



RAPIDAN
ENERGY GROUP

Three Converging Trends in Energy Markets and Policy

EIA Virtual Workshop

March, 2025

Robert McNally | President, Rapidan Energy Group



Disclaimer

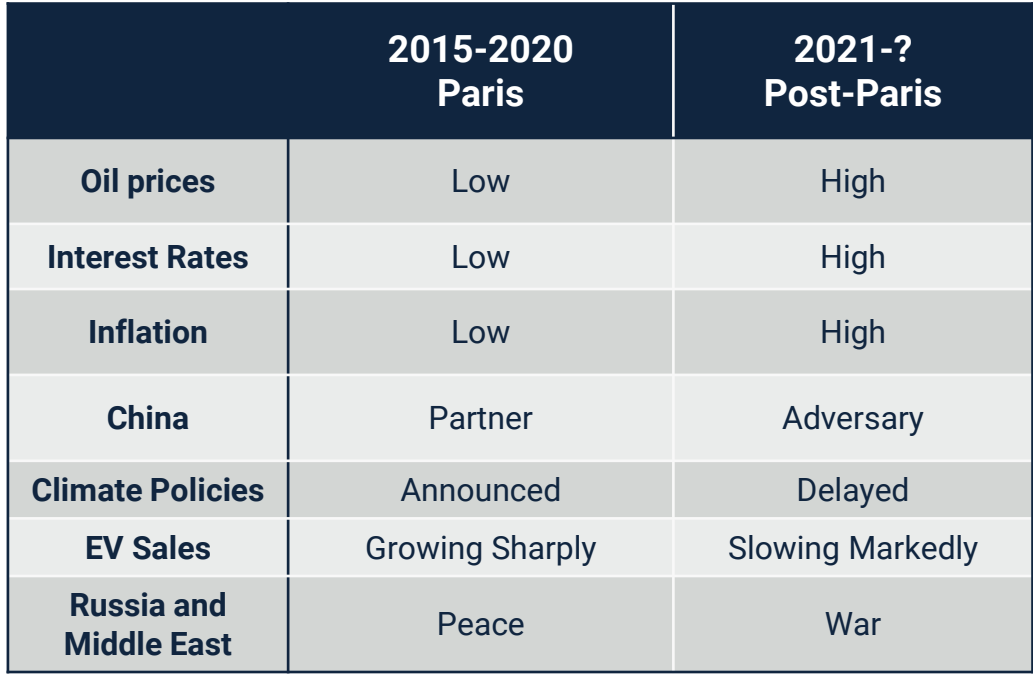
Strictly Private & Confidential

Prepared for the exclusive use of Rapidan Energy Group (REG) clients and may contain information that is confidential, privileged, or otherwise protected from disclosure and may not be redistributed or disclosed, in whole or in part, without REG's express written consent. REG makes no warranty or representation about the accuracy or completeness of the information and data contained in these materials, which are provided 'as is.' Nothing contained in them constitutes an offer to buy or sell or a solicitation to buy or sell any securities, investment products, or other financial product or service, an official confirmation of any transaction, or an official statement of Rapidan Energy Group, LLC.

Three Converging Yearly, Decadal, and Secular Trends

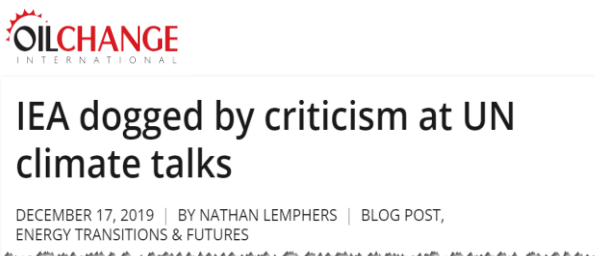
- Energy Transition Gives Way to Reality (Global Oil and Gas Demand Likely Won't Peak in Five Years)
- Foothills of Structural Boom Oil Cycle (but with Circling Black Swans)
- Looming Debt Crisis (Biggest Underappreciated Energy Sector Risk)

Policy-driven rapid transition was never likely, though many believed in and bet on it

