

ENERGY REVIEW

Q4-24

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All monetary values are in US\$ unless otherwise stated. Data is included up until 30/09/24.

INTRODUCTION

ERCE is a global energy, climate and sustainability consultancy providing expertise in subsurface, facilities and commercial services. For over four decades, our independent thinking and industry-leading expertise has been supplying the uncompromising answers the energy industry needs to reliably power our world.

Our Energy division focuses on oil and gas, and the future of energy, providing expertise and integrated solutions for the most complex challenges.

Our Climate and Sustainability division focuses on the Energy Transition, using our technical and commercial expertise to support client net zero strategies.

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The ERCE logo is positioned in the bottom right corner of the slide. It features the word "ERCE" in a bold, white, sans-serif font. The logo is set against a background of stylized, layered mountain ranges in various shades of teal and dark blue. The mountains are depicted with soft, rounded peaks and some areas are filled with a pattern of small, light-colored dots.

CONTENTS

1. EXECUTIVE SUMMARY	5
2. ERCE OIL AND GAS PRICE FORECASTS ERCE and Other Key Petroleum Consultants	8
3. ERCE EUA AND UKA PRICE DECK	13
4. APPENDIX: GLOSSARY	14

01

EXECUTIVE SUMMARY

WELCOME TO THE ERCE ENERGY REVIEW FOR Q4 2024

Welcome to the ERCE Energy Review.

This report reviews current oil and gas prices and looks at some of the global macro indicators influencing oil price trends.

In addition, we provide our current oil price decks and review oil price assumptions presented by other petroleum consultants and analysts. The report is based on publicly available information as of 30/09/2024.

Status Quo

In the beginning of July Brent price was around \$87/b and has been in decline since then. At the end of September, Brent was at \$71/b. Fears that a widening conflict in the Middle East could curtail crude supply were overshadowed by waning global demand concerns.

Short-term

In September, Saudi Arabia is preparing to abandon its unofficial price target of \$100/b for crude as it gets ready to increase output. On the demand side, China's manufacturing activity shrank for a fifth straight month and the services sector slowed sharply in September. While Beijing announced fiscal stimulus measures, the market questioned whether they will be enough to boost China's weaker-than-expected demand so far this year.

Medium-term

Beyond 2024, the outlook remains cautious due to the elevated risk of a global oversupply and slowing demand from key economies, especially China. However, escalating tensions in the Middle East raise concerns over supply disruptions.

