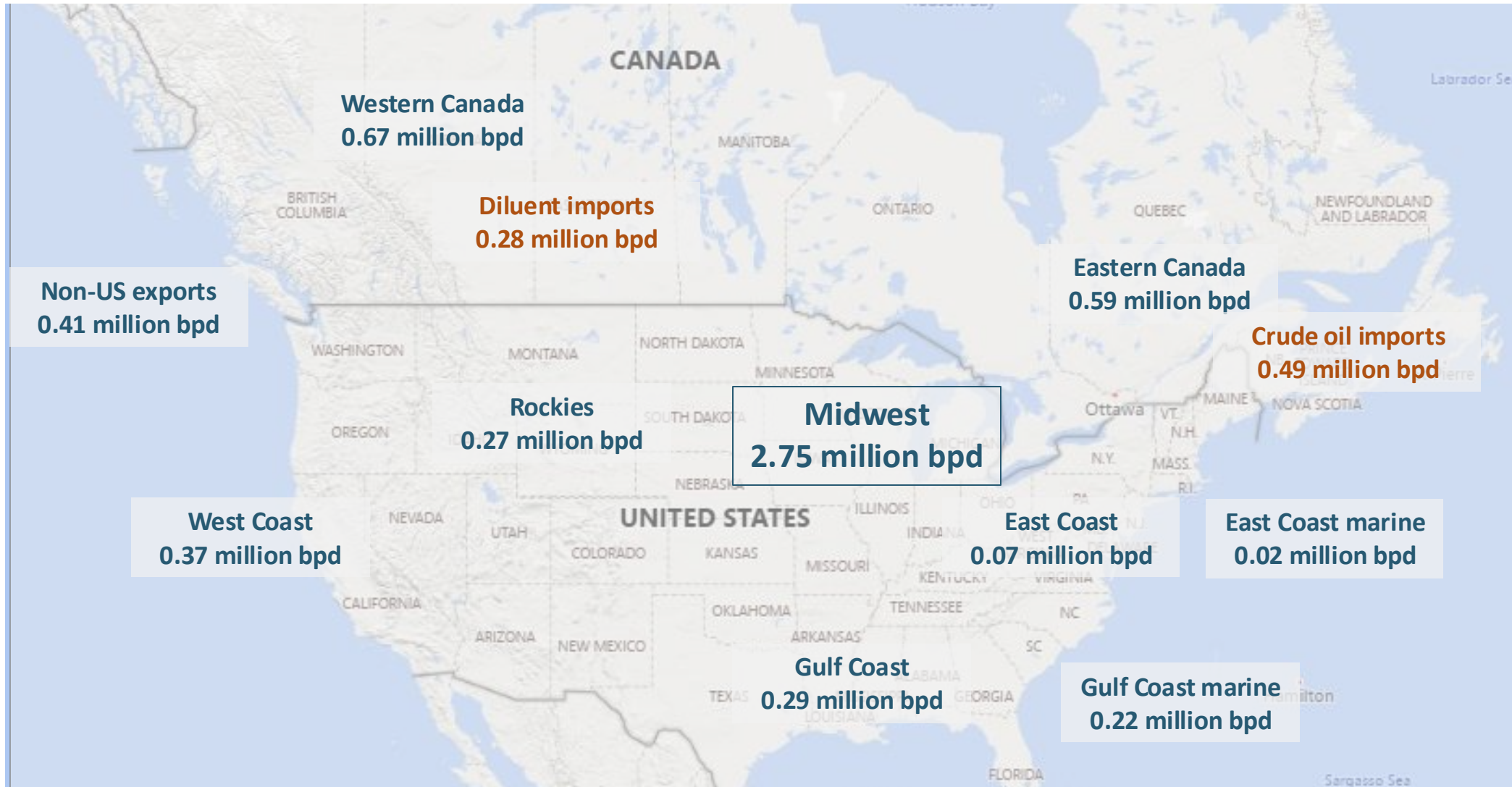
Refining assets may be rationalize or repurposed for petrochemical feedstock production



Source: Rystad Energy Oil Trading Solution

Canadian crude oil disposition in 2025 – 5.35 million bpd of marketable supply, 51% to US Midwest

Pipeline infrastructure exiting US Midwest will become a constraint as Midwest demand falls



