United States Natural Gas Fund, LP
Form 424B3
May 25, 2012
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PROSPECTUS

United States Natural Gas Fund, LP®

457,300,000 Units

United States Natural Gas Fund, LP, a Delaware limited partnership, is a commodity pool that issues units that may be purchased and sold on the NYSE Arca, Inc. (NYSE Arca). United States Natural Gas Fund, LP is referred to as USNG throughout this document. This is a best efforts offering. USNG will continuously offer creation baskets consisting of 100,000 units to authorized purchasers through ALPS Distributors, Inc., which is the marketing agent. Authorized purchasers will pay a transaction fee of $1,000 for each order placed to create one or more baskets. This is a continuous offering and will not terminate until all of the registered units have been sold. Our units are listed on the NYSE Arca under the symbol UNG.

The units may be purchased from USNG only in one or more blocks of 100,000 units, as described in Creation and Redemption of Units. A block of 100,000 units is called a Basket. USNG issues and redeems units in Baskets on a continuous basis to certain authorized purchasers as described in Plan of Distribution. Each creation basket is offered and sold to an authorized purchaser at a price equal to the net asset value of 100,000 units on the day that the order to create the creation basket is accepted by the marketing agent.

The units are offered and sold to the public by authorized purchasers at prices that are expected to reflect, among other factors, the trading price of the units on the NYSE Arca, the net asset value of USNG and the supply of and demand for units at the time of sale. The difference between the price paid by authorized purchasers as underwriters and the price paid to such authorized purchasers by investors will be deemed underwriting compensation. Authorized purchasers will not receive from USNG or any of its affiliates, any fee or other compensation in connection with the sale of units.

USNG is not a mutual fund registered under the Investment Company Act of 1940 and is not subject to regulation under such Act.

Some of the risks of investing in USNG include:

- Investing in natural gas interests subjects USNG to the risks of the natural gas industry which could result in large fluctuations in the price of USNG s units.

- If certain correlations do not exist, then investors may not be able to use USNG as a cost-effective way to invest indirectly in natural gas or as a hedge against the risk of loss in natural gas-related transactions.

USNG does not expect to make cash distributions.

USNG and its general partner may have conflicts of interest, which may permit them to favor their own interests to your detriment.

Investing in USNG involves other significant risks. See What Are the Risk Factors Involved with an Investment in USNG? beginning on page 11.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION (SEC) NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SECURITIES OFFERED IN THIS PROSPECTUS, OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE COMMODITY FUTURES TRADING COMMISSION (CFTC) HAS NOT PASSED UPON THE MERITS OF PARTICIPATING IN THIS POOL NOR HAS IT PASSED ON THE ADEQUACY OR ACCURACY OF THIS DISCLOSURE DOCUMENT.

This prospectus is in two parts: a disclosure document and a statement of additional information. These parts are bound together, and both contain important information.

	Per Unit	Per Basket
Price of the units*	$ 17.40	$ 1,740,000.00

* Based on closing net asset value on May 14, 2012. The price may vary based on net asset value in effect on a particular day.

The date of this prospectus is May 25, 2012.

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COMMODITY FUTURES TRADING COMMISSION

RISK DISCLOSURE STATEMENT

YOU SHOULD CAREFULLY CONSIDER WHETHER YOUR FINANCIAL CONDITION PERMITS YOU TO PARTICIPATE IN A COMMODITY POOL. IN SO DOING, YOU SHOULD BE AWARE THAT FUTURES AND OPTIONS TRADING CAN QUICKLY LEAD TO LARGE LOSSES AS WELL AS GAINS. SUCH TRADING LOSSES CAN SHARPLY REDUCE THE NET ASSET VALUE OF THE POOL AND CONSEQUENTLY THE VALUE OF YOUR INTEREST IN THE POOL. IN ADDITION, RESTRICTIONS ON REDEMPTIONS MAY AFFECT YOUR ABILITY TO WITHDRAW YOUR PARTICIPATION IN THE POOL.

FURTHER, COMMODITY POOLS MAY BE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT, ADVISORY AND BROKERAGE FEES. IT MAY BE NECESSARY FOR THOSE POOLS THAT ARE SUBJECT TO THESE CHARGES TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS. THIS DISCLOSURE DOCUMENT CONTAINS A COMPLETE DESCRIPTION OF EACH EXPENSE TO BE CHARGED THIS POOL BEGINNING AT PAGE 57 AND A STATEMENT OF THE PERCENTAGE RETURN NECESSARY TO BREAK EVEN, THAT IS, TO RECOVER THE AMOUNT OF YOUR INITIAL INVESTMENT, AT PAGE 7.

