

# The Great Natural Gas Flow Reversal of 2015

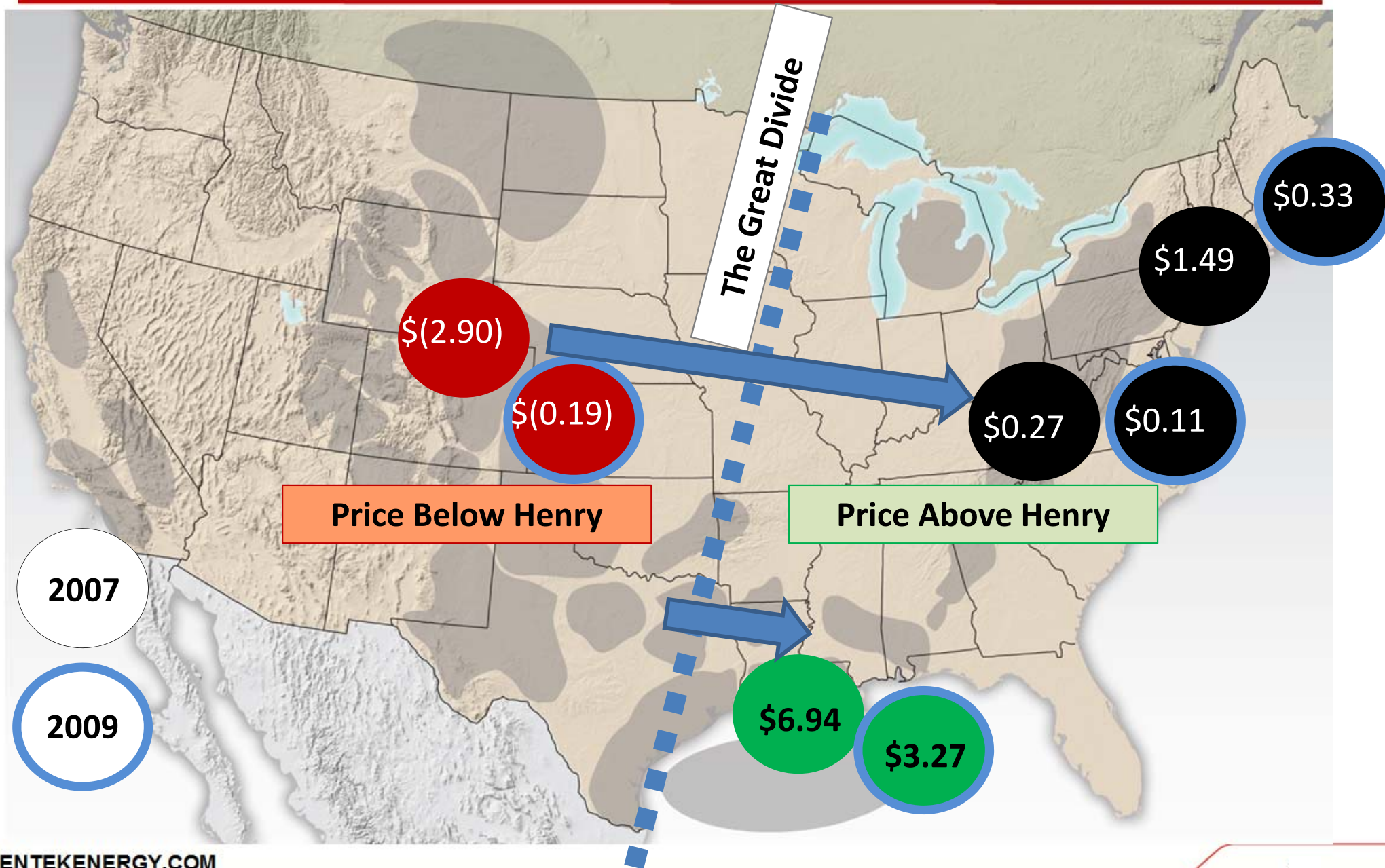
What Goes East goes West. What Goes North.....???



## Annual Meeting and Think Day

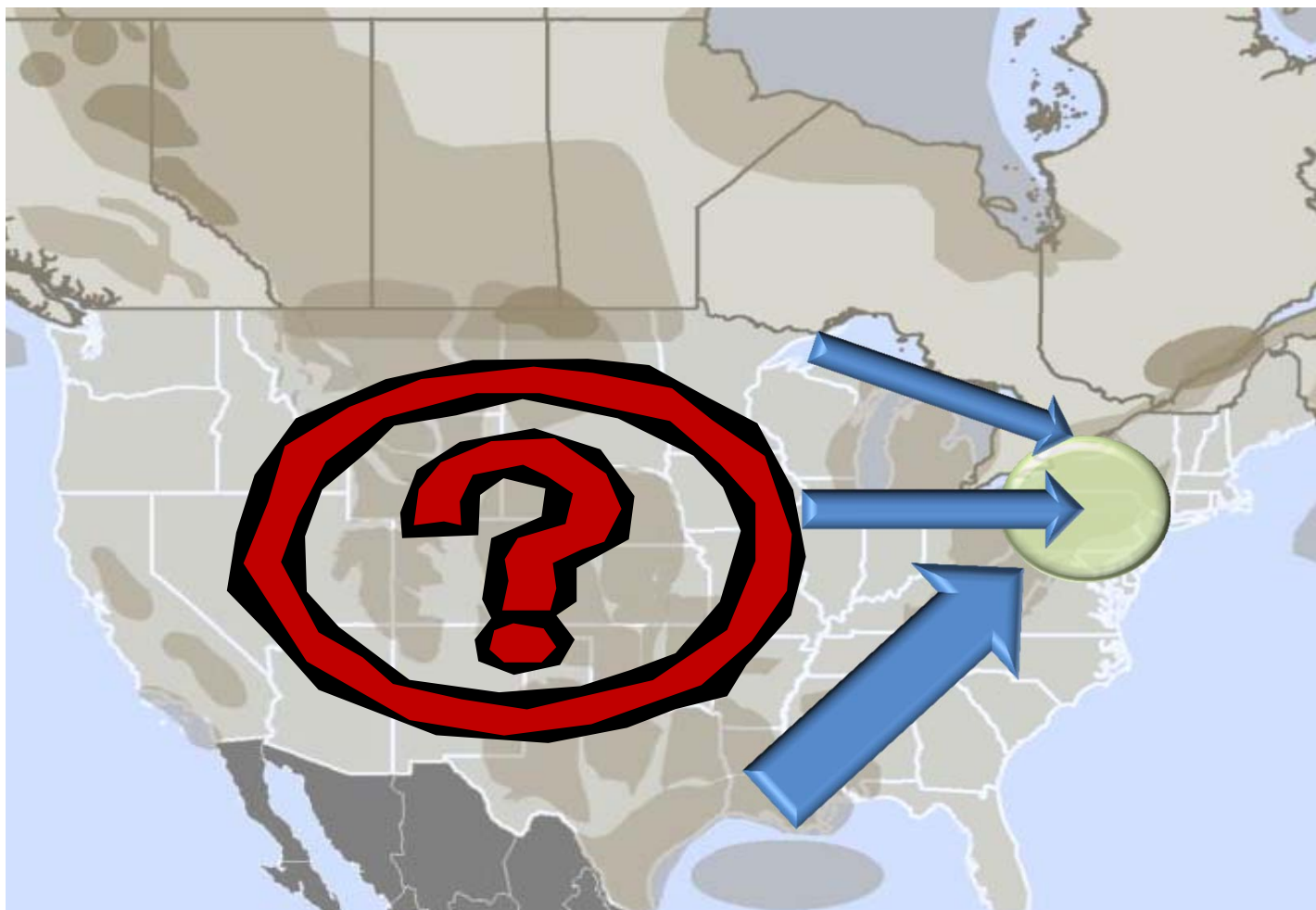
E. Russell Brazier  
RBN Energy, LLC  
December 5, 2012

