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FIRM INFORMATION

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1.0 Market and Portfolio Commentary

1.1 Macro Industry Commentary

US Henry Hub prompt gas prices fell in January with forecasts for February trending warmer after a very cold January. Month on month the prompt fell from \$3.63/mmbtu at close on 31 December to \$3.04/mmbtu at close on 31 January. Calendar 2025 did not move with front-month volatility, only dropping \$0.01/mbtu, beginning January at \$3.55/mmbtu and ending at \$3.54/mmbtu.

Oil prices rose, the prompt began January at \$71.72/bbl and closed the month at \$72.53/bbl. Calendar 2025 was flat, trading from \$69.69/bbl to 69.73/bbl.

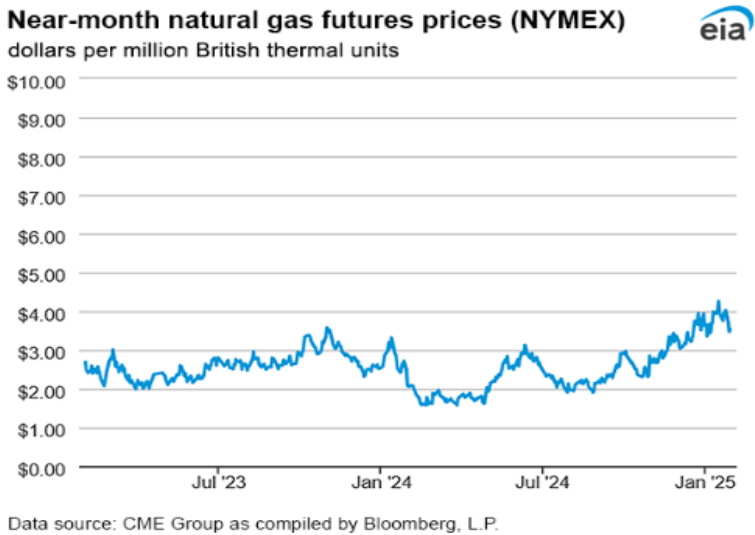
The latest Baker Hughes rig count data follows. In January US total land rigs fell by 1 from 568 to 567. Total oil rigs fell by 1 from 480 to 479, gas rigs fell by 2 to 98. Oil and gas rig totals include 13 offshore and 2 inland water rigs working in January.

| Baker Hughes  NORTH AMERICA Rotary Rig Count | | | | | |
|---|-----------|-----|-----------|-----|----------|
| 31/01/2025 | | | | | |
| Location | Week | +/- | Week | +/- | Year Ago |
| Inland Waters | 2 | 0 | 2 | 2 | 0 |
| Land | 567 | 7 | 560 | -33 | 600 |
| Offshore | 13 | -1 | 14 | -6 | 19 |
| United States Total | 582 | 6 | 576 | -37 | 619 |
| Gulf of Mexico | 11 | -1 | 12 | -6 | 17 |
| Canada | 258 | 13 | 245 | 26 | 232 |
| North America | 840 | 19 | 821 | -11 | 851 |
| U.S. Breakout Information | This Week | +/- | Last Week | +/- | Year Ago |
| Gas | 98 | -1 | 99 | -19 | 117 |
| Oil | 479 | 7 | 472 | -20 | 499 |
| Miscellaneous | 5 | 0 | 5 | 2 | 3 |
| Directional | 50 | -1 | 51 | 1 | 49 |
| Horizontal | 519 | 8 | 511 | -39 | 558 |
| Vertical | 13 | -1 | 14 | 1 | 12 |

Gas Market

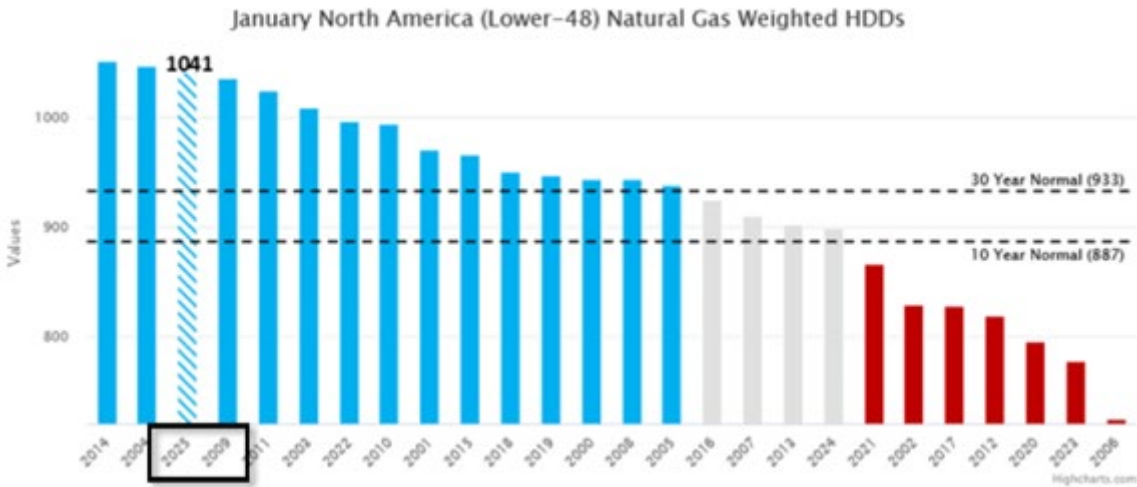
Henry Hub prompt prices peaked above \$4/mmbtu during January before falling back to \$3 with the expiry of the February contract and move of prompt month to March (Figure 1). Daily prices received in Oklahoma peaked at over \$8/mmbtu during the month.

