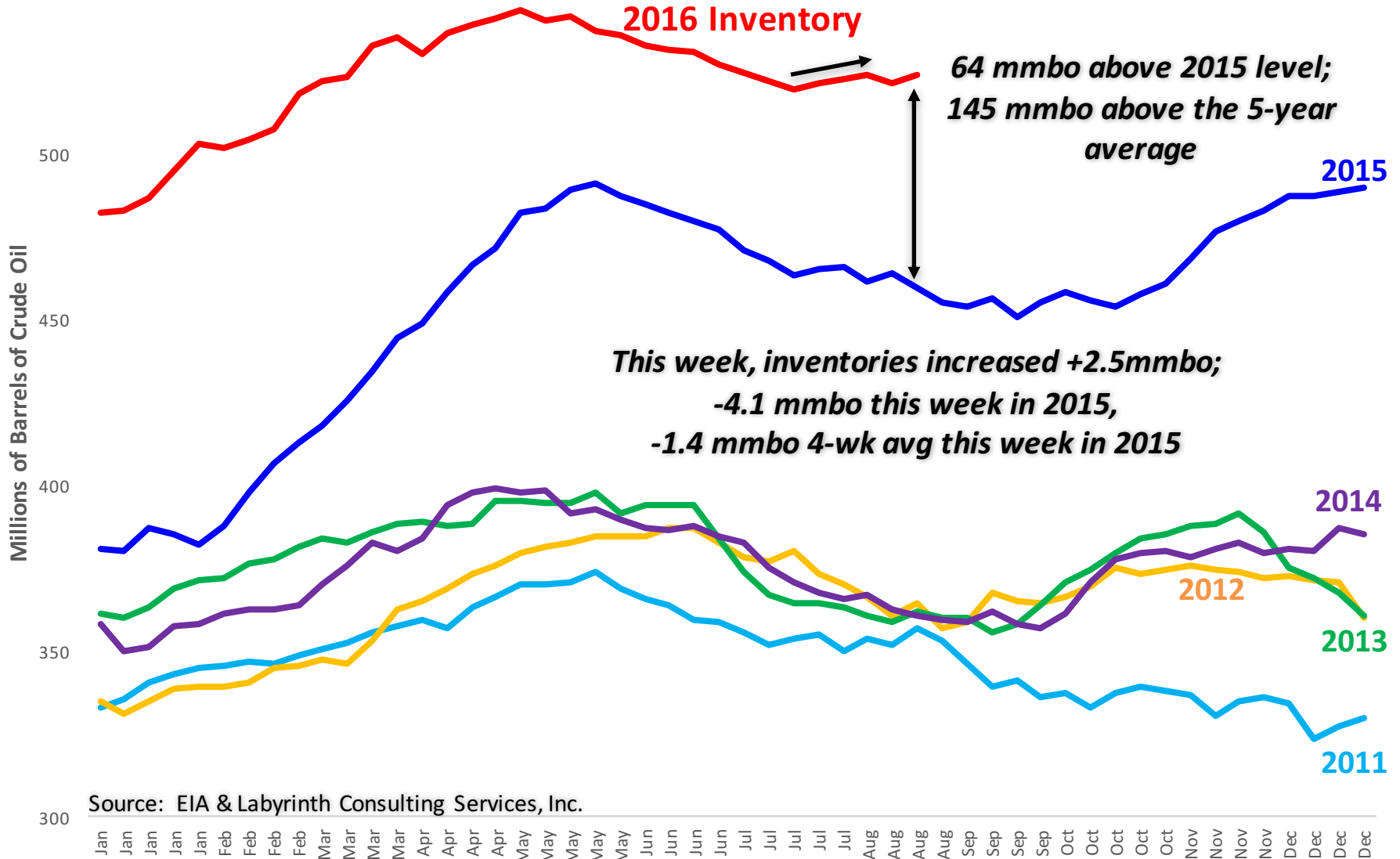


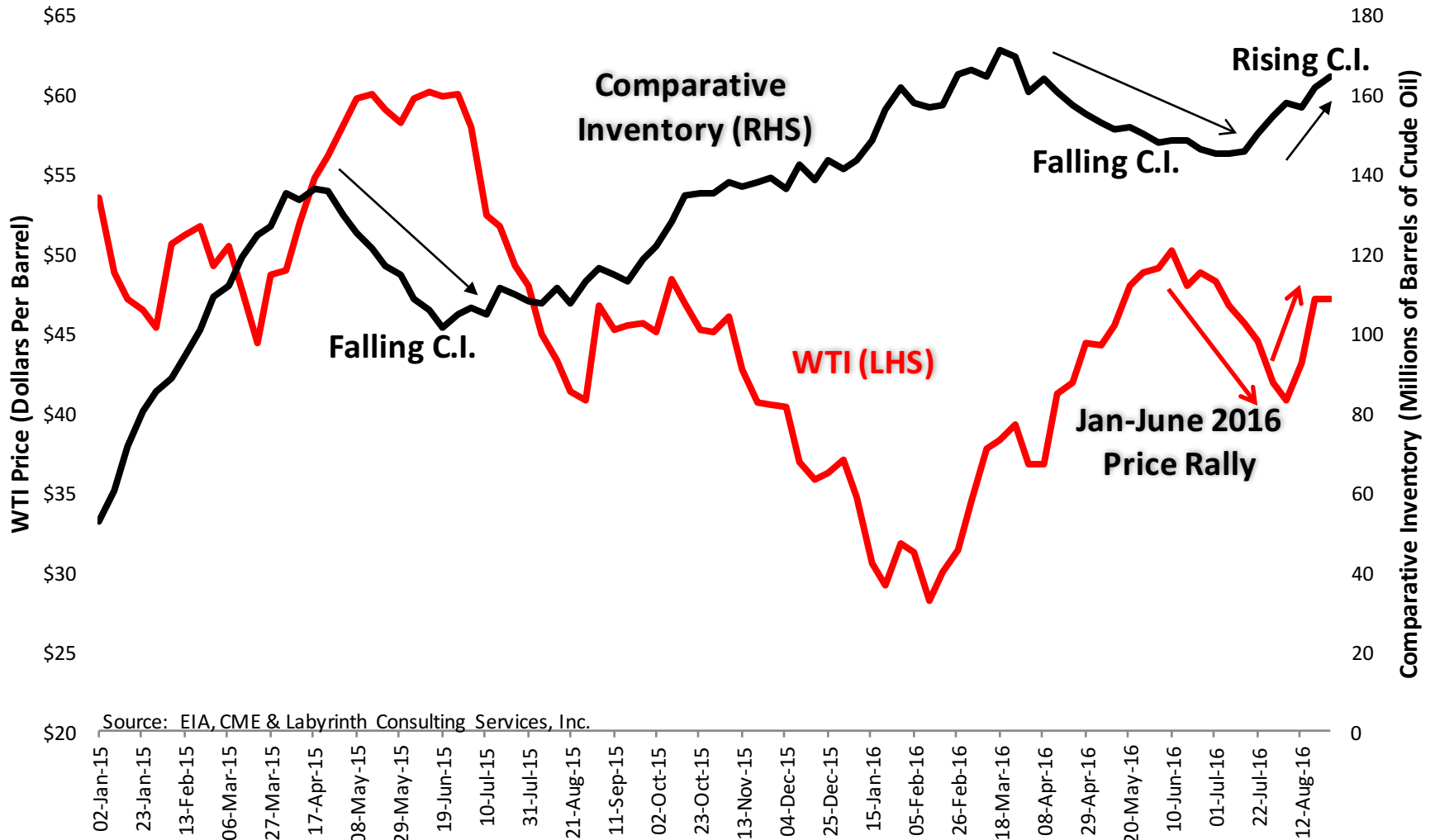
**August  
2016**

**2016 crude oil inventories have increased 6.46 million barrels in the last 6 weeks--in de-stocking season!