



News Tracker:

-Natural gas spot prices were mixed this Report Week (Wednesday, August 10, to Wednesday, August 17), but overall price changes were small at most locations. The Henry Hub spot price fell from \$2.73 per million British thermal units (MMBtu) to start the Report Week to \$2.71/MMBtu to end the Report Week.

-At the New York Mercantile Exchange (Nymex), the September 2016 natural gas futures contract rose nearly 6¢, from \$2.561/MMBtu to begin the Report Week to \$2.619/MMBtu to finish the Report Week.

-Net injections to working gas totaled 22 Bcf for the week ending August 12. Working gas stocks are 3,339 Bcf, which is 11% greater than the year-ago level and 14% greater than the five-year (2011-15) average for this week. This week marks the 15th consecutive week that the gap of working gas stocks compared with the five-year average declined. When the refill season began on April 1, working gas stocks were 874 Bcf above the five-year avg.

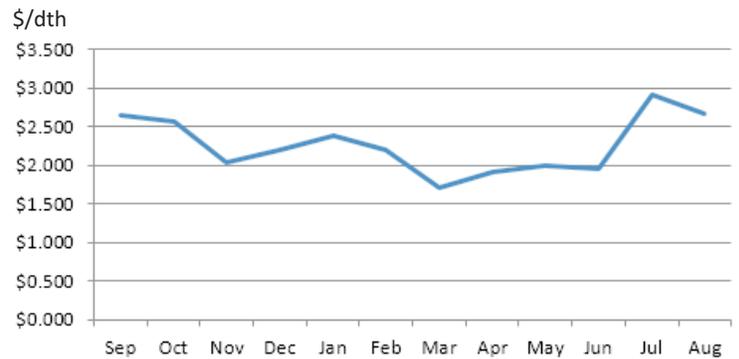
-According to Baker Hughes, for the week ending Friday, August 12, the natural gas rig count increased by 2 to 83. The number of oil-directed rigs rose by 15 to 396. The total rig count climbed by 17, and now stands at 481.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 6¢, closing at \$4.62/MMBtu for the week ending August 12. The prices of natural gasoline and propane rose by 7% and 1%, respectively. The price of ethane fell by 3%, and the price of butane and isobutane remained flat.

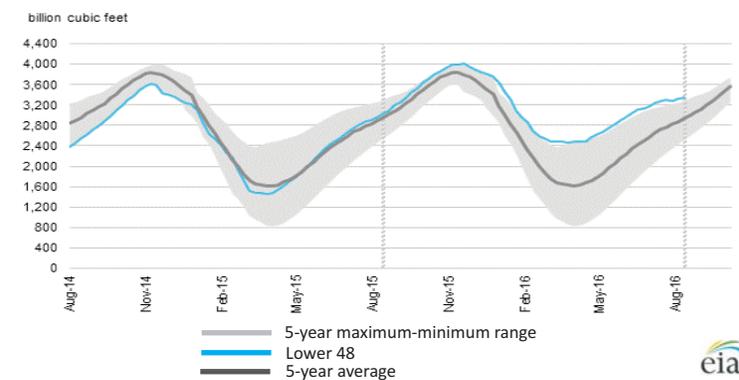
- LNG exports. The natural gas pipeline flows to Sabine Pass liquefaction terminal averaged 1.2 Bcf/d, 37% higher than flows last week, as commissioning activities for liquefaction Train 2 continue. Sabine Pass LNG has filed a request with the Federal Energy Regulatory Commission (FERC) to add fuel gas by August 19 to begin commissioning activities for liquefaction Train 3. Cheniere Energy Inc., the terminal operator, has delayed the startup of Train 3 by two months, now targeting "substantial completion" by June 2017, instead of a previously estimated date of April 2017. In its monthly progress report filed with FERC, the company cited weather-related and other factors as reasons for the delay. The entire Sabine Pass LNG facility will be shut down for several weeks starting in September for maintenance and to address a design problem. One vessel (LNG-carrying capacity 3.4 Bcf) departed Sabine Pass terminal on August 15 and one vessel (LNG-carrying capacity 3.0 Bcf) is currently loading at the terminal.

Excerpted from

Monthly NYMEX Natural Gas Settle Price: Sep 2015 - Aug 2016:



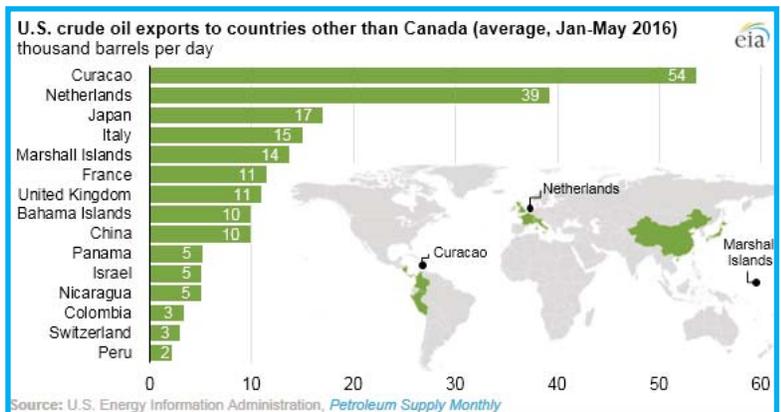
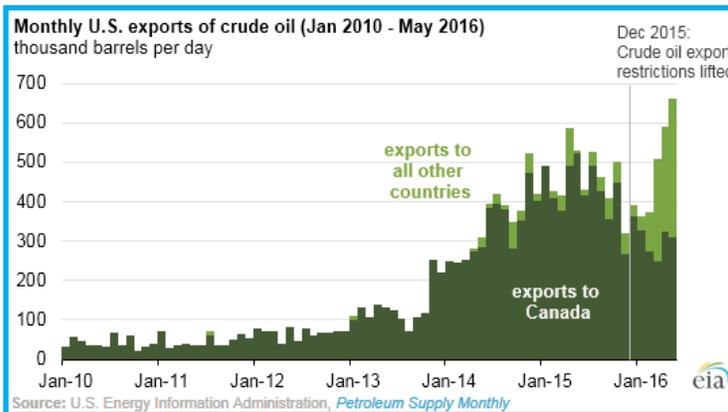
Working nat. gas in underground storage as of August 12, 2016



Forward 12-month NYMEX natural gas strip price - Sep16-Aug17:

Process Load-weighted \$2.963/dth (w/w = +\$0.016)
 Typical Heat Load-weighted \$3.056/dth (w/w = +\$0.017)

US crude oil exports are increasing and reaching more destinations:



"You never like to say no to the President, but you have to. And maybe that's one of the reasons why the President likes to keep me around is because he knows that I'll be honest with him and tell him what I think." -Alberto R. Gonzalez¹

This newsletter is provided to you for informational purposes only. The Legacy Energy Group, LLC makes no representations or warranties concerning the accuracy of the information contained herein and assumes no liability for any errors or omissions in the content herein. It is not intended to provide advice or recommendation. The Legacy Energy Group, LLC is a Kentucky limited liability company with offices in Virginia and Michigan, and serves clients throughout the United States and Canada.

©1999-2016 The Legacy Energy Group, LLC

¹Alveto Gonzalez interview - Academy of Achievement (June 29, 2013), retrieved August 18, 2016 from <http://www.achievement.org/autodoc/page/gon0int-5>