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## Energy, oil, and gas price forecast

The future of industrial carbon pricing  
and the impact of uncertainty  
on decarbonization

December 31, 2024

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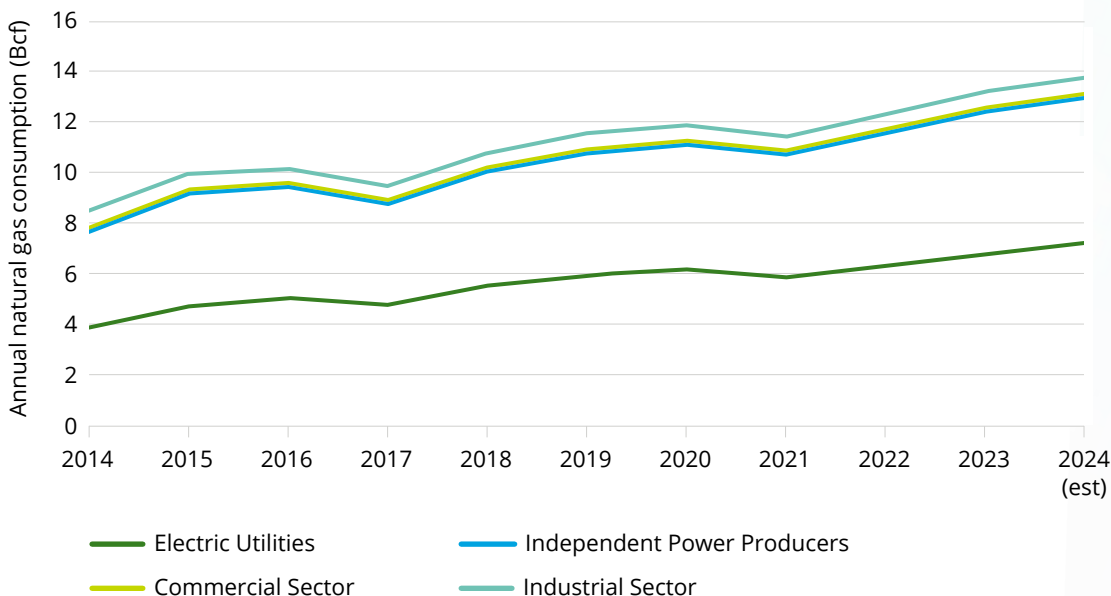
# Forecast commentary

**Natural gas prices have strengthened moving into winter but continue to remain low in both Canada and the United States.** However, several trends point towards increasing prices moving into the new year. As mentioned in prior forecasts, significant LNG export capacity is expected to come online in 2025, including over 4.5 Bcf/d currently under construction in the United States<sup>1</sup> and an estimated 1.8 Bcf/d from LNG Canada. In addition, another 4.5 Bcf/d of export capacity is under construction or proposed in Mexico<sup>2</sup>. In anticipation of LNG Canada's expected start up in mid-2025, the project partners have increased drilling activity in 2024<sup>3,4</sup>, which has depressed prices. Natural gas production in British Columbia has increased an average of five percent in 2024, in spite of persistently low prices<sup>5</sup>. Even though the growth in production will likely continue into 2025, the pressure on prices is expected to be relieved with the incoming LNG export project.

Another trend moving into 2025 is the continued growth of natural gas for use for electricity generation. Recently there has been increased demand for electricity specifically for use at data centers. For several years, data centers were able to offset growth in computing demand with increasing energy efficiency, but the recent growth of AI models has tilted this balance and it is now expected that electricity demand will grow by 160% from current levels by 2030<sup>6</sup>. Due to the nature of data centers, needing an uninterrupted stream of electricity, natural gas is a strong contender to help meet this growth in demand.

According to the EIA, natural gas demand for electricity generation has grown by an average of over 5% per year for the last 10 years, with that growth increasing to an average of 6% per year since 2021.

## Natural gas consumption for electricity generation in the United States



Source: EIA



With abundant natural gas reserves and lower natural gas prices than in the United States, Canada is well positioned to capitalize on the expanding data center needs, which would in turn provide another source of natural gas demand to help soften the volatility often seen in Canadian natural gas prices. This is a strategy that the Alberta government has embraced and has released a roadmap to increasing investment in the province in this area<sup>7</sup>.

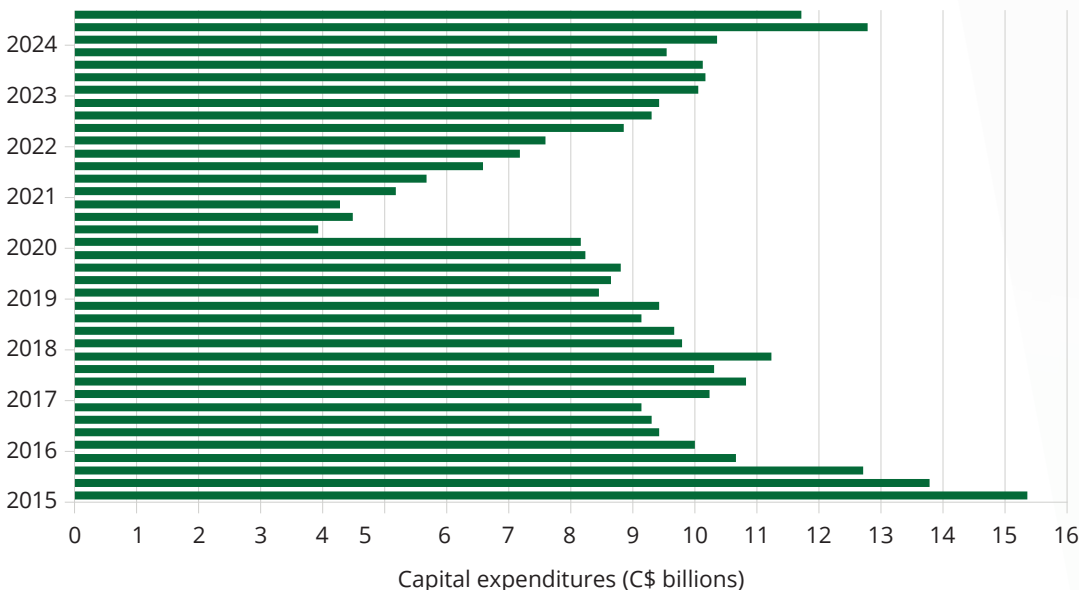
These two trends, increased use of natural gas in electricity generation and increasing demand for LNG exports, are leading to more optimistic views of higher and more stable gas prices.

Another trend in Canadian oil and gas markets in general is strong investment growth which has recently shown growth after stagnating throughout 2023. Investments in Canada's upstream sector steadily increasing from a low

point early 2020, with the pandemic setting in, and is now reaching the highest levels seen since 2017. A total of \$12.8 billion was invested in the sector in the second quarter of 2024 alone<sup>8</sup>. These investments to develop new energy projects, infrastructure, and technologies are focused on positioning the market for growth and include projects such as the LNG Canada export terminal and the expansion of the Trans Mountain pipeline (TMX).

