

MARKET UPDATE



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Market News

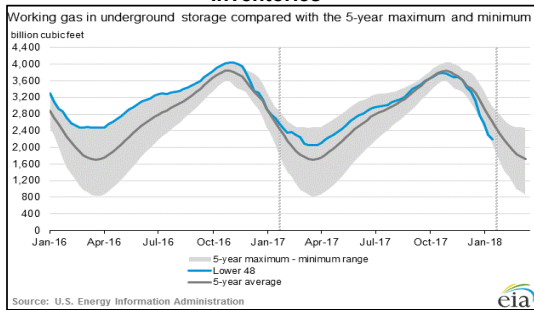
Market Recap - Natural gas spot prices fell at most locations this report week (Wednesday, January 24 to Wednesday, January 31). The Henry Hub spot price fell from \$3.56 per million British thermal units (MMBtu) last Wednesday to \$3.21/MMBtu yesterday. At the New York Mercantile Exchange (Nymex), the February 2018 contract expired Monday at \$3.631/MMBtu. The March 2018 contract price decreased to \$2.995/MMBtu yesterday, down 9¢ Wednesday to Wednesday.

Storage Report - Working gas in storage was 2,197 Bcf as of Friday, January 26, 2018, according to EIA estimates. This represents a net decrease of 99 Bcf from the previous week. Stocks were 526 Bcf less than last year at this time and 425 Bcf below the five-year average of 2,622 Bcf.

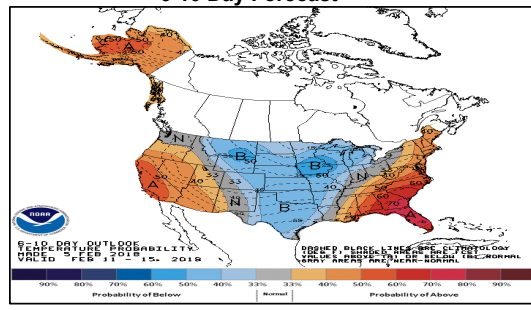
Word on the Street - March Henry natural gas was steady to slightly lower overnight as it extends the decline off January's high. Stochastics and the RSI are oversold but remain neutral to bearish signaling that sideways to lower prices are possible near-term. If March extends the decline off January's high, January's low crossing at 2.693 is the next downside target.

Observations - EIA expects the share of U.S. total utility-scale electricity generation from natural gas-fired power plants to rise from 32% in 2017 to 33% in 2018 and to 34% in 2019. The forecast generation share from coal in 2018 averages 30%, about the same as in 2017, but then falls to 29% in 2019. The nuclear share of generation was 20% in 2017 and is forecast to average 20% in 2018 and 19% in 2019. Nonhydropower renewables provided slightly less than 10% of electricity generation in 2017 and is expected to provide about 10% in both 2018 and 2019. The generation share of hydropower was almost 8% in 2017 and is forecast to be about 7% in both 2018 and 2019.

Inventories



6-10 Day Forecast



Source: EIA

Month	Last Price	Change
Mar-18	\$2.75	0.01
Apr-18	\$2.72	0.00
May-18	\$2.74	0.00
Jun-18	\$2.77	0.00
Jul-18	\$2.81	0.00
Aug-18	\$2.81	-0.01
Sep-18	\$2.79	-0.01
Oct-18	\$2.82	0.00
Oct-18	\$2.86	-0.01
Dec-18	\$3.00	-0.01
Jan-19	\$3.09	-0.01
Feb-19	\$3.06	-0.01

Updated - 2/06/2018 1:30 PM EST

Summer / Winter

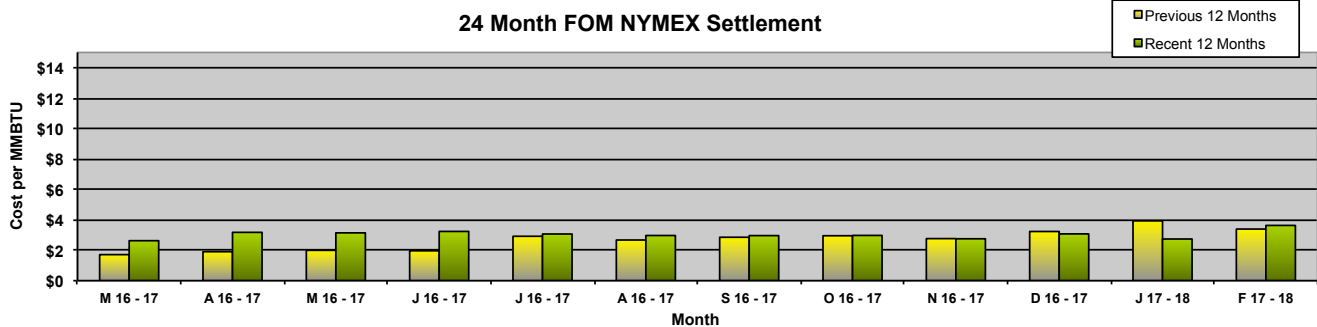
Nov -18 - March 19	\$3.00
April 18 - Oct 18	\$2.78
Nov 19 - March 20	\$2.95

Strip Prices

3 Month	\$2.74
6 Month	\$2.77
9 Month	\$2.79
1 Year	\$2.85
2 Year	\$2.83
3 Year	\$2.83

Source: Nymex

24 Month FOM NYMEX Settlement



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