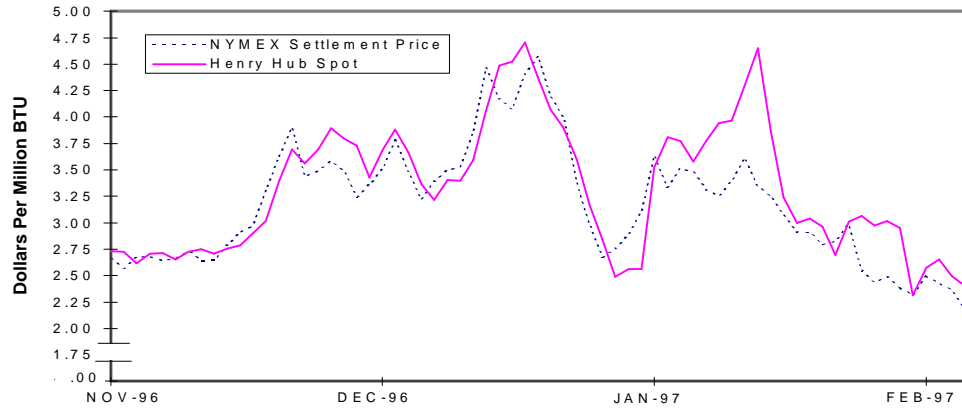


NYMEX Future Prices vs Henry Hub Spot Prices

HENRY HUB PRICE		
	CASH	FUTURES
	Feb	Mar
	Del	Del
	(\$ per MMBtu)	
02/03	2.41-2.55	2.313
02/04	2.53-2.62	2.497
02/05	2.62-2.68	2.430
02/06	2.46-2.53	2.361
02/07	2.37-2.44	2.182

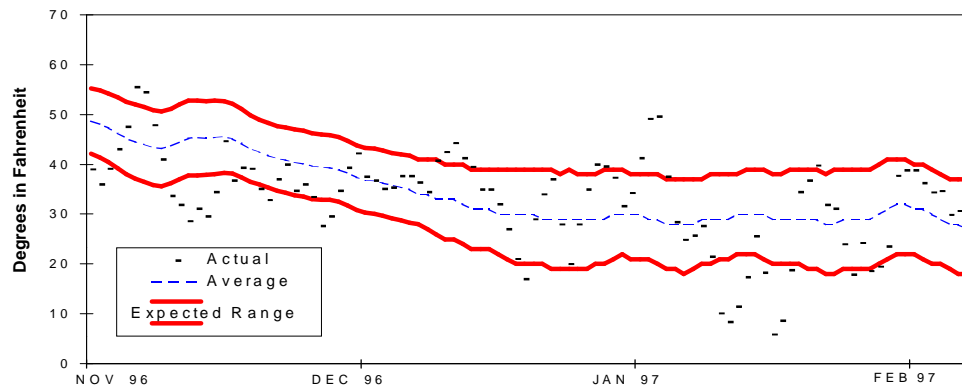


Note: The Henry Hub spot price is from the GAS DAILY and is the midpoint of their high and low price for a day.

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
02/02	39	31	8
02/03	36	31	5
02/04	34	30	4
02/05	35	29	6
02/06	30	28	2
02/07	31	28	3
02/08	29	27	2