Long-term

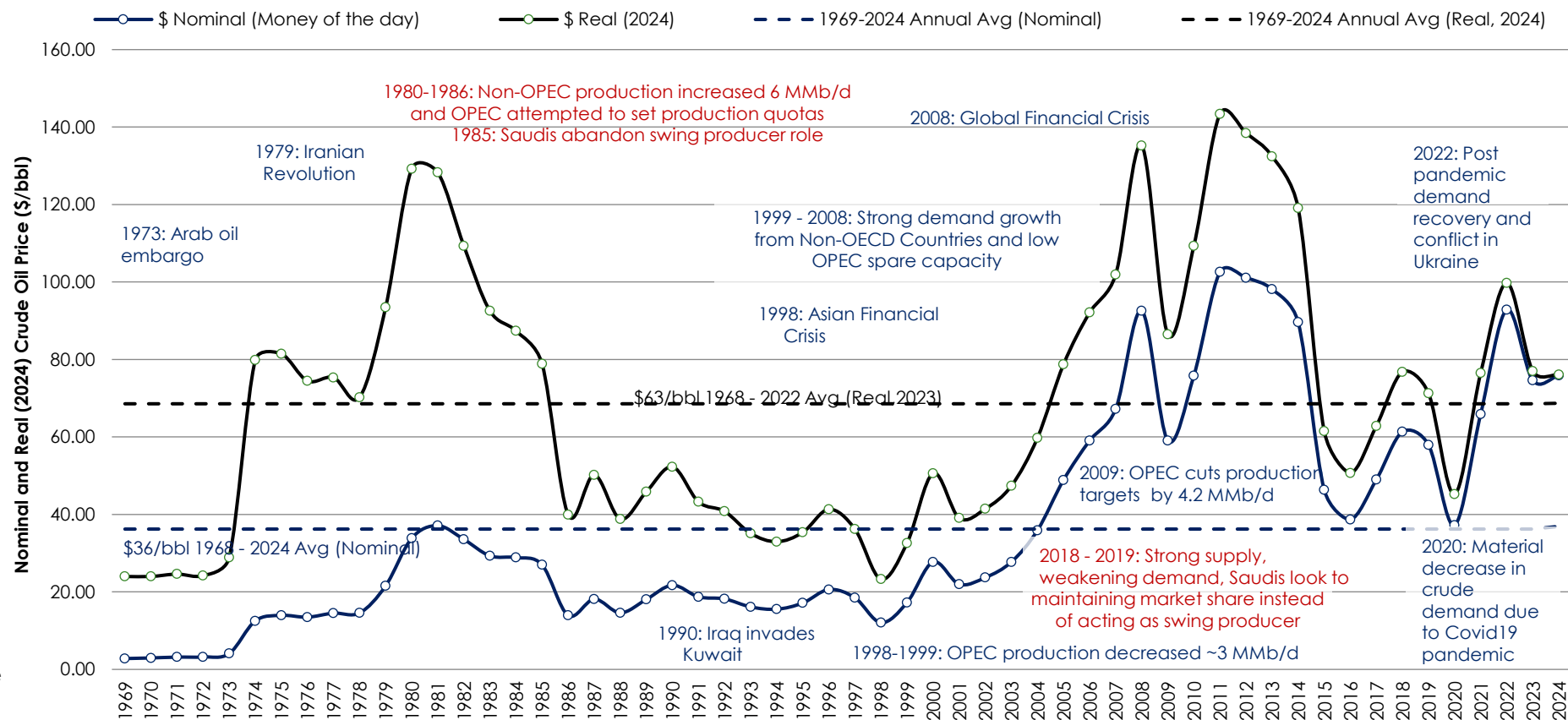
According to OPEC, global oil demand will keep rising through at least 2050. "There is no peak demand on the horizon," OPEC Secretary General said in the organization's World Oil Outlook, which sees global thirst for liquid fuels increasing from 102.2 MMb/d in 2023 to 120.1 MMb/d in 2050, "with the potential for it to be higher". The International Energy Agency has a different opinion with demand peaking by the end of the decade to around 106 MMb/d.

LONG TERM CRUDE OIL PRICE ANNUAL AVERAGE (1969 – 2024)

Oil Price History: Long-Term Crude Oil Price (Real Vs. Nominal)

“History does not repeat itself, but it often rhymes”

- **Nominal** - economic value expressed in historical nominal monetary terms, also known as “money-of-the-day”.
- **Real** - Economic value that has been adjusted from a nominal value to remove the effects of general price level changes over time (using the CPI from U.S. Bureau of Labour Statistics) and is thus measured in terms of the general price level in some reference year (the base year in this case is 2024).
- The Long-Term Crude Oil Price is based on the Annual Imported Crude Oil Prices into the US.



