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Projections

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Filed by: ANDREW J. SONDERMAN

*Behalf of: BRAINARD GAS CORPORATION,
NORTHEAST OHIO NATURAL GAS CORPORATION,
AND ORWELL NATURAL GAS CORPORATION*

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**Sun Life Debt Coverage Ratio Projection
Obligors
2012 Projection**

	6/30/11	9/30/11	12/31/11	Q1 Activity 3/31/12	4 Qtrs Ending 3/31/2012	Q2 Activity 6/30/12	4 Qtrs Ending 6/30/2012	Q3 Activity 9/30/12	4 Qtrs Ending 9/30/2012	Q4 Activity 12/31/12	4 Qtrs Ending 12/31/2012
Net Income	(\$502,297)	(\$458,124)	\$86,755	\$994,982	\$121,316	(\$333,570)	\$290,043	(\$1,079,768)	(\$331,602)	\$18,907	(\$399,450)
Plus:											
Interest Expense	260,399	297,635	260,390	264,824	1,083,248	266,897	1,089,746	320,921	1,113,032	324,788	1,177,430
Income Tax Expense	(257,845)	(544,511)	306,289	512,567	16,500	(171,839)	102,506	(571,971)	75,045	2,398	(228,846)
Depreciation and Amort.	405,329	411,812	441,937	476,607	1,735,685	477,195	1,807,551	575,565	1,971,303	581,347	2,110,713
Extraordinary Losses	133,442	60,926	5,370	0	199,738	0	66,296	0	5,370	0	0
Ohio Group EBITDA	\$39,028	(\$232,262)	\$1,100,741	\$2,248,980	\$3,156,487	\$238,682	\$3,356,141	(\$755,254)	\$2,833,149	\$927,440	\$2,659,848
Ohio Group Interest Exp.	\$260,399	\$297,635	\$260,390	\$264,824	\$1,083,248	\$266,897	\$1,089,746	\$320,921	\$1,113,032	\$324,788	\$1,177,430
Debt Service Coverage Ratio					2.91		3.08		2.55		2.26
Minimum Requirement					2.00		2.00		2.00		2.00
Result											

ASSUMPTIONS:


- 1) Includes new Sun Life debt of \$4,300,000 effective 7/1/12 Forward. Assumed interest rate = 5% per annum
- 2) Includes financial data relative to Independence Oil and Public Gas Co. (KY) effective 7/1/12 Forward
- 3) For all periods March 31, 2012 and prior, "actual" financial data per the Income Statement has been entered into the spreadsheet above.
- 4) For all periods after March 31, 2012, "budgeted" financial data has been used.

**Sun Life Debt Coverage Ratio Projection
Obligors
2013 Projection**

	4 Qtrs Ending 12/31/2012	Q1 Activity 3/31/13	4 Qtrs Ending 3/31/2013	Q2 Activity 6/30/13	4 Qtrs Ending 6/30/2013	Q3 Activity 9/30/13	4 Qtrs Ending 9/30/2013	Q4 Activity 12/31/13	4 Qtrs Ending 12/31/2013
Net Income	(\$399,450)	\$1,336,299	(\$58,132)	(\$589,578)	(\$314,140)	(\$1,079,768)	(\$314,140)	\$18,907	(\$314,140)
Plus:									
Interest Expense	1,177,430	320,347	1,232,953	\$321,123	1,287,179	320,921	1,287,179	324,788	1,287,179
Income Tax Expense	(228,846)	\$629,411	(112,002)	(\$326,341)	(266,504)	(\$571,971)	(266,504)	\$56,310	(212,592)
Depreciation and Amort.	2,110,713	\$561,809	2,195,915	\$569,712	2,288,432	\$575,565	2,288,432	\$581,347	2,288,432
Ohio Group EBITDA	\$2,659,848	\$2,847,866	\$3,258,734	(\$25,085)	\$2,994,967	(\$755,254)	\$2,994,967	\$981,353	\$3,048,879
Ohio Group Interest Exp.	\$1,177,430	\$320,347	\$1,232,953	\$321,123	\$1,287,179	\$320,921	\$1,287,179	\$324,788	\$1,287,179
Debt Service Coverage Ratio	2.26		2.64		2.33		2.33		2.37
Minimum Requirement	2.00		2.00		2.00		2.00		2.00
Result									

ASSUMPTIONS:

- 1) Includes new Sun Life debt of \$4,300,000 effective 7/1/12 Forward. Assumed interest rate = 5% per annum
- 2) Includes financial data relative to Independence Oil and Public Gas Co. (KY) effective 7/1/12 Forward
- 3) For all periods presented above, the 2012 Budget was used to project 2013 results

Sun Life Obligors Debt to Equity Covenant Calculation 2012 Forward		03/31/12	06/30/12	09/30/12	12/31/12	03/31/13	06/30/13	09/30/13	12/31/13
		Debt	\$18,342,595	\$18,342,595	\$22,842,595	\$22,842,595	\$22,842,595	\$22,842,595	\$22,842,595
Capitalization	\$52,117,011	\$51,783,441	\$55,203,672	\$55,222,579	\$56,558,879	\$55,969,300	\$54,889,532	\$54,908,439	
Debt to Equity Ratio	35%	35%	41%	41%	40%	41%	42%	42%	42%
Requirement	60%	60%	60%	60%	60%	60%	60%	60%	60%
									
<p>Note: This calculation assumes additional Sun Life Debt Refinancing (\$4.3M) will be effective in the 3rd Quarter 2012. It also assumes that there will be no capital infusions or dividend distributions during 2012 or 2013.</p>									

**Restricted Dividend Covenant
Sun Life Debt Obligors
Projections - 2012 Forward**

	4 Qtrs Ending 3/31/2012	4 Qtrs Ending 6/30/2012	4 Qtrs Ending 9/30/2012	4 Qtrs Ending 12/31/2012	4 Qtrs Ending 3/31/2013	4 Qtrs Ending 6/30/2013	4 Qtrs Ending 9/30/2013	4 Qtrs Ending 12/31/2013
Dividends declared	\$1,358,920	\$951,244	\$543,568	\$135,892	\$0	\$0	\$0	\$0
Net Income	\$121,316	\$290,043	(\$331,602)	(\$399,450)	\$895,290	\$15,669	(\$732,497)	(\$314,140)
Dividends Dist. As a % of NI	1120%	328%	-164%	-34%	0%	0%	0%	0%
Maximum Requirement	60%	70%	70%	70%	70%	70%	70%	70%
Result								

Note: The Obligors have been granted a waiver on this particular covenant through Dec. 31, 2012 by Sun Life Assurance Com