

**FUNDAMENTAL
PETROLEUM
TRENDS**

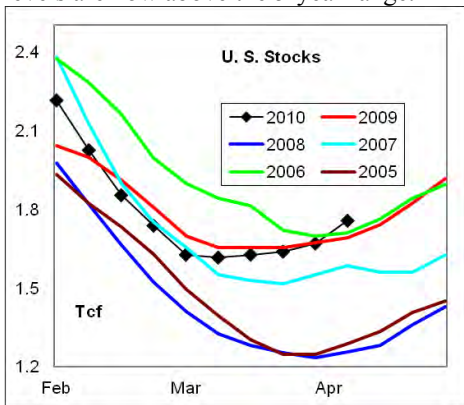
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Friday, April 16, 2010



Summary¹ Stocks increased +87 Bcf last week, a record high for the period. Weekly stock builds have matched or exceeded historic highs for each of the past 5-wks on exceptionally warm temperatures for this time of year in key markets. Stock levels are now above the 5-year range.



In the East Region stocks increased +45 Bcf, which was a record build for the period. The +4 Bcf build in the West Region was above the mid range for the week. The stock build of +38 Bcf in the Producing Region was a record build for the period.

Heating degree days were -51% below normal in the East Region, +4% above normal in the West Region and -25% below normal in the Producing Region for the week ending April 10th.

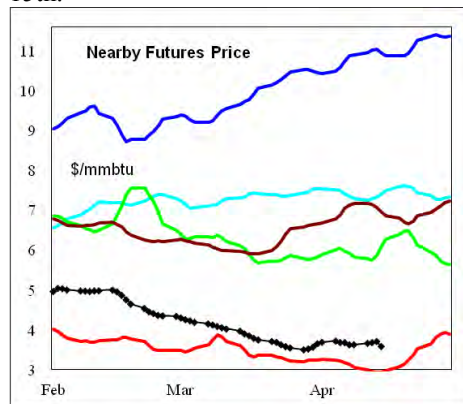
Heating degree days were -42% below normal for the week ending April 10th and forecast to be -45% below normal for the week ending April 17th.

The 6-10 day NWS forecast for the week ending April 25th is for colder than normal temperatures in the western 2/3rds of the country and near normal in the eastern 1/3rd of the country.

The 8-14 day NWS forecast for the week ending April 29th is for colder than normal temperatures in the western 2/3rds of the country and near normal in the eastern 1/3rd.

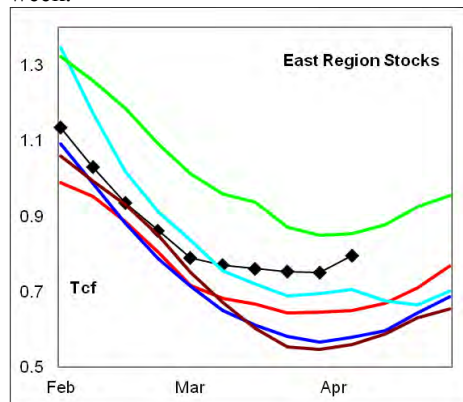
Prices: Nearby gas futures prices increased

+\$0.10/mmbtu for the week ending April 15th.



The 1st - 4th month forward price curve trended higher on the week in favor of the prompt months. The forward curve is near the historic mid range for the period.

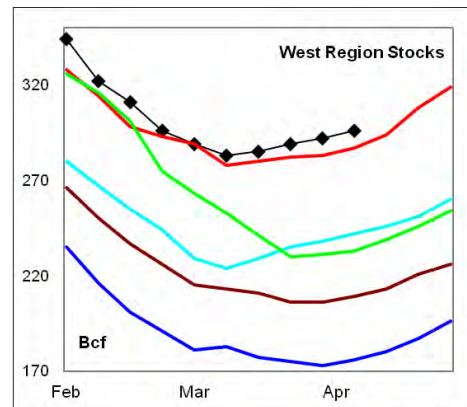
East Region stocks increased +45 Bcf on the week, a record build for the period. The latest 4-wk stock change was a record build for the period during the last 5-years. Stock levels are near historic highs for the week.



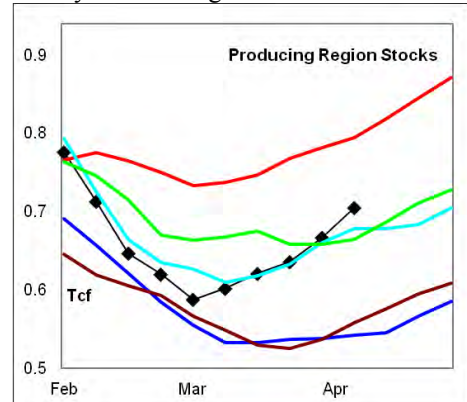
Heating degrees in the region were -51% below normal for the week ending April 10th and forecast to be -46% below normal for the week ending April 17th. Near normal temperatures are forecast for the next 10-days.

