



OPTA & Portland Fuel **What's Driving Fuel Markets, and Managing Risk**

September 17th 2026

George Southern



1

Introduction to Portland

Who Are Portland?

- Fuel hedging specialists, locking in budgets for commercial users and municipalities across Canada
- Commenced operations in the UK in 2009
- Clients across North America and Europe – B2B
- Head Office in York, England, with regional offices in Canada and Germany



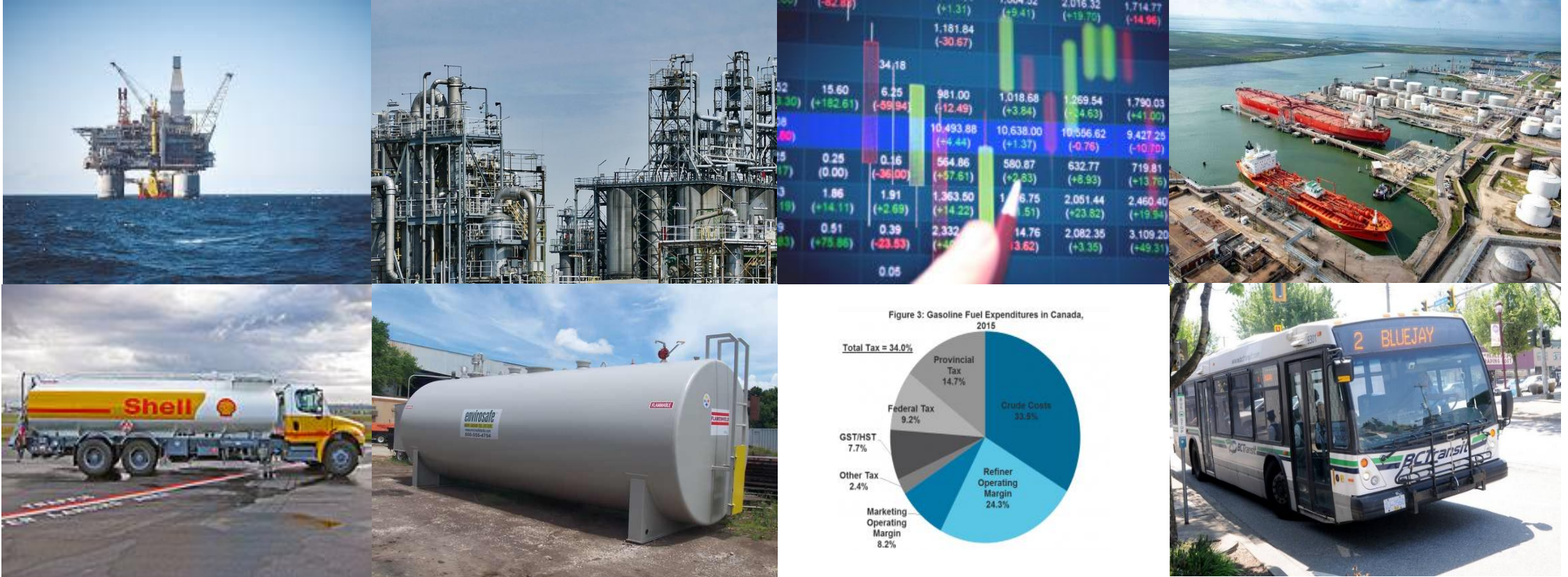
York, UK

Hamilton, Canada

Gladbeck, Germany



Dedicated To The World of Fuel





2

**Last Two Years - What
Was Driving the Market?**

2024 Price Drivers

Supply:

- OPEC+ extended production cuts in attempt to support prices.
- U.S. production hit record levels, with production in Canada also increasing.
- Shipping disruption in the Red Sea, flows redirected around the Cape of Good Hope.

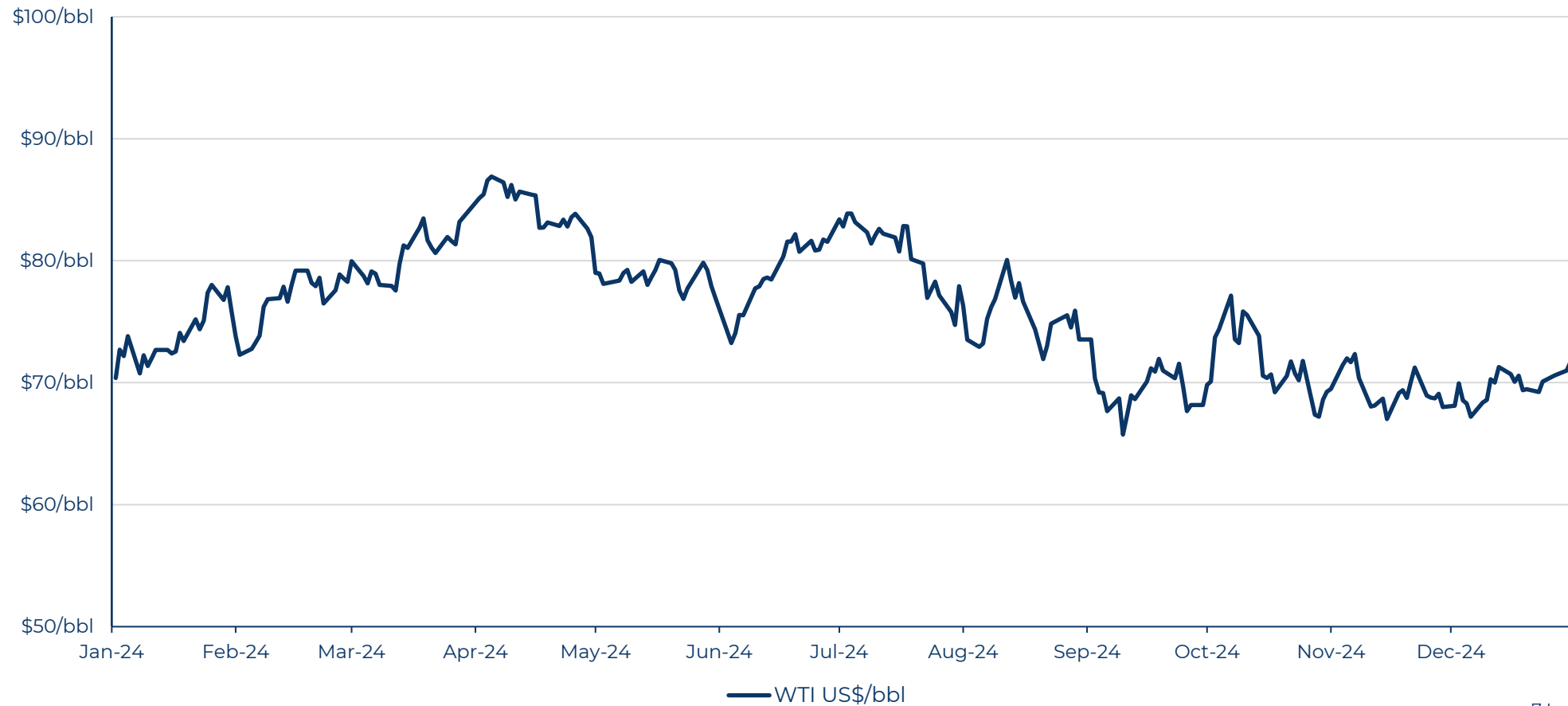
Demand:

