



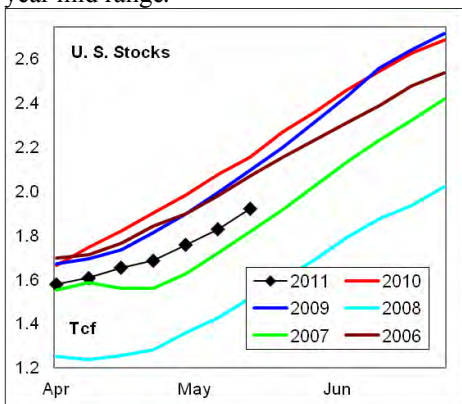
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

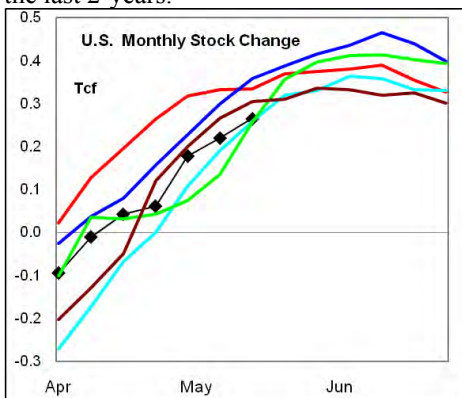
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, May 19, 2011



Summary¹ The stock build of +92 Bcf was above the 5-year mid range for the week. Stock levels ended the week below the 5-year mid range.



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



In the East Region stocks increased +56 Bcf for the period, a level at the historic mid range. Stocks increased +11 Bcf in the West Region, the 6th consecutive week of very low builds. The stock build of +25 Bcf in the Producing Region matched the 5-year mid range.

Heating degree days were -43% below normal in the East Region, +12% above normal in the West Region and -18% below normal in the Producing Region for the week ending 14May11.

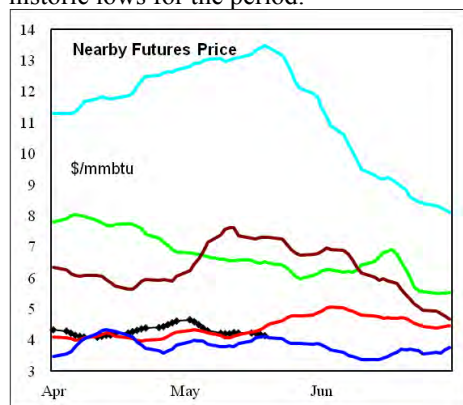
Heating degree days were -33% below normal for the week ended 14May11, and forecast to be +16% above normal for the

week ending 21May11.

The 6-10 day NWS forecast for the week ending 28May11 is for colder than normal temperatures in the north and central plains, and much warmer than normal along the southeast and east coasts.

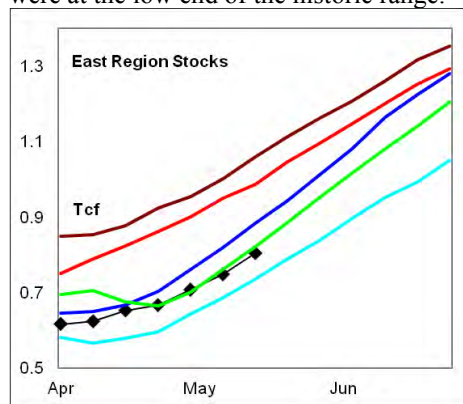
The 8-14 day NWS forecast for the week ending 01June11 is for colder than normal temperatures in the north and central plains, and warmer than normal in the southwest and east coast.

Prices: Nearby gas futures prices decreased -5 cpg for the week ending 19May11. Prices levels ended the week matching historic lows for the period.



The 1st - 4th month forward price curve traded sideways last week ending 19May11. The spread ended the week at a record low carry.

East Region stocks increased +56 Bcf last week, a level at the historic mid range. The latest 4-wk build was comparable to the 5-year low for the period. Stock levels were at the low end of the historic range.

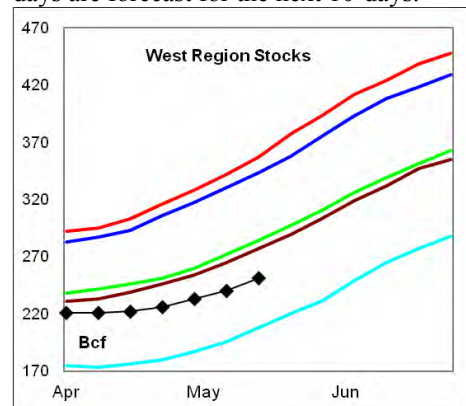


Heating degree days in the region were -43% below normal last week and forecast to be +9% above normal for week ending 21May11. Above normal heating degree days are forecast for the next 10-days.