**



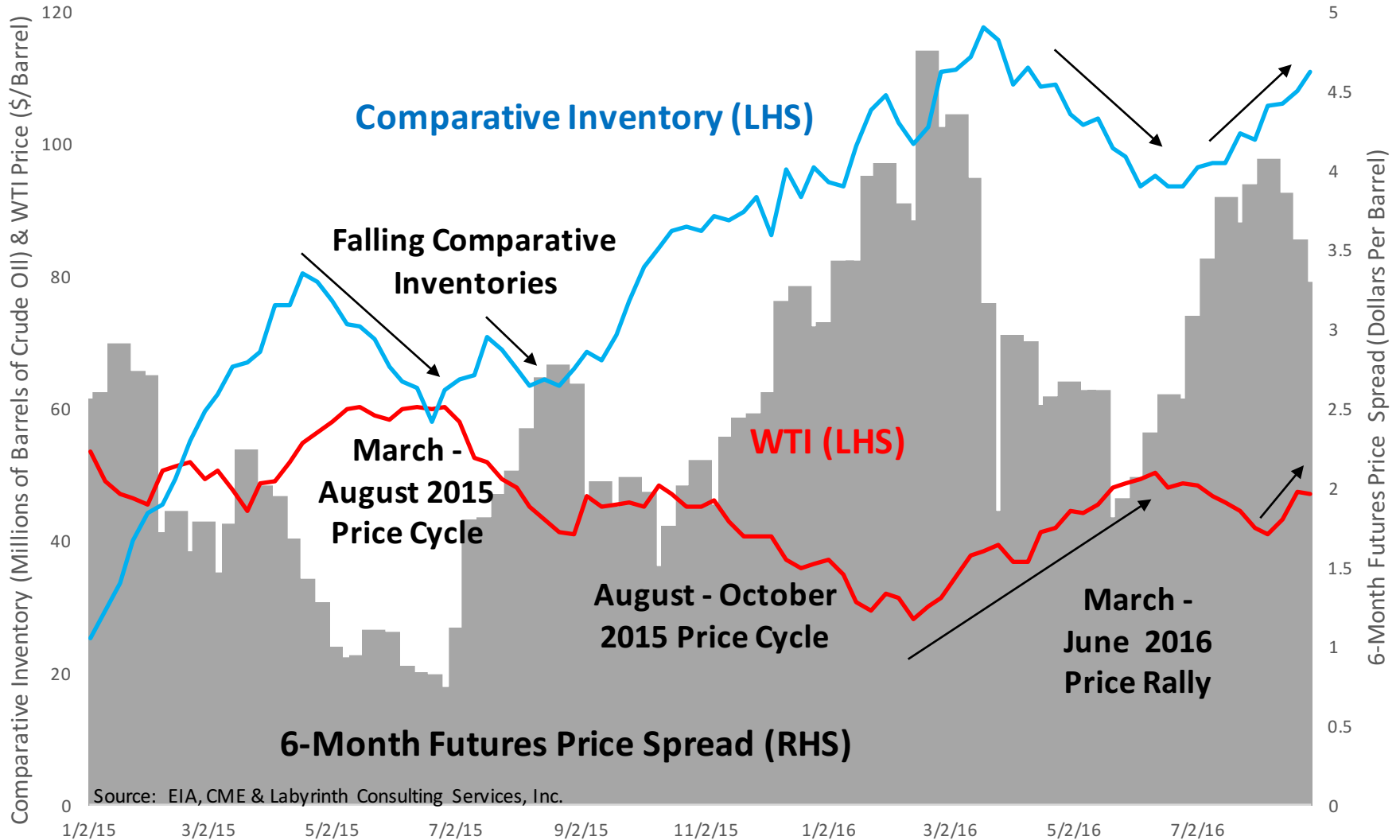
**August  
2016**

**Total U.S. crude oil comparative inventories increased 16 million barrels over the last 6 weeks & 2.3 million this week alone**



