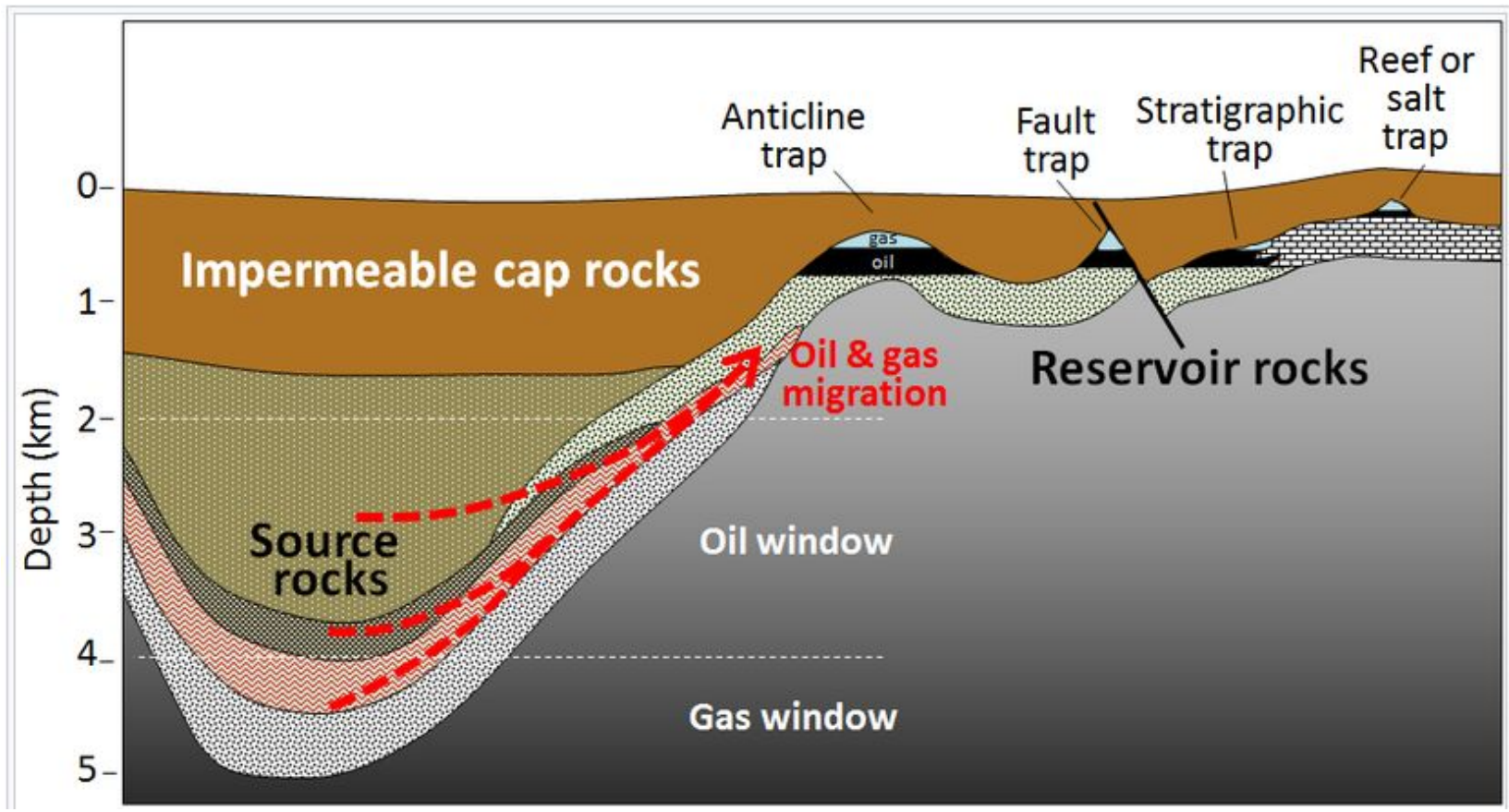
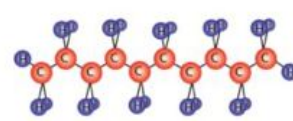
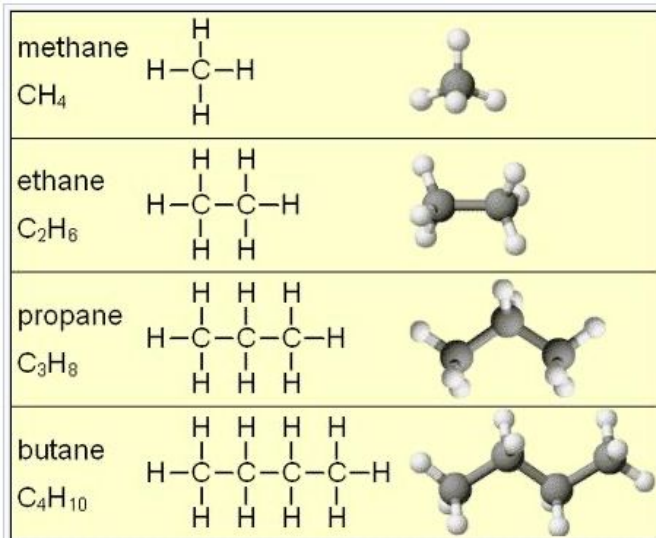


