June 4, 2026

GRANITE POINT RESEARCH

Oil & Gas

Resource Report: Monthly Oil & Gas Perspectives

May 2026 Edition

Oil & Gas

John Stephenson, P.Eng., CFA Analyst
jstephenson@granitepointresearch.com

(647) 267-1906

Inside This Issue

Bottom Line:

WTI prices plunged in May, down 16.9% while Brent crude prices fell 19.3% in May but both contracts remain sharply higher on a year-to-date basis. The on again, off again war has introduced short-term volatility in crude oil prices, but those prices have been buffeted by the release of strategic petroleum reserves. Those reserves are finite and once the releases begin to trail off, prices could move sharply higher. We believe that we will be in for a multi-year replenishment cycle that will put a multi-year risk premium on crude.

Key Points

Natural Gas. NYMEX natural gas rallied 24.7% month-over-month with AECO prices soaring 53.7% m/m. Lower than expected storage injections and production volumes in May supported higher prices.

Crude Oil. WTI prices fell by 16.9% in May (up 52.1% YTD) as the market reacted to the latest headlines out of Washington and Tehran.

Equities. The TSX E&P and the S&P500 E&P indices were up 28.3%, 19.4% respectively in May.

Why Oil Prices Aren't Higher. Since the start of the war in the Middle East, 117 million barrels have been released from global strategic petroleum reserves buffeting the price. But these reserves are finite.

.

Important Disclosures: See pages 16-17

Commodity Currents

WTI prices plunged (16.9%) in May (up 52.1% YTD) on news of a draft peace agreement that could reopen the Strait of Hormuz and could restore tanker traffic within a month. Brent, the international benchmark, fell (19.3%) in May and is up 51.3% on a year-to-date basis. Western Canadian Select (WCS) fell (12.8%) in May and is up 63.0% year-to-date.

NYMEX natural gas prices rallied 24.7% month-over-month with AECO prices soaring 53.7% m/m. Lower than expected storage injections buoyed natural gas prices in May while lower production volumes in both the Western Canadian Sedimentary Basin and in the lower 48 also benefited prices.

Equity Impact

The TSX E&P Index and the S&P 500 E&P Index were up 28.3%, 19.4% respectively in May. Amongst the large cap names WCP, PSC and VLO were the top performers for the month while year-to-date MPC, DINO and VLO had the strongest performance so far in 2026. Amongst the SMID producers the biggest gains came from CLMT, HCC and SCR in May while year-to-date the best performance has come from CLMT, SM and TVE.

Updates from Our Coverage Universe

In May we published our FOCUS report, “Helium: Supply Squeeze” where we highlighted that one third of the global helium supply is now offline with little visibility into when it may come back online. Qatar produces a third of global helium and its Ras Laffan liquification plant, the world's largest, is offline and repairs could take between three-to-five years to complete suggesting that helium prices are likely to remain elevated for at least the medium term. Helium supply is concentrated in just four countries: the U.S., Qatar, Russia and Algeria which collectively account for 93.5% of total supply. Helium can’t be synthesized, has no substitutes and is a critical component of semiconductors. **Altura Energy Corp. (ALTU – TSXV; Buy; $0.60 Target Price) is a pure-play producer of green helium** with operations in Arizona’s Holbrook Basin**.**

Why Oil Prices Aren’t Higher

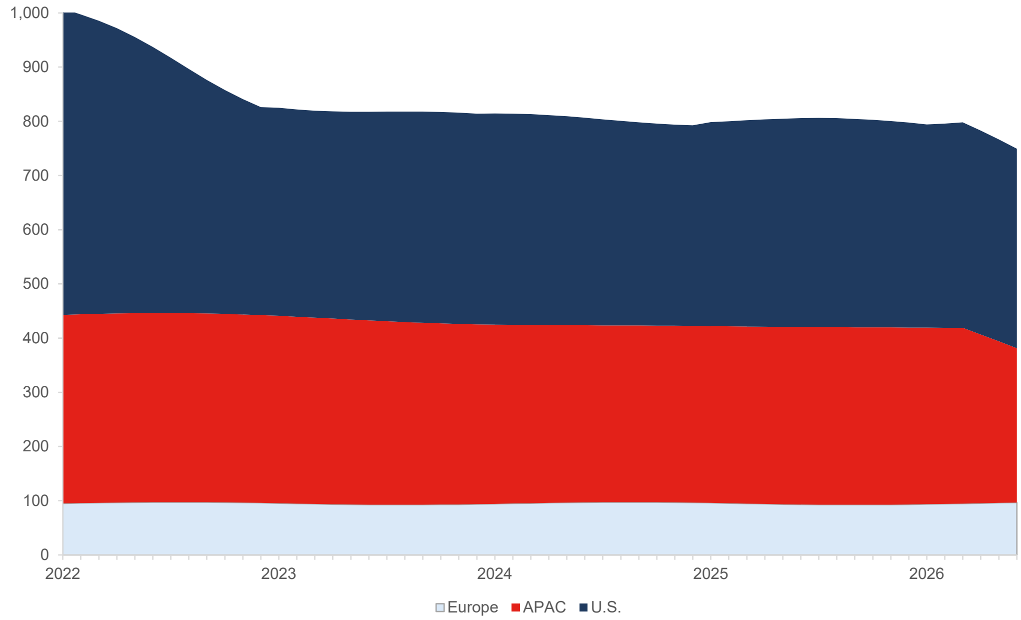
Oil prices have been volatile with the on-again, off-again war headlines driving short-term volatility. But despite the headline noise, the more persistent worry is the decline in global strategic petroleum reserves (SPRs) which highlights the strain on global balances.

Since the start of the U.S./Israel war with Iran global stockpiles have fallen by ~117 million barrels as SPR reserves have been released by International Energy Agency (IEA) members. The release of these reserves has been a buffer against a more severe price response for crude prices.

However, this buffer is finite. As these reserves begin to trail off the market will become exposed to the underlying crude shortfall and prices will move sharply higher. Under IEA rules, member countries are required to maintain approximately 90 days of net imports to safeguard against supply disruptions. Since the conflict began, member countries have pledged to collectively release about 400 million barrels from strategic inventories, with the U.S. accounting for roughly 172 million barrels (so far ~117 million barrels have been released of which ~41 million barrels have come from U.S. reserves).

Even is a scenario where the resolution of the crisis comes in the near-term, we believe that a multi-year replenishment cycle will begin as governments look to rebuild their inventories to the same or higher levels than before the war. We believe this creates the potential for a sustained risk premium in crude prices with mid-cycle crude prices of US$75/bbl being the norm over the next several years with prices skewed to the upside in the event of a prolonged disruption.

Exhibit 1: OECD Strategic Petroleum Reserves – Inventories (mmbbl)



Source: EIA, Granite Point Research

Commodity Performance

Exhibit 2: Commodities Performance Overview

	05/29/2026	05/22/2026	05/15/2026	04/30/2026	12/31/2025	05/30/2025	Percent Change 1 Week	2 Week	1 Month	YTD	Y/Y Chg.
Commodities											
WTI (US$/bbl)	87.36	96.6	105.42	105.07	57.42	60.79	(9.6%)	(17.1%)	(16.9%)	52.1%	43.7%
Brent (US$/bbl)	92.05	103.54	109.26	114.01	60.85	63.9	(11.1%)	(15.8%)	(19.3%)	51.3%	44.1%
WCS (US$/bbl)	71.43	78.22	80.57	81.92	43.83	51.04	(8.7%)	(11.3%)	(12.8%)	63.0%	39.9%
Henry Hub Prompt (US$/MMBtu)	3.292	2.92	2.89	2.64	4	2.86	12.7%	13.9%	24.7%	(17.7%)	15.1%
AECO Prompt (C$/Gj)	1.86	1.6	1.54	1.21	2.68	1.2	16.3%	20.8%	53.7%	(30.6%)	55.0%
Indices											
TSX E&P	448.01	482.93	478.46	349.15	344.81	322.61	(7.2%)	(6.4%)	28.3%	29.9%	5.1%
S&P500 E&P	732.08	772.94	781.14	612.98	608.52	643.08	(5.3%)	(6.3%)	19.4%	20.3%	(10.4%)