- Weaker than expected demand in China – the main issue.
- Demand growth slowed after post-pandemic recovery.
- Transition to EVs also impacted demand.



2024

WTI Crude Oil - 2024



2025 Price Drivers

Supply:

- OPEC+ shocked markets by unwinding cuts faster than expected.
- Non-OPEC+ supply continued to increase.
- Attacks on Russian infrastructure added some pressure to product markets.

Demand:

- U.S. tariffs dominated the demand outlook for 2025.
- Global demand growth down to 700,000 barrels per day: well below 10-year average.
- Nothing to reassure fears over China's demand growth trajectory.



2025

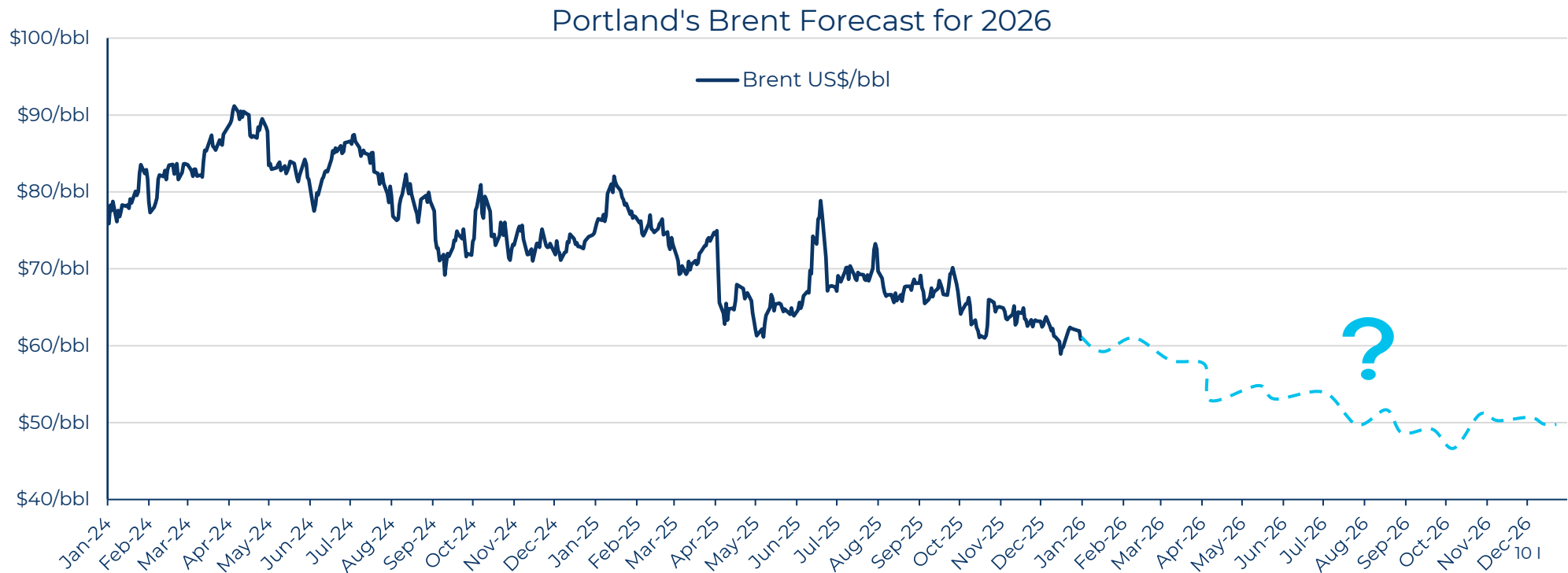
WTI Crude Oil - 2025



A Crystal Ball? Maybe Not...

Portland's prediction for 2026 was \$50 oil!

- Jan 2026, Portland (and other commentators!) failed to see the unprecedented chaos that would ensue 2 months later...





