



Invesco Real Estate

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October 2018

For 2018 Eagle Ford Consortium Conference Use Only

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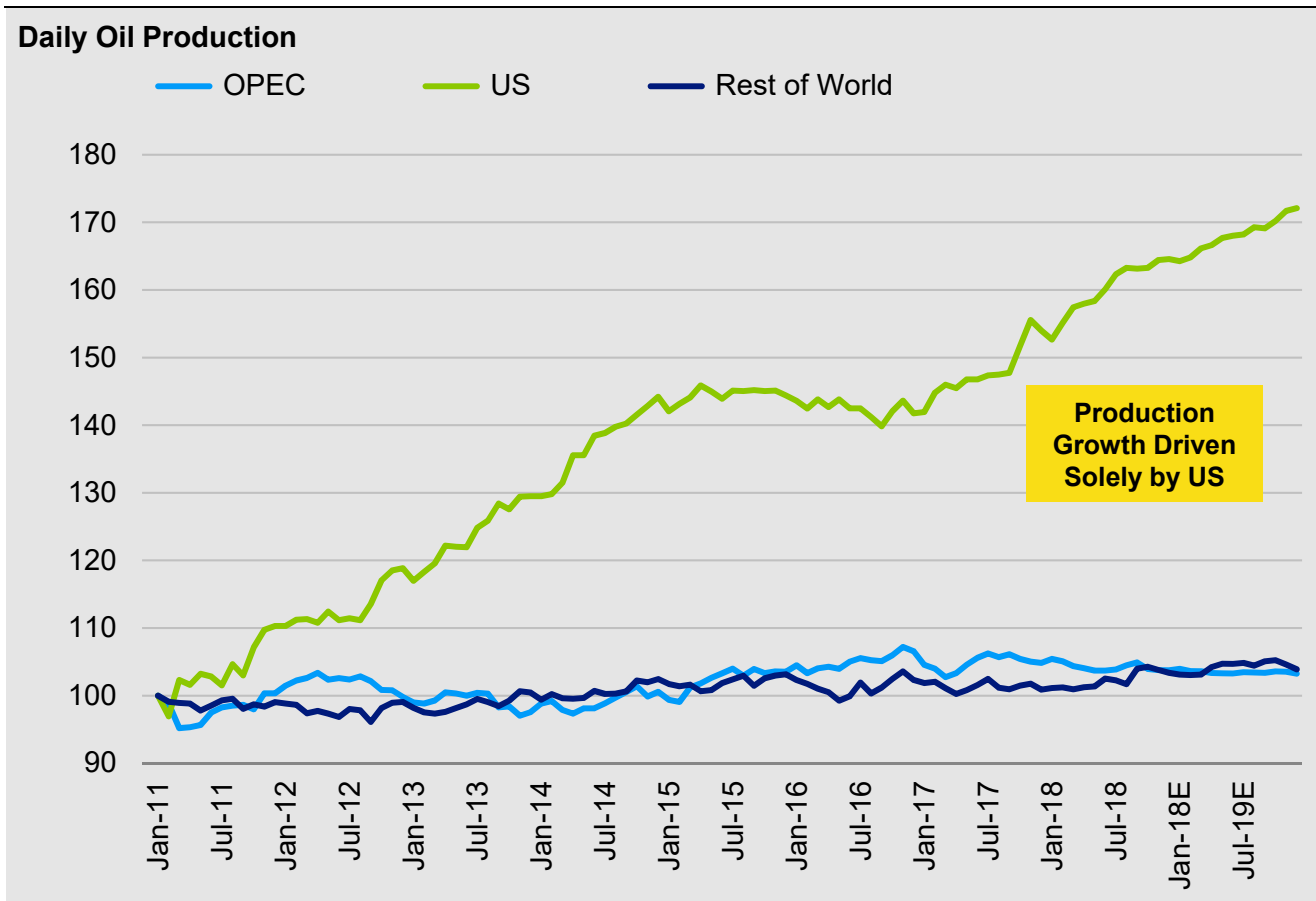
INVESCO REAL ESTATE

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Europe: London • Paris • Munich • Prague • Madrid • Luxembourg • Warsaw • Milan

Asia Pacific: Hong Kong • Hyderabad • Shanghai • Tokyo • Seoul • Singapore • Sydney • Beijing

Oil Supply Environment

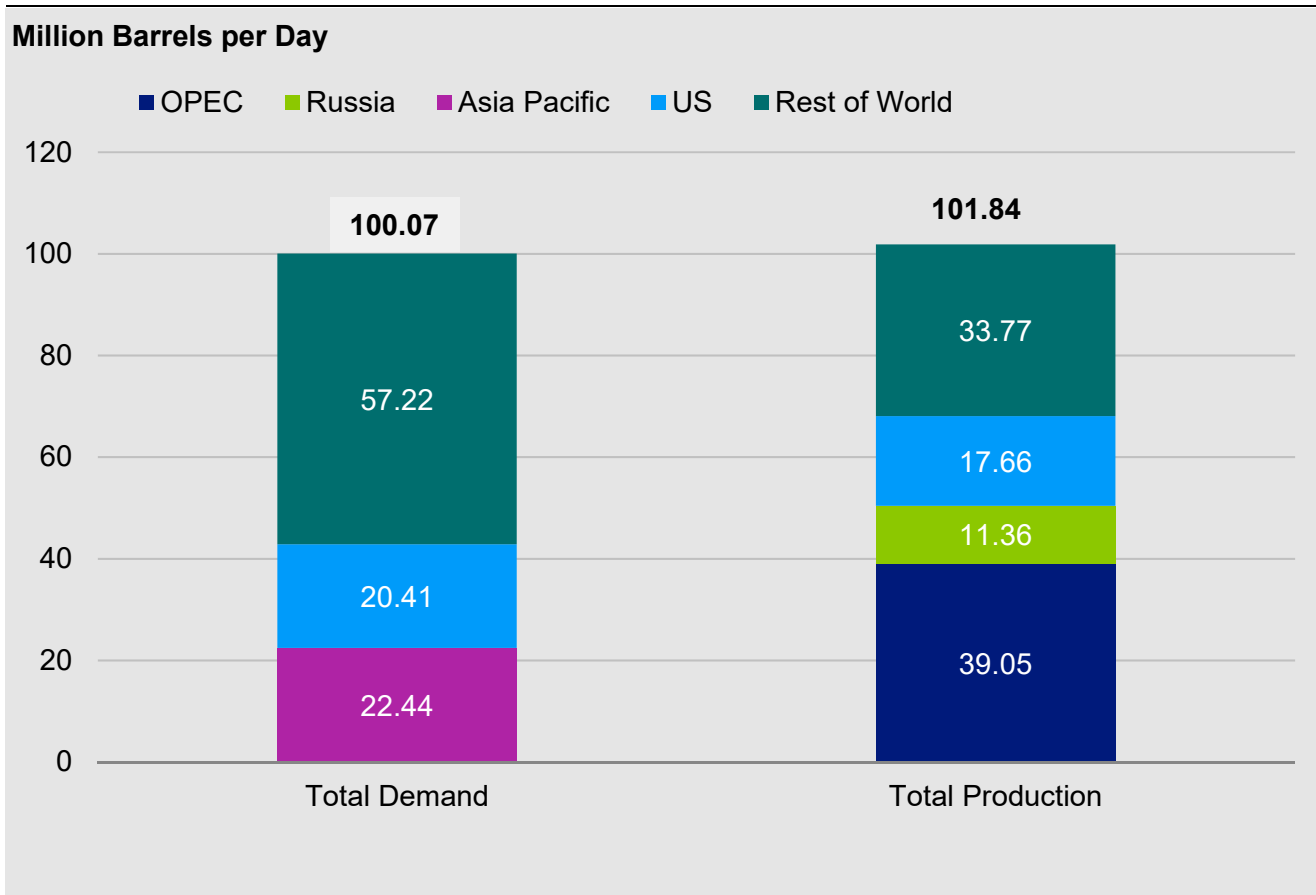


2018 US Production Highest on Record

Source: Invesco Real Estate and US Energy Information Agency. Data as of September 2018.