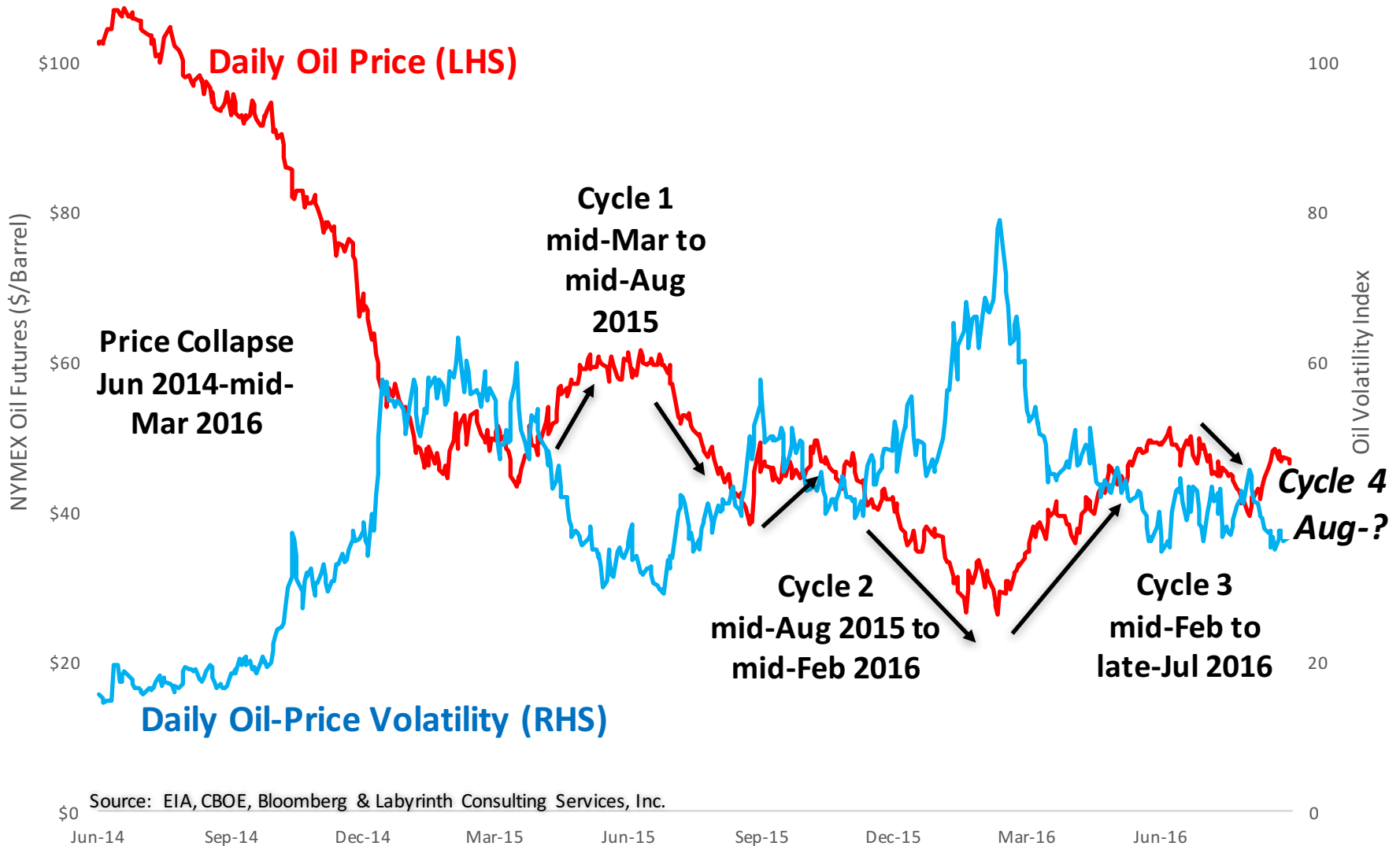
**August  
2016**

**Cushing + Gulf Coast crude oil comparative inventories increased 5.5 million barrels over the last 4 weeks & 2 million this week alone**



**August  
2016**

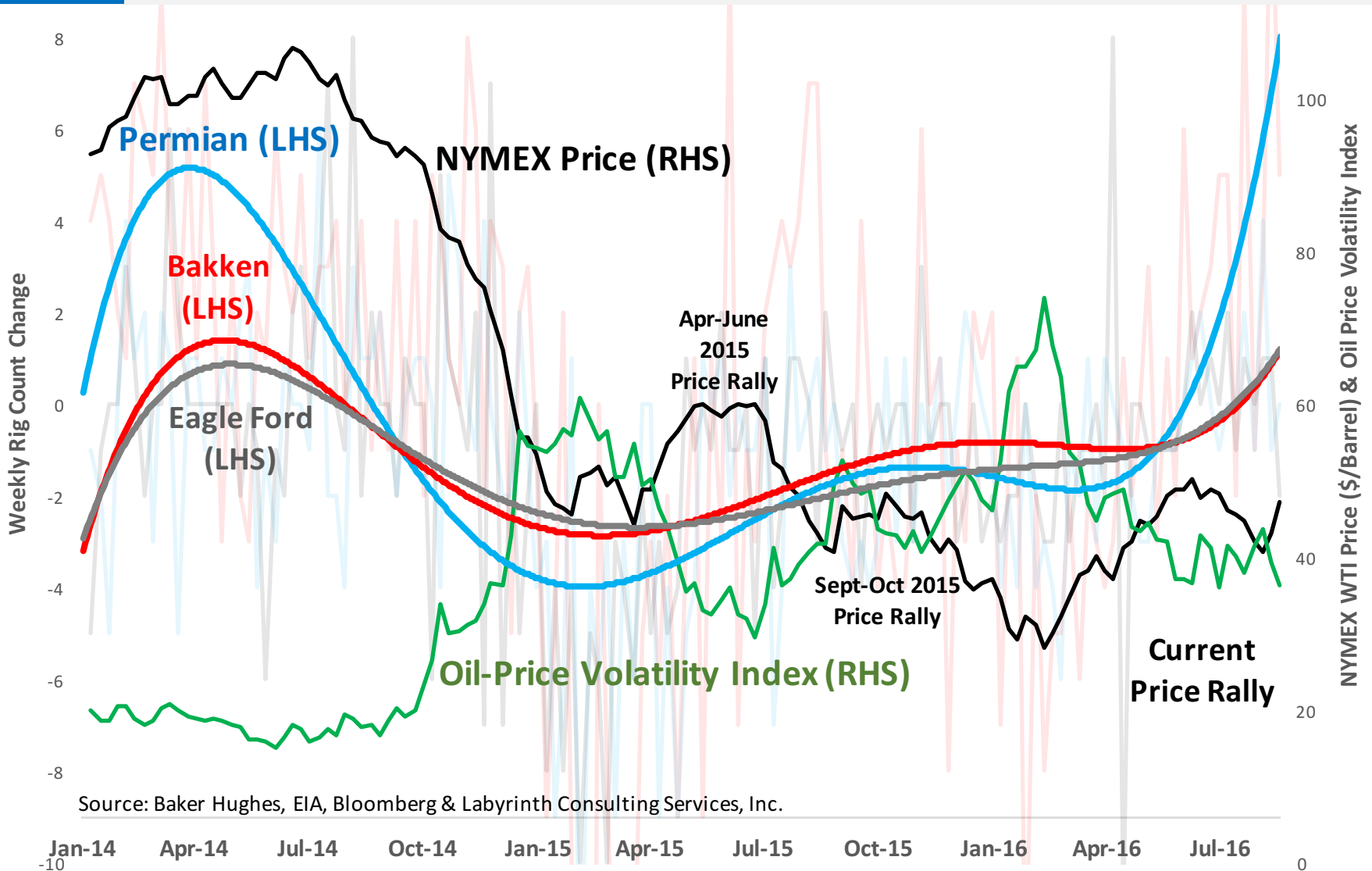
## Four oil-price cycles in 2015 & 2016, each lasting about 6 months