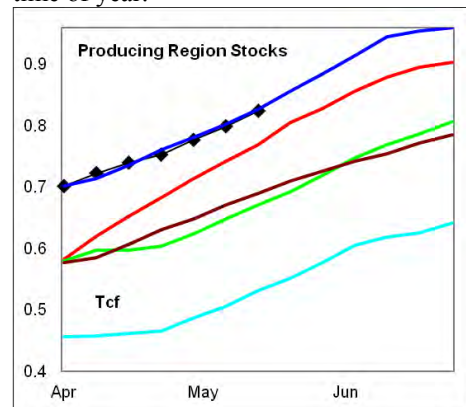
West Region stocks increased +11 Bcf on the week, a record low build for the period. Stock levels ended the week at the low end

of the historic range. The latest 4-wk stock build matched 5-year lows for the period.

Heating degree days were +12% above normal last week and forecast to be +10% above normal for the week ending 21May11. Near normal heating degree days are forecast for the next 10-days.



Producing Region stocks saw a build of +25 Bcf on the week, which matched the 5-year mid range. 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 -18% below normal last week, and forecast to be +160% above normal for the week ending 21May11. Slightly 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: Moderate temperatures have reduced current demand for electric power generation, and the global pull back in energy prices have pressured gas prices to match 5-year lows for this time of year. Expect robust stock builds during the next 2-wks which should pressure gas prices lower ahead of the peak electric power demand season.

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 19, 2011

For the week ending: 13-May-11

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

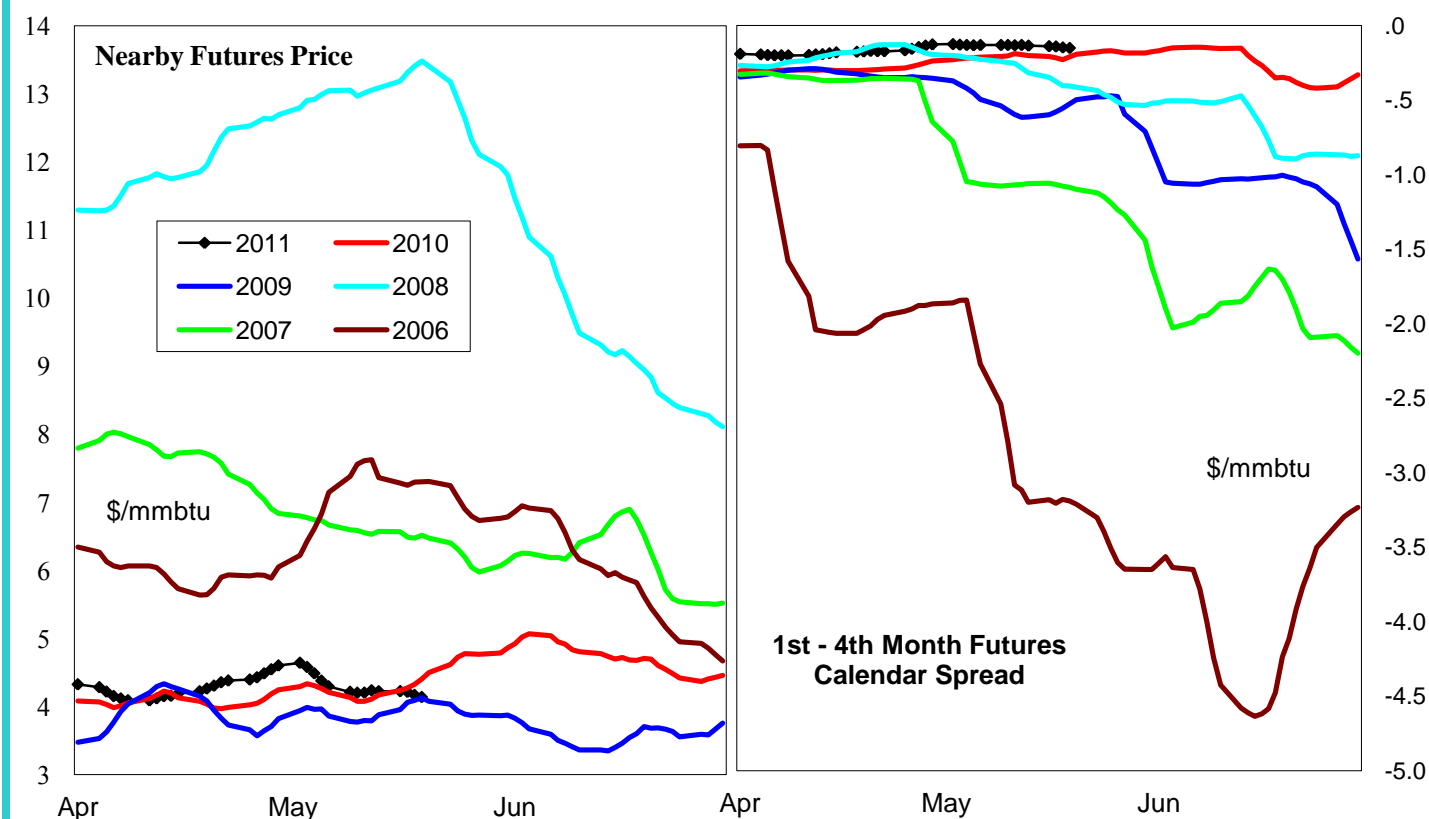
Week ending:	13-May-11			7-May-11		14-May-11		21-May-11	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	1,919	92	-10.9	14	21%	-38	-33%	10	16%
East	804	56	-18.5	23	17%	-47	-43%	14	9%
West	251	11	-29.7	-28	2%	-5	12%	-12	10%
Producing	864	25	6.7	11	118%	-27	-18%	11	160%

