Energy Intelligence

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INTERNATIONAL OIL DAILY®

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Data Snapshot

Repsol Sells Stake in Upstream Business to EIG

Spain's Repsol has signed a binding agreement to sell a 25% stake in its upstream oil and gas operations to US private equity firm EIG Global Energy Partners in a deal that values the business at $19 billion.

EIG will pay $4.8 billion for the stake, including $1.4 billion of assumed debt, leaving Repsol with net cash proceeds of $3.4 billion.

The Spanish major said on Wednesday that it will receive 70% of this as an upfront payment on completion of the transaction, which is expected within the next six months. The remaining 30% will be paid over three years.

Sharpening Focus

The deal is the second divestment of a stake in a major Repsol business unit in the space of three months.

In June the company announced the sale of 25% of its renewables division to Credit Agricole Assurances and Energy Infrastructure Partners for €905 million ($900 million).

However, much of the proceeds from the latest sale will go toward energy transition investments, as Repsol has set a target of a 75% reduction in its upstream carbon intensity by 2025, as well as reaching net-zero emissions overall by 2050.

"The transaction will sharpen the focus of Repsol Upstream as a company delivering efficient, resilient, gas-weighted operations centered on regional hubs and with a focus on the United States," Repsol said in a filing to the Madrid stock exchange.

“At the same time, the agreement delivers upfront capital to Repsol to invest in the energy transition," it added.

In a video on the company's website, CEO Josu Jon Imaz said the proceeds would allow Repsol to finance and accelerate projects related to decarbonization, green hydrogen and renewable power generation.

Undervalued Assets?

EIG Chairman and CEO Blair Thomas said the energy transition informs every decision made by the Washington-based company, whose portfolio of investments includes stakes in Saudi Aramco's oil pipelines business and Cheniere Energy.

"As the world looks to meet the twin goals of decarbonization and reliability, we believe this partnership is well positioned to help meet the growing global demand for accessible, efficient, and safe energy," Thomas said in a statement.

Repsol said the transaction with EIG implies an enterprise value of $8.30 per barrel of oil equivalent of proved and probable reserves (EV/2P). It noted that this was well above the 2022 global transaction average of $5.70/boe.

Jefferies said the agreed price represents a 28% upside to the consensus valuation for the upstream business. Analysts had been crunching the numbers since EIG's name was linked to a possible transaction with Repsol three months ago.

RBC Capital Markets said the $19 billion upstream valuation equated to more than 85% of its 2022 estimated enterprise value for Repsol as a whole, "reflecting how the market has been undervaluing these assets." “As such, we see this deal as good for the sector in unlocking value for the majors," it added.

Repsol has 2.3 billion boe of 2P reserves, of which nearly 70% is gas, and expects to produce around 570,000 boe per day this year. Its upstream assets are located in the US, South America, North Africa, Europe and Indonesia.

Possible IPO

As the majority shareholder, Repsol will retain control over the upstream business unit, whose structure will be simplified to exclude its North American LNG and trading operations.

The unit's board will be composed of eight directors, with four — including the chairperson — to be appointed by Repsol, two appointed by EIG and two independent members.

"The unit will continue to focus growth on key regional hubs and with a diversified portfolio of exploration and production assets in OECD countries," Repsol said.

It added that the agreement with EIG contemplates a potential initial public offering (IPO) of shares in the upstream business in the US from 2026 onward.

Repsol had been weighing an IPO of its renewables unit, Repsol Renovables, but an executive told Energy Intelligence in June that this was not on the table for the next five years.

Tom Daly, London

EU to Propose Price Cap on Russian Gas Imports

The European Commission is proposing a price cap on EU imports of natural gas from Russia as well as a windfall profits tax on oil and gas companies as part of a new package of measures to tackle Europe's energy crisis.

Commission President Ursula von der Leyen told reporters on Wednesday that the proposed measures will be discussed at a meeting of EU energy ministers on Friday.

Von der Leyen did not use the term "windfall profits tax" but said fossil fuel producers have been making "massive profits" and that EU member states could use proceeds of a "solidarity contribution" to support vulnerable households and companies.

There has been growing momentum recently to impose price caps on Russian oil and gas, with the G7 group pledging to cap prices for Russian oil exports to reduce Moscow's energy revenues as its war in Ukraine drags on.

Russian President Vladimir Putin hit back on Wednesday, warning that Moscow would cut off energy exports to any countries that make political decisions that breach long-term supply contracts with Russia.

"Russia won't supply anything if that is not in its economic interests. We will supply neither gas, nor oil, nor coal, nor fuel oil," he told the Eastern Economic Forum in Vladivostok.

Von der Leyen said a potential price cap on imports of LNG into Europe is also "on the table."

The commission president said the EU wants to "stay competitive for LNG suppliers" but also wants to avoid paying "extraordinarily high" prices.

An informal EU document seen by Energy Intelligence floated the idea of pegging Europe's benchmark Dutch TTF gas price at a level just above Asia's de facto benchmark LNG price, the Japan Korea Marker.

Von der Leyen said that in addition to the "solidarity contribution" for oil and gas producers, the commission is proposing a cap on the revenues of low-cost electricity producers which have not been hit hard by soaring natural gas prices.

In both cases, the proceeds could be used to support vulnerable European households and businesses and to invest in "clean, home-grown energy," she said.

The commission is also proposing to facilitate "liquidity support" to distressed utility companies and a mandatory target to reduce electricity consumption during periods of peak demand.

Jaime Concha, Copenhagen

Prince Abdulaziz: Opec-Plus to Remain Proactive

Saudi Arabian Energy Minister Prince Abdulaziz bin Salman explained Opec-plus' latest move to reverse a recent increase in oil supply, saying incremental September production was only ever intended as a temporary move. Opec-plus' latest ministerial meeting on Monday decided to return the group's oil production targets to August levels for the month of October, effectively cutting a 100,000 barrel per day increment that was added for the month of September.

"The addition of the 100,000 b/d in September was always intended as a measure for that month only," Prince Abdulaziz told Energy Intelligence in a Tuesday interview, echoing an August Opec communiqué. "This simple tweak shows that we are attentive, pre-emptive and proactive in terms of supporting the stability of the market to the benefit of market participants and the industry."

The move came amid uncertainty over the oil market outlook and frustration among Opec-plus states about a disconnect between futures and physical markets. Prince Abdulaziz said there are "mixed signals" with regards to future economic growth but that Opec-plus is ready to further adjust its oil policy if needed.