3

Oil Market Chaos

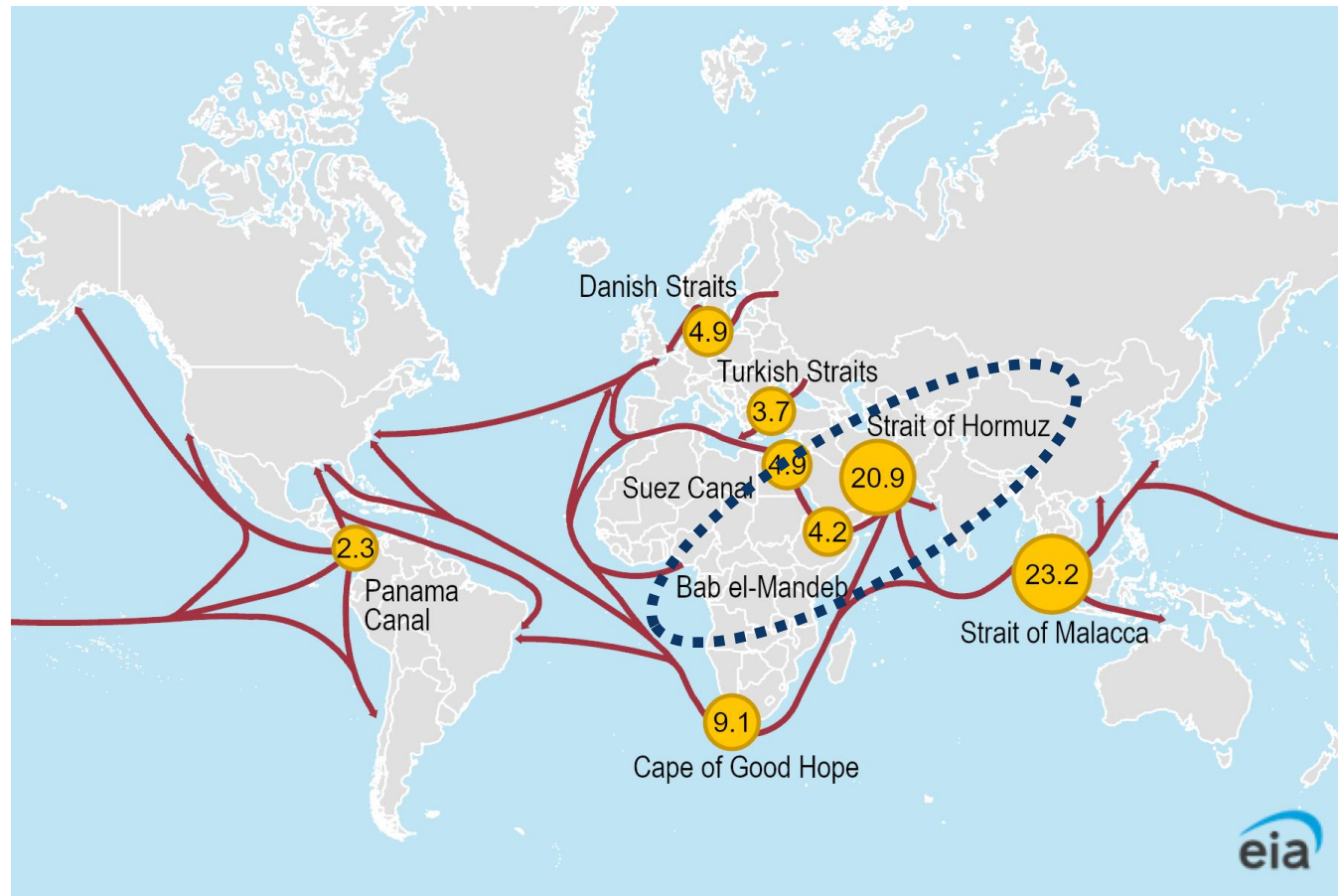
Oil Market Chaos

The US-Iran conflict has resulted in the largest oil supply disruption in history

- Iran declared the Strait of Hormuz closed.
- A prospect long-considered by the industry- what would happen?
- 20% of global oil supply is transported through the Strait of Hormuz.
- 9-13 million barrels per day affected (varying reports).
- Largest ever stock release from emergency reserves in attempt to cool markets.



Maritime Oil Transit Chokepoints

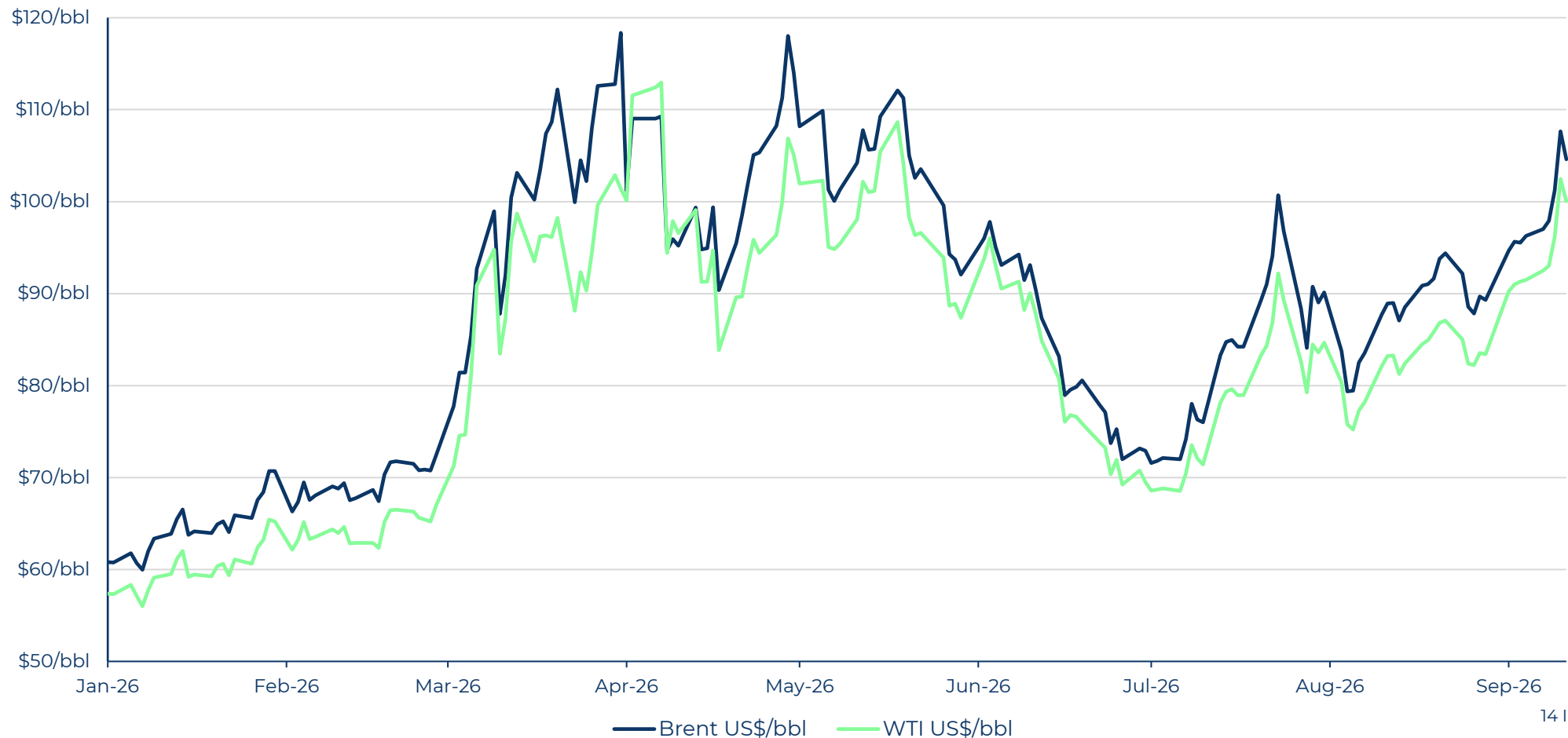


Data source: U.S. Energy Information Administration (EIA) analysis, based on Vortexa tanker tracking; World Bank; and Panama Canal Authority data, using EIA conversion factors and calculations
Note: 1H25=first half of 2025