Seasonal Trends in Stocks and Heating Degree Days

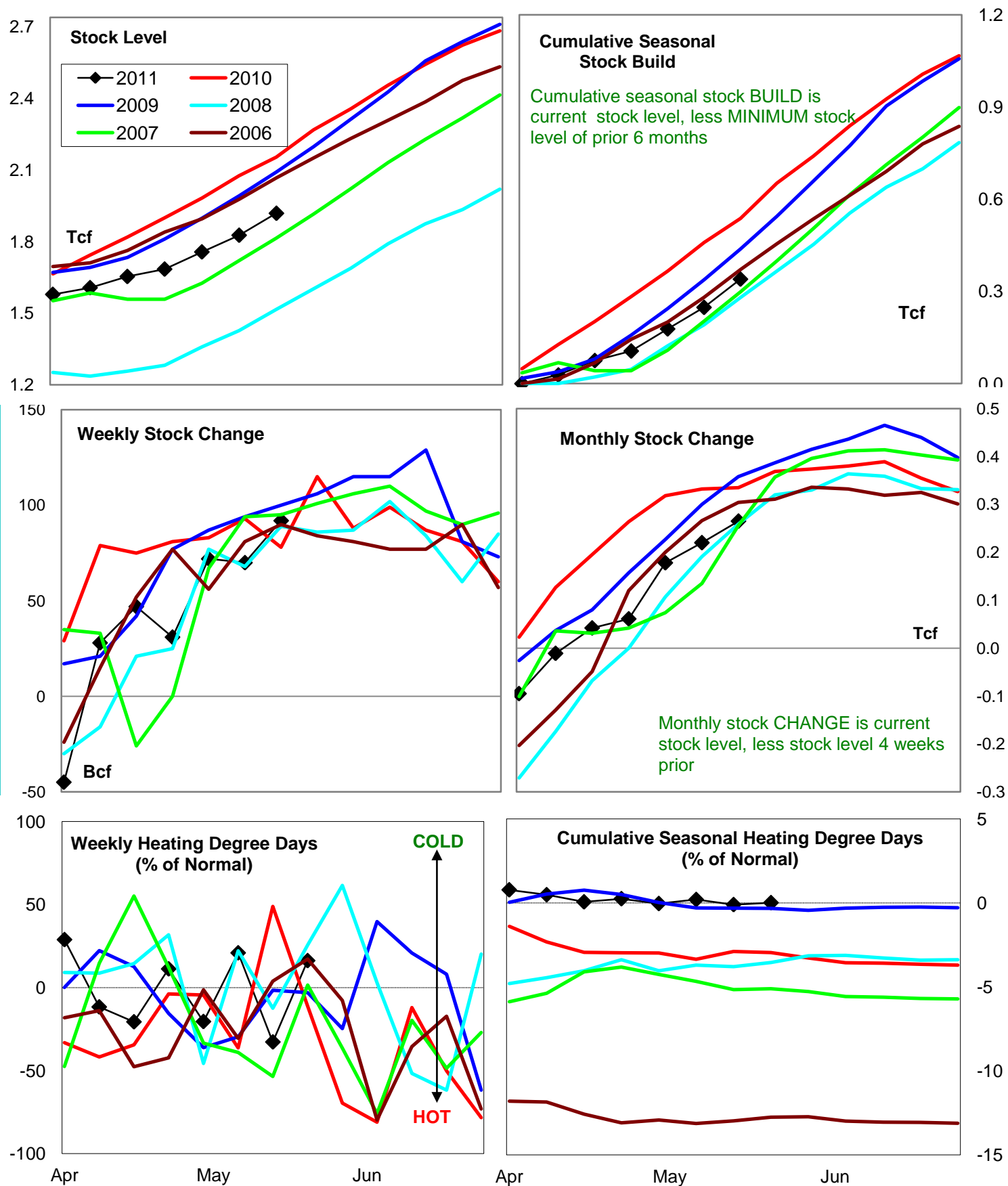
	Cumulative Stock Draw			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	340	-197	-57.9	69	0.2	31	-0.1	41	0.0
East	188	-49	-26.1	77	0.8	30	0.4	45	0.5
West	35	-38	-108.6	74	-1.2	69	-1.0	57	-0.9
Producing	177	-80	-45.2	37	-2.7	10	-2.8	21	-2.3