Oil Supply Environment

Current Market Supply & Demand



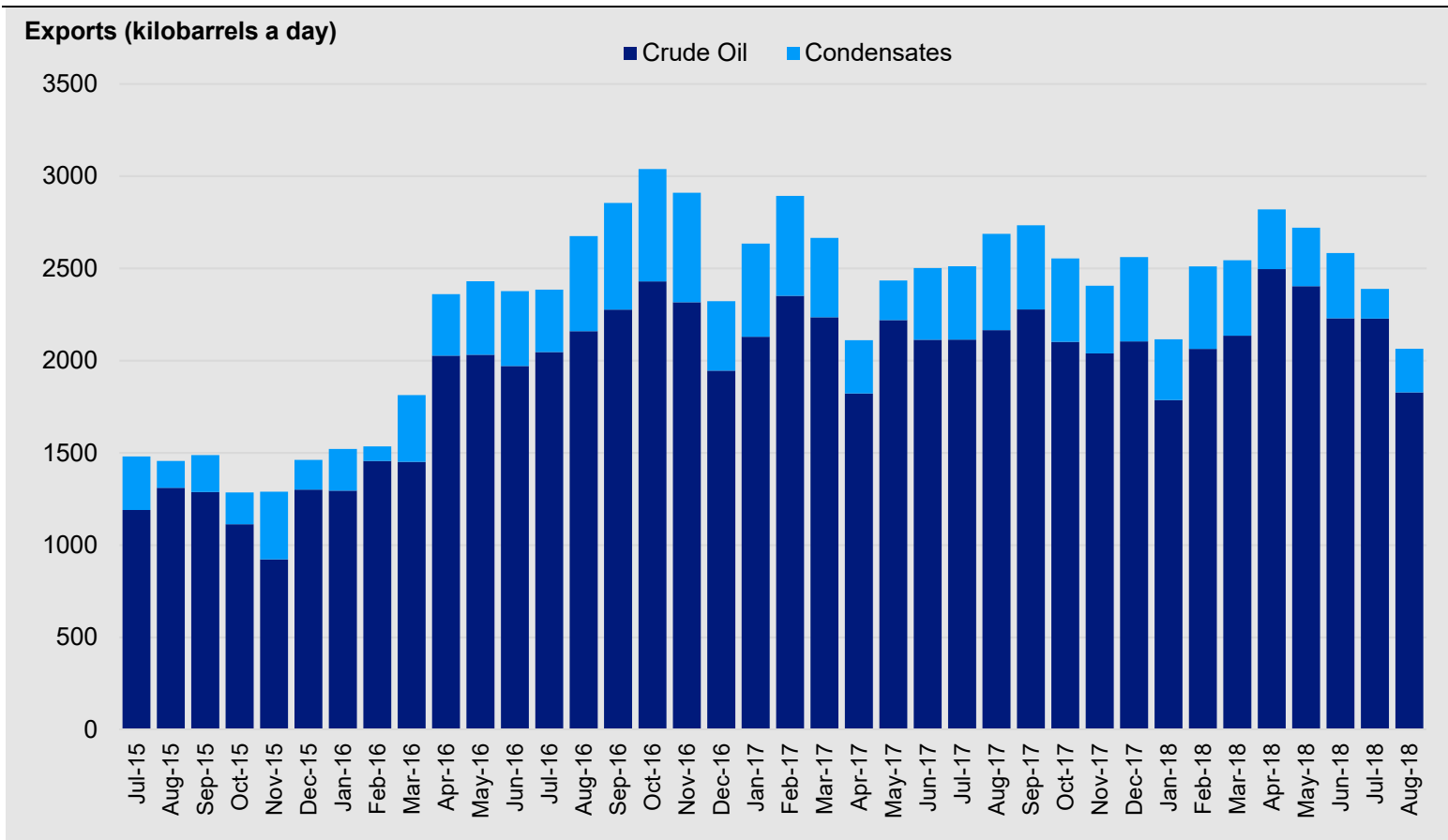
Supply / Demand in Balance

US is ~17% of Total World Oil Production

Source: Invesco Real Estate and US Energy Information Agency. Data as of September 2018.

Iran Sanctions

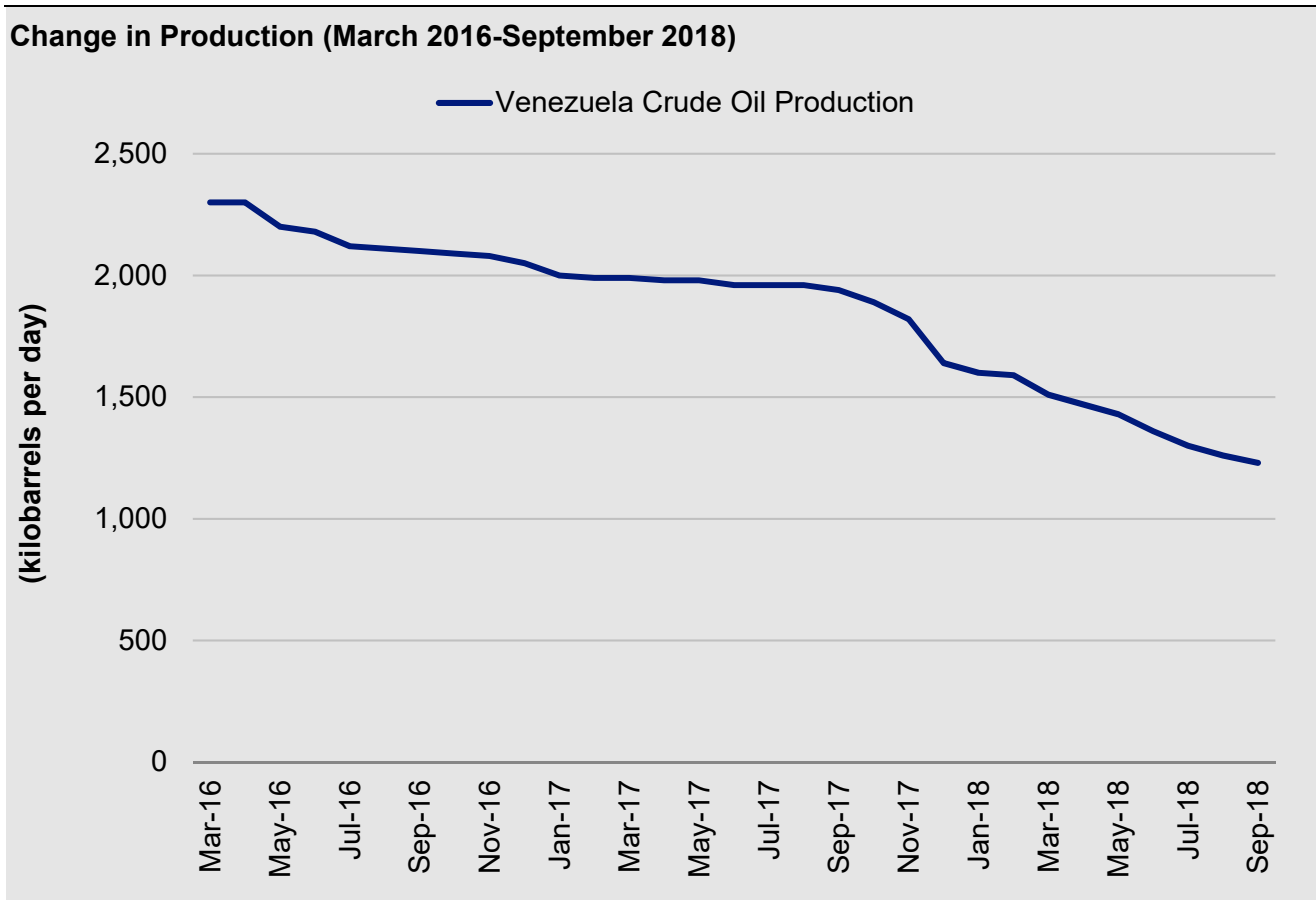
Exports Down 30% since April



4 Source: Invesco Real Estate using data from Bloomberg tanker tracking data as of September 2018. Crude oil represented by Iran Crude Oil Total Exports, CUIREX Index. Condensates represented by Iran Condensate Total Exports, XXIREX Index.

