

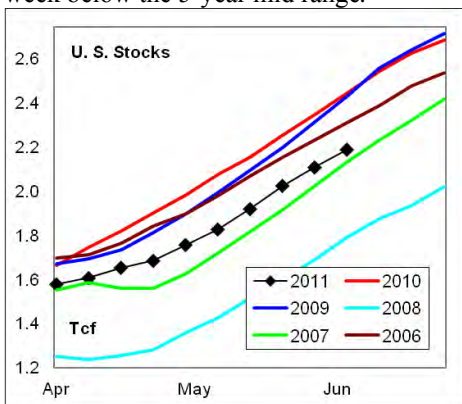
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

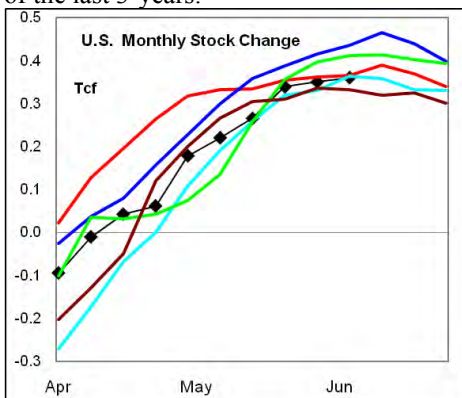
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Friday, June 10, 2011



Summary ¹ The stock build of +80 Bcf matched 5-year lows for the 2nd consecutive week. Stock levels ended the week below the 5-year mid range.



The latest 4-wk stock build was near the historic mid range and comparable to two of the last 3-years.



In the East Region stocks increased +49 Bcf for the period, a level near historic lows for the week. Stocks increased +13 Bcf in the West Region, a record low for the week. The stock build of +18 Bcf in the Producing Region was near 5-year lows for the week.

Heating degree days were -73% below normal in the East Region, +47% above normal in the West Region and -96% below normal in the Producing Region for the week ending 04Jun11.

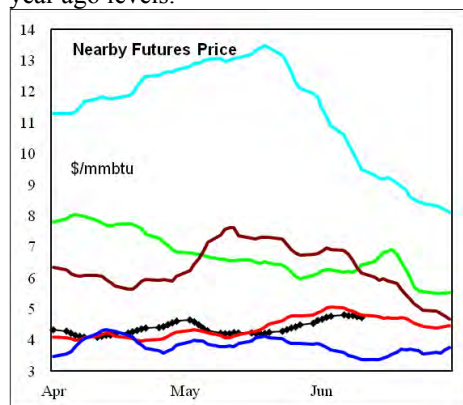
Heating degree days were -49% below normal for the week ended 04Jun11, and forecast to be -81% below normal for the

week ending 11Jun11.

The 6-10 day NWS forecast for the week ending 19Jun11 is for much warmer than normal temperatures across the eastern 1/2 of the country and cooler than normal in the northwest.

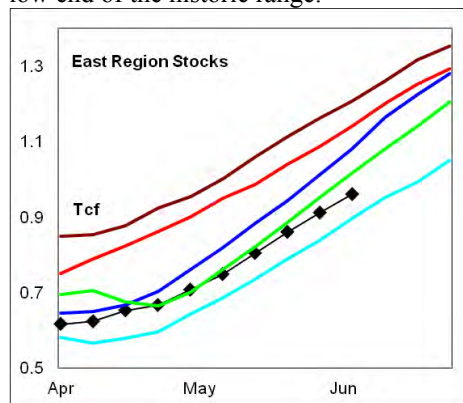
The 8-14 day NWS forecast for the week ending 29Jun11 is for an extension of the 6-10 days forecast; much warmer than normal in eastern 2/3rds of the country.

Prices: Nearby gas futures prices were unchanged for the week ending 10Jun11 on continued very high cooling degree days. Prices levels ended the week near year ago levels.



The 1st - 4th month forward price curve traded flat for the week ending 10Jun11. The spread ended the week at a record low carry.

East Region stocks increased +49 Bcf last week, a level near historic lows for the week. The latest 4-wk build matched the 5-year mid range. Stock levels were at the low end of the historic range.

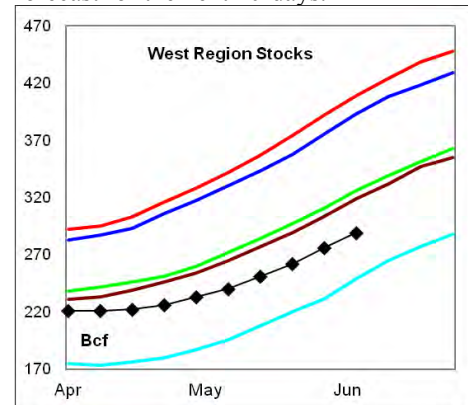


Heating degree days in the region were -73% below normal last week and forecast to be -85% below normal for week ending 11Jun11. Much above normal heating degree days are forecast for the next 10-days.

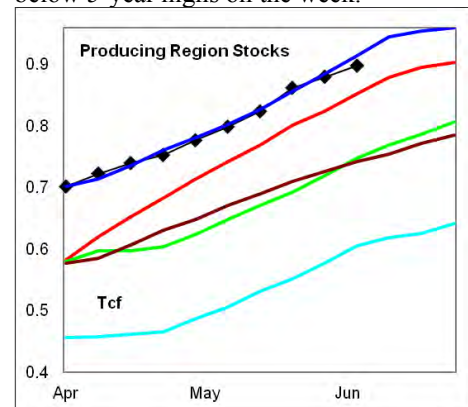
West Region stocks increased +13 Bcf on

the week, a record low for the week. Stock levels ended the week at the low end of the historic range. The latest 4-wk stock build fell below the historic range.

