



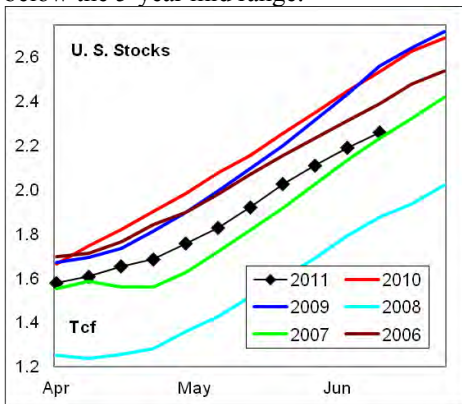
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

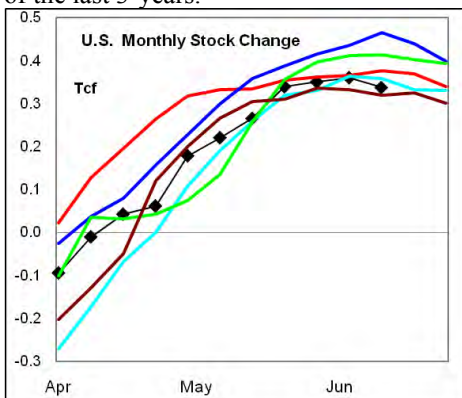
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, June 16, 2011



Summary¹ The stock build of +69 Bcf for the week was a 5-year low for the period. Stock levels ended the week significantly below the level of the last 2-years and below the 5-year mid range.



The latest 4-wk stock build was at the low end of the historic range, and below each of the last 3-years.



In the East Region stocks increased +48 Bcf for the period, a level below the historic range for the week. Stocks increased +15 Bcf in the West Region, a level at the upper end of the 5-year range. The stock build of +6 Bcf in the Producing Region was a record low build for the week.

Heating degree days were -63% below normal in the East Region, +8% above normal in the West Region and -94% below normal in the Producing Region for the week ending 11Jun11.

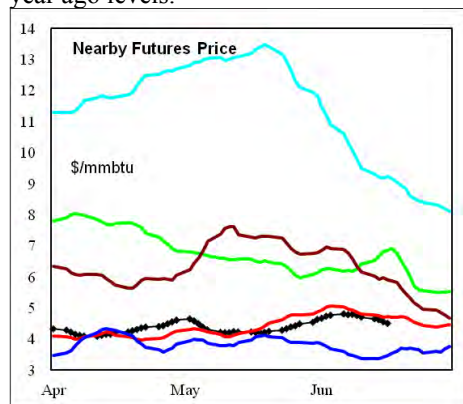
Heating degree days were -47% below

normal for the week ended 11Jun11, and forecast to be -22% below normal for the week ending 18Jun11.

The 6-10 day NWS forecast for the week ending 25Jun11 is for warmer than normal temperatures across the south and east 1/4th of the country, with cooler than normal temperatures in the northern plains.

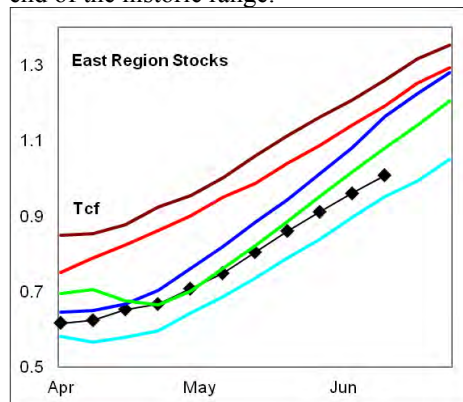
The 8-14 day NWS forecast for the week ending 29June11 is for warmer than normal temperatures in the south and eastern 2/3rds of the country and cooler than normal in the west.

Prices: Nearby gas futures prices decreased -\$0.20/mmbtu for the week ending 16Jun11 on moderating cooling degree days. Price levels ended the week near year ago levels.



The 1st - 4th month forward price curve traded flat for the week ending 16Jun11. The spread ended the week at a record low carry.

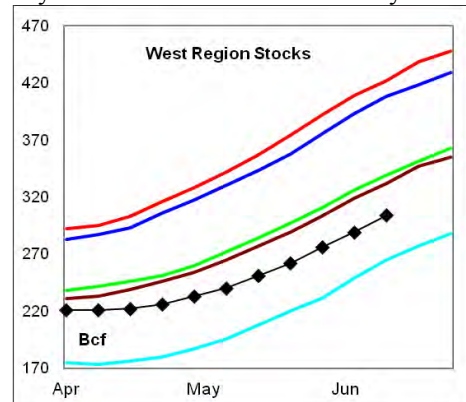
East Region stocks increased +48 Bcf last week, a record low build for the week. The latest 4-wk build matched the 5-year mid range. Stock levels were at the low end of the historic range.



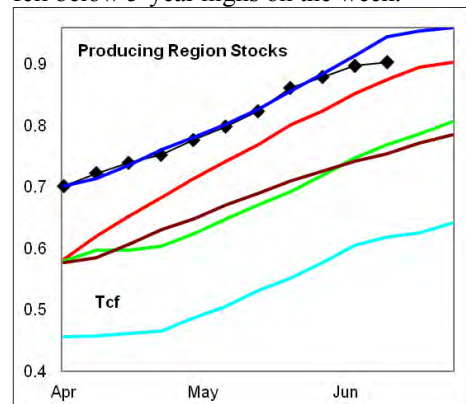
Heating degree days in the region were -63% below normal last week and forecast to be normal for week ending 18Jun11. Above normal cooling degree days are forecast for the next 10-days.

West Region stocks increased +15 Bcf on the week, a build at the upper end of the historic range 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 +8% above normal last week and forecast to be -64% below normal for the week ending 18Jun11. Below normal cooling degree days are forecast for the next 10-days.



Producing Region stocks saw a build of +6 Bcf on the week, a record low build for the week. The monthly stock build was at the low end of the historic range. Stock levels fell below 5-year highs on the week.