Futures Market Price Trends

Date:	19-May-11	Change vs prior week, month, year		
		13-May-11	21-Apr-11	19-May-10
1st month Futures	4.14	-0.11	-0.27	-0.28
% change	xxxxx	-2.6	-6.1	-6.3



United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock Level

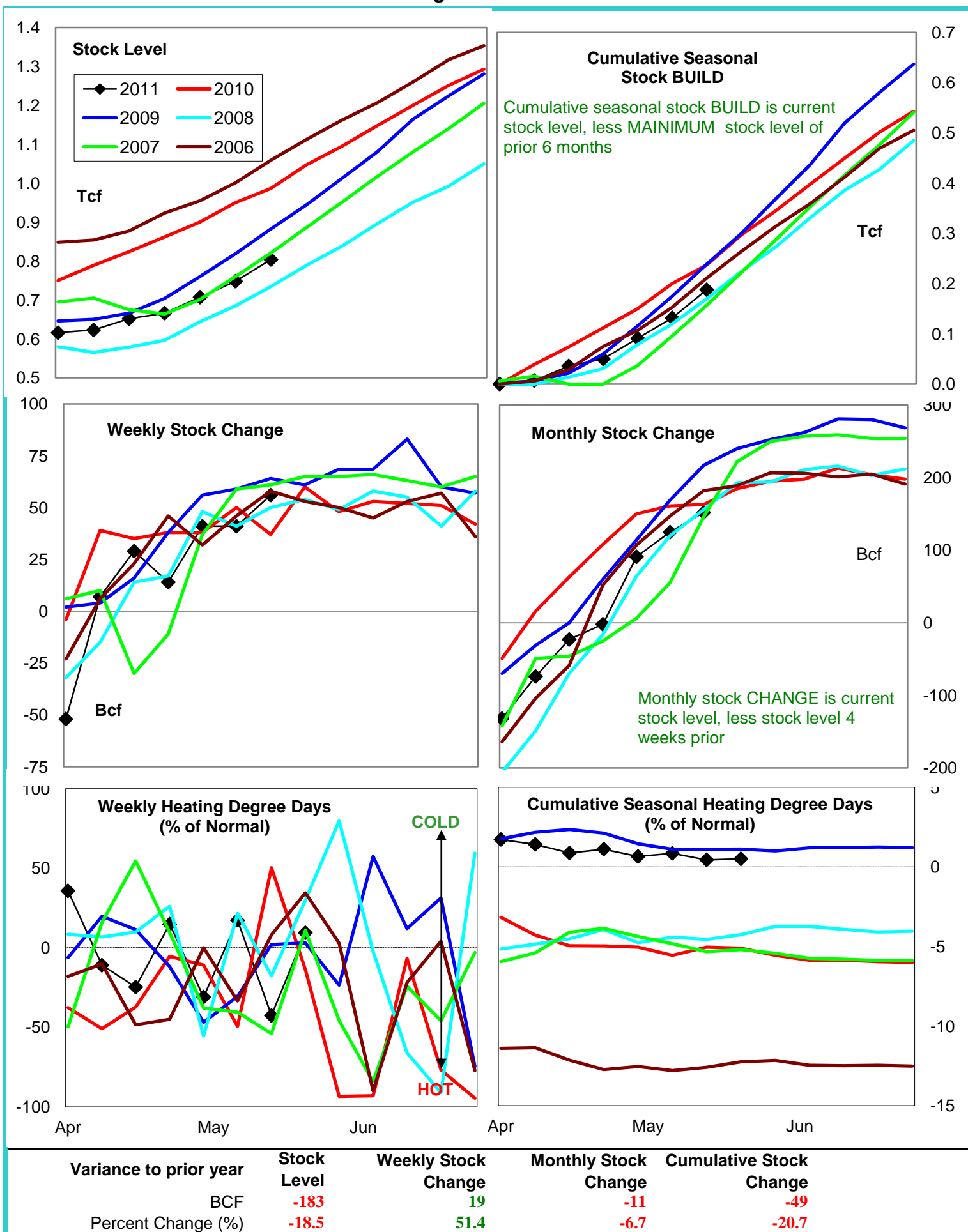
