

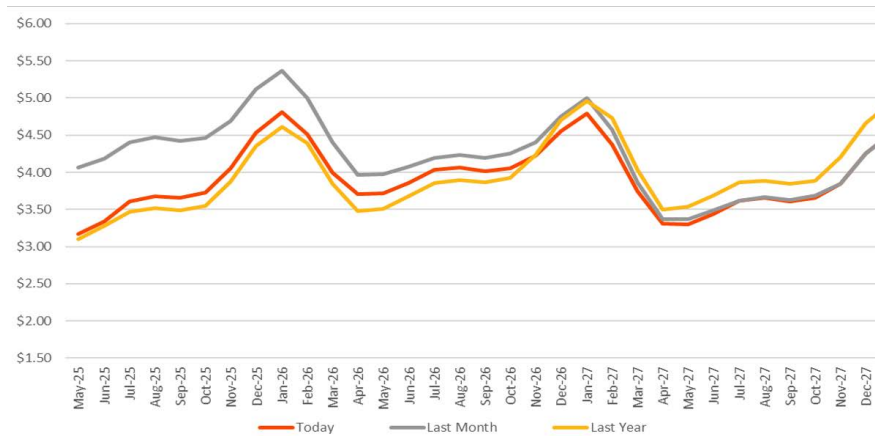
Pricing Outlook

The May 2025 NYMEX futures contract saw a historic slide during April trading, falling from assuming prompt status at \$4.221/MMBtu to depths of \$2.859/MMBtu before an expiry-day rally to **\$3.170/MMBtu**. The 32.3% range represents the largest drop for a prompt contract in the last two years, according to data from Platts. This is owing in part to a warm-weather outlook that allowed the storage deficit to shrink to a mere 44 Bcf or 2.2% below the 5-year average. This figure neared 12% as recently as the first week of March. Part of the sell-off can be attributed to general tariff-related market uncertainty and associated recessionary fears. Implied market volatility as measured by the Chicago Board Option Exchange—commonly referred to as the “fear index”—reached heights not seen since March of 2020 and October 2008 during April’s trading sessions. A period of economic slowdown would most likely lower demands for all consumers of natural gas, including residential users, industrial customers and power burns. Other potential effects include increased spot price volatility, drag on the quantity and speed of capital-intensive projects and a sluggish market for new long-term LNG supply agreements.

In The News

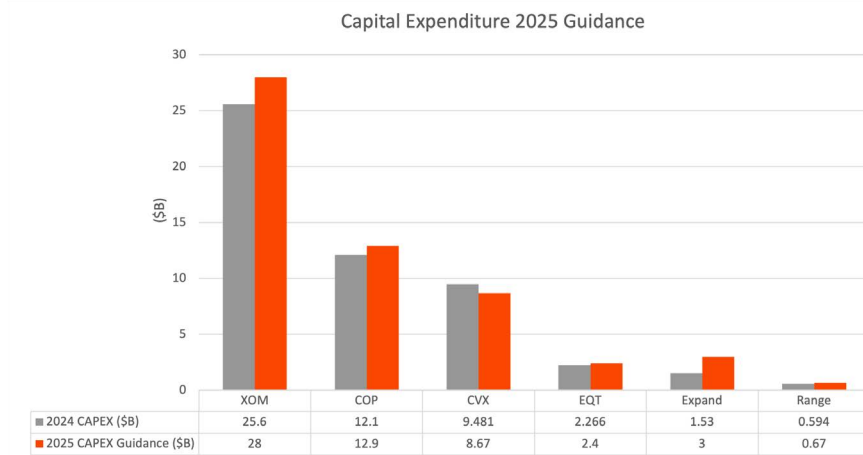
On April 22, FERC Commissioner Willie Phillips resigned his seat on the committee amidst reported White House interest in him vacating his position. Phillips, appointed by President Joe Biden in 2021 and serving as Chairman from 2023, leaves the commission split evenly between Democrats and Republicans with the Trump Administration expected to fill the seat in the coming months, potentially tilting the regulatory philosophy for years to come. Routine tasks can proceed without a new appointment, but significant matters like certificate approvals may be delayed, as they will require a majority of the vote.