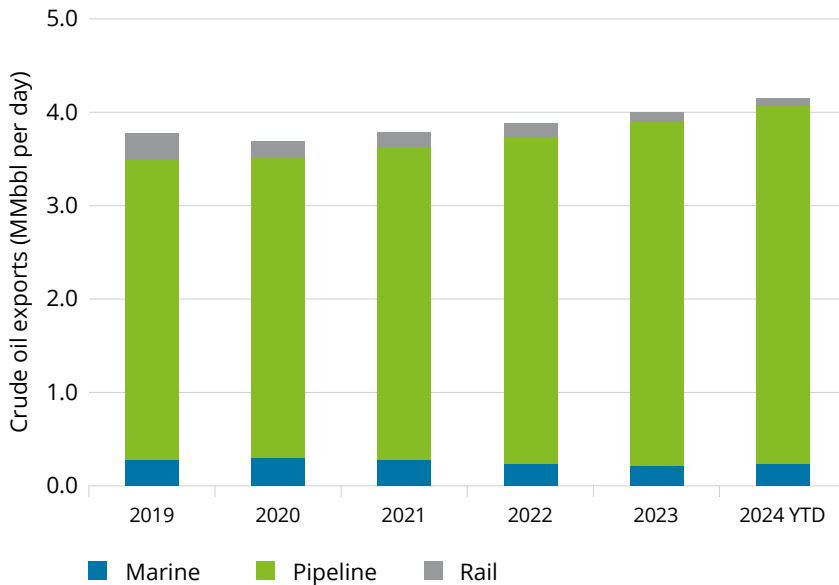
TMX was added alongside the existing Trans Mountain pipeline to move larger volumes of crude oil from Alberta to the coast of British Columbia to then be exported directly to Asian markets. Even with increased global export capacity, Canadian crude exports to the United States have also reached a new record of over four million bbl/d in July 2024<sup>9</sup> as refiners on the United States West Coast have been key buyers of the new volumes.

#### Quarterly capital spending of Canadian oil and gas extraction industries<sup>8</sup>



Source: Statistics Canada

### Canadian crude oil exports by transport mode<sup>9</sup>



Source: Canadian Energy Regulator

Data from Canada's Energy Regulator (CER) illustrates the share of Canadian oil being exported via pipeline has increased by four percent compared to last year, and by 16% since 2019<sup>10</sup>.

While recent investments and export trends have been positive for domestic oil, shifts in political intentions in the energy landscape could drive volatility and

uncertainty. Given that the United States is Canada's largest trading partner, policies implemented by that government will have a substantial impact on the Canadian market. The interdependency between the two countries highlights that decisions made in the United States related to energy policies and tariffs will significantly influence near-term Canadian oil pricing and exchange rate.

#### Endnotes

- <sup>1</sup> United States Energy Information Administration – [United States Liquefaction Capacity](#)
- <sup>2</sup> United States Energy Information Administration – [Initial cargo of liquefied natural gas ships from Mexico](#)
- <sup>3</sup> Daily Oil Bulletin - Shell Canada begins to ramp up – [Activity levels surge as startup of LNG Canada draws nearer](#)
- <sup>4</sup> Daily Oil Bulletin - PETRONAS Energy Canada – [Production volumes surge to new highs in October](#)
- <sup>5</sup> British Columbia Energy Regulator CER – [Production dashboard](#)
- <sup>6</sup> [Goldman Sachs](#)
- <sup>7</sup> Artificial Intelligence Data Centres Strategy | [Alberta.ca](#), accessed December 10, 2024
- <sup>8</sup> Statistics Canada. [Table 25-10-0054-01 Capital expenditures, oil and gas extraction industries, Canada](#)
- <sup>9</sup> United States [Energy Information Administration](#)
- <sup>10</sup> Canada Energy Regulator. [Crude Oil Export Summary](#)

## Spotlight article

# The future of industrial carbon pricing and the impact of uncertainty on decarbonization

By Fiona Simons, Senior Manager, Sustainability and Climate

Discourse around carbon pricing in Canada has become increasingly tied to issues of affordability and economic volatility. Leaders of some federal and provincial parties have campaigned on taking a new approach to emission reduction policies, leaving the future of carbon pricing in Canada in question. In the wake of policy uncertainty, questions have been raised by industry as to how changes in industrial carbon pricing may impact investment decisions.

Carbon pricing across all provinces and territories came into force in 2019, established through the 2018 Greenhouse Gas Pollution Pricing Act. The regulation has two components: the fuel charge, or consumer carbon price, and a performance-based system for industry.

While the federal fuel charge, or consumer carbon price, faces uncertainty, several groups representing heavy industrial sectors like steel and cement have recently called for maintaining the industrial carbon price, arguing it contributes to Canada's competitive advantage and could help to unlock

investment<sup>1</sup>. There are several potential scenarios that could unfold related to the industrial price on carbon, which are referred to as Output-Based Pricing Systems (OBPS). We will touch on some of these scenarios to consider how potential future policy decisions related to the OBPS could impact investment decisions for energy firms looking to invest in decarbonization.

The fuel charge applies to the purchase of fossil fuels such as gasoline, diesel, natural gas, and propane, and is applied at the point of sale, meaning it is included in the price consumers pay for these fuels. It is intended to encourage behavioral change in consumers, though most taxpayers receive a carbon price rebate that exceeds what they pay. While the consumer carbon price has become political fodder, the industrial pricing component is a key part of the cost avoidance mechanism for organizations analyzing investments in decarbonization projects. A maintained federal OBPS combined with better alignment across provincial systems could result in stronger carbon markets and increased Canadian competitiveness<sup>2</sup>.

The OBPS is aimed at reducing emissions from large industrial facilities, such as power plants, oil and gas producers, and manufacturing plants.

The fuel charge, together with the OBPS, form the federal “benchmark”, or minimum national stringency standards that must be met by all Canadian jurisdictions. The OBPS is aimed at reducing emissions from large industrial facilities, such as power plants, oil and gas producers, and manufacturing plants. It requires these facilities to pay for their greenhouse gas emissions above defined allowable emissions thresholds by reducing their emissions through facility operational changes (e.g., fuel switching) or purchasing offsets or emission credits. Some provinces have elected to create their own federally compliant OBPS systems but have specific regulatory applicability to that province with specifics on which emitters are covered under the regulation, the allowable emissions thresholds, and the annual change to emissions thresholds.

This system is intended to encourage companies to invest in cleaner technologies and practices to minimize their emissions and associated costs. The system also looks to minimize the risk of carbon leakage, which is the movement of capital to jurisdictions where carbon pricing is not in place. The cost to large emitters that comes from the OBPS has increasingly become a central piece of financial analysis conducted by companies looking at energy transition investments like electrification or large-scale CCUS to reduce or eliminate compliance costs by reducing emissions.

Companies consider the industrial price on carbon into investment analysis in three primary ways:

1. Risk assessment: Companies evaluate the risks associated with policy changes and the potential financial implications of future regulations aimed at reducing greenhouse gas emissions and, alternatively, the long-term viability and resilience of their business models in a carbon-constrained world.
2. Cost of compliance: Companies assess the financial trade-off of paying compliance costs within the OBPS or purchasing emission allowances and/or offsets.
3. Competitive advantage: Companies consider the potential competitive advantage that can arise from early action on carbon emissions. By investing in low-carbon technologies or practices, companies can position themselves as leaders in sustainability, which can enhance their brand reputation while attracting climate-conscious customers and investors.

For companies to reach investment decisions on these projects, the net cost savings by investing in technology change needs to outweigh the cost of implementation and to date, the financial trade-off has been a challenge for many large-scale investments such as CCUS. This has impacted momentum in the deployment of projects. Capital Power’s cancelled Genesee project is an example of the current challenging economics for these projects and broader slow pace of large capital project deployment<sup>3</sup>. In addition to the policy and regulatory uncertainty, a common thread across all three scenarios is the fundamental question of how to unlock investment.

The Canadian economy is largely resource-based and decarbonizing a trade-exposed industry, such as oil and gas, is a significant challenge.

