

An aerial night photograph of an industrial facility, likely an oil refinery or petrochemical plant. The scene is illuminated by various lights, showing a complex network of pipes, scaffolding, and large storage tanks. The foreground features several large, dark, cylindrical storage tanks, while the background shows more intricate piping and structures.

OIL MARKET REPORT

Deal Advisory

Q1 2026

Oil price forecasts

May 2026

❖ Q1 2026 Oil Market Report synopsis

The global oil market was impacted hard by the Israel/US attack on Iran on 28 February and the subsequent closing of the Strait of Hormuz by Iran on 2 March. These events posed risks comparable to the four worst oil shocks in history, which drove Brent crude oil prices to record historical peaks:

1. The OPEC oil embargoes of the 1970s: US\$174*
2. The 2008 Global Financial Crisis: US\$215*
3. The 2020 COVID 19 pandemic: US\$88*
4. The 2022 Russia-Ukraine war: US\$160*
5. The 2026 Israel/US-Iran war: US\$125

*inflation-adjusted

The Israel/US-Iran war caused crude oil prices to surge by 50% after military operations began. This price spike was triggered by severe disruptions to shipping through the Strait of Hormuz, a critical chokepoint that accounts for around 20% of global seaborne oil trade.

The immediate and follow-on effects on global oil markets included:

- **Price spikes:** In the days following the initial joint strikes on Iran, the international benchmark Brent price jumped 8% to \$77/bbl. Prices continued to climb, regularly holding above \$100/bbl throughout the first quarter.
- **Supply deficits:** Shipping companies halted passage through the Strait of Hormuz. The physical deficit climbed to 10 million barrels per day. Countries relying heavily on the region for exports experienced sharp volume declines.
- **Utilisation of strategic reserves:** To counter the supply shortages, countries relied on alternative pipelines in Saudi Arabia and the UAE, while others tapped strategic reserves. However, sustained disruptions resulted in a significant drawdown of these stockpiles, particularly for the US and by an unknown amount for China, the two countries with the largest strategic reserves.
- **Macroeconomic impacts:** The surge in energy prices drove global inflation higher and contributed to the International Monetary Fund and OECD downgrading global economic growth forecasts. The higher prices also sparked intense debates over the extent of demand destruction.

❖ Q1 2026 Oil Market Report synopsis

SW Tenet's outlook

At the time of writing, the short- to medium-term outlook for oil prices remains difficult to predict, primarily due to uncertainty surrounding a stable and lasting resolution to the conflict.

It appears that Iran will occupy a new, advanced role in the region and the global oil market, through the potential lifting of decades-old sanctions and it having some type of controlling role over the Strait of Hormuz.

The one certainty is that if past crises in the oil market can serve as a guide, then the long-term outlook for global oil prices is likely to be a return to an economically-balanced supply-demand market and long-term prices in an historical range of \$65-75/bbl.

As for the O&G industry's global M&A activity for the remainder of 2026, SW Tenet expects to see a shift towards strategic, opportunistic, and disciplined mid-cap transactions and asset carve-outs, and that the megadeals of previous years will be largely avoided.

We have observed a shift away from Middle East Gulf region acquisition activities, in preference for opportunities in geographies that have open access to export markets, such as the coastal countries of Africa and South America.

The M&A outlook for the remainder of 2026 is defined by several key trends:

- **Regional US and Canada trends:** In the US, upstream shale consolidation is focusing on operational synergies rather than aggressive expansion, though easier-to-obtain LNG permits and pro-development policies are causing selective investments. In Canada, gas-fired generation and pipeline expansions drive targeted natural gas acquisitions.
- **Global asset divestments:** Global majors are actively rationalising portfolios by divesting mature or non-core assets. This is creating prime acquisition opportunities for regional players and private equity firms, a trend particularly prevalent in Africa's upstream sectors.
- **Capital discipline and price volatility:** With Brent crude fluctuating significantly as markets react to the situation in the Strait of Hormuz, corporate balance sheets are generally healthy, meaning M&A is opportunistic rather than driven by financial distress.
- **The rise of natural gas:** Natural gas and liquefied natural gas (LNG) are driving investment strategies, supported by midstream integration. This is tied to surging global demand and the need for scalable, efficient energy supplies amid geopolitical tensions.

Q1 Oil Market headlines

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| → | Global oil demand was steady in Q1 2026, but the steepest drop is forecast for Q2 2026 | Slide 8 |
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The Bottom Line

The ongoing saga between OPEC and IEA and their oil market outlooks continues. OPEC's outlook expresses confidence in a market rebalancing, post the Iran war. Following the resolution of initial wartime supply disruptions, the cartel expects oil consumption to recover strongly. OPEC projects global oil demand to rise by 1.0 to 1.4 million barrels per day and is focused on structural market stability without forecasting an imminent peak in long-term demand.

According to the IEA, the war has created an unprecedented global supply shock, resulting in cumulative losses of over 1 billion barrels of crude, triggering the largest drop in oil consumption since Covid-19. Hence the IEA expects the supply crisis to upend previous growth predictions, and force a severe contraction in global demand that drives inventories to critical lows despite massive emergency stock releases.

For reference, the average Brent price for 2025 was US\$69.14, and in 2024 it was US\$80.53/bbl, vs US\$82.49 for 2023, and US\$20/bbl lower than the 2022 average of US\$100.93/bbl.

- The average Brent price forecast for 2026 is US\$78.16/bbl.
- The mid-term oil price forecast for the period from the end of 2026 to the end of 2030 is US\$66.28.
- Beyond 2030, the average long-term Brent price is forecast to be US\$71.30/bbl

Key takeaways

01



Based on EIA estimates, global oil demand fell to 103.5 m bbl/d in Q1 2026. The 2025 average was 104.0 m bbl/d (+1.1% vs 2024), with year-on-year growth driven chiefly by other Asian countries, China, India, and the US.

Analysts differ on 2026 demand. According to the EIA and OPEC, demand is expected to rise by 0.6 m bbl/d and 1.4 m bbl/d respectively, while the IEA forecasts a slight decline of 0.08 m bbl/d. All forecasts have been revised downwards due to supply shortages stemming from the Strait of Hormuz blockade. Nevertheless, international analysts anticipate a gradual recovery in 2027.

02



The 2026 Iran war and consequent Strait of Hormuz blockade have dramatically impacted oil supplies. The EIA estimates that supply fell by 4.3 m bbl/d in Q1 2026 and anticipates a further drop in Q2 to a record low of 99.2 m bbl/d. Supply contracted most sharply in Iraq, the US, Saudi Arabia, and UAE.

