Natural Gas Supply Association

2024 SUMMER OUTLOOK

MARKETS MATTER

ngsa.org

Understanding the Symbols

^	Upward market pressure
—	Flat market pressure
v	Downward market pressure

LOOKING AHEAD TO SUMMER 2024

Market Pressure Points

Production/Supply	Weather	Economy	Demand	Storage

Summer Expectations

Wild Card Factors

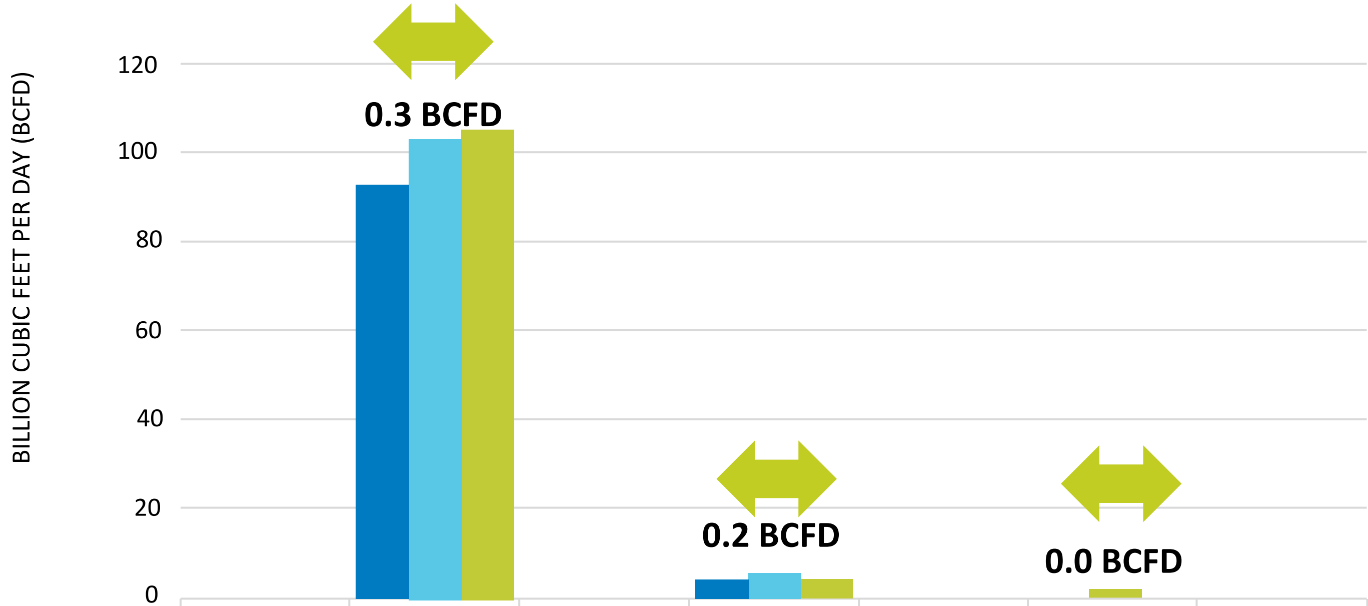
SUMMARY

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



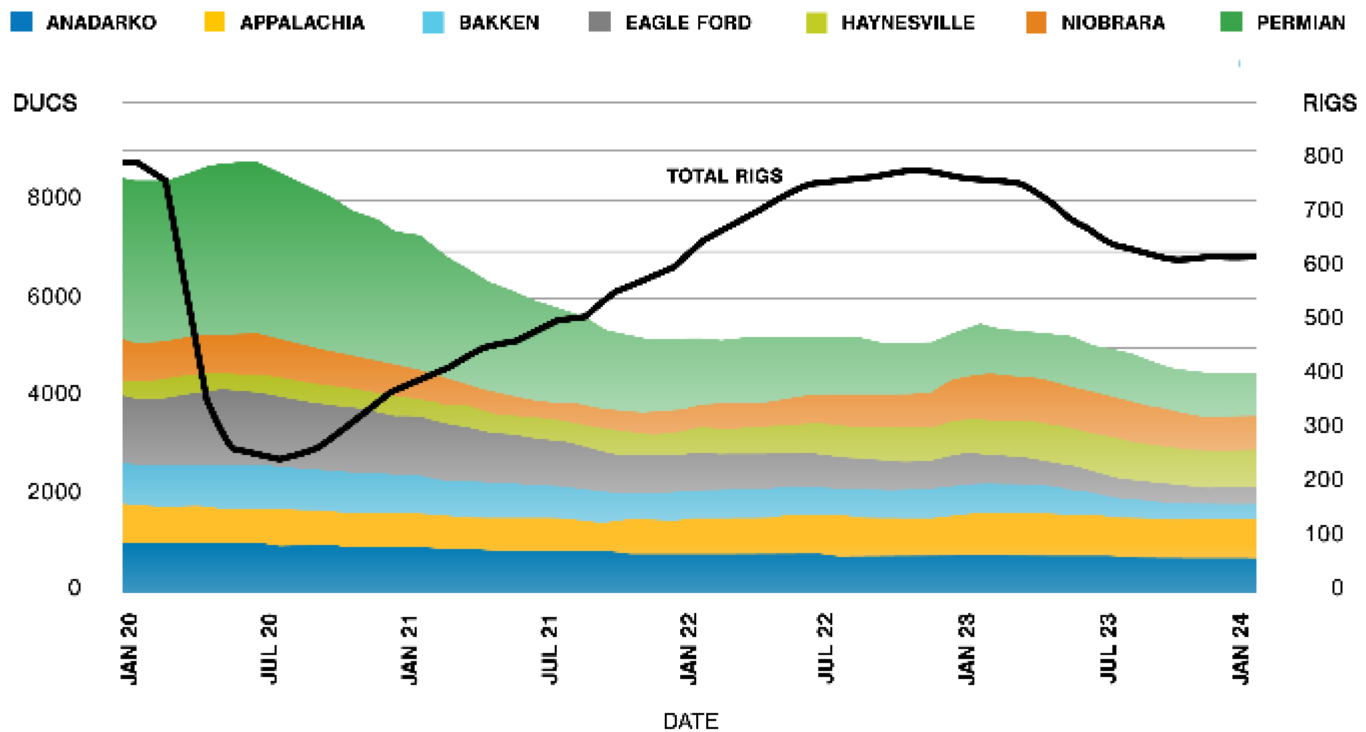
	Total Production	Net Canadian Imports	LNG Imports
3yr Summer Avg	97.9	5.1	0.0
2023 Summer	101.9	5.3	0.1
2024 Summer	**102.2**	**5.1**	**0.0**