The federal government must review all carbon pricing systems in Canada by 2026 to ensure they are compliant with the federal regulation. Additionally, by 2026 Canada must conduct a review of the federal benchmark as part of

#### **Scenario 1: Current trajectory continues**

If the current federal government remains in power and maintains its stated ambition for increased stringency between now and 2030, then the current trajectory continues. As part of the 2026 review, it is likely the federal OBPS will be further tightened, and other measures under the OBPS could be updated such as an expanded number of facilities covered. Depending on the change(s) made,

Should there be a new government elected in 2025 or sooner, a decision on what to do with the OBPS stringency is likely to be one of the first decisions of substance related to tackling rising emissions put in front of a new cabinet.

a legislated interim review under the *Pan-Canadian Approach to Carbon Pollution Pricing 2023-2030*<sup>4</sup>. This includes a review of the OBPS stringency, which is the annual change, or tightening, to the emissions threshold. The outcome of this review could lead to a shift in investment decisions for energy companies and future decarbonization projects. A number of scenarios could play out with respect to the evolution of this regulation, in the event of a change in government or a change in government priorities some scenarios are more likely than others. Should there be a new government elected in 2025 or sooner, a decision on what to do with the OBPS stringency is likely to be one of the first decisions of substance related to tackling rising emissions put in front of a new cabinet. Federal officials have begun or will begin soon to discuss amending the stringency of the OBPS with provinces that fall under the federal backstop.

provincial industrial pricing systems may need to similarly be altered. Companies will need to consider the increased cost of compliance as facilities operate under a potentially more stringent regulation and could incentivize more investment in decarbonization projects, while some firms may make the decision to invest in jurisdictions with a lower regulatory burden. The regulation may act as incentive for investment and innovation as firms look to reduce their emissions.

#### **Scenario 2: Stringency remains unchanged, regulation remains in place**

In a scenario where there is a change of government before the end of 2025, a new government may choose to maintain the current level of the OBPS, balancing the need to maintain policy certainty while encouraging investment in innovation<sup>5</sup>. Under this scenario, it is likely that the fuel charge will be removed, leaving the OBPS as the only federal mechanism for pricing carbon.



### **Scenario 3: Stringency is lowered and additional regulatory measures under OBPS weakened**

This scenario also assumes a change in government occurs, but with action to limit the impact of carbon pricing in both forms. The regulation could remain in place but may be weakened significantly, through lessening the stringency of the emissions thresholds. With this shift, the business case to invest in decarbonization technology and alternative fuels becomes significantly more challenging. This scenario sees a delay or cancellation of investments in major decarbonization projects, in favour of farther out market signals for industrial transformation.

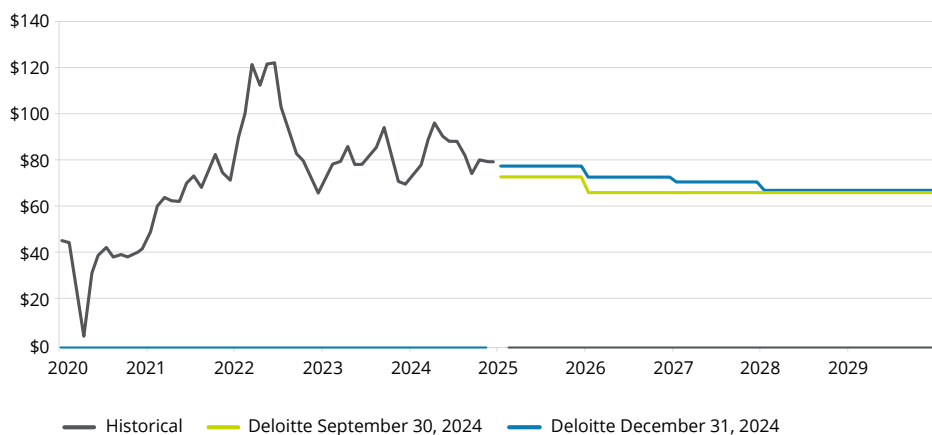
A looming election can have many ripple effects within the industry and the outcome of the review is just one of them. Companies should be considering changes to the policy landscape that could come from a change in government, from national policies to granular regulatory changes, and the impacts they will have on Canadian innovation and investment decisions. The challenge of unlocking investment in large-scale decarbonization projects is something all companies and policymakers must proactively look to overcome through policy consistency and coordination.

#### **Endnotes**

- <sup>1</sup> [Carbon Markets Sign on Letter v Final](#)
- <sup>2</sup> [C3 Industrial Decarbonization.pdf](#)
- <sup>3</sup> [Plans for \\$2.4B carbon capture and storage project near Edmonton have been cancelled | CBC News](#)
- <sup>4</sup> [Update to the Pan-Canadian Approach to Carbon Pollution Pricing 2023-2030 - Canada.ca](#)
- <sup>5</sup> [Why industrial carbon pricing may survive in Canada despite 'axe-the-tax' sentiment | CBC News](#)

# Canadian domestic price forecast

## Crude oil price and market demand forecast Hardisty WCS (real \$)



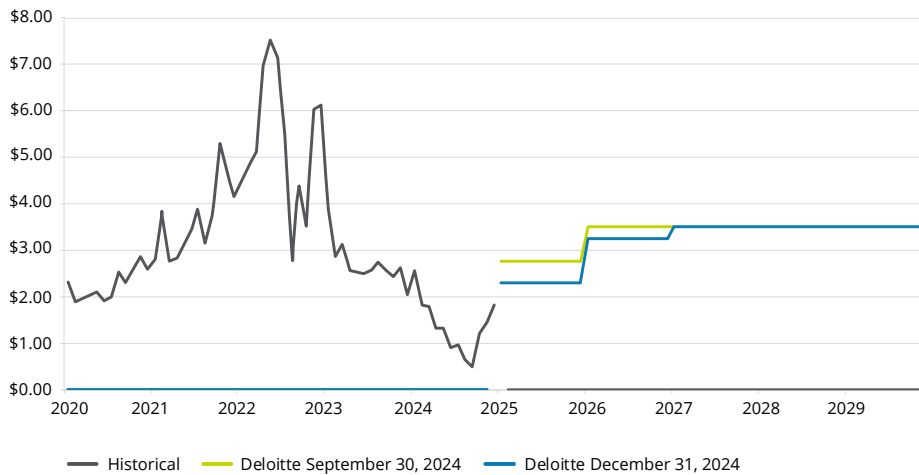
### Forecast comments

WCS is forecast as a differential to WTI. This differential is based on Western Canadian Select Crude Oil Futures.

Year	WTI Cushing, OK (40 API) US\$/bbl Real	WTI Cushing, OK (40 API) US\$/bbl Current	Edmonton City Gate (40 API) C\$/bbl Real	Edmonton City Gate (40 API) C\$/bbl Current	WCS Hardisty (20.5 API) C\$/bbl Current	Heavy Oil Hardisty (12 API) C\$/bbl Current	Cost inflation Rate	CAD to USD exchange Rate
<b>Historical</b>								
2021	\$78.57	\$67.99	\$92.87	\$80.36	\$68.21	\$63.82	3.4%	0.798
2022	\$105.82	\$94.79	\$133.38	\$119.47	\$96.96	\$92.06	6.8%	0.769
2023	\$80.78	\$77.64	\$103.29	\$99.27	\$80.17	\$72.95	3.9%	0.741
<b>2024</b>								
12 mths H	\$76.44	\$76.44	\$97.03	\$97.03	\$83.56	\$78.98	2.4%	0.731
0 mths F	-	-	-	-	-	-	-	-
Avg.	\$76.44	\$76.44	\$97.03	\$97.03	\$83.56	\$78.98	-	0.731
<b>Forecast</b>								
2025	\$70.00	\$70.00	\$91.65	\$91.65	\$77.80	\$73.80	0.0%	0.720
2026	\$68.00	\$69.35	\$86.50	\$88.25	\$74.40	\$70.35	2.0%	0.740
2027	\$68.00	\$70.75	\$85.55	\$89.00	\$73.90	\$69.75	2.0%	0.760
2028	\$68.00	\$72.15	\$81.25	\$86.20	\$71.65	\$67.40	2.0%	0.800
2029	\$68.00	\$73.60	\$81.25	\$87.95	\$73.05	\$68.75	2.0%	0.800
2030	\$68.00	\$75.10	\$81.25	\$89.70	\$74.55	\$70.10	2.0%	0.800
2031	\$68.00	\$76.60	\$81.25	\$91.50	\$76.00	\$71.50	2.0%	0.800
2032	\$68.00	\$78.10	\$81.25	\$93.35	\$77.55	\$72.95	2.0%	0.800

## Canadian domestic price forecast

### Natural gas price and market demand forecast AECO natural gas (real \$)



### Forecast comments

The AECO natural gas price is forecast based on historical differentials to Henry Hub and future contracts traded on the NGX based in Calgary.