On an annual basis, the EIA forecasts total supply at 104.3 m bbl/d in 2026 and 109.5 m bbl/d in 2027, driven by Brazil, the US, Canada, and Argentina. A short-term recovery depends entirely on the war's trajectory and Strait of Hormuz blockade.

03



Despite the significant supply decline, the oil market saw a slight surplus in Q1 2026 due to excess production in January and February.

A peak oil shortage is expected in Q2 2026, depending on how long the Hormuz blockade continues and the extent of damage to Middle Eastern oil infrastructure. Southeast Asian countries are particularly vulnerable due to their reliance on crude and products from the Middle East and India.

Key takeaways

04



In the short term, Brent prices will be driven mainly by geopolitics and the ease of accessing physical crude. If the Middle East conflict persists through H2 2026, average annual Brent could exceed USD 100/bbl. The price shock effects are expected to linger through 2027, and stabilise in 2028.

The long-term (post-2030) consensus forecast for Brent stands at USD 72.1/bbl in real 2026 prices, broadly consistent with recent years.

Global GDP growth is expected to slow over 2026–2027 vs 2024–2025, according to the IMF

Global economy

According to OECD estimates, the global economy remains resilient; however, growth prospects have deteriorated amid heightened geopolitical tensions and rising energy prices. An escalation in the 2026 Iran War triggered a substantial surge in oil and gas prices, which in turn intensified inflationary pressures and dampened economic activity.

The IMF forecasts that global GDP growth will decline to 3.1% in 2026 and 3.2% in 2027. The OECD projects a more significant slowdown in 2026, with growth falling to 2.9%, followed by a slight uptick to 3.0% in 2027. A rise in commodity prices, as well as heightened inflation expectations and tightening financial conditions stemming from the above conflict, are further undermining the global economy. Global inflation is expected to be 4.4% in 2026, before easing to 3.7% in 2027. The rise in inflation expectations is driven by higher energy and food prices. The role of inflation, associated with country-specific factors, has increased. In the United States, the United Kingdom, Japan, and India inflation is projected to return to target levels by the end of 2027. Meanwhile, in the Eurozone inflation will remain above targets, and in China it is expected to rise.

In the United States GDP growth of 2.3% in 2026 will be supported by an expansionary fiscal policy and the delayed effects of interest rate cuts in 2025. However, trade barriers introduced in 2025 remain a constraint to growth. In 2027 growth is projected to decelerate, due to reduced immigration and a shift towards more moderate consumption levels. This will partially be offset by technological advancements, though their impact overall is gradually diminishing.

In the Eurozone, after a significant rise in 2025, GDP growth will slow over 2026–2027 due to a sustained increase in energy prices and the impact this will have on manufacturing. Also, the appreciation of the euro against the currencies of key exporters will create further pressure.

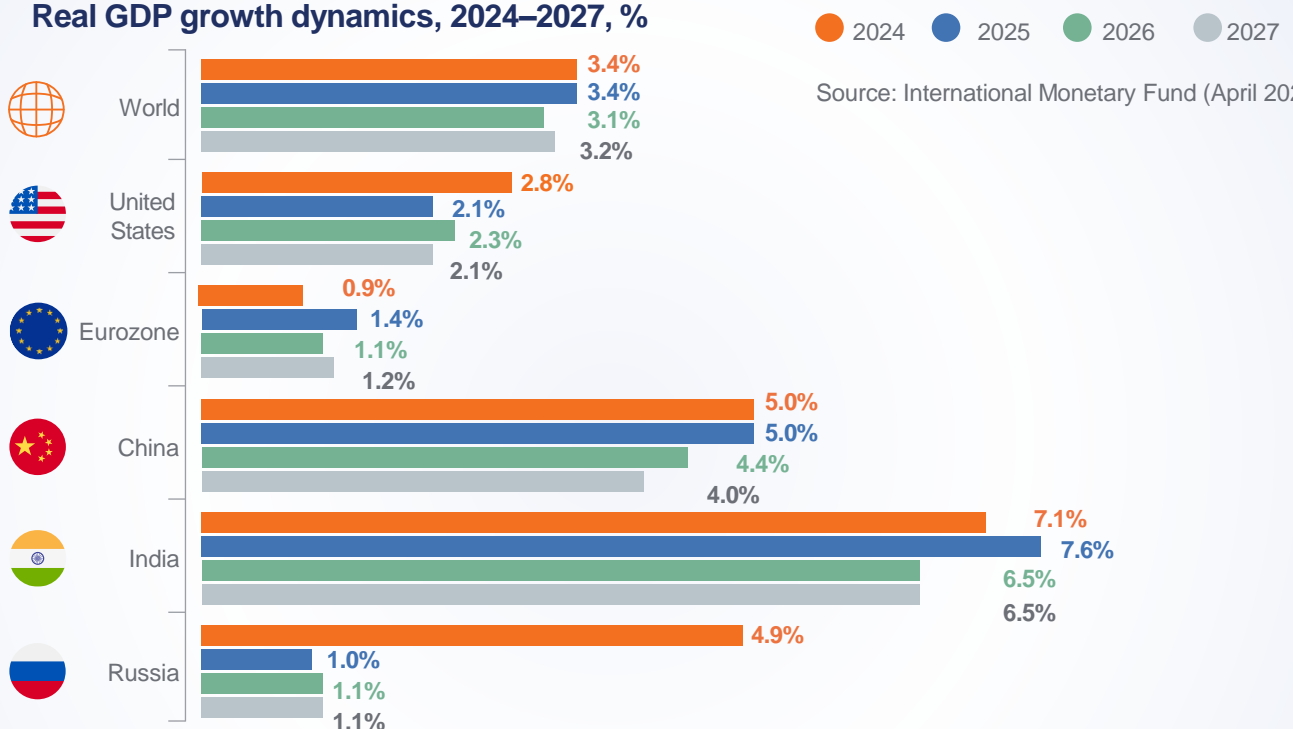
In China, GDP growth of 4.4% in 2026 will be underpinned by reductions in US tariff rates and effective policy responses to external shocks, such as export restrictions on energy commodities. In 2027 GDP growth is projected to continue to slow, due to declining residential construction, shrinking labour forces, reduced labour productivity growth, and diminished investment returns.

According to an IMF forecast, after a significant rise in 2025 India's GDP growth rate will decline to 6.5% over 2026–2027. Relatively high growth rates, despite negative impacts from the conflict in the Middle East, will be supported by reduced US trade tariffs.