Source: EIA, CBOE, Bloomberg & Labyrinth Consulting Services, Inc.

August  
2016

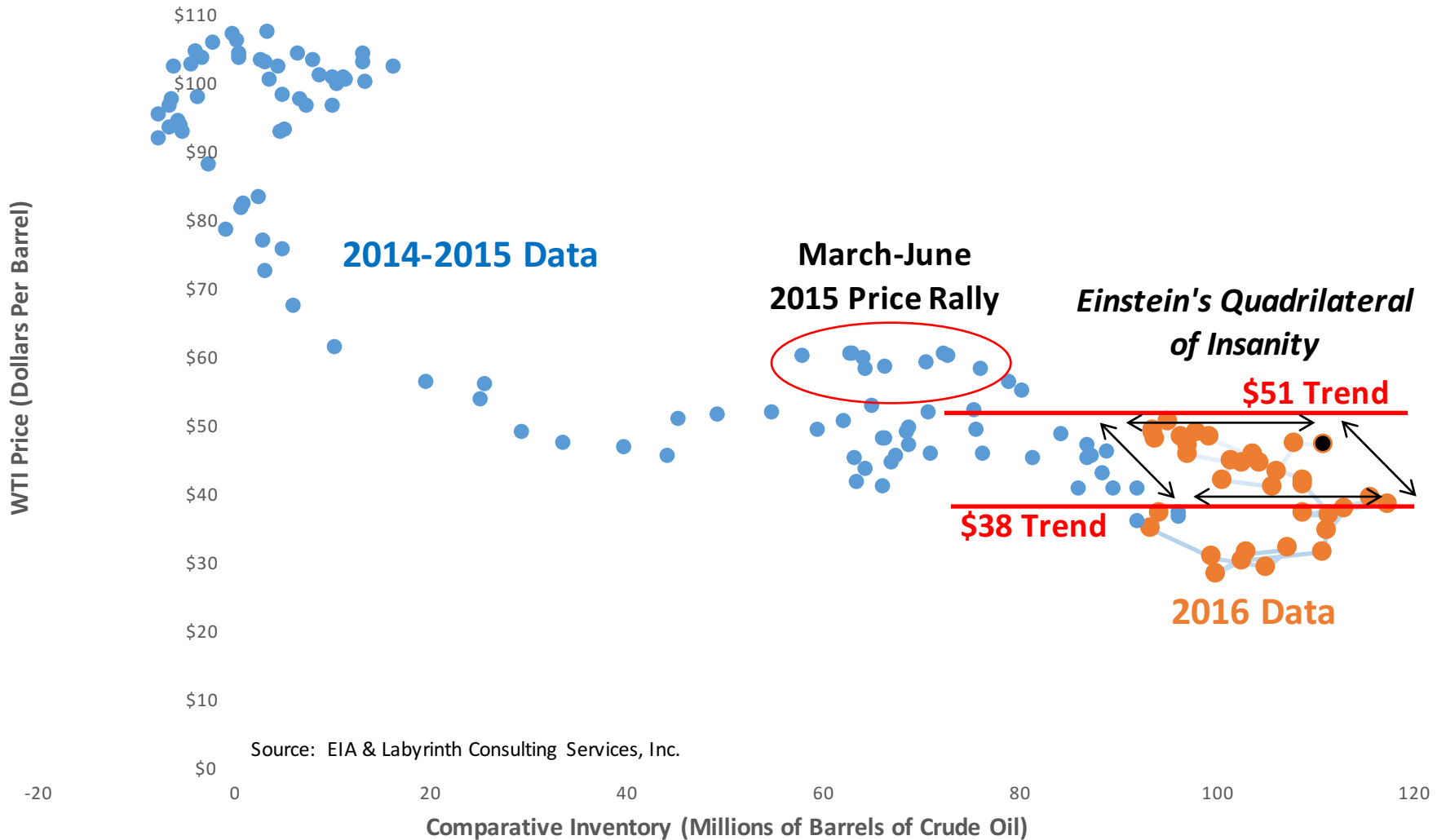
Capital flows drive the oil market: when oil price volatility is high, the floodgates of capital open, rig count rises and prices fall.



