GIANT CAPITAL
Energy Investment

Quarterly Report

Giant Capital
September Market Review

FIRM INFORMATION

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1.0 Market and Portfolio Commentary

1.1 Macro Industry Commentary

US Henry Hub prompt gas rose in September primarily because the prompt contract rolled into the colder November month during which heating demand is expected to increase gas use relative to October. The prompt was $3.00/mmbtu at close on 31 August and $3.30/mmbtu at close on 30 September. Calendar 2025 also rose, beginning September at $3.42/mmbtu and ending at $3.61/mmbtu.

Over the quarter from 30 June to 30 September 2025 and 2026 prices fell while the back end of the forward curve was flat as detailed in the table below.

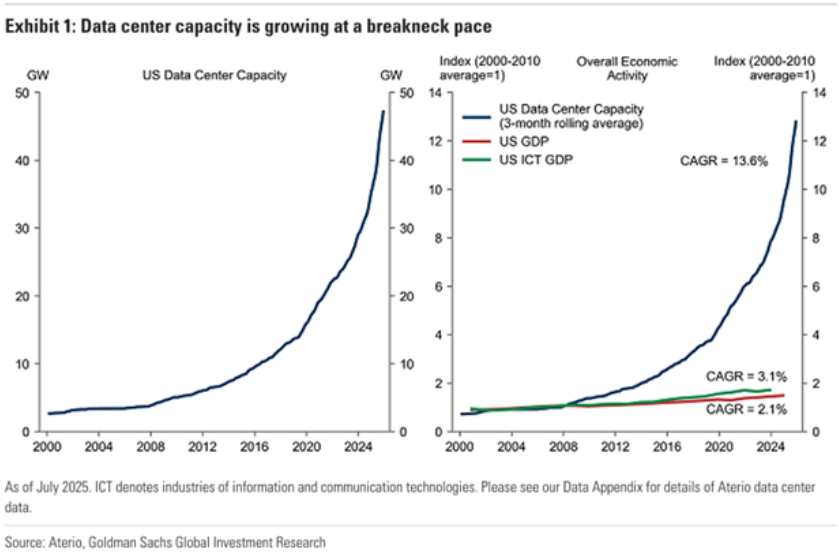
Henry Hub Prices ($/mmbtu)	30/06/2025	30/09/2025	Change (%)
2025	$ 3.82	$ 3.61	-5%
2026	$ 4.26	$ 3.90	-8%
2027	$ 3.98	$ 3.95	-1%
2028	$ 3.82	$ 3.82	-

WTI continued to trade in a relatively tight trading range, the prompt began September at $64.41/bbl and closed the month at $62.37/bbl. Calendar 2025 also fell modestly from $63.33/bbl to $62.15/bbl.

Over the full quarter oil prices were flat. Calendar 2025 was down 1%, 2026 and 2027 prices were steady, and 2028 and beyond were up 1%.

US data centre processing capacity is currently expanding at a compound annual growth rate (CAGR) of 13.8%. This compares to US GDP CAGR of 3.1% (Figure 1).

Figure 1: US Data Centre Capacity (Source: Alterio, via GS)



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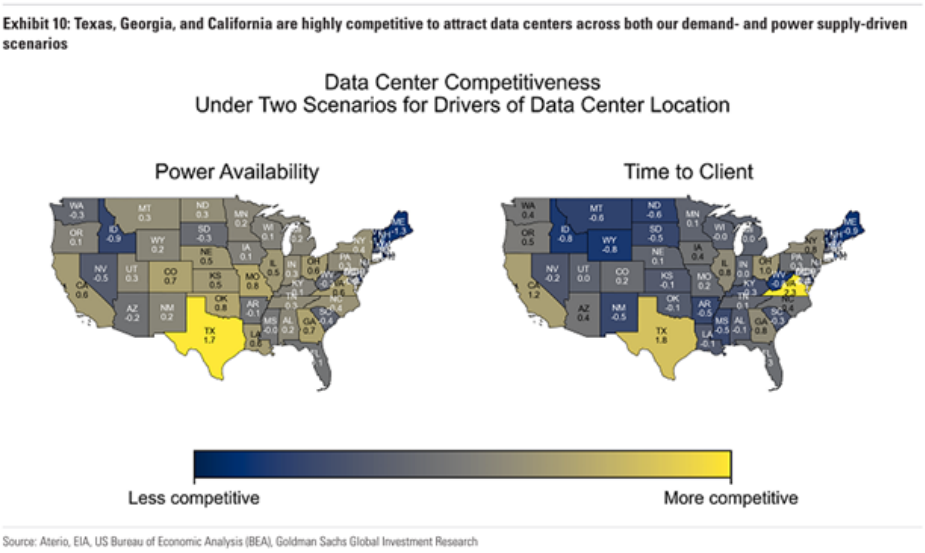
Goldman has designed state-level data centre competitiveness scores to predict likely location of further data centre capacity additions. Data centre growth is likely to lead to critically tight power markets, notably CAISO (California), MISO (Mid-Continent,) and PJM (Mid-Atlantic). Power availability will become the main driver of data centre location, considering both power availability and time to client as the driver of location, Texas is ranked the most competitive state to build a new data centre. Georgia and California both rank highly (Figure 2). Giant Capital's gas production is well sited to serve growing gas demand in Texas.

Figure 2: Data Centre Location Scenarios (Source: GS)



The latest Baker Hughes rig count data follows. From July to September US total land rigs rose by 7 from 524 to 531. Total oil rigs fell by 3 from 425 to 422, gas rigs rose by 10 from 108 to 118. Oil and gas rig totals include 15 offshore and 3 inland water rigs working in September.