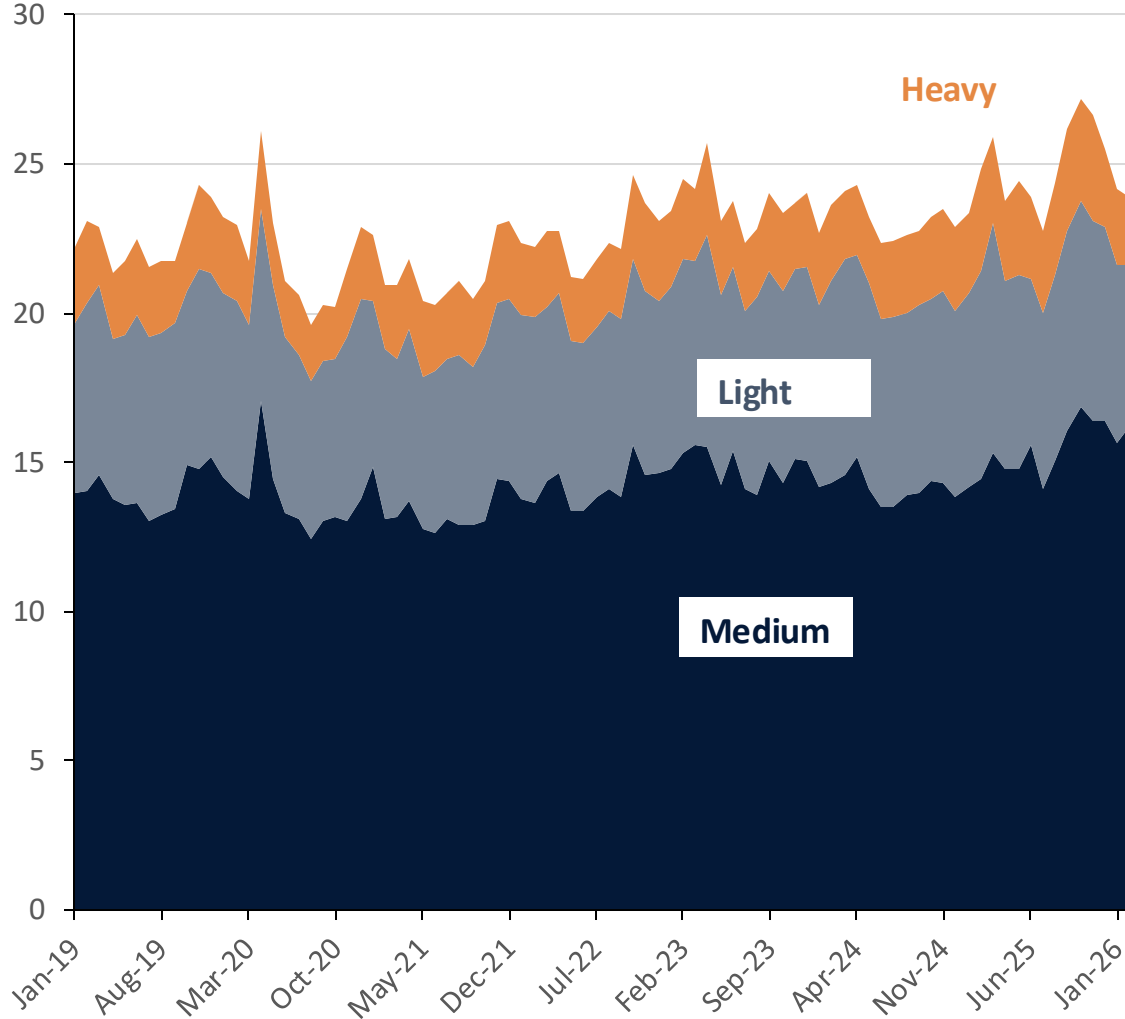
Source: Rystad Energy Oil Trading Solution

Asia markets historically consume over 2.5 million bpd of heavy oil and face declining supplies

Medium substitution for heavier grades is possible as refinery rationalization pressure increases

