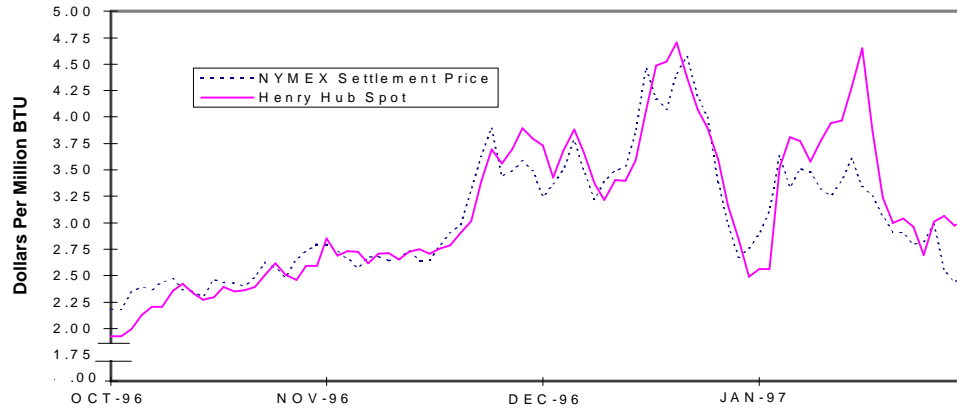


NYMEX Future Prices vs Henry Hub Spot Prices

HENRY HUB PRICE		
	CASH	FUTURES
	Jan	Feb/Mar
	Del	Del
	(\$ per MMBtu)	
01/27	2.97-3.05	2.986
01/28	3.00-3.13	2.546
01/29	2.91-3.04	2.438
01/30	2.88-3.15	2.486
01/31	2.85-3.05	2.385

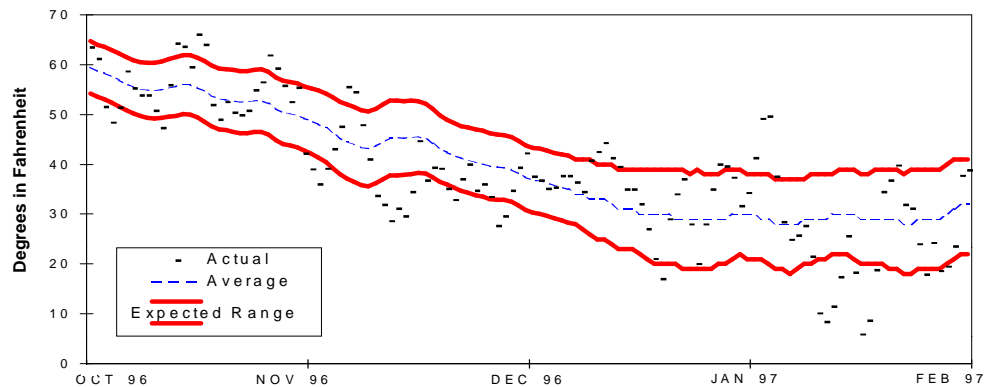


Note: The Henry Hub spot price is from the GAS DAILY and is the midpoint of their high and low price for a day.

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
01/26	18	29	-11
01/27	24	29	-5
01/28	19	29	-10
01/29	20	30	-10
01/30	24	31	-7
01/31	38	32	6
02/01	39	32	7

