



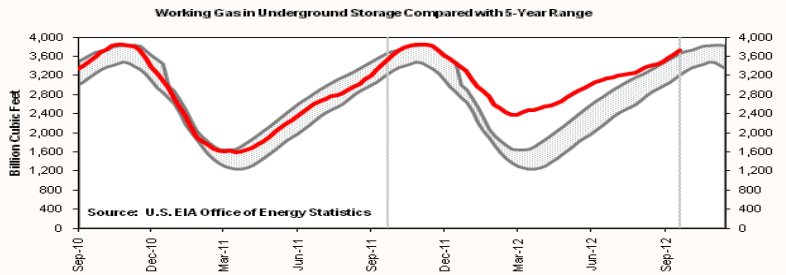
Market Update & Outlook



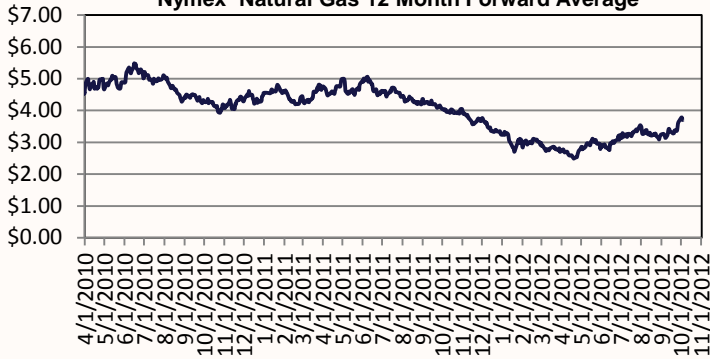
Weather:

A band of showers across New England should quickly come to an end through the day as colder and drier air moves in behind a frontal boundary. By tonight, dry and cold weather is expected across the region with a hard freeze possible through interior New England. Areas of frost possible along the I-95 corridor from Boston to New York City. Cool afternoon highs are expected today across the region, with highs ranging from around 40 in northern Maine to the mid 60s near Chesapeake Bay.

Storage to compare with 5 year range: Working gas in storage was 3,725 Bcf as of Friday, October 5, 2012, according to EIA estimates. This represents a net increase of 72 Bcf from the previous week. Stocks were 236 Bcf higher than last year at this time and 269 Bcf above the 5-year average of 3,456 Bcf. In the East Region, stocks were 67 Bcf above the 5-year average following net injections of 42 Bcf.



Nymex Natural Gas 12 Month Forward Average



Market Watch: The NYMEX futures price increased modestly, Henry Hub spread widens by end of week.

The NYMEX November futures price rose from \$3.395 per MMBtu last Wednesday to \$3.475 per MMBtu yesterday. The futures price closed at \$3.396 per MMBtu on Friday, a spread of 14 cents over the Henry Hub daily spot price. At the close of trading yesterday, the NYMEX spread over the Henry Hub daily spot price was 22 cents, 58.1 percent higher than on Friday, and 16.2 percent above the spread from the previous Wednesday (October 3). The 12-Month Strip (average of November 2012 to October 2013 contracts) gained 12 cents per MMBtu, starting at \$3.771 per MMBtu last Wednesday and landing at \$3.890 per MMBtu yesterday.

Check out our new website at www.rileynaturalgas.com

Natural Gas Nymex Trading 10/11/12

Month	High	Low	Last	Change
Nov '12	\$3.604	\$3.604	\$3.604	\$0.129
Dec '12	\$3.900	\$3.900	\$3.900	\$0.117
Jan '13	\$4.030	\$4.030	\$4.030	\$0.107
Feb '13	\$4.040	\$4.035	\$4.040	\$0.103
Mar '13	\$3.994	\$3.980	\$3.994	\$0.088
Apr '13	\$3.940	\$3.940	\$3.940	\$0.070
May '13	\$3.959	\$3.959	\$3.959	\$0.066
Jun '13	\$3.993	\$3.993	\$3.993	\$0.063

Crude Oil Nymex Trading 10/11/12

Month	High	Low	Last	Change
Nov '12	\$91.25	\$91.25	\$91.25	(\$1.14)
Dec '12	\$91.64	\$91.64	\$91.64	(\$1.14)
Jan '13	\$92.11	\$92.11	\$92.11	(\$1.14)
Feb '13	\$92.58	\$92.58	\$92.58	(\$1.14)
Mar '13	\$93.00	\$93.00	\$93.00	(\$1.13)
Apr '13	\$93.30	\$93.30	\$93.30	(\$1.09)
May '13	\$93.54	\$93.54	\$93.54	(\$1.03)
Jun '13	\$93.70	\$93.70	\$93.70	(\$0.98)

October Indices

October Nymex - \$3.023
Columbia Gas Transmission- \$3.010
Dominion Transmission- \$2.960
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	\$3.918	\$3.915	\$3.918	\$0.102
12 mo	\$3.973	\$3.972	\$3.973	\$0.083
Summer 13	\$4.016	\$4.016	\$4.016	\$0.064
Winter 12-13	\$3.914	\$3.910	\$3.914	\$0.109