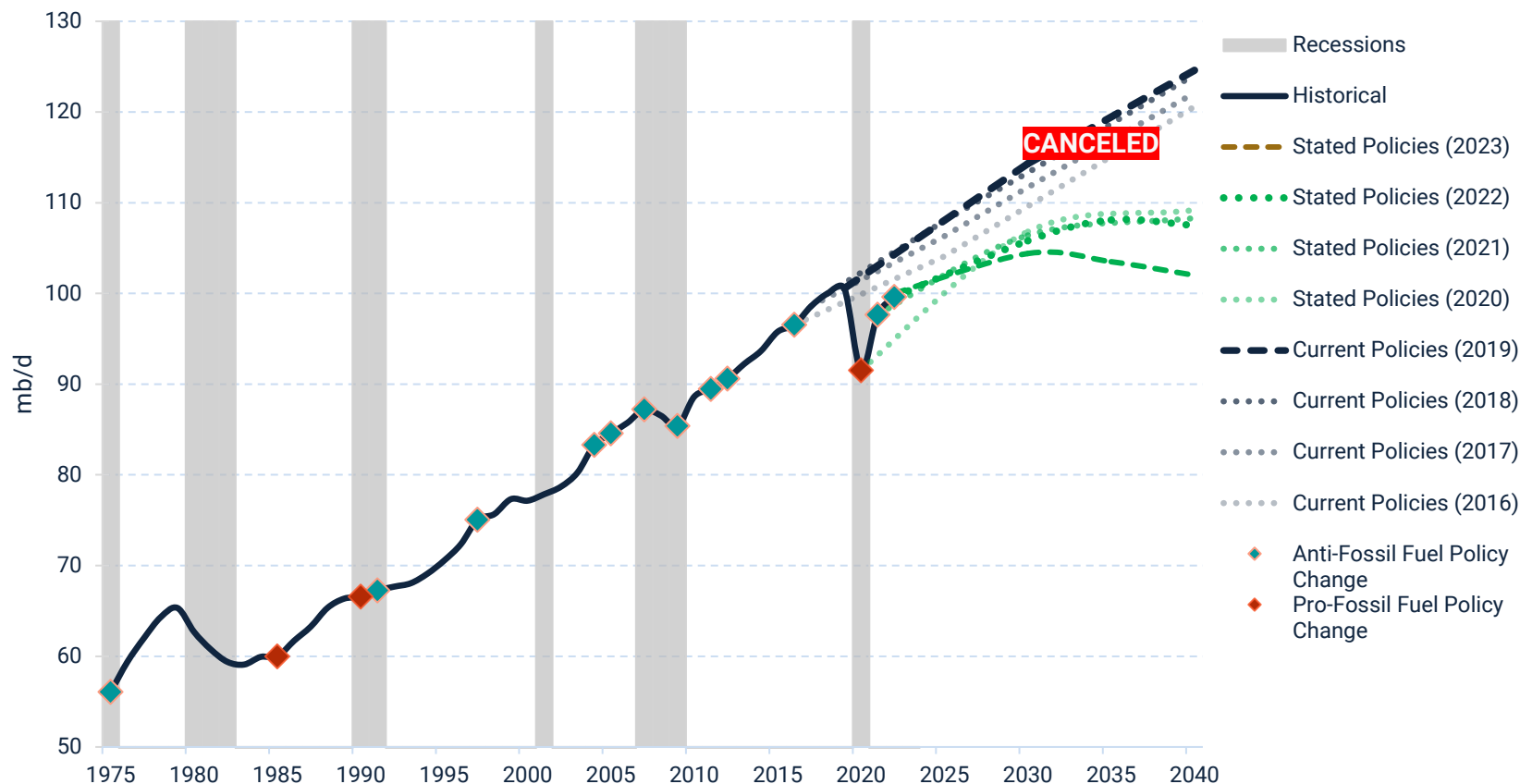


Wishful Thinking Has Replaced Responsible Forecasting

Agency forecasts shape reality and have real-world policy consequences, as seen with the US LNG export pause decision