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER FACTORS NECESSARY TO EVALUATE YOUR PARTICIPATION IN THIS COMMODITY POOL. THEREFORE, BEFORE YOU DECIDE TO PARTICIPATE IN THIS COMMODITY POOL, YOU SHOULD CAREFULLY STUDY THIS DISCLOSURE DOCUMENT, INCLUDING THE DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT, AT PAGE 11.

YOU SHOULD ALSO BE AWARE THAT THIS COMMODITY POOL MAY TRADE FOREIGN FUTURES OR OPTIONS CONTRACTS. TRANSACTIONS ON MARKETS LOCATED OUTSIDE THE UNITED STATES, INCLUDING MARKETS FORMALLY LINKED TO A UNITED STATES MARKET, MAY BE SUBJECT TO REGULATIONS WHICH OFFER DIFFERENT OR DIMINISHED PROTECTION TO THE POOL AND ITS PARTICIPANTS. FURTHER, UNITED STATES REGULATORY AUTHORITIES MAY BE UNABLE TO COMPEL THE ENFORCEMENT OF THE RULES OF REGULATORY AUTHORITIES OR MARKETS IN NON-UNITED STATES JURISDICTIONS WHERE TRANSACTIONS FOR THE POOL MAY BE EFFECTED.

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UNITED STATES NATURAL GAS FUND, LP

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STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements which generally relate to future events or future performance. In some cases, you can identify forward-looking statements by terminology such as may, will, should, expect, plan, anticipate, believe, estimate, predict, negative of these terms or other comparable terminology. All statements (other than statements of historical fact) included in this prospectus and movements in the commodities markets and indexes that track such movements, USNG s operations, the General Partner s plans and references to USNG s future success and other similar matters, are forward-looking statements. These statements are only predictions. Actual events or results may differ materially. These statements are based upon certain assumptions and analyses the General Partner has made based on its perception of historical trends, current conditions and expected future developments, as well as other factors appropriate in the circumstances. Whether or not actual results and developments will conform to the General Partner s expectations and predictions, however, is subject to a number of risks and uncertainties, including the special considerations discussed in this prospectus, general economic, market and business conditions, changes in laws or regulations, including those concerning taxes, made by governmental authorities or regulatory bodies, and other world economic and political developments. See What Are the Risk Factors Involved with an Investment in USNG? Consequently, all the forward-looking statements made in this prospectus are qualified by these cautionary statements, and there can be no assurance that the events or developments that will or may occur in the future, including such matters as changes in inflation in the United States movements in the stock market, movements in the U.S. and foreign currencies, actual results or developments the General Partner anticipates will be realized or, even if substantially realized, that they will result in the expected consequences to, or have the expected effects on, USNG s operations or the value of the units.

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PROSPECTUS SUMMARY

This is only a summary of the prospectus and, while it contains material information about USNG and its units, it does not contain or summarize all of the information about USNG and the units contained in this prospectus that is material and/or which may be important to you. You should read this entire prospectus, including What Are the Risk Factors Involved with an Investment in USNG? beginning on page 11, before making an investment decision about the units.

Overview of USNG

United States Natural Gas Fund, LP, a Delaware limited partnership (USNG or Us or We), is a commodity pool that issues units that may be purchased and sold on the NYSE Arca. It is managed and controlled by its general partner, United States Commodity Funds LLC (formerly known as Victoria Bay Asset Management, LLC) (General Partner). The General Partner is a single member limited liability company formed in Delaware on May 10, 2005 that is registered as a commodity pool operator (CPO) with the Commodity Futures Trading Commission (CFTC) and is a member of the National Futures Association (NFA).

The investment objective of USNG is for the daily changes in percentage terms of its units net asset value (NAV) to reflect the daily changes in percentage terms of the spot price of natural gas delivered at the Henry Hub, Louisiana, as measured by the daily changes in the price of the futures contract on natural gas traded on the New York Mercantile Exchange (the NYMEX) that is the near month contract to expire, except when the near month contract is within two weeks of expiration, in which case it will be measured by the futures contract that is the next month contract to expire, less USNG s expenses (the Benchmark Futures Contract). The General Partner does not intend to operate USNG in a fashion such that its per unit NAV will equal, in dollar terms, the spot price of natural gas or any particular futures contract based on natural gas. It is not the intent of USNG to be operated in a fashion such that its NAV will reflect the percentage change of the price of any particular futures contract as measured over a time period greater than one day. USNG may invest in interests other than the Benchmark Futures Contract to comply with accountability levels and position limits. For a detailed discussion of accountability levels and position limits, see What are Futures Contracts?

