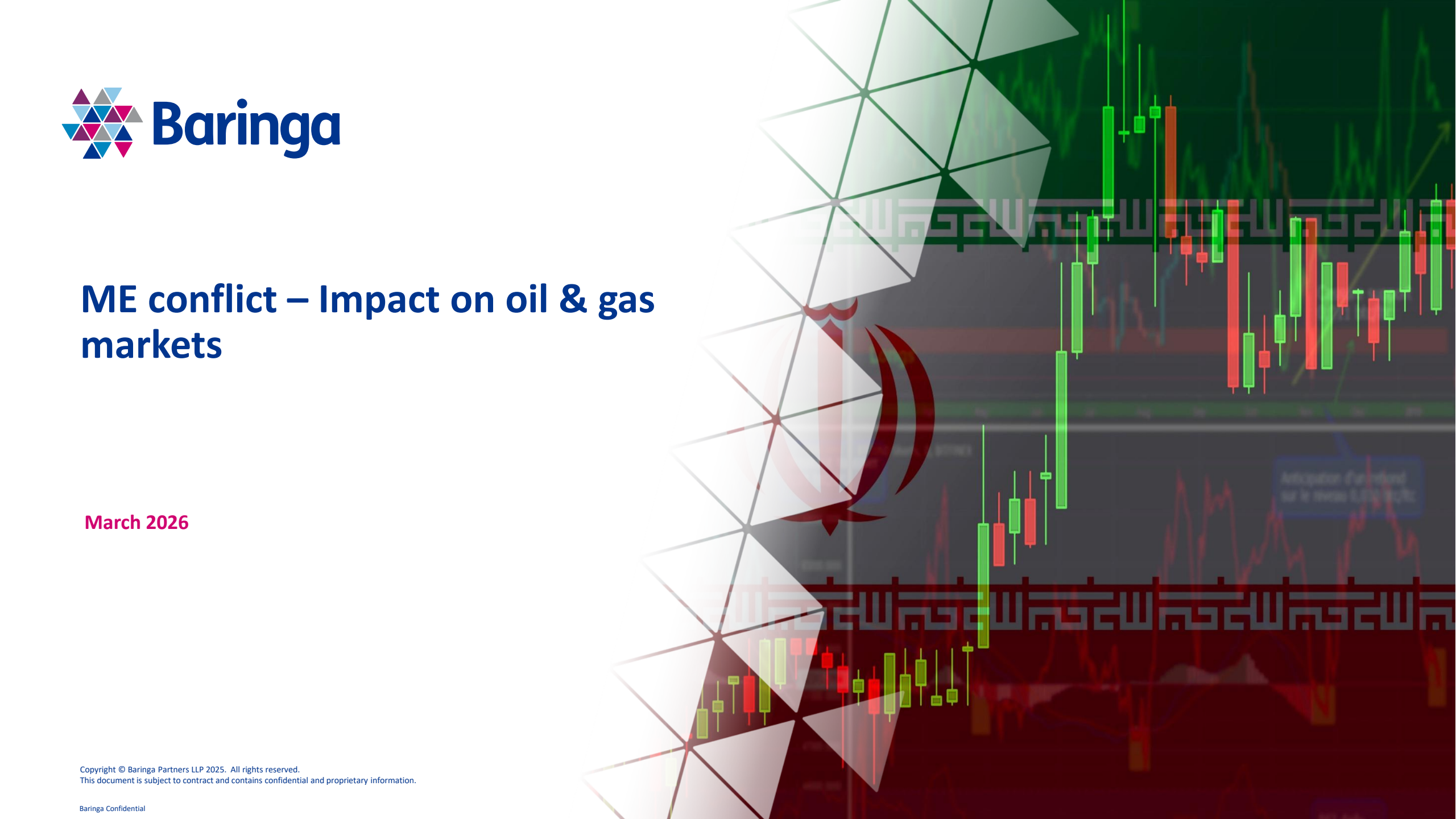

ME conflict – Impact on oil & gas markets

March 2026

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>800 energy experts

300+ clients

60+ countries where we model the energy system

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What we do

Analyse and design markets and policy

Determine strategy and investment decisions

Identify new commercial opportunities and manage risk

Structure and run more effective businesses

All underpinned by a world leading energy market modelling capability

Our impact

- **Awarded World's Best Management Consultants** by *Forbes 2024* in the US.
- Award **Gold Status Energy, Utilities & Environment** by the *Financial Times* in their UK's Leading Management Consultants **for 6 years running**
- **Top 4 Great Places to Work** for over 15 years running

What our clients say

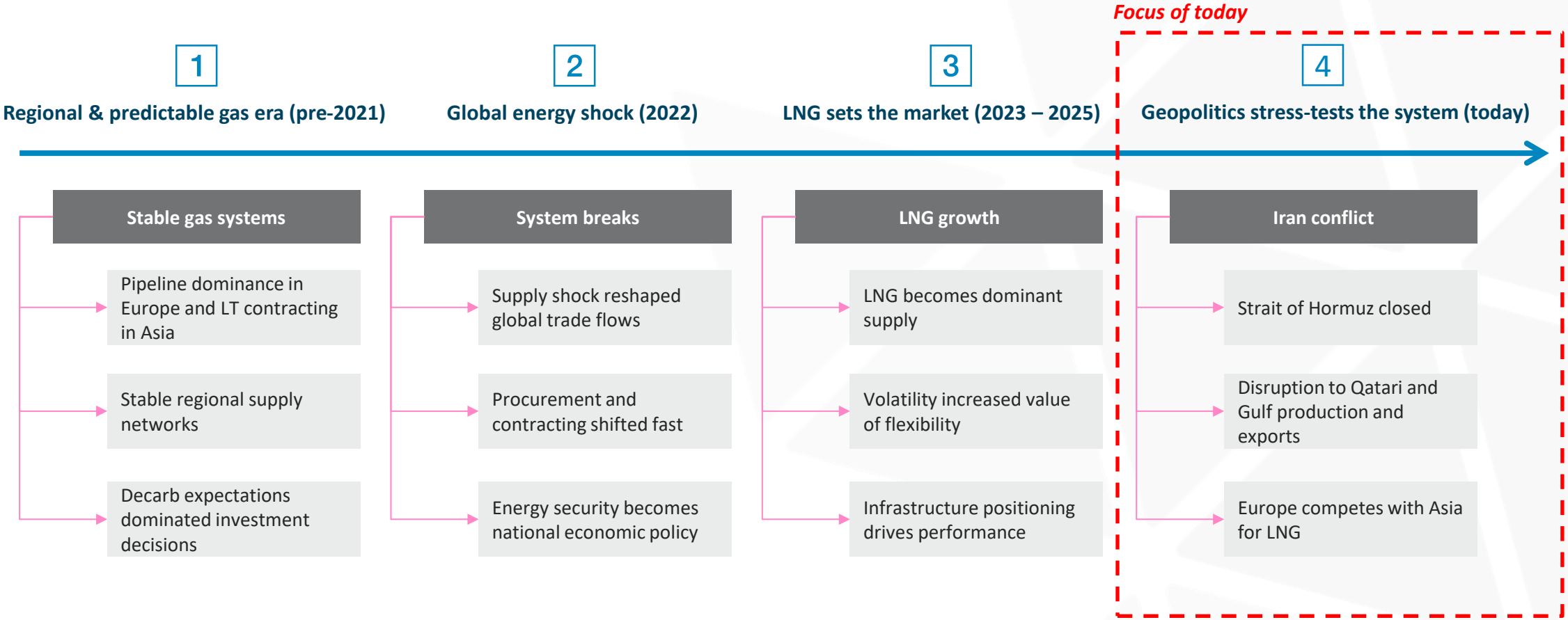
" Baringa is a trusted strategic partner in our digital transformation. Their deep understanding of the energy sector, combined with their expertise in complex change and future-focused strategy, has been critical to shaping our transformation at scale and with confidence."

CIO, Electricity Network Operator

" Baringa has developed a best-in-class platform that is laser-focused on streamlining the customer experience. I couldn't be happier with our product."

