



2024 SUMMER OUTLOOK

MARKETS MATTER

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Upward market pressure



Flat market pressure



Downward market pressure

LOOKING AHEAD TO SUMMER 2024



Market Pressure Points



Production/Supply



Weather



Economy



Demand



Storage



Summer Expectations



Wild Card Factors

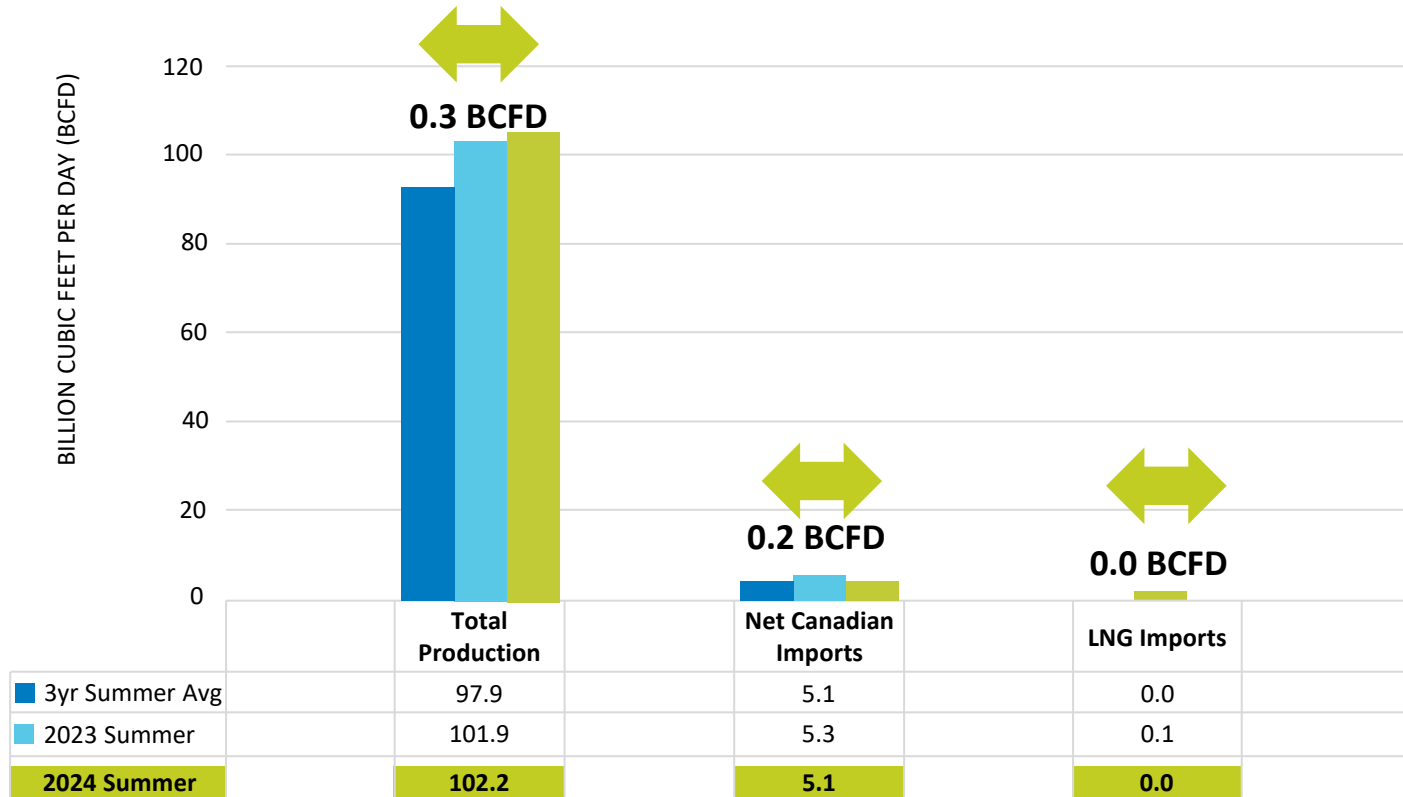
SUMMARY

Supply: Production Level to Last Summer

