



WEEKLY NATURAL GAS MARKET UPDATE

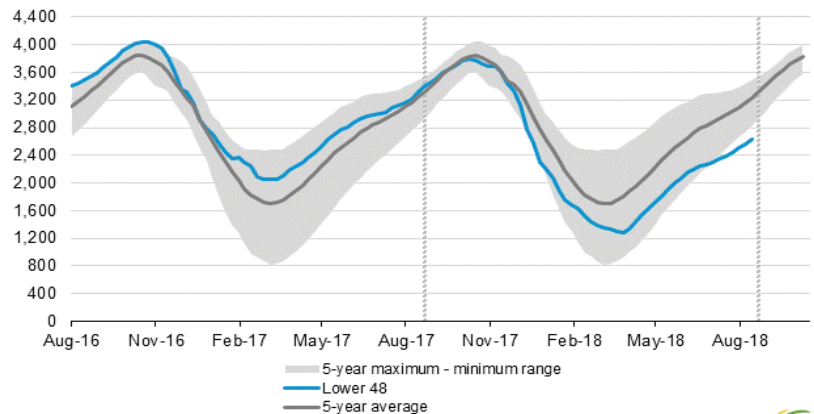
SEPTEMBER 17, 2018

The Oct-2018 NYMEX natural gas contract closed Friday at \$2.767, down \$0.009 for the week. The 12-month strip average price of natural gas fell by \$0.012 over the same period. The Oct-2018 NYMEX crude oil contract closed Friday at \$68.99, up \$1.24 for the week. Above normal temps are expected to persist across much of the US through at least the end of Sep. Later this week the NOAA will update its outlook for the upcoming winter. The tropics remain active but nothing currently poses an imminent threat to the Gulf. Baker Hughes reported on Friday that the US natural gas rig count was unchanged at 186 while total rigs (gas/oil combined) rose by 7 to 1055. In its most recent natural gas storage data, the EIA reported an injection of 69 Bcf into national inventories, a number in-line with consensus market expectations. Early estimates for this week's report indicate an expected injection in the range of 80 to 90 Bcf vs. an injection of 96 Bcf for the same week last year and a 5-yr avg. injection of 76 Bcf.

EIA NATURAL GAS STORAGE REPORT
Week Ending September 7, 2018

| Region | Inv. Level | Week Δ | Year Ago | 5yr Avg. |
|--------------|-------------|------------|-------------|-------------|
| East | 679 | +20 | 805 | 780 |
| Midwest | 734 | +32 | 901 | 879 |
| Mountain | 166 | +4 | 208 | 195 |
| Pacific | 250 | +4 | 296 | 326 |
| S. Central | 806 | +7 | 1088 | 1052 |
| Total | 2636 | +69 | 3298 | 3232 |

WORKING GAS IN UNDERGROUND STORAGE
COMPARED WITH 5-YEAR RANGE

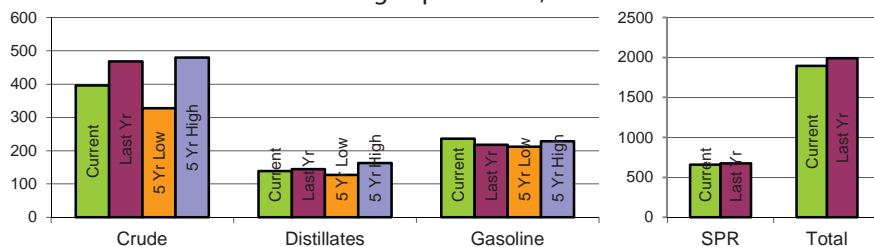


Source: U.S. Energy Information Administration



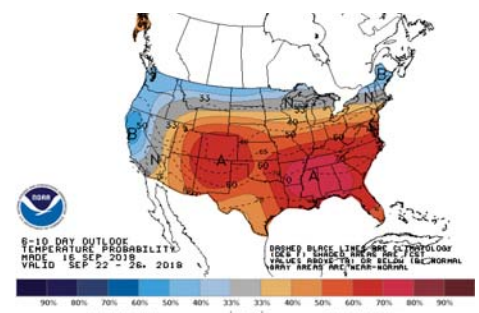
Storage Highlights: Working gas in storage was 2,636 Bcf as of Friday, September 7, 2018, according to EIA estimates. This represents a net increase of 69 Bcf from the previous week. Stocks were 662 Bcf less than last year at this time and 596 Bcf below the five-year average of 3,232 Bcf. At 2,636 Bcf, total working gas is below the five-year historical range.

EIA PETROLEUM INVENTORY (BARRELS X 1000)
Week Ending September 7, 2018

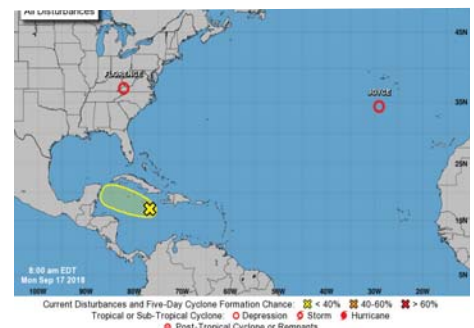


U.S. commercial crude oil inventories (excluding those in the Strategic Petroleum Reserve) decreased by 5.3 million barrels from the previous week. At 396.2 million barrels, U.S. crude oil inventories are about 3% below the five year average for this time of year. Total motor gasoline inventories increased by 1.3 million barrels last week and are about 8% above the five year average for this time of year. Finished gasoline inventories increased while blending components inventories decreased last week. Distillate fuel inventories increased by 6.2 million barrels last week and are about 3% below the five year average for this time of year. Propane/propylene inventories increased by 1.2 million barrels last week and are about 11% below the five year average for this time of year. Total commercial petroleum inventories increased last week by 10.1 million barrels last week.

6-10 DAY TEMP OUTLOOK (NOAA)



TROPICAL ATLANTIC (9-17 AM; NHC)



BAKER HUGHES US NATURAL GAS RIG COUNT, 09/14/2018

| | This Week | +/- | Last Week | +/- | Year Ago |
|----------|-----------|-----|-----------|-----|----------|
| Gas Rigs | 186 | -0- | 186 | -0- | 186 |