Summer-to-summer pressure on natural gas prices

Data Source: Energy Ventures Analysis, Inc.

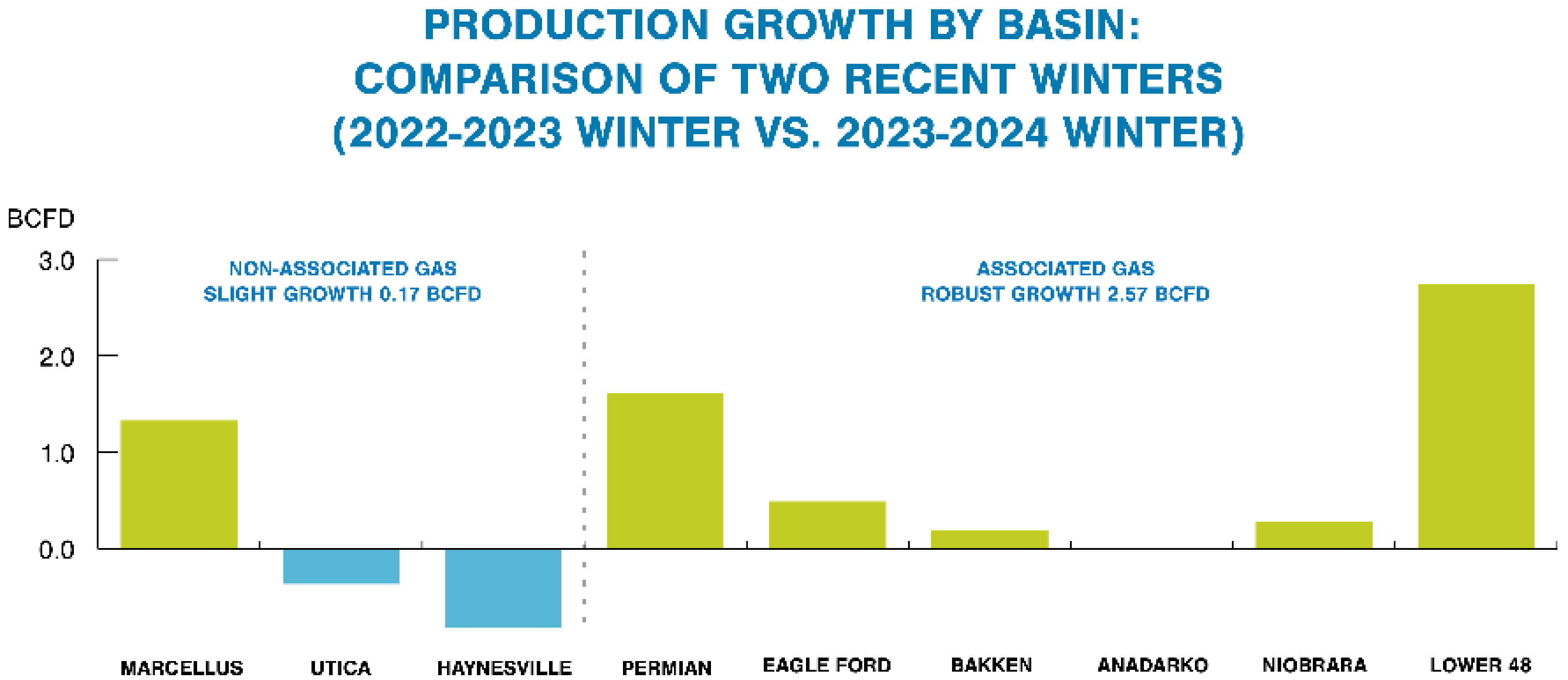
Efficiencies Buoy Record Production As Rigs Decrease and "DUC" Inventory Levels Out