Baker Hughes

NORTH AMERICA Rotary Rig Count

3/10/2025

Location	Week	+/-	Week	+/-	YearAgo
Inland Waters	3	0	3	2	1
Land	531	-1	532	-35	566
Offshore	15	1	14	-3	18
United States Total	**549**	**0**	**549**	**-36**	**585**
Gulf of Mexico	**10**	**1**	**9**	**-6**	**16**
Canada	**190**	**0**	**190**	**-33**	**223**
North America	**739**	**0**	**739**	**-69**	**808**
U.S. Breakout Information	**This Week**	**+/-**	**Last Week**	**+/-**	**Year Ago**
Gas	118	1	117	16	102
Oil	422	-2	424	-57	479
Miscellaneous	9	1	8	5	4
Directional	58	1	57	9	49
Horizontal	479	1	478	-43	522
Vertical	12	-2	14	-2	14

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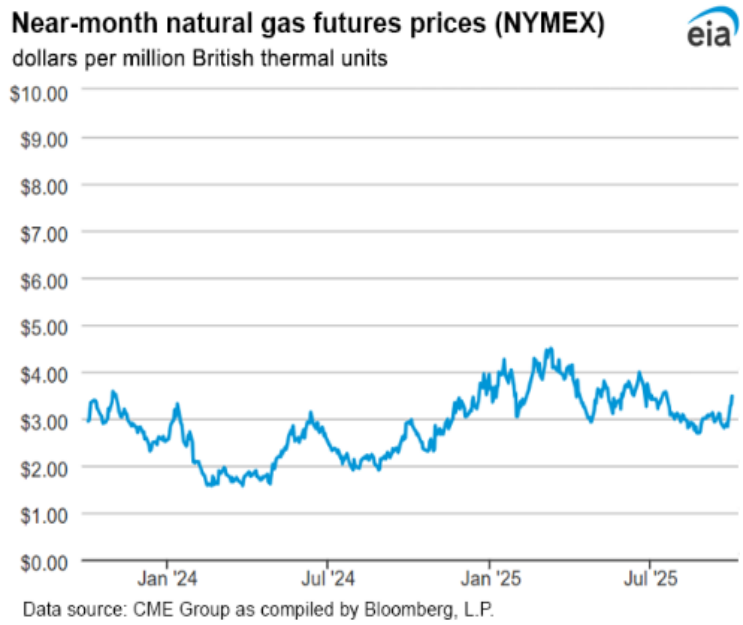
Gas Market

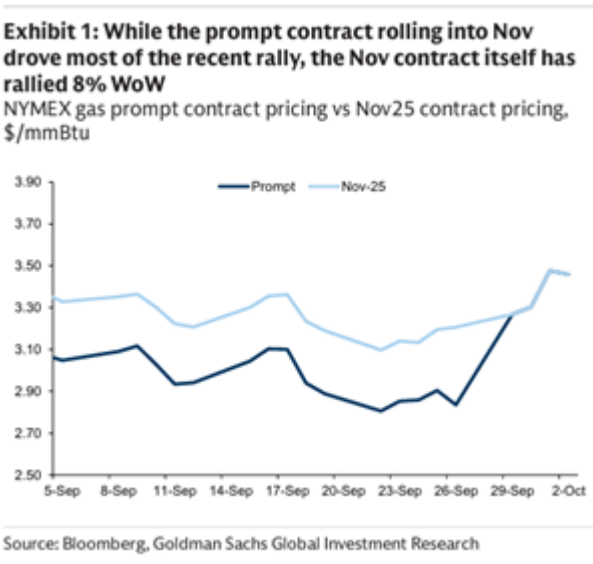
After several months trading around $3, at the end of September Henry Hub prompt prices have moved up towards $3.50/mmbtu (Figure 3).

Figure 3: Near Month Henry Hub Futures (Source: EIA)



The roll of the prompt contract from October to November was responsible for most of the end of month price increase (LHS, Figure 4), however the recent strength of cash markets relative to Henry Hub futures (RHS, Figure 4) indicate that the market is no longer concerned that gas in storage may approach system capacity restraints before the end of the injection season.

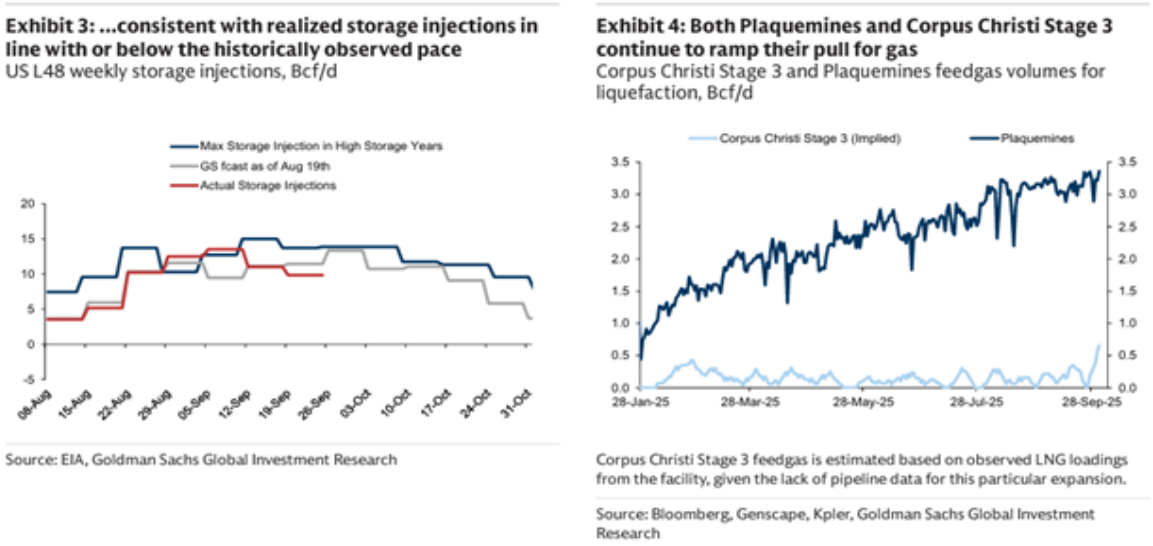
Figure 4: Henry Hub Prompt and Henry Hub Cash (Source: GS)



Improved sentiment about end of season peak gas storage volumes has been aided by realised storage injections in line with or below historic levels (LHS, Figure 5).