West Region stocks increased +4 Bcf on the week, which was above the mid range for the week. The latest 4-wk stock build was at the upper end of the range for the week. Stock levels are at a new 5-year high for the period.

Heating degree days were +4% above normal for the week ending April 10th, and forecast to be -30% below normal for the week ending April 17th. Much cooler than normal temperatures are forecast for the next 10-days.



Producing Region stocks increased +38 Bcf on the week, a record build for the week. The latest 4-wk build was a 5-year high for the period. Stock levels are above the 5-year mid range.



Heating degree days were -25% below normal for the week ending April 10th, and forecast to be -61% below normal for the week ending April 17th. Cooler than normal temperatures are forecast for the next 10 days.

Residual Fuel Oil Switching: The price spread between residual fuel oil and natural gas remains extremely high, in favor of natural gas. Residual fuel oil demand (including exports) was -2% below year ago levels for the latest 4-wk period.

Outlook: Heating degree days are forecast to be below normal through the remainder of the month. This outlook will reduce demand for natural gas by the electric power industry, which should contribute to continued high stock building.

Carry out stocks are at 5-year highs for this time of year. The rate of stock building is also a 5-year high. Expect further price weakness in the spring quarter.

¹ Related Web Sites:

Data Source is EIA Weekly Statistics

National Weather Service 6-10 Day

National Weather Service 10-14 Day



NATURAL GAS: Graph Link and Weekly Summary

Report prepared as of: April 15, 2010

For the week ending: 9-Apr-10

Weekly Trends in Stocks and Heating Degree Days for the week ending:

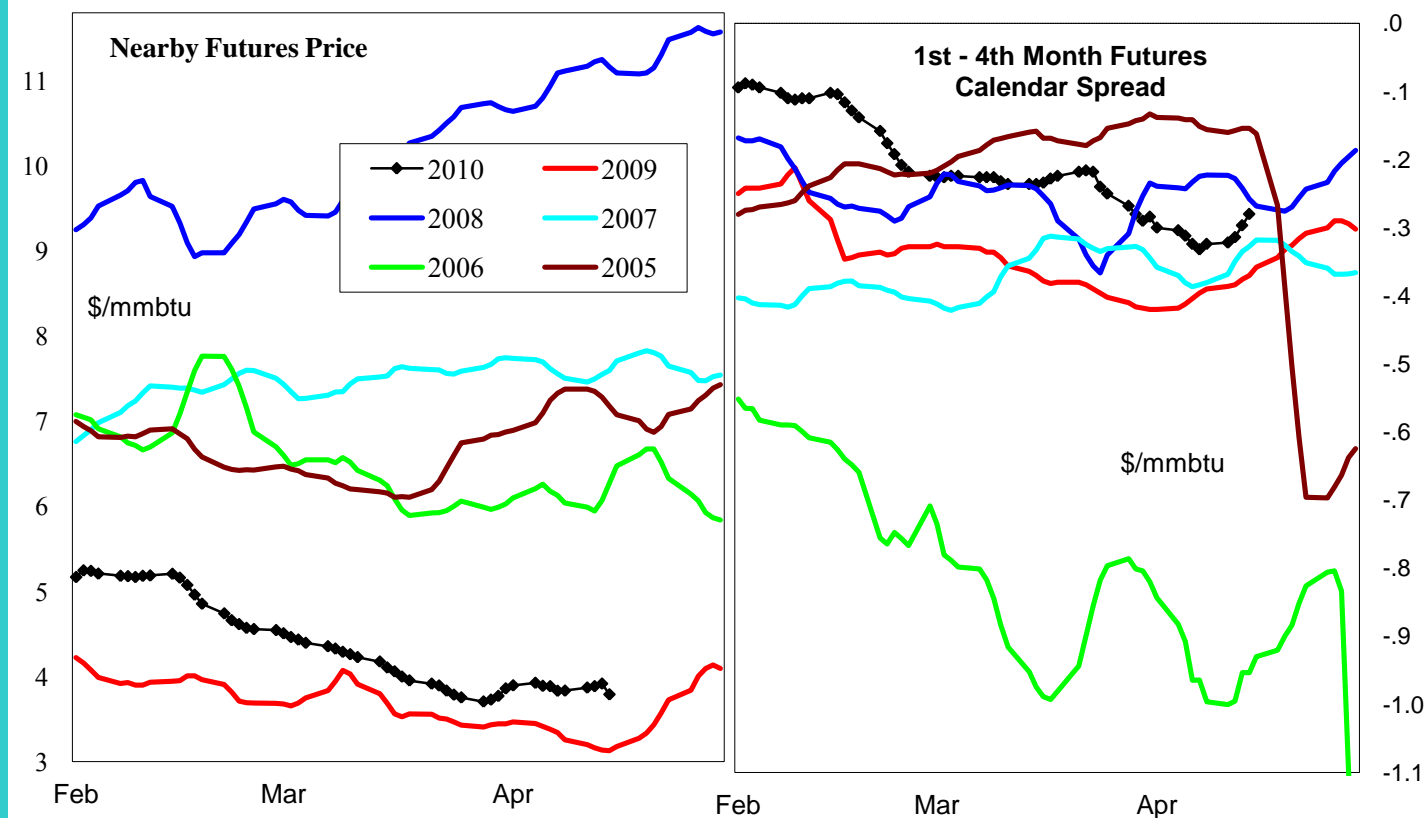
Week ending:	9-Apr-10			3-Apr-10		10-Apr-10		17-Apr-10	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	1,756	87	3.8	-49	-33%	-19	-42%	-12	-45%
East	795	45	22.3	-54	-38%	-26	-51%	-3	-46%
West	296	4	3.1	-14	-10%	6	4%	-48	-30%
Producing	665	38	-11.8	-51	-27%	-7	-25%	-21	-61%