Total Supply Forecast: 107.4 Bcf/d

Previous 3-year average: 103.1 Bcf/d

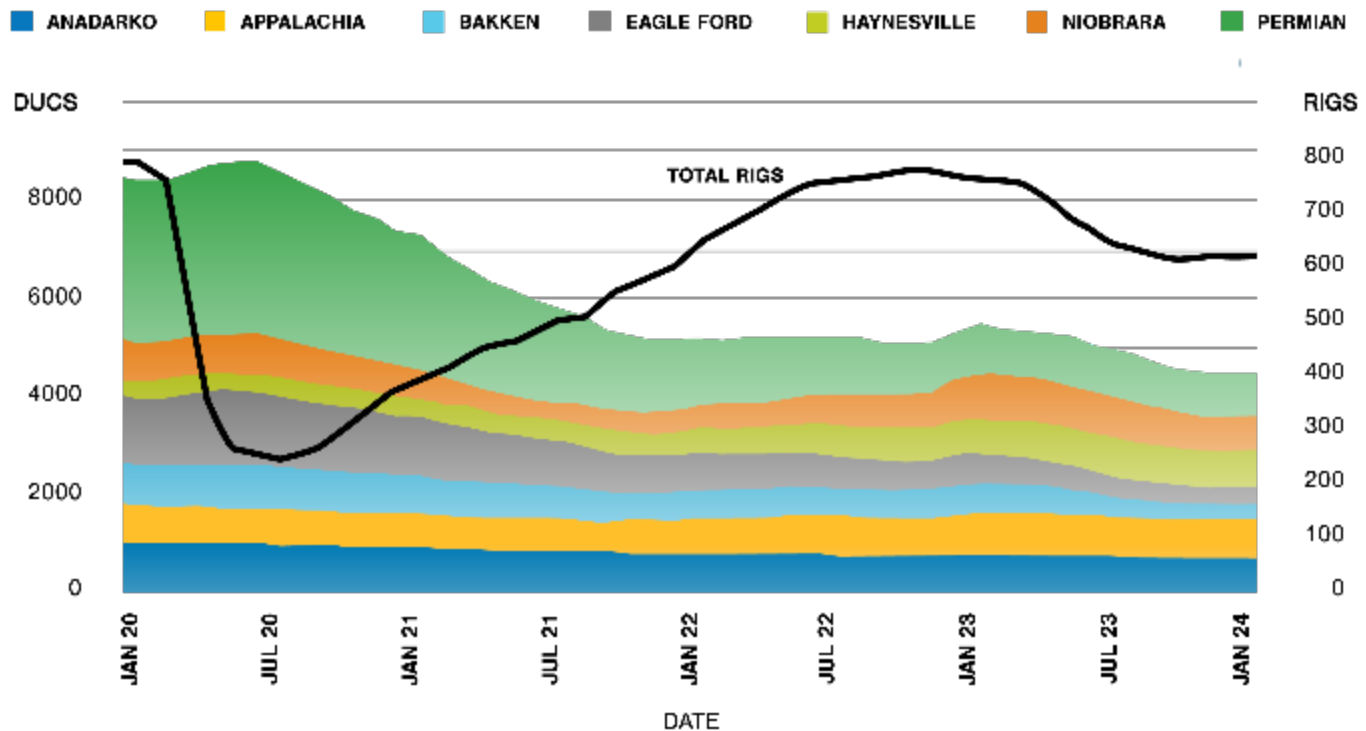
2023 Summer average 107.3 Bcf/d



Summer-to-summer pressure on natural gas prices

Efficiencies Buoy Record Production As Rigs Decrease and “DUC” Inventory Levels Out

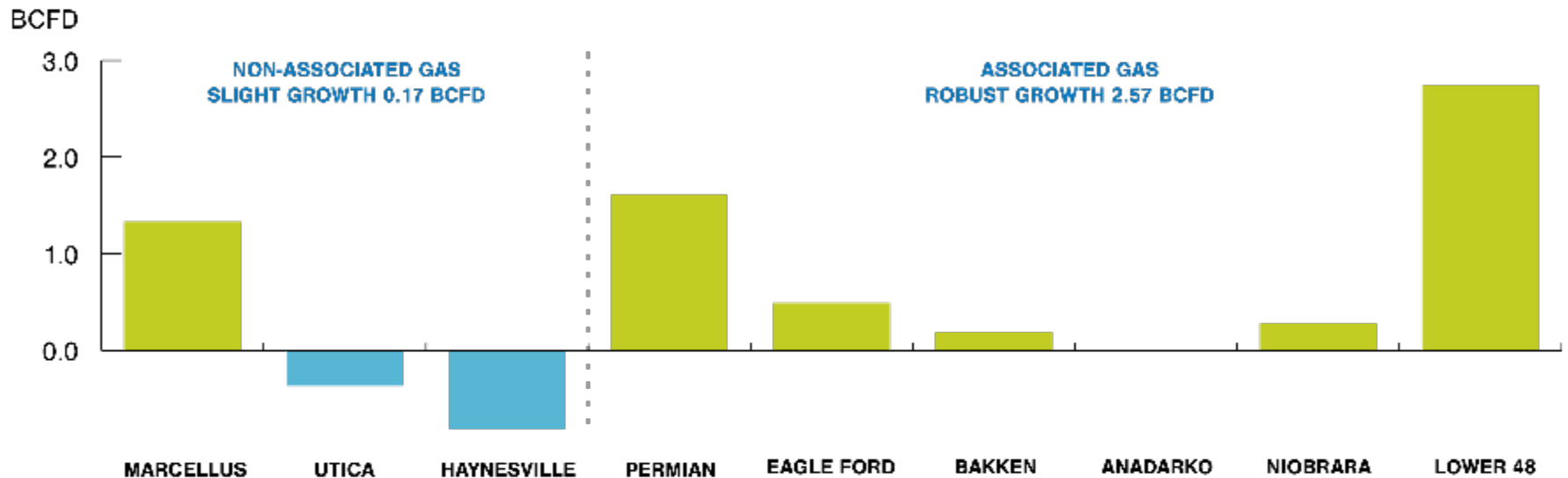
RIGS AND DRILLED UNCOMPLETED WELLS (DUCS) DROPPING, BUT NATURAL GAS OUTPUT STRONG DUE TO PRODUCTION EFFICIENCIES



