SW TENET

Oil Market Report

Investments and capital markets
Q4 2024
Oil price forecasts

January 2025

Catalyst for success

Q4 2024 Oil Market Report synopsis

The single biggest impact on the global oil market in Q4 2024 was the election of Donald Trump as US President

President Trump's energy policy is driven by a determination to revitalise US manufacturing on the basis of abundant low-cost energy from any source; this approach is set to have a range of major impacts, including:

- overturning President Biden’s climate legislation embedded in the Inflation Reduction Act
- withdrawal from the Paris Agreement
- expanding US oil and gas production and exports
- putting pressure on Saudi Arabia to produce more oil
- terminating the Green New Deal
- eliminating any prospect of carbon tariffs
- cancelling electric car mandates

These policies, while in force, can be expected to put downward pressure on global oil prices.

President Trump will need to carefully monitor how successful these efforts are to lower oil prices: too low a price could lead to reduced production levels in important but high-cost areas, such as Canadian heavy oil, deep and ultra-deep water, and possibly even new unconventional oil field development in the US.

Q4 2024 Oil Market Report synopsis (continued)

A number of other events impacted global oil markets in Q4 2024:

Chinese economic growth again coming under close scrutiny

- Chinese growth continues to be the single most-watched indicator with the potential to drive crude oil demand. Market observers were pessimistic in Q4, however, the Xi government held that the economy would grow at around 5% and announced new stimulus measures. Nevertheless the gloomy outlook helped dampen oil prices in the quarter. Demand in China for gasoline is dropping, in part due to new EV sales which reached 1.6 mln in December, up 42% y-o-y. Car sales in China for December stood at 3.5 million. Meanwhile, heavy trucks are steadily converting to LNG-fuel, leading to what may be a peak in diesel fuel demand in 2024. Reflecting in part these vehicle fuelling shifts, Chinese crude imports in 2024 were on average down 200,000 bopd vs 2023

India's role in the global oil market should not be underestimated.

- India, now with the world's largest population, the fifth-largest economy (as ranked by the IMF), the fastest-growing large economy (annual figures of 6% or more), and the third-largest oil importer (4.8 mmbo/d), plays a major role in the global oil market. Also, Hardeep Puri, India's Oil Minister, has stated that the country will see rising fossil fuel demand until at least 2040, will need to raise refining capacity by 80% (to 9 million b/d), and only meet a net zero target by 2070. It remains to be seen whether Indian demand growth can offset possible continued declines in Chinese demand growth. And to put the Indian import figures into context, Chinese crude imports are more than 11 mmbo/d.

OPEC again cuts crude demand forecasts

- In December, for the fifth consecutive month, OPEC slashed its forecast for global crude oil demand growth in both 2024 and 2025, partly to reflect weaker Chinese consumption. Its annual increment now sits at 1.45 mmb/d. By comparison the IEA's demand growth is 940 kb/d in 2024 and 1.05 mmb/d in 2025. Furthermore, the IEA forecasts that the global oil supply could exceed demand by 1 million b/d in 2025, driven by supply growth from the US, Guyana, and Canada. In the face of this market weakness, OPEC+ continues to push back a series of monthly supply increases, despite calls from President Donald Trump to increase supplies and lower prices.

Libya gets back to work?

- In Q4 2024 Libyan oil production reached 1.422 mmbo/day, levels not seen since 2013. The NOC announced plans to reach 2.0 mmbo/d by the end of 2026, and a licensing round was announced for early 2025, the first such activity since 2007. Meanwhile, international majors such as Eni BP, OMV, and Repsol announced a return to work in the onshore oil basins after an absence of over 10 years. Such activities, if fully realised, could bring unexpected new crude oil volumes to the market and place further downward pressure on oil prices.

The start of 2025 bore witness to a new reality: oil and gas will play a major role in the global energy mix for far longer than was previously postulated. The more successful oil companies have accepted this new reality and are focusing growth on exploration for high potential targets, with a renewed emphasis on developing reserves and production in core areas to improve the quality and longevity of their upstream portfolios. Meanwhile, companies too committed to renewable energy programmes and carbon transition policies are reverting to growing their more profitable oil and gas value chain – Tenet is advising and assisting a number of such companies in this vital area.

Q4 oil market headlines

The Bottom Line

- The Brent oil price started Q4 at USD 73.56/bbl, in the range bound for most of Q4 of USD 71/bbl to USD 76/bbl, ending Q4 at USD 74.64/bbl, and averaging USD 74.61/bbl for the quarter.
- The average Brent price for 2024 was USD 80.53/bbl, vs USD 82.49 for 2023, and USD 20/bbl lower than the 2022 average of USD 100.93/bbl.

The average Brent price forecast for 2025, based on a wide range of sources, is USD 73.50

The long-term oil price forecast for the period from the end of 2026 to the start of 2030 is USD 70.18

Beyond 2030, the average Brent price is forecast to be US$71/bbl

Key takeaways

01

According to the EIA, by the end of 2024 global demand for oil increased by 0.9 million bbl/d compared to 2023, and reached 102.8 million bbl/d. The bulk of global oil demand growth in 2024 was driven by non-OECD countries, especially in Asia, with India leading the way.

The growth rate of global demand declined below 1 million bbl/d for the first time since 2019 against a backdrop of weaker-than-expected demand in China. Although China's demand growth in 2024 was positive, the growth rate declined relative to 2023 as a result of a slowdown in real GDP growth, population decline, increased sales of electric vehicles and also due to a larger and earlier than expected conversion of truck fleets to LNG fuel.

Analysts expect that demand growth in 2025 will remain moderate and not exceed the average rate of 2010-2019 (1.5 million bbl/d). At the same time, global demand dynamics in the future will largely be determined by oil consumption dynamics in China and India.