The minister said he believes some of the negative assessments of the global economic outlook reflected "a tendency towards exaggeration," and that in some cases a recession does not immediately equate to a drop in oil demand. "Historical data indicates that you could have recessions with limited oil demand contractions and, in fact, you could even have demand growth in recession years as was the case in 1991," he said.

Market Management

Opec-plus has kept a close grip on market management since the outbreak of the Covid-19 pandemic in 2020, which resulted in the group's historic agreement to cut around 9.7 million b/d to counter the massive drop in demand.

But after cuts under that agreement ended in August, the group did not announce a production policy beyond October. Opec-plus has continued to hold monthly meetings, allowing it to make adjustments during a period of high market uncertainty.

Opec's latest Joint Technical Committee report showed that under a base-case scenario, oil demand growth would slow next year but would still be robust, raising the call on Opec-plus supply.

The base case sees the global economy growing by 3.1% in both 2022 and 2023, with oil demand growing by 3.1 million b/d this year and by 2.7 million b/d next year. But the forecast also raised questions about rising stock levels in 2023: It sees OECD commercial oil stocks ending this year at 181 million barrels below their 2015-19 average, but rising to 225 million bbl above the 2015-19 average by the end of 2023.

Overall, the symbolic cut of 100,000 b/d will have minimal impact on physical supply. Collectively the group has been unable to reach its target for many months, falling some 2.8 million b/d short in July. But the move sent out a message that the group is ready to defend its influence over oil markets from what many delegates saw as excessive Western intervention, including a G7 proposal to impose a price cap on exports of Russian oil.

Oil prices have been highly volatile in recent weeks, buffeted by news of a possible US nuclear deal with Iran, plans for the price cap and growing fears of a global recession. This week benchmark Brent crude has been trading in the $90s per barrel, after topping out above $120 in June.

Opec-plus' latest decision was meant to break any market psychology that assumed the group would not announce a cut to protect prices.

But the Saudi minister challenged speculation from traders and market analysts that Opec-plus implemented the cut in order to defend a certain price range. "Opec-plus, as is well known, does not target prices or prices ranges," he said.

Opec-plus requested Prince Abdulaziz consider calling a ministerial meeting at any time to address market developments if required, according to the alliance's final communiqué.

Amena Bakr, Dubai

Q&A: Saudi Energy Minister Explains Supply Cut

In an interview with Energy Intelligence on Tuesday, Saudi Arabia's Energy Minister Prince Abdulaziz bin Salman elaborated on the thinking behind Opec-plus' latest policy decisions and his outlook on global oil markets. Below is a full transcript.

Q: What message was intended to be conveyed by the recent Opec-plus cut?

A: This decision was an expression of our willingness to use all of the tools in our kit. This simple tweak shows that we are attentive, pre-emptive and proactive in terms of supporting the stability of the market to the benefit of market participants and the industry.

Q: Why was there a cut of 100,000 barrels per day?

A: As the Opec-plus meeting clearly stated, this measure was a reversion to the production level of August. The addition of the 100,000 barrels in September was always intended as a measure for that month only.

Q: Do you think there are signs of a looming global recession?

A: We are seeing mixed signals in relation to economic growth from different parts of the world, and there has been a tendency towards exaggeration in some of the negative analyses of the global economic situation. In this regard, we think the jury is still out, but that only reinforces the need to be ready to use all the tools in our kit. It's also worth highlighting that historical data indicates that you could have recessions with limited oil demand contractions and in fact you could even have demand growth in recession years as was the case in 1991.

Q: What are the main causes of the current volatile market?

A: As I have said before, there is a self-perpetuating vicious circle in the paper market of extreme volatility and very thin liquidity. This has undermined the market's essential function of efficient price discovery, with prohibitive costs for users of hedging and risk management techniques in oil and other commodities, creating new types of risk and instability. This cycle is exacerbated by speculative reports and analysis about demand destruction, possible return of large supply volumes, and measures related to price caps, embargoes and sanctions.

Q: Does Opec-plus have any intention of defending a certain price range?

A: Opec-plus, as is well known, does not target prices or prices ranges. Its aim is to support market stability and supply and demand balance for the benefit of market participants and the industry.