# Price & Basis – 2007>2009

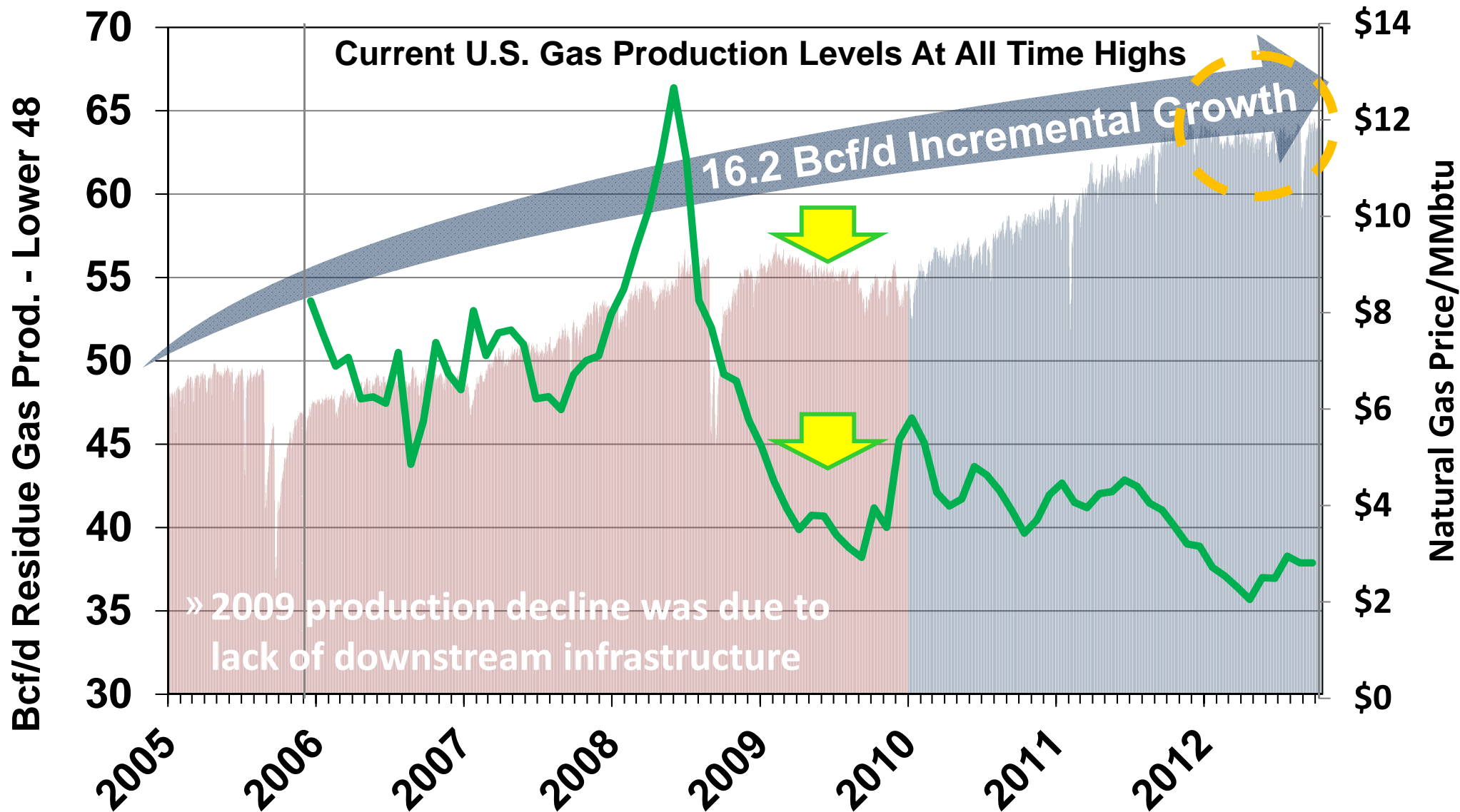


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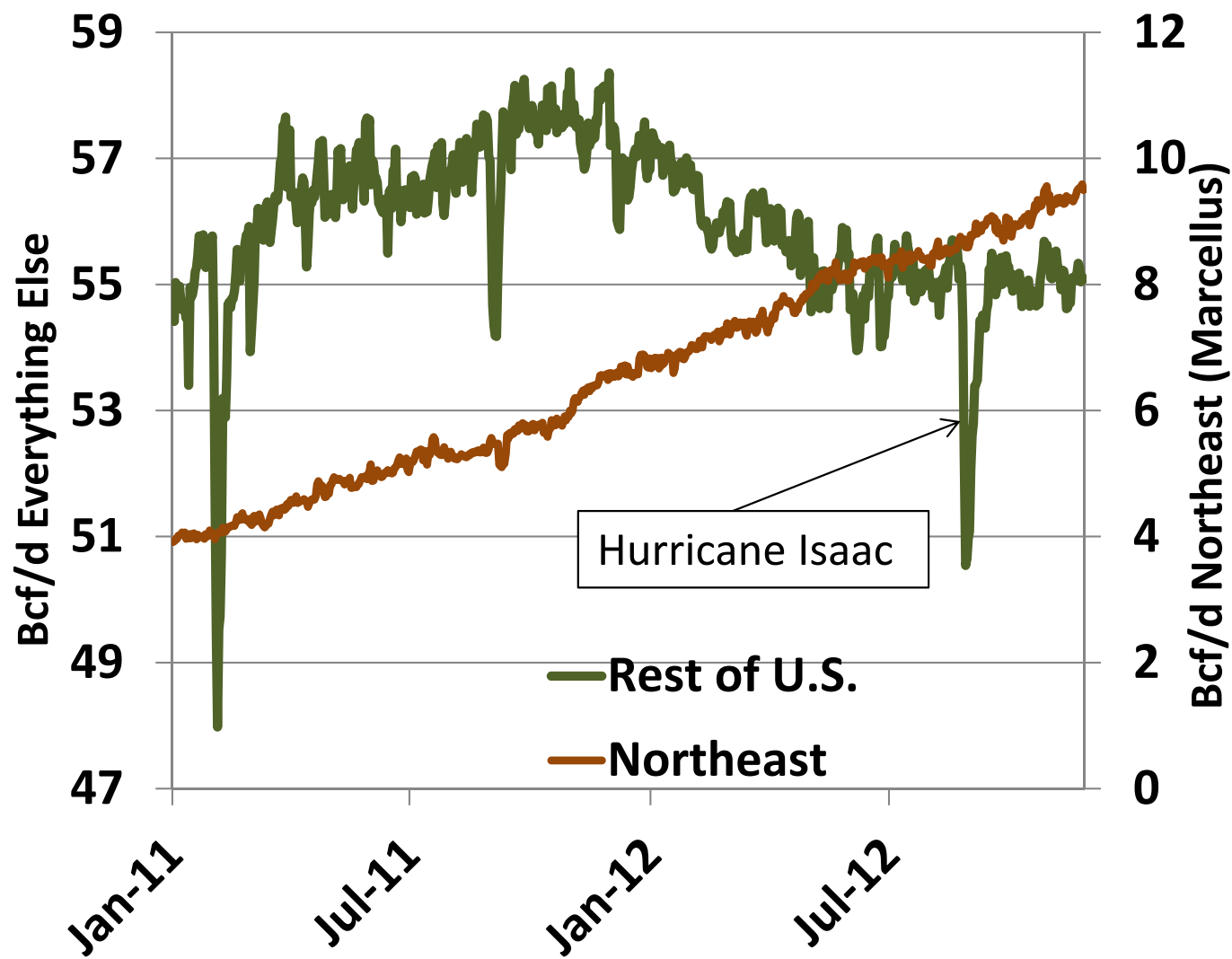
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# Massive Growth in U.S. Natural Gas Production