02

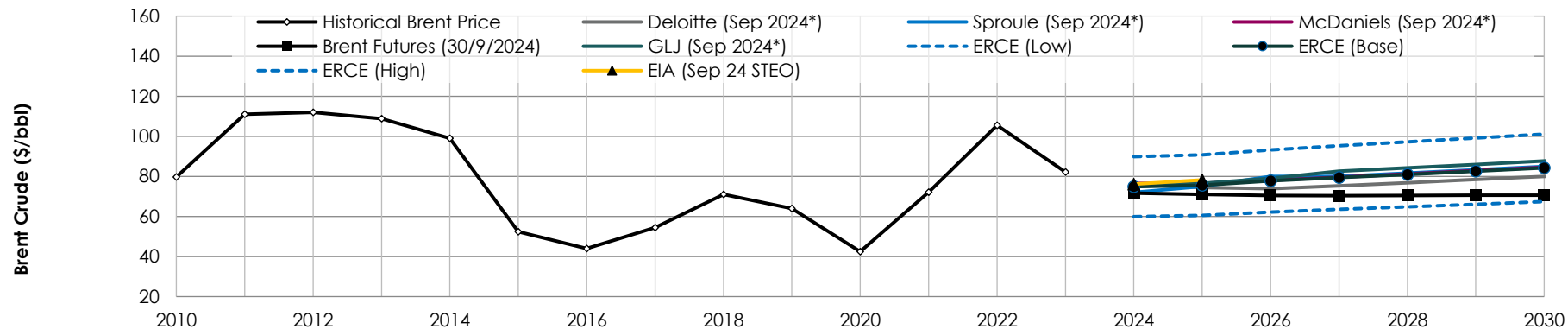
ERCE OIL AND GAS PRICE FORECAST

In the absence of guidance from a client in relation to oil price assumptions, ERCE would assume the oil price scenarios presented in the following slide. These oil price scenarios are derived in context of the information available in the public domain and should not be construed as oil price forecasts, predictions or projections by ERCE.

The low and high oil price paths depicted in the following slide(s) are not intended to provide lower and upper bounds for future oil prices but rather to allow the analysis of possible future world oil market conditions that differ significantly from those assumed in the base case.

BRENT CRUDE OIL PRICE DECK

Nominal Brent Crude Forecast by Consultants, Lenders Vs. Brent Historical and Futures Curve



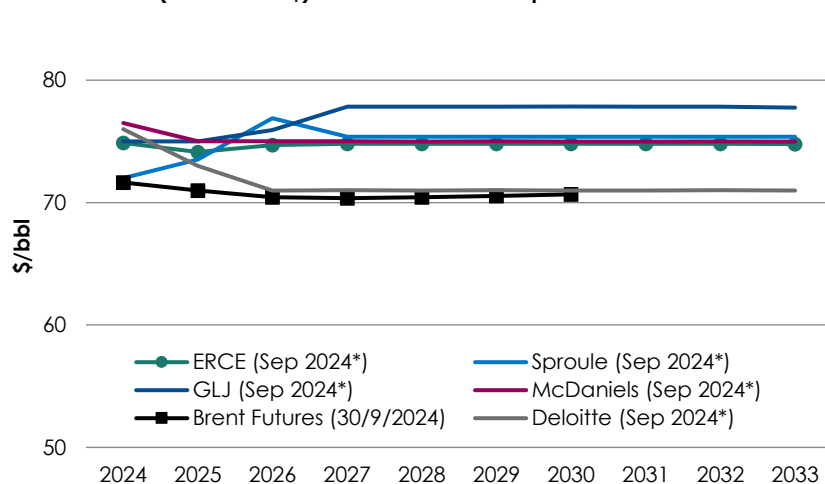
Brent Nominal (\$/bbl)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2033+
ERCE (Sep 2024*)	75	76	78	79	81	83	84	86	88	89	+2.0% pa
Sproule (Sep 2024*)	72	75	80	80	82	83	85	87	88	90	+2.0% pa
GLJ (Sep 2024*)	75	77	79	83	84	86	88	89	91	93	+2.0% pa
Deloitte (Sep 2024*)	76	74	74	75	77	78	80	82	83	85	+2.0% pa
McDaniels (Sep 2024*)	77	77	78	80	81	83	84	86	88	90	+2.0% pa
Average	75	76	78	79	81	83	84	86	88	89	
Brent Futures (30/9/2024)	72	71	70	70	70	71	71				
EIA (Sep 24 STEO)	76.1	75.8									

Inflation Assumptions: Sproule: 2%. GLJ: 2%. Deloitte: 2%. McDaniel: 2%. ERCE: 2%

Source: Sproule, GLJ, McDaniel, Deloitte, Intercontinental Exchange, Reuters, EIA, ERCE Estimates. Note: *publication date. Note: ERCE's low and high case is calculated based on a standard deviation of the forecasts and Coefficient of Variation – Range increases for the first five years. Note: *Estimates for 2024 are for the remaining year's balance.

