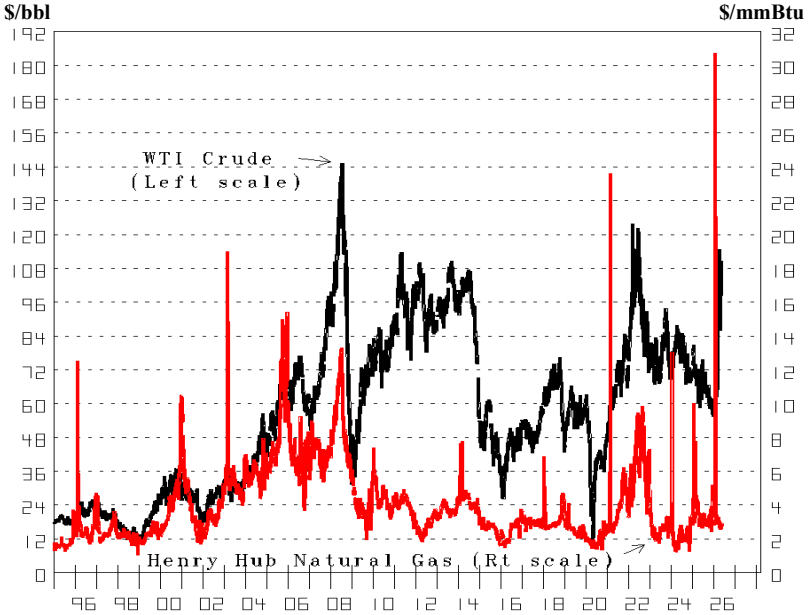
Energy Directions, Inc.

United States
Energy Price Outlook
Natural Gas Outlook
Supply/Demand Assessment
April 2026

Oil & Gas Price Comparison [Note, Oil priced at $-37.63 per barrel 4/20/20 is omitted]
(Src: Oil Price-Platt's Oilgram, NYMEX close 12/15/15 to 12/29/23, DOE since then.
Gas Price-Platt's, Wall Street Journal & DOE)



Friday, May 15, 2026

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Historical supply, demand and inventory data on the United States natural gas market is from the U.S. Energy Information Administration's April 2026 Electric Power Monthly, Energy Review & Natural Gas Monthly. The Smolinski natural gas strip price is the 12-month moving average of New York Mercantile Exchange natural gas futures prices 7 to 18 months into the future. OSX is the Philadelphia Oil Service Sector Index. XOI is the American Stock Exchange's Oil Index.

Friday, May 15, 2026

More fear continues providing great buy-low opportunity. The word "Tariff" creating great fear has been joined by "War" and "Recession" fear that have increased uncertainty. The S&P 500 had a 16.4% gain in 2025. It was up 0.5% year to date (YTD) before Operation Epic Fury launched and dropped it to down 7.3% YTD. We credit fear exaggerated and the U.S. a major fossil fuel exporter for it up 8.2% YTD today. The NYSE ARCA Natural Gas Index (XNG) had a 9.4% gain in 2025 and was up 18.4 % before Epic Fury launched. Epic Fury has it now up 29% YTD and that despite the Henry Hub price of natural gas the same now, near $3, as it was mid-January. Mild temperatures still dominating, both Winter and Summer, are still providing great buy low opportunity as the effort to bring peace to the Middle East needs more workers and growth to restore capabilities to fuel and provide better lives for the whole world**.**

Operation Epic Fury a very powerful treatment to end the Cancer of Terrorists killing and destroying has side effects worth incurring. Epic Fury battling suddenly underway jumped the cost of oil, and natural gas Over There. Seeing the outcome: ending decades of terrorizing, worth the side effects needing to be lived through has us predict much needed, great success. The enormous magnitude and length of the Iranian Rulers response confirms the need to now end their decades of effort killing/maiming and destroying. Much learned that is now killing cancer encourages our assessment, much learned and capabilities soon have deathly-terrorizing ending.

Eliminate fossil fuels still too popular keeps us predicting more episodes of those energy bearish caught short by Climate and pent-up demand stimulating. High CO2 coincides with warming; it doesn't cause Climate Change. The notion still too popular, "Mankind's CO2 emissions are so very dangerous" encouraged by extensive coverage of storms, weather extremes, damage continues discouraging/ hindering conventional fossil-fuel supply investment. Opposition in California, to a restored offshore pipeline fueling it, instead of higher cost and lower-value-to-it foreign supply, is the latest example. Nevertheless, more encompassing research shows CO2 fear is false. Temperatures rise in the Spring despite all the green increasing oxygen content and reducing CO2 content. We predict & see wisdom winning: handle Climate damage before and when it occurs. Dictating $Trillions to cut CO2 required believing 1) new Climate Change can't be lived through and, 2) despite inability to Change The Climate (except by Elijah), "Investing" $Trillions will make it Not Change.

Electricity high value but still poorly understood/taken for granted highlights more needed, + much more natural-gas generated. More learning, how things work and why, are and will be driving energy stock prices/value UP much more. More are learning high-cost, new-infrastructure Climate-Fear needed makes no sense. Plus, the excitement and potential of Artificial Intelligence (AI) prospering much more requires much more electricity and rapidly so. Nuclear not fast, natural gas fueled powerplants quickest in service, most economical and the U.S. resource base huge give the U.S. the major advantage, yet to be appreciated. Conventional energy the only economical way to prosper many more keeps us predicting better is the future: many more Participate enjoying Doing/Being/Having More, with 1) tariff efforts increasing trade, 2) production growth slow has natural gas & oil rebound to Up a long time, 3) man-made Climate Change is a myth and 4) more learning: safe, "Thou-Shalt-Not-Murder, Steal" lives need ruling-elite power reduced/removed. With the effort against Iran a positive example. **Mild persisting still keeping expectations low keeps us rating crude-oil, oil-focused E&P, Drilling & Oil Service & supplying Natural Gas Overweight Strong Buy, Oil Refining BUY.**

Energy Price Forecasts (*); These Estimates (E) Are Most-Likely Predictions

	2021	2022	2023	2024	2025	2.026E	2027E
Average Henry Hub Spot Natural Gas							
($/mmBtu; Source: Wall Street Journal & DOE)	.862	6.411	2.538	2.196	3.737	5.428	7.000
Change from prior forecast						+0.011	
Average Marcellus Shale, Dominion South, Eastern Gas South & now (2026) New York City Spot							
($/mmBtu; Source: Wall Street Journal & DOE)	3.108	5.793	1.679	1.648	2.983	4.194	6.650
Change from prior forecast						-0.152	
Average West Texas Intermediate Spot Crude Oil							
($/bbl; Source: Platt's Oilgram & NYMEX Futures	67.97	94.33	77.59	77.13	69.75	84.76	86.00
Change from prior forecast						+0.76	

*Note: Quarterly forecast detail is presented on page 23.p

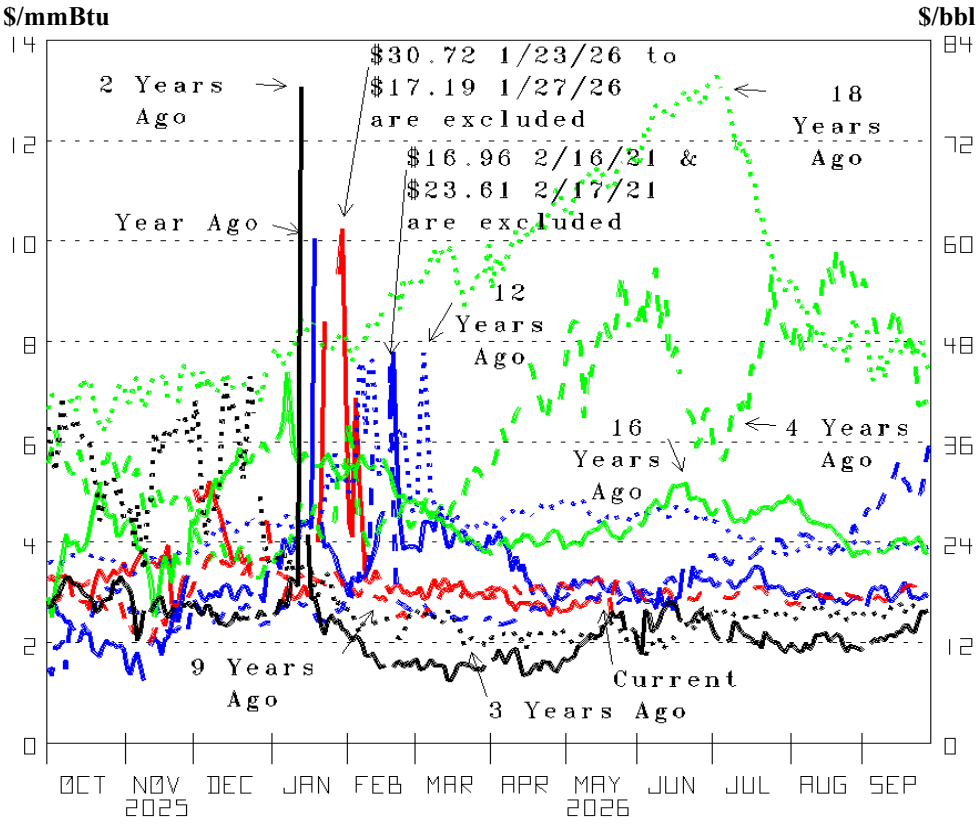

Figure 1A
Henry Hub Spot Market Natural Gas Price. (Src: Wall Street Journal & DOE since 12/14/2015)

This price $23.61 2/17/21, a new record high confirmed firming plus $30.72 1/23/26. But rapid production growth, and Winters delightfully mild pressured down to a $1.24 low March 2024, and extra mild to a lower $1.23 November 2024 low. That low was followed by the jump to $10.07 1/17/25.

Climate Change still minimizing, has inventory high. That and economic growth fear has this price, while up, languishing. But gas inventory showing potential demand record high is why we see the need to drill much more and predict $7+ sustained by the high value of all natural gas fuels.

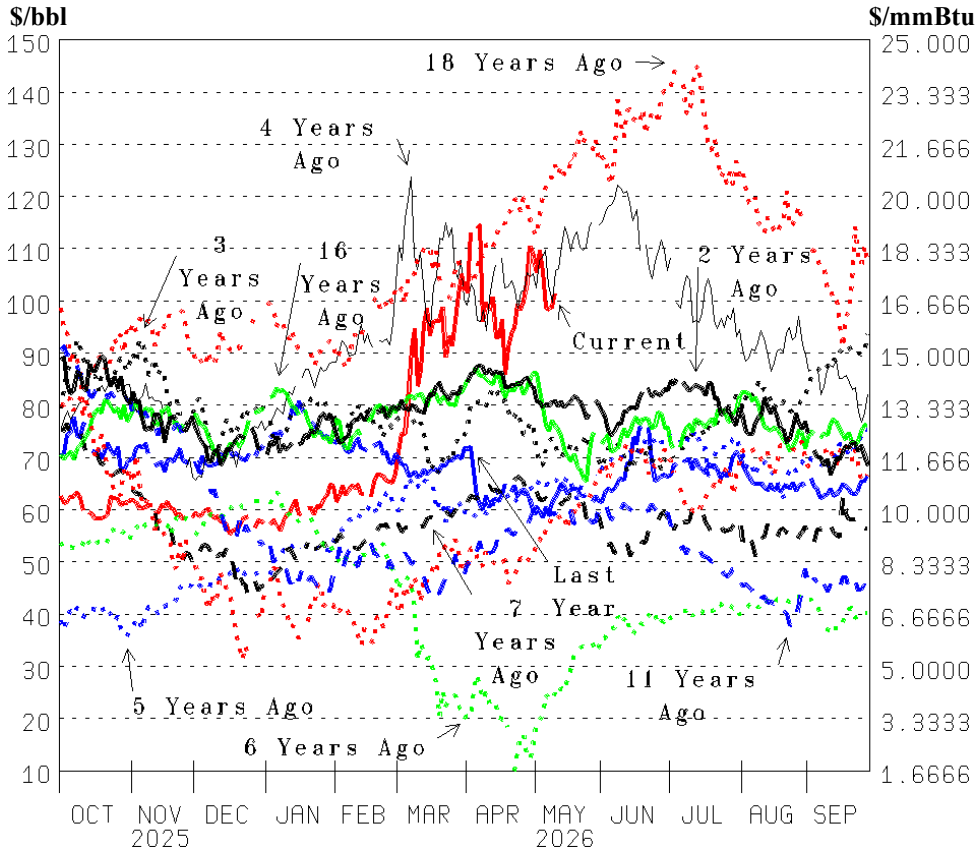

Figure 1B
West Texas Intermediate (WTI) Crude Oil Spot Market Price (Src: Platt's Oilgram Price Report, NYMEX close 12/15/15 to 12/29/24 [-$37.63 4/20/20 is excluded] & spot from DOE since 1/2/24)

2020's fast collapse to -$37.63 4/20/20, which we omit, reflects The Climate mild, virus shutting in/down + oil price war production increase filling inventory to "Where do we put it?" fear. Many more living better lives, the Tariff tactic being used plus ending War has now changed to a "Where do we get it?" future of pent-up demand stimulated by recovery and Worldwide growth. Ending-war achieved plus mankind-enhancing-greatly-activity enjoyed has a Drilling Boom needed.

We don't see (and pray we won't) World War III, just War ended. Instead, we predict this consensus-beating UP at $80+ for several years fueling the world, driving many more with more very good, Blessed world growth.

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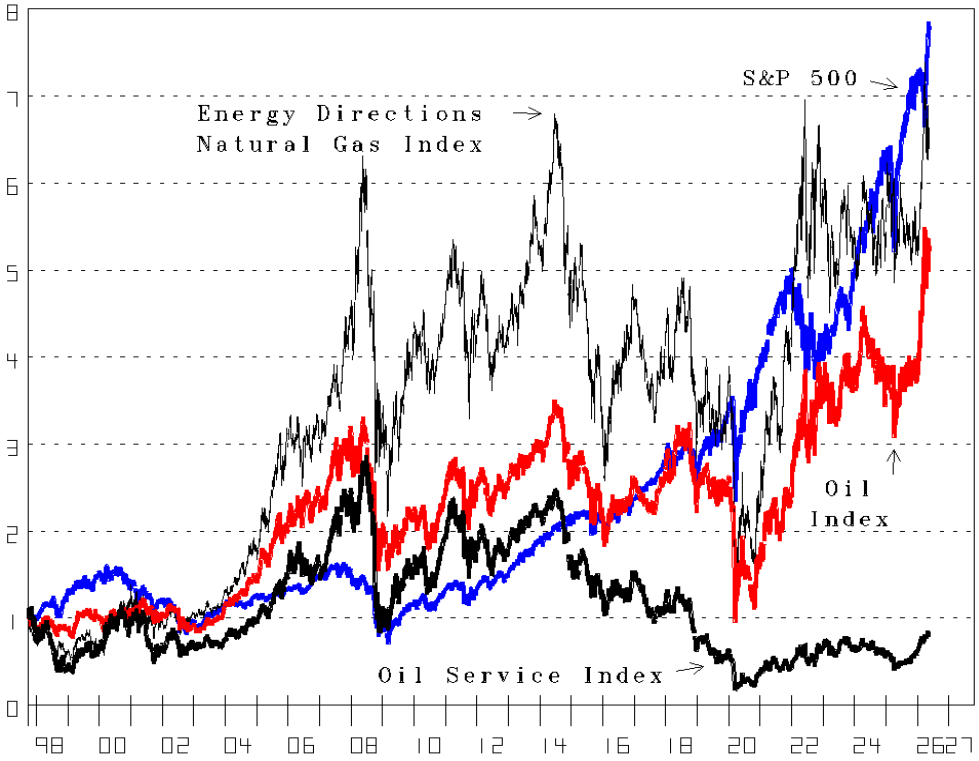

Figure 2A
Stock Price Index Comparisons
(Indexed to 1.0 12/31/98)

The 2020 collapse (a recession drop) set up trending UP (from so extra low) driven by Doing again increasing in number and activity.

(*) Energy Direction's Natural Gas Index is the sum of the closing price of APA Corp. (NYSE: APA-42.80) times 2, and EOG Resources (NYSE: EOG-147.49) times 4, on 4/3/06, Devon Energy (NYSE: DVN-51.35 times 3.00507 replaced Burlington Resources times 2. On 8/9/19, the change in Coterra Energy, Equitable Corp (EQT-66.86) and Pioneer replaced Anadarko Petroleum and replaced Noble Energy since 10/5/20. 5/2/24 Antero (AR- 44.33) replaced Pioneer and 5/7/26 Comstock (CRK-$14.67) replaced Coterra to calculate the change in the new three. 1307.09 today up 1,073.03, from 3/18/2020's 234.06 low but 61.89 below its 6/7/22 hi needs nicely more. The Oil Service Index still way low reflects many still believing little needed and finding and producing it is/will-be easy. We conclude hundreds of millions more fueled UP requires years-more Drilling-Boom/Profitable-Investing UP.

