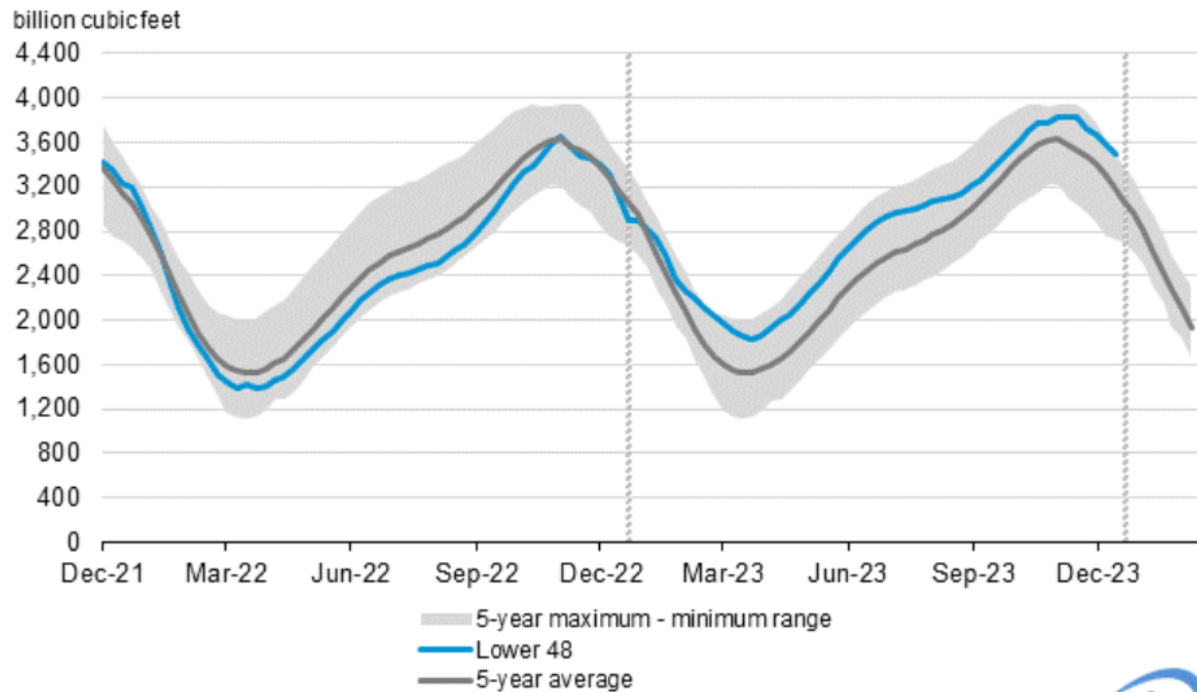


What Are Key Takeaways as it Relates to Natural Gas Purchasing

1. The current Green Energy Transition goal of eliminating fossil fuels will take a lot longer than 20 years to accomplish. The raw materials production and technology are just not yet ready for a full break. A reckoning is coming.
2. The media, environmentalist movement, and left leaning politicians, will likely continue to pursue a 'zero fossil fuels allowed' stance even though they know its not physically or economically possible. People believe big lies.
3. Humans are indeed contributing to emitting more greenhouse gases into the atmosphere, which does indeed raise temperatures. Other cosmic and natural forces are contributing as well, but we cannot control them.
4. Global Natural Gas demand is likely to continue increasing for the next 20 years.
5. The United States will likely become the largest exporter of LNG by a long shot.
6. Within the US, NG friendly states will effectively fight back by embargoing unfriendly states once they establish enough LNG export capacity.
7. Weather will continue to be the key determinant of NG pricing.

Incredibly Warm Winters in the US and EU Gave NG Buyers a False Sense of Security

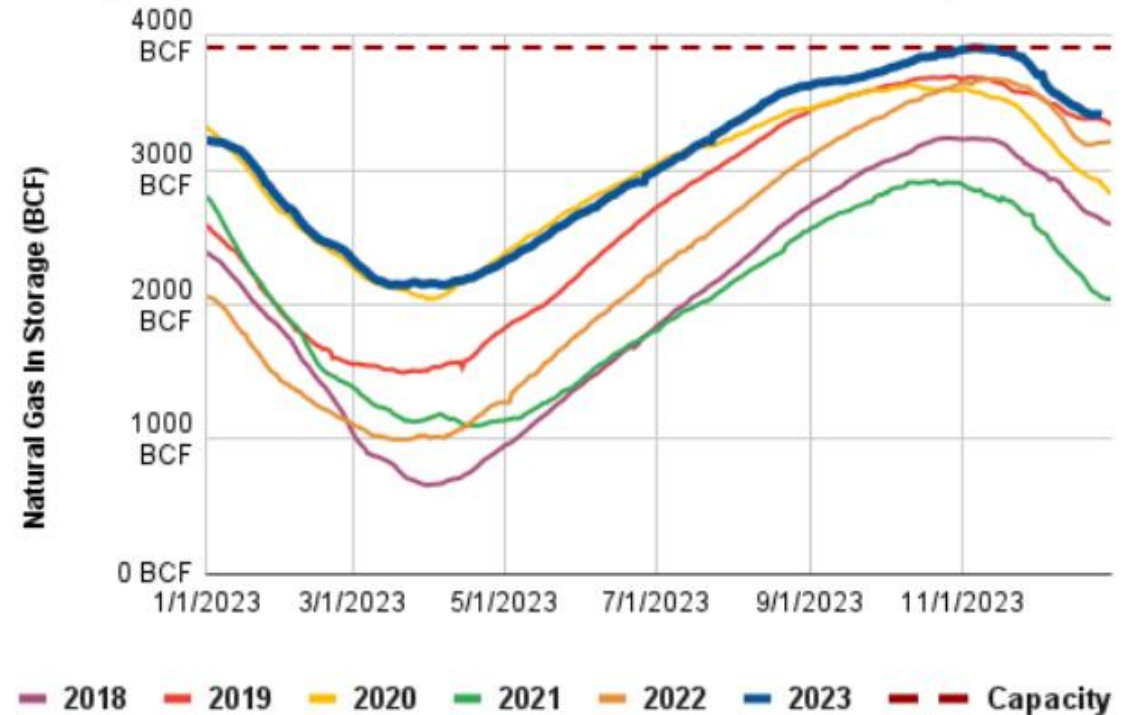
Working gas in underground storage compared with the 5-year maximum and minimum



