



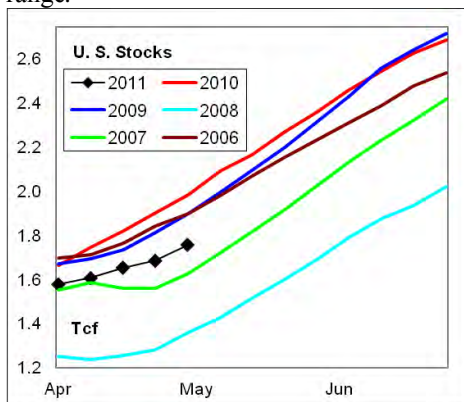
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

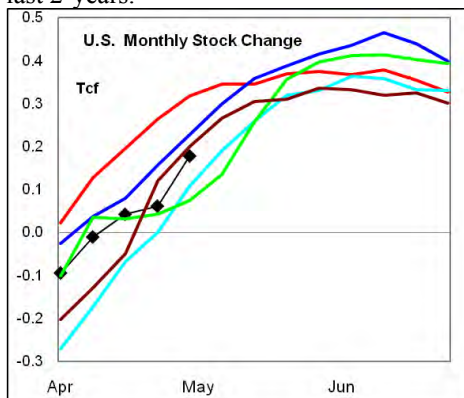
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, May 05, 2011



Summary¹ The stock build of +72 Bcf was at the mid range for the week. Stock levels ended the week below the 5-year mid range.



The latest 4-wk stock build was near the historic mid range, but below each of the last 2-years.



In the East Region stocks increased +41 Bcf for the period, a level at the historic mid range. Stocks increased +7 Bcf in the West Region, a build that matched 5-year lows for the week. The stock build of +24 Bcf in the Producing Region was above four of the last 5-years.

Heating degree days were -31% below normal in the East Region, +24% above normal in the West Region and +12% above normal in the Producing Region for the week ending 30Apr11.

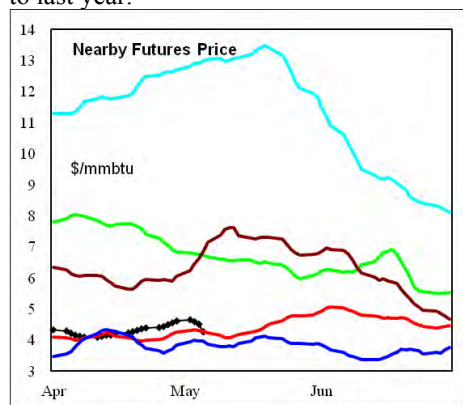
Heating degree days were -21% below normal for the week ended 30Apr11, and forecast to be +4% above normal for the

week ending 07May11.

The 6-10 day NWS forecast for the week ending 14May11 is for colder than normal temperatures in the northern 1/2 of the country and below normal in the southeastern 1/3rd of the country.

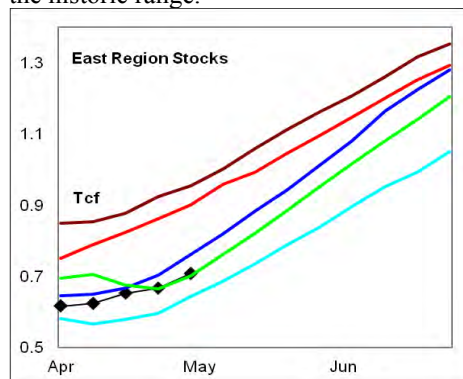
The 8-14 day NWS forecast for the week ending 19May11 is for colder than normal temperatures in the north central and northeast states, and near normal elsewhere.

Prices: Nearby gas futures prices decreased -31 cpg for the week ending 05May11. Prices levels ended the week comparable to last year.



The 1st - 4th month forward price curve traded sideways last week ending 05May11. The spread ended the week at a record low carry.

East Region stocks increased +41 Bcf last week, a level at the 5-year mid range. The latest 4-wk build was below the 5-year mid range. Stock levels were at the low end of the historic range.

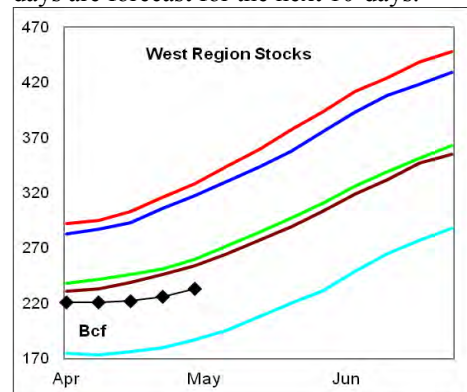


Heating degree days in the region were -31% below normal last week and forecast to be +3% above normal for week ending 7May11. Below normal heating degree days are forecast for the next 10-days.

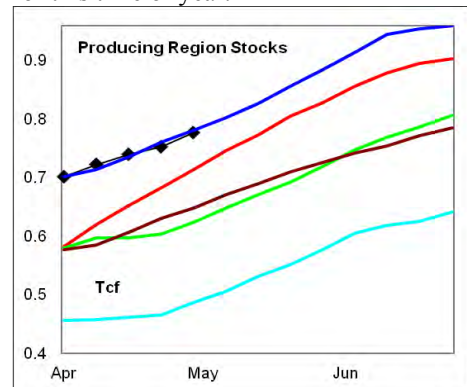
West Region stocks increased +7 Bcf on the week, a build that matched 5-year lows for the week. Stock levels ended the week at the low end of the historic range. The

latest 4-wk stock build matched 5-year lows for the period.