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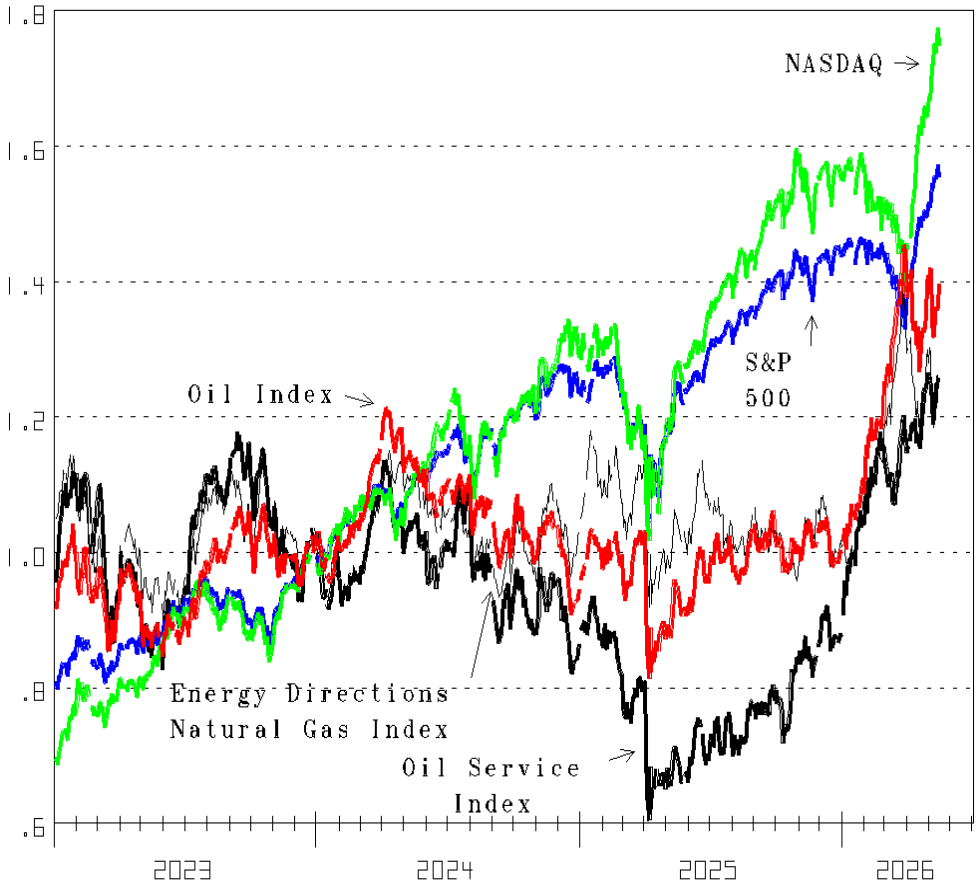


Figure 2B
Stock Price Index Comparisons
(Indexed to 1.0 12/29/23, last trading day)

Winters delightfully mild set up energy's 2023 & 24 drop followed by recession fear but powered the rest of the market UP. Buy-energy-low-opportunity is still there with war/tariff/recession/no-growth fears pressuring overdone, plus mild persisting minimizing gas demand having natural gas inventory high. However, buy-low-opportunity exaggerated extra-low set up the fast increases from the lows that will continue.

Russia's Ukraine invasion atrocious but, up to World War II not unusual, keeps us predicting UP continues. Oil needed being recognized now includes Middle East recovery and damage repaired. Much more supply capacity for years, especially Drilling & Oil Service is needed.

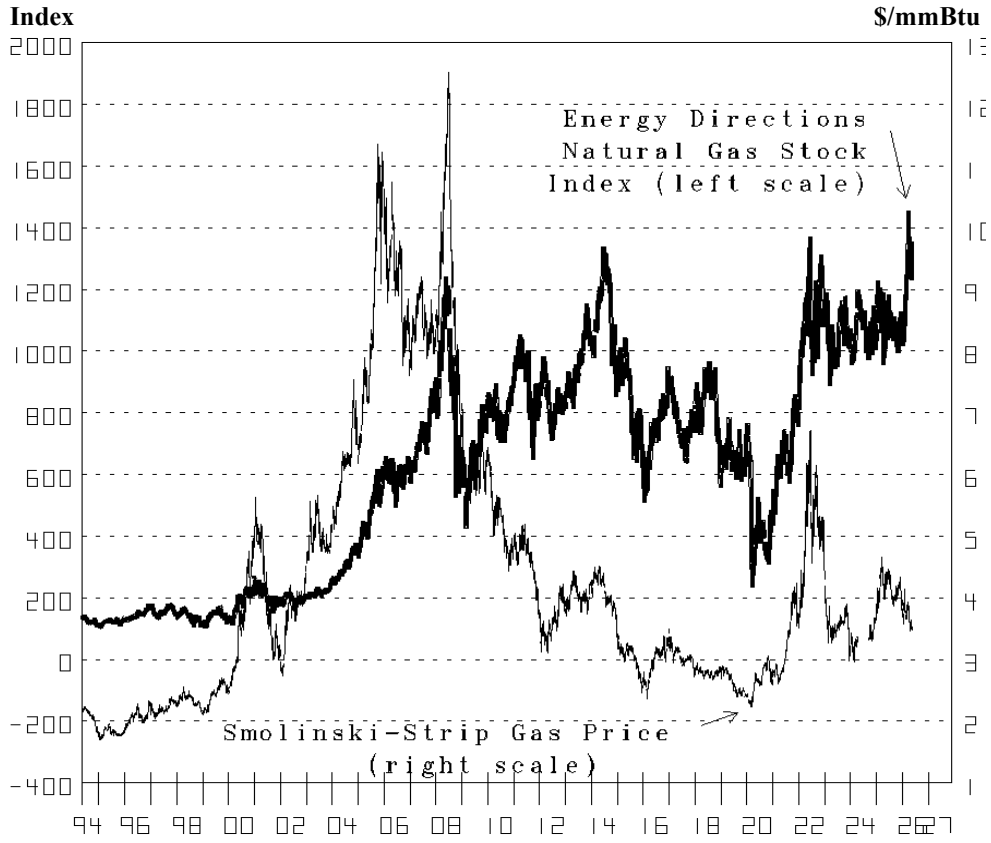


Figure 3
Energy Directions Natural Gas Stock Index versus Smolinski-Strip Natural Gas Price (Src: Smolinski Strip calculated from NYMEX prices)

The Smolinski-Strip price now $3.46 reflects mild temps dominating. We look for Summer to boost much. This Energy Directions Stock Index 234.06 3/18/20 but 1,307.09 today still offers great opportunity because its declines/stagnation have exaggerated. There's more UP to go.

The 2011/12 price rise ran into rapid natural gas production growth. With great success, production growth next will be short of demand growth.

[Note: the Smolinski-Strip natural gas price is the 12-months moving average of the closing price of Henry Hub natural gas futures seven to eighteen months in the future on the New York Mercantile Exchange (NYMEX). *It was last updated, for non-clients, April 5, 2024.* It is up around $3.46 now]

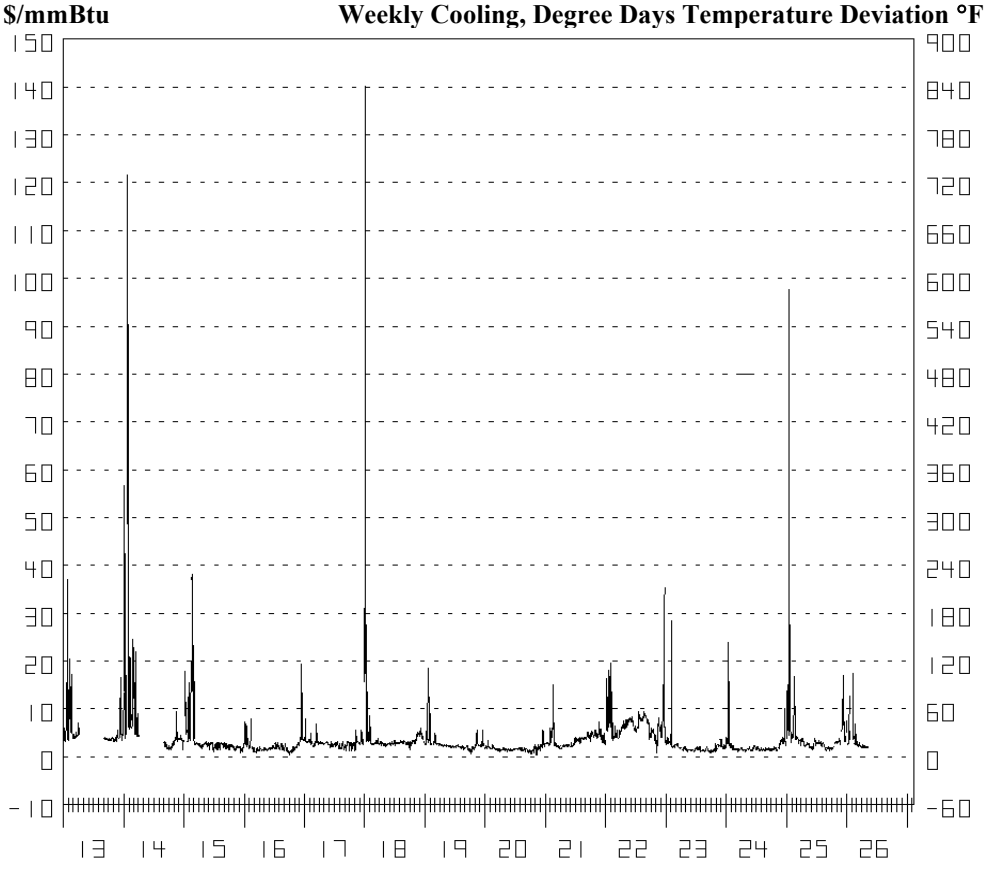
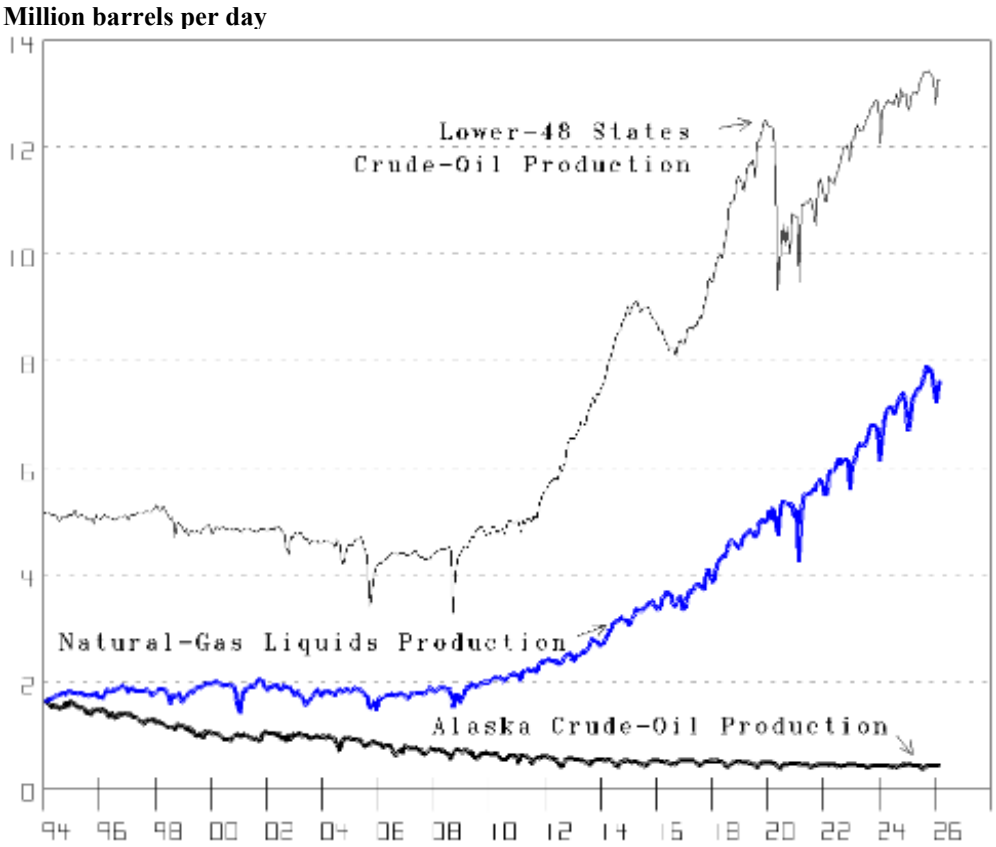


Figure 4
Transco Zone 6 for New York City, Spot Market Natural Gas Price (Src: Wall Street Journal & DOE since 10/1/18)

This spot market price for New York City highlights rules and rulers burdening the cost of natural gas by limiting drilling in New York State and transporting gas. The price jumped in Jan 2025 to $97.90 per mmBtu the 17th, and $27.59, $17.54 and $9 the 21st to the 23rd.

The Climate minimizing natural gas demand is evident in this price tugged up by cold almost to $4 as April 2025 began but down almost to $1.50 in June, minimized by temperatures mild + solar, wind and conventional hydroelectricity maximized. Late June and late heat tugged up near $4 but end-of-Summer cool deflated below $1.50. Mild of late has it $2.12, down from $17.42 February 28.

Figure 5A
U.S. Lower-48 and Alaska Monthly Crude Oil and Natural-Gas Liquids Production
(Src: U.S. Department of Energy data)
Million barrels per day

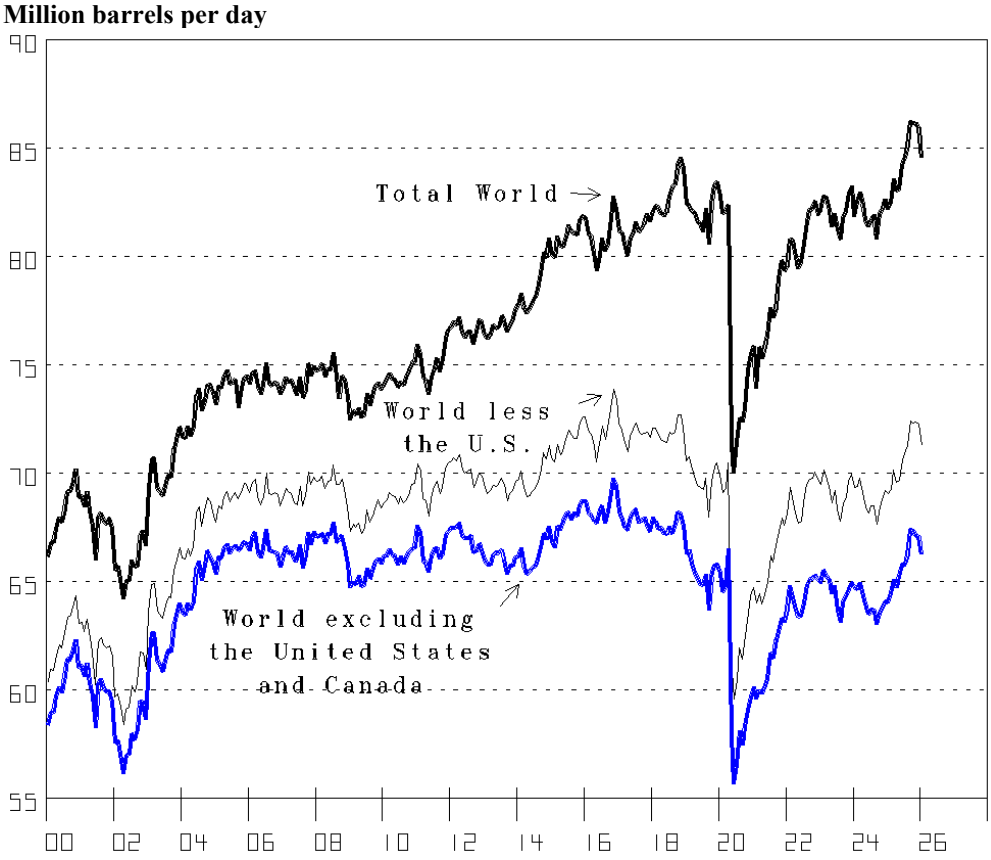


U.S. lower-48 crude oil production at 13.000 mmbd with the Fracking Revolution depletes much faster than 4.5. Oct 13.436 mmbd is the lower-48 high. March 13.233 is 0.203 less but a 0.213 mmbd (1.6%) YOY increase.

Other-country data tardy has most focus on U.S. production growth and oil inventory. WTI $105 reflects production growth needed.

No YOY Alaska production growth confirms The Fracking Revolution doesn't work for much of the world plus permitting matters very much.

Figure 5B
Monthly World Crude Oil Production and the world less Canada and the US
(Src: U.S. Department of Energy data)



The world 84.532 mmbd in Jan is up 2.321 (+2.8%) YOY but down 1.694 from Sep's 86.227 record hi.

Pent up demand rapidly increased by 2020 coronavirus shutdowns ran into collapsed prices having drilling activity low that also encouraged producers (especially the major national exporters) to manage production to maximize revenue and their lives. Now, Operation Epic Fury quickly dropping supply has jumped prices determining where what is available goes where it is valued the most. Restoring capacity, a long-term activity ensures a multi-year, profitable investment cycle is ahead. So does change from funding terrorizing to fueling better lives for many more people.

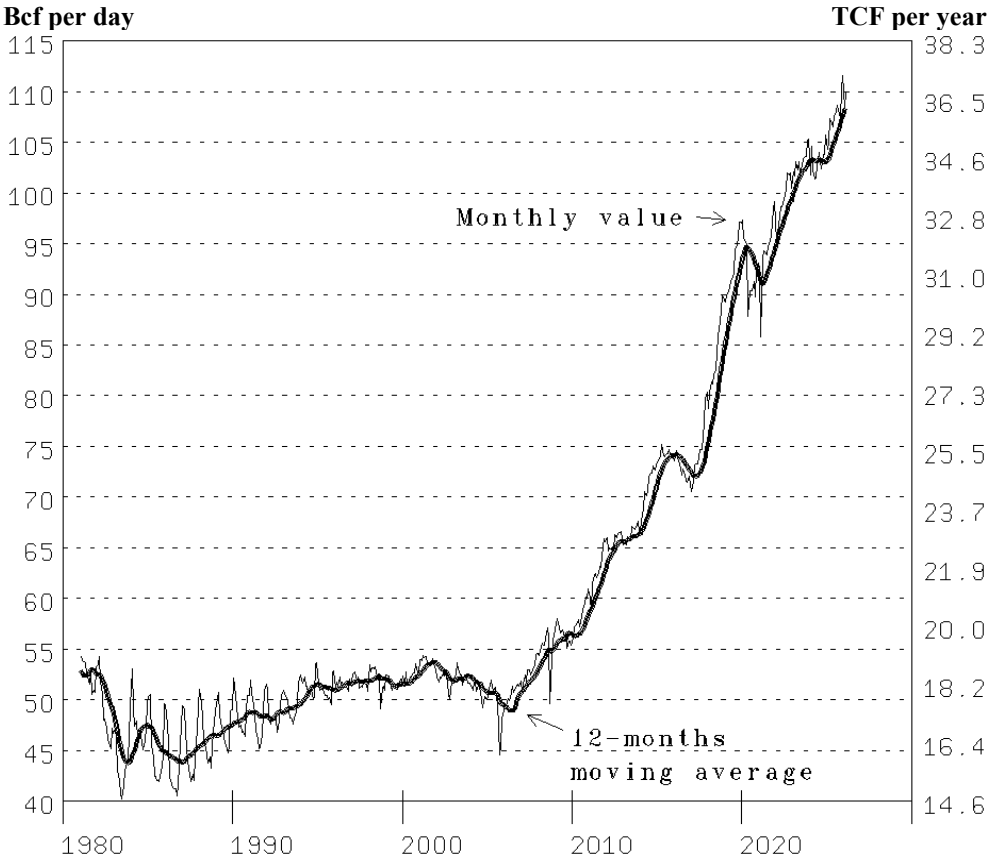


Figure 6A
U.S. Monthly Dry Marketed Natural Gas Production; (Src: Calculated from U.S. Department of Energy data)

The Fracking Revolution took dry gas production from 49 Bcf/d up to 75. Dropping from 75.206 in Apr 2015 to 70.563 in Jan 2017 is a reminder this depletes. 111.629 Bcf/d is dry-marketed production in Dec, a new record high, up 5.948 (5.6%) YOY. Nevertheless, Jan 2025's $9+ and 2026's $32 price highs, despite mild dominating supports our trend assessment: depletion up, + drilling too low & infrastructure-catch-up demand growth (especially exports) has demand growth exceeding supply growth that Winters & Summers still mild are still hiding.