Seasonal Trends in Stocks and Heating Degree Days

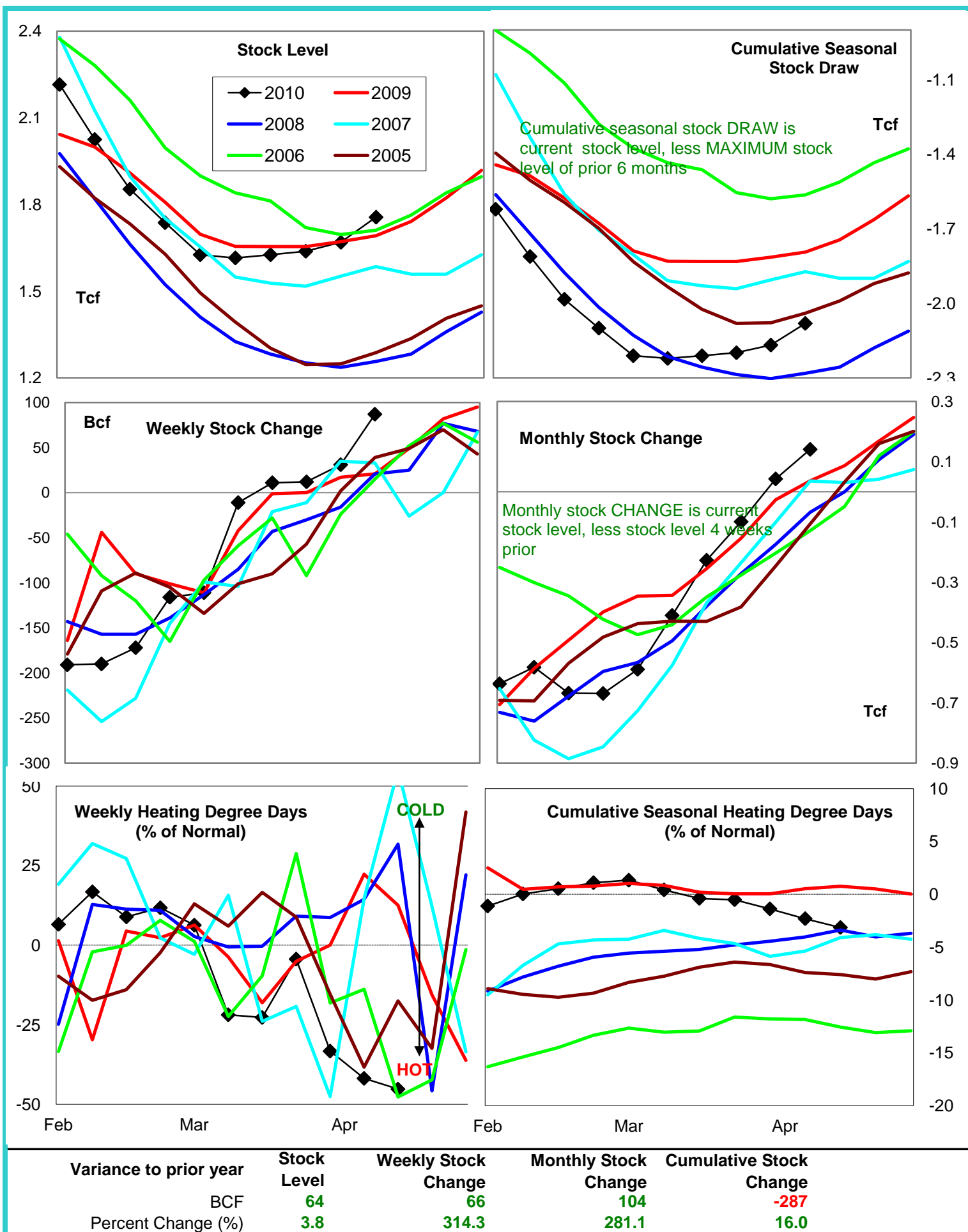
	Cumulative Stock Draw			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	-2,081	-287	13.8	82	-1.4	63	-2.3	51	-3.2
East	-1,306	85	-6.5	87	-3.2	61	-4.3	58	-5.1
West	-230	-45	19.6	114	-3.6	120	-3.4	73	-4.0
Producing	-554	-336	60.6	42	11.9	35	11.2	15	10.3