ERCE BRENT OIL PRICE ASSUMPTIONS

Real 2024 (Constant US\$) Brent Oil Price Assumptions



Brent Real (\$/bbl)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2033+
ERCE (Sep 2024*)	75	74	75	75	75	75	75	75	75	75	75
Sproule (Sep 2024*)	72	74	77	75	75	75	75	75	75	75	75
GLJ (Sep 2024*)	75	75	76	78	78	78	78	78	78	78	78
Deloitte (Sep 2024*)	76	73	71	71	71	71	71	71	71	71	71
McDaniels (Sep 2024*)	77	75	75	75	75	75	75	75	75	75	75
Average	75	74	75	75	75	75	75	75	75	75	75

ERCE (Low Case) Brent Assumptions (\$/bbl)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2033+
Real (Constant \$, 2024)	60	59	60	60	60	60	60	60	60	60	60
Nominal (\$ of the day)	60	60	62	64	65	66	67	69	70	72	+2.0% pa

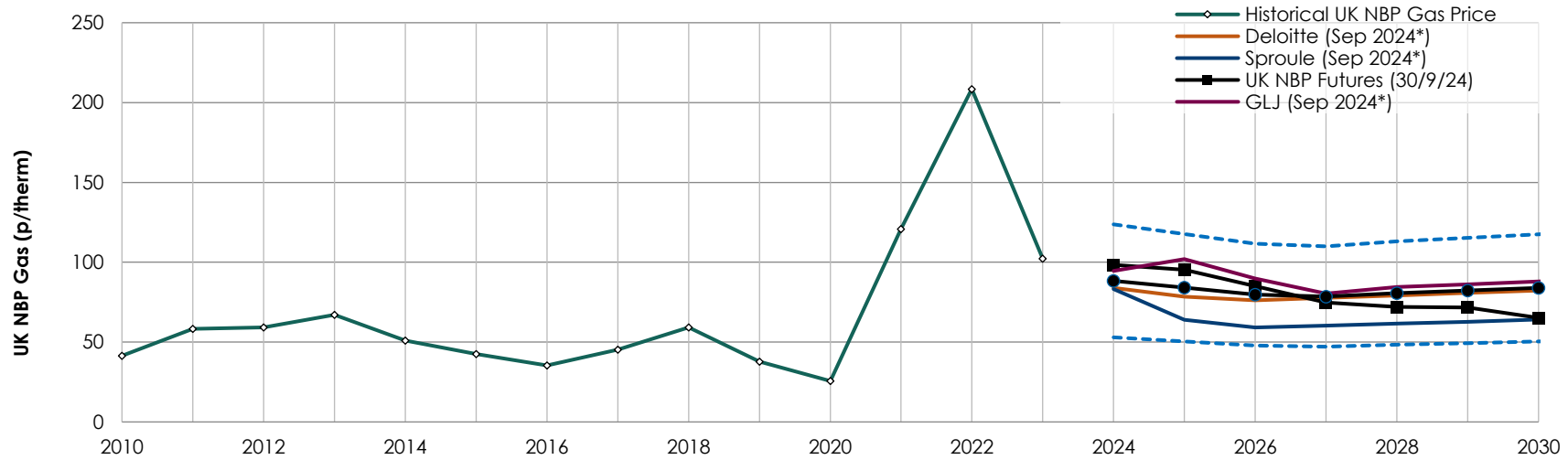
ERCE (Base Case) Brent Assumptions (\$/bbl)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2033+
Real (Constant \$, 2024)	75	74	75	75	75	75	75	75	75	75	75
Nominal (\$ of the day)	75	76	78	79	81	83	84	86	88	89	+2.0% pa

ERCE (High Case) Brent Assumptions (\$/bbl)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2033+
Real (Constant \$, 2024)	90	89	90	90	90	90	90	90	90	90	90
Nominal (\$ of the day)	90	91	93	95	97	99	101	103	105	107	+2.0% pa

Note: ERCE's low and high case is calculated based on a standard deviation of the forecasts and Coefficient of Variation – Range increases for the first five years. Note: *publication date. Source: Sproule, GLJ, McDaniel, Deloitte, Intercontinental Exchange, ERCE Estimates. Note: *Estimates for 2024 are for the remaining year's balance

UK NBP GAS PRICE DECK

Nominal UK NBP Gas Price Forecast by Consultants, Vs. UK NBP Historical and Futures Curve