Heating degree days were -94% below normal last week, and forecast to be -100% below normal for the week ending 18Jun11. Above normal cooling degree days 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 moderate in the next 10-days compared to the last 4-wks across the south and eastern states; areas dependent on natural gas powered electric plants. Expect the recent price pull back to extend through month end on a forecast of moderate cooling degree days.

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 16, 2011

For the week ending: 10-Jun-11

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

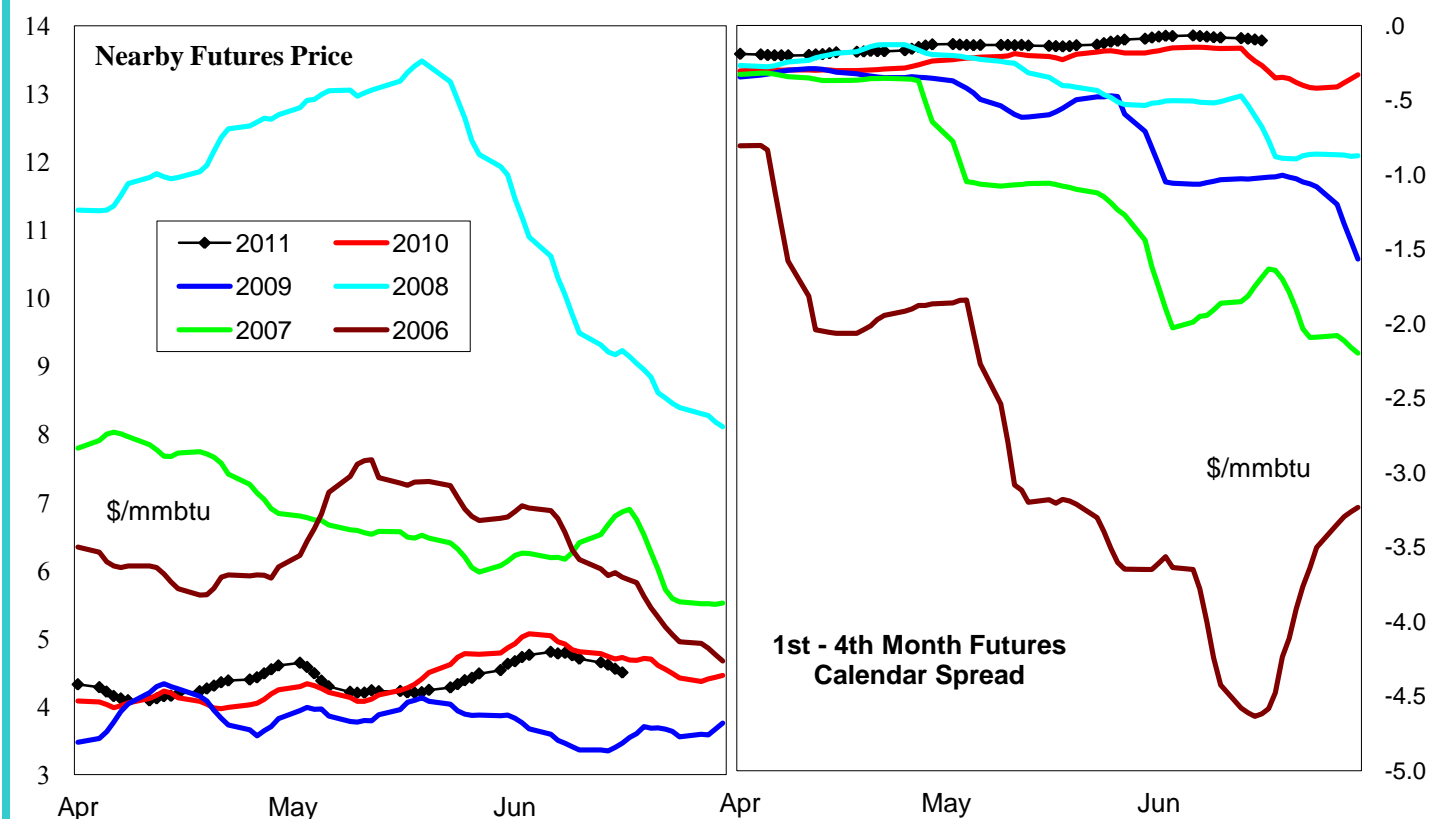
Week ending:	10-Jun-11			4-Jun-11		11-Jun-11		18-Jun-11	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,256	69	-10.9	-12	-49%	-3	-47%	-1	-22%
East	1,008	48	-15.5	-15	-73%	-1	-63%	3	0%
West	304	15	-28.0	-10	47%	-21	8%	-22	-64%
Producing	944	6	3.1	-4	-96%	0	-94%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