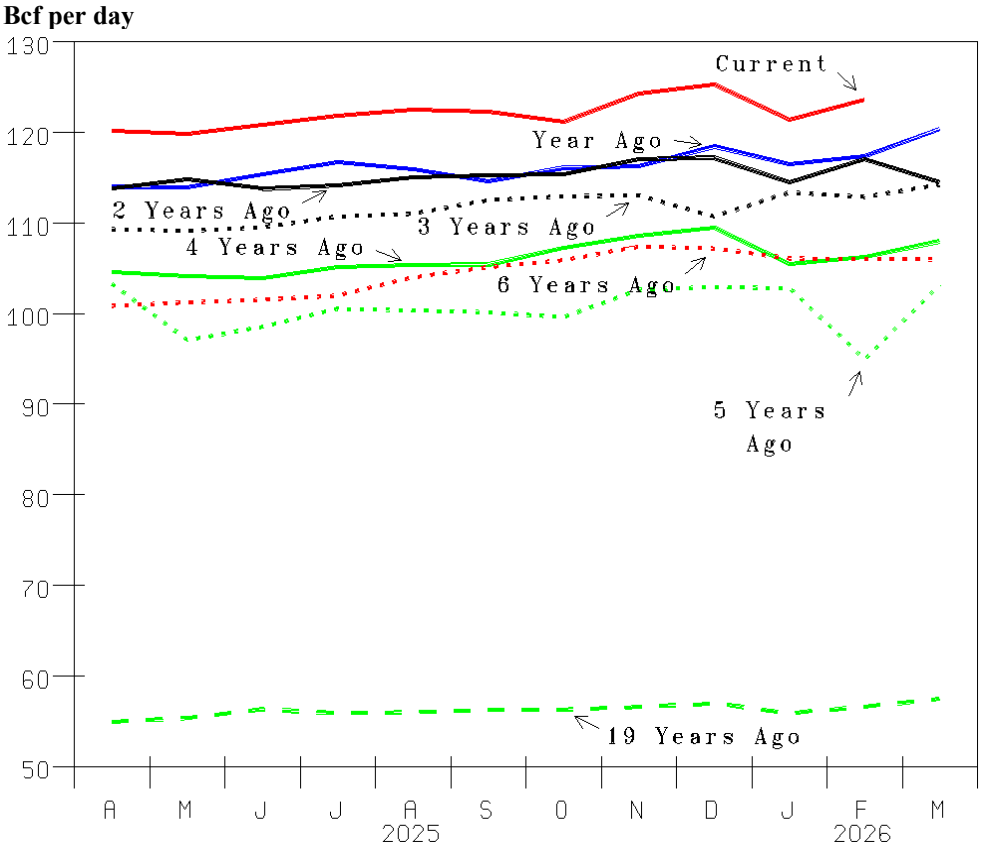


Figure 6B
U.S. Monthly Lower-48-state Natural Gas Gross Withdrawals; (Src: Calculated from U.S. Department of Energy data)

Dec. 25 at 125.259 is the new high. Nevertheless, more Drilling Boom is needed with even more needed Over There, and The Climate overdue to stimulate much more.

Predicting 1) consensus-beating UP activity including AI and now even more exports, 2) more U.S. coal and nuclear electricity generation will take a while, 3) Climate Change to stimulating and confirming 4) long-lead-time demand infrastructure caught up/moving ahead plus 5) long-lead-time Epic Fury damage replaced and repaired are the reasons we continue being very natural-gas Bullish. Gas demand infrastructure construction/being completed Over There is being increased by destruction and the supplying gap needing more.

Number of rigs running drilling natural gas wells

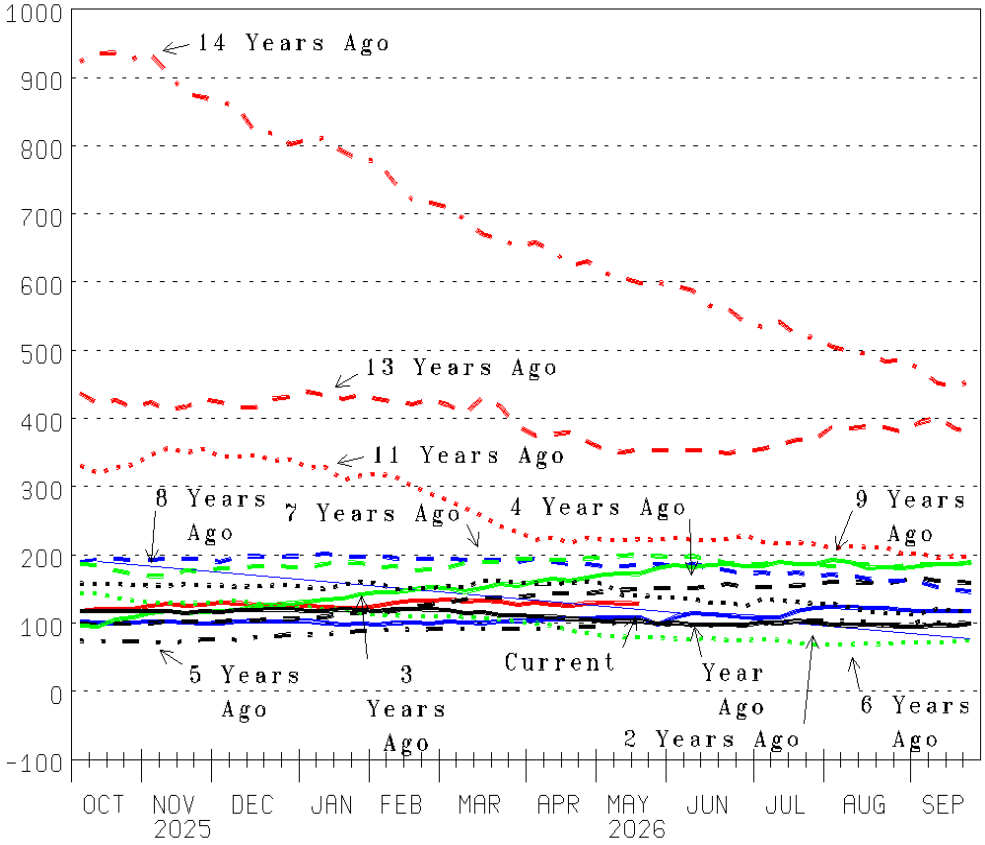


Figure 7A
U.S. Rotary Rigs Drilling for Natural Gas—Weekly; (Src: Baker Hughes)

936 rigs drilled for natural gas in mid-October 2011. 128 this week is only 13.7% of that, only 47 above the August 2016, 81 low but 20 more than 108 last year, tempering gas prices and expectations. But fueling a growing economy having 1) larger-than-normal temperature excursions, 2) providing the ingredients that will bring many more Over There and here into upward-mobility-of-the-masses and now 3) filling in for the capacity damaged and delayed by Operation Epic Fury's safe-world effort needs more U.S. and Canada gas drilling.

Number of rigs running

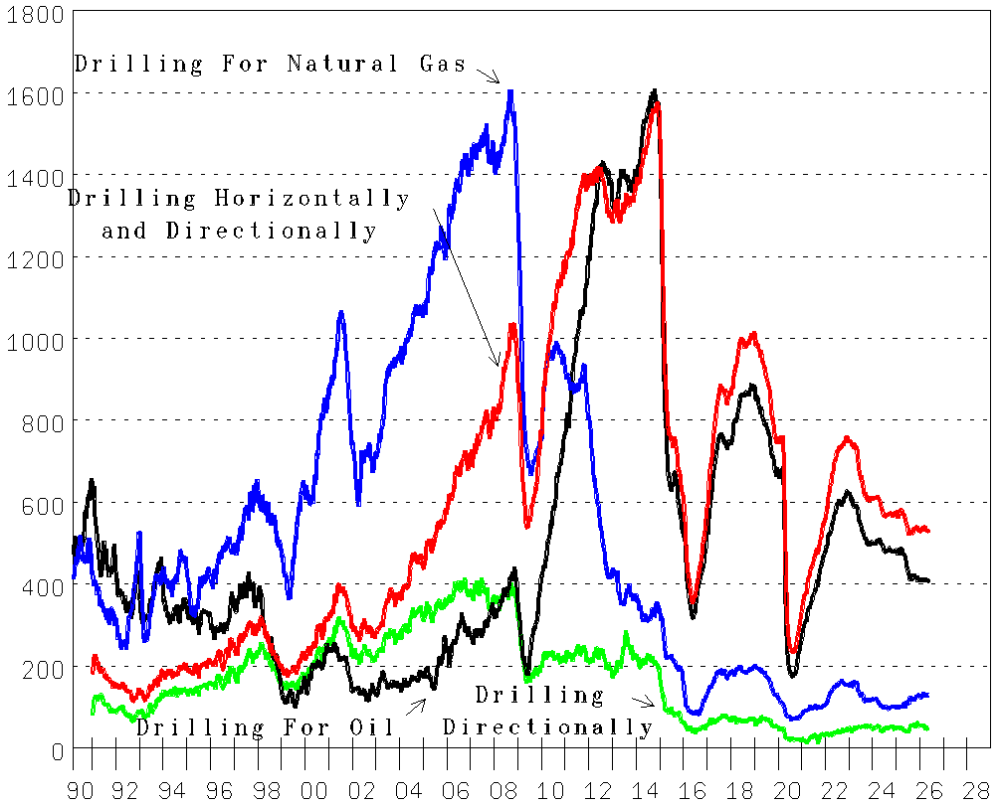


Figure 7B
U.S. Rotary Rigs Drilling in the U.S.—Weekly; (Src: Baker Hughes)

415 oil rigs drilling this week is 99 above the May 2016, 316 Drilling Bust low but down 212 since December 2022 and still 473 below 888 in November 2018.

Our profitable oil-&-gas-prices forecast is stimulated by a depletion surge caught up with the production surge. Gas will/is also benefitting from 1) Climate Change stimulating, 2) consensus expectations still too-low, 3) good demand growth (from weather and economy extremes that made demand extra low) resuming including exports, and 4) drilling oil dominating equipment/service. Many still appear unaware the oil rig-count is up much. Just not enough with Russia's invasion and Epic Fury's ending decades of terrorizing recovery efforts.

Figure 8A
U.S. Natural Gas Imports
(Src: Calculated from U.S. Department of Energy data)

The import trend UP was Canada, and the trend down is Canada. The last 12 months net Canada imports averaged 5.638 Bcf/d, but that is 1.027 less than 12 months exports to Mexico at 6.665.

Remember, North America trade is more North/South rather than East/West, easiest to see in the snowbirds who reside in the northern U.S. and Canada but winter down south. It is why we expect imports won't fall to zero as they facilitate exports to Mexico and elsewhere. Our prediction of the U.S. future is a wonderfully growing natural-gas-net-exporter fueling Over There. UP is also helped by Russia & Iran efforts. We also see Tariff tactics working

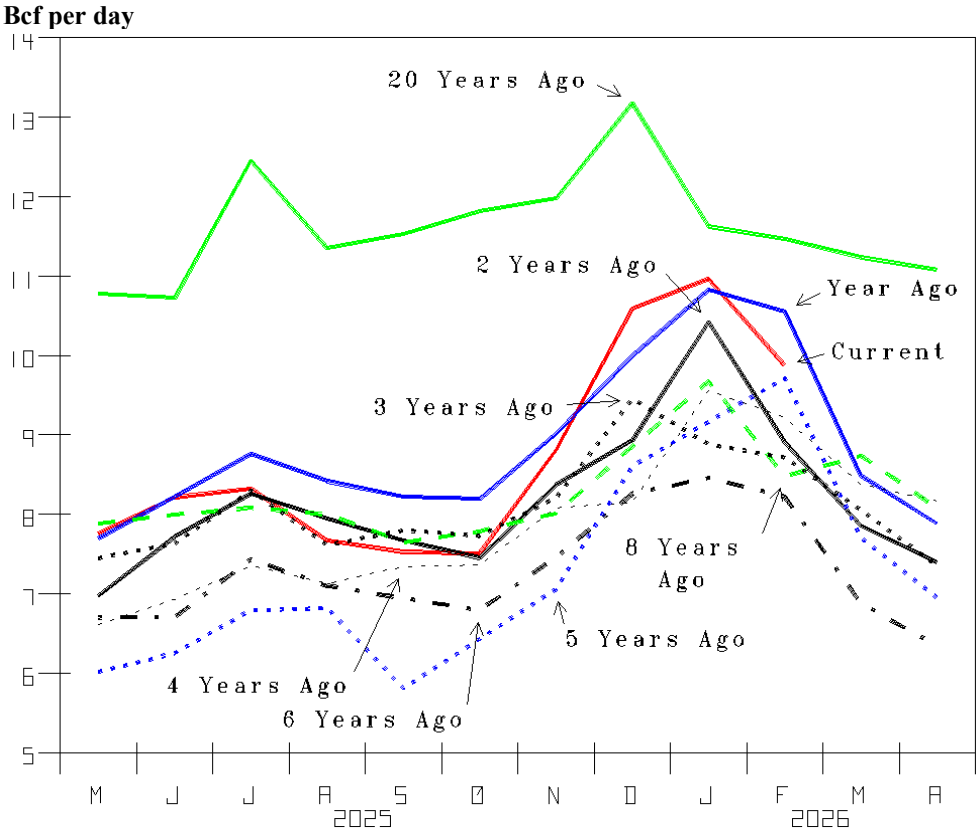


Figure 8B
U.S. Natural Gas Imports
(Src: Calculated from U.S. Department of Energy data)

The downtrend, almost all Canada, paused in 2014. Winter UP reflects cold needing more including New England gas pipeline limits needing more LNG. Plus Arctic Air not CO2'd away needing much.

An average of 49 rigs drilled for gas in Canada the last 4 weeks, 2 more than last year but 46 fewer than in 2014. 77 drilled for oil there the last 4 weeks, 1 more than last year and 1 more than 76 in 2012.

Good YOY production growth is needed. It requires good YOY drilling and completion activity increase and sustained high, profitable prices funding it. Foolish Climate opposition requires a multi-year Drilling Boom to catch up.

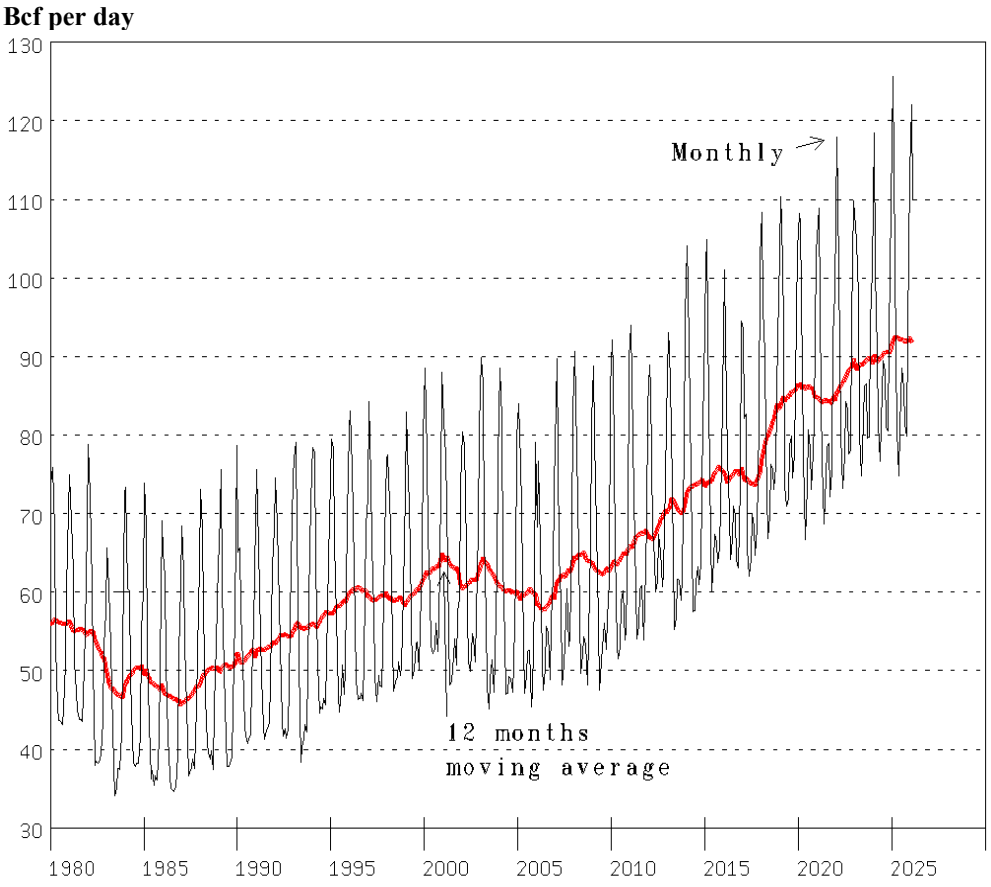


Figure 9A
U.S. Monthly Natural Gas Demand
(Consumption less Balancing Item)
(Src: Calculated from U.S. Department of Energy data)

The Climate cold producing a 118.5 and now a 125.7 Bcf/d monthly average gas-demand winter peak confirms the nice uptrend in natural-gas-fueled infrastructure underway.

