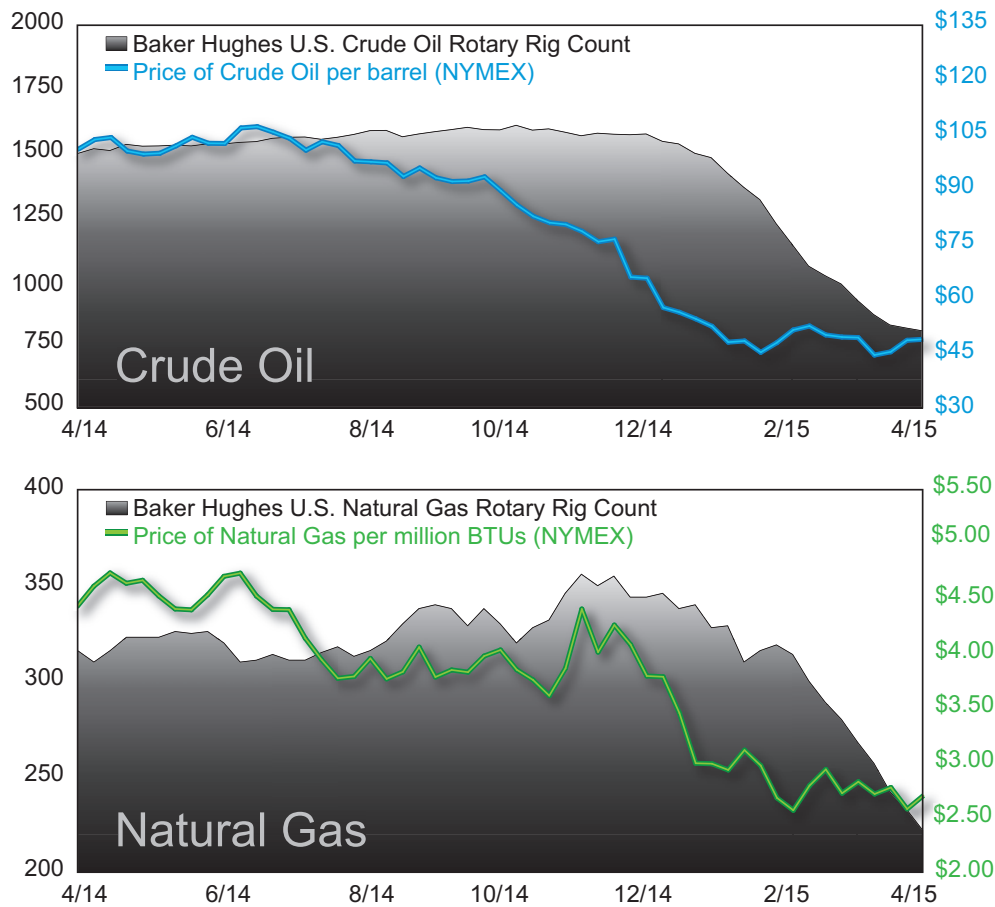


U.S. Oil & Gas Rig Counts Plunge With Energy Prices



Source: Bloomberg. Data from 4/4/14 through 4/3/15.

View from the Observation Deck

- Over the past few months, the financial media has been reporting on the cutbacks in the number of active U.S. rigs in the crude oil and natural gas industries. This scenario is depicted in the charts.
- The rise in U.S. oil and gas production has reportedly contributed to the plunge in energy prices. Energy companies tend to reduce the number of active rigs when production becomes less profitable.
- The number of active rigs producing crude oil in the U.S. declined from a 12-month high of 1,609 (10/10/14) to a low of 802 (4/3/15).
- The price of crude oil fell from \$85.82 (10/10/14) per barrel to \$49.14 (4/2/15)...markets were closed on 4/3).
- The number of active rigs producing natural gas in the U.S. declined from a 12-month high of 356 (11/7/14) to a low of 222 (4/3/15).
- The price of natural gas fell from \$4.41 (11/7/14) per million BTUs (British thermal units) to \$2.71 (4/2/15)...markets were closed on 4/3).
- While some investors may be looking to invest in the energy sector based on recent weakness, they should know that opinions among Wall Street analysts differ quite a bit.
- Goldman Sachs, for example, believes that, despite the rapid reduction in the number of rigs producing crude oil, we still have months of low oil prices ahead of us, according to MarketWatch.com.

This chart is for illustrative purposes only and not indicative of any actual investment. There can be no assurance that any of the projections cited will occur.