

Natural Gas Market Update

May 2023



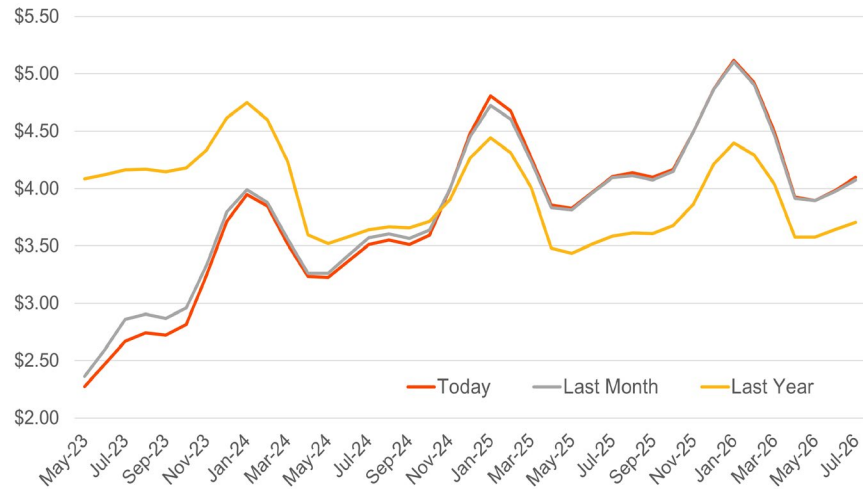
The May NYMEX natural gas futures contract expired at \$2.117. The June contract has traded largely between \$2 and \$2.30 since the beginning of May. Market fundamentals overall remain bearish:

- Nationwide storage is trending about 30% higher than year-ago levels and 20% higher than the five-year average.
- Dry gas production continues to trend above 100 Bcf/Day.
- Mild spring temperatures have held both demand and capacity constraints in check.

While front-month prices remain down nearly 80% from last summer's peak, the forward curve shows recovery above \$4/MMBtu in the long term. Market volatility also remains. At 69%, it's not as severe as late 2022, but well above traditional levels.

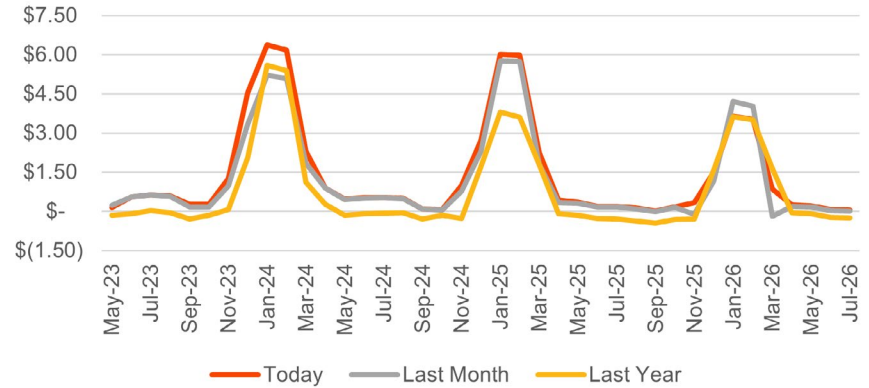
Traders will increasingly look for direction from the onset of the summer's heat in the weeks ahead. Currently traded basis levels across the Southeast remain strong, particularly during late summer 2023 and mid-winter 2023/24.

NYMEX Forwards



The forwards market currently reflects price increases, but there are always many unknowns.

Transco Zone 5 Forwards



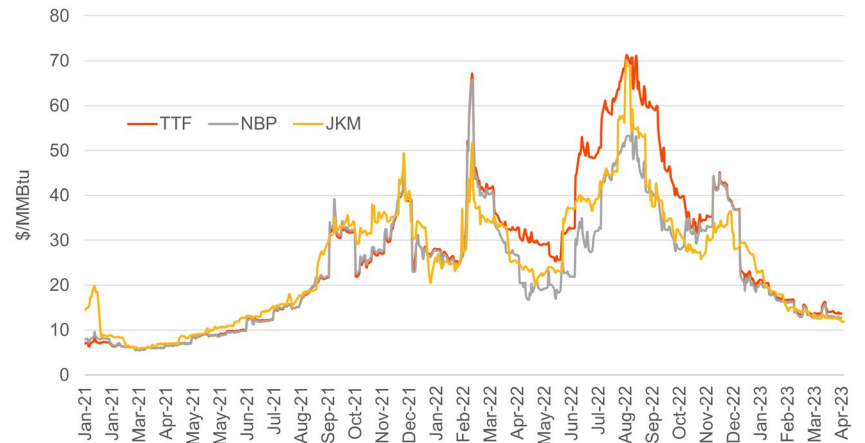
Basis forwards are increasingly high across the Southeast and in Transco Zone 5 in particular.