The net assets of USNG consist primarily of investments in futures contracts for natural gas, crude oil, heating oil, gasoline, and other petroleum-based fuels that are traded on the NYMEX, ICE Futures Exchange (Ice Futures) or other U.S. and foreign exchanges (collectively, Futures Contracts) and, to a lesser extent, in order to comply with regulatory requirements or in view of market conditions, other natural gas-related investments such as cash-settled options on Futures Contracts, forward contracts for natural gas, cleared swap contracts, and non-exchange traded (over-the-counter) transactions that are based on the price of natural gas, crude oil and other petroleum-based fuels, Futures Contracts and indices based on the foregoing (collectively, Other Natural Gas-Related Investments). Market conditions that the General Partner currently anticipates could cause USNG to invest in Other Natural Gas-Related Investments include those allowing USNG to obtain greater liquidity or to execute transactions with more favorable pricing. For convenience and unless otherwise specified, Futures Contracts and Other Natural Gas-Related Investments collectively are referred to as Natural Gas Interests in this prospectus. The General Partner is authorized by USNG in its sole judgment to employ, establish the terms of employment for, and terminate commodity trading advisors or futures commission merchants.

In order for a hypothetical investment in Units to break even over the next 12 months, assuming a selling price of $16.01 per Unit, the investment would have to generate a 1.00% return. For more information, see Breakeven Analysis.

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The General Partner endeavors to place USNG s trades in Futures Contracts and Other Natural Gas-Related Investments and otherwise manage USNG s investments so that A will be within plus/minus 10 percent of B , where:

A is the average daily change in USNG s NAV for any period of 30 successive valuation days, *i.e.*, any NYSE Arca trading day as of which USNG calculates its NAV, and

B is the average daily percentage change in the price of the Benchmark Futures Contract over the same period.

The General Partner believes that market arbitrage opportunities will cause daily changes in USNG s unit price on the NYSE Arca to closely track daily changes in USNG s NAV per unit. The General Partner further believes that the daily changes in prices of the Benchmark Futures Contract have historically closely tracked the daily changes in spot prices of natural gas. The General Partner believes that the net effect of these two expected relationships and the expected relationship described above between USNG s NAV and the Benchmark Futures Contract, will be that the daily changes in the price of USNG s units on the NYSE Arca will closely track, in percentage terms, the daily changes in the spot price of 10,000 million British thermal units (mmBtu) of natural gas, less USNG s expenses.

The General Partner employs a neutral investment strategy intended to track the changes in the price of the Benchmark Futures Contract regardless of whether the price goes up or goes down. USNG s neutral investment strategy is designed to permit investors generally to purchase and sell USNG s units for the purpose of investing indirectly in natural gas in a cost-effective manner, and/or to permit participants in the natural gas or other industries to hedge the risk of losses in their natural gas-related transactions. Accordingly, depending on the investment objective of an individual investor, the risks generally associated with investing in natural gas and/or the risks involved in hedging may exist. In addition, an investment in USNG involves the risk that the changes in the price of USNG s units will not accurately track the changes in the price of the Benchmark Futures Contract, and that changes in the Benchmark Futures Contract will not closely correlate with changes in the spot price of natural gas.

As an example, for the year ended December 31, 2011, the actual total return of USNG as measured by changes in its per unit NAV was 46.08%. This is based on an initial per unit NAV of $12.00 on December 31, 2010 (adjusted for two-for-one reverse split on March 11, 2011) and an ending per unit NAV as of December 31, 2011 of $6.47. During this time period, USNG made no distributions to its unitholders. However, if USNG s daily changes in its per unit NAV had instead exactly tracked the changes in the daily return of the Benchmark Futures Contract, USNG would have had an estimated per unit NAV of $6.55 as of December 31, 2011, for a total return over the relevant time period of 45.52%. The difference between the actual per unit NAV total return of USNG of 46.08% and the expected total return based on the changes in the daily return of the Benchmark Futures Contract of 45.52% was an error over the time period of 0.66%, which is to say that USNG s actual total return underperformed the benchmark result by that percentage.

USNG s investment objective is to track the changes in the price of the Benchmark Futures Contract, not to have the market price of its units match, dollar for dollar, changes in the spot price of natural gas. Contango and backwardation have impacted the total return on an investment in USNG s units during the past year relative to a hypothetical direct investment in natural gas and, in the future, it is likely that the relationship between the market price of USNG s units and changes in the spot prices of natural gas will continue to be impacted by contango and backwardation. It is important to note that this comparison ignores the potential costs associated with physically owning and storing natural gas, which could be substantial.