Heating degree days were +24% above normal last week and forecast to be -17% below normal for the week ending 7May11. Below normal heating degree days are forecast for the next 10-days.



Producing Region stocks saw a build of +24 Bcf on the week, which was above four of the last 5-years. The monthly stock build matched the historic mid range last week. Stock levels match the 5-year high for this time of year.



Heating degree days were +12% above normal last week, and forecast to be +83% above normal for the week ending 7May11. Above normal temperatures are forecast for the next 10-days.

Residual Fuel Oil Switching: The price spread between fuel oil and natural gas remains highly favorable for gas.

Outlook: A global sell off of commodities, driven by weak economic growth in developed countries, caused natural gas prices to fall to levels comparable to last year.

The latest weekly stock build matched the historic mid range, with the monthly stock build slightly below the mid range. Expect a robust stock build during the shoulder season on excess production capacity, that should pressure prices lower.

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: May 5, 2011

For the week ending: 29-Apr-11

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

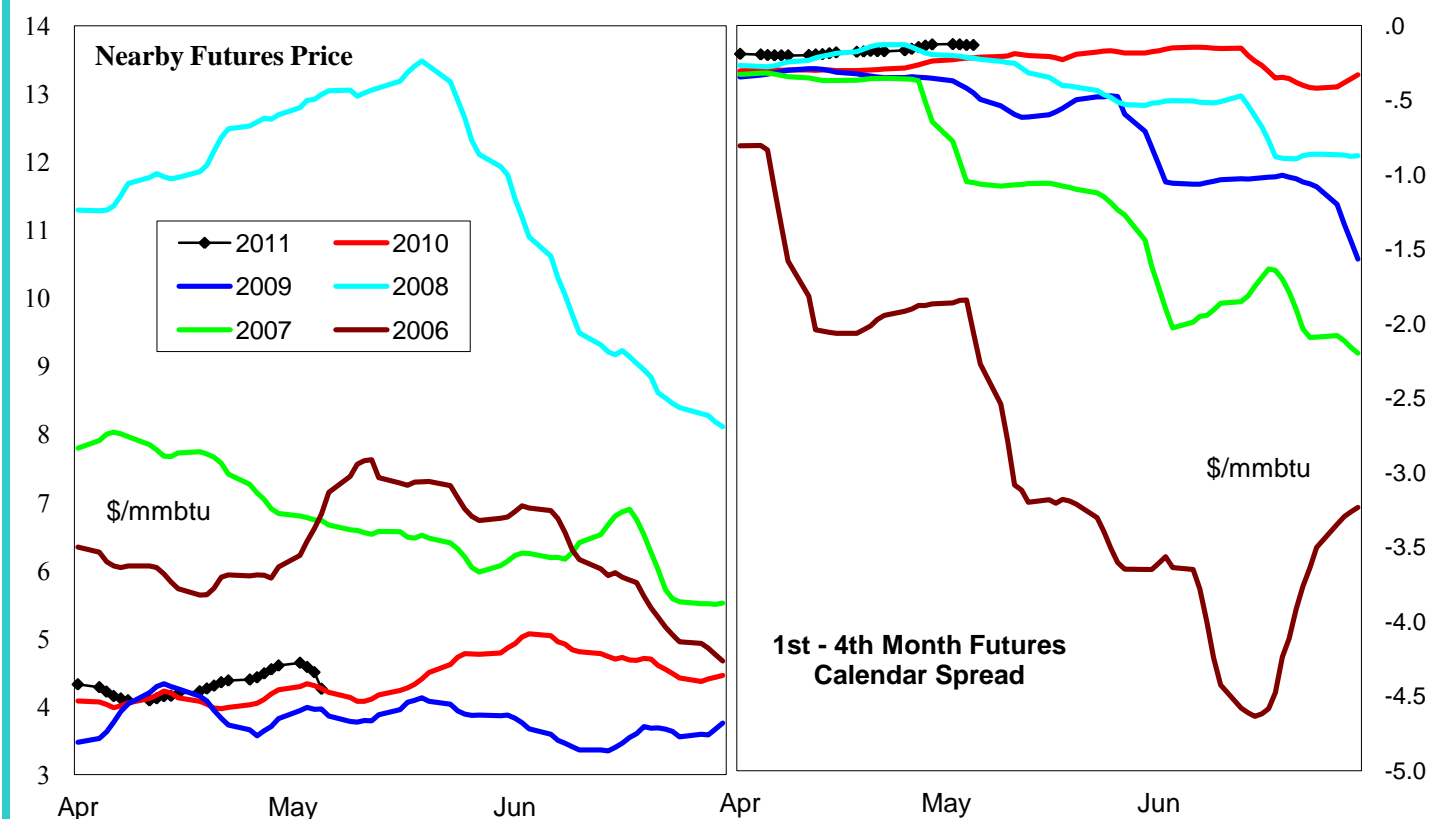
Week ending:	29-Apr-11			23-Apr-11		30-Apr-11		7-May-11	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	1,757	72	-11.4	15	11%	-36	-21%	5	4%
East	707	41	-21.4	25	15%	-54	-31%	13	3%
West	233	7	-29.0	-8	13%	-4	24%	-42	-17%
Producing	817	24	8.2	-8	-30%	4	12%	5	83%