Source: EIA; Energy Ventures Analysis

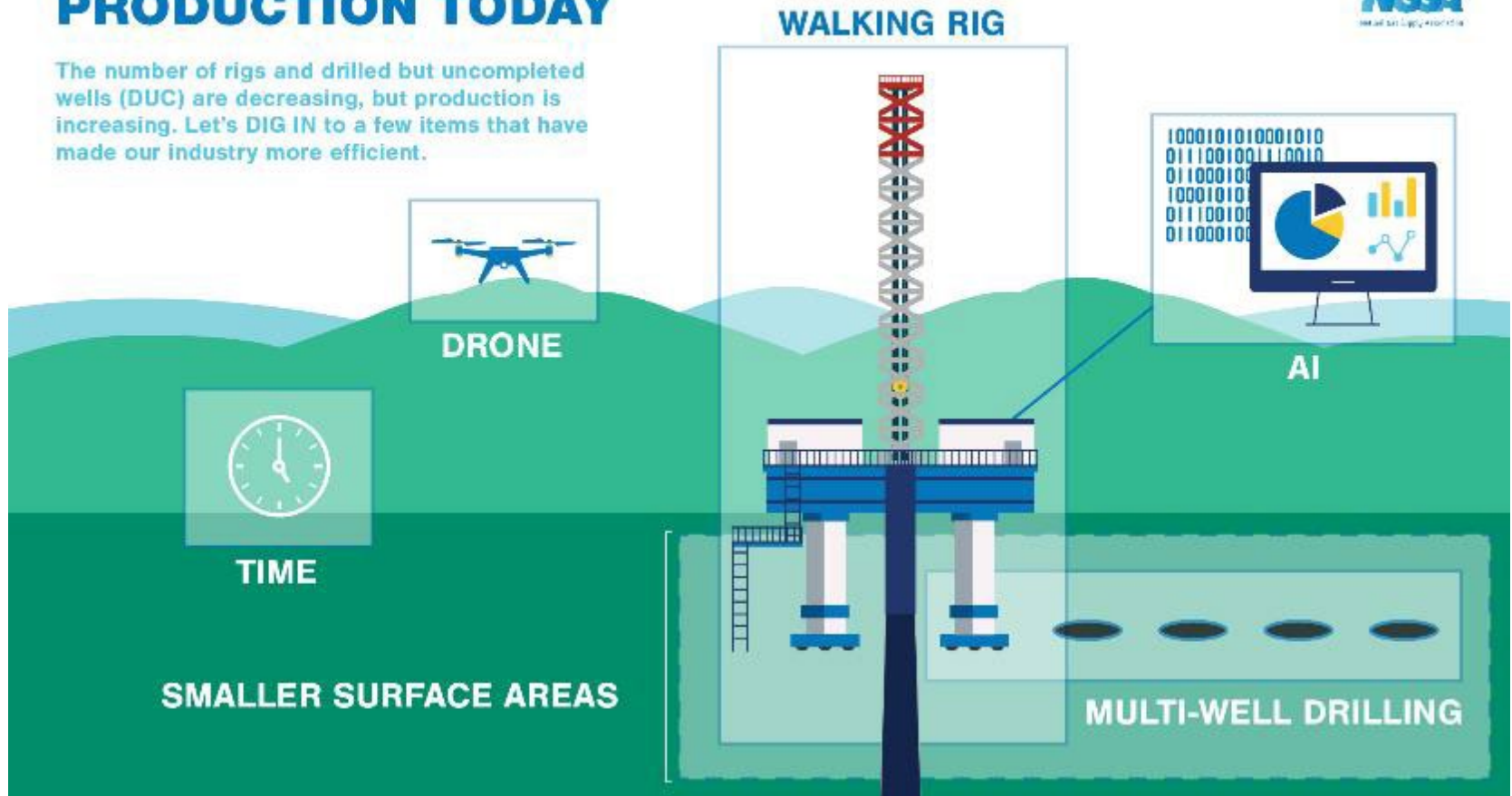
Slight Growth in Non-associated Gas Adding to Continued Growth of Associated Gas

PRODUCTION GROWTH BY BASIN: COMPARISON OF TWO RECENT WINTERS (2022-2023 WINTER VS. 2023-2024 WINTER)



NATURAL GAS PRODUCTION TODAY

The number of rigs and drilled but uncompleted wells (DUC) are decreasing, but production is increasing. Let's DIG IN to a few items that have made our industry more efficient.