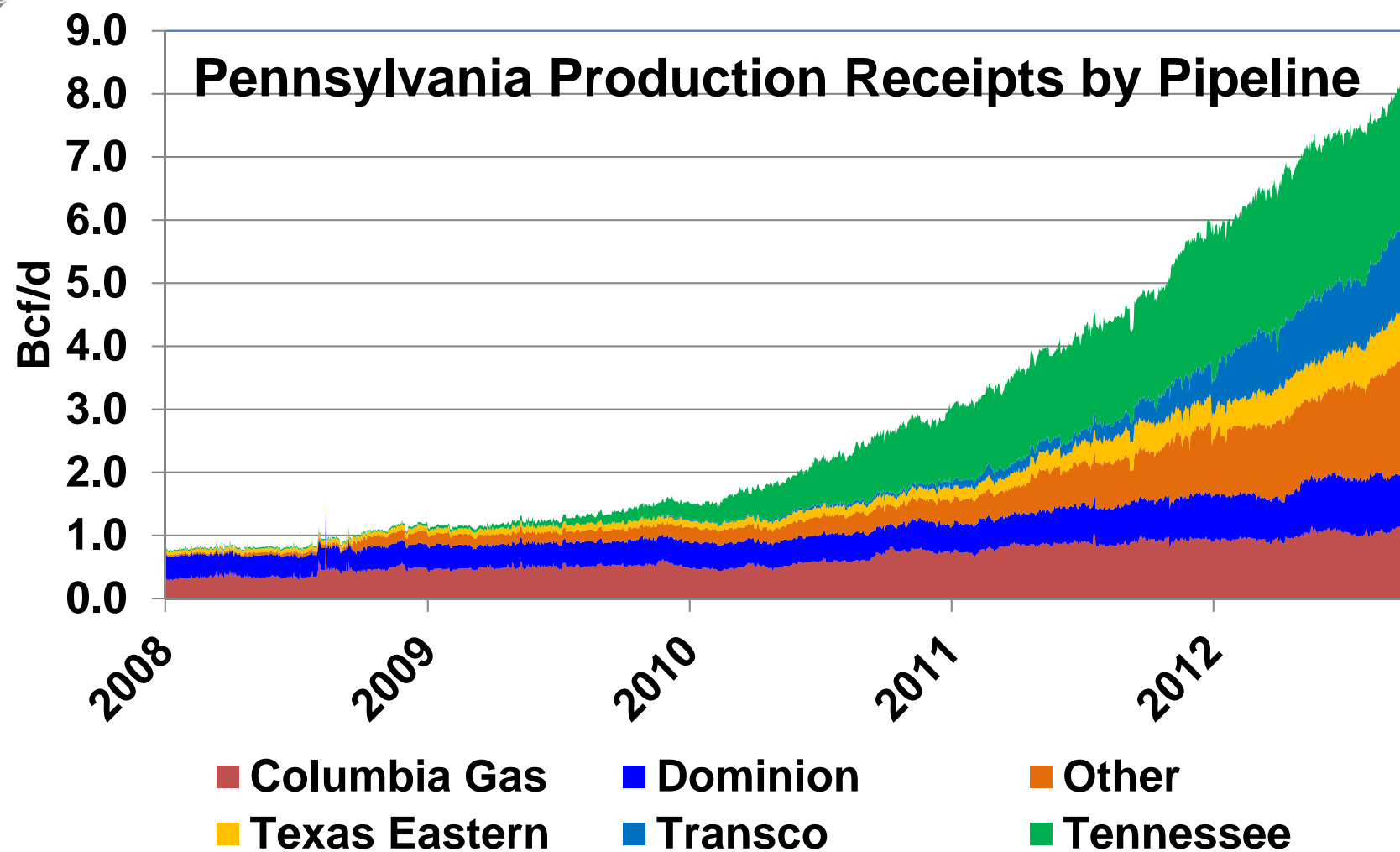
# Northeast Production Growth Supporting Total Production Numbers



- » High rates of return in the 'Wet' gas window from NGLs
- » Inventory backlog of wells in the 'Dry' gas window



