

Giant Capital

October 2025 Report

1.0 Market and Portfolio Commentary

1.1 Macro Industry Commentary

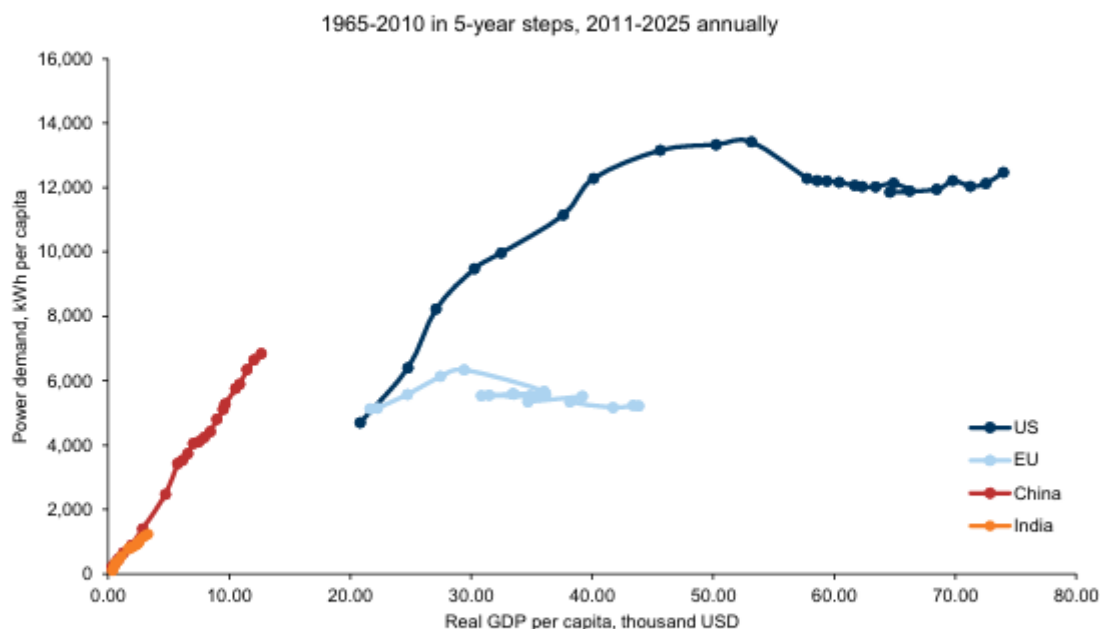
General Market Commentary

US Henry Hub prompt gas prices rose sharply in October as the prompt contract rolled into the start of winter December contract and forecasts predicted early season cold weather. Month-on-month the prompt rose from \$3.30/mmbtu at close on 30 September to \$4.12/mmbtu at close on 31 October. Both calendar 2025 and calendar 2026 also rose, beginning October at \$3.61/mmbtu and 3.90/mmbtu respectively, and ending at \$4.10/mmbtu and \$4.04/mmbtu.

WTI oil fell modestly with the market focused on strong near-term supply. The prompt began October at \$62.37/bbl and closed the month at \$60.98/bbl. Calendar 2025 fell from \$62.15/bbl to \$60.79/bbl and calendar 2026 fell from \$61.27/bbl to \$60.05/bbl.

In developed markets such as the US and Europe, power demand from 2000 to 2025 was relatively flat with increasing efficiency offsetting the impact of GDP growth. In emerging markets such as India and China power demand is growing rapidly in conjunction with GDP (Figure 1).

Figure 1: Power Demand and Real GDP (Source: various, via GS)