LAST SUMMER | 2023 ACTUAL

ACTUAL: 1,245 COOLING DEGREE DAYS

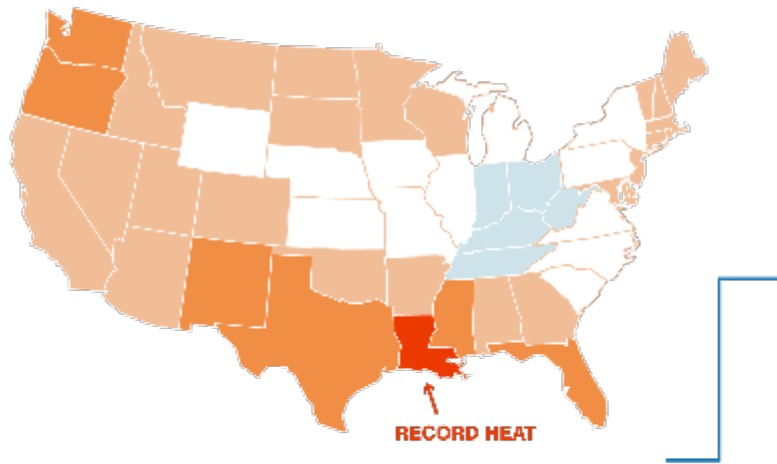
THIS SUMMER | 2024 FORECAST

1,283 COOLING DEGREE DAYS

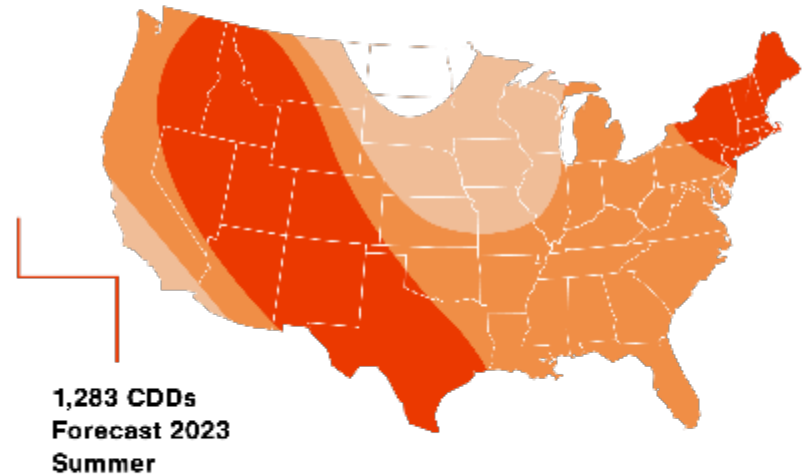
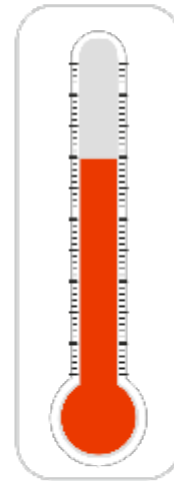
3% warmer than 2023 cooling season

3% cooler than 3-year average

AVERAGE
 ABOVE AVERAGE
 MUCH ABOVE AVERAGE
 VERY HOT



1,245 CDDs
Actual 2023
Summer



1,283 CDDs
Forecast 2023
Summer



| Summer Season Summer-over-summer change | Last Summer 2023 Actual | This Summer 2024 Forecast |
|--------------------------------------------|----------------------------|------------------------------|
| GDP Growth (as of Q1) | 6% | 4% |
| Manufacturing | 79% | 78% (current) |
| Unemployment rate | 3.7% | 3.8% (current) |
| CPI (annual) | 3.8% | 3.4% |
| Consumer Expectations Index | 68% | 66% |

