

| Month  | Settle | 1/13/2017     | Strip Avg. |
|--------|--------|---------------|------------|
| Feb-17 | 3.419  | Feb17-Apr17   | 3.400      |
| Mar-17 | 3.396  | Apr17-Oct17   | 3.432      |
| Apr-17 | 3.384  | Nov17-Mar18   | 3.613      |
| May-17 | 3.381  | Apr18-Oct18   | 2.929      |
| Jun-17 | 3.423  |               |            |
| Jul-17 | 3.463  | Feb17-Jan18   | 3.473      |
| Aug-17 | 3.465  | Calendar 2018 | 3.127      |
| Sep-17 | 3.448  | Calendar 2019 | 2.944      |
| Oct-17 | 3.462  | Calendar 2020 | 2.907      |
| Nov-17 | 3.506  | Calendar 2021 | 2.896      |
| Dec-17 | 3.620  | Calendar 2022 | 2.891      |
| Jan-18 | 3.705  | Calendar 2023 | 2.945      |

NEXT DAY GAS PRICES:

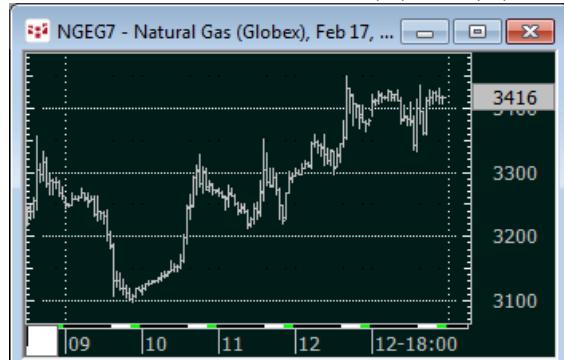
|                |        |           |        |        |        |
|----------------|--------|-----------|--------|--------|--------|
| TETCO M2 (rec) | 3.0380 | Henry Hub | 3.3611 | Dom-SP | 3.0033 |
|----------------|--------|-----------|--------|--------|--------|

ICE BASIS FUTURES PRICES:

| Tetco M2 Basis | 1/13/2017 | Dominion-South Basis |         |
|----------------|-----------|----------------------|---------|
| Feb-17         | -0.3725   | Feb-17               | -0.4325 |
| Mar-17         | -0.5325   | Mar-17               | -0.5400 |
| Feb17-Apr17    | -0.5433   | Feb17-Apr17          | -0.5600 |
| Apr17-Oct17    | -1.1379   | Apr17-Oct17          | -1.1179 |
| Nov17-Mar18    | -0.8840   | Nov17-Mar18          | -0.9240 |
| Feb17-Jan18    | -0.9673   | Feb17-Jan18          | -0.9690 |
| Calendar 2018  | -0.7925   | Calendar 2018        | -0.8102 |
| Calendar 2019  | -0.6506   | Calendar 2019        | -0.6521 |
| Calendar 2020  | -0.6223   | Calendar 2020        | -0.6206 |
| Calendar 2021  | -0.5540   | Calendar 2021        | -0.5810 |
| Calendar 2022  | -0.5348   | Calendar 2022        | -0.5502 |

**Market Commentary:** Following a fairly weak finish for the NG market last week, things started out this week in fairly quiet fashion, opening in the mid-3.20's where we had closed last Friday, and holding in that neighborhood most of the Sunday night session. Monday morning saw sellers retake control however, and after breaking below 3.20 the market dropped rather quickly, eventually bottoming out below 3.10 before finding support. From there it was a slow grind back higher overnight on Monday into Tuesday morning, and then buyers stepped it up once we got going for the regular session and moved from below 3.20 to above 3.30 over the course of the morning. The market pared gains from there and eventually ground its way back into the low 3.20's once again overnight Tuesday, but buyers stepped in in earnest on Wednesday morning and we were back up above 3.35 before the 9:00 AM open. We then dropped down more than a dime by the afternoon, but that was also short-lived and we were back up above 3.36 overnight ahead of yesterday's storage report. Buyers came in ahead of the report, which was bullish to expectations with a larger than expected storage withdrawal of -151 Bcf, and that was good for a run up to the weekly high of 3.45 hit in the immediate aftermath of the data being released. Things have quieted down since that time though, with a push down into the low 3.30's early this morning ultimately proving to be yet another head fake, and by today's close we were back above 3.40

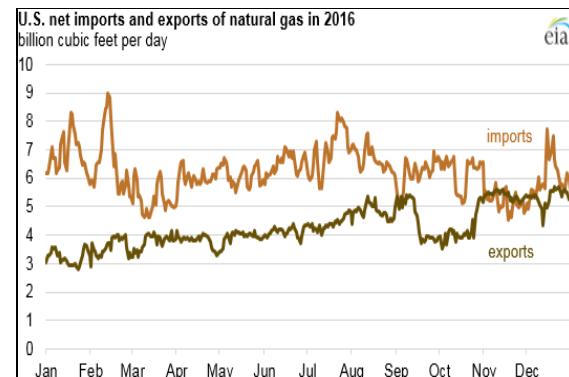
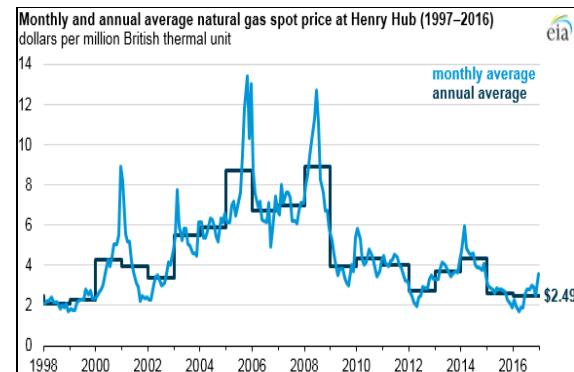
NYMEX NG 60-MIN CONTINUATION CHART 01/06/2017 - 01/13/2017



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| As of Week Ending:  | 1/6/2017  | Build/(Draw)      |
|---------------------|-----------|-------------------|
| Current Storage     | 3,160 Bcf | (151) Bcf         |
|                     |           | Surplus/(Deficit) |
| Last Year Storage   | 3,523 Bcf | (363) Bcf         |
| 5-Year Avg. Storage | 3,164 Bcf | (4) Bcf           |

to settle up about 3 cents on the day. While there has been lots of discussion around the sharp annual price increase we saw for natural gas over the course of 2016, the EIA issued a report today where they reported that average monthly spot prices at the Henry Hub were 2.49 for the year, which was actually the lowest annual average since 1999. While the first quarter of 2016 saw monthly averages below 2.00, by December the average was 3.58, with the below graphic from the EIA plotting the annual averages in dark blue (which follow a stair-step pattern), overlaid with the monthly averages in light blue (that show greater variability). The final graphic is also from the EIA and helps give a visual on the trend toward the US reducing its net imports to almost nothing as the year progressed. Despite lower production for the year, imports were flat to lower as the year progressed, as compared to exports which were fairly steadily on the uptick as new LNG capacity came online and begin to ship product abroad.



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