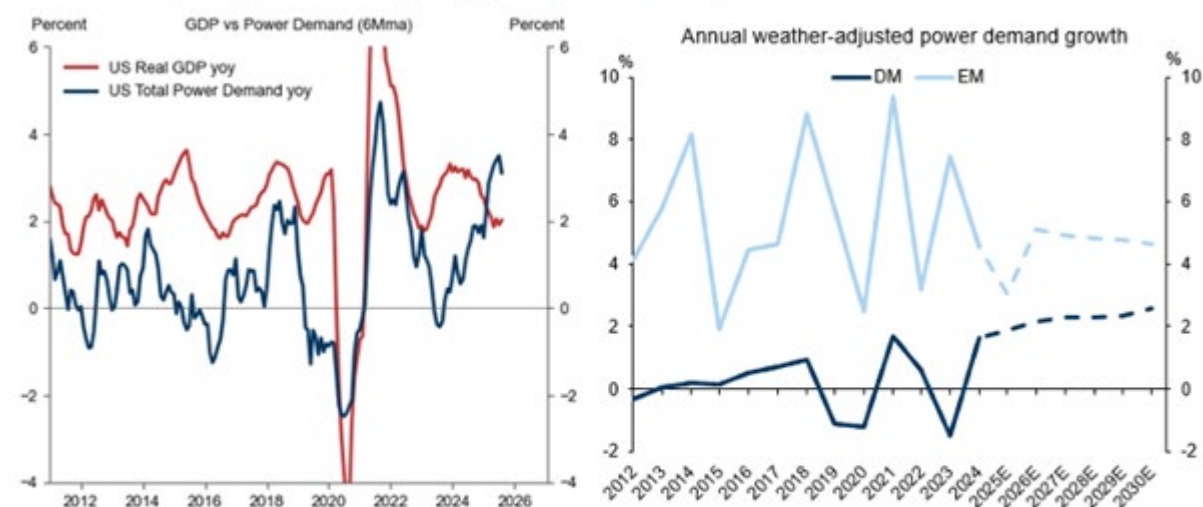
Exhibit 1: Power demand per capita continues to increase with economic development in EMs, while remaining flattish in Europe

1965–2010 scatters represent 5-year average. Data across economies have different starting years: US 1965, EU 1990, China and India 1975. Real GDP in 2020 US Dollars. 2025 numbers are based on realized yoy growth rates in 2025 ytd.

Source: IEA , Haver, EIA, Wind, CEIC, Bloomberg, Goldman Sachs Global Investment Research

In the US this relationship has now changed. US power demand growth is now exceeding GDP growth (LHS Figure 2). The strength in power demand has been primarily driven by the continued scaling up of data centres, with the US holding the largest data centre capacity (44% of the world's total according to IEA estimates) and the highest power demand share of data centres across major economies in 2025 (Figure 3). This growth in US power demand growth is starting to narrow the gap between aggregate developed markets and emerging markets (RHS Figure 2). The world needs more power, not simply to change the supply at existing levels.

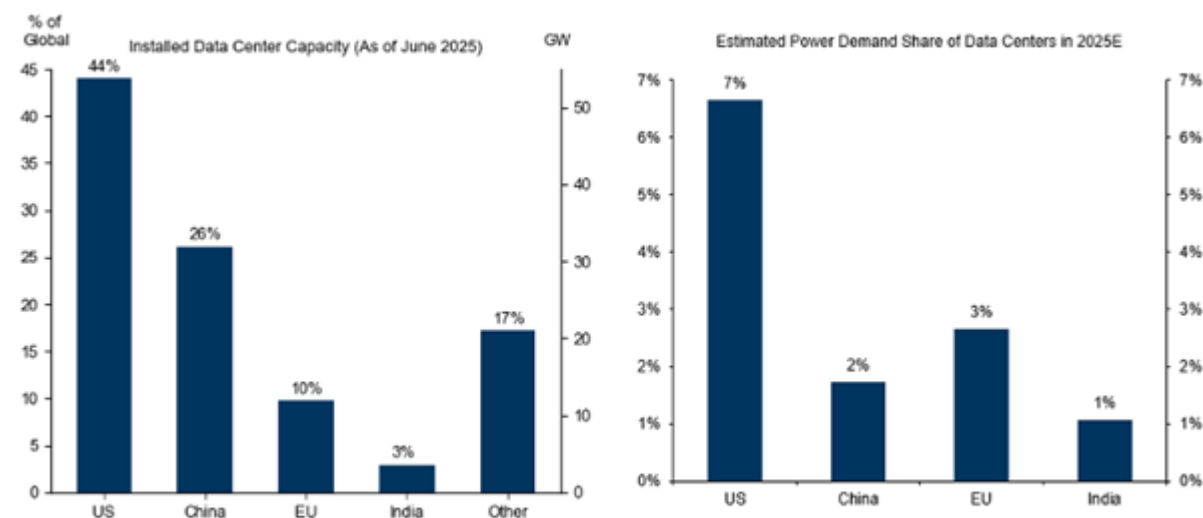
Figure 2: GDP and Power Demand Growth (Source: various, via GS)

Exhibit 3: Led by the US, DM is narrowing the gap to EM power demand growth

LHS: Weather-adjusted US total power demand (including small-scale solar power use) and US real GDP yoy, monthly. To avoid underestimating power demand, we include all small-scale solar power generation in US total power demand. RHS: We consider the total power demand of the US and the EU for the DM line and the total power demand of China and India for the EM line. For power demand growth in 2025E, we use 2025 ytd growth across all economies. For power demand growth in 2026E-2030E, we use our equity research colleagues' power demand growth forecasts for the US and the EU, and use our economists' GDP growth forecasts with the respective average difference in the past five years between GDP growth and power demand growth for China and India.

