

Oil & Gas Market Update December 9, 2025 Dan Steffens, EPG President

THE GLOBAL OIL MARKET WILL CONTINUE TO GROW. MORE INVESTMENT IN E&P IS NEEDED.

U.S. NATURAL GAS PRICE SPIKE TO OVER \$5.00 LAST WEEK

## These are the WTI oil and HH natural gas prices used in EPG forecasts

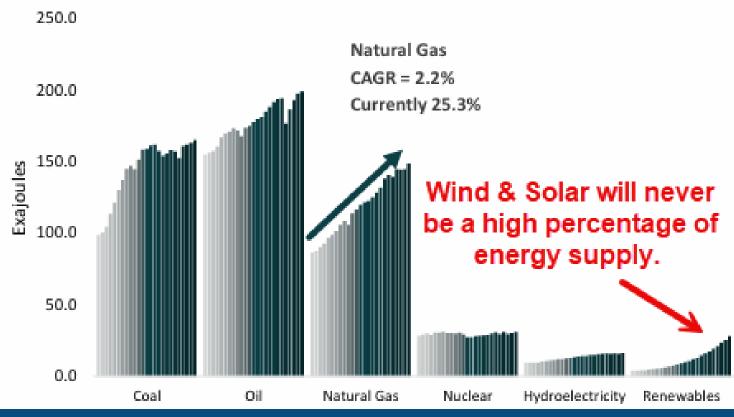
Updated		Oil & Gas Prices used in Forecast Models										
10/31/2025		2024 & 2025 Actuals and Q4 2025 Forecasts 2026										2026
	<u>Q1</u>		<u>Q2</u>		<u>Q3</u>		<u>Q4</u>		YEAR			YEAR
	Actuals		Actuals		Actuals		Actuals		Actuals		Fo	recast
2023 WTI Oil	\$	76.11	\$	73.66	\$	82.32	\$	78.32	\$	77.60		
2024 by Qtr	\$	76.91	\$	80.49	\$	75.16	\$	70.28	\$	75.71		
2025 by Qtr	\$	71.42	\$	63.74	\$	64.93	\$	60.00	\$	65.02	\$	62.50
2023 HH Gas	\$	2.72	\$	2.32	\$	2.66	\$	2.88	\$	2.65		
2024 by Qtr	\$	2.10	\$	1.88	\$	2.16	\$	2.79	\$	2.23		
2025 by Qtr	\$	3.65	\$	3.43	\$	3.07	\$	3.50	\$	3.41	\$	4.00

# All Forms of Energy must grow to keep up with future demand

Fossil Fuels will be 80% of primary energy for many more year.

Natural gas will be the fastest growing form of primary energy.

Demand for oil-based fuels and products is RELENTLESS. Global Energy Consumption by Source (2000 – 2024)



# 1 Year Chart of Henry Hub Natural Gas Prices

During December weather forecasts will cause big swings in natural gas prices LNG Exports & Electricity Demand should keep US gas prices high in 2026