**Summer-to-summer pressure
on natural gas prices**

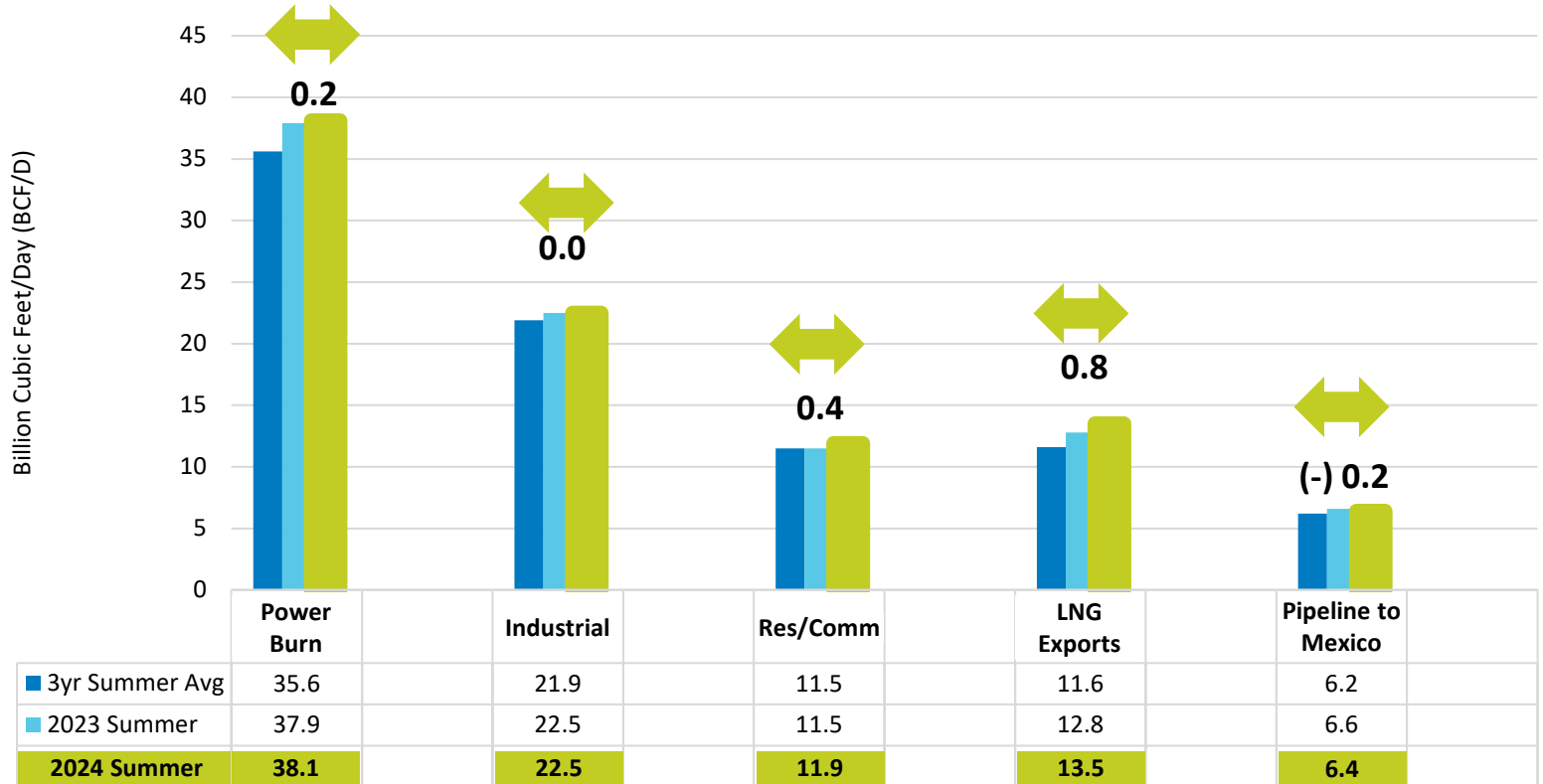


Demand: Projected Slightly Higher Than Last Summer