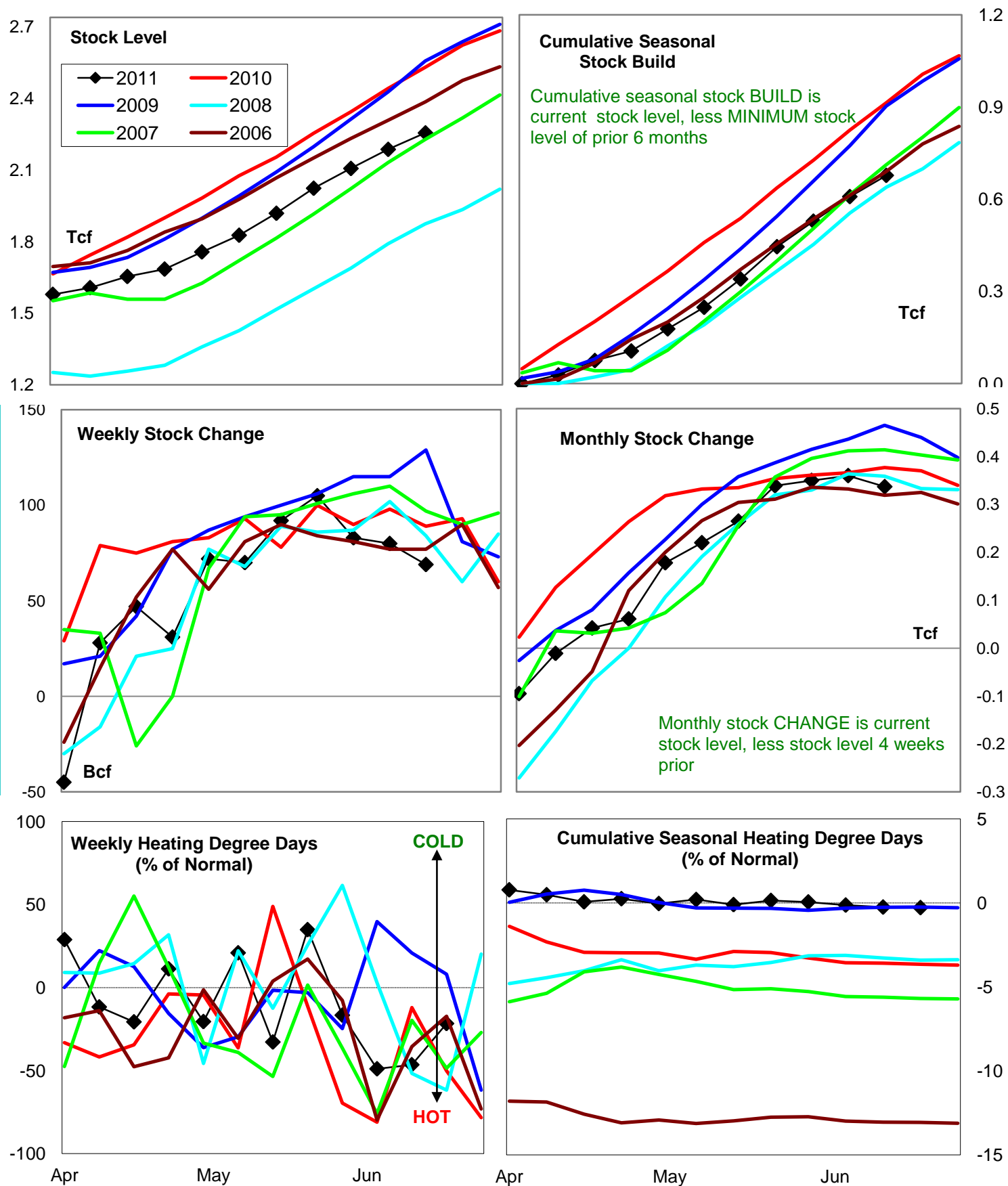
	Cumulative Stock Draw			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	677	-237	-35.0	10	-0.1	7	-0.3	6	-0.3
East	392	-51	-13.0	6	0.2	5	0.0	8	0.0
West	88	-50	-56.8	51	0.2	29	0.3	8	0.0
Producing	257	-106	-41.2	0	-2.4	0	-2.5	0	-2.5

Futures Market Price Trends

Date:	16-Jun-11	Change vs prior week, month, year		
		10-Jun-11	19-May-11	16-Jun-10
1st month Futures	4.50	-0.26	0.27	-0.12
% change	xxxxx	-5.5	6.4	-2.6



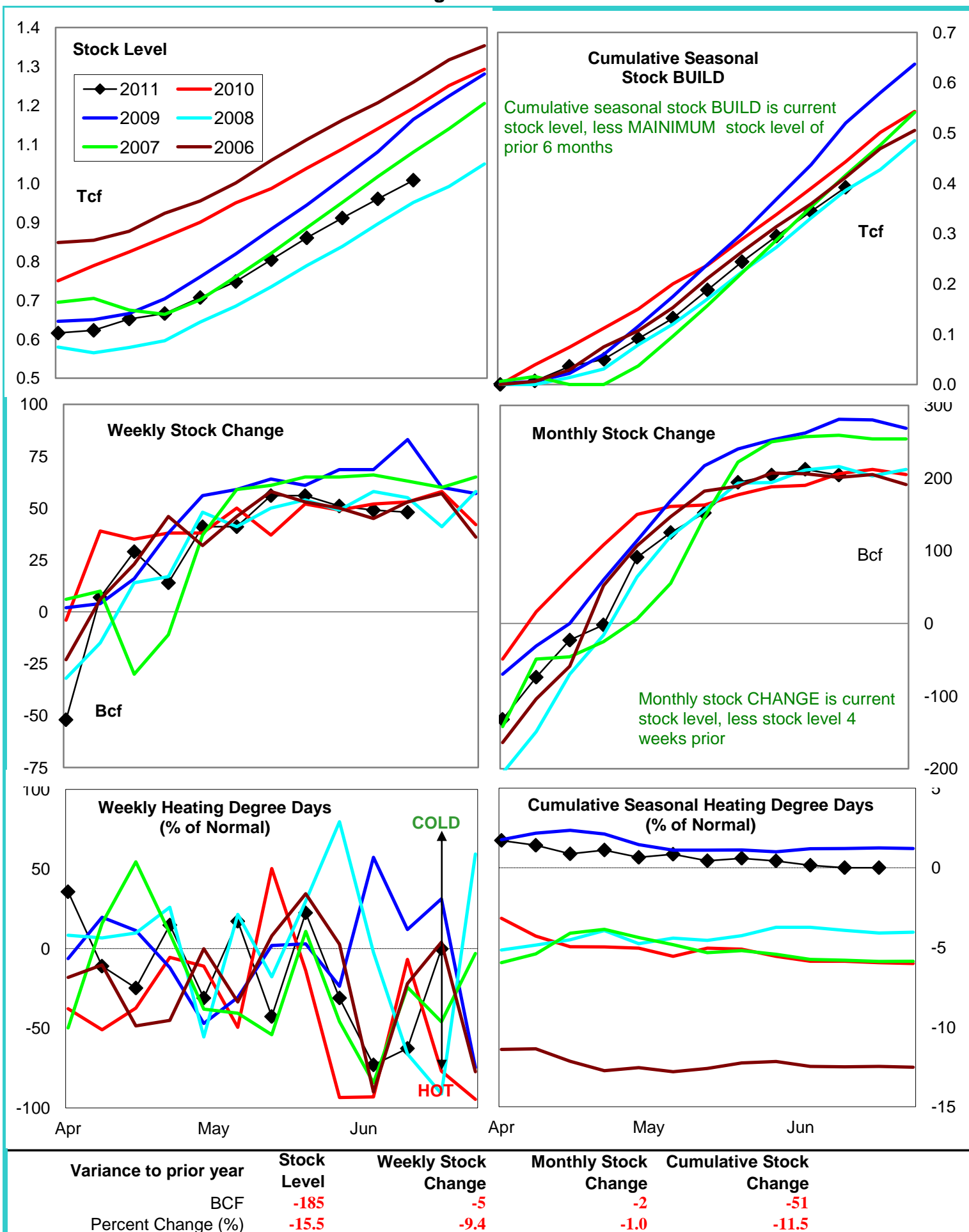
United States Natural Gas Stock and Weather Trends