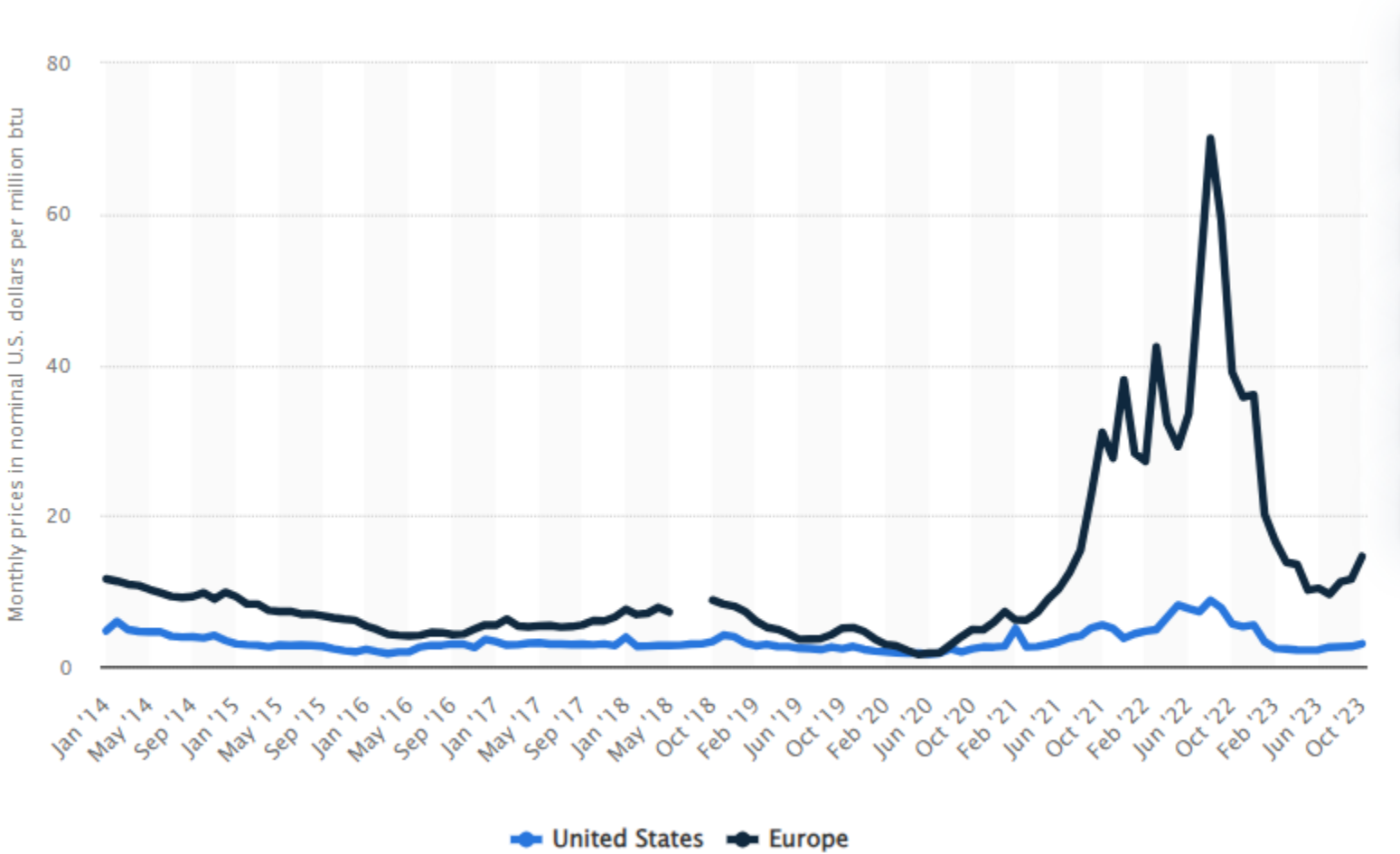
Data source: U.S. Energy Information Administration



European Natural Gas Inventories: 5-Year Comparison



Monthly NG Prices in the US and EU Compared

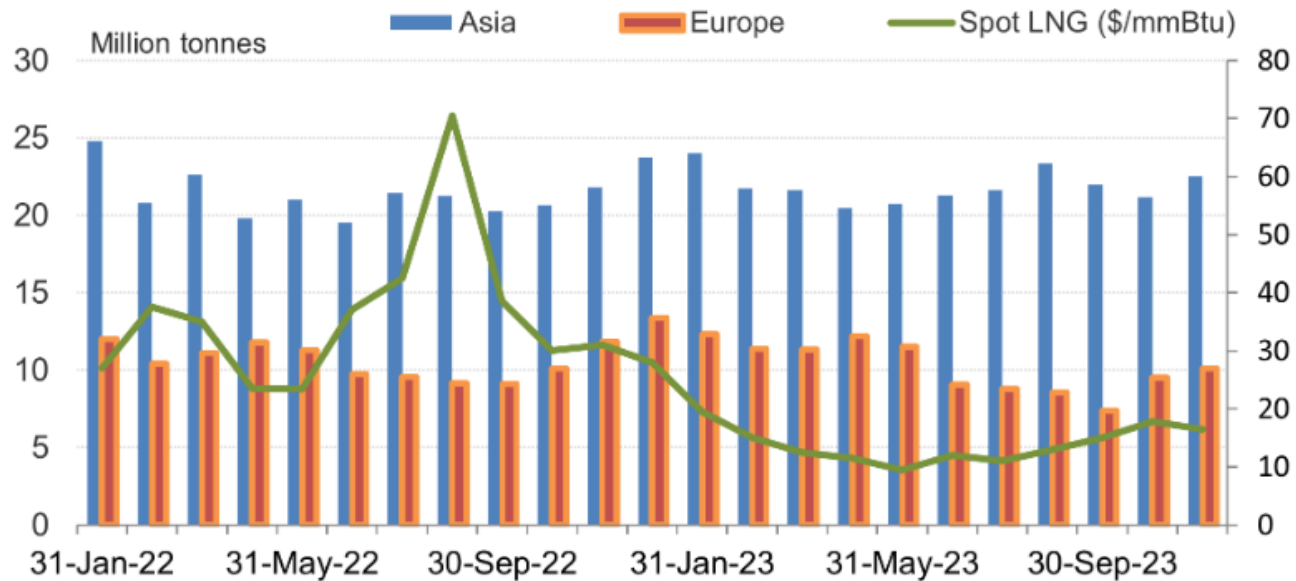


Russian invasion of Ukraine was on Feb 24, 2022

LNG Prices and Destinations

ASIA, EUROPE LNG IMPORTS

LNG imports by Asia vs Europe vs Asia spot LNG price



Note: November 2023 imports are estimate as of Nov. 13, price is as of Nov. 10.