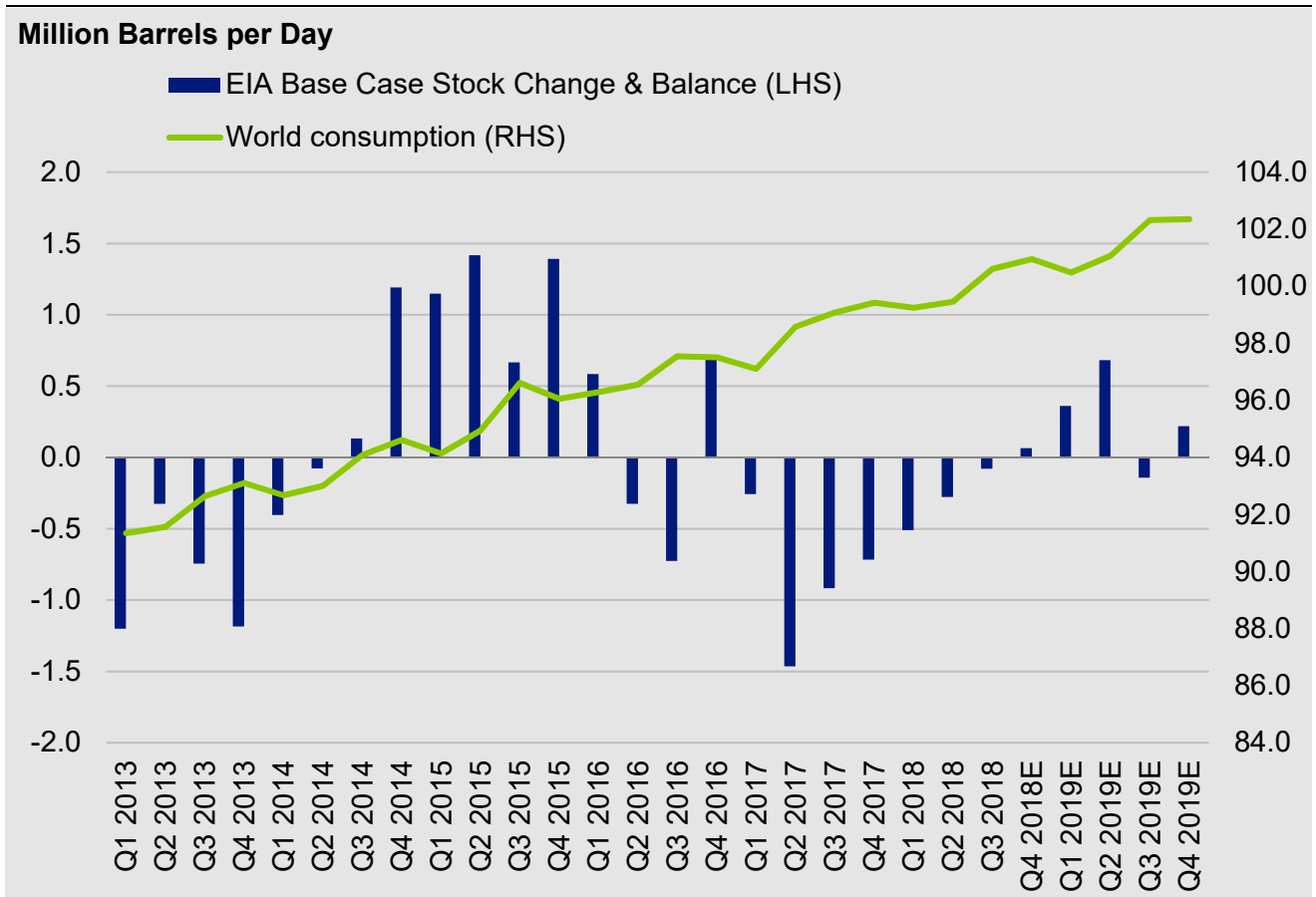
OPEC Production

Venezuela Production Continues to Decline



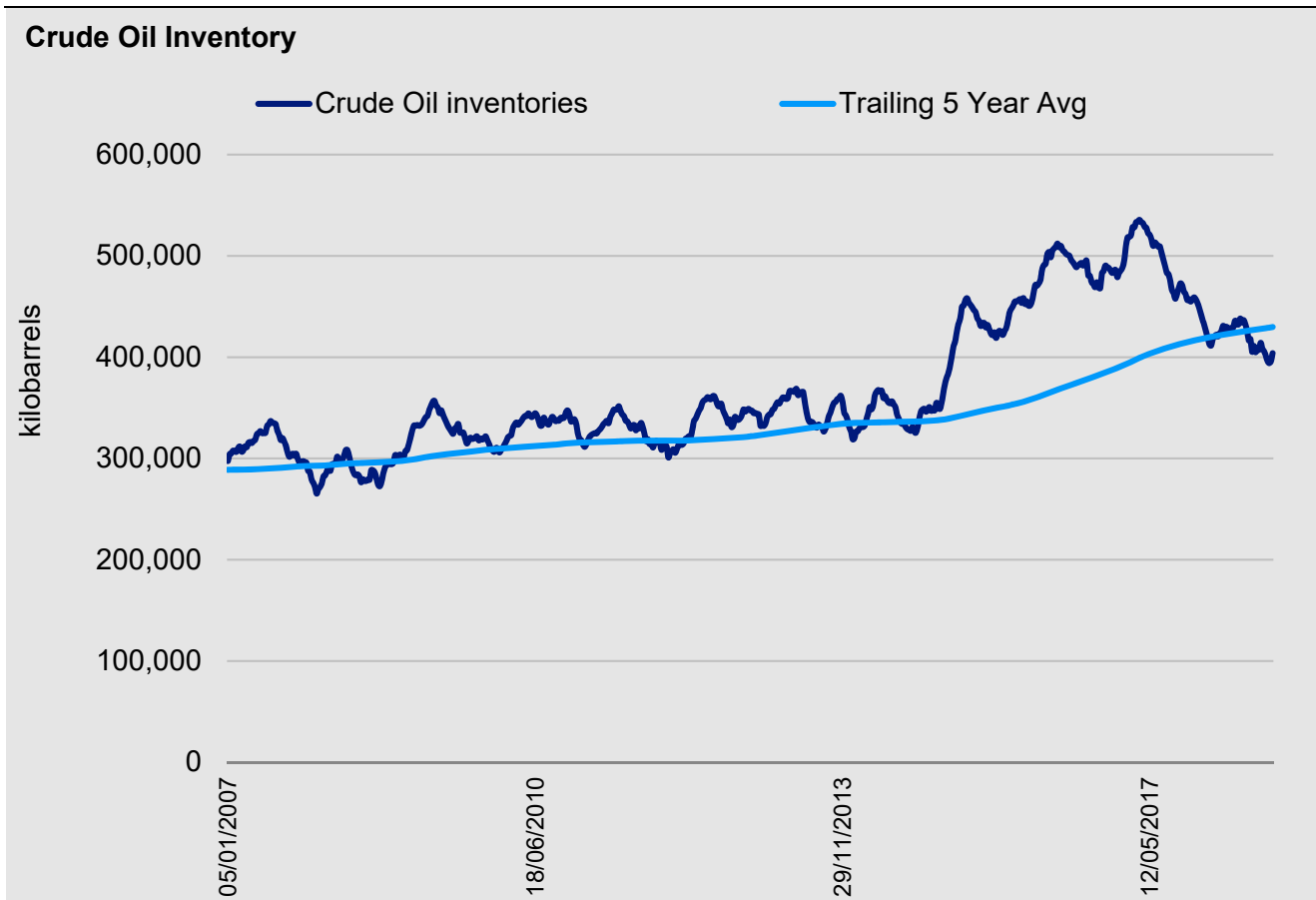
Oil Supply Environment

Supply / Demand Projected Balance



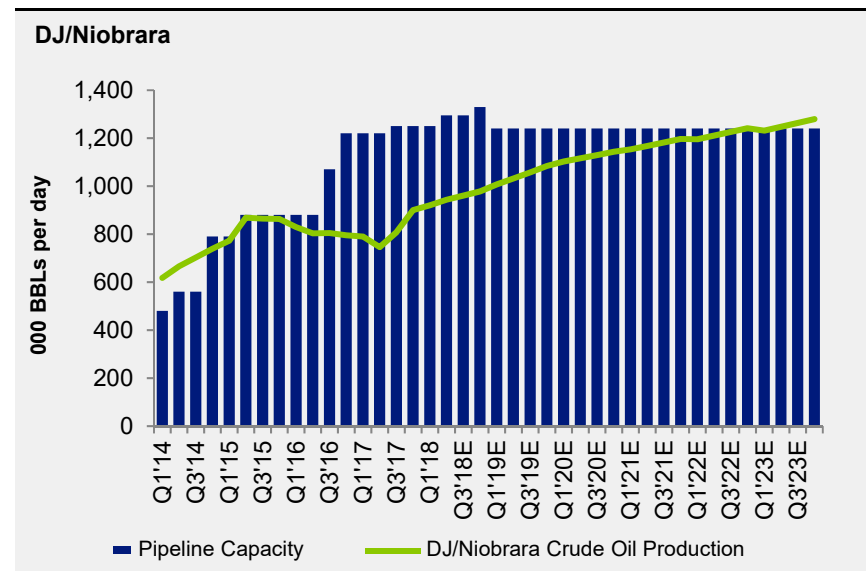
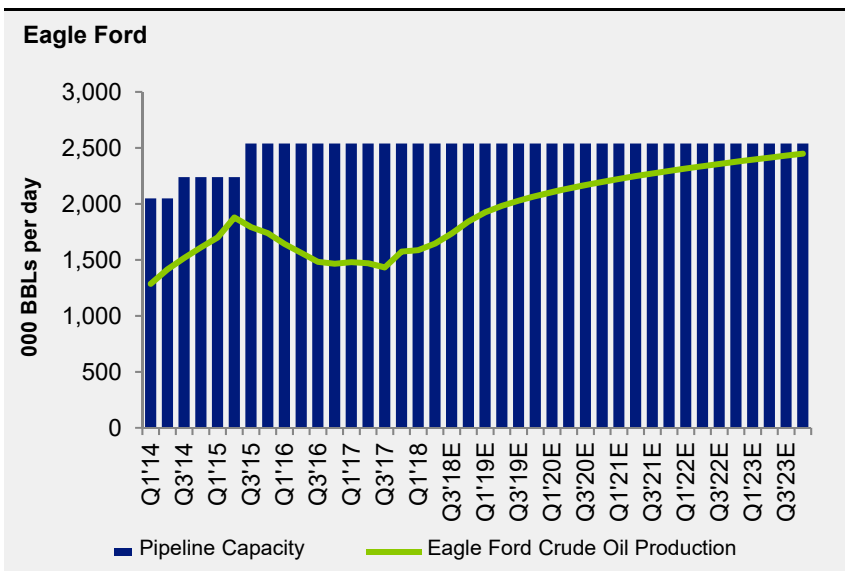