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



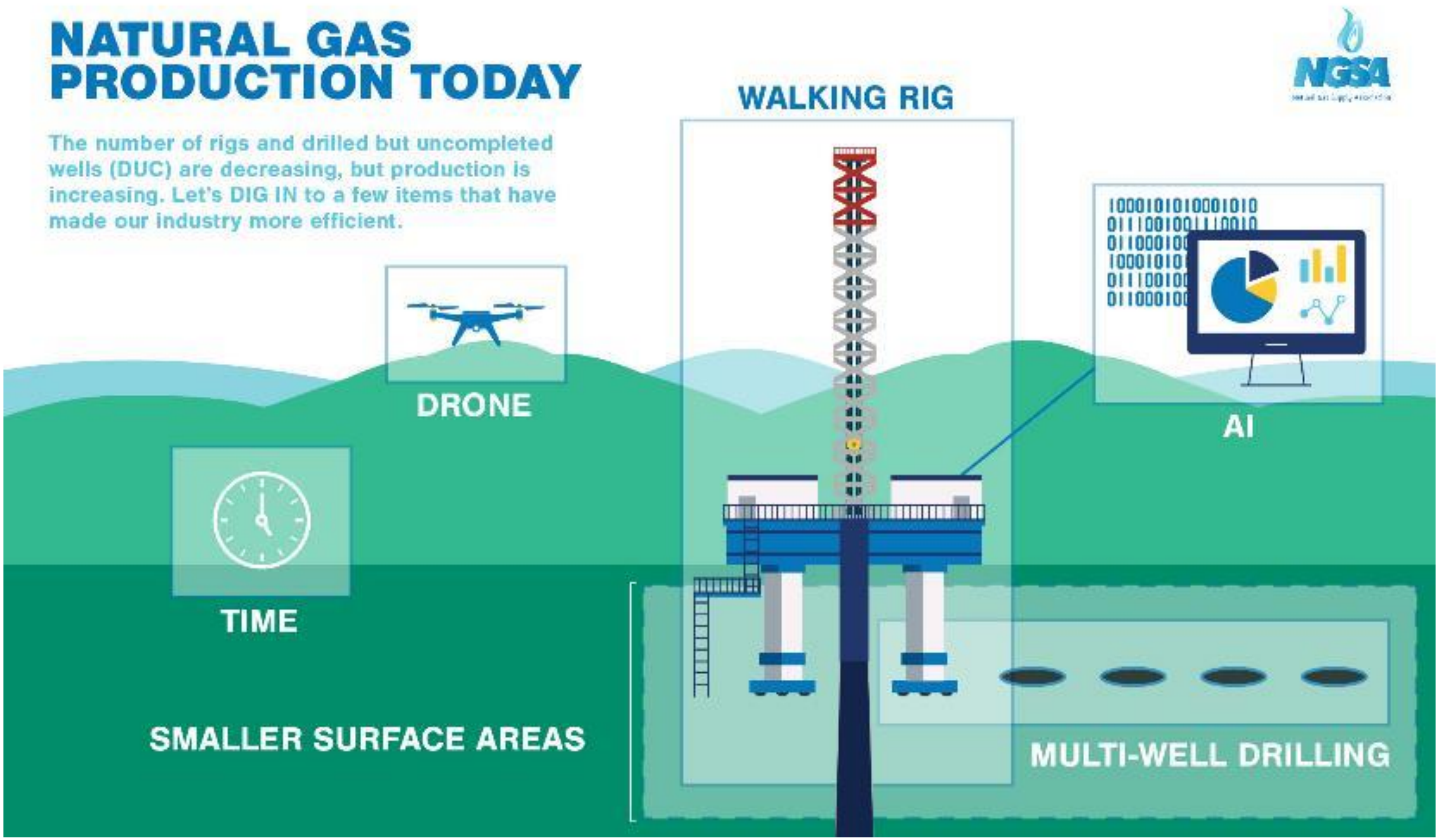
Source: EIA; Energy Ventures Analysis

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



Source: EIA; Energy Ventures Analysis

Production Efficiencies: Doing More and Doing Better



Weather: Summer Cooling Season (April-October)