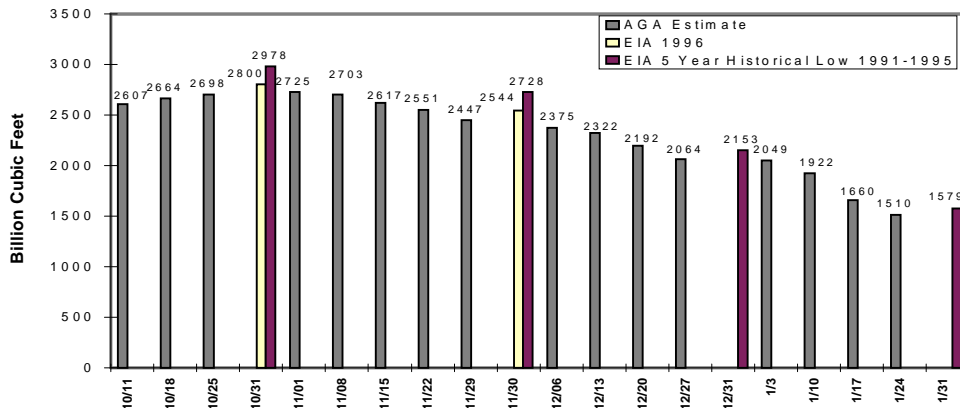


The bounds are computed by adding and subtracting from the average temperatures for the last 10 years an amount equal to twice an estimate of the standard deviation for temperatures on a day.

Working Gas In Storage 1996-1997

Working Gas Volume as of 01/24/97		
	BCF	% Full
EAST	954	53
WEST	222	46
Prod Area	334	37
U. S.	1,510	47

Source: AGA



The NYMEX futures price for March delivery at the Henry Hub opened Monday, February 3, at \$2.295 per MMBtu, \$0.09 lower than Friday's settlement price. Temperatures in the Midwest and the East moderated after Thursday, and by the weekend average temperatures were 6 to 8 degrees Fahrenheit above normal. Some areas had daytime temperatures in the 50s (St. Louis, Indianapolis, and Cincinnati), and current forecasts are calling for this weather pattern to continue for several days. Prices on the spot market at the Henry Hub were relatively stable during the week and ended the week at about the same level as they began at \$3.00 per MMBtu. Other market locations displayed a similar trend and in general were in a \$2.75 to \$2.90 price range. The Henry Hub futures market trended down between Tuesday and Friday and ended the week at \$2.385 per MMBtu for March delivery after closing the February contract at \$2.986 on Monday. The price of West Texas crude oil moved down \$0.75 on Friday but remains above \$24.00 a barrel.

Storage: The American Gas Association (AGA) estimated that 150 Bcf of working gas was withdrawn from storage during the week ending Friday, January 24. This was more than 100 Bcf less than the previous week's estimate of 262 Bcf and similar to average weekly withdrawals in January for the previous 5 years. According to AGA estimates, overall working gas in storage is about the same level as last year at this time. Storage inventories in the East, however, continue to be much improved compared to last year with almost 150 Bcf or 18 percent additional working gas on hand. This has prompted many industry observers to consider storage stocks as more than adequate to meet anticipated demand during the remaining weeks of the heating season.

Spot Prices: Moderating temperatures have removed much of the price pressure on natural gas at major market locations as posted prices were generally below \$3.00 per MMBtu by the end of last week. These price levels are more than \$1.50 less, on average, than those seen 2 weeks earlier. For this past January, average prices at most market locations were considerably higher than in January 1996. Some examples of these higher prices are: Katy in East Texas January 1997 average cash price - \$3.60 per MMBtu compared with \$1.90 last year; Waha in West Texas - \$3.77 vs \$1.98; and Blanco in New Mexico - \$3.70 vs \$1.21. Spot prices at the Henry Hub also were higher this January but by a smaller amount - \$3.47 per MMBtu compared with \$2.92 in January 1996.

Futures Prices: After the closing of the February contract last Monday at \$2.986 per MMBtu, the futures price for March delivery at the Henry Hub settled at \$2.546 on Tuesday. It then proceeded to trend down and ended the week at \$2.385 per MMBtu as the weather moderated and forecasts called for the mild temperatures to continue into this week. In early February last year, during the coldest weather of the winter, the futures price for March delivery was about \$2.50 per MMBtu.

Summary: Moderating weather in the Midwest and East has reduced most upward price pressure at major market locations and allowed prices to decrease more than 50 percent from seasonal highs of 2 weeks ago. Working gas in storage in the East Consuming region appears to be adequate for the remainder of the heating season.