Year	AB Ref.	AB AECO	AB AECO	BC Direct	NYMEX	NYMEX
	Avg. price	Avg. price	Avg. price	Station 2 sales	Henry Hub	Henry Hub
	C\$/Mcf	C\$/Mcf	C\$/Mcf	C\$/Mcf	US\$/Mcf	US\$/Mcf
	Current	Real	Current	Current	Real	Current
<b>Historical</b>						
2021	\$3.27	\$4.21	\$3.64	\$3.34	\$4.52	\$3.91
2022	\$5.05	\$5.98	\$5.36	\$4.56	\$7.16	\$6.42
2023	\$2.59	\$2.80	\$2.69	\$2.23	\$2.64	\$2.54
<b>2024</b>						
12 mths H	\$1.17	\$1.36	\$1.36	\$1.08	\$2.18	\$2.18
0 mths F	-	-	-	-	-	-
Avg.	\$1.17	\$1.36	\$1.36	\$1.08	\$2.18	\$2.18
<b>Forecast</b>						
2025	\$2.15	\$2.30	\$2.30	\$2.00	\$3.25	\$3.25
2026	\$3.15	\$3.25	\$3.30	\$3.00	\$3.75	\$3.85
2027	\$3.50	\$3.50	\$3.65	\$3.35	\$4.00	\$4.15
2028	\$3.55	\$3.50	\$3.70	\$3.40	\$4.00	\$4.25
2029	\$3.65	\$3.50	\$3.80	\$3.45	\$4.00	\$4.35
2030	\$3.70	\$3.50	\$3.85	\$3.55	\$4.00	\$4.40
2031	\$3.75	\$3.50	\$3.95	\$3.60	\$4.00	\$4.50
2032	\$3.85	\$3.50	\$4.00	\$3.70	\$4.00	\$4.60

# International price forecast

## Crude oil price and market demand forecast

Year	Avg. WTI Spot	Brent Spot (38.3 API with 0.37% sulphur content)	Gulf Coast ASCI/MARS	Avg. OPEC Basket	Nigerian Bonny Light (33.4 API FOB)	Mexico Maya (21.8 API FOB)	Russia Urals (31.7 API FOB)
	US\$/bbl Current	US\$/bbl Current	US\$/bbl Current	US\$/bbl Current	US\$/bbl Current	US\$/bbl Current	US\$/bbl Current
<b>Forecast</b>							
2025	\$70.00	\$73.00	\$68.50	\$72.00	\$74.50	\$61.00	\$60.00
2026	\$69.35	\$72.40	\$67.85	\$71.40	\$73.95	\$60.20	\$62.20
2027	\$70.75	\$73.85	\$69.20	\$72.85	\$75.45	\$61.40	\$68.65
2028	\$72.15	\$75.35	\$70.55	\$74.30	\$76.95	\$62.60	\$70.05
2029	\$73.60	\$76.85	\$72.00	\$75.75	\$78.50	\$63.85	\$71.45
2030	\$75.10	\$78.40	\$73.40	\$77.30	\$80.05	\$65.15	\$72.85
2031	\$76.60	\$79.95	\$74.90	\$78.85	\$81.65	\$66.45	\$74.35
2032	\$78.10	\$81.55	\$76.40	\$80.40	\$83.30	\$67.75	\$75.80

- International crude quality reference points for OPEC Basket, Venezuelan, Nigerian, UAE, Mexican, Chinese, Russian, and Indonesian crudes are now based on Brent in US dollars. For the purposes of this forecast, Brent is receiving a premium to WTI on the world markets.
- Current forecasts for other crude oil reference points are based on historical trends to the WTI price.
- Brent, United Kingdom crude is based on 38.3°API with 0.37% sulphur content. Brent blend is a light sweet North Sea crude oil that serves as an international benchmark grade.
- United States Gulf Coast Argus Sour Crude Index (ASCI) is a blend of offshore Gulf Coast oil from Mars, Poseidon, and Southern Green Canyon.
- OPEC Basket represents the current grouping of crude oil prices from OPEC member countries.
- Russia Urals 31.7°API is the FOB delivered price to the Mediterranean destinations.

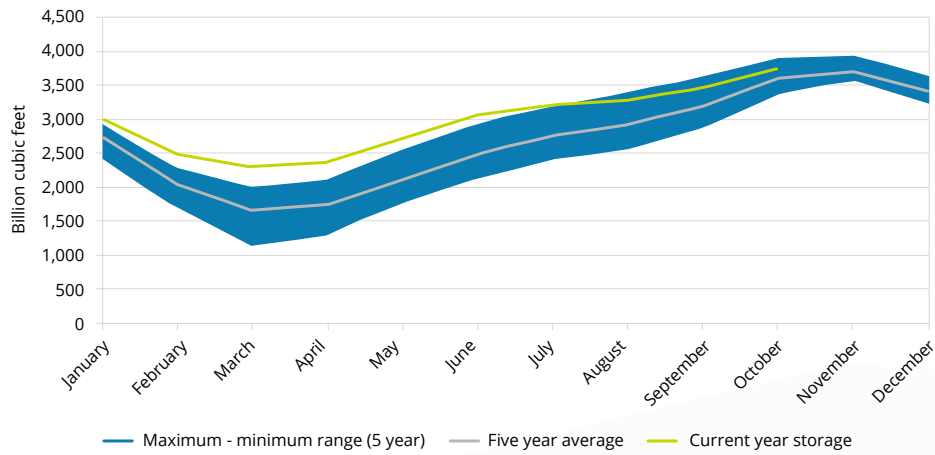
## Natural gas price and market demand forecast

Year	USD to GBP Exchange	USD to EUR Exchange	NYMEX Henry Hub	Permian Waha	San Juan Ignacio	Rocky Mountain Opal	UK NBP	Dutch TTF	Global LNG Asia (ANEA)	India domestic gas
	Rate	Rate	US\$/Mcf Current	US\$/Mcf Current	US\$/Mcf Current	US\$/Mcf Current	US\$/Mcf Current	US\$/Mcf Current	US\$/Mcf Current	US\$/Mcf Current
<b>Forecast</b>										
2025	1.25	1.05	\$3.25	\$1.25	\$2.95	\$3.05	\$13.25	\$13.40	\$15.25	\$7.20
2026	1.30	1.10	\$3.85	\$3.05	\$3.50	\$3.60	\$11.50	\$11.65	\$13.50	\$7.15
2027	1.30	1.10	\$4.15	\$3.40	\$3.85	\$3.95	\$9.90	\$10.05	\$11.95	\$7.25
2028	1.30	1.10	\$4.25	\$3.45	\$3.95	\$4.05	\$10.10	\$10.25	\$12.20	\$7.40
2029	1.30	1.10	\$4.35	\$3.50	\$4.00	\$4.10	\$10.30	\$10.45	\$12.45	\$7.55
2030	1.30	1.10	\$4.40	\$3.60	\$4.10	\$4.20	\$10.50	\$10.65	\$12.70	\$7.70
2031	1.30	1.10	\$4.50	\$3.65	\$4.15	\$4.30	\$10.70	\$10.85	\$12.95	\$7.85
2032	1.30	1.10	\$4.60	\$3.75	\$4.25	\$4.35	\$10.90	\$11.10	\$13.20	\$8.05



# Global trends

## US natural gas storage



## Storage

### United States

Natural gas storage in the United States has continued to trend towards the five year average as US exports remained strong and production remained flat throughout the year.

Source: Baker Hughes

## Rigs

### United States

Oil and gas rig counts have leveled off after dropping through the summer. Continued low gas prices and fears of weakening oil prices may keep rig counts flat or decreasing through the winter.

