

International Energy Issues in a Downward Market

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CELEBRATING
25
YEARS
OF PRACTICE

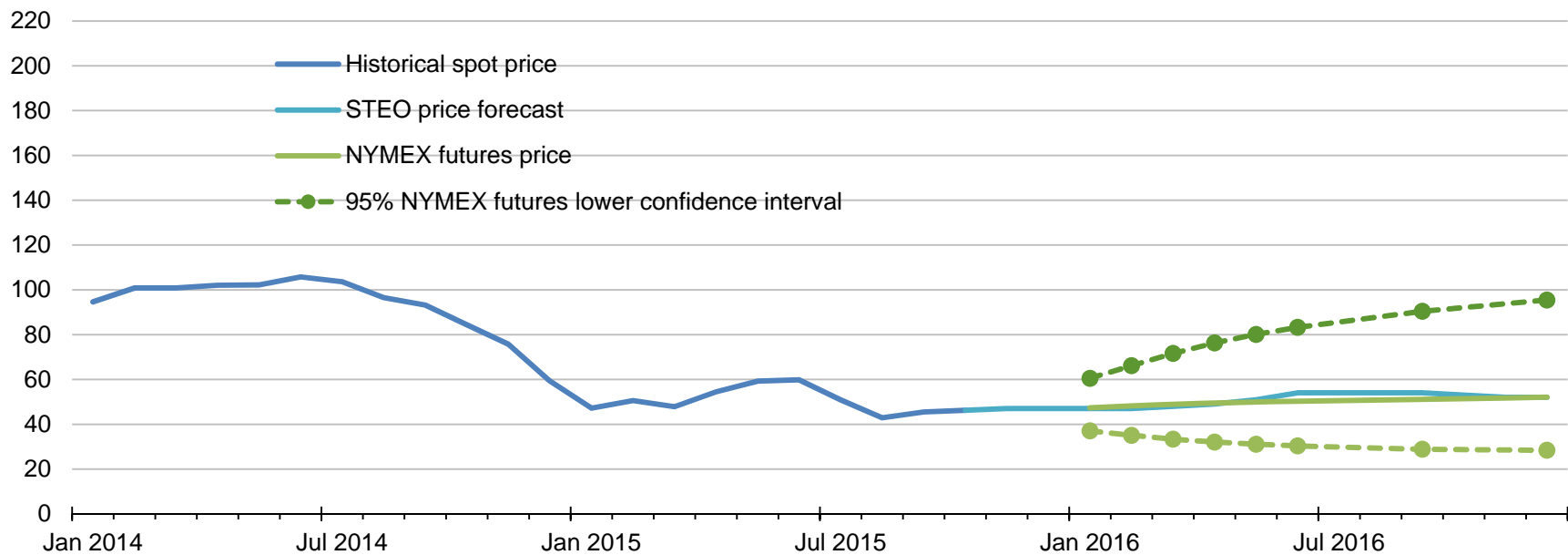
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Crude Oil Prices

West Texas Intermediate (WTI) Crude Oil Price
dollars per barrel



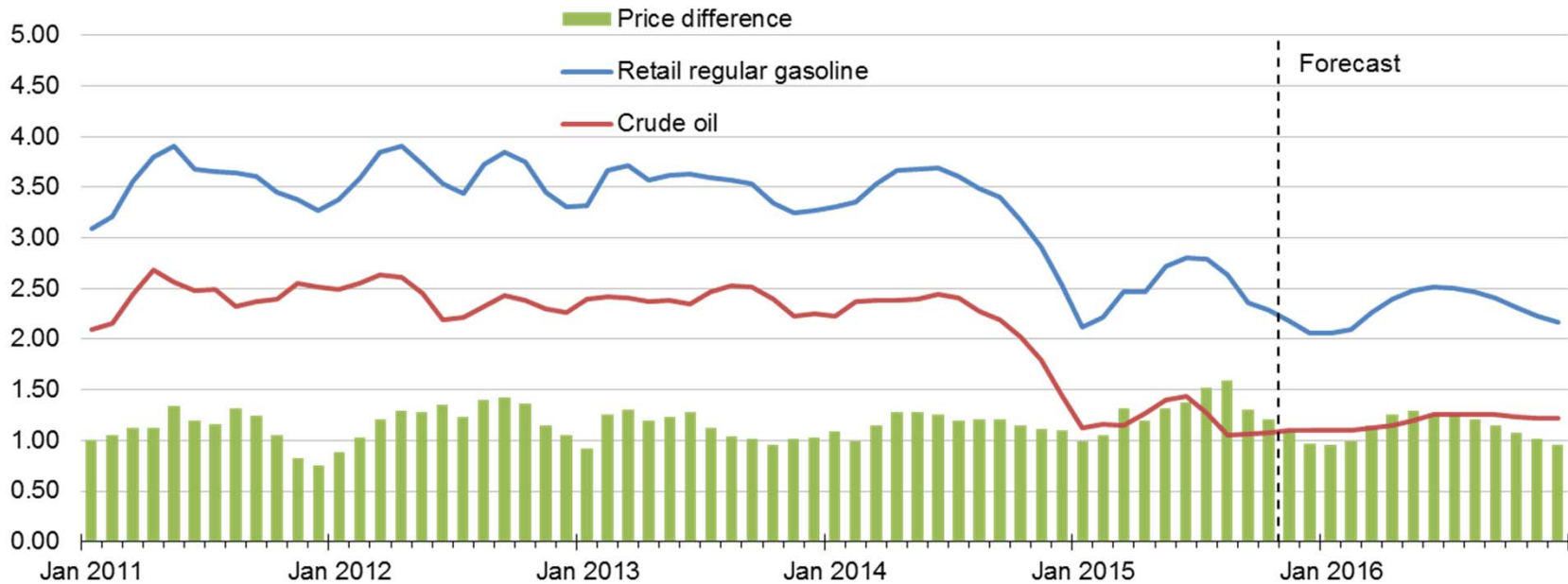
Note: Confidence interval derived from options market information for the 5 trading days ending Nov. 5, 2015. Intervals not calculated for months with sparse trading in near-the-money options contracts.