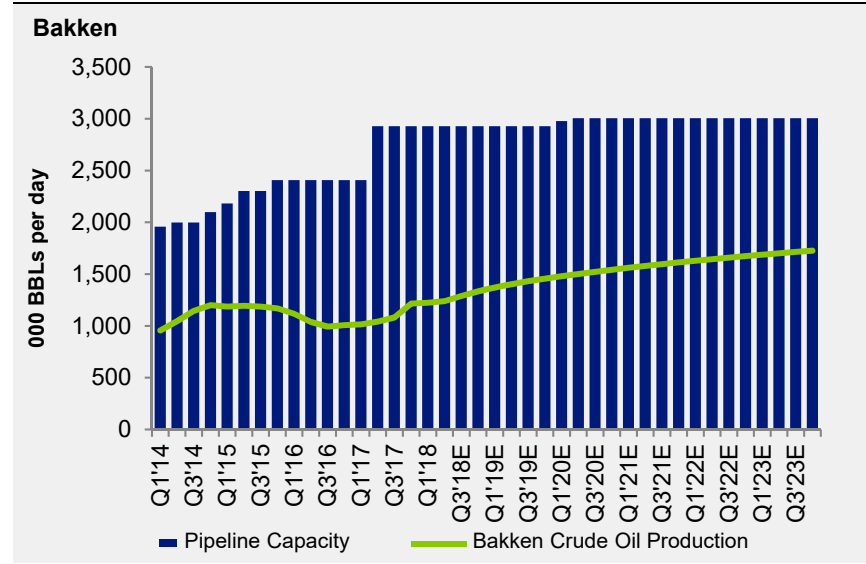
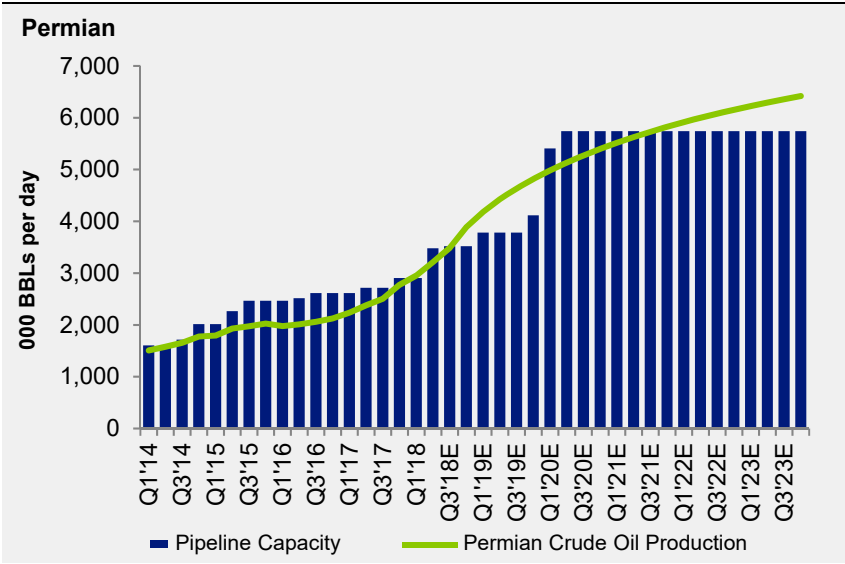
Market has Looked Undersupplied in 2018

Oil Inventories Remain a Focus



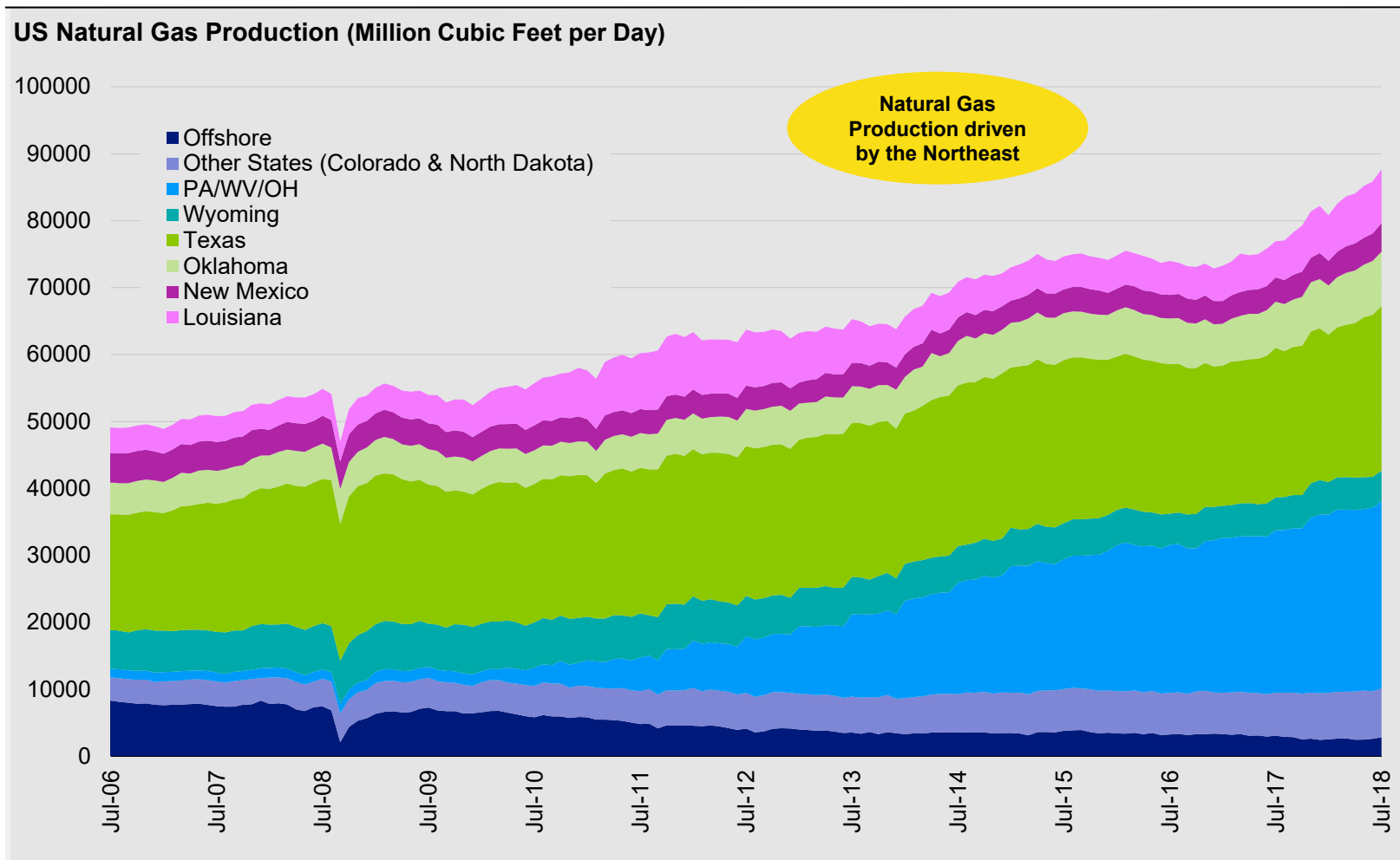
Large Crude Draws Have Persisted For Most of 2018