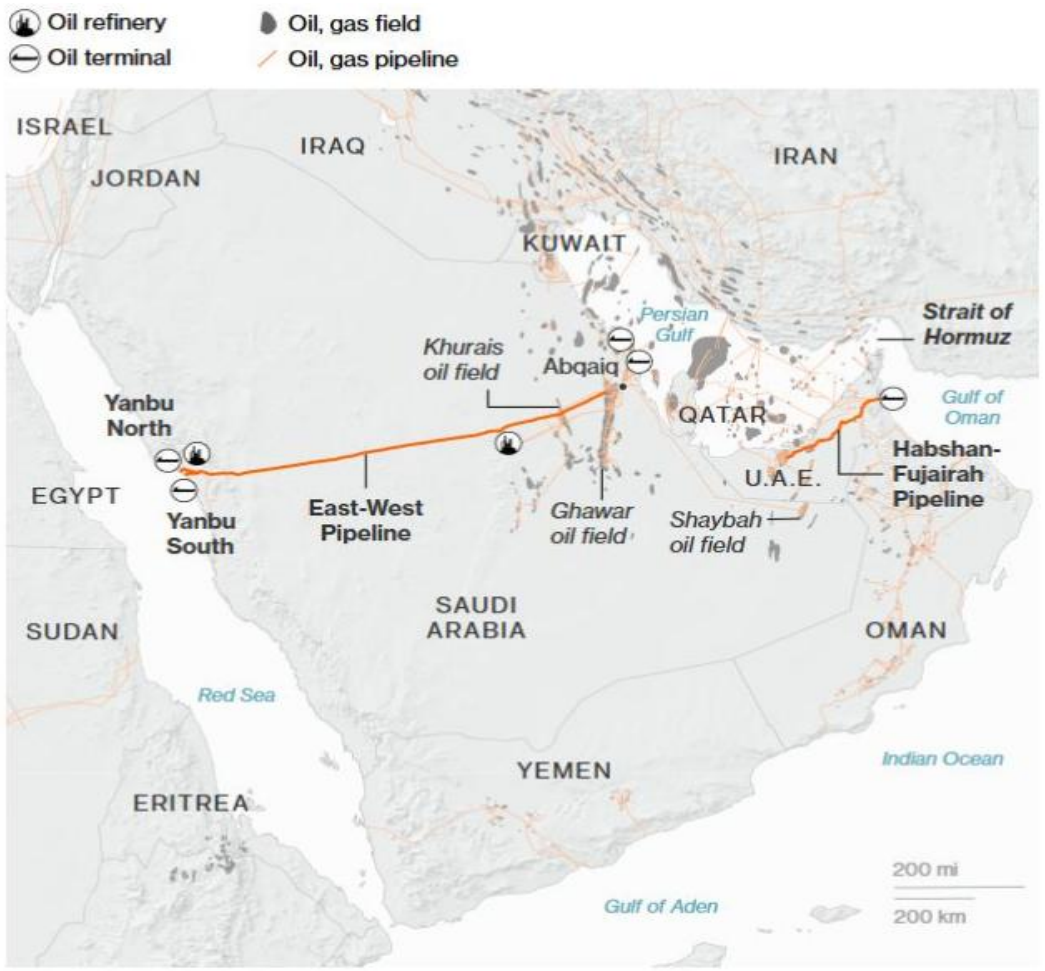
Head of Innovation, Energy Networks Association

Energy security has reshaped the global gas markets; the Iran conflict shows the system is still fragile

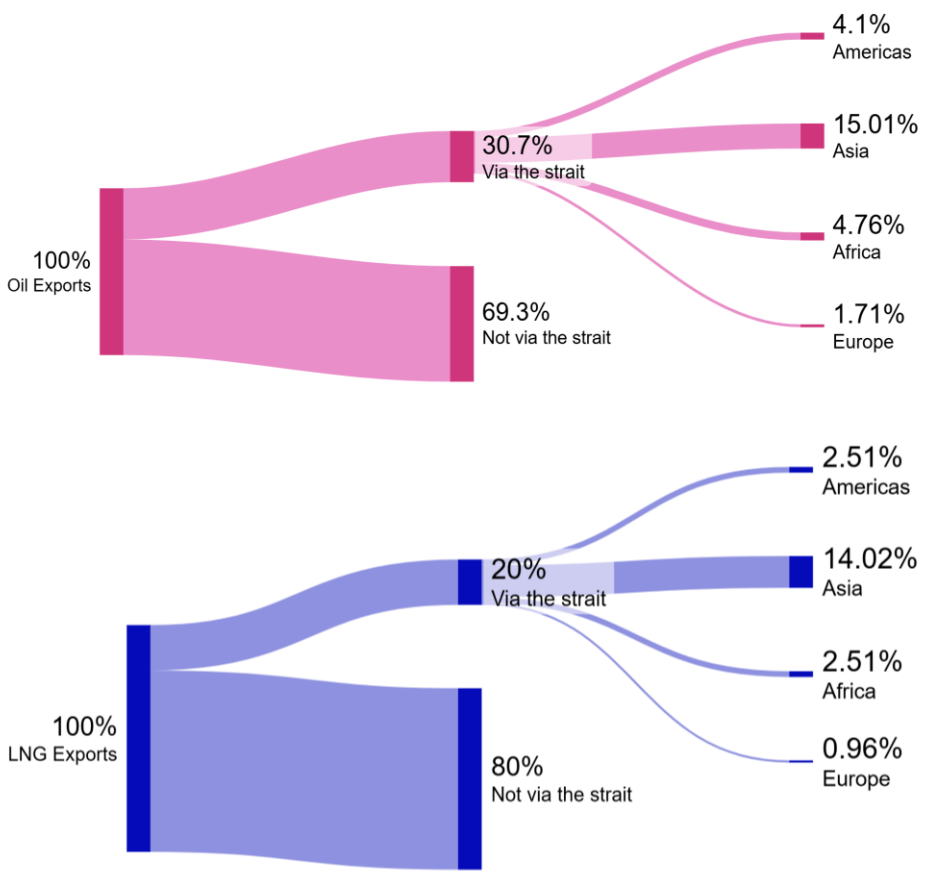


The Strait of Hormuz is a transit route for c.20%-30% of global oil & LNG supply

Map of Strait of Hormuz and pipelines bypassing the strait[1]



Share of exports via the Strait of Hormuz, selected regions (%)

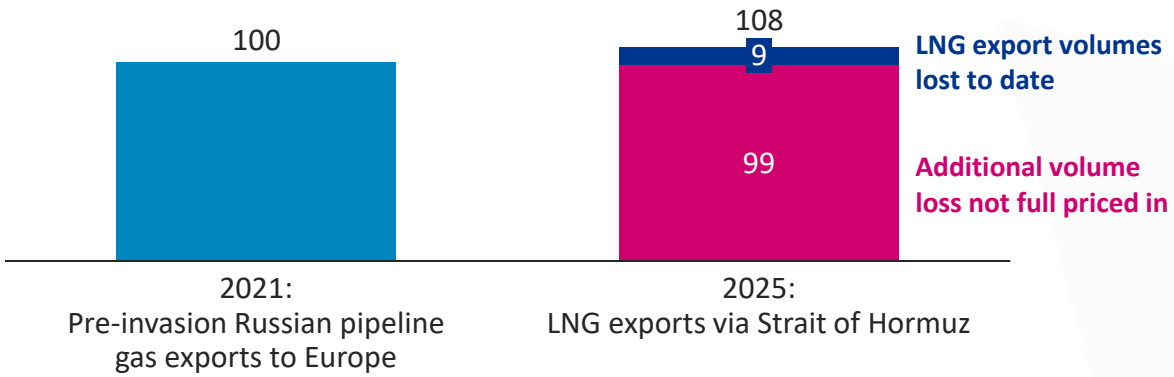


Most to lose

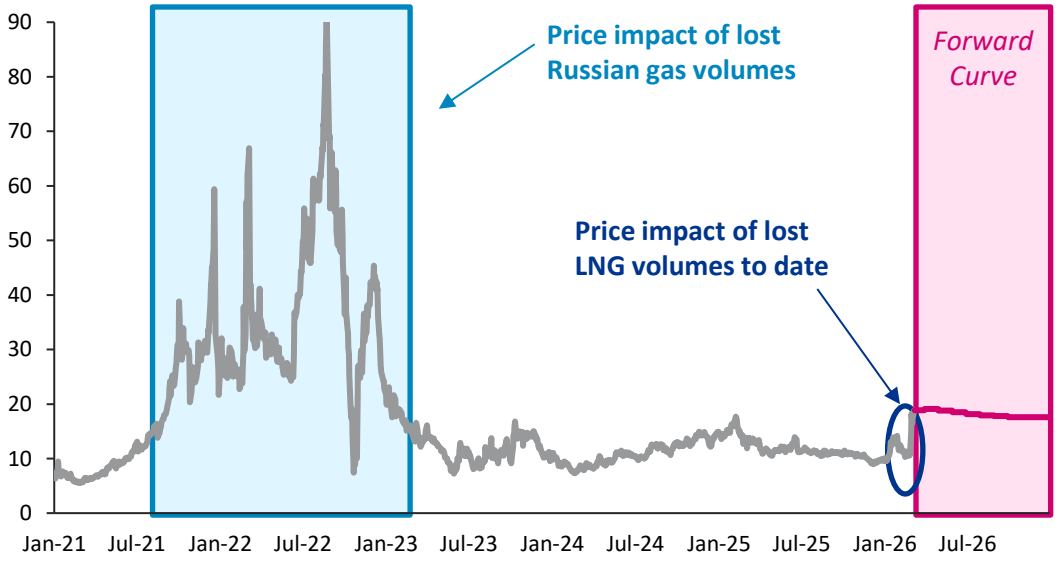
Source: US Department of Energy

The curtailment of Russian gas exports resulted in a sustained period of elevated and volatile prices; current market sentiment is not pricing in a such a disruption

Potential supply impact – Russia pipeline exports vs. Strait of Hormuz LNG (Bcm)