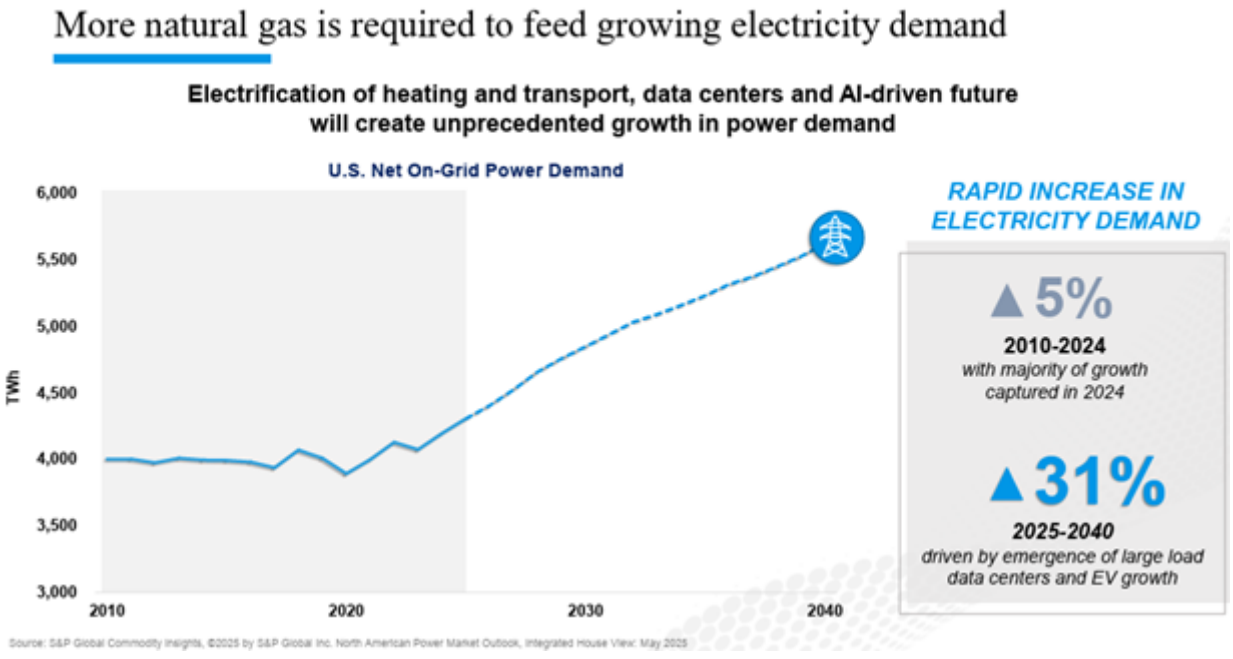
Price support has also been provided by increased LNG demand. Venture Global's Plaquemine's gas pull is now approaching its 3.6 bcf/d capacity, while gas demand at Cheniere's Corpus Christi expansion has also stepped up (RHS, Figure 5). In the last week of September total US gas demand for LNG exports was over 16.5 bcf/d, the highest level since early August. By mid-October, the return of the Cove Point facility from maintenance is likely to drive US LNG gas demand sustainably above 17 bcf/d.

Figure 5: Gas Storage Injections and Select LNG Feedgas (Source: various, via GS)



The electrification of heating and transport, increasing use of AI and the associated rise in data centres are expected to create unprecedented growth in US power demand. US net on-grid power demand grew by 5% in the 15 years from 2010 to 2024 (with most of the growth occurring in 2024). Over the next 15 years it is expected to grow by over 30% (Figure 6).

Figure 6: US Net On-Grid Power Demand (Source: various, via Williams Cos)



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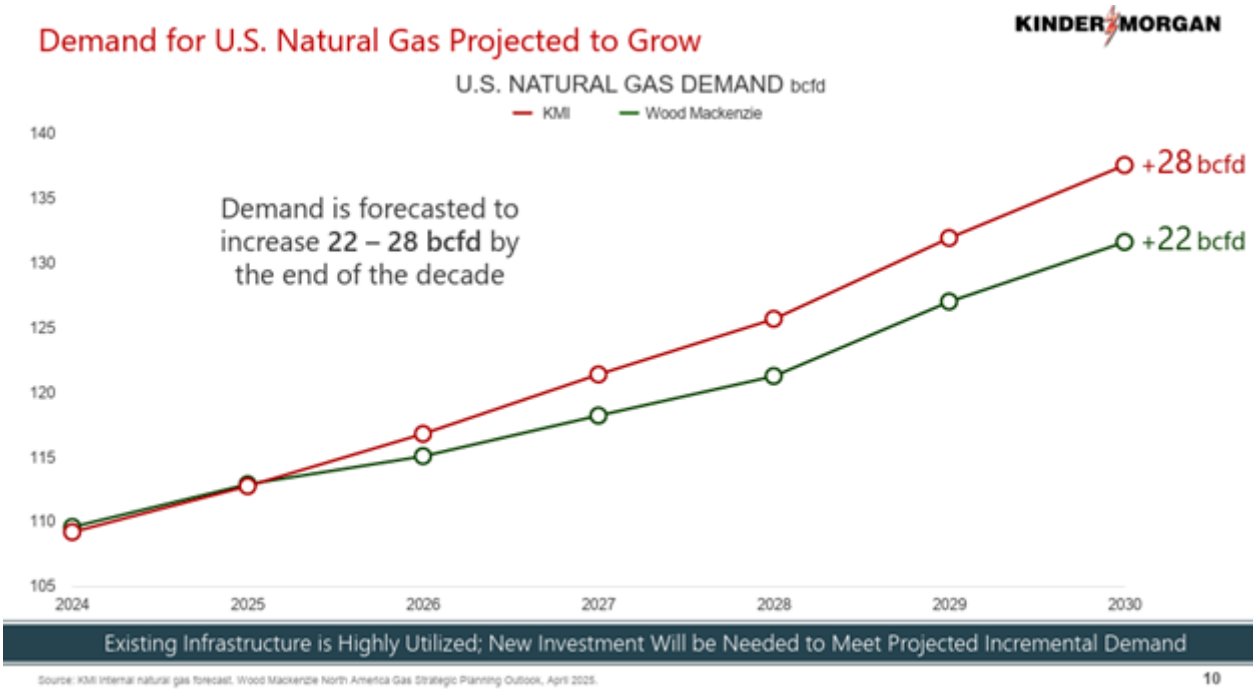
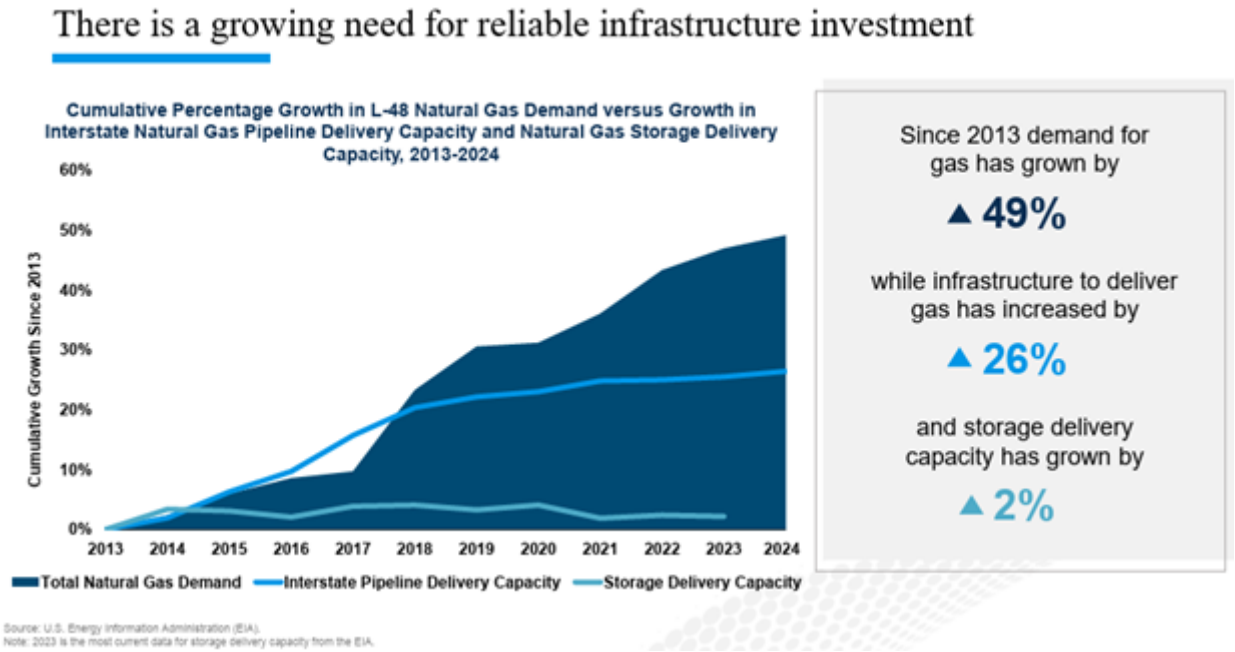
All sources of power supply will need to grow, not least natural gas. Kinder Morgan (one of the largest gas transport and processing providers in the US) expected gas demand to grow by 28 bcfd by the end of the decade, Wood McKenzie predicts a lower, though still significant, 22 bcfd increase (Figure 7).