02

Despite OPEC+ production restrictions, according to EIA data, the oil supply in 2024 rose by 0.5 million bbl/d vs 2023 and stood at about 102.6 million bbl/d. The increase stemmed from non-OPEC+ countries: the US, Canada, Guyana, and others.

In December 2024 OPEC+ countries again postponed the introduction of measures to reduce voluntary restraints on oil production. A gradual rise in supply is now expected from Q2 2025.

Analysts expect that the supply will grow at a rate exceeding demand in 2025. However, the following elements of uncertainty factors can be observed: continued OPEC+ restrictions, the consequences of sanctions on Russian and Iranian oil exports, and the geopolitical situation in the Middle East.

In 2025, a further rise in US production is expected, however its intensity will be determined, on the one hand, by potential changes in the US energy policy, and on the other by price factors and the desire of US companies to maximise profits.

03

During 2024, despite the trend towards a slowdown in global oil demand, the market deficit remained predominantly stable, which, according to EIA data, was 0.2 million bbl/d on average. The key factor behind the deficit was the repeated postponement of reducing voluntary restraints on oil production by OPEC+ countries, as well as, according to EIA data, an actual reduction of oil production by alliance countries.

Analysts expect the market to remain in deficit in Q1 2025, but starting from Q2 2025, as OPEC+ production restrictions are gradually lifted and production from countries outside the alliance grows, the market may go into surplus as demand growth is forecast to moderate.

04

In Q4 2024 the trend towards a decline in oil quotations continued against a background of weakening geopolitical tensions in the Middle East and increased supply from non-OPEC+ countries.

Oil price forecasts for 2025 are highly consolidated. Analysts agree that in the short term prices will be determined by geopolitical factors, including sanctions, as well as oil production rates outside OPEC+.

Analysts' mid- and long-term forecasts are increasing as a result of uncertainty over the future market balance.

The current long-term (post-2029) consensus forecast for the Brent crude price is around USD 71/bl, in real terms, in 2025 prices.

According to IMF and OECD forecasts, in 2025-2026 real global GDP growth is projected to remain steady at 3.3%

Global economy

According to OECD forecasts, despite existing challenges, the growth rate of the global economy will remain at a sustainable level and reach 3.2% by the end of 2024 and 3.3% over 2025-2026. The IMF forecasts similar dynamics.

The OECD estimates that low inflation, employment growth, and monetary easing support aggregate demand, despite fiscal tightening in a number of countries and geopolitical tensions. However, trade policy uncertainty in major economies, including the US, has risen sharply in recent months, driven by a widening range of measures aimed at restricting imports.

GDP growth in the US is supported by household consumption driven by real wage growth. According to OECD forecasts, US production growth will continue to grow steadily against a backdrop of increasing immigration flows, however consumption growth is expected to moderate as labour force growth slows.

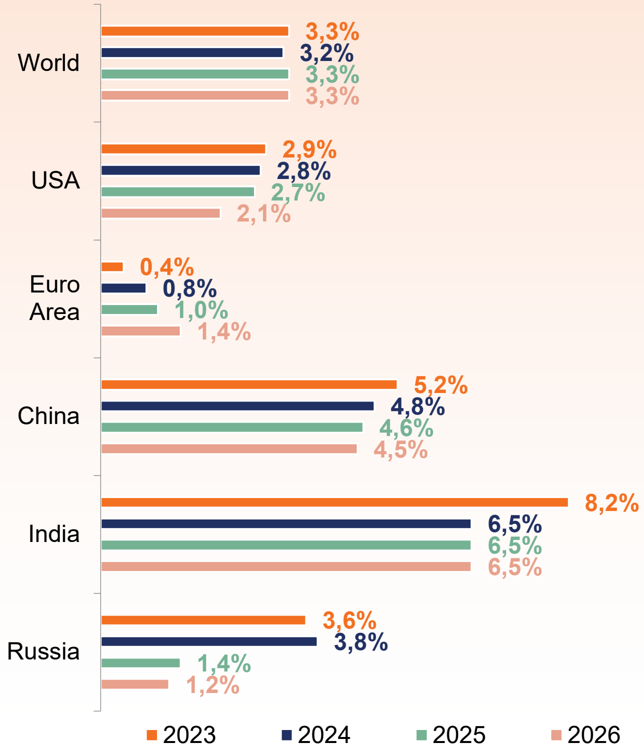
The overall outlook for economic growth in the US remains stable, although OPEC estimates that the economic policies of the new US administration could impact the growth path.

According to OECD estimates, growth in the Eurozone is being driven by a recovery of actual household revenues, a slowdown in inflation, a revival in private consumption, and investment support from the Recovery and Resilience Facility. The service sector remains the main driver, while manufacturing is showing a moderate recovery, in the face of high energy prices and competition from China.

The Goldman Sachs forecasts that the potential imposition of new tariffs by the US, particularly on car exports, could adversely affect the Eurozone economy, especially Germany, which appears set to see no growth for the second consecutive year. Trade tensions could reduce Eurozone GDP by 0.5%, with the greatest blow delivered to industrial economies.

According to OECD experts, stable consumption in China is restrained by the high savings activity of households and continued weakness in property markets, which keeps inflation low. Main investment growth stems from the soft monetary policy and higher levels of public investment.

Real GDP growth forecast, 2023-2026, %



Source: IMF (January 2025)

The Russian economy continues to show resilience, which is largely driven by strong government and household spending.

In September, the Central Bank of Russia (CBR) raised its key rate to 19.0% due to continued high inflationary pressure. According to the CBR, against a backdrop of growing domestic demand, which outpaces the possibility of expanding the supply of goods and services, the monetary policy requires further tightening. The CBR does not rule out maintaining high interest rates, with a possible further hike in the current rate.

