



WEEKLY NATURAL GAS MARKET UPDATE

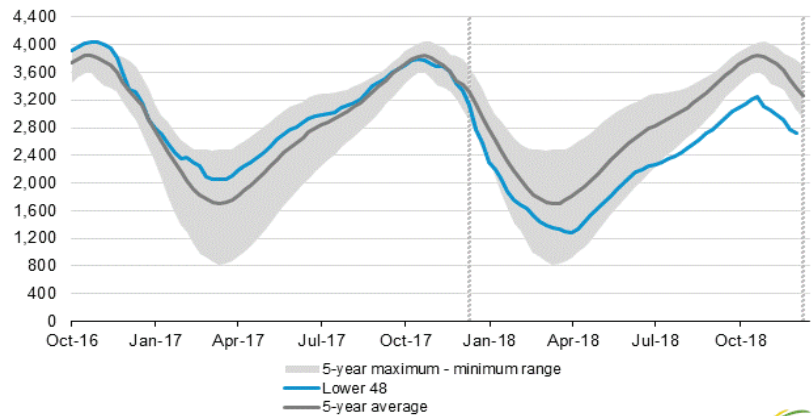
DECEMBER 31, 2018

The Feb-2019 NYMEX natural gas contract closed Friday at \$3.303, down \$0.241 for the week. The 12-month strip average price of natural gas fell by \$0.121 over the same period. The Jan-2019 natural gas contract expired last week at a final settlement price of \$3.642. The Feb-2019 NYMEX crude oil contract closed Friday at \$45.33, down \$1.87 for the week. Updated NOAA forecasts suggest that after a mild couple of weeks to start the New Year, below normal temps will then settle in over the eastern ~1/2 of the US. Baker Hughes reported on Friday that the US natural gas rig count rose by 1 to 198 while total rigs (gas/oil combined) were up by 3 to 1083. In its most recent natural gas storage data, the EIA reported a withdrawal of 48 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 40 to 50 Bcf vs. a withdrawal of 193 Bcf for the same week last year and a 5-yr avg. withdrawal of 107 Bcf.

EIA NATURAL GAS STORAGE REPORT
Week Ending December 21, 2018

Region	Inv. Level	Week Δ	Year Ago	5yr Avg.
East	676	-16	786	790
Midwest	818	-23	947	932
Mountain	150	-3	196	192
Pacific	223	-4	283	307
S. Central	858	-2	1136	1151
Total	2725	-48	3348	3372

WORKING GAS IN UNDERGROUND STORAGE
COMPARED WITH 5-YEAR RANGE

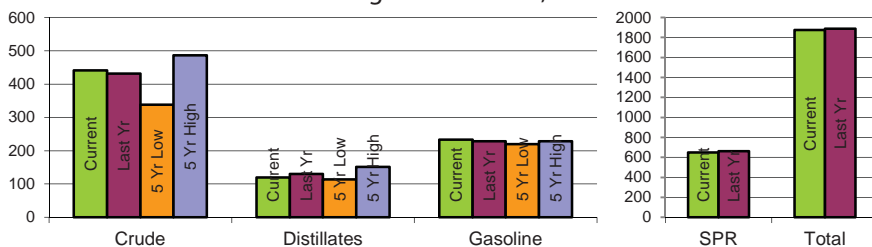


Source: U.S. Energy Information Administration



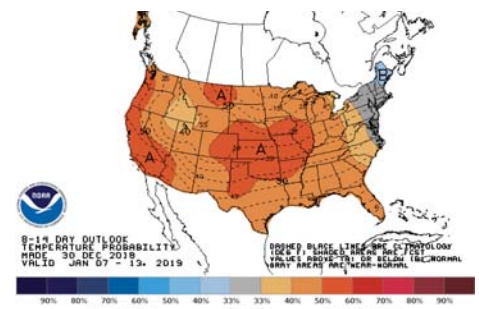
Storage Highlights: Working gas in storage was 2,725 Bcf as of Friday, December 21, 2018, according to EIA estimates. This represents a net decrease of 48 Bcf from the previous week. Stocks were 623 Bcf less than last year at this time and 647 Bcf below the five-year average of 3,372 Bcf. At 2,725 Bcf, total working gas is below the five-year historical range.

EIA PETROLEUM INVENTORY (BARRELS X 1000)
Week Ending December 21, 2018

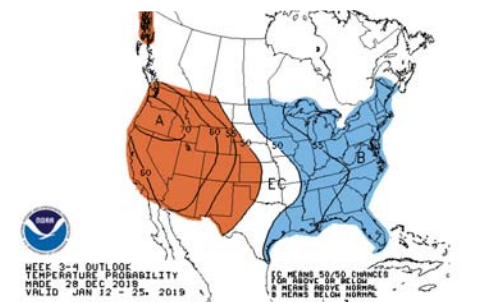


U.S. commercial crude oil inventories (excluding those in the Strategic Petroleum Reserve) remained virtually unchanged from the previous week. At 441.4 million barrels, U.S. crude oil inventories are about 7% above the five year average for this time of year. Total motor gasoline inventories increased by 3.0 million barrels last week and are about 4% above the five year average for this time of year. Finished gasoline remained the same, but blending components inventories increased last week. Distillate fuel inventories remained unchanged last week and are about 11% below the five year average for this time of year. Propane/propylene inventories decreased by 1.0 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 2.0 million barrels last week.

8-14 DAY TEMP OUTLOOK (NOAA)



WEEK 3-4 TEMP OUTLOOK (NOAA)



BAKER HUGHES US NATURAL GAS RIG COUNT, 12/28/2018

	This Week	+/-	Last Week	+/-	Year Ago
Gas Rigs	198	+1	197	+16	182