Weekly Stock Change

Monthly Stock Change

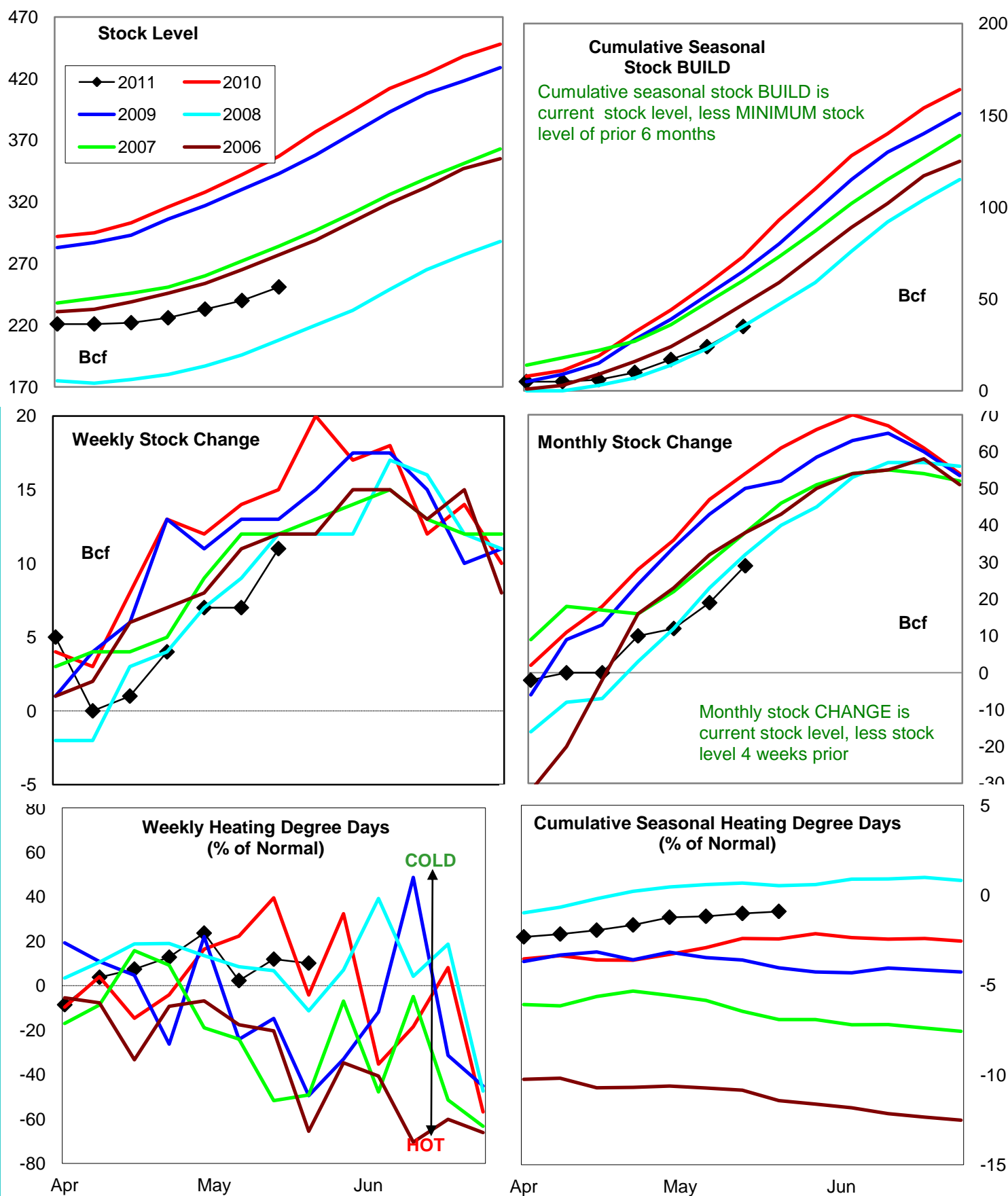
Cumulative Stock Change

BCF
Percent Change (%)-235
-10.914
17.9-70
-20.9-197
-36.7

Natural Gas East Region Stock and Weather Trends

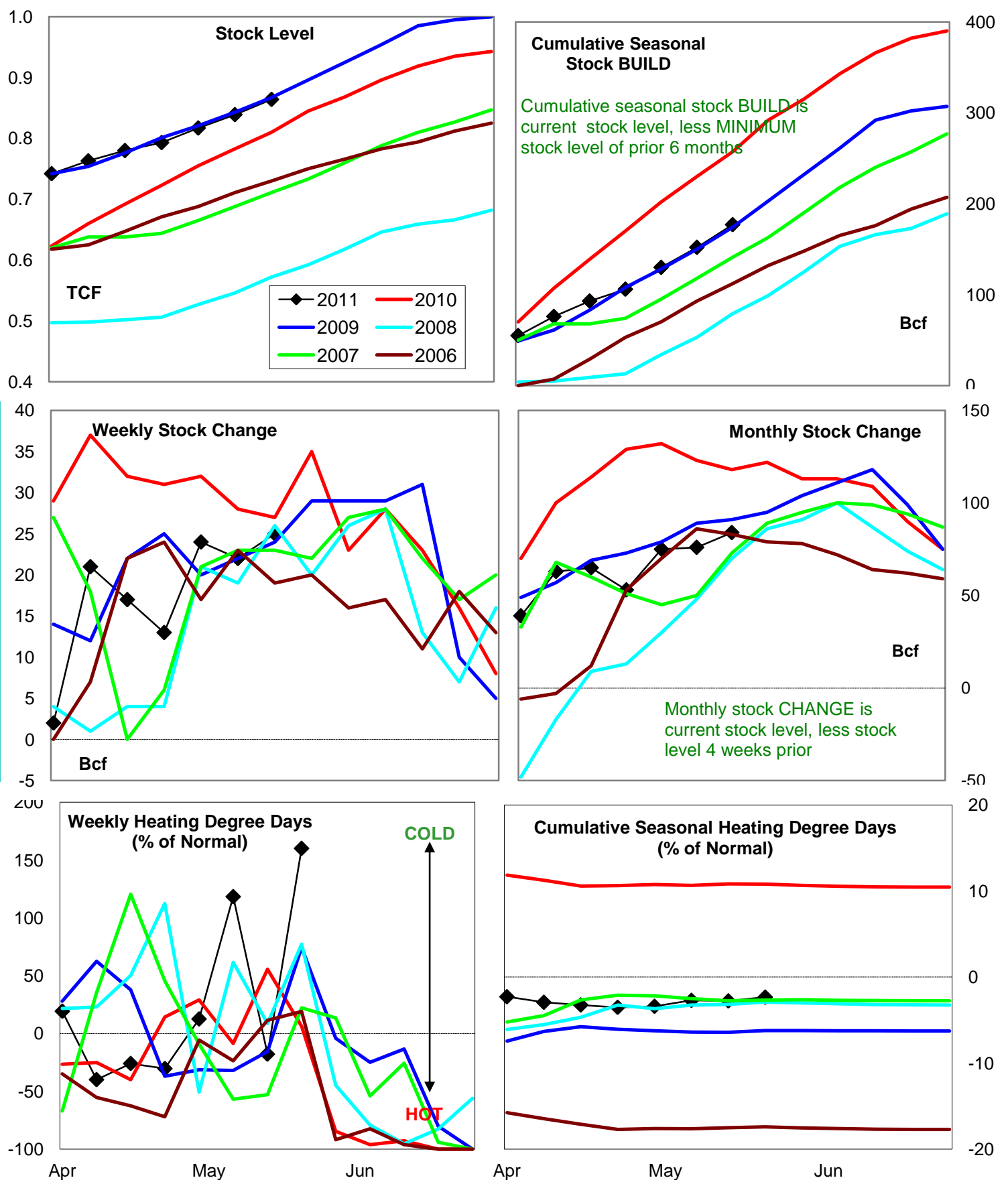


Natural Gas West Region Stock and Weather Trends



Variance to prior year	Stock Level	Weekly Stock Change	Monthly Stock Change	Cumulative Stock Change
BCF	-106	-4	-25	-38
Percent Change (%)	-29.7	-26.7	-46.3	-52.1

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
Change

BCF

54

-2

-34

-80

Percent Change (%)