Total Demand Forecast: 99.2 Bcf/d

Previous 3-year average: 93.7 Bcf/d

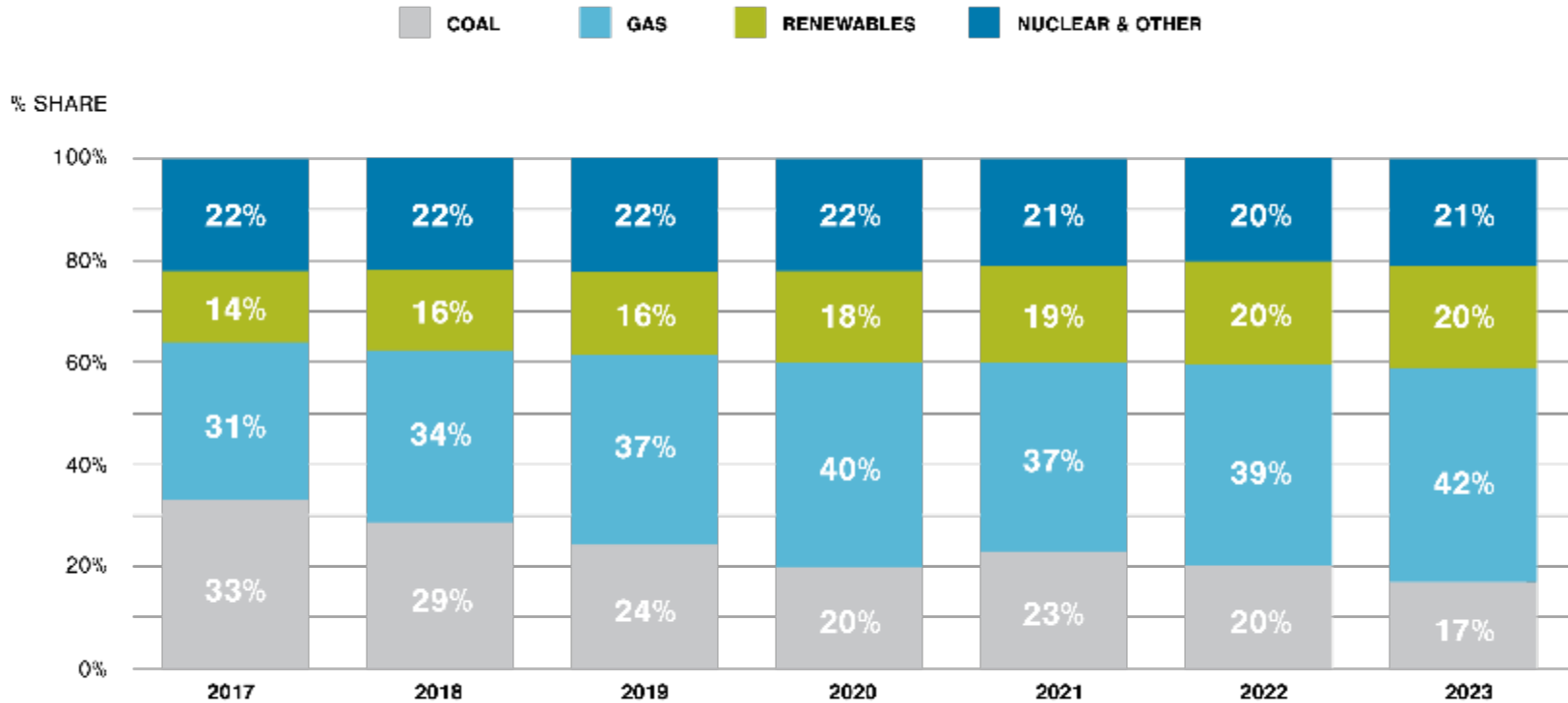
Summer 2023 Average: 98.2 BCF/D



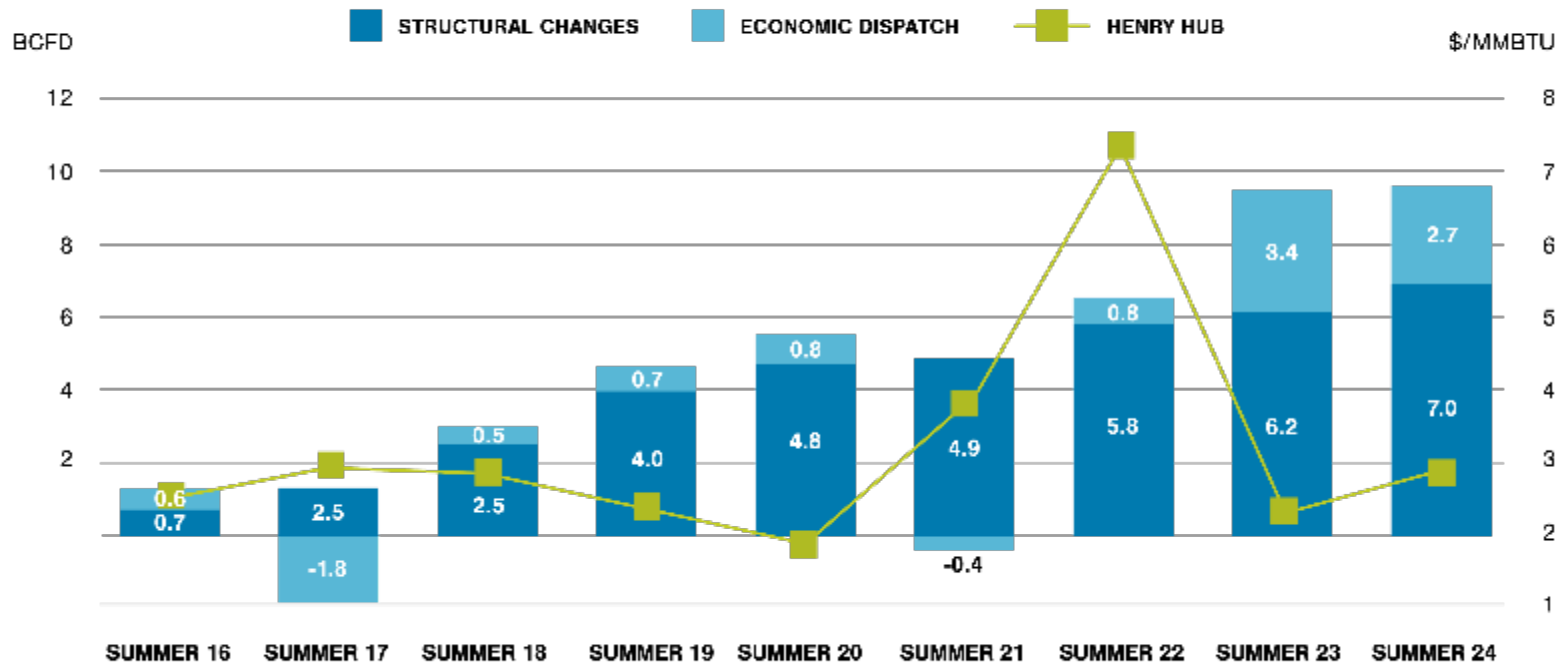