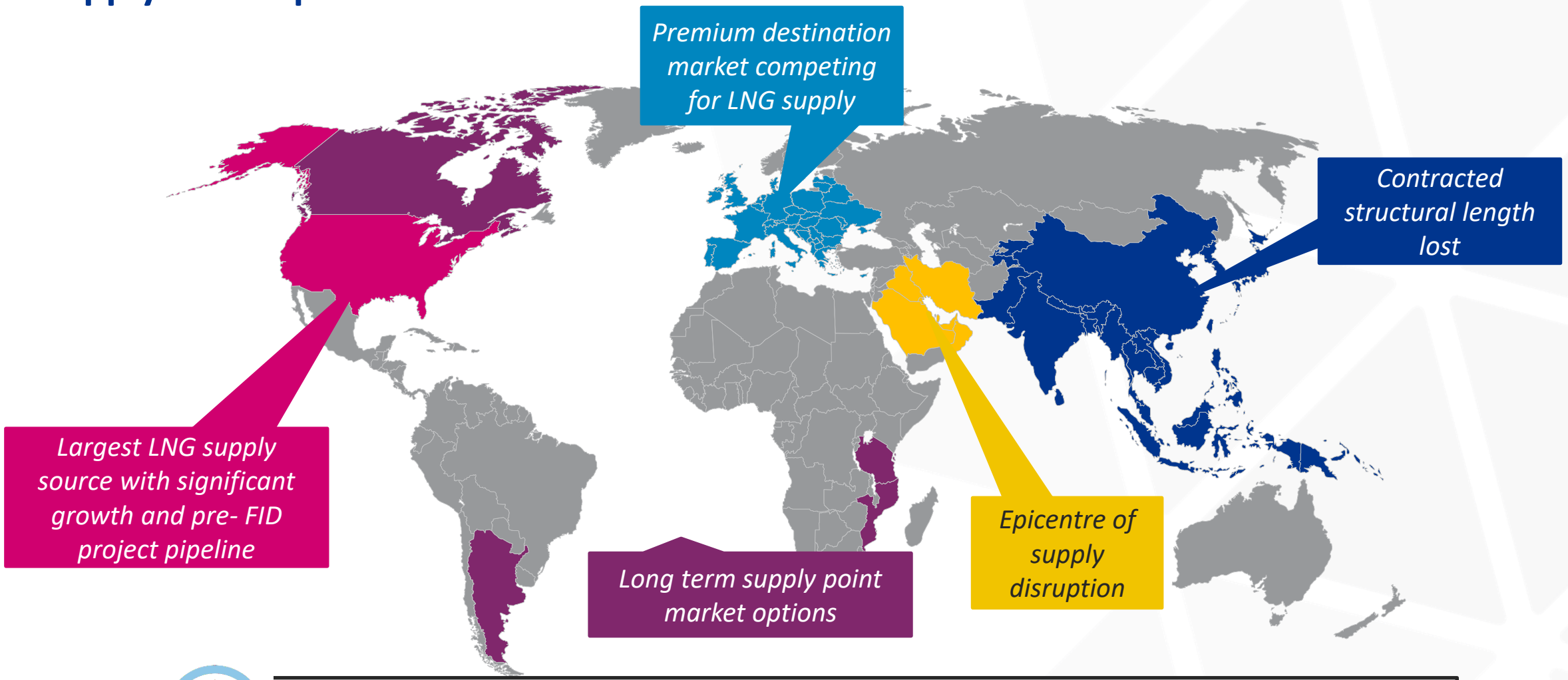


TTF month price, 2021-present (US$/MMBtu)



1. **Markets are not yet viewing this as a structural supply shift**
2. **Outside of the Middle-East there are no significant infrastructure constraints which would impact the efficiency of gas/LNG flows**
3. **Europe will remain a premium market for LNG, and there will be price competition with Asia for marginal supply**
4. **The price impact vs. supply disruption relationship is exponential – the greater the length of the outage, the greater intensity of price competition**

Impact hinges on energy connectivity, market structure, and how quickly alternative supply can respond



***One to watch**: Flexible LNG portfolio players monetising optionality across supply, shipping and destination markets*

Price Impacts

The recent shock has driven a sharp but front-loaded repricing across energy markets.

Reflecting its absence of a supply side response, gas has reacted more strongly than oil, with TTF up materially across the front of the curve

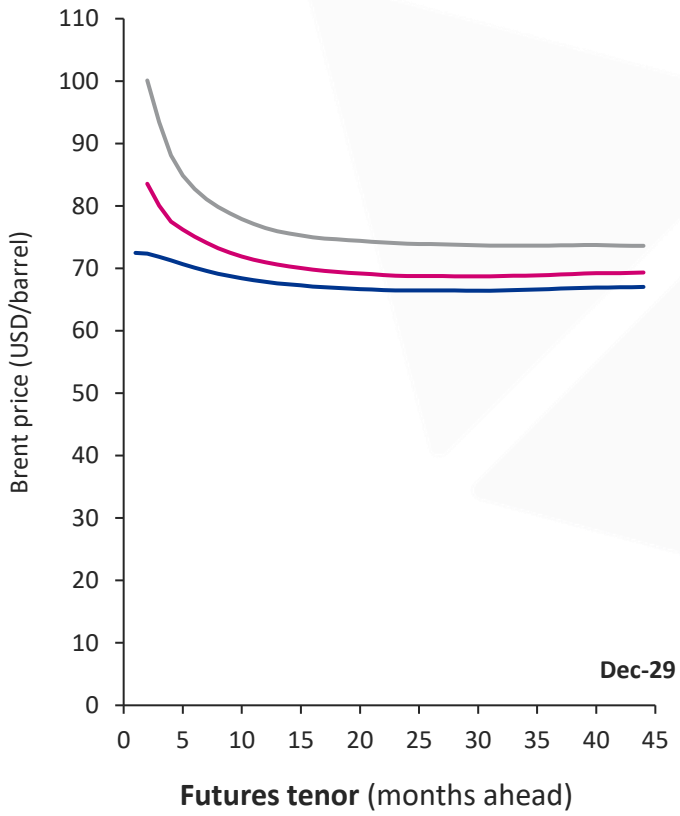
The back end of the curve remains much less effected, because of a relative lack of liquidity on the TTF curve as well, perhaps, as market sentiment a) that the disruption is likely to end relatively soon and b) that the large volumes of new LNG supply will support market rebalance

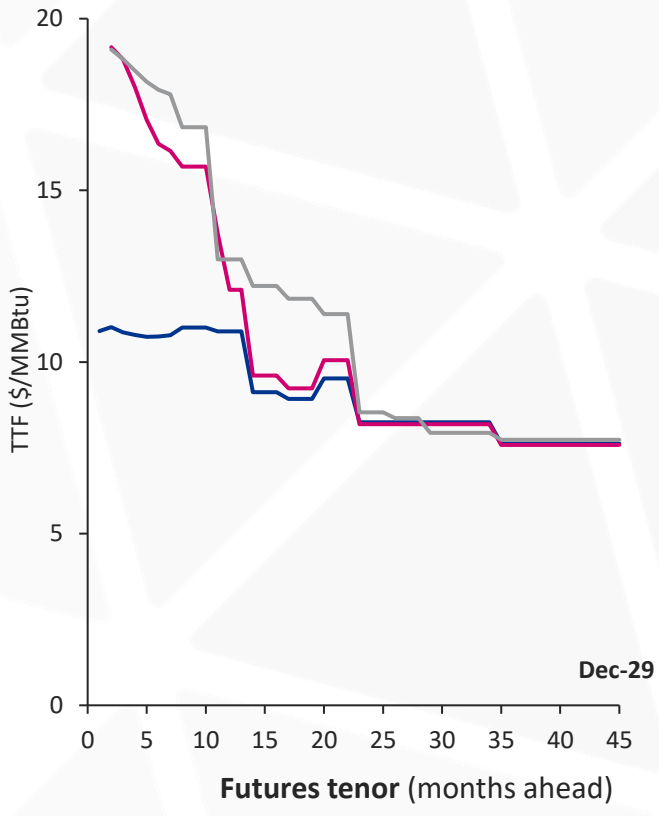
Brent has progressively risen along the forward curve over the last 10 days. There is greater supply-side resilience in the short term (storage, alternative route to market, production increases) which has limited the increase

An increase sustains at a low level ($7-10/bbl), signalling a current market belief of a more modest global oil risk premium relative to gas albeit for longer (perhaps reflecting the potential for the loss of Iranian supply over the longer term but also the greater liquidity in this market).

Source: Argus

Brent and TTF Price Impact (27th Feb, 3rd Mar, 9th Mar)





Forward curve nominal- end Friday 27th Feb
Forward curve nominal- end Tuesday 3rd Mar
Forward curve nominal- end Monday 9th Mar

*Argus, month ahead end of day prices

Regional Gas Spreads

As each is a global spot gas price, driven by the same global market fundamentals, the Dutch TTF, UK NBP and Asian JKM benchmarks responded relatively uniformly to the market shock between 27 February and 3 March.

By 9 March, a JKM premium had emerged, reflecting the impact of loss of Qatari LNG on Asian markets and their consequent need to enter the spot market.

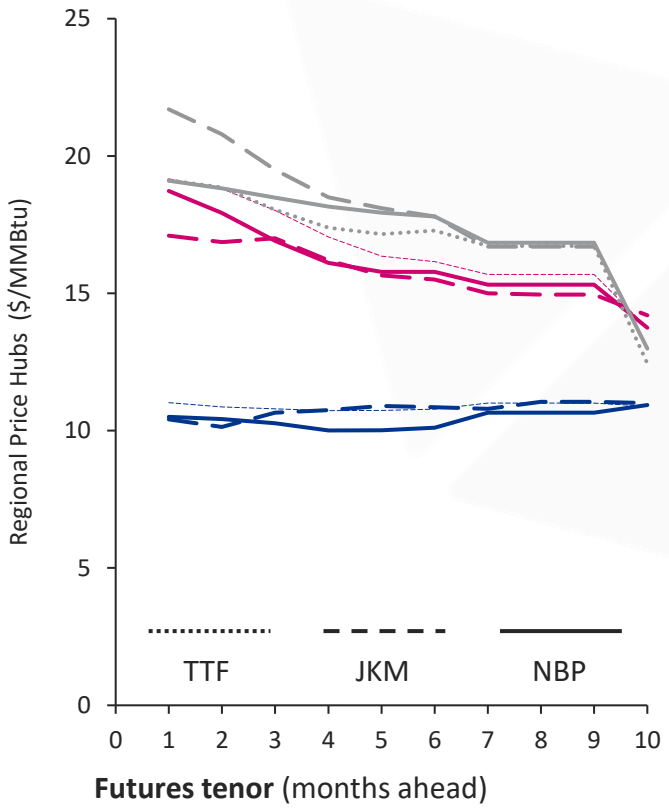
Relative differences are reflective of infrastructure constraints or market signals of higher demand (eg Asian buyers' needs to replace lost Qatari volumes; storage filling requirements in Europe in the summer)

By contrast, US Henry Hub prices – indicative of local North American dynamics – have moved only modestly, underscoring the relative insulation of the North American gas market from global gas market dynamics and the opening spread for US LNG sold into European and Asian spot markets.