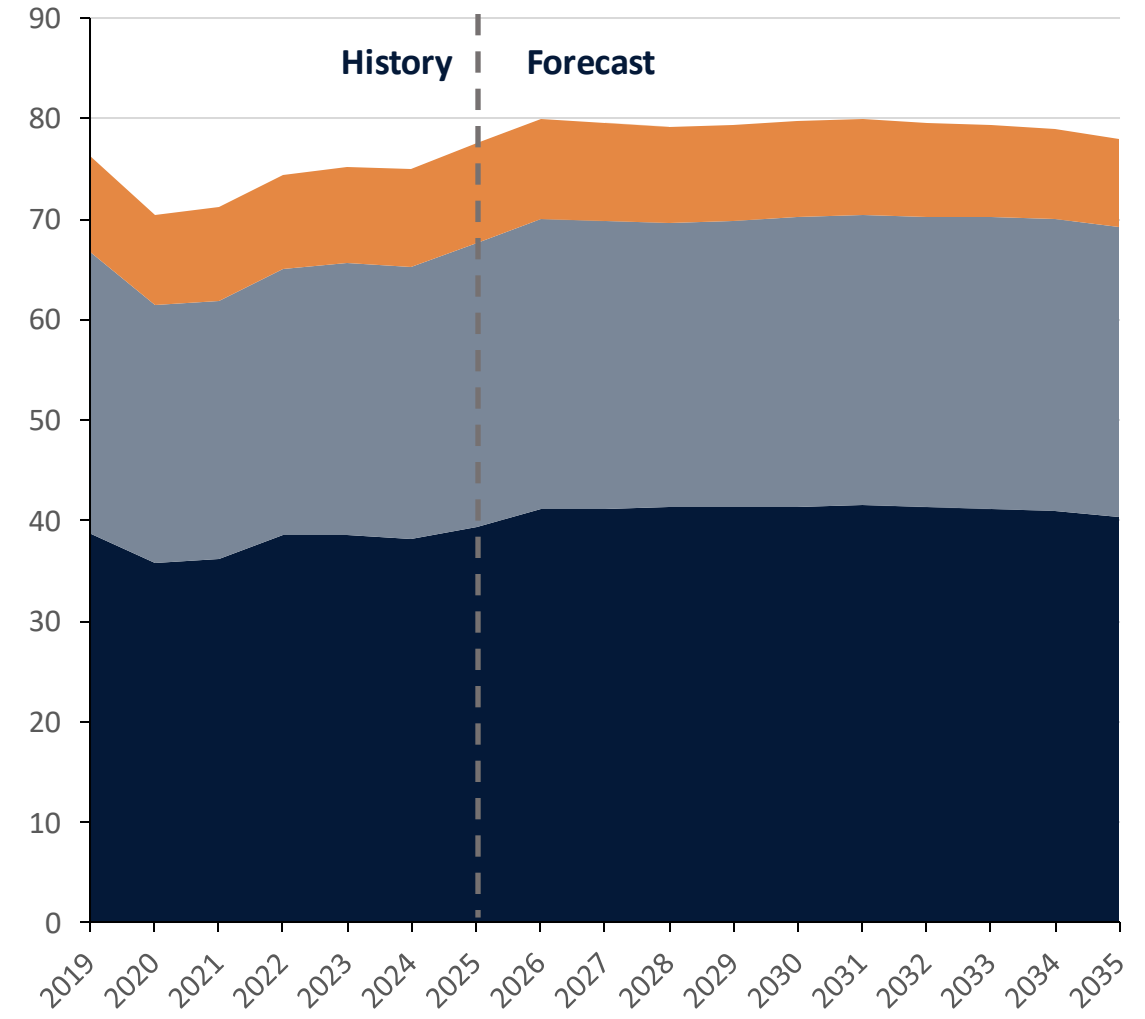
Asia crude oil imports by quality category

