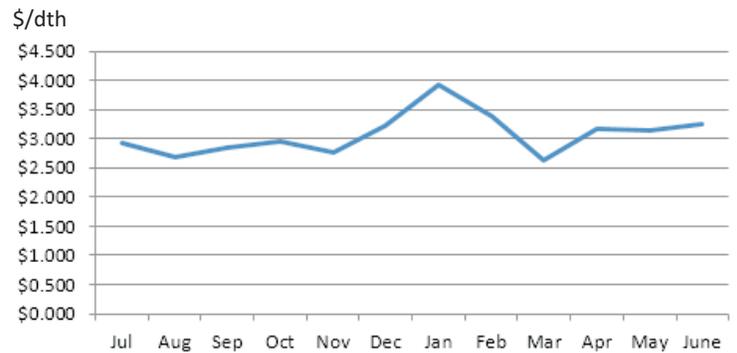


### News Tracker:

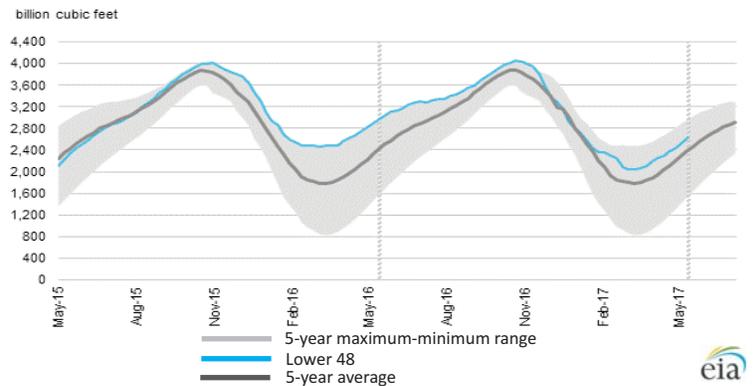
- Natural gas spot prices fell at most locations for the period Wednesday, May 31 to Wednesday, June 7 (the Report Week). The Henry Hub spot price fell from \$3.00 per million British thermal units (MMBtu) to \$2.99/MMBtu from open to close of the Report Week.
- At the New York Mercantile Exchange (Nymex), the July 2017 natural gas futures contract price fell 5¢ from \$3.071/MMBtu to \$3.020/MMBtu to open and close the Report Week, respectively.
- Natural gas injections into storage totaled 106 Bcf for the week ending June 2<sup>nd</sup>, compared with the five-year (2012-16) average net injection of 94 Bcf and last year's net injections of 68 Bcf during the same week. This marks the first time since September 18, 2015 that the weekly net injections exceeded 100 Bcf. After topping the 100 Bcf threshold five times in 2015 and a record ten times in 2014, net injections never exceeded 82 Bcf in any week during 2016. Record levels of working gas in storage entering the 2016 refill season likely contributed to the unusually slow refill activity. This is the first time in five weeks that net injections exceeded the five-year average. Working gas levels are 11% lower than last year's record levels, and 10% ahead of the five-year average. Working gas stocks total 2,631 Bcf, which is 237 Bcf more than the five-year average and 332 Bcf less than last year at this time.
- Total U.S. consumption of natural gas rose by 1% versus the previous report week, according to data from PointLogic. Power burn climbed by 11% week over week, as the Midwest and Southwest experienced average temperatures above seasonal norms, some days by as much as 10°F. Industrial sector consumption decreased by 1% week over week. In the residential and commercial sectors, consumption declined by 18%, a decrease of less than 2 Bcf/d. Natural gas exports to Mexico decreased 7%.
- The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 34¢, averaging \$5.83/MMBtu for the week ending June 7. Spot prices for natural gasoline, ethane, propane, butane, and isobutane all fell, by 4%, 5%, 7%, 6%, and 6%, respectively.
- According to Baker Hughes, for the week ending Friday, June 2, the natural gas rig count decreased by 3 to 182. The number of oil-directed rigs rose by 11 to 733. The total rig count increased by 8, and it now stands at 916.

Excerpted from 

### Monthly NYMEX Natural Gas Settle Price: Jul2016 - Jun 2017:



### Working nat. gas in underground storage as of June 2, 2017



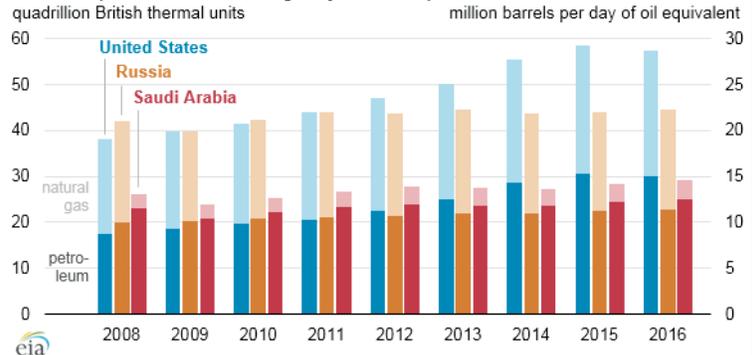
### Forward 12-month NYMEX natural gas strip price - Jun17-May18:

Process Load-weighted \$3.099/dth - w/o/w = ▼\$0.032  
 Typical Heat Load-weighted \$3.192/dth - w/o/w = ▼\$0.035

### United States remains the world's top producer of petroleum and natural gas hydrocarbons:

The United States remained the world's  producer of petroleum and natural gas hydrocarbons in 2016 for the fifth straight year despite production declines for both petroleum and natural gas relative to their 2015 levels. The United States has been the world's top producer of natural gas since 2009, when U.S. natural gas production surpassed that of Russia, and it has been the world's top producer of petroleum hydrocarbons since 2013, when its production exceeded Saudi Arabia's. Russian hydrocarbon production has been rising as capital expenditure spending on exploration and production increased. Russia also has favorable tax regimes and exchange rates (Russian company expenditures are in Russian Rubles, but oil sales are in U.S. Dollars) that resulted in record levels of Russian petroleum production in the second half of 2016. Russian natural gas production also rose in 2016, in part to meet growth in European natural gas demand. In 2016, natural gas demand increased by an estimated 6% in European countries that are members of the Organization for Economic Cooperation and Development (OECD). In contrast to past actions to raise or lower oil production levels to balance global oil markets, Saudi Arabia did not reduce its petroleum production between late 2014 and 2016 in an effort to defend its market share, even as prices remained low and world oil inventories continued to grow. In 2016, Saudi Arabia's total petroleum and natural gas hydrocarbon production rose by 3%.

### Estimated petroleum and natural gas hydrocarbon production in selected countries



Excerpted from 

“Don't tell people how to do things, tell them what to do and let them surprise you with their results.” -George S. Patton<sup>1</sup>