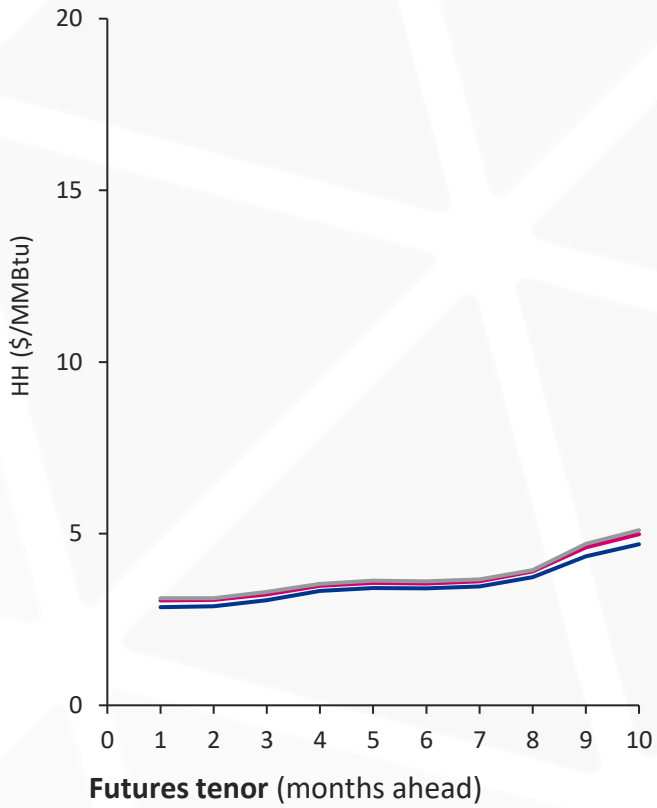
Source: Argus

Regional Gas Benchmarks

Evolution of TTF, NBP & JKM Futures



Evolution of HH Futures



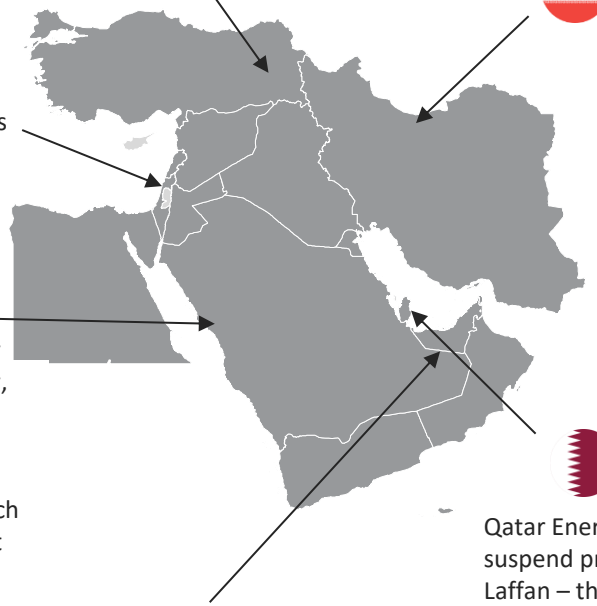
Forward Curve nominal- end Friday 27th Feb
Forward Curve nominal- end Tuesday 3rd Mar
Forward Curve nominal- end Tuesday 9th Mar

*Argus, CME month ahead end of day prices

Three potential scenarios: How disruption in the Strait of Hormuz could impact global gas and LNG markets

In Iraqi Kurdistan, which exported 200,000 barrels of oil per day (bpd) via pipeline to Turkey's Ceyhan port in February, companies including Gulf Keystone Petroleum Dana Gas and HKN Energy have stopped output at their fields as a precaution, with no damage reported.

The Israeli government instructed Chevron to temporarily shut down the giant Leviathan gas field. A spokesperson for Chevron, which also operates the Tamar gas field offshore Israel, said its facilities were safe. Production at Karish gas field has also been halted.



In Iran, explosions have been witnessed in Kharg Island, which processes 90% of Iran's crude exports. It was unclear how the facilities were impacted.

State oil giant Saudi Aramco's 550,000 barrels per day (bpd) Ras Tanura refinery, who has had operations disrupted by drone attacks, is part of an energy complex on the kingdom's Gulf coast which also serves as a critical export terminal for Saudi crude oil.

Qatar Energy has been forced to suspend production from Ras Laffan – the world's largest LNG plant, responsible for 77 mtpa (106 bcma) of LNG supply – as without vessels able to reach the plant, it has reached maximum storage capacity

UAE Ruwais oil refinery halted operations following drone attacks nearby. UAE also facing severe disruptions with LNG plant production shut in and storage facilities at the Port of Fujairah subject to drone attacks with vessels unable to reach the plant.

01 Three-month disruption

Market volatility

Temporary disruption creates price spikes, global LNG system absorbs shock

- *Qatari and UAE exports via the Strait of Hormuz are curtailed until June*
- *Europe and Asia compete for marginal cargoes*
- *Prices spike but resumption of flows, new supply enables demand to be met over summer*
- *With storage replenished and high supply availability, prices 'back to normal' by winter*

02 Six-month disruption

Structural tightening

Extended disruption tightens market, strains storage and buying strategies

- *Qatari and UAE exports via the Strait of Hormuz are curtailed until September*
- *Europe storage refill becomes significantly harder*
- *Buyers compete aggressively for supply over summer as Asian buyers seek alternative volumes and Europeans fill storage*
- *Winter high price risk insofar as storage is not filled and cargo competition sustains*

03 Prolonged conflict

System transformation

Prolonged disruption fundamentally reshapes LNG investment and trade flows

- *Qatari and UAE exports via the Strait of Hormuz are curtailed for 24 months*
- *Ongoing conflict or damage to LNG infrastructure restricting LNG exports from the region to 50% of production capacity until 2030*
- *Sustained high prices and volatility until global LNG supply rebalances market (~2028/9). 'Oversupply' does not materialise*

A 3-month disruption in Strait of Hormuz flows may be absorbed by the market, but a 6-month disruption would likely cause a strong price reaction to reduce demand

