The New Peak Demand Consensus and Oil’s Looming Boom Cycle

Bob McNally | International Energy Forum | February 16, 2022
Consensus Recently Adopted Peak Demand as Base Case...

Long-Term Global Oil Demand

Source: Rapidan Energy Group, IEA, OPEC, BP, Equinor, ExxonMobil
...Despite No Evidence for It

<table>
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<th>Recent Consumer Trends and Outlook for Transportation</th>
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<td>Consumer Vehicle Preferences</td>
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<td>EU</td>
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<td>China</td>
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<td>US</td>
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* Political will to impose transition costs TBD

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SUV Sales as a Percentage of Total Car Sales

Source: Rapidan Energy Group, IEA

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Global SUV sales set another record in 2021, setting back efforts to reduce emissions
US Gasoline Demand – Canary in the Coal Mine for the Peak Demand Consensus

Sales-Weighted Fuel Economy Ratings Compared to EPA Projected Fuel Economy Targets

Diverging EIA Forecasts for US Gasoline Demand

Source: Rapidan Energy Group, EPA, Bloomberg, NHSTA, UMTRI

Source: Rapidan Energy Group, EIA
If Peak Demand Consensus Proves Wrong, Buckle Up

Consensus View

Supply Growth (mb/d) | Demand Growth (mb/d)
--- | ---
~0.5 | ~0.7

Stable oil prices

Rapidan Energy Group’s View

Supply Growth (mb/d) | Demand Growth (mb/d)
--- | ---
~0.5 | ~1.4

Boom