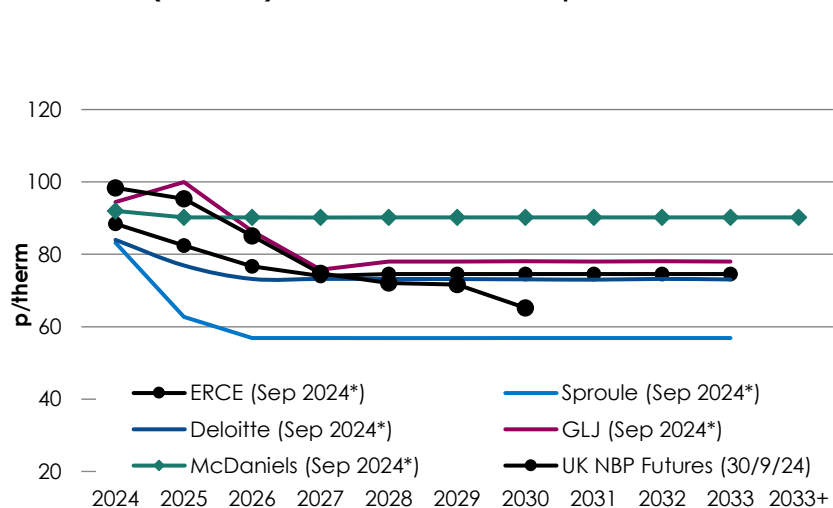
UK NBP Gas Price (Nominal) (p/therm)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2033+
ERCE (Sep 2024*)	88	84	80	79	81	82	84	86	87	89	+2.0% pa
Sproule (Sep 2024*)	83	64	59	60	62	63	64	65	67	68	+2.0% pa
Deloitte (Sep 2024*)	84	78	76	78	79	81	82	84	86	87	+2.0% pa
McDaniels (Sep 2024*)	92	92	94	96	98	100	102	104	106	108	+2.0% pa
GLJ (Sep 2024*)	94	102	90	80	84	86	88	90	91	93	+2.0% pa
Average	88	84	80	79	81	82	84	86	87	89	
UK NBP Futures (30/9/24)	98	95	85	75	72	72	65				

Inflation Assumptions: Sproule: 2%. GLJ: 2%. Deloitte: 2%. McDaniel: 2%. ERCE: 2%

Source: Sproule, GLJ, Deloitte, Intercontinental Exchange, Reuters, ERCE Estimates. Note: *publication date. Note: ERCE's low and high case is calculated based on a standard deviation of the forecasts and Coefficient of Variation – Range increases for the first five years. Note: *Estimates for 2024 are for the remaining year's balance.

UK NBP GAS PRICE ASSUMPTIONS

Real 2024 (Constant) UK NBP Gas Price Assumptions



UK NBP Gas Price (Real) (p/therm)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2033+
ERCE (Sep 2024*)	88	82	77	74	75	75	75	75	75	75	75
Sproule (Sep 2024*)	83	63	57	57	57	57	57	57	57	57	57
Deloitte (Sep 2024*)	84	77	73	73	73	73	73	73	73	73	73
McDaniels (Sep 2024*)	92	90	90	90	90	90	90	90	90	90	90
GLJ (Sep 2024*)	94	100	86	76	78	78	78	78	78	78	78
Average	88	82	77	74	75	75	75	75	75	75	75

ERCE (Low Case) NBP Gas Price Assumptions (p/therm)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2033+
Real (Constant, 2024)	53	49	46	44	45	45	45	45	45	45	45
Nominal (\$ of the day)	53	50	48	47	48	49	50	51	52	53	+2.0% pa

ERCE (Base Case) NBP Gas Price Assumptions (p/therm)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2033+
Real (Constant, 2024)	88	82	77	74	75	75	75	75	75	75	75
Nominal (\$ of the day)	88	84	80	79	81	82	84	86	87	89	+2.0% pa

ERCE (High Case) NBP Gas Price Assumptions (p/therm)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2033+
Real (Constant, 2024)	124	115	107	104	104	104	104	104	104	104	104
Nominal (\$ of the day)	124	118	112	110	113	115	118	120	122	125	+2.0% pa