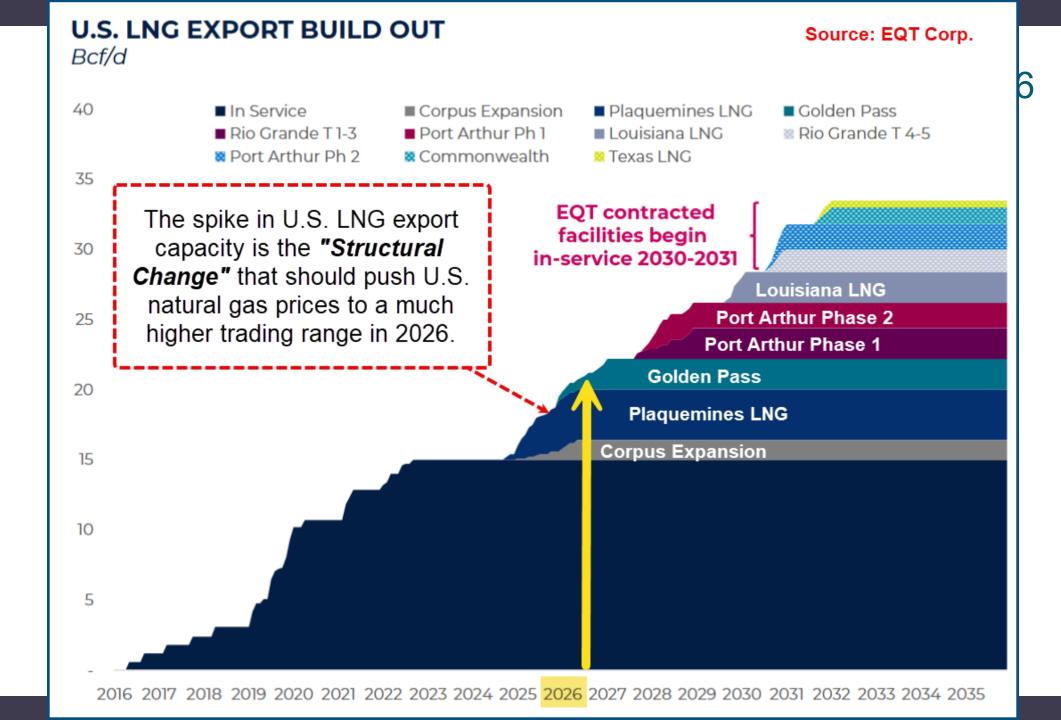


### This Forecast is VERY BULLISH for Natural Gas SATURDAY NIGHT FORECAST DEC 13, 2025 120 -17° -13° € 34° Rept City **←** 36° Buffalo € 8° Detroit Manager Stry Cincinnet € 21° - 32° San Francisco ₩ 23° € 36° Memphis Atlanta € 40° € 52° € 53° **New Orleans** ♣ 67° The Weather

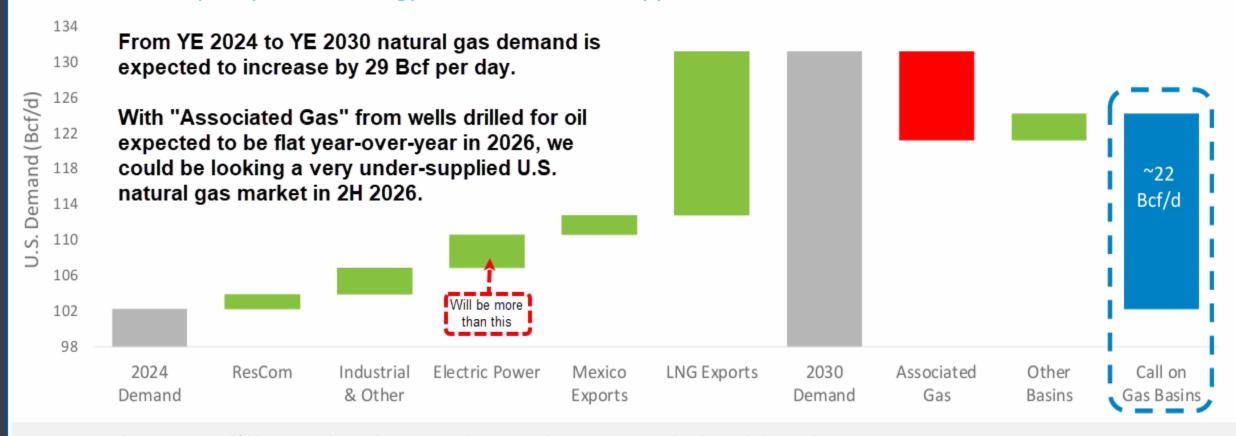
9 DEC 2025 12:03 AM GMT / 8 DEC 2025 7:03 PM EST