### Canada

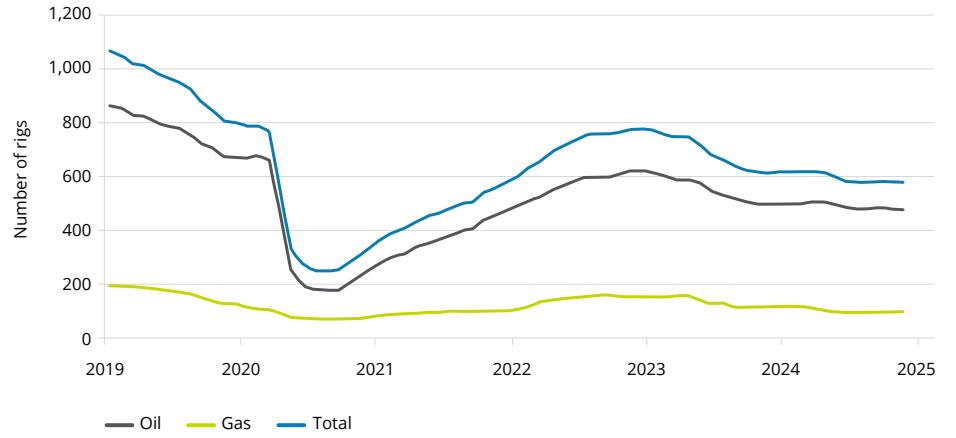
Oil and gas rig counts in Canada have been strong compared to recent years in spite of lower commodity prices, driven by increased oil drilling and helped by steady year over year gas drilling.

### International

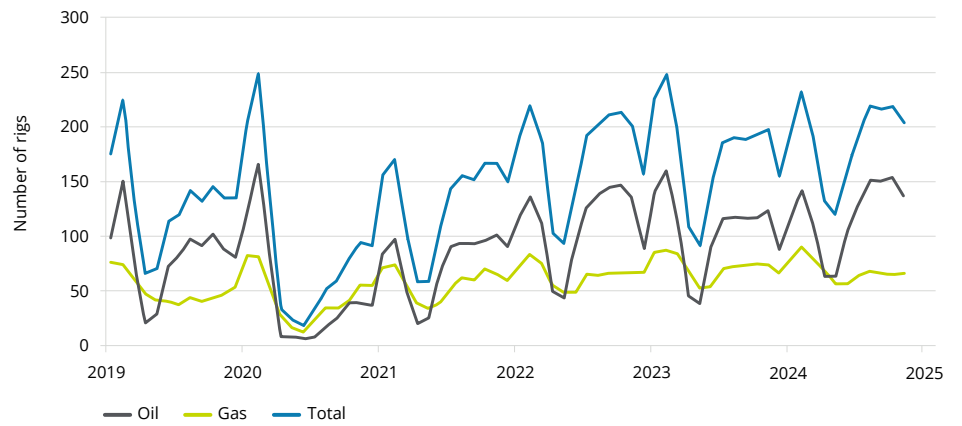
Rig counts have remained relatively stable across the globe for much of 2024.

\*Source: Baker Hughes

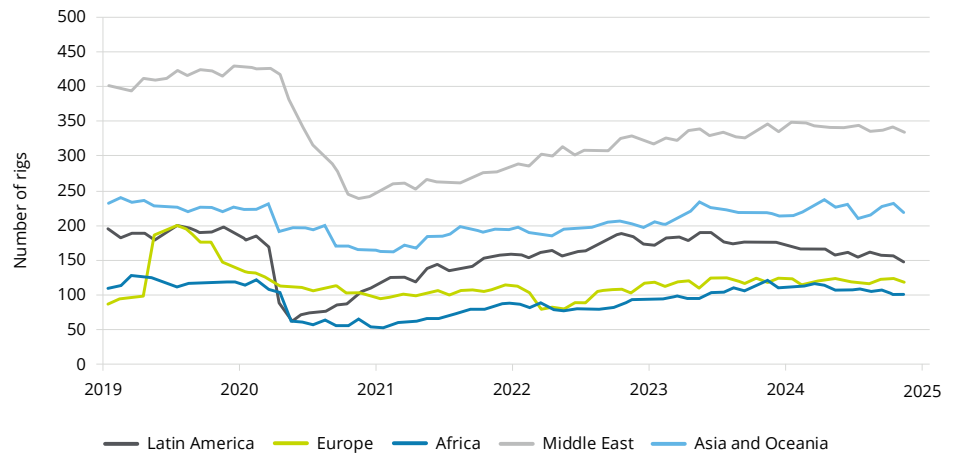
### United States\*



### Canada\*



### International\*



# Canadian domestic price tables

Crude oil pricing								
Year	Price inflation	Cost inflation	CAD to USD exchange	WTI at Cushing Oklahoma	WTI at Cushing Oklahoma	Edmonton City Gate	Edmonton City Gate	WCS 20.5 deg. API Hardisty
	Rate	Rate	Rate	US\$/bbl Real	US\$/bbl Current	C\$/bbl Real	C\$/bbl Current	C\$/bbl Current
<b>Historical</b>								
2014	1.9%	1.9%	0.906	\$120.44	\$93.26	\$121.39	\$94.00	\$81.06
2015	1.1%	1.1%	0.783	\$61.68	\$48.69	\$72.20	\$57.00	\$44.80
2016	1.4%	1.4%	0.755	\$54.05	\$43.15	\$65.41	\$52.22	\$38.90
2017	1.6%	1.6%	0.771	\$62.82	\$50.88	\$76.69	\$62.12	\$49.51
2018	2.3%	2.3%	0.772	\$78.88	\$64.94	\$83.97	\$69.13	\$49.89
2019	1.9%	1.9%	0.754	\$67.65	\$56.98	\$81.65	\$68.78	\$57.43
2020	0.7%	0.7%	0.746	\$45.67	\$39.23	\$52.47	\$45.07	\$36.09
2021	3.4%	3.4%	0.798	\$78.57	\$67.99	\$92.87	\$80.36	\$68.21
2022	6.8%	6.8%	0.769	\$105.82	\$94.79	\$133.38	\$119.47	\$96.96
2023	3.9%	3.9%	0.741	\$80.78	\$77.64	\$103.29	\$99.27	\$80.17
<b>2024</b>								
12 mths H	2.4%	2.4%	0.731	\$76.44	\$76.44	\$97.03	\$97.03	\$83.56
0 mths F	0.0%	0.0%	-	-	-	-	-	-
Avg.	N/A	N/A	0.731	\$76.44	\$76.44	\$97.03	\$97.03	\$83.56
<b>Forecast</b>								
2025	0.0%	0.0%	0.720	\$70.00	\$70.00	\$91.65	\$91.65	\$77.80
2026	2.0%	2.0%	0.740	\$68.00	\$69.35	\$86.50	\$88.25	\$74.40
2027	2.0%	2.0%	0.760	\$68.00	\$70.75	\$85.55	\$89.00	\$73.90
2028	2.0%	2.0%	0.800	\$68.00	\$72.15	\$81.25	\$86.20	\$71.65
2029	2.0%	2.0%	0.800	\$68.00	\$73.60	\$81.25	\$87.95	\$73.05
2030	2.0%	2.0%	0.800	\$68.00	\$75.10	\$81.25	\$89.70	\$74.55
2031	2.0%	2.0%	0.800	\$68.00	\$76.60	\$81.25	\$91.50	\$76.00
2032	2.0%	2.0%	0.800	\$68.00	\$78.10	\$81.25	\$93.35	\$77.55
2033	2.0%	2.0%	0.800	\$68.00	\$79.65	\$81.25	\$95.20	\$79.10
2034	2.0%	2.0%	0.800	\$68.00	\$81.25	\$81.25	\$97.10	\$80.65
2035	2.0%	2.0%	0.800	\$68.00	\$82.90	\$81.25	\$99.05	\$82.30
2036	2.0%	2.0%	0.800	\$68.00	\$84.55	\$81.25	\$101.00	\$83.95
2037	2.0%	2.0%	0.800	\$68.00	\$86.25	\$81.25	\$103.05	\$85.60
2038	2.0%	2.0%	0.800	\$68.00	\$87.95	\$81.25	\$105.10	\$87.30
2039	2.0%	2.0%	0.800	\$68.00	\$89.70	\$81.25	\$107.20	\$89.05
2040	2.0%	2.0%	0.800	\$68.00	\$91.50	\$81.25	\$109.35	\$90.85
2041	2.0%	2.0%	0.800	\$68.00	\$93.35	\$81.25	\$111.55	\$92.65
2042	2.0%	2.0%	0.800	\$68.00	\$95.20	\$81.25	\$113.75	\$94.50
2043	2.0%	2.0%	0.800	\$68.00	\$97.10	\$81.25	\$116.05	\$96.40
2044	2.0%	2.0%	0.800	\$68.00	\$99.05	\$81.25	\$118.35	\$98.35
2044+	2.0%	2.0%	0.800	0.0%	2.0%	0.0%	2.0%	2.0%