One factor that impacts the total return that will result from investing in near month futures contracts and rolling those contracts forward each month is the price relationship between the current near month contract and the next month contract. For example, if the price of the near month contract is higher than the next month contract (a situation referred to as backwardation in the futures market), then absent any other change there is a tendency for the price of a next month contract to rise in value as it becomes the near month contract and approaches expiration. Conversely, if the price of a near month contract is lower than the next month contract (a situation referred to as contango in the futures market), then absent any other change there is a tendency for the price of a next month contract to decline in value as it becomes the near month contract and approaches expiration.

As an example, assume that the price of natural gas for immediate delivery (the spot price), was $5.00 per 10,000 mmBtu, and the value of a position in the near month futures contract was also $5.00. Over time, the price of 10,000 mmBtu of natural gas will fluctuate based on a number of market factors, including demand for natural gas relative to its supply. The value of the near month contract will likewise fluctuate in reaction to a number of market factors. If investors seek to maintain their position in a near month contract and not take delivery of the natural gas, every month they must sell their current near month contract as it approaches expiration and invest in the next month contract.

If the futures market is in backwardation, *e.g.*, when the expected price of natural gas in the future would be less, the investor would be buying a next month contract for a lower price than the current near month contract. Using the $5.00 per 10,000mm Btu price above to represent the front month price, the price of the next month contract could be $4.90 per 10,000 mmBtu, which is 2% cheaper than the front month contract. Hypothetically, and assuming no other changes to either prevailing natural gas prices or the price relationship between the spot price, the near month contract and the next month contract (and ignoring the impact of commission costs and the income earned on cash and/or cash equivalents), the value of the $4.90 next month contract would rise as it approaches expiration and becomes the new near month contract with a price of $5.00. In this example, the value of an investment in the second month contract would tend to rise faster than the spot price of natural gas, or fall slower. As a result, it would be possible in this hypothetical example for the spot price of natural gas to have risen 10% after some period of time, while the value of the investment in the second month futures contract could have risen 12%, assuming backwardation is large enough or enough time has elapsed. Similarly, the spot price of natural gas could have fallen 10% while the value of an investment in the futures contract could have fallen only 8%. Over time, if backwardation remained constant, the difference would continue to increase.

If the futures market is in contango, the investor would be buying a next month contract for a higher price than the current near month contract. Using again the $5.00 per 10,000 mmBtu price above to represent the front month price, the price of the next month contract could be $5.10 per 10,000 mmBtu, which is 2% more expensive than the front month contract. Hypothetically, and assuming no other changes to either prevailing natural gas prices or the price relationship between the spot price, the near month contract and the next month contract (and ignoring the impact of commission costs and the income earned on cash and/or cash equivalents), the value of the next month contract would fall as it approaches expiration and becomes the new near month contract with a price of $5.00. In this example, the value of an investment in the second month would tend to rise slower than the spot price of natural gas, or fall faster. As a result, it would be possible in this hypothetical example for the spot price of natural gas to have risen 10% after some period of time, while the value of the investment in the second month futures contract will have risen only 8%, assuming contango is large enough or enough time has elapsed. Similarly, the spot price of natural gas could have fallen 10% while the value of an investment in the second month futures contract could have fallen 12%. Over time, if contango remained constant, the difference would continue to increase.

The Benchmark Futures Contract is changed from the near month contract to the next month contract over a four-day period. See How Does USNG Operate for a more extensive discussion of how USNG rolls its positions in Natural Gas Interests on a monthly basis.

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USNG creates units only in blocks of 100,000 units called Creation Baskets and redeems units only in blocks of 100,000 units called Redemption Baskets. Only Authorized Purchasers may purchase or redeem Creation Baskets or Redemption Baskets. An Authorized Purchaser is under no obligation to create or redeem baskets, and an Authorized Purchaser is under no obligation to offer to the public units of any baskets it does create. Baskets are generally created when there is sufficient demand for units that the market price per unit is at a premium to the NAV per unit. Authorized Purchasers will then sell such units, which will be listed on the NYSE Arca, to the public at per-unit offering prices that are expected to reflect, among other factors, the trading price of the units on the NYSE Arca, the NAV of USNG at the time the Authorized Purchaser purchased the Creation Baskets and the NAV at the time of the offer of the units to the public, the supply of and demand for units at the time of sale, and the liquidity of the Futures Contracts market and the market for Other Natural Gas-Related Investments. The prices of units offered by Authorized Purchasers are expected to fall between USNG s NAV and the trading price of the units on the NYSE Arca at the time of sale. Similarly, baskets are generally redeemed when the market price per unit is at a discount to the NAV per unit. Retail investors seeking to purchase or sell units on any day will effect such transactions in the secondary market, on the NYSE Arca, at the market price per unit, rather than in connection with the creation or redemption of baskets.

