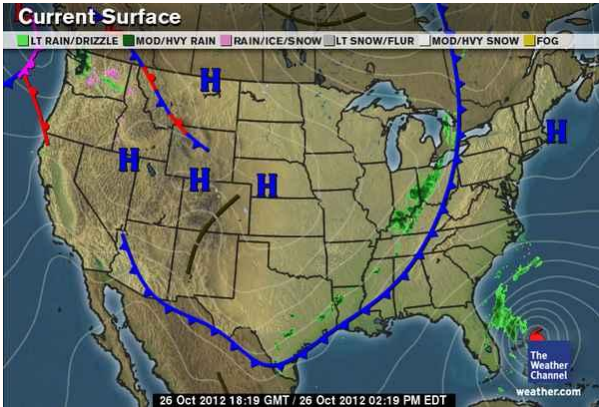


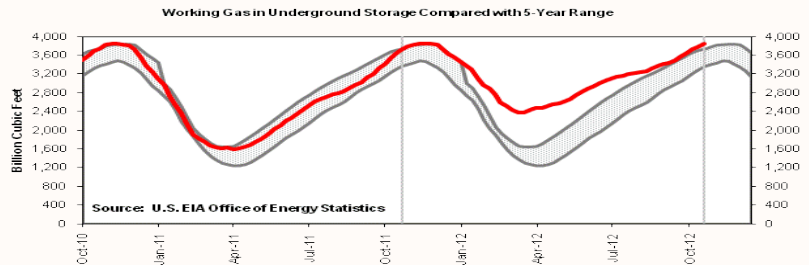


Market Update & Outlook

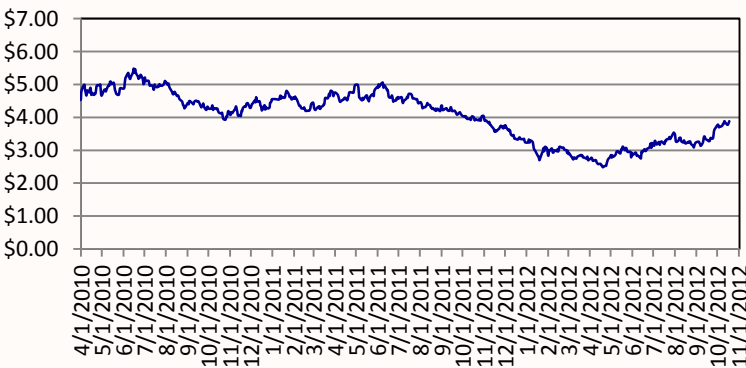


Weather: - Mostly fair conditions dominate but showers move into the eastern Great Lakes late today and Saturday.
 -Much warmer temperatures with highs in the 70s across the Mid-Atlantic
 -Significant impacts from Hurricane Sandy expected Sunday night through Tuesday.
 -Sandy will move toward the East Coast Sunday night and Monday. Severe impacts are likely across a wide area including massive power outages and property damage from wind and downed trees, widespread loss of power, major transportation disruptions, flooding and even some inland snow.
 -Significant impacts are also likely inland, perhaps back to the eastern Gt.Lakes.
 -Things will wind down slowly middle and end of the week.

Storage to compare with 5 year range: Working gas in storage was 3,843 Bcf as of Friday, October 19, 2012, according to EIA estimates. This represents a net increase of 67 Bcf from the previous week. Stocks were 153 Bcf higher than last year at this time and 251 Bcf above the 5-year average of 3,592 Bcf. In the East Region, stocks were 44 Bcf above the 5-year average following net injections of 28 Bcf.



Nymex Natural Gas 12 Month Forward Average



Market Watch: The NYMEX futures price decreased slightly week-on-week, closing close to spot prices.

The NYMEX price fell 2 cents per MMBtu, from \$3.470 per MMBtu last Wednesday to \$3.450 per MMBtu yesterday. The futures price began the week 23 cents per MMBtu above the Henry Hub price, and closed to just 2 cents per MMBtu above it as of yesterday. The 12-Month Strip (Average of November 2012 to October 2013 contracts) also fell, dropping 4.7 cents per MMBtu over the report period and ending the week at \$3.861 per MMBtu.

Check out our new website at www.rileynaturalgas.com

Natural Gas Nymex Trading 10/25/12

Month	High	Low	Last	Change
Nov '12	\$3.434	\$3.434	\$3.434	(\$0.016)
Dec '12	\$3.781	\$3.781	\$3.781	\$0.005
Jan '13	\$3.910	\$3.880	\$3.910	\$0.010
Feb '13	\$3.922	\$3.922	\$3.922	\$0.012
Mar '13	\$3.890	\$3.890	\$3.890	\$0.015
Apr '13	\$3.857	\$3.857	\$3.857	\$0.020
May '13	\$3.882	\$3.882	\$3.882	\$0.022
Jun '13	\$3.919	\$3.919	\$3.919	\$0.023

Crude Oil Nymex Trading 10/25/12

Month	High	Low	Last	Change
Dec'12	\$86.05	\$86.05	\$86.05	\$0.32
Jan'13	\$86.60	\$86.60	\$86.60	\$0.31
Feb'13	\$87.15	\$87.15	\$87.15	\$0.31
Mar'13	\$87.66	\$87.66	\$87.66	\$0.32
Apr'13	\$88.06	\$88.06	\$88.06	\$0.33
May'13	\$88.39	\$88.39	\$88.39	\$0.36
Jun'13	\$88.63	\$88.63	\$88.63	\$0.37
Jul'13	\$88.80	\$88.80	\$88.80	\$0.40

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	\$3.799	\$3.794	\$3.799	\$0.008
12 mo	\$3.878	\$3.875	\$3.878	\$0.016
Summer 13	\$3.942	\$3.942	\$3.942	\$0.024
Winter 12-13	\$3.787	\$3.781	\$3.787	\$0.005