Futures Market Price Trends

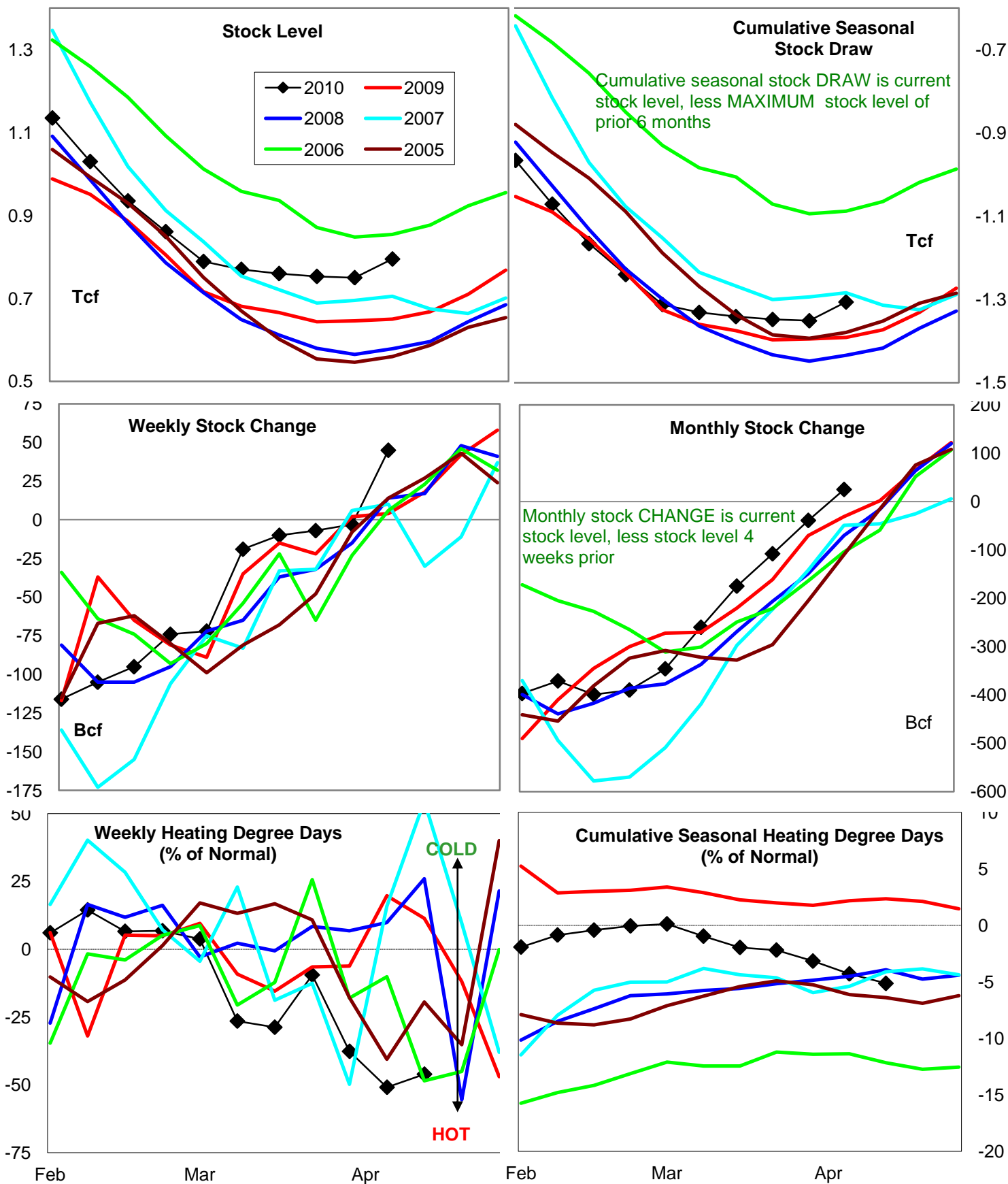
Date:	30-Apr-10	Change vs prior week, month, year		
		27-Apr-10	6-Apr-10	30-Apr-09
1st month Futures	3.99	-0.08	-0.18	0.59
% change	xxxxx	-2.0	-4.3	17.4



