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US gas storage: 370 Bcf year-over year deficit currently; big change from 2016

Source: EIA, 5/26/2017
Canadian gas storage: Also at a deficit to 2016 levels

Source: Enerdata, Bloomberg, 5/23/2017
Rig counts continue to rise as producers respond to price signals

Source: Baker Hughes, 6/2/2017
Drilled but uncompleted wells (DUCs) have helped partially offset the decline in rig counts.

Source: EIA, Drilling Productivity Report, May 2017

Total April Oil DUCs: 4,779

Total April Gas DUCs: 942
Permian continues to surprise to the upside as rig productivity increases

- Since May 27, US oil rig count has increased by 417
- Permian accounted for over 50% of additions (227)

Sources: EIA Drilling Productivity Report – May 2017; Baker Hughes – 6/2/2017
West Production: Growth is primarily from associated supply

Sources: HPDI (Data may be incomplete for certain states due to different reporting schedules)
U.S. gas supply: EIA projecting a return to growth

Source: EIA Short Term Energy Outlook, May 2017; Various External Consultants, May 2017
Varied expectations for Canadian production: Driven by price expectations

Source: Various external consultants, May 2017
Growing renewables capacity: A California example

Source: CAISO, EIA, Energy Velocity, March 2017
Mexican exports: Pipeline capacity additions continue

- **NET Mexico / Los Ramones**: 2.1 Bcf/d – Dec 2014
- **Trans-Pecos**: 1.4 Bcf/d – Mar 2017
- **Comanche Trail**: 1.1 Bcf/d – Jan 2017
- **Nueva Era**: 0.5 – 1.2 Bcf/d – Jul 2017
- **Brownsville to Tuxpan**: 2.6 Bcf/d – May 2018

Source: Sener, EIA, May 2017
U.S. LNG export capacity: What will be the impact to the global markets?

Sources: EIA, Department of Energy, FERC, various companies websites, Platts Analytics’ Bentek Energy, 6/1/2017
Long-term Henry Hub spot price outlooks

Source: NYMEX, Various External Consultants, 6/1/2017

View of crude oil prices, competing fuels, supply costs, production growth, structural demand trends and global trade flows will influence gas price outlook
Gas pipeline infrastructure: More expansions coming, timing less certain

Announced and Under Construction Export Capacity

- To Midwest – 4.75 Bcf/d
- To GCSE – 15.5 Bcf/d
- To NE and CAN – 3.3 Bcf/d

Over 4.7 Bcf/d of NE to Midwest expansions in 2017

Over 3.2 Bcf/d of NE to GCSE expansions in 2017

Over 1.5 Bcf/d of NE to GCSE expansions in 2019

Over 10.8 Bcf/d of NE to GCSE expansions in 2018

Source: Platts Analytics’ Bentek Energy, April 2017
Questions?