There is no specified limit on the maximum amount of Creation Baskets that can be sold. At some point, accountability levels and position limits on certain of the Futures Contracts or Other Natural Gas-Related Investments in which USNG intends to invest may practically limit the number of Creation Baskets that will be sold if the General Partner determines that the other investment alternatives available to USNG at that time will not enable it to meet its stated investment objective. In this regard, the General Partner also manages the United States 12 Month Natural Gas Fund, LP (US12NG) that currently invests in 12 futures contracts for natural gas as traded on the NYMEX, consisting of the near month contract to expire and the contracts for the following eleven months, for a total of 12 consecutive months contracts. Any futures contracts held by US12NG or any other Related Public Fund may be aggregated with the ones held by USNG in determining NYMEX accountability levels and position limits.

In managing USNG s assets, the General Partner does not use a technical trading system that automatically issues buy and sell orders. The General Partner instead employs quantitative methodologies whereby each time one or more baskets are purchased or redeemed, the General Partner will purchase or sell Futures Contracts and Other Natural Gas-Related Investments with an aggregate market value that approximates the amount of Treasuries, cash and/or cash equivalents received or paid upon the purchase or redemption of the basket(s).

Note to Secondary Market Investors: The units can be directly purchased from or redeemed by USNG only in Creation Baskets or Redemption Baskets, respectively, and only by Authorized Purchasers. Each Creation Basket and Redemption Basket consists of 100,000 units. Individual investors, therefore, are not able to directly purchase units from or redeem units with USNG. Some of the information contained in this prospectus, including information about buying and redeeming units directly from and to USNG is only relevant to Authorized Purchasers. Units are listed and traded on the NYSE Arca under the ticker symbol UNG and may be purchased and sold as individual units. Individuals interested in purchasing units in the secondary market should contact their broker. Units purchased or sold through a broker may be subject to commissions.

Except when aggregated in Redemption Baskets, units are not redeemable securities. There is no guarantee that units will trade at or near the per-unit NAV.

Principal Offices of USNG and the General Partner

USNG was organized as a limited partnership under Delaware law on September 11, 2006. USNG is operated pursuant to the Third Amended and Restated Agreement of Limited Partnership dated December 31, 2010 (LP Agreement). USNG s principal office is located at 1320 Harbor Bay Parkway, Suite 145, Alameda,

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California 94502. The General Partner s principal office is also located at 1320 Harbor Bay Parkway, Suite 145, Alameda, California 94502. The telephone number for each of USNG and the General Partner is 510.522.9600.

Principal Investment Risks of an Investment in USNG

An investment in USNG involves a degree of risk. Some of the risks you may face are summarized below. A more extensive discussion of these risks appears beginning on page 11.

The price relationship between the near month contract to expire and the next month contract to expire that compose the Benchmark Futures Contract will vary and may impact both the total return over time of USNG s NAV, as well as the degree to which its total return tracks other natural gas price indices total returns. In cases in which the near month contract s price is lower than the next month contract s price (a situation known as contango in the futures markets), then absent the impact of the overall movement in natural gas prices the value of the benchmark contract would tend to decline as it approaches expiration. In cases in which the near month contract s price is higher than the next month contract s price (a situation known as backwardation in the futures markets), then absent the impact of the overall movement in natural gas prices the value of the benchmark contract would tend to rise as it approaches expiration.

Unlike mutual funds, commodity pools or other investment pools that manage their investments in an attempt to realize income and gains and distribute such income and gains to their investors, USNG generally does not distribute cash to limited partners or other unitholders. You should not invest in USNG if you will need cash distributions from USNG to pay taxes on your share of income and gains of USNG, if any, or for any other reason.

Investors may choose to use USNG as a means of investing indirectly in natural gas and there are risks involved in such investments. There are significant risks and hazards that inherent in the natural gas oil industry that may cause the price of natural gas to widely fluctuate.

To the extent that investors use USNG as a means of indirectly investing in natural gas, there is the risk that the daily changes in the price of USNG s units on the NYSE Arca will not closely track the daily changes in the spot price of natural gas. This could happen if the price of Units traded on the NYSE Arca does not correlate closely with USNG s NAV; the changes in USNG s NAV do not correlate closely with the changes in the price of the Benchmark Futures Contract or the changes in the price of the Benchmark Futures Contract do not closely correlate with the changes in the cash or spot price of natural gas. This is a risk because if the correlations do not exist, then investors may not be able to use USNG as a cost-effective way to indirectly invest in natural gas or as a hedge against the risk of loss in natural gas-related transactions.