Global Oil Demand History and IEA Forecasts

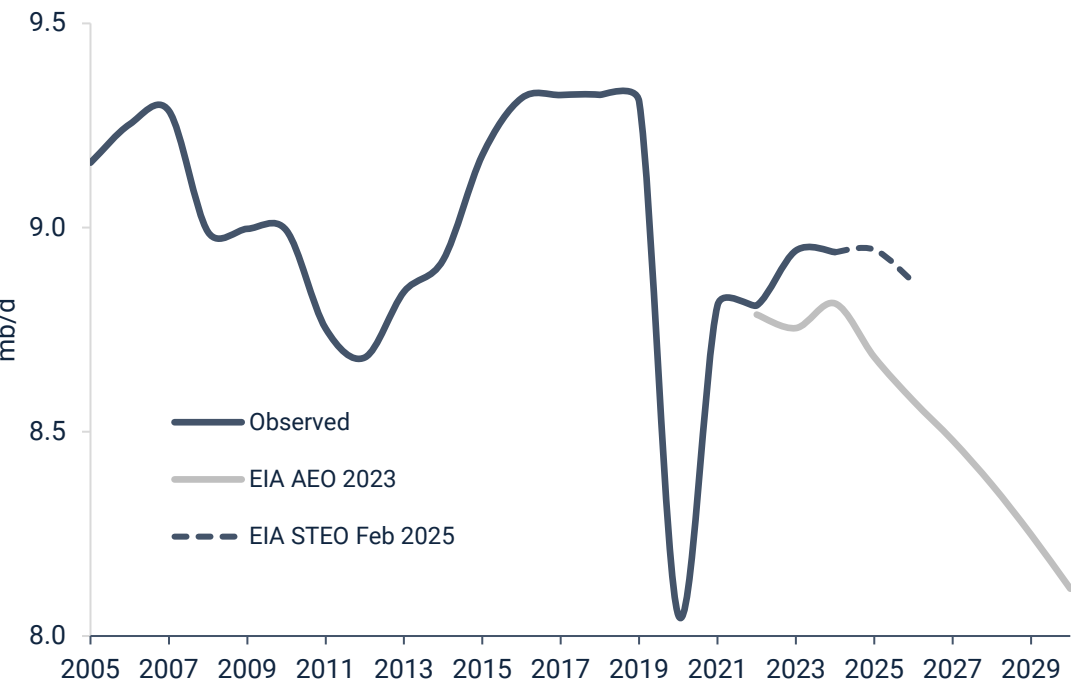


Source: Rapidan Energy Group, IEA

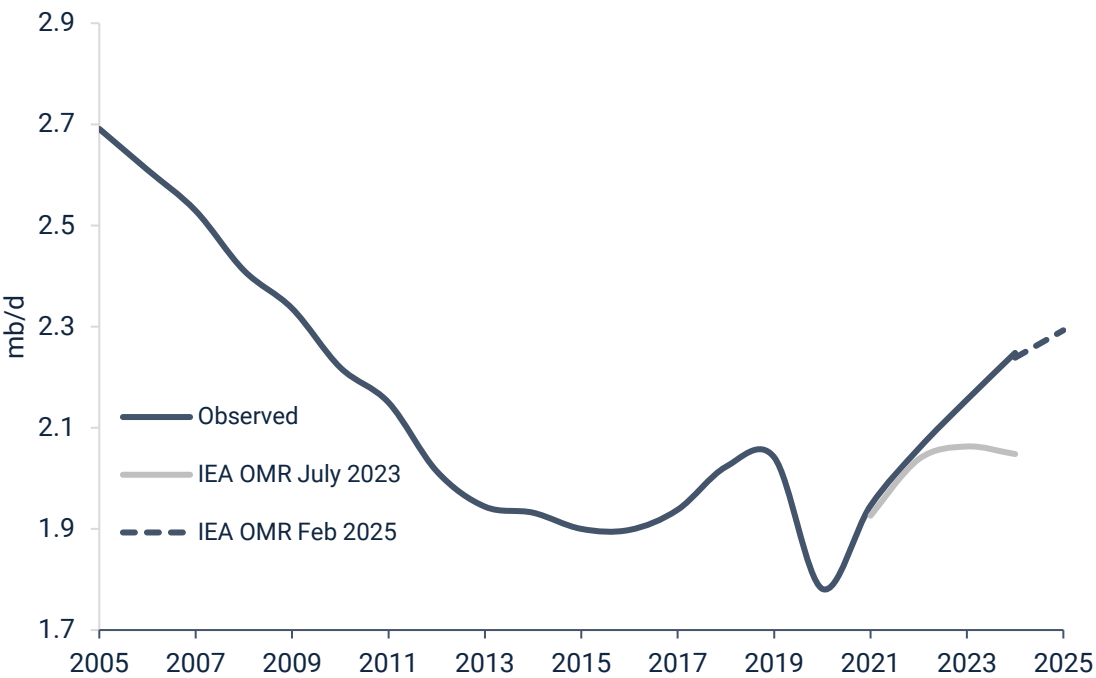
OECD Gasoline Demand – Canary in the Coal Mine for Peak Demand

For global liquids to peak soon, OECD transportation fuel demand must peak and decline now