Heating degree days were +47% above normal last week and forecast to be -65% below normal for the week ending 11Jun11. Near normal temperatures are forecast for the next 10-days.



Producing Region stocks saw a build of +18 Bcf on the week, near historic lows for the week. The monthly stock build was at the historic mid range. Stock levels fell below 5-year highs on the week.



Heating degree days were -96% below normal last week, and forecast to be -100% below normal for the week ending 11Jun11. Well 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: Cooling degree days are forecast to be near record levels for the next 10-days across the south and southeastern states; areas supplied by natural gas powered electric plants. Expect continued support to prices, until a cooling weather trend emerges, which combined with slow economic growth would lead to a price pull back.

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: June 10, 2011

For the week ending: 3-Jun-11

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

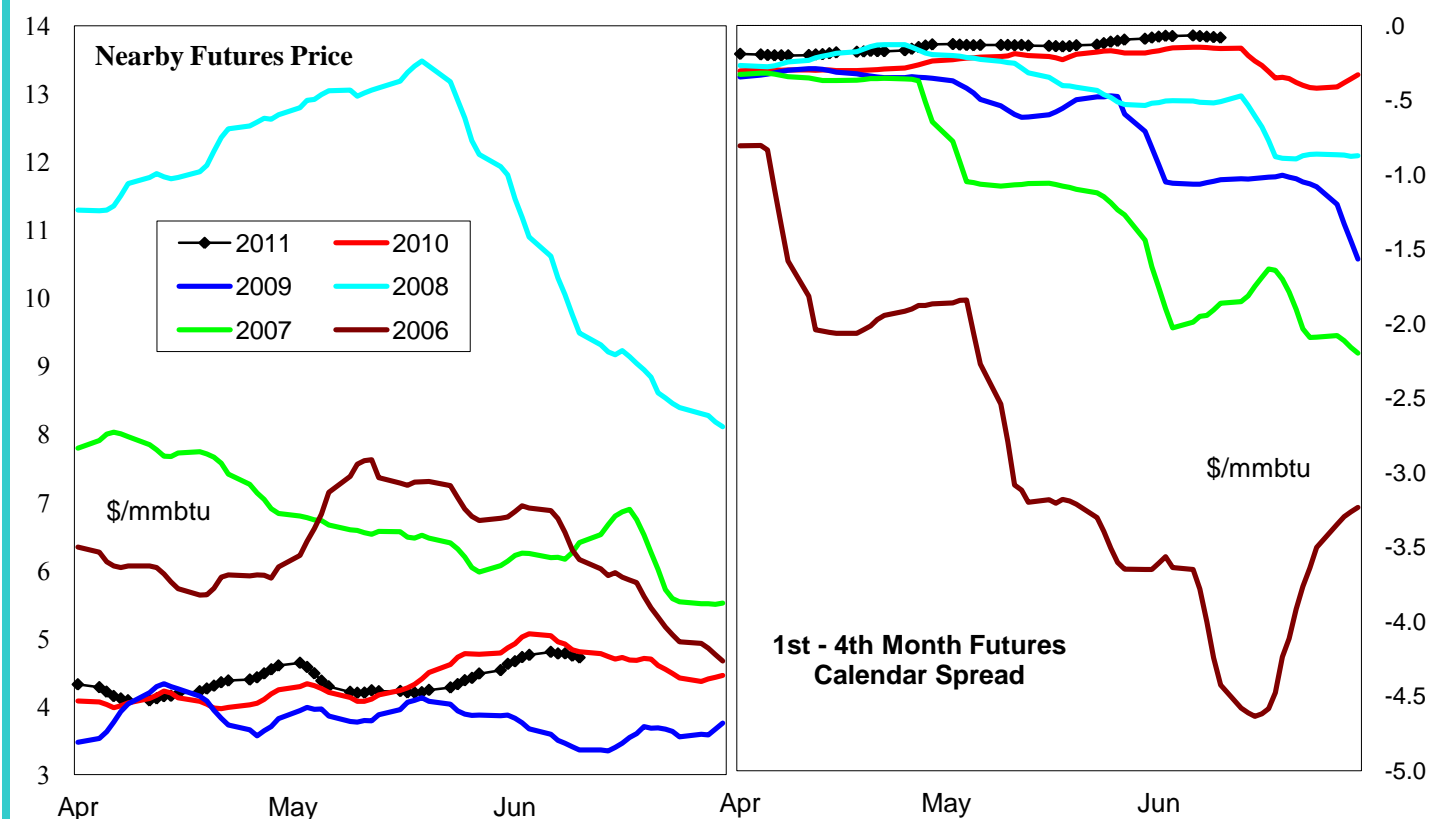
Week ending:	3-Jun-11			28-May-11		4-Jun-11		11-Jun-11	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,187	80	-10.4	-26	-17%	-12	-49%	-7	-81%
East	960	49	-15.8	-29	-31%	-15	-73%	-4	-85%
West	289	13	-29.3	-20	43%	-10	47%	-39	-65%
Producing	938	18	5.2	-18	-16%	-4	-96%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