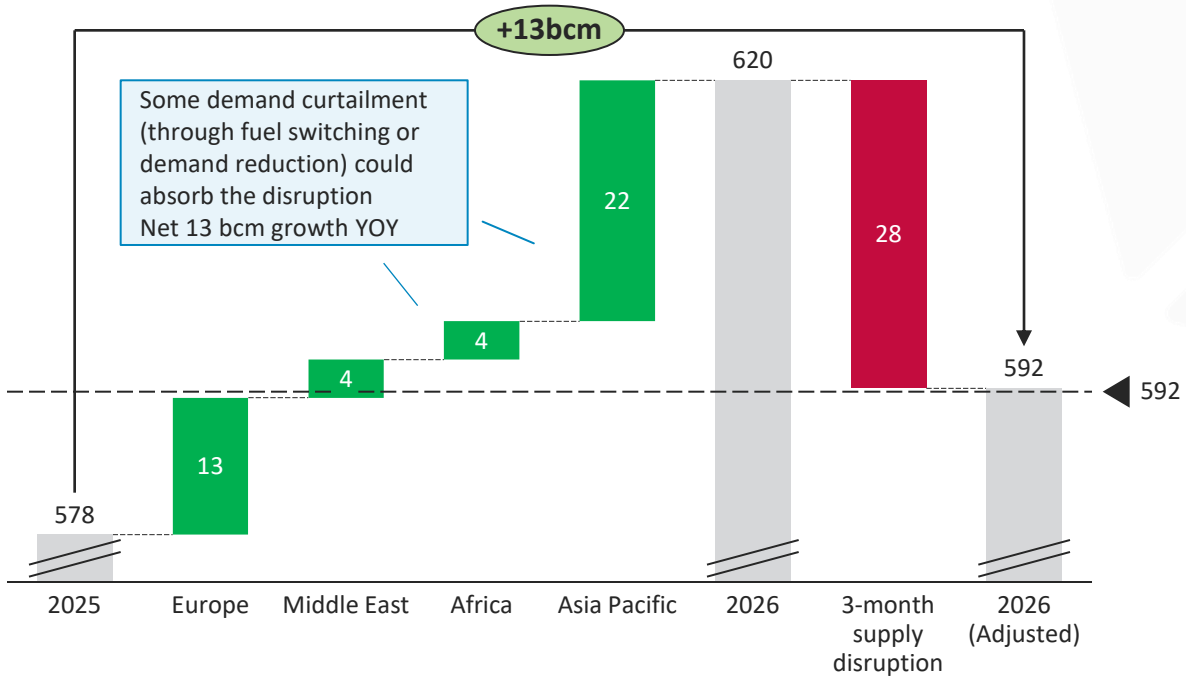
01 Three-month disruption

Short disruptions could be absorbed through limited demand response

02 Six-month disruption

A six-month disruption would materially tighten global LNG balances

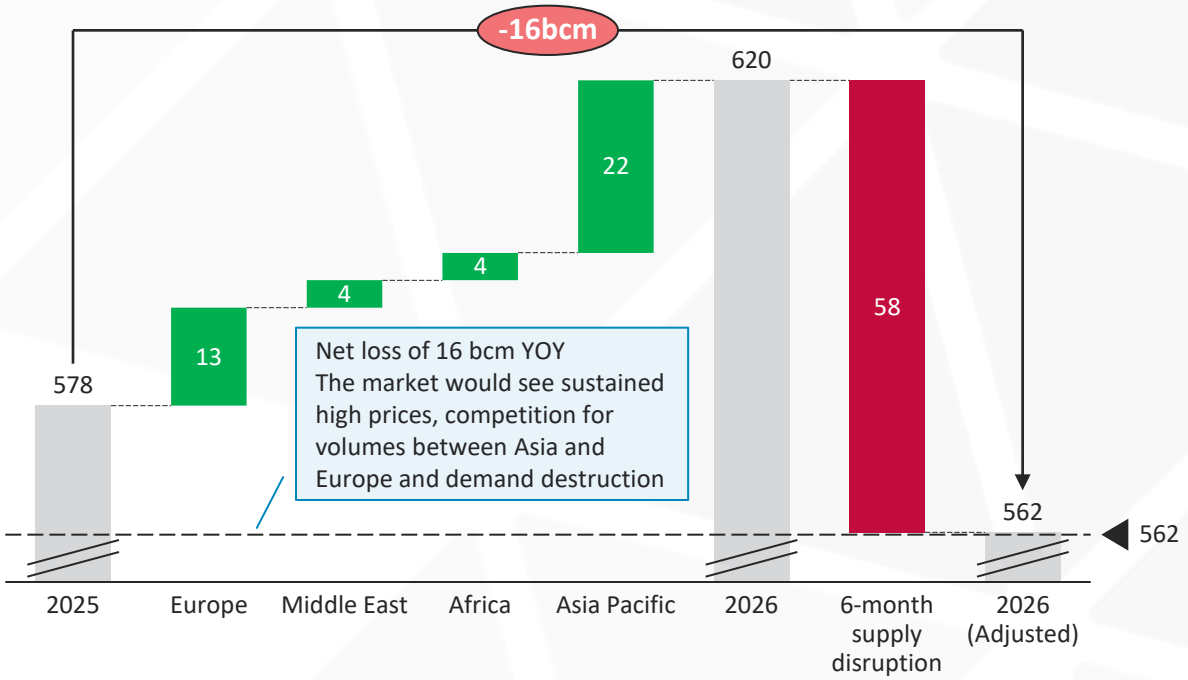
Global LNG supply/demand balance based on a 3-month disruption, 2026 (Bcm)



Incremental expected demand growth (pre-conflict)

Supply loss

Global LNG supply/demand balance based on a 6-month disruption, 2026 (Bcm)

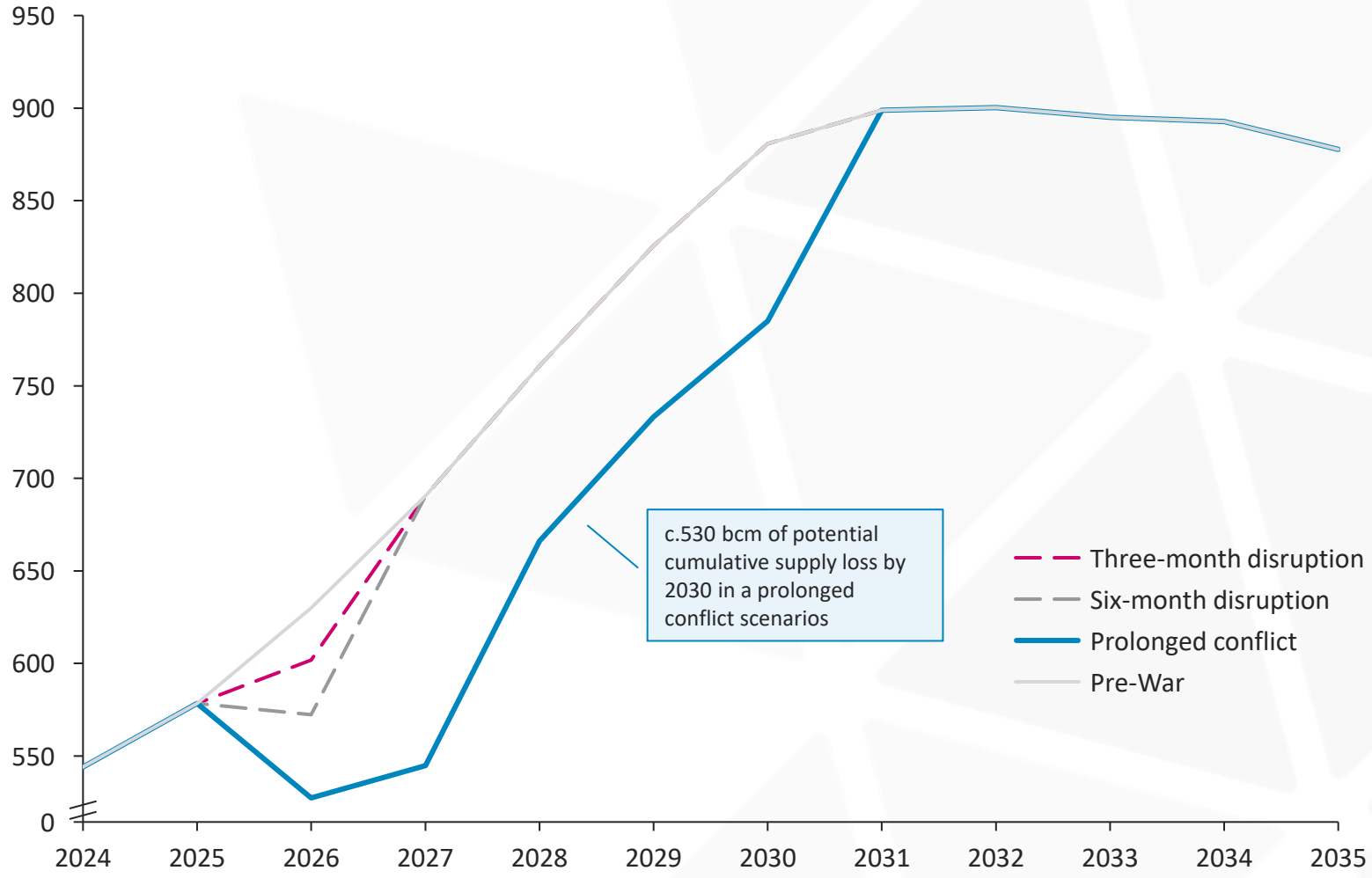


Incremental expected demand growth (pre-conflict)

Supply loss

Prolonged conflict could remove c.530 bcm of cumulative LNG supply by 2030[1]

Mid-term global LNG production scenarios, 2025-2035 (Bcm)



Notes: 1) Qatari and UAE exports via the Strait of Hormuz are curtailed for 24 months, with ongoing conflict in the Middle East restricting LNG exports from the region to 50% of production capacity until 2030

Middle East gas and LNG infrastructure

Asset type	Baseline (pre-conflict)	01 Three-month disruption	02 Six-month disruption	03 Prolonged conflict
Existing LNG assets	Qatari & UAE LNG facilities run at full capacity	↓ c. 20 mtpa of lost LNG supply	↓ c. 40 mtpa of lost LNG supply	↓↓ c. 400 mtpa+ of long LNG supply
Future LNG capacity expansions	Qatari & UAE production capacity grows by 85% to 2030	– No material delays to under construction facilities	↓ Development timelines for under construction facilities delayed 6-12 months	↓↓ Start-up of new LNG facilities delayed until conflict resolves
Uncontracted LNG supply	Qatari & UAE supply among the most low-risk and price-competitive globally	↓ Some risk premium embedded within new supply contracts	↓↓ Significant risk premium embedded within new supply contracts	↓↓ Difficulty securing offtake for LT capacity

Short-term market impacts can be quantified; longer durations are harder to estimate

Financing of under-construction or pre-FID projects could become increasingly difficult

The longer the conflict, the greater the perceived market risk for offtakers

Key: Impact relative to pre-conflict: ↑↑ *Strong positive* | ↑ *Positive* | — *Neutral* | ↓ *Negative* | ↓↓ *Strongly negative* | *Arrows reflect combined impact on utilisation, margins, and strategic value*

Asia gas and LNG infrastructure

Asset type	Baseline (pre-conflict)	01 Three-month disruption	02 Six-month disruption	03 Prolonged conflict
LNG import terminals (mature markets)	High utilisation in major markets (Japan, Korea, China, Taiwan)	— Limited gas-to-coal/nuclear switching	↓ Some gas-to-coal/nuclear switching	↓↓ Accelerated shift away from LNG among mature importers
LNG import terminals (emerging markets)	Terminal utilisation & development is price dependent	↓↓ Significant gas-to-coal switching	↓↓ Significant gas-to-coal/nuclear switching	↓↓ Lack of investment in new LNG import infrastructure & value chains
Utilities / gas distribution	Stable demand growth	↓ Costs increase	↓↓ Margin pressures	↓↓ Procurement challenge in an environment of lower volumes
Industrial gas demand	Growing demand in major economies	↓ Costs increase	↓↓ Margin pressures Curtailments possible	↓↓ Loss of competitiveness vs. low-cost energy geographies

Mature Asian importers will continue to compete with Europe for LNG in the near-term