Figure 1: Near Month Henry Hub Futures (Source: EIA)



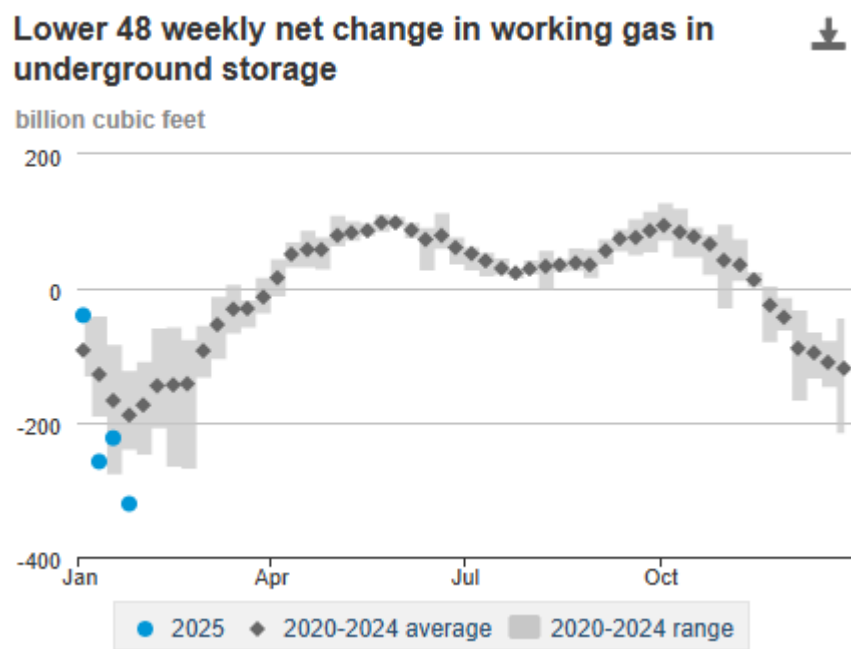
January was cold in the US, the coldest January in over 10 years and nearly two standard-deviations colder than the ten-year average. Gas weighted heating demand, measured in Heating Degree Days (HDDs), was the third highest January total in the last 26 years (Figure 2).

Figure 2: January North America Natural Gas Weighted HDDs (Source: Aegis)



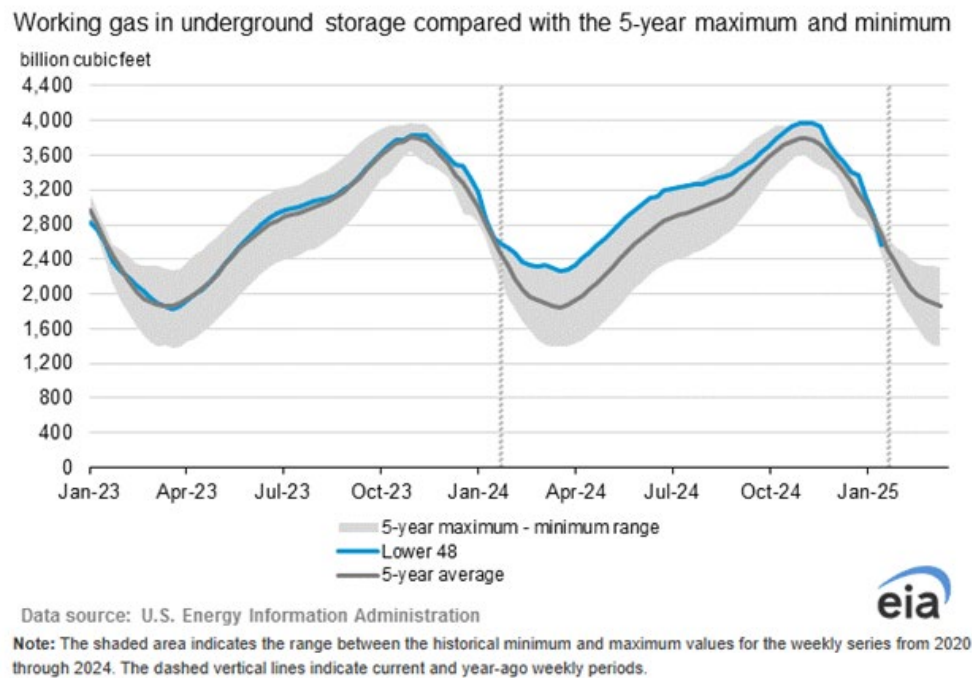
Strong demand drove very large withdrawals from storage with the first three weeks of January all seeing over 200bcf draws, the week ending 24 Jan delivered a withdrawal of 321 bcf, the fourth-largest withdrawal on record (Figure 3).

Figure 3: Lower 48 Weekly Net Change in Nat Gas Storage (Source: EIA)



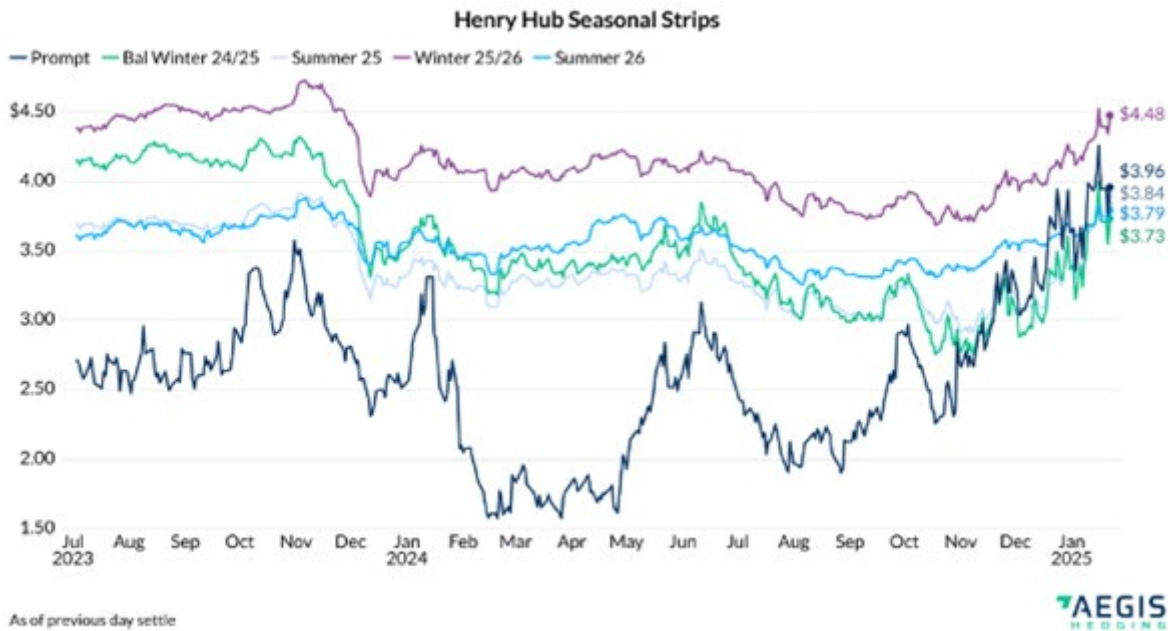
The 321 bcf withdrawal compares to the five-year (2020-2024) average net withdrawals of 189 bcf and last year's net withdrawals of 234 bcf during the same week. Working natural gas stocks totalled 2,571 bcf, which is 111 bcf (4%) lower than the five-year average and 144 bcf (5%) lower than last year at the same time (Figure 4). The removal of the large storage overhang that had accumulated after two consecutive relatively warm winters is an important factor in setting up the gas market for stronger prices through 2025.