US Gasoline Demand and EIA Forecasts



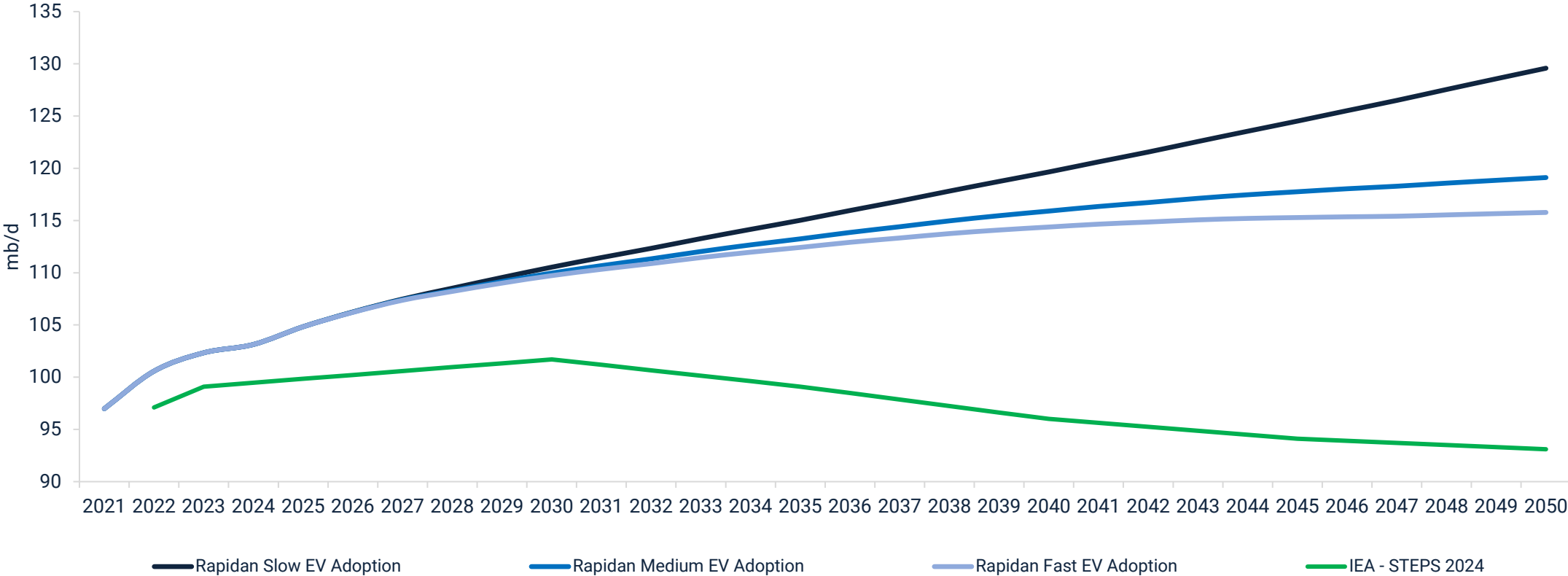
OECD Europe Gasoline Demand and IEA Forecasts



Source: Rapidan Energy Group, EIA, IEA

Comparing Rapidan With Consensus Global Demand Forecasts

Rapidan Global Oil Demand Scenarios vs. Agency Forecasts



Source: Rapidan Energy Group, IEA

Back to Space Mountain Oil Price Volatility



Note: Grey shading represents a recession in the US, as defined by the National Bureau of Economic Research (NBER).

