



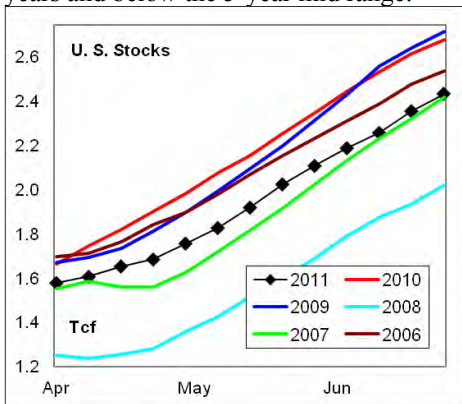
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

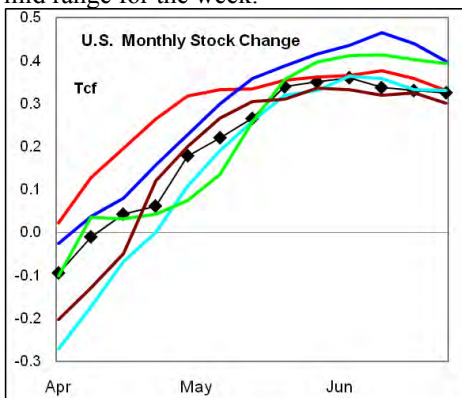
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, June 30, 2011



Summary¹ The stock build of +78 Bcf for the week was above the mid range 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 matched the mid range for the week.



In the East Region stocks increased +55 Bcf for the period, a level at the historic mid range for the week. Stocks increased +13 Bcf in the West Region, a record build for the second consecutive week. The stock build of +10 Bcf in the Producing Region was below the mid range for the week.

Heating degree days were +13% above normal in the East Region, -6% below normal in the West Region and -100% below normal in the Producing Region for the week ending 25Jun11.

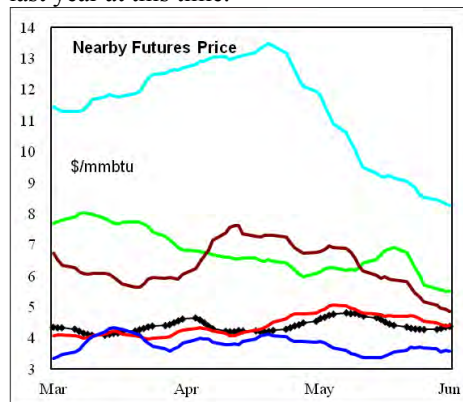
Heating degree days were +3% above normal for the week ended 25Jun11, and

forecast to be -66% below normal for the week ending 02Jul11.

The 6-10 day NWS forecast for the week ending 09Jul11 is for warmer than normal temperatures across the western and southern regions of the country, and cooler than normal in the upper midwest.

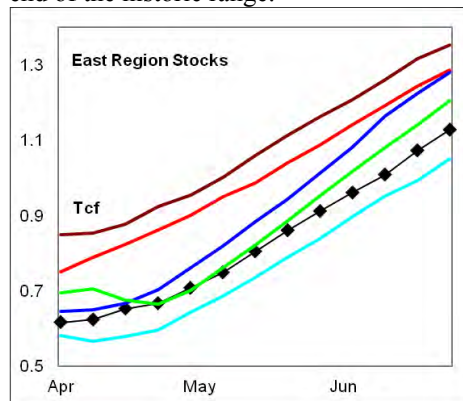
The 8-14 day NWS forecast for the week ending 13Jul11 is for warmer than normal temperatures in the east and southern states, and near normal in other regions of the country.

Prices: Nearby gas futures prices increased +\$0.18/mmbtu for the week ending 30Jun11 on higher cooling degree days. Price levels ended the week comparable to last year at this time.



The 1st - 4th month forward price curve trended lower for the week ending 30Jun11. The spread ended the week at a record low carry.

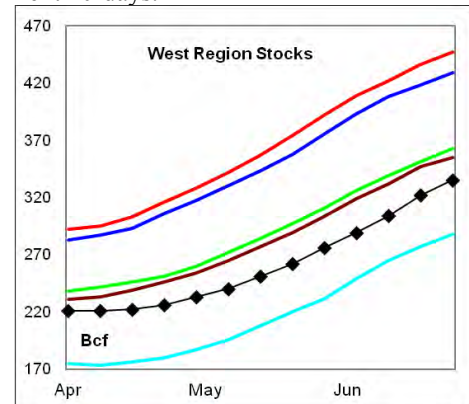
East Region stocks increased +55 Bcf last week, a level that matched the mid range. The latest 4-wk build was above the 5-year mid range. Stock levels were at the low end of the historic range.



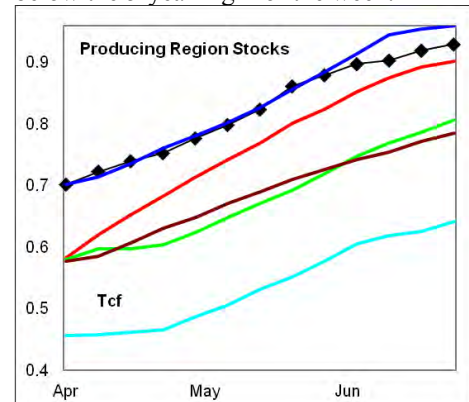
Heating degree days in the region were +13% above normal for the week ending 25Jun11 and forecast to be -40% below normal for the week ending 02Jul11. Above normal cooling degree days are forecast for the next 10-days.