In 2024 global oil demand growth fell following a reduction in China's oil consumption growth rate

Oil demand

According to the EIA, global oil demand in Q4 2024 stood at 103.4 million bbl/d, 0.4 million bbl/d higher than Q3 2024 and 1.0 million bbl/d higher than the same period last year. According to the IEA, demand in Q4 2024 rose by 1.5 million bbl/d year-on-year, the largest increase since the start of the year. Lower fuel prices, colder weather in the Northern hemisphere, and growing petrochemical activities in the US contributed to increased oil consumption.

At the end of 2024 the average level of oil demand was 102.8 million bbl/d (plus 0.9 million bbl/d vs 2023). Demand growth was driven by non-OECD countries, especially Asian countries. According to the EIA, the growth leader in 2024 was India, with around 0.2 million bbl/d of demand growth. Oil demand in China also demonstrated positive dynamics, however the growth rate was lower than the previous year's expectations and declined significantly vs 2023 against a backdrop of slowing economic growth, a decline in the population, and growth in sales of electric vehicles.

According to an EIA forecast, oil demand growth in 2025 will be 1.3 million bbl/d, which is below the 10-year average level before the pandemic (1.5 million bbl/d). This will be almost entirely driven by non-OECD countries (plus 1.1 million bbl/d), with India retaining its leading position. Oil consumption in the country is forecast to go up by 0.3 million bbl/d, driven by growing fuel demand from the transport sector.

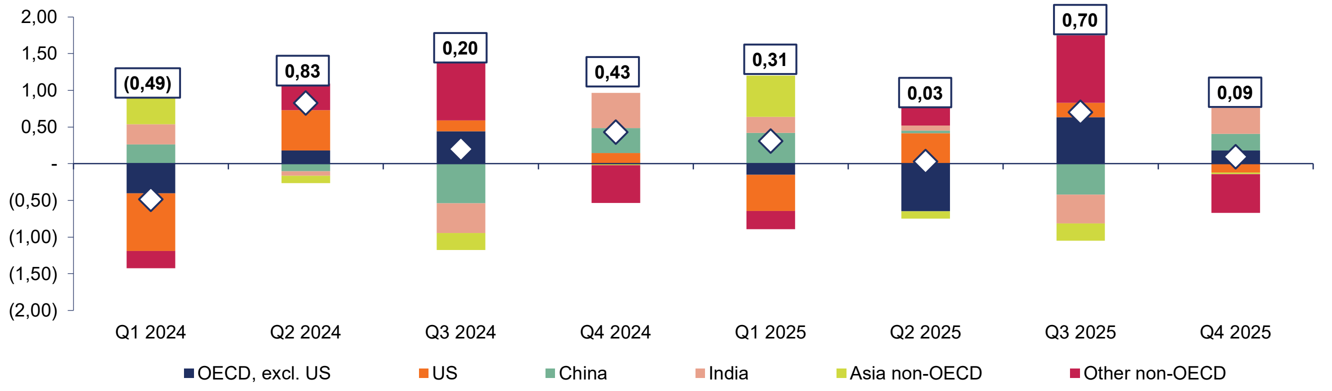
China is projected to be the second-fastest growing country in terms of demand growth, with a consumption growth rate of 0.2 million bbl/d.

The IEA estimates oil demand growth of 1.0 million bbl/d in 2025. The rise in demand will be driven by growth in petrochemical feedstock consumption, while demand for transport fuels will remain under pressure from technological progress and changes in consumer behaviour. Regionally, the IEA expects the main growth driver to continue to be developing Asian countries, despite the slowdown in demand growth observed during the final months of 2024.

OPEC analysts estimate the potential growth in oil demand in 2025 at 1.4 million bbl/d. OPEC also notes that the main growth will come from non-OECD countries, which will provide 1.3 million bbl/d of growth. At the same time, in contrast to the EIA and the IEA, OPEC analysts are more positive about the prospects for demand from China. China is projected to provide growth of 0.3 million bbl/d and become the main driver of global oil demand growth in 2025. Positive dynamics will be achieved due to an economic recovery in response to government incentives, as well as stable demand from the petrochemical sector.

China has been a key driver of global oil demand growth for most of the past decade. However, growth slowed significantly in 2024, which was a factor in reduced global demand, with growth rates falling below 1 million bbl/d for the first time since 2019. Global demand dynamics will largely be determined by oil consumption dynamics in China.

Change in liquid hydrocarbons demand by region and country, 2024-2025, Q/Q, mln bbl/d



Source: EIA

Non-OPEC+ countries provided oil supply growth in 2024. According to analysts, these countries will remain the growth leaders in 2025

Oil supply

According to EIA data, the global oil supply in Q4 2024 was 103.1 million bbl/d, 0.5 million bbl/d higher than the Q3 2024 level. Non-OPEC+ countries increased production by 0.8 million bbl/d; OPEC+ countries, in contrast, reduced it by 0.3 million bbl/d. The growth leaders were Libya (plus 0.3 million bbl/d), whose oil production began to recover after a significant decline amid the political crisis, and Canada (plus 0.3 million bbl/d), which increased production at bituminous sand fields after scheduled maintenance of facilities in September.

At the end of 2024, despite OPEC+ production restrictions, the oil supply rose by 0.5 million bbl/d vs the 2023 level and stood at about 102.6 million bbl/d. Non-OPEC+ countries increased supply by 1.8 million bbl/d and made up for the OPEC+ countries' production decline (minus 1.3 million bbl/d). The key growth regions at year-end were the US (plus 0.7 million bbl/d), Canada (plus 0.2 million bbl/d), and Guyana (plus 0.2 million bbl/d). In addition Iran, for which no OPEC+ quota is set and no voluntary restrictions are in place, raised production by 0.5 million bbl/d.

In December 2024, OPEC+ countries again postponed the reduction of voluntary oil production limits. The limit of 1.65 million bbl/d will remain in place until the end of 2026. Voluntary reductions of 2.2 million bbl/d were extended until the end of March 2025, followed by a gradual release of volumes by the end of September 2026.

