Lower Prices

**Crude and Retail Gasoline Price**

\[ ($/bbl)$

**Source:** Morningstar, EIA. (1) Gasoline Price is nominal Unleaded Regular Gasoline, U.S. City Average Retail Price-including taxes.

**WTI and Brent Futures Curve**

\[ ($/bbl)$

- **WTI:** End Q2 2015
- **WTI:** End Q2 2016
- **Brent:** End Q2 2015
- **Brent:** End Q2 2016
Abundant Global Petroleum Supply

Petroleum Reserve Estimates

2010

- MENA
- Oil Sands
- Conventional
- Non OPEC Shale

1.4 trillion barrels

2015

- MENA
- Oil Sands
- Conventional
- Non OPEC Shale

1.9 trillion barrels
Global Product Demand

Global Gasoline Demand Growth (MMBD)

-0.4  -0.2  0.0  0.2  0.4  0.6  0.8  1.0  1.2

2010  2011  2012  2013  2014  2015

United States  China  India  Rest of World

Global Diesel Demand Growth (MMBD)

-0.4  -0.2  0.0  0.2  0.4  0.6  0.8  1.0  1.2

2010  2011  2012  2013  2014  2015

United States  China  India  Rest of World

Global Product Demand Growth (MMBD)

-1.5  -1.0  -0.5  0.0  0.5  1.0  1.5  2.0  2.5  3.0  3.5

2010  2011  2012  2013  2014  2015

United States  China  India  Rest of World

Sources: IEA.
Domestic Product Demand

**U.S. Gasoline Demand (MMBD)**

- EIA AEO 2016 Early Release (May 2016)
- EIA STEO (August 2016)

**U.S. Diesel Demand (MMBD)**

- EIA AEO 2016 Early Release (May 2016)
- EIA STEO (August 2016)

Sources: EIA.
Exports Becoming Increasingly Important

Source: EIA.
(1) 2016 Exports are YTD through May
(2) 2016 U.S. Gasoline Production forecast from August EIA Short Term Energy Outlook; U.S. Production kept constant at 2016 levels for 2017-2025.
Domestic Driving Trends

Vehicle Miles Traveled\(^1\)

- **VMT/capita (thous miles/licensed driver):** Right Axis
- **VMT (trillion miles):** Left Axis

Change in VMT vs. Gasoline Price\(^2\)

- **Year-over-Year % Change of VMT:** Right Axis
- **Unleaded Reg Gasoline, Retail Price ($/Gal):** Left Axis

(1) Number of Licensed Drivers for 2014 and 2015 are estimates
(2) Gasoline Price is nominal Unleaded Regular Gasoline, U.S. City Average Retail Price-including taxes
Source: EIA, U.S. Department of Transportation, WardsAuto, U.S. Center for Disease Control.
Domestic Gasoline Drivers

### U.S. Large Luxury Car Sales (Number of Cars)

<table>
<thead>
<tr>
<th>Model</th>
<th>2014</th>
<th>2015</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mercedes S Class</td>
<td>25,276</td>
<td>21,934</td>
<td>-13.2%</td>
</tr>
<tr>
<td>Tesla Model S</td>
<td>18,480</td>
<td>26,566</td>
<td>43.8%</td>
</tr>
<tr>
<td>BMW 7 Series</td>
<td>9,744</td>
<td>9,292</td>
<td>-4.6%</td>
</tr>
<tr>
<td>BMW 6 Series</td>
<td>8,647</td>
<td>8,146</td>
<td>-5.8%</td>
</tr>
<tr>
<td>Lexus LS</td>
<td>8,559</td>
<td>7,165</td>
<td>-16.3%</td>
</tr>
<tr>
<td>Audi A7</td>
<td>8,133</td>
<td>7,721</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Mercedes CLS Class</td>
<td>6,981</td>
<td>6,152</td>
<td>-11.9%</td>
</tr>
<tr>
<td>Audi A8</td>
<td>5,904</td>
<td>4,990</td>
<td>-15.5%</td>
</tr>
<tr>
<td>Porsche Panamera</td>
<td>5,740</td>
<td>4,985</td>
<td>-13.2%</td>
</tr>
<tr>
<td>Jaguar XJ</td>
<td>4,329</td>
<td>3,611</td>
<td>-16.6%</td>
</tr>
</tbody>
</table>

Source: EIA, cleantechnica.com. (1) All Electric Vehicles includes 100 & 200 Mile EVs, Electric Gasoline Hybrids, Electric Diesel Hybrids, and Plug-in Gasoline Hybrids.
Resource Abundance = Market Scarcity

• Integrated Majors Evolved During Last Era of Abundance

• Last 30 Years of U.S. Investment Defined by Resource Scarcity
  – Refinery investment driven by feedstock availability
  – Logistics infrastructure investments driven by imports

• Next 20 Years Defined by Resource Abundance
  – Investment driven by Market Needs

The New Reality is Market Scarcity