Million bpd



Global crude oil production by quality category

Million bpd

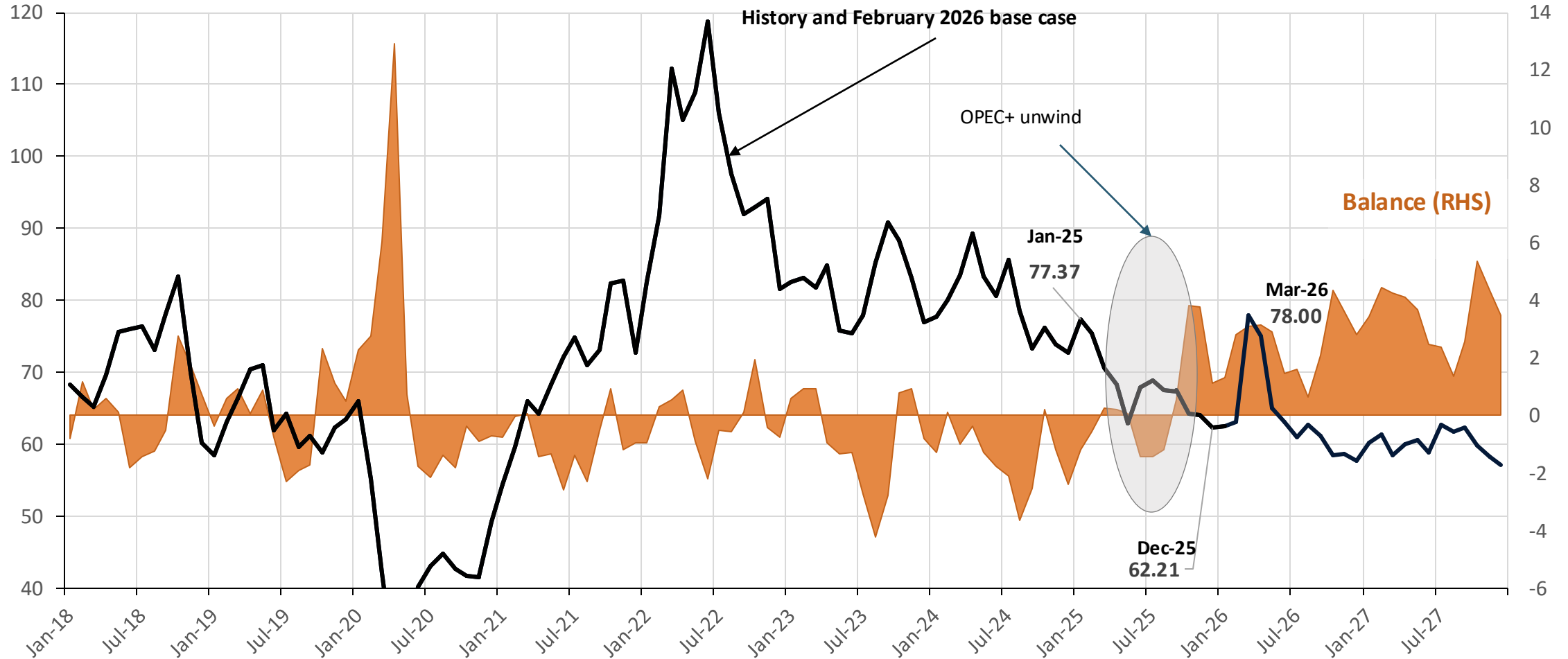


Source: Rystad Energy Oil Trading Solution

Current geopolitical climate, Strait of Hormuz closure drives March 2026 oil prices artificially high

ICE Brent price
Dollars per barrel

Global crude oil balance
Million barrels per day



Price base case assumes OPEC+ pauses in unwinding cuts from January until May for flat production, reduced Russian supply of 300,000 bpd from March until May, upside on demand by 100,000 bpd in 3Q26 and 150,000 bpd in 4Q26 and China stockpiling of 220,000 bpd through 2026.