## Notes

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- Natural Gas Liquid prices are forecasted at Edmonton therefore an additional transportation cost must be included to plant gate sales point
- 1 Mcf is equivalent to 1 mmbtu
- Real prices listed in 2025 dollars with no escalation considered
- Alberta gas prices, except AECO, include an average cost of service to the plant gate
- NGL prices have been switched from a mix reference to a spec reference

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## Canadian domestic price tables

Natural gas liquid pricing Edmonton par prices					Natural gas pricing							Sulphur
Year	Ethane	Propane	Butane	Pentanes + Condensate	AB Reference Avg. price	AB AECO Avg. price	AB AECO Avg. price	BC Direct Stn. 2 sales	NYMEX Henry Hub	NYMEX Henry Hub	AB plant gate	
	C\$/bbl Current	C\$/bbl Current	C\$/bbl Current	C\$/bbl Current	C\$/Mcf Current	C\$/Mcf Real	C\$/Mcf Current	C\$/Mcf Current	US\$/Mcf Real	US\$/Mcf Current	C\$/Lt. Current	
<b>Historical</b>												
2014	\$12.46	\$42.93	\$59.43	\$101.47	\$4.22	\$5.82	\$4.50	\$4.16	\$5.67	\$4.39	\$88.99	
2015	\$7.49	\$5.35	\$33.70	\$55.15	\$2.56	\$3.41	\$2.69	\$1.81	\$3.33	\$2.63	\$107.45	
2016	\$6.04	\$8.71	\$31.45	\$52.43	\$1.93	\$2.70	\$2.16	\$1.75	\$3.15	\$2.52	\$45.40	
2017	\$6.11	\$27.92	\$40.98	\$63.65	\$2.13	\$2.71	\$2.19	\$1.56	\$3.68	\$2.99	\$41.85	
2018	\$6.90	\$29.76	\$46.17	\$75.74	\$1.36	\$1.87	\$1.54	\$1.26	\$3.85	\$3.17	\$89.25	
2019	\$5.00	\$15.82	\$21.40	\$67.57	\$1.48	\$2.15	\$1.81	\$1.02	\$3.05	\$2.57	\$37.54	
2020	\$6.20	\$16.11	\$20.93	\$47.14	\$2.00	\$2.62	\$2.25	\$2.20	\$2.37	\$2.04	\$2.60	
2021	\$10.08	\$45.46	\$40.28	\$82.91	\$3.27	\$4.21	\$3.64	\$3.34	\$4.52	\$3.91	\$69.73	
2022	\$15.05	\$51.37	\$64.88	\$118.21	\$5.05	\$5.98	\$5.36	\$4.56	\$7.16	\$6.42	\$120.05	
2023	\$7.33	\$31.35	\$48.62	\$99.82	\$2.59	\$2.80	\$2.69	\$2.23	\$2.64	\$2.54	\$14.91	
<b>2024</b>												
12 mths H	\$4.09	\$31.64	\$43.38	\$96.01	\$1.17	\$1.36	\$1.36	\$1.08	\$2.18	\$2.18	\$3.69	
0 mths F	-	-	-	-	-	-	-	-	-	-	-	
Avg.	\$4.09	\$31.64	\$43.38	\$96.01	\$1.17	\$1.36	\$1.36	\$1.08	\$2.18	\$2.18	\$3.69	
<b>Forecast</b>												
2025	\$6.45	\$27.50	\$41.25	\$91.65	\$2.15	\$2.30	\$2.30	\$2.00	\$3.25	\$3.25	\$25.00	
2026	\$9.30	\$26.45	\$39.75	\$88.25	\$3.15	\$3.25	\$3.30	\$3.00	\$3.75	\$3.85	\$51.00	
2027	\$10.20	\$26.70	\$40.05	\$89.00	\$3.50	\$3.50	\$3.65	\$3.35	\$4.00	\$4.15	\$52.00	
2028	\$10.40	\$25.90	\$38.80	\$86.20	\$3.55	\$3.50	\$3.70	\$3.40	\$4.00	\$4.25	\$53.05	
2029	\$10.60	\$26.40	\$39.55	\$87.95	\$3.65	\$3.50	\$3.80	\$3.45	\$4.00	\$4.35	\$54.10	
2030	\$10.80	\$26.95	\$40.35	\$89.70	\$3.70	\$3.50	\$3.85	\$3.55	\$4.00	\$4.40	\$55.20	
2031	\$11.05	\$27.50	\$41.15	\$91.50	\$3.75	\$3.50	\$3.95	\$3.60	\$4.00	\$4.50	\$56.30	
2032	\$11.25	\$28.05	\$42.00	\$93.35	\$3.85	\$3.50	\$4.00	\$3.70	\$4.00	\$4.60	\$57.45	
2033	\$11.50	\$28.60	\$42.80	\$95.20	\$3.95	\$3.50	\$4.10	\$3.75	\$4.00	\$4.70	\$58.60	
2034	\$11.70	\$29.15	\$43.70	\$97.10	\$4.00	\$3.50	\$4.20	\$3.80	\$4.00	\$4.80	\$59.75	
2035	\$11.95	\$29.75	\$44.55	\$99.05	\$4.10	\$3.50	\$4.25	\$3.90	\$4.00	\$4.90	\$60.95	
2036	\$12.20	\$30.35	\$45.45	\$101.00	\$4.15	\$3.50	\$4.35	\$4.00	\$4.00	\$4.95	\$62.15	
2037	\$12.45	\$30.95	\$46.35	\$103.05	\$4.25	\$3.50	\$4.45	\$4.05	\$4.00	\$5.05	\$63.40	
2038	\$12.70	\$31.55	\$47.30	\$105.10	\$4.35	\$3.50	\$4.55	\$4.15	\$4.00	\$5.15	\$64.70	
2039	\$12.95	\$32.20	\$48.25	\$107.20	\$4.40	\$3.50	\$4.60	\$4.20	\$4.00	\$5.30	\$65.95	
2040	\$13.20	\$32.85	\$49.20	\$109.35	\$4.50	\$3.50	\$4.70	\$4.30	\$4.00	\$5.40	\$67.30	
2041	\$13.45	\$33.50	\$50.20	\$111.55	\$4.60	\$3.50	\$4.80	\$4.40	\$4.00	\$5.50	\$68.65	
2042	\$13.70	\$34.15	\$51.20	\$113.75	\$4.70	\$3.50	\$4.90	\$4.50	\$4.00	\$5.60	\$70.00	
2043	\$14.00	\$34.85	\$52.20	\$116.05	\$4.80	\$3.50	\$5.00	\$4.55	\$4.00	\$5.70	\$71.40	
2044	\$14.30	\$35.55	\$53.25	\$118.35	\$4.90	\$3.50	\$5.10	\$4.65	\$4.00	\$5.85	\$72.85	
2044+	2.0%	2.0%	2.0%	2.0%	2.0%	0.0%	2.0%	2.0%	0.0%	2.0%	2.0%	

