



WEEKLY NATURAL GAS MARKET UPDATE

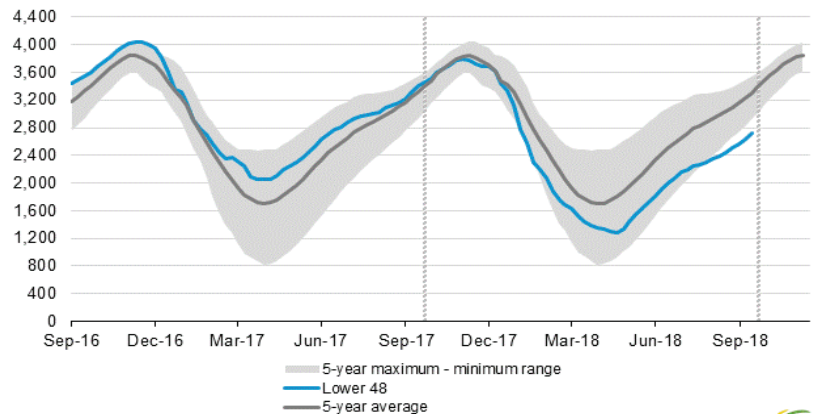
SEPTEMBER 24, 2018

The Oct-2018 NYMEX natural gas contract closed Friday at \$2.977, up \$0.210 for the week. The 12-month strip average price of natural gas rose by \$0.114 over the same period. The Oct-2018 natural gas contract expires this Wednesday, 9/27. The Nov-2018 NYMEX crude oil contract closed Friday at \$70.80, up \$2.03 for the week. Latest NOAA forecasts suggest a pattern of more seasonable temps is expected for much of the US through early fall. 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) fell by 2 to 1053. In its most recent natural gas storage data, the EIA reported an injection of 86 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 60 to 70 Bcf vs. an injection of 64 Bcf for the same week last year and a 5-yr avg. injection of 81 Bcf.

EIA NATURAL GAS STORAGE REPORT
Week Ending September 14, 2018

| Region | Inv. Level | Week Δ | Year Ago | 5yr Avg. |
|--------------|-------------|------------|-------------|-------------|
| East | 709 | +30 | 830 | 801 |
| Midwest | 770 | +36 | 933 | 910 |
| Mountain | 170 | +4 | 211 | 199 |
| Pacific | 255 | +5 | 299 | 328 |
| S. Central | 818 | +12 | 1120 | 1071 |
| Total | 2722 | +86 | 3394 | 3308 |

WORKING GAS IN UNDERGROUND STORAGE COMPARED WITH 5-YEAR RANGE

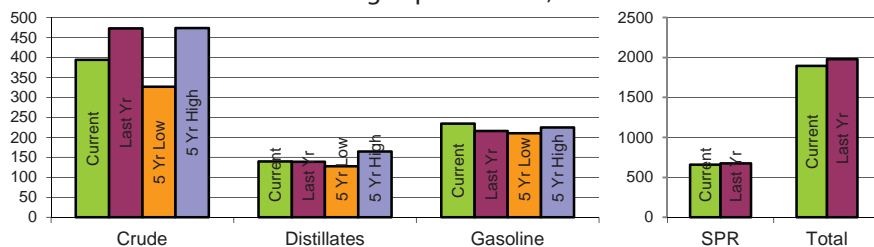


Source: U.S. Energy Information Administration



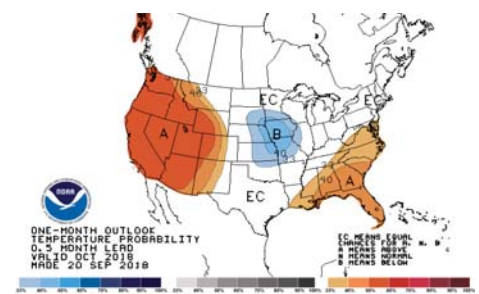
Storage Highlights: Working gas in storage was 2,722 Bcf as of Friday, September 14, 2018, according to EIA estimates. This represents a net increase of 86 Bcf from the previous week. Stocks were 672 Bcf less than last year at this time and 586 Bcf below the five-year average of 3,308 Bcf. At 2,722 Bcf, total working gas is below the five-year historical range.

EIA PETROLEUM INVENTORY (BARRELS X 1000)
Week Ending September 14, 2018

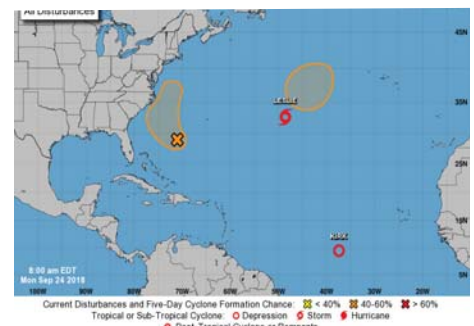


U.S. commercial crude oil inventories (excluding those in the Strategic Petroleum Reserve) decreased by 2.1 million barrels from the previous week. At 394.1 million barrels, U.S. crude oil inventories are about 3% below the five year average for this time of year. Total motor gasoline inventories decreased by 1.7 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 0.8 million barrels last week and are about 2% below the five year average for this time of year. Propane/propylene inventories increased by 0.1 million barrels last week and are about 12% below the five year average for this time of year. Total commercial petroleum inventories decreased last week by 0.4 million barrels last week.

OCT-2018 TEMP OUTLOOK (NOAA)



TROPICAL ATLANTIC (9-24 AM; NHC)



BAKER HUGHES US NATURAL GAS RIG COUNT, 09/21/2018

| | This Week | +/- | Last Week | +/- | Year Ago |
|----------|-----------|-----|-----------|-----|----------|
| Gas Rigs | 186 | -0- | 186 | -4 | 190 |