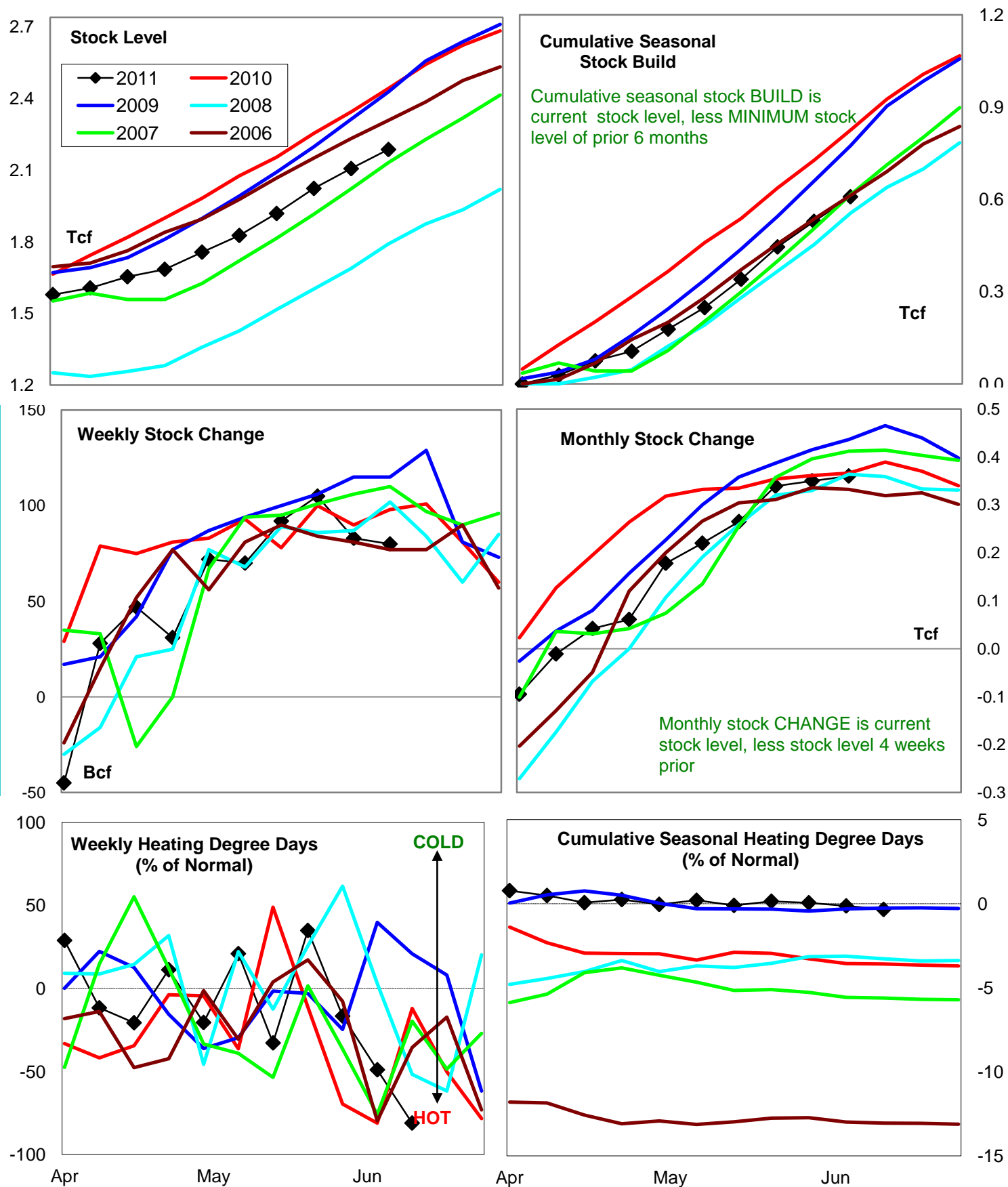
	Cumulative Stock Draw			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	608	-217	-35.7	22	0.1	10	-0.1	3	-0.3
East	344	-46	-13.4	21	0.4	6	0.2	2	0.0
West	73	-52	-71.2	61	-0.1	51	0.2	12	-0.2
Producing	251	-88	-35.1	4	-2.3	0	-2.4	0	-2.8

Futures Market Price Trends

Date:	10-Jun-11	Change vs prior week, month, year		
		6-Jun-11	13-May-11	10-Jun-10
1st month Futures	4.72	-0.11	0.40	-0.03
% change	xxxxx	-2.3	9.3	-0.6