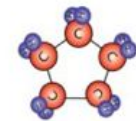


*The Devil
is in the Diesel*

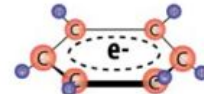




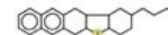
Paraffin



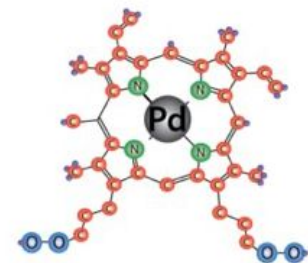
Naphthene



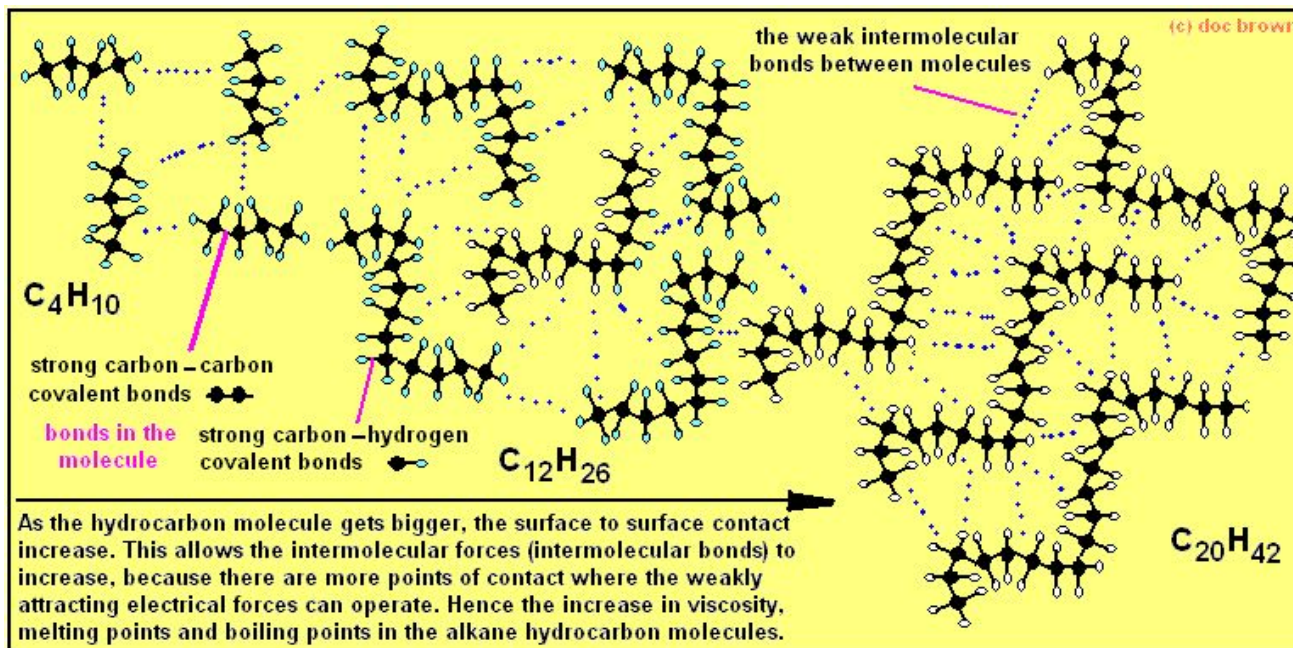
Aromatic

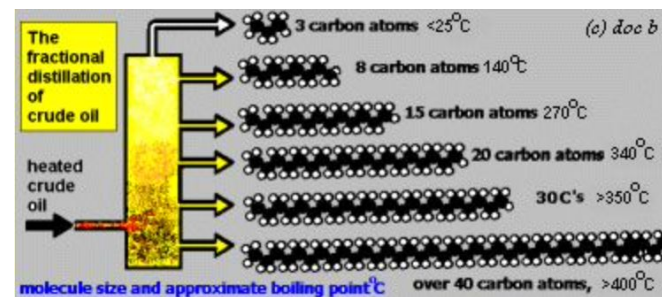
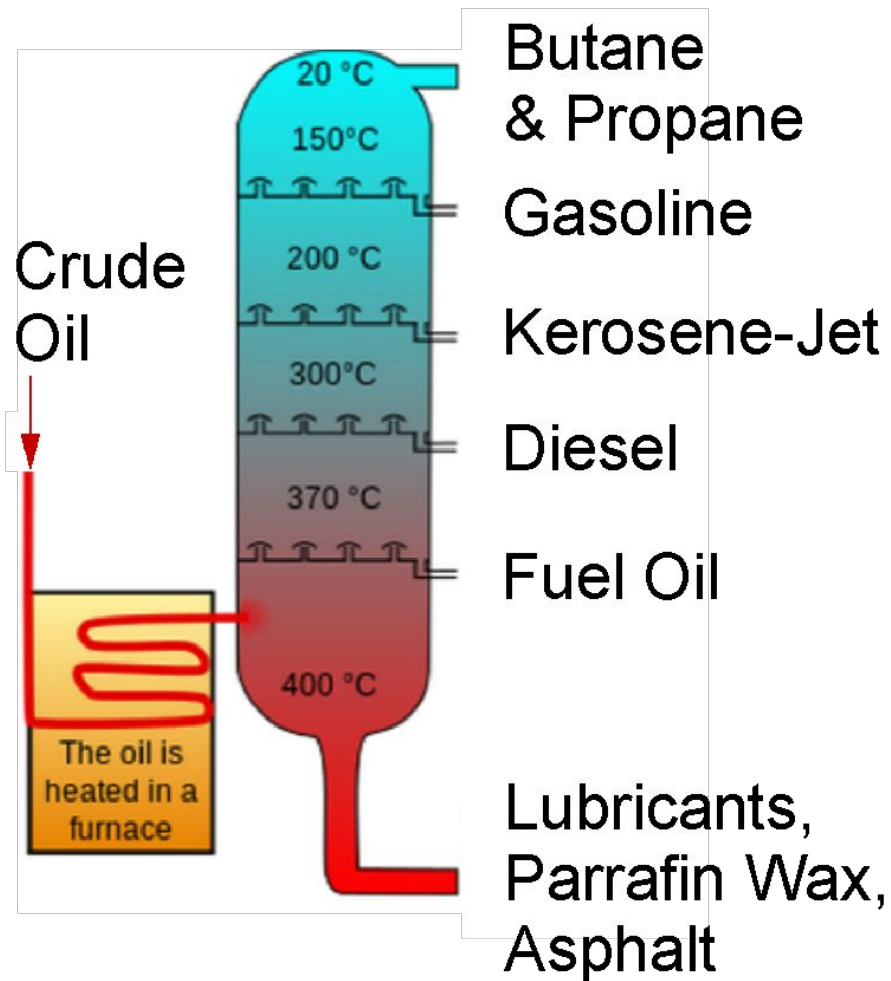