Mapbax

Channel



### Natural Gas Plays Key Role in Energy Transition, with a Supportive Demand Outlook

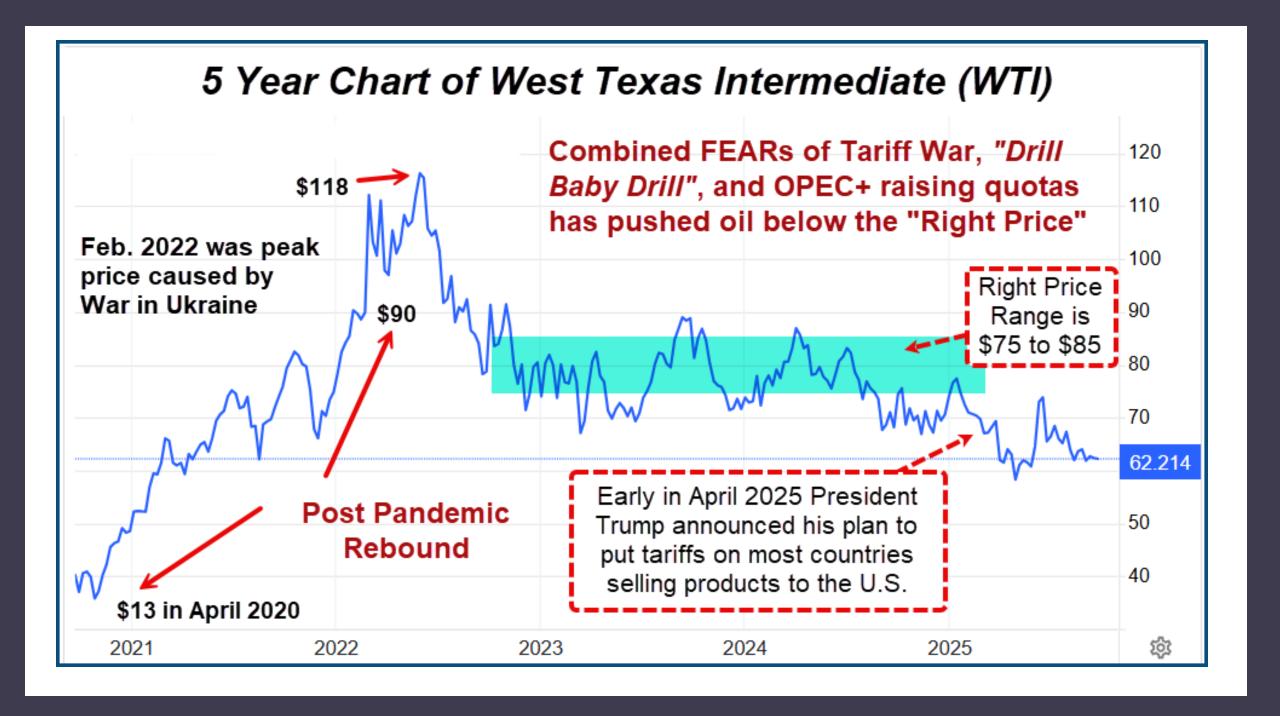


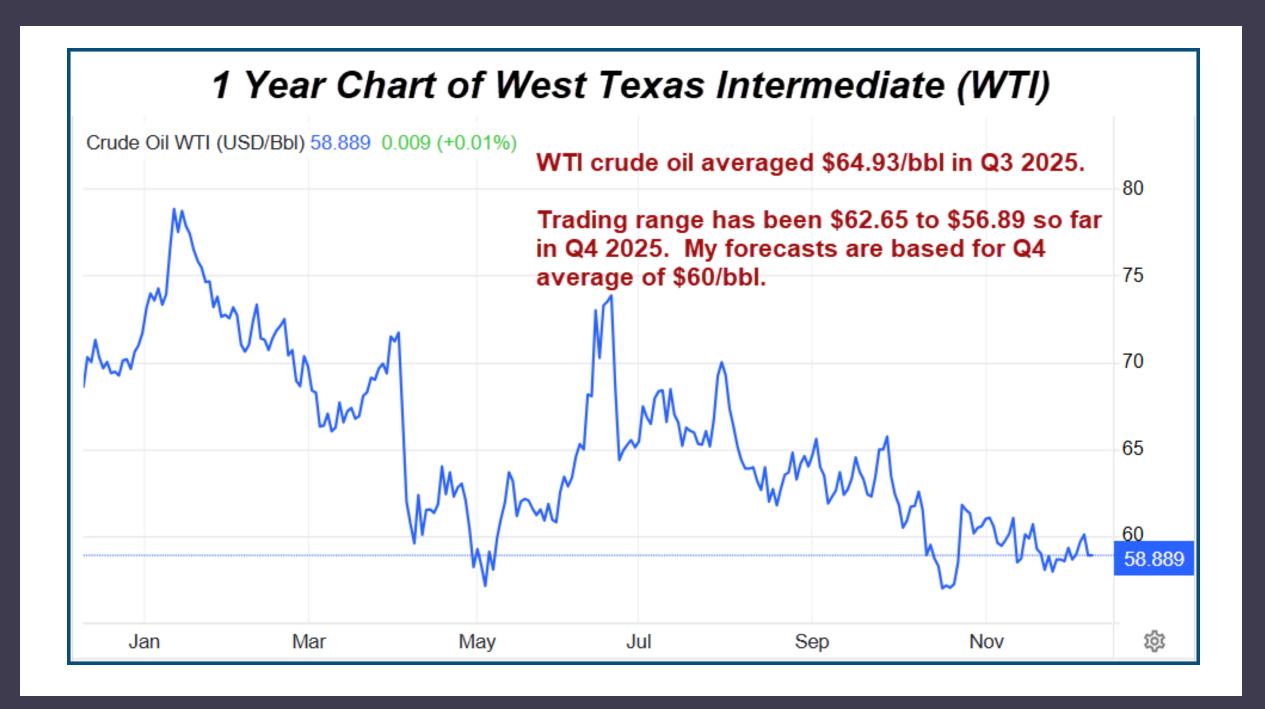
- Demand grows ~29 Bcf/d by 2030, driven by increased exports, electric power and industrial demand
- Upside to electric power demand from electrification and AI data center load growth
  - Outlook includes ~4 Bcf/d of electric power demand growth related to AI data center load growth, recent third-party research estimates indicate
     Range outlook could be conservative
- Industry focus on capital discipline reduces outlook for associated gas growth versus historical expectations
- Even if oil basin activity increases with rising oil prices, significant growth is still needed from gassy basins to meet future demand
- Additional infrastructure is needed for supply to meet demand

