



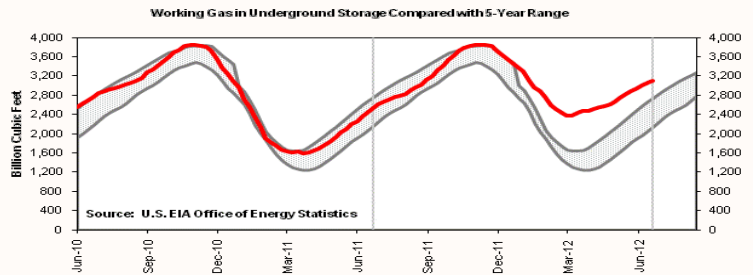
Market Update & Outlook



Weather:

- Scattered showers and thunderstorms target the Virginias Sunday through Tuesday.
- A few severe storms are possible across southern Virginia.
- A stray shower or thunderstorm is possible over the remainder of the Mid-Atlantic.
- Dry weather is on tap for New York and New England.
- Lows will range from the upper 40s and 50s nearer the Canadian border to the middle 70s in eastern Virginia.
- With temperatures near average for the most part, highs will range from the 70s and low 80s north to mainly the 80s south.

Storage to compare with 5 year range: Working gas in storage was 3,102 Bcf as of Friday, June 29, 2012, according to EIA estimates. This represents a net increase of 39 Bcf from the previous week. Stocks were 602 Bcf higher than last year at this time and 573 Bcf above the 5-year average of 2,529 Bcf. In the East Region, stocks were 268 Bcf above the 5-year average following net injections of 35 Bcf.



Nymex Natural Gas 12 Month Forward Average



Market Watch: At the NYMEX, the July 2012 contract, which expired yesterday, ended the week higher, rising from \$2.517 per MMBtu last Wednesday to \$2.774 per MMBtu yesterday, an increase of 10.2 percent. Prices rose every day to close 25.7 cents per MMBtu higher, reflecting, in part, an anticipated return to above-normal temperatures for several parts of the nation. The August contract, which moves into the near-month position today, rose from \$2.555 per MMBtu last Wednesday to \$2.798 per MMBtu yesterday. The 12-Month Strip (average of July 2012 to June 2013 contracts) rose every day of the reporting period before dipping yesterday, closing at \$3.207 per MMBtu, up 14.8 cents per MMBtu (4.8 percent) for the week.

Check out our new website at www.rileynaturalgas.com

Natural Gas Nymex Trading 7/5/12

Month	High	Low	Last	Change
Aug '12	\$2.945	\$2.905	\$2.945	\$0.046
Sep '12	\$2.950	\$2.950	\$2.950	\$0.039
Oct '12	\$2.990	\$2.990	\$2.990	\$0.035
Nov '12	\$3.209	\$3.209	\$3.209	\$0.032
Dec '12	\$3.448	\$3.448	\$3.448	\$0.019
Jan '13	\$3.583	\$3.575	\$3.583	\$0.009
Feb '13	\$3.593	\$3.585	\$3.593	\$0.018

Crude Oil Nymex Trading 7/5/12

Month	High	Low	Last	Change
Aug '12	\$87.22	\$87.22	\$87.22	(\$0.44)
Sep '12	\$87.57	\$87.57	\$87.57	(\$0.46)
Oct '12	\$87.94	\$87.94	\$87.94	(\$0.45)
Nov '12	\$88.37	\$88.37	\$88.37	(\$0.43)
Dec '12	\$88.82	\$88.82	\$88.82	(\$0.40)
Jan '13	\$89.26	\$89.26	\$89.26	(\$0.36)
Feb '13	\$89.62	\$89.62	\$89.62	(\$0.32)

July Indices

July Nymex - \$2.7740
 Columbia Gas Transmission- \$2.750
 Dominion Transmission- \$2.740
 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	\$3.188	\$3.180	\$3.188	\$0.030
12 mo	\$3.379	\$3.374	\$3.379	\$0.022
Summer 12	\$2.962	\$2.948	\$2.962	\$0.040
Winter 12	\$3.479	\$3.476	\$3.479	\$0.019