



MOSAIC PRICE FILE - RELEASE NOTES

Enclosed within this .zip are files for Mosaic 2016 and prior. These files contain all tax, royalty, par/reference pricing, benchmark pricing and exchange rate information relevant to the most recent month end. It is important to load all four (4) decks for the associated forecast month.

These files also contain Alberta Modernized Royalty Framework (MRF) data. These files may be imported into either MRF or pre-MRF versions of the program.

If you encounter any difficulties, please do not hesitate to [contact Sproule](#).

New This Month (2018-06-30):

Changes for this month's release include those made to incorporate updates to pricing, exchange rate assumptions and inflation as of June 30, 2018. Please note that these files now include pricing forecasts needed for the MRF and there are certain assumptions that have been made regarding the MRF pricing forecasts. These assumptions include forecasts of hydrocarbon par pricing for oil, natural gas, natural gas liquids and the C* Capital Cost Index (C* CCI). These values may require updating once the AER releases more clarifying details regarding the MRF calculations. All tax information remains the same as last month.

Price Forecast Adjustment Notice – June 30, 2018

Sproule and GPMI have adjusted our June 30, 2018 price forecast as outlined below:



Canadian Light Sweet Differential to WTI

	Canadian Light Sweet as % of WTI	
	May 31, 2018 Forecast	June 30, 2018 Forecast
2018	94%	92%

We have widened our Canadian Light Sweet differential from 94% to 92%. Strong light crude supply in North America and limited access to market for CLS has resulted in wider differentials to WTI than previously anticipated.

Canadian/US Dollar Exchange Rate

	CAD/USD Exchange	
	May 31, 2018 Forecast	June 30, 2018 Forecast
2018	0.79	0.78

The CAD/USD exchange outlook has been revised downwards to 0.78 due to a strengthening US dollar amid trade war fears, and possibilities for US Federal Reserve interest rate hike



NGL Adjustments

	Liquids					
	Conway to MT Belvieu Propane (c/gal)		Conway Butane % of WTI		Edmonton Butane % of WTI	
	May 31, 2018 Forecast	June 30, 2018 Forecast	May 31, 2018 Forecast	June 30, 2018 Forecast	May 31, 2018 Forecast	June 30, 2018 Forecast
2018	-8.00	-15.00	60%	55%	65%	55%
2019	-5.00	-10.00	65%	60%	70%	60%
2020	-3.00	-5.00	68%	65%	70%	65%
2021+	-3.00	-3.00	68%	68%	70%	70%

Sproule and GPMI have revised our Conway Propane, Conway Butane, and Edmonton Butane forecasts downwards. Increased Y-grade supply into Conway because of curtailments and bottlenecks in the Marcellus and Permian has weakened mid-continent NGL markets considerably in recent weeks. Although we do expect upwards pricing support as we move to fall, our overall expectation is weaker pricing over the forecast period.