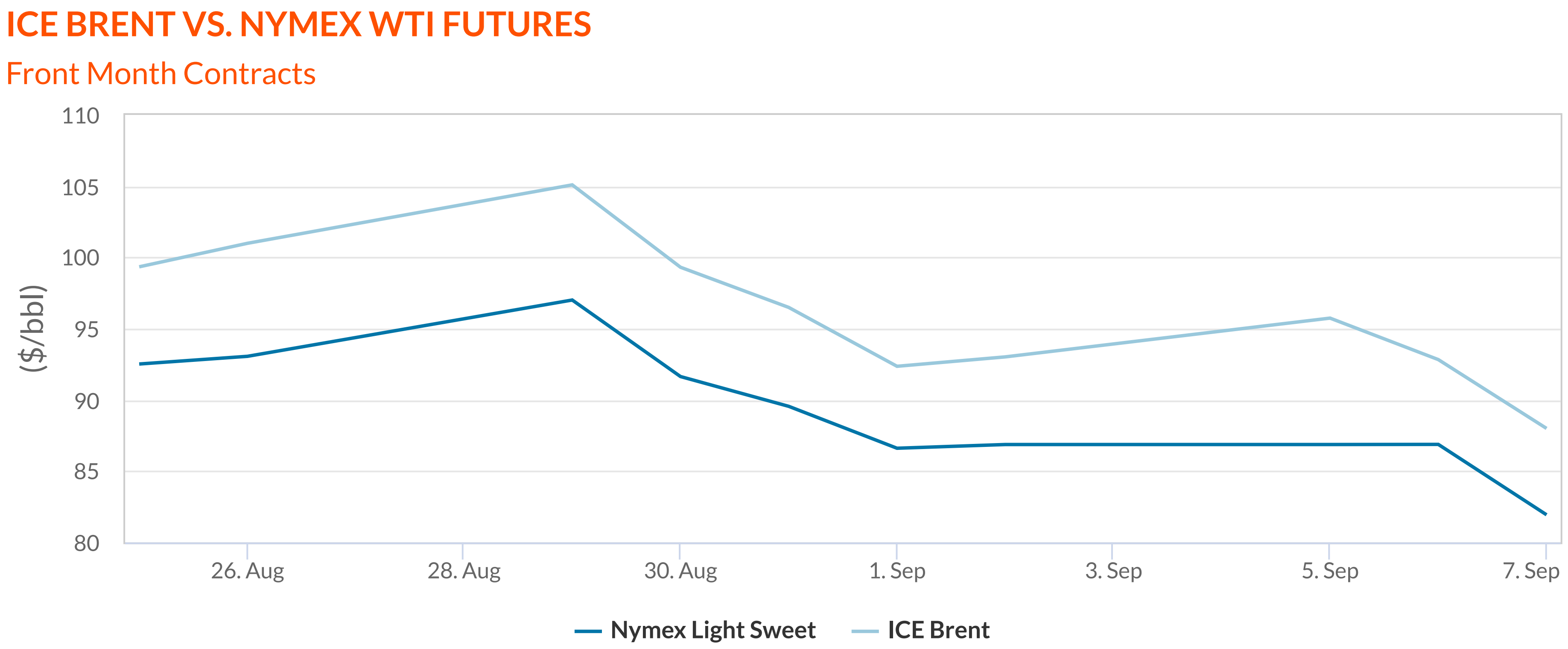
Amena Bakr, Dubai

Brent Falls Below $90 as Demand Worries Intensify

Oil futures swooned on Wednesday as data from China added to macroeconomic doom and gloom and large selling positions in the options market applied more downward pressure.

In London, Brent crude for November delivery plunged by $4.83 to settle at $88 per barrel.

In New York, October West Texas Intermediate (WTI) dropped by 94¢ to close at $81.94/bbl, while the November contract ended the session down $4.88 at $81.63/bbl.



Both major benchmarks broke through two support levels. Traders with technical firm Icap said they "would need to see the bulks promptly send [oil] surging back above the 22/50 day moving averages to have a shot at revisiting $106 for Brent and $100 for WTI."

Traders and analysts said data showing dramatically slowing growth in China's economy helped open the door for the selloff. Chinese imports rose just 0.3% year-on-year in August, while exports were 7.1% higher; in July, these growth rates were 2.3% and 18%, respectively.

The data helped bolster "the view that the world's second largest economy is weakening more than expected," said Fawad Razaqzada of StoneX. "When China sneezes, the world usually catches a cold — and that's precisely how the markets have reacted so far."

Developments in China are one of several factors informing bearish macroeconomic and demand sentiment. High inflation and central banks' attempts to curb it, alongside the fallout from Russia's invasion of Ukraine, have fed into concerns about recession in North America and particularly Europe as well.

"There is no getting away from the fact that storm clouds are gathering over the oil demand outlook, and this is keeping the energy complex under the cosh," said Stephen Brennock of brokerage PVM.

The bearish impulse is overshadowing more constructive developments, some market watchers said. Matthew Weller of Forex noted that oil failed to sustain a rally stemming from news of an Opec-plus production cut on Monday and did not react much to reports that a renewed US-Iran nuclear deal is not likely in the near future.

"Rather than using that report as an opportunity to buy WTI … off technical support at $85, traders have instead sold crude down to its lowest level since January, before the war in Ukraine even began," Weller said. "In other words, oil traders have now had two chances to bid up oil on better-than-expected news this week, and on both occasions, crude was trading much lower in just a handful of hours."

Monster Magnet

Positioning in the options market is helping to pull oil futures down as well. Brokers have large positions at lower prices for puts on Brent crude, which reserve the right to sell at a specific price; for Brent put options expiring at the end of October, $80, $75, and $70/bbl all have over 20,000 contracts.

As prices drop toward these levels, market players sell oil futures to cover risk.

Frans Koster, New York

Novatek Considers Joining Sakhalin-2

Novatek is interested in joining the Sakhalin-2 upstream and LNG project in Russia's Far East, from which Shell recently decided to withdraw following the Kremlin-ordered change in operator.

"We are interested in considering this," Novatek CEO Leonid Mikhelson told reporters at a briefing on the sidelines of the Eastern Economic Forum in Vladivostok on Wednesday.

Novatek will make a final decision after it completes an audit of the project, he said.

Moscow has four months to sell Shell's 27.5% minus one share stake in Sakhalin-2. The energy ministry hopes Novatek will join the project, Minister Nikolai Shulginov told reporters at a separate briefing on the sidelines of the same forum in Vladivostok.

Shell last week notified the Russian government that it won't take the stake in the new operator, Russia-registered Sakhalin Energy LLC, established in early August to replace Bermuda-registered Sakhalin Energy Investment Co. But Shell said it has reserved all legal rights.

Other foreign shareholders of Sakhalin-2, Japan's Mitsui and Mitsubishi, agreed to keep their 12.5% and 10% respective stakes in the project. Russia's state-run gas giant Gazprom will keep its controlling 50% plus one share stake as well.

Key Candidate

Novatek is regarded as a key candidate for Shell's stake in the project. The government on Tuesday published criteria for the bidders and Novatek seems to be the only company able to meet the criteria.

According to the criteria, the bidder should be a Russian legal entity with the experience of producing 4 million metric tons per year of LNG and an accumulated output volume of not less than 40 million tons. It should have active 10-year charter agreements for LNG tankers for volumes of 4 million cubic meters, experience in international trading of not less than 40 million tons of LNG, and supply contracts for more than five years.

In a sign that Novatek might already be thinking of fitting Sakhalin-2 into its broader LNG supply schemes, Mikhelson suggested at a meeting chaired by Russian leader Vladimir Putin on Monday that Sakhalin-2 might supply LNG to the Kamchatka region in Russia's Far East, which lacks pipeline gas to cover local demand.

Rivalry With Gazprom

Privately owned Novatek is Russia's LNG export champion, whose ambitious LNG expansion plans have received generous regulatory, fiscal and financial support from the Kremlin.

Novatek is sticking to plans to launch its second-largest plant in the Russian Arctic, the 19.8 million ton per year Arctic LNG 2 in late 2023, but its future projects face the risk of EU technology sanctions imposed in April in response to Russia's invasion of Ukraine.

If Novatek joins Sakhalin-2, it will partner in a large 11 million-plus tons/yr LNG project with Gazprom, which has often criticized Novatek for posing unnecessary competition to its pipeline gas in Europe, the market also supplied by Novatek's Yamal LNG plant launched in the Arctic in late 2017.

Gazprom has also suggested that Russia's ambitious long-term LNG expansion targets, largely based on Novatek's expansion plans in the Arctic, should be revised in the new sanctions reality. Novatek believes the targets can be achieved if Russia relies on domestic equipment and technology.