Source: Baker Hughes, EIA, Bloomberg & Labyrinth Consulting Services, Inc.

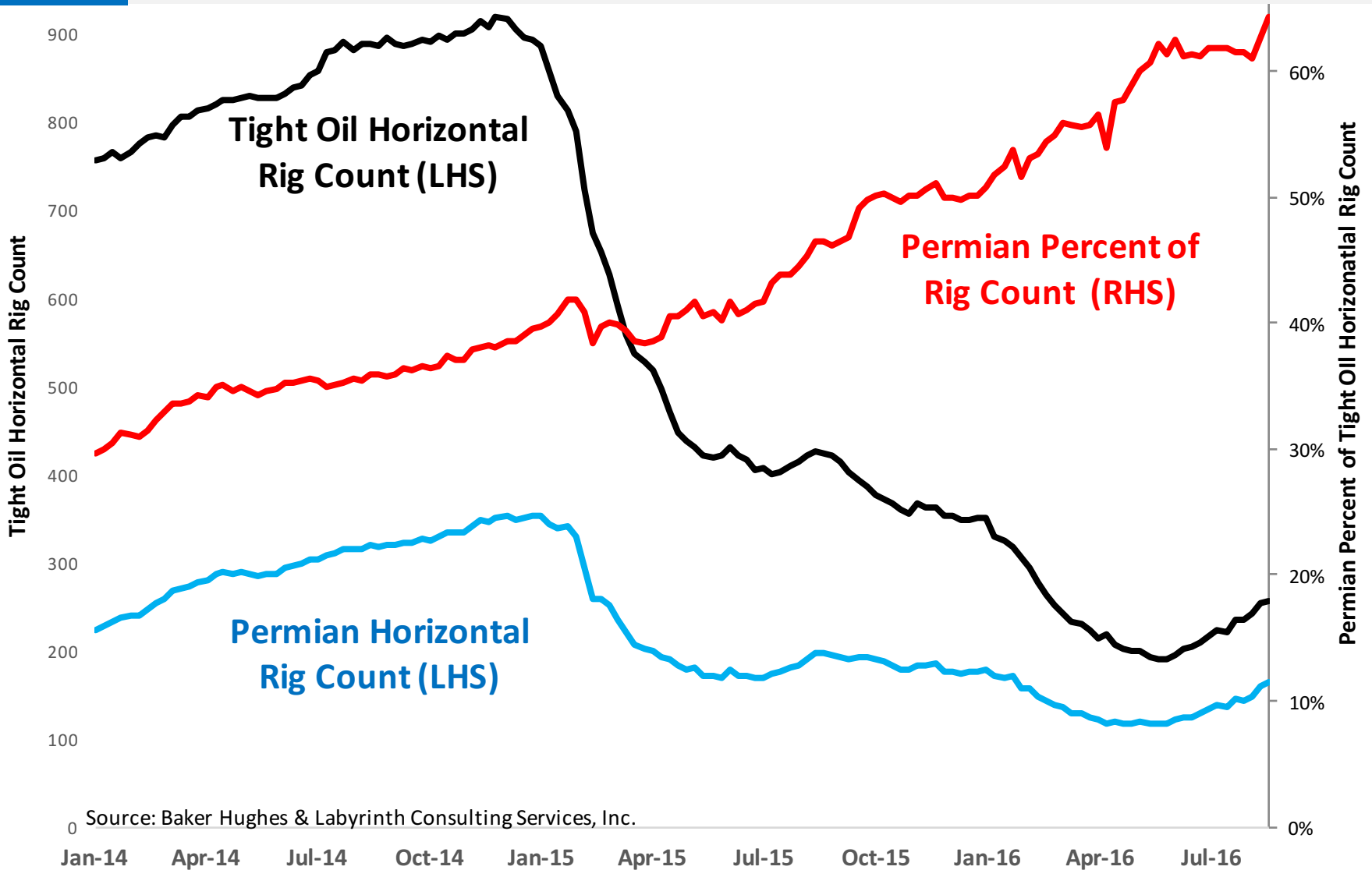
Sept  
2016

# Cushing + Gulf Coast comparative inventories suggest a \$38 price floor & \$51 price ceiling: Einstein's