

MARKET UPDATE

5/8/17



David Bruce, PH: 630-677-9899, email: dbruce@degi.biz

Market News

Market Recap - Natural gas spot prices rose at most locations this report week (Wednesday, April 26 to Wednesday, May 3). The Henry Hub spot price rose from \$3.02 per million British thermal units (MMBtu) last Wednesday to \$3.09/MMBtu. At the New York Mercantile Exchange (Nymex), the May 2017 contract expired last Wednesday at \$3.142/MMBtu. The June 2017 contract price decreased to \$3.228/MMBtu, down 4¢ Wednesday to Wednesday.

Storage Report - Net injections to working gas totaled 67 billion cubic feet (Bcf) for the week ending April 28. Working natural gas stocks are 2,256 Bcf, which is 14% lower than the year-ago level and 16% higher than the five-year (2012-16) average for this week.

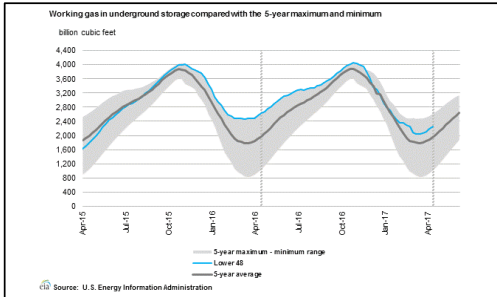
Word on the Street - June Henry natural was lower overnight as it extends the trading range of the past three-weeks. Technical Indicators are neutral to bullish signaling that sideways trading is possible near-term. Closes above last Monday's high crossing at 3.313 are needed to confirm that a short-term low has been posted.

Observations - In 2016, electricity generated from natural gas accounted for the largest share (33.8%) of total U.S. generation, surpassing coal's share (30.4%) for the first time. The changes in generation fuel shares in 2016 reflect longer-term trends in the electricity supply market.

Between 2011 and 2016, coal and natural gas combined accounted for 66% of total U.S. electricity generation. However, the relative shares of output from these two fuels has shifted, with coal's share declining from 42.3% in 2011 to 30.4% in 2016. Over the same period, the natural gas share increased from 24.7% to 33.8%.

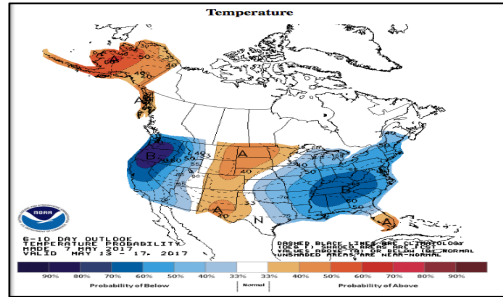
Natural gas units generated 1,013,689 gigawatt hours (GWh) in 2011 and 1,380,295 GWh in 2016, which was an all-time high for natural gas generation and a 36% increase from the 2011 level. Coal units generated 1,733,430 GWh in 2011 and 1,240,108 GWh in 2016, a decrease of 28% compared to the 2011 level.

Inventories



Source: EIA

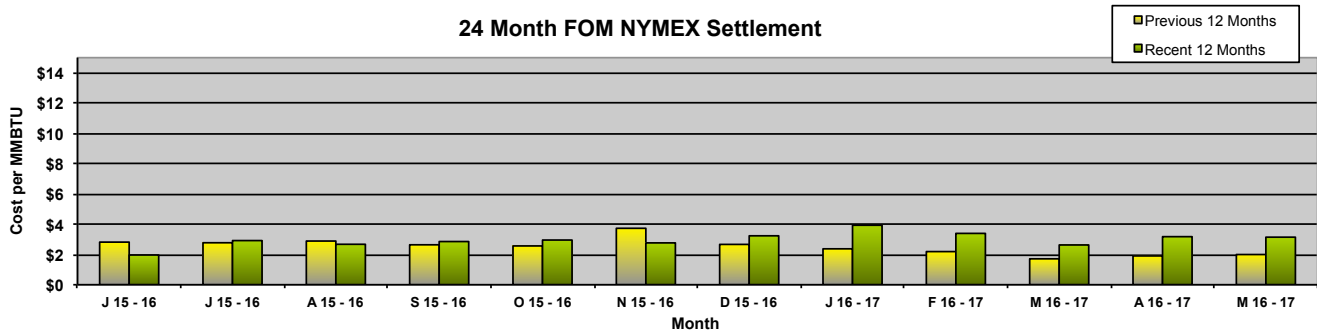
6-10 Day Forecast



Month	Last Price	Change	Updated - 5/08/2017 1:30 AM EST																							
Jun-17	\$3.16	-0.11	<table border="1"> <thead> <tr> <th colspan="2">Summer / Winter</th> </tr> </thead> <tbody> <tr> <td>Nov -17 - March 18</td> <td>\$3.46</td> </tr> <tr> <td>April 18 - Oct 18</td> <td>\$2.89</td> </tr> <tr> <td>Nov 18 - March 19</td> <td>\$3.12</td> </tr> <tr> <th colspan="2">Strip Prices</th> </tr> <tr> <td>3 Month</td> <td>\$3.23</td> </tr> <tr> <td>6 Month</td> <td>\$3.26</td> </tr> <tr> <td>9 Month</td> <td>\$3.34</td> </tr> <tr> <td>1 Year</td> <td>\$3.27</td> </tr> <tr> <td>2 Year</td> <td>\$3.12</td> </tr> <tr> <td>3 Year</td> <td>\$3.03</td> </tr> </tbody> </table>		Summer / Winter		Nov -17 - March 18	\$3.46	April 18 - Oct 18	\$2.89	Nov 18 - March 19	\$3.12	Strip Prices		3 Month	\$3.23	6 Month	\$3.26	9 Month	\$3.34	1 Year	\$3.27	2 Year	\$3.12	3 Year	\$3.03
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Jul-17	\$3.25	-0.10																								
Aug-17	\$3.28	-0.10																								
Sep-17	\$3.27	-0.10																								
Oct-17	\$3.29	-0.10																								
Nov-17	\$3.34	-0.10																								
Dec-17	\$3.47	-0.09																								
Jan-18	\$3.54	-0.09																								
Feb-18	\$3.51	-0.09																								
Mar-18	\$3.43	-0.08																								
Apr-18	\$2.91	-0.04																								
May-18	\$2.85	-0.04																								

Source: Nymex

24 Month FOM NYMEX Settlement



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