Source: Short-Term Energy Outlook, November 2015.

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Gasoline v. Crude Oil Prices

U.S. Gasoline and Crude Oil Prices
dollars per gallon



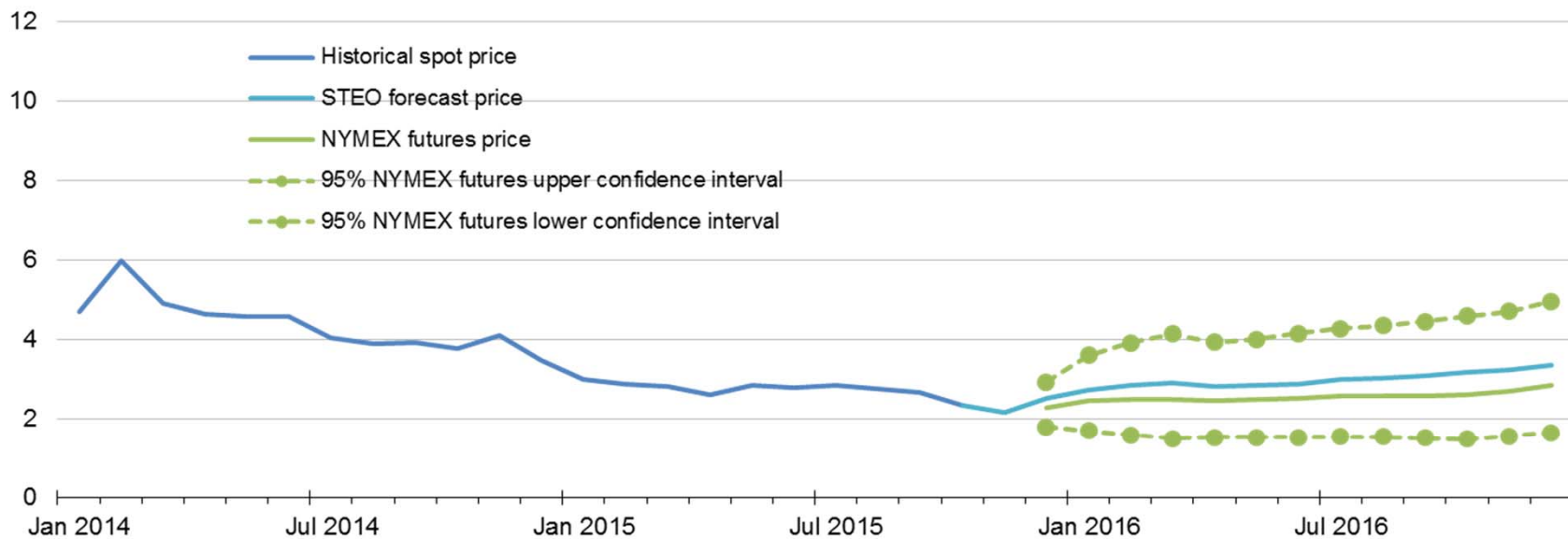
Crude oil price is composite refiner acquisition cost. Retail prices include state and federal taxes.

Source: Short-Term Energy Outlook, November 2015.

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Natural Gas Prices

Henry Hub Natural Gas Price
dollars per million Btu



Note: Confidence interval derived from options market information for the 5 trading days ending Nov. 5, 2015. Intervals not calculated for months with sparse trading in near-the-money options contracts.

Source: Short-Term Energy Outlook, November 2015.

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2016 Energy Forecast

- Crude price will remain low (\$56/b average)
- Crude production and inventory stays high
 - Iran supply on line second quarter 2016
- Natural gas price will remain low (\$2.50/MMBtu)
- Natural gas production and inventory stays high
 - lower than average winter draw down due to warmer than normal temps

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2016 Energy Issues to Watch

1. Congressional response to increased domestic production
 - a) Lifting of 40 year U.S. crude oil export ban
 - b) Streamline process for LNG export licenses
2. Renewables & Alternatives
 - a) EPA regs on renewables in transportation fuel
3. Infrastructure
 - a) Transportation bill passed with 5 year plan
 - b) US\$80 billion earmarked for SW Louisiana under House plan
4. Geopolitical
 - a) New US President will face continued unrest and geopolitical issues in Russia, Syria, Iraq, China, etc.

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Fun Louisiana Energy Facts

- ❖ Henry Hub in Erath, LA is pricing point for natural gas futures trading on NY Mercantile Exchange
- ❖ LA is leading importer of foreign crude oil
 - ❖ LA Offshore Oil Port is only port in US capable of offloading deep draft tankers
- ❖ LA has three onshore LNG terminals (more than any state)
- ❖ LA has nineteen oil refineries accounting for 1.5 of US refining capacity
 - ❖ Plantation oil pipeline in BR supplies most of the south with gasoline, jet fuel, diesel and biodiesel

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Fun Non-Energy Louisiana Facts

- ❖ What is the highest elevation?
 - ❖ Driskill Mountain in Bienville Parish (535 ft)

- ❖ What is the state insect?
 - ❖ Honeybee

- ❖ What is the state drink?
 - ❖ Milk
 - ❖ Unofficial drink is Hurricane

- ❖ What is the state reptile?
 - ❖ Alligator

- ❖ What is the state fossil?
 - ❖ Petrified palmwood

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