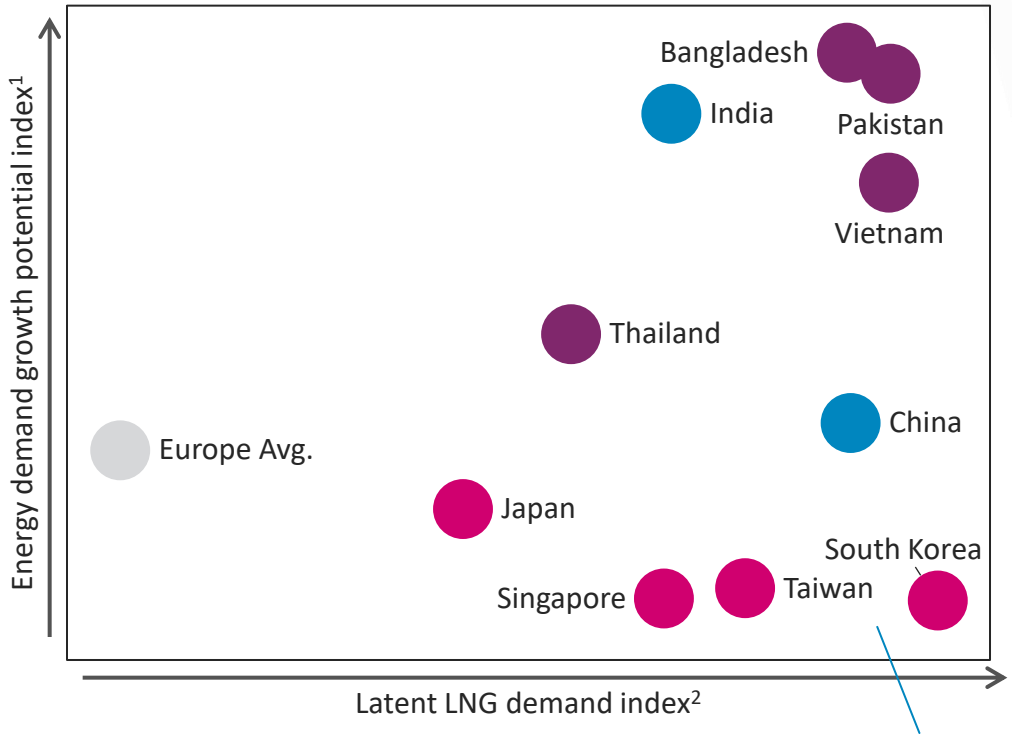
Emerging LNG importers disproportionately impacted in the short- and long-term

LNG becomes uncompetitive as an industrial feedstock vs. alternative gas & other energy sources

Key: Impact relative to pre-conflict: ↑↑ *Strong positive* ↑ *Positive* — *Neutral* ↓ *Negative* ↓↓ *Strongly negative* *Arrows reflect combined impact on utilisation, margins, and strategic value*

Latent Asia LNG demand will be the most price-sensitive; long-term growth may be constrained under an extended period of elevated prices

Latent LNG demand vs. Energy demand growth potential



Categorisation of markets:

- Price-sensitive demand
- Emerging LNG importers
- Legacy mature buyers of LNG

20-50 Bcm of gas demand may be sidelined in Asia due to higher prices in LNG import markets

	Role
Large demand markets	• *Market access primarily controlled by national companies* • *LNG demand linked to industrial activity, power generation and policy decisions*
	• *Price-sensitive LNG demand with variable utilisation* • *Long-term growth potential linked to infrastructure expansion*
Emerging LNG importers	• *Thailand, Vietnam and Philippines offer the most attractive market development opportunities – largely LNG to power*
	• *Structural LNG import requirements* • *Exposure to affordability and geopolitical risks*
Legacy mature buyers	• *Established LNG importing markets* • *High share of long-term contracted supply* • *Portfolio players increasingly optimise LNG flows across basins*

1) Calculated based on the current level of energy demand per capita and the projected population growth to 2040 using IEA World Balances and the Network for the Greening of the Finance System stated policies scenario data.
2) Calculated based on the absolute change in LNG imports between 2018-21, 2021-24 using GIIGNL data.

European gas and LNG infrastructure

Asset type	Baseline (pre-conflict)	01 Three-month disruption	02 Six-month disruption	03 Prolonged conflict
Domestic producers (North Sea)	Declining but stable production	↑ Higher gas prices support revenue / margins	↑↑ Sustained high prices improve economics	↑↑ Investment interest return to mature basins
Pipeline import infra (Norway / N. Africa / Southern corridor)	High utilisation	↑ Increased strategic importance	↑↑ Maximum utilisation	↑↑ Structural backbone of supply
Regas terminals	Variable utilisation	-- Likely unimpacted	-- Potentially higher value depending on spreads	-- Policy and investment environment dependent
Gas Storage	Seasonal balancing	↓ Seasonal spread collapses, disincentivising reinjections	↓ Seasonal spread collapses, disincentivising reinjections	↑ Becomes a strategic asset in times of supply disruption
Utilities	Stable procurement	↓ Costs increase	↓↓ Margin pressures	↓↓ Procurement challenge in an environment of lower volumes
Industrial gas demand	Weak but stabilising	↓ Costs increase	↓↓ Margin pressures Curtailments possible	↓↓ Loss of competitiveness

Domestic producers and pipeline players benefit from elevated gas hub prices and higher utilisation

Option value of regas increases during periods of elevated volatility, but capacity holders may not realise energy crisis-level LNG vs. hub spreads

Gas consumers face the consequences of higher procurement and feedstock costs

Key: Impact relative to pre-conflict: ↑↑ *Strong positive* ↑ *Positive* — *Neutral* ↓ *Negative* ↓↓ *Strongly negative* *Arrows reflect combined impact on utilisation, margins, and strategic value*

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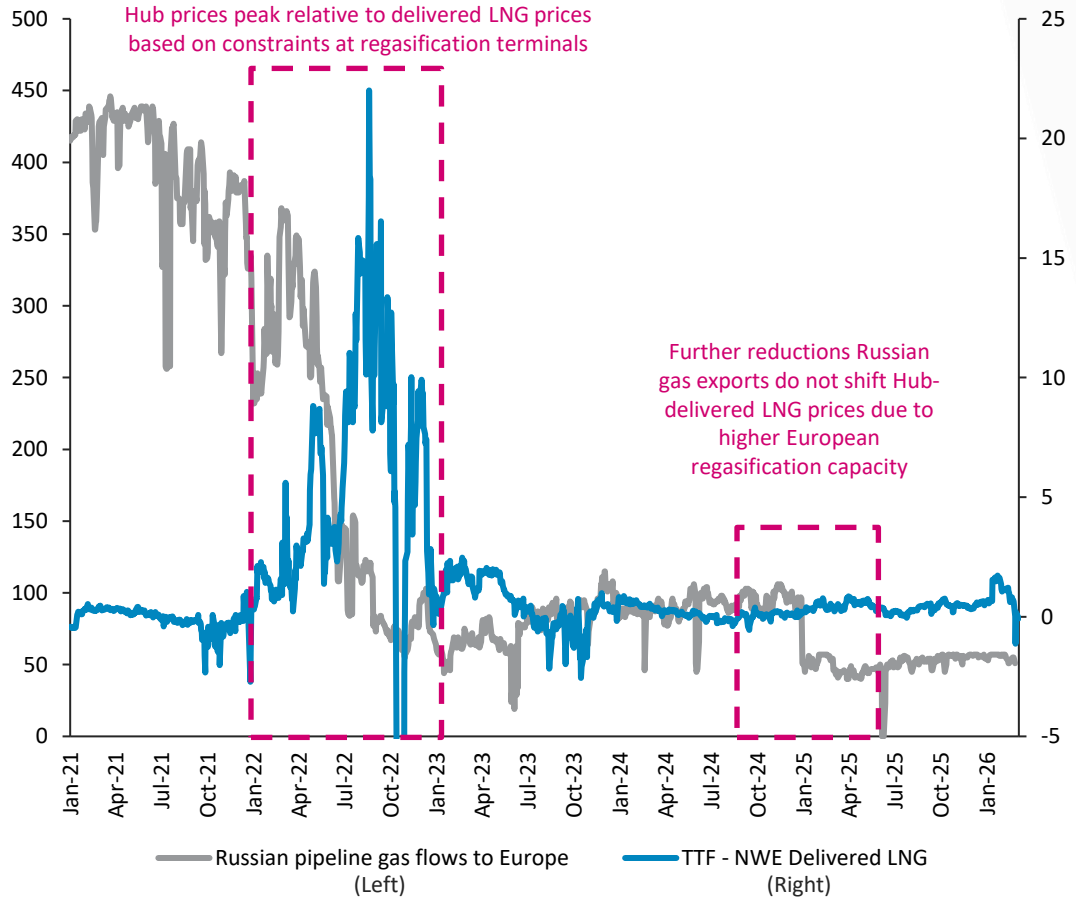
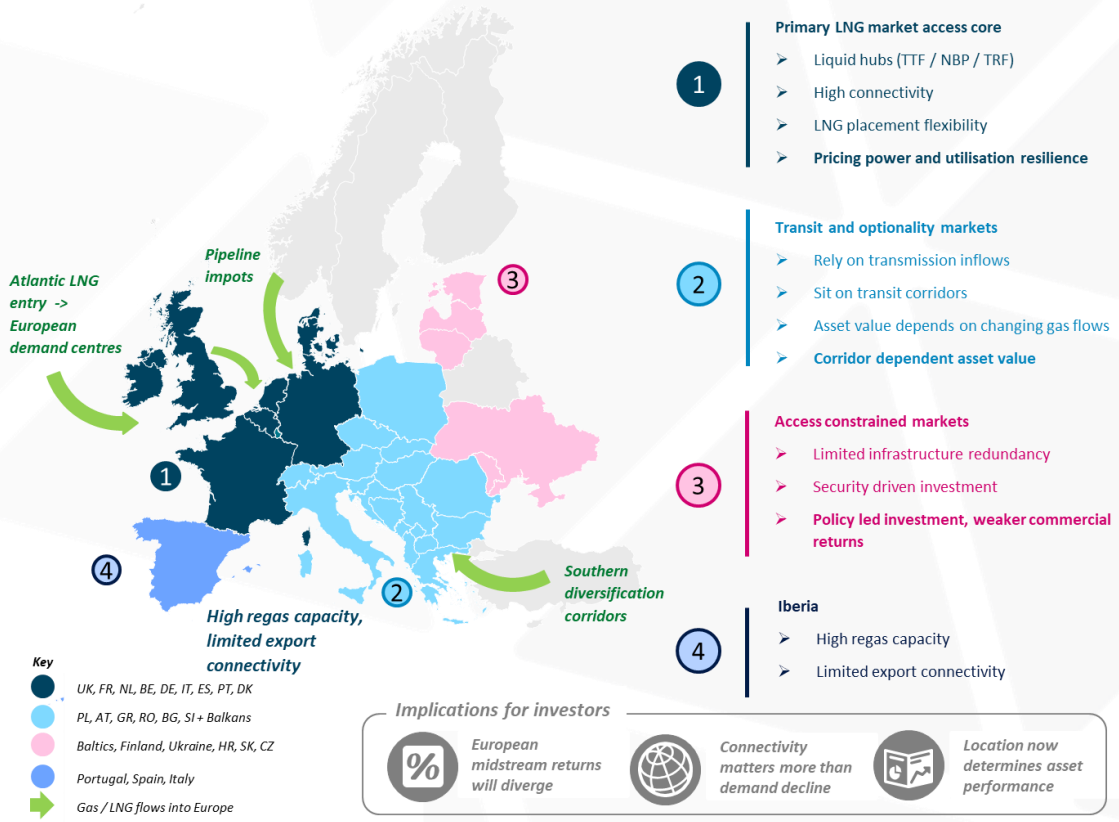
European hub vs. LNG spreads spiked during the energy crisis due to infrastructure constraints, but asset value is increasingly defined by *optionality*, not utilisation