Source: Rapidan Energy Group, The Derrick, API, St. Louis Fed, EIA

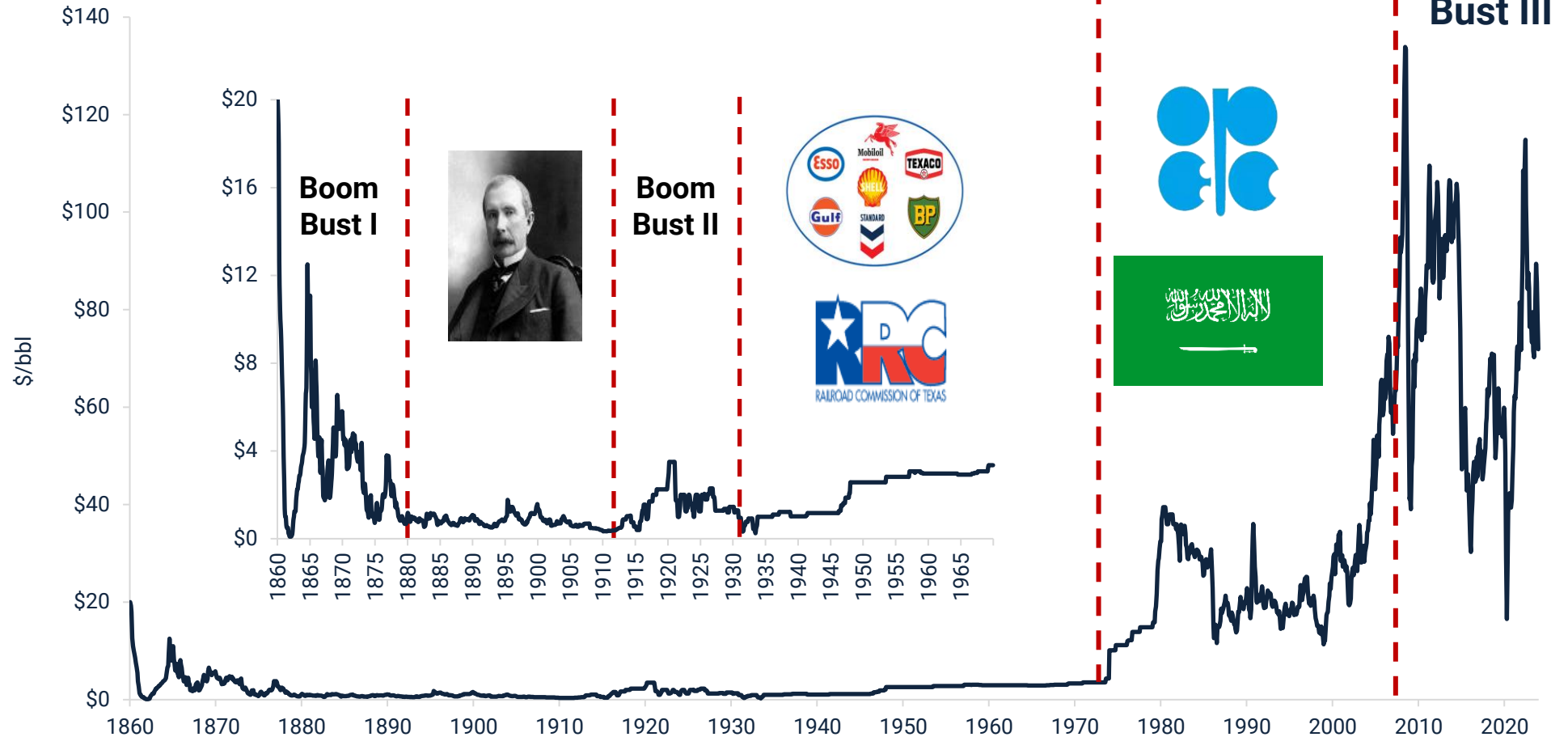


RAPIDAN
ENERGY GROUP

WWW.RAPIDANENERGY.COM
NO QUOTATION OR DISTRIBUTION

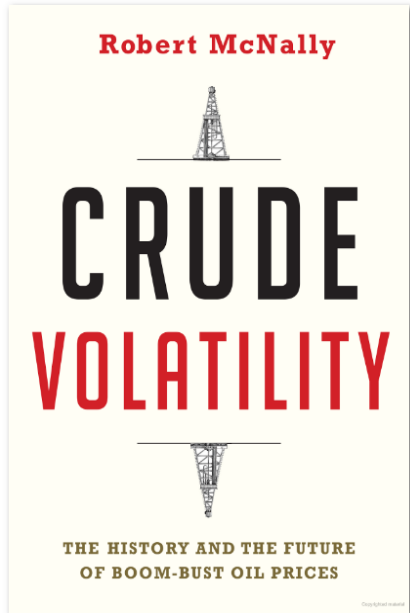
Crude Oil Prices Remain in History's Third Boom-Bust Era

Long-Term Nominal Crude Oil Prices



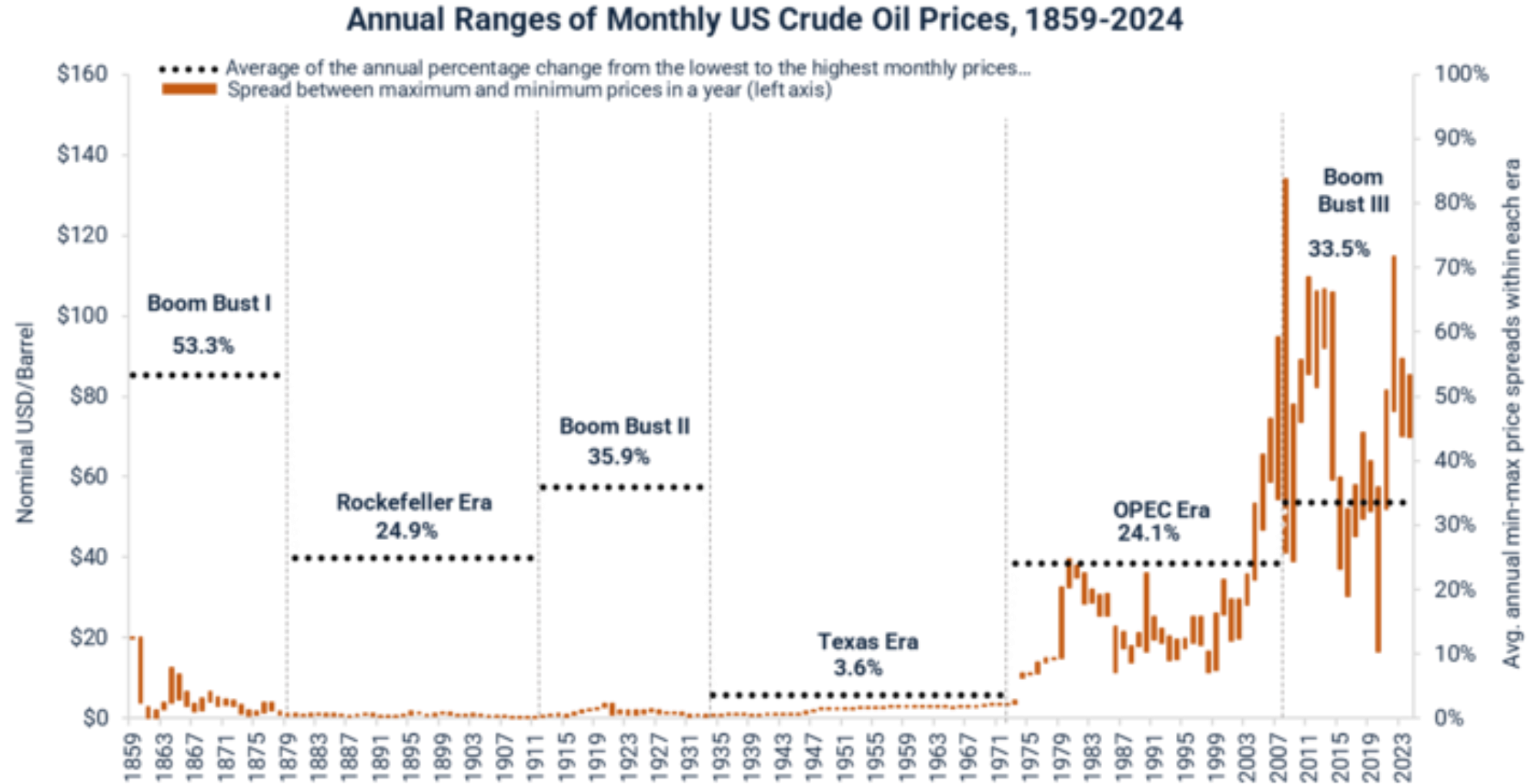
Source: Rapidan Energy Group, The Derrick, API, St. Louis Fed, EIA