Source: EIA, Bloomberg, Haver, IEA, Wind, CEIC

Figure 3: Data Centre Capacity and Power Demand (Source: various, via GS)

Exhibit 4: Across major economies, US has the largest data center capacity and the highest power demand share of data centers

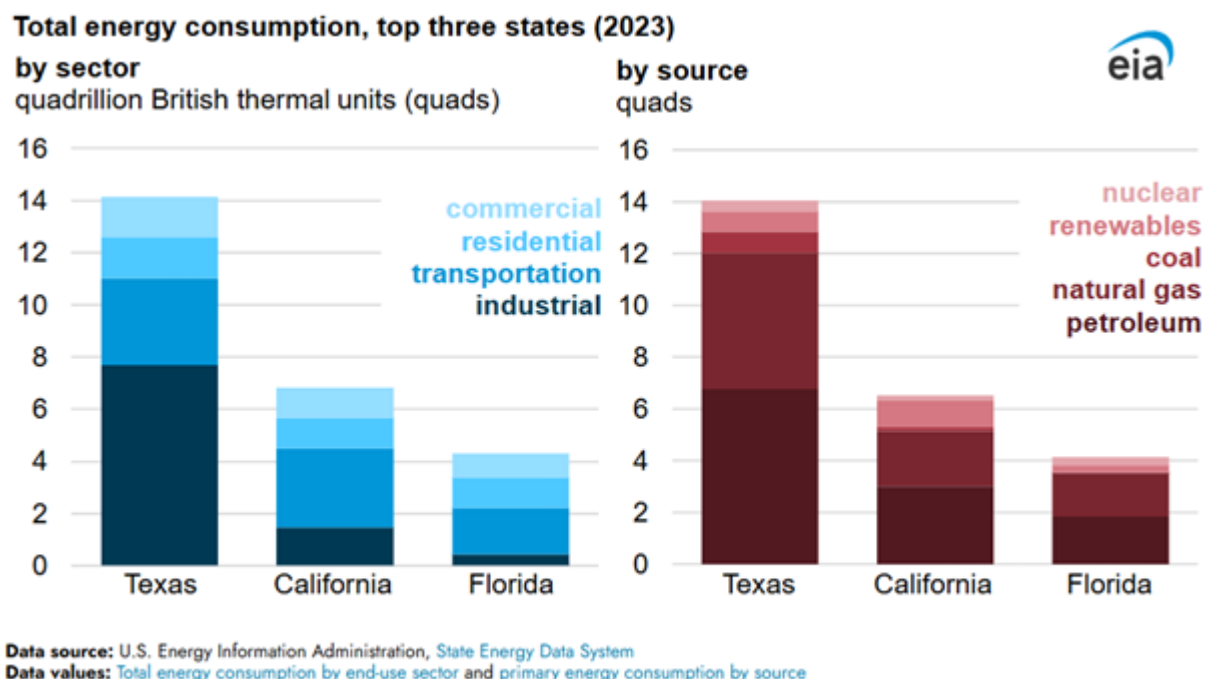
LHS: IEA data center capacity across economies; RHS: We use IEA data center power capacity with 60% utilization and 2025 total power demand in each economy estimated on ytd yoy power demand growth to calculate the power demand shares.

Source: EIA, IEA, Wind, CEIC, Haver, Goldman Sachs Global Investment Research

Within the US, in 2023 Texas consumed more energy than any other state. Total energy consumption in Texas was twice as much as in California, the second-highest consuming state, and more than three times as much as in Florida, the third-highest consuming state, according to data recently released by the EIA (LHS

Figure 4). Texas consumed more coal, natural gas and petroleum than any other state, and it was second only to California in total renewable energy consumption (RHS Figure 4).