United States Natural Gas Stock and Weather Trends



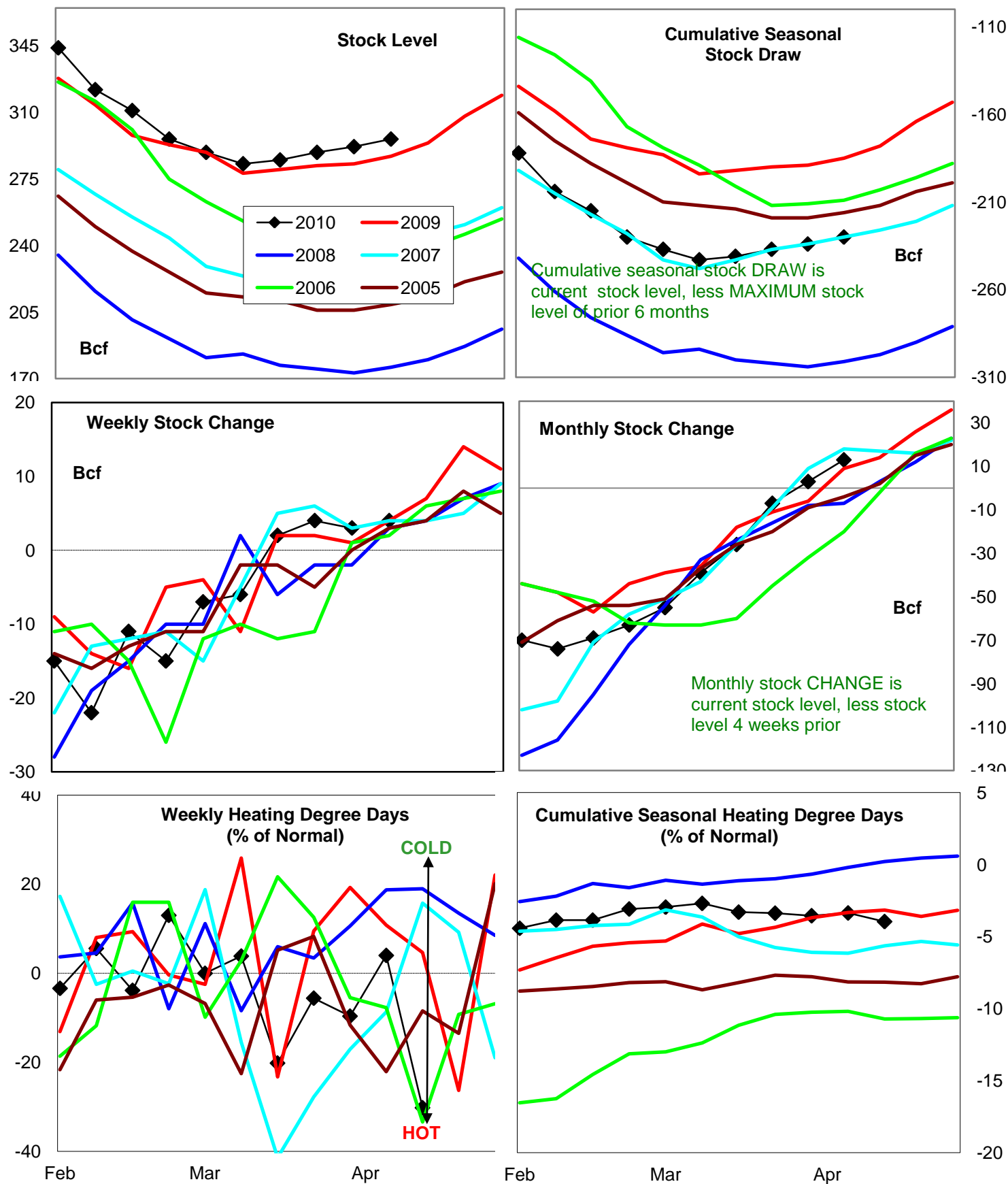
Natural Gas East Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)145
22.341
1,025.056
-180.685
-6.1