Summer-to-summer pressure on natural gas prices



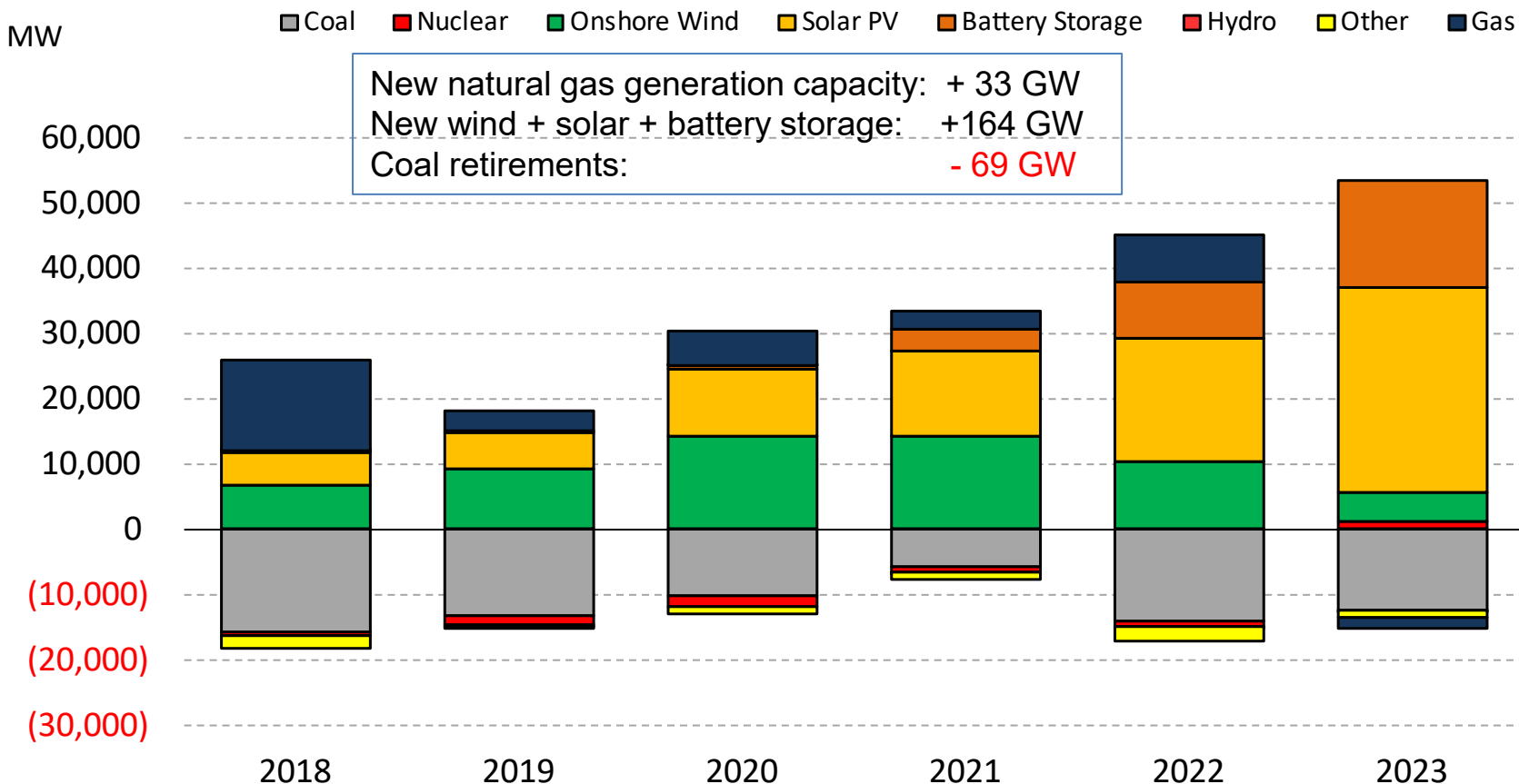
The Growth of Natural Gas in the Fuel Mix 2017-2023