Figure 4: 2023 Total Energy Consumption – top three state (Source: EIA)



The latest Baker Hughes rig count data follows. In October, US total land rigs fell from 531 to 527. Total oil rigs rose from 422 to 417, gas rigs rose by 7 from 118 to 125. Oil and gas rig totals include 19 offshore and 3 inland water rigs working in October.



NORTH AMERICA Rotary Rig Count

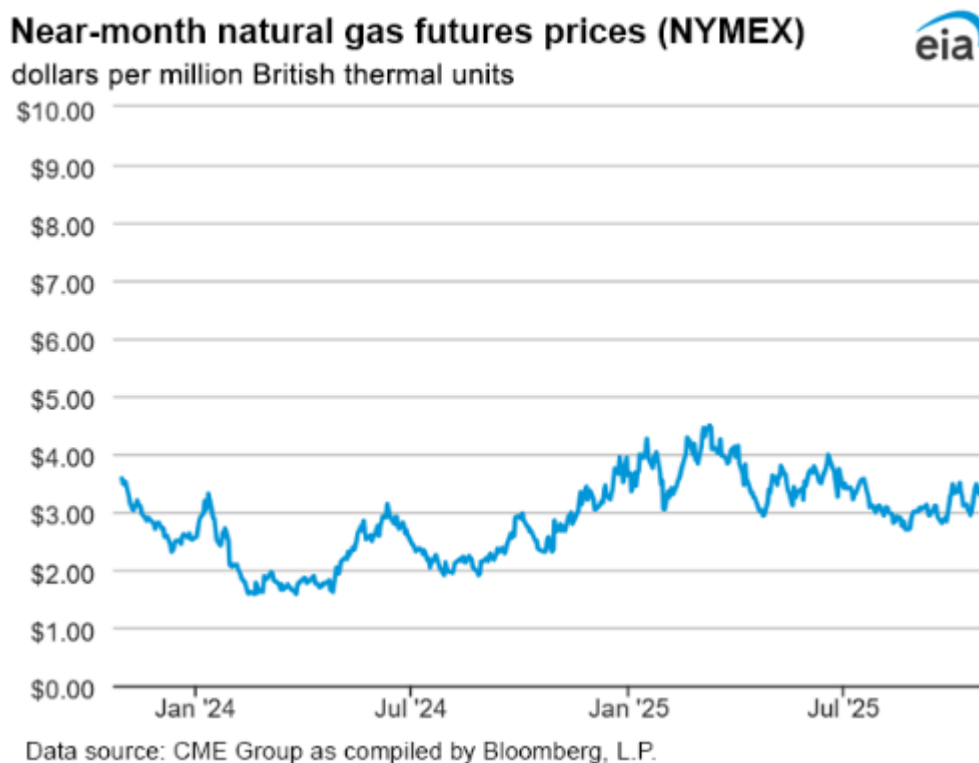
14/11/2025

Location	Week	+/-	Week	+/-	Year Ago
Inland Waters	3	1	2	1	2
Land	527	0	527	-41	568
Offshore	19	0	19	5	14
United States Total	549	1	548	-35	584
Gulf of Mexico	12	0	12	0	12
Canada	188	-3	191	-12	200
North America	737	-2	739	-47	784
U.S. Breakout Information	This Week	+/-	Last Week	+/-	Year Ago
Gas	125	-3	128	24	101
Oil	417	3	414	-61	478
Miscellaneous	7	1	6	2	5
Directional	62	3	59	14	48
Horizontal	476	-2	478	-44	520
Vertical	11	0	11	-5	16