Figure 7: US Natural Gas Demand (Source: various, via Kinder Morgan)



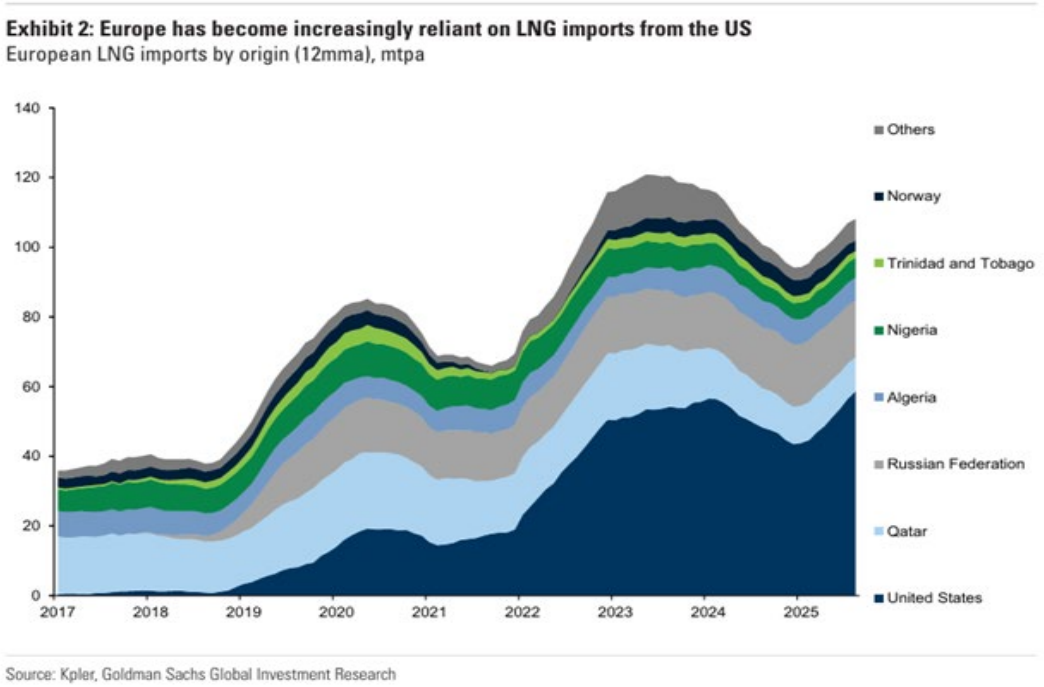
Since 2013 US demand for natural gas has grown by 49% while infrastructure to deliver gas to market has increased by 26% and storage delivery capacity has only grown by 2% (Figure 8). Storage provides an important service as a dampener of spot market volatility, and the current relative scarcity of storage capacity will increase Henry Hub prompt contract volatility. In our view, this increases the relative attractiveness of investment in real assets valued by long term production and forward prices relative to placing outright commodity bets.

Figure 8: Cumulative Percentage US Gas Market Growth (Source: various, via Williams Cos)



As Russian supply of natural gas to Europe continues to decline, Europe has become increasingly reliant on LNG imports from the US (Figure 9).

Figure 9: European LNG Imports by Origin (Source: Kpler, via GS)



As has been widely reported in the general press, market sentiment for global LNG prices, represented by the price benchmark for LNG sold into Asia, the Japan-Korea Marker (JKM), and the benchmark for LNG sold into Europe, the Title Transfer Facility (TTF), is bearish for several years after 2026 because of a continued rise in global LNG supply mostly from the US and Qatar. The forward curves for both JKM and TTF currently sit comfortably ahead of Henry Hub (Figure 10 and Figure 11). This provides ample headroom for both JKM and TTF prices to fall though still leave healthy profit margins for US LNG suppliers to by at or above current Henry Hub forwards and deliver LNG to its end markets.