The IMF projects that Russia's GDP growth will stabilise at 1.1% over 2026–2027, driven by an anticipated increase in commodity prices.

According to the IMF, the conflict in the Middle East will be short lived and thus have only a moderate impact on global economic dynamics. However, should unfavourable scenarios transpire, such as a more protracted conflict or delayed energy infrastructure restoration, the slowdown in global economic growth will be more pronounced.

Real GDP growth dynamics, 2024–2027, %



Source: International Monetary Fund (April 2026)

❖ Global oil demand was steady in Q1 2026, but the steepest drop is forecast for Q2 2026

Global oil demand

Prior to the conflict between the United States and Iran, analysts assessed that the oil market faced an oversupply and rapid growth in global inventories, which was reflected in a steady decline in prices in the previous year. This trend was expected for at least the next two years, given strong production growth from non-OPEC+ countries as well as higher production targets by OPEC+ members outpacing growth in global oil demand. However, the conflict quickly changed market dynamics, as producers in the region were forced to significantly curtail oil output, which led to a supply deficit.

Based on EIA estimates, global oil demand in Q1 2026 stood at 103.5 million bbl/d, down 1.1 million bbl/d from Q4 2025 but up 1.2 million bbl/d compared to Q1 2025. The decline was mainly driven by reduced consumption in the Middle East, Europe, Eurasia (including Russia), and other OECD countries. Year-on-year growth was recorded in other Asian countries, China, India, and the US.

For the full year 2025, the EIA put average global demand at 104.0 million bbl/d, while its current forecast for 2026 is 104.6 million bbl/d. Growth is still expected in Asia, China, and other OECD economies. According to the EIA, demand will reach 106.2 million bbl/d by 2027. Analysts have revised their global oil demand forecasts following reports of state initiatives to lower fuel consumption and restrict refined petroleum products exports. The decline in demand is projected to be mainly in Asia, which is the world's most dependent region in terms of crude oil supplies from the Middle East.

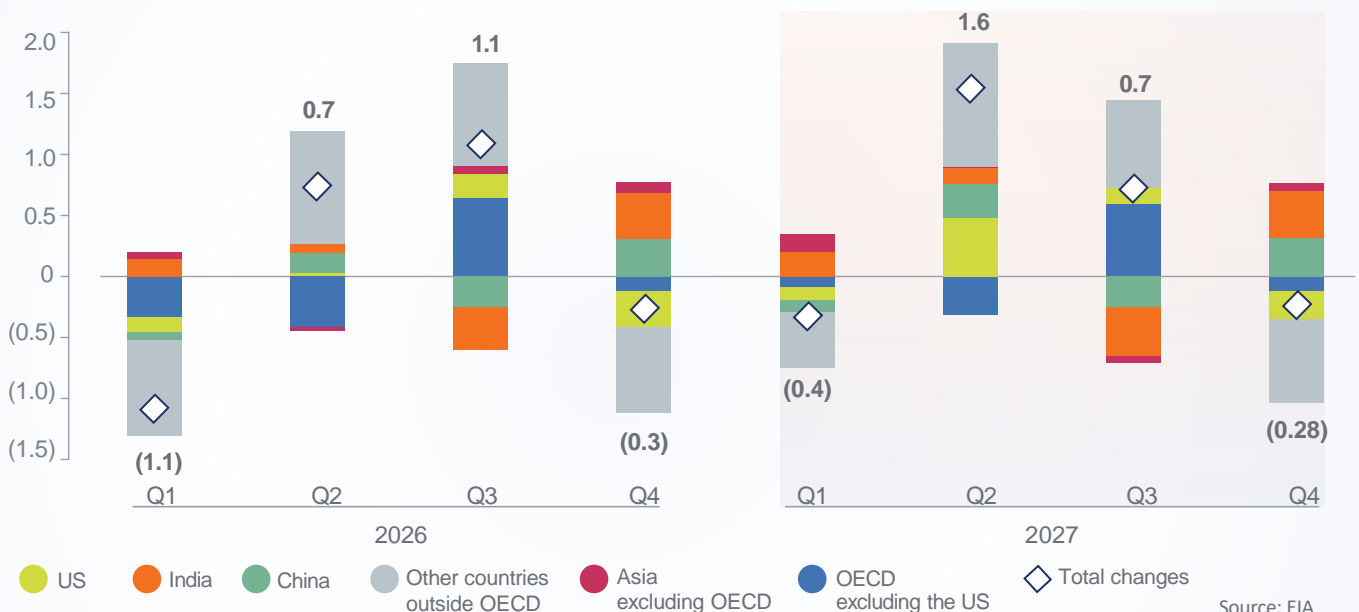
This year the IEA expects global oil demand to fall slightly, by 0.08 million bbl/d, due to the conflict between the US and Iran; it has revised downwards its forecast cited in our previous report, by 0.7 million bbl/d. At the same time, the projected decline of 1.5 million bbl/d in Q2 2026 would represent the sharpest drop since the Covid pandemic. Initially, the most significant reductions in oil consumption were in the Middle East and Asia-Pacific region. However, demand contraction is expected to spread as supply shortages and high prices persist.

According to OPEC forecasts, global oil demand will rise by 1.4 million bbl/d in 2026; unchanged on the forecast cited in its previous report. Demand in OECD countries is projected to rise by 0.1 million bbl/d, while in non-OECD countries it is projected to grow by 1.3 million bbl/d. In 2027 global oil demand could rise by an additional 1.3 million bbl/d; this is also consistent with the figure cited in its previous report.

Thus, despite substantial supply disruptions caused by the Strait of Hormuz blockade, no significant midterm decline in oil demand is anticipated. At the same time, international analysts expect demand growth to slow in 2026, before gradually recovering in 2027. The current reduction in demand is driven primarily by the physical inability of certain countries to procure necessary volumes of oil.

	EIA	OPEC	IEA
Forecast as of January 2026	1.1	1.4	0.9
Forecast as of April 2026	0.6	1.4	(0.08)
Difference	(0.5)	-	(0.98)

Changes in liquid hydrocarbons demand by region and country, 2025–2026, Q/Q, mln bbl/d



❖ The global oil supply declined by 4.3 m bbl/d in Q1 2026, with an additional 4.9 m bbl/d drop expected in Q2

Oil supply

The main issue in Q1 2026 was without question the Strait of Hormuz blockade, which severely restricted global hydrocarbon supplies. The consequences of this downturn are expected to persist at least throughout 2026 and likely have long-term implications for the global oil and gas market.