LAST SUMMER | 2023 ACTUAL

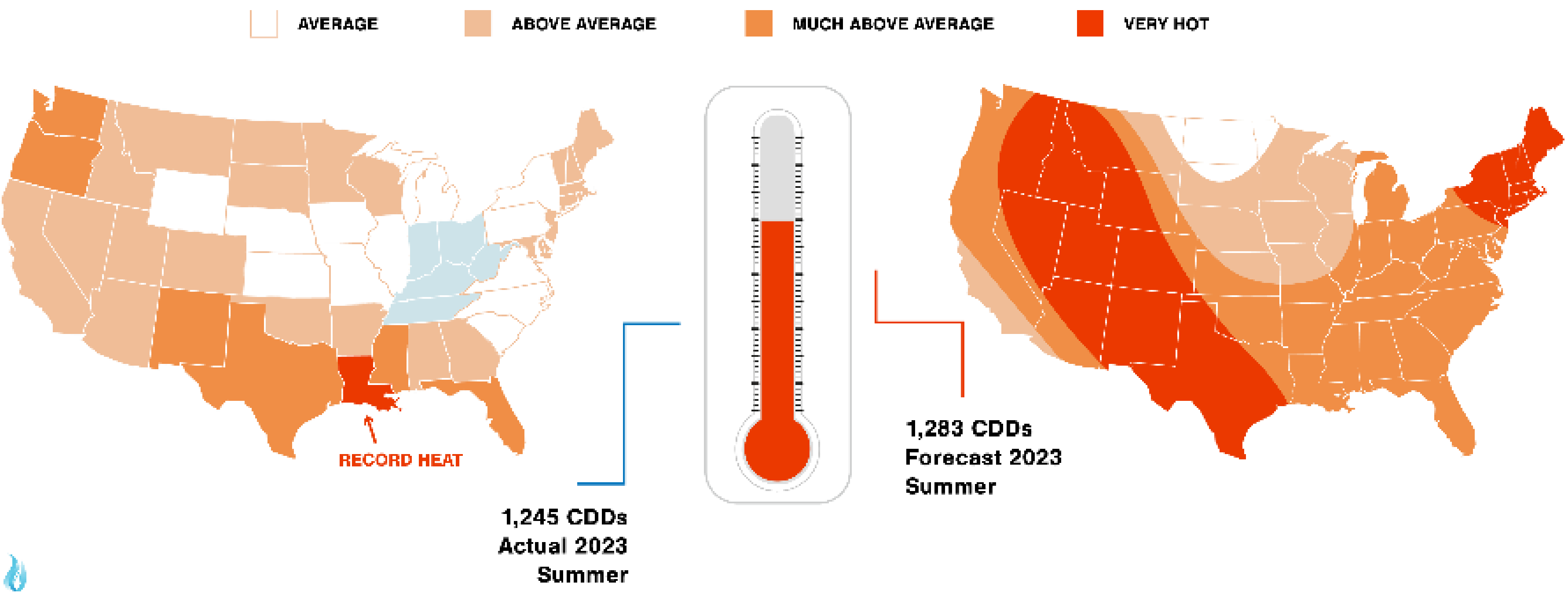
ACTUAL: 1,245 COOLING DEGREE DAYS

THIS SUMMER | 2024 FORECAST

1,283 COOLING DEGREE DAYS

3% warmer than 2023 cooling season

3% cooler than 3-year average



Source: National Oceanic and Atmospheric Administration maps, data; Energy Ventures Analysis projections

Demand: Economy

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

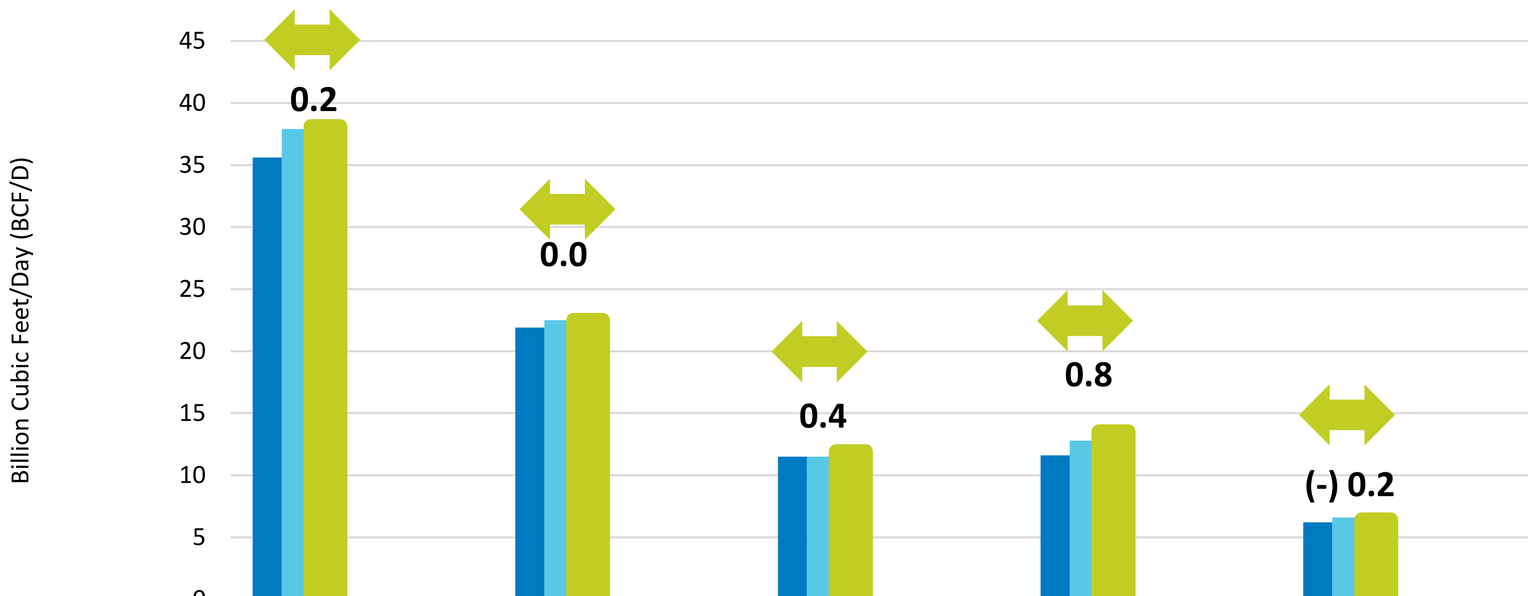
Data Sources: Moody's Analytics, Energy Ventures Analysis, Federal Reserve, U.S. Bureau of Economic Analysis, Bureau of Labor Statistics; IMF World Economic Outlook; The Conference Board