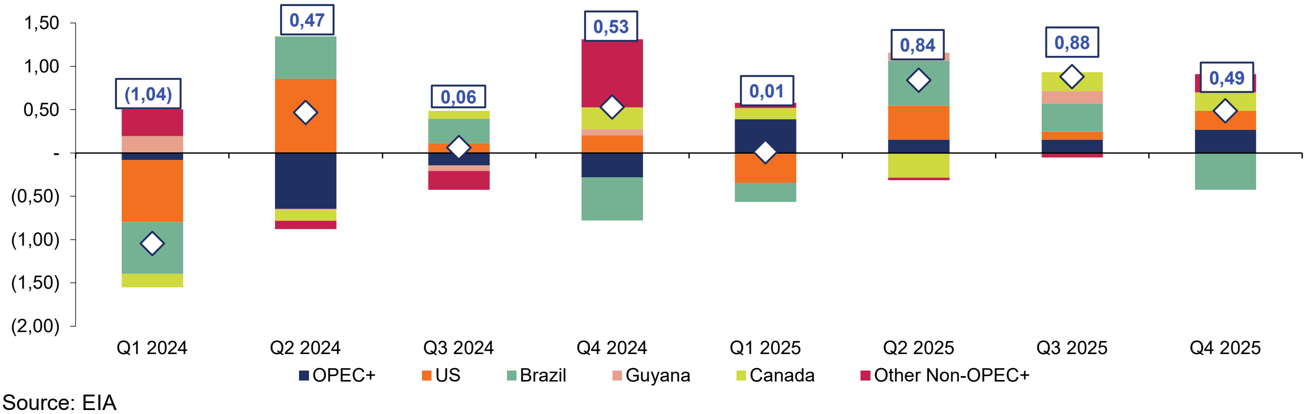
Also, OPEC+ countries extended their quotas for 2025-2026. For all countries, except the UAE, quotas are at the levels adopted in June 2024. The gradual rise in quotas for the UAE by 300 thousand bbl/d, previously expected from January 2025, has been postponed from early April 2025 to the end of September 2026.

The EIA forecasts that oil production will go up by 1.8 million bbl/d to 104.3 million bbl/d in 2025, with around 90% of the growth driven by non-OPEC+ countries.

The IEA provides a similar estimate of growth of 1.8 million bbl/d, even if OPEC+ voluntary restraints remain fully in place. The US, Brazil, Guyana, and Canada, together with other countries outside the alliance, as well as Iran, would provide supply growth of 1.5 million bbl/d. At the same time, the IEA notes that new US sanctions imposed in January 2025 against the Russian oil and gas sector may have an impact on the oil supply in the global market. In addition, the new US administration may intensify sanctions pressure on Iranian oil exports (in December, the US imposed sanctions on ships transporting oil from Iran). However, it is too early to assess the potential effect of the restrictive measures.

OPEC estimates supply growth in 2025 from non-OPEC+ countries at 1.1 million bbl/d. Analysts also identify the US, Brazil, Canada, and Norway as drivers.

Changes in liquid hydrocarbons supply volumes by region and country, 2024-2025, Q/Q, mln bbl/d



Source: EIA

The US is one of the key growth regions for the global oil supply, however, the production growth outlook depends on a combination of factors

Prospects for increased oil production in the US

Most oil and gas sector experts identify several key areas to focus on in 2025: global oil demand growth rates, market management by the OPEC+ alliance, and changes in the US policy.

As the second administration of President Trump begins, the US energy policy will be closely monitored in 2025. According to the Financial Times, the President-Elect has promised to ease environmental requirements and overhaul environmental regulations. According to Reuters, Trump intended to boost oil drilling in the US by accelerating the issuance of drilling permits, allowing drilling on federal land and increasing offshore drilling. These measures are geared towards increasing production and reducing fuel prices on the US domestic market.

Nevertheless, despite the expected regulatory overhaul, Financial Times analysts consider rapid production growth to be unlikely. According to the EIA, production reached record levels of 13.5 million bbl/d (oil production excluding other liquid hydrocarbons), having reached a new high in December 2024. However, investors with years of debt-fuelled drilling downturns want companies to give priority to profits over growth. The model of capital discipline they have enforced for the sector is unlikely to change rapidly.

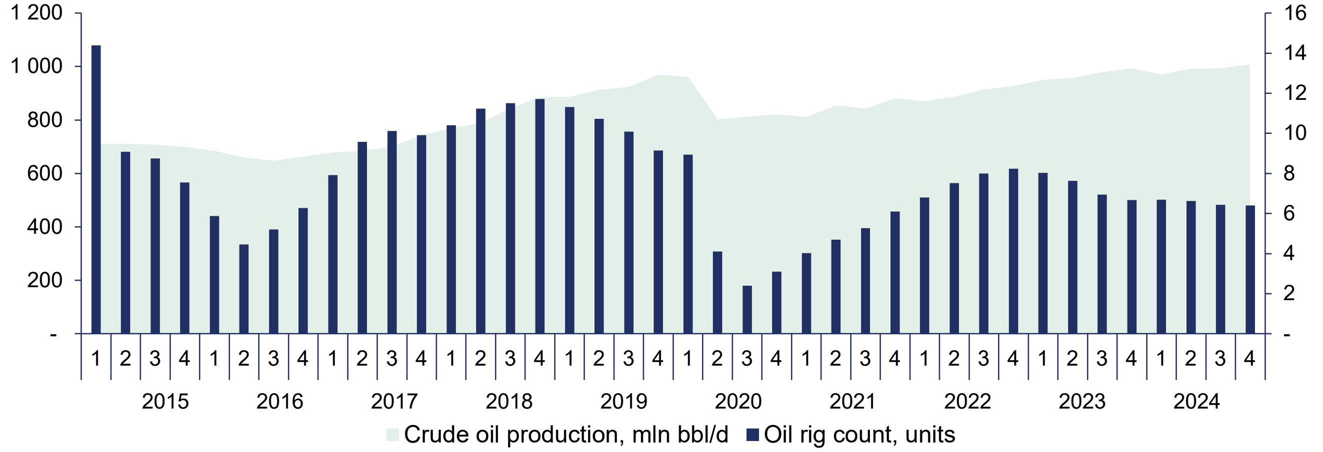
According to Rystad Energy research and Deloitte estimates, in the past decade US E&P companies have focused on prioritising capital discipline, digital transformation, and strategic acquisitions to increase profits. This strategy contributed to their net profit growth of 7% from 2014 to 2023, despite an 18% fall in oil prices.