Source: FactSet, Granite Point Research

Equity Performance Overview

Exhibit 3: Large Cap M/M Share Performance

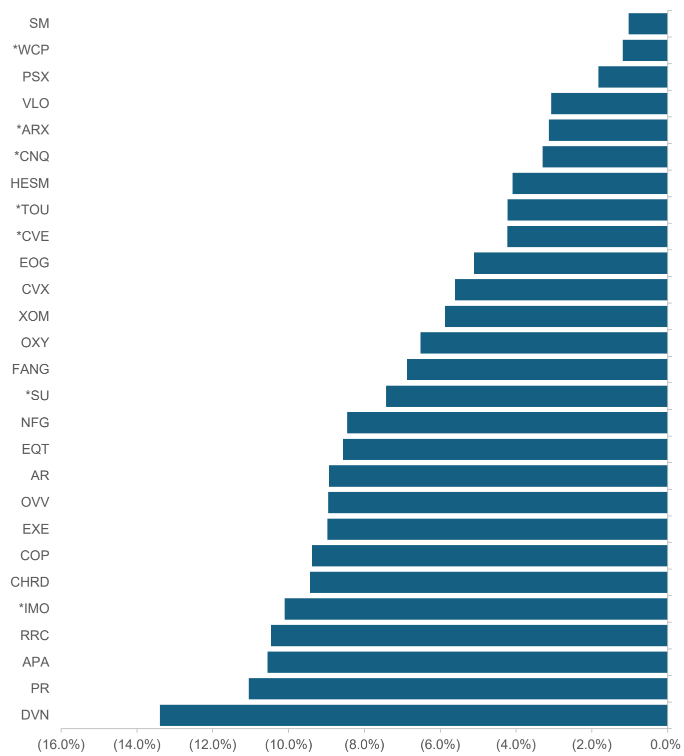
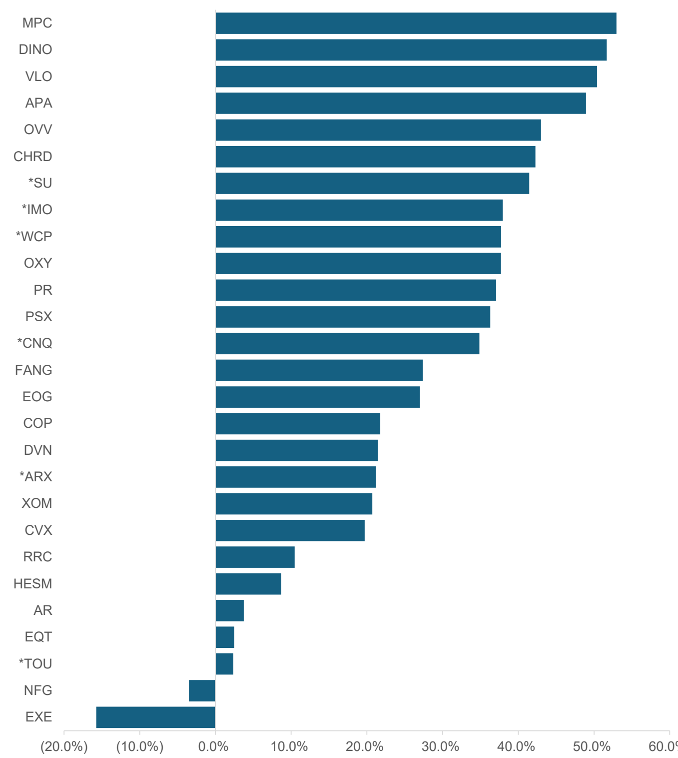


Exhibit 4: Large Cap YTD Share Performance



Source: FactSet, Granite Point Research

Exhibit 5: SMID M/M Share Performance

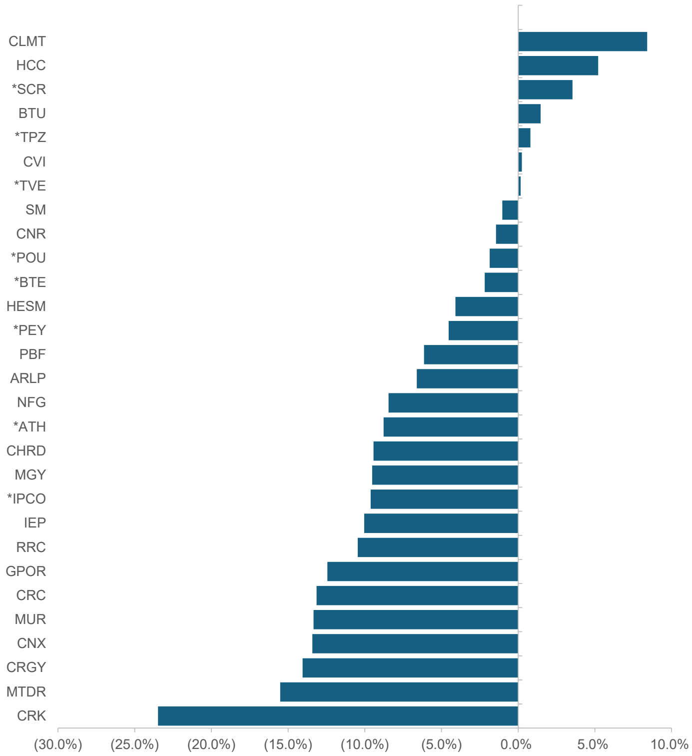


Exhibit 6: SMID YTD Share Performance

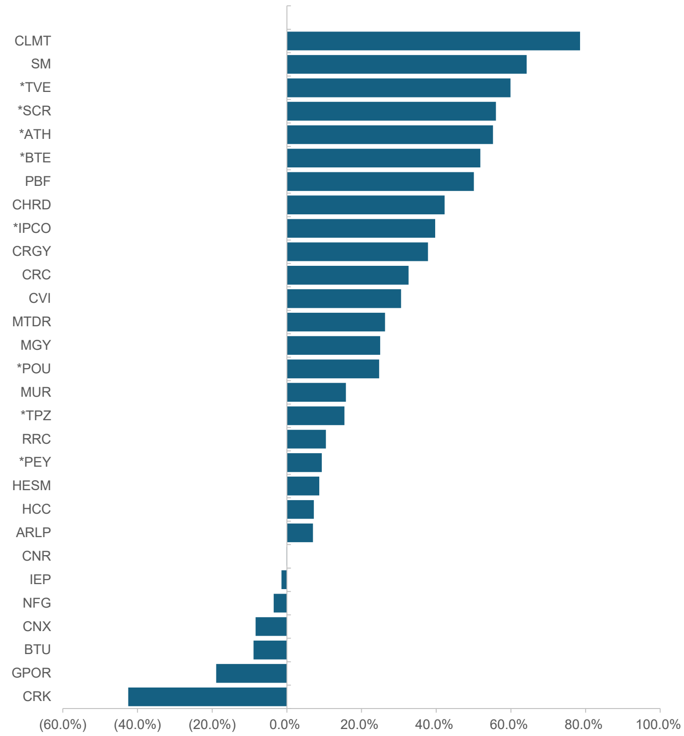


Exhibit 7: Large Cap 2026E Consensus M/M CFPS Revisions

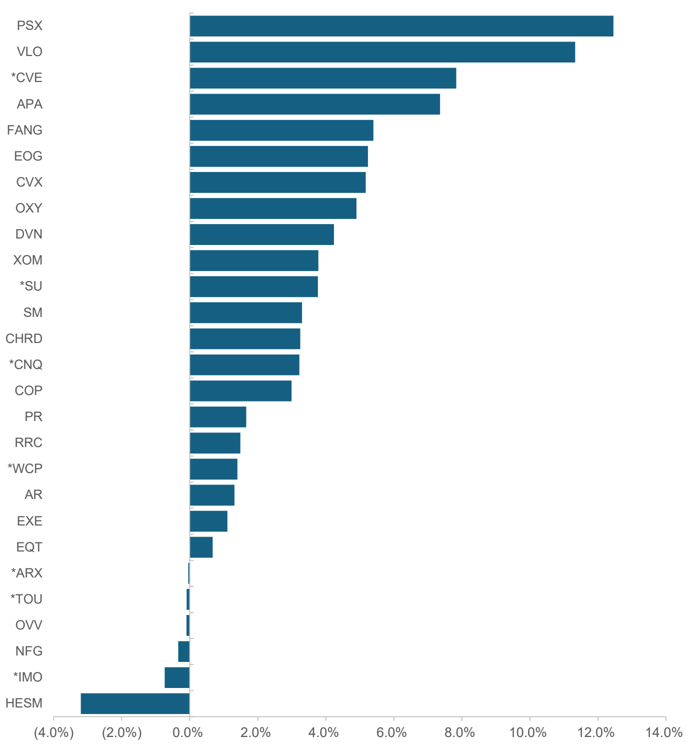
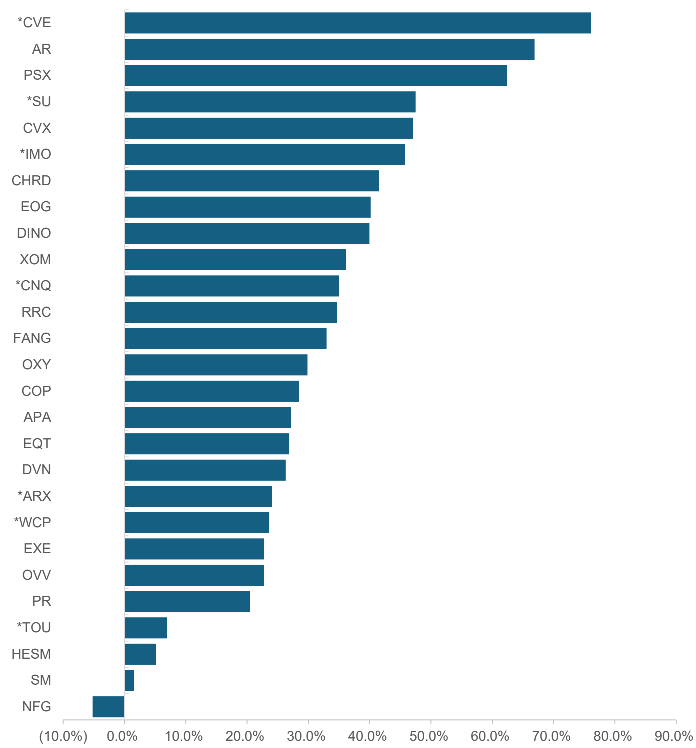