Figure 4: Working Gas in Underground Storage (Source: EIA)



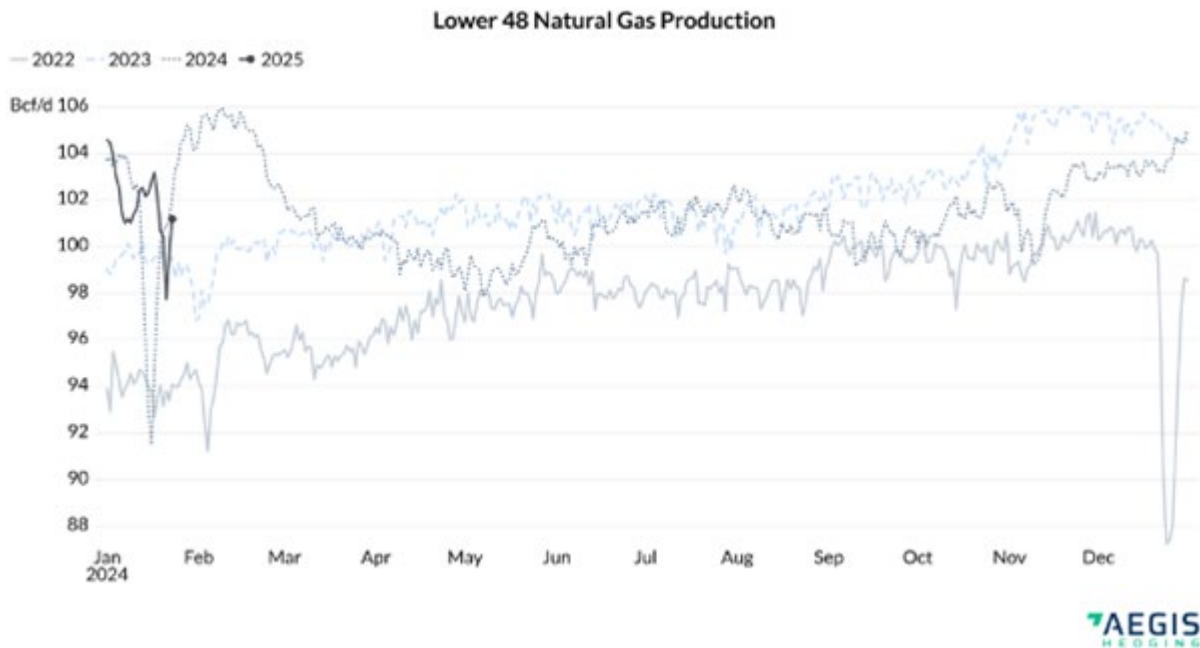
Gas prices have responded with near dated prices climbing to flatten the forward curve above \$3.50/mmbtu (Figure 5).

Figure 5: Henry Hub Season Strips on 23 January (Source: Aegis)



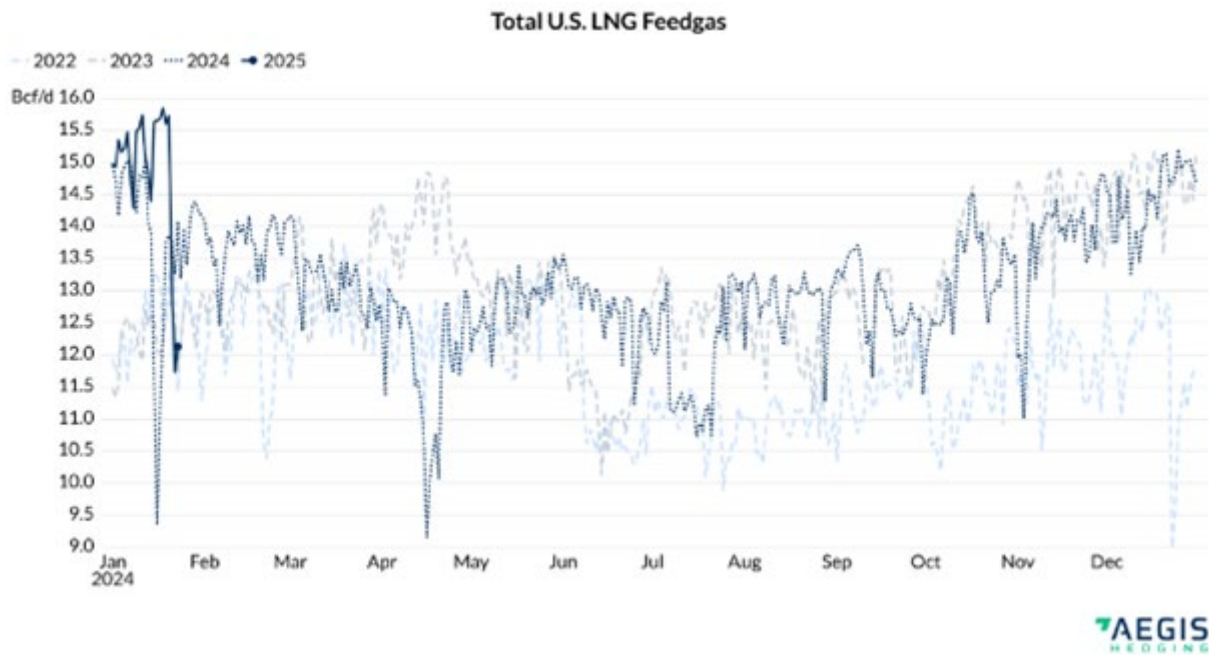
Lower 48 natural gas production in January was reduced by the impact of the cold weather though has since climbed back up to approximately 105 bcf/d (Figure 6).

