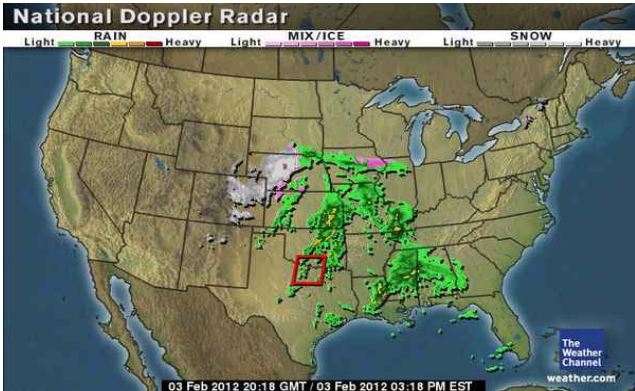




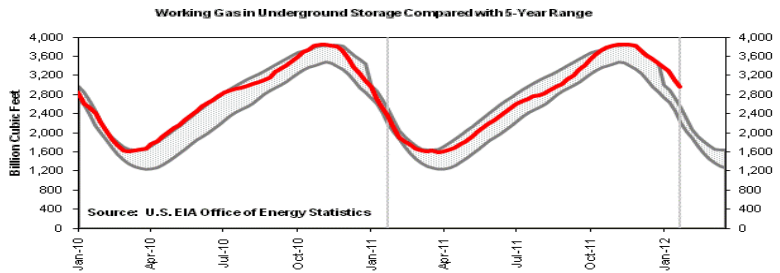
Market Update & Outlook



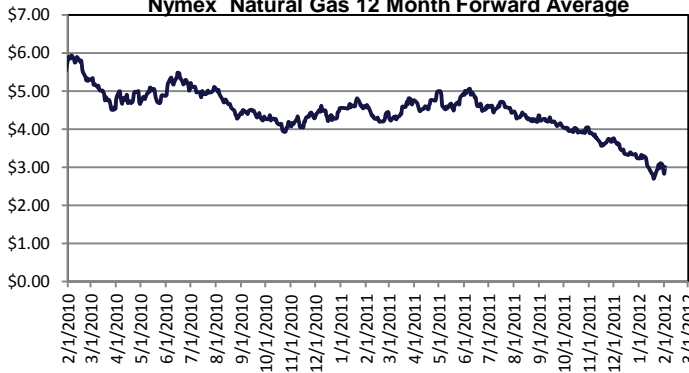
Weather:

- High pressure dominates most of the region the next two days keeping it dry.
- A few light flurries or snow showers are possible in northern New York and northern Vermont today.
- Showers from the Rockies snowstorm ooze into West Virgin and southern Virginia Saturday.
- The mild winter temperatures continue with the majority of the region running 5 to 15 degrees above average today and Saturday.
- Highs range from the 10s and 20s in northern New York and northern New England to the 50s across the Virginias.

Storage to compare with 5 year range: Working gas in storage was 2,966 Bcf as of Friday, January 27, 2012, according to EIA estimates. This represents a net decline of 132 Bcf from the previous week. Stocks were 586 Bcf higher than last year at this time and 601 Bcf above the 5-year average of 2,365 Bcf. In the East Region, stocks were 218 Bcf above the 5-year average following net withdrawals of 100 Bcf.



Nymex Natural Gas 12 Month Forward Average



Market Watch: At the New York Mercantile Exchange, the price of the March 2012 natural gas contract declined from \$2.769 per MMBtu last Wednesday to \$2.382 per MMBtu yesterday. The March 2012 contract moved into the near-month position as February 2012 expired on January 27 at \$2.678 per MMBtu. While still low compared to recent years, the February contract eked out some gains during its last week of trading.

Check out our new website at www.rileynaturalgas.com

Natural Gas Nymex Trading 2/2/12

Month	High	Low	Last	Change
Mar'12	\$2.554	\$2.554	\$2.554	\$0.172
Apr'12	\$2.715	\$2.715	\$2.715	\$0.180
May'12	\$2.819	\$2.660	\$2.819	\$0.181
Jun'12	\$2.900	\$2.735	\$2.900	\$0.186
Jul'12	\$2.967	\$2.800	\$2.967	\$0.188
Aug'12	\$2.998	\$2.830	\$2.998	\$0.191
Sep'12	\$3.010	\$2.845	\$3.010	\$0.193
Oct'12	\$3.054	\$2.890	\$3.054	\$0.190

Crude Oil Nymex Trading 2/2/12

Month	High	Low	Last	Change
Mar'12	\$96.36	\$96.36	\$96.36	(\$1.25)
Apr'12	\$96.74	\$96.74	\$96.74	(\$1.25)
May'12	\$97.17	\$97.17	\$97.17	(\$1.24)
Jun'12	\$97.57	\$97.57	\$97.57	(\$1.22)
Jul'12	\$97.91	\$97.91	\$97.91	(\$1.17)
Aug'12	\$98.16	\$98.16	\$98.16	(\$1.11)
Sep'12	\$98.39	\$98.39	\$98.39	(\$1.04)
Oct'12	\$98.60	\$98.60	\$98.60	(\$0.98)

February Indices

February Nymex - \$2.678
 Columbia Gas Transmission- \$2.660
 Dominion Transmission- \$2.640
 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	\$2.826	\$2.716	\$2.826	\$0.183
12 mo	\$3.078	\$2.958	\$3.078	\$0.183
Summer 12	\$2.923	\$2.782	\$2.923	\$0.187
Winter 11 - 12	\$2.554	\$2.554	\$2.554	\$0.172