### Global Oil Market is MUCH DIFFERENT than U.S. Natural Gas Market

I am bullish on U.S. Natural Gas market in 2026
I am short-term bearish on crude oil but bullish in 2H 2026

	Price			Day	Month	Year
Crude Oil	58.878	•	0.002	0.00%	-2.08%	-14.16%
Brent	62.52	<b>A</b>	0.027	0.04%	-2.41%	-13.40%
Natural gas	4.87	•	-0.0425	-0.87%	12.25%	53.95%
Gasoline	1.79	<b>A</b>	0.0008	0.04%	-8.39%	-7.95%
Heating Oil	2.2958	•	0.0024	-0.10%	-8.56%	5.18%
Coal	110.50	<b>A</b>	0.25	0.23%	-0.14%	-16.54%



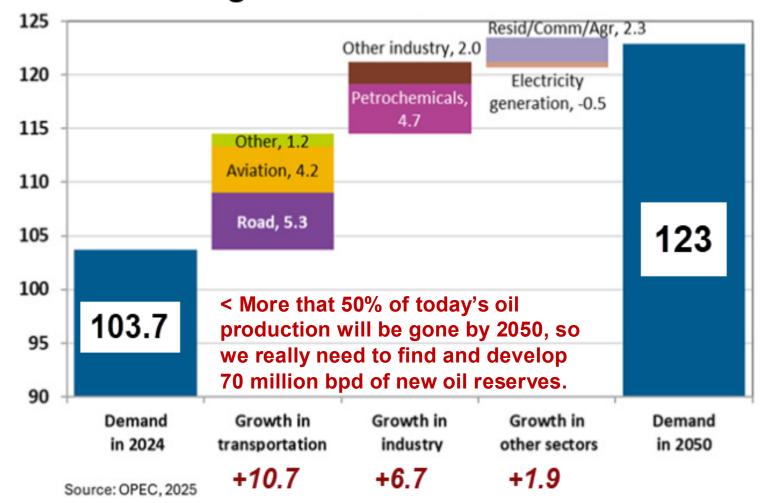


# OPEC Forecast: "There is no sign of Peak Oil Demand"

"Peak Oil Demand" was a myth based on the hope that we would transition quickly to EVs

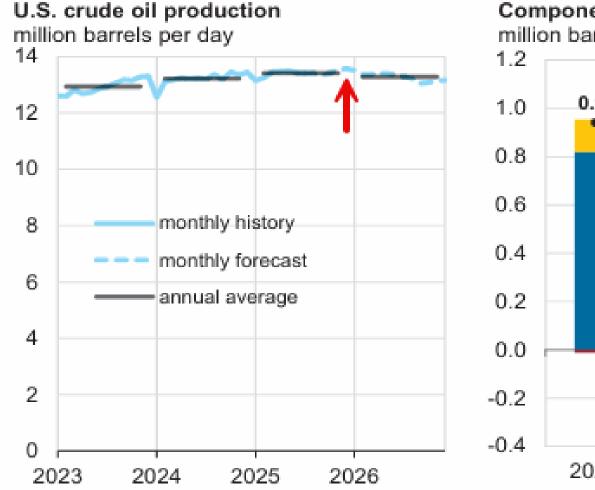
Reality: Global oil demand will rise by 9.6 million bpd (~1.6 mbpd per year) by 2030 and keep rising until it plateaus at ~123 million bpd in 2050.