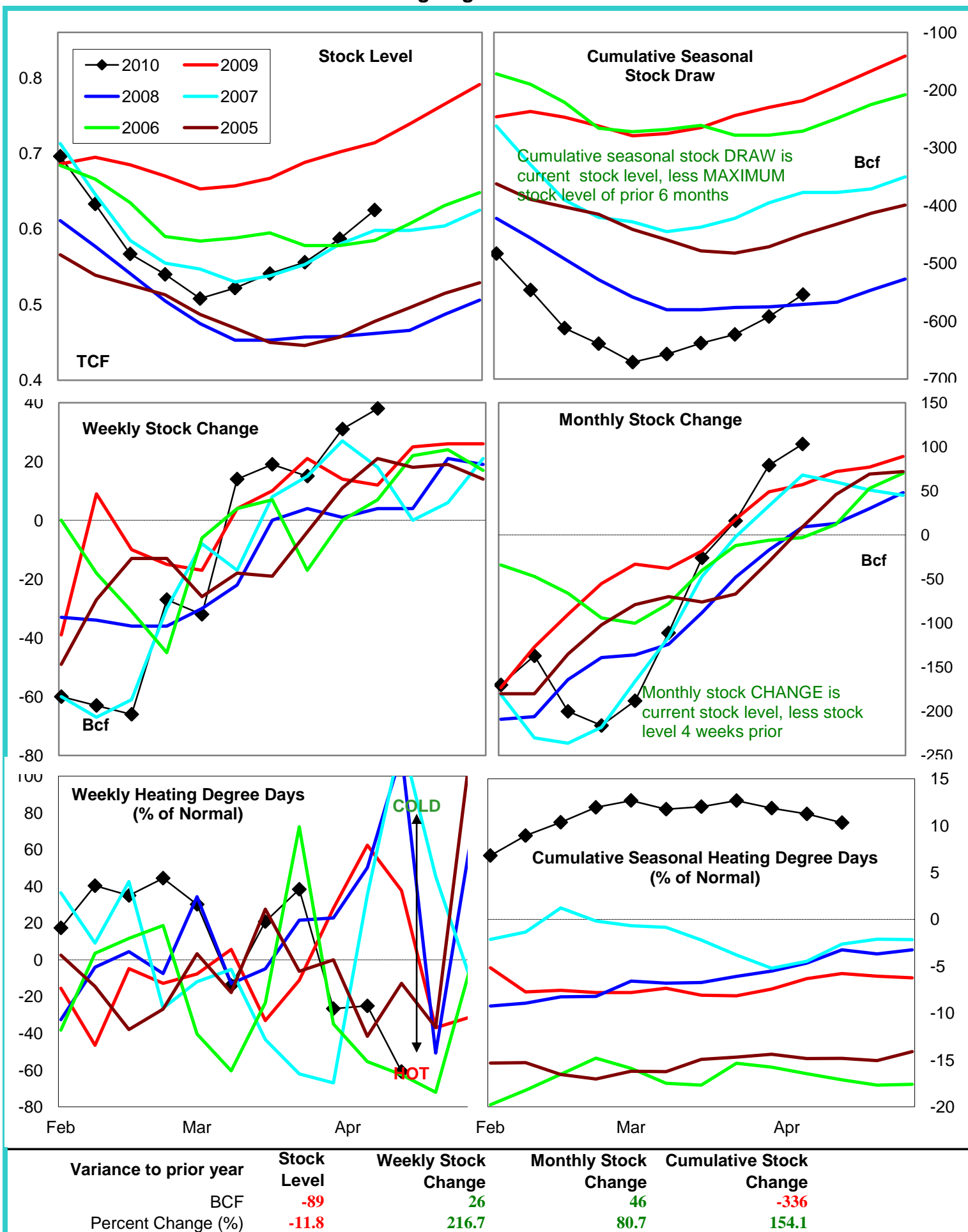
Natural Gas West Region Stock and Weather Trends