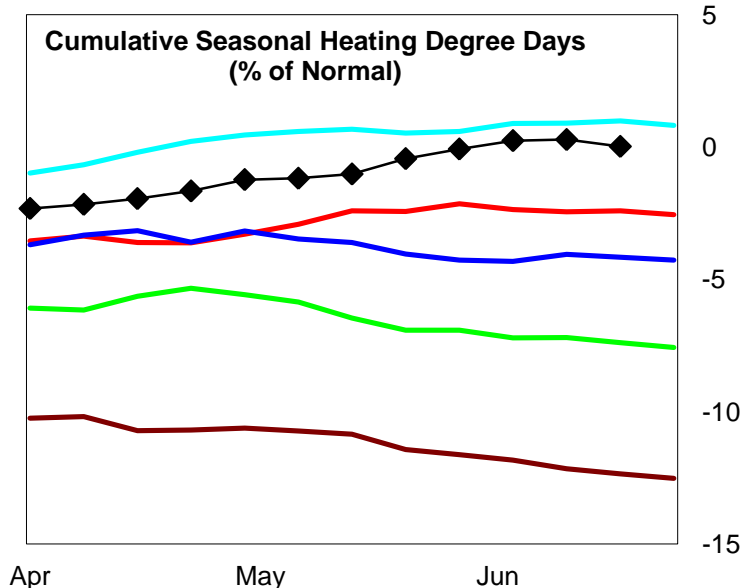
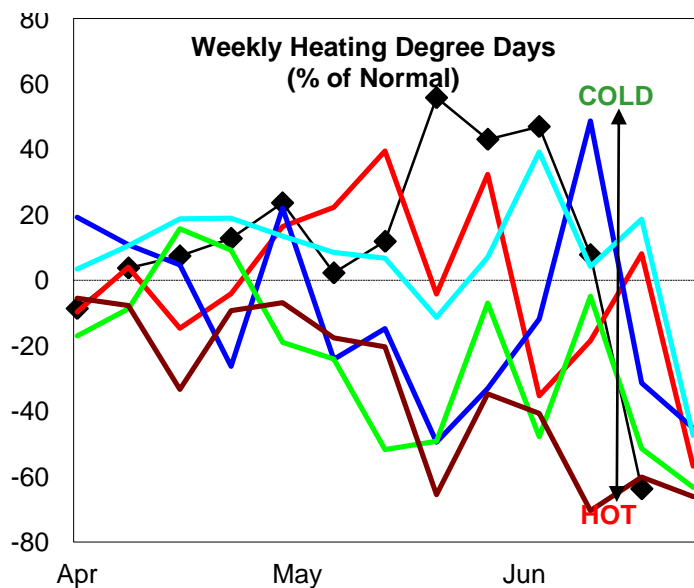
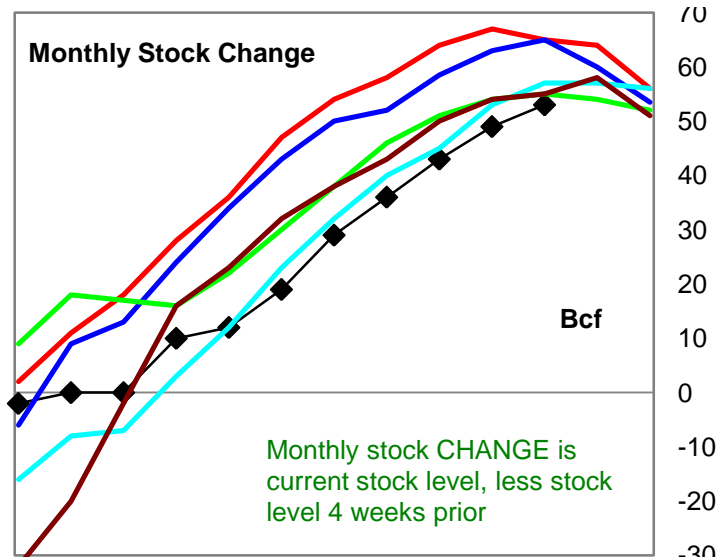
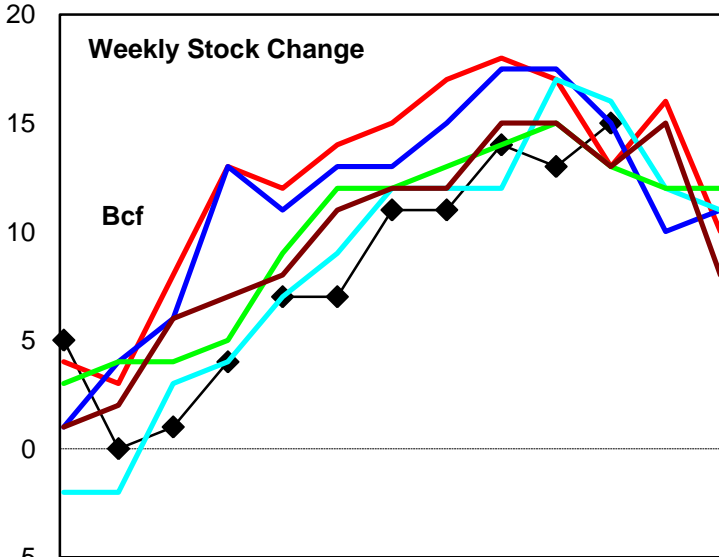
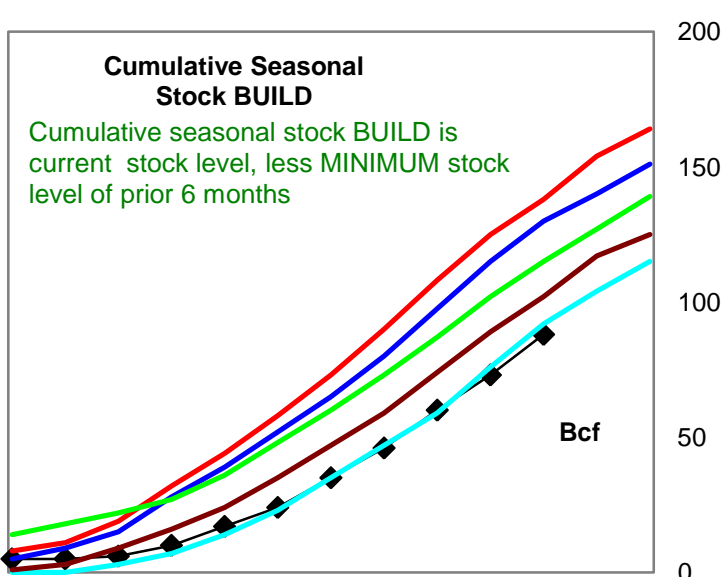
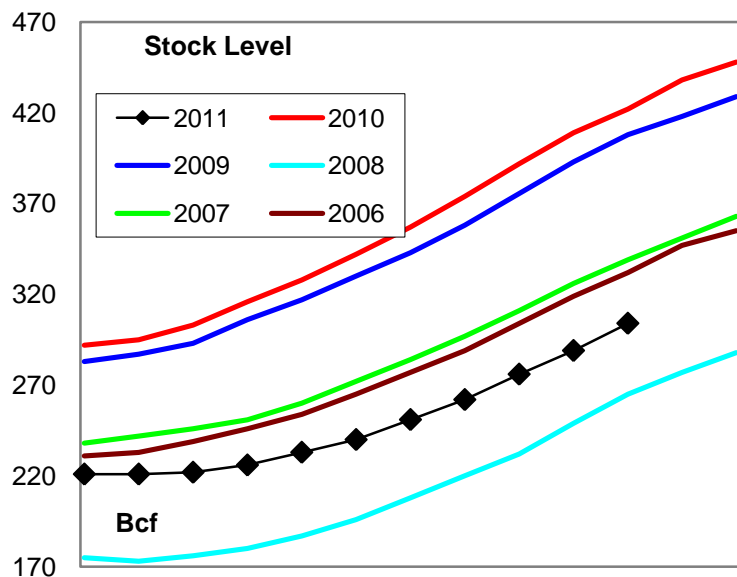
Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)-275
-10.9-20
-22.5-40
-10.6-237
-25.9