***Shameless Plug
Alert***



No Swing Producer, No Peace

Only durable, effective supply management can tame crude oil's intrinsic, extreme volatility



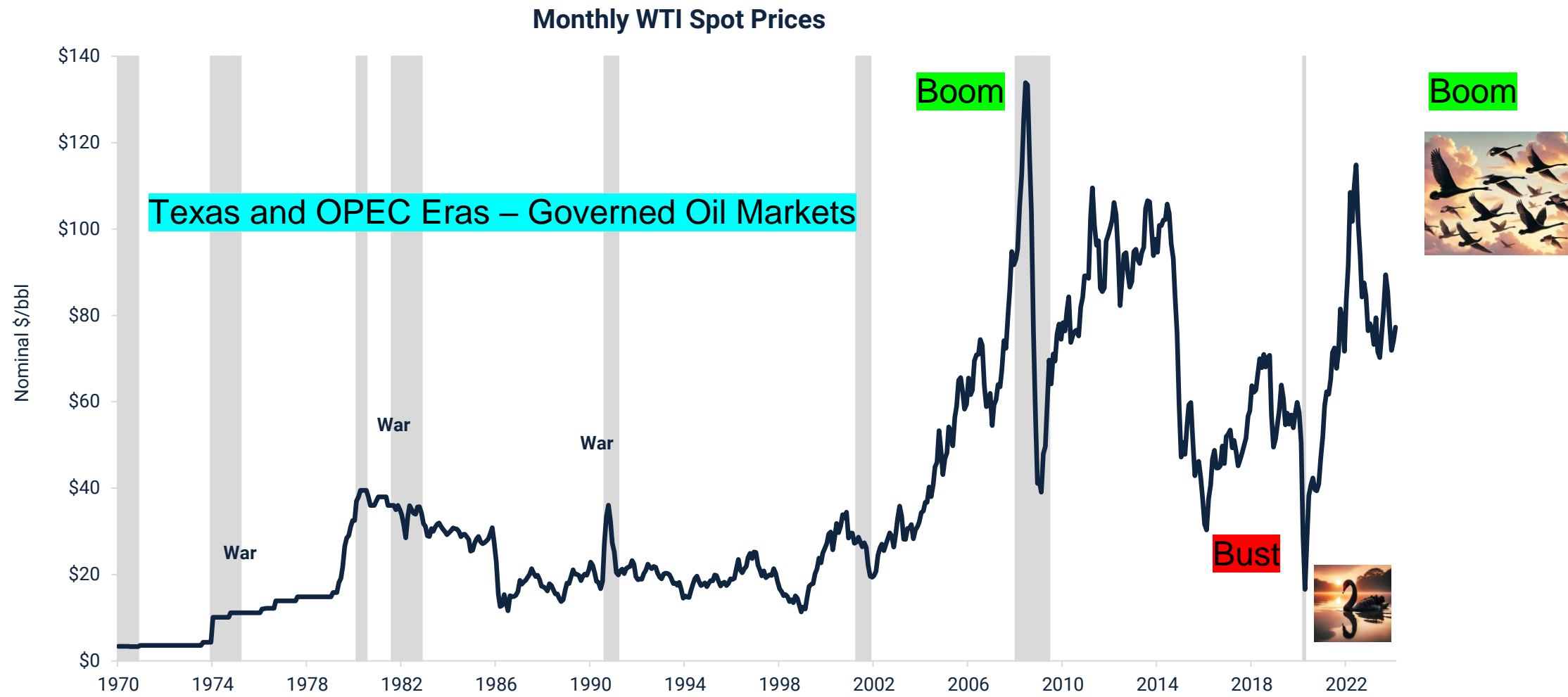
Sources: Rapidan Energy Group, based on The Derrick, API, St. Louis Fed, EIA, and Bloomberg



