

### Pricing Outlook

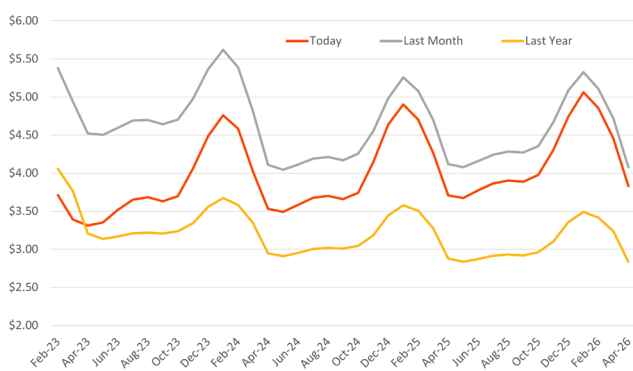
Market fundamentals have pivoted and are now **overwhelmingly bearish**. Prices are at their lowest levels since the fall of 2021, dipping as low as **\$3.20**. However, there are many unknowns, and volatility will remain.

Increasing LNG export demand is likely to create more price support. Three-quarters of U.S. LNG is currently being shipped to Europe, and our export capacity is projected to grow to 14 Bcf/Day in 2023, even though the Freeport outage has taken 2 Bcf/day offline.

The market's capacity is increasingly constrained, especially across the Southeast. In fact, there were a record number of OFO/Alert days in 2022! We expect these difficulties will continue as a variety of cost, regulatory and environmental headwinds stall capacity expansion projects.

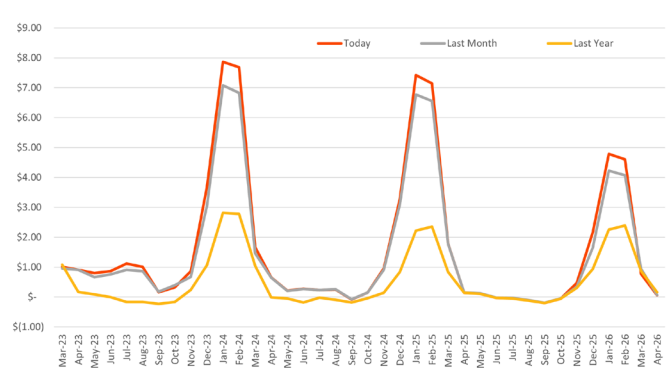
In brighter news, after all the fears of a storage shortage, nationwide inventories closed the injection-season-long deficit gap. Storage levels have moved back in line with the five-year average to start the heating season.

#### NYMEX Forwards



Forward prices are down, but still above levels seen at this time last year.

#### Transco Zone 5 Forwards



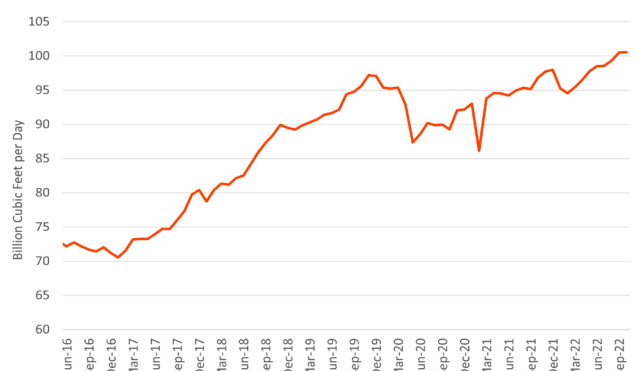
Basis forwards are increasingly high across the Southeast, and in Transco Zone 5 in particular.

#### NYMEX Prompt History



NYMEX prices have fallen 60% from their peak in mid-summer 2022.

#### U.S. Dry Gas Production



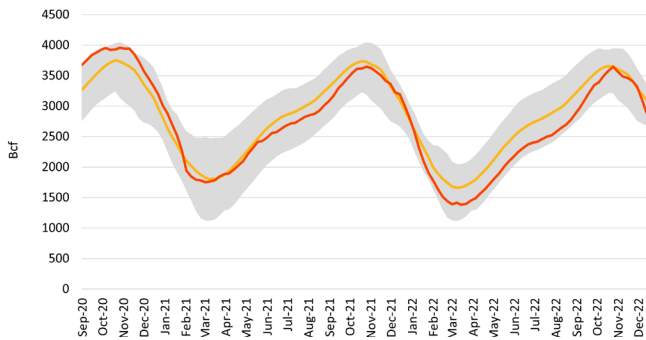
U.S. production is very strong—in fact, it's near the highest levels ever.

# News From Gas South

Our team is proud to start the new year with a milestone for our new renewable energy business. We've locked in the first customer for our FlexRNG offering. **Roechling Industrial Gastonia will start to use FlexRNG** in 2023 to address its natural gas consumption with the goal of offsetting their greenhouse gas emissions and targeting carbon neutrality by 2030. Adding this offering to its sustainability plan ensures that Roechling will record no net release of carbon dioxide into the atmosphere when it burns natural gas.

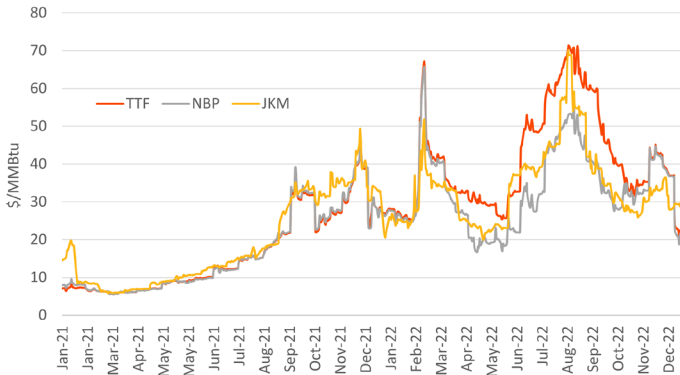
If you're interested in creative solutions to reaching your sustainability targets, reach out to us at [Renewables@GasSouth.com](mailto:Renewables@GasSouth.com).

## Nationwide Storage Inventory



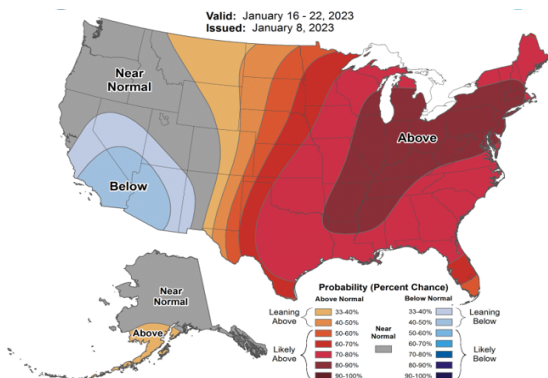
Nationwide storage now sits just below the five-year average.

## Global LNG Prices



Global LNG prices have fallen, though they are still quite expensive when compared with U.S. prices.

## Short-Range Temperature Outlook



The NOAA 8-14 day temperature outlook predicts above normal temperatures from the Atlantic all the way through the Plains.