NYMEX Prompt History



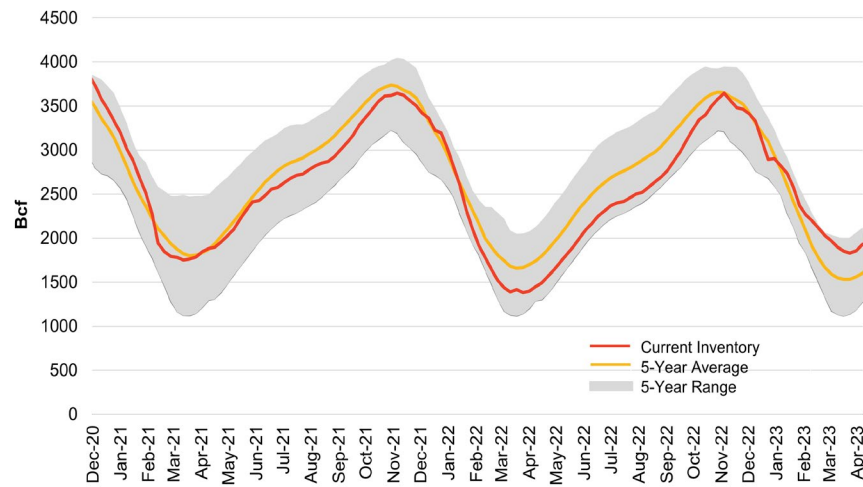
Volatility remains high, but prices are the lowest we've seen in years.

Global LNG Prices



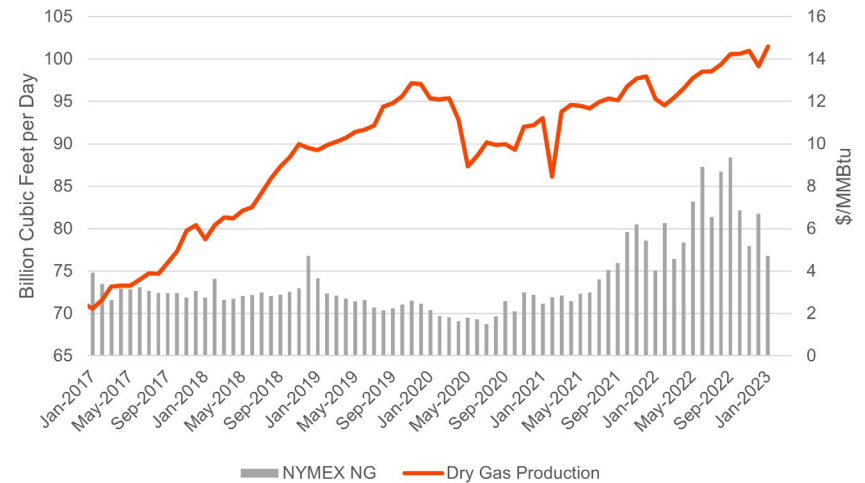
Increasing LNG export demand is likely to create long-term price support.

Nationwide Storage Inventory



Current gas stocks are well above average, with most of the traditional injection season yet to unfold.

U.S. Dry Gas Production



Despite the lower price environment, dry gas production is at near all-time highs.

News From Gas South

Applications are now open for Gas South’s annual Impact Investments. These grants are a part of Gas South’s commitment to give back 5% of profits to support children in need in the areas of basic needs, education and illness/disability. The 2023 Impact Investments can be awarded in any amount in order to fund a specific project that wouldn’t be possible without it.

If you support a 501(c)(3) in Georgia or Florida that serves children (age 0-21), we encourage you to invite them to [apply for funding through our online application](#) by May 26.

For the first time ever, winners will be chosen by Gas South’s partners and customers, as well as our employees. That means you’ll be able to vote for an organization you believe in.

Thank you for your help in sharing the Gas South difference and making an impact on our communities!