



Market Update & Outlook

National Doppler Radar



Weather: -Showers and thunderstorms are likely in eastern New York, central and eastern Pennsylvania, western New England, most of Maryland and Virginia - Lighter showers expected in western New York, western Pennsylvania and West Virginia

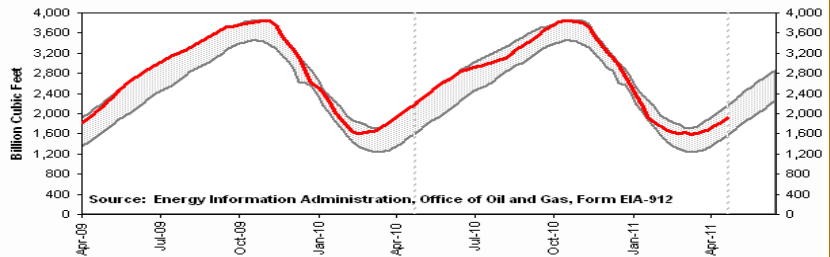
- During the day the heaviest rain will be in central New York and eastern Pennsylvania, but most rain amounts will be under one inch
- Temperatures are forecast to be within 5 degrees of average over the entire region
- The remainder of the region should be near to slightly below average



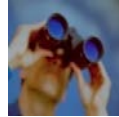
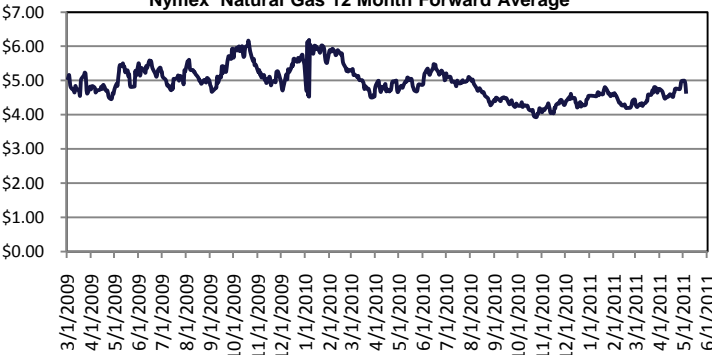
Did You Know? Both oil and natural gas were discovered in western Virginia by the first explorers in the mid-1700s. George Washington acquired 250 acres in what is now West Virginia because it contained an oil and gas spring. This was in 1771, making the father of our country the first industry speculator.

Storage to compare with 5 year range: Working gas in storage was 1,919 Bcf as of Friday, May 13, 2011, according to EIA estimates. This represents a net increase of 92 Bcf from the previous week. Stocks were 235 Bcf less than last year at this time and 36 Bcf below the 5-year average of 1,955 Bcf. In the East Region, stocks were 109 Bcf below the 5-year average following net injections of 56 Bcf.

Working Gas in Underground Storage Compared with 5-Year Range



Nymex Natural Gas 12 Month Forward Average



Market Watch: At the NYMEX, the price of the June 2011 contract increased a token 1.7 cents (0.4 percent) over the week from \$4.181 per MMBtu last Wednesday to \$4.198 per MMBtu yesterday despite peaking on Monday, likely over concerns of possible production curtailments arising from lower Mississippi River area flooding. The NYMEX price rose in 4 of the past 5 trading sessions and is apparently now focusing on hopes of warmer weather next week and reversing the decline in recent consumption levels.

Check out our new website at www.rileynaturalgas.com

Natural Gas Nymex Trading 5/19/11

| Month | High | Low | Last | Change |
|---------|---------|---------|---------|-----------|
| Jun '11 | \$4.090 | \$4.090 | \$4.094 | (\$0.104) |
| Jul '11 | \$4.161 | \$4.161 | \$4.161 | (\$0.105) |
| Aug '11 | \$4.214 | \$4.214 | \$4.214 | (\$0.102) |
| Sep '11 | \$4.244 | \$4.244 | \$4.244 | (\$0.100) |
| Oct '11 | \$4.294 | \$4.294 | \$4.294 | (\$0.099) |
| Nov '11 | \$4.467 | \$4.467 | \$4.467 | (\$0.095) |
| Dec '11 | \$4.725 | \$4.725 | \$4.693 | (\$0.093) |
| Jan '12 | \$4.845 | \$4.845 | \$4.814 | (\$0.089) |

Crude Oil Nymex Trading 5/19/11

| Month | High | Low | Last | Change |
|---------|----------|----------|----------|----------|
| Jun '11 | \$98.44 | \$98.44 | \$98.44 | (\$1.66) |
| Jul '11 | \$98.93 | \$98.93 | \$98.93 | (\$1.63) |
| Aug '11 | \$99.32 | \$99.32 | \$99.32 | (\$1.57) |
| Sep '11 | \$99.67 | \$99.67 | \$99.67 | (\$1.49) |
| Oct '11 | \$99.93 | \$99.93 | \$99.93 | (\$1.40) |
| Nov '11 | \$100.12 | \$100.12 | \$100.12 | (\$1.32) |
| Dec '11 | \$100.28 | \$100.28 | \$100.28 | (\$1.24) |
| Jan '12 | \$100.34 | \$100.34 | \$100.34 | (\$1.18) |

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 | \$4.245 | \$4.245 | \$4.246 | (\$0.101) |
| 12 mo | \$4.490 | \$4.490 | \$4.485 | (\$0.095) |
| Summer 11 | \$4.201 | \$4.201 | \$4.201 | (\$0.102) |
| Winter 11 - 12 | \$4.719 | \$4.719 | \$4.706 | (\$0.091) |