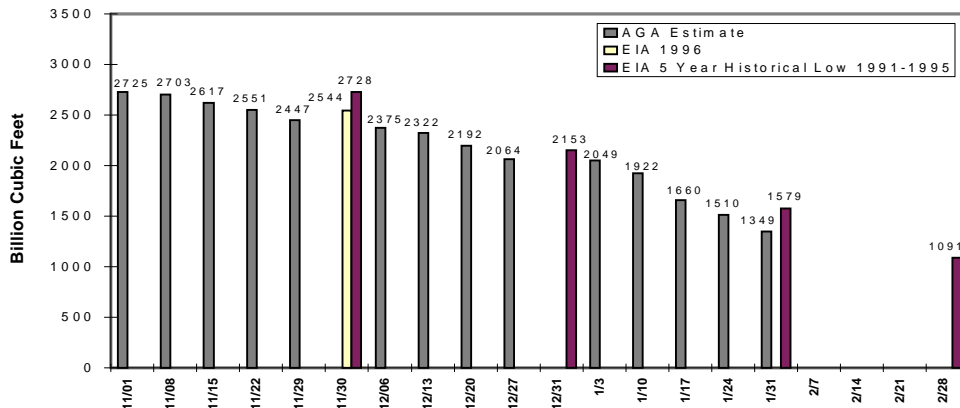


The bounds are computed by adding and subtracting from the average temperatures for the last 10 years an amount equal to twice an estimate of the standard deviation for temperatures on a day.

Working Gas In Storage 1996-1997

Working Gas Volume as of 01/31/97		
	BCF	% Full
EAST	838	47
WEST	213	44
Prod Area	298	33
U. S.	1,349	42

Source: AGA



The NYMEX futures price for March delivery at the Henry Hub opened Monday, February 10, at \$2.240 per MMBtu, \$0.058 higher than Friday's settlement price. Temperatures for most of the Midwest and the East remained above normal for all of last week. Several forecasts are calling for this weather pattern to continue through the middle of this week. Prices on the Henry Hub spot market moved down about \$0.40 per MMBtu from the previous week and by Friday were near \$2.40 - similar to price levels last October. Futures prices displayed some volatility early last week, then trended down to end the week \$0.20 per MMBtu lower than the previous Friday's settlement price. The price of crude oil in West Texas moved down over \$1.75 and ended the week at \$22.25 a barrel - the lowest level in over 3 months. Working gas in storage remained ahead of last year's stocks at this time as the moderate weather, especially in the East, has reduced demand for the industry's storage resources.

Storage: Based on American Gas Association (AGA) estimates for the week ending Friday, January 31, net withdrawals from storage were 161 Bcf. Overall, working gas in storage is 3 percent greater than at the same time last year (1,349 vs 1,304 Bcf). In the East Consuming region, according to AGA estimates, the level of available working gas is almost 25 percent higher (838 vs 680 Bcf) than last year at the end of January. Through January 31, 1997, the National Oceanic and Atmospheric Administration reports that temperatures in most of the Northeast were more than 2 percent warmer than normal and about 8 percent warmer than last year. In Canada, the level of working gas in storage at the end of January was 162 Bcf - about the same as last year's level. Similar to the situation in the United States, the level of working gas available in eastern Canada (Ontario) is 10 percent higher than last year.

Spot Prices: The moderate weather allowed cash prices at the Henry Hub to move down most days last week, and by Friday they were near \$2.40 per MMBtu. This is in sharp contrast to last year at this time when cash prices at the Henry Hub were above \$8.00 per MMBtu in response to a period of severe cold weather. Prices at other major market locations also trended down last week. For example, at the end of last week, prices were \$2.32 per MMBtu at Katy in East Texas, \$2.26 at Waha in West Texas, and \$2.21 at Opal in Wyoming. These price levels are similar to those during last October.

Futures Prices: The price of the March futures contract for delivery at the Henry Hub ended the week below \$2.20 per MMBtu - a level last seen in October during trading of the November contract. This price level is also more than \$0.25 per MMBtu less than the settlement price for last year's March contract at this time (\$2.472) and almost \$0.60 less than last March's final contract price of \$2.746 per MMBtu. The combination of continued moderate to normal temperatures and improved working gas storage levels relative to last year will provide downward pressure on the March futures contract, which closes February 24.

Summary: An extended period of warmer than normal temperatures in most parts of the Midwest and the East continues to reduce demand for natural gas and is keeping both cash and futures prices at their lowest levels in over 3 months.