

February 2, 2018

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Physical Spot Prices – February 1, 2018

| | Price | Change | Natural Gas Equivalent |
|--------------------------|---------------|----------|------------------------|
| Natural Gas – H. Hub | \$2.856/MMBtu | -\$0.591 | \$2.86 |
| Propane – Mont Belvieu | \$0.883/gal | +\$0.032 | \$9.65 |
| Crude Oil – WTI Cush | \$65.800/bl | +\$0.170 | \$11.34 |
| No.2 Heating Oil – NYH | \$82.230/bl | -\$2.840 | \$14.12 |
| No.6 Resid. – G. Coast | \$57.440/bl | -\$0.050 | \$9.14 |
| Cent App Coal (prev day) | \$64.750/ton | +\$0.250 | \$2.59 |

Change is from previous week

U.S. Gas Rotary Rig Count for:

Week ending 1-26-18

| | |
|-----------|-----|
| This Week | 188 |
| Last Week | 189 |
| Last Year | 145 |

Market Update is a weekly publication of Encore Energy Services, Inc. and is designed to provide industrial and commercial customers with the latest "Market News" in the natural gas industry. The information contained in this publication is intended as general business advice. This publication contains forward-looking material and is not intended for a specific business situation. If you would like copies of any previous reports, please contact your Sales Manager.

Futures Pricing

At the close of business Thursday, February 1, 2018 the future strip prices were as follows:

| | This Week | Last Week | Change | Last Month | Change | Last Year | Change |
|----------------------|-----------|-----------|----------|------------|----------|-----------|----------|
| | 2/01/2018 | 1/25/2018 | | 01/02/2018 | | 2/01/2017 | |
| NYMEX near month | \$2.856 | \$3.447 | -\$0.591 | \$3.056 | -\$0.200 | \$3.168 | -\$0.312 |
| NYMEX 12-month strip | \$2.918 | \$2.995 | -\$0.077 | \$2.900 | +\$0.018 | \$3.362 | -\$0.444 |
| NYMEX Winter strip | \$3.054 | \$3.087 | -\$0.033 | \$3.025 | +\$0.029 | \$3.508 | -\$0.454 |
| NYMEX Summer strip | \$2.842 | \$2.919 | -\$0.077 | \$2.816 | +\$0.026 | \$3.302 | -\$0.460 |

Near month range for the week = \$2.837 - \$3.661

Current near month is Mar '18

12-month strip is Mar '18 – Feb '19

Summer strip is Apr '18 – Oct '18

Winter strip is Nov '18 – Mar '19

Near-Month Natural Gas Futures Prices (NYMEX) through Feb 01



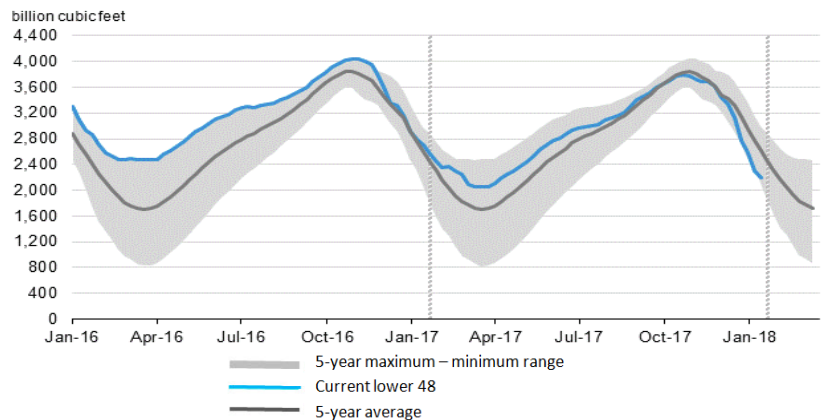
Storage Report

For the week ending January 26, 2018, natural gas storage reported by the Energy Information Administration (EIA) was (in Bcf):

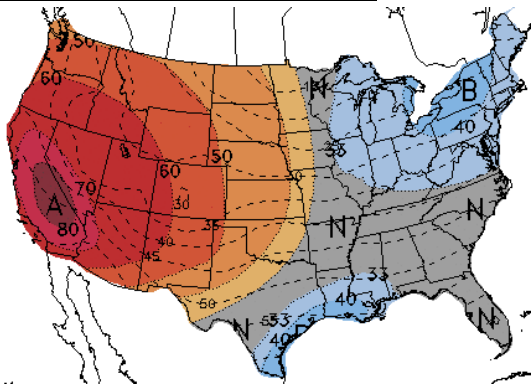
| This Week | Last Week | Last Year | 5 Yr. Ave. |
|-----------|-----------|-----------|------------|
| 2,197 | 2,296 | 2,723 | 2,622 |

Inventory vs. One Year ago: -19.3% Inventory vs. 5-Yr. Ave: -16.2%

Working Gas in Storage Compared to 5-Year Range



Temperature Forecast Feb 09 through Feb 15, 2018



For more information on anything addressed in this report, please contact your Sales Manager.

Sources: NOAA, EIA, NYMEX and Baker Hughes

Daily Nat Gas Use For U.S. Power Production (last 60 days)



Last 52 week Average = 25.7 Bcf/day

Last 30 day Average = 23.8 Bcf/day

% of U.S. Demand = 34%

% of U.S. Demand = 23%