According to the EIA, oil production in the Middle East, impacted by the strait's blockade, averaged 7.5 million bbl/d in March. The agency projects that volumes will peak at 9.1 million bbl/d in April before gradually declining in the following months. These disruptions will entail a reduction in global inventories of 5.1 million bbl/d in Q2 2026. This forecast includes the release of funds from the US Strategic Petroleum Reserve (announced on 11 March), as well as coordinated strategic reserve releases declared by the IEA.

Overall, the EIA estimates a drop in oil supply of 4.3 million bbl/d in Q1 2026 and anticipates an even more challenging Q2, with an additional decline of 4.9 million bbl/d. These reductions would push the total supply down to a record low of 99.2 million bbl/d. The recovery could begin as early as Q3, however, this entirely depends on how the conflict in the Middle East develops. According to the EIA, in Q1 2026 the most severe supply reductions were in Iraq (-0.9 million bbl/d), the United States (-0.8 million bbl/d), Saudi Arabia (-0.4 million bbl/d), and the UAE (-0.4 million bbl/d). US production in Q1 2026 fell from its previous quarter's record levels, but still showed year-on-year growth of 0.6 million bbl/d vs the same period last year.

The EIA projects the supply to be 104.3 million bbl/d in 2026, and 109.5 million bbl/d in 2027.

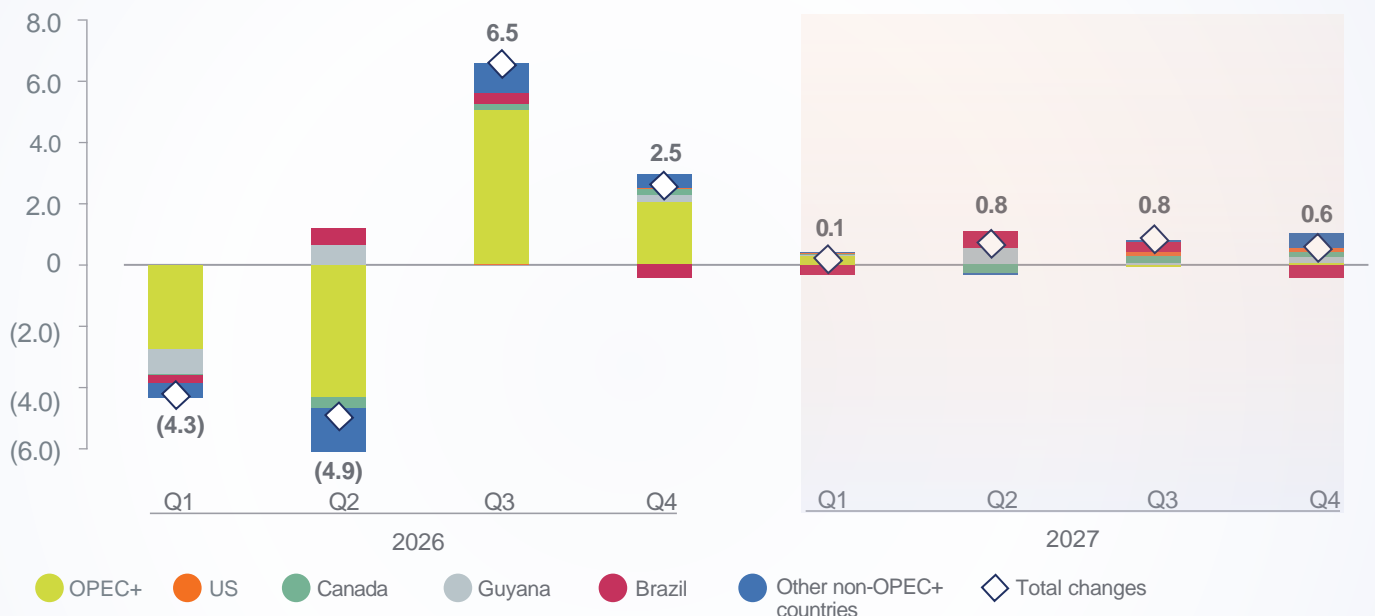
However, if the Strait of Hormuz blockade ends in Q2 2026, a production cut is expected in 2026 as follows:

	March	April	May	June	Q3	Q4
MIn bbl/d	(7.5)	(9.1)	(6.7)	(5.0)	(2.2)	(0.2)

The IEA notes that global oil supplies fell sharply by 10.1 million bbl/d in March, to 97 million bbl/d, due to ongoing attacks on the energy infrastructure in the Middle East and restrictions on tanker movements through the Strait of Hormuz. OPEC+ production declined by 9.4 million bbl/d month-on-month in March, reaching 42.4 million bbl/d. At the same time, the non-OPEC+ supply contracted by only 0.8 million bbl/d, to 54.7 million bbl/d, as reduced output from Qatar was offset by increased production in Brazil and the United States. This aligns with EIA data for March 2026.

Based on secondary sources, OPEC estimates a decline in crude oil production by its member countries of 7.7 million bbl/d in March compared to the previous month. Meanwhile, non-OPEC liquid hydrocarbons production is projected to grow by around 0.6 million bbl/d year-on-year in 2026, consistent with the prior month's assessment. Key drivers behind this growth are expected to be Brazil, the United States, Canada, and Argentina. Similar non-OPEC growth of around 0.6 million bbl/d is also expected for 2027, chiefly driven by Brazil, Qatar, Canada, and Argentina – also unchanged from the previous estimate.

Changes in liquid hydrocarbons supply by region and country, 2025–2026, Q/Q, mln bbl/d*



Note: The EIA does not include Brazil in OPEC+ because the country is not subject to oil production quotas.

❖ The conflict in the Middle East and Hormuz blockade have caused the biggest oil supply disruptions

Disruption to global oil supplies

On 28 February Israel and the United States launched a large-scale military operation against Iran. The conflict initiated the largest disruptions to global oil supply in history, due to a near-complete halt of shipping through the Strait of Hormuz.

According to the IEA, about 15 million barrels of crude and 5 million barrels of petroleum products (around 20% of global oil consumption) normally pass through the strait daily. Since the outbreak of the conflict these flows have fallen to historic lows, but have not been cut off entirely. Current losses in fuel supply volumes now exceed those during the 1973 oil crisis as well as any other disruptions since then. Gulf countries, including Iraq, Kuwait, Qatar, and Bahrain, rely heavily on this route for their oil and liquefied natural gas exports. Due to limited alternatives for bypassing the strait and storage facilities filling up, Gulf countries have reduced oil production by an estimated 7.5-10 million bbl/d.

These supply cuts have significantly impacted global markets, pushing crude oil prices above US\$100 per barrel and increasing prices for certain refined products, particularly diesel, aviation fuel, and LNG.