Oil Market Chaos

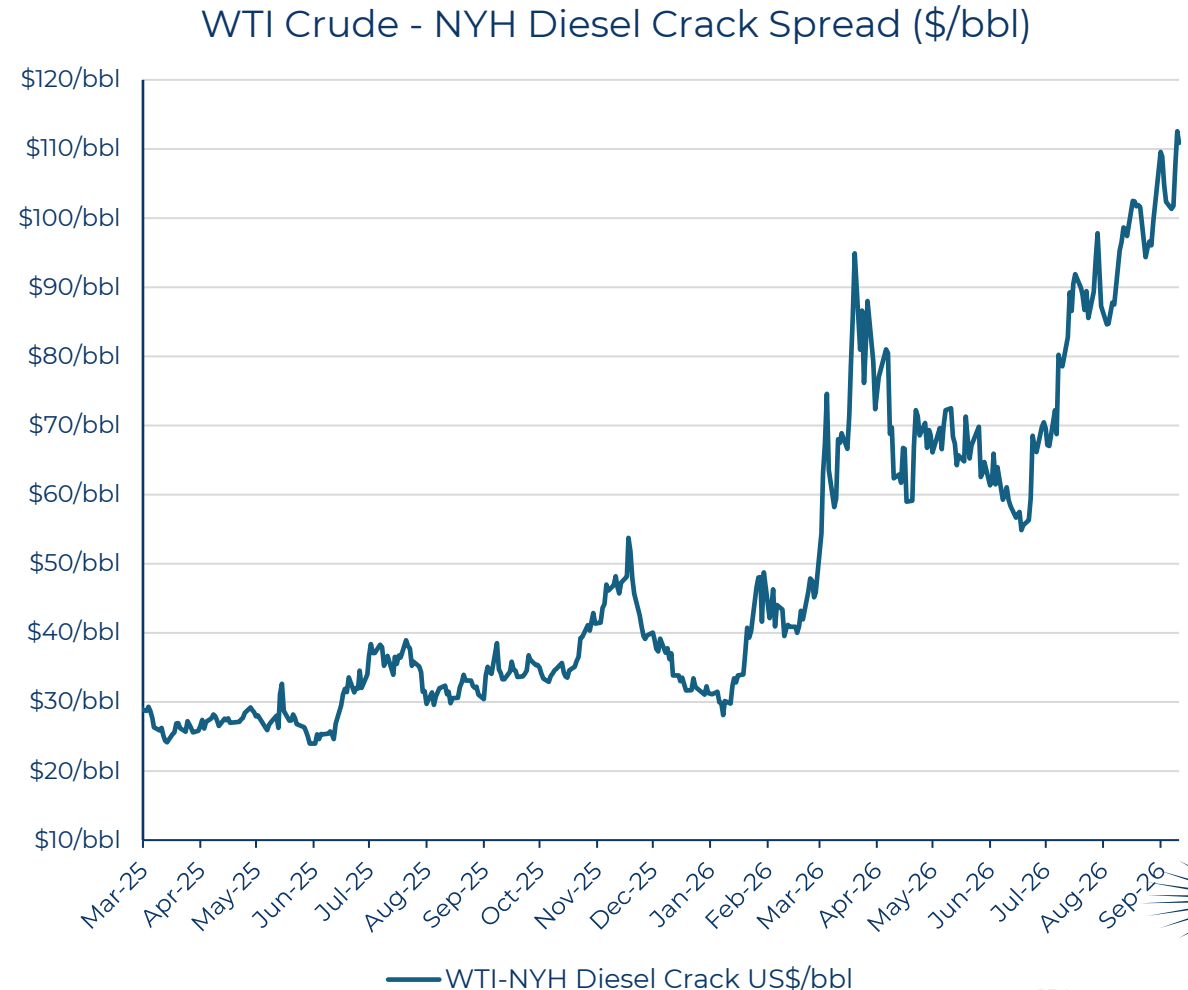
WTI and Brent Crude Oil - 2026



Pressure on Refined Fuels

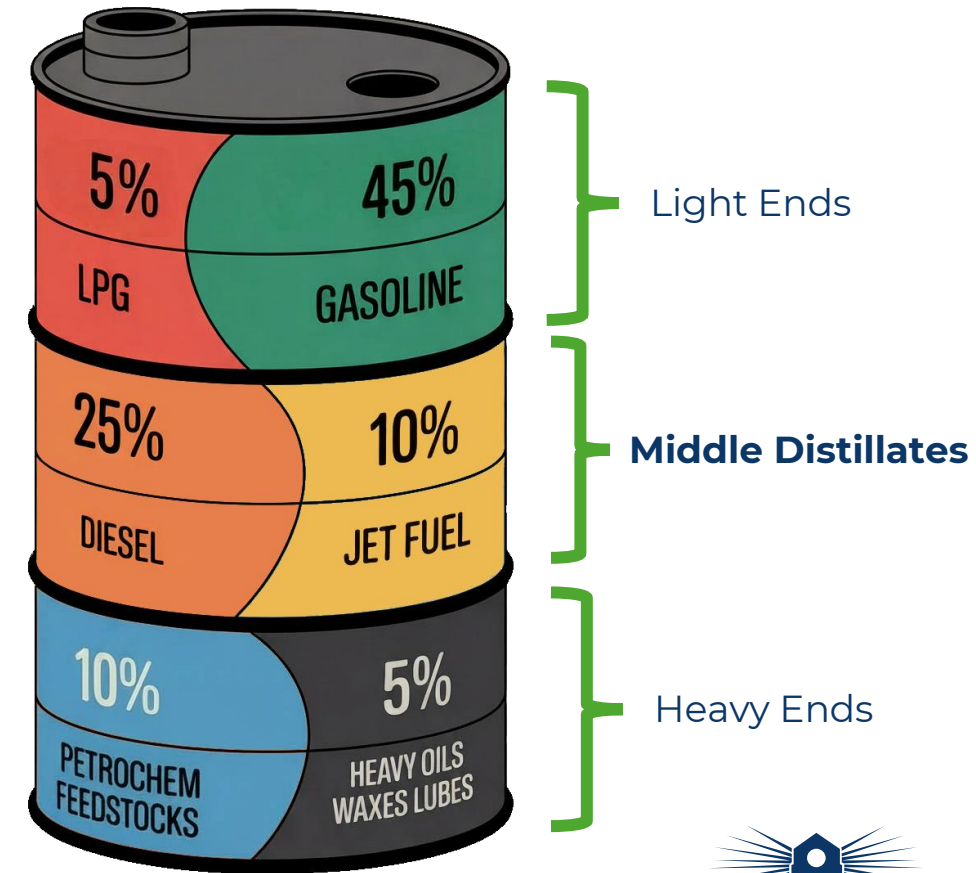
Refining capacity has driven massive tightness in product markets