In 2025 US companies are likely to hone their strategy to address the current challenges: low oil prices, the risk of stagnant well productivity, a record low stock of drilled but uncompleted wells (DUC, of around 4,500), and forecast growth in global liquid hydrocarbons consumption (by 1.0-1.4 million bbl/d in 2025, as per IEA, EIA, and OPEC estimates).

At the same time, according to the Financial Times, macroeconomic factors may allow Trump to keep his promise and achieve lower oil prices in the event of weak demand from China and the implementation of OPEC+ plans to increase oil supplies. However, this would have an adverse impact on US oil producers.

A significant drop in oil prices is not favourable to US producers, due to the high breakeven level (between USD 45 and USD 75/bbl depending on the area) – see the Kept oil market review for Q3 2024 for details. Crude oil production is already under pressure, due to the prospect of lower oil prices and increased costs to fix production issues, according to a survey from the Federal Reserve Bank of Dallas.

Oil production volume (excluding other liquid hydrocarbons) and number of active oil rigs in the US by quarters, 2015-2024



Source: EIA, Baker Hughes

Despite slowing demand, the oil market remained in deficit for most of the year

Oil market balance

At the end of Q4 2024 a minor deficit of 0.3 million bbl/d had arisen in the market. Compared to Q3 2024, the deficit fell by 0.1 million bbl/d, as non-OPEC+ countries increased production.

During 2024, the market remained quite volatile, with periods of deficit followed by periods of surplus. However, on average for the year, despite the demand slowdown trend, a market deficit was observed, which, according to EIA estimates, stood at 0.2 million bbl/d. The main factor was the continuing reduction in oil production by OPEC+ countries.

EIA analysts expect the market deficit to rise in Q1 2025, due to a decision from OPEC+ to postpone the gradual lifting of production restrictions of 2.2 million bbl/d until the end of March 2025; then the market will move to a surplus, which could stand at around 0.8 million bbl/d in Q4 2025.

IEA analysts expect that a market surplus of 0.7 bbl/d may be seen in 2025. At the same time, it is not clear how strictly OPEC+ member countries will comply with the established restrictions. Thus, in November 2024, based on IEA estimates, the actual OPEC+ supply was higher than the established plans, including voluntary restraints and compensations, by 0.68 million bbl/d.

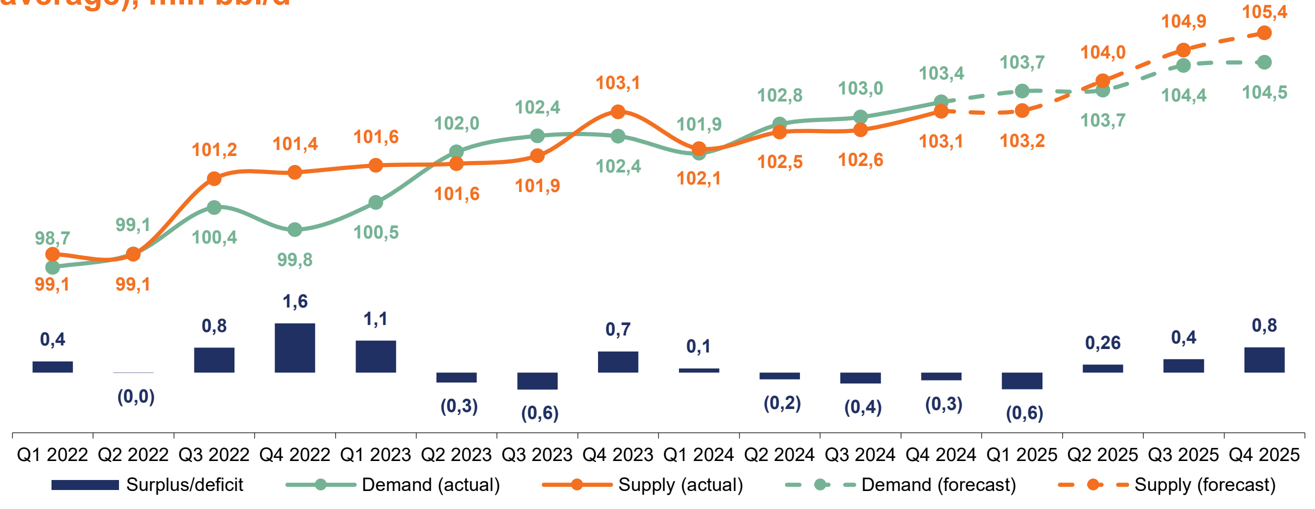
Crude oil reserves

According to the IEA, global crude oil and petroleum product reserves fell by 39.3 million barrels in October, due to a sharp decline in petroleum product reserves (minus 82.3 million barrels), which was triggered by a seasonal decline in refinery output, with simultaneous growing demand. Global crude oil and petroleum product reserves began to rebound in November, rising by 12.2 million barrels to 7,655 million barrels for the first time since May.

In OECD countries commercial crude oil and petroleum products reserves fell by 20.1 million barrels in November, dropping to 2,749 million barrels, 118.3 million barrels below the five-year average and the lowest since August 2022.