US Pipeline Takeaway Capacity



US Natural Gas Production

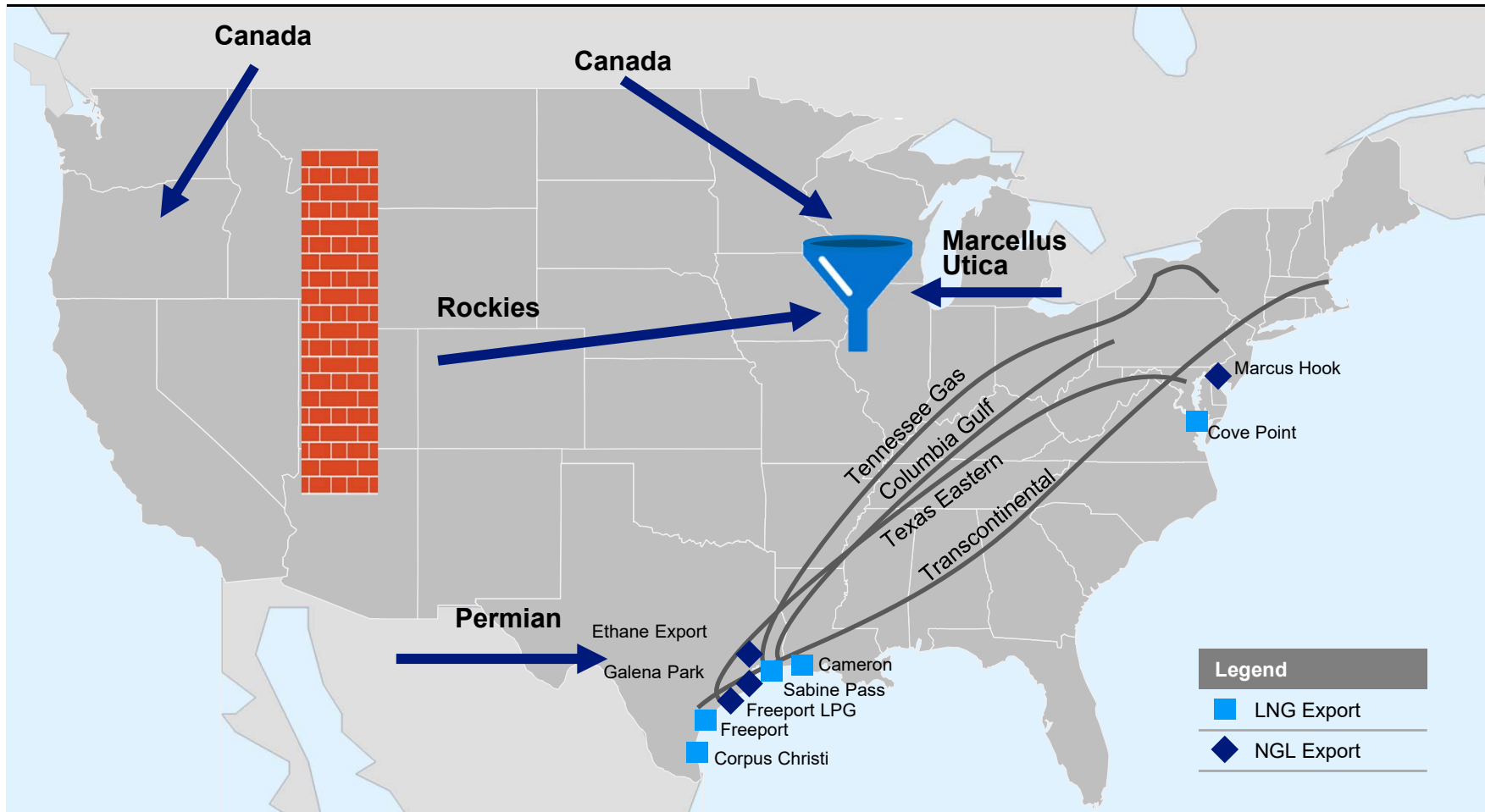
Coal Retirement Already Occurring



Source: Invesco Real Estate using data from US Energy Information Agency as of September 2018, latest data available.