Exhibit 8: Large Cap 2026E Consensus YTD CFPS Revisions



Source: FactSet, Granite Point Research

Exhibit 9: SMID 2026E Consensus M/M CFPS Revisions

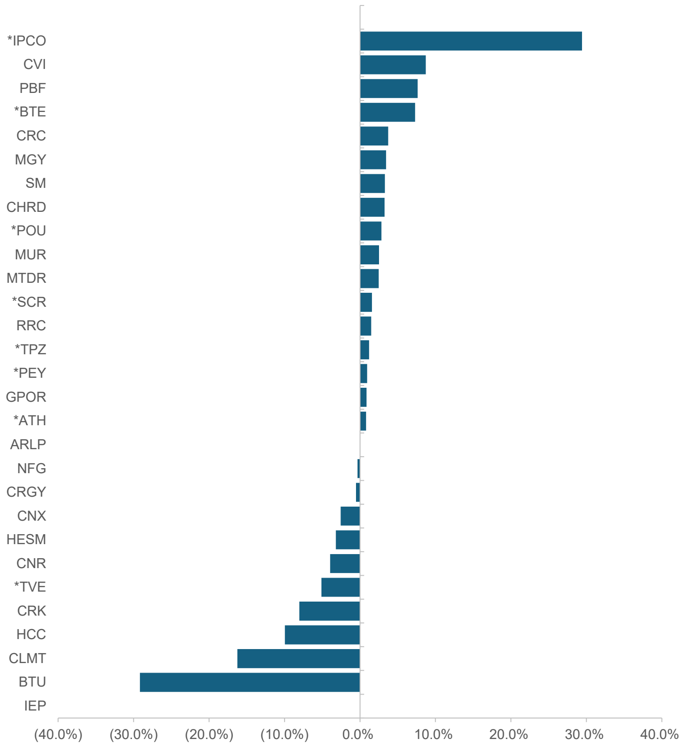
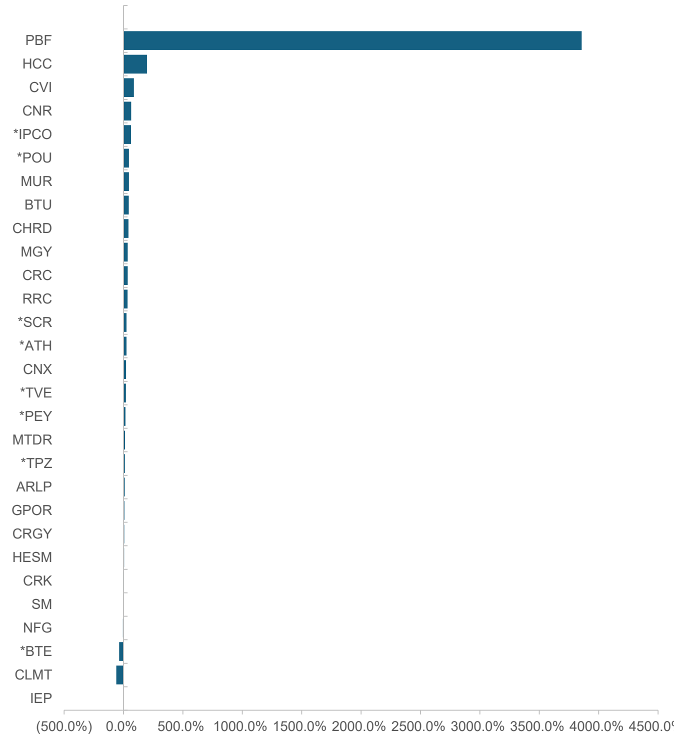


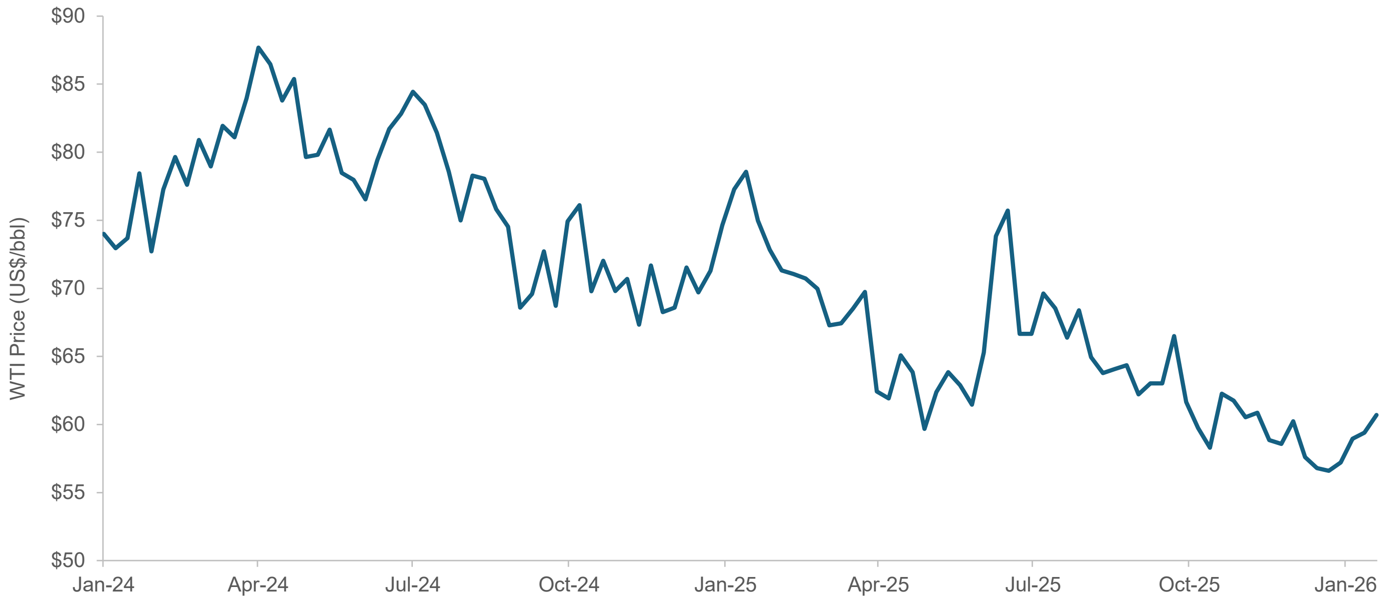
Exhibit 10: SMID 2026E Consensus YTD CFPS Revisions



Source: FactSet, Granite Point Research

Oil Market

Exhibit 11: WTI Price



Source: FactSet, Granite Point Research

Exhibit 12: Crude Oil M/M Performance

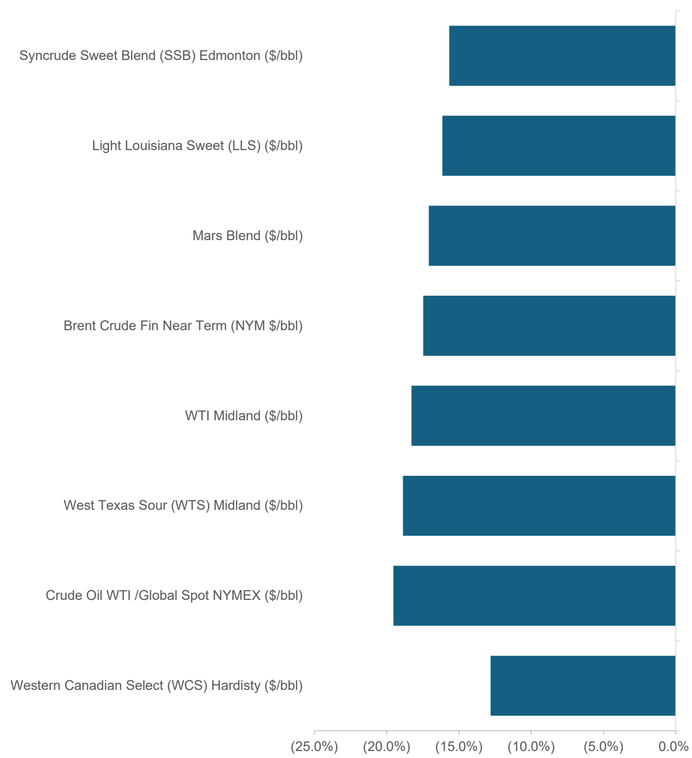
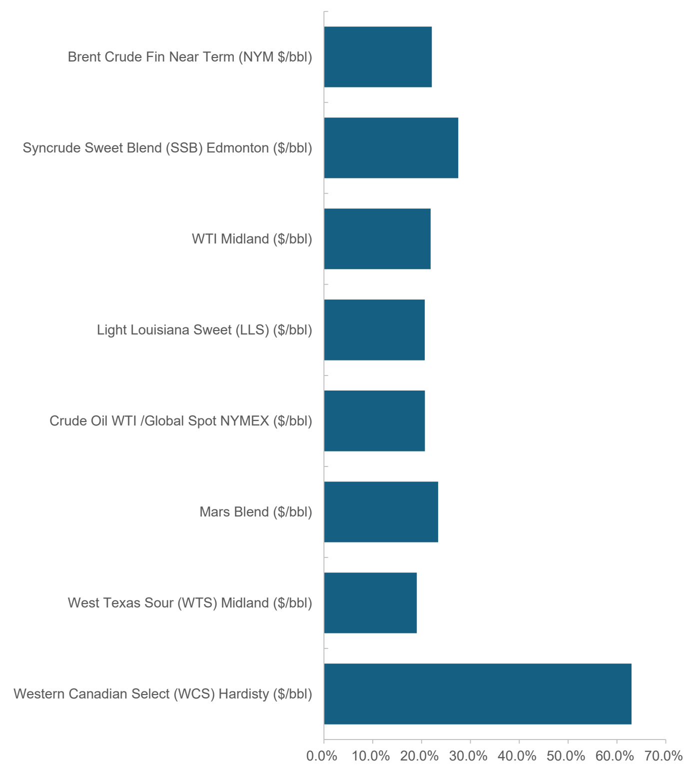
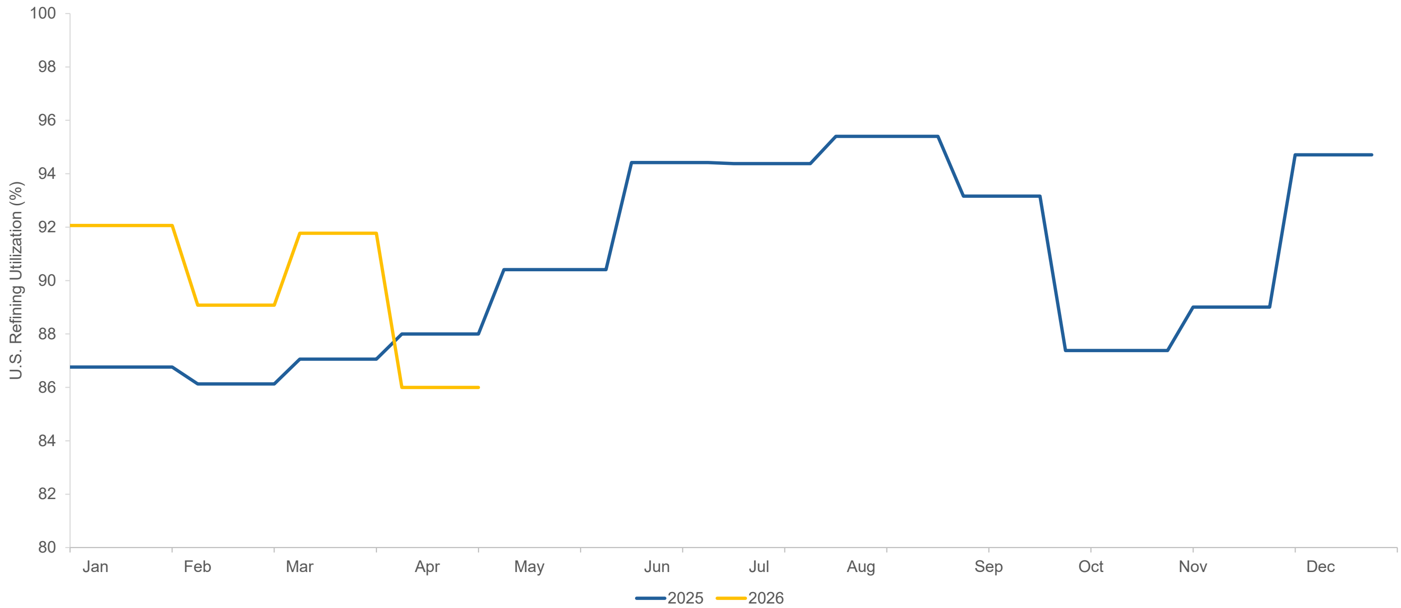