EIA analysts expect that a continued production decline from OPEC+ will result in the withdrawal of world oil reserves, by 0.5 million bbl/d on average in the first quarter of 2025. By comparison, over 2024 global oil reserves fell by 0.2 million bbl/d on average. However, from Q2 2025, as OPEC+ restrictions are lifted and production in countries outside the alliance increases, and moderate demand growth, global reserves will start to increase. Global crude oil reserves are projected to rise by a 0.3 million bbl/d on average in 2025.

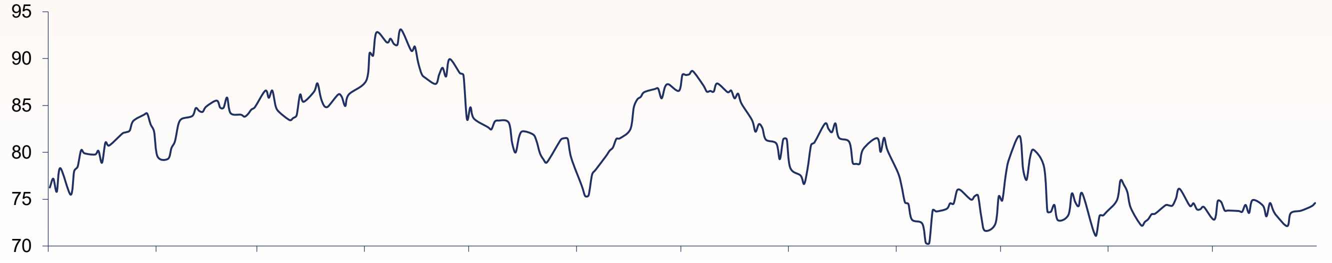
Demand, supply, and balance of the liquid hydrocarbon market (quarterly average), mln bbl/d



Source: EIA

In Q4 2024 an oil price consolidation was observed, at the level of USD 75/bbl

Brent oil price dynamics (in nominal terms), USD/bbl



Source: EIA

According to IEA estimates, the volatility of Brent crude futures fell to six-month lows in November. In Q4 2024 Brent crude quotations were in the range of USD 71–82/bbl. The average price at the end of Q4 2024 was USD 75/bbl, 6.7% below the Q3 2024 level. Oil price consolidation of around USD 75/bbl is in line with long-term benchmarks.

Oil prices declined slightly in November, following a ceasefire between Israel and Lebanon. According to EIA estimates, the ceasefire removed part of the risk premium in oil prices, which reflected potential attacks on oil infrastructure and disruptions to oil supplies.

Additional downward pressure on prices was caused by signs of weakening global oil demand growth, as well as slowing oil demand growth in China.

According to the EIA, the average Brent crude price at the end of 2024 was USD 80.5/bbl and fell by about 2.4% from the 2023 level (USD 82.5/bbl). According to Reuters estimates, quotations declined for the second consecutive year, as a result of a slow recovery in global demand following the pandemic and challenges in China's economy on the one hand, and increased supply from the US and other non-OPEC+ countries on the other hand.

Russian oil pricing is becoming increasingly fragmented

Urals crude oil price

According to the Russian Ministry of Economic Development, the average price of Russian Urals benchmark crude oil (used for taxation purposes) in Q4 2024 was USD 63.9 /bbl, 7.8% lower than in Q3 2024. At the end of Q4 2024 the spread tightened and was within the range of USD 10.4-10.9/bbl.

Reuters reports that Rosneft agreed to supply about 500 thousand bbl/d of crude oil to India's private Reliance refinery, in the largest-ever energy deal between the two countries. The agreement covers about 0.5% of global oil supplies.

Under the terms of the deal, Rosneft will supply 20-21 oil batched from 80 thousand to 100 thousand tonnes of crude oil and 3 fuel oil batches of about 100 thousand tonnes each on a monthly basis. Deliveries will begin in January 2025 and will continue for 10 years, with an option to extend the deal for another 10 years.

The prices for delivered crude will be determined based on the grade of crude and a premium / discount to average Dubai crude quotations in the month of loading.

Reuters reports that for 2025 premiums for light low-sulphur crude grades have been set at about USD 1.5/bbl for ESPO, about USD 2/bbl for Sokol and USD 1/bbl for Siberian Light. For Urals, the discount was set at USD 3/bbl. Most deliveries will consist of Urals medium-sulphur crude (the most popular crude for Indian refineries).

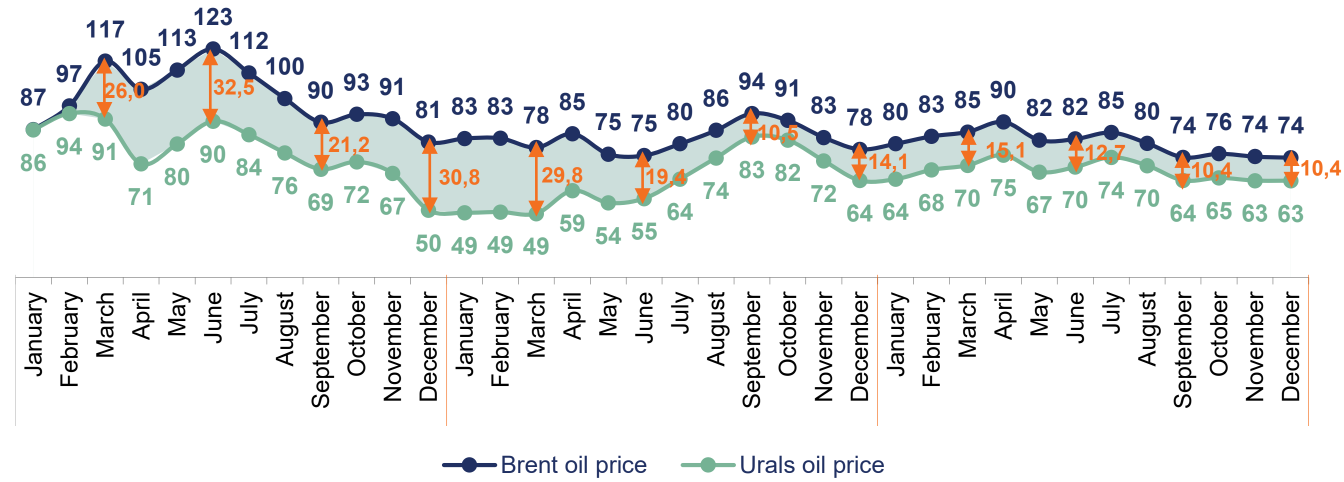
At the same time, on 1 January 2025 Russia changed its approach to calculating the average Urals price for tax purposes. The value of Russian crude oil will be determined not in European foreign ports, but in Russian western and eastern ports.