Resin



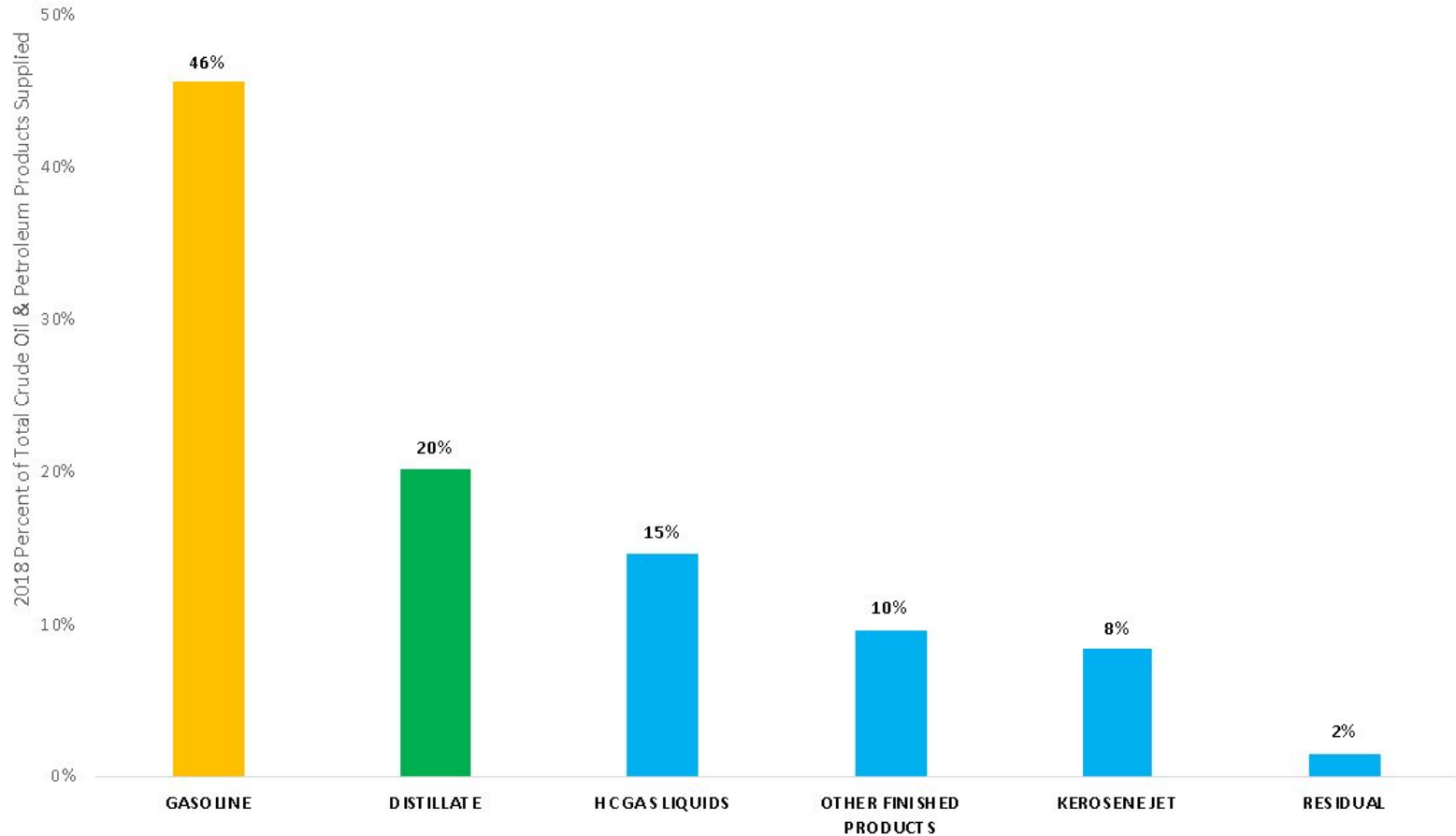
Asphaltene





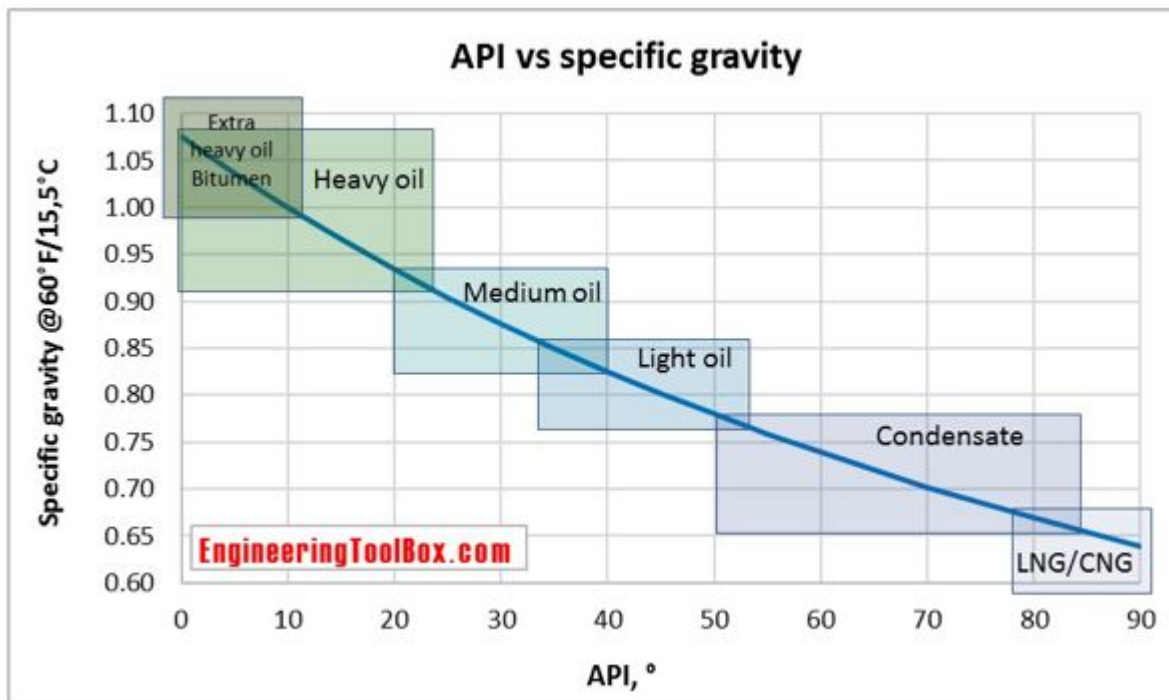