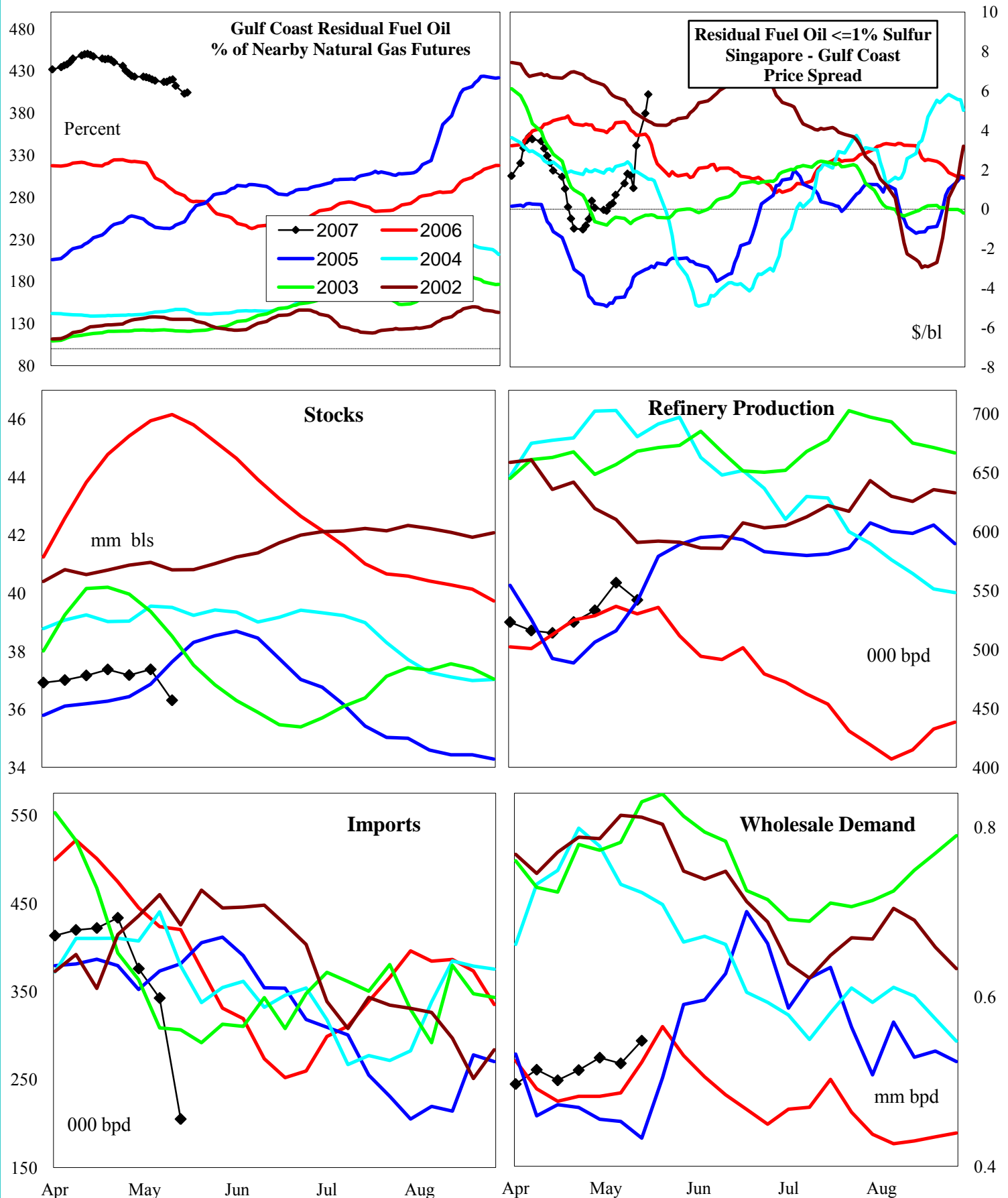
6.7

-7.4

-28.8

-31.1

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


4 wk avg variance to prior year

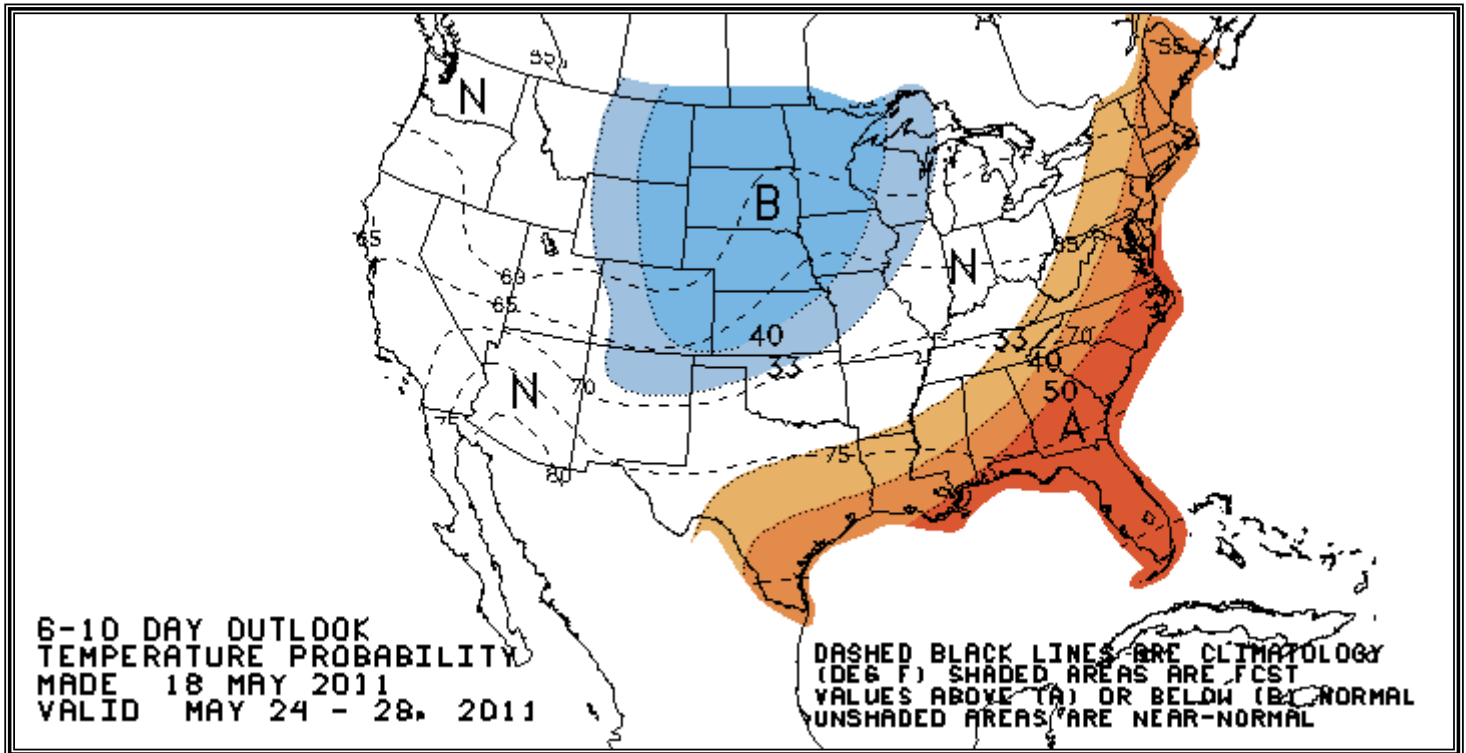
000 bpd (000 bls stks)