Seasonal Trends in Stocks and Heating Degree Days

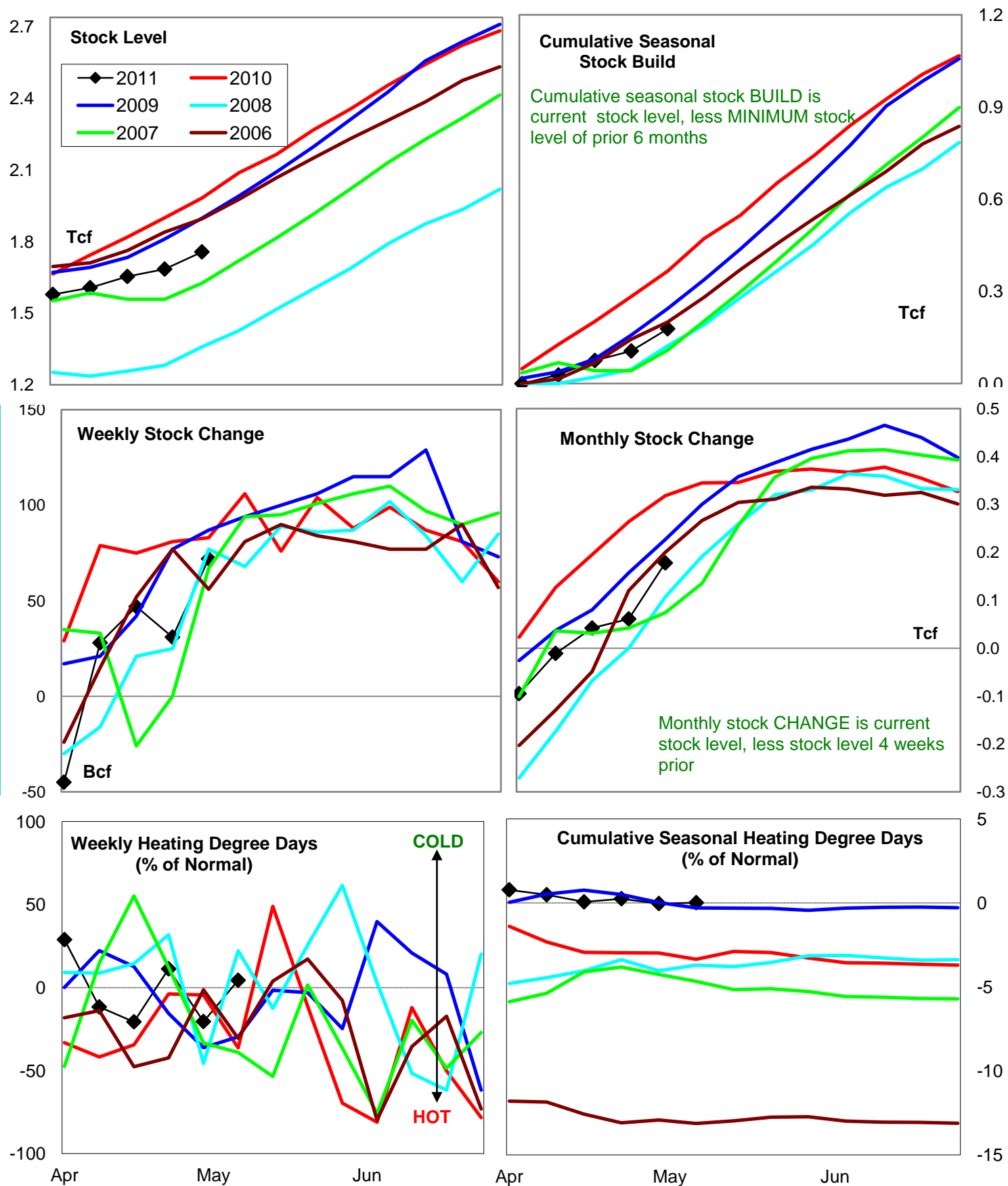
	Cumulative Stock Draw			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	178	-188	-105.6	91	0.2	54	0.0	59	0.0
East	91	-59	-64.8	108	1.1	55	0.7	67	0.7
West	17	-27	-158.8	106	-1.7	102	-1.2	60	-1.5
Producing	130	-72	-55.4	21	-3.5	25	-3.4	31	-2.9

Futures Market Price Trends

Date:	5-May-11	Change vs prior week, month, year		
		29-Apr-11	7-Apr-11	5-May-10
1st month Futures	4.26	-0.44	0.22	0.10
% change	xxxxx	-9.4	5.4	2.4