# Marcellus Sees Aggressive Growth in PA; Dry Gas Production Still Increasing

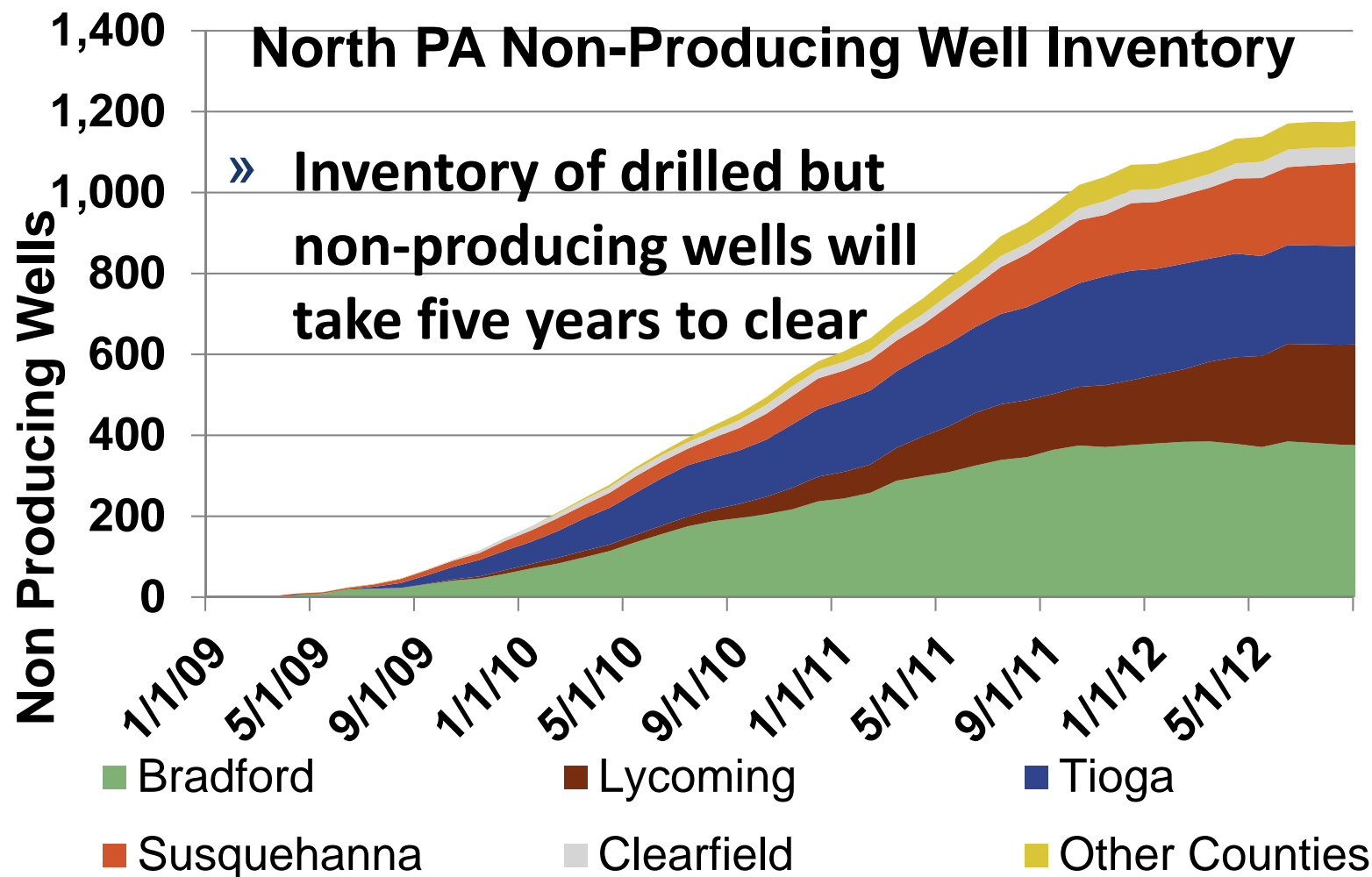


1 Bcf/d  
17 Bcf/d

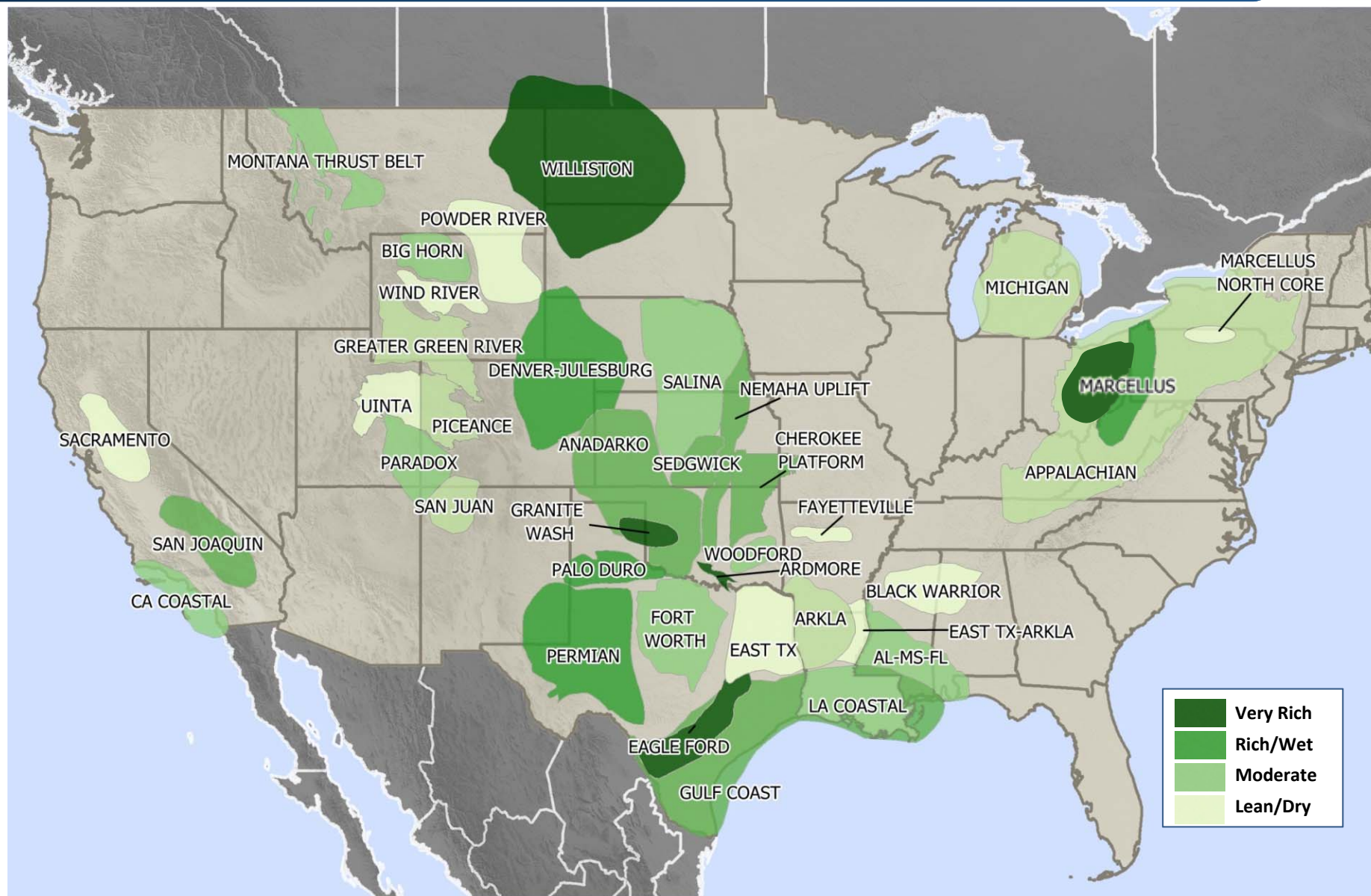
HORIZONTAL  
Vertical



# Pipeline and Frac Crew Constraints Build Large Backlog of Wells

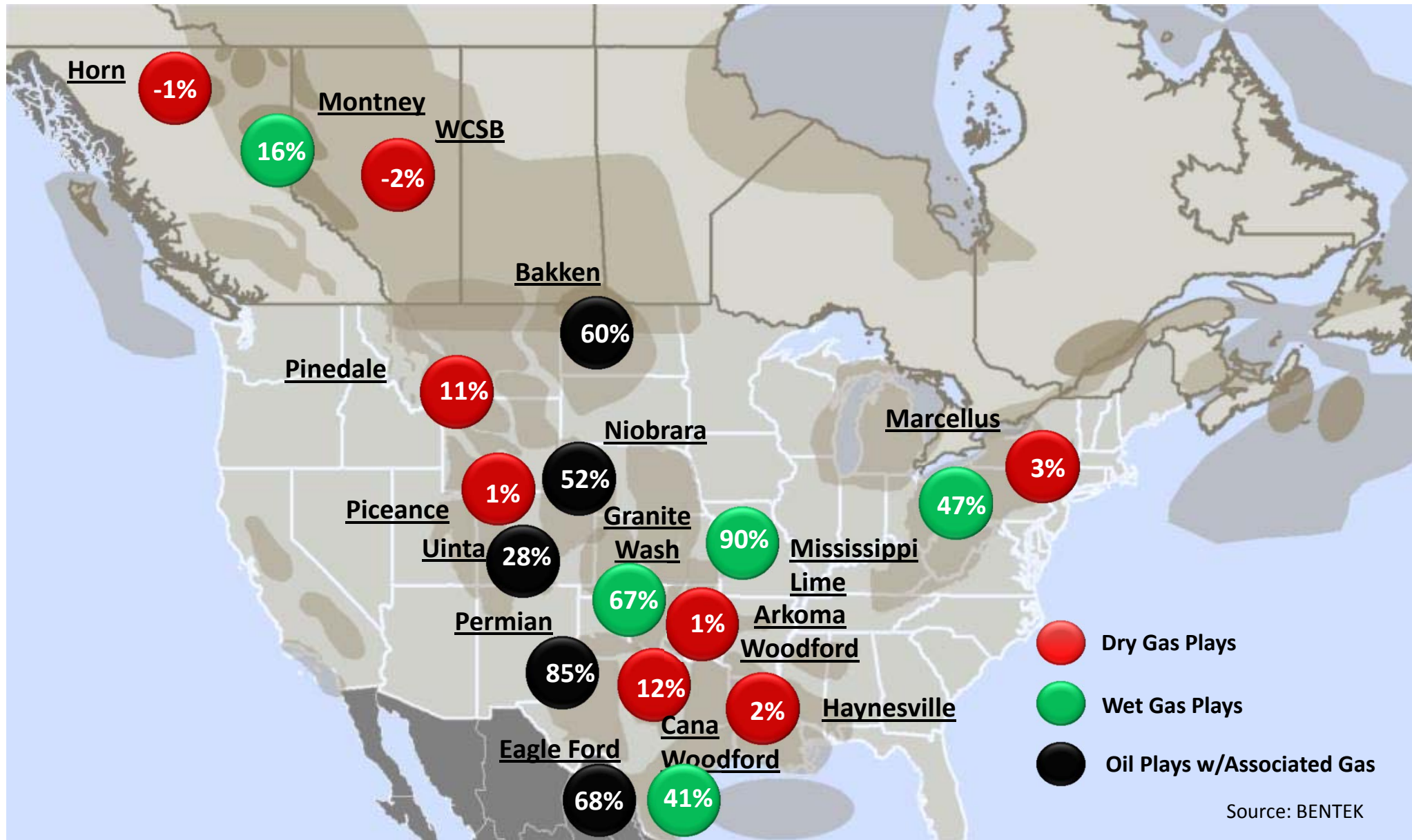


