



Presented by RBN Energy

Replay Module Descriptions

Welcome

Presenter: TJ Braziel, Director of Client Services, RBN Energy

A welcome to the conference replay, a review of the complete agenda and the videos now available online, and an introduction to the speaker lineup.

Module 1: Crude and Refined Products Export Developments

Presenter: David Braziel, CEO, RBN Energy

A lot has changed the last few years, from negative crude prices at Cushing and a global pandemic to a resurgent OPEC, a war in Europe, and producers replacing “drill, baby, drill” with capital discipline. With U.S. crude oil production continuing its post-pandemic rebound and refinery demand expected to be steady through 2030 — combined with the long-term fundamentals that push U.S.-produced lighter crudes to foreign markets and pull heavier barrels to U.S. refiners — that means only one thing: essentially all of that incremental production will flow to export markets. And it’s a similar story for the “Big Three” refined products of gasoline, diesel and jet fuel, where a mismatch between where those fuels are produced and consumed means that exports and imports are likely to play an ever-increasing role in the years ahead.

Morning Keynote: A Producer’s View of the Current Oil and Gas Market

Presenter: Beth McDonald, Senior Vice President, Pioneer Natural Resources

Oil demand and export growth have remained resilient this year, despite concerns about a global recession that would significantly impact demand. But given the overall economic concerns and lower capital expenditures on the part of producers, what does that mean for supply growth, the ability to keep up with global demand, and the trajectory for oil prices over the next few years?



Module 2: Crude Exports — Trends, Strategies, Challenges

Presenter: Rusty Braziel, Executive Chairman, RBN Energy

Increasing volumes of Permian crude have found their way to export terminals along the U.S. Gulf Coast in recent years, from a little more than 3 MMb/d in 2018 to nearly 6 MMb/d in 2023. Among those hubs, Corpus Christi has seen the biggest run-up in volumes during that period, far outdistancing Houston and the Beaumont/Port Arthur/Nederland areas. How much of an advantage does Corpus Christi have when it comes to export economics, what are the driving factors, and how do storage, port costs and loading fees come into play?

Panel 1: Regional Export Dynamics — Corpus Christi

Participants: Brian Freed, CEO, EPIC Midstream; Omar Garcia, Chief External Affairs Officer, Port of Corpus Christi; Phillip Anderson, SVP, Business Development, Enbridge

Corpus Christi is a deeply advantaged location for all types of exports, a trend that should only expand in the years ahead. But the pipelines that direct Permian crude oil flows there are nearly full, and the refineries in the area are already running near capacity. With WTI crude now playing an increasingly important role in setting the global crude price, how will those additional Permian volumes get on the water?

Module 3: Texas Crude Infrastructure and Flows

Presenter: Rusty Braziel, Executive Chairman, RBN Energy

With U.S. crude oil production forecast to approach 14 MMb/d in a few years, driven largely by gains in the Permian, big changes to pipeline infrastructure and crude flows could be just around the corner. While volumes have been increasingly headed to Corpus Christi in recent years, the pipelines that serve the area are nearly maxed out, and the potential of future constraints means that additional barrels could start moving to Houston instead. But one big question hangs over the region: Which, if any, of the proposed offshore export terminals now in development will one day become a reality?



Fireside Chat

Participants: Jim Teague, Co-CEO, Enterprise Products with Rusty Braziel, Executive Chairman, RBN Energy

U.S. crude oil production likely to increase by 1.5 to 2 MMb/d over the next five years, almost all those barrels will be light-sweet crude that needs to be exported, and exporters will overwhelmingly favor the marine terminals that can accommodate VLCCs. Given all that, it's hard to ignore the impact that Enterprise Products Partners' planned Sea Port Oil Terminal (SPOT) could have. What's the latest on the project's progress, how much shipper interest would be required for Enterprise to move forward, and how big an impact would a new offshore terminal have on existing onshore operations?

Panel 2: Changing Crude Flows and Impact on Export Markets

Participants: Tony Chovanec, SVP, Fundamentals and Supply Appraisal, Enterprise Products; Adam Arthur, Executive Vice President — Crude Oil, Energy Transfer; Jason Ferguson, Director, Energy Fundamentals Analysis, RBN Energy

With WTI's role in the new Brent specifications, crude oil quality is becoming an increasingly important issue. How significant are the differences in quality between producing regions, do fully integrated producers have an advantage over their competitors because they have greater control over crude quality, and will the Houston market eventually bifurcate, requiring two different Houston prices — one that meets the Brent specification, and one that does not?

Module 4: Refined Products Export Dynamics

Presenter: Robert Auers, Manager, RBN Refined Fuels Analytics

The U.S. is the world's largest exporter of the "Big Three" petroleum products — gasoline, diesel/gasoil and jet fuel/kerosene — but it still imports significant volumes of those very same products. That paradox, which is not unlike the U.S.'s need to both export and import various grades of crude oil, is tied to a mismatch between where the product is produced and where it is consumed. With U.S. refinery runs expected to be steady through 2040 and domestic demand likely to fall over that same period, that means that even more of those "Big Three" products will need to be exported. But what are the most likely destinations for that additional refinery output, and will the U.S. also become a net exporter of renewable diesel and sustainable aviation fuel?



Afternoon Keynote: A Sideways Look at Oil in the 21st Century

Presenter: Tom Kloza, Global Head of Energy Analysis, OPIS

Crude oil exports are up more than 100-fold since 2005, but the dramatic gains since then don't stop there and include everything from gasoline and distillate to NGLs and naphtha. With the global population growing by about 1 billion people every decade, this module focuses on the road ahead: the importance of Latin America when it comes to U.S. exports, the major refinery expansions expected to take place across the world by 2024, how a major hurricane that struck at just the wrong spot along the U.S. Gulf Coast could throw the markets into chaos, and the likelihood that the U.S. had already hit its peak demand for refined products.

Panel 3: Petroleum Product Flows, Constraints and Regulatory Issues

Participants: Aaron Milford, CEO, Magellan Midstream Partners; Dax Sanders, President, Products Pipelines, Kinder Morgan; Matt Smith, Lead Oil Analyst — Americas, Kpler

To reach the hypothetical inflection point where demand for crude oil and refined products begins to permanently trend lower, the shift to lower-carbon sources will need to reach three separate, but connected, milestones: appropriate government policies must be in place; technological capabilities, such as advancements in electric vehicles, must be sufficient; and there must be general market acceptance and a willingness to pay for those initiatives. But what happens if the shift occurs more slower than predicted? And in what areas will change prove to be more difficult to achieve?

Module 5: Putting It All Together

Presenter: David Braziel, CEO, RBN Energy

There are a number of variables that have the potential to change the U.S. market for crude oil and refined products, from domestic factors like drilling productivity and pipeline capacity growth to international considerations such as the outcome of the war in Ukraine and the possibility of additional production cuts by OPEC and Saudi Arabia, not to mention the state of the global economy. In short, we're not just headed for a fork in the road, but there's liable to be a fork in the road, which means market participants need to be ready for a wide range of potential outcomes.