The two companies have also competed for strategic Arctic gas reserves, which Novatek seeks to use for LNG expansion and Gazprom wants to reserve for supplies to the domestic market, as well as for petrochemical projects.

Staff Reports

Eni Expands Gas Footprint in Algeria as BP Exits

Eni has acquired BP's stakes in two Algerian gas fields as it prioritizes the North African country as an alternative source of gas to replace Russian pipeline volumes.

Under the deal, Eni will acquire BP's stakes in the In Amenas (45.89%) and In Salah (33.15%) gas fields. It did not disclose the terms of the transaction.

The Italian major announced the deal Wednesday — just over a year after rumors about the possibility of such a transaction emerged.

Both fields are located in the Southern Sahara desert and in 2021 they produced around 11 billion cubic meters of gas and 12 million barrels of condensate and LPG.

"This acquisition has a great strategic value to further contribute to Europe's gas needs and further strengthens Eni's presence in Algeria, a major gas producer and a key country for Eni," the company said in a statement.

Eni also pointed to its new contracts for blocks 404 and 208 in the Berkine Basin, which will enable it to increase gas production in Algeria.

Eni Chief Operating Officer Guido Brusco told the Gastech conference in Milan on Sep. 6 that up to 45% of the Russian gas that Italy replaces will come from Algeria.

Prime Minister Mario Draghi said in June that Italy's dependence on Russian gas had fallen from 40% before Russia's invasion of Ukraine to 25%.

In 2020 Russian pipeline gas and LNG accounted for 43%-44% of the country's total gas imports.

Eni's interest in Algeria's hydrocarbon resources is shared by other international oil companies. It was joined in July by TotalEnergies and Occidental Petroleum for the signing of the production sharing contract for blocks 404 and 208.

Algeria's national oil company Sonatrach said at the time that the three companies had committed to drill 100 wells and implement two enhanced oil recovery projects.

Total investment was estimated at $4 billion and is expected to lead to the recovery of at least 1 billion barrels of oil equivalent and raise recovery rates in the blocks to 55%.

For BP, the deal with Eni represents a full exit from Algeria's upstream oil and gas sector, a spokesman confirmed. The UK major provided no indication of whether it might pursue renewable energy projects in Algeria in the future.

Eni has had a presence in Algeria since 1981 and forecasts that its production will rise to more than 120,000 barrels of oil equivalent per day in 2023.

Tom Pepper, Milan

UK Group Issues Red Alert for Energy Security

Offshore Energies UK (OEUK) has urged the UK's new Conservative government to take measures that will accelerate investment in North Sea gas, oil, and wind as well as reforming power markets to ensure fair tariffs.

The industry group published its annual economic report on Wednesday, which assessed the impact of the global energy crisis on the UK and the prospects for making the country less dependent on imported energy.

The report — "A Focus on UK Energy Security" — coincides with the formation of a new government led by Liz Truss, who succeeds Boris Johnson as prime minister.

Later this week Truss is expected to announce an emergency plan to tackle UK energy security and soaring energy costs.

'Red Alert' for Energy Security

As Russia slashed its natural gas exports to Europe, prices for gas and power have skyrocketed. Average annual utility bills for UK households have almost tripled from about £1,300 to £3,500 ($4,000) in less than 12 months.

The Bank of England sees UK inflation rising to a peak of about 13% in 2023 from 10% now, with around half of that driven by the energy crisis.

"Our report is a red alert for UK energy security," said OEUK's acting CEO Mike Tholen.

"Today 24 million UK homes are heated by gas boilers; 30-plus gas-fired power stations produce about 40% of our electricity, and we have 32 million vehicles running on diesel and petrol [gasoline]," he added. "The UK's homes and businesses cannot yet do without these fuels, but Putin's war in Ukraine shows the risks of relying on other countries for energy."

The group urged the government to pursue stable, long-term energy policies that support investment in hydrocarbons while also building low-carbon energy systems.

Limited Time to Act

The UK continental shelf is estimated to hold roughly 15 billion barrels of oil equivalent resources, or enough to fuel the UK for 30 years, if there is sufficient investment.

Offshore operators have responded to the current crisis by increasing domestic gas production 27% year-on-year since January.

But OEUK said there is a relatively limited three-to-five year window of opportunity to supply more gas to the market to relieve upward pressure on prices.

OEUK has identified around £26 billion of capital investment opportunities by 2030, but under one-third of that is currently considered sanctioned.

Without further investment approvals, the group says UK oil and gas production would probably decline by 15% each year through 2030. But under a "full investment scenario" the annual decline rate would be limited to 5%, in line with the anticipated drop in demand, the group says.

The report also notes that rising costs and supply chain constraints could push unit operating costs up by more than 30% to $18-20 per boe this year, from $15/boe in recent years, potentially discouraging investment.

Policy Signals

Tholen said that in practical terms, the industry needs the new UK government to "rapidly announce the next round of oil and gas exploration licenses and speed up production approvals."

Truss has previously promised to make up to 130 new oil and gas exploration licenses available this autumn.

But the government must first launch its new "climate compatibility checkpoint" system for upstream licensing, under which new licenses must be aligned with the country's commitment to achieve net-zero emissions.

In 2021, just five exploration wells were drilled in the UK North Sea, the lowest tally since it opened up to oil and gas development almost 60 years ago. A similarly low level of activity is expected this year.

Market Intervention

OEUK welcomed the government's announcement of a review of the UK electricity market, with the aim of moving away from a system in which the price of natural gas also determines the cost of electricity.

Power is increasingly generated from many sources other than gas, including a growing portion from renewables, whose price has been falling.

As for any initiative aimed at capping gas prices, OEUK's will Webster said the UK must not lose sight of the fact that at least 50% of the gas it uses is imported.

"And that really complicates any idea that you can try and control the wholesale gas price," he said.

"The market is there to clear supply and demand. So if you put a cap on of any sort, you risk ending up with some kind of shortage essentially, one way or another."

Deb Kelly, London

Saudis Slash Prices for Asia-Bound Crude

Saudi Aramco slashed official selling prices for its crude exports to Asia as the underlying Dubai crude price structure weakened massively and Asian refining margins tumbled.

The big drop in Saudi formula prices drew mixed reactions, with some market players deeming them to be within expectations but others believing that Aramco set at least some of its prices too high.

Formula prices for Asia-bound cargoes loaded in October plunged by $3.00/bbl to $4.50/bbl compared with prices for September cargoes.

To put those declines in context, the monthly average Platts Dubai price structure weakened by $4.33/bbl between July and August, said two trading sources.