Note: ERCE's low and high case is calculated based on a standard deviation of the forecasts and Coefficient of Variation – Range increases for the first five years. Note: *publication date. Source: Sproule, GLJ, McDaniel, Deloitte, Intercontinental Exchange, ERCE Estimates. Note: *Estimates for 2024 are for the remaining year's balance

ERCE EUA AND UKA PRICE DECK

EU ETS Carbon Credits (EUA)		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036+
Historic Avg. Spot Price	€/tCO ₂	53	81	85	67												
31-Dec Futures Curve as of 30/09/2024	€/tCO ₂				66	68	70	73	75	78	81						
ERCE Base Case EUA Price (Nominal)	€/tCO ₂				67	68	70	73	75	78	81	83	86	88	91	94	+2.0% p.a.
ERCE Low Case EUA Price (Nominal)	€/tCO ₂				50	51	53	55	57	59	61	62	64	66	68	70	+2.0% p.a.
ERCE High Case EUA Price (Nominal)	€/tCO ₂				80	82	84	87	91	94	97	100	103	106	109	112	+2.0% p.a.
ERCE Base Case EUA Price (Real 2024)	€/tCO ₂				67	67	67	69	70	71	72	73	73	74	75	75	75
ERCE Low Case EUA Price (Real 2024)	€/tCO ₂				50	50	50	51	52	53	54	54	55	56	56	57	57
ERCE High Case EUA Price (Real 2024)	€/tCO ₂				80	80	81	82	84	85	86	87	88	89	90	90	90

UK ETS Carbon Credits (UKA)		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036+
Historic Avg. Spot Price	£/tCO ₂	56	79	56	40												
31-Dec Futures Curve as of 30/09/2024	£/tCO ₂				36	39	41										
ERCE Base Case UKA Price (Nominal)	£/tCO ₂				40	39	41	44	46	49	52	54	57	60	62	65	+2.0% p.a.
ERCE Low Case UKA Price (Nominal)	£/tCO ₂				30	29	31	33	35	37	39	41	43	45	47	49	+2.0% p.a.
ERCE High Case UKA Price (Nominal)	£/tCO ₂				47	47	49	52	55	59	62	65	68	72	75	78	+2.0% p.a.
ERCE Base Case UKA Price (Real 2024)	£/tCO ₂				40	38	39	41	43	44	46	47	49	50	51	52	52
ERCE Low Case UKA Price (Real 2024)	£/tCO ₂				30	29	29	31	32	33	35	35	37	37	38	39	39
ERCE High Case UKA Price (Real 2024)	£/tCO ₂				47	46	47	49	51	53	55	57	58	60	61	63	63