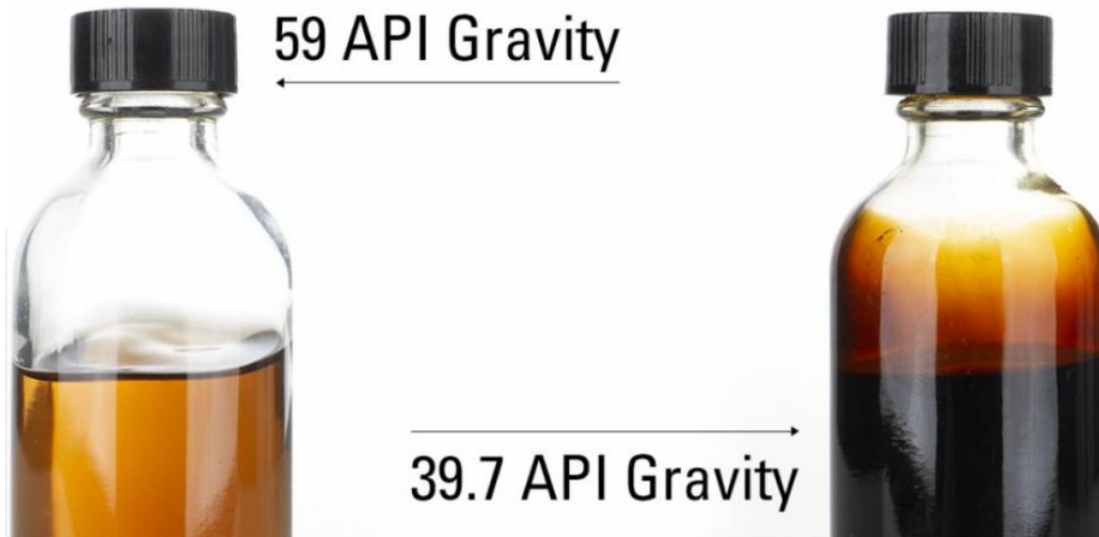
What will we do with all the gasoline we don't need?

