



WEEKLY NATURAL GAS MARKET UPDATE

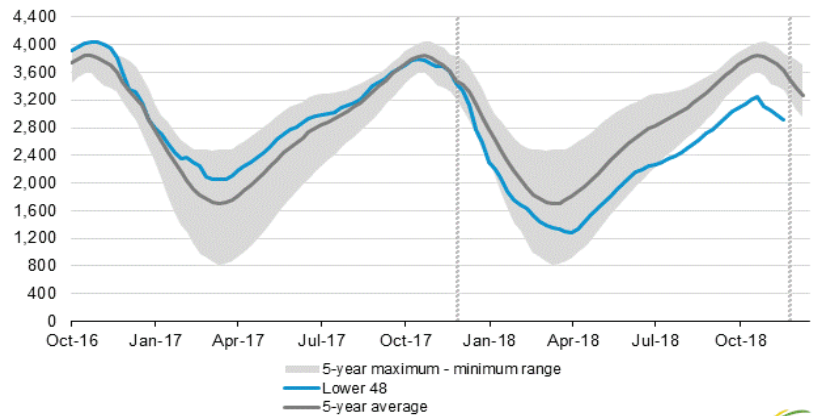
DECEMBER 17, 2018

The Jan-2019 NYMEX natural gas contract closed Friday at \$3.827, down \$0.661 for the week. The 12-month strip average price of natural gas fell by \$0.199 over the same period. The Jan-2019 NYMEX crude oil contract closed Friday at \$51.20, down \$1.41 for the week. Most recent forecasts from the NOAA continue to indicate a pattern of above normal temps for most of the US through month-end. Later this week the NOAA will release its outlook for January and the balance of the winter. Baker Hughes reported on Friday that the US natural gas rig count was unchanged at 198 while total rigs (gas/oil combined) were down by 4 to 1071. In its most recent natural gas storage data, the EIA reported a withdrawal of 77 Bcf from national inventories, a number in line with consensus market expectations. Early estimates for this week's report indicate an expected withdrawal in the range of 125 to 135 Bcf vs. a withdrawal of 166 Bcf for the same week last year and a 5-yr avg. withdrawal of 144 Bcf.

EIA NATURAL GAS STORAGE REPORT
Week Ending December 7, 2018

| Region | Inv. Level | Week Δ | Year Ago | 5yr Avg. |
|--------------|-------------|------------|-------------|-------------|
| East | 732 | -20 | 857 | 856 |
| Midwest | 885 | -29 | 1037 | 1018 |
| Mountain | 160 | -8 | 214 | 207 |
| Pacific | 238 | -15 | 306 | 332 |
| S. Central | 898 | -7 | 1222 | 1224 |
| Total | 2914 | -77 | 3636 | 3637 |

WORKING GAS IN UNDERGROUND STORAGE
COMPARED WITH 5-YEAR RANGE

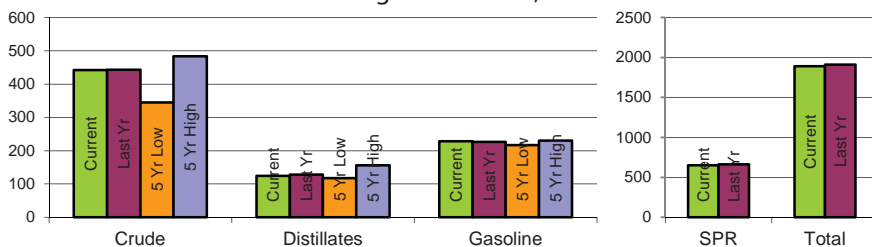


Source: U.S. Energy Information Administration



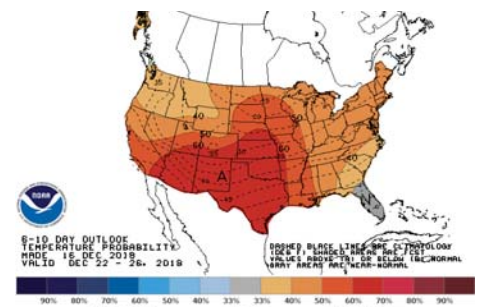
Storage Highlights: Working gas in storage was 2,914 Bcf as of Friday, December 7, 2018, according to EIA estimates. This represents a net decrease of 77 Bcf from the previous week. Stocks were 722 Bcf less than last year at this time and 723 Bcf below the five-year average of 3,637 Bcf. At 2,914 Bcf, total working gas is below the five-year historical range.

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

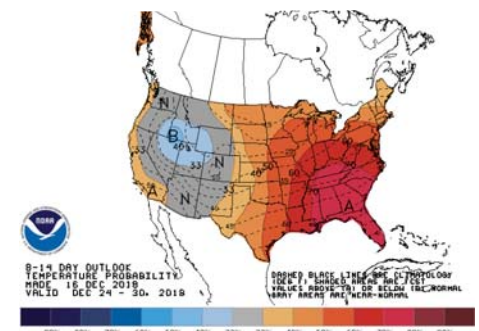


U.S. commercial crude oil inventories (excluding those in the Strategic Petroleum Reserve) decreased by 1.2 million barrels from the previous week. At 442.0 million barrels, U.S. crude oil inventories are about 7% above the five year average for this time of year. Total motor gasoline inventories increased by 2.1 million barrels last week and are about 3% above the five year average for this time of year. Finished gasoline and blending components inventories both increased last week. Distillate fuel inventories decreased by 1.5 million barrels last week and are about 8% below the five year average for this time of year. Propane/propylene inventories decreased by 3.2 million barrels last week and are about 5% below the five year average for this time of year. Total commercial petroleum inventories decreased last week by 6.0 million barrels last week.

6-10 DAY TEMP OUTLOOK (NOAA)



8-14 DAY TEMP OUTLOOK (NOAA)



BAKER HUGHES US NATURAL GAS RIG COUNT, 12/14/2018

| | This Week | +/- | Last Week | +/- | Year Ago |
|----------|-----------|-----|-----------|-----|----------|
| Gas Rigs | 198 | -0- | 198 | +15 | 183 |