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

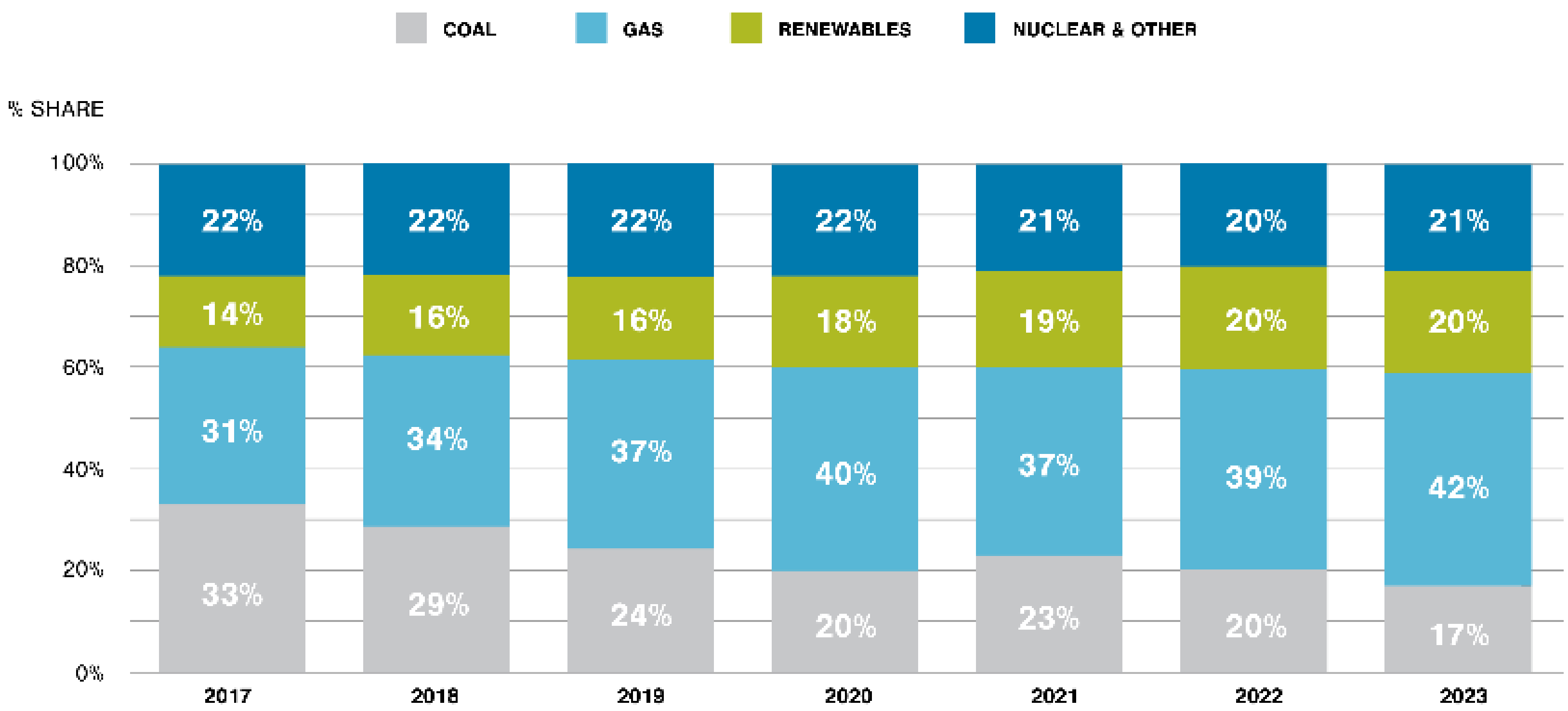


	Power Burn	Industrial	Res/Comm	LNG Exports	Pipeline to Mexico
3yr Summer Avg	35.6	21.9	11.5	11.6	6.2
2023 Summer	37.9	22.5	11.5	12.8	6.6
2024 Summer	**38.1**	**22.5**	**11.9**	**13.5**	**6.4**

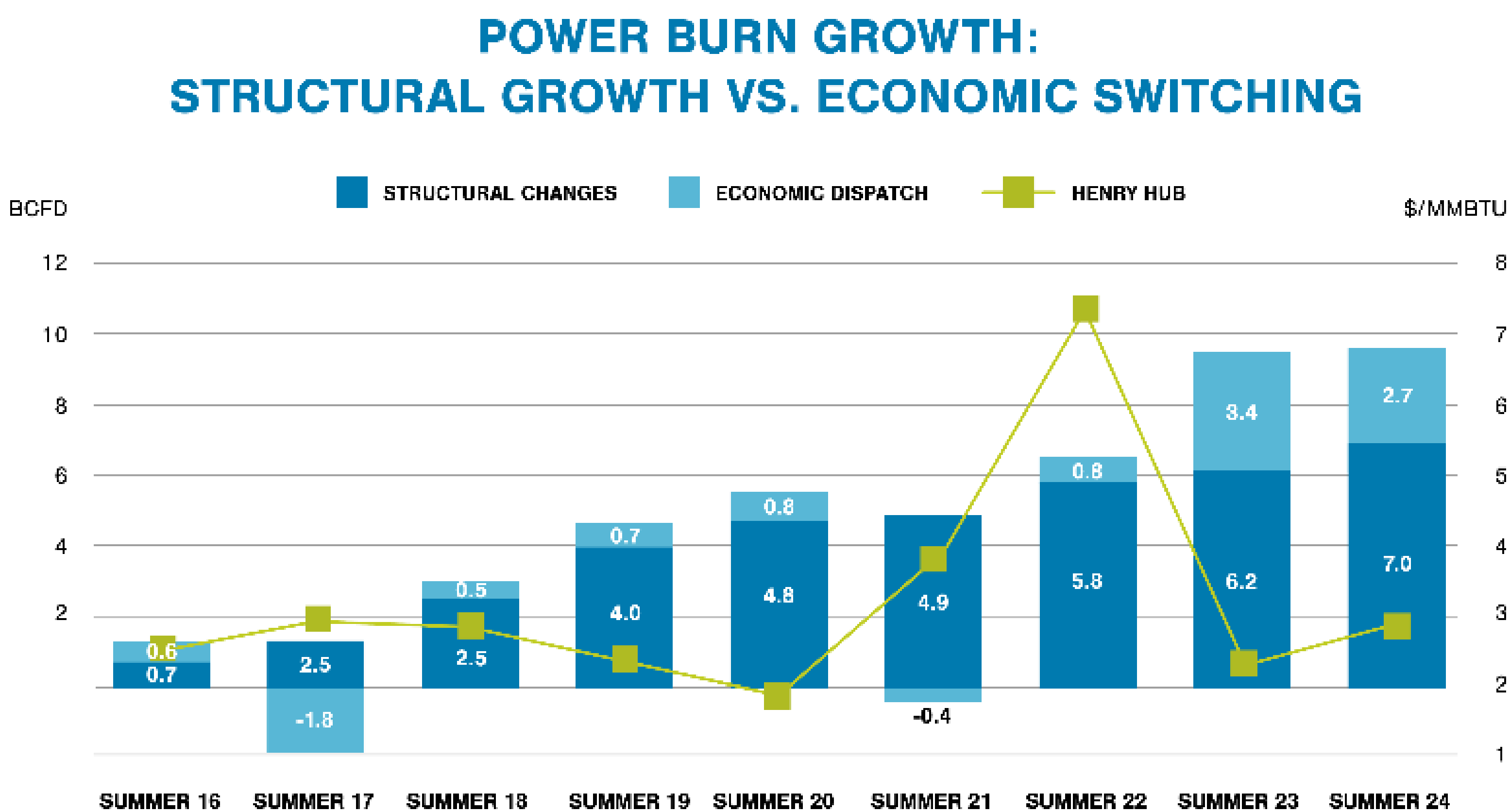
Summer-to-summer pressure on natural gas prices