Figure 6: Lower 48 Natural Gas Production (Source: Aegis)



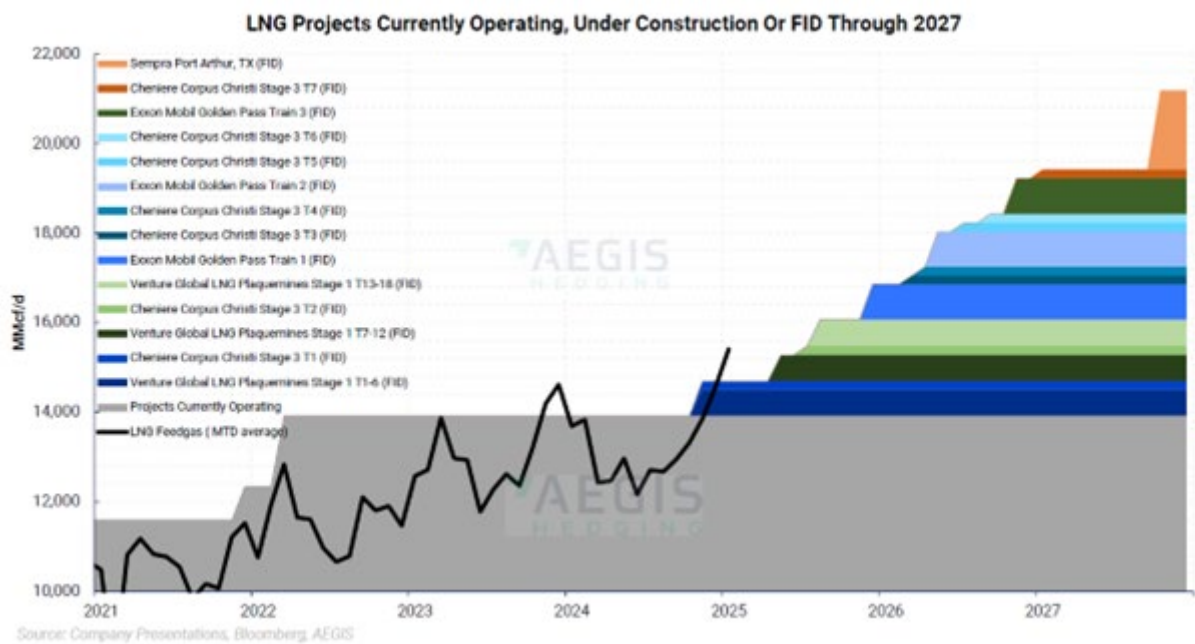
LNG feedgas demand was also strong in January, building to over 15.5 bcf/d before cold weather briefly disrupted operations at the Freeport facility (Figure 7). The growth in LNG demand was driven by build-up of gas demand from phase 1 of the new Plaquemines facility which started operating in December and is now taking 1.3 bcf/d.

Figure 7: Total US LNG Feedgas (Source: Aegis)



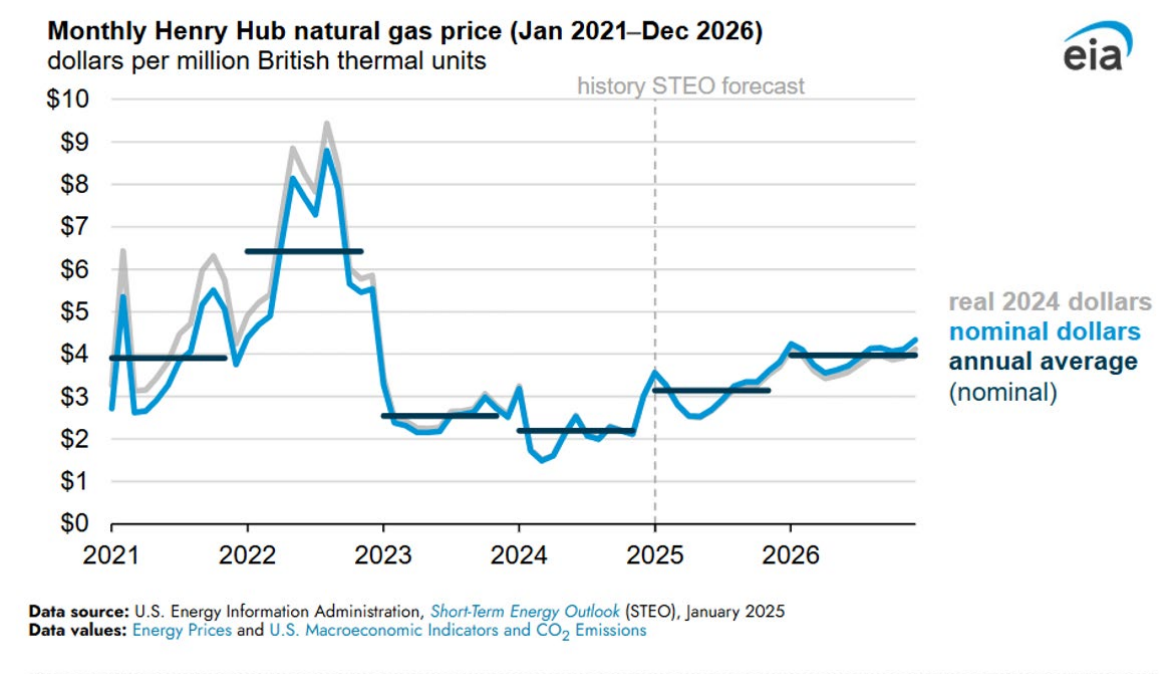
The growth in LNG feedgas demand will continue through 2027 (Figure 8). The market will need higher gas prices to incentivise producers to meet growing gas demand.