Gas Market

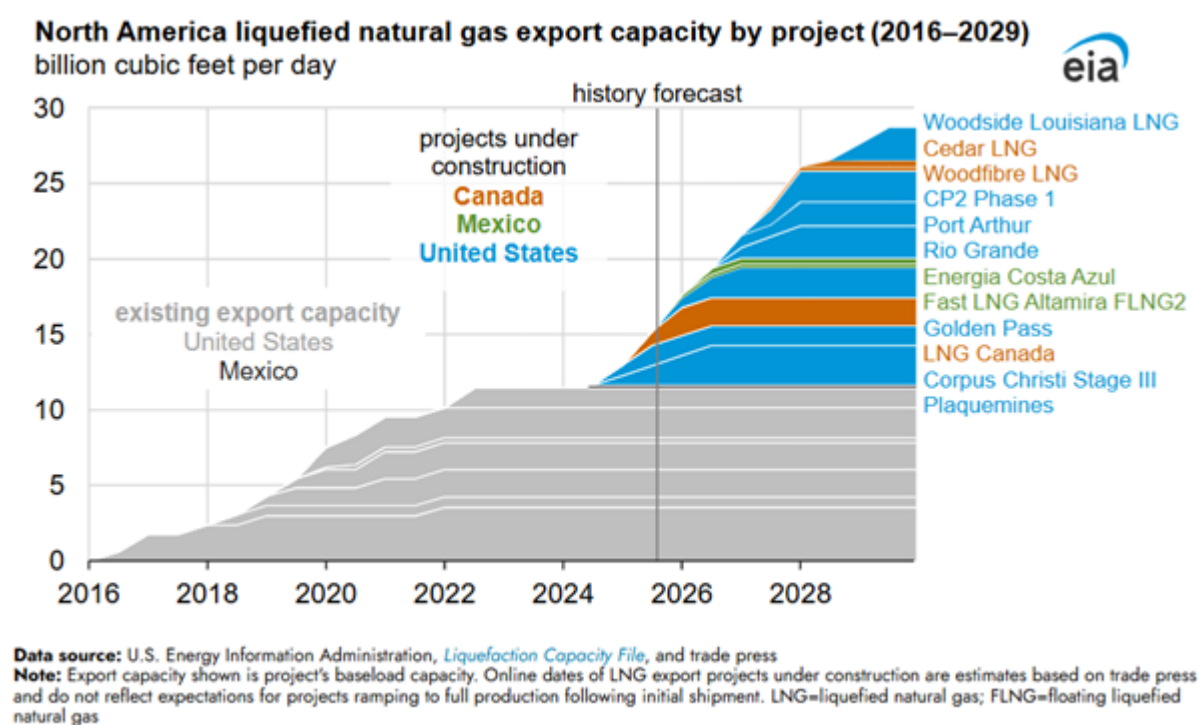
Henry Hub prompt prices increased towards \$4/mmbtu during October with the approaching winter heating season and high LNG export demand providing market support (Figure 5).

Figure 5: Near Month Henry Hub Futures (Source: EIA)



Liquefied natural gas (LNG) exporters in the United States have announced plans to more than double US liquification capacity, adding an estimated 13.9 bcf/d between 2025 and 2029, according to the EIA and trade press reports (Figure 6). The United States is already the largest exporter in the world with 15.4 bcf/d of capacity during the first three quarters of 2025. The recent commissioning of new facilities has increased LNG export volumes in the first weeks of November to over 19 bcf/d. If projects currently under construction begin operation as planned, by 2029 North American LNG export capacity will reach 28.7 bcf/d in 2029.

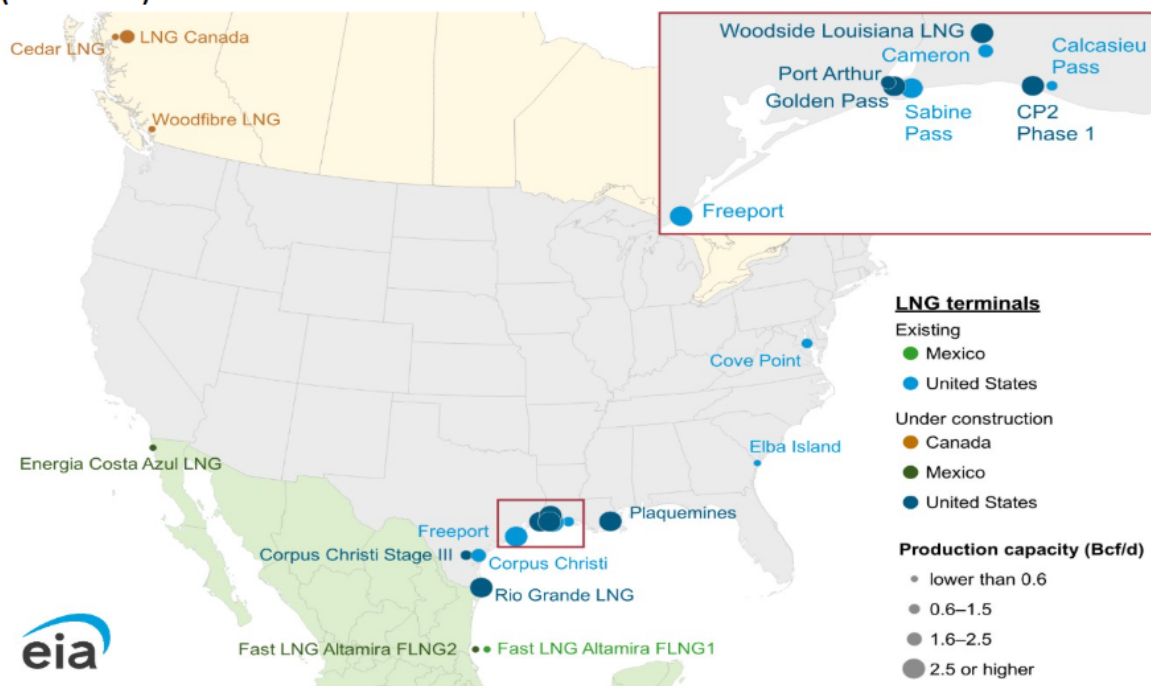
Figure 6: North American LNG Export Capacity by Project (Source: EIA)