- Diesel refining margins are currently at a historic record high.
- 4.5 million fewer barrels of crude oil per day were processed by refineries during Q2 2026.
- Driven by damage to infrastructure, lower availability of feedstock and export restrictions.
- 4 million barrels per day of diesel missing from the market since the beginning of the war.



Jet Fuel Impacting Road Fleets

NYH Diesel vs Jet Fuel



Canadian Rack Prices

A huge increase in prices and volatility

- April 2026 saw record prices for wholesale diesel in Canada before falling back.
- Surpassed highs seen during the Ukraine war.
- Optimism was short lived, and now at a huge record high.
- Average daily movement of 5 cpl.
- Was +/- 1.5 cpl in the 9 months prior.
- Maximum daily movement of 24.2 cpl.

Canada National Average Diesel CAD cpl)



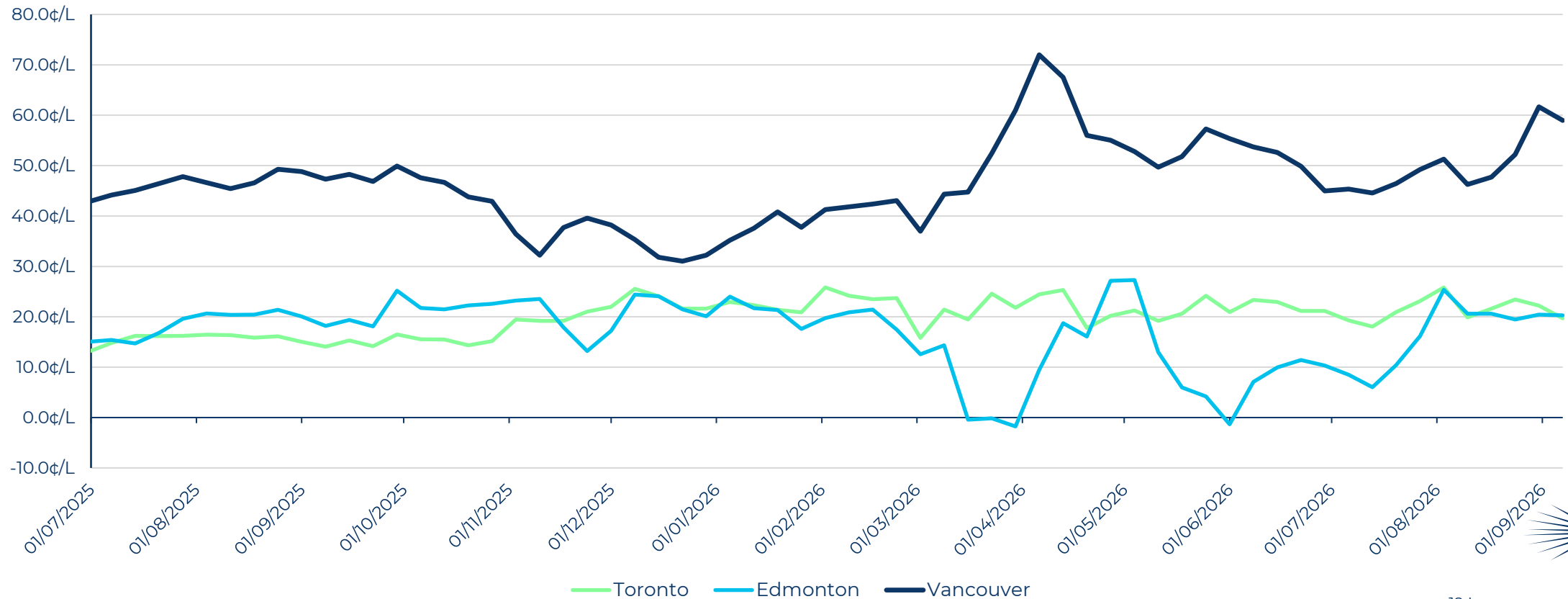
Canadian Self Sufficiency

Question	Western Canada	Eastern Canada	National
Crude self-sufficient?	Yes — massive surplus	No — Relies on ~490 kb/d seaborne imports	Net surplus but regionally split
Right crude type?	Yes (refineries built for heavy)	No — need light sweet; cannot use Alberta heavy	Grade mismatch is structural
Diesel self-sufficient?	Broadly yes	Yes — Irving are large producers; seaborne crude disruption would affect	Near self-sufficient nationally
Gasoline self-sufficient?	Broadly yes	No — modest import dependency	Modest net importer
Jet fuel self-sufficient?	No (marine imports to BC)	No — significant deficit	Large national deficit
Seaborne disruption risk	Very low	High to critical (Irving)	Concentrated in NB/QC
Govt. emergency reserve	None	None	Only G7 nation with no SPR