Figure 8: LNG Projects Through 2027 (Source: Aegis)



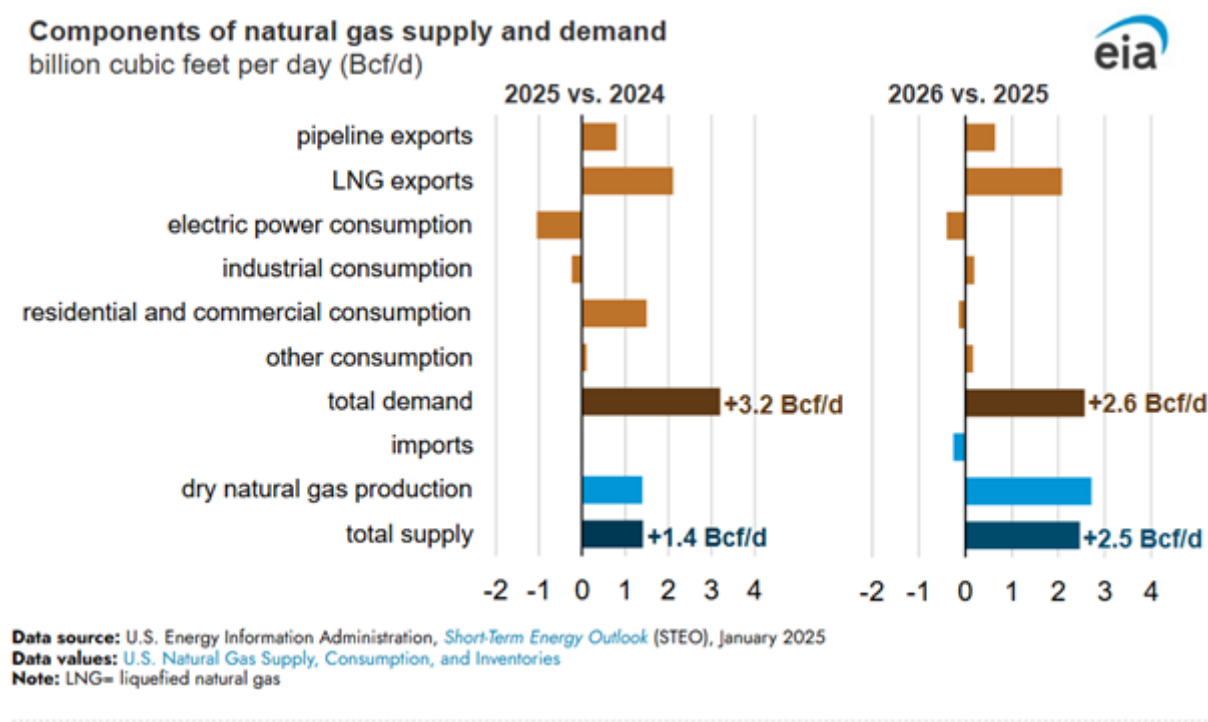
The EIA expects higher wholesale US natural gas prices as demand increases (Figure 9).

Figure 9: Monthly Henry Hub Natural Gas Price (Jan 2021 – Dec 2026) (Source: EIA)



In 2025, the EIA expects US natural gas demand, which includes domestic natural gas consumption and exports, to increase by 3.2 bcf/d (almost 3%). US production and imports are expected to grow by 1.4 bcf/d. These factors combine to deliver an expectation by the EIA that Henry Hub gas price will increase in 2025 by 43% over average prices in 2024. In 2026, the EIA expects demand will continue to grow faster than supply, increasing prices by an additional 27% (Figure 10).

Figure 10: Components of Natural Gas Supply and Demand (Source: EIA)

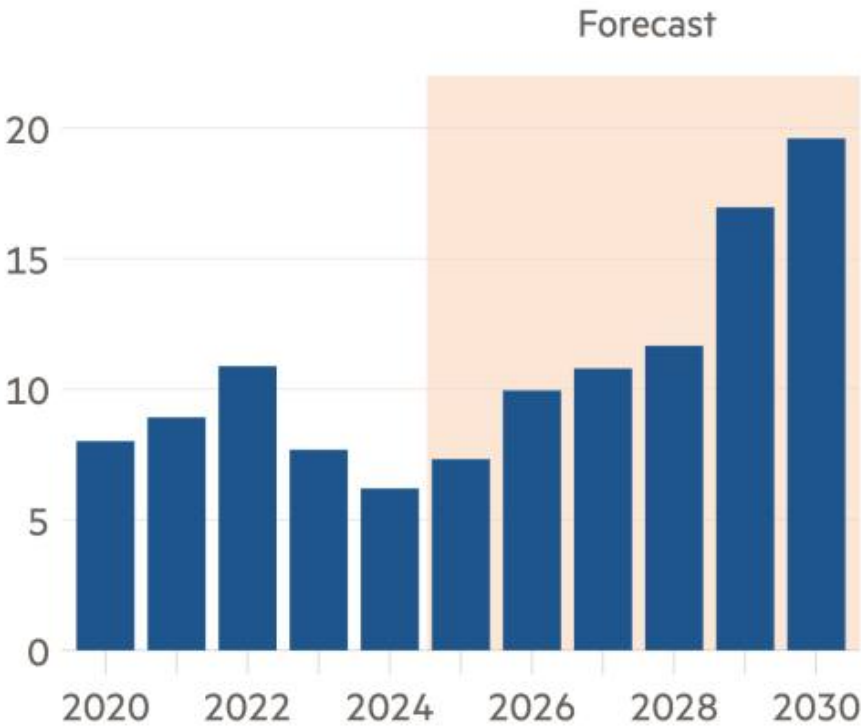


While the EIA expects electric power gas consumption to fall in both 2025 and 2026, large gas-fired power generation additions in the late 2020's are expected to see growth resume from 2027 (Figure 11).