United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock Level

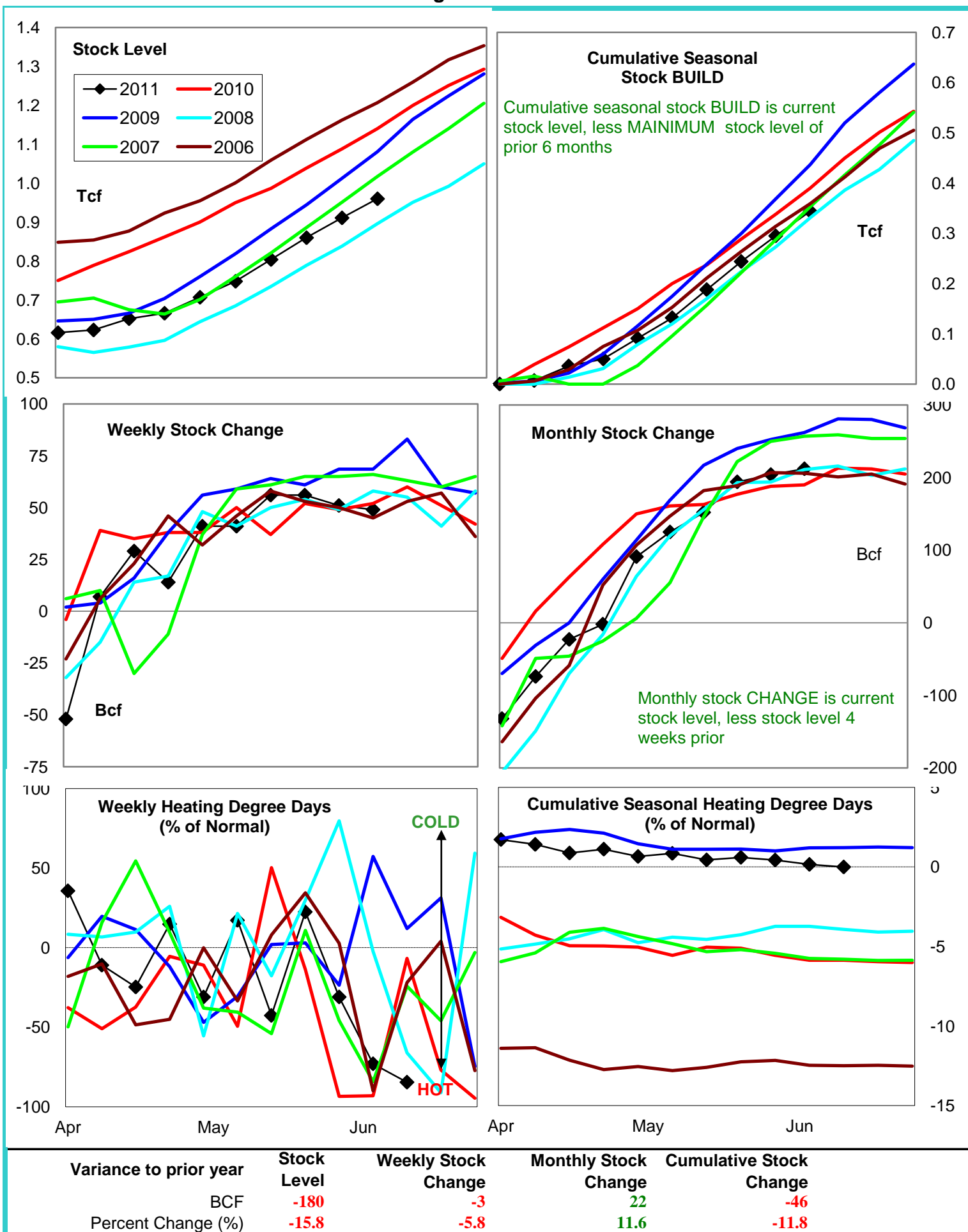
Weekly Stock Change

Monthly Stock Change

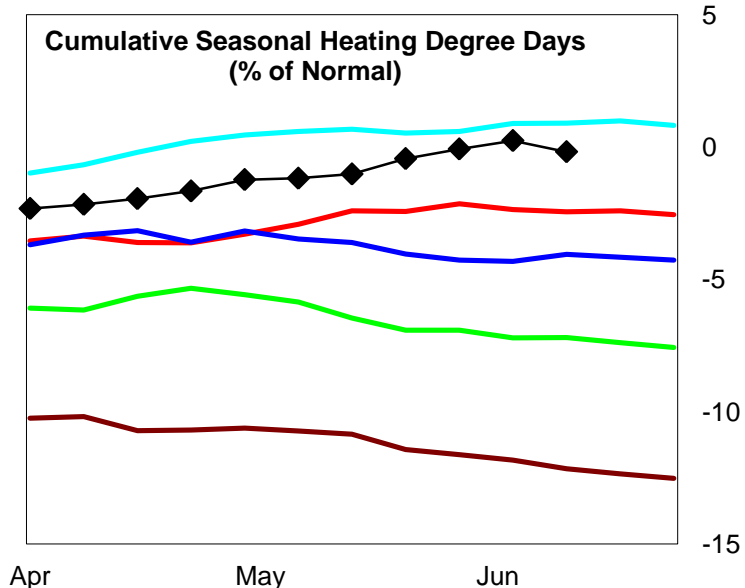