The planned liquefaction capacity additions will be concentrated around the US Gulf Coast, already the largest hub of LNG exports in the Atlantic Basin. Canada is building its facilities on the Pacific Coast to more directly serve Asian markets while Mexico is building LNG export capacity on both the Pacific and Gulf Coasts (Figure 7).

Figure 7: North American LNG Export Facilities (Source: EIA)

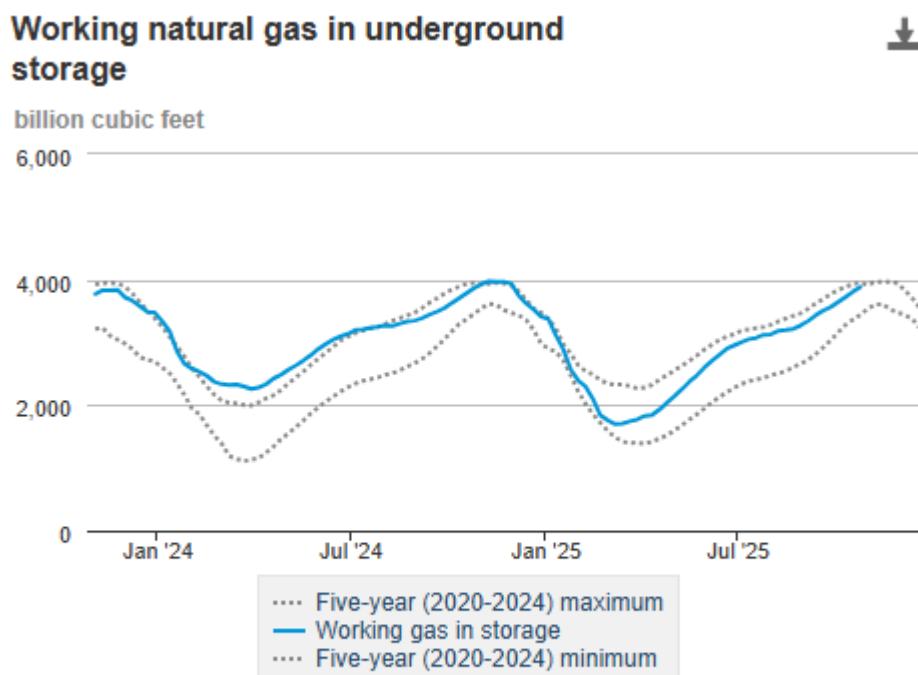
North America liquefied natural gas export facilities, existing and under construction (2016–2029)



Data source: U.S. Energy Information Administration, [Liquefaction Capacity File](#), and trade press
Note: Bcf/d=billion cubic feet per day; LNG=liquefied natural gas; FLNG=floating liquefied natural gas

Net injections into storage totalled 74 bcf for the week ending 24 October, compared with the five-year (2020 – 2024) average net injections of 67 bcf and last year’s net injections of 79 bcf during the same week. Working natural gas stocks totalled 3,882 bcf, which is 171 bcf (5%) more than the 5-year average and 29 bcf (1%) more than last year at this time (Figure 8).

