PRICING

Prices February 13, 2018

NYMEX Settle – Feb. -2018 $3.63
One Year NYMEX strip (Mar., 2017 – Feb., 2019) $2.74
Summer NYMEX strip for 2018 (April-October) $2.66

TCO Index Posting – February, 2018 $3.34
DTI Index Posting – February, 2018 $2.89

GAS STORAGE AS OF THE February 2, 2018 Report

Working gas in underground storage, Lower 48 states

<table>
<thead>
<tr>
<th>Region</th>
<th>02/02/18</th>
<th>01/26/18</th>
<th>net change</th>
<th>implied flow</th>
<th>Year ago (02/02/17)</th>
<th>5-year average (2013-17)</th>
</tr>
</thead>
<tbody>
<tr>
<td>East</td>
<td>488</td>
<td>525</td>
<td>-37</td>
<td>-37</td>
<td>527</td>
<td>-7.4</td>
</tr>
<tr>
<td>Midwest</td>
<td>543</td>
<td>596</td>
<td>-53</td>
<td>-53</td>
<td>691</td>
<td>-21.4</td>
</tr>
<tr>
<td>Mountain</td>
<td>131</td>
<td>137</td>
<td>-6</td>
<td>-6</td>
<td>156</td>
<td>-16.0</td>
</tr>
<tr>
<td>Pacific</td>
<td>213</td>
<td>220</td>
<td>-7</td>
<td>-7</td>
<td>210</td>
<td>1.4</td>
</tr>
<tr>
<td>South Central</td>
<td>703</td>
<td>719</td>
<td>-16</td>
<td>-16</td>
<td>996</td>
<td>-29.4</td>
</tr>
<tr>
<td>Salt</td>
<td>184</td>
<td>169</td>
<td>15</td>
<td>15</td>
<td>338</td>
<td>-45.6</td>
</tr>
<tr>
<td>Nonsalt</td>
<td>518</td>
<td>550</td>
<td>-32</td>
<td>-32</td>
<td>659</td>
<td>-21.4</td>
</tr>
<tr>
<td>Total</td>
<td>2,078</td>
<td>2,197</td>
<td>-119</td>
<td>-119</td>
<td>2,581</td>
<td>-19.5</td>
</tr>
</tbody>
</table>
Summary

Working gas in storage was 2,078 Bcf as of Friday, February 2, 2018, according to EIA estimates. This represents a net decrease of 119 Bcf from the previous week. Stocks were 503 Bcf less than last year at this time and 393 Bcf below the five-year average of 2,471 Bcf. At 2,078 Bcf, total working gas is within the five-year historical range.

For information on sampling error in this report, see Estimated Measures of Sampling Variability table below.

Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2013 through 2017. The dashed vertical lines indicate current and year-ago weekly periods.

EIA WEEKLY REPORT FEBRUARY 7, 2017:

Natural Gas

Appalachian prices decrease. Tennessee Zone 4 Marcellus spot prices decreased 41¢ from $2.81/MMBtu last Wednesday to $2.40/MMBtu yesterday. The weekly average price decreased 17¢, from $2.64/MMBtu over the last report week to $2.47/MMBtu over this report week.

Prices at Dominion South in northwest Pennsylvania fell 48¢ from $2.95/MMBtu last Wednesday to $2.47/MMBtu yesterday. The weekly average price decreased 23¢, from $2.86/MMBtu over the last report week to $2.63/MMBtu over this report week.
Despite these price decreases, the discount to the Henry Hub benchmark price at Tennessee Zone 4 Marcellus and Dominion South narrowed week over week, by 45¢ and 40¢, respectively.

**Supply is flat.** According to data from PointLogic Energy, the average total supply of natural gas remained the same as in the previous report week, averaging 84.1 billion cubic feet per day (Bcf/d). Dry natural gas production remained constant week over week at 78 Bcf/d. Net imports from Canada also remained the same as last week, averaging 5.8 Bcf/d.

**Demand is up.** Total U.S. consumption of natural gas rose by 13% compared with the previous report week, according to data from PointLogic Energy. Natural gas consumed for power generation climbed by 9% week over week, and industrial sector consumption increased by 5%. In the residential and commercial sectors, consumption increased by 20%. Natural gas exports to Mexico were the same as last week, averaging 4.5 Bcf/d.

- Dry natural gas production is forecast to average 73.6 billion cubic feet per day (Bcf/d) in 2017, a 0.8 Bcf/d increase from the 2016 level. Natural gas production in 2018 is forecast to be 4.9 Bcf/d higher than the 2017 level.
- In September, the average Henry Hub natural gas spot price was $2.98 per million British thermal units (MMBtu), up 8 cents/MMBtu from the August level. Expected growth in natural gas exports and domestic natural gas consumption in 2018 contribute to the forecast Henry Hub natural gas spot price rising from an annual average of $3.03/MMBtu in 2017 to $3.19/MMBtu in 2018. NYMEX contract values for January 2018 delivery that traded during the five-day period ending October 5 suggest that a range of $2.28/MMBtu to $4.63/MMBtu encompasses the market expectation for January Henry Hub natural gas prices at the 95% confidence level.

**U.S. liquefied natural gas (LNG) exports February 7, 2018.**

**U.S. LNG exports increase week over week.** Six LNG vessels (LNG-carrying capacity 22.6 Bcf combined) departed the Sabine Pass liquefaction facility from January 31 to February 7. One tanker (LNG-carrying capacity of 3.5 Bcf) was loading at the terminal on Wednesday.

According to Bloomberg, Sabine Pass finished 2017 with its highest monthly export total. In December, 25 tankers left the terminal, exceeding the previous monthly highs of 22 tankers in October and November. The Cove Point LNG export facility in Lusby, Maryland is continuing commissioning work with commercial operations anticipated early this year.

**UTICA WELL PRODUCTION**

During the third quarter of 2017, Ohio’s horizontal shale wells produced 4,165,729 barrels of oil and 460,558,077 Mcf (388 billion cubic feet) of natural gas, according to the figures released by the Ohio Department of Natural Resources (ODNR).

Horizontal shale well operators are required to submit production data by the 45th day following the close of each calendar quarter. Operators submit the amount of oil, natural gas and brine that each well produces, as well as the number of days that the well was in production.
Third Quarter – 2017 – Utica Production Volumes:

<table>
<thead>
<tr>
<th></th>
<th>2017 QUARTER 2</th>
<th>2017 QUARTER 3</th>
<th>PERCENTAGE CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barrels of Oil</td>
<td>4,044,072</td>
<td>4,165,729</td>
<td>1.03%</td>
</tr>
<tr>
<td>MCF Nat. Gas</td>
<td>388,560,451</td>
<td>460,558,077</td>
<td>1.19%</td>
</tr>
</tbody>
</table>

The ODNR quarterly report lists 1,796 horizontal shale wells, 1,760 of which reported oil and natural gas production during the quarter. Of the 1,760 reporting oil and natural gas results:

- The average amount of oil produced was 2,367 barrels.
- The average amount of gas produced was 261,681 Mcf.
- The average number of first quarter days in production was 88.

As of February 5, 2018, there have been 2,756 Utica shale permits issues in Ohio, and 2,267 of them have been developed.

There are currently 1,760 Utica shale wells in production, with 24 rigs running.