

Volume 416 March 1, 2012

Market- March natural gas futures expired Monday at \$.2446 per therm; April is now the front month. The natural gas market traded higher during the week then lower the last couple days and is slightly down today after the storage report this morning; we still have more gas in storage than last year and the 5 year average. The US gas traditional rig count was another decrease this week of 6 putting the count at 710 but horizontal drilling increased. Prices continue to be tempered by flat industrial demand and a sluggish economy. Gas production levels due mostly to shale drilling are still strong and exports continue. Natural gas is very attractive to fix at this time.

The Crude oil price for March is higher this week at \$107.73 per barrel. Heating oil is lower at \$3.21 per gal. Unleaded gasoline futures are higher this week at \$3.29 and gasoline at the pump is around \$3.85...in Indiana. The natural gas storage report today was a withdrawal of 82 BCF; storage is **756 BCF higher** than last year and **780 BCF higher** than the 5 year average.



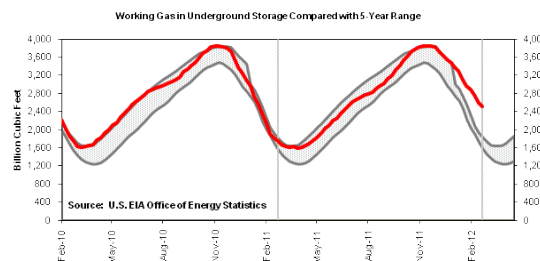
Above Graph – Apr 2012 NYMEX gas futures

Weather: Today: Sunshine and clouds mixed. High 43F. Winds W at 10 to 20 mph. **Tonight:** Cloudy. Low 38F. Winds ENE at 10 to 20 mph. **Fri:** Showers and thundershowers in the morning, then cloudy with rain likely High 49F. Winds NE at 10 to 20 mph. Chance of rain 80%. Rainfall around a quarter of an inch. **Sat:** Windy with a mix of sun and clouds. Highs in the upper 30s and lows in the upper 20s. **Sun:** Cloudy with occasional flurries. Highs in the mid 30s and lows in the upper 20s. **Mon:** Mainly sunny. Highs in the upper 30s and lows in the mid 30s.

Storage Statistics: (BCF) Billion Cubic Ft

This Week	Last Year	5 Year Ave.
2,513	1,757	1,733

The total is a decrease of 82 BCF from last week.



Above Graph - Storage levels as of 3-1-12

Comparative Fuels: Futures Prices for Apr

	Price	Compared to Nat Gas
Natural Gas (therm)	\$.2534	\$.2534
Propane (gal)	\$1.23	\$1.33
Crude Oil (barrel)	\$107.73	
Heating Oil (gal)	\$3.21	\$2.31
Unleaded Gas (gal)	\$3.29	

North American Natural Gas Rig Count:

This week	710
Last week	716
Year Ago this week	906

US Horizontal Rig Count:

This week	1165
Last week	1163
Year Ago this week	981

NGI estimate for March 2012 \$2.600