Figure 8: US Working Natural Gas in Underground Storage (Source: EIA)



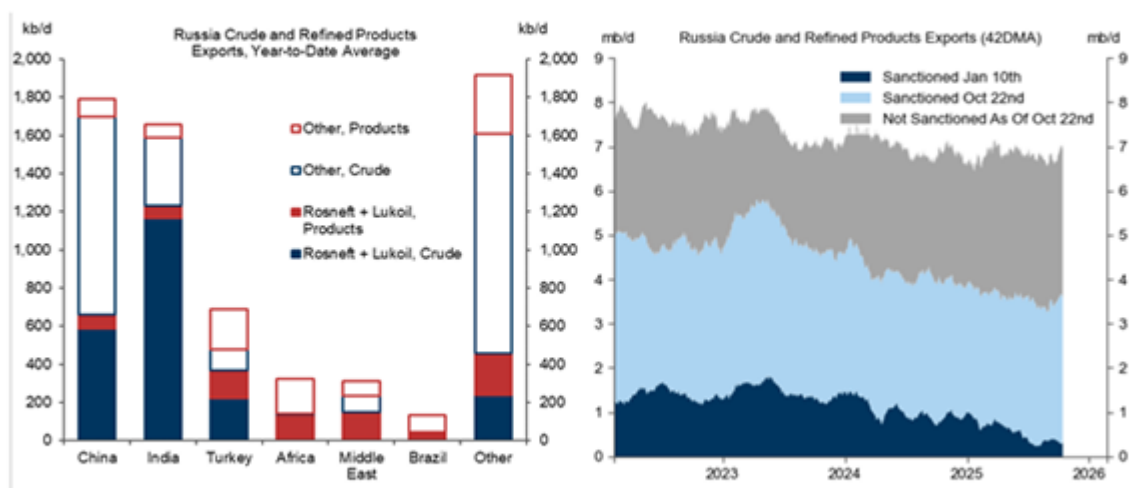
Data source: U.S. Energy Information Administration Form EIA-912,
Weekly Underground Natural Gas Storage Report

Oil Market

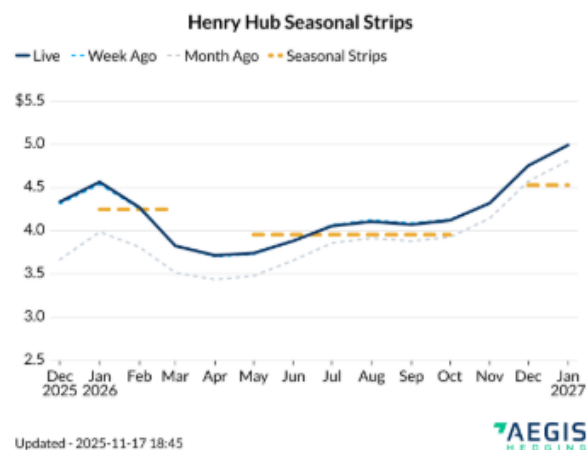
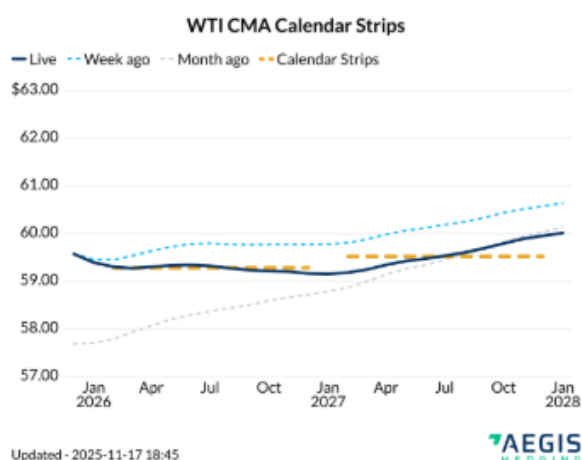
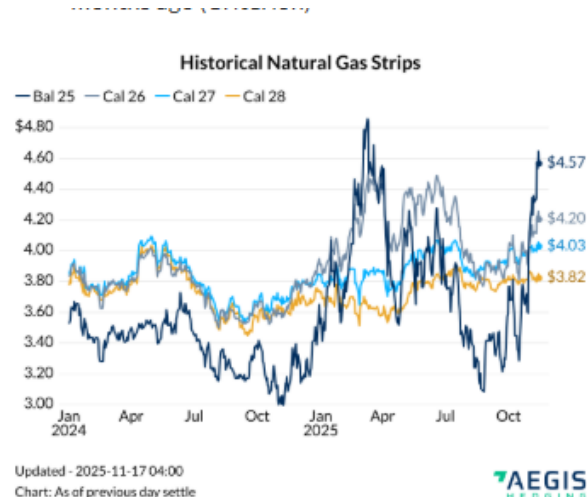
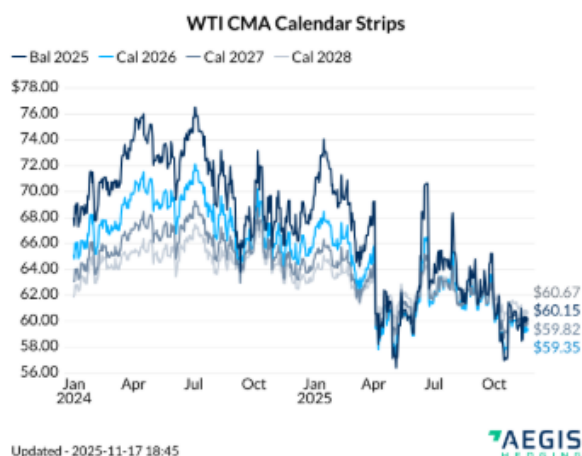
With OPEC increasing supply and low near-term expectations of demand growth oil prices have softened in recent months. Increasing sanctions on Russian oil supply, most recently new US sanctions on Russia's two largest oil producers, Rosneft and Lukoil, have been among the few sources of price support. Goldman estimates that Rosneft and Lukoil together have exported 3.0mmbbl/d of oil year-to-date, or 45% of Russia's exports, with the majority being crude oil (2.2mmbbl/d) (Figure 9).