The structure is a complex calculation that tracks intermonth spreads and is a key factor used by Saudi Aramco and others in setting formula prices.

Four trading sources, including three at Asian refiners, said the new Saudi formula prices were either mostly within expectations or lower than expected.

But three other trading sources at Asian refiners felt that prices for some, or all, of Aramco's crude grades should have been lowered even more.

Formula prices for Arab Extra Light and Arab Light plunged by $4.50/bbl and $3.95/bbl respectively. Those prices were generally seen by most trading sources as relatively reasonable.

But Aramco's October price for Arab Super Light fell by a much shallower $3.00/bbl — considerably less than the weakening of the Dubai price structure.

The formula price for the grade was therefore criticized by two refiner sources as "surprisingly strong."

They said that other similar light crudes — close in quality to condensates — had been weak in the spot market and that naphtha crack spreads have been "lousy." They felt that those factors should have dragged the price of Arab Super Light down further.

Arab Super Light has a rich naphtha yield and monthly average naphtha cracks, based on Oman crude, had plummeted by $6.27/bbl between July and August. Crack spreads measure the profitability of refining crude oil into different products.

Monthly average gasoline cracks, based on Oman crude, also plunged by $6.20/bbl from July to August, while jet and gasoil cracks rose by 83¢/bbl and $1.25/bbl respectively over the same period.

The increases in middle distillate crack spreads helped limit some of the downward movement in formula prices for other Saudi grades that have significant middle distillate yields like Arab Extra Light, Arab Light and Arab Medium.

Asian refining margins ended a strong run of several months in August, with average monthly margins, based on Oman crude, tumbling by $2.19/bbl from July to just 63¢/bbl in August.

SAUDI ARABIA DIFFERENTIALS FOR FORMULA PRICES

(US$)	Market Link	Oct	Sep	Chg.
Asia				
Sup. Lt.-50	(O+D)/2	9.15	12.15	-3.00
Extra Light-37	(O+D)/2	6.45	10.95	-4.50
Light-33	(O+D)/2	5.85	9.80	-3.95
Medium-31	(O+D)/2	3.75	7.75	-4.00
Heavy-27	(O+D)/2	2.20	6.00	-3.80
US				
Ex. Lt.-37	Asci	8.00	7.50	0.50
Light-33	Asci	6.15	6.15	0.00
Medium-31	Asci	5.95	5.45	0.50
Heavy-27	Asci	5.50	5.00	0.50
NW Europe				
Extra Light-37	Brent	4.50	6.50	-2.00
Light-33	Brent	2.70	4.70	-2.00
Medium-31	Brent	0.20	2.20	-2.00
Heavy-27	Brent	-4.20	-2.20	-2.00
Mediterranean				
Extra Light-37	Brent	4.80	6.50	-1.70
Light-33	Brent	2.70	4.70	-2.00
Medium-31	Brent	0.30	2.30	-2.00
Heavy-27	Brent	-4.40	-2.40	-2.00

Notes: All prices are quoted on an f.o.b. basis. Benchmarks are ICE Brent (NW Europe and Med), DME Oman/Platts Dubai average (Asia), Argus Sour Crude Index (US). Source: Saudi Aramco.

Freddie Yap, Singapore

DATA SNAPSHOT

Oil and Gas Prices, Sep. 7, 2022

All data are produced by Energy Intelligence in cooperation with Refinitiv.

CRUDE OIL FUTURES

($/bbl)	Chg.	1st Mth.	2nd Mth.
ICE Brent	-4.83	88.00	87.21
Nymex Light Sweet	-4.94	81.94	81.63
DME Oman	-4.32	88.50	86.30
ICE Murban	-4.83	89.57	86.76

INTERNATIONAL SPOT CRUDES

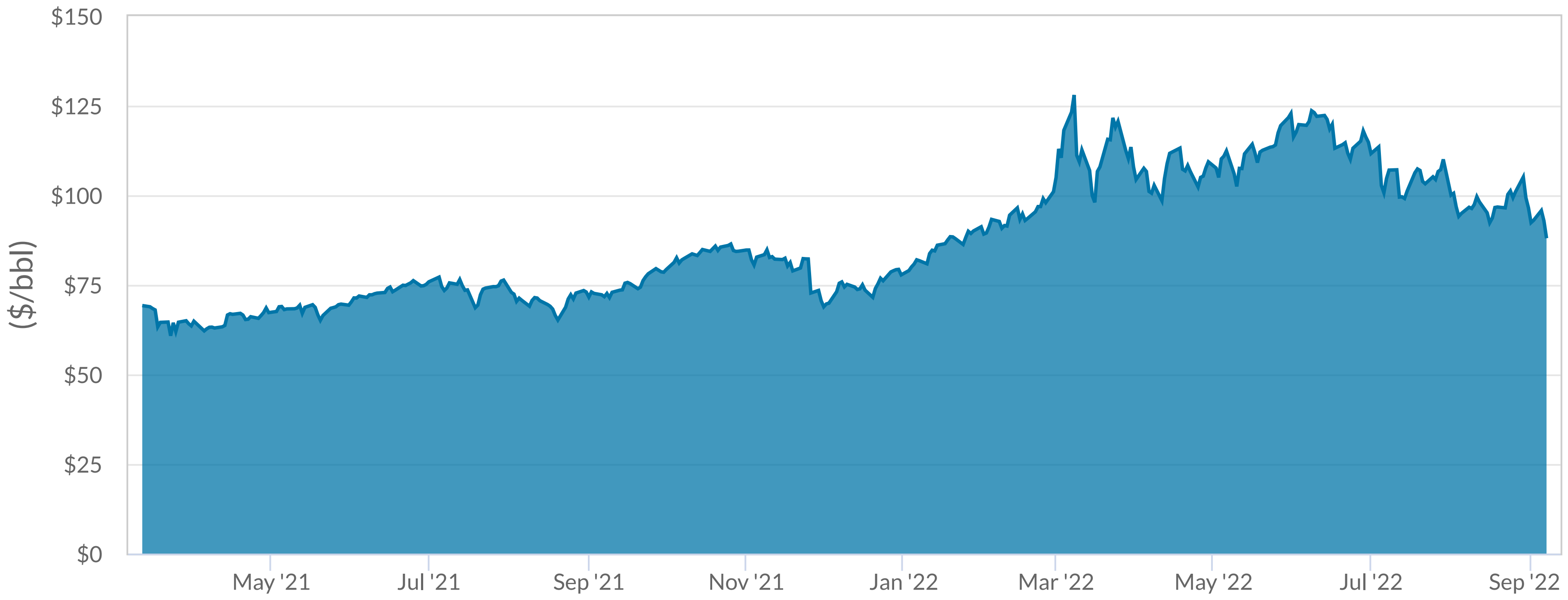
($/bbl)	Chg.	Price	Prior Close
Brent (Dated)	-4.59	86.83	91.42
Dubai	-3.00	92.20	95.20
Forties	-2.97	87.70	90.67
Bonny Light	-3.36	91.78	95.14
Urals	-3.36	69.78	73.14
Opec Basket*			99.03

*Opec price assessed.