Source: Kpler, LSEG Reuters graphic/Clyde Russell 13/11/23



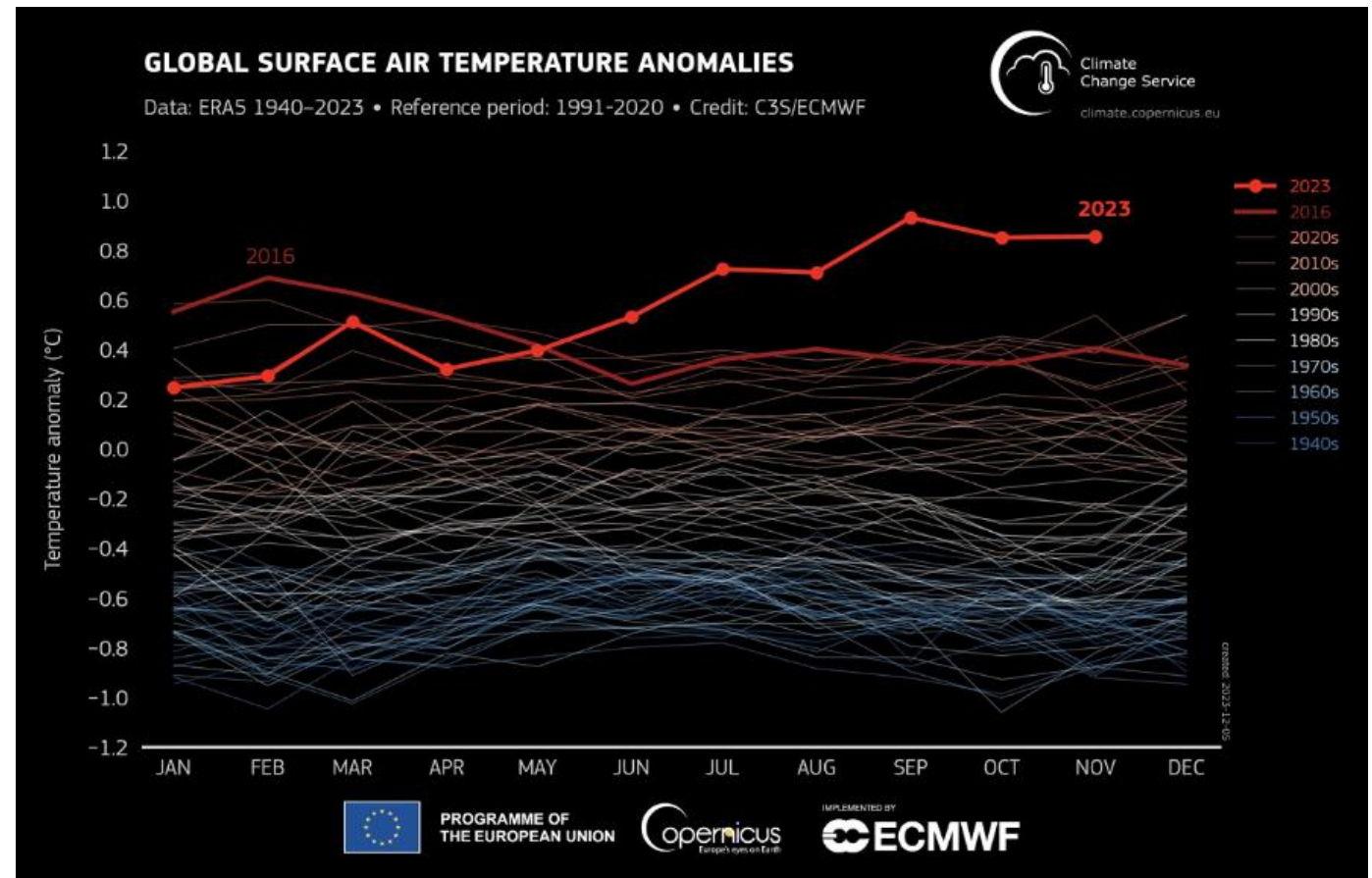
LNG imports by Asia, Europe vs spot Asia price

European Union Winter 2022-23

- Overall gas use in the 27-country EU dropped by 17.7% from August to March, compared with the five-year average for the same period, according to data published on Wednesday (Eurostat).
- EU countries set a voluntary target last year to cut their gas consumption 15% from August to March. The goal was one of numerous emergency EU measures passed after Russia slashed gas deliveries following its February 2022 invasion of Ukraine - triggering a European energy crisis of scarce supplies and record-high prices.
- Finland had the biggest reduction, with demand down by 56%.
- Between December 2022 and February 2023, the average temperature was 1.4 degrees Celsius above the 1991-2020 average. The unseasonable heat made 2021-2022 Europe's joint-second warmest winter ever recorded, surpassed only by the winter of 2019-2020.
- Europe's gas caverns on April 1, 2023, were filled to 57% of capacity, more than double the level at the same date in 2022.

