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Month	Settle	3/4/2016	Strip Avg,
Apr-16	1.666	Apr16-Jun16	1.784
May-16	1.787	Apr16 - Oct16	1.938
Jun-16	1.900	Nov16 - Mar17	2.566
Jul-16	1.996	Apr17-Oct17	2.565
Aug-16	2.046		
Sep-16	2.065	Apr16-Mar17	2.200
Oct-16	2.107	Calendar 2017	2.622
Nov-16	2.276	Calendar 2018	2.695
Dec-16	2.549	Calendar 2019	2.736
Jan-17	2.680	Calendar 2020	2.817
Feb-17	2.678	Calendar 2021	2.936
Mar-17	2.647	Calendar 2022	3.065

ICE NEXT DAY GAS PRICES:

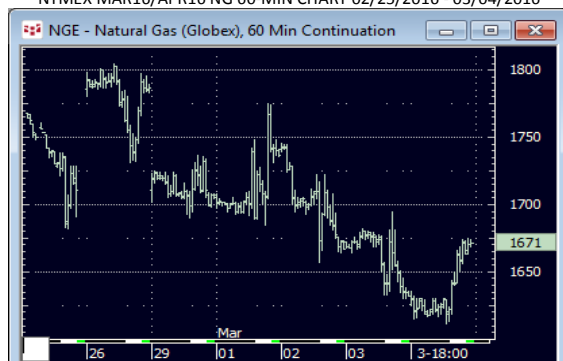
Tranco Z5 non-WGL	1.5497	TCO	1.4081	Dominion-South	0.9513
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ICE BASIS FUTURES PRICES (delayed by one day):

TCO Basis	3/3/2016	Dominion-South Basis	
Apr-16	-0.0900	Apr-16	-0.6475
Apr16-Jun16	-0.1017	Apr16-Jun16	-0.7042
Apr16-Oct16	-0.1293	Apr16-Oct16	-0.8111
Nov16-Mar17	-0.1395	Nov16-Mar17	-0.8245
Apr16-Mar17	-0.1335	Apr16-Mar17	-0.8167
Calendar 2017	-0.1648	Calendar 2017	-0.7669
Calendar 2018	-0.2246	Calendar 2018	-0.5856
Calendar 2019	-0.2077	Calendar 2019	-0.5285
Calendar 2020	-0.2119	Calendar 2020	-0.4894
Calendar 2021	-0.2060	Calendar 2021	-0.4621
Calendar 2022	-0.2021	Calendar 2022	-0.4421
Calendar 2023	-0.2167	Calendar 2023	-0.4425

**Market Commentary:** With the March contract having rolled off the board last week we moved to trading April, and it almost immediately shed the premium it had maintained against March, and indeed the market has since found a new low going back to before the turn of the millennium, with today's 1.611 low print for prompt Apr16 not having been beaten since August of 1998 and then only by 1 tick. Prior to that the last breach of 1.60 goes back to September of 1995. These numbers are horrendous for the producer community, to such an extent that the long-awaited curtailment in capex finally appears to be here, and production should finally begin to taper off, if only as a result of balance-sheet necessity. Many cash-strapped energy companies that might have appeared to be teetering on the brink just one week ago have had new life breathed into them this week, with a sharp rally in crude oil prices helping to buoy revenue prospects. The once mighty Chesapeake Energy, that is still the country's second-largest producer of natural gas, had plummeted to a share price of just 1.50 last month on news that they had hired a prominent bankruptcy firm to explore strategic options, but they denied any imminent insolvency and the stock rallied back, and just this week its former CEO and co-founder, Aubrey McClendon, was indicted on anti-trust violations tied to lease bid-rigging, and passed away in a fiery car crash the very next morning, and Chesapeake stock has doubled since that event. Last Thursday saw the Mar16 contract roll off the board on a downtick, settling at 1.711 for the month, and for Dominion-South point the monthly index ended up coming in at 1.00 even, both the lowest in many years. Yesterday's storage report showed a weekly drawdown of just

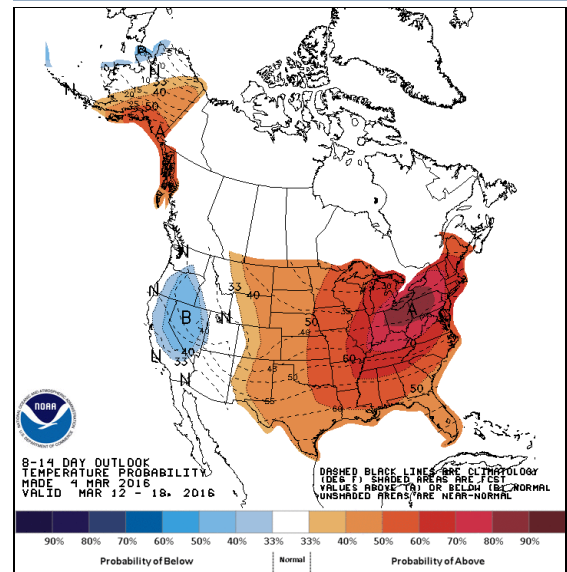
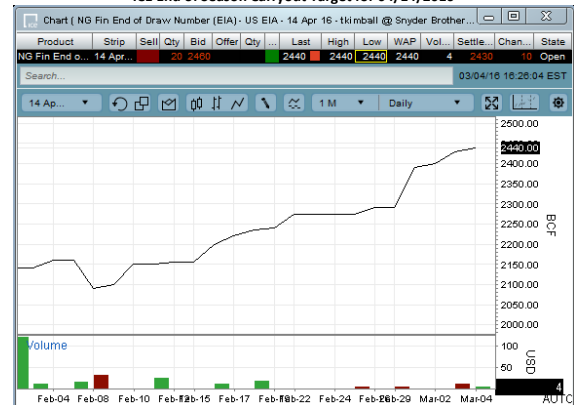
NYMEX MAR16/APR16 NG 60-MIN CHART 02/25/2016 - 03/04/2016



As of Week Ending:	2/26/2016	Build/(Draw)
Current Storage	2,536 Bcf	(48) Bcf
		Surplus/(Deficit)
Last Year Storage	1,742 Bcf	794 Bcf
5-Year Avg. Storage	1,870 Bcf	666 Bcf

48 Bcf, which was actually 7 or 8 Bcf more than consensus, but was a drop in the bucket compared to a 5-year average of -137 Bcf and a draw from last year of -227 Bcf. As weather has moderated to the extreme and heating demand has all but vanished, end-of-season carryout estimates have shot up steadily, with the below chart from ICE showing the current projection for mid-April up at 2,440 Bcf, which would eclipse 2012's recent high-watermark of 2,369 Bcf, and at the beginning of last month that same 2016 target was around 2,100 Bcf. The 8 to 14 day outlook from NOAA provides little hope for any late-season cool-down to stoke demand, and even if such an event were to unfold, it would not do much to move the needle for a market that is 700 to 800 Bcf above this time last year and the 5-year average.

ICE End of Season Carryout Target for 04/14/2016



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