United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock Level

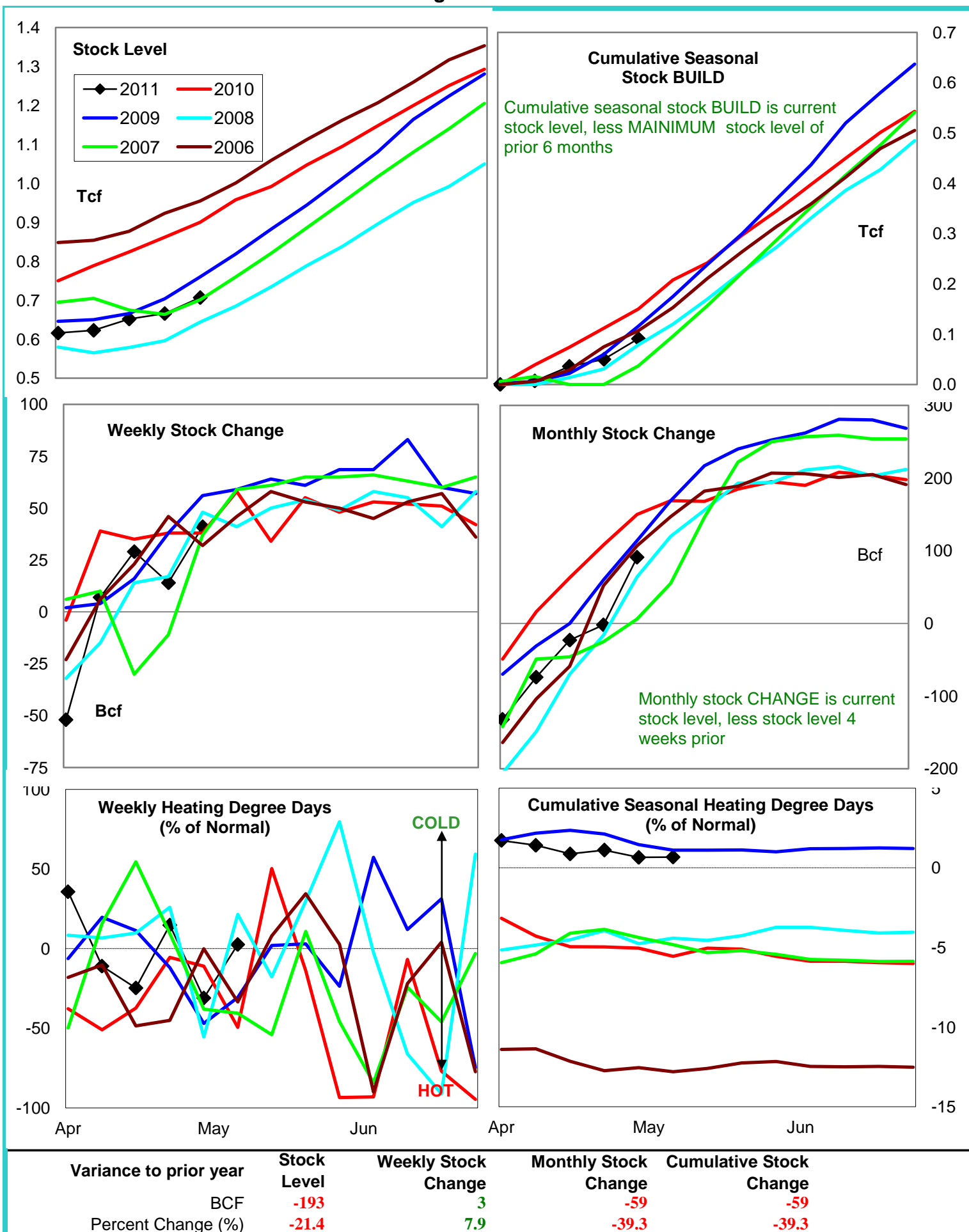
Weekly Stock Change

Monthly Stock Change

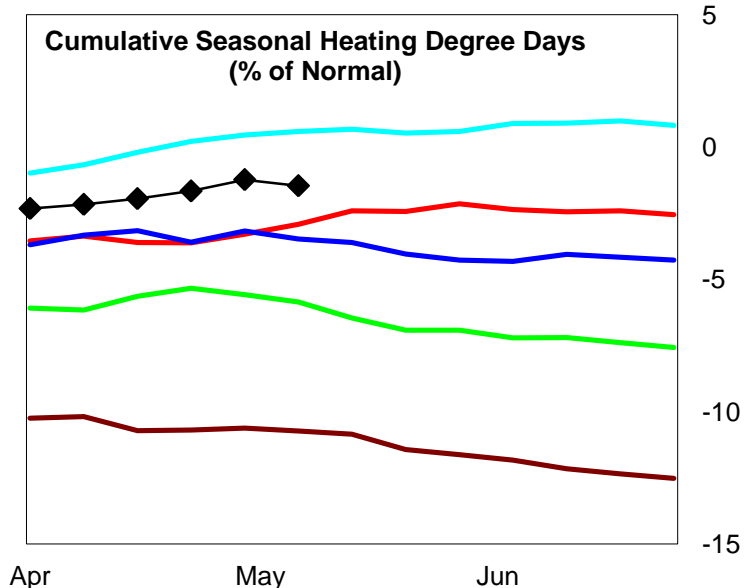
