

Volume 424 May 3, 2012

Market- May natural gas futures expired last Thursday at \$.2036 per therm; June is now the front month. The natural gas market traded higher this week but oversupply is keeping prices low. This week was another storage **injection**. We still have more gas in storage than last year and the 5 year average. The US gas traditional rig count was a decrease this week of 18 and horizontal drilling decreased 16 rigs. Prices continue to be tempered by flat industrial demand; but the economy is improving. 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 June is lower this week at \$102.54 per barrel. Heating oil is lower at \$3.08 per gal. Unleaded gasoline futures are lower this week at \$3.05 and gasoline at the pump is around \$4.15...in Indiana. The natural gas storage report today was an injection of 28 BCF; storage is **840 BCF higher** than last year and **857 BCF higher** than the 5 year average.



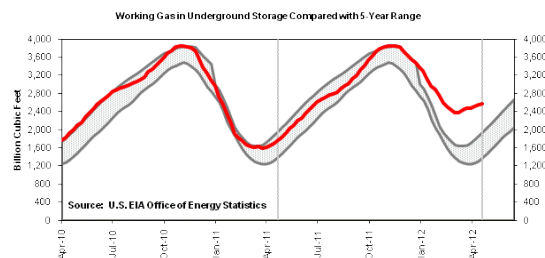
Above Graph – June 2012 NYMEX gas futures

Extended Temperature Forecast: Chicago Area

	Thu	Fri	Sat	Sun	Mon
High	82	66	70	73	72
Low	65	54	58	63	54

Storage Statistics: (BCF) Billion Cubic Ft	This Week	Last Year	5 Year Ave.
	2,576	1,736	1,719

The total is an increase of 28 BCF from last week.



Above Graph - Storage levels as of 5-3-12

Comparative Fuels: Futures Prices for June	Price	Compared to Nat Gas
Natural Gas (therm)	\$0.2343	\$0.2343
Propane (gal)	\$1.12	\$1.22
Crude Oil (barrel)	\$102.54	
Heating Oil (gal)	\$3.08	\$2.19
Unleaded Gas (gal)	\$3.05	

North American Traditional Nat. Gas Rig Count:

This week	613
Last week	631
Year Ago this week	882

US Horizontal Rig Count:

This week	1139
Last week	1155
Year Ago this week	1023

NGI for May 2012 \$2.090