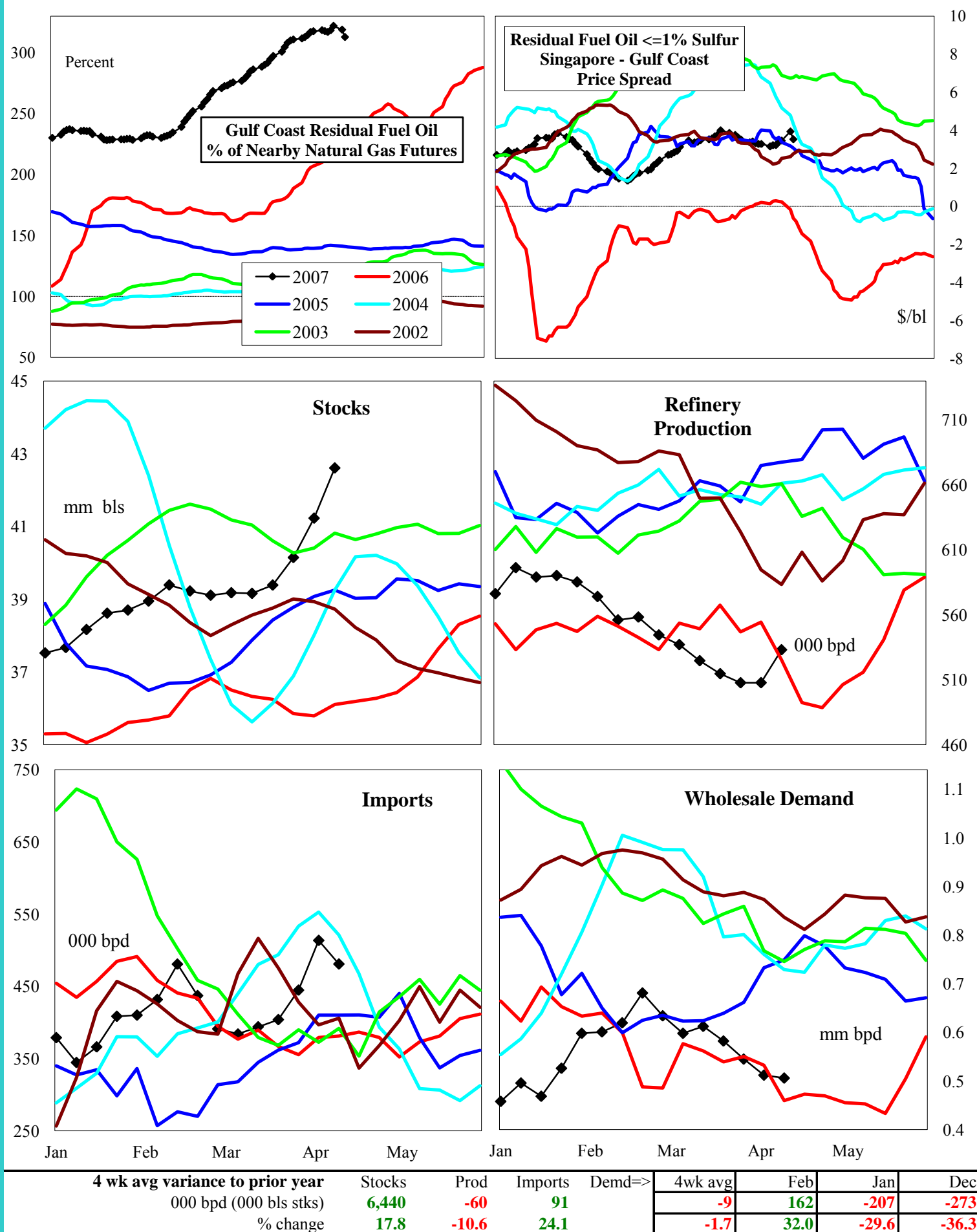
Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)9
3.10
0.04
44.4-45
24.3

