

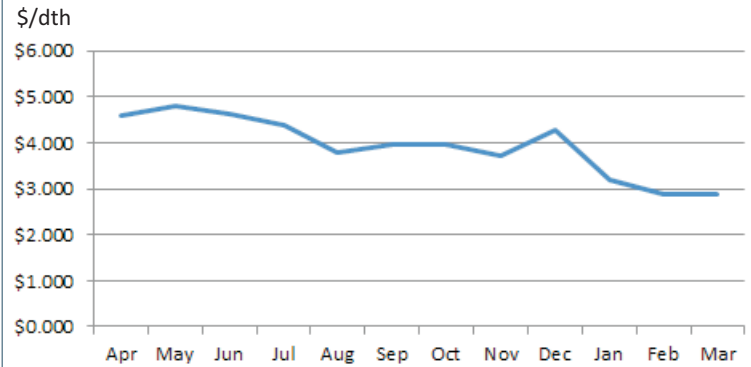


**News Tracker:**

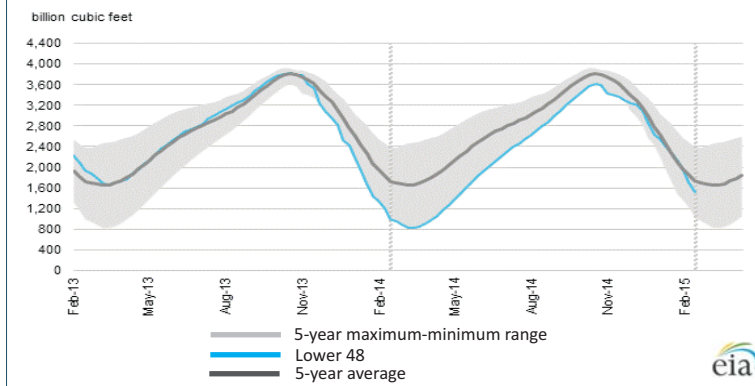
-With more seasonal temperatures, natural gas prices moved downward at most trading locations during the report week (Wednesday, 3/4 to Wednesday, 3/11. The Henry Hub spot price fell 47¢ over the report week, starting at \$3.26/MMBtu and falling to \$2.79/MMBtu on March 11<sup>th</sup>.  
 -The NYMEX April natural gas contract started the week at \$2.769/MMBtu, fluctuated slightly and settled up at \$2.824/MMBtu on March 11<sup>th</sup>.  
 -Working natural gas in storage decreased to 1,512 Bcf as of Friday, March 6, according to the U.S. Energy Information Administration Weekly Natural Gas Storage Report. A net withdrawal from storage of 198 Bcf for the week resulted in storage levels 46.9% above year-ago levels and 13.0% below the five-year average for this week. Temperatures in the Lower 48 states averaged 31.4° for the storage report week, 9.4° cooler than the 30-year normal temperature, but 1.3° warmer than the average temperature during the same week last year.  
 -As of March 6, there were 1,192 total rigs operating in the United States. The natural gas rig count fell by 12 to 268, and the oil rig count fell by 64 to 922. Additionally, two miscellaneous rigs were in operation this week.  
 -Led by declines in the residential and commercial sectors, consumption continues to fall. Since March 8, supply has exceeded consumption, the first multiday period that this has occurred since late December 2014. Total domestic consumption fell 17.5% week over week, but was nearly 10% greater than the same week last year. Residential and commercial consumption fell 28.5% from last week, with consumption moving lower through the report week. Industrial consumption declined 5.3%. Overall consumption of gas for electric power generation (power burn) fell 3.9%, but there were some regional variations. In particular, power burn increased in the Midwest by 13.4%.  
 -Natural gas consumption began the week at relatively high levels but fell as temperatures moderated in the second half of the report week. Total domestic consumption fell 7.3% week over week, and was 0.5% less than the same week last year. Residential and commercial consumption fell 10.9% from last week, with consumption beginning the report week high, then dropping drastically. Consumption of gas for electric power generation fell 3.7%, while industrial consumption declined 1.8%.



**Monthly NYMEX Natural Gas Settle Price Apr 2014 - Mar 2015:**



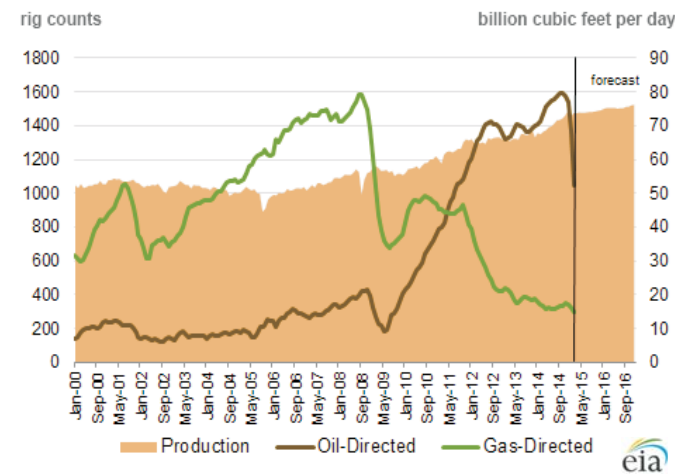
**Working nat. gas in underground storage as of March 6, 2015:**



**Forward 12-month NYMEX natural gas strip price - Apr15-Mar16:**

Process Load-weighted - \$2.978/dth  
 Heat Load-weighted - \$3.059/dth

**Despite decline in rigs, natural gas production forecast to increase:**



The total U.S. rig count as of March 6 was 1,192, 600 lower than year-ago levels, according to data from Baker Hughes. Nearly 87% of the decline was from rigs designated as targeting oil, and more than half of this year-over-year decline occurred in Texas, where rig levels over last year fell by 326. Despite declining rig counts, The U.S. Energy Information Administration forecasts continued growth in natural gas production over the next two years. In the past, the number of gas-oriented drilling rigs in a particular region was a common metric for estimating the production of natural gas. However, over the last several years, natural gas production has steadily increased, while the number of active rigs characterized as targeting natural gas has fallen dramatically. There are several reasons that have contributed to the breakdown of traditional methods that seek to estimate natural gas production based principally on rig counts. To start, with the development of shale resources, there is an increased integration of oil and gas production, and natural gas is often produced from rigs that are targeting oil.



Additionally, there have been increases in drilling efficiency, or the number of wells drilled per rig each month.

“Success consists of going from failure to failure without loss of enthusiasm.” -Winston Churchill