The closure of the Strait of Hormuz and lack of viable alternatives mainly impact the Asian market. In 2025 China and India accounted for 44% of crude oil exports.

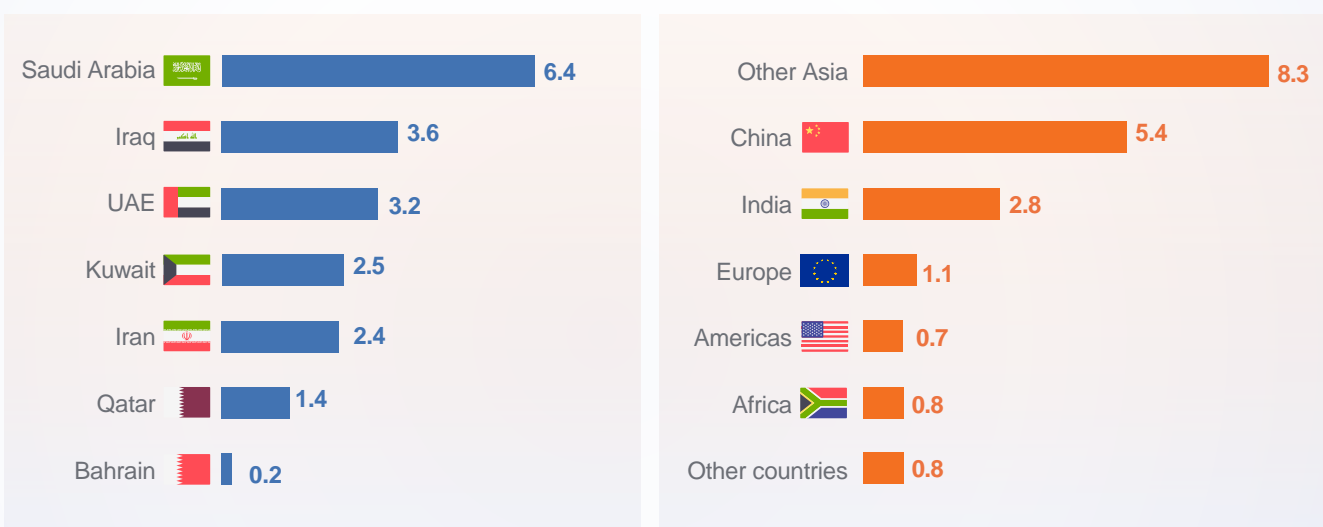
Japan and South Korea are also highly dependent on oil flows passing through the strait, and account for a significant share of the approximately 29% of crude oil imports by IEA countries via this route. Japan began the release of its strategic oil reserves (80 million barrels) in March; the same volume is set to come to market in May as part of the second phase. The blockade has caused significant negative impacts on South Korea's petrochemical industry.

Southeast Asian countries, including Taiwan, Thailand, and Singapore, have also suffered major losses – the shortage of feedstock led to physical fuel shortages at gas stations and price hikes. Europe receives only about 4% of regional crude oil flows, hence direct physical supply disruptions are less critical for it. However, the price shock is affecting all markets.

According to international analysts, export revenues of Gulf countries have been distributed highly unevenly. Partially reduced volumes were offset by higher crude prices. Iraq and Kuwait have borne the brunt of the impact: their projected oil revenues fell by around 75% year-on-year. In contrast, Iran and Oman's oil export revenues rose by 37% and 26%, respectively. Saudi Arabia saw modest revenue growth of 4.3%, while the UAE experienced a slight decline of 2.6%.

A continuation of the conflict and attacks on energy infrastructure continue to exert increasing pressure on resource prices. Even after the strait reopens, time will be needed to repair damage and normalise tanker routes and trade flows. Consequently, an oil price premium is expected to persist for at least another quarter following the reopening of the passage.

Key exporters (left) and importers (right) of crude oil and petroleum products shipped through Strait of Hormuz, 2025, mln bbl/d



■ exporting countries ■ importing regions

Source: EIA

❖ The oil market moved into deficit in March 2026, with the shortfall expected to peak in Q2 2026

Oil market balance and inventory levels

According to the EIA, despite a significant drop in supply an average market surplus of 0.5 million bbl/d was recorded in Q1 2026, driven by overproduction in January and February. The surplus hit 4.7 million bbl/d in March. Meanwhile, the IEA estimates that global oil could have been subject to a deficit of up to 7.0 million bbl/d in March 2026, while the OPEC forecasts a more modest deficit of 2.9 million bbl/d at the end of Q1 2026.

At the same time, EIA experts anticipate a record quarterly deficit of 5.1 million bbl/d in the following quarter, which has undoubtedly exerted and will continue to exert upward pressure on prices.

Traditionally, inventory levels act as a market buffer. In 2025, global crude oil stocks rose steadily, offsetting production surpluses. In March 2026 worldwide oil inventories began declining. According to the IEA, total inventories fell by 85 million barrels, and in countries outside the Persian Gulf they dropped even more sharply, by 205 million barrels (-6.6 million bbl/d), primarily due to disruptions in flows through the Strait of Hormuz. Conversely, on account of the strait's effective closure and limited export capabilities, floating storage capacity for crude oil and petroleum products in the Middle East went up by 100 million barrels, while onshore crude reserves in the region grew by 20 million barrels. Meanwhile, China replenished its crude oil stocks by 40 million barrels.