Against the backdrop of sanction restrictions on the Russian energy market, Russian oil exports were redistributed from Europe to the East. According to media reports, the regulator proposed to determine the Urals crude oil price based on the price of Russian crude in Russia's western and eastern ports, as prices in Western European ports are no longer fully representative for reliable taxation purposes.

The Urals quotation for tax purposes will be determined as a weighted average price determined as the average of the Urals FOB Primorsk and Urals Med Aframax FOB Novorossiysk quotations, multiplied by a factor of 0.78, and the ESPO blend FOB Kozmino quotation multiplied by a factor of 0.22.

A quotation for ESPO crude oil, which is transported through the East Siberia-Pacific Ocean trunk oil pipeline and sold at the port of Kozmino in the Far East, was added to the Urals price formula. ESPO crude is a low-sulphur oil with a higher ton-to-barrel conversion factor (about 7.4 bbl/t) than Urals crude sold through the ports of Novorossiysk and Primorsk (average ton-to-barrel conversion factor of 7.2 bbl/t).

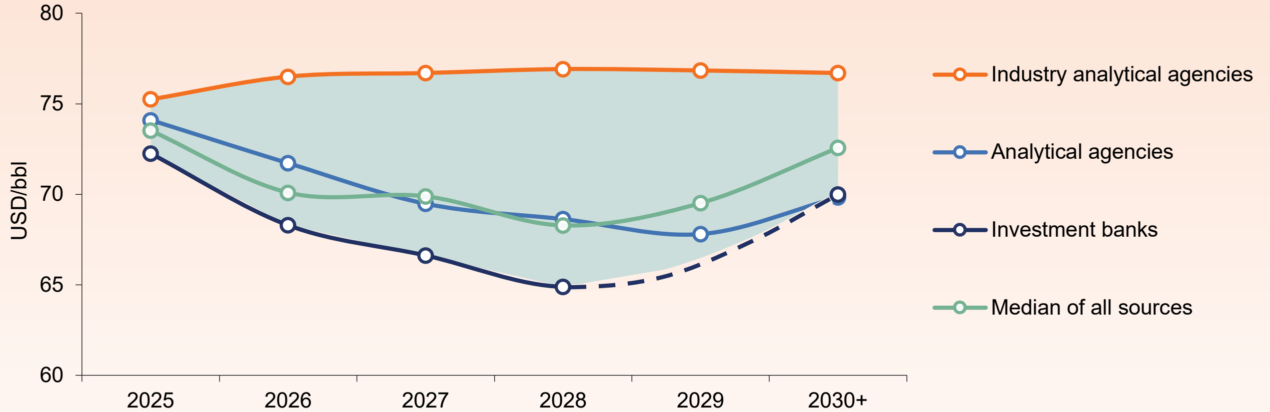
Demand, supply, and balance of the liquid hydrocarbon market (quarterly average), mln bbl/d



Source: actual Brent data – EIA, actual Urals data – Ministry of Economic Development of the Russian Federation

Long-term oil price forecasts mainly range between USD 61 and 77/bbl; the average value is USD 71/bbl

Brent crude price forecast in real terms (2025 prices), USD/bbl



Source: forecast for investment banks is shown above excluding the 2029 date due to insufficient sample.

In the short term, Goldman Sachs forecasts that oil price levels will be driven by oil production rates in non-OPEC+ countries, as well as geopolitical factors from sanctions to trade duties.

According to BTU Analytics, with the start of the second administration of US President Trump, it is estimated that previous policies may continue and there could be a tightening of sanctions against Iran and Venezuela. While specific policy changes have not been disclosed, experience from the first Trump administration suggests that an additional level of volatility in the oil market and energy prices could be seen.

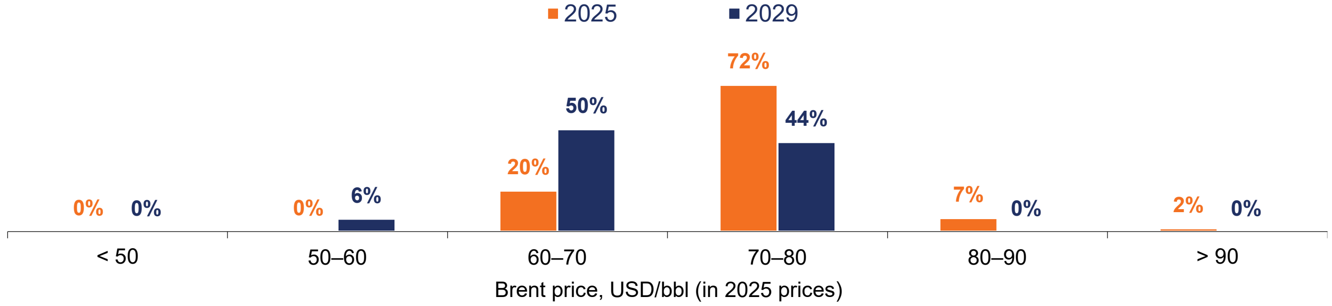
Analysts at investment banks revised short-term oil price forecasts upwards, against a background of the introduction of new sanctions on Russian oil exports in January 2025. Sanctions restrictions against Russia and potential restrictions against Iran could lead to a drop in oil supplies to the global market and price rises.

