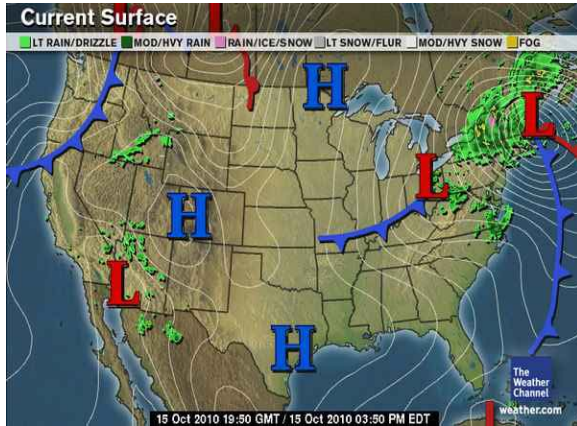




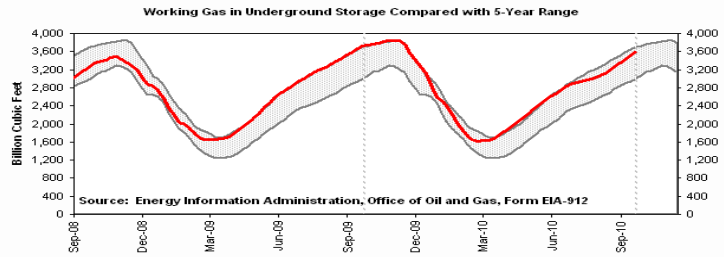
Market Update & Outlook



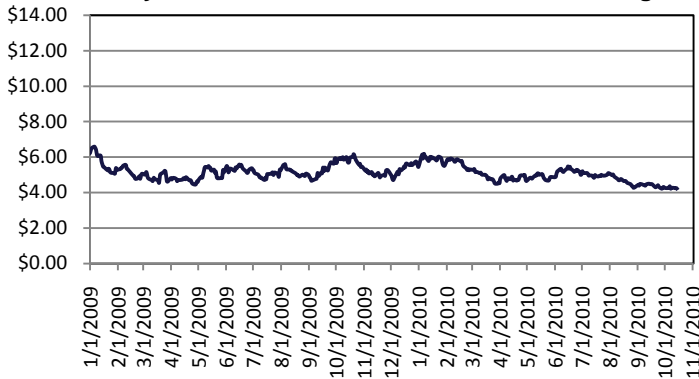
Weather: The week will end on a stormy note for the Northeast as an October Nor'easter takes a swipe at the area. Rain, heavy at times, will fall from northern Maine through eastern New York state for much of the day. Localized flooding is possible. Rain will gradually ease off, from south to north, going into the evening hours. Snow will also become an issue over the higher terrain of eastern New York, Vermont and New Hampshire, with some places seeing up to 8 inches before the system moves out on Saturday. Strong winds will make it difficult to hide from the rain under an umbrella and could result in some damage to trees and power lines. Gusts in the region could exceed 40 mph, with some of the strongest coming on the tail end of the system through southern New England during the afternoon hours. Showers will also trail behind this system, making for a damp start to the day in West Virginia, along the western Great Lakes and across the Mid-Atlantic. Skies should begin to clear there in the later afternoon.

Check out our website at www.rileynaturalgas.com

Storage to compare with 5 year range: Working gas in storage was 3,590 Bcf as of Friday, October 8, 2010, according to EIA estimates. This represents a net increase of 91 Bcf from the previous week. Stocks were 118 Bcf less than last year at this time and 247 Bcf above the 5-year average of 3,343 Bcf. In the East Region, stocks were 40 Bcf above the 5-year average following net injections of 43 Bcf.



Nymex Natural Gas 12 Month Forward Average



Market Watch: At the NYMEX, the 12-month strip (or the average price of futures contracts from November 2010 through October 2011) averaged **\$4.27 per MMBtu** in trading on Wednesday, October 13, falling by about **\$0.10** on the week. The largest weekly declines in the 12-month strip occurred for the November and December contracts, with the contracts for delivery from January 2011 through March 2011 falling \$0.10 cents or less per MMBtu. Prices on the 12-month strip rallied somewhat in trading on Wednesday, October 13, with the November and December contracts gaining \$0.05 to \$0.07 cents per MMBtu, and the remaining contracts gaining about \$0.01 or \$0.02 cents per MMBtu. The 12-month strip averaged \$5.69 per MMBtu at the same time last year.

Natural Gas Nymex Trading 10/14/10

Month	High	Low	Last	Change
Nov '10	\$3.640	\$3.625	\$3.657	(\$0.039)
Dec '10	\$4.016	\$4.016	\$4.016	(\$0.025)
Jan '11	\$4.244	\$4.244	\$4.244	(\$0.034)
Feb '11	\$4.275	\$4.275	\$4.275	(\$0.042)
Mar '11	\$4.220	\$4.220	\$4.220	(\$0.043)
Apr '11	\$4.184	\$4.184	\$4.184	(\$0.043)
May '11	\$4.216	\$4.216	\$4.216	(\$0.045)
Jun '11	\$4.272	\$4.272	\$4.272	(\$0.047)

Crude Oil Nymex Trading 10/14/10

Month	High	Low	Last	Change
Nov '10	\$82.690	\$82.690	\$82.690	(\$0.320)
Dec '10	\$83.360	\$83.360	\$83.360	(\$0.380)
Jan '11	\$84.040	\$84.040	\$84.040	(\$0.450)
Feb '11	\$84.590	\$84.590	\$84.590	(\$0.500)
Mar '11	\$85.060	\$85.060	\$85.060	(\$0.540)
Apr '11	\$85.460	\$85.460	\$85.460	(\$0.550)
May '11	\$85.810	\$85.810	\$85.810	(\$0.540)
Jun '11	\$86.130	\$86.130	\$86.130	(\$0.520)

October Indices

October Nymex - \$3.837
Columbia Gas Transmission- \$3.910
Dominion Transmission- \$3.910
*Indices are the first of the month Index as published by Inside F.E.R.C.'s Gas Market Report.

Natural Gas Nymex Strip Prices

Strip	High	Low	Last	Change
6 mo	\$4.097	\$4.094	\$4.099	(\$0.038)
12 mo	\$4.224	\$4.223	\$4.225	(\$0.043)
Winter 10 -11	\$4.079	\$4.076	\$4.082	(\$0.037)
Summer 11	\$4.328	\$4.328	\$4.328	(\$0.048)