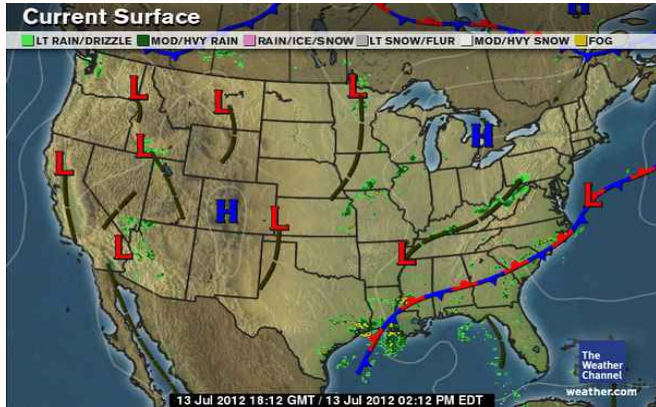




Riley Natural Gas Company

Energy Commodities Update For Close of Business July 12, 2012

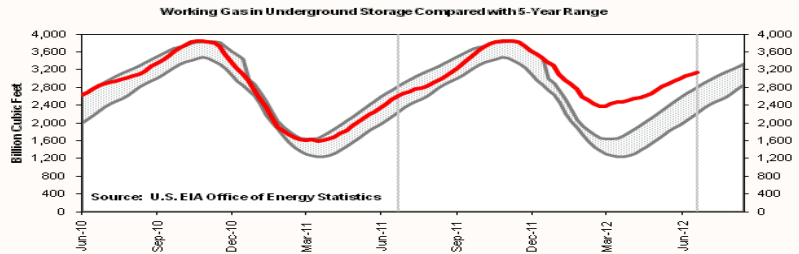
Market Update & Outlook



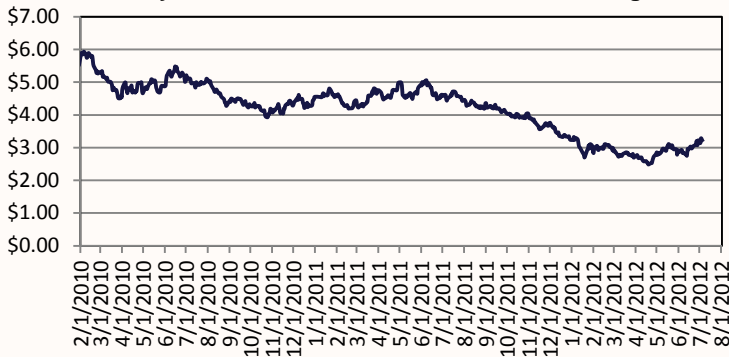
Weather:

- ❖ Increasing showers and thunderstorms in the Mid-Atlantic and Appalachians. Much of New England will stay sunny and dry.
- ❖ Poor air quality expected in parts of New England, New York, and all of New Jersey
- ❖ Hotter than average temperatures expected for New York and New England.
- ❖ Cooler than average temperatures expected in parts of West Virginia with clouds and rain.
- ❖ Highs will range from the 70s in West Virginia to the 80s and 90s in New York and much of New England.

Storage to compare with 5 year range: Working gas in storage was 3,135 Bcf as of Friday, July 6, 2012, according to EIA estimates. This represents a net increase of 33 Bcf from the previous week. Stocks were 548 Bcf higher than last year at this time and 516 Bcf above the 5-year average of 2,619 Bcf. In the East Region, stocks were 229 Bcf above the 5-year average following net injections of 20 Bcf.



Nymex Natural Gas 12 Month Forward Average



Market Watch: The July NYMEX price expired on June 27 at \$2.774 per MMBtu, having gained 35.6 cents per MMBtu during its tenure as the near-month contract. Since the August contract has moved into the near-month position, it has gained about 5.5 cents per MMBtu. The 12-month strip (the average of the 12 contracts between August 2012 and July 2013) is currently at \$3.311 per MMBtu. Contracts through October remain below \$3 per MMBtu.

Check out our new website at www.rileynaturalgas.com

Natural Gas Nymex Trading 7/12/12

Month	High	Low	Last	Change
Aug'12	\$2.874	\$2.830	\$2.874	\$0.021
Sep'12	\$2.869	\$2.869	\$2.869	\$0.032
Oct'12	\$2.894	\$2.894	\$2.894	\$0.028
Nov'12	\$3.112	\$3.112	\$3.112	\$0.018
Dec'12	\$3.392	\$3.392	\$3.392	\$0.020
Jan'13	\$3.538	\$3.538	\$3.538	\$0.021
Feb'13	\$3.555	\$3.555	\$3.555	\$0.022
Mar'13	\$3.526	\$3.526	\$3.526	\$0.019

Crude Oil Nymex Trading 7/12/12

Month	High	Low	Last	Change
Aug'12	\$86.08	\$86.08	\$86.08	\$0.27
Sep'12	\$86.46	\$86.46	\$86.46	\$0.27
Oct'12	\$86.80	\$86.80	\$86.80	\$0.24
Nov'12	\$87.22	\$87.22	\$87.22	\$0.20
Dec'12	\$87.73	\$87.73	\$87.73	\$0.19
Jan'13	\$88.23	\$88.23	\$88.23	\$0.21
Feb'13	\$88.60	\$88.60	\$88.60	\$0.21
Mar'13	\$88.88	\$88.88	\$88.88	\$0.22

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	\$3.113	\$3.106	\$3.113	\$0.023
12 mo	\$3.331	\$3.327	\$3.331	\$0.020
Summer 12	\$2.879	\$2.864	\$2.879	\$0.027
Winter 12	\$3.425	\$3.425	\$3.425	\$0.020