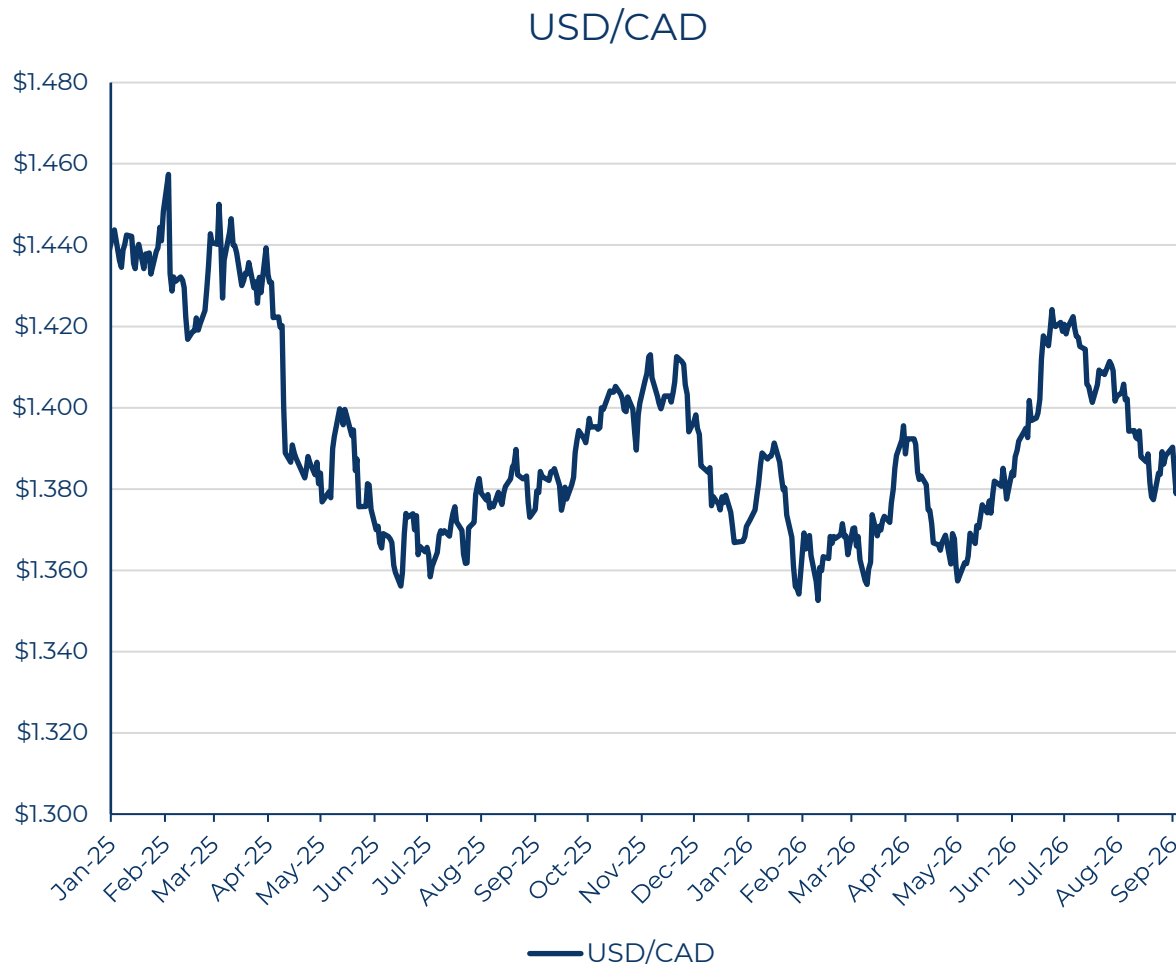


Local Supply Dynamics

Spreads - Canadian Rack Diesel vs New York Harbour Diesel (cpl) Weekly Average



Exchange Rate



Diesel is traded in USD/tonne, not CAD/cpl

- Pricing of wholesale fuels in USD represents a further price exposure for Canadian buyers.
- Weakest USD/CAD rate was 1.457 in Feb 2025, vs. strongest of 1.353 in Feb 2026
- Max vs. min = 13.1 cpl impact for diesel (based on USD/tonne price on September 11th)

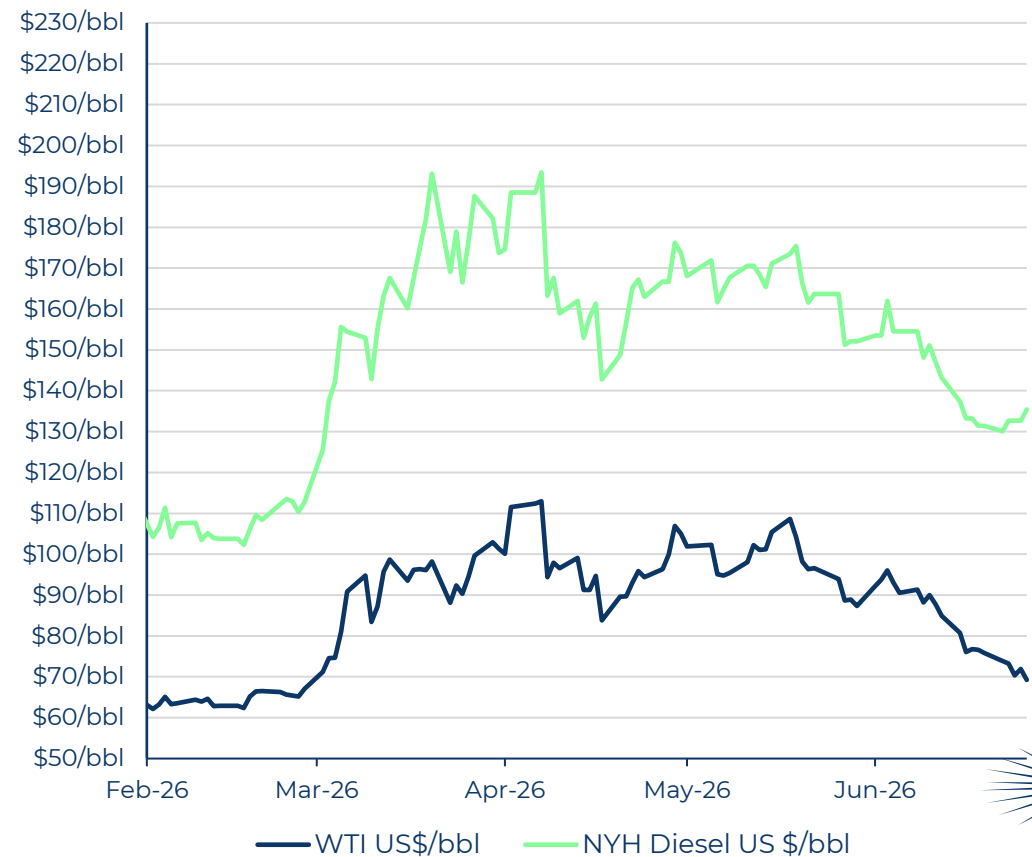


Peace on the Horizon?