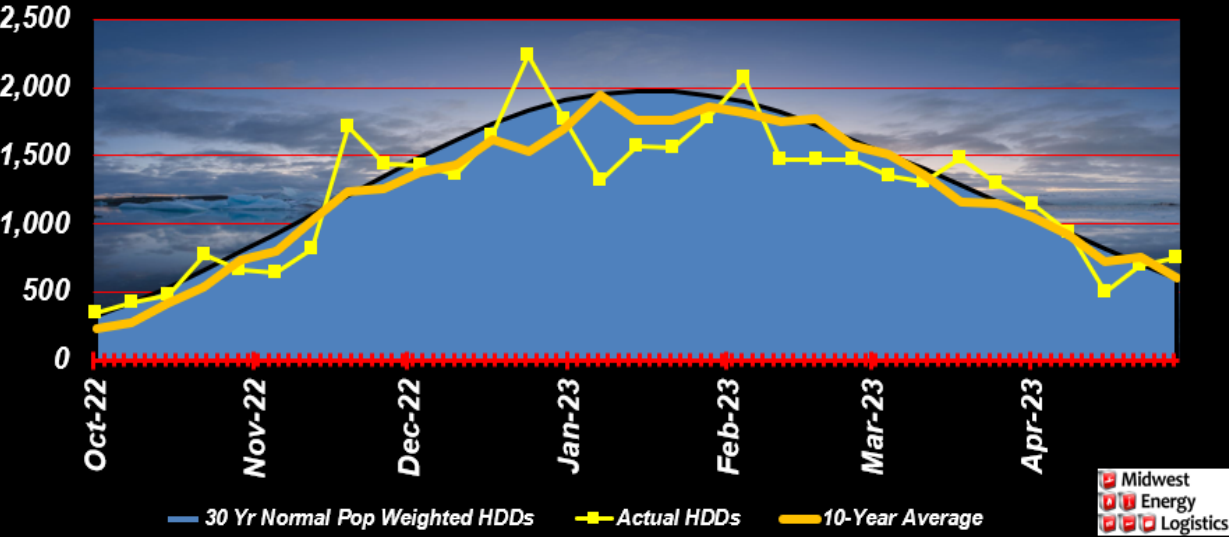
European Union Winter 2023-24

- On a global scale, temperatures from June through December have also been significantly above pre-industrial levels.
- This year in the EU, the number of record-breaking stations has gone into the thousands, and the temperature anomalies have often been off the charts. On December 12th, Spain set a new monthly all-time high-temperature record

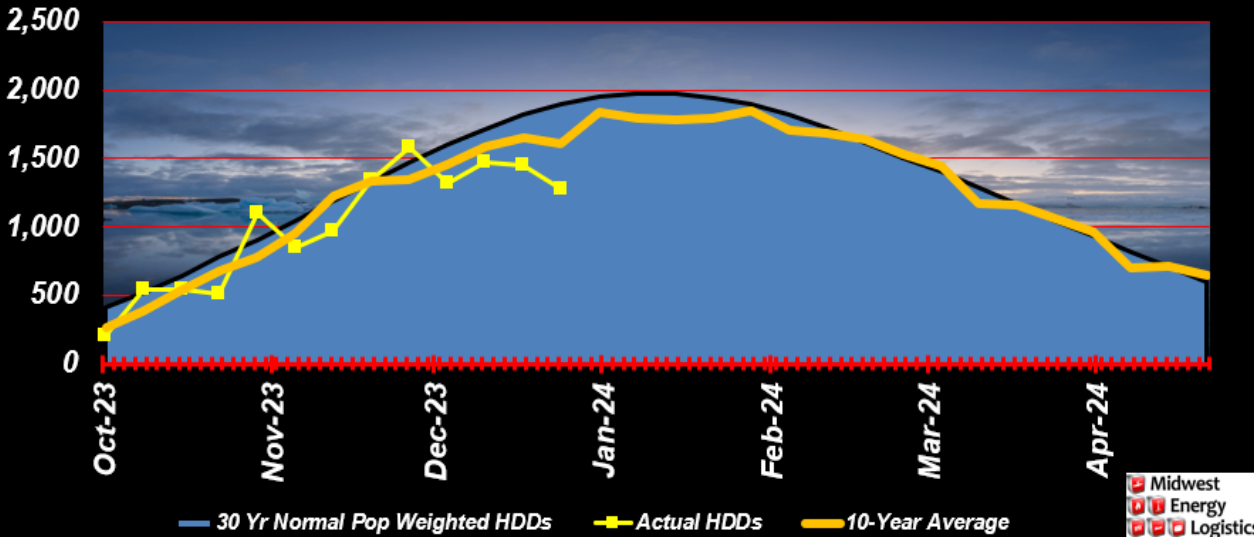


US Weather Also Much Warmer Than Normal

Winter 2022-23 U.S. Heating Degree Day Comparison



Winter 2023-24 U.S. Heating Degree Day Comparison



12/31/2023

Should We Look to Hedge Our 2024 & 2025 Requirements?

- NG fundamentals are extremely bearish given the storage surplus after two straight very warm winters in the US and EU.
- Buyers should hedge remaining portions of 2024 before March 2024, but you have some time to wait for the 2025 strip to converge with 2024 prices (recommend before Nov 2024).
- Remember two things:
 1. Some bullishness is priced into the futures market already. Cal 23 \$2.737, Cal 24 \$2.672, Cal 25 \$3.492, Cal 26 \$3.824
 2. If Jan 23 and Feb 23 had experienced remotely normal temps, the NYMEX market would have likely been above \$5.00 for all of 2023



12/31/2023

Remind Me Why I Should be Worried About Prices Moving Up When Storage is so Full

1. The Green Transition message of 'eliminate all fossil fuels' is gaining momentum even if we/you think it is delusional. The movement has corporate, investor, and governmental support. This highly restricts any infrastructure projects from moving forward and restricts producers access to cheap capital.
2. NG demand is signaling new annual records will be set each year for the foreseeable future.
3. Coal is enemy #1 followed closely by oil & oil products. Lower coal consumption will lead to more NG demand and lower oil demand will lead to lower NG production. More EVs also lead to higher NG demand.
4. Massive new LNG export build out in the US likely to lead to new NG demand and a convergence in the US-Asia-EU price spreads.
5. Storage is indeed full but there are maximum physical limits and the decontracting trend to consider. Cost of storage is \$1.50-\$2.00 per Dth.
6. Producers are not hedging vast percentages of their future supply any longer. This removes natural sellers from the futures market.