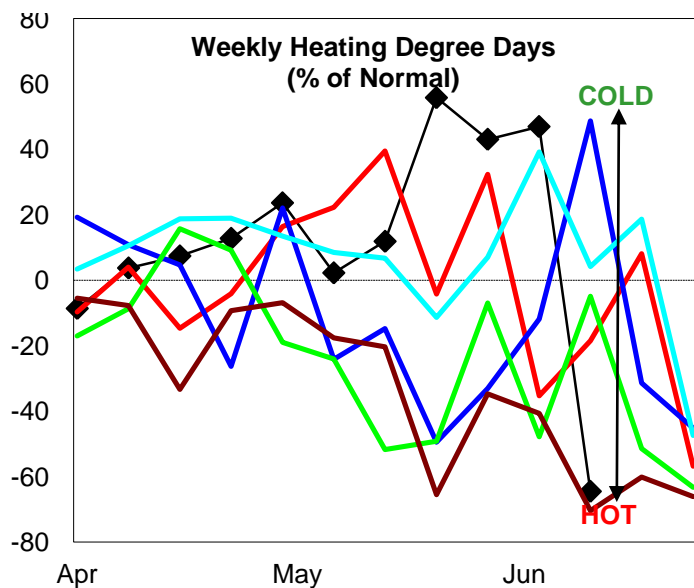
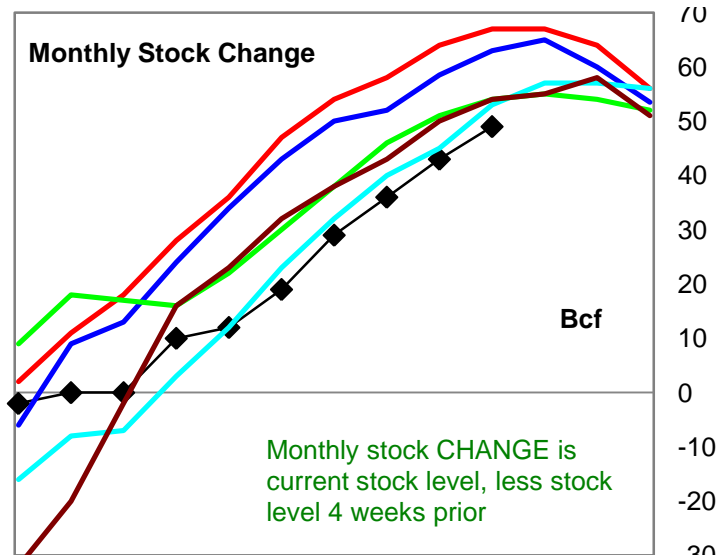
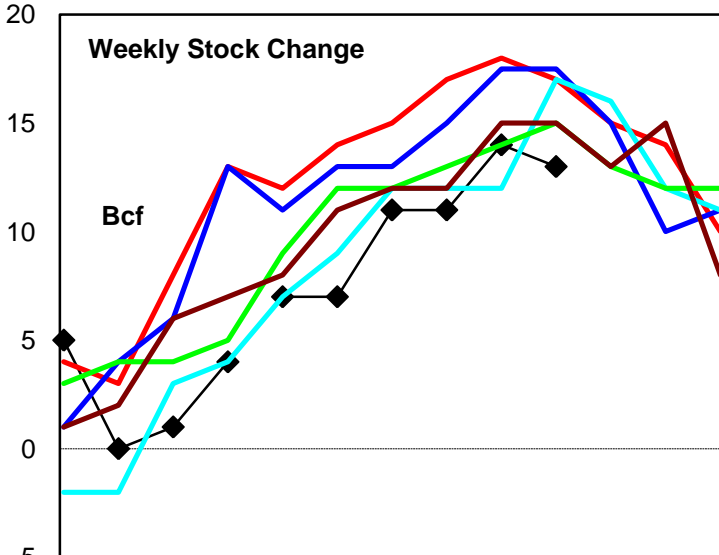
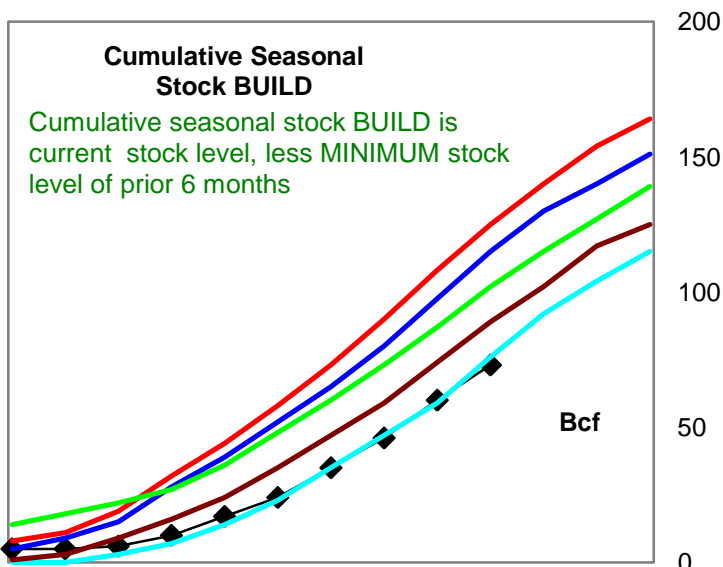
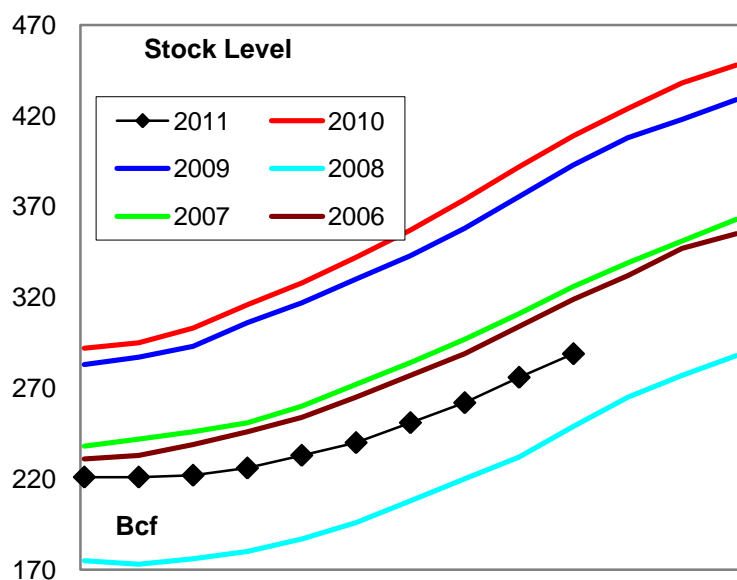
Cumulative Stock Change