Figure 10: JKM – Henry Hub Forward Spread (Source: various, via GS)

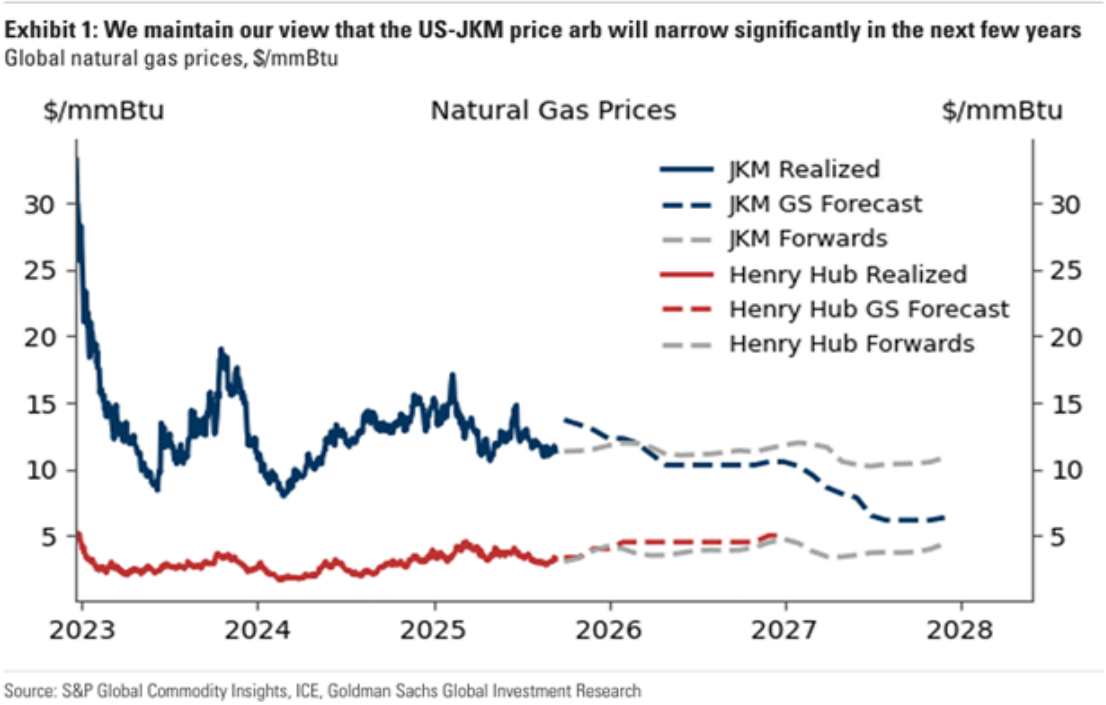
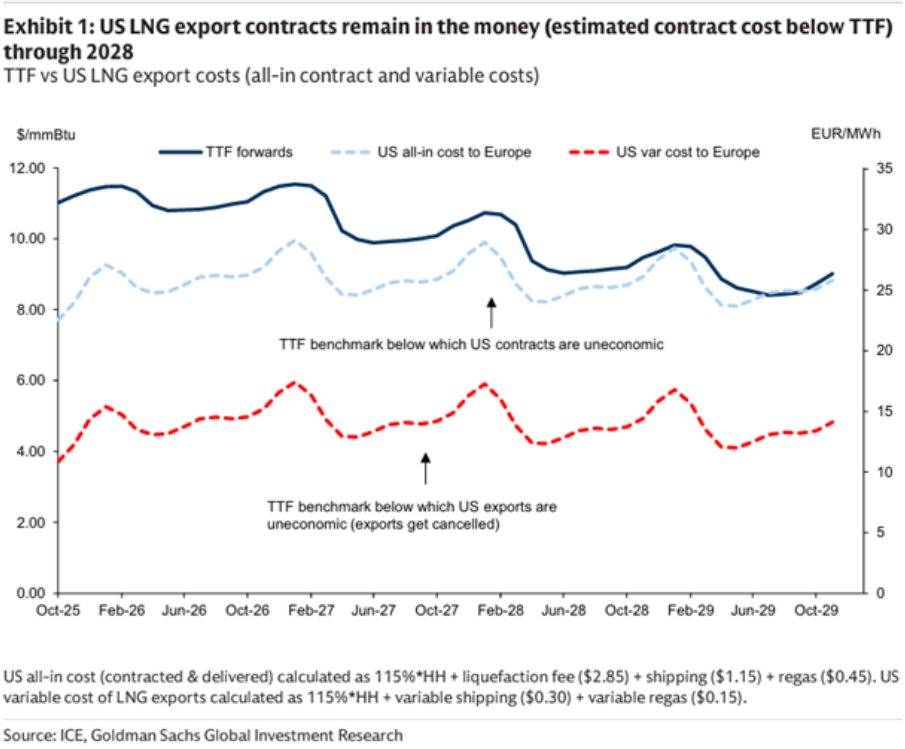


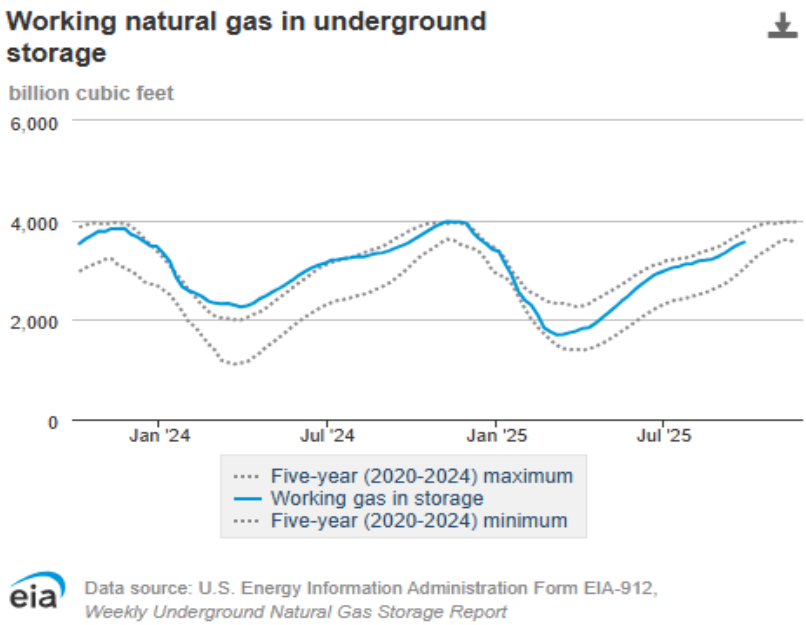
Figure 11: TTF – US LNG Cost Forward Spread (Source: various, via GS)



The steady flow of new Final Investment Decision (FID) approvals for new US LNG export facilities indicate that the developers believe that any period of LNG oversupply will be temporary and that demand infrastructure will quickly respond to balance the market. There also remains a degree of uncertainty as to timing of the upcoming Qatari expansion which will ultimately add 8 bcf/d to global supply. A delay for a year or two could well remove most of the near-term oversupply. In any event, two to three years of very cheap gas would plant the seeds of stronger structural gas demand growth, with increasing investment in infrastructure for power and manufacturing relying on gas, especially across Asia.

