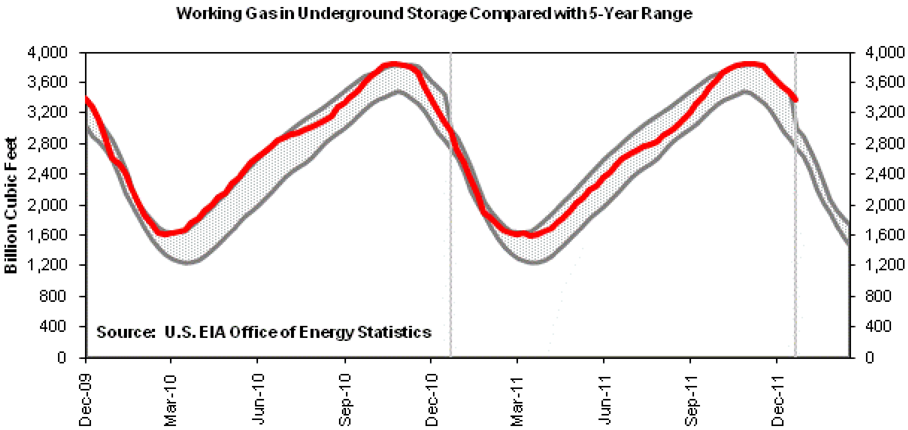
Our Customers Reap the Benefits As Natural Gas Prices Continue To Decline

ESI's recommendation to our customers for the 2009-2010 Heating Season was to allow natural gas prices to "float" based on Market Conditions and not "lock-in. The economy was in poor condition resulting in a lack of industrial demand that was forcing prices down. A large number were hesitant while others were extremely skeptical when we made the recommendation, many disagreed insisting on "budget certainty" while some reluctantly accepted the recommendation. The advice was proven correct and prices spiraled downward throughout the heating season.

The same advice was offered for the 2010-2011 heating season, based on a combination of a poor economy plus the unprecedented success of the Marcellus Shale Boom. While there was some hesitancy, the vast majority accepted our advice based on the previous year's successes. Industrial Demand remained sufficiently low enough to completely overcome a rather severe winter.

After our "in depth annual review" of the energy markets, we repeated the previous two year's recommendations for the current 2011-2012 heating season and everyone, 100% of our customers, accepted our advice and allowed prices to float.

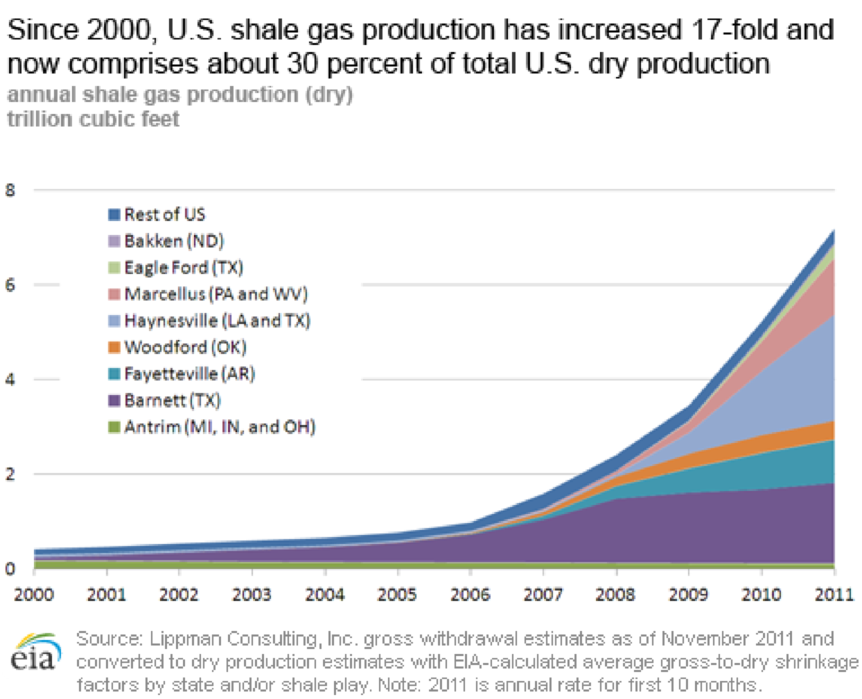
January is now coming to an end and we have experienced some of the mildest temperatures on record, effectively winter is over; natural gas storage is at an all time high; industrial demand continues to be depressed due to the poor state of the World Economy; and the Marcellus Shale Boom has caused a major glut of natural gas never seen before, with record low prices being forecast. Additionally, some previously coal fired power plants are now burning natural gas without causing prices to increase due to the additional demand.