Figure 9: Russian Oil Exports (Source: various, via GS)

Exhibit 1: Rosneft and Lukoil Combined Oil Exports of 3.0mb/d YTD Account for Nearly 45% of Total Russia Crude and Products Exports Jointly and for 70% of Russia Oil Exports to India



Source: Kpler, PetroLogistics, Goldman Sachs Global Investment Research

Gas and Oil Prices 17 November 2025

Crude Oil Swap Pricing

	2025	2026	2027
NYMEX WTI	\$59.70	\$59.38	\$59.59
LLS	\$61.10	\$62.56	\$63.31
Mars	\$58.35	\$58.54	\$58.59
Dubai	\$64.40	\$63.45	\$63.51
WCS-WTI	-\$12.36	-\$12.20	-\$13.13
ICE Brent	\$63.83	\$63.06	\$63.36
Dated Brent	\$64.20	\$63.19	\$63.39
West TX Sour (WTS)	\$59.30	\$58.58	\$59.09

Updated - 2025-11-17 20:07

Natural Gas Basis Swap Pricing

	prompt	Summer 26	Winter 25/26	Summer 27	Winter 26/27
Henry Hub Fixed	\$4.566	\$4.019	\$4.429	4	\$4.568
Panhandle East	\$0.093	\$-0.619	\$0.114	-0	\$-0.092
Eastern Gas South	-\$0.683	\$-1.037	\$-0.575	-1	\$-0.709
Waha	-\$2.188	\$-2.377	\$-1.954	-1	\$-0.885
TETCO M3	\$1.898	\$-0.820	\$2.186	-1	\$1.479
Houston Ship Channel	-\$0.263	\$-0.340	\$-0.164	-0	\$-0.225

Important Disclaimer.

This report has been issued by Longreach Alternatives Limited ABN 250 828 52364 AFSL 246 747 (“Longreach”). Data is at 31 October 2025 unless stated otherwise. This document is not an offer of securities or financial products, nor is it financial product advice.

As this document has been prepared without taking account of any individual investor’s particular objectives, financial situation or needs, you should consider its appropriateness having regard to your objectives, financial situation and needs before taking any action.

This document has been prepared without taking into account of your objectives, financial situation and needs; you should consider its appropriateness having regard to your objectives, financial situation and needs.

The information stated, opinions expressed and estimates given constitute best judgement at the time of publication and are subject to change without notice. Consequently, although this document is provided in good faith, it is not intended to create any legal liability on the part of Longreach or any other entity and does not vary the terms of a relevant disclosure statement. Past performance is not an indicator of future results. All dollars are US dollars unless otherwise specified.

This document describes some current internal investment guidelines and processes. These are constantly under review and may change over time. Consequently, although this document is provided in good faith, it is not intended to create any legal liability part of Longreach or any other entity and does not vary the terms of a relevant disclosure statement. Past performance is not an indicator of future results. In cases where information contained in this document derives from third parties, Longreach accepts no liability for the accuracy, completeness or appropriateness of such information.