The world's resource extraction, transport & distribution system runs on diesel but diesel (distillate) cannot be produced without first producing gasoline

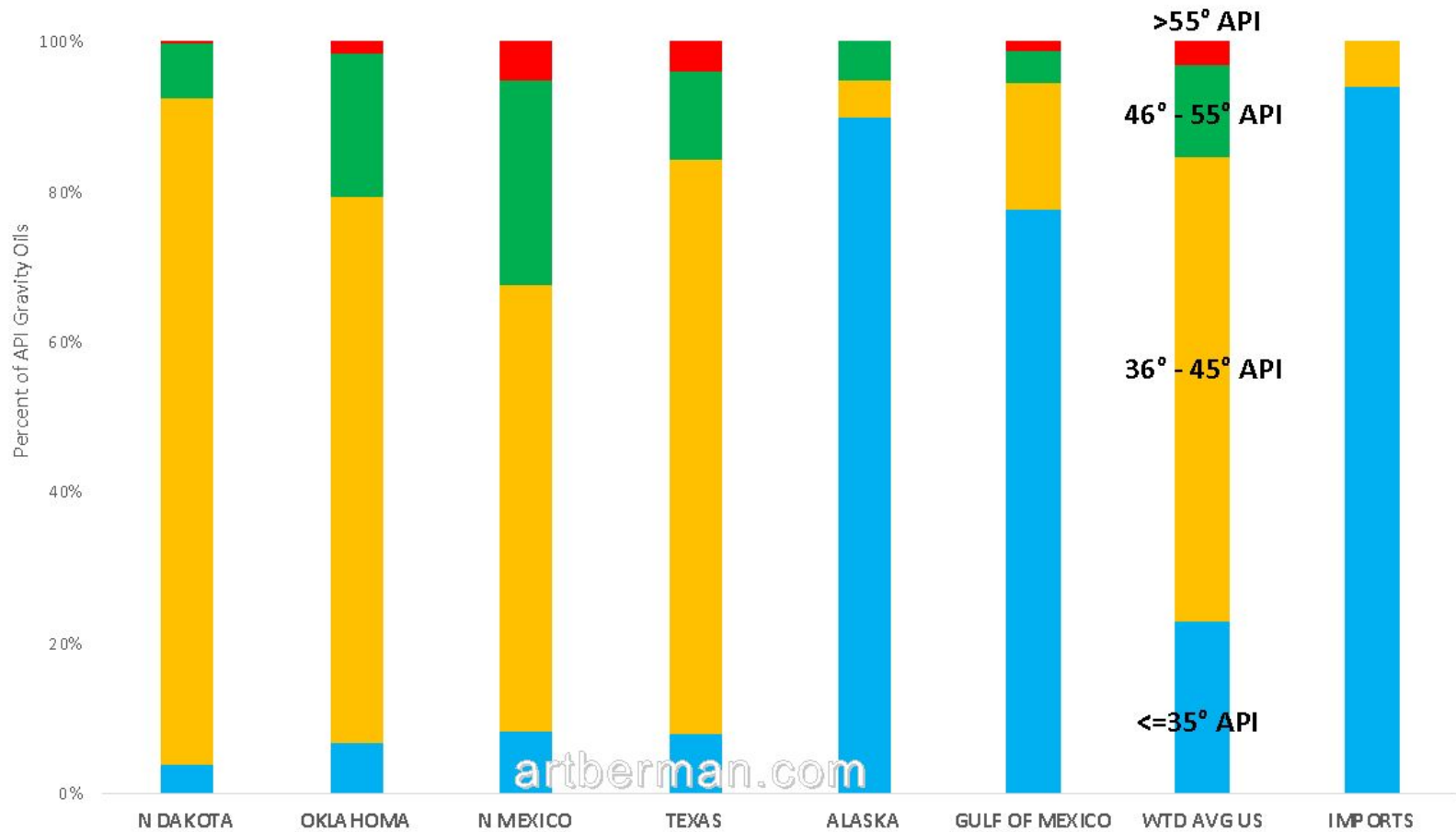


Source: EIA & Labyrinth Consulting Services, Inc.