Natural Gas Producing Region Stock and Weather Trends

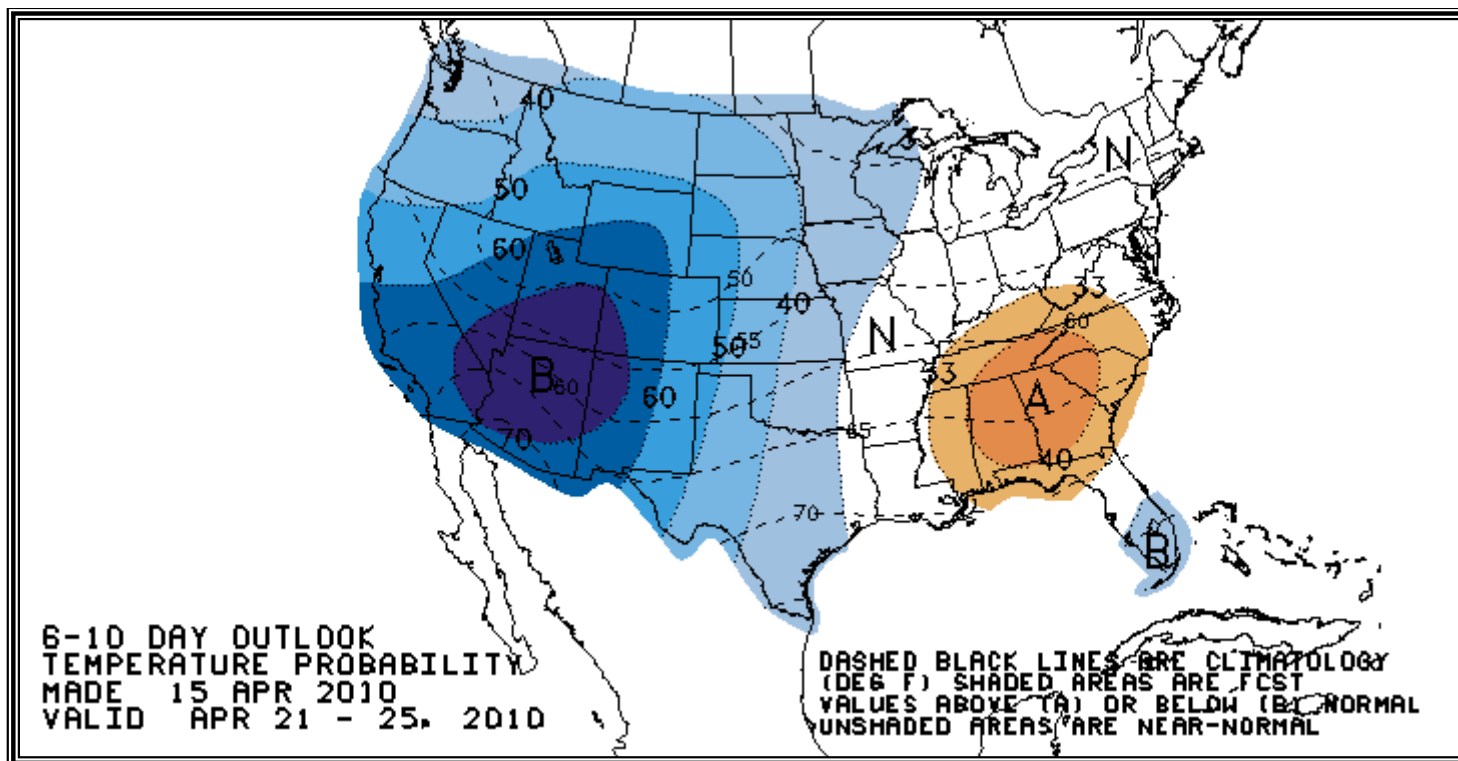


U.S. Residual Fuel Oil Price Spreads and Supply Balance



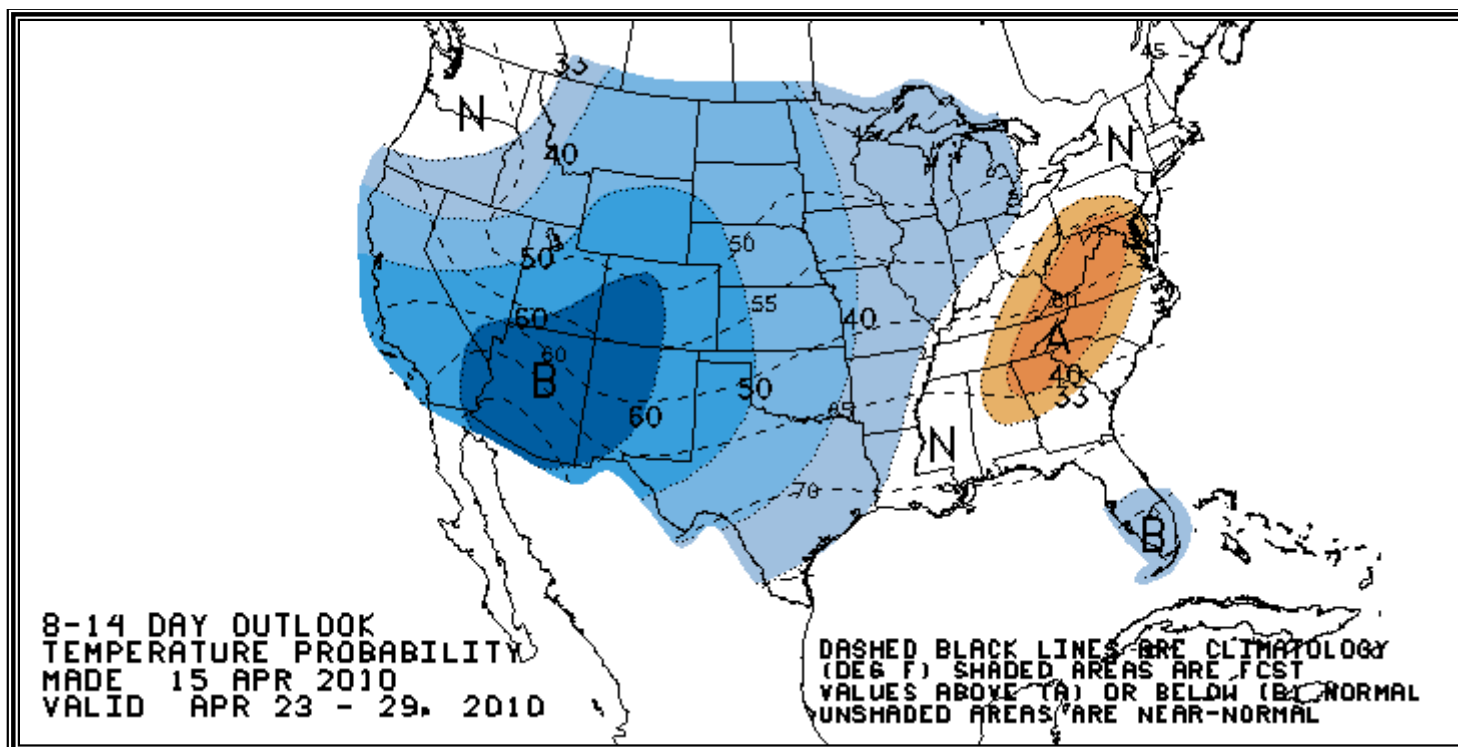
National Weather Service Climate Prediction Center Cooling

Degree Days 6 - 10 Day Forecast



National Weather Service Climate Prediction Center Cooling

Degree Days 8 - 14 Day Forecast



American Gas Association Regions

