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AS MARKETS FLEX, DRILLINGINFO REMINDS INDUSTRY THERE'S A SUPPLY FOR EVERY DEMAND

New report emphasizes why crude oil and natural gas prices will rise in 2017

Austin, TX (December 5, 2016) – In the latest installment of its Fundamental Edge market outlook series, [a product line recently acquired by Drillinginfo](#), analysts share an updated 5-year outlook for crude oil, natural gas and natural gas liquids (NGLs) pricings. The report features four sections, one for each commodity, as well as a summary of producers' most recent earnings calls:

- 1) Crude Oil: The Way Forward
- 2) Natural Gas: 2017 and Beyond
- 3) NGL Outlook
- 4) Producer Earnings Analysis for 3Q2016

In [Supply For Every Demand](#), Drillinginfo identifies two short-term variables that will shape prices in 2017. For crude oil, it's OPEC's production cut and for natural gas it's winter weather. For NGLs, the key driver of ethane recovery levels and NGL product prices is demand growth in the form of exports and new petrochemical demand.

Prices for all commodities are projected to increase in 2017 from 2016 levels. In the longer-term, demand growth will be met by additional production keeping a lid on price increases over the next five years.

Key Findings From The Report:

- The global crude oversupply has fallen significantly thanks to prolonged lower prices, however recent price recovery threatens to push supply higher and demand lower before the balance is completely corrected and storage inventories are brought to normal levels. Going forward, the market will be constrained by the pace of demand growth.
- A strong gas price signal is necessary to incentivize additional drilling. Current production levels are not sufficient to meet growing demand. Drillinginfo expects prices in 2017 to average \$4.00+/MMBtu. A mild US winter or faster-than-expected increase in crude oil prices could slow down price recovery in 2017 and limit prices to \$3.50/MMBtu.



PREVIEW THE REPORT

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About Drillinginfo

Drillinginfo is the leading SaaS and data analytics company for energy exploration decision support, helping the oil and gas industry achieve better, faster results. The company's predictive/prescriptive decision platform combines intelligence, analytics, tools, and services in one seamless system to deliver value at every stage of the E&P process. Drillinginfo services more than 2,500 companies globally from its Austin, Texas headquarters, and has more than 400 employees on five continents. For more information, visit drillinginfo.com.