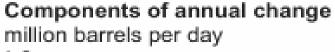
MY TAKE: Oil demand will peak when natural gas becomes the #1 transportation fuel.

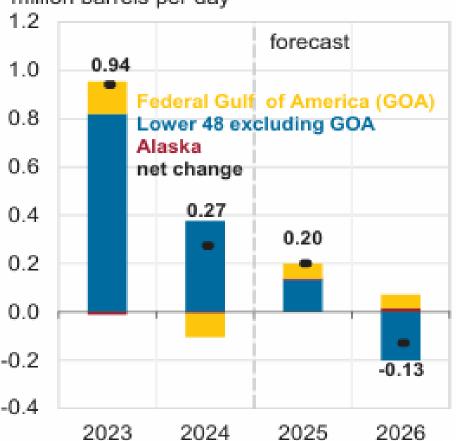


# EIA expects U.S. oil production to peak in Dec. 2025









Data source: U.S. Energy Information Administration, Short-Term Energy Outlook, August 2025



### 2 High Prices

- High prices make production highly profitable, leading to an increased investment and elevated E&P valuations.
- Elevated prices dampen demand as consumer look for alternatives.
- Increased supply and slowed demand growth begin to put downward pressure on prices.



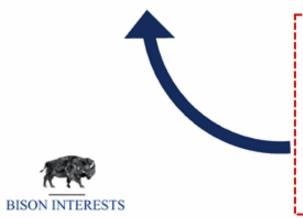
### 1 Rising Prices

- With supply tightening and demand rising, prices start to increase, making production more profitable.
- Higher prices attract new investment in exploration and production, gradually increasing supply.
- E&P equity valuations begin to rise.

Oil & Gas Price Cycle

#### Falling Prices

- Oversupply from previous investments and reduced demand start to drive prices down.
- As prices drop, companies begin scaling back on new investments, reducing future supply growth.
- Oil and gas equity valuations are falling in this environment.



#### 4 Low Prices

- Low prices reduce investment and depress E&P equity valuations.
- Lower prices make oil more attractive, stimulating demand growth.
- As demand grows and supply shrinks due to reduced investment, upward pressure on prices begins.



High Yield Income Portfolio										
						2025				
	Primary	Stock	Share		Estimated	Estimated Annual			EPG	
Company Name	Product	Symbol	Price		<b>Annual Yield</b>	Dividend		Paid	<u>Valuations</u>	
			11/26/2025			USD				
Minerals Companies										
BLACK STONE MINERALS LP	GAS	BSM	\$	13.97	9.13%	\$	1.28	Qtr	\$	15.00
KIMBELL ROYALTY PARTNERS	OIL	KRP	\$	12.17	12.57%	\$	1.53	Qtr	\$	16.50
VIPER ENERGY, INC.	OIL	VNOM	\$	36.05	6.52%	\$	2.35	Qtr	\$	46.00
Upstream Companies										
HEMISPHERE ENERGY	OIL	HMENF	\$	1.41	8.11%	\$	0.114	Qtr	\$	1.92
INPLAY OIL	OIL	IPOOF	\$	9.06	8.70%	\$	0.788	Mo	\$	12.07
PEYTO EXPLORATION & DEVELOPMENT	GAS	PEYUF	\$	15.64	6.10%	\$	0.954	Mo	\$	16.33
SURGE ENERGY	OIL	ZPTAF	\$	5.19	7.23%	\$	0.375	Mo	\$	6.82
WHITECAP RESOURCES	OIL	WCPRF	\$	8.24	6.38%	\$	0.526	Mo	\$	9.58
Midstream Companies										
ANTERO MIDSTREAM CORP	Midstream	AM	\$	17.79	5.06%	\$	0.90	Qtr	\$	20.00
ENBRIDGE INC	Midstream	ENB	\$	48.04	5.54%	\$	2.66	Qtr	\$	47.57
ONEOK, INC.	Midstream	OKE	\$	71.51	5.76%	\$	4.12	Qtr	\$	100.00
PLAINS GP HOLDINGS LP	Midstream	PAGP	\$	18.48	8.23%	\$	1.52	Qtr	\$	23.00
					7.44%					