Potential gas demand is trending up. Weather restraining so much of the last 213 months and mankind's CO2 and recession fear still high constrain consensus expectations. That bolsters our bullish outlook because so many are still set up to be caught with their expectations down by Climate stimulating and export growth driving activity here to higher highs.

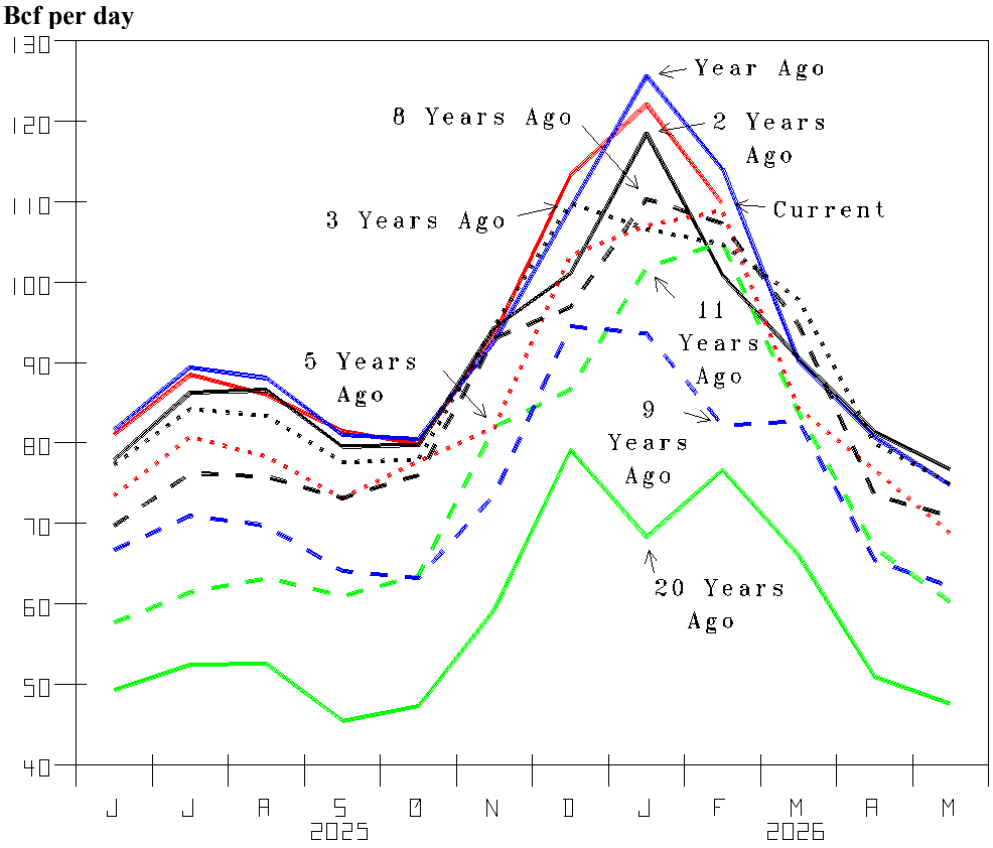


Figure 9B
U.S. Monthly Natural Gas Demand
(Consumption less Balancing Item)
(Src: Calculated from U.S. Department of Energy data)

Last Jan, Feb and now Dec new record highs reflect infrastructure decisions boosting demand. Sharp contrast to Jan 2006 (green line) is a big example of cold air existing, it not being eliminated by mankind's CO2.

New record highs despite vehicle and other production still restrained confirms long-lead-time demand growth catching UP with drilling-and-completion lead times that shrunk.

The Climate mild and coronavirus shutting in/down greatly minimizing gas demand was reflected in UP very small when it happened. That has set up consensus beating, Climate Change stimulating like last Winter along with coronavirus recovery UP evident in year 2022 natural gas prices extra profitable.

Figure 9C
U.S. Monthly Natural Gas Demand-Annualized (Consumption & Consumption less Balancing Item; 12-Months Moving Averages) (Src: Calculated from U.S. Dept. of Energy data)

Growth looks great but we predict its much greater with AI capacity being installed. Natural gas fueled electricity generating capacity the quickest to install fuels our multi-year Drilling Boom Outlook. Rapid new nuclear capacity will take time and could be much time.

Snow, drought, flooding, hurricanes, tornadoes, and fires confirm: The Climate Changes regularly. California, Texas plus Spain, Portugal and France show supply needing to be ready.

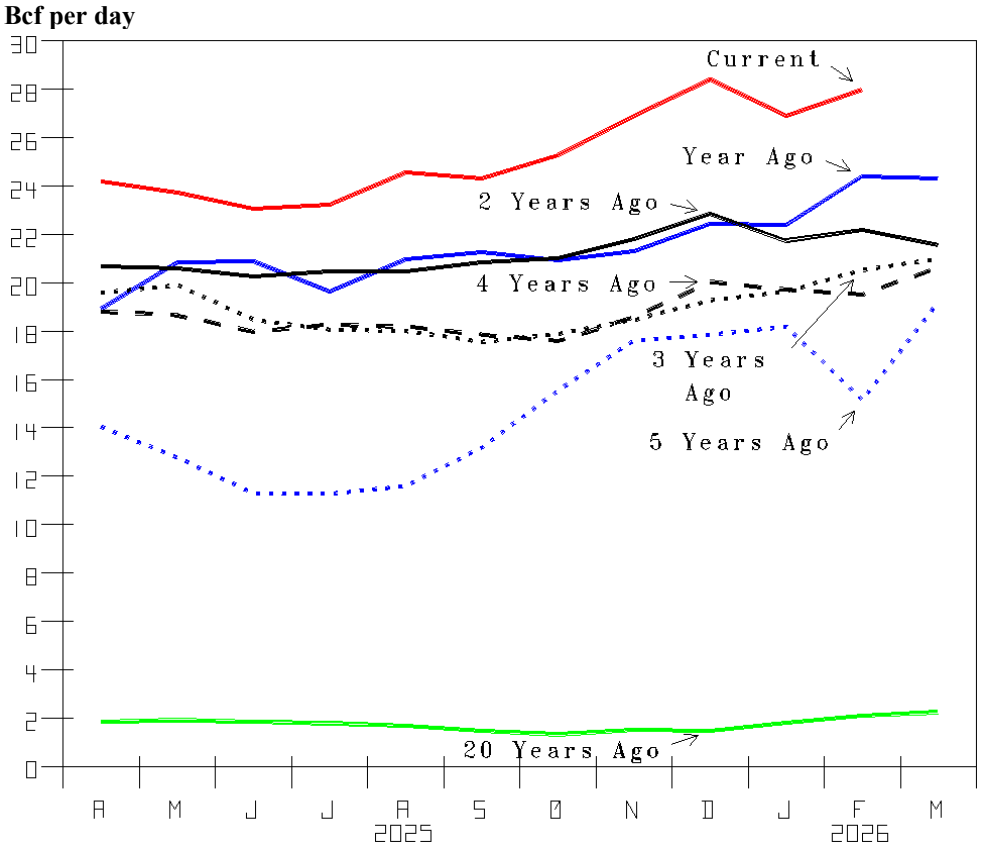


Figure 9D
U.S. Monthly Natural Gas Exports
(Src: Calculated from U.S. Department of Energy data)

Long lead time infrastructure finally being completed has and will have, with new Middle East shortfalls and damage, exports rising nicely. Addressing the virus has increased the need for healthier living conditions Over There that natural gas fuels best and has LNG exports at a 18.363 Bcf/d monthly record high in Dec. That is 5.112 (38.6%) YOY growth.

Huge upward-mobility-of-the-masses potential-demand is evident in U.S. 2023 per capita energy consumption 277.3 gigajoules, Japan's 141.2, but China's 119.8, Mexico only 65.8 and India way down at 27.3, only 9.8% of the U.S.

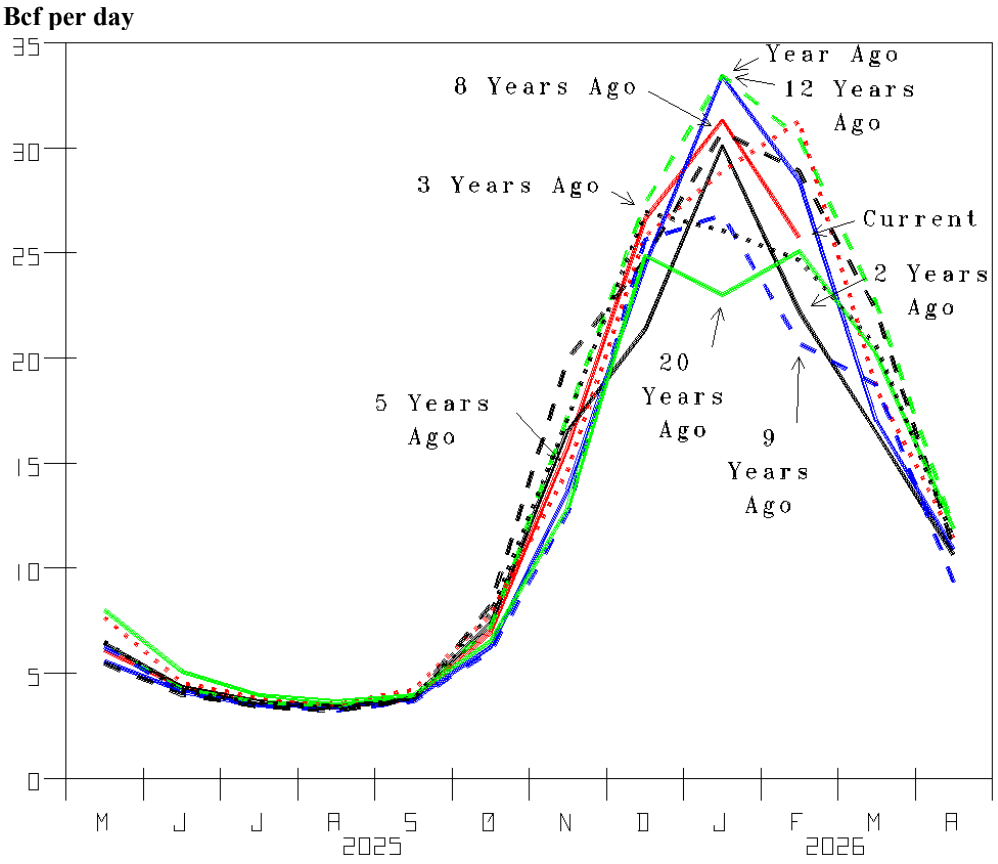


Figure 10
U.S. Monthly Residential Natural Gas Demand; (Src: Calculated from U.S. Dept. of Energy data)

The Climate hiding growth is most evident in Dec and Feb two Winters ago extra low (bold line) and low again Mar, April (blue line) and May (red line), helping low/no-economic-growth fear & expectations set up to be beaten.

Mankind's CO2 emissions increasing the Earth's greenhouse effect can explain Jan, Feb and Dec 2023 warm. Mankind's CO2 does not explain all the Winter cold highs versus January 2006. Regular wind pattern Change still poorly understood explains it including California back to flooded, then dry and burning.

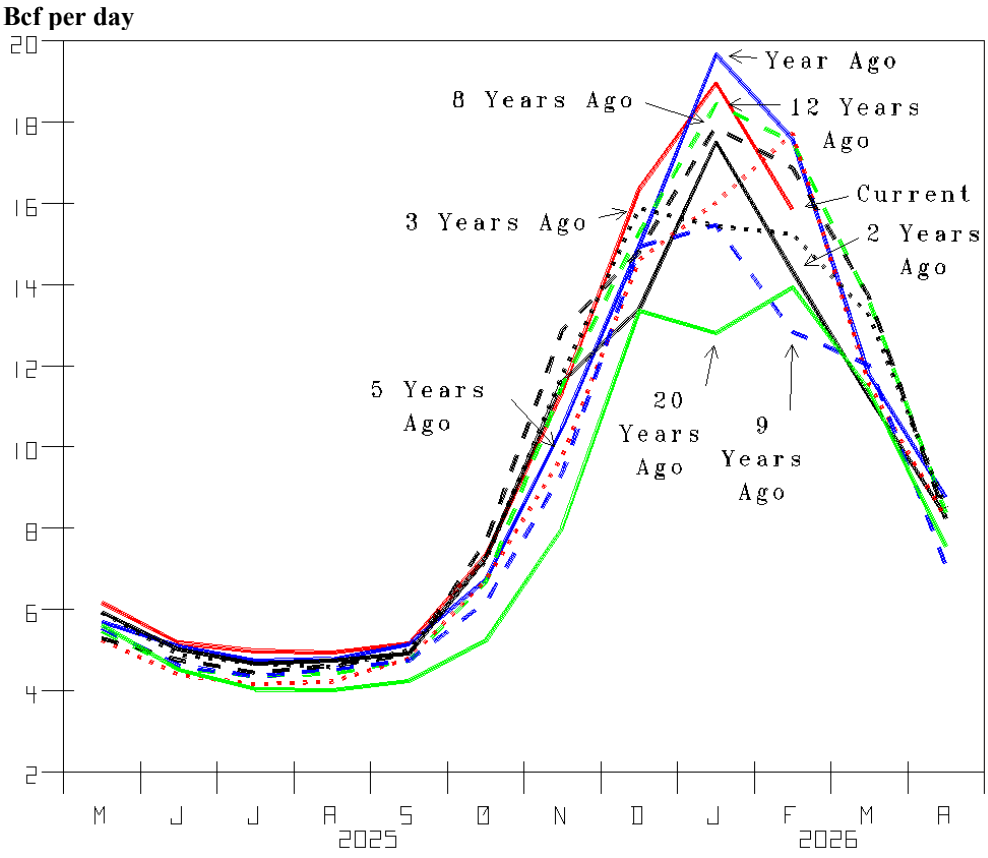


Figure 11
U.S. Monthly Commercial Natural Gas Demand; (Src: Calculated from U.S. Dept. of Energy data)

Virus shutdowns from Mar. 2020 & delightfully mild set many up to be caught short by pent up demand stimulating. Dec 2021 extra mild did too evident in the Henry Hub price tugged from $3.25 to above $9 in May 2022, $13.08 Jan 24 & $30.72 this Jan.

We find many focus on what might be/is being added and under appreciate what is already in place needing only be used more. Weather switching from minimizing to boosting was winter 2013/14's surprise, 12 years ago. Load-already-there is a keystone of our bullish gas outlook. However, CO2 fear still emphasized has many still believing gas use should/must end despite what Russia invading has Europe showing: more needed.

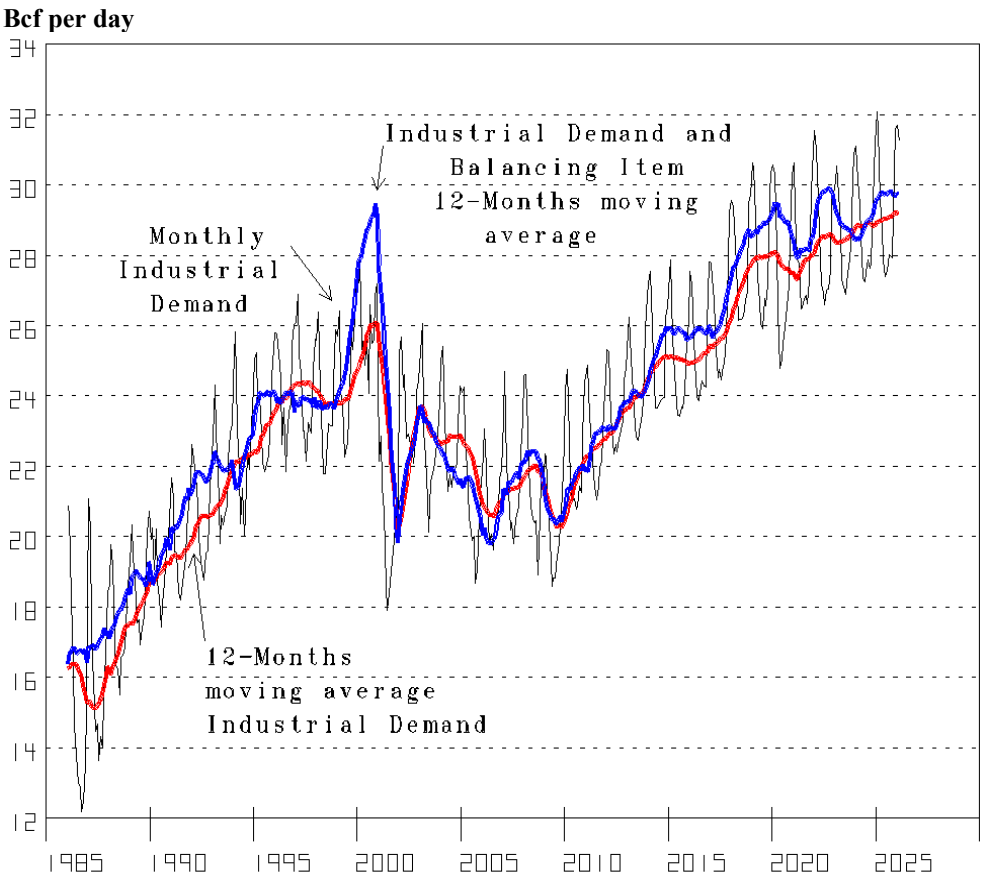


Figure 12
U.S. Monthly Industrial Natural Gas Demand and balancing item; (Src: Calculated from U.S. Dept. of Energy data)

Industrial activity, like steel and refinery runs, down for a while too (2020 only about two thirds of 2019 activity) and vehicle production down notably since 2020 minimizing natural gas demand continues. Nevertheless, still down + Midde East repairs are important sources of more beat-consensus gas demand growth.