Natural Gas Competing Production

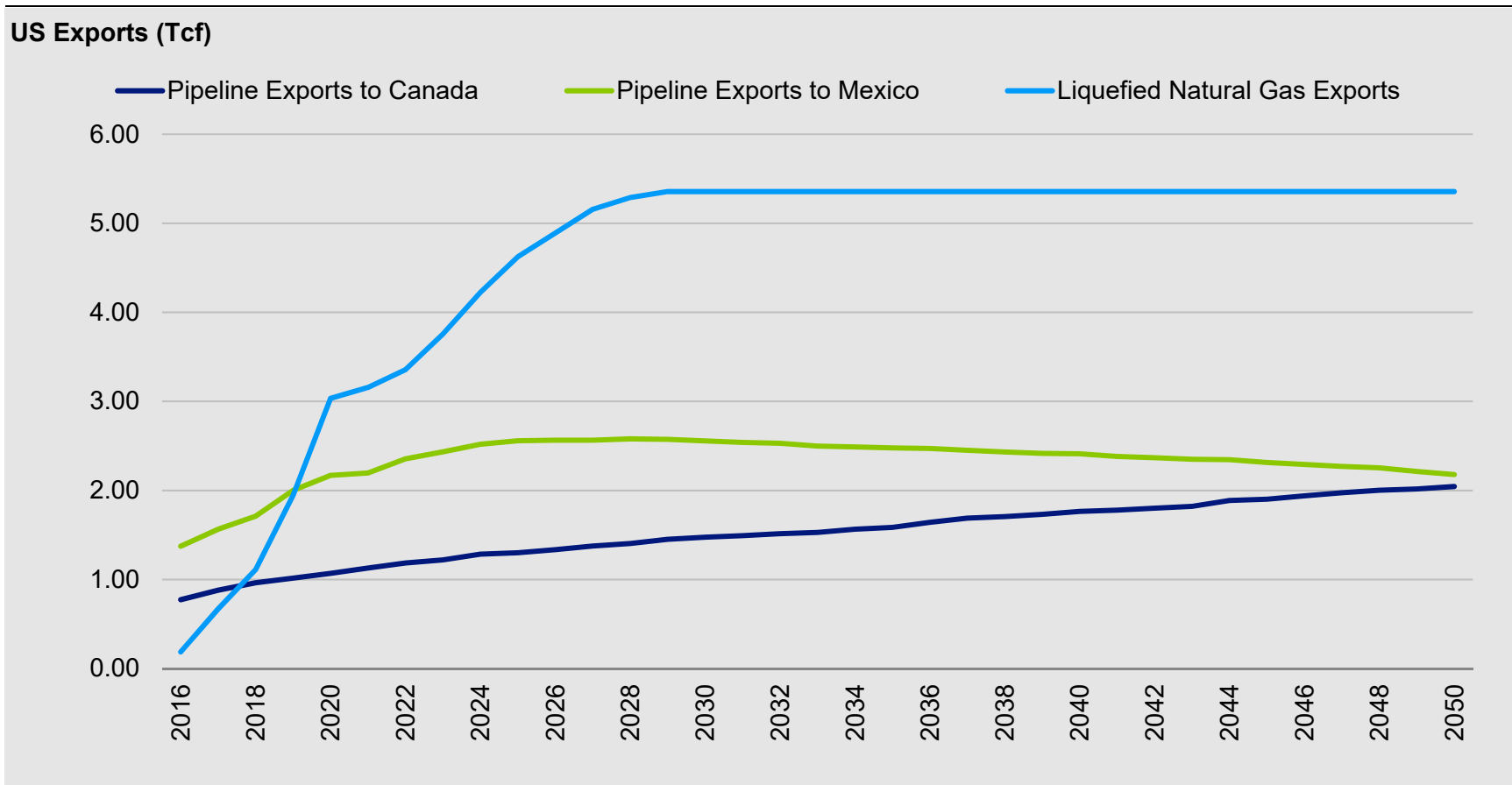
Outlet is the Gulf Coast



For illustrative purposes only
Sources: Invesco Real Estate Research and Bloomberg as of September 2018.

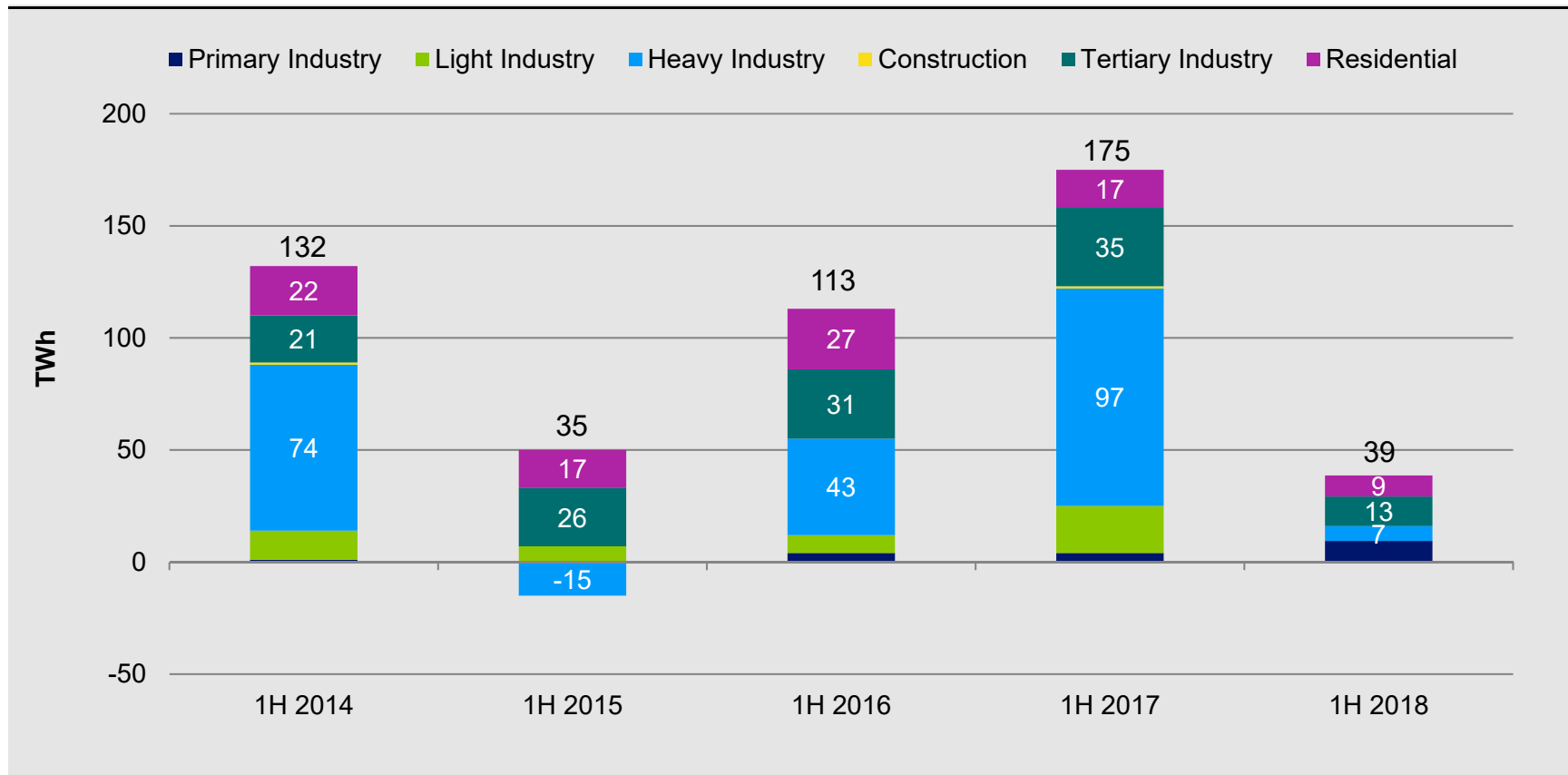
US Natural Gas Exports

LNG Driving Exports

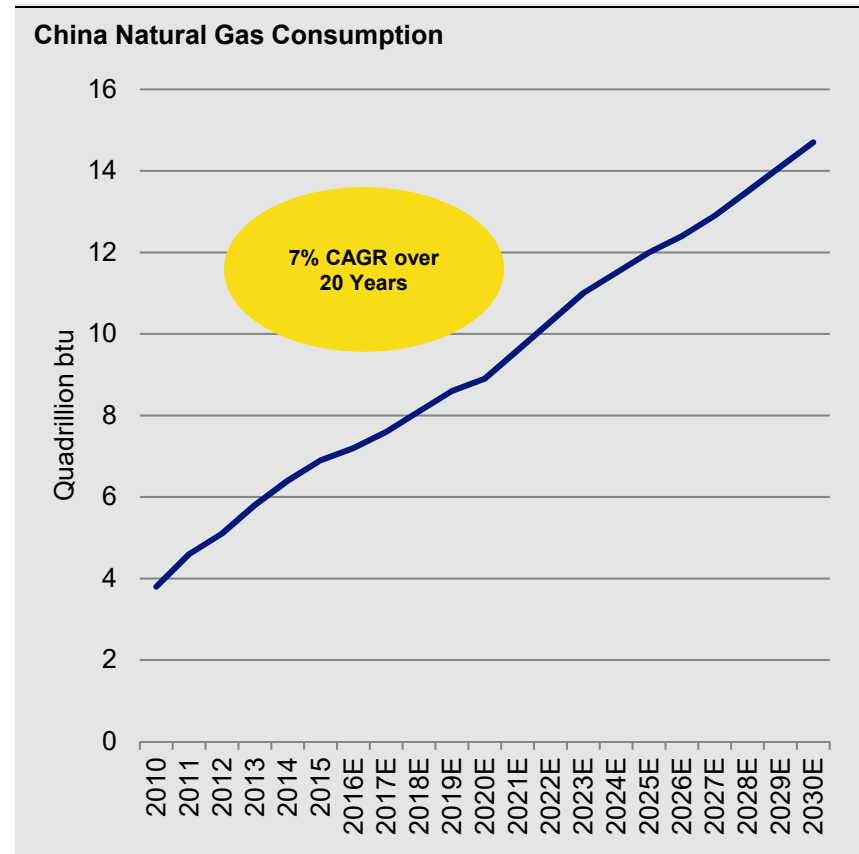
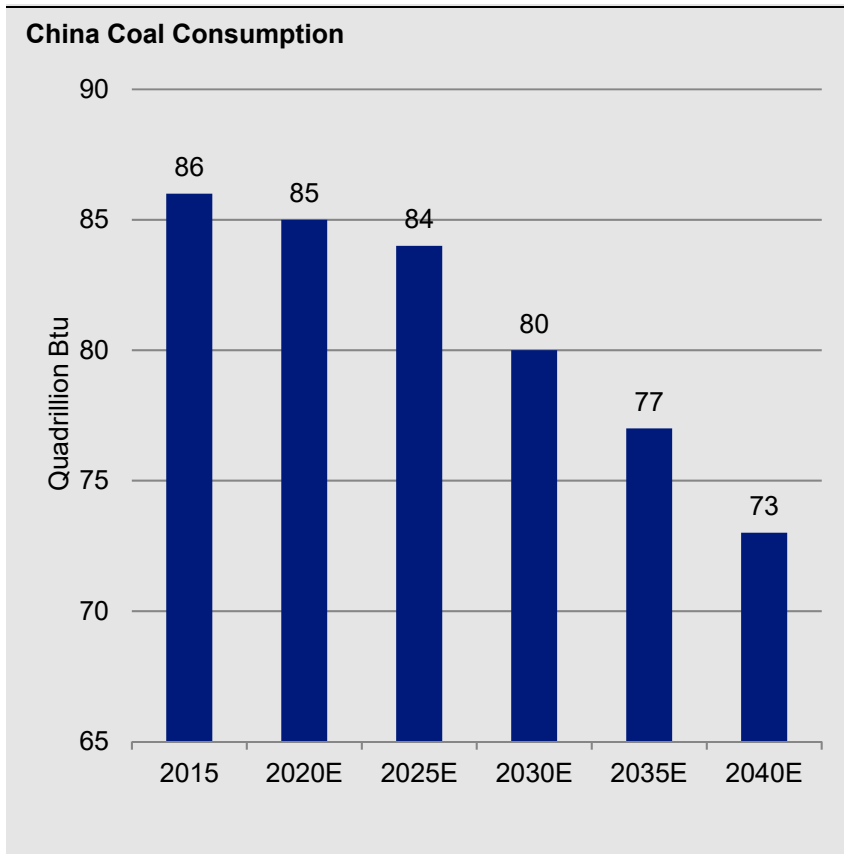