02

APPENDIX: GLOSSARY

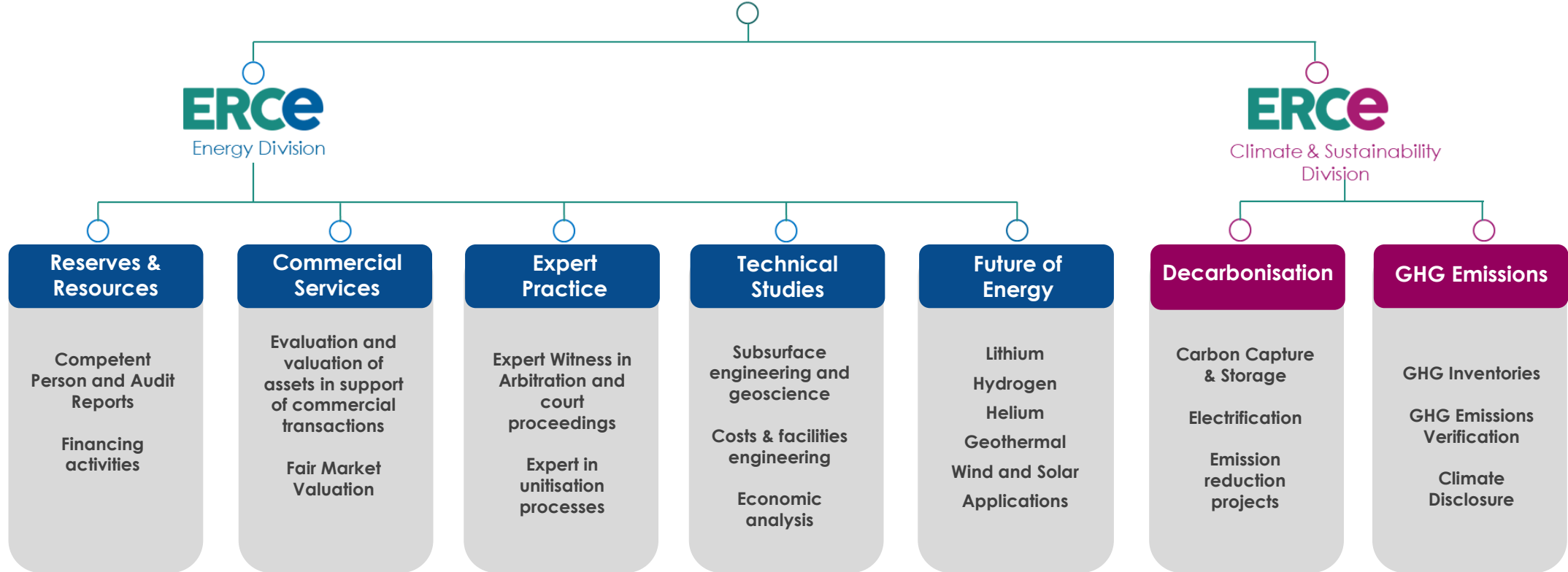
GLOSSARY

- \$** All dollar amounts are in U.S. dollars unless otherwise indicated.
- bbl** barrels
- bbl/d** barrels per day
- Brent** A blended crude stream produced in the North Sea region which serves as a reference or "marker" for pricing a number of other crude streams.
- btu** British thermal unit
- chg** Change.
- EIA** U.S. Energy Information Agency
- ERCE** is a trade name of ERC Equipoise Limited
- FSU** Former Soviet Union and includes Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.
- IEA** International Energy Agency
- M** Month (e.g. 1M Ago = one month ago).
- MMbbl** million stock tank barrels.
- MMbbl/d** Million stock tank barrels per day.
- MMA** Month Moving average (12MMA = twelve month moving average).
- MMbtu** Million british thermal units
- MoM** Month-on-month (e.g. MoM Chg = month-on-month change).
- Nominal** Economic value expressed in historical nominal monetary terms, also known as "money-of-the-day".
- Therm** a unit of heat equal to 100,000 British thermal units and approximately the energy equivalent of burning 100 cubic feet of natural gas.
- OECD** The Organisation for Economic Co-operation and Development - an international economic organisation of 34 countries and include many of the world's most advanced countries but also emerging countries like Mexico, Chile and Turkey.
- OPEC** Organisation of the Petroleum Exporting Countries. Its mandate is to "coordinate and unify the petroleum policies" of its members and to "ensure the stabilization of oil markets in order to secure an efficient, economic and regular supply of petroleum to consumers, a steady income to producers, and a fair return on capital for those investing in the petroleum industry. It's current members are Algeria, Angola, Ecuador, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the UAE, and Venezuela.
- p** pence (GBP)
- Real** Economic value that has been adjusted from a nominal value to remove the effects of general price level changes over time and is thus measured in terms of the general price level in some reference year (the base year e.g. 2013).
- Spot Price** The price for a one-time open market transaction for immediate delivery of a specific quantity of product at a specific location where the commodity is purchased "on the spot" at current market rates.
- stb** stock tank barrels.
- USD Index** Trade Weighted U.S. Dollar Index – a weighted average of the foreign exchange value of the U.S. dollar against the currencies of a broad group of major U.S. trading partners which includes the Euro Area, Canada, Japan, Mexico, China, United Kingdom, Taiwan, Korea, Singapore, Hong Kong, Malaysia, Brazil, Switzerland, Thailand, Philippines, Australia, Indonesia, India, Israel, Saudi Arabia, Russia, Sweden, Argentina, Venezuela, Chile and Colombia.
- WTI** West Texas Intermediate – a crude stream produced in Texas and southern Oklahoma which serves as a reference or "marker" for pricing a number of other crude streams and which is traded in the U.S. domestic spot market at Cushing, Oklahoma.
- YoY** Year-on-year (e.g. YoY Chg=year-on-year percentage change).
- YTD** Year-to-date.

