



### Market Update & Outlook

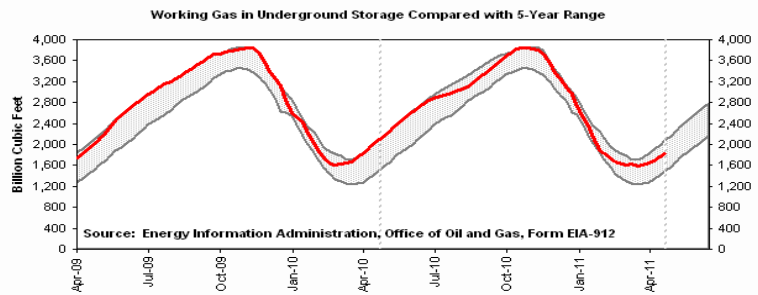


**Weather:** Rain is expected region-wide Monday and Monday night, with some thunderstorms possible along the coast. Locally heavy rainfall can also be expected, most notably in Northern New England. Some coastal flooding can be expected around high tide, most notably between Long Island and the Delmarva Peninsula. Breezy conditions are possible at times as well, most notably in the Mid-Atlantic. Cooler than average temperatures are expected region-wide, with the greatest departures in the interior and northern parts of New York & New England.

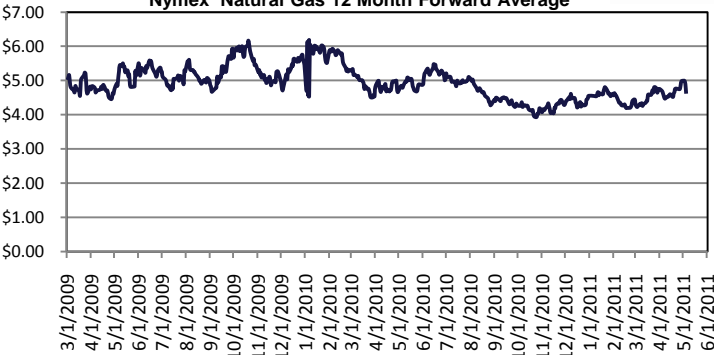


**Did You Know?** The United States consumes about one-third of the world's natural gas output, making it the largest gas-consuming region in the world. The U.S. Department of Energy's Energy Information Administration forecasts that natural gas demand will grow by more than 50 percent by 2025.

**Storage to compare with 5 year range:** Working gas in storage was 1,827 Bcf as of Friday, May 6, 2011, according to EIA estimates. This represents a net increase of 70 Bcf from the previous week. Stocks were 249 Bcf less than last year at this time and 37 Bcf below the 5-year average of 1,864 Bcf. In the East Region, stocks were 110 Bcf below the 5-year average following net injections of 41 Bcf.



Nymex Natural Gas 12 Month Forward Average



**Market Watch:** The NYMEX price dropped almost 9 percent, falling from \$4.577 per MMBtu last Wednesday to \$4.181 yesterday. The largest daily decline occurred Thursday, when prices dropped almost \$0.32 from their Wednesday close. The 12-month strip (the average price of all of the natural gas futures contracts from June 2011 to May 2012) fell from \$4.898 per MMBtu last Wednesday to \$4.545 per MMBtu yesterday.

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

#### Natural Gas Nymex Trading 5/12/11

Month	High	Low	Last	Change
Jun '11	\$4.150	\$4.150	\$4.194	\$0.013
Jul '11	\$4.256	\$4.256	\$4.256	\$0.015
Aug '11	\$4.300	\$4.300	\$4.300	\$0.016
Sep '11	\$4.325	\$4.325	\$4.325	\$0.017
Oct '11	\$4.335	\$4.335	\$4.376	\$0.018
Nov '11	\$4.551	\$4.551	\$4.551	\$0.022
Dec '11	\$4.774	\$4.774	\$4.774	\$0.026
Jan '12	\$4.890	\$4.845	\$4.891	\$0.025

#### Crude Oil Nymex Trading 5/12/11

Month	High	Low	Last	Change
Jun '11	\$98.97	\$98.97	\$98.97	\$0.76
Jul '11	\$99.48	\$99.48	\$99.48	\$0.71
Aug '11	\$98.60	\$98.60	\$99.85	\$0.73
Sep '11	\$98.80	\$98.80	\$100.14	\$0.77
Oct '11	\$100.32	\$100.32	\$100.32	\$0.81
Nov '11	\$100.42	\$100.42	\$100.42	\$0.84
Dec '11	\$100.46	\$100.46	\$100.46	\$0.84
Jan '12	\$100.44	\$100.44	\$100.44	\$0.85

#### May Indices

May Nymex - \$4.377  
Columbia Gas Transmission- \$4.500  
Dominion Transmission- \$4.560  
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	\$4.320	\$4.320	\$4.334	\$0.017
12 mo	\$4.558	\$4.551	\$4.566	\$0.021
Summer 11	\$4.273	\$4.273	\$4.290	\$0.016
Winter 11 - 12	\$4.782	\$4.765	\$4.784	\$0.025