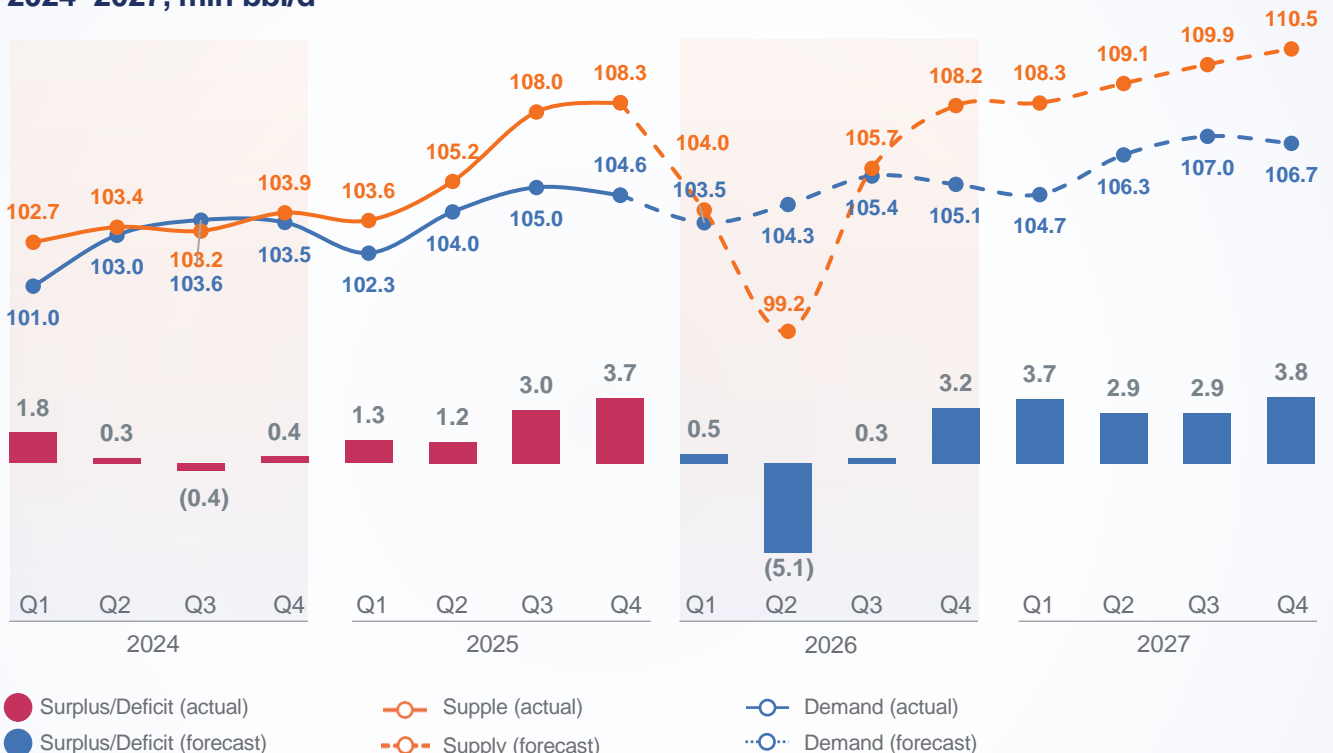
At the same time, according to the EIA, commercial oil stocks in OECD countries fell by only 19 million barrels in Q1 2026; the decline was driven almost entirely by non-US members. The US is projected to continue to build its own commercial inventories during 2026, while other OECD nations will draw down theirs until the end of Q2 2026 and consume an additional approx. 170 million barrels of crude. This forecast includes [the US Strategic Petroleum Reserve \(SPR\) release](#) announced on 11 March, as well as [coordinated SPR releases](#) declared by the IEA.

OPEC has come to similar conclusions: the United States is likely slightly increasing its stockpiles, while other importing nations are more likely using up their reserves – a logical development given current market conditions.

Forecasters expect the worldwide oil deficit to peak in Q2 2026. However, an extended blockade of the Strait of Hormuz and any further damage to Middle Eastern oil infrastructure could deepen the deficit.

The measures announced by the US and IEA to stabilise the oil market have so far had no significant impact on supply balances or prices. Southeast Asian countries, which are heavily dependent on imports of crude oil and refined products from the Middle East and India, continue to be the most vulnerable regions in this scenario.

Demand, supply, and balance of liquid hydrocarbon market (quarterly average), 2024–2027, mln bbl/d



Source: EIA

Driven by the conflict, in March 2026 average oil prices reached their highest point since August 2022

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



According to the EIA, in Q1 2026 Brent oil prices were up 26% on the previous quarter's average.

At the start of the year oil prices experienced moderate growth; in January, Brent reached US\$67 per barrel after the imposition of US sanctions on Venezuela and a temporary shutdown of oil production in Kazakhstan due to fire damage at the Tengiz field.

The main drivers of Brent price dynamics in February 2026 were the escalation of the conflict in the Middle East and disruptions to Kazakh oil production in the wake of attacks on the Caspian Pipeline Consortium (CPC). Against this backdrop, on 1 February 2026 OPEC+ confirmed that production quotas for March would remain unchanged at December 2025 levels.

A turning point came on 28 February 2026, when the United States and Israel launched a military operation against Iran. On 4 March, Iran imposed a total ban on transit through the Strait of Hormuz, which reduced throughput from 140–150 vessels per day to just 15.

As a result, Brent crude reached US\$127 per barrel by late March, with an average monthly price of US\$103 per barrel; these are the highest levels seen since August 2022. Experts note that the cost of purchasing physical crude (via supply contracts) has consistently exceeded the value of financial futures, due to high demand for the commodity.

In April, Brent prices saw significant volatility (5-10% daily), on account of the Strait of Hormuz blockade and ongoing efforts by the US and Iran to negotiate a ceasefire.

By late March 2026 Urals crude topped US\$100 per barrel, a level not seen since 2013

Urals prices

In Q1 2026 Urals prices rose in line with global market trends. According to the Russian Ministry of Economic Development, the average price for Russian Urals oil (used to determine taxes) in Q1 2026 reached US\$54.2 per barrel, an 18.0% rise on Q4 2025. In March the average price climbed to US\$77.0 per barrel, marking the highest monthly average since October 2023.

According to [Bloomberg](#), daily Urals quotes at the end of March 2026 exceeded US\$100 per barrel, marking a record high since 2013.