Exhibit 13: Crude Oil YTD Performance



Source: FactSet, Granite Point Research

Exhibit 14: U.S. Refining Utilization %



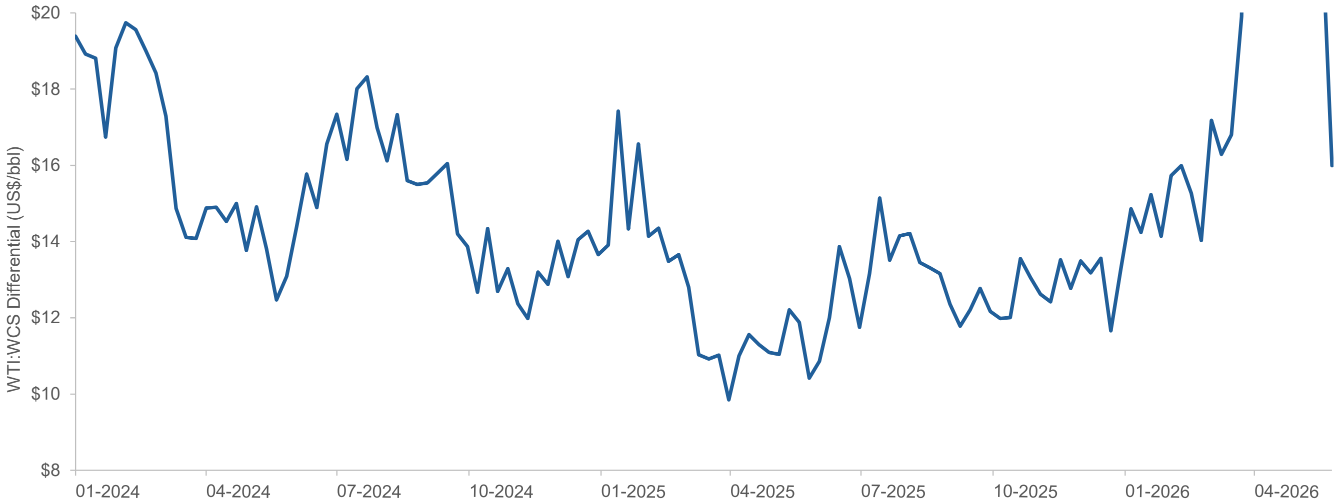
Source: FactSet, Granite Point Research

Exhibit 15: WTI and Crude Inventory

Source: Source: FactSet, Granite Point Research

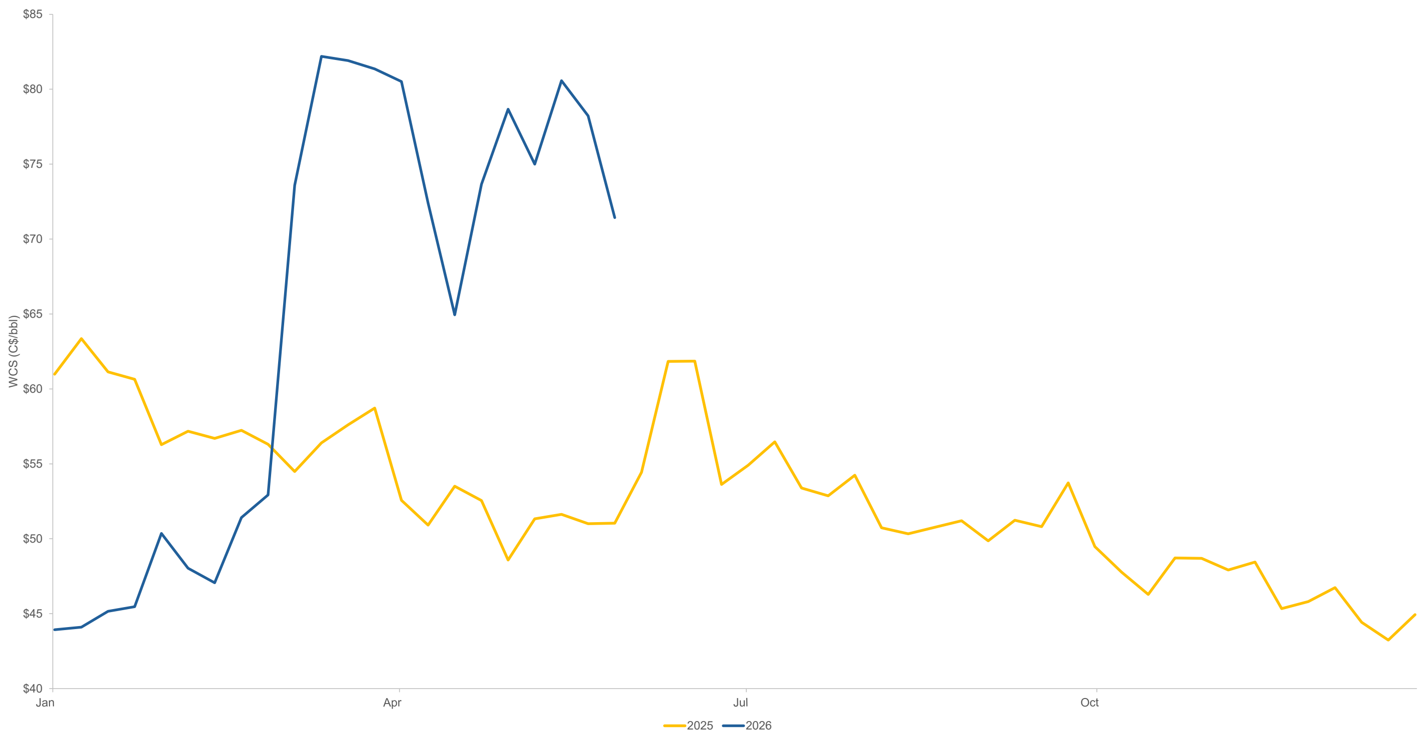
Canadian Oil Market

Exhibit 16: WTI:WCS Differential (US$/bbl)



Source: FactSet, Granite Point Research

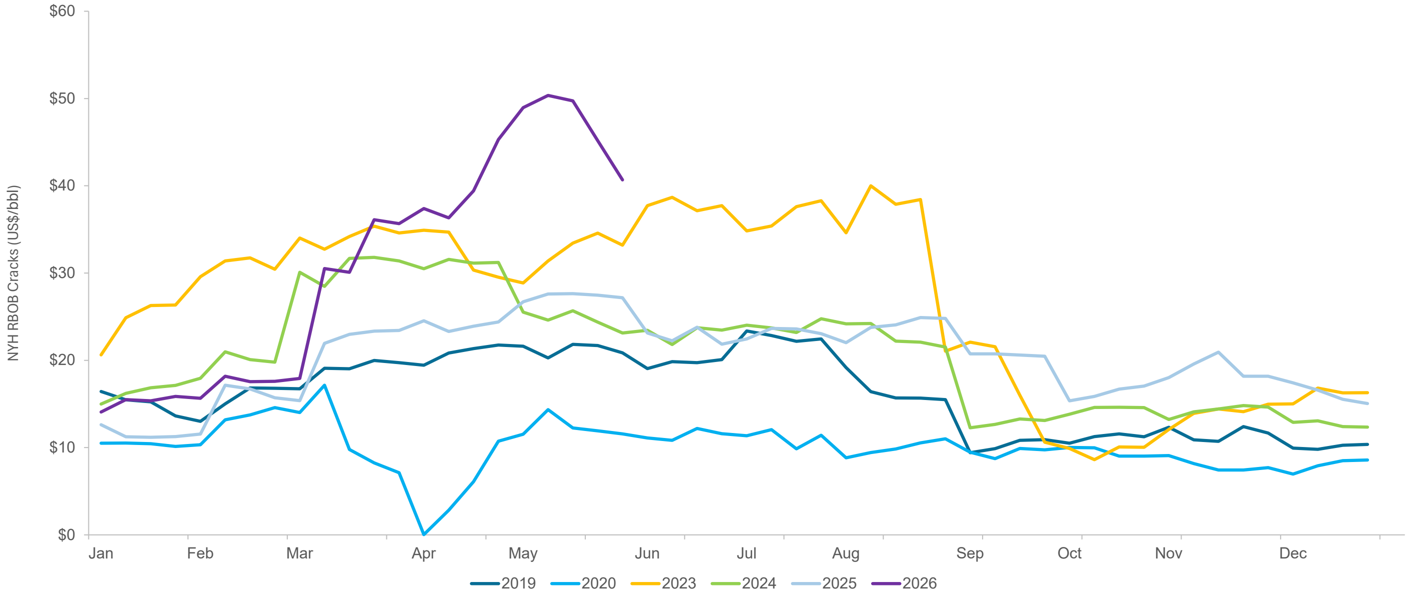
Exhibit 17: Western Canadian Select ($/bbl)