RAPIDAN
ENERGY GROUP

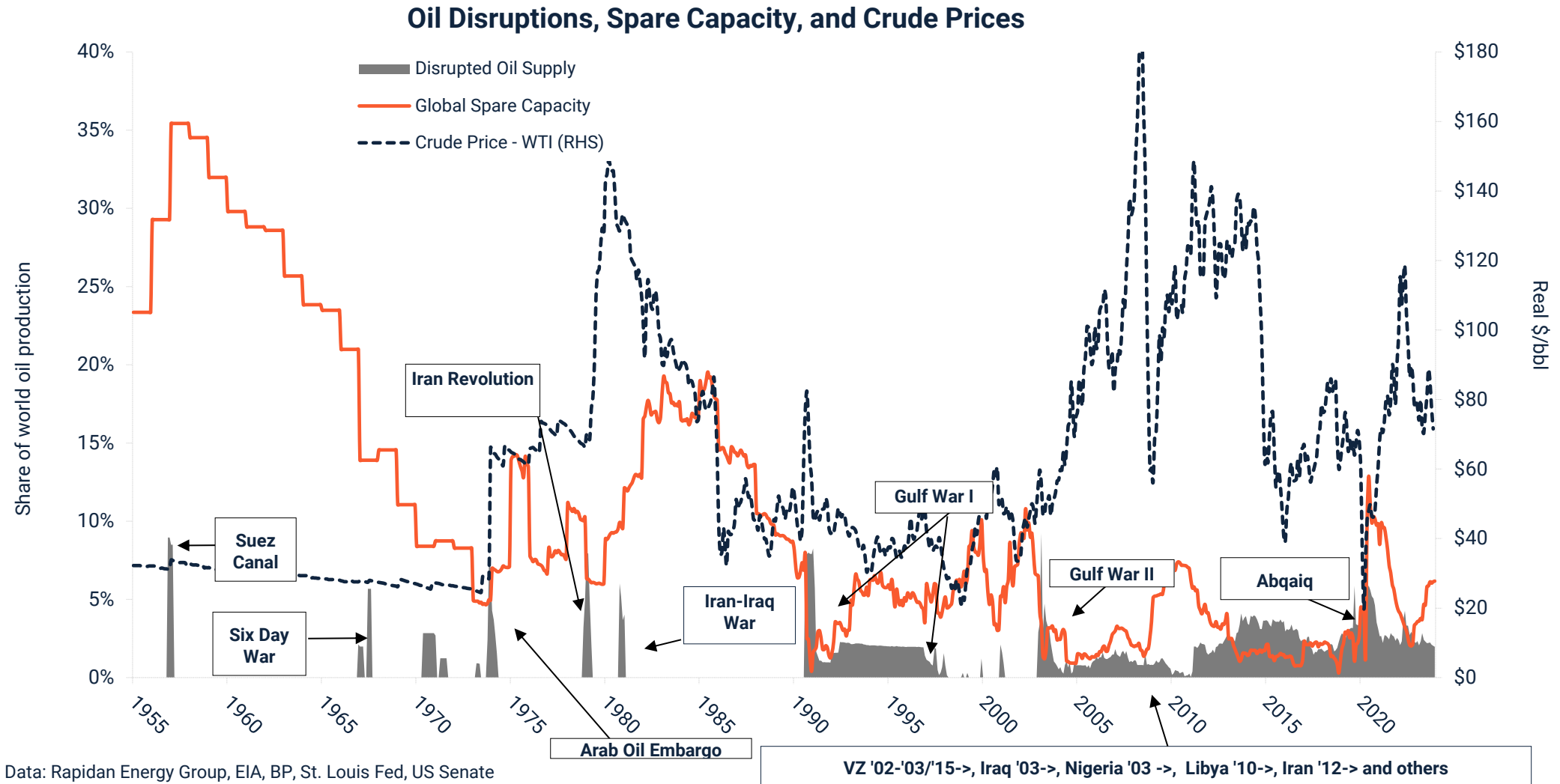
WWW.RAPIDANENERGY.COM
NO QUOTATION OR DISTRIBUTION