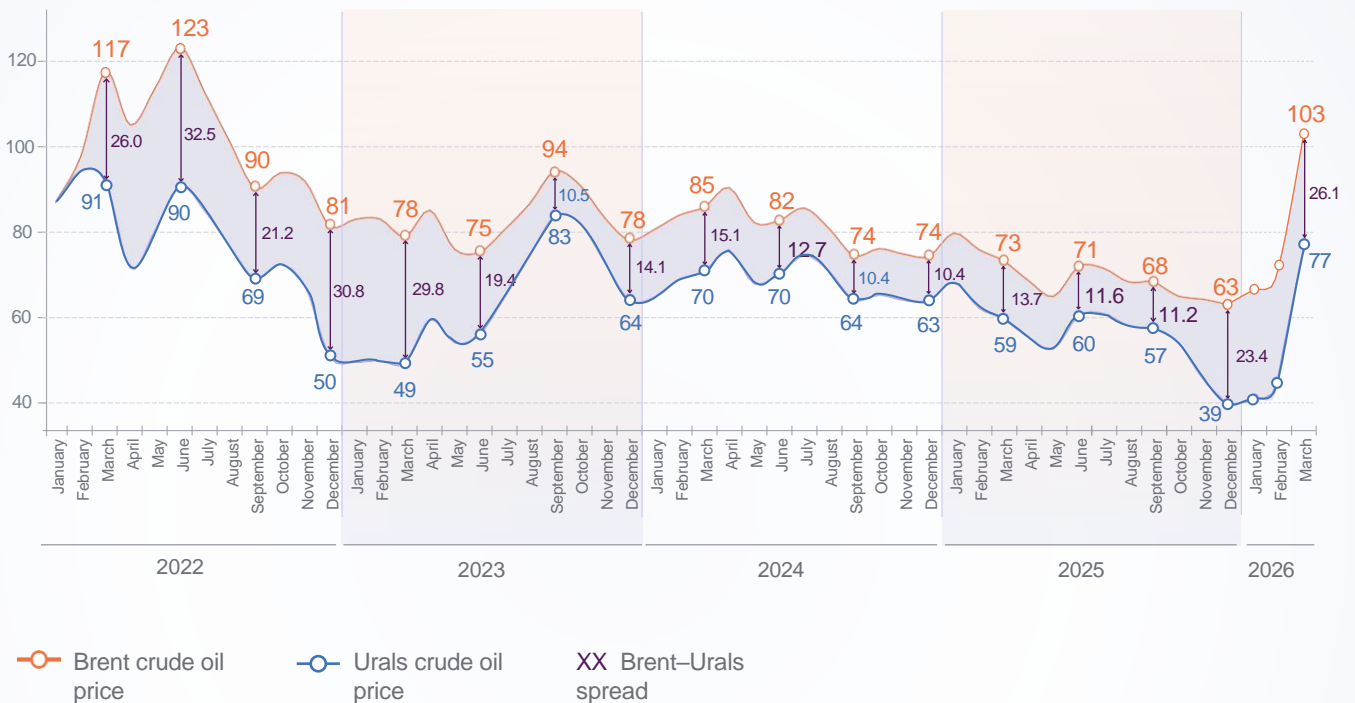
The average Brent–Urals FOB spread at Russian ports widened to US\$26.1 per barrel in March. However, pricing data from Argus shows that, by mid-April, discounts on Russian oil at key ports had already hit their lowest levels since late 2025.

Following the Strait of Hormuz blockade and consequent oil supply disruptions from Middle Eastern countries, on 6 March 2026 the Office of Foreign Assets Control (OFAC) at the US Department of the Treasury granted India a 30-day license to buy Russian oil that had been loaded onto tankers before 5 March (around 130 million barrels; according to [Kpler](#)).

On 12 March the OFAC issued a license allowing the purchase of Russian oil and petroleum products loaded onto tankers on or before 12 March (approximately 19 million barrels of oil and 310,000 tonnes of petroleum products across roughly 30 tankers, according to [Bloomberg](#)). On 18 April the license was extended; however, it now applied only to vessels loaded no later than 17 April.

According to [S&P Global](#), Russian crude oil exports reached their highest level since 2023 in March 2026, hitting 4.61 million bbl/d. However, the risk of secondary sanctions being imposed on importers of Russian crude remains, and this hampers a rally in prices.

Dynamics of Brent and Urals crude oil price (used in determining taxes), 2022–2025, USD/bbl

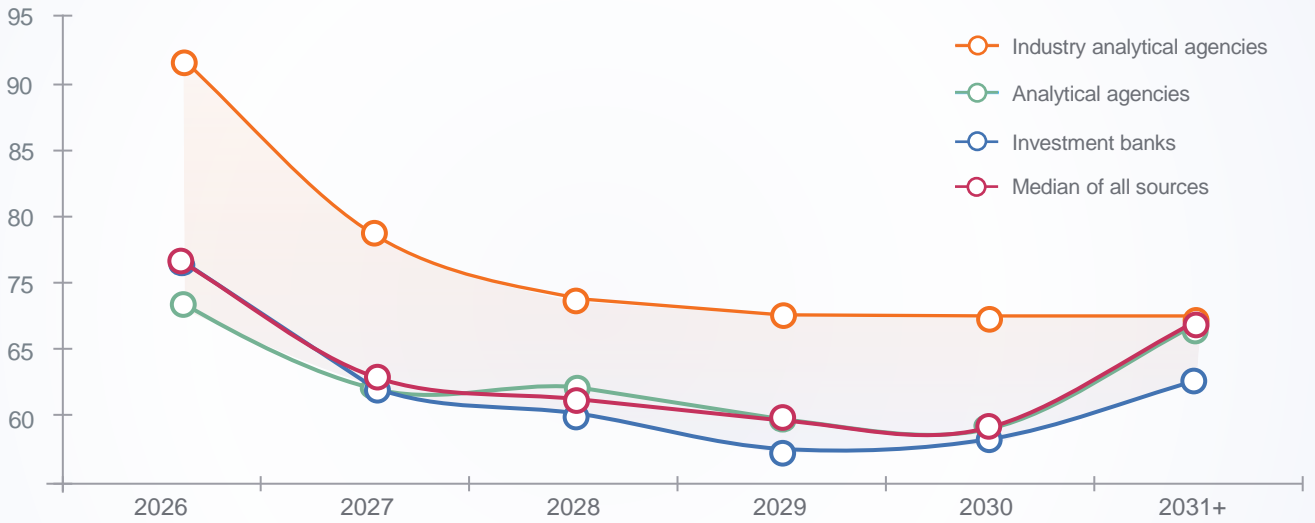


Sources: Actual Brent data from the EIA; actual Urals data from the Russian Ministry of Economic Development.

Note: Urals statistics are presented in accordance with Russian Ministry of Economic Development publications. These data are used for tax calculations. A new Russian Tax Code methodology stipulates that the Urals price quote should be determined using weighted averages of Urals FOB Primorsk, Urals Med Aframax FOB Novorossiysk, and lighter ESPO blend FOB Kozmino prices.

Following multiple shocks, Brent crude is projected to stabilise by 2028

Brent crude oil price forecast in real terms (2026 prices), USD/bbl



Sources: Oil companies, analytical agencies and investment banks.

Note: Forecasts updated after the outbreak of the conflict in the Middle East were taken into account (March–April 2026). As of the Review date, oil companies had not released any updated forecasts.

In the short term, Brent crude prices will be driven primarily by geopolitical developments and the size of the supply deficit. Given that this is a highly volatile situation, it is important to only rely on updated forecasts.

Goldman Sachs projects Brent prices above US\$100 per barrel in Q2 2026 if the Strait of Hormuz remains blocked until the end of April, and over US\$110 per barrel in the event of a longer closure.