Figure 11: Natural Gas Power Capacity Additions by Year (Source: WoodMac via FT)

US gas-fired power generation poised for growth in late 2020s

Natural gas capacity additions by year (GW)

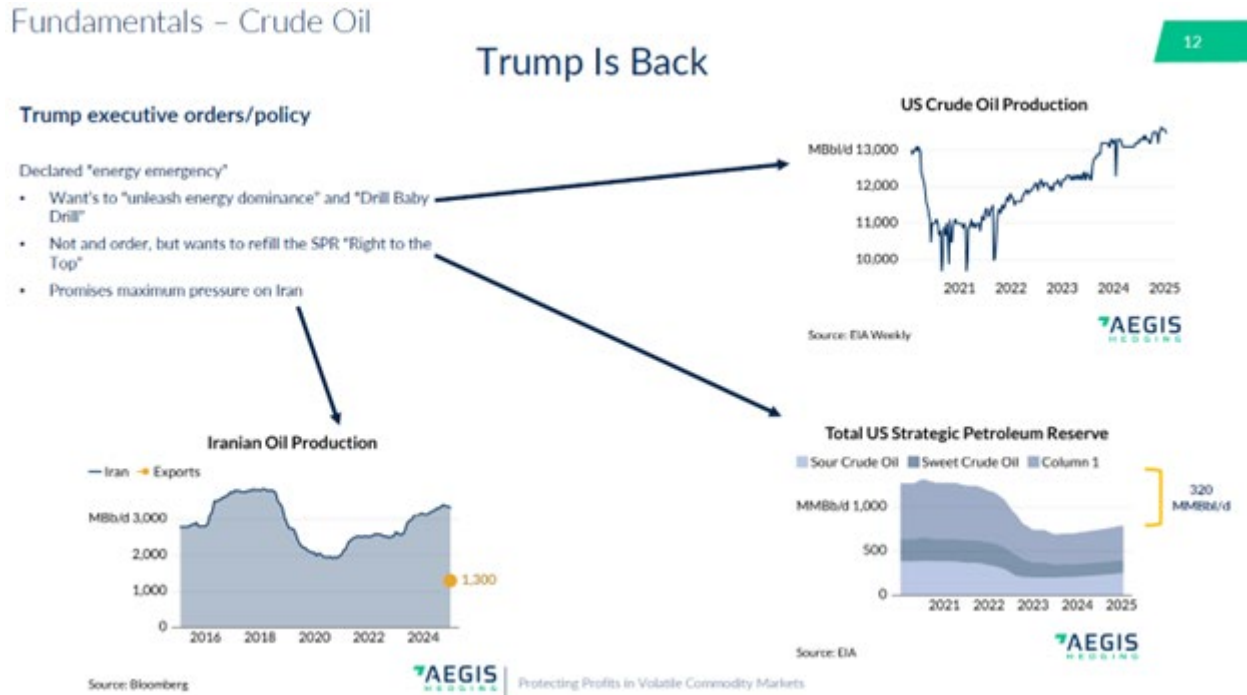


Source: Wood Mackenzie

Oil Market

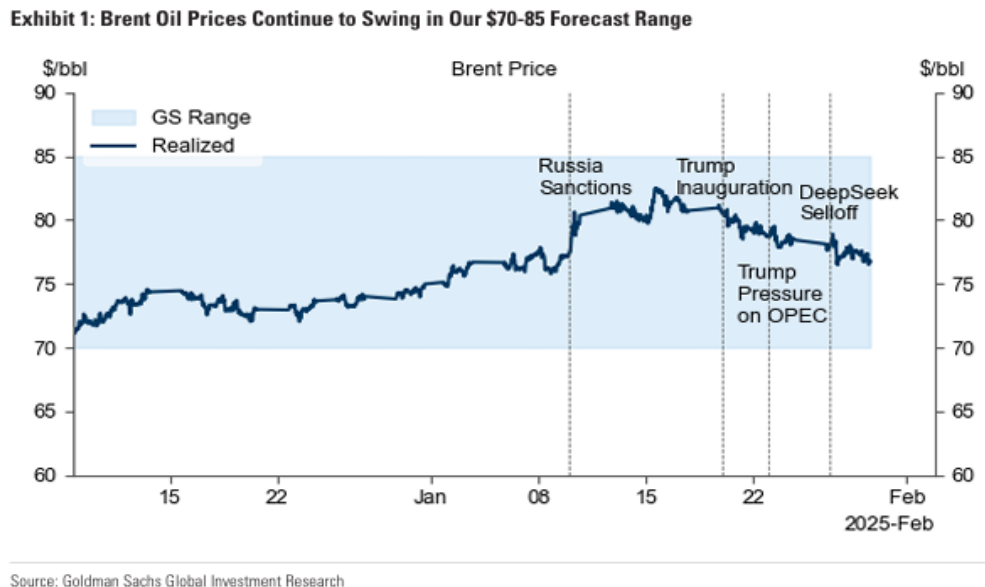
The impact of the new Trump administration on oil prices is highly uncertain. Trump's desire to reduce the price of oil and his three primary oil related executive orders / policies have different consequences for the oil market (Figure 12). "Unleashing energy dominance" runs into the oil field reality that private companies decide what to drill and when they will drill and will only increase production if the price is high enough to deliver attractive returns. Refilling the Strategic Petroleum Reserve would add to demand and increase prices. Applying more pressure on Iran by reducing its oil exports to zero will reduce supply and increase prices.