Data Source: Energy Ventures Analysis, Inc.

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



Power Burn Growth: Structural Growth vs. Economic Switching

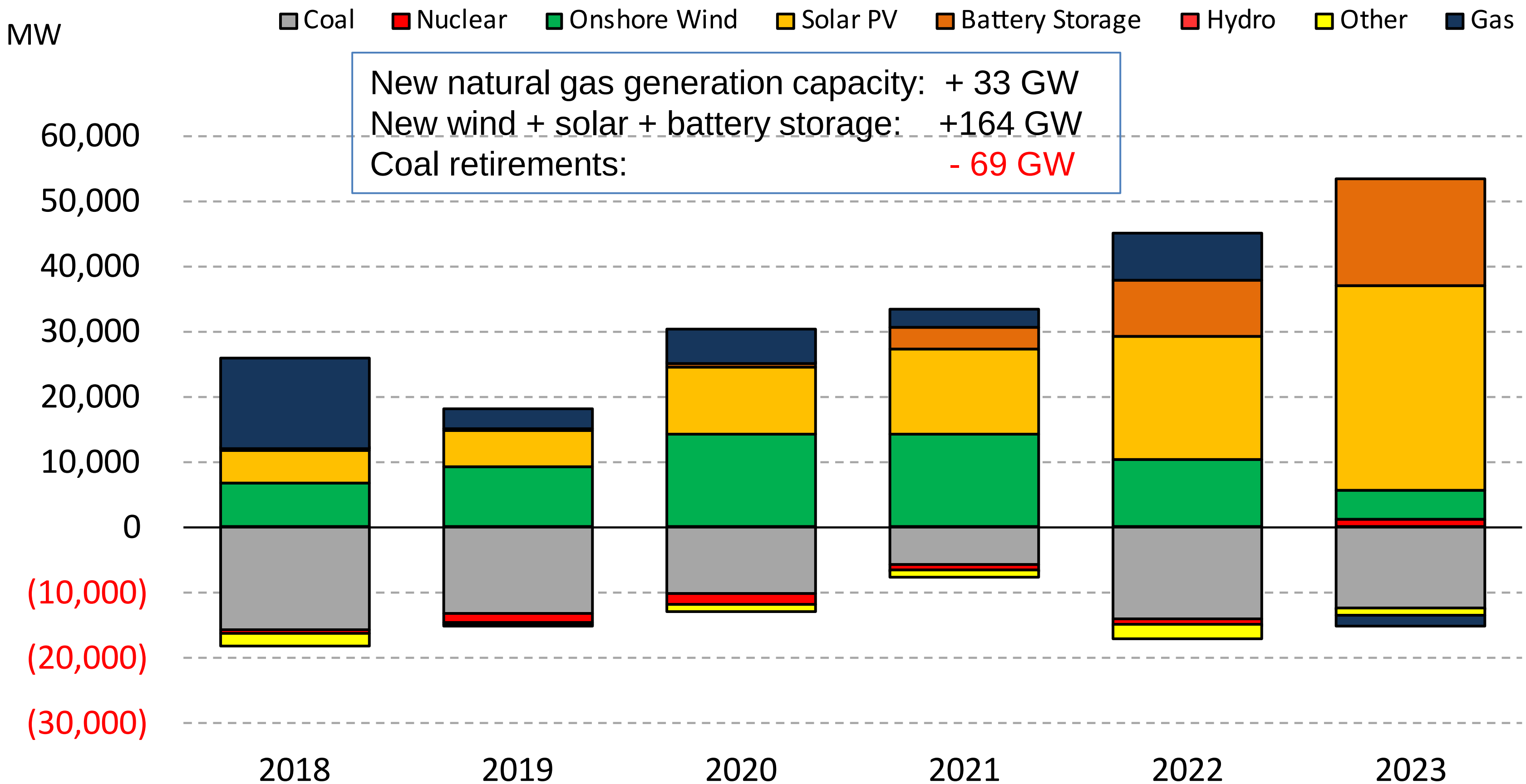


Source: Energy Ventures Analysis

Note: 2024 summer prices are NYMEX settlements as of 4/18/2023

Change in U.S. Power Generation Fuel Mix 2018-2024

Net change in U.S. generating capacity

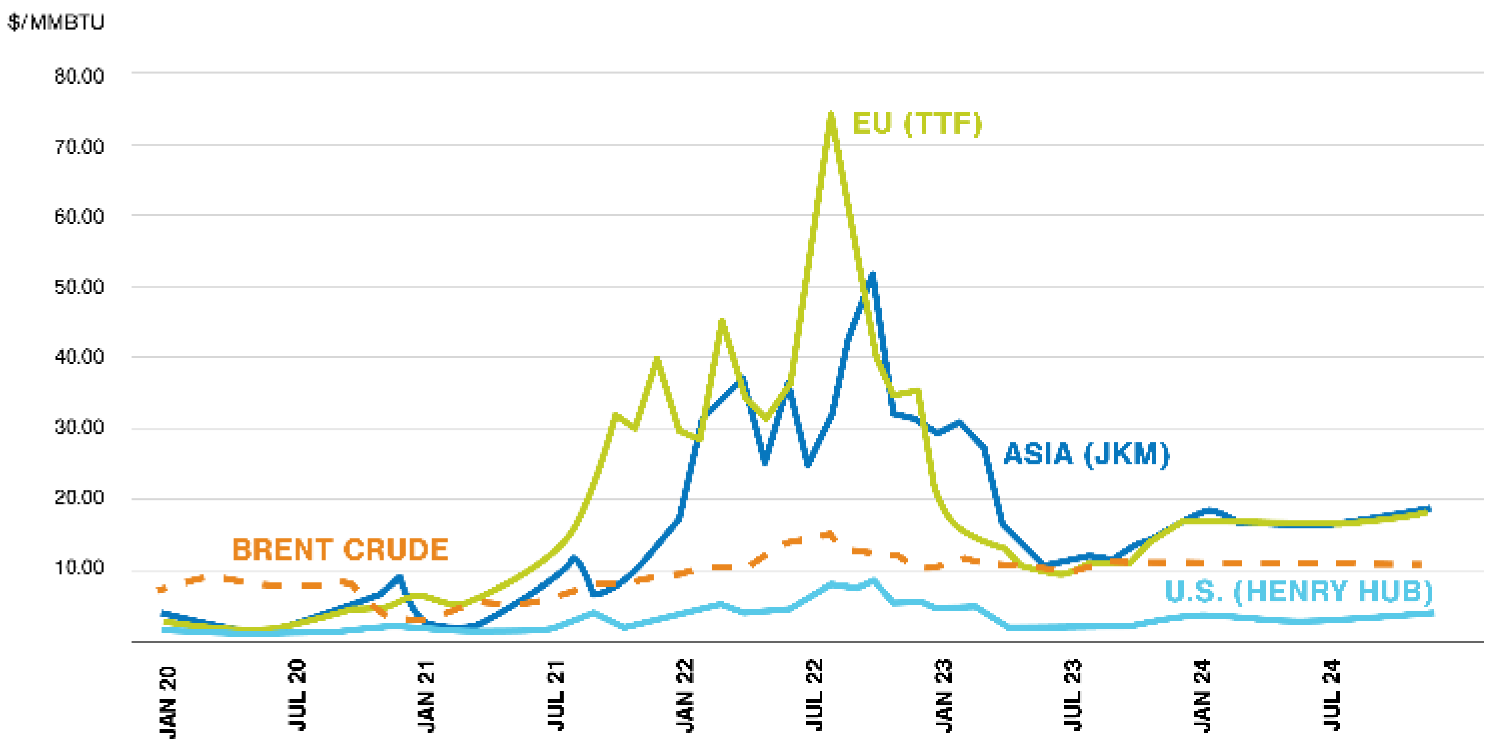