Oil Prices Have Dropped Sharply

- June 21st saw the most significant round of peace talks begin
- “Roadmap for peace” announced June 22nd
- Delegates created a plan that could yet result in “a final deal within 60 days”
- However; the ceasefire was tested by strikes and there were differences in the MOU interpretation, now declared to be “over”
- U.S. sanctions on Iran initially lifted, now reimposed...

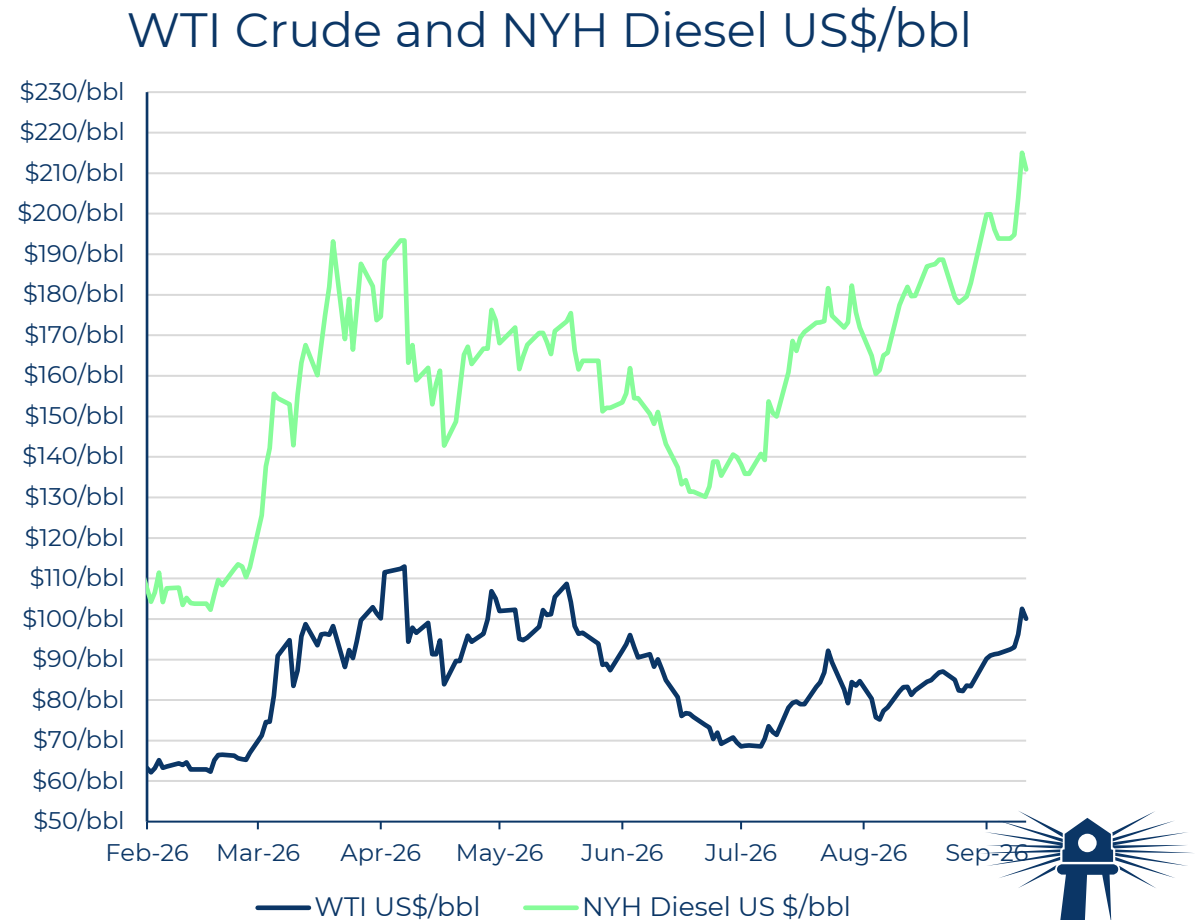
WTI Crude and NYH Diesel US\$/bbl



New Highs For Fuel Markets

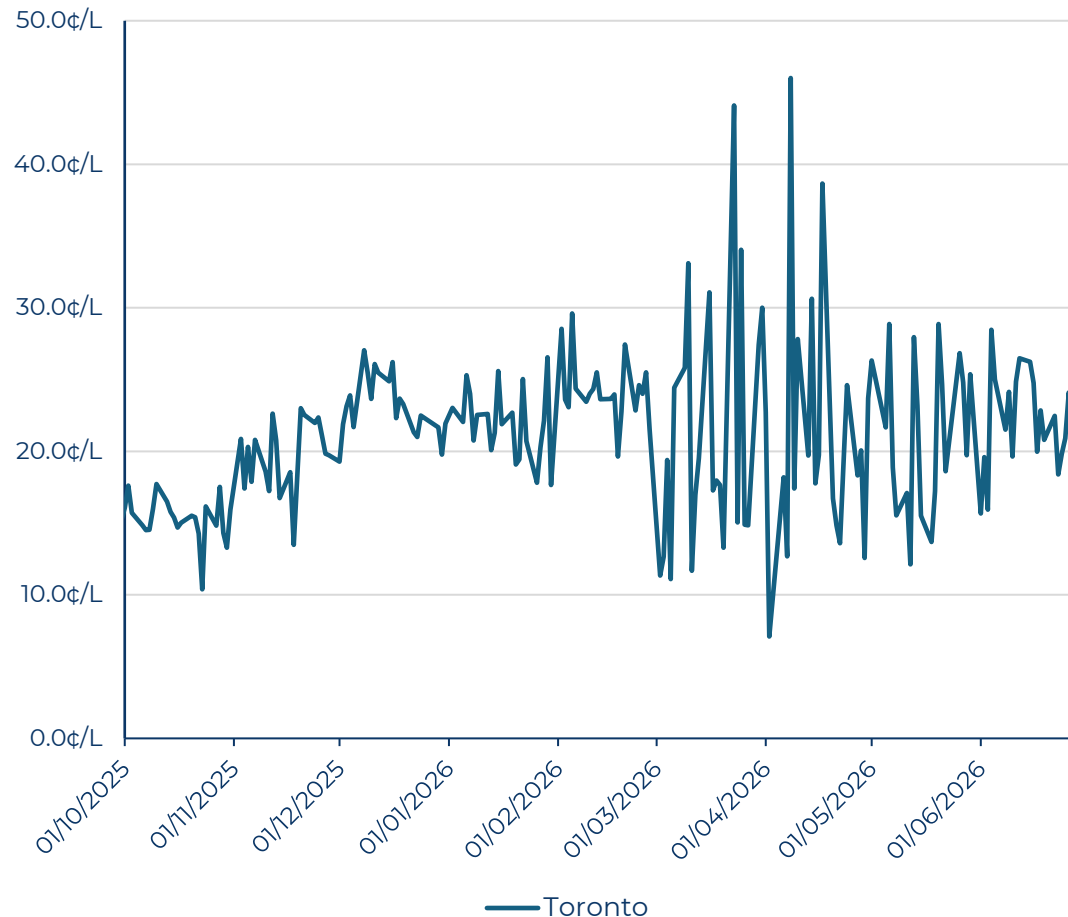
‘Diesel Squeeze’ Concerns at the Fore

- MoU did not last, and tensions have risen ever since.
- Oil prices have gained 49% since June 2026 low, diesel 65%
- Driven by massive supply concerns in product markets.
- Supply buffers shrinking as global inventories are continually drawn on.



Local Price Volatility

NYH Diesel - Toronto Diesel Spread (CAD cpl)



The difference between benchmark and local pricing has become more volatile

- Prior to the war; local pricing had a more consistent premium to New York Harbour
- Since the war began; increased volatility in daily rack prices.
- Making it harder for fuel users to predict price movements.





4

Managing Risk

How Can Fuel Users Protect Themselves?

Portland Locks In Your Local Rack Price

- Protects against movements in the Rack Price referenced in your supply contracts / invoices.
- This reflects what fuel users in Canada actually pay, with no exposure to location-based differentials.
- Hedging fuel usage protects against volatile energy markets, enabling you to budget with confidence and remove market exposure.



Key Principles of Fuel Hedging with Portland

- Hedging provider does not supply fuel.