EIA Current/Monthly Updates/U.S. Product Supplied



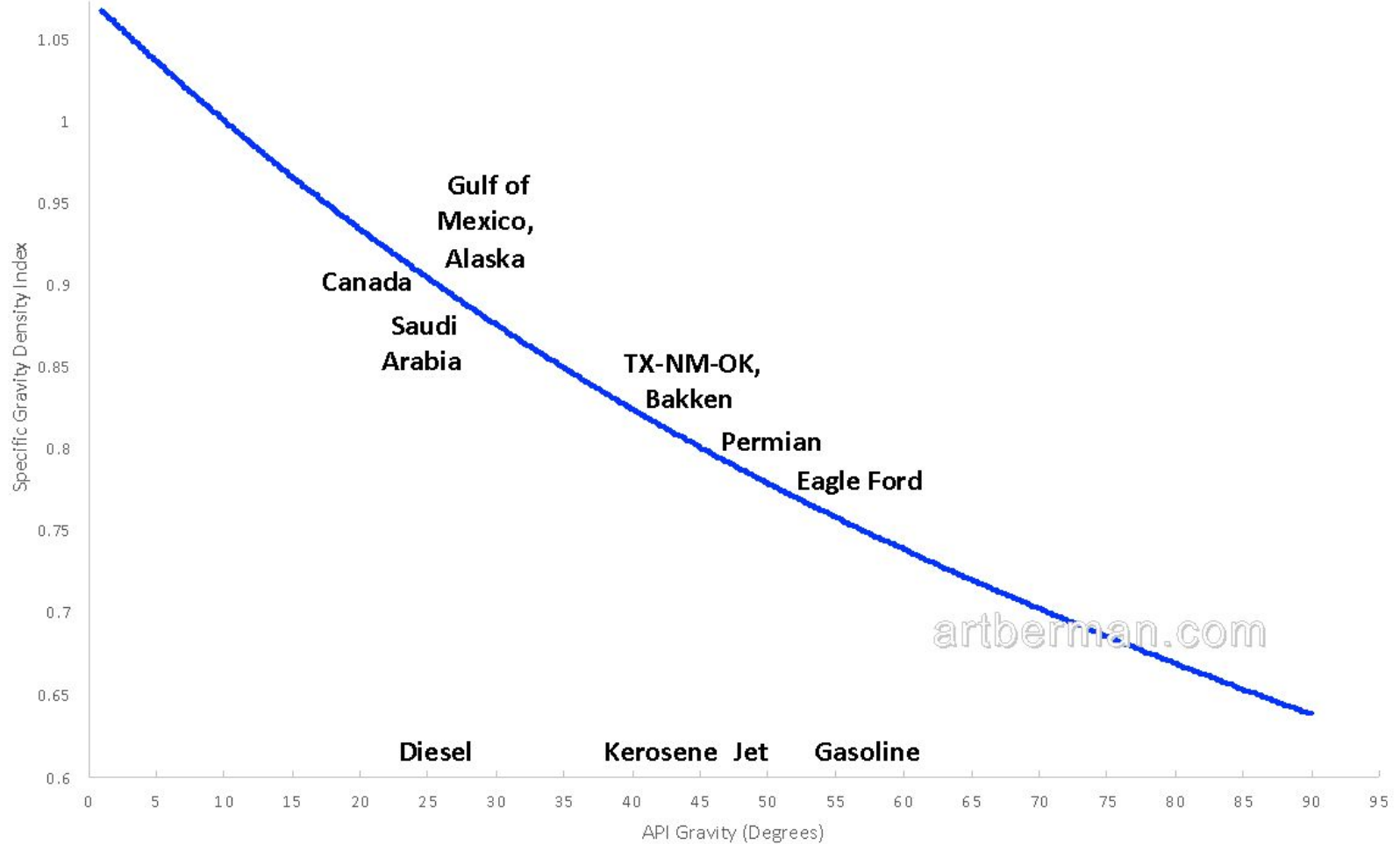
U.S. imports mostly heavier grades of oil that are not produced domestically in significant volumes except from Alaska and the offshore Gulf of Mexico



Source: Enverus, ExxonMobil, USGS & Labyrinth Consulting Services, Inc.