BCF
Percent Change (%)-255
-10.4-18
-18.4-6
-1.6-217
-26.3

Natural Gas East Region Stock and Weather Trends

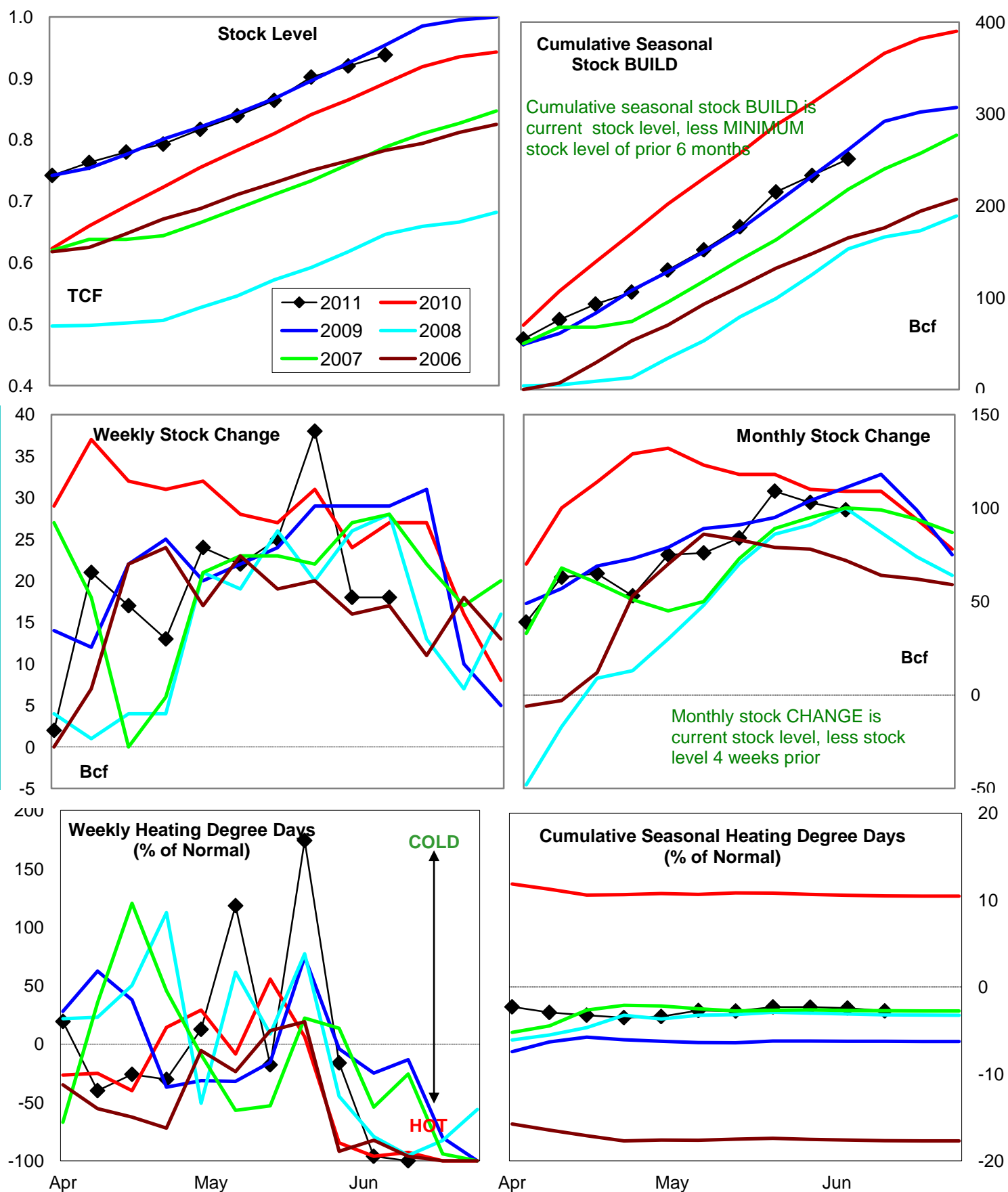


Natural Gas West Region Stock and Weather Trends



Variance to prior year	Stock Level	Weekly Stock Change	Monthly Stock Change	Cumulative Stock Change
BCF	-120	-4	-18	-52
Percent Change (%)	-29.3	-23.5	-26.9	-41.6