POWER BURN GROWTH: STRUCTURAL GROWTH VS. ECONOMIC SWITCHING



Net change in U.S. generating capacity



Source: Energy Ventures Analysis, U.S. EIA

NATURAL GAS SPURRING 19 MAJOR INDUSTRIAL PROJECTS 2024–2028

**\$39 Billion
Investment to Build**

**Increase of 0.9 Bcf/d
by 2028**



NEW PROJECTS

- 7 Petrochemical
- 5 Fertilizer
- 1 Steel
- 1 Gas-to-Liquids



EXPANSIONS

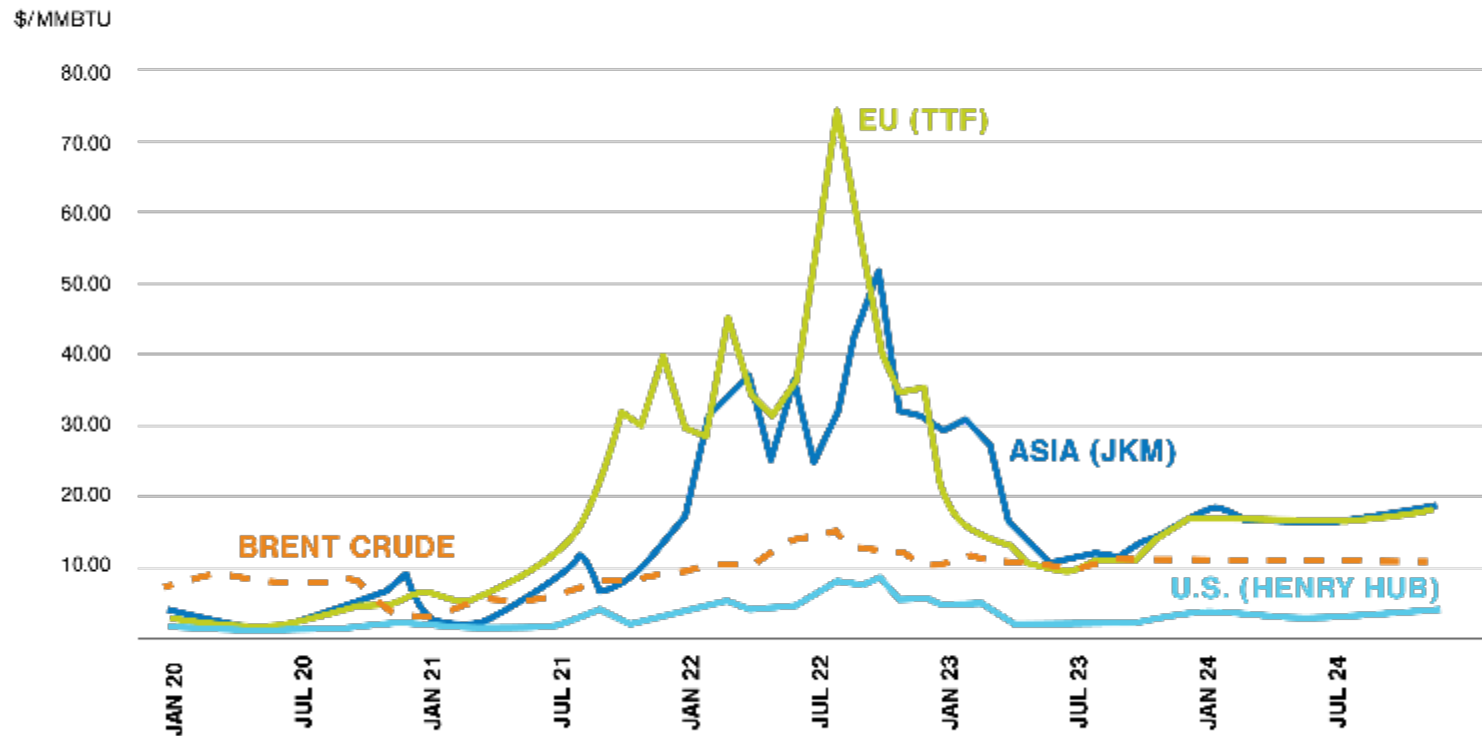
- 4 Fertilizer
- 1 Petrochem



**COMPLETED
PROJECTS**

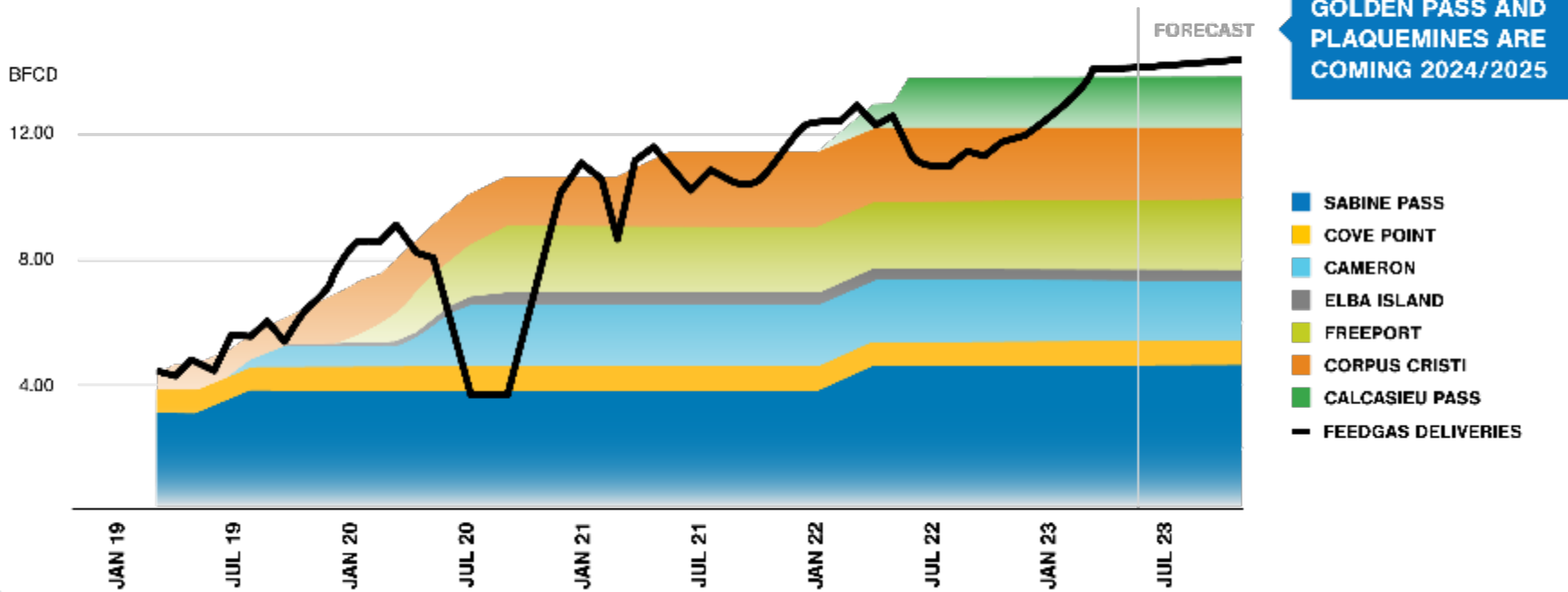
for additional \$96
billion and 1.7 Bcf/d
from 2017–2023

GLOBAL LNG PRICE



Source: ICF. Future curves are based on mid-April 2024 settlements

CUMULATIVE CAPACITY AND FEEDGAS DELIVERY, U.S. LNG EXPORT TERMINALS 2019–2024



Source: EY, Energy Ventures Analysis

| Summer Season Period-to-period change | Last Summer 2023 ACTUAL | This Summer 2024 FORECAST |
|------------------------------------------|-------------------------------|------------------------------|
| Summer starting point | 1,810 Bcf | 2,256 Bcf |
| Average daily injections | 9.1 Bcf | 8.1 Bcf |
| End of injection season | 3,762 Bcf | 3,993 Bcf |

**Summer-to-summer pressure
on natural gas prices**



Summer Season
Period-to-period change

This Summer
2024 FORECAST

Summer Supply



Weather



Economy



Customer demand



Summer storage



**Summer-to-summer pressure
on natural gas prices**



SUMMER OUTLOOK: WILD CARDS



- Represents major producers and suppliers of domestic natural gas
 - Integrated and independent companies: 9 members
 - Founded in 1965
- Only national natural gas association representing producers and suppliers with a dedicated focus on downstream issues
- Promotes benefits of competitive natural gas markets, resulting in reliable and efficient transportation and delivery, increased supply and demand
- Combined with the Center for LNG



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