Source: Energy Ventures Analysis, U.S. EIA

Focus: Industrial Demand Peak Growth Phase

U.S. LNG Prices Compared to Europe, Asia

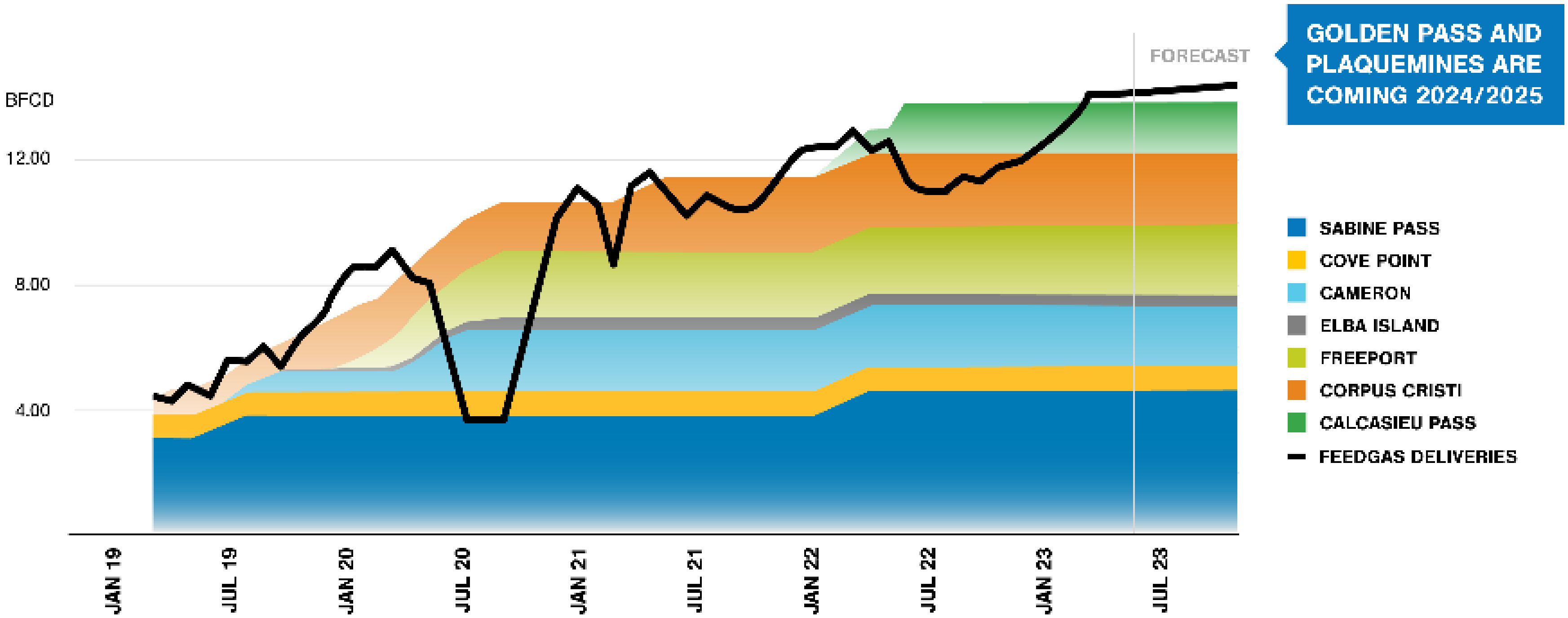
GLOBAL LNG PRICE



Source: ICE; Future curves are based on mid-April 2024 settlements

U.S. LNG Exports Respond to European Crisis, Climate Challenge

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



Source: EVA, Energy Ventures Analysis

Summer Storage