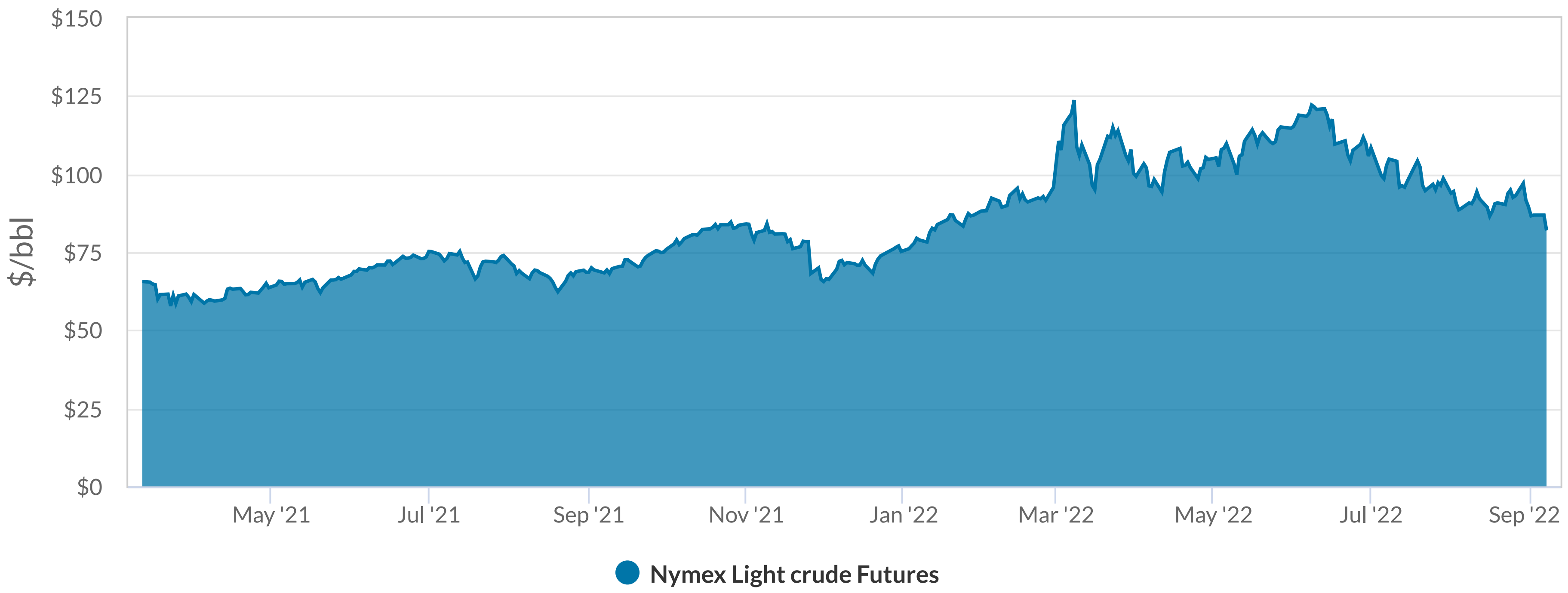
NORTH AMERICAN SPOT CRUDES

($/bbl)	Chg.	Price	Prior Close
WTI (Cushing)	-4.85	82.50	87.35
WTS (Midland)	-4.70	82.10	86.80
LLS	-4.95	84.80	89.75
Mars	-4.85	81.40	86.25
Bakken	-4.85	87.00	91.85