The General Partner endeavors to manage USNG s positions in Natural Gas Interests so that USNG s assets are, unlike those of other commodity pools, not leveraged (*i.e.*, so that the aggregate value of USNG s unrealized losses from its investments in such Natural Gas Interests at any time will not exceed the value of USNG s assets). There is no assurance that the General Partner will successfully implement this investment strategy. If the General Partner permits USNG to become leveraged, you could lose all or substantially all of your investment if USNG s trading positions suddenly turn unprofitable.

Investors, including those who directly participate in the natural gas, may choose to use USNG as a vehicle to hedge against the risk of loss and there are risks involved in hedging activities. While hedging can provide protection against an adverse movement in market prices, it can also preclude a hedger s opportunity to benefit from a favorable market movement.

Regulation of the commodity interest and energy markets is extensive and constantly changing. On July 21, 2010, a broad financial regulatory reform bill, The Dodd-Frank Wall Street Reform and

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Consumer Protection Act, was signed into law that includes provisions altering the regulation of commodity interests. The CFTC, along with the SEC and other federal regulators, has been tasked with developing the rules and regulations enacting the provisions noted above. The new law and the rules currently being promulgated thereunder may negatively impact USNG s ability to meet its investment objectives either through limits or requirements imposed on it or upon its counterparties.

USNG invests primarily in Futures Contracts that are traded in the United States. However, a portion of USNG s trades may take place in markets and on exchanges outside the United States. Some non-U.S. markets present risks because they are not subject to the same degree of regulation as their U.S. counterparts.

USNG may also invest in Other Natural Gas-Related Investments, many of which are negotiated contracts that are not as liquid as Futures Contracts and expose USNG to credit risk that its counterparty may not be able to satisfy its obligations to USNG.

USNG pays fees and expenses that are incurred regardless of whether it is profitable.

You will have no rights to participate in the management of USNG and will have to rely on the duties and judgment of the General Partner to manage USNG.

The structure and operation of USNG may involve conflicts of interest. For example, a conflict may arise because the General Partner and its principals and affiliates may trade for themselves. In addition, the General Partner has sole current authority to manage the investments and operations, which may create a conflict with the unitholders best interests. The General Partner may also have a conflict to the extent that its trading decisions may be influenced by the effect they would have on the United States Oil Fund, LP (USOF), the United States 12 Month Oil Fund, LP (US12OF), the United States Gasoline Fund, LP (UGA), the United States Heating Oil Fund, LP (USHO), the United States Short Oil Fund, LP (USSO), the United States 12 Month Natural Gas Fund, LP (US12NG), the United States Brent Oil Fund, LP (USBO), the United States Commodity Index Fund (USCI), the United States Metals Index Fund (USMI), the United States Agriculture Fund (USAG) and the United States Copper Fund (CPER), the other commodity pools that it manages, or any other commodity pool the General Partner may form and manage in the future. USOF, US12OF, UGA, USHO, USSO, US12NG, USBO, USCI, USMI, USAG and CPER are referred to herein as the Related Public Funds.

For additional risks, see What Are the Risk Factors Involved with an Investment in USNG?

Financial Condition of USNG

USNG s NAV is calculated shortly after the close of the core trading session on the NYSE Arca.

Defined Terms

For a glossary of defined terms, see Appendix A.

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Breakeven Analysis

The breakeven analysis below indicates the approximate dollar returns and percentage required for the redemption value of a hypothetical initial investment in a single unit to equal the amount invested twelve months after the investment was made. For purposes of this breakeven analysis, we have assumed an initial selling price of $16.01 per unit which equals the NAV per unit on March 31, 2012. This breakeven analysis refers to the redemption of baskets by Authorized Purchasers and is not related to any gains an individual investor would have to achieve in order to break even. The breakeven analysis is an approximation only.

Assumed initial selling price per unit	$ 16.01
Management Fee (0.54%)[1]	$ 0.09
Creation Basket Fee[2]	$ (0.01)
Estimated Brokerage Fee (0.135%)[3]	$ 0.03
Interest Income (0.07%)[4]	$ (0.02)
NYMEX Licensing Fee[5]	$ 0.01
Independent Directors and Officers Fees[6]	$ 0.01
Fees and expenses associated with tax accounting and reporting[7]	$ 0.05
Amount of trading income (loss) required for the redemption value at the end of one year to equal the initial selling price of the unit	$ 0.16
Percentage of initial selling price per unit	1.00%

(1) USNG is contractually obligated to pay the General Partner a management fee based on average daily net assets and paid monthly of 0.60% per annum on average net assets of $1,000,000,000 or less. For purposes of this example we assumed that the average daily net assets are $1,000,000,000 or less. If the average daily net assets were greater than $1,000,000,000 then the management fee would be 0.50% on the incremental average daily net assets and the breakeven amount would be lower.