Source: FactSet, Granite Point Research

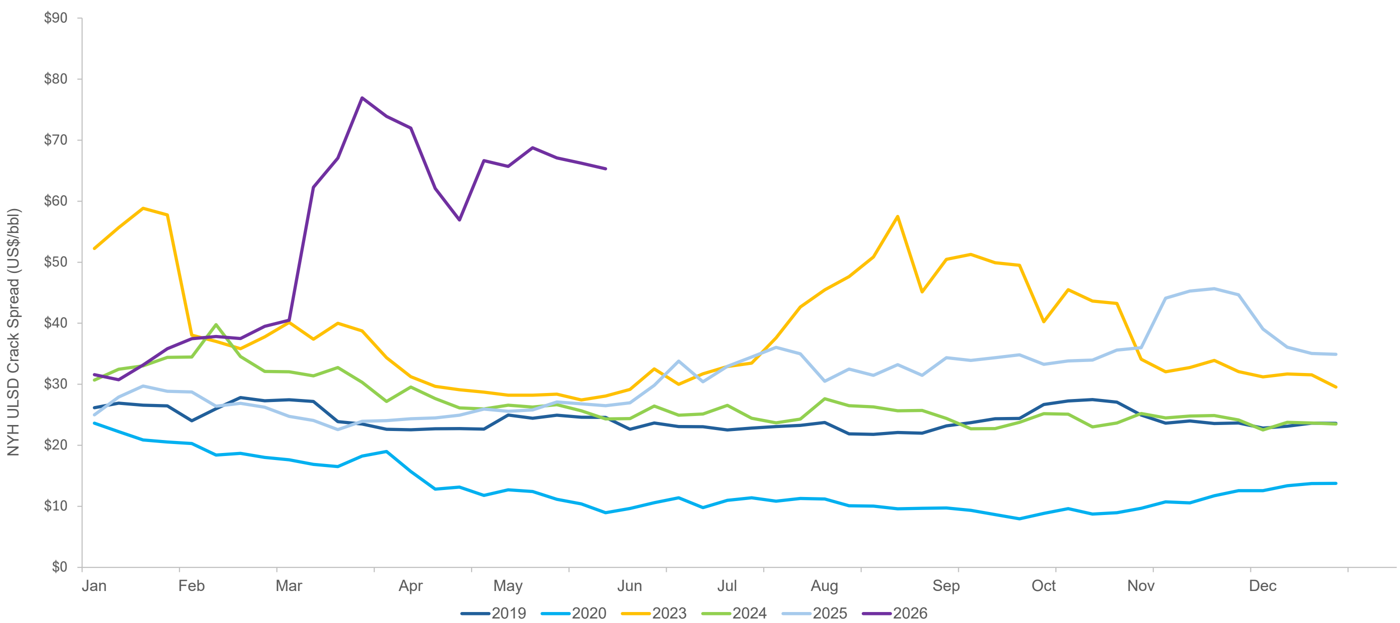
Oil Products Market

Exhibit 18: NYH RBOB Cracks (US$/bbl)



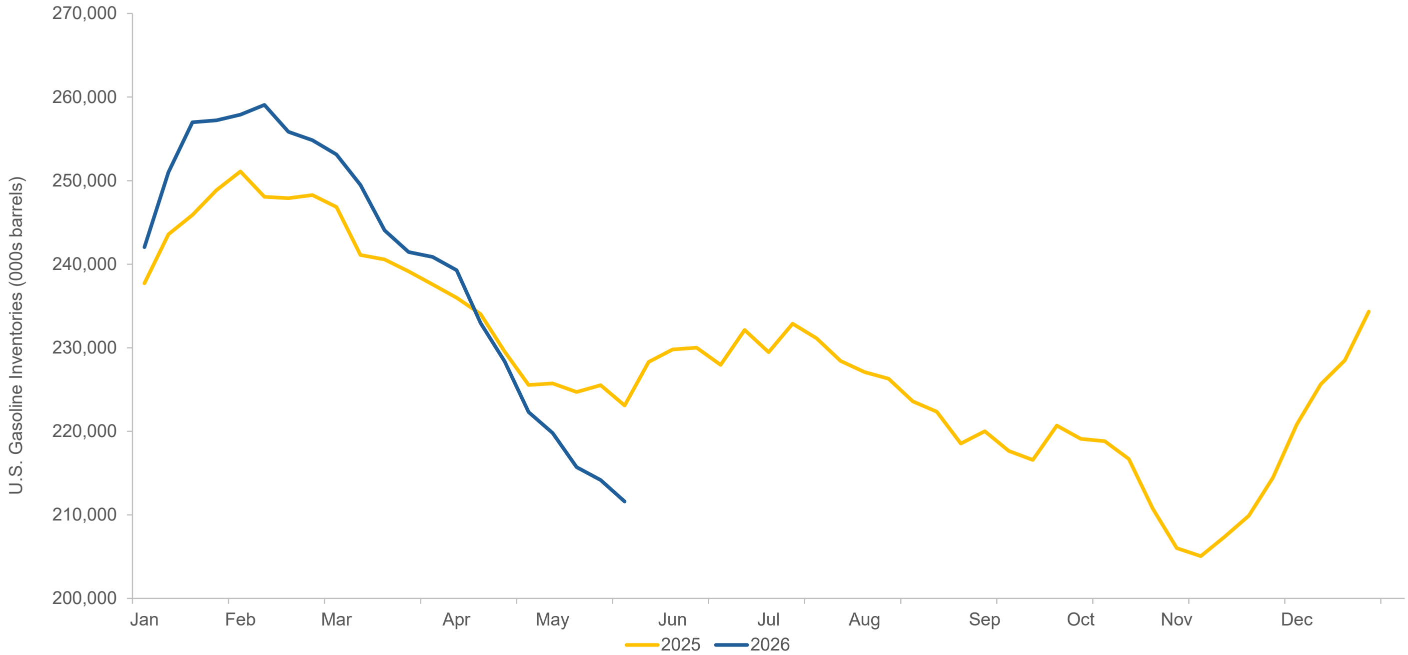
Source: FactSet, Granite Point Research

Exhibit 19: NYH ULSD Cracks (US$/bbl)