At the same time, according to Goldman Sachs Research, high spare oil production capacity globally could limit a significant oil price increase in 2025, despite continued strong demand.

The oil price forecast for 2025 is highly consolidated, with about 72% of analysts forecasting an average annual Brent price in the range of USD 70 to USD 80/bbl. At the same time, analysts' mid- and long-term forecasts are widening, due to uncertainty over the future market balance.

The current long-term (post-2029) consensus forecast for the Brent crude price is around USD 71/bbl in real terms at 2025 prices, which is in line with previous long-term forecasts.

Distribution of Brent crude price forecasts, 2025 and 2029



Source: Oil companies, analytical agencies and investment banks

Appendix (1/2)

Brent oil price forecast for 2025-2030 +, USD/bbl (in 2025 prices)	2025	2026	2027	2028	2029	2030+
Oil companies						
Canadian Natural Resources	79.2	78.4	77.8	77.6		
Equinor						82.3
Repsol	70.0	69.3	69.5			
Suncor	79.0					
Average	***76.1***	***73.8***	***73.7***	***77.6***		***82.3***
Median	***79.0***	***73.8***	***73.7***	***77.6***		***82.3***
Industry analytical agencies						
EIA	74.3	64.9				
GLJ Petroleum Consultants Ltd	75.3	75.6	76.2	76.9	76.8	75.1
McDaniel	76.5	76.5	76.5	76.5	76.5	76.5
Ryder Scott	75.8	76.9	77.4	77.8	77.8	77.8
Sproule	75.0	78.4	76.9	76.9	76.9	76.9
Average	***75.4***	***74.5***	***76.8***	***77.0***	***77.0***	***76.6***
Median	***75.3***	***76.5***	***76.7***	***76.9***	***76.8***	***76.7***
Analytical agencies						
Budapest Bus. School	74.0	73.9	76.1	76.3	77.4	87.0
Capital Economics	72.0	63.7	52.6			
Deloitte Canada	73.0	70.6	70.3	70.1	70.0	69.8
Deloitte Access Economics	73.5	69.9	67.8	66.3	64.9	61.9
Economist Intelligence Unit	77.0	73.2	69.5	65.6	61.8	60.2
E2 Economia	74.0	72.8	73.4	72.6	71.6	
BMI, a Fitch Solutions company	76.0	73.2	71.4	69.8		
ICIS	76.3	70.3	69.0	67.5	66.5	60.3
ISGR	82.5	77.8	76.1	74.4	76.5	70.0
Kshitij Consultancy Services Pvt Ltd	72.3					
Market Risk Advisory Co Ltd	74.2					
Moody's Analytics	76.0	68.6	66.9	63.9	63.5	
Oxford Economics	72.6	69.8	68.6	68.6	69.1	
Oxford Institute for Energy Studies	76.2					
P K Verleger	66.0	63.4				
Pezco Economics	76.5	73.8	70.9	67.8	64.0	72.6
United States Department of Energy	73.6					
CBR	80.0	73.2	66.6			
Average	***74.8***	***71.0***	***69.2***	***69.4***	***68.5***	***68.8***
Median	***74.1***	***71.7***	***69.5***	***68.6***	***67.8***	***69.8***

Appendix (2/2)

Brent oil price forecast for 2025-2030 +, USD/bbl (in 2025 prices) (continued)	2025	2026	2027	2028	2029	2030+
Investment banks						
Australia & New Zealand Banking Group Ltd		79.5				
Australia Dept of Industry	70.4	66.5				
Bank of America Merrill Lynch	65.0	61.5				
Bank Julius Baer	66.9		64.2	62.8		
Barclays PLC	83.0	78.0	57.1			
Berenberg	75.0	63.4	61.9	60.5		
BMO	76.9	80.5	80.9	79.1		80.0
BNP Paribas SA	74.0	69.3				
BoA Securities	65.0	61.5				
Citigroup	60.0	58.5				
Commerzbank	78.8	78.0				
Commonwealth Bank	70.0	63.4	61.9	56.2	56.2	54.0
Deutsche Bank AG	66.3	73.2	76.4			
Emirates NBD PJSC	73.1					
Goldman Sachs	76.0	69.3				
HSBC Holdings PLC	70.0	68.3	66.6			
ING Groep NV	69.0	68.3				
Intesa Sanpaolo SpA	78.0	74.1	70.4	67.0		
Investec	77.5	73.8	71.4	67.9		70.0
Julius Baer	67.0	63.4	64.2	62.8		
JPMorgan Chase & Co	73.0	59.5				
Landesbank Baden-Wuerttemberg	71.0					
Macquarie	68.8	62.3	62.3	62.5	62.7	61.0
Morgan Stanley	70.0	68.3				
MPS Capital Services Banca per le Imprese SpA	80.0					
MUFG Bank	73.3	81.0				
Natixis CIB	73.3	72.2				
OCBC	76.5					
Panmure Liberum	73.0	68.3	75.2	76.3		76.4
Rabobank	68.1	66.9	66.9	67.3		
RBC	72.5	68.8	66.6			
Societe Generale	66.3					
Standard Chartered Bank	92.0	92.7	100.9			
TD Securities	72.0	72.2				
Westpac Banking Corp	70.5	67.6				
Average	***72.4***	***70.0***	***69.8***	***66.2***	***59.4***	***68.3***
Median	***72.3***	***68.3***	***66.6***	***64.9***	***59.4***	***70.0***
Average of all sources	***73.5***	***70.9***	***70.6***	***69.7***	***69.5***	***71.3***
Median of all sources	***73.5***	***70.1***	***69.9***	***68.3***	***69.5***	***72.6***

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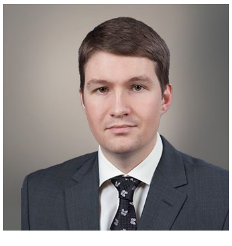

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