Definition of Insanity



**August  
2016**

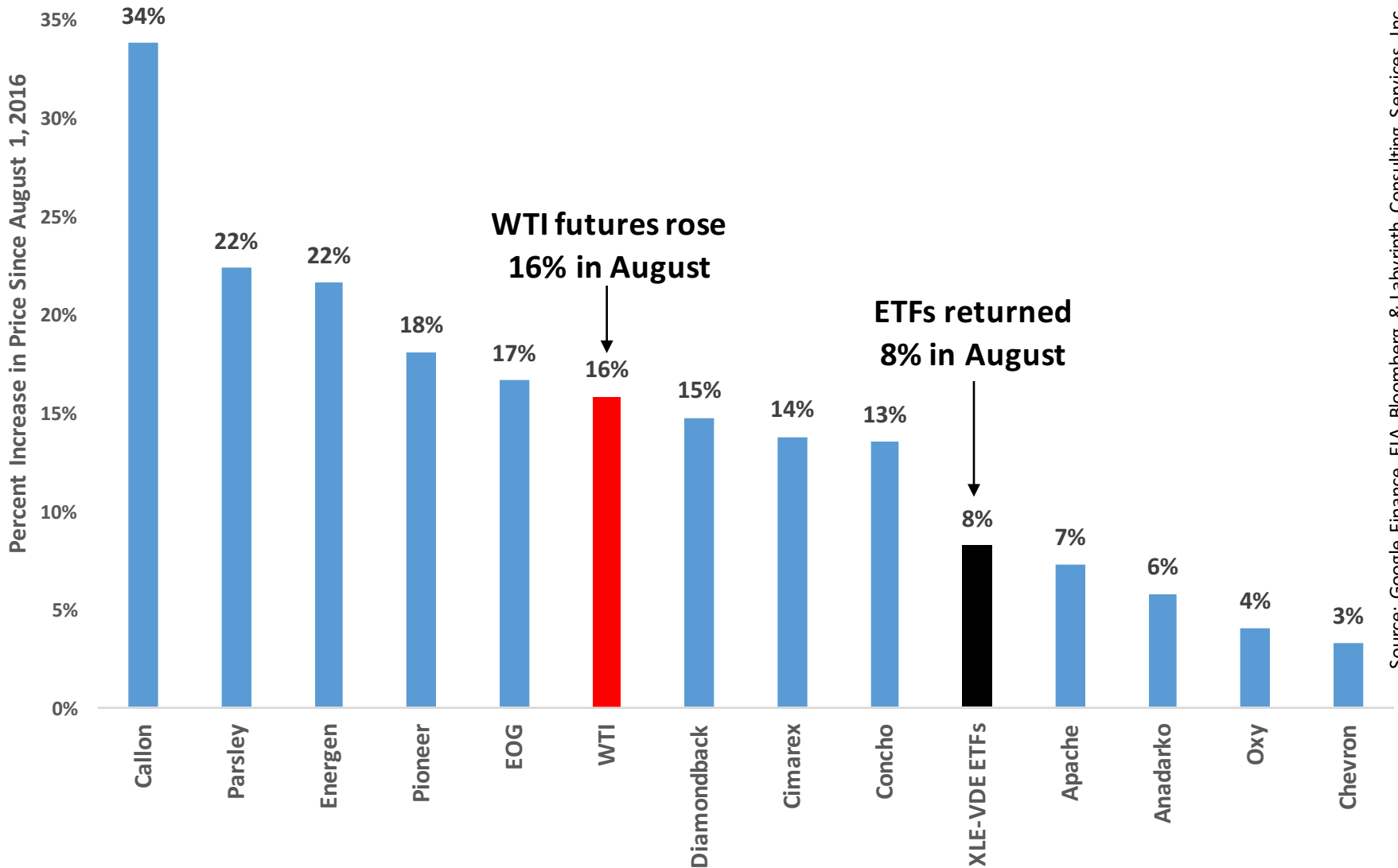
**The Permian basin represents more than 60% of the U.S.  
horizontal tight oil rig count**



Source: Baker Hughes & Labyrinth Consulting Services, Inc.

