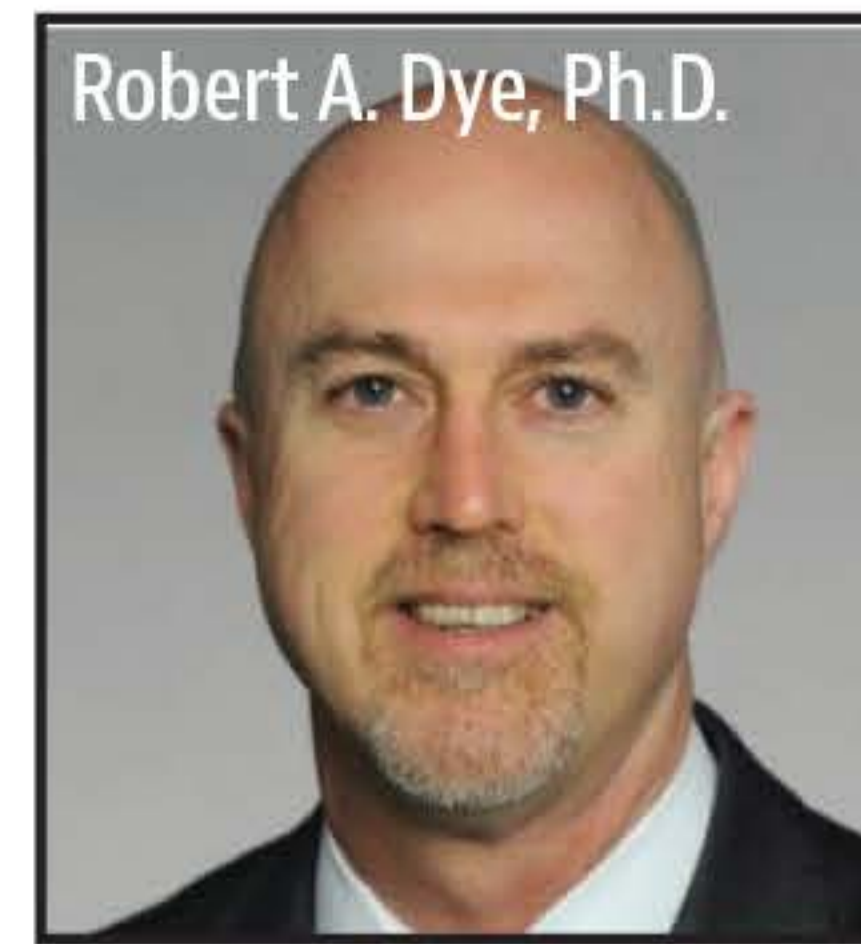


BoyarMiller-Perspectives on the Energy Industry 2016

Speaker: David Pursell, Tudor, Pickering, Holt, & Co; Matthew Pilon, Simmons & Company; Robert A. Dye, Ph.D., Chief Economist Comerica Bank

- Overview: Jobs and wages are growing in the US; India economy will surpass China in a few decades; if Britain leaves

- EU, other countries may follow
- US economy and consumer confidence growing; household net worth is rising; consumers are de-leveraging and building equity; we have returned to pre-recession peak of household net worth
- Recently approved oil exports will not matter much to overall pricing of this commodity
- Global oil demand growing at 1%+ per annum-not weak-while worldwide production is slowing



Robert A. Dye, Ph.D.



Matthew Pilon



David Pursell

- Global oil demand growing at 1%+ per annum-not weak-while worldwide production is slowing
- 476 rigs working now, lowest count ever
- There is massive excess capacity in the oil patch; however. on-and off-shore drilling innovations and increased efficiency are resulting in falling costs of lifting a barrel of oil
- In-migration to Houston

- continues unabated and this requires schools, roads, hospitals, and other infrastructure-so Houston continues to grow
- We do not have a storage problem for excess crude, as is often reported in the press
- When asked to predict price of a barrel of oil at the end of 2016, the guesses were: \$80, \$50, & \$80

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