(2) Authorized Purchasers are required to pay a Creation Basket fee of $1,000 for each order they place to create one or more baskets. An order must be at least one basket, which is 100,000 units. This breakeven analysis assumes a hypothetical investment in a single unit so the Creation Basket fee is $.01 (1,000/100,000).

(3) This amount is based on the actual brokerage fees for USNG calculated on an annualized basis.

(4) USNG earns interest on funds it deposits with the futures commission merchant and the Custodian and it estimates that the interest rate will be 0.07% based on the current interest rate on three-month Treasury Bills as of March 31, 2012. The actual rate may vary.

(5) The NYMEX Licensing Fee is 0.015% on aggregate net assets of the Related Public Funds, except USBO, USCI, USAG, CPER and USMI. For more information see Fees of USNG.

(6) The foregoing assumes that the assets of USNG are aggregated with those of the Related Public Funds, that the aggregate fees paid to the independent directors for 2011 was $320,000, that the allocable portion of the fees borne by USNG equals $162,670 and that USNG has $777,630,034 in assets, which is the amount of assets as of March 31, 2012.

(7) USNG assumed the aggregate costs attributable to tax accounting and reporting for 2011 were approximately $2,100,000. The number in the break-even table assumes USNG has $777,630,034 in assets which is the amount of assets as of March 31, 2012.

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THE OFFERING

Offering	USNG is offering Creation Baskets consisting of 100,000 units through ALPS Distributors, Inc. (Marketing Agent) as marketing agent to Authorized Purchasers. Authorized Purchasers may purchase Creation Baskets consisting of 100,000 units at USNG s NAV. This is a continuous offering under Rule 415 of the Securities Act of 1933 (the 1933 Act) and is not expected to terminate until all of the registered units have been sold or three years from the date of the prospectus, whichever is earlier, although the offering may be temporarily suspended during such period when suitable investments for USNG are not available or practicable. It is anticipated that when all registered units have been sold pursuant to this registration statement, additional units will be registered in subsequent registration statements.
Use of Proceeds	The General Partner applies substantially all of USNG s assets toward trading in Futures Contracts and Other Natural Gas-Related Investments and investing in Treasuries, cash and/or cash equivalents. The General Partner deposits a portion of USNG s net assets with the futures commission merchant, UBS Securities LLC, or other custodian to be used to meet its current or potential margin or collateral requirements in connection with its investment in Futures Contracts and Other Natural Gas-Related Investments. USNG uses only Treasuries, cash and/or cash equivalents to satisfy these requirements. The General Partner believes that all entities that will hold or trade USNG s assets will be based in the United States and will be subject to United States regulations. Approximately 10% to 30% of USNG s assets are normally committed as margin for Futures Contracts and collateral for Other Natural Gas-Related Investments. However, from time to time, the percentage of assets committed as margin/collateral may be substantially more, or less, than such range. The remaining portion of USNG s assets, of which the General Partner expects to be the vast majority, is held in Treasuries, cash and/or cash equivalents by its custodian, Brown Brothers Harriman & Co. (the Custodian). All interest income earned on these investments is retained for USNG s benefit.
NYSE Arca Symbol	UNG
Creation and Redemption	Currently, Authorized Purchasers pay a $1,000 fee for each order to create or redeem one or more Creation Baskets or Redemption Baskets. Authorized Purchasers are not required to sell any specific number or dollar amount of units. The per unit price of units offered in Creation Baskets on any day is the total NAV of USNG calculated shortly after the close of the core trading session of the NYSE Arca on that day divided by the number of issued and outstanding units. The General Partner shall notify the Depository Trust Company (DTC) of any change in the transaction fee and will not implement any increase in the fee for Creation or Redemption Baskets until 30 days after the date of notice.