Figure 12: Trump is Back (Source: Aegis)



Brent crude oil prices (the primary international marker) rose from low \$70's in early December, when the market focused on the "2025 supply glut" to \$82/bbl in mid-January following the announcement of new US sanctions on Russia. Since then, Brent has retreated to the mid-\$70's following calls by President Trump for higher US and OPEC supply and trade tariffs, and the tech equity selloff (Figure 13).

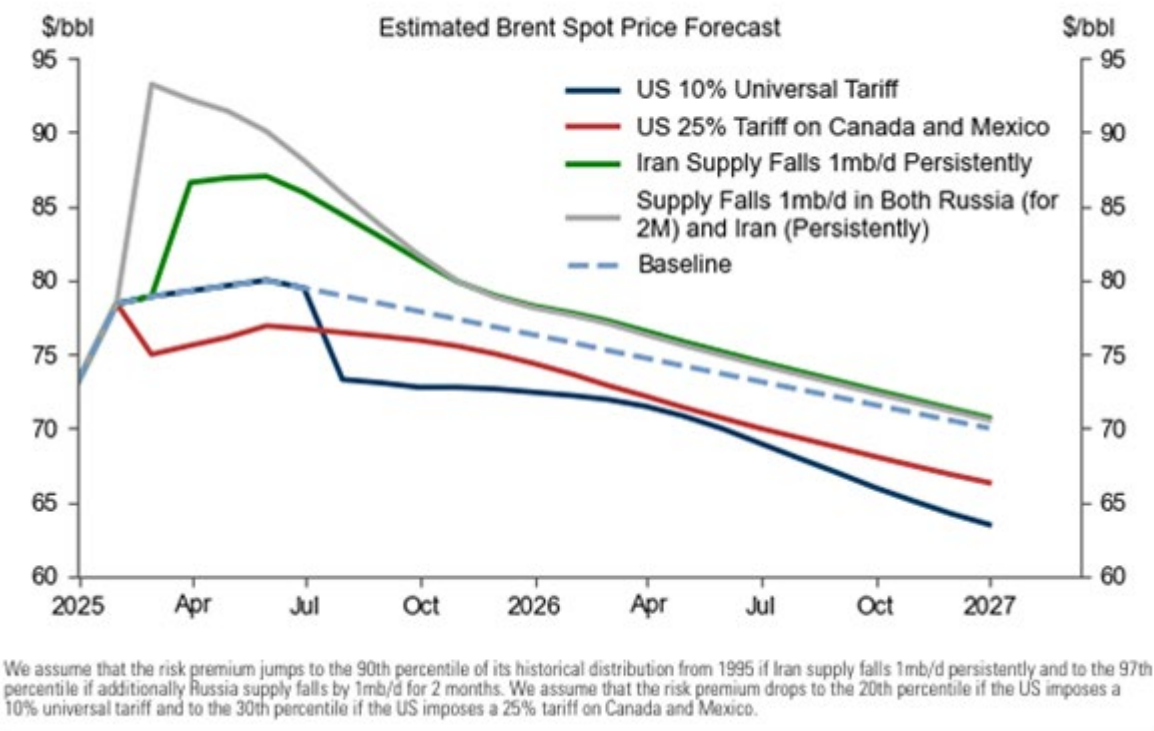
Figure 13: Brent Oil (Source: GS)



In the short term there is some upside potential for oil prices if sanctions on Iran and Russia induce reductions to supply. In the medium term the impact of potential tariffs drives downside risk (Figure 14).

Figure 14: Estimated Brent Spot Price Forecast (Source: GS)

Exhibit 11: Short-Term Upside to Prices From Lower Sanctioned Supply; Medium-Term Downside From Potential Tariffs