Russian pipeline gas exports to Europe vs. TTF-Delivered NWE LNG spread
(Mcm, US$/MMBtu)



Regional European gas/LNG infrastructure connectivity



Source: Argus, Bruegel

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European Power & Renewables Infrastructure

Asset type	Baseline (pre-conflict)	01 Three-month disruption	02 Six-month disruption	03 Prolonged conflict
Gas generators	Decreasing load factors and pressure on margins	↑ Increased infra-marginal rent Fuel switching to coal	↑ Increased infra-marginal rent Fuel switching to coal	↑ Potentially tempered by demand destruction
Renewables	Pressure on economics from cannibalisation and negative prices	↑ Higher prices feed through to revenues depending on contracts	↑↑ Potential increased appetite for PPAs from offtakers	↑↑ Additional government backed procurement
Storage / BESS	High deployment rates, but pressure on price spreads	↑ Higher prices mean higher spreads especially when negative prices are prevalent	↑↑	↑↑

Governments across Europe have shown appetite for market intervention so upside may be capped

Increased power prices provide revenue upside across uncontracted generation

Negative price exposure is not expected to be eased by high power prices

Key: Impact relative to pre-conflict: ↑↑ *Strong positive* ↑ *Positive* — *Neutral* ↓ *Negative* ↓↓ *Strongly negative* *Arrows reflect combined impact on utilisation, margins, and strategic value*

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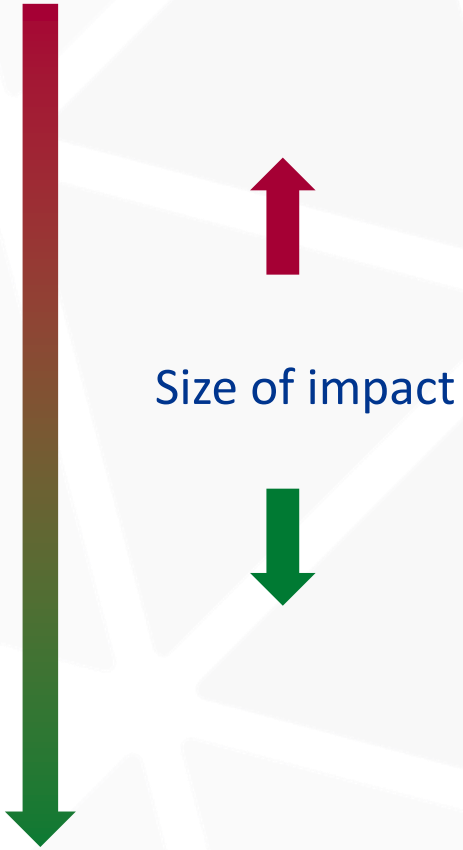
Europe's power repricing is fragmenting — gas-marginal markets feel the LNG shock first and hardest

European April Power Futures €/MWh (as of 10.03.26)

Country	Feb 27	March 02	March 09	Change (27/2 – 9/3)
UK	81.9	104.6	121.2	+39.3
Italy	93.8	116.5	129.7	+35.9
Netherlands	71.6	87.2	102.6	+31.0
Hungary	77.4	92.3	103.0	+25.6
Germany	73.5	87.2	97.1	+23.6
Czech Republic	76.5	89.8	99.0	+22.5
Romania	77	91.2	98.8	+21.8
Spain	20.2	21.4	41.3	+21.1
France	30.3	36.2	48.0	+17.7
Poland	90.2	95.3	99.6	+9.4
Nordics	65.5	70.9	69.5	+4.0



Source: Argus

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US Power & Gas Infrastructure

Asset type	Baseline (pre-conflict)	01 Three-month disruption	02 Six-month disruption	03 Prolonged conflict
LNG export terminals	Steady export capacity growth, 1-2 more positive FIDs (pre-2030)	↑ Spot price increase but limited incremental volume for additional cargos	↑ Under construction projects look to expediate start-up to capture high prices	↑↑ New wave of US LNG FIDs from marginal projects
Gas storage	Thinner inventory, growing capacity near export terminals along Gulf Coast	– – Storage trajectory, asset CODs largely remain unaffected	↑ Storage asset growth moves in parallel with increase in terminal capacity	↑↑ Structural near-term domestic supply risks make storage a key resource for reliability
Utilities / LDCs	Increased capital spend driven by data centre demand	– – Any cost increases attributed to domestic load growth	↓ Faster increase in LNG exports leads to pass through of elevated fuel costs	↓ Utilities with higher dependency on gas generation see structurally higher rates
Renewables	Aggressive push prior to tax credit expiry	– – Short-term conflict leads to minimal change in outlook	↓ War-driven inflation prevents rate cuts, increases financing costs	– – Higher rates offset by broader concerns around security of gas supplies

The importance of the US as an LNG exporter only increases as the conflict prolongs

Owners of gas storage, particularly in the US gulf coast, benefit from optionality as LNG exports increase

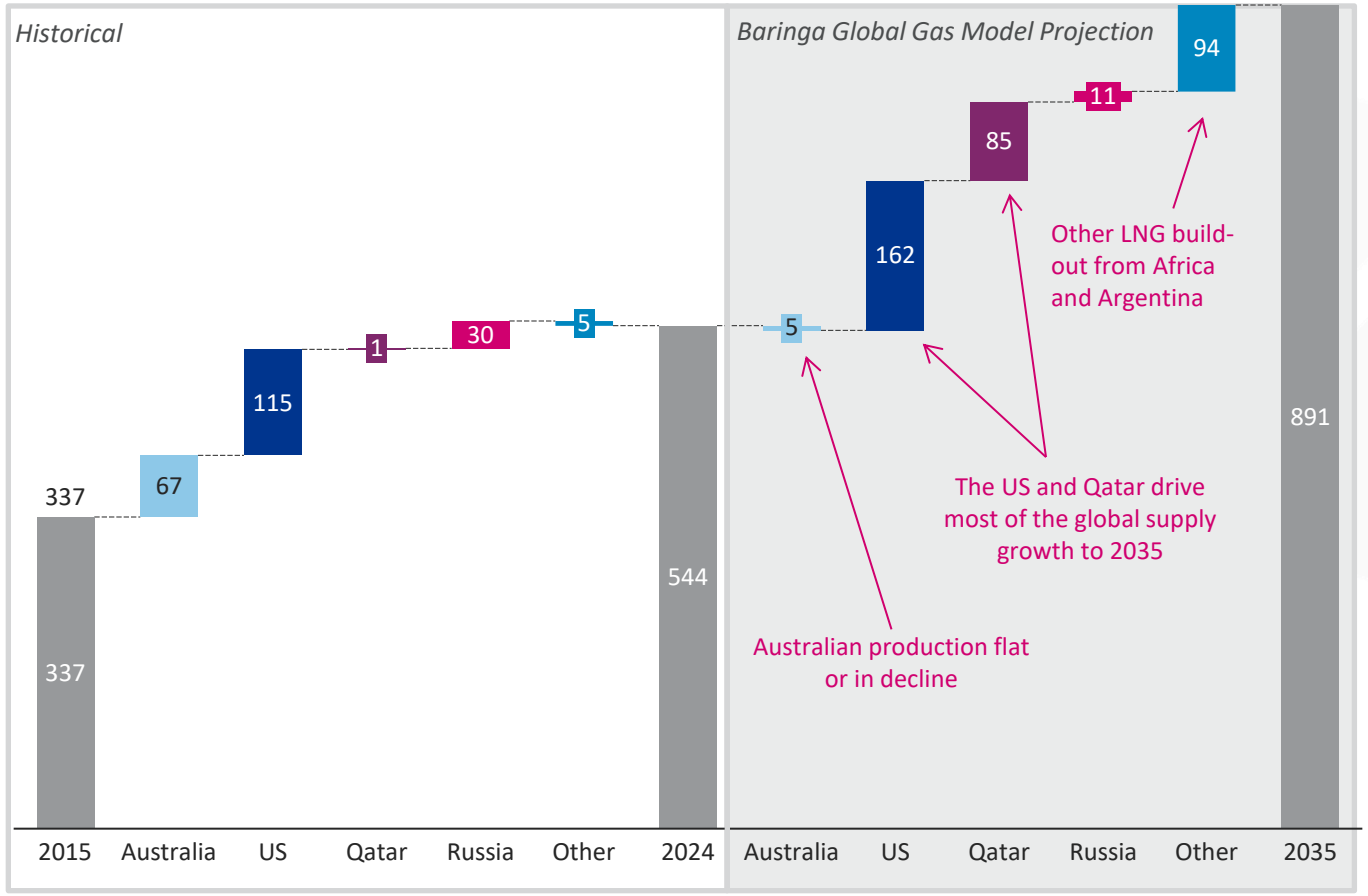
Short-term impacts are limited for utilities, but a structural increase in LNG exports would lead to even greater competition for gas resources