# High BTU Content = Rich in NGLs



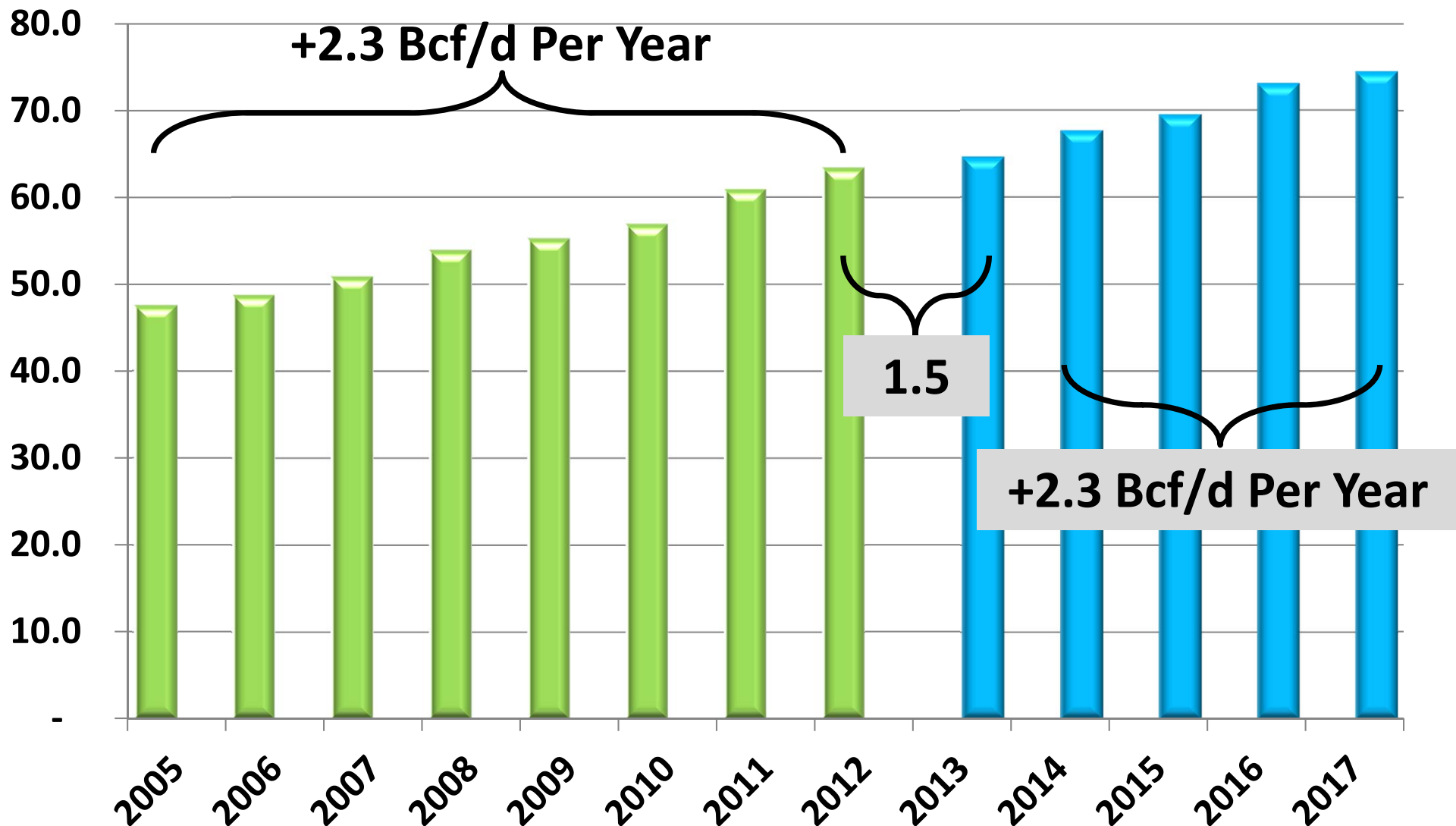


# Typical Rates or Return by Basin

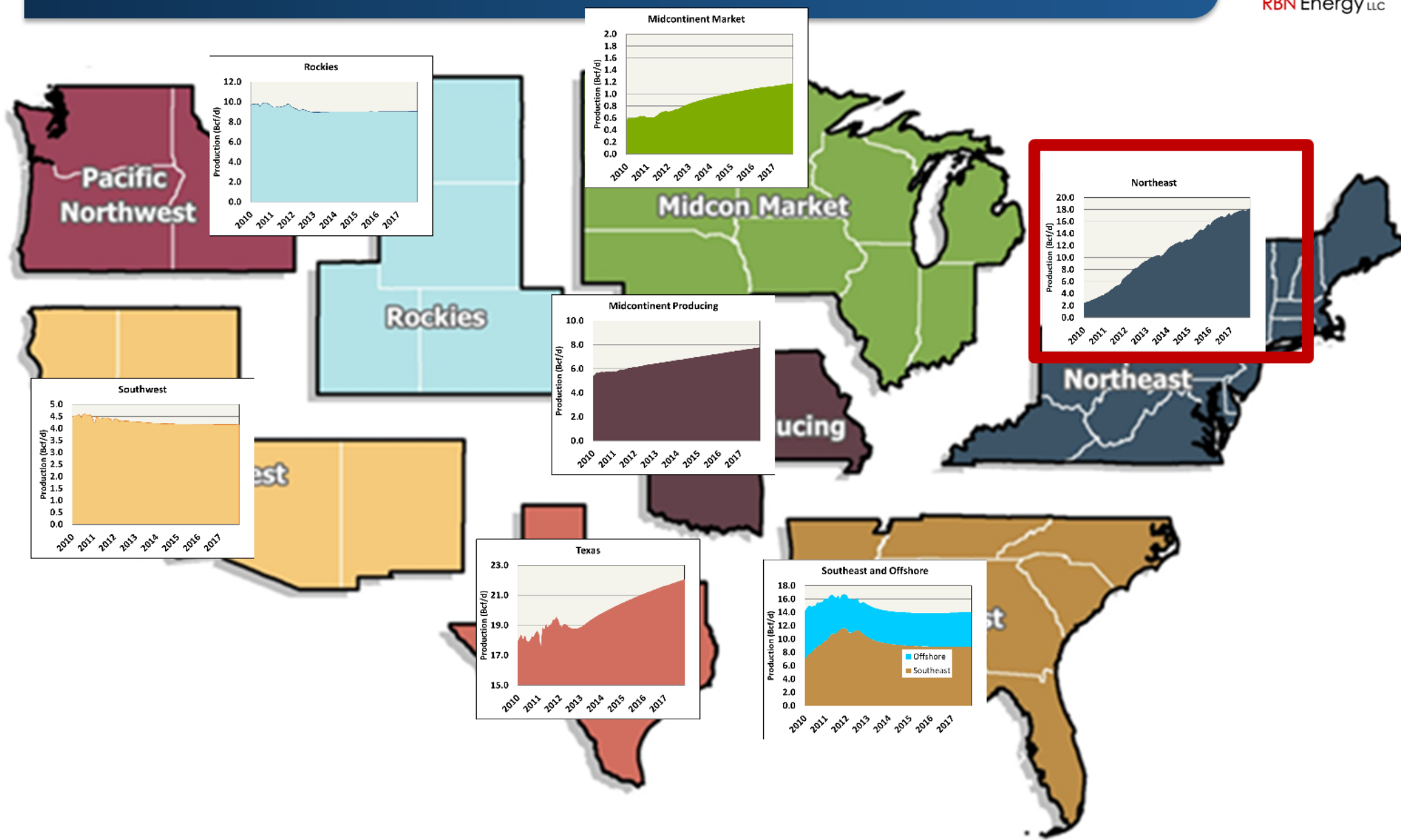


Source: BENTEK

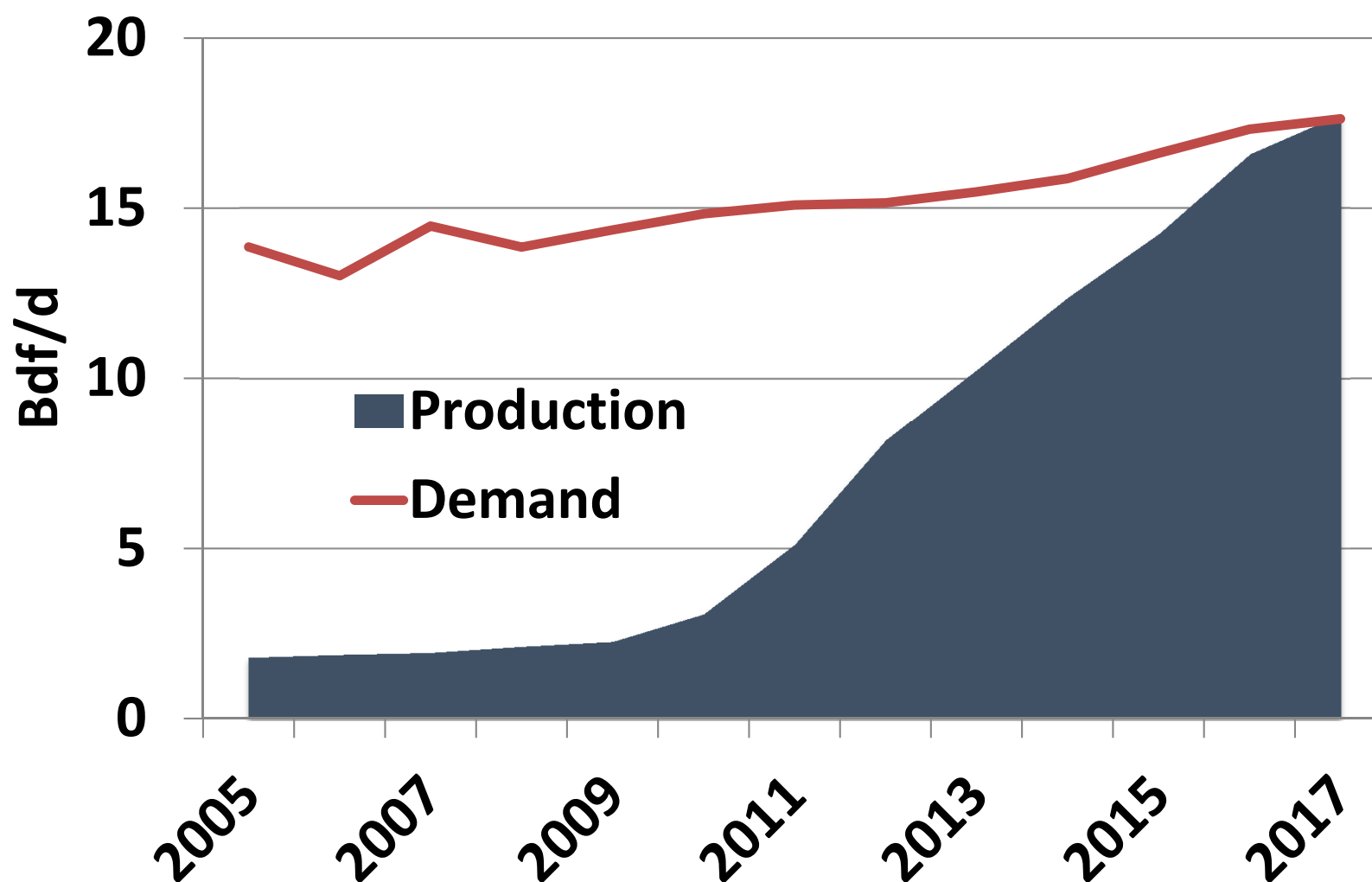
# U.S. Dry Gas Production Forecast to Grow 11.5 Bcf/d from 2012 to 2017