Fossil Fuel Companies Have a Strategy to Survive

- Circle the wagons – M&A activity geared towards becoming ‘too big to fail’ to protect against government overreach
- Develop new customers around the world and then allocate capital to meet their demand
- Be self-sustaining in states that are likely to support fossil fuels as a part of the energy transition. Intra-state pipelines, refineries, processing, petrochemical factories, fertilizer plants
- Form strategic partnerships in Mexico as a hedge against US regulatory/political risk
- Improve messaging to counter leftist radicalism



12/31/2023

DVN DEVON ENERGY CORP NEW COM

\$45.30 -0.46 (-1.01%)

At close: Dec 29, 2023, 4:10 PM ET

EXTENDED HOURS

\$45.30 0.00 (0.00%) Bid x Size \$45.23 x 300 Ask x Size \$45.30 x 900

After hours: Dec 29, 2023, 7:59 PM ET

Snapshot Charts News Options Analyst Research Fundamentals Earnings Insider Activity Historical Quote

Open	\$45.88	Shares Outstanding	640.7M
Previous Close	\$45.76	Beta ⓘ	0.8
Volume	9,450,429	P/E (TTM) ⓘ	7.81x
Average Volume (10 days)	10,224,949	EPS (TTM) ⓘ	\$5.86
Market Cap ⓘ	\$29.0B	Quarterly Dividend / Yield	\$0.77 / 6.27%
Day Range	45.04 - 45.98	Ex-Dividend Date	12/14/2023
52 Week Range	42.59 - 66.96 10/06/2023 - 01/27/2023	Dividend Payable Date	12/29/2023
		Next Earnings Date	02/20/2024



RRC RANGE RES CORP COM

\$30.44 -0.39 (-1.27%)

At close: Dec 29, 2023, 4:10 PM ET

EXTENDED HOURS

\$30.44 0.00 (0.00%) Bid x Size \$28.42 x 7,000 Ask x Size \$31.61 x 100

After hours: Dec 29, 2023, 4:58 PM ET

Snapshot Charts News Options Analyst Research Fundamentals Earnings Insider Activity Historical Quote

Open	\$30.85	Shares Outstanding	241.3M
Previous Close	\$30.83	Beta ⓘ	0.7
Volume	1,600,543	P/E (TTM) ⓘ	5.52x
Average Volume (10 days)	2,257,319	EPS (TTM) ⓘ	\$5.51
Market Cap ⓘ	\$7.3B	Quarterly Dividend / Yield	\$0.08 / 1.04%
Day Range	30.43 - 31.05	Ex-Dividend Date	12/14/2023
52 Week Range	22.61 - 37.88 02/21/2023 - 11/03/2023	Dividend Payable Date	12/29/2023
		Next Earnings Date	02/26/2024



The US heads into 2024 producing more oil than any country in history, leading strong non-OPEC+ supply growth that exceeds the rising global demand.

Exxon Mobil buys Denbury Inc. for \$4.9 billion.

Exxon Mobil Corporation buys Pioneer Natural Resources for \$59.5 billion.

Chevron buys Hess for \$53 billion.

Chevron buys PDC Energy for 7.6 billion.

12/31/2023

XOM EXXON MOBIL CORP COM

\$99.98 -0.21 (-0.21%)

At close: Dec 29, 2023, 4:10 PM ET

EXTENDED HOURS

\$99.98 0.00 (0.00%)

Bid x Size \$99.81 x 1,300

Ask x Size \$99.98 x 100

After hours: Dec 29, 2023, 7:59 PM ET

Snapshot Charts News Options Analyst Research Fundamentals Earnings Insider Activity Historical Quote

Open	\$100.37	Shares Outstanding	4.0B
Previous Close	\$100.19	Beta	0.3
Volume	17,746,408	P/E (TTM)	9.97x
Average Volume (10 days)	21,467,937	EPS (TTM)	\$10.07
Market Cap	\$396.2B	Quarterly Dividend / Yield	\$0.95 / 3.79%
Day Range	99.62 - 100.59	Ex-Dividend Date	11/14/2023
52 Week Range	97.48 - 120.70	Dividend Payable Date	12/11/2023
	12/12/2023 - 09/28/2023	Next Earnings Date	02/02/2024



OXY OCCIDENTAL PETE CORP COM

\$59.71 -0.26 (-0.43%)

At close: Dec 29, 2023, 4:10 PM ET

EXTENDED HOURS

\$59.65 -0.06 (-0.10%)

Bid x Size \$59.60 x 300

Ask x Size \$59.65 x 100

After hours: Dec 29, 2023, 7:59 PM ET

Snapshot Charts News Options Analyst Research Fundamentals Earnings Insider Activity Historical Quote

Open	\$60.00	Shares Outstanding	877.6M
Previous Close	\$59.97	Beta	0.5
Volume	5,926,178	P/E (TTM)	13.09x
Average Volume (10 days)	9,712,941	EPS (TTM)	\$4.59
Market Cap	\$52.4B	Quarterly Dividend / Yield	\$0.18 / 1.20%
Day Range	59.55 - 60.30	Ex-Dividend Date	12/07/2023
52 Week Range	55.12 - 67.93	Dividend Payable Date	01/16/2024
	12/12/2023 - 01/27/2023	Next Earnings Date	02/26/2024



P/E Ratio of Entire Stock Market = 24.59

P/E Ratio of Entire Stock Market = 6.78

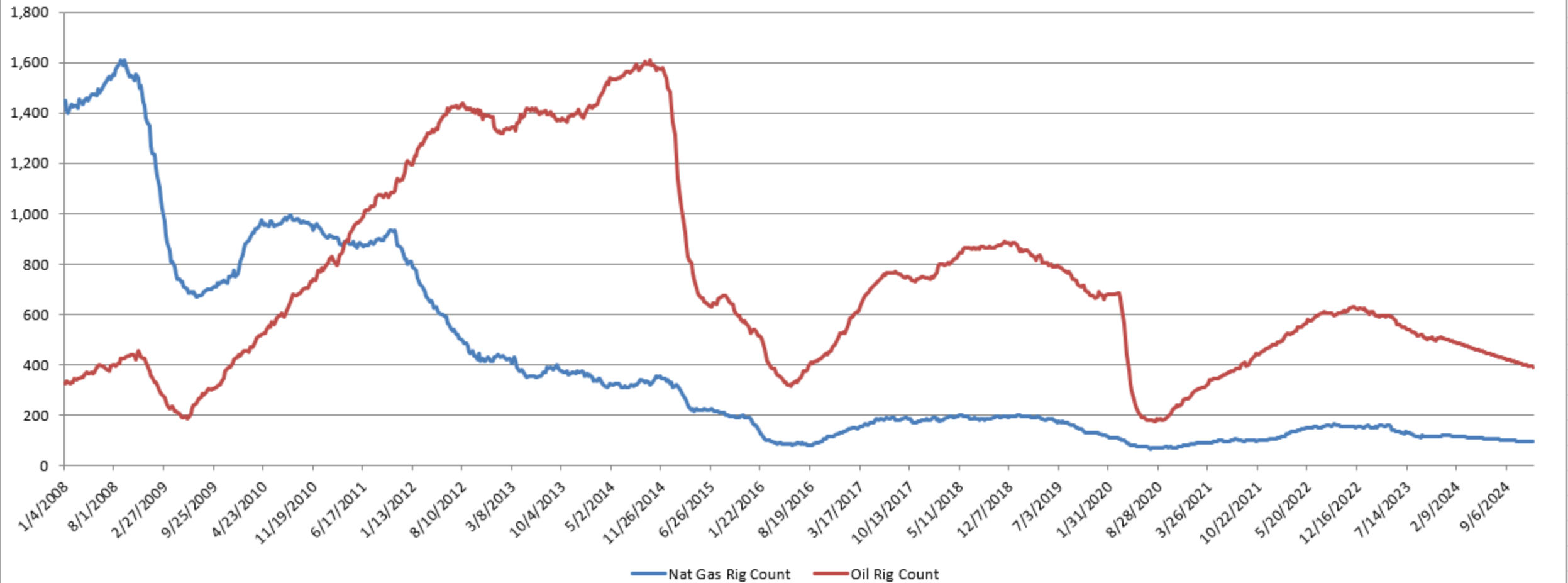
Acquisition targets:

- Companies with infrastructure assets in states unlikely to approve any new infrastructure
- Companies who own production and reserves in areas that are securely pro-fossil fuels

12/31/2023

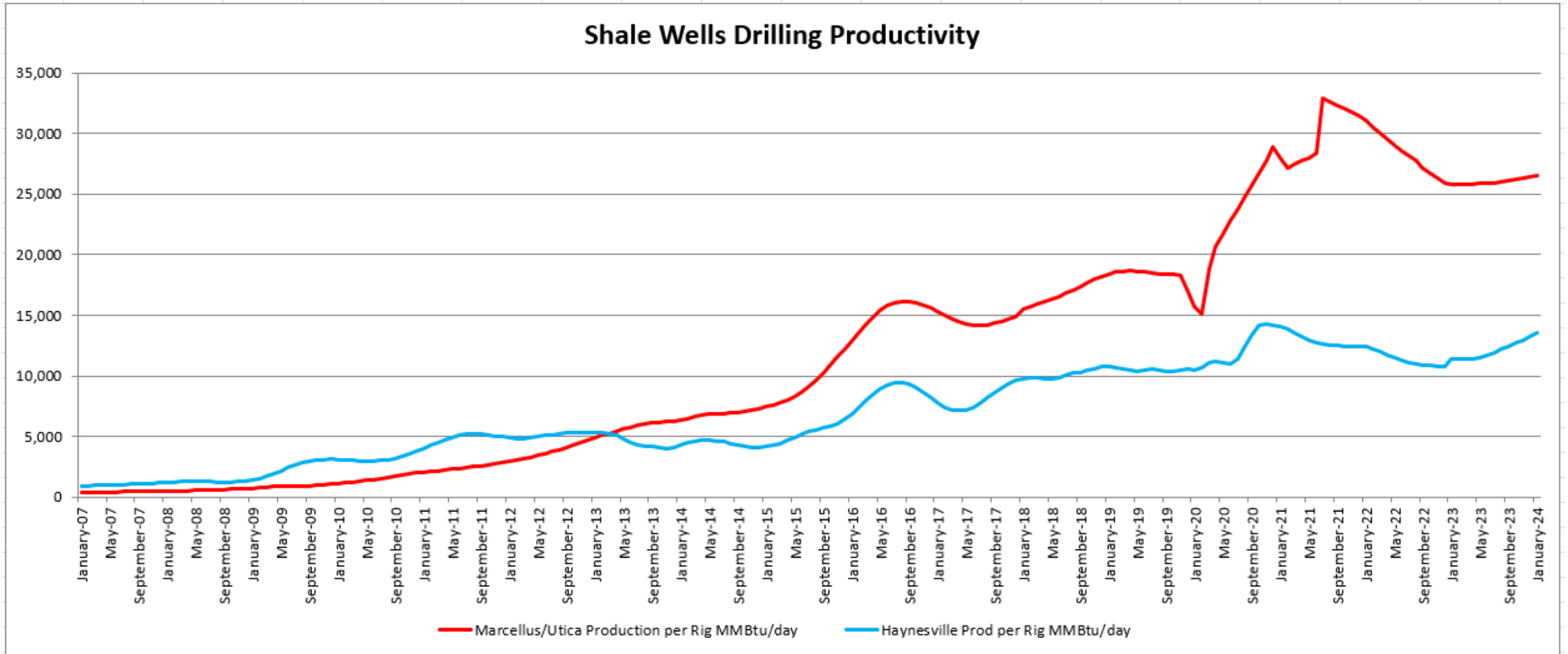
Rig Counts Elastic With Pricing

Rig Count - US Total