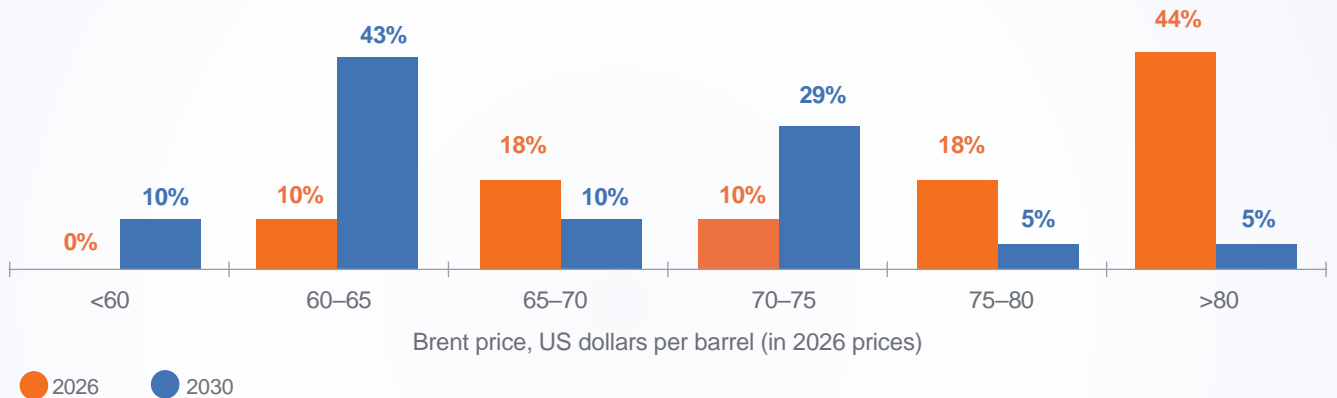
Bank of America forecasts Brent at US\$70 per barrel if oil supplies from Gulf countries resume by April; US\$85 per barrel if supply disruptions persist into Q2 2026; and US\$130 per barrel if the conflict continues into Q2 2026 (the least likely scenario according to Bank of America).

In the midterm, as geopolitical tensions ease, the market anticipates a decline in prices, although analyst estimates differ significantly. Projections for 2027 range from USD 55 to 95 per barrel in real terms.

Once shipping resumes and the lingering impacts of the conflict subside, crude oil prices are anticipated to stabilise at baseline levels and be governed once again by standard supply and demand considerations.

The current long-term (post-2030) forecast for Brent crude stands at about USD 72.1 per barrel in real terms (expressed in 2026 prices), consistent with previous long-term projections.

Distribution of Brent crude oil price forecasts, 2026 and 2030 (2026 prices)



Sources: Data from oil and gas companies, analytical agencies, and investment banks.

Appendix (1/2)

Brent crude oil price forecast. USD/bbl (in 2026 prices)

Oil companies						
Average	N/A	N/A	N/A	N/A	N/A	N/A
Median	N/A	N/A	N/A	N/A	N/A	N/A
Industry analytical agencies						
the EIA	95.6	74.2				
GLJ Petroleum Consultants Ltd	102.0	79.8	76.3	73.1	72.9	72.5
McDaniel	86.9	79.0	74.0	74.0	74.0	74.0
Sproule	87.7	78.4	72.1	72.1	72.1	72.1
Average	93.1	77.9	74.1	73.1	73.0	72.9
Median	91.7	78.7	74.0	73.1	72.9	72.5
Analytical agencies						
Budapest Bus. School	107.0	94.9	90.5	83.9	82.1	87.0
Capital Economics	86.7	65.7				
Economist Intelligence Unit	66.7	65.4	62.0	58.7	57.3	57.2
Euromonitor International	61.8	63.2	65.6	65.0	63.7	
E2 Economia	75.3	68.1	68.4	70.3	72.2	72.1
BMI, a Fitch Solutions company	78.0	70.1	67.6	65.2	63.8	
ISGR	68.0	67.4	69.5	70.8	72.9	80.0
Market Risk Advisory Co Ltd	82.8					
Moody's Analytics	69.9	63.4	64.9	64.7	64.4	
Oxford Economics	68.2	55.4	53.7	54.5	55.3	
P K Verleger	91.7	82.7				
Pezco Economics	72.3	68.9	69.6	68.7	67.9	70.0
Average	77.4	69.6	68.0	66.9	66.6	73.3
Median	73.8	67.4	67.6	65.2	64.4	72.1

Note: Forecasts updated after the outbreak of the conflict in the Middle East were taken into account (March–April 2026).
As of the Review date, oil companies had not released any updated forecasts.

Appendix (2/2)

Brent crude oil price forecast, USD/bbl (in 2026 prices)

Investment banks	2026	2027	2028	2029	2030	2031+
ABN Amro	75.0	66.2	61.9	55.9		
Bank of America Merrill Lynch	77.0	64.2	66.7	65.2	63.8	
Bank Julius Baer	65.6	62.0	64.3	62.9	61.5	
Barclays PLC	75.5	67.5	65.1	55.9		
BoA Securities	76.7	64.0				
Citigroup Inc	83.0	68.1	66.7			
Commerzbank AG	80.0	63.3				
Ecoanalitica	70.9	64.2	65.4	65.5	64.8	
Goldman Sachs	80.0	73.8	71.4	69.9		
HSBC Holdings PLC	80.0	68.1	66.7			
ING Groep NV	68.0	60.3				
Intesa Sanpaolo SpA	90.0	63.3	62.9	62.4	62.0	
Investec	62.3	63.3	65.7	67.1	67.5	68.0
Julius Baer	63.8	65.7	64.3	62.9		
Landesbank Baden-Wuerttemberg	60.0					
Macquarie Group Ltd	89.0	73.0	62.9	62.4	62.9	
OCBC	85.0	68.1				
Panmure Liberum	65.7	67.6	71.4	76.9	78.6	77.9
Rabobank	93.3	80.8	68.1	60.6	60.6	
Raiffeisen Intl	76.0	68.1				
TD Securities	92.0	86.6				
UBS	72.3	68.1	71.4	71.0	71.2	68.0
UniCredit	82.5	77.9				
Average	76.7	68.4	66.3	64.5	65.9	71.3
Median	76.7	67.6	65.7	62.9	63.8	68.0
Average of all sources	78.6	69.8	67.7	66.4	67.2	72.6
Median of all sources	77.0	68.1	66.7	65.2	64.8	72.1

Note: Forecasts updated after the outbreak of the conflict in the Middle East were taken into account (March–April 2026).
As of the Review date, oil companies had not released any updated forecasts.

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