Net injections into storage totalled 53 BCF for the week ending 26 September, compared to the five-year (2020-2024) average net injections of 85 bcf and last year's net injections of 54 bcf during the same week. Working natural gas stocks totalled 3,561 bcf, which is 171 bcf (5%) more than the five-year average and 21 bcf (1%) more than last year at this time (Figure 12).

Figure 12: US Working Natural Gas in Underground Storage (Source: EIA)



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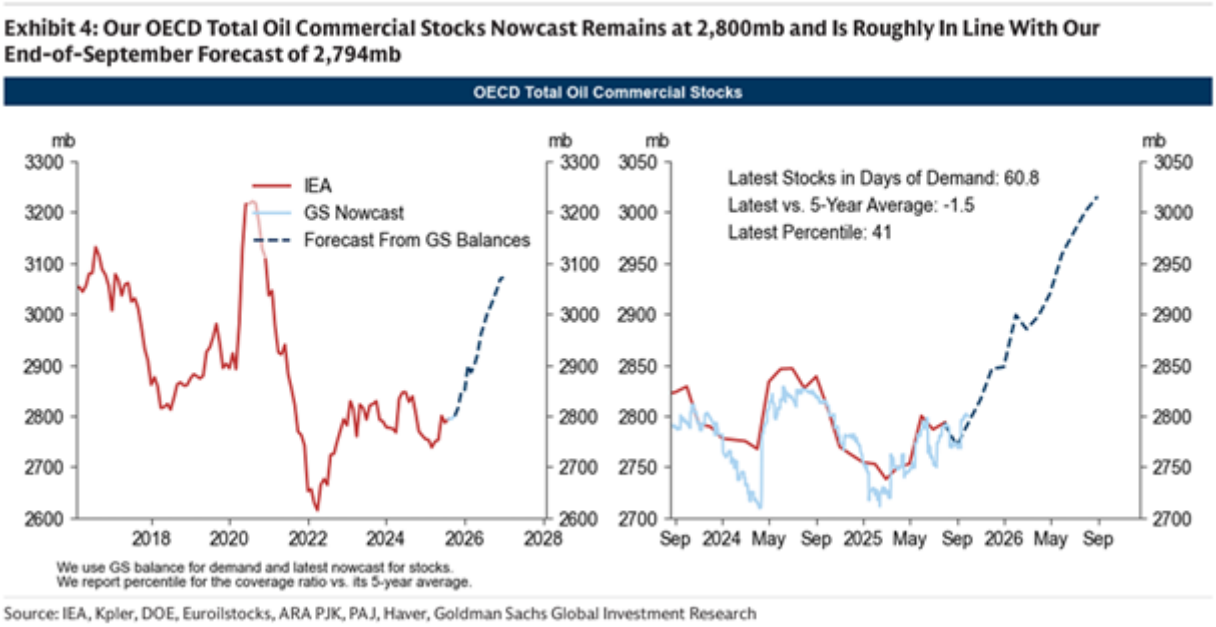
Oil Market

OECD commercial oil stocks are broadly flat year-on-year but are expected to now rise with the end of the US summer driving season, relatively weak global economic growth and increasing OPEC oil production (Figure 13).

Figure 13: OECD Total Commercial Oil Stocks (Source: various, via GS)

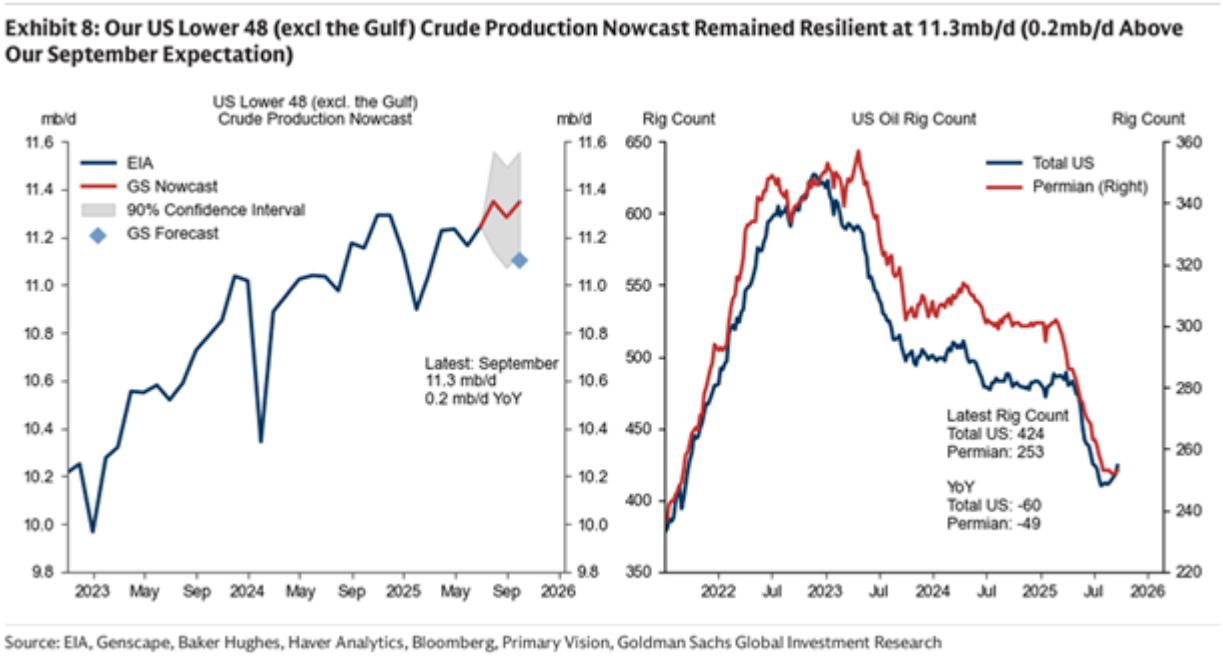


Including non-OECD countries, global oil stocks have already begun to climb above the levels of recent years (Figure 14).