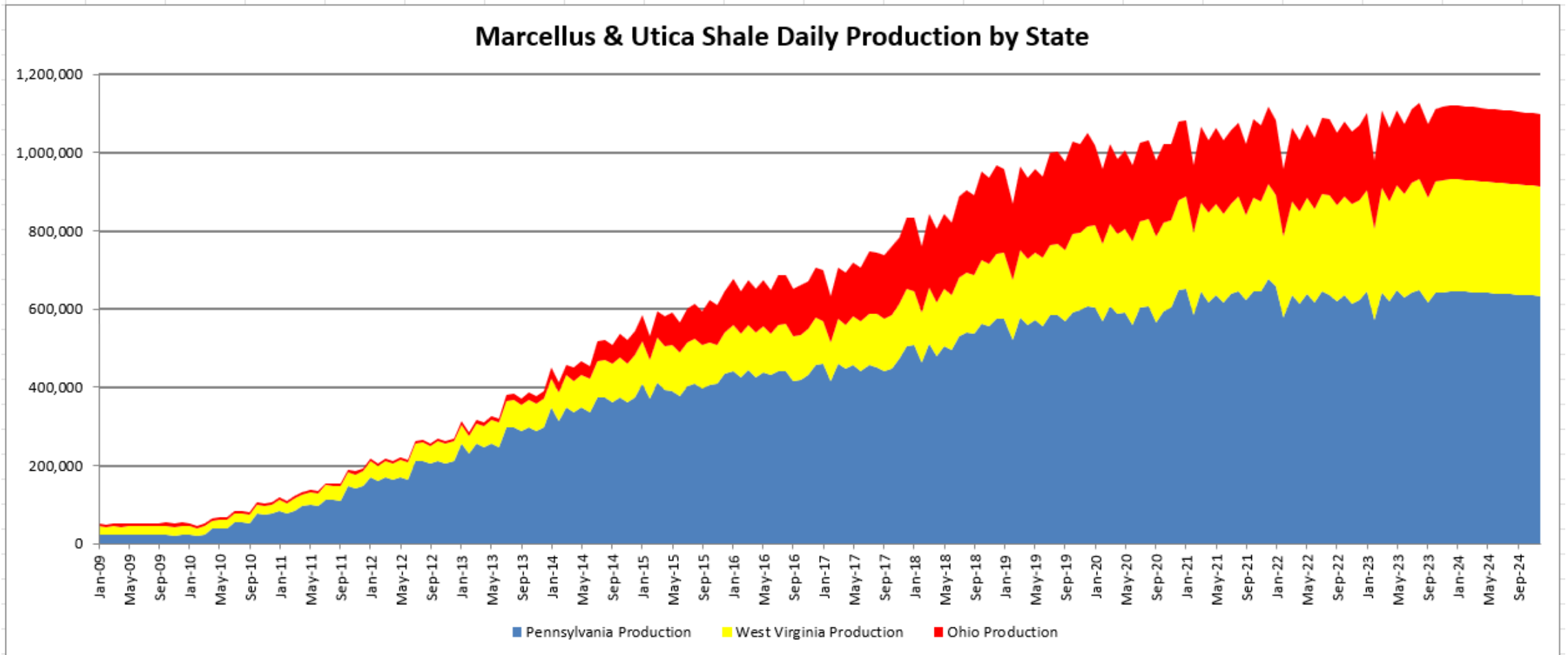
Rig Productivity Starting to Slip

Shale Wells Drilling Productivity



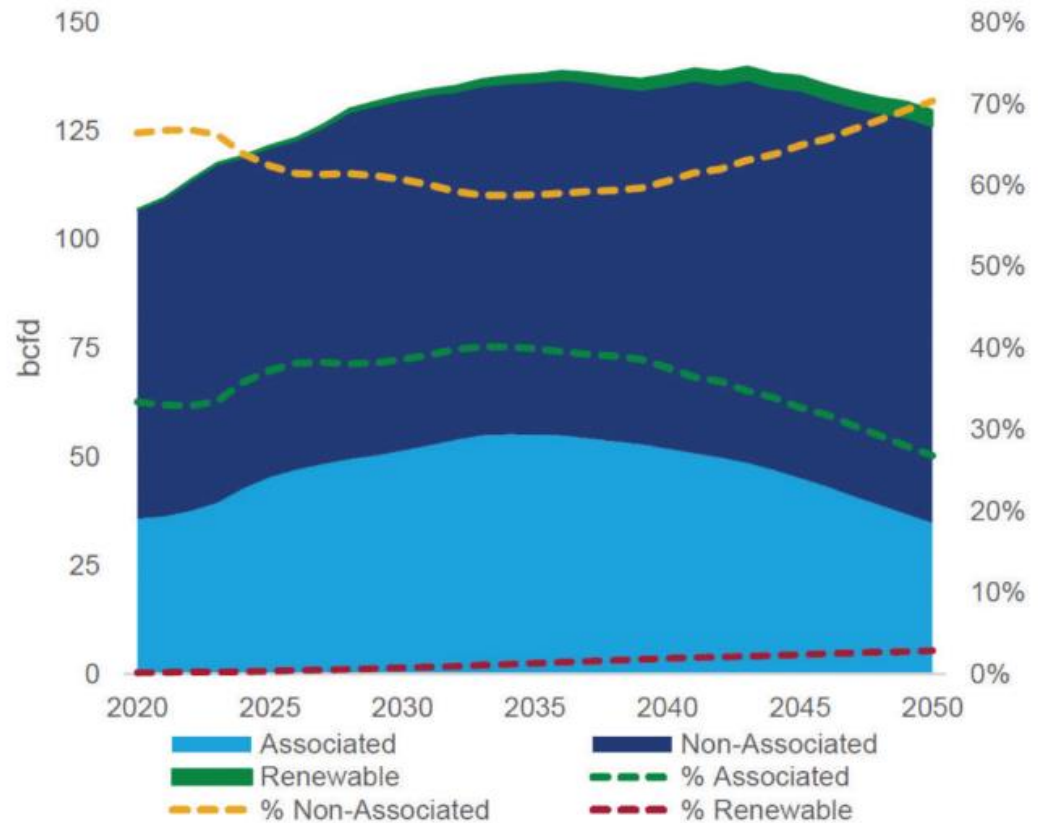
12/31/2023

Production in Marcellus/Utica Will Be Limited by Infrastructure



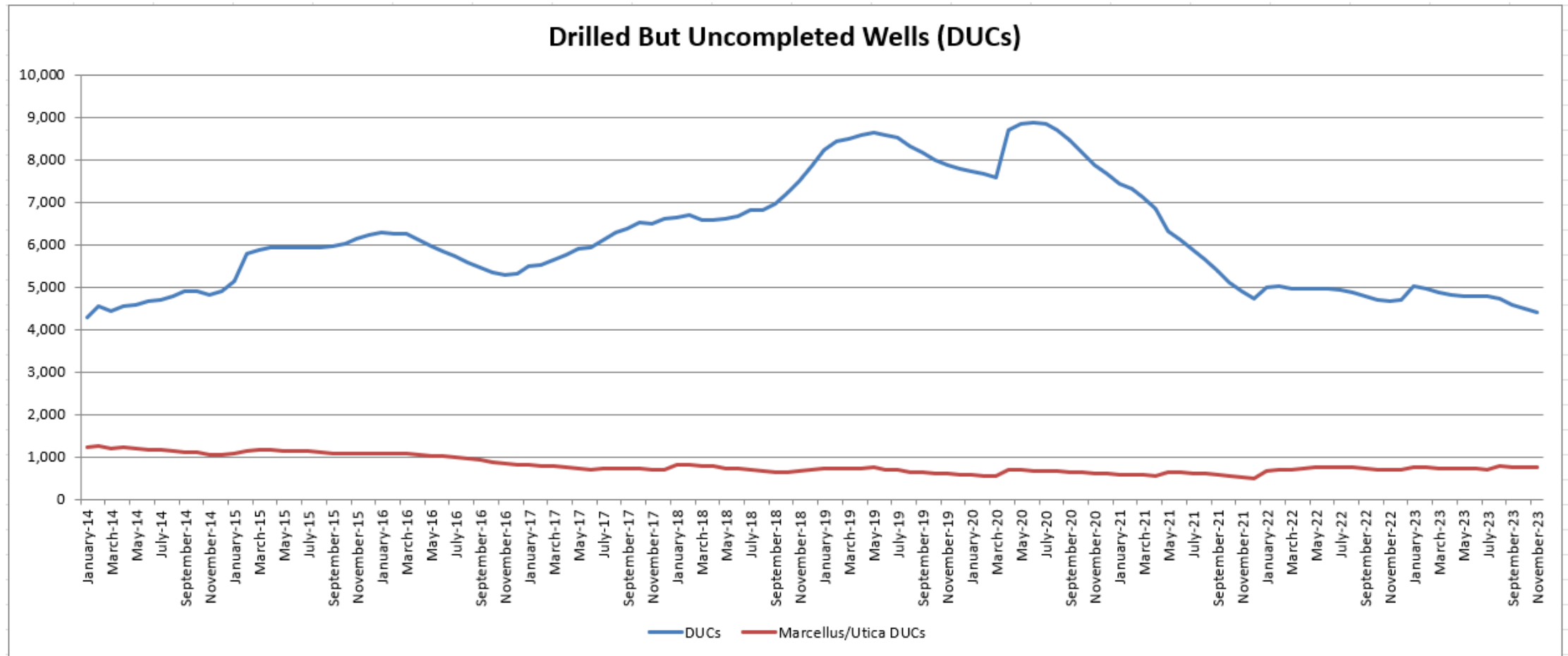