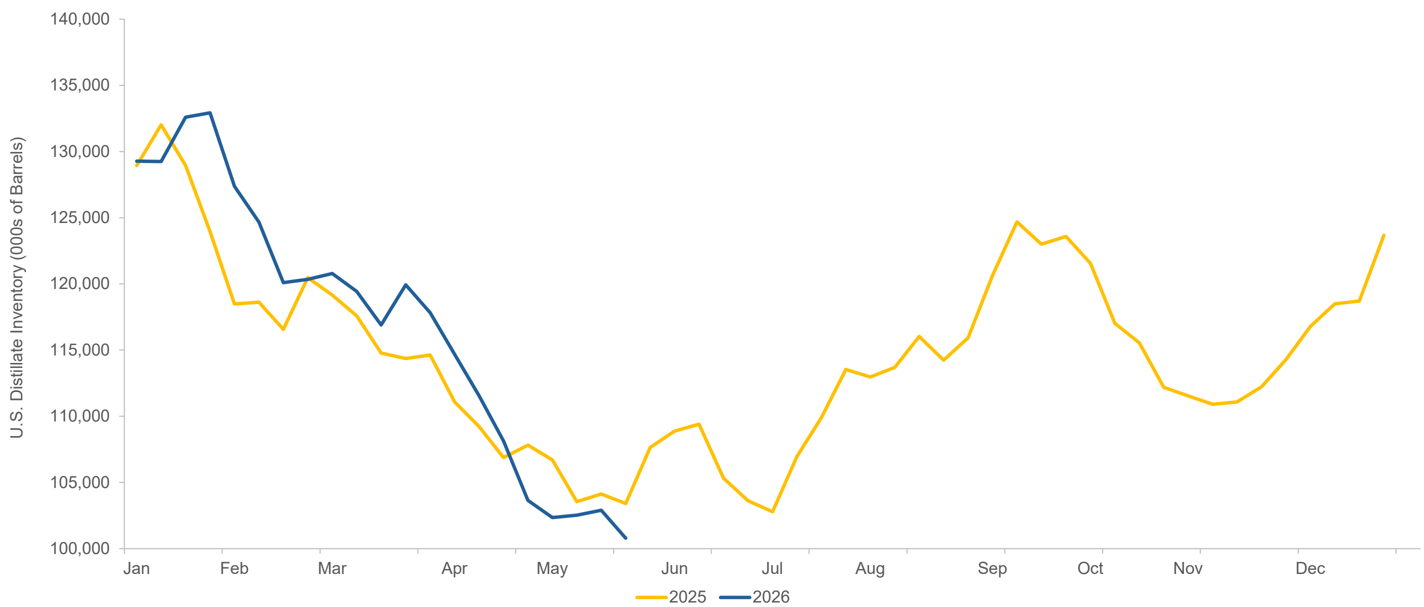
Source: FactSet, Granite Point Research

Exhibit 20: U.S. Gasoline Inventories



Source: FactSet, Granite Point Research

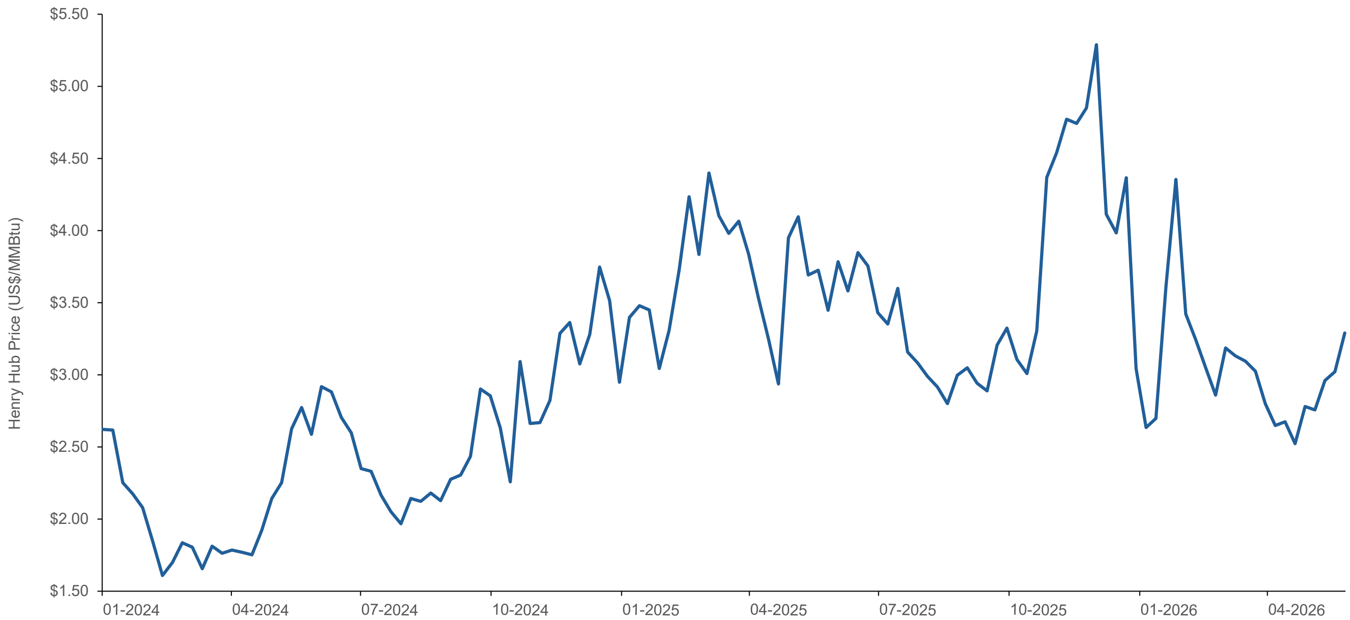
Exhibit 21: U.S. Distillate Inventories



Source: FactSet, Granite Point Research

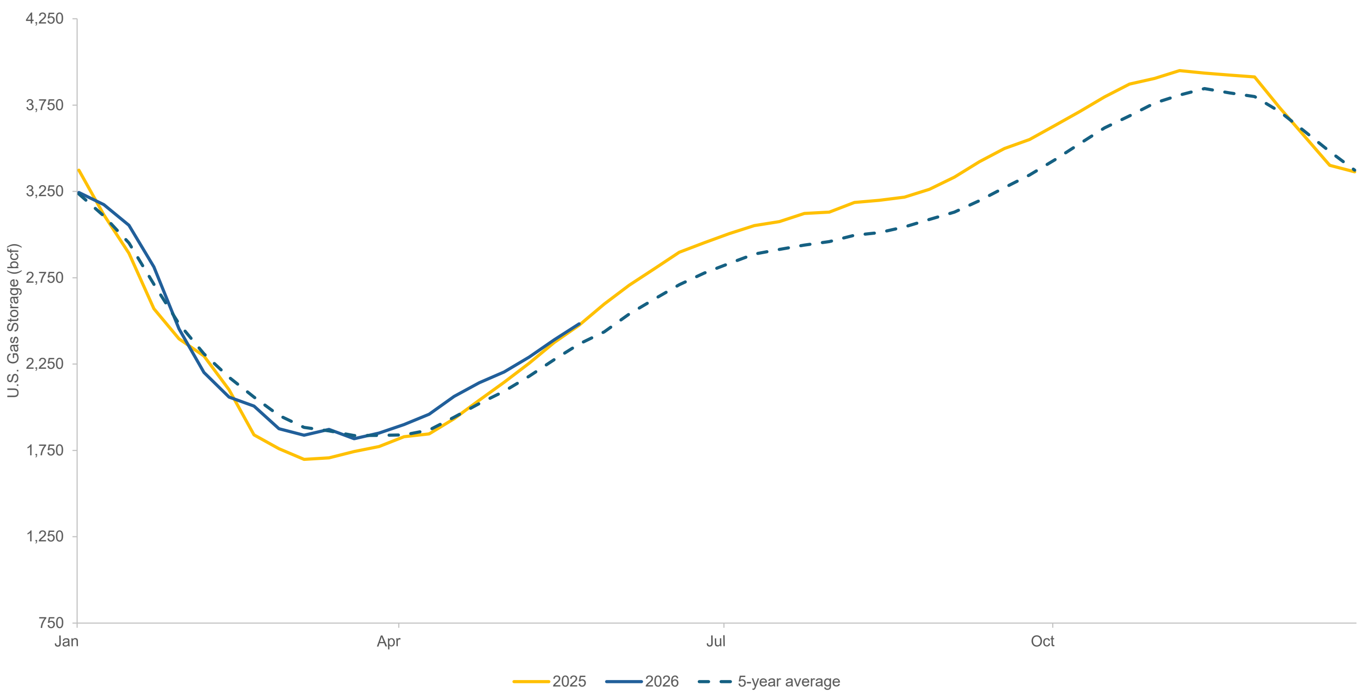
Natural Gas Market

Exhibit 22: Henry Hub Price (US$/MMBtu)



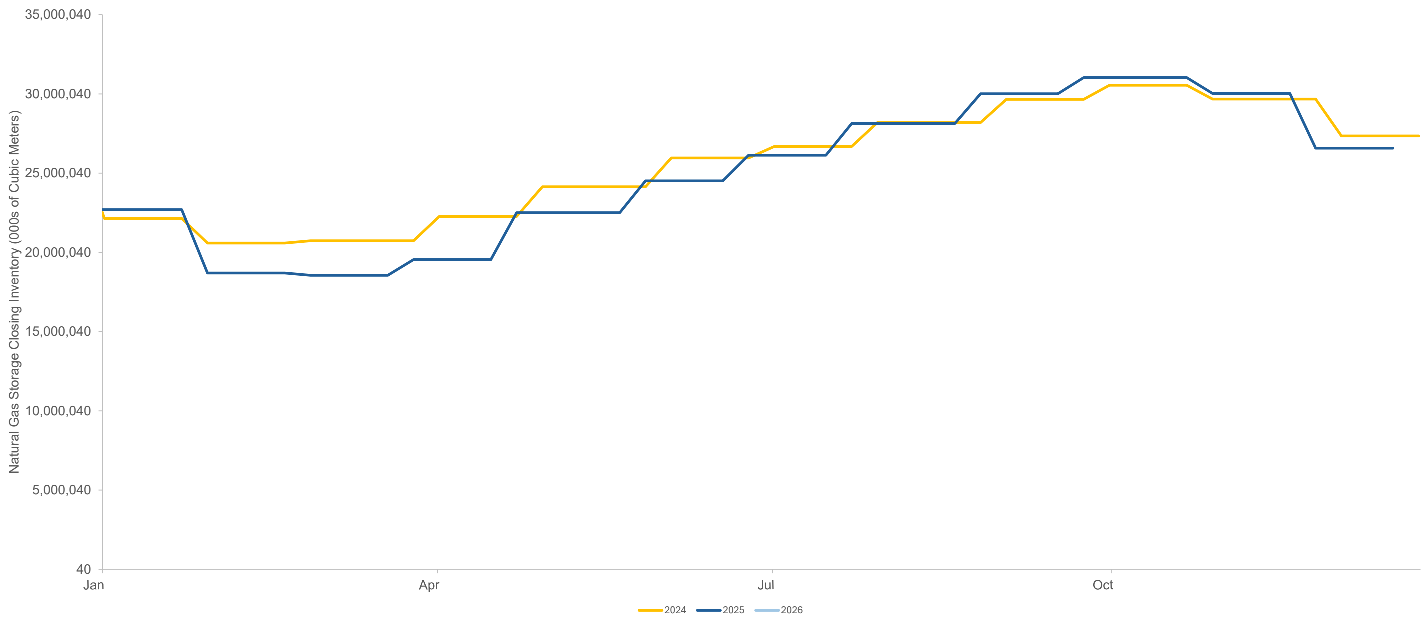
Source: FactSet, Granite Point Research

Exhibit 23: U.S. Natural Gas in Storage (bcf)