Space Mountain Price Volatility Reflects Absence of Durable Swing Producer



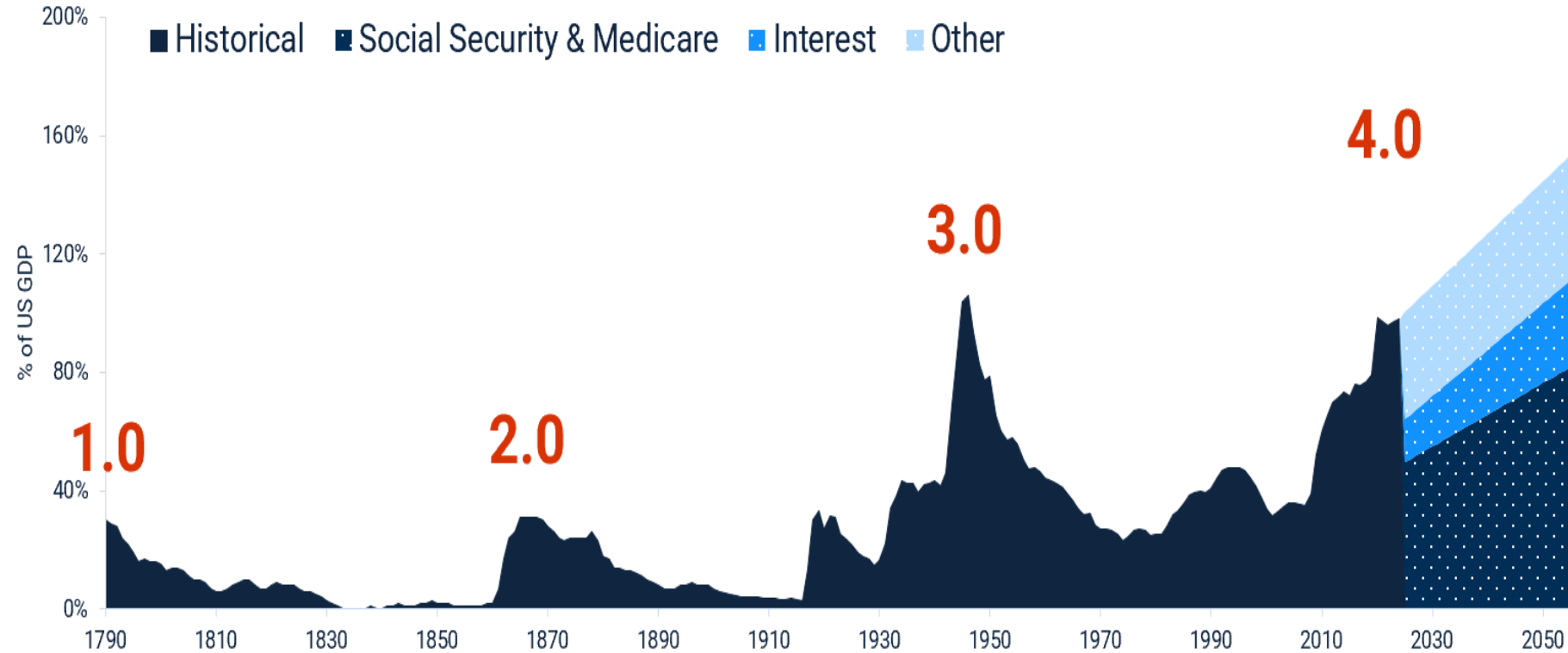
Note: Grey shading represents a recession in the US, as defined by the National Bureau of Economic Research (NBER).
Source: Rapidan Energy Group, The Derrick, API, St. Louis Fed, EIA

Low Spare Capacity + High Disruptions = Bigger Oil Price Premium



Debt Reckoning Will Roil Energy Markets and Industries

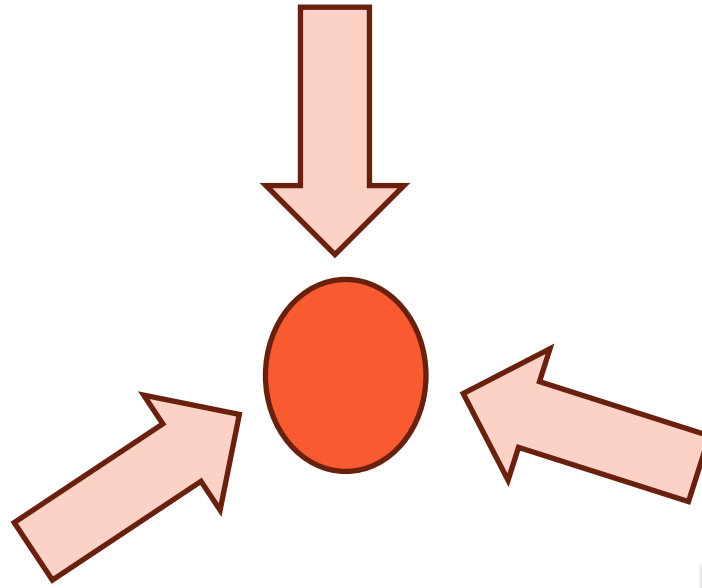
Federal Debt Held by the Public as Percentage of US GDP



Source: Rapidan Energy Group, Congressional Budget Office (CBO).

We are Here

Post Paris “Peak Peak Demand”



Foothills of an Oil Boom
Cycle with Black Swans

Debt Reckoning

Thank you!

Robert McNally
Bob.McNally@RapidanEnergy.com