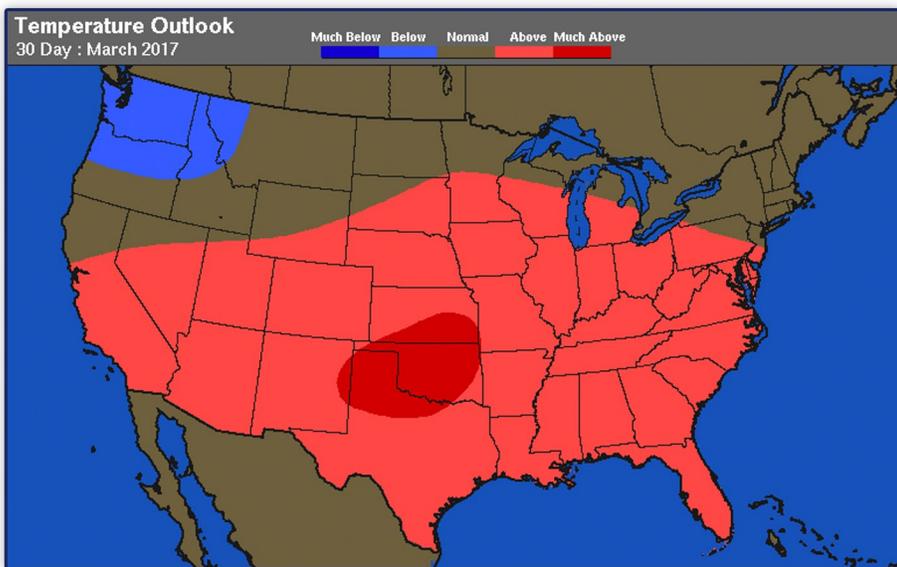


Market Summary

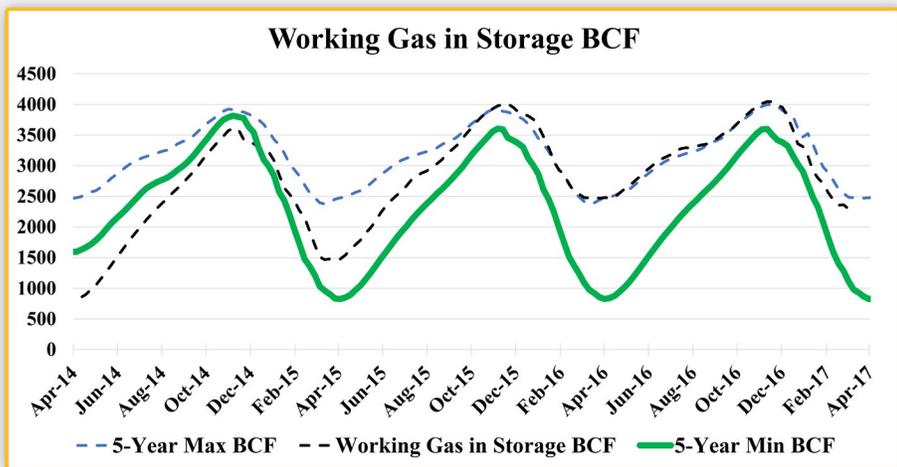
With spring in full swing, natural gas prices continue their below-average trend. Ample storage and the promise of a relaxed legislative environment are resulting in low-price forecasts throughout 2017.