ICE BRENT CRUDE FUTURES



NYMEX LIGHT CRUDE FUTURES



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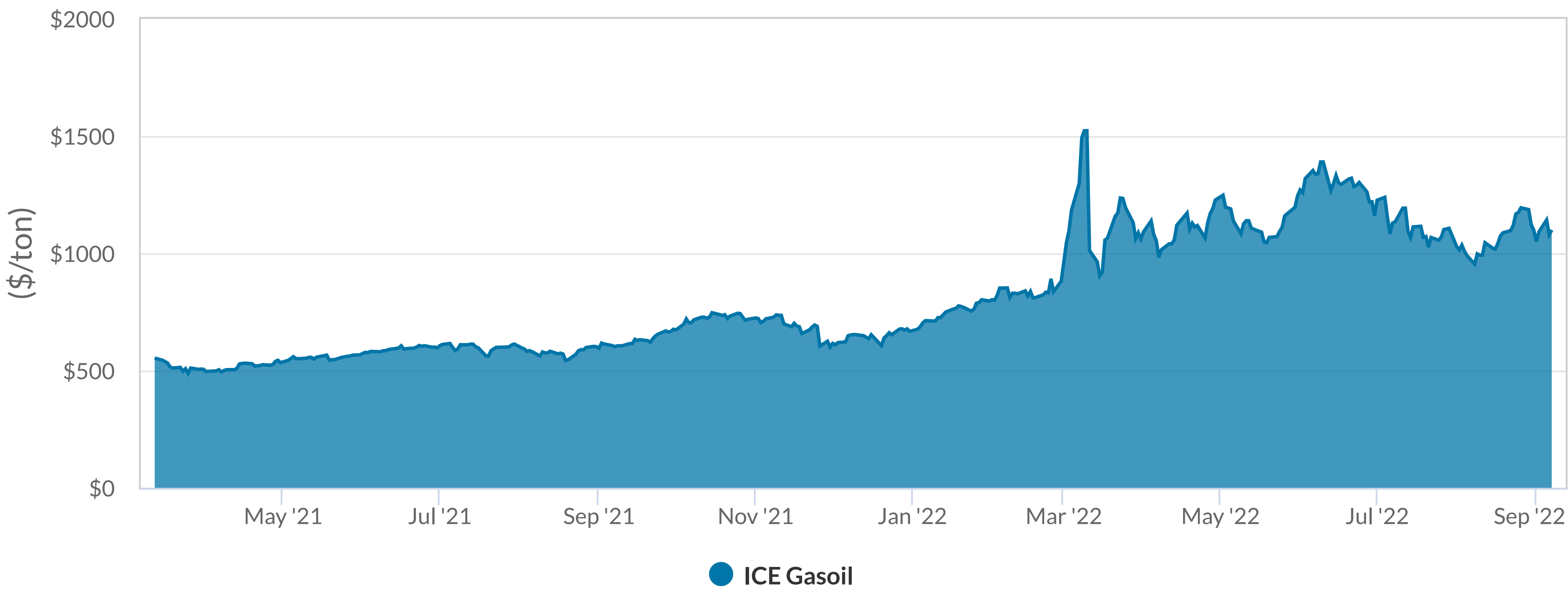
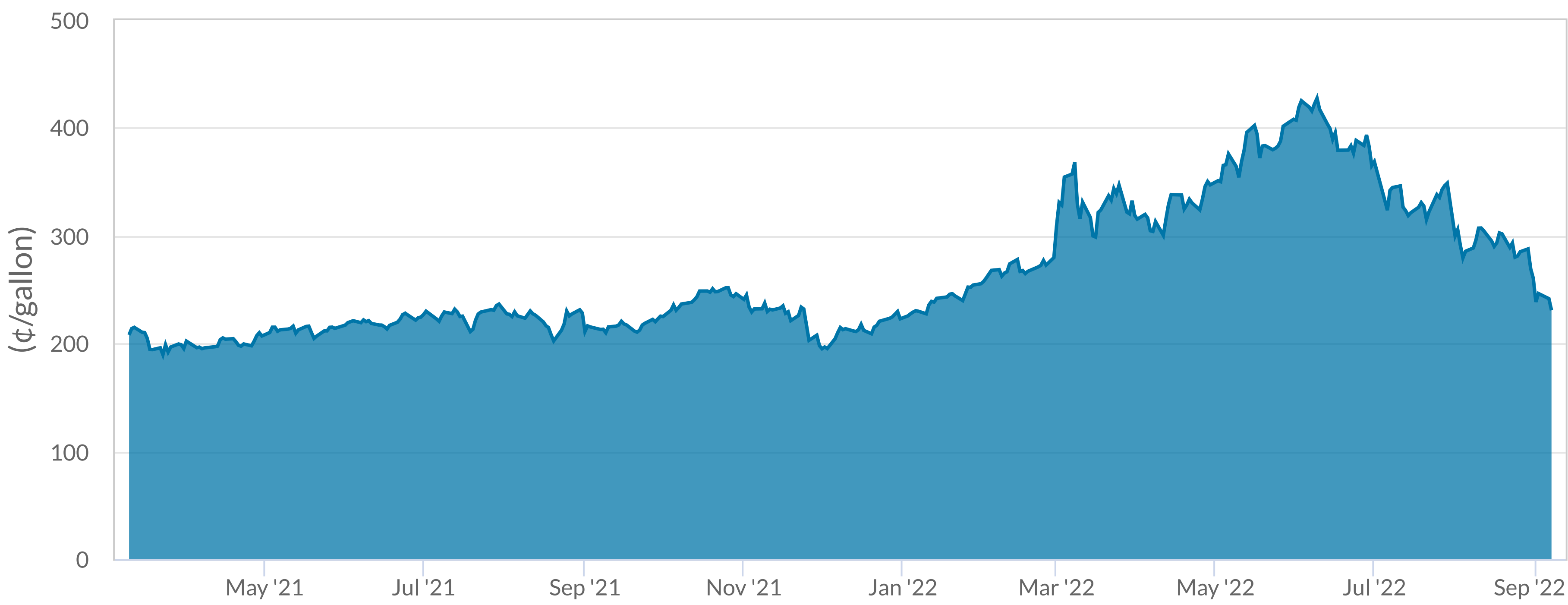
REFINED PRODUCT FUTURES

Nymex	Chg.	1st Mth.	2nd Mth.
Gasoline (¢/gal)	-10.82	230.77	226.70
ULSD Diesel (¢/gal)	+1.22	358.60	351.15
ICE			
Gasoil ($/ton)	+20.25	1099.50	1062.50
Gasoil (¢/gal)	+6.46	350.92	339.11

ICE GASOIL FUTURES



NYMEX GASOLINE FUTURES



US SPOT REFINED PRODUCTS

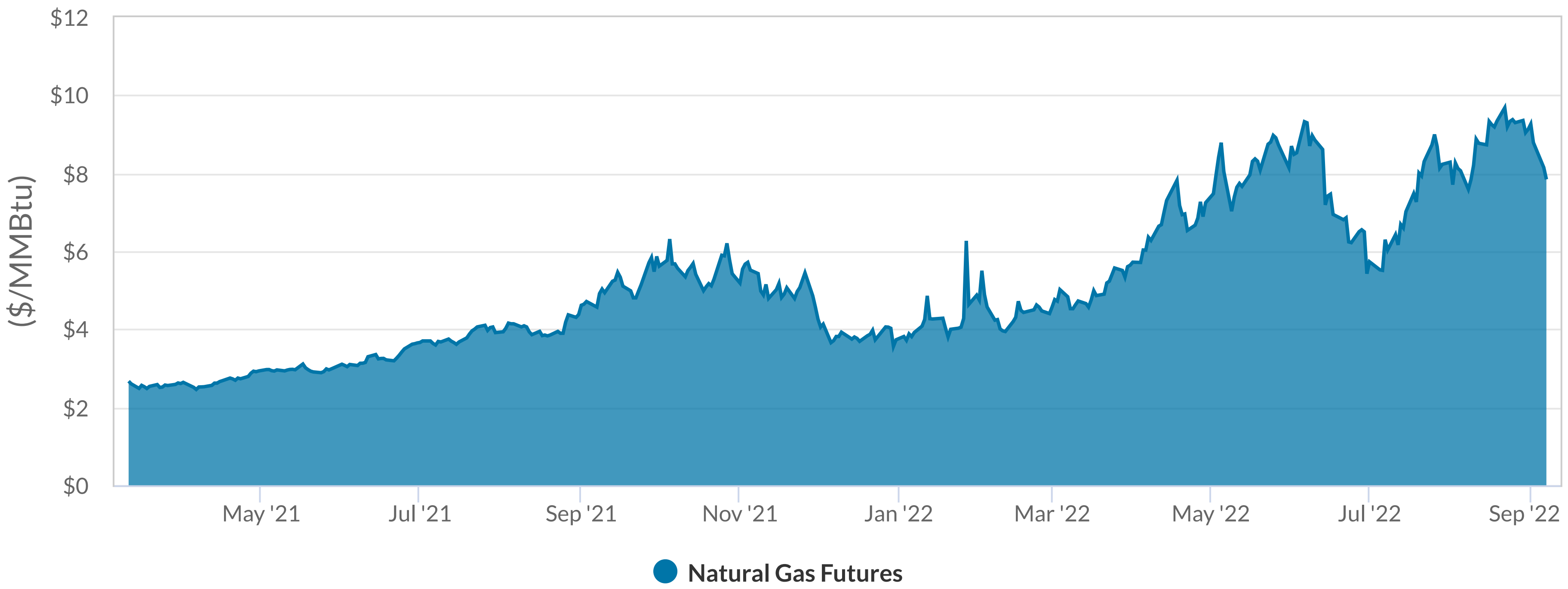
New York (¢/gal)	Chg.	Price	Prior Close
Regular Gasoline	-2.82	256.59	259.41
No.2 Heating Oil	-0.52	342.78	343.30
No.2 ULSD Diesel	-1.52	360.28	361.80
No.6 Oil 0.3% *			82.61
No.6 Oil 1% *			79.79
No.6 Oil 3% *			74.89
Gulf Coast (¢/gal)			
Regular Gasoline	-7.57	245.09	252.66
No.2 ULSD Diesel	-1.02	352.78	353.80
No.6 Oil 0.7% *			82.34
No.6 Oil 1% *			82.34
No.6 Oil 3% *			69.59