Natural Gas East Region Stock and Weather Trends

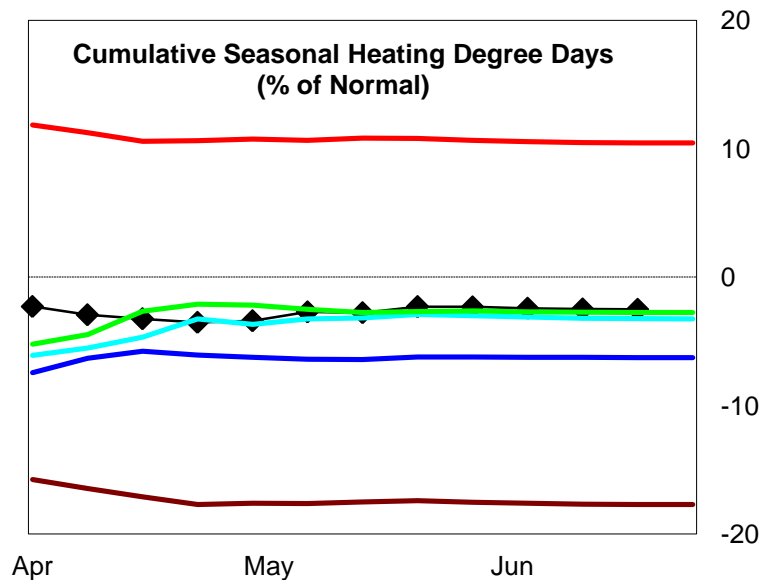
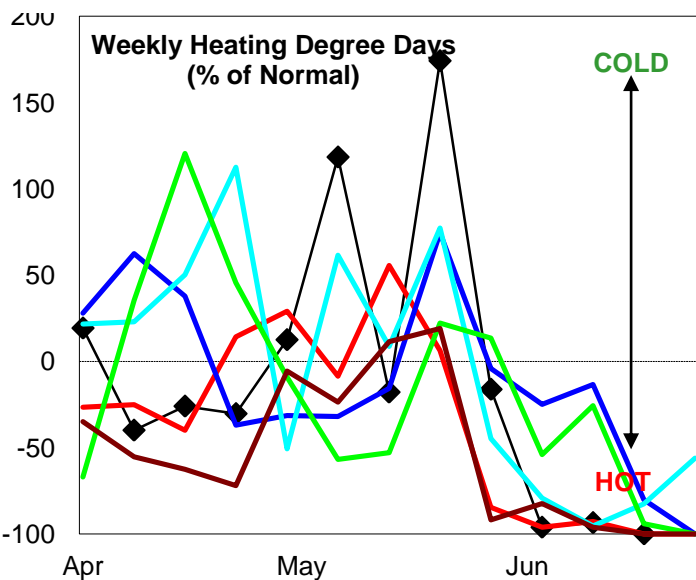
