



News Tracker:

-Natural gas spot prices increased at most locations this Report Week (Wednesday, April 6, to Wednesday, April 13). The Henry Hub spot price started the Report Week from \$1.86 per million British thermal units (MMBtu) and closed the Report Week at \$1.98/MMBtu.

-At the New York Mercantile Exchange (Nymex), the May 2016 natural gas futures contract rose over the Report Week from \$1.911/MMBtu last April 6th to \$2.036/MMBtu on April 13th.

-Net natural gas withdrawals from working gas storage totaled 3 billion cubic feet (Bcf) for the week ending April 8. These withdrawals contrast with the five-year (2011-15) average net injection of 22 Bcf and last year's net injection 49 Bcf during the storage report week the first full week of the injection season, which traditionally begins on April 1. Working gas stocks are 2,477 Bcf, which is 62.9% above the year-ago level and 52.1% above the five-year (2011-15) average for this week. Temperatures in the Lower 48 states averaged 50°F during the report week, 1% higher than normal and 6% below last year at this time. However, temperatures were significantly less than normal in key heating demand regions of the country, including the Northeast, Middle Atlantic, and East and West South Central U.S. Census regions, which roughly coincide with the East and Midwest storage regions, which saw gas storage withdrawals.

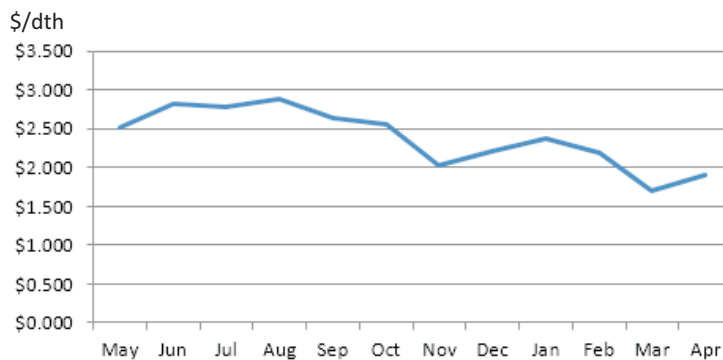
-For the week ending April 8, the natural gas rig count rose by 1 to 89, according to Baker Hughes data, and oil-directed rigs fell by 8, to 354. The total rig count fell by 7, and now stands at 443.

-The natural gas plant liquids (NGPL) composite price at Mont Belvieu, Texas, decreased by 1.6% to \$4.39/MMBtu for the week ending Friday, April 8. The prices of ethane, propane, and natural gasoline fell by 1.2%, 2.3%, and 2.6%, respectively. The price of butane rose 0.3%, and isobutane remained flat week over week.

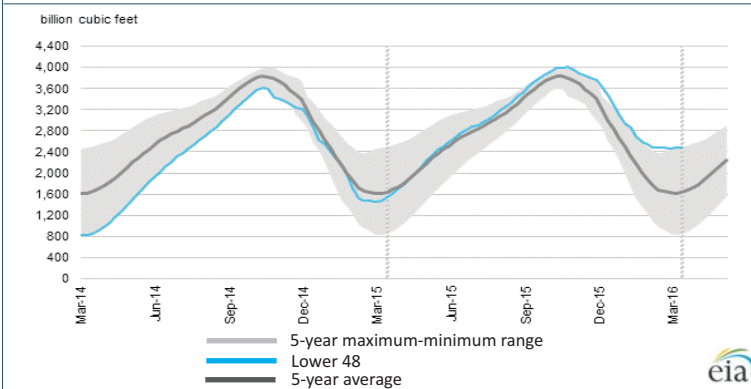
- Overall natural gas consumption this Report Week increased by 1.3%. Residential and commercial consumption increased by 2.7%. Consumption of natural gas for electric power generation rose 0.7%, and industrial consumption rose 0.4%. Exports to Mexico increased by 3.1%.

Excerpted from eia

Monthly NYMEX Natural Gas Settle Price: May 2015 - Apr 2016:



Working nat. gas in underground storage as of April 8, 2016

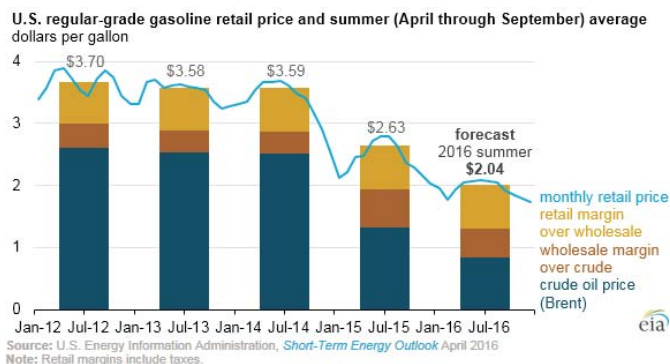


Forward 12-month NYMEX natural gas strip price - May16-Apr17:

Process Load-weighted \$2.511/dth (w/w = +\$0.031)
 Typical Heat Load-weighted \$2.683/dth (w/w = +\$0.036)

US retail gasoline prices this summer expected to be lowest since 2004:

The U.S. Energy Information Administration (EIA) forecasts that U.S. drivers will pay an average of \$2.04 per gallon (gal) this summer for regular gasoline, according to EIA's Short-Term Energy and Summer Fuels Outlook. The forecast price for summer 2016 (which runs from April through September) is 59 cents/gal lower than the average price last summer, and it would be the lowest average summer price since 2004. Monthly average gasoline prices are expected to increase to \$2.08/gal in June, then fall to \$1.93/gal in September. In the U.S., slightly more than half of the vehicle-miles driven in a year occur in the six months from April through September. For the full-year 2016, EIA forecasts U.S. regular gasoline prices to average \$1.94/gal. Based on this annual



average price, EIA estimates the average household will spend about \$350 less on gasoline in 2016 than in 2015 and about \$1,000 less than in 2014, when retail gasoline prices averaged more than \$3/gal. Gasoline prices have four main components: crude oil prices, wholesale margins, retail distribution costs, and taxes. Because the latter two are generally stable, movements in gasoline prices are primarily the result of changes in crude oil prices and wholesale margins. Each dollar per barrel of sustained price change in crude oil and/or gasoline wholesale margins results in a change of 2.4 cents/gal in product prices. Gasoline prices in the United States typically reflect changes in the Brent global oil benchmark. The Brent crude oil price is forecast to average \$35/barrel (83 cents/gal) this summer, about \$22/barrel (50 cents/gal) lower than last summer. Regional differences in retail gasoline prices can be significant, and EIA forecasts average summer prices to range from a low of \$1.80/gal on the Gulf Coast to \$2.51/gal on the West Coast.

“The possible implications long-term is that when you think about a truly regenerative medicine, you don’t want to transplant stuff, you want to give the body something so it repairs itself in a way it will not normally do.” -James Thomson¹

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¹ “James Thompson Interview - Academy of Achievement,” 2010