Figure 14: Global Visible Oil Stocks (Source: various, via GS)

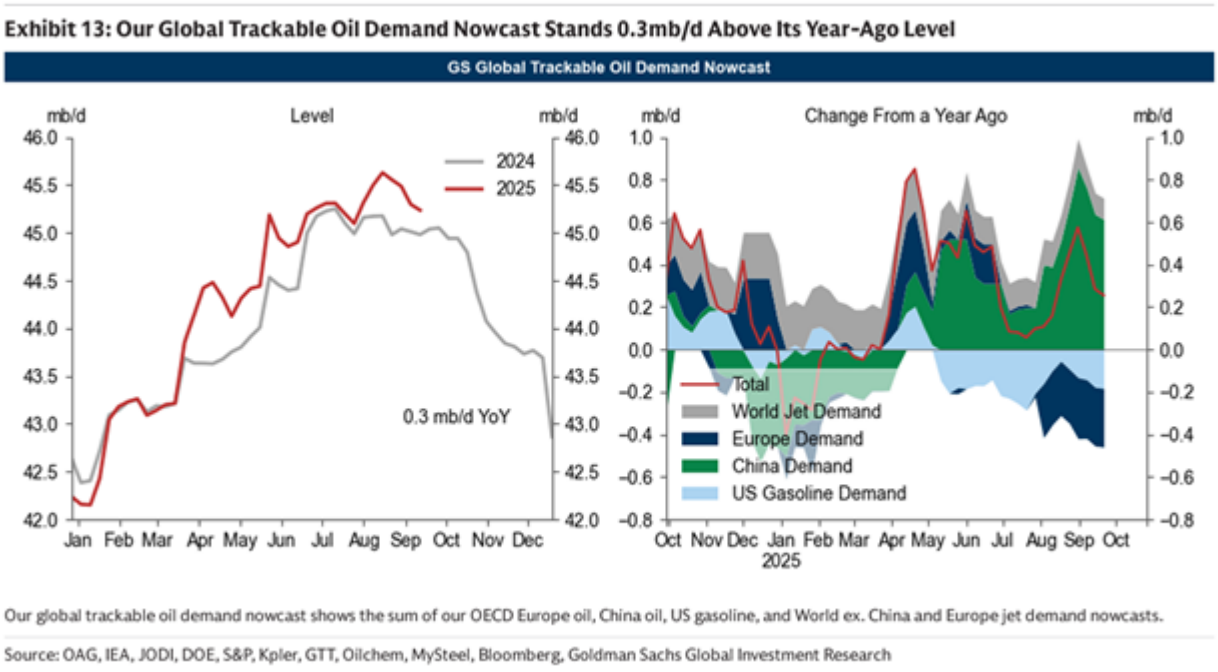
Despite relatively weak oil prices, and falling rig count (RHS, Figure 15) US Lower 48 onshore oil production has reached 11.3 mmbbld (LHS, Figure 15).

Figure 15: US Lower 48 Oil Production and Rig Count (Source: various, via GS)



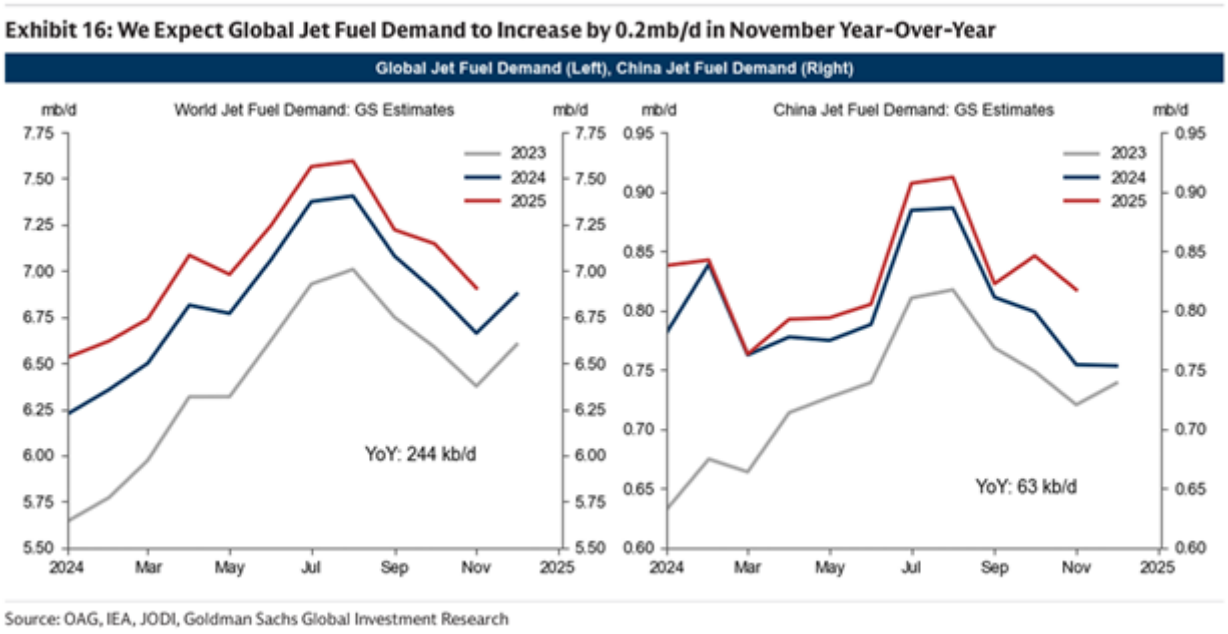
Goldman's assessment of global oil demand is 300 mbblsd above the level this time last year (Figure 16).

Figure 16: GS Global Oil Demand (Source: various, via GS)



Global jet fuel demand also continues to rise year-on-year (Figure 17).