We predict vehicle production will increase with the tariff effort opening new markets, repairing vehicles and getting longer life maxing out, much new demand from AI just starting and now Middle East restoring/good growth.

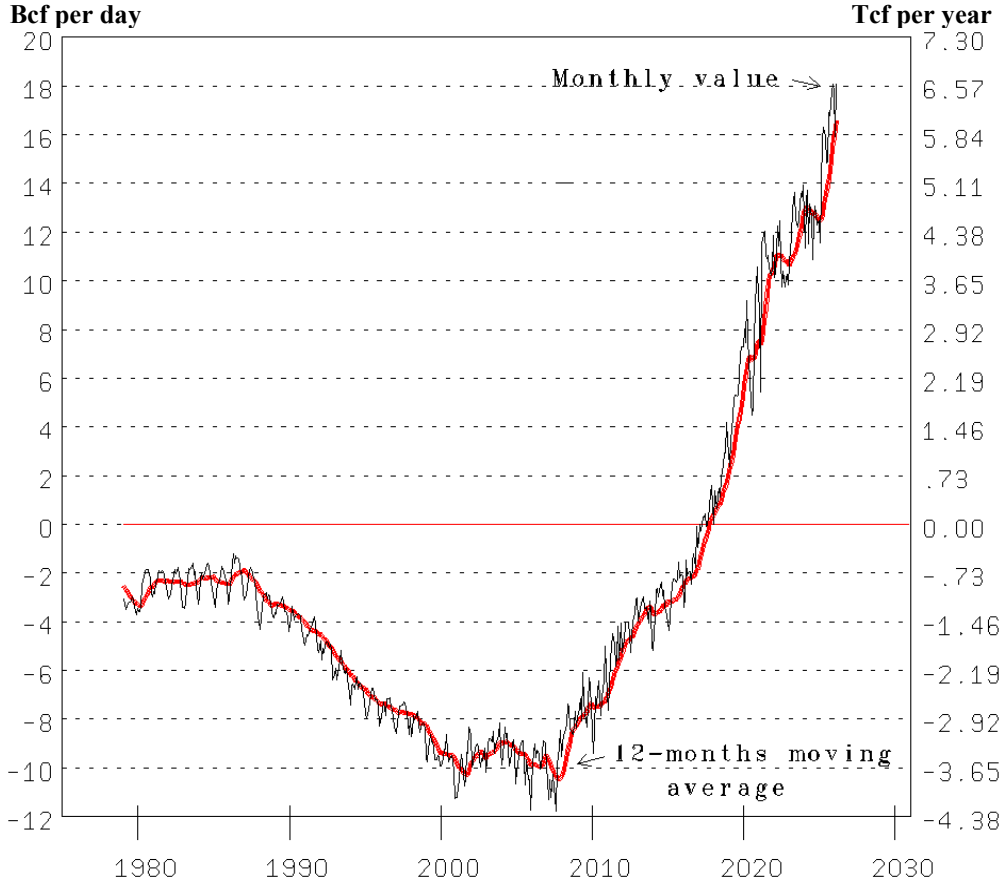


Figure 13
U.S. Monthly Net Natural Gas Exports (Src: Calculated from U.S. Department of Energy (D.O.E.) data)

Natural gas pipeline exports trending UP joined by LNG exports trending UP have the U.S. a major net gas exporter. Dec 2025 at 18.363 Bcf/d is the latest net export record high. While winters mostly mild and coronavirus shut-ins/downs checked demand growth that was continuing Over There, addressing health, Russia & Middle East damage is increasing export gas demand growth to fuel many more living healthier, safer lives and lifestyles Over There.

More U.S. fossil-fuels exports are huge, U.S. high value employment and pay-U.S.-debt-down opportunities.

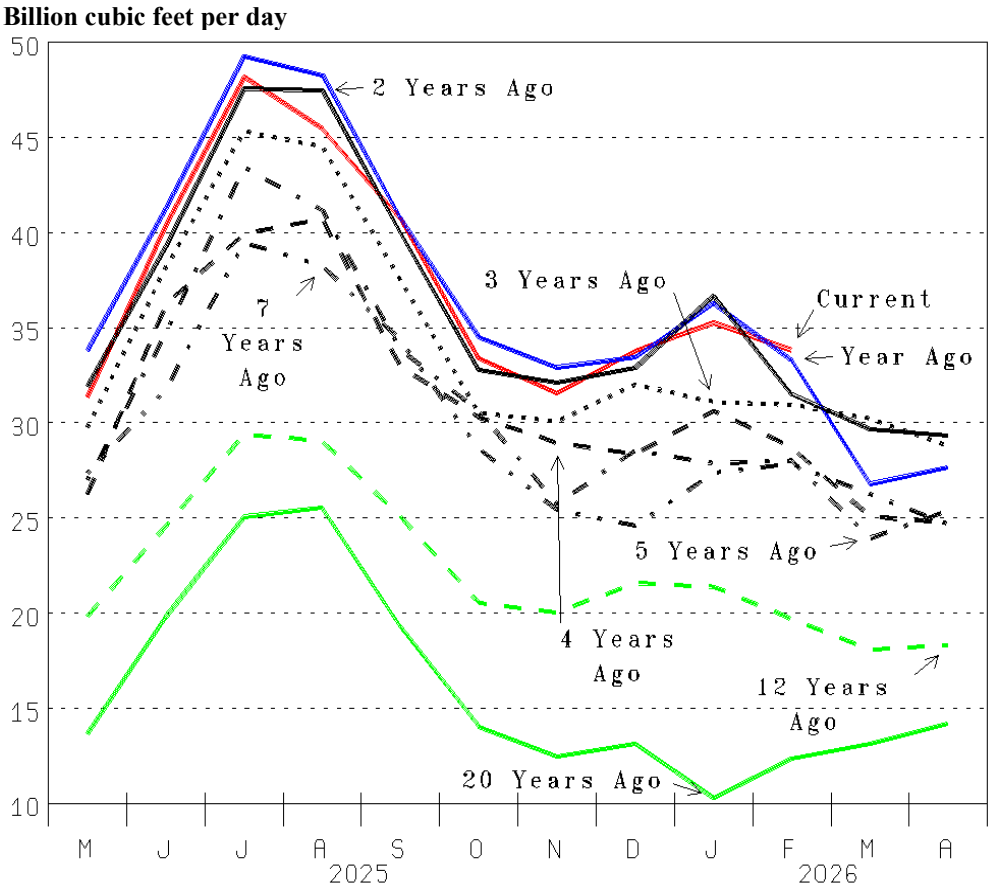


Figure 14A
U.S. demand for Natural Gas to generate electric power (Src: Calculated from U.S. Dept. of Energy data)

New gas fueled electric generation record highs are coal and nuclear generation trending down. AI assessments predict needing much, much more. August down 0.324 Bkwh/d YOY is total down 0.064, coal and nuclear up 0.031 each and solar up 0.271 (26%) YOY.

Wind seasonally highest March-to-June minimizes gas demand. But the bigger June is, the bigger its after June drop. Gas rising much May to July includes wind and hydro declining seasonally. Solar declining from June to early January also increases gas.

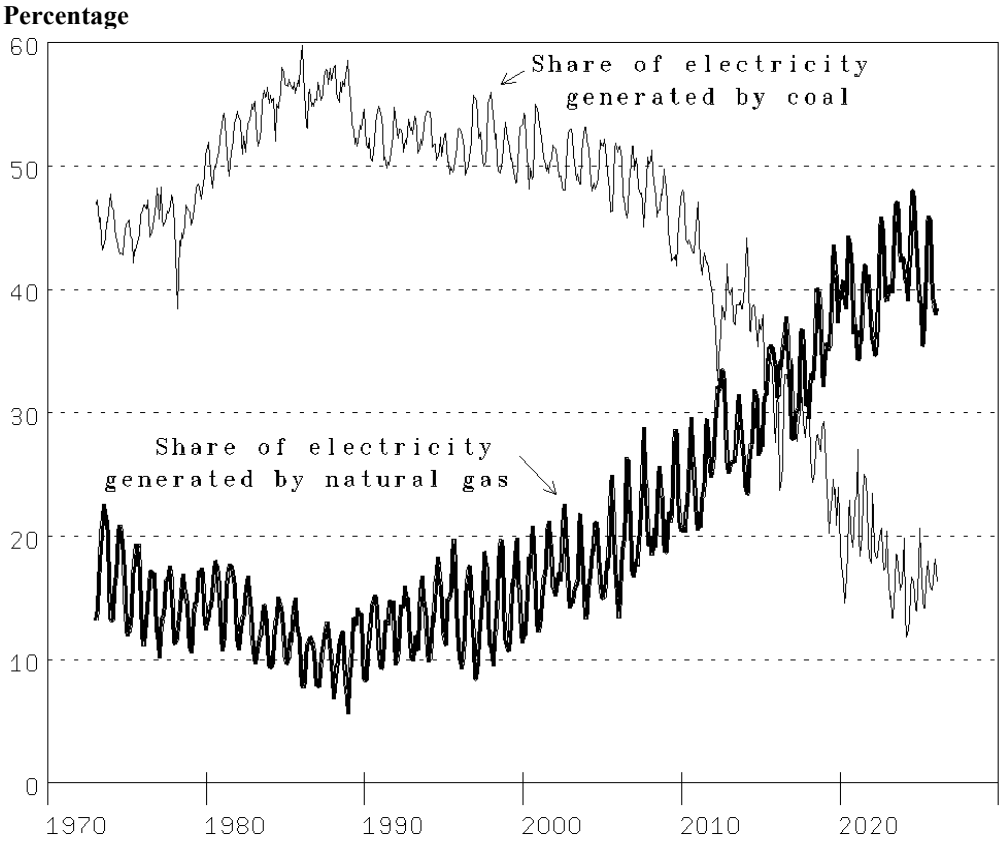


Figure 14B
U.S. Monthly Coal-, and Natural-Gas-Fired Electricity Generation Percent Share of Total Electricity Generation (Src: Calculated from U.S. Department of Energy data)

Coal's share drop is primarily retiring decade's old, high-wear-and-tear coal-fired power plants. Natural gas 40%+ has us looking for consensus-beating gas-demand increase with cold Winters, hot Summers + AI; why we continue highlighting the potential for overdue cold Falls and Winters dropping end-of-winter working inventory to 0.

Thank you coal industry for producing most of the electricity generated in all-of-our lifetimes and gas industry, for most of what will be produced here during the rest of all-of-our lifetimes, even despite Biden Administration policies.

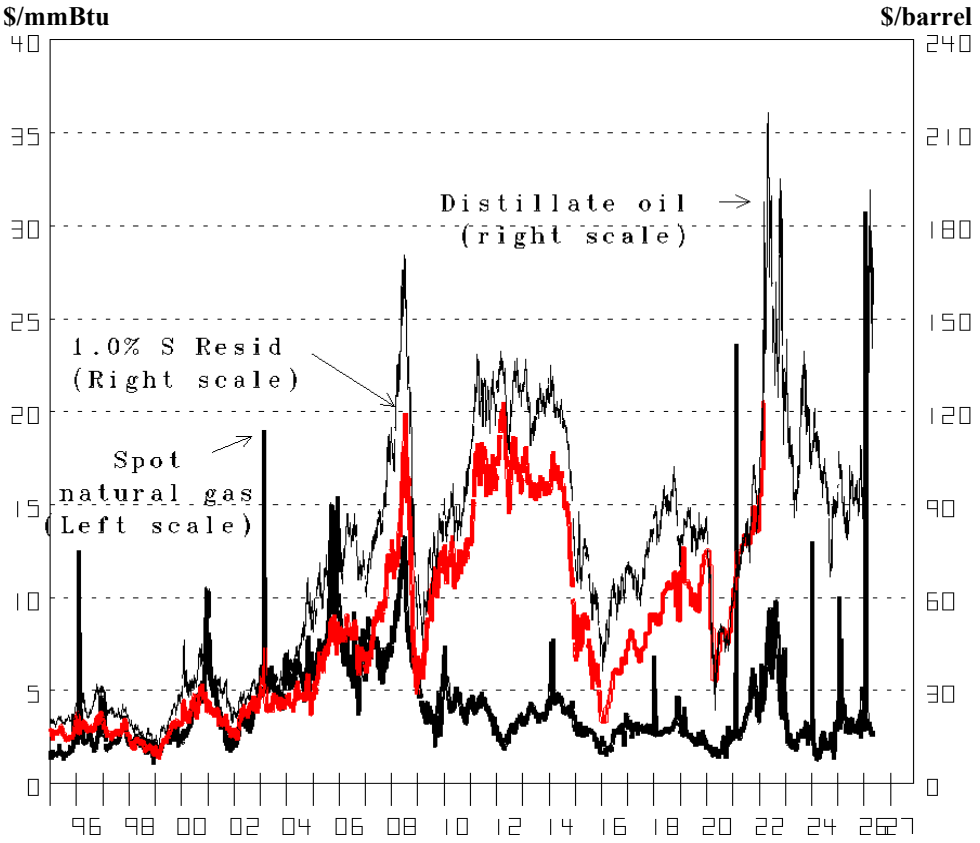


Figure 15
U.S. East-Half Price Comparison; Henry Hub spot gas versus East Coast distillate and 1.0% S residual oil; (Src: Gas: WSJ; Oil-Platt's & NYMEX & DOE since 12/14/15)

Serious energy shortage is evident in this century's high prices. Distillate below $30 per bbl in 2020 was coronavirus inactivity. $215 was a short-squeeze jump. The drop from July $100 per bbl to $67 last Sep was a quick, local opportunity with it $163 Monday.

256 natural gas heat weighted heating degree days in a January of 2003 week tugged the Henry Hub price up toward $19. Gas market tightening is confirmed by 291-degree days end-Jan tugging up to $30.72 despite inventory high, confirming our bullish, another-Drilling-Boom-is-needed outlook.

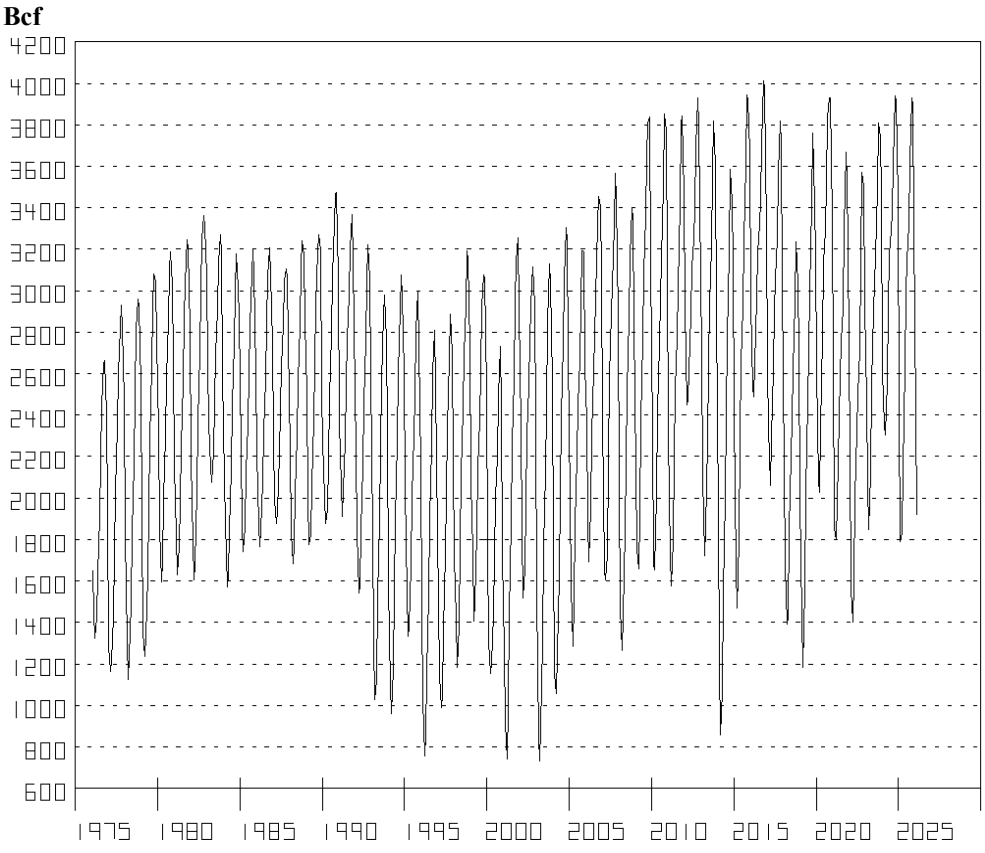


Figure 16
U.S. Monthly Working Natural Gas Inventory; (Src: U.S. Dept. of Energy data)

Ten prior winters up above 3,800 Bcf reflect the incredible production gains and the economy recovering slowly from Crash 2008. We most credit high inventory to the Climate mild and minimizing demand. 1,818 Bcf is inventory March 20.

With production growth to be short of demand growth, we look for natural gas supply stocks to Wonderfully outperform as more learn much more production is needed to 1) refill inventory and 2) meet record-high demand from growth resumed, more normal cold & hot temperatures stimulating & more exports. Drilling and flowing depleting supply into consensus-beating gas-demand growth (helped by The Climate mostly moderating since October 2016) is the basis of our sustained, $7+ Henry-Hub-with-cold-winters outlook (including this inventory dropping toward zero).