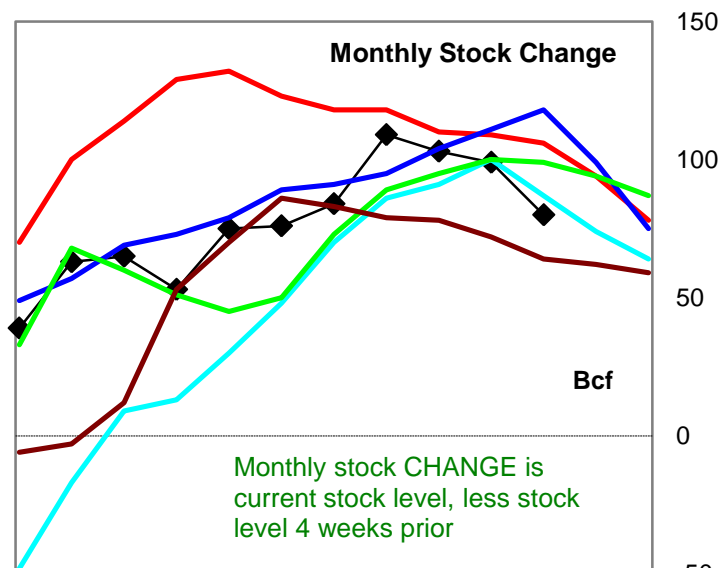
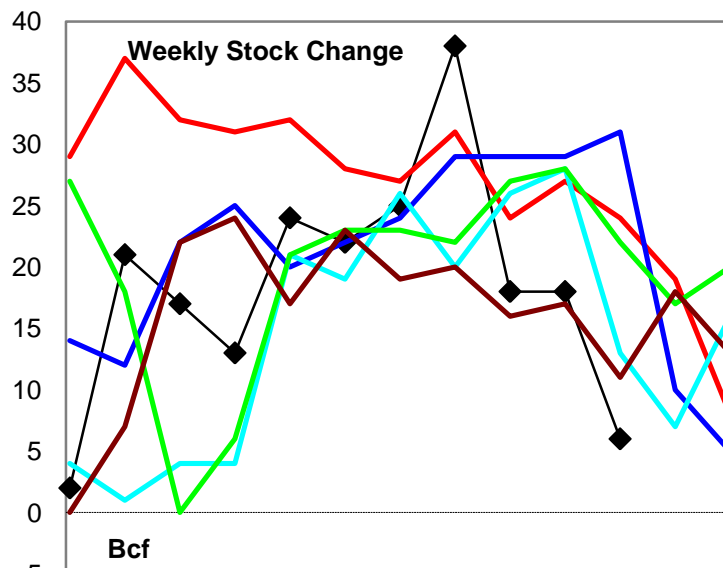
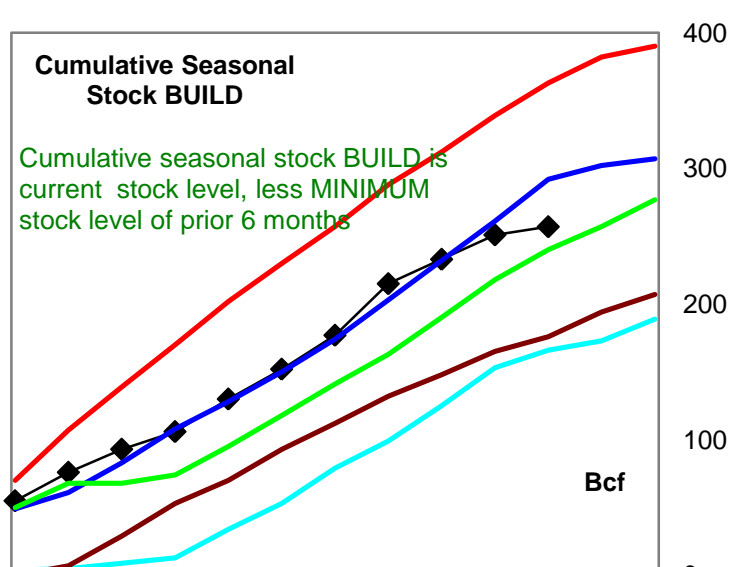
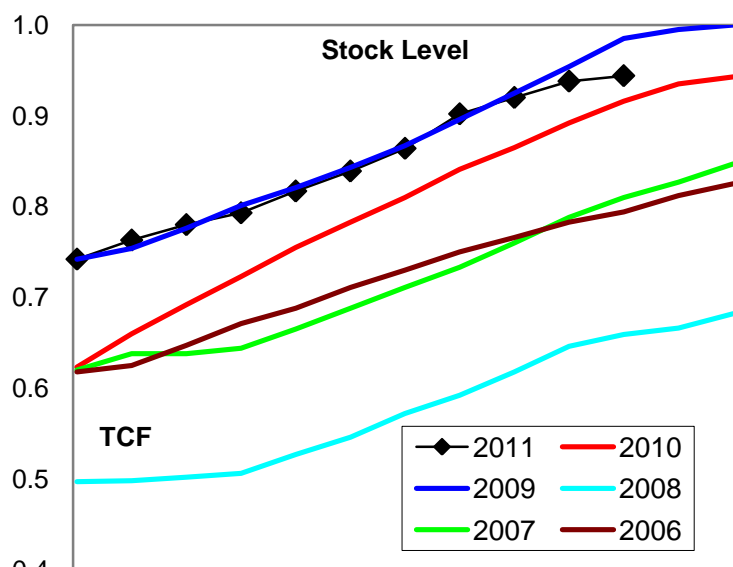