Short-term impacts are limited for renewables, but longer-term factors such as inflation and demand for gas could shift outlook

Key: Impact relative to pre-conflict: ↑↑ *Strong positive* ↑ *Positive* — *Neutral* ↓ *Negative* ↓↓ *Strongly negative* *Arrows reflect combined impact on utilisation, margins, and strategic value*

US LNG will be the greatest benefactor of Strait of Hormuz disruption based on widening margins and potentially greater demand for long-term offtake

Historical and projected (pre-war) global LNG production, 2015-35 (Bcm)



Key US terminal start-ups (Bcm)

Projects with positive FID

Project	Developer	Capacity	Est. COD
Golden Pass	ExxonMobil	24.2	2026
Plaquemines	Venture Global	36.3	2027
Louisiana LNG	Woodside	22.4	2029
Corpus Christi	Cheniere	17.5	2026/2028
Port Arthur	Sempra	35.0	2028
Rio Grande LNG T4-5	Kinder Morgan	18.4	2027
CP2	Venture Global	26.9	2027

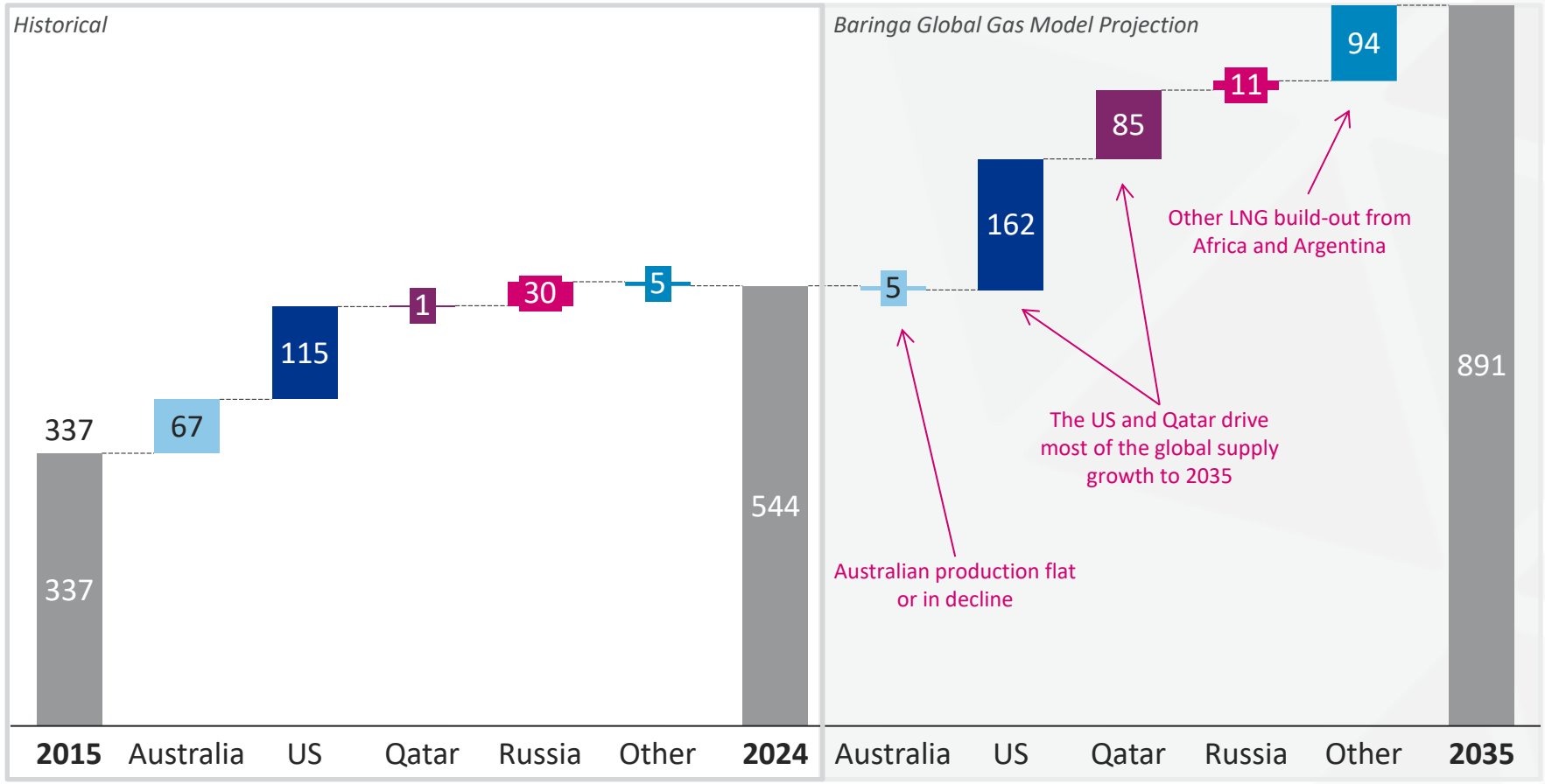
Projects awaiting FID (non-exhaustive)

Project	Developer	Capacity
Alaska LNG	Glenfarne	28.5
Commonwealth LNG	Commonwealth LNG	11.9
Texas LNG	Glenfarne	5.4
Sabine Pass Expansion	Cheniere	26.9
Cameron Train 4	Sempra	9.6
Gulf LNG	Kinder Morgan	15.5

Source: Energy Institute, Baringa Global Gas Model

Other LNG projects may also look to fill the gap, particularly given buyers' appetite for diversity of supply to de-risk portfolios

Historical and projected global LNG production, 2015-35 (Bcm)



Key project start-ups, 2030-35 (Bcm)
Non-exhaustive

	Project	Capacity
Post-FID/Construction	North Field East	43.0
	North Field South	21.5
	North Field West	21.5
	Arctic LNG 2	26.9
	Mozambique LNG	21.7
	FID swing supply	**203.3**
	Under construction, but delayed	
Pre-FID	Argentina LNG	16.1
	Rovuma LNG	20.4
	Tanzania LNG	13.5
	Papua LNG	7.5
	Canada LNG Phase 2	18.8
	Pre-FID supply	**98.5**

Source: Energy Institute, Baringa Global Gas Model

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Conclusions

1 **Markets are treating the crisis as a short-term shock, but geopolitical shocks are becoming more frequent**	• *Forward markets suggest disruption is measured in months rather than years* • *However energy market shocks are occurring more regularly (every c.4–5 years) reinforcing the need for structural resilience*
2 **Energy security will increasingly shape LNG procurement strategies & contracting practices**	• *Buyers will need to diversify across suppliers, routes and contract structures* • *Procurement is likely to move beyond lowest cost supply towards resilience and reliability*
3 **Clear winners and challenged players will emerge across the value chain**	• ***Winners:*** *LNG suppliers outside of Middle East and Strait of Hormuz, portfolio players, traders, portfolio optimisers* • ***Challenged:*** *single-source buyers from the Middle East that rely on the Strait of Hormoz, captive downstream demand, utilities with limited flexibility*
4 **Infrastructure upstream of regas typically captures the greatest value when gas prices are elevated and there is a volatile environment**	• ***Winners:*** *Upstream gas producers outside of Middle East, liquefaction capacity, LNG shipping, regas capacity optionality ,and merchant renewable generators in markets where gas sets the marginal power prices* • ***Challenged:*** *Assets exposed to the Strait of Hormuz and infra that sits downstream of regas (e.g., utilities, distribution, and industry) may face margin / cost pressures*
5 **Supply diversification will increase the strategic value of non-chokepoint LNG supply**	• *There is likely to be greater interest in Pacific LNG (e.g., Canada) and other supply sources (e.g., Africa)* • *Over reliance on any single region (e.g., US LNG or Middle East) will be increasingly viewed as a risk*

Thank you

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