

# Oil & Gas Market Update

## FOOTHILLS' MARCH OUTLOOK



## KEY ECONOMIC DATES

Date	Report	Period	Actual	Median Forecast	Previous
3/1/2019	Personal Income	Jan	-0.1%	0.3%	n/a
3/1/2019	Consumer Spending	Dec	-0.5%	-0.4%	0.6%
3/1/2019	Core Inflation	Dec	0.2%	0.2%	0.1%
3/1/2019	Consumer Sentiment	Feb	93.8	95.6	95.5
3/5/2019	ISM nonmanufacturing Index	Feb		n/a	56.7%
3/6/2019	Beige Book	Jan/Feb			
3/7/2019	Nonfarm Payrolls	Feb			304,000
3/7/2019	Unemployment Rate	Feb			4.0%
3/7/2019	Average hourly earnings	Feb			0.1%



Shell's 2019 LNG Outlook

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Saudi Arabia is an oil country. That is what they do. They are dependent on the resources beneath their sovereign soil. But why are the Saudis so interested in natural gas? Because even the Saudis understand that crude oil is a finite source of wealth and has a ticking stopwatch pointed directly at their place in the global economy.

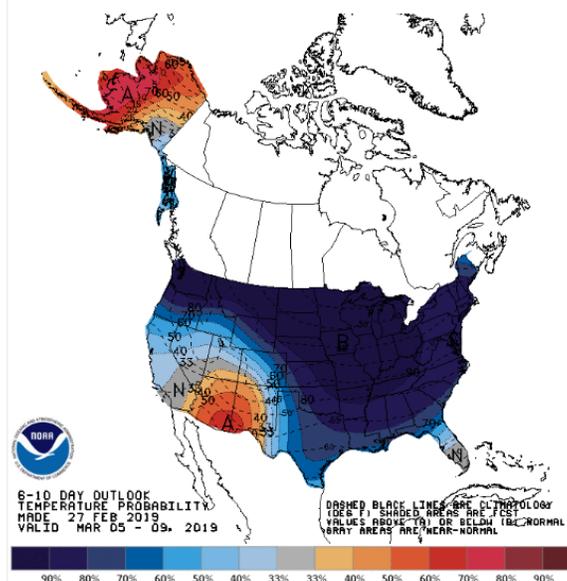
## **LNG DEMAND TO RISE BY 35 MILLION TONS IN 2019**

Global liquefied natural gas (LNG) supply is set to rise by 35 million tons in 2019, Trend reports with reference to forecasts of Royal Dutch Shell. Shell believes that Europe and Asia are expected to absorb all this additional supply.

Strong demand for cleaner-burning fuel in Asia continued to drive rapid growth in liquefied natural gas (LNG) use in 2018, with global demand rising by 27 million tons to 319 million tons, according to Shell's latest annual LNG Outlook. Shell expects demand to reach about 384 million tons in 2020.

# NATURAL GAS

Climate Prediction Center's weather maps are forecasting colder than normal temperatures for much of the country in the first half of March. We continue to believe there is a good chance we end the heating season with 1,200 BCF in storage representing the 2nd lowest level over the last 10 years.



# CRUDE OIL

The U.S. imported the least amount of crude oil on a weekly basis in 23 years, as OPEC-members Saudi Arabia and Venezuela cut their shipments to unusually low levels.

Weekly crude imports fell 1.61 million barrels a day to 5.92 million, the lowest level since 1996.

## GLOBAL STAGE

The global oil market will struggle this year to absorb fast-growing crude supply from outside OPEC, even with the group's production cuts and U.S. sanctions on Venezuela and Iran, the International Energy Agency said in a report. The IEA left its demand growth forecast for 2019 unchanged from its last report in January at 1.4 million barrels per day.

"It is supported by lower prices and the start-up of petrochemical projects in China and the U.S. Slowing economic growth will, however, limit any upside," the agency said. The IEA raised its estimate of growth in crude supply from outside the Organization of the Petroleum Exporting Countries to 1.8 million bpd in 2019, from 1.6 million bpd previously.

The agency also lowered its forecast for demand for OPEC crude, production of which the group has pledged to cut by 800,000 bpd this year as part of an agreement with Russia and other non-OPEC producers such as Oman and Kazakhstan.

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— EXPLORATION, INC. —

Foothills Exploration, Inc. is a growth stage oil and gas exploration and production (E&P) company with a focus in the acquisition and development of undervalued and underdeveloped properties. The Company's assets are located across well-established plays in the U.S. Rocky Mountain region.

Foothills' strategy is to build a balanced portfolio of E&P assets through two core initiatives. The first is to actively focus on acquiring dislocated and under-exploited production and development properties then maximizing those assets to create shareholder value. The Company's second initiative is to generate high-impact oil and gas exploration projects.