ERCE SERVICES: AN OVERVIEW

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- Introduction to CCS
- Training courses in Energy Economics, SPE PRMS, Structural Geology and Depth Conversion

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- Competent Person reporting
- Bond Issues
- Reserves Based Lending
- Portfolio Management
- Emissions Auditing
- CCS SRMS Auditing



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- Scenario Planning and Cash Flow Analysis
- Economic Modelling & Fiscal Expertise
- Fair Market Valuation



EXPERT PRACTICE

EXPERT FROM THE FIELD TO THE COURTROOM

Our reputation as an independent expert is based on an ability to combine in depth technical and commercial evaluation, industry and procedural knowledge and on-the stand experience, that is second to none.

Our opinion is relied on by governments, courts, arbitration panels, and some of the world's largest energy companies, to enable them to move forward with confidence.

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We provide services in:

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- Advisory for Unitisation
- Expert Witness in arbitration and court proceedings



TECHNICAL STUDIES

STUDIES THAT GO ABOVE AND BEYOND

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Our diverse team of geologists, geophysicists, petrophysicists, reservoir engineers, field development engineers and economists thrives on scaling new heights from an ever widening platform of skills and knowledge. Enabling us to reach for the greatest value and the brightest futures possible.

The team understands that every technical study is unique, allowing us to offer bespoke, customised services to each of our clients.

Static & Dynamic Modelling

Seismic Interpretation

Depth conversion

Rock Physics

Integrated regional basin analysis

Structural & kinematic modelling

Fracture modelling

Petrophysics

Integrated well analysis/correlation studies

Well test analysis

Field development planning and development scenarios

Economic modelling

Facilities and cost estimation

Decommissioning

Data rooms

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FUTURE OF ENERGY

Tomorrow's global energy mix will be made of many evolving technologies. We are committed to empowering the world's innovators to build the clean energy solutions our future demands.

SUPPORTING OUR CLIENTS ALONG THE JOURNEY TO NET ZERO WE PROVIDE:

- Technical, commercial and regulatory support
- Independent resource calculations
- Competent Persons Reports
- Risk, uncertainty and opportunity identification in your acreage
- Assistance building and developing midstream business models
- Coupled solutions with CCS and GHG emission verification
- Bespoke solutions to new opportunities based on client need

Lithium

Hydrogen

Helium

Geothermal

Wind & Solar
applications

ERCE

GHG EMISSIONS - THE WORLD OF CLIMATE DISCLOSURE IS RAPIDLY EVOLVING

Demands from stakeholders are changing the way businesses, the public, the financial markets and regulators interact. Developments in international frameworks and local regulations are impacting businesses.

We use our industry knowledge and technical expertise to **deliver results**. We are scientists, engineers and economists who keep up to date with the evolving regulatory and voluntary reporting landscape globally.

As **technical and commercial** consultants, we work with our clients to **find and implement practical solutions**. As independent evaluators we bring our hands-on experience in field operations, and our knowledge of building climate disclosure systems, to complete our calculations and analysis.

GHG EMISSIONS CALCULATIONS

GHG EMISSIONS VERIFICATION

CLIMATE DISCLOSURE



DECARBONISATION - REDUCING THE EMISSIONS ASSOCIATED WITH YOUR BUSINESS

Decarbonisation at ERCE is experiencing a surge in demand, particularly for **carbon capture and storage (CCS)** studies across Europe and the Asia-Pacific region.

We take pride in having delivered **Europe's first public Competent Persons Report (CPR)** for Harbour Energy's Viking CCS project, adhering to the **SPE SRMS standard**.

Following this, we've completed two further CPRs under the same standard, focusing on both **saline aquifers and depleted fields**.

Our recent role as lenders' subsurface advisory on a European CCS project highlights our blend of technical excellence and deep understanding of the commercial intricacies of these ventures.

Beyond CCS, our expertise extends to **feasibility studies on nature-based solutions and electrification strategies** for both existing and new operations.

Our decarbonisation services are bespoke and tailored to meet your needs.





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YOU**