Source: Invesco Real Estate and US Energy Information Agency. Data as of September 2018.

China's Electricity Demand Growth



China Coal versus Natural Gas Consumption



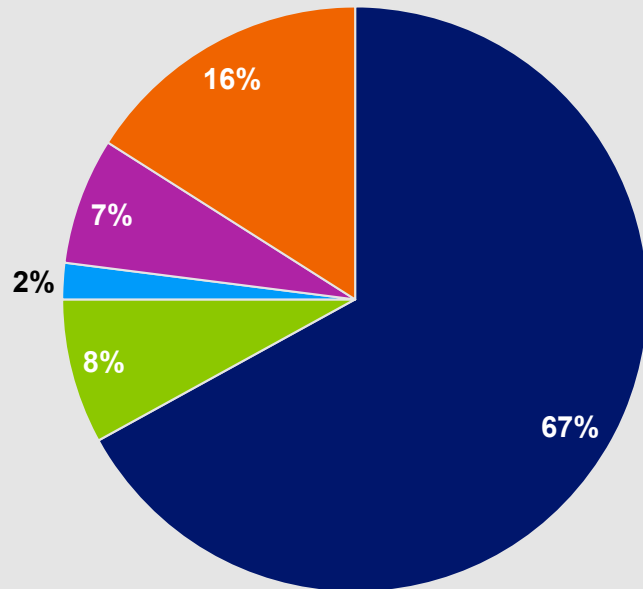
Source: Latest available data from EIA International Energy Outlook 2017.

Historical US LPG Exports



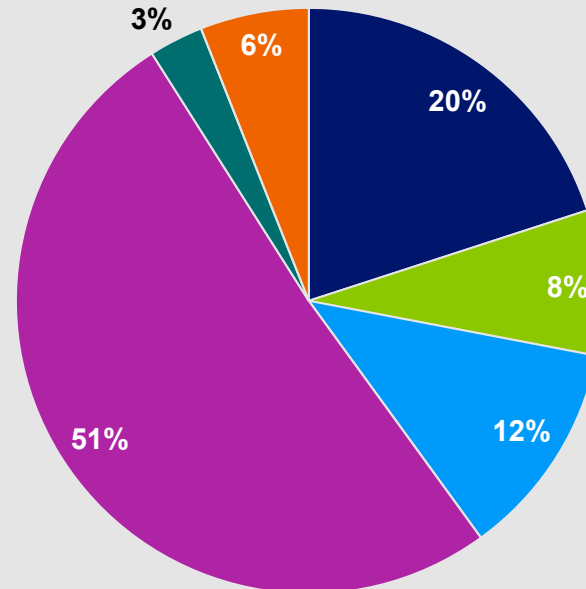
US LPG Exports by Destination (2008)

- Central America
- South America
- Europe
- Asia
- Africa/ME
- Canada

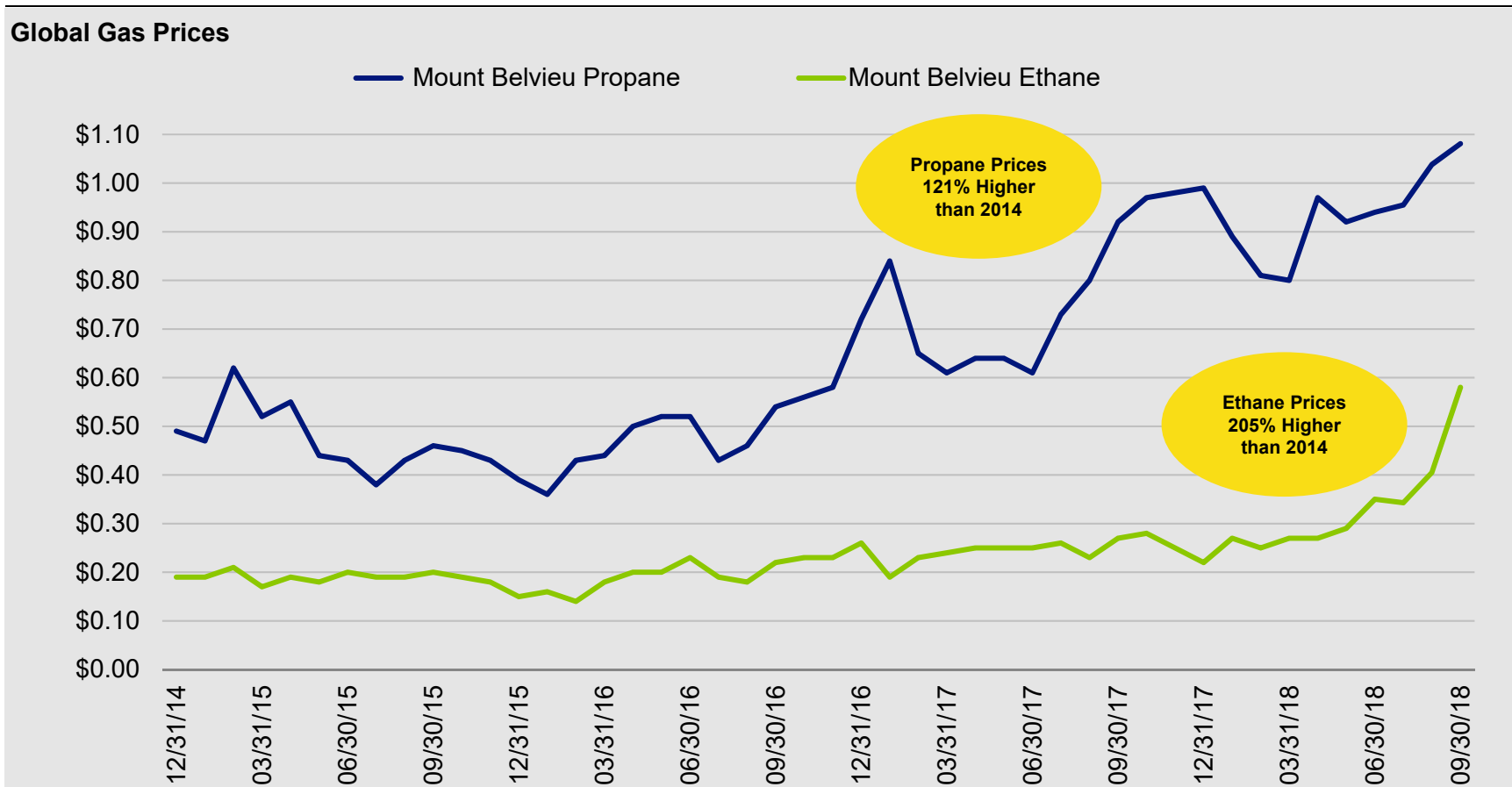


US LPG Exports by Destination (2017)