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## Canadian domestic price tables

### Additional crude reference prices

Crude oil pricing				Natural gas pricing	
Year	Lt. Sour 35 deg. API Cromer, SK	MSO 31 deg. API Hardisty	Syncrude Sweet Premium 32.5 deg. API	Ontario Dawn Reference Point	
	C\$/bbl Current	C\$/bbl Current	C\$/bbl Current	C\$/Mcf Current	
<b>Historical</b>					
2014	\$92.91	\$89.39		\$5.76	
2015	\$55.46	\$54.70		\$3.72	
2016	\$51.37	\$48.29		\$3.46	
2017	\$62.06	\$58.16		\$3.97	
2018	\$73.06	\$62.82		\$4.07	
2019	\$69.68	\$65.72		\$3.22	
2020	\$45.41	\$43.55		\$2.51	
2021	\$80.08	\$76.58	\$83.62	\$4.55	
2022	\$117.99	\$113.47	\$128.10	\$7.92	
2023	\$98.03	\$93.82	\$106.17	\$3.19	
<b>2024</b>					
12 mths H	\$95.62	\$93.84	\$102.89	\$2.62	
0 mths F	-	-	-	-	
Avg.	\$95.62	\$93.84	\$102.89	\$2.62	
<b>Forecast</b>					
2025	\$90.65	\$89.65	\$96.80	\$4.10	
2026	\$87.20	\$84.15	\$93.80	\$4.75	
2027	\$87.95	\$84.85	\$93.70	\$5.05	
2028	\$85.15	\$82.00	\$91.80	\$5.15	
2029	\$86.85	\$83.60	\$93.65	\$5.25	
2030	\$88.60	\$85.30	\$95.50	\$5.35	
2031	\$90.35	\$87.00	\$97.40	\$5.45	
2032	\$92.20	\$88.75	\$99.35	\$5.55	
2033	\$94.05	\$90.50	\$101.35	\$5.70	
2034	\$95.90	\$92.30	\$103.40	\$5.80	
2035	\$97.80	\$94.15	\$105.45	\$5.90	
2036	\$99.80	\$96.05	\$107.55	\$6.05	
2037	\$101.80	\$97.95	\$109.70	\$6.15	
2038	\$103.80	\$99.95	\$111.90	\$6.25	
2039	\$105.90	\$101.95	\$114.15	\$6.40	
2040	\$108.00	\$103.95	\$116.40	\$6.55	
2041	\$110.15	\$106.05	\$118.75	\$6.65	
2042	\$112.35	\$108.15	\$121.10	\$6.80	
2043	\$114.60	\$110.35	\$123.55	\$6.95	
2044	\$116.90	\$112.55	\$126.00	\$7.05	
2044+	2.0%	2.0%	2.0%	2.0%	

### Notes

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# International price tables

Crude oil pricing															
Year	Avg. WTI Spot	Alaskan North Slope	California Midway-Sunset	Louisiana Light Sweet	Gulf Coast ASCI/MARS	Wyoming Sweet	Brent Spot	Avg. OPEC Basket	Venezuelan Merey	Nigerian Bonny Light	Arabia UAE Dubai Feteh	UAE Murban	Mexico Maya	Russia Urals	Indonesia Minas
	US\$/bbl Current	US\$/bbl Current	US\$/bbl Current	US\$/bbl Current	US\$/bbl Current	US\$/bbl Current	US\$/bbl Current	US\$/bbl Current	US\$/bbl Current	US\$/bbl Current	US\$/bbl Current	US\$/bbl Current	US\$/bbl Current	US\$/bbl Current	US\$/bbl Current
<b>Forecast</b>															
2025	\$70.00	\$64.00	\$67.00	\$71.00	\$68.50	\$65.00	\$73.00	\$72.00	\$58.00	\$74.50	\$71.50	\$72.25	\$61.00	\$60.00	\$76.00
2026	\$69.35	\$63.25	\$66.30	\$70.40	\$67.85	\$64.25	\$72.40	\$71.40	\$57.10	\$73.95	\$70.90	\$71.65	\$60.20	\$62.20	\$75.50
2027	\$70.75	\$64.50	\$67.65	\$71.80	\$69.20	\$65.55	\$73.85	\$72.85	\$58.25	\$75.45	\$72.30	\$73.10	\$61.40	\$68.65	\$77.00
2028	\$72.15	\$65.80	\$69.00	\$73.20	\$70.55	\$66.85	\$75.35	\$74.30	\$59.45	\$76.95	\$73.75	\$74.55	\$62.60	\$70.05	\$78.55
2029	\$73.60	\$67.10	\$70.35	\$74.70	\$72.00	\$68.20	\$76.85	\$75.75	\$60.60	\$78.50	\$75.25	\$76.05	\$63.85	\$71.45	\$80.10
2030	\$75.10	\$68.45	\$71.75	\$76.20	\$73.40	\$69.55	\$78.40	\$77.30	\$61.85	\$80.05	\$76.75	\$77.55	\$65.15	\$72.85	\$81.70
2031	\$76.60	\$69.80	\$73.20	\$77.70	\$74.90	\$70.95	\$79.95	\$78.85	\$63.05	\$81.65	\$78.25	\$79.10	\$66.45	\$74.35	\$83.35
2032	\$78.10	\$71.20	\$74.65	\$79.25	\$76.40	\$72.35	\$81.55	\$80.40	\$64.35	\$83.30	\$79.85	\$80.70	\$67.75	\$75.80	\$85.00
2033	\$79.65	\$72.65	\$76.15	\$80.85	\$77.90	\$73.80	\$83.20	\$82.00	\$65.60	\$84.95	\$81.45	\$82.30	\$69.15	\$77.35	\$86.70
2034	\$81.25	\$74.10	\$77.70	\$82.45	\$79.45	\$75.30	\$84.85	\$83.65	\$66.95	\$86.65	\$83.05	\$83.95	\$70.50	\$78.90	\$88.45
2035	\$82.90	\$75.60	\$79.25	\$84.10	\$81.05	\$76.80	\$86.55	\$85.35	\$68.25	\$88.40	\$84.70	\$85.65	\$71.90	\$80.45	\$90.20
2036	\$84.55	\$77.10	\$80.80	\$85.80	\$82.70	\$78.35	\$88.30	\$87.05	\$69.65	\$90.15	\$86.40	\$87.35	\$73.35	\$82.05	\$92.00
2037	\$86.25	\$78.65	\$82.45	\$87.50	\$84.35	\$79.90	\$90.05	\$88.80	\$71.00	\$91.95	\$88.15	\$89.10	\$74.85	\$83.70	\$93.85
2038	\$87.95	\$80.20	\$84.10	\$89.25	\$86.00	\$81.50	\$91.85	\$90.55	\$72.45	\$93.80	\$89.90	\$90.90	\$76.30	\$85.40	\$95.75
2039	\$89.70	\$81.80	\$85.75	\$91.05	\$87.75	\$83.15	\$93.70	\$92.35	\$73.90	\$95.65	\$91.70	\$92.70	\$77.85	\$87.10	\$97.65
2040	\$91.50	\$83.45	\$87.50	\$92.85	\$89.50	\$84.80	\$95.55	\$94.20	\$75.35	\$97.60	\$93.55	\$94.55	\$79.40	\$88.85	\$99.60
2041	\$93.35	\$85.10	\$89.25	\$94.70	\$91.30	\$86.50	\$97.45	\$96.10	\$76.90	\$99.55	\$95.40	\$96.45	\$81.00	\$90.60	\$101.60
2042	\$95.20	\$86.80	\$91.00	\$96.60	\$93.10	\$88.20	\$99.40	\$98.00	\$78.40	\$101.50	\$97.30	\$98.35	\$82.60	\$92.40	\$103.60
2043	\$97.10	\$88.55	\$92.85	\$98.55	\$95.00	\$90.00	\$101.40	\$100.00	\$80.00	\$103.55	\$99.25	\$100.35	\$84.25	\$94.25	\$105.70
2044	\$99.05	\$90.30	\$94.70	\$100.50	\$96.90	\$91.80	\$103.45	\$102.00	\$81.60	\$105.60	\$101.25	\$102.35	\$85.95	\$96.15	\$107.80
2044+	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

## Notes

- Data sources include: EIA, OPEC, ARC Energy, and Marex Spectron.
- Venezuelan Merey replaced BCF-17 in the OPEC Basket on March 1, 2009.