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

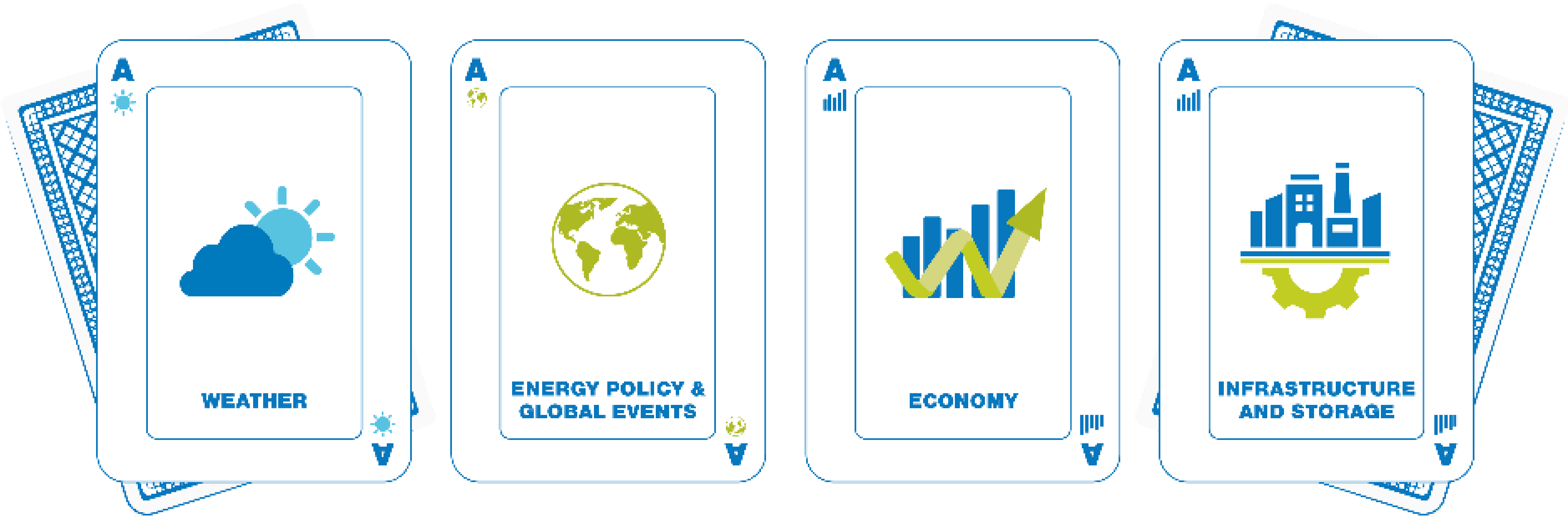
Summer-to-summer pressure on natural gas prices

Data Source: Energy Information Administration and Energy Ventures Analysis.

This Season’s Summer Outlook

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



About NGSA

- 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

Natural Gas Supply Association

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