August  
2016

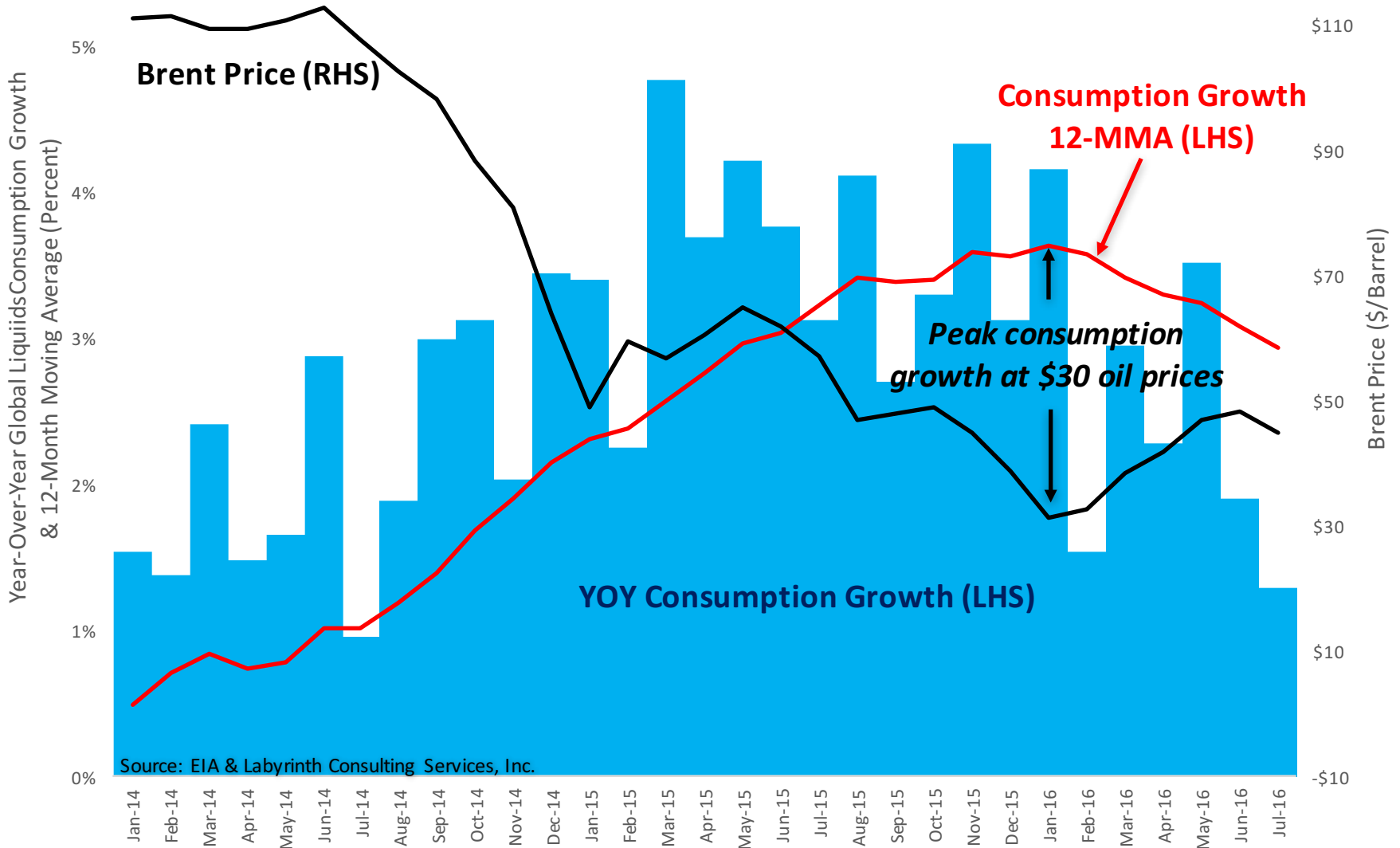
## Stock performance of many Permian-weighted companies outperform ETFs by 2:1 to 4:1 since the current price rally began





August  
2016

# Consumption growth is decreasing with increasing oil prices



Source: EIA & Labyrinth Consulting Services, Inc.