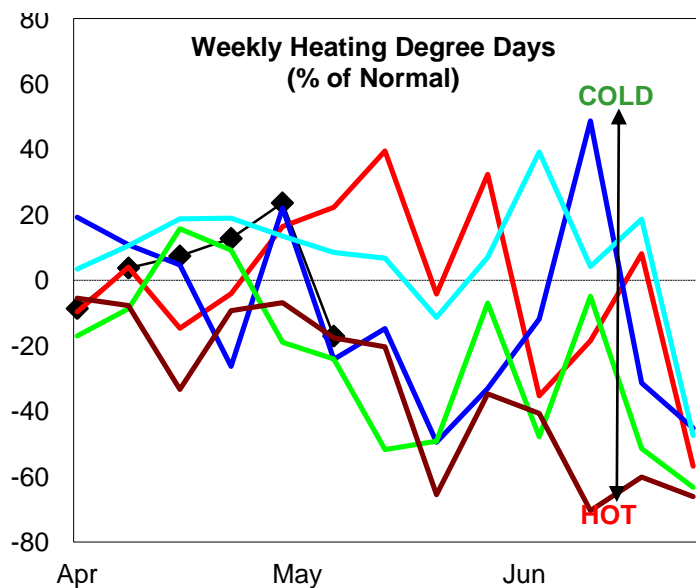
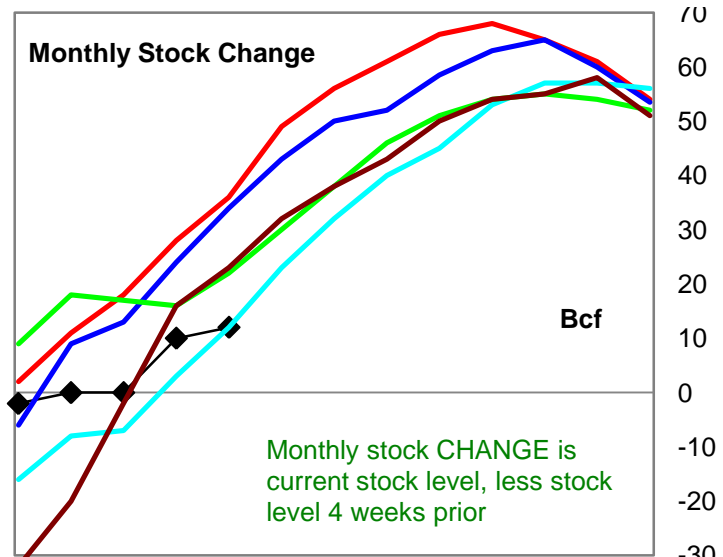
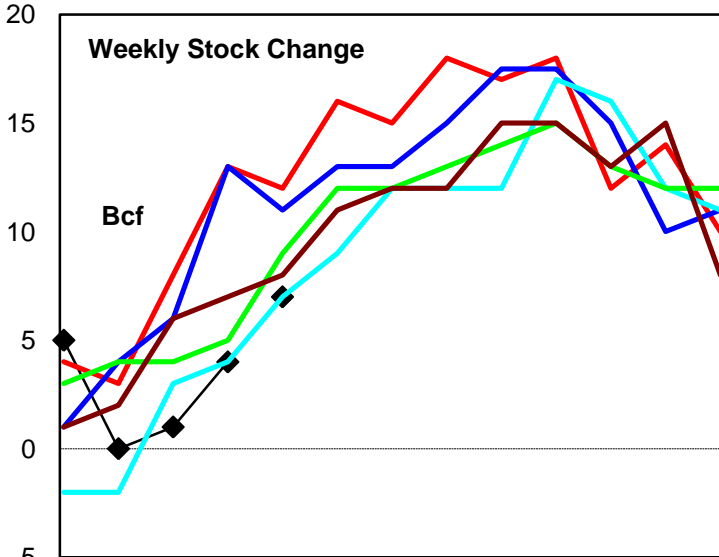
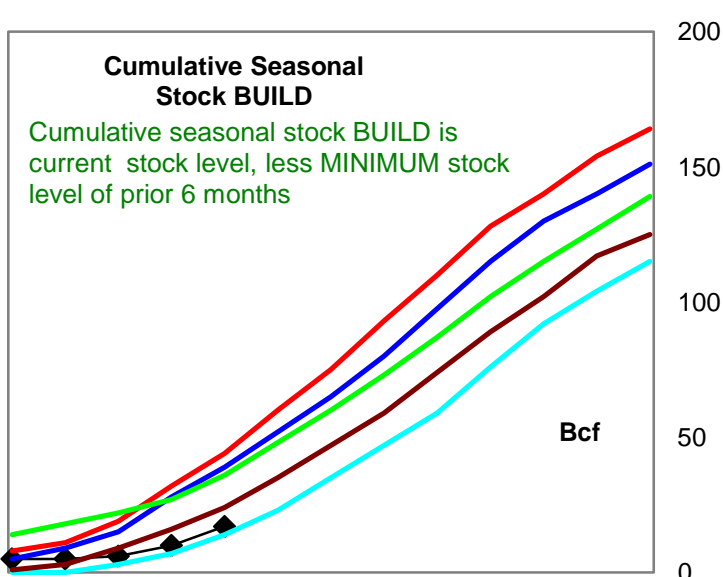
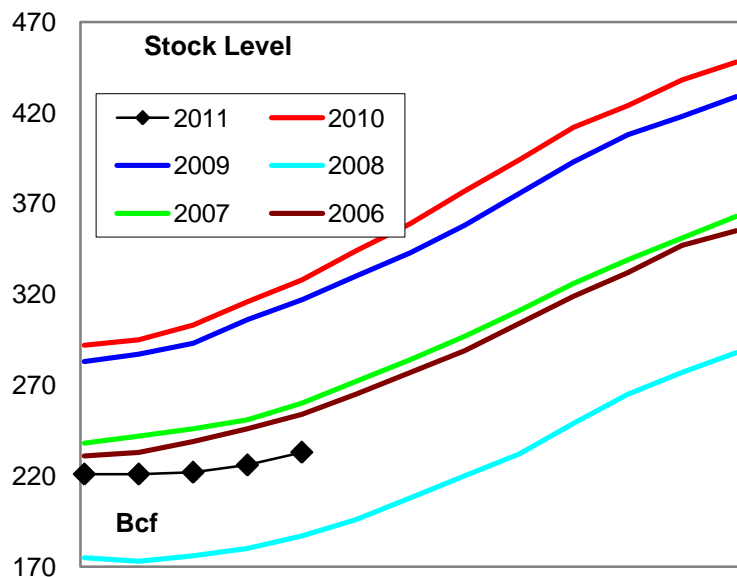
Cumulative Stock Change

