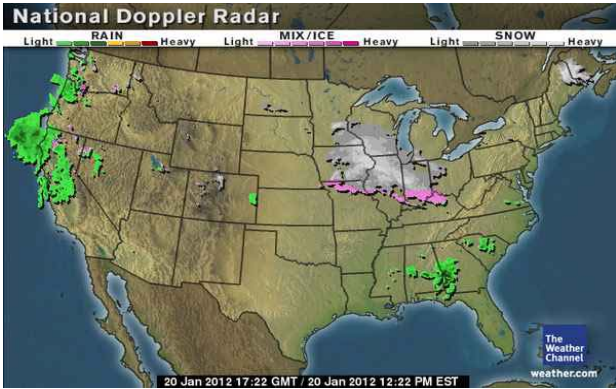




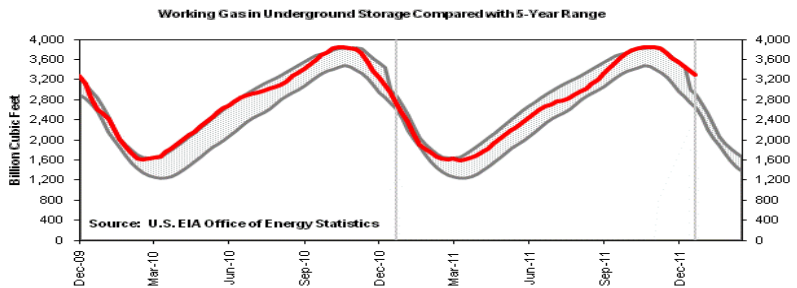
Market Update & Outlook



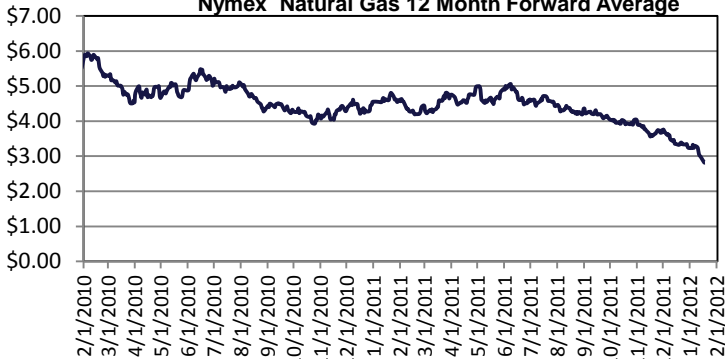
Weather:

A departing storm produces 1 to 3 inches of snow across Maine. Snow showers down wind of Lake Ontario should end late Friday afternoon with little additional accumulation. High temperatures only reach the 10s in northern New York and northern New England Friday. The remainder of the region should be mostly in the 20s and 30s with a few 40s in southern West Virginia and southern Virginia. Snow arrives from Pennsylvania to New England Friday night with an icy mix of freezing rain and rain across the Virginias. The snow continues through the Saturday with accumulations of 1 to 6 inches expected from Pennsylvania through central Maine. Big city predictions: 2-4" in New York City and Philadelphia and 1-2" in Boston. This could be the heaviest snowfall in those cities since the Snowtober storm in late October. The snow may end as a wintry mix of ice and rain from New York City southward Saturday afternoon

Storage to compare with 5 year range: Working gas in storage was 3,290 Bcf as of Friday, January 13, 2012, according to EIA estimates. This represents a net decline of 87 Bcf from the previous week. Stocks were 539 Bcf higher than last year at this time and 566 Bcf above the 5-year average of 2,724 Bcf. In the East Region, stocks were 224 Bcf above the 5-year average following net withdrawals of 61 Bcf.



Nymex Natural Gas 12 Month Forward Average



Market Watch: At the NYMEX, prices dropped to lows not seen in almost 10 years. The near-month (February 2012) futures contract fell from \$2.774 per MMBtu last Wednesday to \$2.472 yesterday. The 12-month strip, the average of the 12 contracts between February 2012 and January 2013, declined from \$3.114 per MMBtu last Wednesday to \$2.848 per MMBtu yesterday.

Check out our new website at www.rileynaturalgas.com

Natural Gas Nymex Trading 1/19/12

Month	High	Low	Last	Change
Feb'12	\$2.330	\$2.325	\$2.322	(\$0.150)
Mar'12	\$2.363	\$2.363	\$2.363	(\$0.153)
Apr'12	\$2.484	\$2.484	\$2.484	(\$0.130)
May'12	\$2.562	\$2.562	\$2.562	(\$0.125)
Jun'12	\$2.619	\$2.619	\$2.619	(\$0.121)
Jul'12	\$2.671	\$2.671	\$2.671	(\$0.121)
Aug'12	\$2.696	\$2.696	\$2.696	(\$0.122)
Sep'12	\$2.700	\$2.700	\$2.700	(\$0.122)

Crude Oil Nymex Trading 1/19/12

Month	High	Low	Last	Change
Feb'12	\$101.20	\$100.39	\$100.39	(\$0.20)
Mar'12	\$100.54	\$100.54	\$100.54	(\$0.22)
Apr'12	\$100.80	\$100.80	\$100.80	(\$0.18)
May'12	\$101.12	\$101.12	\$101.12	(\$0.11)
Jun'12	\$101.38	\$101.38	\$101.38	(\$0.06)
Jul'12	\$101.52	\$101.52	\$101.52	\$0.00
Aug'12	\$101.52	\$101.52	\$101.52	\$0.07
Sep'12	\$101.44	\$101.44	\$101.44	\$0.15

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	\$2.505	\$2.504	\$2.504	(\$0.133)
12 mo	\$2.720	\$2.720	\$2.719	(\$0.128)
Summer 12	\$2.639	\$2.639	\$2.639	(\$0.124)
Winter 11 - 12	\$2.347	\$2.344	\$2.343	(\$0.152)