Weather



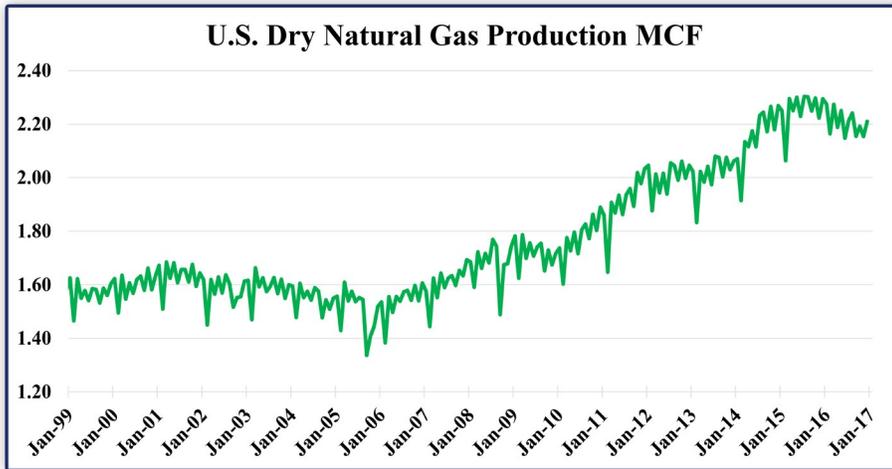
- Winter was rather non-existent for most of the country - February 2017 was one of the hottest on record.
- Mid-February prices hit 12-week lows as forecasts called for warmer-than-normal weather – carrying a price drop of almost 21% since the start of the year.
- Late February prices dipped as winter weather terminates and traders look to El Niño this summer.
- Without “real” winter weather, forecasts of \$3.50 average price look to be more in the \$3.00 range for 2017.

Storage



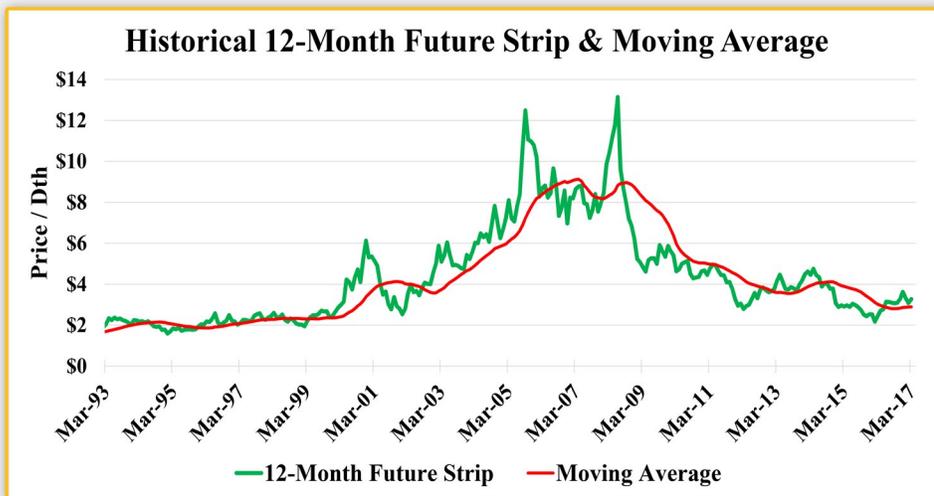
- Warmer weather forecasts led to diminished inventory draws and subsequent price drops starting early- to mid-February.
- Lack of real winter led to first ever gas storage injection in late February.
- Net withdrawals from storage totaled 53 Bcf. Working gas stocks total 2,242 Bcf, which is 395 Bcf more than the five-year average and 236 Bcf less than last year at this time.

Production



■ North Dakota production dropped late 2016 with the November to December decline the biggest month-to-month reduction (9%) ever since the Bakken Shale boom began a decade ago.

Pricing



Bidweek

Month	SCG	NYMEX
Oct.	\$2.95	\$2.952
Nov.	\$2.88	\$2.764
Dec.	\$3.63	\$3.232

Jan.	\$3.92	\$3.930
Feb.	\$3.53	\$3.391
Mar.	\$2.70	\$2.627

Prices per Mmbtu.

Noteworthy

- Largest coal plant in the U.S. deliberating closure as low natural gas prices make it economically unfeasible.
- 2016 saw natural gas for power generation topple coal - with only December 2016 showing a coal-dominant month due to the natural gas price winter rally.
- Administration abolishing reporting mechanism for oil/natural gas producers to report on emissions numbers as it looks to unburden an "overburdened" industry and "better partner with states' requests."
- March/May 2017 to potentially see a record number of nuclear reactors shut down for refueling which may give natural gas a boost - the most closures since 2000.