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

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

46

-9

-10

-88

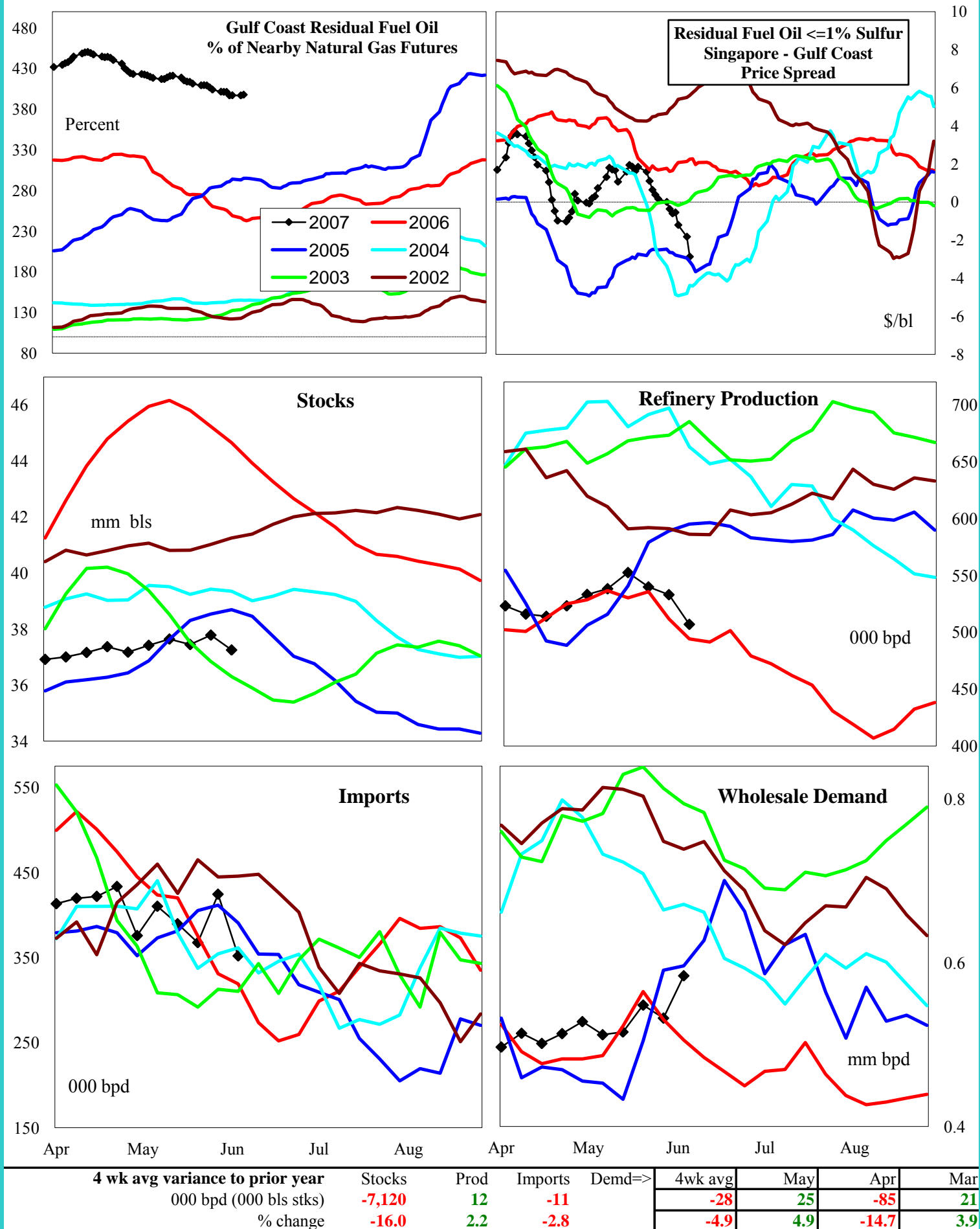
5.2

-33.3

-9.2

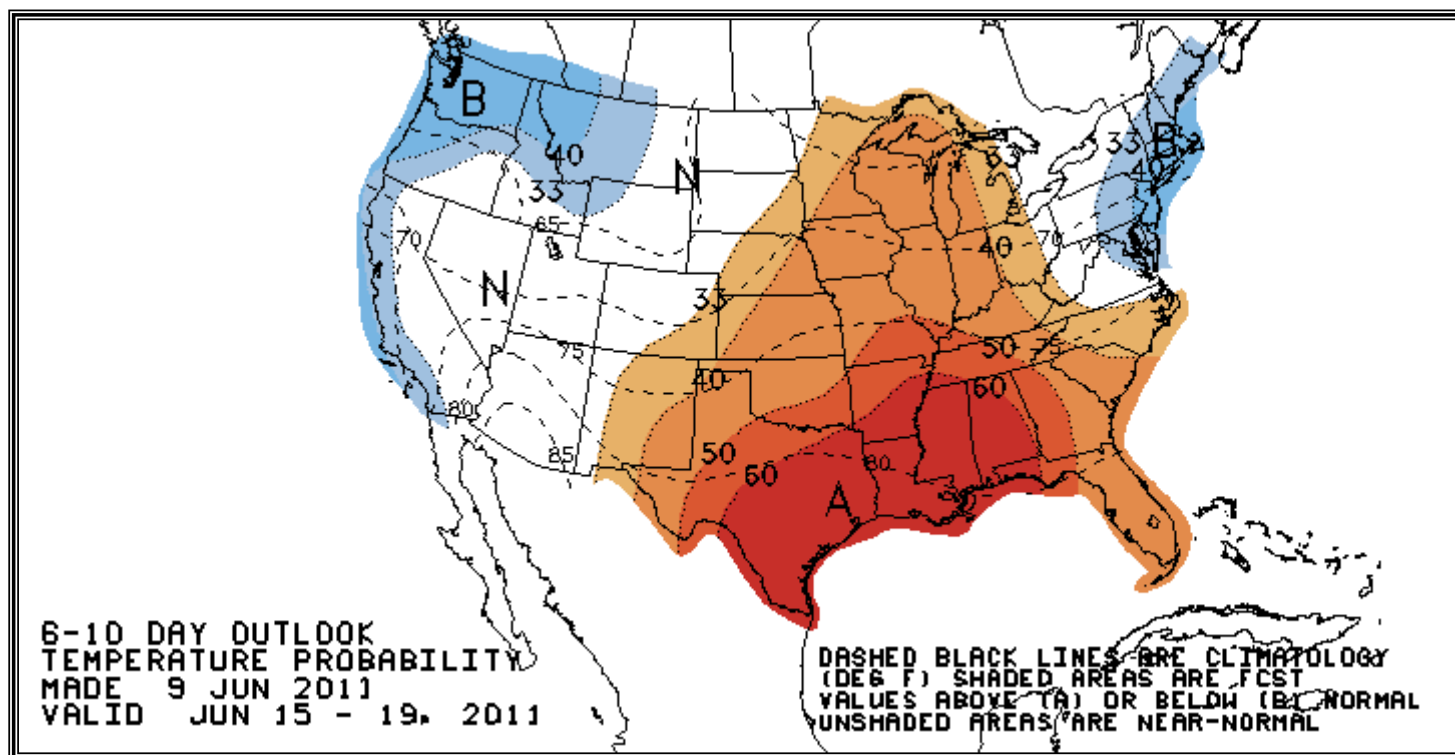
-26.0

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