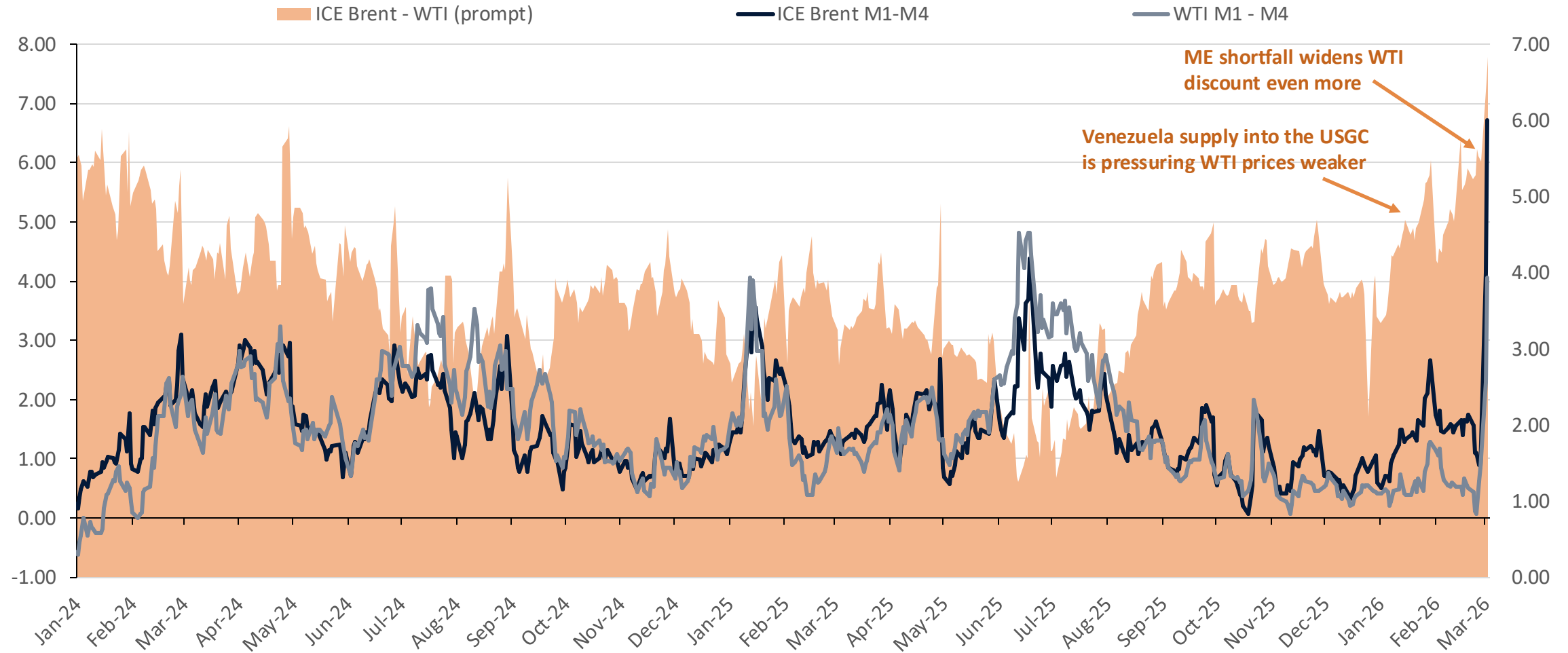
Source: Rystad Energy research and analysis; Rystad Energy Dynamic Oil Price Model; Refinitiv