- Retain beneficial commercial agreements and relationship with liquid fuel supplier(s).
- No up-front costs or fees.
- Fix anywhere from 1 to 24 months in advance.
- The 'paper' fixed price is settled on a monthly basis throughout the contract, with a simple credit or invoice for previous month.
- Low minimum volumes - hedge any percentage of usage (min. 10,000 litres/month).

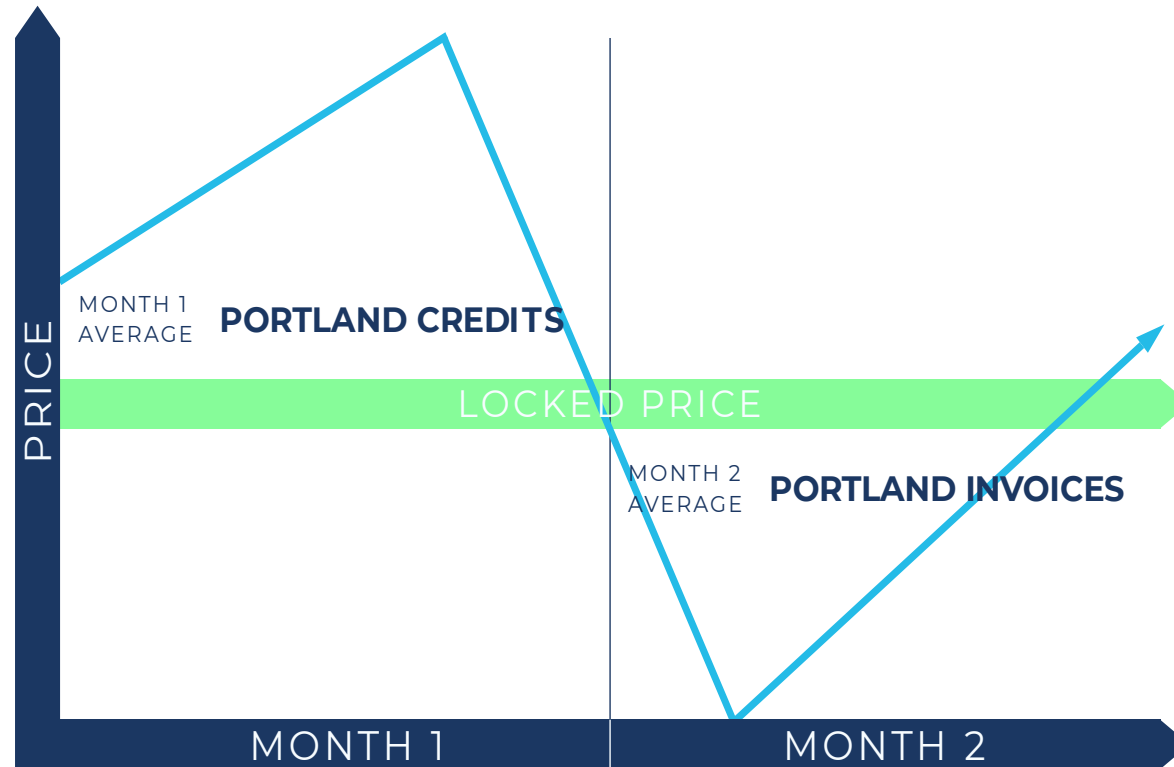


Fuel Hedging Example

- OPTA Member decides to lock in the price of 20,000 litres Diesel per month
- Portland agrees a locked Toronto Rack Diesel price of 170cpl for 12 months
 - i.e., January 2027 to December 2027 – this can be any rack location / duration you require (as published by NRCAN)
- How the settlements work and the fixed price is achieved...



Fuel Hedging Example



- Average Toronto Rack Diesel price increases to 180cpl in January 2027
 - Portland pays OPTA Member in first week of February 2027
 $10\text{cpl} \times 20,000 = \$2,000$ credit
- Average Toronto Rack Diesel price decreases to 160cpl in February 2027
 - OPTA Member pays Portland in first week of March 2027,
 $10\text{cpl} \times 20,000 = \$2,000$ invoice



Fuel Hedging with Portland

- We specialize in offering local pricing to match the invoice basis of the customer
 - Specific rack location and fuel grade
 - All pricing in CAD cpl
- No fees
- No minimum periods and very low volume requirements
- No upfront collateral requested, or margin calls
- Simple Terms & Conditions
- Monthly calculation based on independent prices as reported by Natural Resources Canada (NRCAN)
- Our website: <https://portland-fuel.com>





Thank You!

Any Questions?

George Southern
General Manager

E: george@portland-fuel.com

T: (905) 963-1112