Natural Gas West Region Stock and Weather Trends



Variance to prior year	Stock Level	Weekly Stock Change	Monthly Stock Change	Cumulative Stock Change
BCF	-118	2	-12	-50
Percent Change (%)	-28.0	15.4	-18.5	-36.2

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF
Percent Change (%)

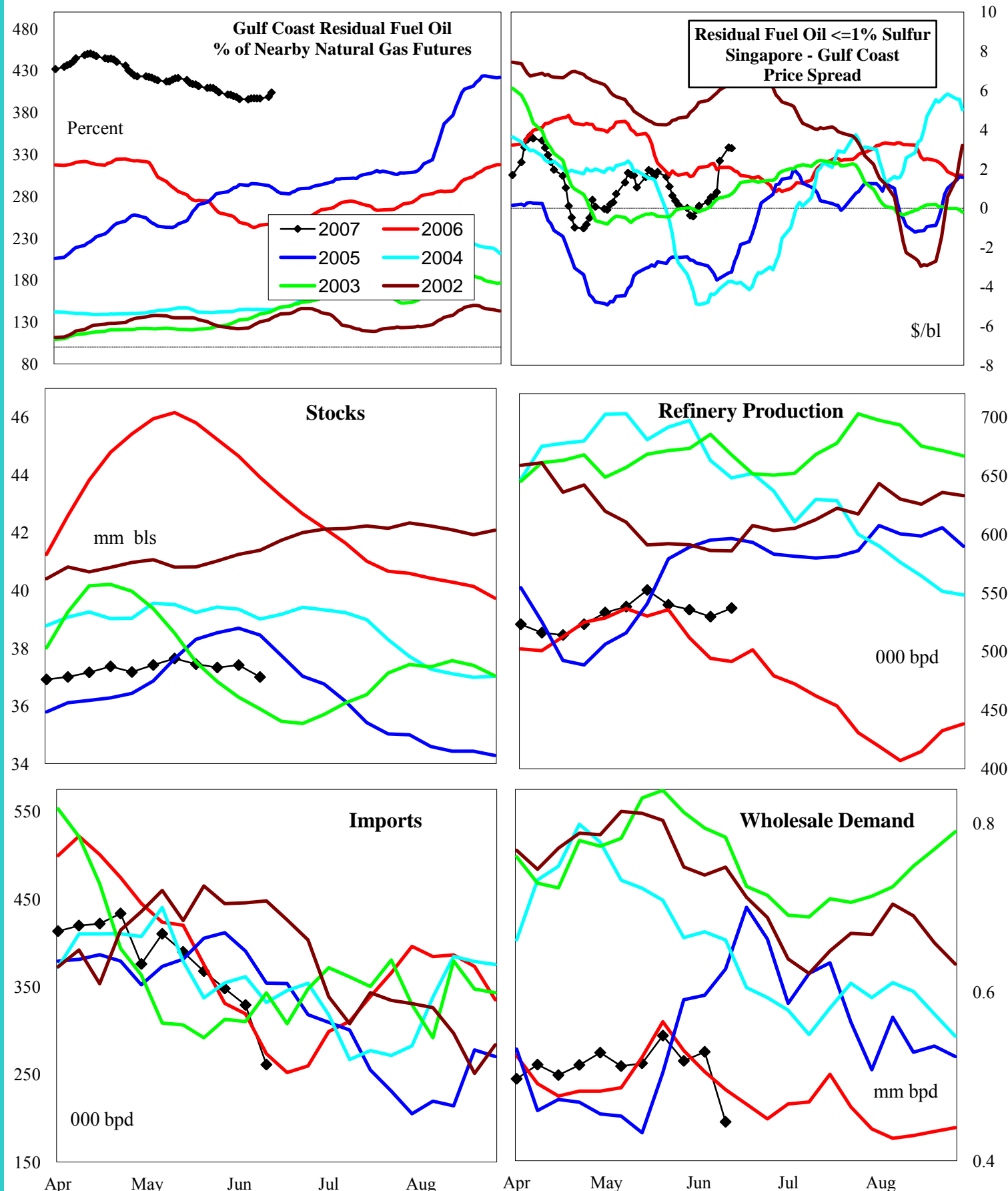
28
3.1

-18
-75.0

-26
-24.5

-106
-29.2

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


4 wk avg variance to prior year

