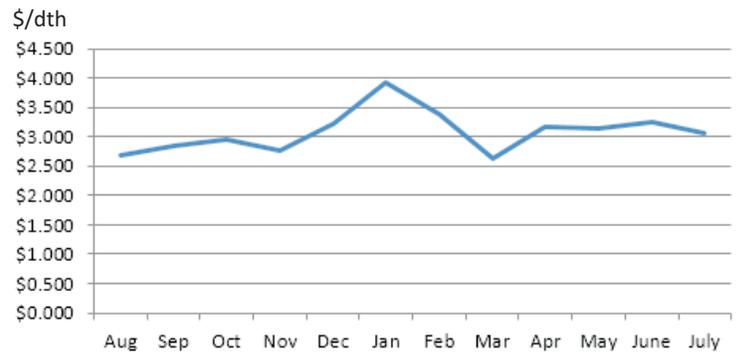


News Tracker:

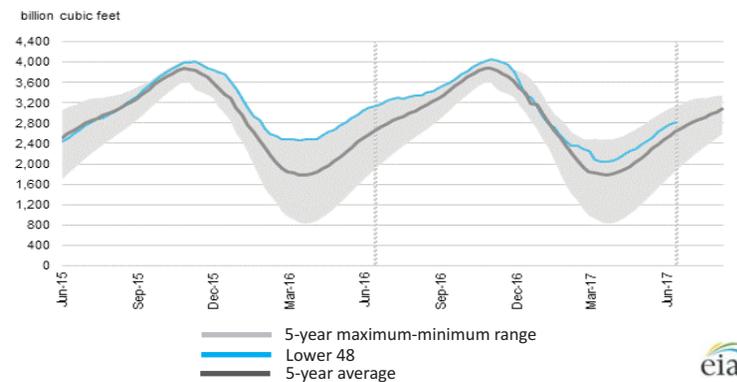
- Natural gas spot price movements were mixed for the period Wednesday, June 21 to Wednesday, June 28 (the Report Week). The Henry Hub spot price rose from \$2.88 per million British thermal units (MMBtu) to \$3.01/MMBtu from open to close of the Report Week.
- At the New York Mercantile Exchange (Nymex), the July 2017 natural gas futures contract expired Wednesday, June 28 at \$3.067/MMBtu.
- Net natural gas injections into storage totaled 46 Bcf, compared with the five-year (2012-16) average net injection of 72 Bcf and last year's net injections of 41 Bcf during the same week. For seven out of the last eight weeks, the weekly net injection has been smaller than the five-year average. This is likely a reflection of increased storage levels above historical norms, plus electric sector demand and relatively higher levels of natural gas exports. Working gas stocks total 2,816 Bcf, which is 181 Bcf (7%) more than the five-year average and 319 Bcf (10%) less than this time last year.
- Total U.S. consumption of natural gas fell by 1% compared with the previous report week, according to data from PointLogic. Power burn declined by 4% week over week as a heatwave in the Southwest dissipated and a system of cooler weather moved across the Central and Eastern United States. Industrial sector consumption increased by 1% week over week. In the residential and commercial sectors, consumption increased by 12% as some areas saw much-cooler-than-normal temperatures. Natural gas exports to Mexico increased 11%, as maintenance finished on the Los Ramones II Norte pipeline.
- U.S. liquefied natural gas (LNG) exports remain unchanged week over week, with 11.0 Bcf having departed Sabine Pass last week (Thursday to Wednesday). In June, one of the long-term contracts for off-take volumes from Sabine Pass between Cheniere Energy and South Korea's company Korea Gas Corp. (KOGAS) commenced. The contract calls for delivery of 0.46 Bcf/d of LNG from Sabine Pass Train 3 to South Korea for 20 years. The first two tankers were loaded at the terminal on June 3 and June 15, respectively, according to data compiled by Bloomberg.
- According to Baker Hughes, for the week ending Friday, June 23, the natural gas rig count decreased by 3 to 183. The number of oil-directed rigs rose by 11 to 758.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Aug2016 - Jul 2017:



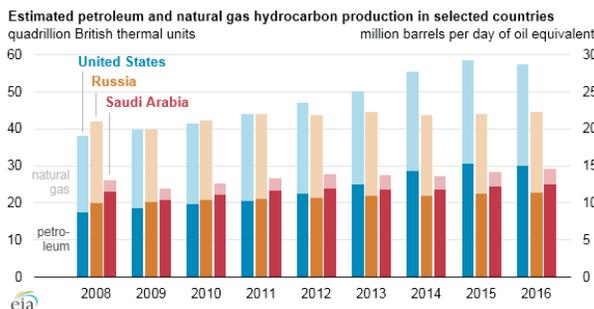
Working nat. gas in underground storage as of June 23, 2017



Forward 12-month NYMEX natural gas strip price - Aug17-Jul18:

Process Load-weighted \$3.113/dth - w/o/w = ▲\$0.114
 Typical Heat Load-weighted \$3.224/dth - w/o/w = ▲\$0.129

US remains the world's top producer of petroleum and natural gas hydrocarbons:



The US remained the world's top 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 US has been the world's top producer of natural gas since 2009, when US 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. For the US and Russia, total petroleum and natural gas hydrocarbon production in energy content terms is almost evenly split between petroleum and natural gas, while Saudi Arabia's production heavily favors petroleum. Total petroleum production is made up of several different types of liquid fuels, including crude oil and lease condensate, tight oil, extra-heavy oil, and bitumen. In addition, various processes produce natural gas plant liquids, biofuels, and refinery processing gain, among other liquid fuels.

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 US 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. 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%.

Excerpted from 

“When the past no longer illuminates the future, the spirit walks in darkness.” -Alexis de Tocqueville¹

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¹<https://www.brainyquote.com/quotes/quotes/a/alexisdeto384737.html>