Source: Goldman Sachs Global Investment Research



Gas and Oil Prices 3 February 2024

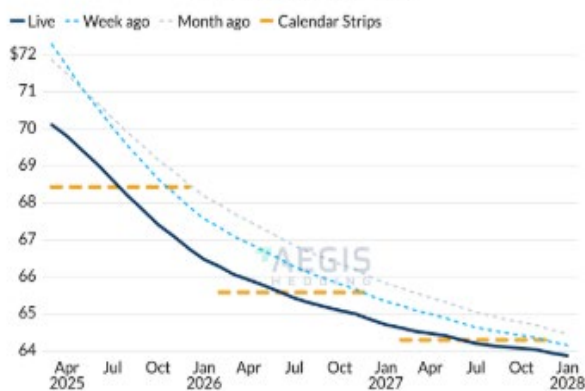
Historical WTI CMA Calendar Strips



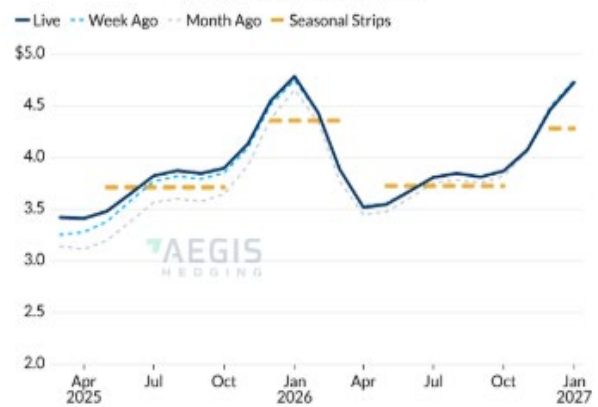
Historical Natural Gas Strips



WTI CMA Calendar Strips



Henry Hub Seasonal Strips



Crude Oil Swap Pricing

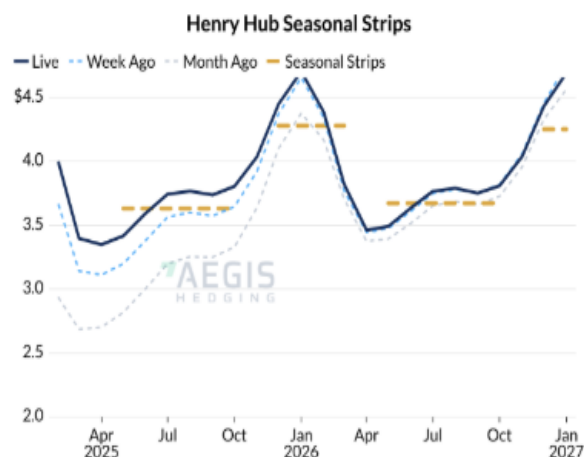
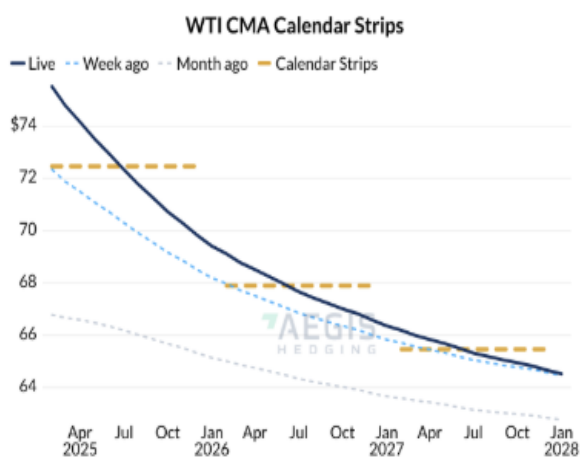
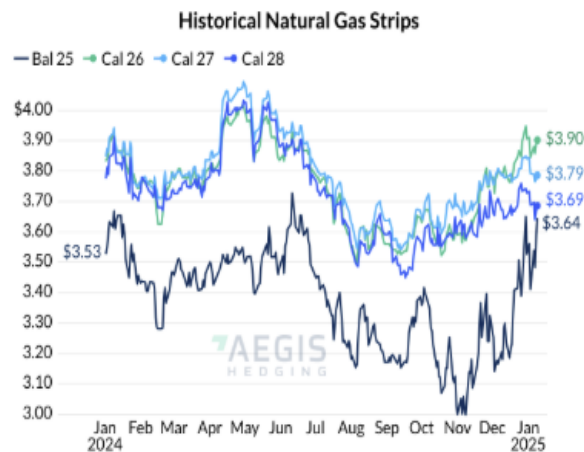
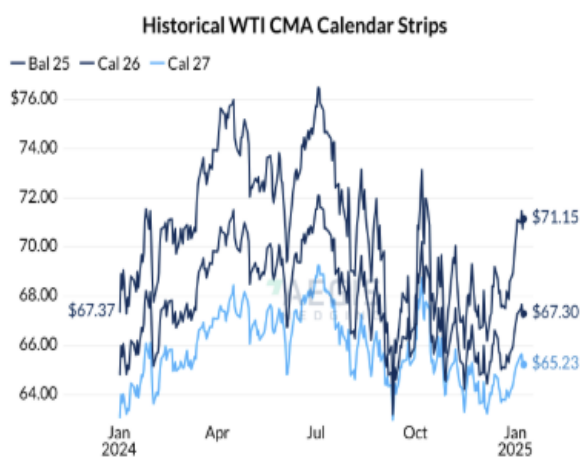
| | Bal 25 | Cal 26 |
|--------------------|----------|----------|
| NYMEX WTI | \$69.22 | \$65.85 |
| LLS | \$72.30 | \$69.12 |
| Mars | \$69.87 | \$66.18 |
| Dubai | \$72.67 | \$69.12 |
| WCS-WTI | -\$14.39 | -\$14.34 |
| ICE Brent | \$72.63 | \$69.58 |
| Dated Brent | \$72.95 | \$69.57 |
| West TX Sour (WTS) | \$69.19 | \$65.63 |

Natural Gas Basis Swap Pricing

| | prompt | Winter 24/25 | Summer 25 | Winter 25/26 | Summer 26 |
|----------------------|----------|--------------|-----------|--------------|-----------|
| Henry Hub Fixed | \$3.352 | \$3.352 | \$3.651 | \$4.319 | 3.727 |
| Panhandle East | \$0.050 | \$-0.165 | \$-0.533 | \$0.046 | -0.528 |
| Eastern Gas South | -\$0.435 | \$-0.419 | \$-0.956 | \$-0.871 | -1.045 |
| Waha | -\$1.060 | \$-1.491 | \$-2.371 | \$-1.622 | -2.425 |
| TETCO M3 | \$0.968 | \$0.411 | \$-0.789 | \$0.915 | -0.865 |
| Houston Ship Channel | -\$0.265 | \$-0.325 | \$-0.427 | \$-0.273 | -0.381 |



Gas and Oil Prices 2 January 2024



Crude Oil Swap Pricing

| | Bal 25 | Cal 26 |
|--------------------|----------|----------|
| NYMEX WTI | \$72.77 | \$67.90 |
| LLS | \$74.99 | \$70.00 |
| Mars | \$72.61 | \$67.58 |
| Dubai | \$75.79 | \$71.60 |
| WCS-WTI | -\$14.69 | -\$14.53 |
| ICE Brent | \$76.08 | \$71.71 |
| Dated Brent | \$73.01 | \$71.90 |
| West TX Sour (WTS) | \$72.26 | \$67.22 |

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Natural Gas Basis Swap Pricing

| | prompt | Winter 24/25 | Summer 25 | Summer 26 | Winter 25/26 |
|----------------------|----------|--------------|-----------|-----------|--------------|
| Henry Hub Fixed | \$3.701 | \$3.470 | \$3.534 | 3.655 | \$4.232 |
| Panhandle East | \$0.460 | \$0.030 | -\$0.556 | -0.509 | \$0.079 |
| Eastern Gas South | -\$0.468 | -\$0.419 | -\$0.829 | -0.980 | -\$0.845 |
| Waha | -\$0.770 | -\$1.424 | -\$2.065 | -2.079 | -\$1.481 |
| TETCO M3 | \$1.480 | \$0.664 | -\$0.679 | -0.823 | \$0.811 |
| Houston Ship Channel | \$0.025 | -\$0.171 | -\$0.385 | -0.361 | -\$0.205 |

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