NYMEX Forwards



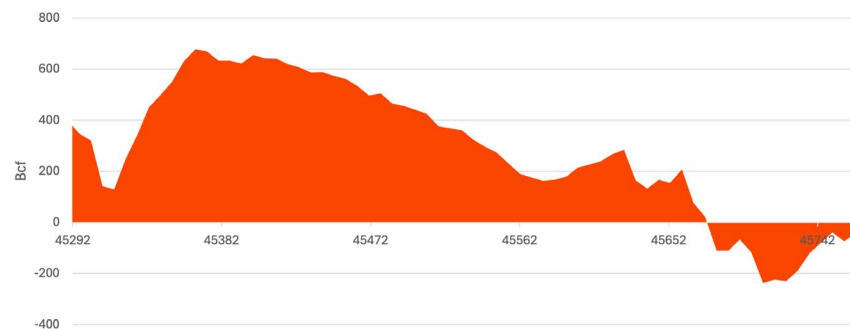
The extent of April's sell-off rings through the entire calendar strip, as forwards tilt downwards closer to the outlook at this time last year.

Major Oil/Gas Producers CAPEX Guidance



Per SEC filings, gas majors have indicated a tendency to increase cash capital expenditures to take advantage of projected elevated NYMEX strips. These numbers are at risk to be slashed as recessionary fears and weak commodity prices prevail.

Storage Deficit to 5-Year Rolling Average



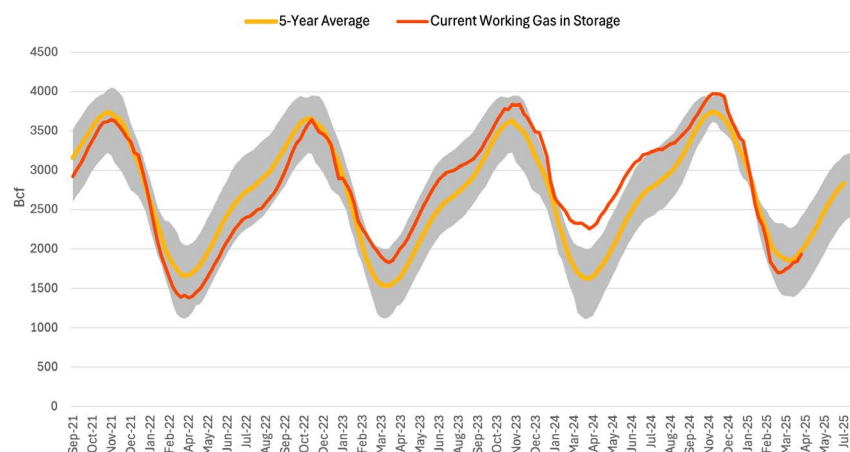
Mild weather in April functioned as a restoring force, bringing current levels of working gas in storage closer to the 5-year average.

NYMEX Prompt History

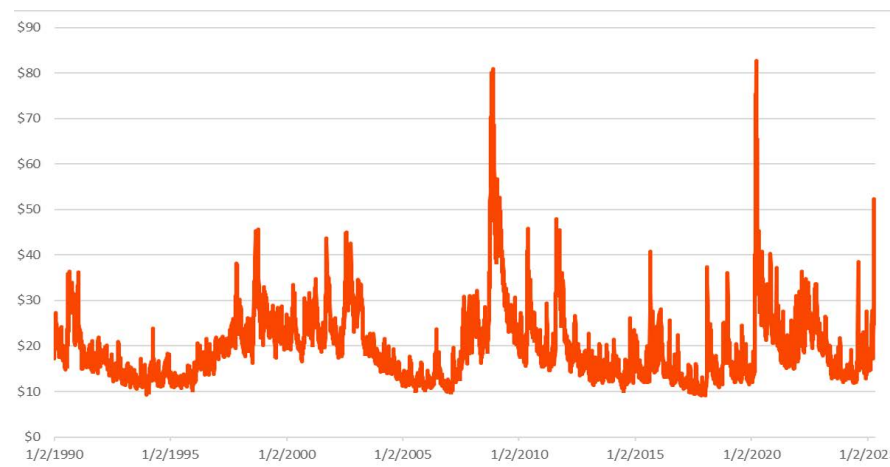


NYMEX daily settles slid from 2-year highs during April trading, briefly sinking below the \$3.00/MMBtu level.

Storage Inventory



Fear Index (VIX)



News From Gas South

On April 18, Gas South President and CEO Kevin Greiner was awarded the YMCA of Metro Atlanta's 2025 Bransby Christian Leadership Award. Greiner was honored because of exceptional leadership at Gas South, which works to support a number of nonprofits that help children, and because of his personal dedication to the YMCA of Metro Atlanta. Through projects such as YMCA's STEAM labs and adaptive swim programs to advancing early learning initiatives, Greiner has helped make a positive impact for countless youth and their families.