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- Africa/ME
- Canada

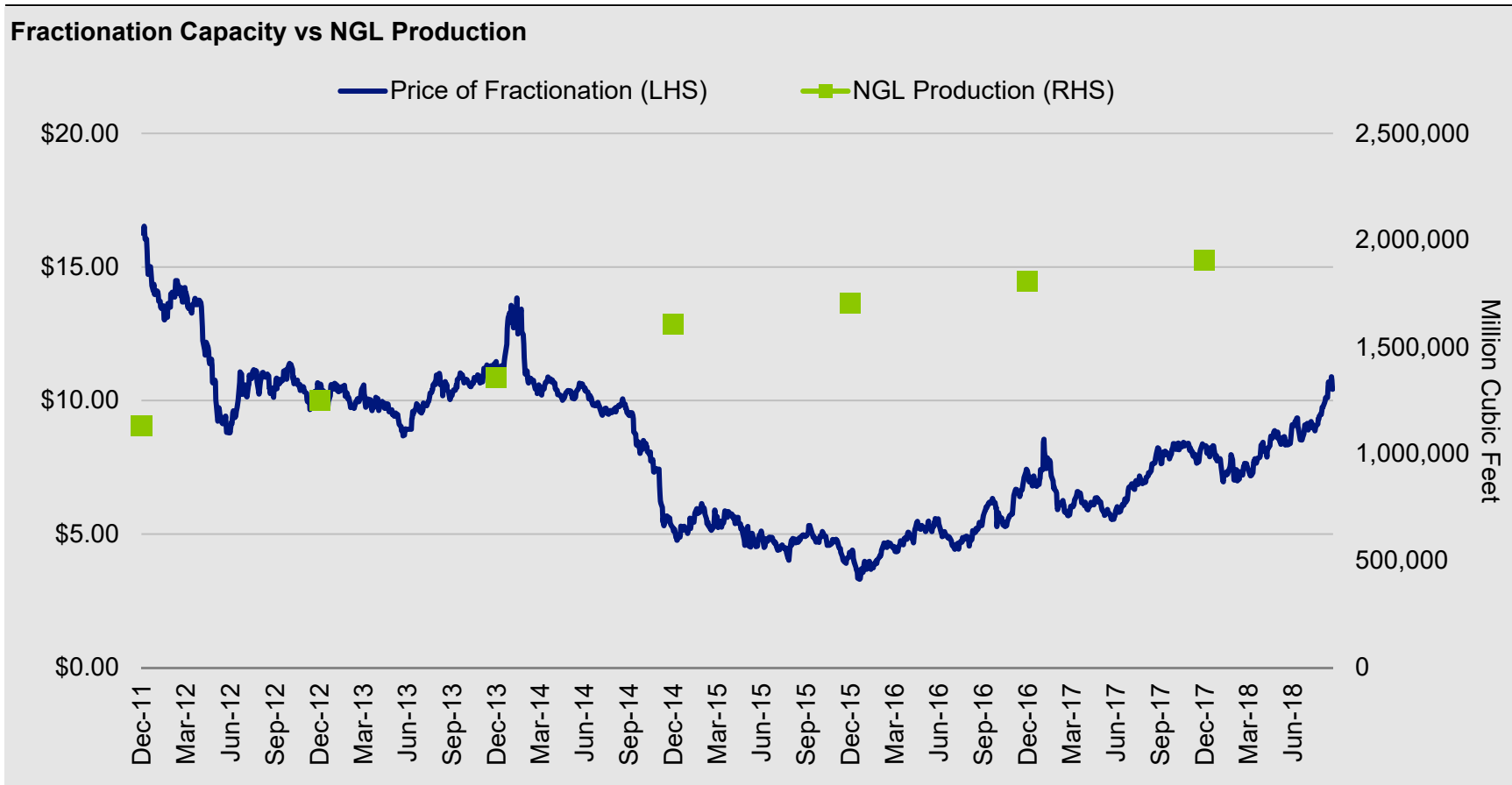


Natural Gas Liquids Pricing



Source: Invesco Real Estate and Bloomberg. Data as of September 30, 2018.

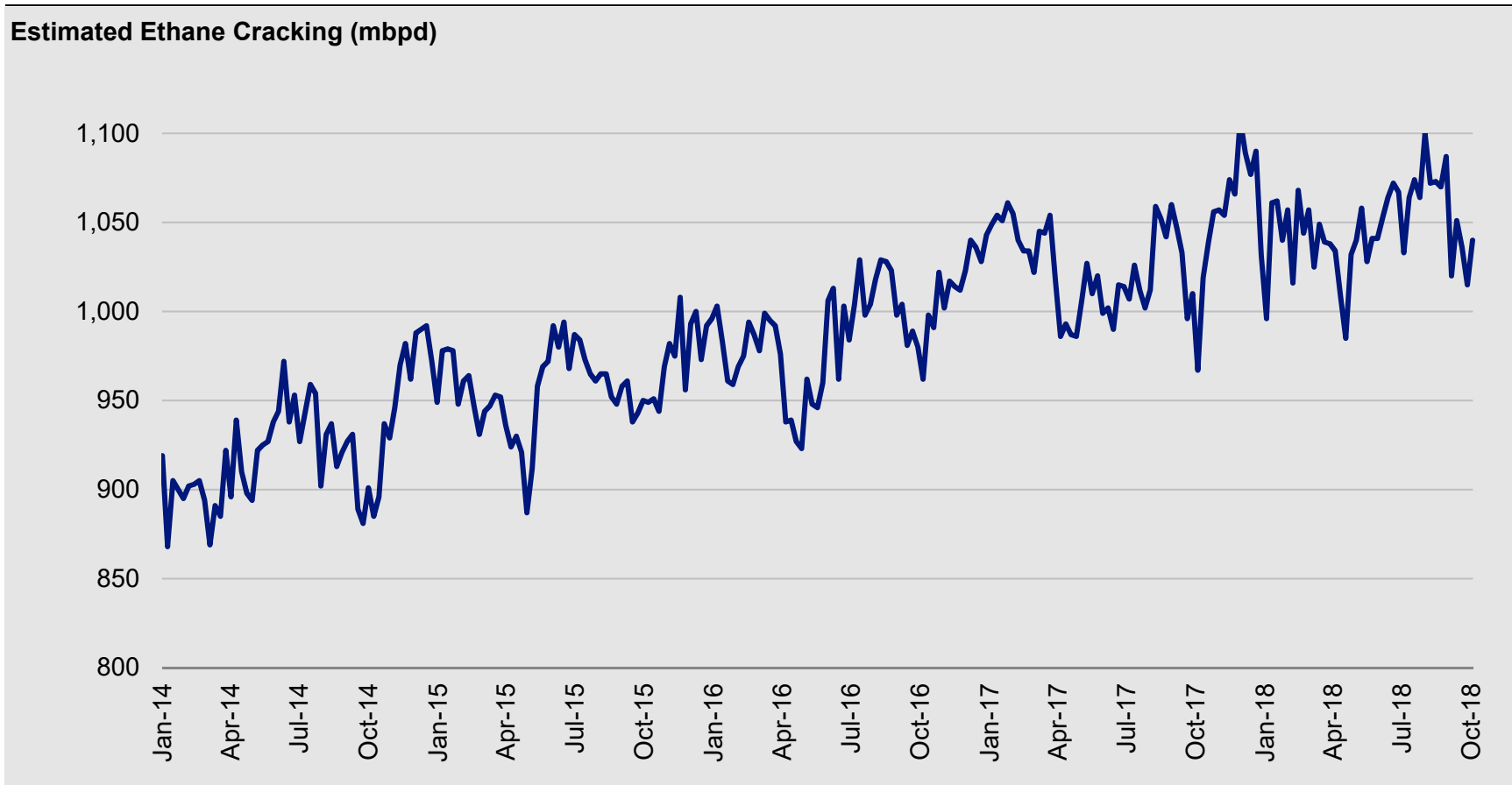
Fractionation Capacity Bottleneck



Source: Invesco Real Estate and Bloomberg. Data as of September 30, 2018.

Historical Ethane Cracking

Demand has Increased as Crackers come Online



Source: Invesco Real Estate and US Energy Information Agency. Data as of October 2018.