Venezuelan imports pressure WTI; Cushing vs. Ice Brent differential widens

Canadian grades tied to WTI price

Price differential
Dollars per barrel

Market structure
Dollars per barrel

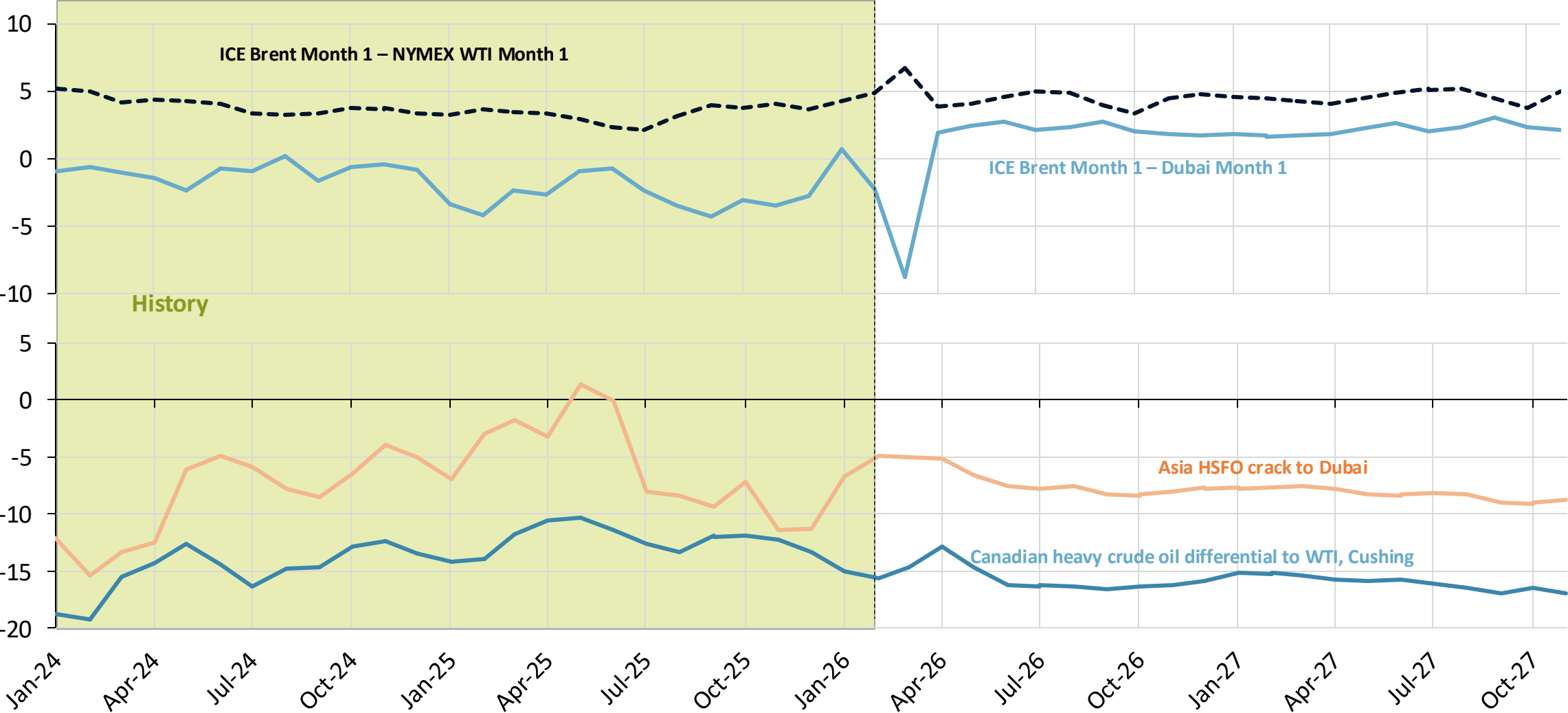


Source: Rystad Energy Oil Trading Solution, Argus

Westbound tidewater access benefits Canadian heavy oil pricing when Asian markets are short