EIA Current/Light Oil/FO-ND-NM-OK-TX API SUMMARY DATA

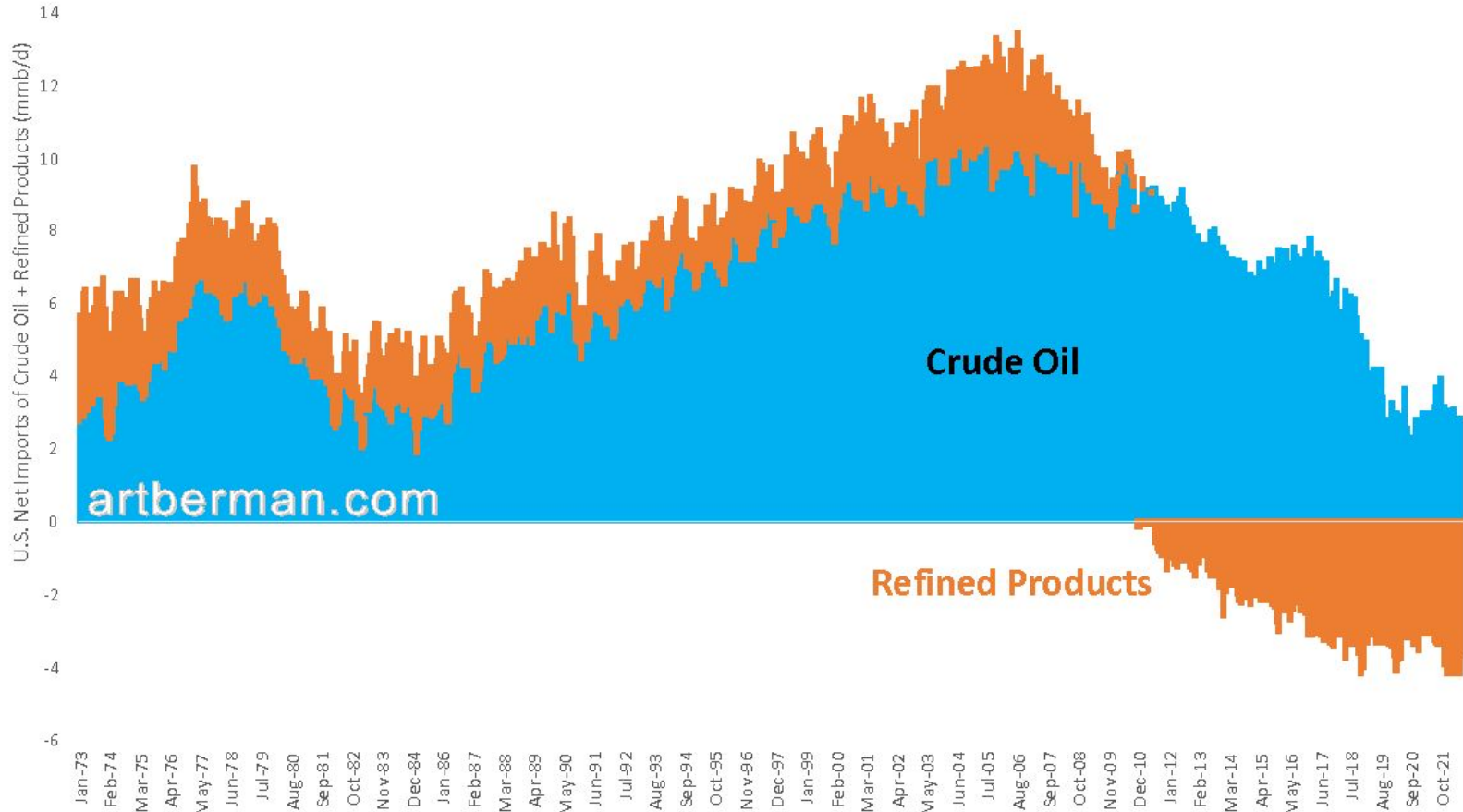
Many U.S. oils lack the heavy compounds needed to make diesel but are good for making kerosene, jet and gasoline



Source: Global Security, Enverus, EIA & Labyrinth Consulting Services, Inc.

EIA Current/Light Oil/API Gravity and Oil Types

The U.S. is a net importer of crude oil & a net exporter of petroleum products
U.S. net imports of crude oil have averaged 2.9 mmb/d in 2022
and net exports of products have averaged 5.9 mmb/d



Source: EIA & Labyrinth Consulting Services, Inc.

EIA Current/Monthly Updates/US NET EXPORTS MASTER

There is little evidence that refinery capacity is a problem in the U.S.

2022 idle capacity is greater than in 2018

Most refinery closures were to eliminate excess idle capacity that began in mid-2019