BCF
Percent Change (%)-226
-11.4-11
-13.3-140
-44.0-188
-51.4

Natural Gas East Region Stock and Weather Trends

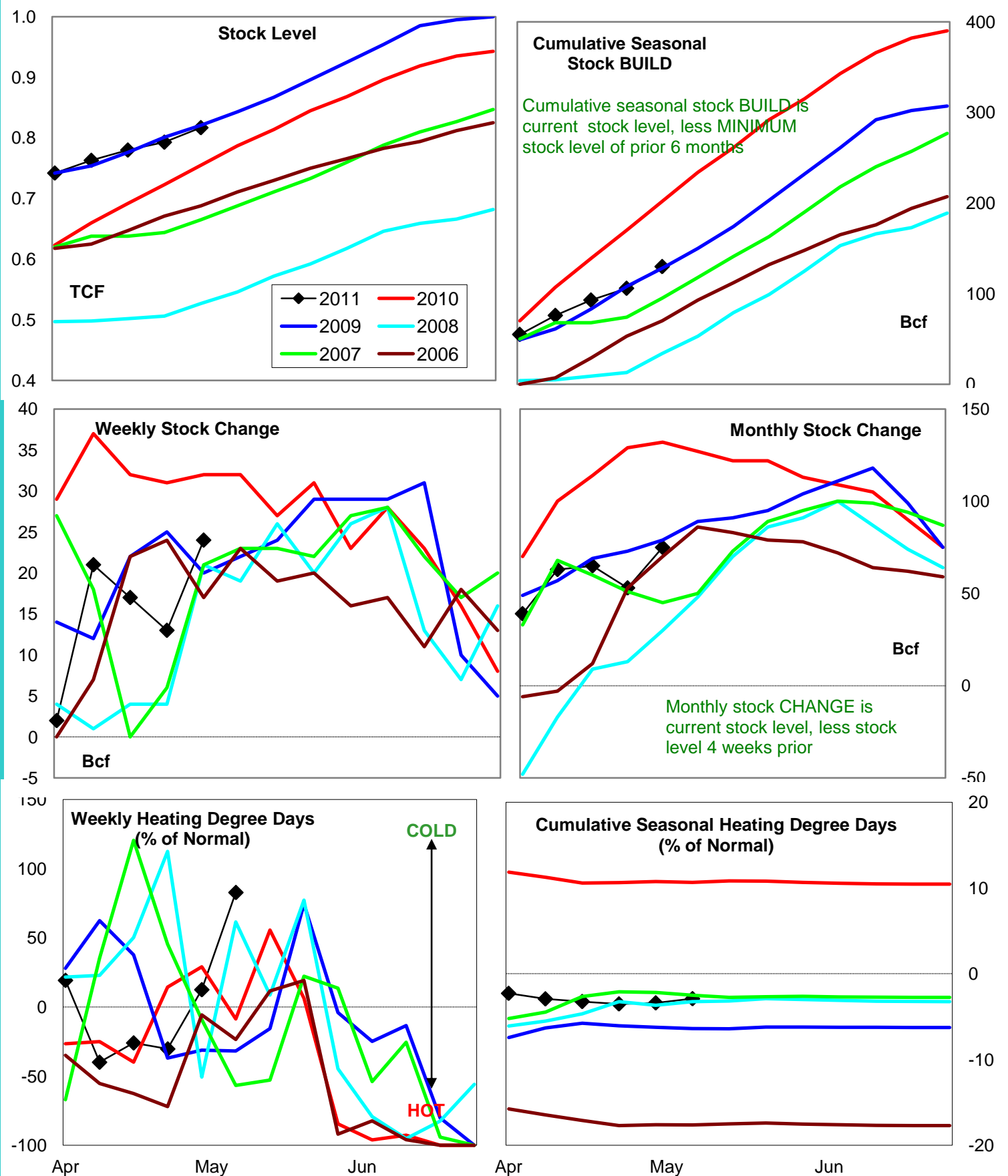


Natural Gas West Region Stock and Weather Trends



Variance to prior year	Stock Level	Weekly Stock Change	Monthly Stock Change	Cumulative Stock Change
BCF	-95	-5	-24	-27
Percent Change (%)	-29.0	-41.7	-66.7	-61.4

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)