Price differentials

Dollars per barrel

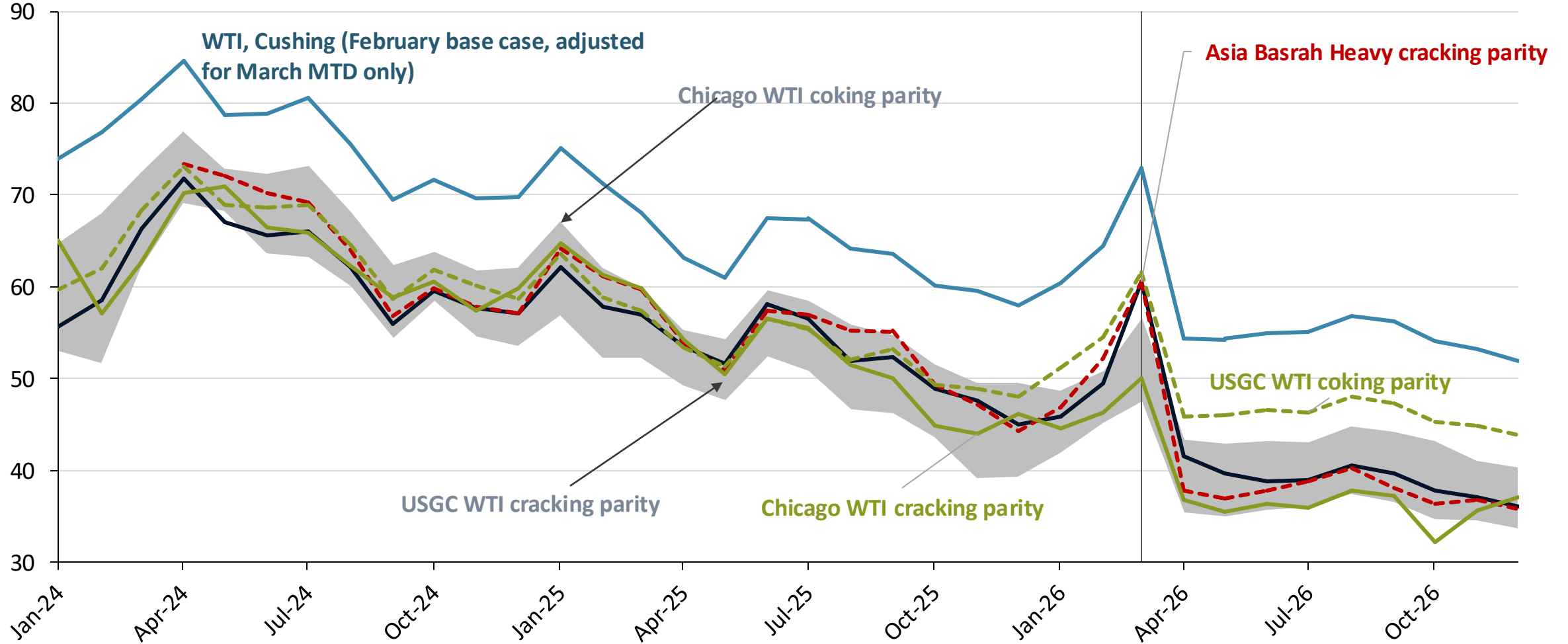


Source: Rystad Energy OilTrading Solution

Canadian heavy crude oil price scenarios – return of Venezuelan supply weakened Canadian heavy differential; Asia pull from Iran crisis supports Canadian heavy through tidewater connection

Canadian heavy crude oil netback price to Edmonton/Hardisty

Dollars per barrel



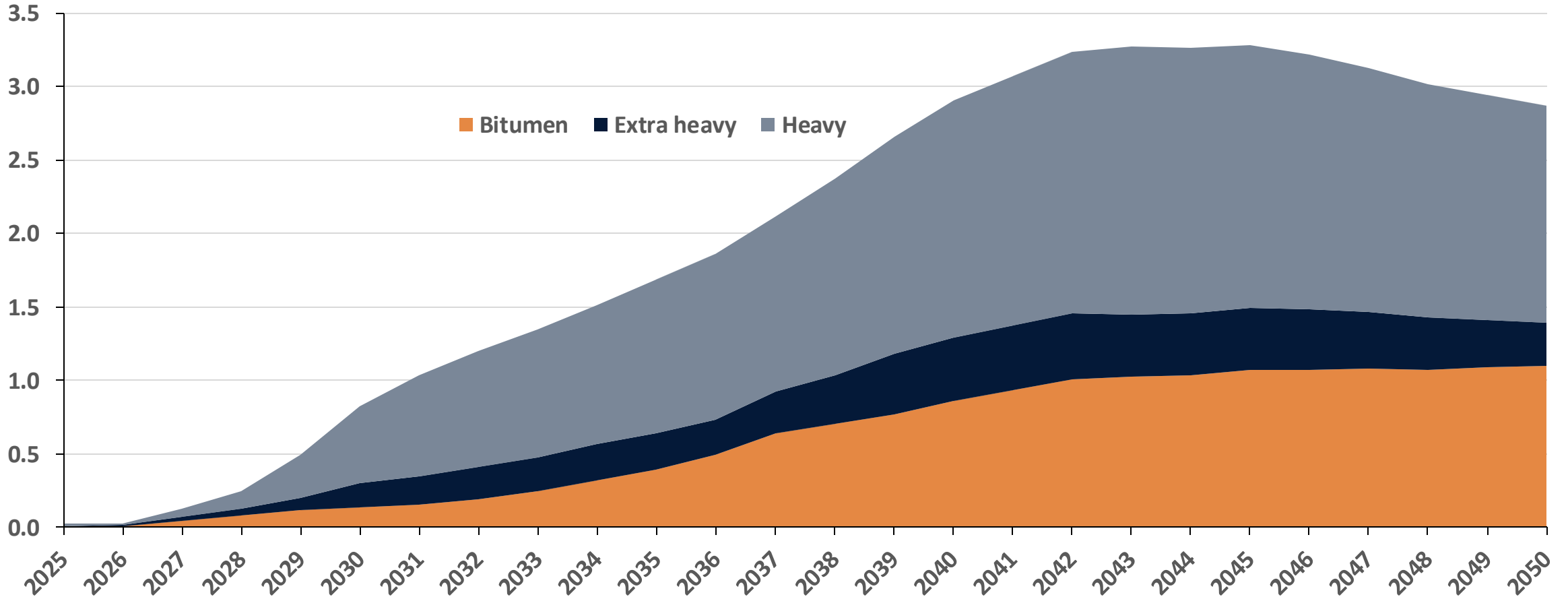
Source: Rystad Energy Oil Trading Solution

The future is bright for Canada's oil industry

Declining supply in mature fields around the world support Canada's growth through the late 2030's

Global yet-to-develop heavy crude oil supply

Million barrels per day



Source: Rystad Energy Oil Macro Solution

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Navigating the future of **energy**

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