



Market Update & Outlook

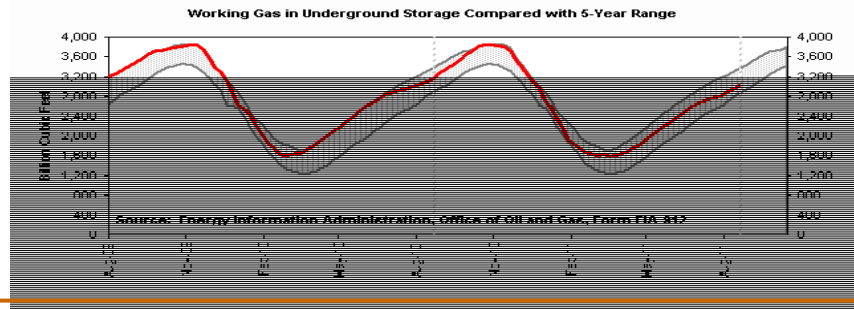
National Doppler Radar



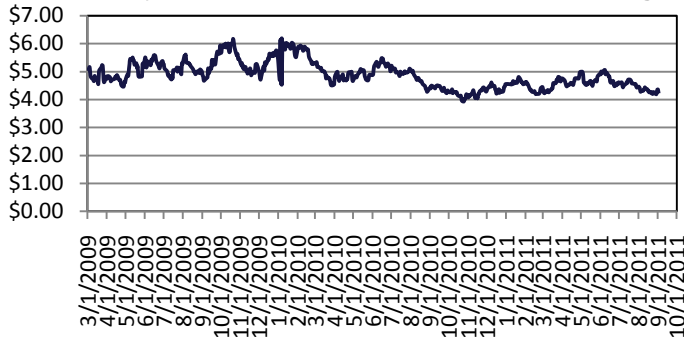
Weather:

- * Showers and thunderstorms possible in the Central Appalachians and Mid-Atlantic
- * Some locally heavy rainfall cannot be ruled out
- * Swells from distant Hurricane Katia will enhance the threat of rip currents along the coast
- * In dry areas of New England and New York, warmer than average temperatures can be expected
- * Highs will mostly be in the 70s & 80s, with 60s in higher elevations

Storage to compare with 5 year range: Working gas in storage was 3,025 Bcf as of Friday, September 2, 2011, according to EIA estimates. This represents a net increase of 64 Bcf from the previous week. Stocks were 131 Bcf less than last year at this time and 60 Bcf below the 5-year average of 3,085 Bcf. In the East Region, stocks were 96 Bcf below the 5-year average following net injections of 58 Bcf.



Nymex Natural Gas 12 Month Forward Average



Market Watch: The October 2011 contract fell from **\$4.054 per MMBtu** last Wednesday to **\$3.940 per MMBtu** yesterday. After dropping 17.8 cents last Friday to a low for the week of \$3.872 per MMBtu, yesterday's \$3.940 per MMBtu close represented a rebound of 2 percent from Friday's low as the market evaluated whether Lee-related shut-ins and the threat imposed by Tropical Storm Nate, among other factors, were significant enough to move prices back to the \$4 and above range. The 12-month strip (the average of the 12 contracts between October 2011 and September 2012) dropped from \$4.431 on August 31 to \$4.318 yesterday.

Check out our new website at www.rileynaturalgas.com

Natural Gas Nymex Trading 09/08/11

Month	High	Low	Last	Change
Oct '11	\$3.980	\$3.980	\$3.980	\$0.040
Nov '11	\$4.068	\$4.068	\$4.068	\$0.023
Dec '11	\$4.265	\$4.265	\$4.265	\$0.014
Jan '12	\$4.380	\$4.370	\$4.379	\$0.005
Feb '12	\$4.390	\$4.385	\$4.393	\$0.009
Mar '12	\$4.360	\$4.360	\$4.365	\$0.012
Apr '12	\$4.335	\$4.325	\$4.338	\$0.012
May '12	\$4.365	\$4.365	\$4.365	\$0.010

Crude Oil Nymex Trading 09/08/11

Month	High	Low	Last	Change
Oct '11	\$89.050	\$89.050	\$89.050	(\$0.290)
Nov '11	\$89.230	\$89.230	\$89.230	(\$0.320)
Dec '11	\$89.490	\$89.490	\$89.490	(\$0.370)
Jan '12	\$89.700	\$89.700	\$89.700	(\$0.440)
Feb '12	\$89.920	\$89.920	\$89.920	(\$0.470)
Mar '12	\$90.130	\$90.130	\$90.130	(\$0.490)
Apr '12	\$90.320	\$90.320	\$90.320	(\$0.510)
May '12	\$90.510	\$90.510	\$90.510	(\$0.510)

September Indices

September Nymex - \$3.857
Columbia Gas Transmission- \$ 3.900
Dominion Transmission- \$3.900
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	\$4.241	\$4.238	\$4.242	\$0.017
12 mo	\$4.331	\$4.329	\$4.332	\$0.014
Summer 11	\$3.980	\$3.980	\$3.980	\$0.040
Winter 11 - 12	\$4.293	\$4.290	\$4.294	\$0.013