# Regional Natural Gas Production Outlook

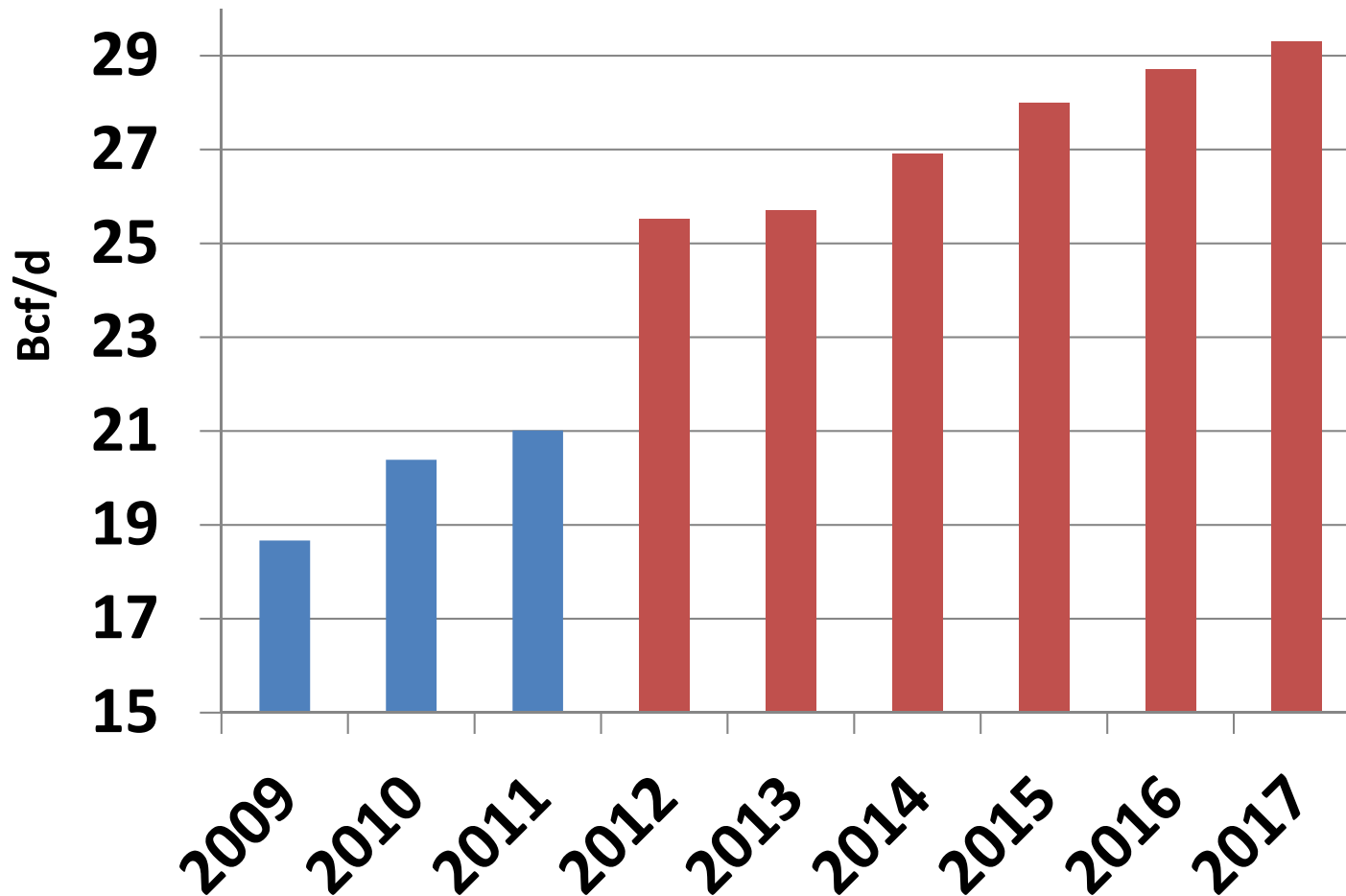


# Northeast Supply/demand

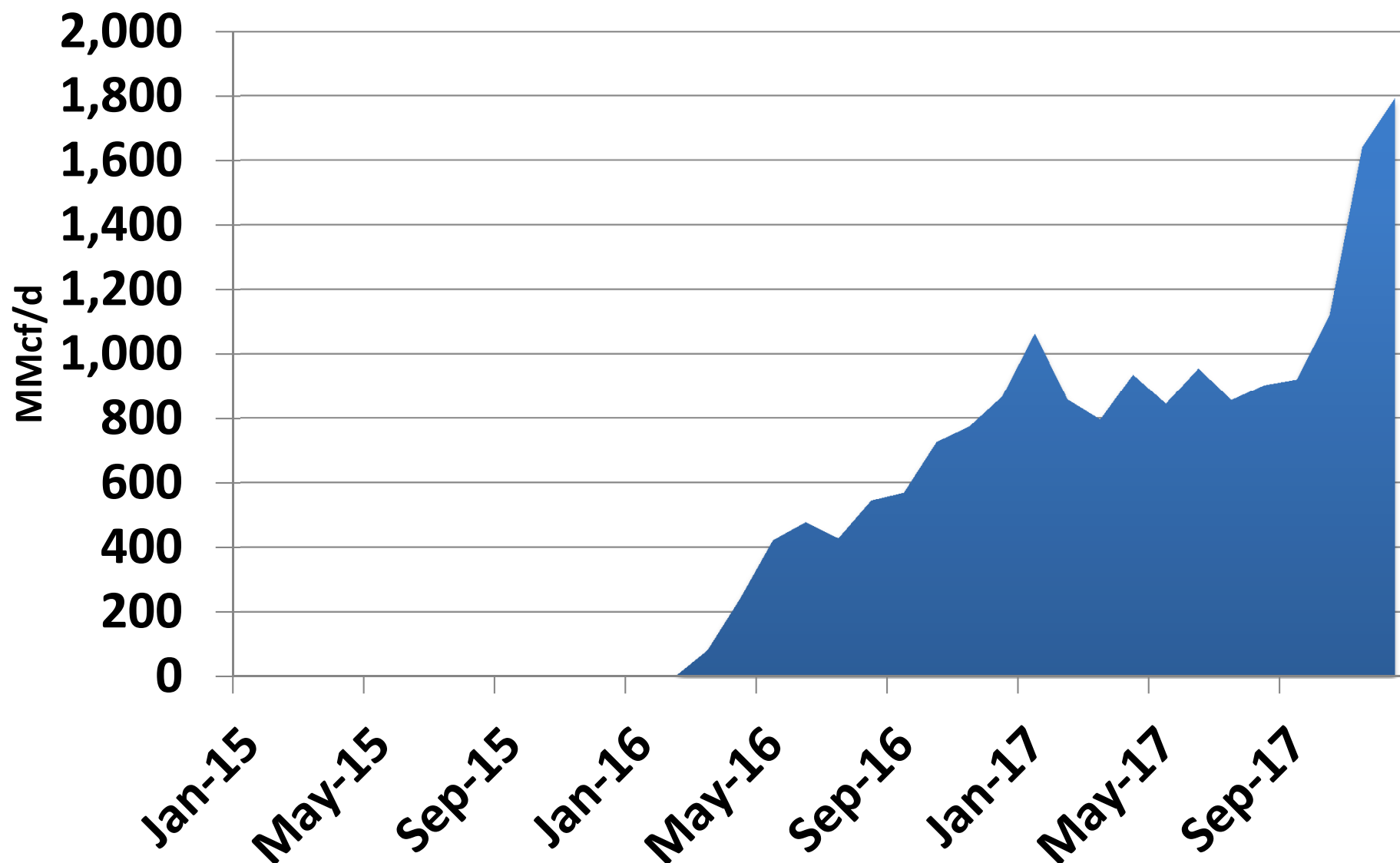




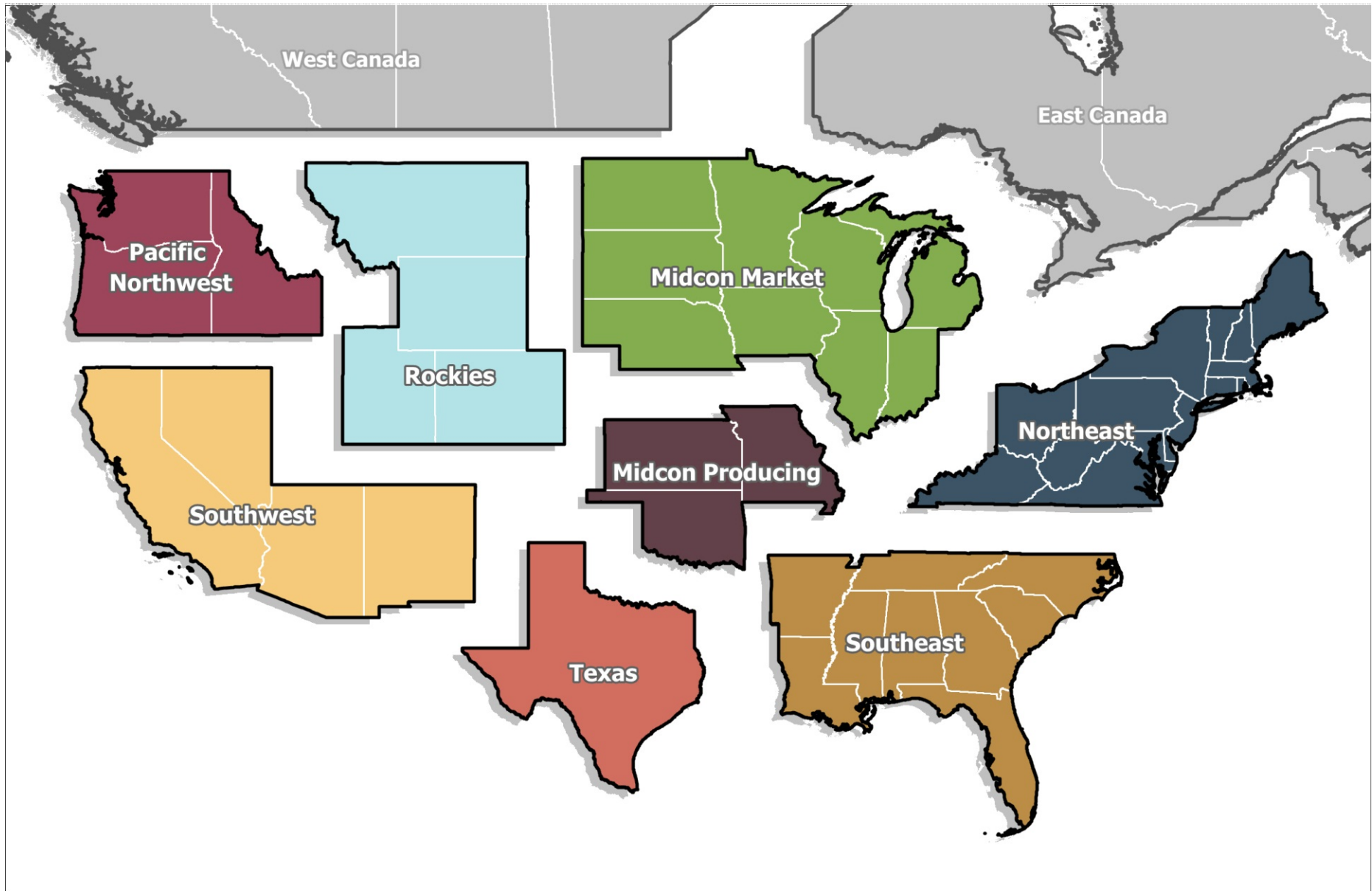
# Natgas for Power Generation



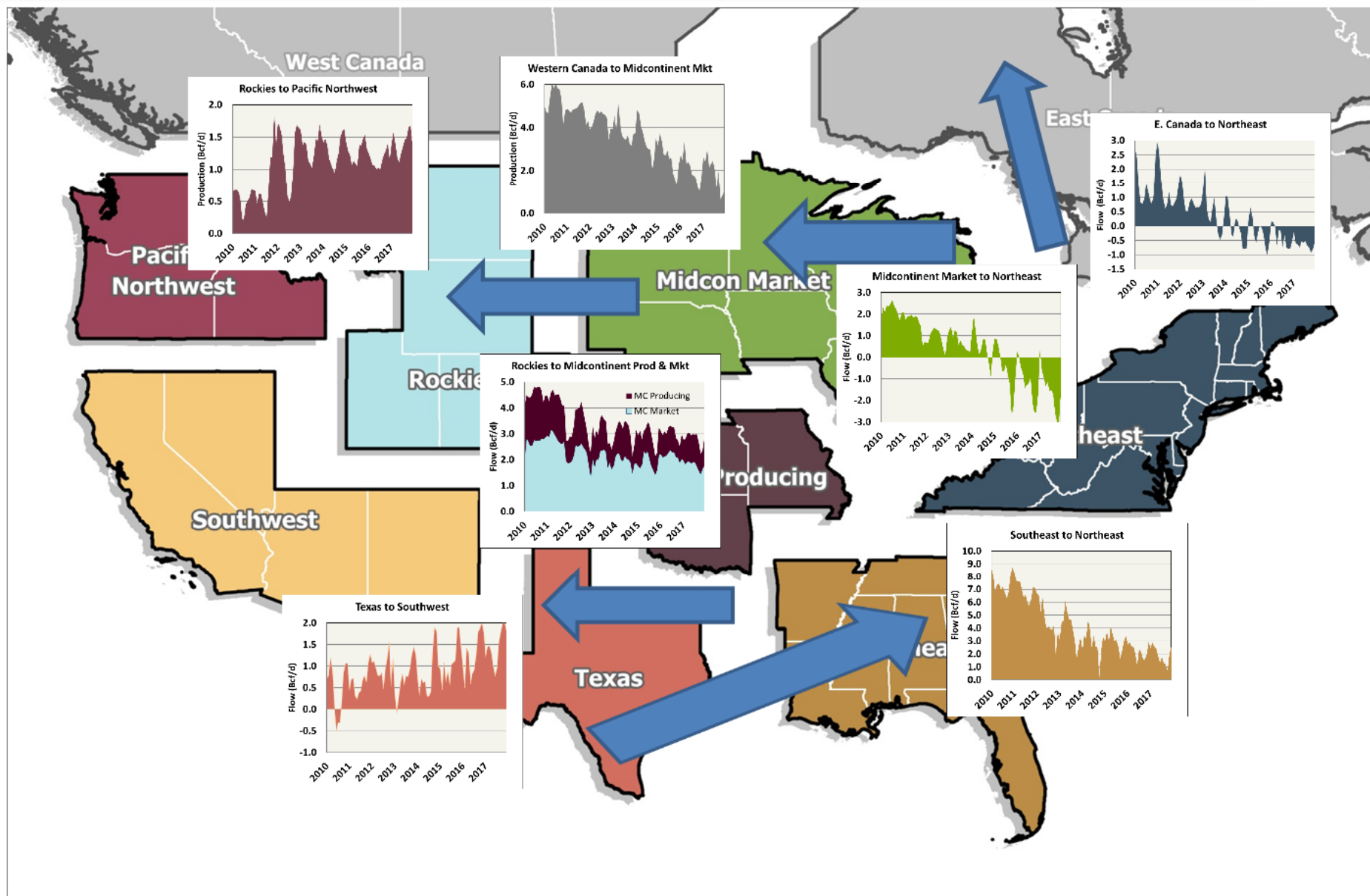
# LNG Exports



# The Great Flow Reversal of 2015

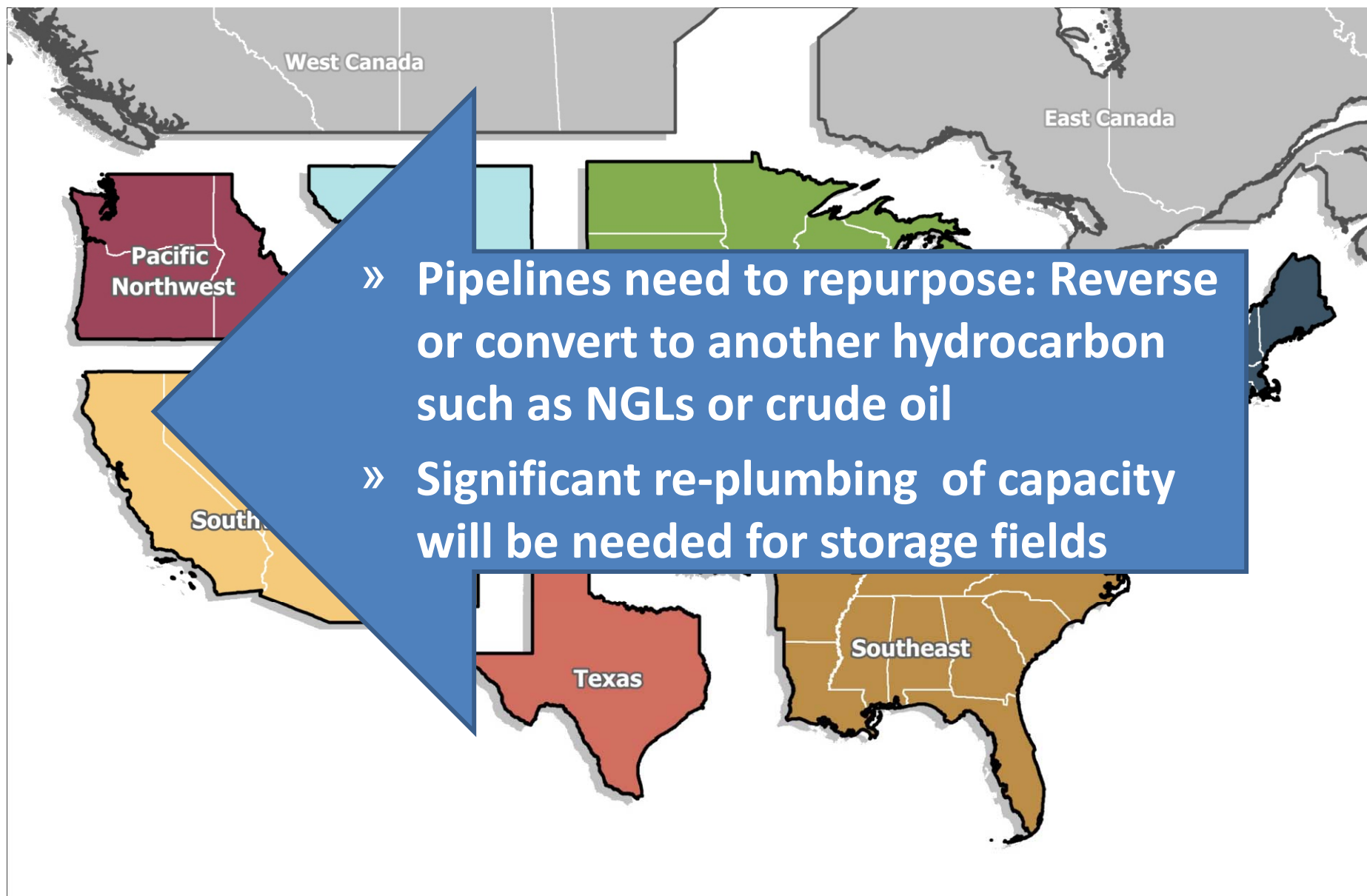


# Flow Analysis – Intra-Regional

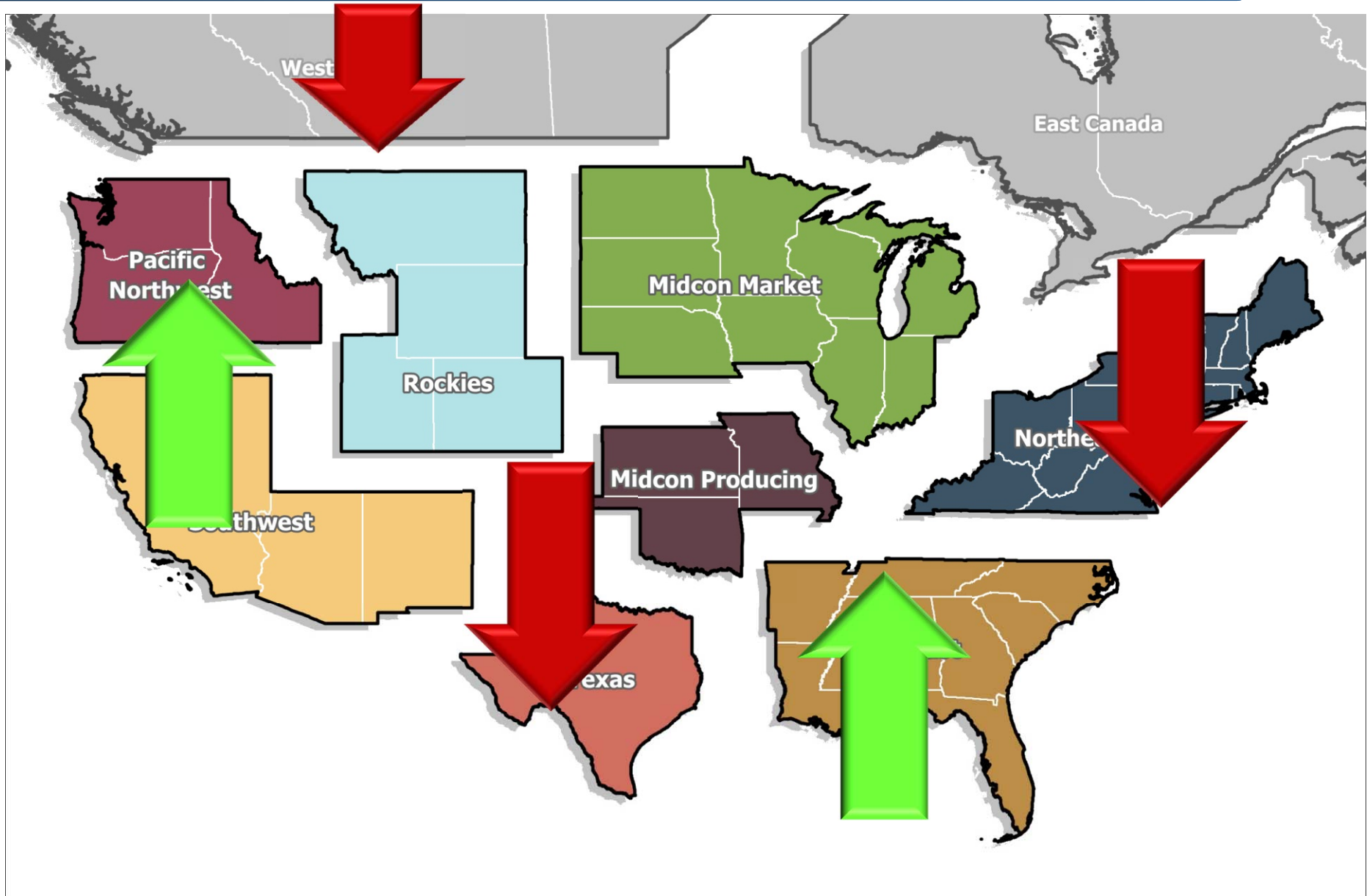




# Flow Analysis – Intra-Regional



# Regional Prices/ Basis



# The Great Natural Gas Flow Reversal of 2015

What Goes East goes West. What Goes North.....???



- » **Northeast natural gas production will increase by 9.5 Bcf/d to 18 Bcf/d in 2017**
- » **Supply will have increased enough to cover Northeast demand by 2017 – the region will be self sufficient**
- » **The onslaught of production will curtail or reverse the flow of pipelines that have traditionally supplied the region**
- » **Continental gas flows will transition to a east-to-west pattern**
- » **Northeast prices will decline as supply exceeds demand, particularly in the summer; Southeast prices will increase**





[www.rbnenergy.com/rbn blog](http://www.rbnenergy.com/rbn_blog)

**E. Russell Braziel**

3333 Allen Parkway, Suite 1807  
Houston, TX, 77019

[rbraziel@rbnenergy.com](mailto:rbraziel@rbnenergy.com)

 [@rustybraziel](https://twitter.com/rustybraziel)