Associated NG Still a Wild Card – NG Supply That is Inelastic With the NG Price

North American Gas By Type

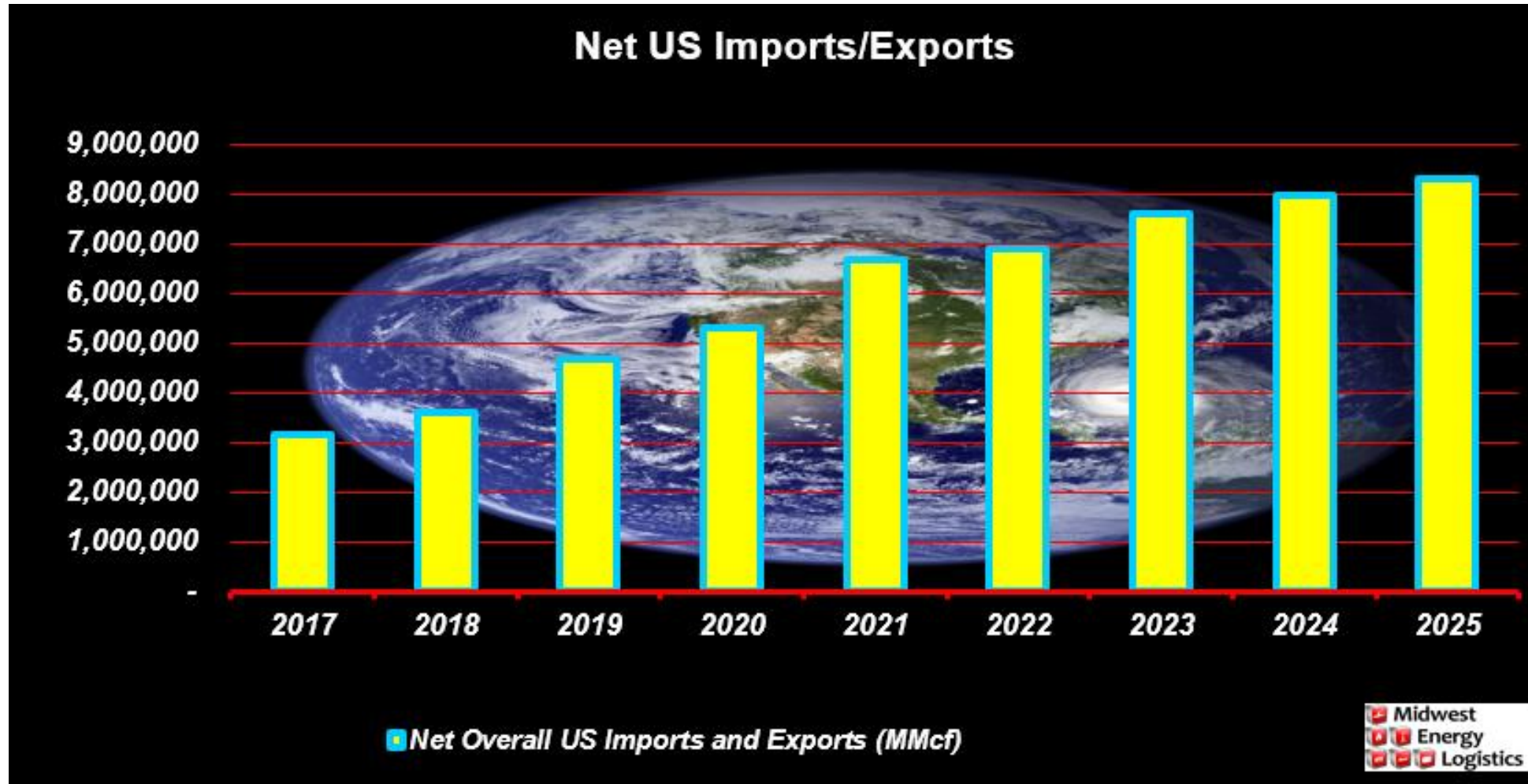


WoodMac projects production of associated gas to continue to rise through 2035. (Source: WoodMac)

DUCs Reaching 10-Year Low



Exports Climbing



**END OF
PRESENTATION
- THANK YOU**