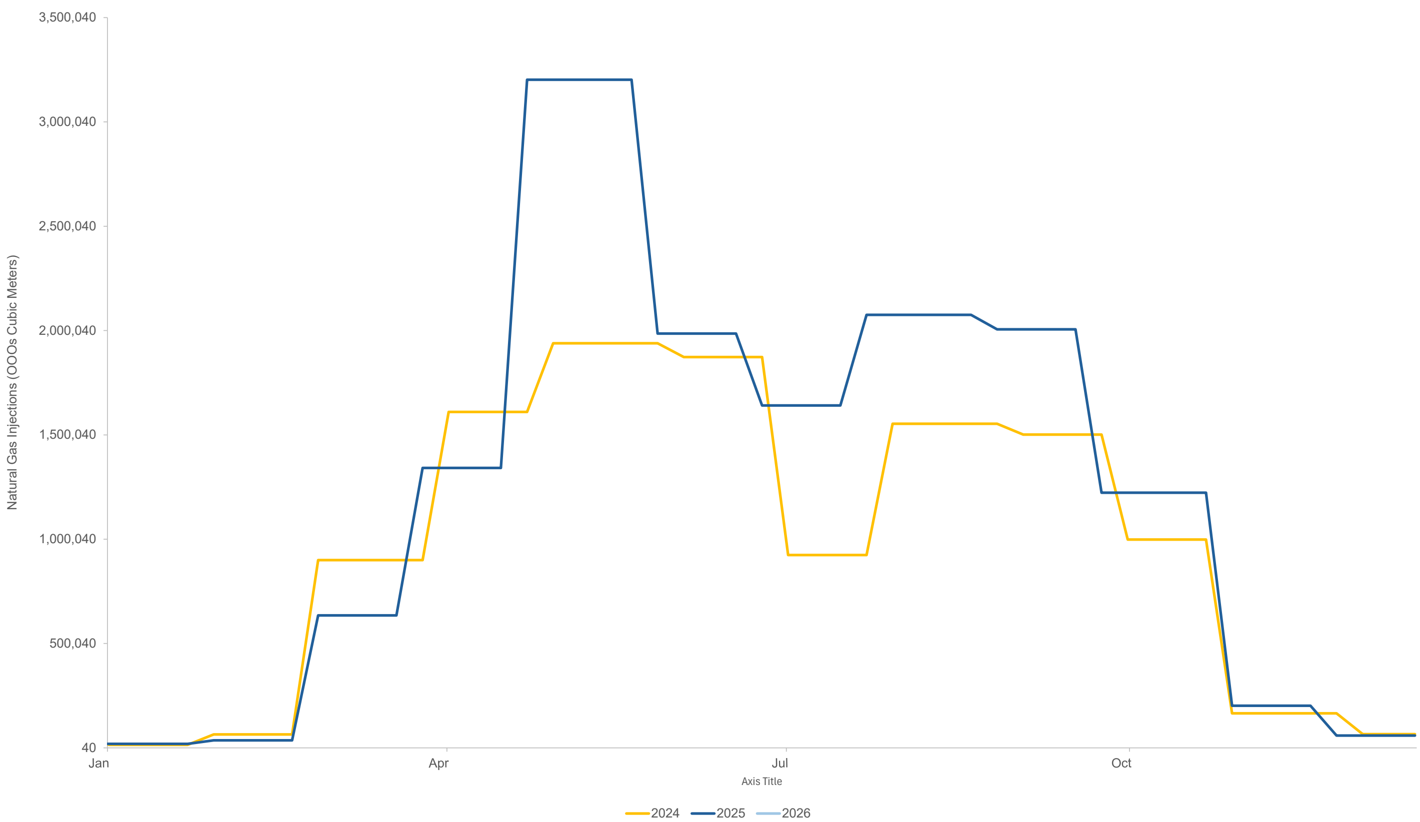
Source: FactSet, Granite Point Research

Exhibit 24: Natural Gas Storage Closing Inventory – Canada



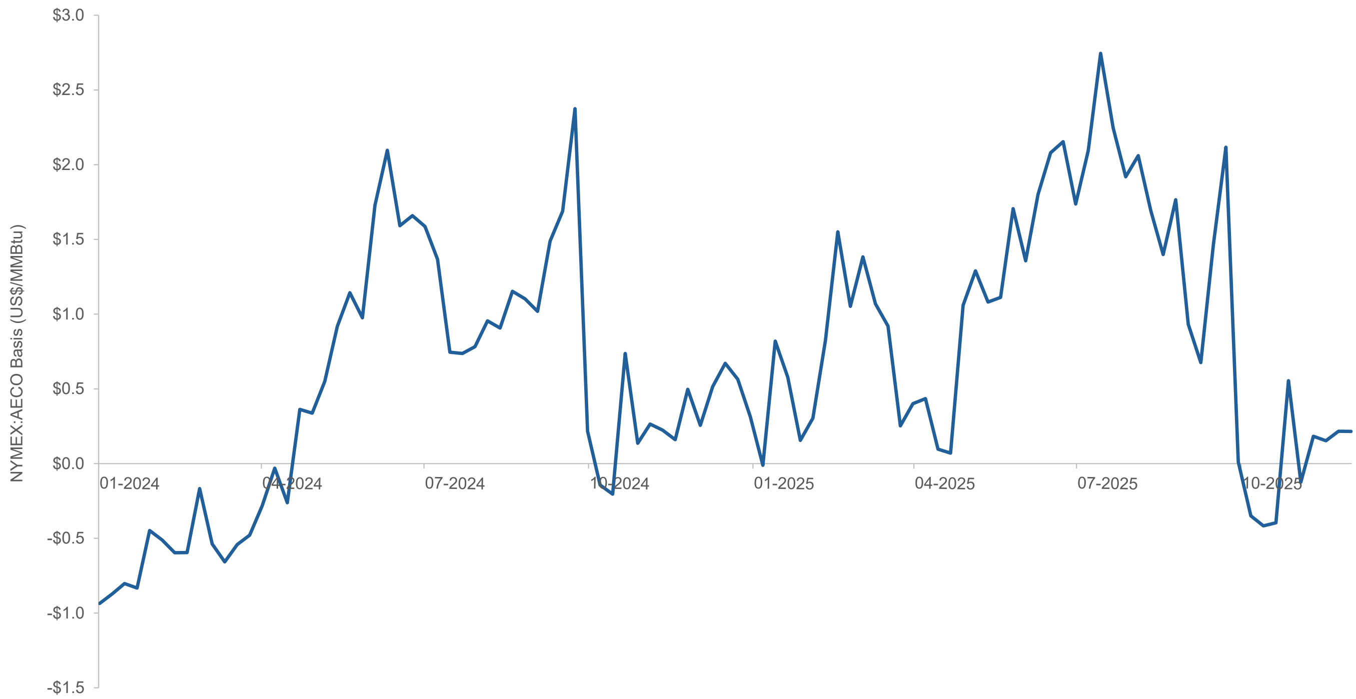
Source: FactSet, Granite Point Research

Exhibit 25: Natural Gas Storage Injections – Canada



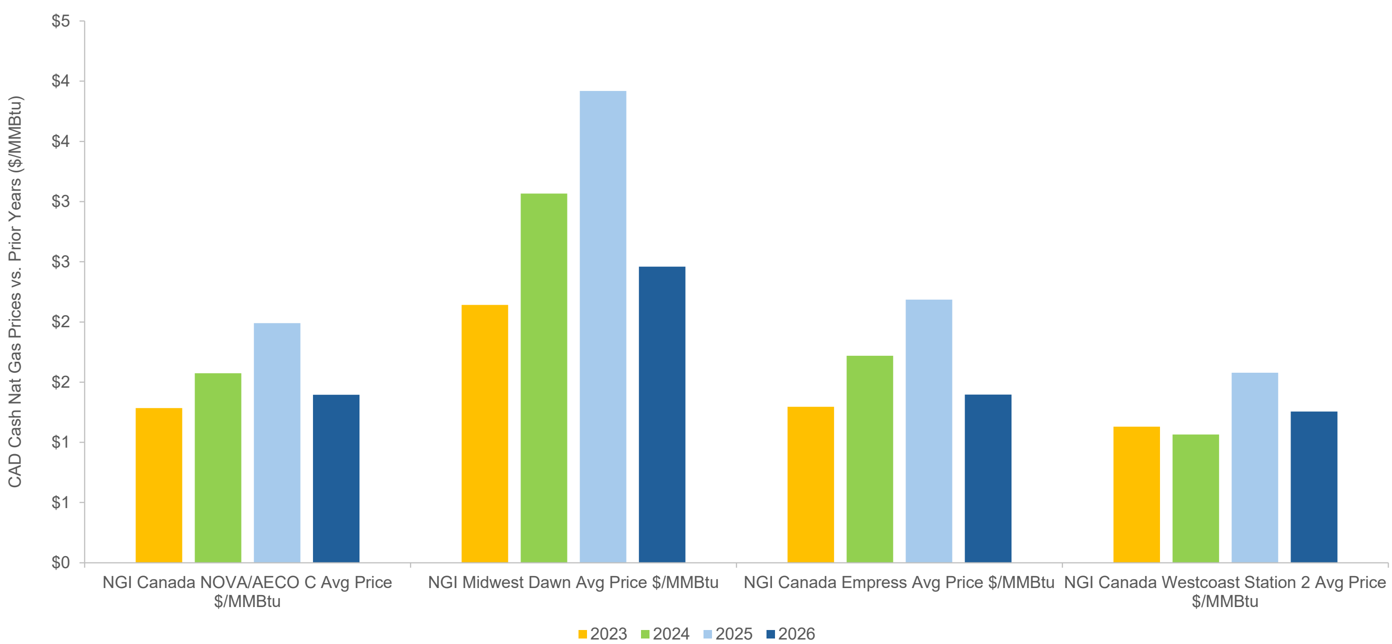
Source: FactSet, Granite Point Research

Exhibit 26: NYMEX:AECO Basis (US$/MMBtu)