Figure 17: GS Global Jet Fuel (Source: various, via GS)



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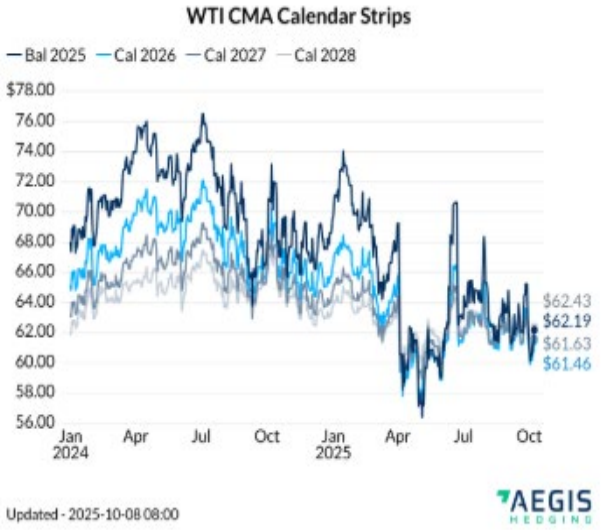
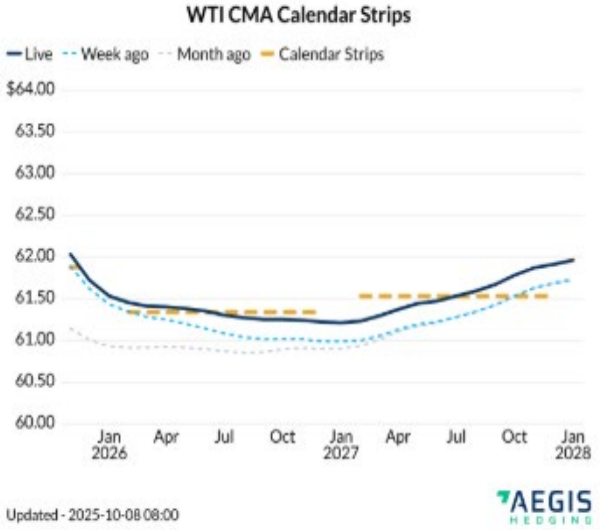
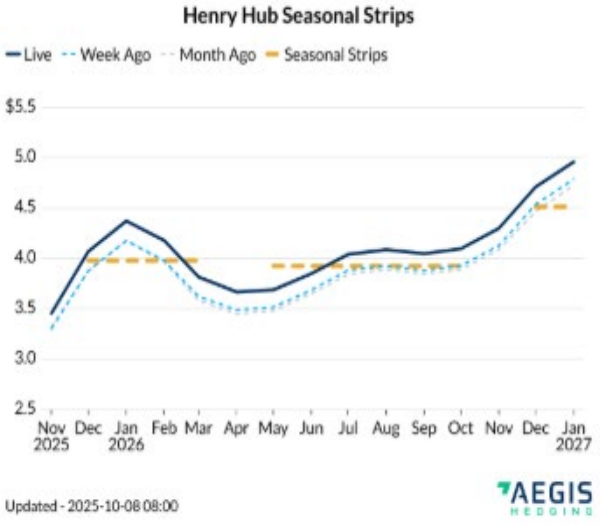
Gas and Oil Prices 8 October 2025







Crude Oil Swap Pricing

	2025	2026	2027
NYMEX WTI	$62.17	$61.44	$61.64
LLS	$64.69	$64.45	$64.85
Mars	$61.40	$60.75	$62.28
Dubai	$65.78	$64.80	$65.06
WCS-WTI	-$11.91	-$12.43	-$13.64
ICE Brent	$65.86	$65.14	$65.46
Dated Brent	$66.79	$65.25	$65.50
West TX Sour (WTS)	$62.09	$61.10	$61.13

Updated - 2025-10-08 12:45

Natural Gas Basis Swap Pricing

	prompt	Bal' Summer 25	Winter 25/26	Summer 26	Winter 26/27
Henry Hub Fixed	$2.835	$2.835	$3.756	$3.742	$4.327
Panhandle East	-$0.455	$-0.455	$-0.040	$-0.615	$-0.110
Eastern Gas South	-$1.223	$-1.223	$-0.651	$-0.989	$-0.794
Waha	-$4.670	$-4.670	$-2.204	$-2.514	$-0.672
TETCO M3	-$1.098	$-1.098	$1.265	$-0.811	$1.203
Houston Ship Channel	-$0.255	$-0.255	$-0.203	$-0.325	$-0.204

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Gas and Oil Prices 4 July 2025

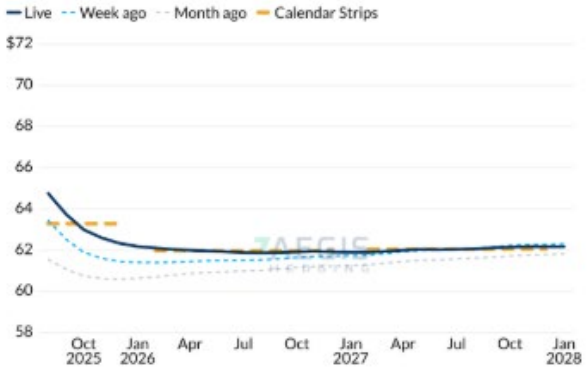
Historical WTI CMA Calendar Strips

Updated - 2025-07-04 08:50
Chart: As of previous day settle

Historical Natural Gas Strips

Updated - 2025-07-04 08:50
Chart: As of previous day settle

WTI CMA Calendar Strips



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Henry Hub Seasonal Strips

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Crude Oil Swap Pricing

	2025	2026	2027
NYMEX WTI	$63.84	$62.05	62
LLS	$66.59	$65.30	65
Mars	$64.43	$62.22	63
Dubai	$66.72	$65.11	65
WCS-WTI	-$12.71	-$13.48	-14
ICE Brent	$66.66	$65.55	66
Dated Brent	$67.60	$65.66	66
West TX Sour (WTS)	$63.57	$61.65	62

Updated - 2025-07-04 12:45

Natural Gas Basis Swap Pricing

	prompt	Bal' Summer 25	Winter 25/26	Summer 26	Winter 26/27
Henry Hub Fixed	$3.409	$3.457	$4.330	$3.983	$4.526
Panhandle East	-$0.533	$-0.585	$-0.098	$-0.618	$-0.115
Eastern Gas South	-$0.863	$-1.123	$-0.792	$-1.154	$-0.916
Waha	-$1.440	$-1.868	$-1.783	$-2.005	$-0.843
TETCO M3	-$0.685	$-0.979	$1.068	$-0.989	$1.057
Houston Ship Channel	-$0.385	$-0.414	$-0.299	$-0.364	$-0.213
Columbia Gulf Mainline	-$0.315	$-0.313	$-0.169	$-0.283	$-0.220

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