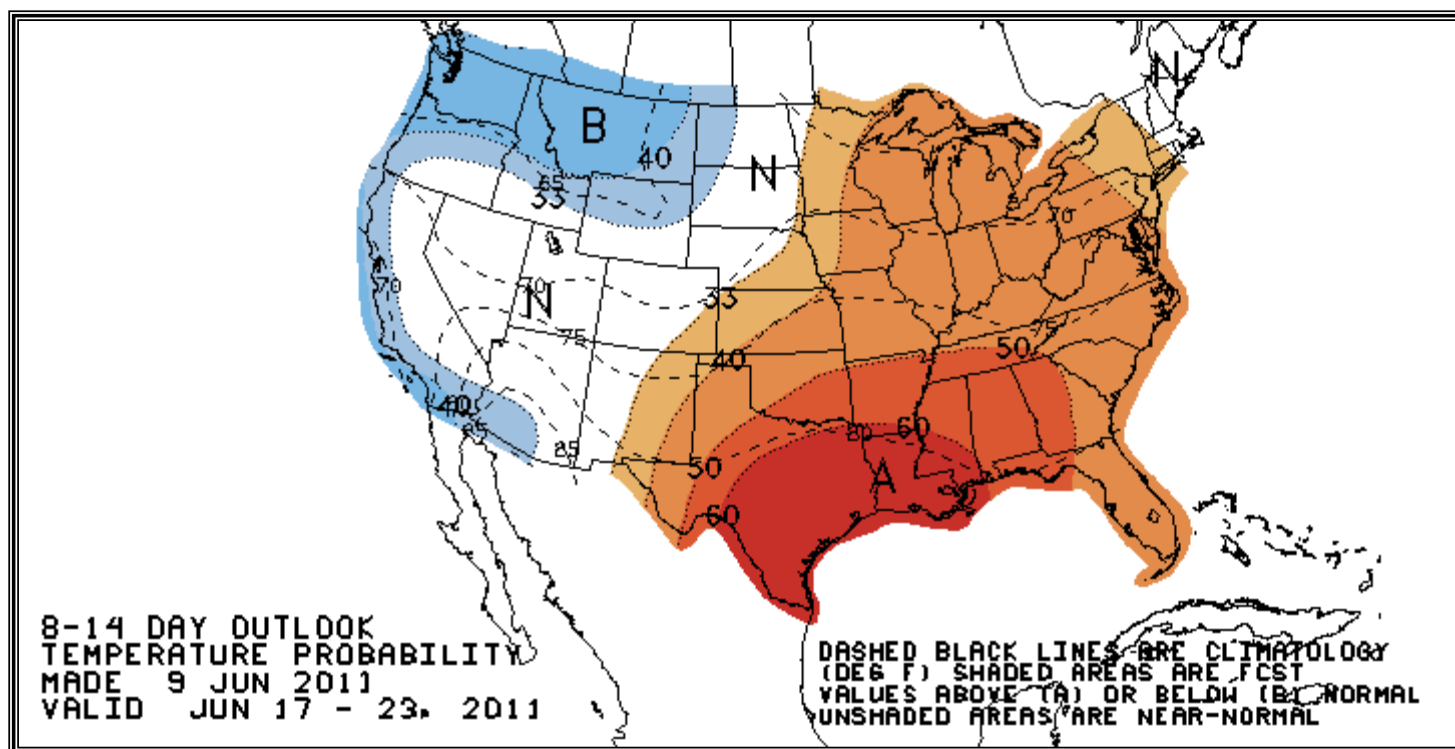
National Weather Service Climate Prediction Center

Degree Days 6 - 10 Day Temperature Forecast



National Weather Service Climate Prediction Center

Degree Days 8 - 14 Day Temperature Forecast



American Gas Association Regions