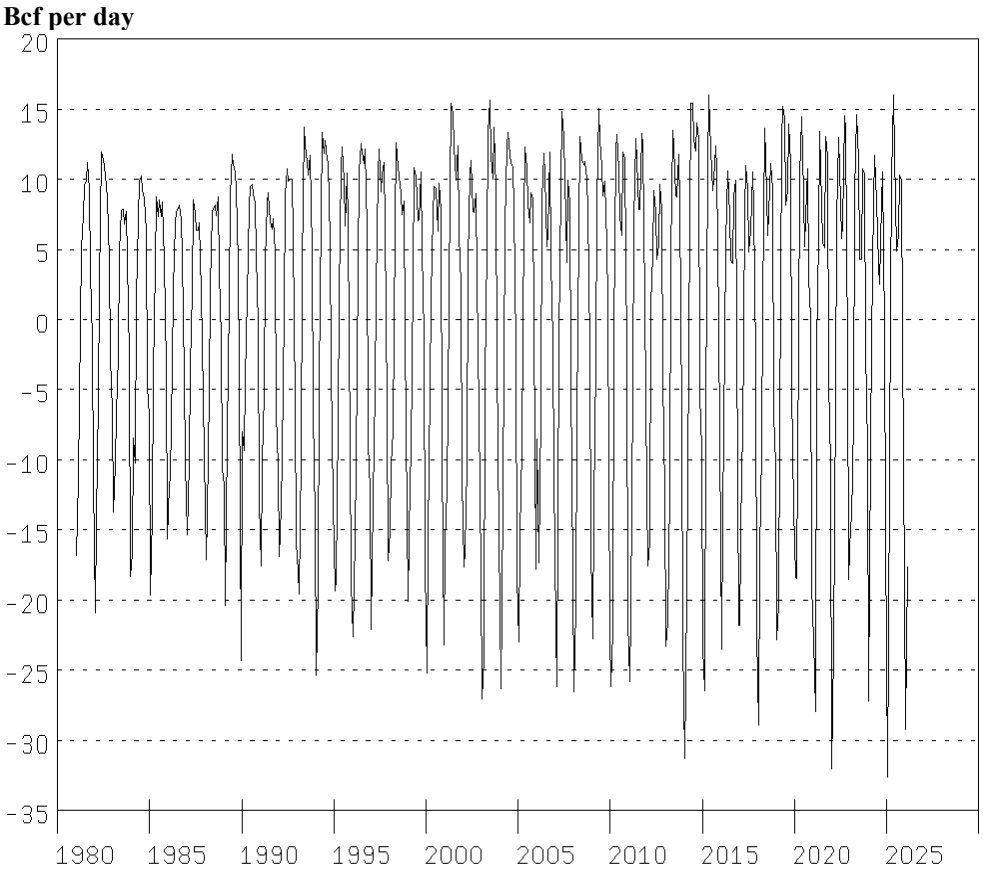


Figure 17A
U.S. Monthly Natural Gas Net Additions to Storage: (Src: Calculated from U.S. Dept. of Energy data)

January 2014, 18, 22 and now 25 confirm the trend in this data, to larger withdrawals (lower lows) needing larger injections (higher highs). Extra-mild and virus narrowed the range and minimized expectations. The trend is why we want 4,000 Bcf prewinter for what we are overdue to experience: Fall colder and Winters cold.

3,010 Bcf was withdrawn during winter 2013/14 and 692 Bcf was net natural gas imports from November 2013 through April 2014. The U.S. now a net gas exporter will need 4,000 Bcf.

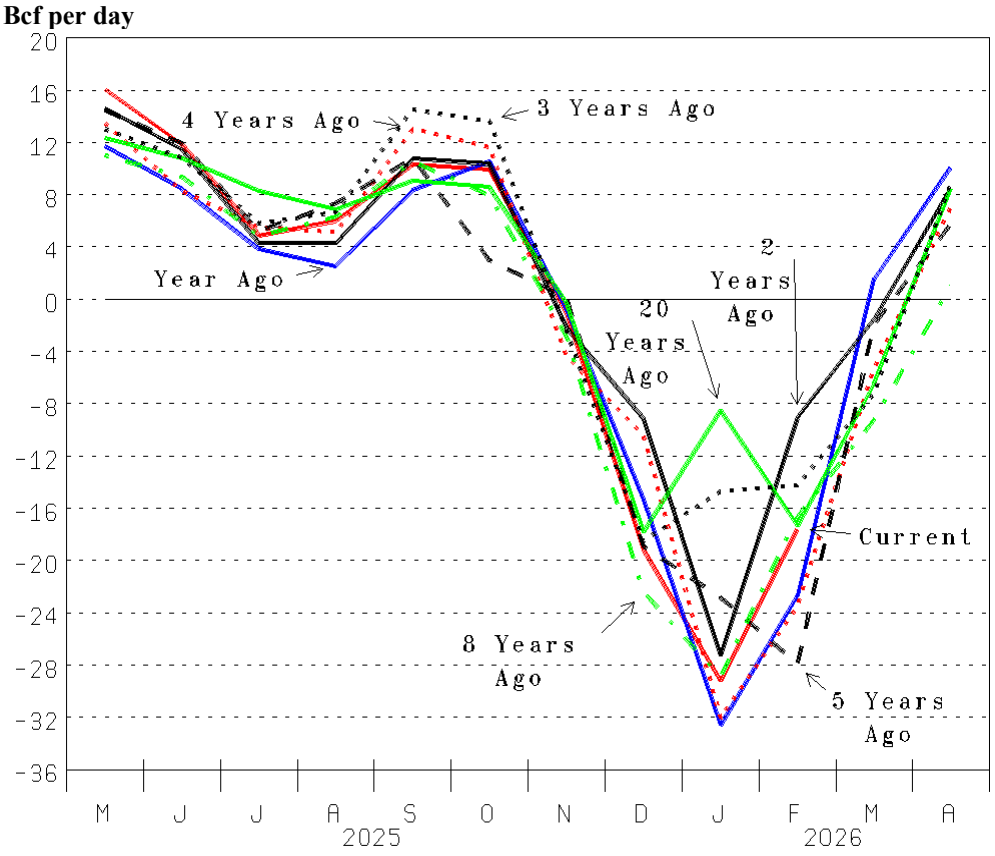


Figure 17B
U.S. Monthly Natural Gas Net Additions to Storage; (Src: Calculated from U.S. Dept. of Energy data)

The consensus still doesn't appreciate much more gas supply needed, helped by all the CO2 emissions fear promoted encouraging the notion "using natural gas must/will also end". Plus, new nuclear is very soon.

High Sep and Oct two years ago followed by Jan/Feb high and Dec 23 & Feb 24 plus March to May now was/is Climate Change minimizing. July, August and January a year ago new lows is Climate Change to stimulating plus infrastructure trends. August 2024's net addition so low highlights Summer demand increasing—refilling a new challenge, another reason we are bullish.

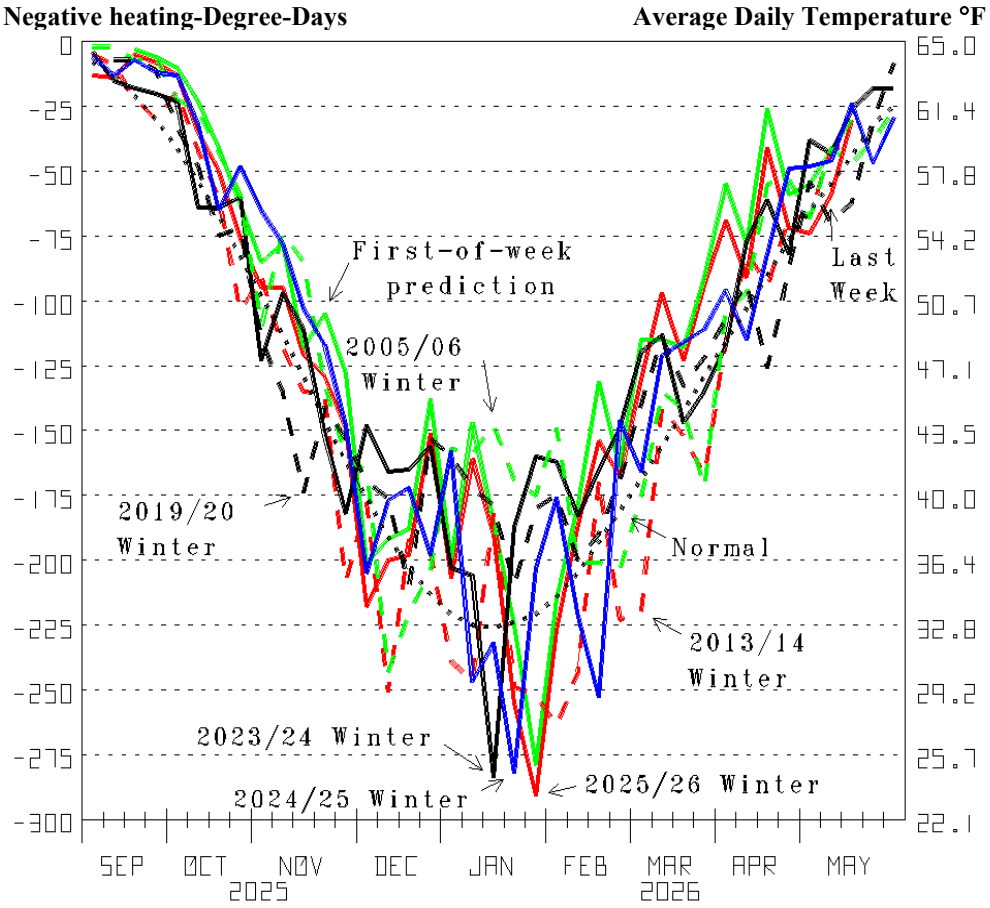


Figure 18
U.S. Weekly Heating Degree Days; Natural-Gas-Heat Weighted Actual degree days versus forecast for the week (Src: National Oceanic and Atmospheric Administration [NOAA])

Natural gas demand continues to be minimized by wind patterns determining temperatures. Wind patterns keeping stimulating air away has only 5 of the 30 weeks mid-Sept into April colder than normal. But the 360 Bcf drawn the end of January beat the record 359 draw the beginning of 2018.

Potential demand high is evident in this inventory draw 15th largest in 32 years despite the temperature October 1st to March 26, 2.2 °F warmer than normal and 0.3 warmer than last Winter.

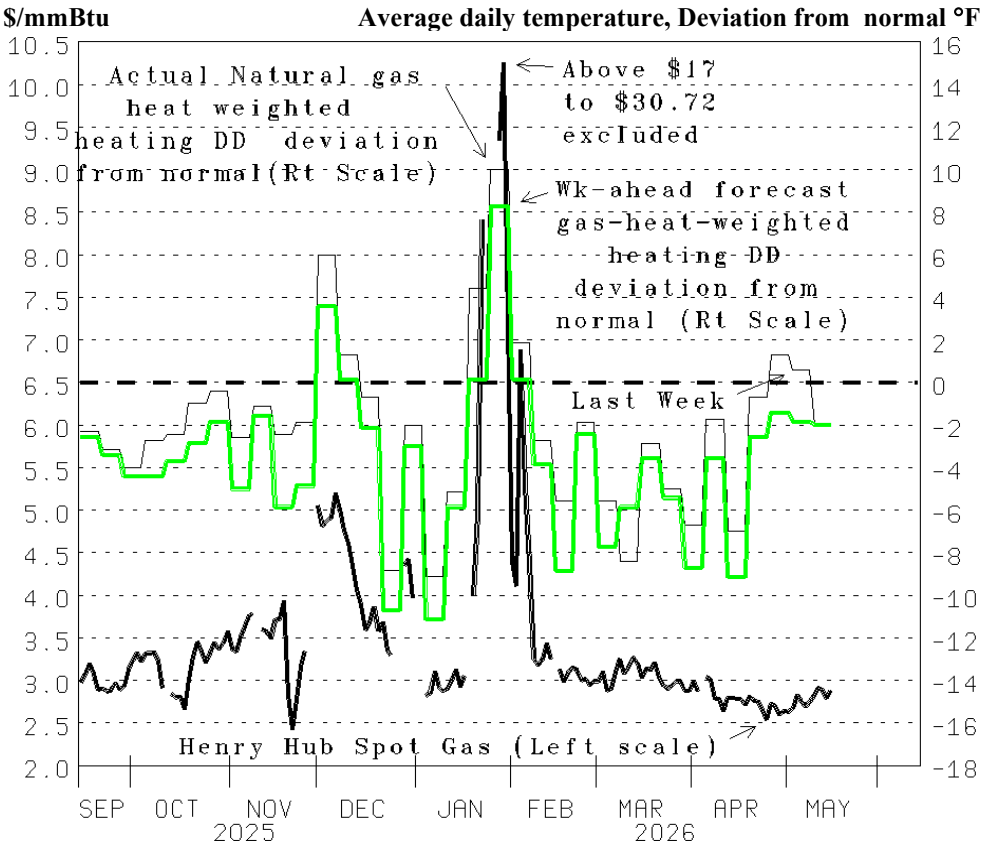


Figure 19
Henry Hub Spot Gas Price versus Weekly, Natural Gas Weighted Heating Degree Day Deviation from Normal beginning of Week Temperature Forecast and Actual Deviation (Src: Gas Price-DOE; Degree Day-Calc. from NOAA data)

Only five weeks colder than normal mid-September through mid-April accounts for why this price declined to $2.50 and is below $3.

The record 360 Bcf inventory draw late January, with 10 °F colder than normal has us sustain our Wonderfully-Profitable, with cold Winters overdue, $7+ Outlook. More needed Over There plus fueling normal plus AI electricity demand growth has us looking for higher prices needed to rebuild inventory for future Winters.

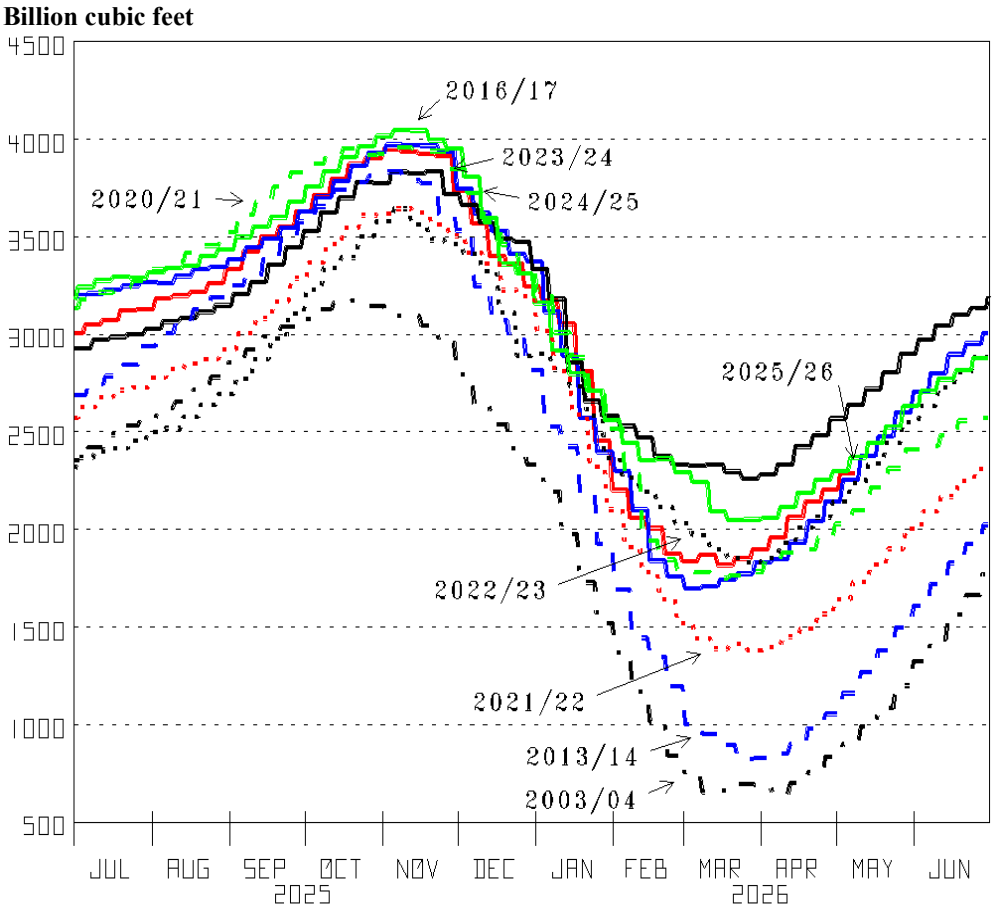


Figure 20A
U.S. Working Natural Gas Inventory (Src: U.S. Energy Information Administration)

Gas is our "Keep-Us-Comfortable /Healthy" fuel. Also, the fuel that will generate much more electricity in the future and power industrial, including AI, growth. The U.S. gas resource base wonderfully big drives our prediction of more U.S. industrial renaissance from gas economical. We want and predict many more upward-mobility-fueled, our and the world's masses.

The wind Changing back to not stimulating gas demand is of late helping the many still long-term natural gas bearish remain so but set up for Change again, back to stimulating.

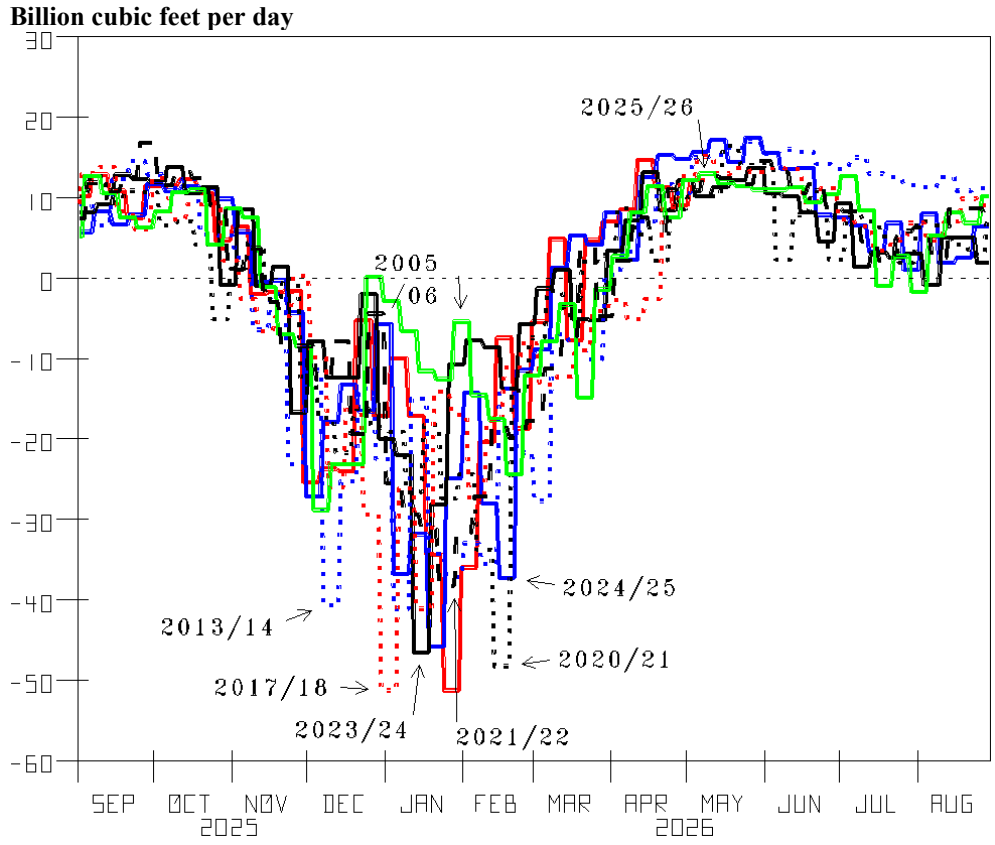


Figure 20B
Weekly Change in Natural Gas Working Inventory; (Src: Calculated from Energy Information Administration data)

The Climate Changing back to delightfully mild has greatly minimized demand. That sets up Change back to stimulating to be a very big, bullish surprise. Especially with more production growth focus shifting to oil.

