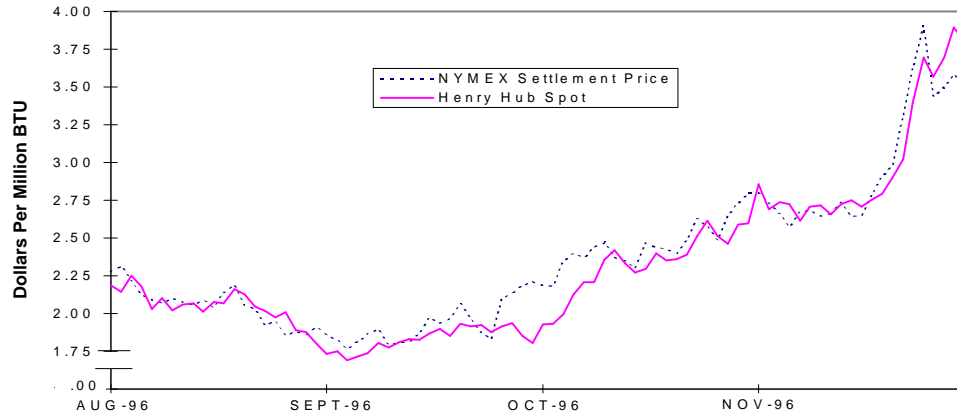


NYMEX Price Futures vs Henry Hub Spot Price

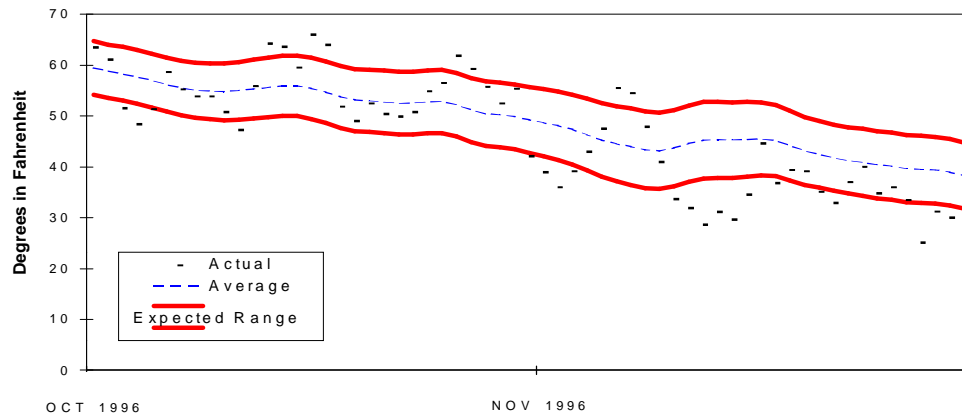
HENRY HUB PRICE		
	CASH	FUTURES
	Nov.	Jan.
	Del	Del
	(\$ per MMBtu)	
11/25	3.66-3.73	3.494
11/26	3.85-3.94	3.581
11/27	3.76-3.84	3.497
11/28	Closed	Closed
11/29	Closed	Closed



Note: The Henry Hub spot price is from the GAS DAILY and is the midpoint of their high and low price for a day.

Average temperature for Four Major Gas Consuming Metro Areas
(Chicago, Kansas City, New York, and Pittsburgh)

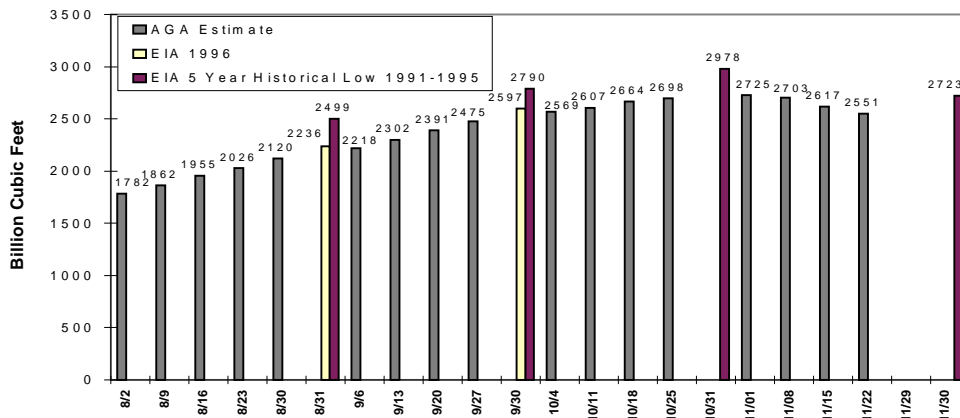
Average Temperature for Four Major Gas Consuming Areas			
	Actual	Normal	Diff
11/24	35	40	-5
11/25	36	40	-4
11/26	34	40	-6
11/27	28	39	-11
11/28	30	39	-9
11/29	35	39	-4
11/30	38	39	-1



Working Gas In Storage 1996

Working Gas Volume as of 11/22/96		
	BCF	% Full
EAST	1,610	90
WEST	326	68
Prod Area	615	68
U. S.	2,551	80

Source: AGA



The NYMEX futures price for January delivery at the Henry Hub opened Monday, December 2 at \$3.370 per MMBtu. The Henry Hub futures settlement price reached a peak last week of \$3.581 per MMBtu on Tuesday, November 26, on which day natural gas for current delivery at major trading locations in Louisiana, East Texas and Oklahoma was being exchanged at a \$0.20 per MMBtu premium to the Henry Hub futures contract price for January delivery. Moreover, cash prices for current delivery at trading areas such as Transco Zone 6 in the mid-Atlantic states were trading near \$5.00 per MMBtu. Such higher cash prices indicate the premium value of natural gas in particular market areas. If current availability of the commodity and of transportation space was viewed as robust, then current prices would be below rather than above futures prices for January delivery. Higher prices for January delivery would reflect carrying costs associated with gas contracts for future delivery.

Spot Prices: Spot prices for December delivery across the producing regions of the United States were similar and high, between \$3.50 and \$4.00 per MMBtu, for much of last week. Prices in major eastern consuming regions tended to be in the range of \$4.25 to \$5.00 per MMBtu. A continuation of colder weather throughout much of the week supported these high prices.

Futures Prices: The Kansas City Board of Trade (KCBOT) West Texas futures contracts and the NYMEX Alberta contract were respectively about \$0.20 per MMBtu and \$1.50 per MMBtu less than the NYMEX Henry Hub futures contract price at the end of the trading week. These differences in price indicate the great importance of location in determining the commercial value of gas. At the same time the NYMEX Henry Hub futures contract settlement price for March delivery at \$2.70 per MMBtu was about \$0.80 per MMBtu less than the futures contract price for January delivery. This difference suggests that future supply conditions are expected to improve relative to expected future demand.

Storage: Net withdrawals for the third week in November were 66 Bcf according to the latest American Gas Association (AGA) estimates. This was about 30% less than net withdrawals in the previous week. AGA statistics indicate that working gas in the east consuming region, which currently represents about 63% of current national working gas, was 47 Bcf greater than last year at the same time. Nonetheless, AGA's nationwide estimates indicate that working gas levels are still 186 Bcf less than last year's level.

Summary: Implied price volatility, a measure of the average variability of price changes associated with NYMEX futures option contracts is about 70%, double its value a month ago and are more than four times the value of most other commonly traded commodities. Thus, natural gas prices can be expected to move upwards and downwards between weeks by large amounts depending on changes in current market conditions. Since temperatures were frequently very low in the last several weeks, and space heating demand was high as a consequence, prices moved upwards.