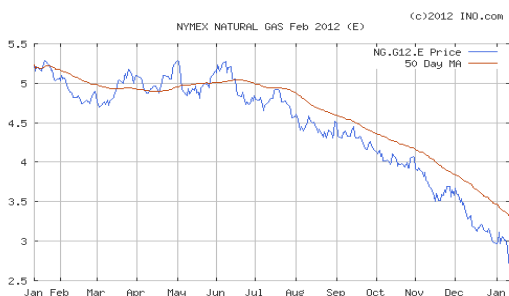


Volume 409 January 12, 2012

Market Temperatures continue to be generally warmer than normal and winter has not had an impact on demand. The storage report was a large withdrawal but we still have more gas in storage than last year and the 5 year average. The rig count was an increase this week after a number of weekly reductions. Prices continue to be tempered by flat industrial demand and a sluggish economy. Gas production levels due mostly to shale drilling are still strong. Natural gas is very attractive to fix at this time to protect this winter and beyond. The North American rig count is 811 this week which is an increase of 2 from last week.

The Crude oil price for February is lower this week at \$102.19 per barrel. Heating oil is higher at \$3.11 per gal. Unleaded gasoline futures are higher this week at \$2.79 and gasoline at the pump is around \$3.45...in Indiana. The natural gas storage report today was a withdrawal of 95 BCF; storage is **398 BCF higher** than last year and **491 BCF higher** than the 5 year average.



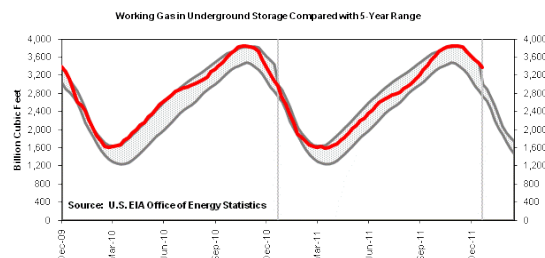
Above Graph – Feb 2012 NYMEX gas futures

Weather: Today: Periods of snow. Temps nearly steady in the low to mid 30s. Winds NW at 20 to 30 mph. 1 to 2 inches of snow expected. **Tonight:** Windy. Snow this evening will give way to snow showers overnight. Low 22F. Winds WNW at 20 to 30 mph. Snow accumulating 1 to 3 inches. Winds could occasionally gust over 40 mph. **Tomorrow:** Intermittent snow showers, especially early. High 23F. Winds WNW at 20 to 30 mph. Chance of snow 40%. **Sat:** A few snow showers. Highs in the upper 20s and lows in the mid teens.

Storage Statistics: (BCF) Billion Cubic Ft

This Week	Last Year	5 Year Ave.
3,377	2,979	2,886

The total is a decrease of 95 BCF from last week.



Above Graph - Storage levels as of 1-12-12

Comparative Fuels: Futures Prices for Feb

	Price	Compared to Nat Gas
Natural Gas (therm)	\$2.688	\$2.688
Propane (gal)	\$1.42	\$1.55
Crude Oil (barrel)	\$102.19	
Heating Oil (gal)	\$3.11	\$2.21
Unleaded Gas (gal)	\$2.79	

North American Natural Gas Rig Count:

This week	811
Last week	809
Year Ago this week	914

Typical Fixed Price for Winter

Feb 2012-Mar 2012 \$3.898 per therm.

Typical Fixed Price for 1 YR

Feb 2012-Jan 2013 \$4.195 per therm.

NGI for January 2012 \$3310

