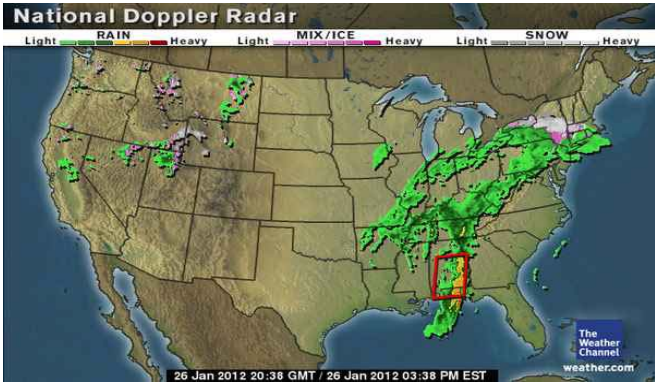




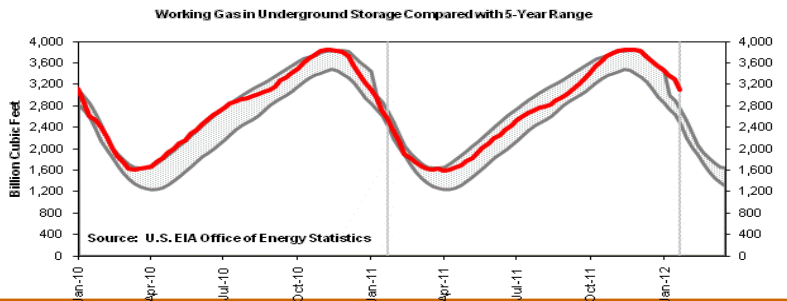
### Market Update & Outlook



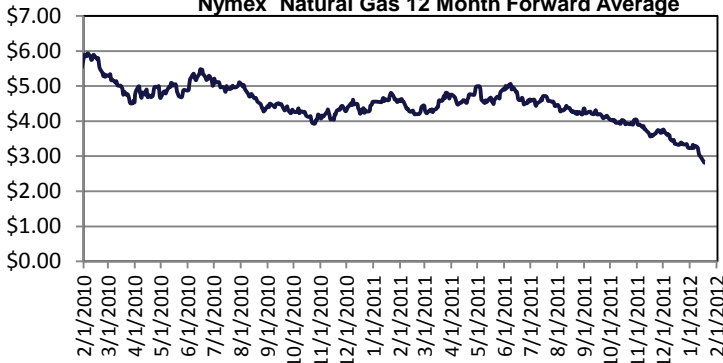
#### Weather:

- \* Rain is expected today and tonight for the Central Appalachians to the Mid-Atlantic Coast
- \* Daytime mix will change to rain by the evening for much of Pennsylvania, southern New York, and Southern New England
- \* A mix of precipitation types is expected overnight for eastern and northern New York and much of New England
- \* Winds should be on the increase across the region overnight as low pressure begins to move through the region
- \* Milder than average temperatures are expected across the region, ranging from the teens in northern Maine to the 60s in southern West Virginia

**Storage to compare with 5 year range:** Working gas in storage was 3,098 Bcf as of Friday, January 20, 2012, according to EIA estimates. This represents a net decline of 192 Bcf from the previous week. Stocks were 531 Bcf higher than last year at this time and 547 Bcf above the 5-year average of 2,551 Bcf. In the East Region, stocks were 202 Bcf above the 5-year average following net withdrawals of 122 Bcf.



#### Nymex Natural Gas 12 Month Forward Average



#### Market Watch: At the NYMEX, prices increased over the week.

The near-month (February 2012) futures contract, which expires Monday, increased from 2.472 per MMBtu last Wednesday to \$2.729 per MMBtu yesterday, an increase of slightly over 10 percent. The March 2012 contract, which will move into the near-month position when the February contract expires on

Monday, also increased by slightly over 10 percent, moving from 2.516 per MMBtu last Wednesday to 2.769 per MMBtu yesterday. The 12-month strip, the average of the 12 contracts between February 2012 and January 2013, increased from \$2.848 per MMBtu last Wednesday to \$3.120 per MMBtu yesterday, an increase of slightly less than 10 percent.

Check out our new website at [www.rileynaturalgas.com](http://www.rileynaturalgas.com)

#### Natural Gas Nymex Trading 1/26/12

Month	High	Low	Last	Change
Feb'12	\$2.690	\$2.581	\$2.605	(\$0.124)
Mar'12	\$2.700	\$2.654	\$2.654	(\$0.115)
Apr'12	\$2.772	\$2.772	\$2.772	(\$0.103)
May'12	\$2.852	\$2.852	\$2.852	(\$0.104)
Jun'12	\$2.965	\$2.922	\$2.922	(\$0.103)
Jul'12	\$3.025	\$2.980	\$2.980	(\$0.103)
Aug'12	\$3.055	\$3.007	\$3.007	(\$0.105)
Sep'12	\$3.014	\$3.014	\$3.014	(\$0.103)

#### Crude Oil Nymex Trading 1/26/12

Month	High	Low	Last	Change
Mar'12	\$99.70	\$99.70	\$99.70	\$0.30
Apr'12	\$100.04	\$100.04	\$100.04	\$0.31
May'12	\$100.42	\$100.42	\$100.42	\$0.34
Jun'12	\$100.73	\$100.73	\$100.73	\$0.35
Jul'12	\$100.94	\$100.94	\$100.94	\$0.36
Aug'12	\$101.04	\$101.04	\$101.04	\$0.37
Sep'12	\$101.08	\$101.08	\$101.08	\$0.38
Oct'12	\$101.10	\$101.10	\$101.10	\$0.40

#### 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	\$2.834	\$2.794	\$2.798	(\$0.109)
12 mo	\$3.040	\$3.012	\$3.014	(\$0.106)
Summer 12	\$2.970	\$2.944	\$2.944	(\$0.103)
Winter 11 - 12	\$2.695	\$2.618	\$2.630	(\$0.120)