Please note, the last week of January is a new record withdrawal. The week after it was 2nd largest for the week in 33 years and the week prior was 6th largest. We credit wind patterns for cold air minimized since the beginning of February. Not the atmosphere's carbon dioxide content. Nevertheless, last week's 51 Bcf inventory increase was only 19th largest in 33 years and 24 less than last year.

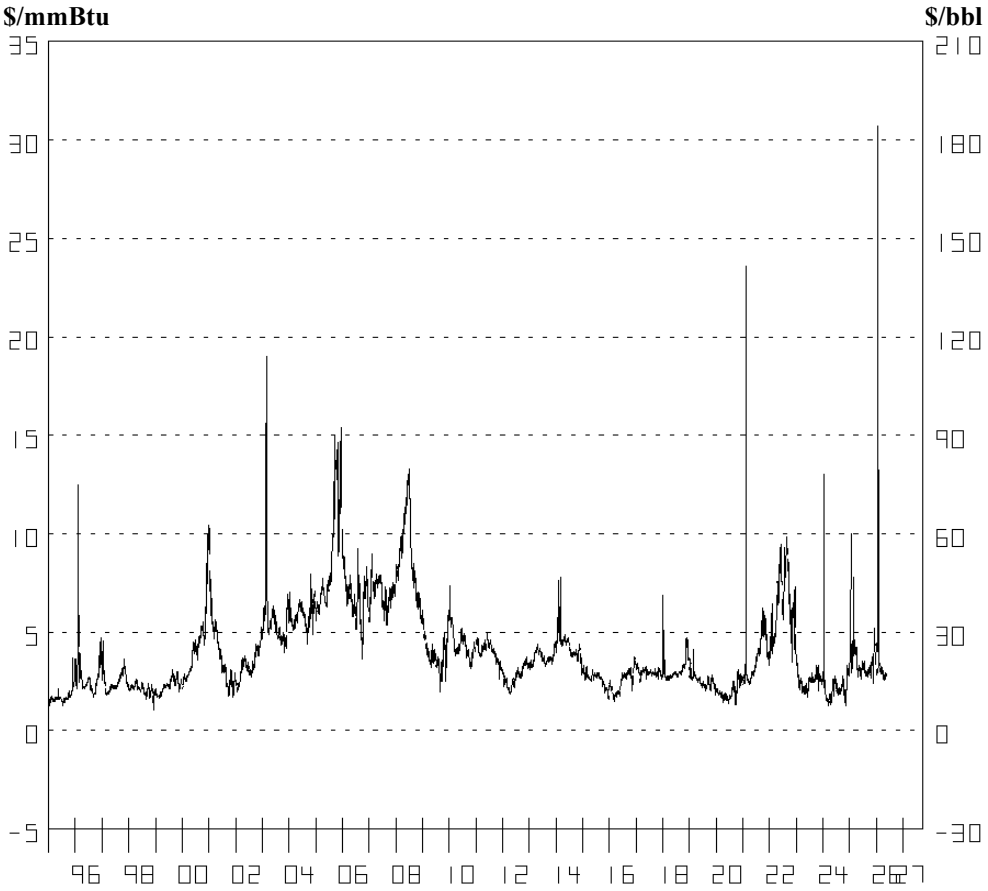


Figure 21 Henry Hub Spot Market Natural Gas Price (Src: Wall Street Journal & DOE since 12/14/2015)

The price trending up as this century began reflected dry-marketed production trending down from up near 54 Bcf/d in 2001 to 49 in 2006. That raising prices helped the Fracking Revolution happen and have prices trend down through 2020.

Trending up since 2020 with little help from Winter cold or Summer hot, but the cold air tugging up to $30.72 January 23rd supports our Bullish outlook. Demand-infrastructure-growth delayed is catching up with supply growth falling behind.

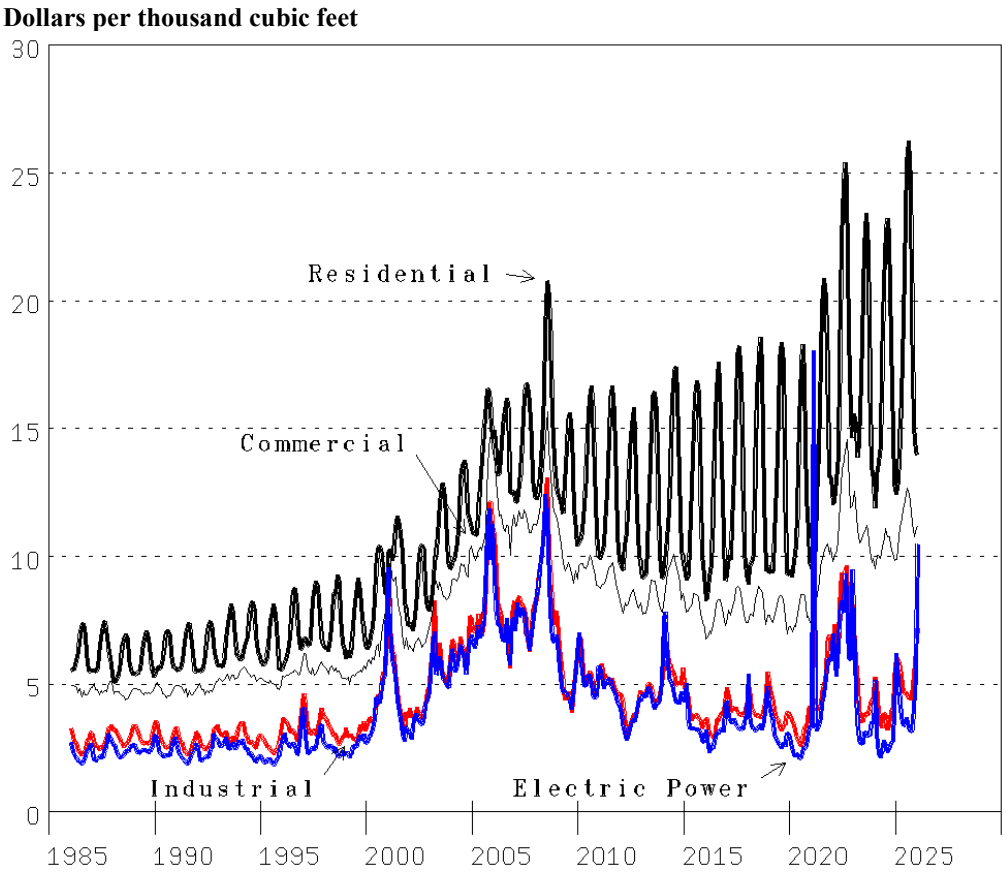


Figure 22
Average price of natural gas to consumers
(Src: Department of Energy data)

Wonderful technology reducing consumption has the residential price notably higher because of all the work and cost to get small, seasonal quantities to residential customers. Solar and wind generated electricity also has similar, high-facility-costs, that climate fear and political correctness powering pursuit of them is still hiding.

We don't see high interest rates solving this inflation problem (clearly evident). It needs much more Drilling Boom & supply investment. We believe thermostat settings being reduced and heat pumps extra promoted will-be/are increasing needle peak demand surges that will have price spikes Bless those invested in suppling natural gas.

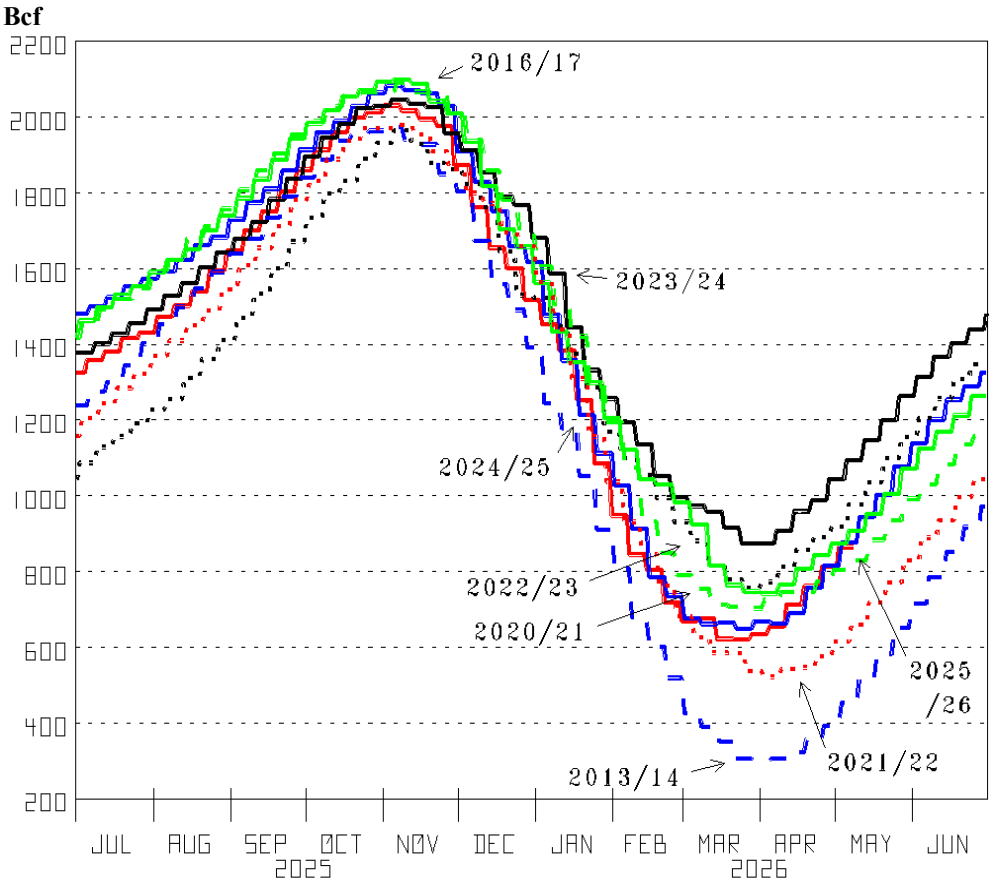


Figure 23A
East and Midwest Regions Weekly Natural Gas Inventory
(Src: Energy Information Administration)

This area of the country the coldest this and last Winter has inventory now and last year down much from the extra delightfully mild Winter two years ago. Potential demand rapidly increasing is evident.

Climate and recession fear and much mild hiding demand growth helped/is still helping keep many natural gas bearish or uninterested in being natural gas supply invested.

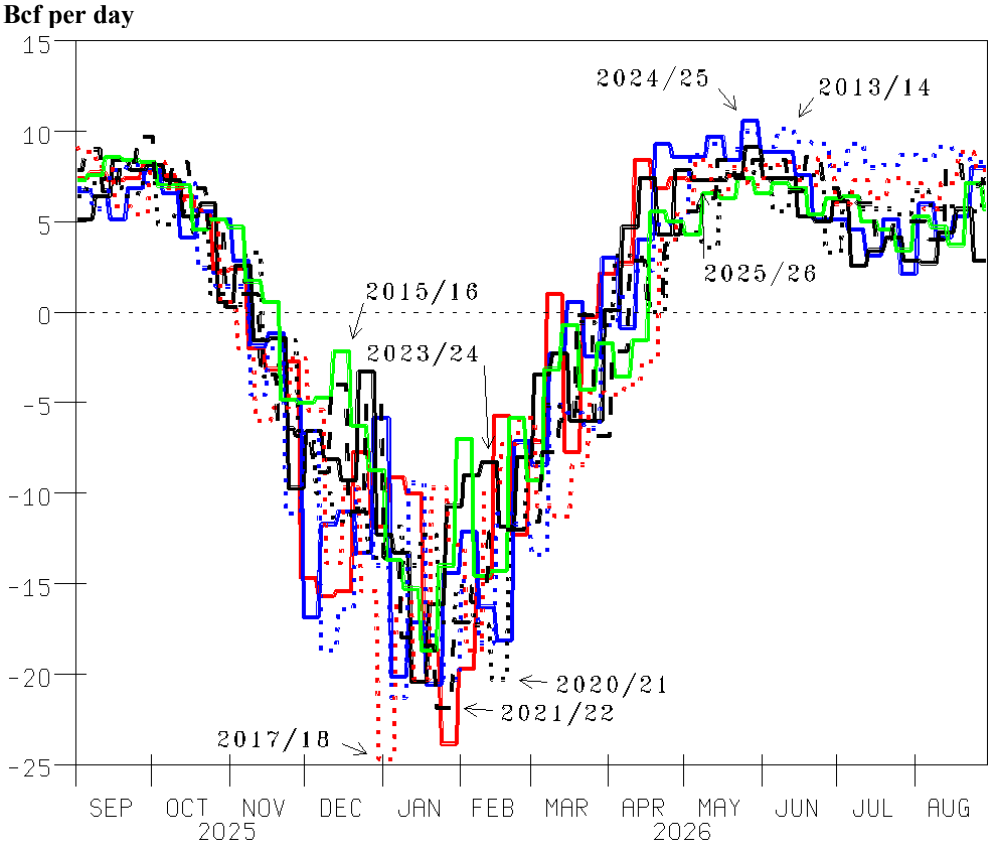


Figure 23B
Weekly Change in East and Midwest Regions Working Gas Inventory
(Src: Calculated from Energy Information Administration data)

173 Bcf drawn the week 2018 began, -24.7 Bcf/d the record large (despite it being the January 1st Holiday week with buildings closed) confirms consensus-beating gas-demand growth The Climate Mild hides.

Much needed from inventory the first three weeks of December, mid-January into February and mid-March keep us concluding that cold air does indeed exist. It hasn't been CO2d away. Wind patterns moving air masses around account for The Climate Changing.

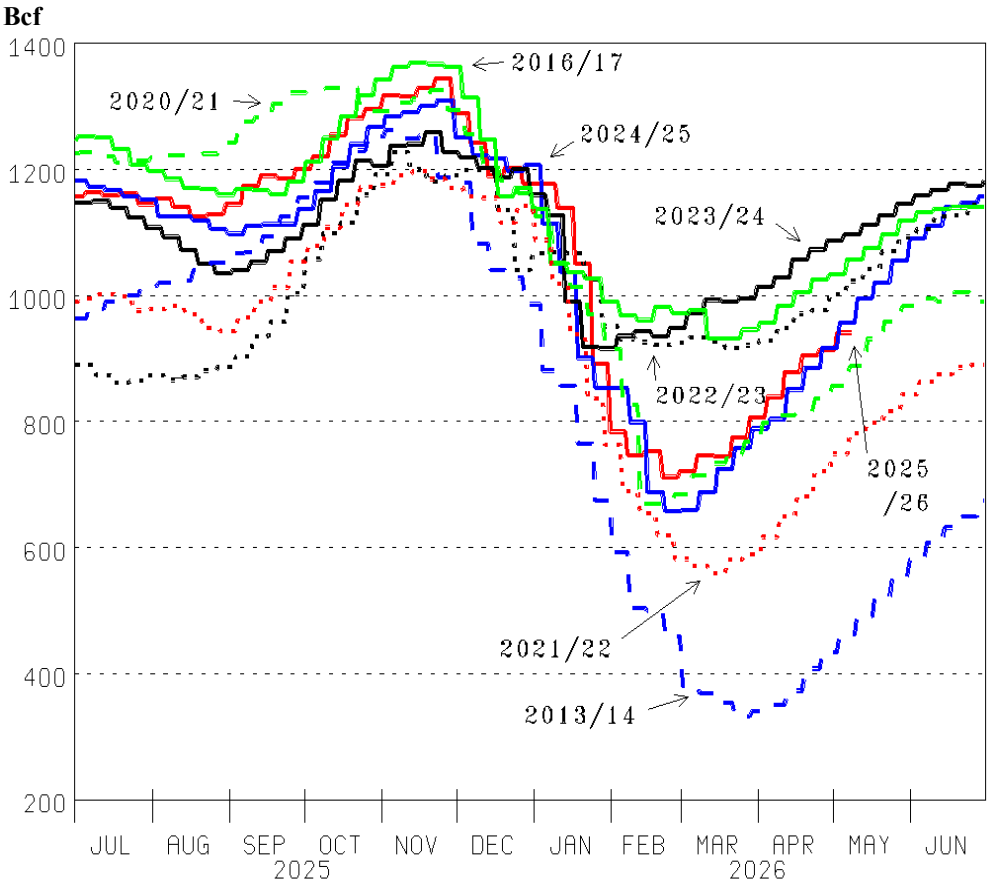


Figure 24A
South Central Region Weekly Natural Gas Inventory (Src: U.S. Energy Information Administration)

Climate Change is very evident in this data. So is infrastructure change. This inventory increased 202 Bcf June through August 2013 but declined 66 during 2023. More Summer demand powers our multi-year, $7 sustained outlook.

1) Export growth (as U.S. gas fuels healthier lives, cleaner electricity and supplements Russia and Middle East shortfalls, 2) much demand growth hidden [including by the virus and storms]), & 3) depletion growing faster power our bullish outlook.