Registration Clearance and Settlement	Individual certificates will not be issued for the units. Instead, units will be represented by one or more global certificates, which will be deposited by the Custodian with DTC and registered in the name of Cede & Co., as nominee for DTC. The administrator, Brown Brothers Harriman & Co. (Administrator) has been appointed registrar and transfer agent for the purpose of registering and transferring units. The General Partner will recognize transfer of units only if such transfer is done in accordance with the LP Agreement, including the delivery of a transfer application.
Net Asset Value	The NAV is calculated by taking the current market value of USNG s total assets, subtracting any liabilities and dividing that number by the total number of outstanding units. Under USNG s current operational procedures, the Administrator calculates the NAV of USNG once each NYSE Arca trading day. The NAV for a particular trading day is released after 4:00 p.m. New York time. Trading during the core trading session of the NYSE Arca typically closes at 4:00 p.m. New York time. The Administrator uses the NYMEX closing price (determined at the earlier of the close of the NYMEX or 2:30 p.m. New York time) for the contracts held on the NYMEX, but calculates or determines the value of all other USNG investments as of the earlier of the close of the New York Stock Exchange or 4:00 p.m. New York time. The NYSE Arca currently calculates an approximate NAV every 15 seconds throughout each day USNG s units are traded on the NYSE Arca for as long as the main pricing mechanisms are open for the Futures Exchanges upon which the Benchmark Futures Contract is traded.
Fund Expenses	USNG pays the General Partner a management fee of 0.60% of NAV on the first $1,000,000,000 of daily net assets and 0.50% of NAV after the first $1,000,000,000 of daily net assets on an annualized basis. Brokerage fees for Treasuries, Futures Contracts, and Other Natural Gas-Related Investments were 0.135% of average net assets on an annualized basis through March 31, 2012 and were paid to unaffiliated brokers. USNG also pays any licensing fees for the use of intellectual property. Registration fees paid to the SEC, FINRA, or other regulatory agency in connection with the initial offers and sales of the units and the legal, printing, accounting and other expenses associated with such registrations were paid by the General Partner, but the fees and expenses associated with subsequent registrations of units are borne by USNG. The licensing fee paid to the NYMEX is 0.015% of NAV. The assets of USNG are aggregated with those of the Related Public Funds, other than USBO, USCI, USMI, USAG and CPER for the purpose of calculating the NYMEX licensing fee. USNG expressly disclaims any association with the NYMEX or endorsement of USNG by the NYMEX and acknowledges that NYMEX and New York Mercantile Exchange are registered trademarks of the NYMEX. USNG also is responsible for the fees and expenses, which may include directors and officers liability insurance, of the independent directors of the General Partner in connection with their activities with respect to USNG. These

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	director fees and expenses may be shared with other funds managed by the General Partner. These fees and expenses, in total, amounted to $320,000 for 2011, and USNG s portion was $162,670, though these amounts may change in future years. The General Partner, and not USNG, is responsible for payment of the fees of USNG s Marketing Agent, Administrator and Custodian. USNG and/or the General Partner may be required to indemnify the Marketing Agent, Administrator or Custodian under certain circumstances. USNG also pays the fees and expenses associated with its tax accounting and reporting requirements with the exception of certain base services fees which are paid by the General Partner.
Termination Events	USNG shall continue in effect from the date of its formation in perpetuity, unless sooner terminated upon the occurrence of any one or more of the following events: the death, adjudication of incompetence, bankruptcy, dissolution, withdrawal, or removal of a General Partner who is the sole remaining General Partner, unless a majority in interest of limited partners within ninety (90) days after such event elects to continue the partnership and appoints a successor general partner; or the affirmative vote of a majority in interest of the limited partners subject to certain conditions. Upon termination of the partnership, the affairs of the partnership shall be wound up and all of its debts and liabilities discharged or otherwise provided for in the order of priority as provided by law. The fair market value of the remaining assets of the partnership shall then be determined by the General Partner. Thereupon, the assets of the partnership shall be distributed pro rata to the partners in accordance with their units.
Withdrawal	As discussed in the LP Agreement, if the General Partner gives at least fifteen (15) days written notice to a limited partner, then the General Partner may for any reason, in its sole discretion, require any such limited partner to withdraw entirely from the partnership or to withdraw a portion of its partner capital account. If the General Partner does not give at least fifteen (15) days written notice to a limited partner, then it may only require withdrawal of all or any portion of the capital account of any limited partner in the following circumstances:
	(i) the unitholder made a misrepresentation to the General Partner in connection with its purchase of units; or
	(ii) the limited partner s ownership of units would result in the violation of any law or regulation applicable to the partnership or a partner.
Authorized Purchasers	USNG has entered into agreements with several Authorized Purchasers. A current list of Authorized Purchasers is available from the Marketing Agent. Authorized Purchasers must be (1) registered broker-dealers or other securities market participants, such as banks and other financial institutions, that are not required to register as broker-dealers to engage in securities transactions, and (2) DTC Participants. To become an Authorized Purchaser, a person must enter into an Authorized Purchaser Agreement with the General Partner.

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WHAT ARE THE RISK FACTORS INVOLVED WITH AN INVESTMENT IN USNG?

You should consider carefully the risks described below before making an investment decision. You should also refer to the other information included in this prospectus, as well as information found in our periodic reports, which include USNG s financial statements and the related notes, that are incorporated by reference. See Incorporation By Reference of Certain Information.

Risks Associated With Investing Directly or Indirectly in Natural Gas