*Price in $/bbl. Percentages refer to sulfur content.

INTERNATIONAL SPOT REFINED PRODUCTS

Rotterdam ($/ton)	Chg.	Price	Prior Close
Regular Gasoline	-29.00	815.00	844.00
ULSD Diesel	-13.50	1080.50	1094.00
Singapore ($/bbl)			
Gasoil	-4.42	130.52	134.94
Jet/Kerosene	-4.52	131.09	135.61
VLSFO Fuel Oil ($/ton)	-31.55	647.35	678.90
HSFO Fuel Oil 180 ($/ton)	-21.09	436.89	457.98

NYMEX NATURAL GAS FUTURES



Refinitiv

NATURAL GAS PRICES

($/MMBtu)	Chg.	Price
Henry Hub, Nymex	-0.30	7.84
Henry Hub, Spot	-0.36	8.12
Transco Zone 6 - NY	N/A	7.60
Chicago Citygate	-0.32	7.60
Rockies (Opal)	-0.33	7.69
Southern Calif. Citygate	-0.55	12.96
AECO Hub (Canada)	+0.09	3.10
Dutch TTF (euro/MWh)	-11.70	208.30
UK NBP Spot (p/th)	+80.00	240.00

US/Canada spot prices from Natural Gas Week

Equity Markets, Sep. 7, 2022

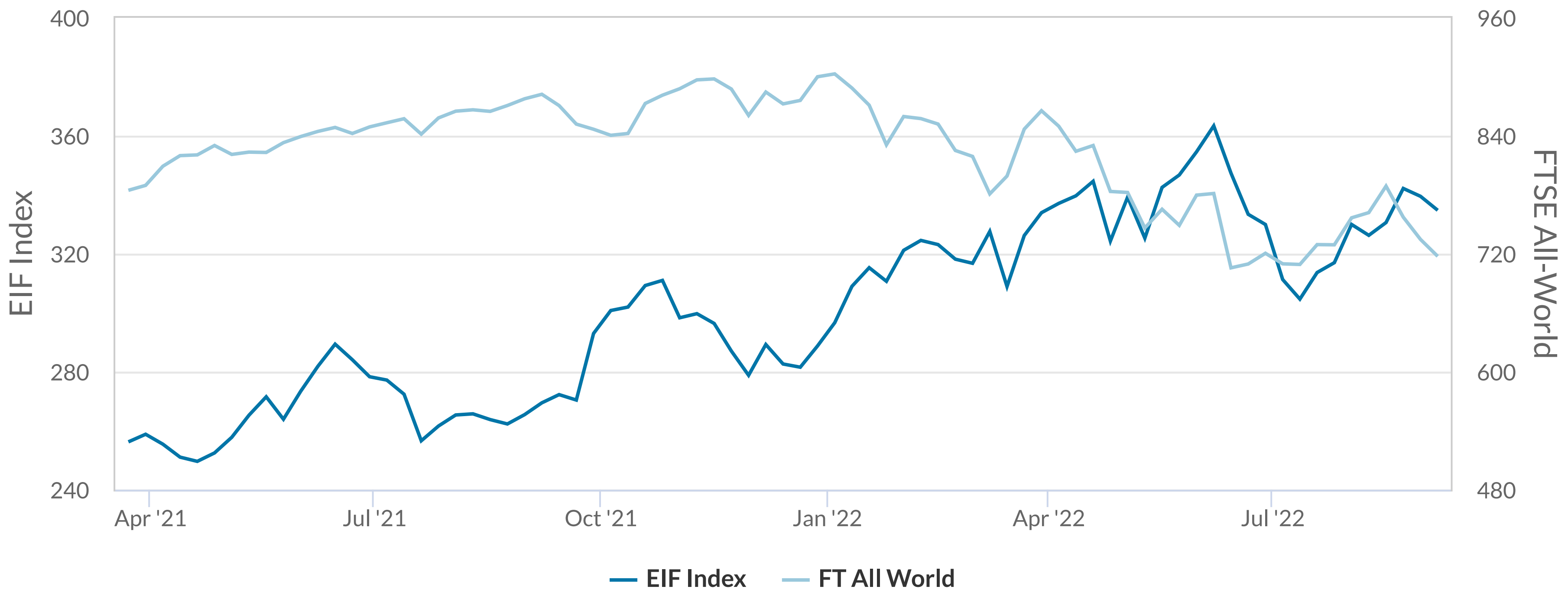
All data are produced by Energy Intelligence in cooperation with Refinitiv.

EQUITY MARKET INDEXES

	Chg.	Index	YTD %Chg.
EIF Global*	-3.02	334.74	+16.73
S&P 500	+71.68	3,979.87	-16.97
FTSE All-World*	-3.28	717.38	-20.40

*Index for previous day

EIF INDEX



EIF Global Oil and Gas Index of 21 traded equities