62

8.2

-8

-25.0

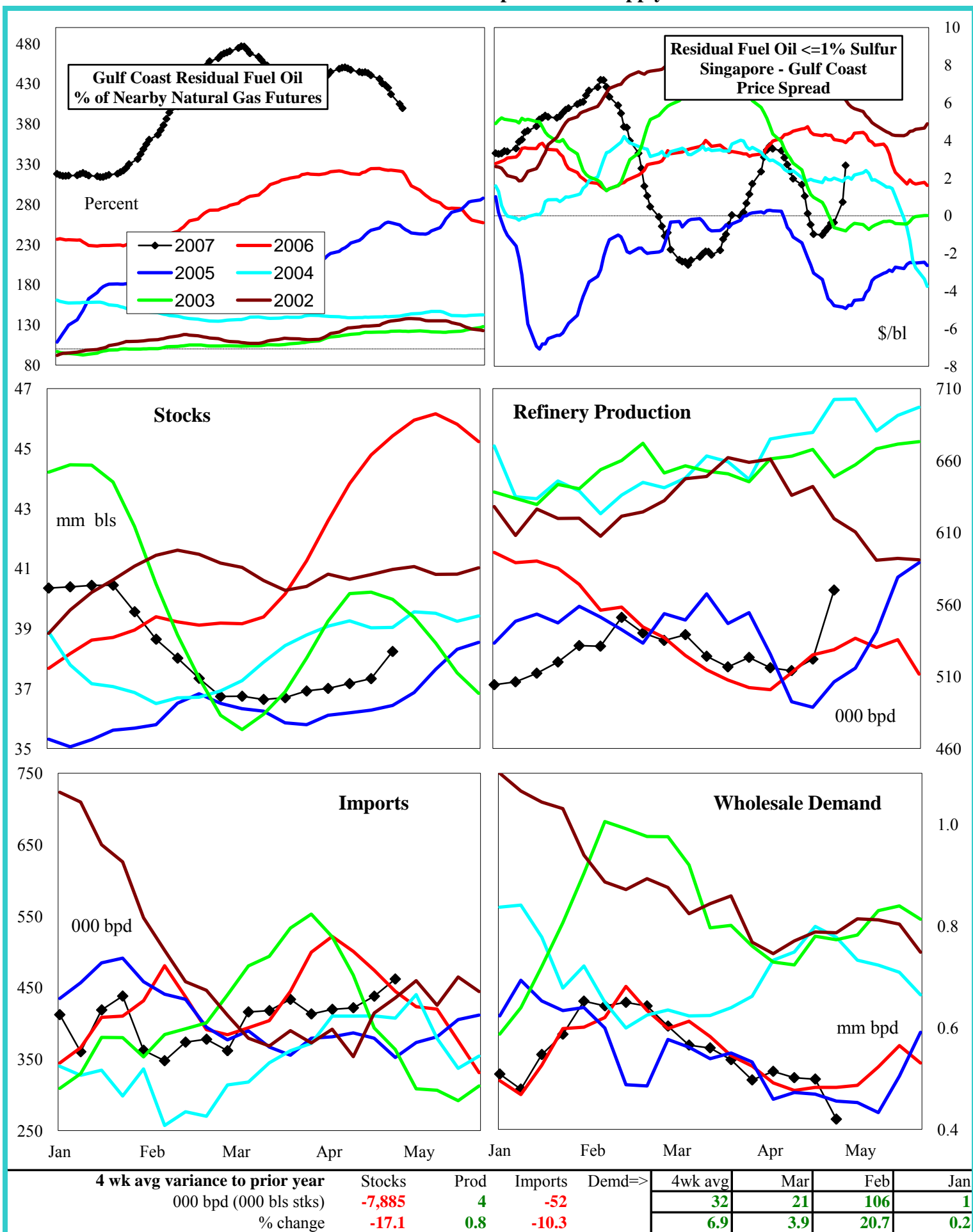
-57

-43.2

-72

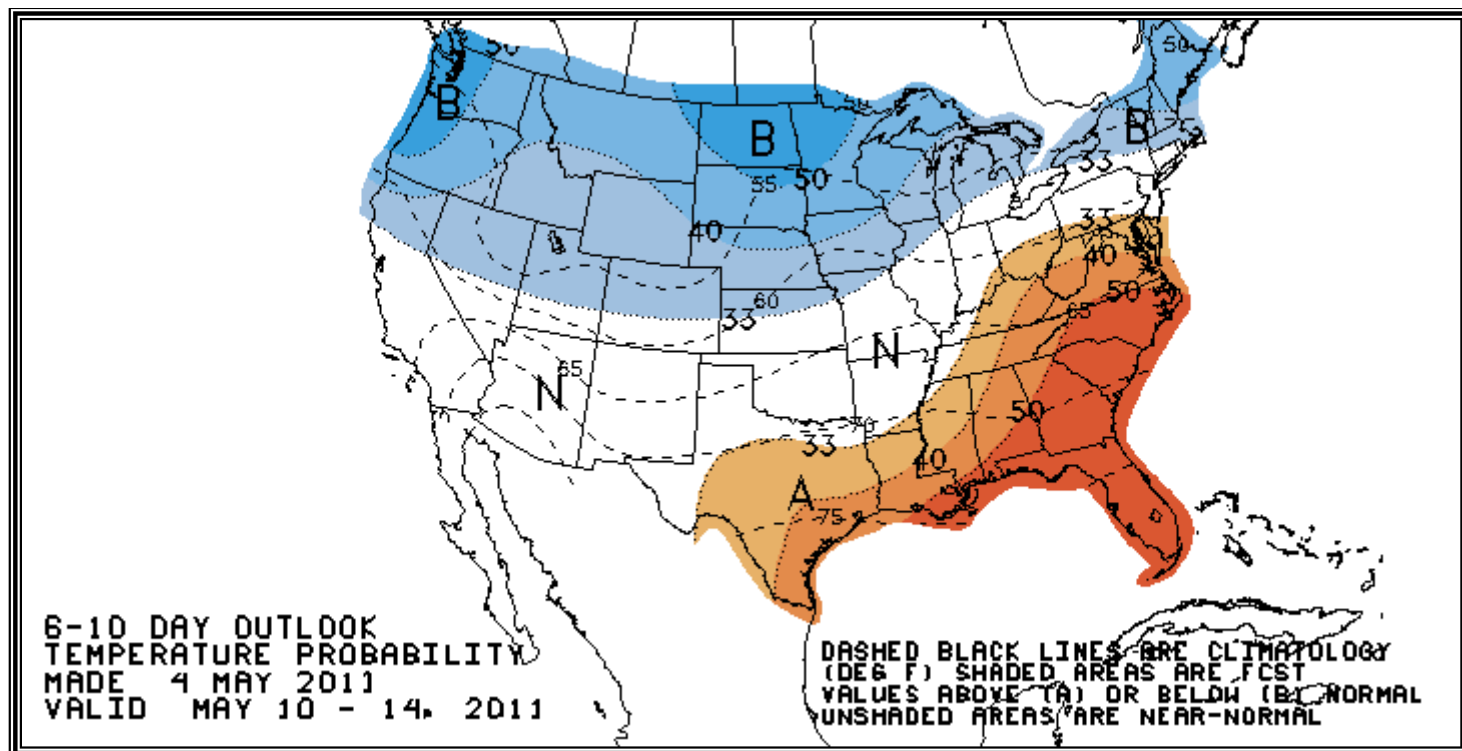
-35.6

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



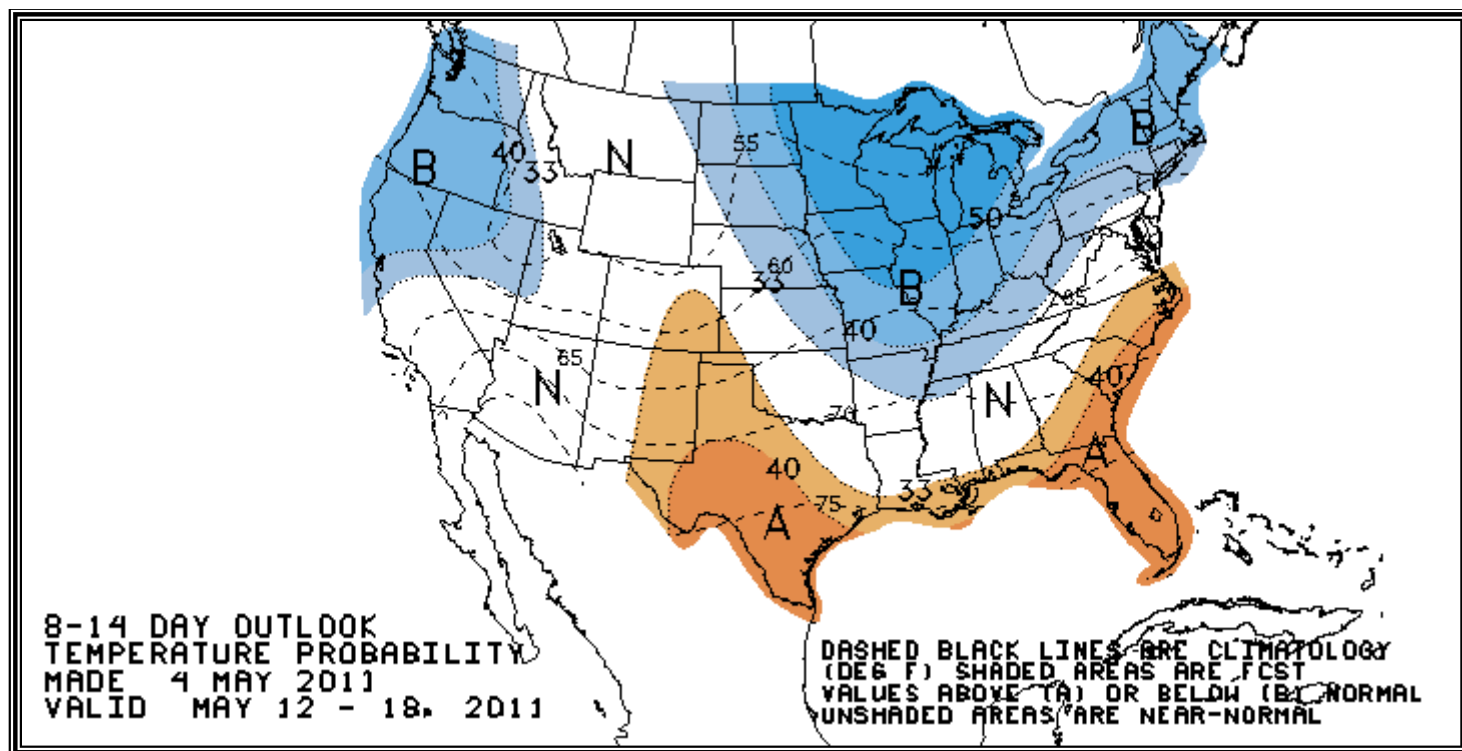
National Weather Service Climate Prediction Center

Degree Days 6 - 10 Day Temperature Forecast



National Weather Service Climate Prediction Center

Degree Days 8 - 14 Day Temperature Forecast



American Gas Association Regions