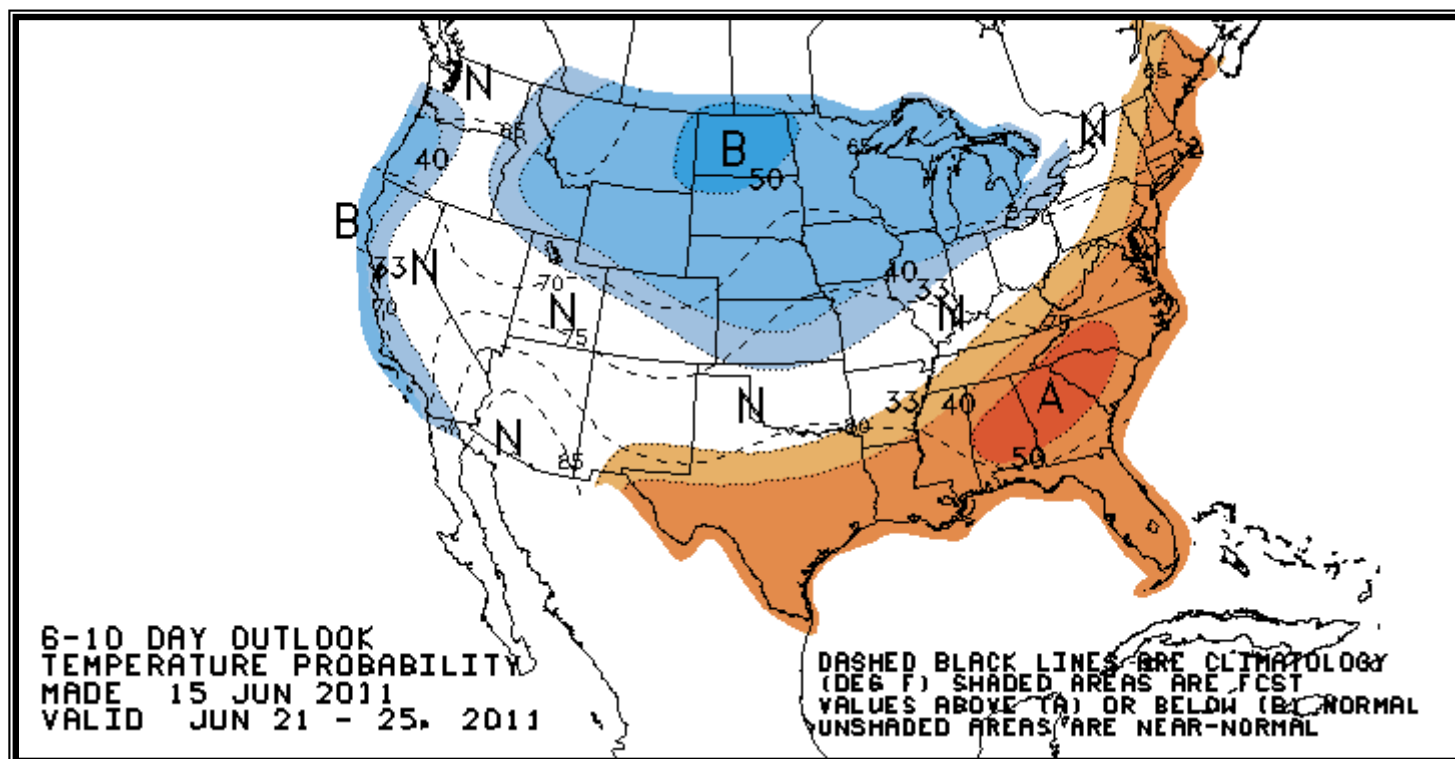
000 bpd (000 bls stks)

% change

Stocks
-6,015
-14.0
Prod
32
6.4
Imports
53
16.1
Demd=>
4wk avg
-26
-4.8
May
25
4.9
Apr
-85
-14.7
Mar
21
3.9

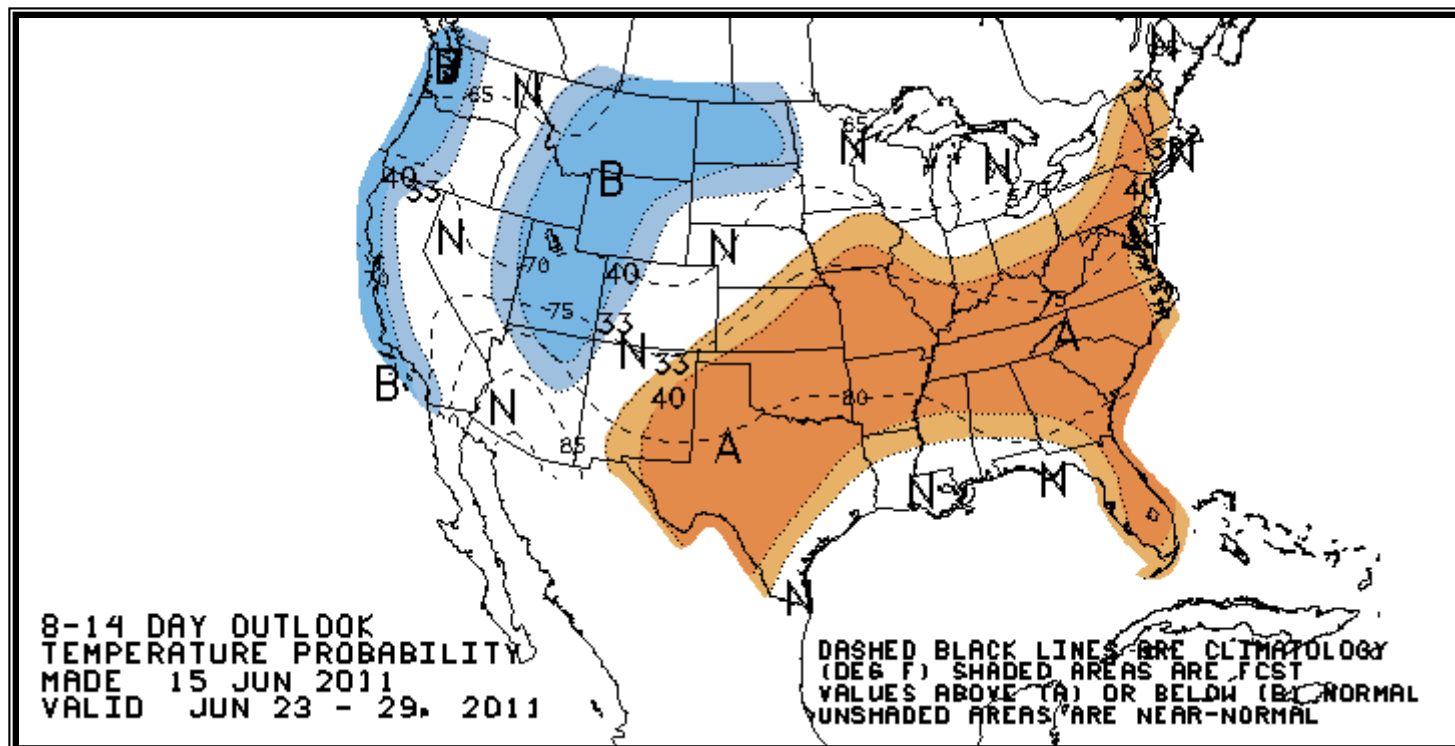
National Weather Service Climate Prediction Center

Degree Days 6 - 10 Day Temperature Forecast



National Weather Service Climate Prediction Center

Degree Days 8 - 14 Day Temperature Forecast



American Gas Association Regions