% change

Stocks
-9,502
-20.7
Prod
-4
-0.7
Imports
-25
-6.3
Demd=>
4wk avg
35
7.1
Apr
-85
-14.7
Mar
21
3.9
Feb
106
20.7

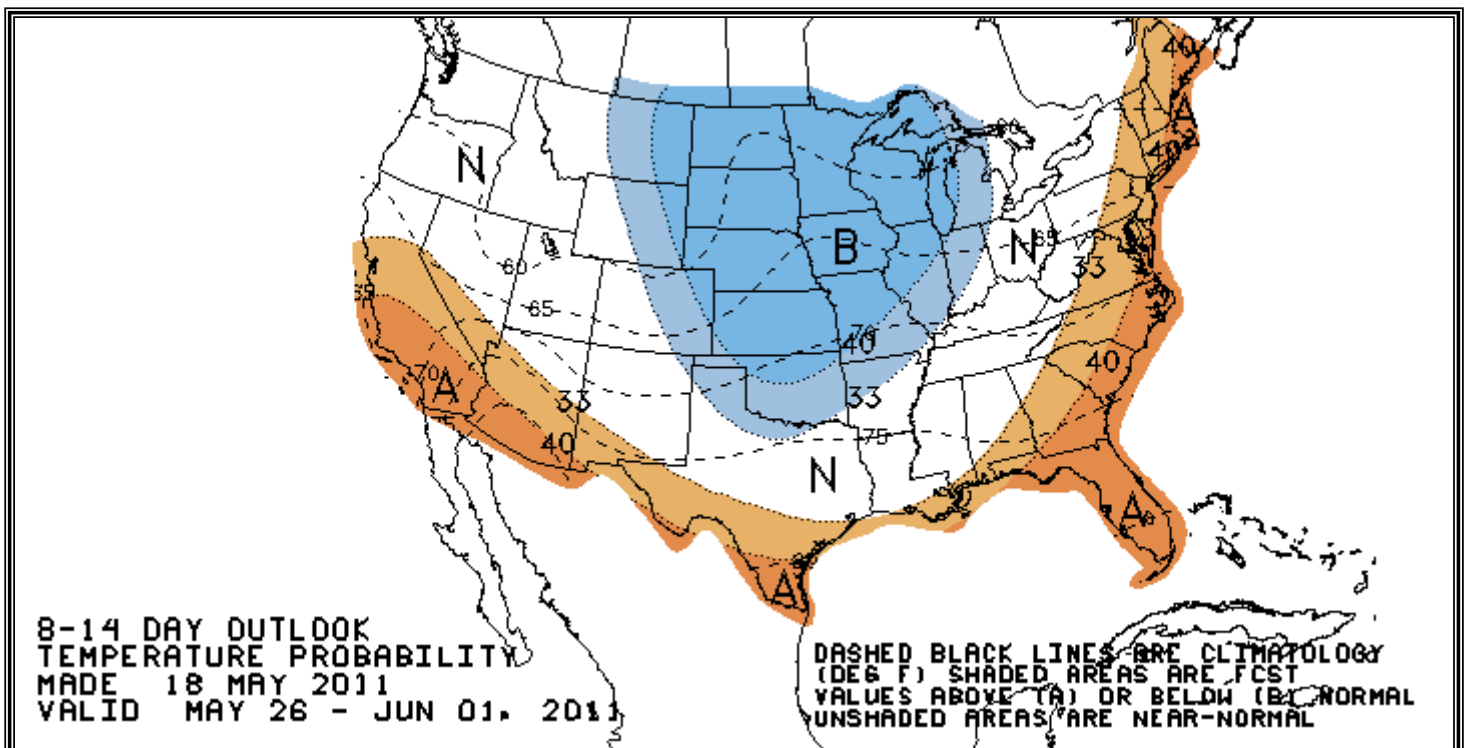
National Weather Service Climate Prediction Center

Degree Days 6 - 10 Day Temperature Forecast



National Weather Service Climate Prediction Center

Degree Days 8 - 14 Day Temperature Forecast



American Gas Association Regions