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## International price tables

Natural gas pricing										
Year	USD to GBP	USD to EUR	NYMEX Henry Hub	Permian Waha	San Juan Ignacio	Rocky Mtn. Opal	UK NBP	Dutch TTF	Global LNG Asia (ANEA)	India domestic gas
	Exchange rate	Exchange rate	US\$/Mcf Current	US\$/Mcf Current	US\$/Mcf Current	US\$/Mcf Current	US\$/Mcf Current	US\$/Mcf Current	US\$/Mcf Current	US\$/Mcf Current
<b>Forecast</b>										
2025	1.250	1.050	\$3.25	\$1.25	\$2.95	\$3.05	\$13.25	\$13.40	\$15.25	\$7.20
2026	1.300	1.100	\$3.85	\$3.05	\$3.50	\$3.60	\$11.50	\$11.65	\$13.50	\$7.15
2027	1.300	1.100	\$4.15	\$3.40	\$3.85	\$3.95	\$9.90	\$10.05	\$11.95	\$7.25
2028	1.300	1.100	\$4.25	\$3.45	\$3.95	\$4.05	\$10.10	\$10.25	\$12.20	\$7.40
2029	1.300	1.100	\$4.35	\$3.50	\$4.00	\$4.10	\$10.30	\$10.45	\$12.45	\$7.55
2030	1.300	1.100	\$4.40	\$3.60	\$4.10	\$4.20	\$10.50	\$10.65	\$12.70	\$7.70
2031	1.300	1.100	\$4.50	\$3.65	\$4.15	\$4.30	\$10.70	\$10.85	\$12.95	\$7.85
2032	1.300	1.100	\$4.60	\$3.75	\$4.25	\$4.35	\$10.90	\$11.10	\$13.20	\$8.05
2033	1.300	1.100	\$4.70	\$3.80	\$4.35	\$4.45	\$11.15	\$11.30	\$13.45	\$8.20
2034	1.300	1.100	\$4.80	\$3.90	\$4.40	\$4.55	\$11.35	\$11.55	\$13.75	\$8.35
2035	1.300	1.100	\$4.90	\$3.95	\$4.50	\$4.65	\$11.60	\$11.75	\$14.00	\$8.50
2036	1.300	1.100	\$4.95	\$4.05	\$4.60	\$4.70	\$11.80	\$12.00	\$14.30	\$8.70
2037	1.300	1.100	\$5.05	\$4.10	\$4.70	\$4.80	\$12.05	\$12.25	\$14.60	\$8.85
2038	1.300	1.100	\$5.15	\$4.20	\$4.80	\$4.90	\$12.30	\$12.50	\$14.90	\$9.05
2039	1.300	1.100	\$5.30	\$4.30	\$4.90	\$5.00	\$12.55	\$12.75	\$15.15	\$9.20
2040	1.300	1.100	\$5.40	\$4.35	\$5.00	\$5.10	\$12.80	\$13.00	\$15.50	\$9.40
2041	1.300	1.100	\$5.50	\$4.45	\$5.10	\$5.20	\$13.05	\$13.25	\$15.80	\$9.60
2042	1.300	1.100	\$5.60	\$4.55	\$5.20	\$5.30	\$13.30	\$13.50	\$16.10	\$9.80
2043	1.300	1.100	\$5.70	\$4.65	\$5.30	\$5.45	\$13.55	\$13.80	\$16.40	\$10.00
2044	1.300	1.100	\$5.85	\$4.75	\$5.40	\$5.55	\$13.85	\$14.05	\$16.75	\$10.20
2044+	1.300	1.100	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

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# Pricing philosophy

Price forecasting takes into account many variables that can influence future prices. Our experience tells us that we must continually review the forecasting tools we use to predict where oil and gas prices are heading. However, one constant influence on oil and gas pricing is the geopolitical landscape. This impact is most accurately reflected in the financial industry's futures market for commodities, a main influence when Deloitte creates its price forecast. In other words, Deloitte looks to both the past and the future when we create our forecast.

This pricing philosophy challenges conventional thinking. The traditional view is based on the mean-reversion view of commodities presented by economists. Following this model, industry forecasts from 2000 to 2006 reflected a drop in prices over the long term from the current prices of the day—even though the futures market indicated otherwise. While the mean-reversion approach definitely has some merit, history has tended to reflect that the futures market is a more accurate barometer.

## Client focus

At Deloitte, we believe it is a part of our role to help our clients in both the oil and gas sector and the investment community make better long-term business decisions by providing them with the most accurate and realistic information. We understand that sound analysis of changing trends can influence decisions on mergers, acquisitions, divestitures, and investments.

One way we ensure our price forecasts are as accurate as possible, given the continuing impact of near-term volatility, is to review our pricing assumptions on a quarterly basis.

## Our process

In preparing the price forecast, Deloitte considers the current monthly trends, the actual price and trends for the year to date, and the prior year actual prices. The base forecast for both oil and gas is based on NYMEX futures in US dollars.

Crude oil and natural gas forecasts are based on yearly variable factors, weighted to a higher percent for the current data and then reflect a higher percent to prior year historical data for the later years. Gas prices have been determined independently from oil prices, but still reflect the current competitive nature of the two fuels and historical oil-to-gas ratios for the latter years of the gas forecast.

Deloitte prepares our price and market forecasts based on information we collect from numerous government agencies, industry publications, oil refineries, natural gas marketers, and industry trends. Inflation forecasts and exchange rates are also an integral part of the forecast.

These forecasts are Deloitte's best estimate of how the future will look, and while they are considered reasonable, changing market conditions or additional information may require alteration from the indicated effective date.



# Glossary

AECO	Alberta Energy Company— historical name of a virtual trading hub on the NGX system	LNG	Liquefied Natural Gas
ANS	Alaskan North Slope	MESC	Middle East Sour Crude
ASCI	Argus Sour Crude Index	MSO	Mixed Sour Crude Oil
AWB	Access Western Blend— Canadian condensate/ bitumen mix	MSW	Mixed Sweet Blend
BR	Bow River Crude Oil	NBP	National Balancing Point
CAPP	Canadian Association of Petroleum Producers	NEB	Canadian National Energy Board
CBOT	Chicago Board of Trade	NGX	Natural Gas Exchange
CER	Canadian Energy Regulator	NIT	Nova Inventory Transfer
CGA	Canadian Gas Association	NRC	Natural Resources Canada
CLS	Canadian Light Sweet	NYMEX	New York Mercantile Exchange
CME	Chicago Mercantile Exchange	OECD	Organisation of Economic Cooperation and Development
DCQ	Daily Contract Quantity	OPEC	Organisation of Petroleum Exporting Countries
DOB	Daily Oil Bulletin	PADD	Petroleum Administration Defense District
EIA	Energy Information Administration	TTF	Title Transfer Facility
FERC	Federal Energy Regulatory Commission	USGC	US Gulf Coast
FOB	Free on board (shipper term)	USWC	US West Coast
IEA	International Energy Agency	WCS	Western Canada Select
LLB	Lloydminster Blend	WTI	West Texas Intermediate
		WTS	West Texas Sour

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