Source: FactSet, Granite Point Research

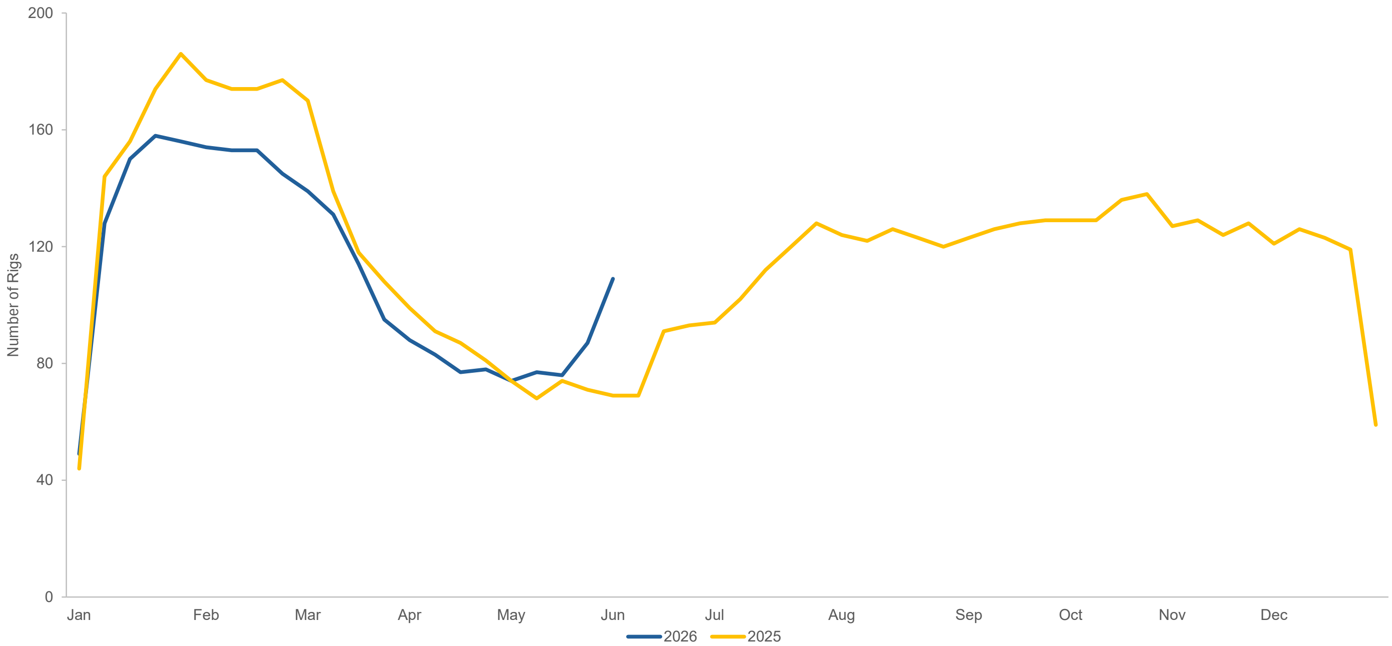
Exhibit 27: Canadian Cash Natural Gas Prices Versus Prior Years



Source: FactSet, Granite Point Research

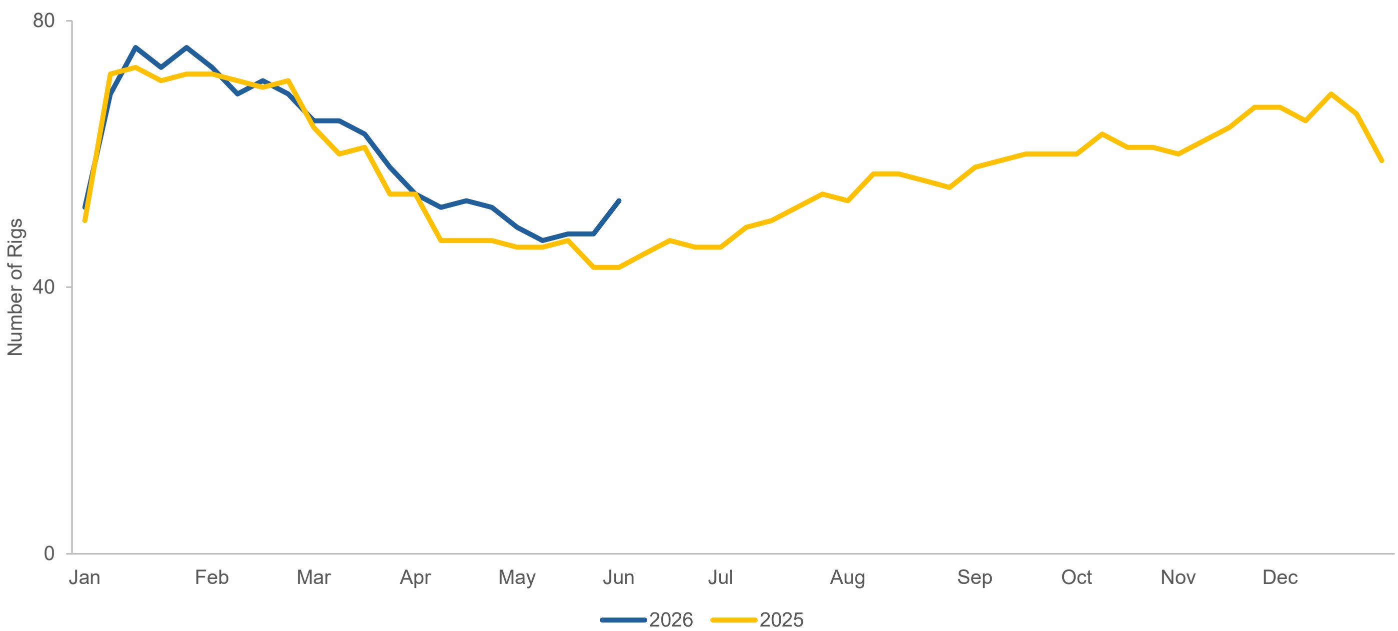
Rig Counts – Canada

Exhibit 28: Oil Rig Count – Canada



Source: FactSet, Granite Point Research

Exhibit 29: Natural Gas Rig Count - Canada



Source: FactSet, Granite Point Research

Important Disclosures

Analyst Certification

I, John Stephenson, hereby certify that the views expressed in this report accurately reflect my personal views, about the subject securities or issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report. Furthermore, I certify that (i) to the best of my knowledge, that I am not in receipt of material non-public information about the issuer, (ii) that I do not own common shares, options, or warrants in the company under coverage, and (iii) that I have adhered to the CFA Institute guidelines for analyst objectivity.

Granite Point Research Ratings System

BUY: The stock is expected to generate returns of over 20%, over the next 24 months;
HOLD: The stock is expected to generate returns of 0-20% over the next 24 months;
SELL: The stock is expected to generate negative returns over the next 24 months;
NOT RATED (NR): Granite Point Research does not provide research coverage on the respective company;
R: Restricted – Dissemination of research is currently restricted.

About Granite Point Research

Granite Point Research focuses on equities currently being overlooked by the market and provides institutional quality issuer paid research on North American public equities. Our reports focus on detailed valuation analysis, understanding the performance metrics of each specific company, reputable management teams and unit economics. For more information on our company, please visit https://www.granitepointresearch.com

RATING	COVERED COMPANIES
BUY	4
HOLD	
SELL	

General Information

This report was created and distributed by Granite Point Research (GPR) and is based on information we believe to be reliable. Granite Point Research does not represent that this report is accurate or complete and it should not be relied upon as such. Additionally, any information contained in this report is subject to change without formal or type of notice provided. Investors should consider this report as one factor in their investment decision and this report is not intended to replace an investor's independent judgement.

GPR is not a CIRO registered dealer and does not offer investment banking services to its clients. GPR (and its employees) do not serve as officers, directors of companies discussed in this report and nor do GPR's employees own, trade or have a beneficial interest in the securities of the companies mentioned in this report. This report is not disseminated in connection with any distribution of securities and is not an offer to sell or buy any security in any jurisdiction where such an offer or solicitation would be illegal.

GPR does not make any warranties, expressed or implied, as to the results to be obtained from using this information and makes no express or implied warranties for a particular use. Anyone using this report assumes full responsibility for whatever results they may obtain. This report does not constitute a personal recommendation or take into account individual financial situations or individual needs and has not been prepared for any particular institution or individual. Recipients should consider whether any information in this report is suitable to their circumstances and should seek professional advice. Past performance is not a guide for future results, future returns are not guaranteed, and loss of original capital may occur. Neither GPR nor any person employed by GPR accepts any liability whatsoever for any direct or indirect loss resulting from any use of its research or the information it contains.

This report contains "forward looking" statements. Forward-looking statements regarding the stock's and/or company performance inherently involve risks and uncertainties that can cause actual results to differ from such forward-looking statements. Such statements involve a number of risks and uncertainties such as technological shifts, competition, market demand and the company's (and management's ability to correctly forecast financial estimates; please see the company's MD&A "Risk Factors" section for a more detailed discussion of company specific risks for the company discussed in this report.

GPR does not have investment banking relationships and does not expect to receive any investment banking driven income. GPR reports are primarily distributed electronically and, in some cases, printed form. Reprints of GPR reports are prohibited without permission. To receive future reports on covered companies please visit https://granitepointresearch.com/research or subscribe on our website.

This report has been prepared independently of any issuer of securities mentioned herein and not as an agent of any issuer of securities. No GPR personnel have authority whatsoever to make any representations or warranty on behalf of the Company. Any comments or statement made herein are those of GPR.

The information contained in this report is intended to be viewed only in jurisdictions where it may be legally viewed and is not intended to be used by any person or entity in any jurisdiction where such use would be contrary to the local regulations or which would require any registration requirement within such jurisdiction.