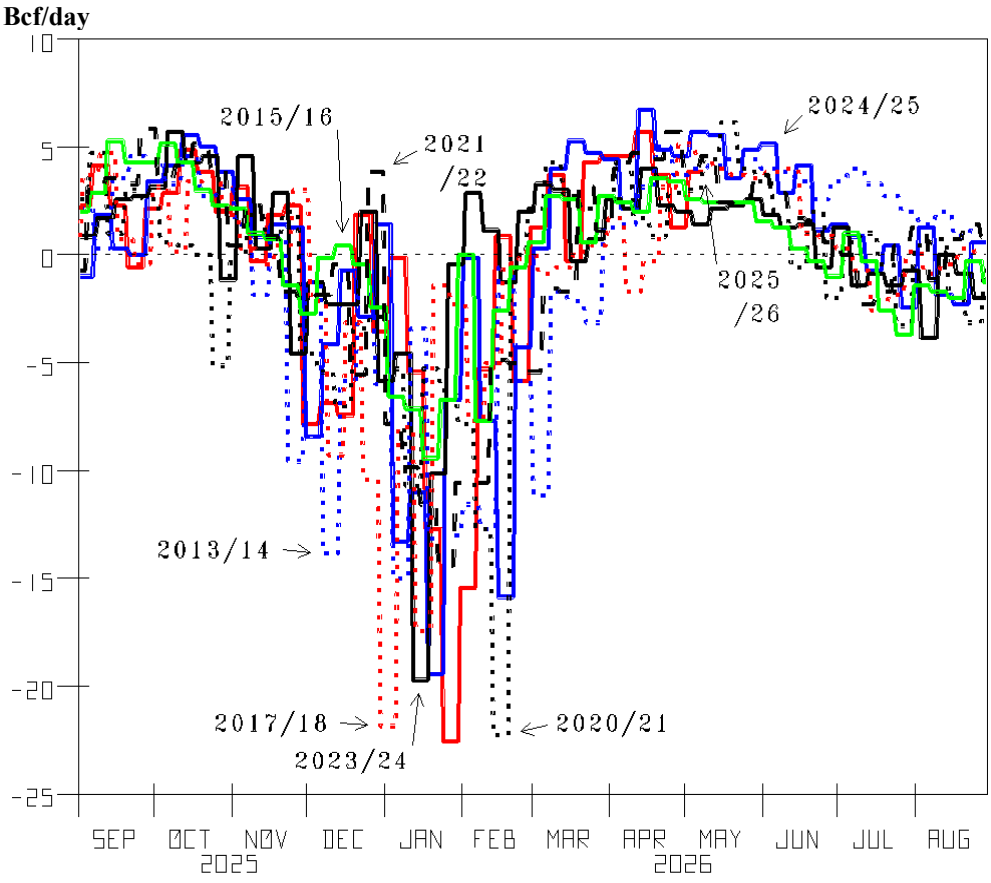


Figure 24B
Weekly Change in South Central Region Working Gas Inventory (Src: Calculated from U.S. Energy Information Administration data)

Climate Change both maximizing and minimizing natural gas demand is very evident here. It sets up Change surprise with both hotter Summers and colder Falls and Winters overdue.

We can find no explanation of how mankind's CO2 emissions caused so much cold to appear in Feb 2021, Jan 2024, Jan & Feb 25 & Jan & Feb 26. The big real reason for Climate-Change-fear increasing is many more structures & people to be damaged and much more media reporting of extremes and damage. Texas having much solar and wind conditions and generating capacity has been tempering natural gas demand and prices.

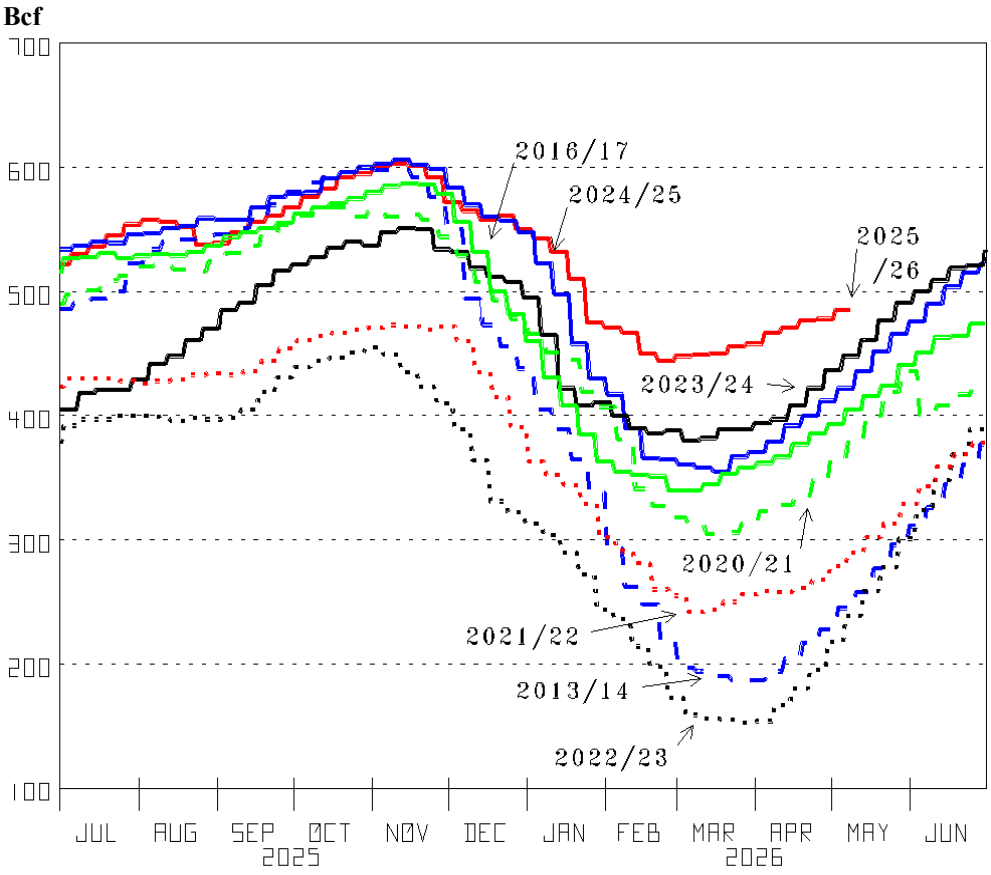


Figure 25A
Mountain and Pacific Regions Weekly Natural Gas Inventory
(Src: Energy Information Administration)

More gas-consuming infrastructure is in place here now than what required so much from inventory here during winter 2013/14. But dramatic Climate Change is especially evident in extra warm having this inventory extra high. We credit wind pattern change, Changing both temperature and hydroelectric output for much needed, minimizing inventory from June 2022 to June 2023, but up since Feb 2024. Gas prices leaping is helped greatly by the many still believing using it should/must end so supplying it must be stopped. We credit the Dec 2022 California price jump to $53.59 per mmBtu to a big, weekly Climate Change caused by wind-direction-Change.

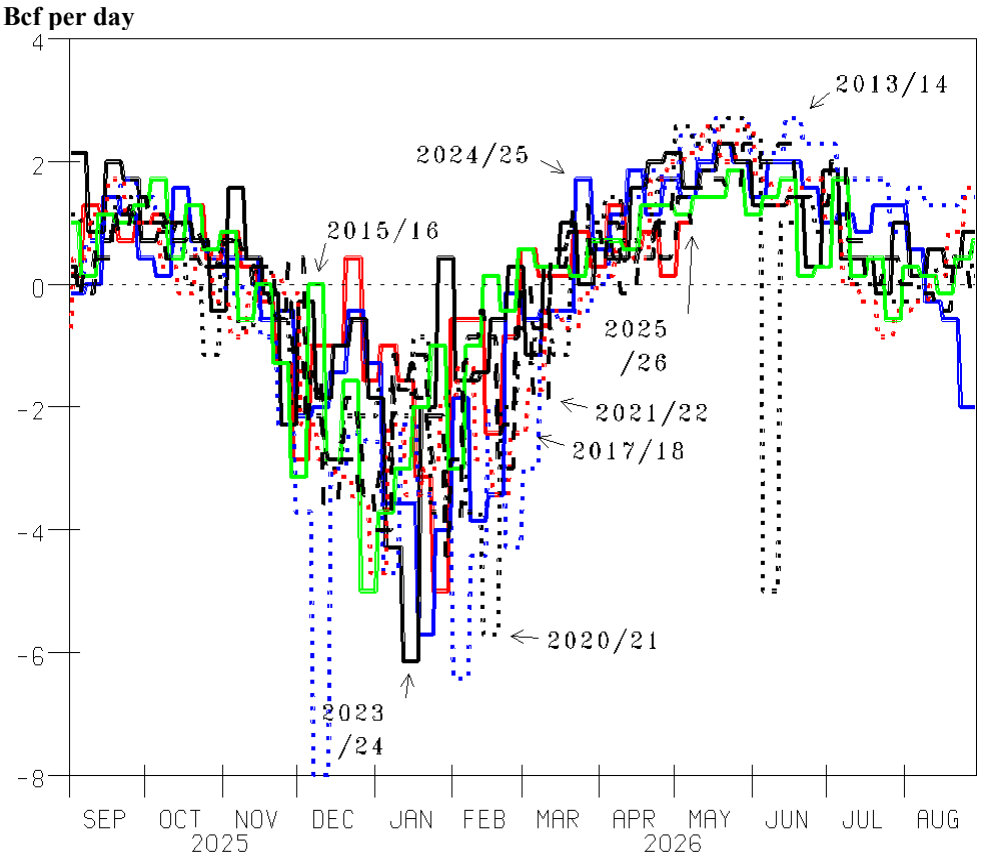


Figure 25B
Weekly change in Mountain and Pacific Regions Weekly Natural Gas Inventory
(Src: Energy Information Administration)

Climate Change to mostly minimizing demand here, April 2023 to August 2024, and maximizing inventory reflects wind-direction Change. We are now aware of 3 times the thought "Mankind has Changed California to permanent drought" is wrong.

We look for consensus-beating world growth fueled by much more life-enhancing infrastructure fueled by very convenient, effective, and will-be-affordable fossil fuels: the best stored solar energy. While ending war with Iran, coronavirus and Climate fear plus uncertainty keep many cautious/fearful about oil and natural gas demand growth; fossil-fuel and its revenue, fueling prosperity and its growth (rather than funding terrorizing) will need much more fossil fuel.

	Energy price forecast estimates (E) are most-likely predictions															
	23:01	23:02	23:03	23:04	24:01	24:02	24:03	24:04	25:01	25:02	25:03	25:04	26:01	26:02E	26:03E	26:04E
Average Henry Hub spot																
%chya	2.639	2.116	2.600	2.747	2.156	2.067	2.106	2.453	4.169	3.187	3.031	3.627	4.707	3.303	6.500	7.200
	-43.0%	-72%	-67%	-50%	-18.3%	-2%	-19%	-11%	93.4%	54%	44%	48%	47.7%	9%	79%	99%
Average spot				2023				2024				2025				2026E
%ch				2.538				2.196				3.504				5.428
change				-60%				-13%				60%				155%
				(3.873)				(0.343)				1.308				5.428
Average Eastern South & New York City as of 25:04 spot																
	2.190	1.447	1.288	1.794	1.678	1.479	1.433	2.003	3.617	2.246	2.054	4.134	3.808	2.466	4.500	6.000
%chya	-46.4%	-78%	-81%	-67%	-23.4%	2%	11%	12%	115.6%	52%	43%	106%	69.5%	20%	9%	45%
				2023				2024				2025				2026E
Average spot				1.679				1.648				3.013				4.194
%ch				-71%				-2%				83%				39%
change				(4.114)				(0.031)				1.365				4.194
Average West Texas Intermediate																
	75.99	73.56	82.32	78.51	77.75	81.85	76.43	72.48	71.78	64.57	65.78	76.82	72.74	94.31	88.00	84.00
%chya	-20.0%	-32.2%	-10.0%	-5.0%	2.3%	11.3%	-7.2%	-7.7%	-7.7%	-21.1%	-13.9%	6.0%	12.7%	43.4%	14.6%	9.3%
				2023				2024				2025				2026E
Average				77.59				77.13				69.74				84.76
%ch				-17.7%				-0.6%				-9.6%				21.5%
change				(16.73)				(0.46)				(7.39)				84.76
Henry Hub Spot ga	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(0.010)	0.053	0.000	0.000
Eastern/New York	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(0.023)	(0.584)	0.000	0.000
WTI-crude	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.72	2.31	0.00	0.00

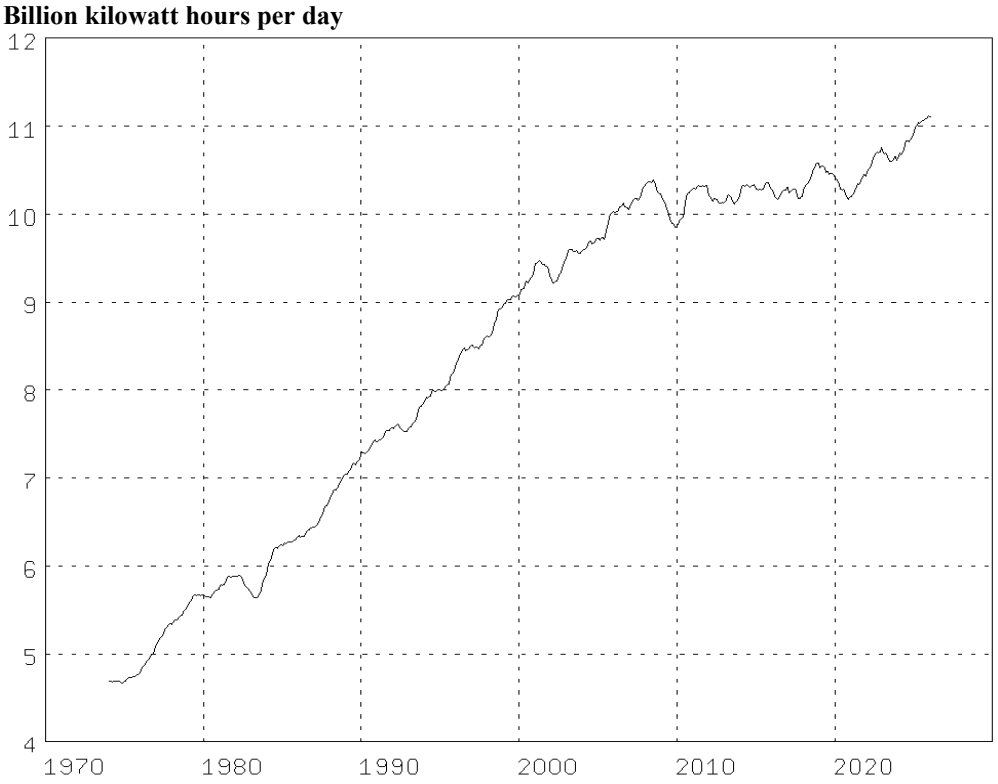


Figure 26
U.S. Monthly Electricity Sales
twelve months moving average
(Src: Calculated from Department of Energy data)

We credit mild weather most for the long electric languishing followed by efficiency gains. Oil-revenue-collapse recession & virus depression depressed too but expansion/growth needs much more electricity. Much turmoil highlights opportunity to resume gainfully producing more and fuel The Blessings of upward-mobility of the masses for many more, especially Over There. Much more U.S. produced electricity, oil and natural gas are needed.

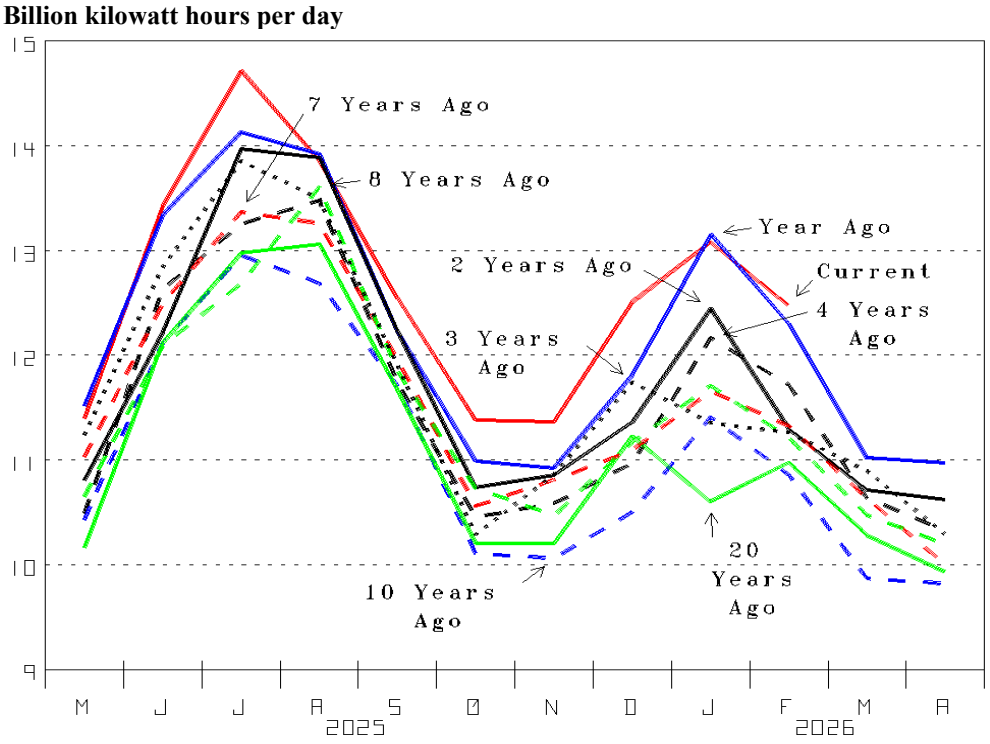


Figure 27
U.S. Monthly Total Electricity Generation Grid + Small Scale Solar (Src: Calculated from Department of Energy data)

Cold air existing and needing energy is evident in January 2025 33rd coldest in 131 years. So is February 2025 despite it only 80th coldest. March 2025, 5th warmest supports our conclusion, big Climate Changes result from wind pattern changes. Not from CO2 concentration, especially mankind's contribution to it.

While sunshine is free when it shines, electricity from sunshine is costly. Getting it from where and when it is produced to where and when it is needed (especially from April to July and October to December) is extra, extra costly. And that still with few powering vehicles with it.