



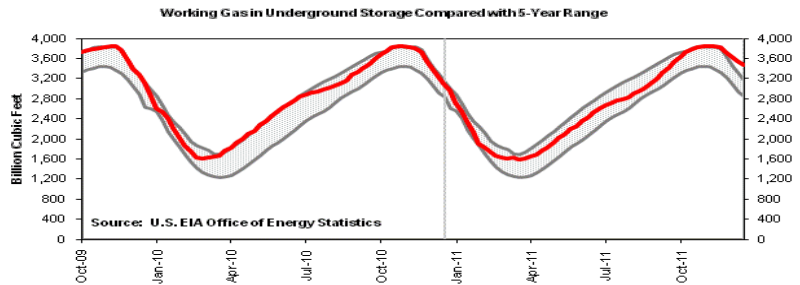
Market Update & Outlook



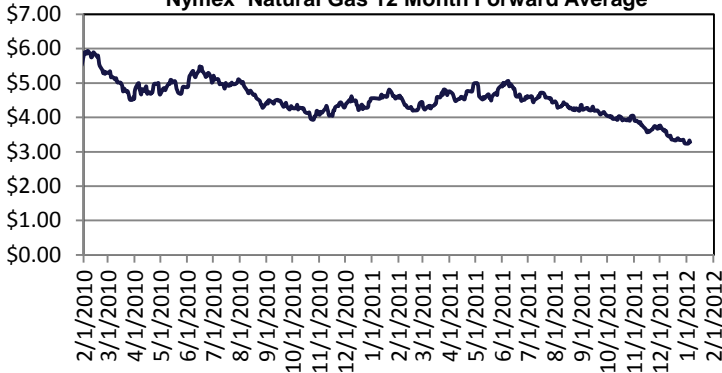
Weather:

- Dry and mild conditions for the majority of the region
- A light wintry mix of snow and ice northern New York to Maine where snow could accumulate up to 2 inches
- Still cold in Maine with highs in the teens
- Highs in the 30s and 40s northern New York and New England except Maine
- Highs in the 50s and 60s in the Mid-Atlantic

Storage to compare with 5 year range: Working gas in storage was 3,472 Bcf as of Friday, December 30, 2011, according to EIA estimates. This represents a net decline of 76 Bcf from the previous week. Stocks were 356 Bcf higher than last year at this time and 458 Bcf above the 5-year average of 3,014 Bcf. In the East Region, stocks were 193 Bcf above the 5-year average following net withdrawals of 62 Bcf.



Nymex Natural Gas 12 Month Forward Average



Market Watch: At the NYMEX, the February 2012 contract posted a small decline over the report week, falling from \$3.121 per MMBtu last Wednesday to \$3.096 per MMBtu yesterday. The contract price fell below \$3 per MMBtu over the Holiday weekend, but moved back above the \$3 per MMBtu benchmark yesterday. The 12-month strip (the average of the 12 contracts between February 2012 and January 2013) followed a slightly different pattern, declining only slightly during the week and rising overall for the week from \$3.348 per MMBtu last Wednesday to \$3.400 per MMBtu yesterday.

Check out our new website at www.rileynaturalgas.com

Natural Gas Nymex Trading 1/5/12

Month	High	Low	Last	Change
Feb'12	\$3.020	\$2.980	\$2.980	(\$0.116)
Mar'12	\$3.060	\$3.017	\$3.017	(\$0.110)
Apr'12	\$3.082	\$3.082	\$3.082	(\$0.103)
May'12	\$3.170	\$3.138	\$3.138	(\$0.100)
Jun'12	\$3.215	\$3.193	\$3.193	(\$0.096)
Jul'12	\$3.270	\$3.251	\$3.251	(\$0.095)
Aug'12	\$3.310	\$3.279	\$3.279	(\$0.097)
Sep'12	\$3.310	\$3.284	\$3.284	(\$0.098)

Crude Oil Nymex Trading 1/5/12

Month	High	Low	Last	Change
Feb'12	\$101.81	\$101.81	\$101.81	(\$1.41)
Mar'12	\$102.00	\$102.00	\$102.00	(\$1.40)
Apr'12	\$102.21	\$102.21	\$102.21	(\$1.39)
May'12	\$102.42	\$102.42	\$102.42	(\$1.36)
Jun'12	\$102.52	\$102.52	\$102.52	(\$1.30)
Jul'12	\$102.49	\$102.49	\$102.49	(\$1.22)
Aug'12	\$102.30	\$102.30	\$102.30	(\$1.17)
Sep'12	\$102.00	\$102.00	\$102.00	(\$1.13)

January Indices

January Nymex - \$3.084
 Columbia Gas Transmission- \$3.110
 Dominion Transmission- \$3.160
 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	\$3.136	\$3.110	\$3.110	(\$0.103)
12 mo	\$3.329	\$3.301	\$3.301	(\$0.099)
Summer 12	\$3.245	\$3.221	\$3.221	(\$0.098)
Winter 11 - 12	\$3.040	\$2.999	\$2.999	(\$0.113)