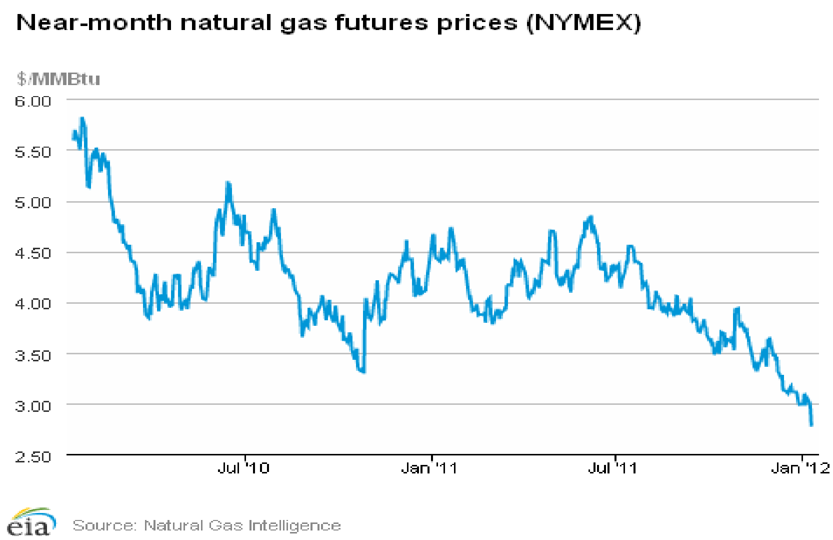
Note: Shaded area indicates the range between historical minimum and maximum values for the weekly periods from 2007 through 2011.

Current natural gas stockpiles at 3.377 trillion cubic feet are 17% above the five year average. Traditionally, heating demand ends in March and some estimates place stored natural gas at 2.4 trillion cubic feet at that time preventing producers from their normal seasonal storage injections. If this happens prices could trade at $2.40 per therm and possibly below $2.00. With storage injections low, there would be no place for the gas to go and wells would be shut-in. System problems would abound with storage effectively full in July or August, possibly causing a steeper decline in price.

The Marcellus Shale Boom continues to have a positive impact on the commercial real estate owner's bottom line. Development of the Marcellus Shale formation is significant, in that, this is the first time a major abundant source of natural gas has been found where it is needed, not over a thousand miles away under four-thousand feet of water. Marcellus Gas is here, in Western Pennsylvania, a hub of activity that includes major electricity production, industrial facilities, large concentrations of single family homes and shopping centers; plus, the supply is conveniently close to the numerous other populous areas of the Northeast including: Philadelphia, New York and Boston. The Marcellus discovery will revolutionize the natural gas industry and eliminate the normal excuses that have historically caused price volatility; no longer will we see price spikes due to pipeline problems, hurricanes in the Gulf or low storage injections. Traders will need to develop another set of catastrophes to cast Doom and Gloom over everyday life!



Everything discussed above impacts the price of natural gas and those who heeded our advice over the past three years have reaped the benefits paying lower prices and increased the bottom line. We will diligently continue to monitor the market and the many parameters that affect natural gas prices. If and when market conditions indicate a sustained upward trend we will contact our customers and recommend a strategy to lock-in prices to maximize your bottom line.



At this point there is nothing on the horizon to indicate any major shift in natural gas pricing. Industrial demand remains low with no indication, of any type, offering a quick rebound. Marcellus production will continue to increase, only adding to the oversupply and continuing to depress the overall market.

Continue to "float" based on "market conditions" and enjoy the current situation.

Please remember, everything discussed above is only relative to natural gas, it does not apply to fuel oil, propane or electricity. These commodities are not experiencing any type of oversupply or glut, pricing will continue to fluctuate based upon seasonal demand. Heating commodities are more expensive during the heating season and electricity is more expensive during the summer air-conditioning season. These rules remain constant and cannot change.