West Region stocks increased +13 Bcf on the week, a record build for the 2nd consecutive week. Stock levels ended the week at the low end of the historic range. The latest 4-wk stock build was above the historic range for this period.

Heating degree days were -6% below normal for the week ending 25Jun11 and forecast to be -85% below normal for the week ending 02Jul11. Above normal cooling degree days are forecast for the next 10-days.



Producing Region stocks saw a build of +10 Bcf on the week, a level that was below the mid range. The monthly stock build was a record low for the 2nd consecutive week. Stock levels were below the 5-year high for the week.



Heating degree days were -100% below normal last week and forecast to remain so for this week. 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: Much above normal temperatures are forecast to continue for the next 2-wks which should support gas prices. The record low stock builds in the Producing Region reflects extreme cooling degrees in this region.

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 30, 2011

For the week ending: 24-Jun-11

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

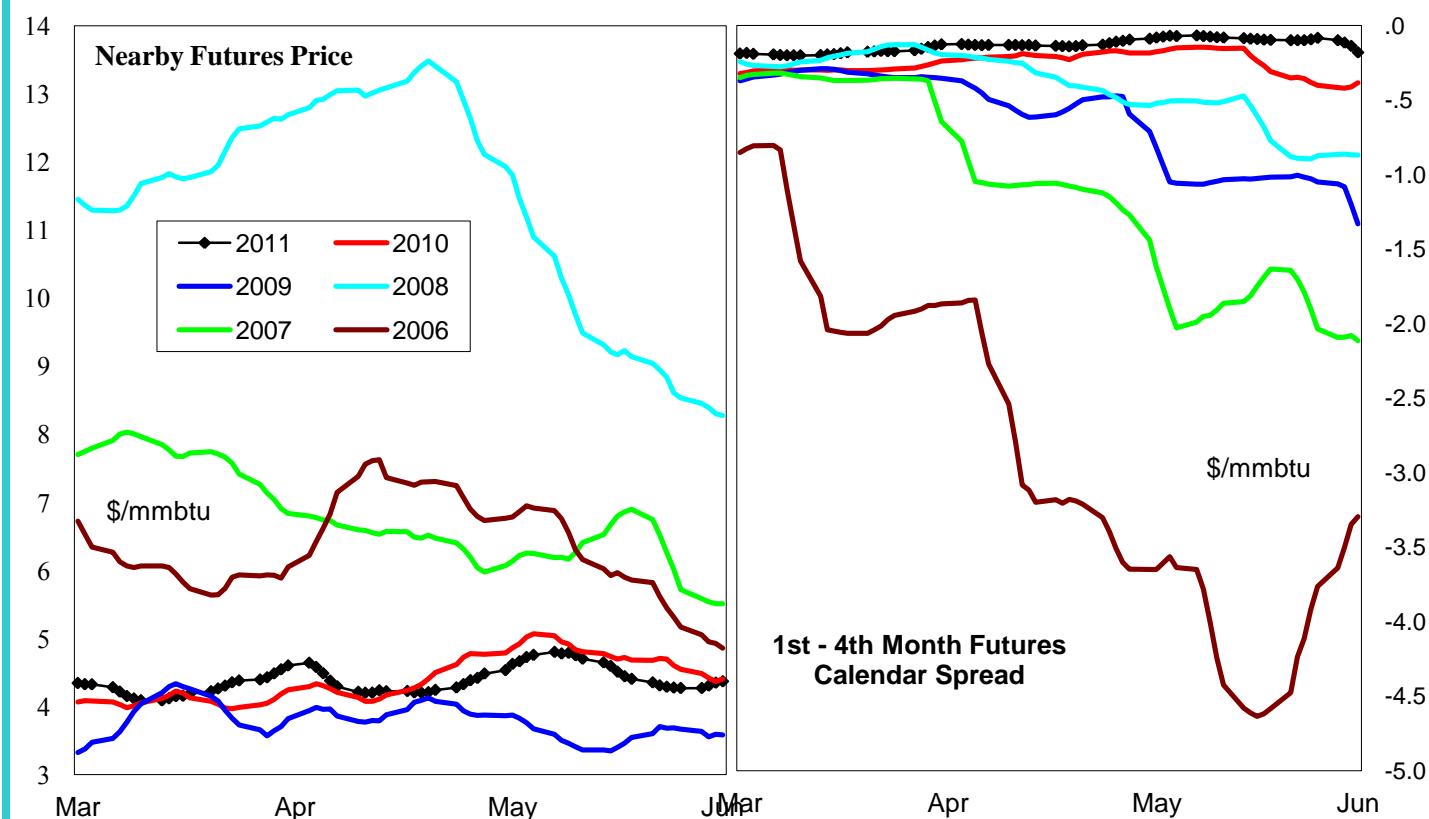
Week ending:	24-Jun-11			18-Jun-11		25-Jun-11		2-Jul-11	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,432	78	-9.1	3	24%	-5	3%	-4	-66%
East	1,127	55	-12.4	6	44%	-7	13%	-3	-40%
West	335	13	-25.1	-11	-11%	-4	-6%	-13	-85%
Producing	970	10	3.0	0	-100%	0	-100%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

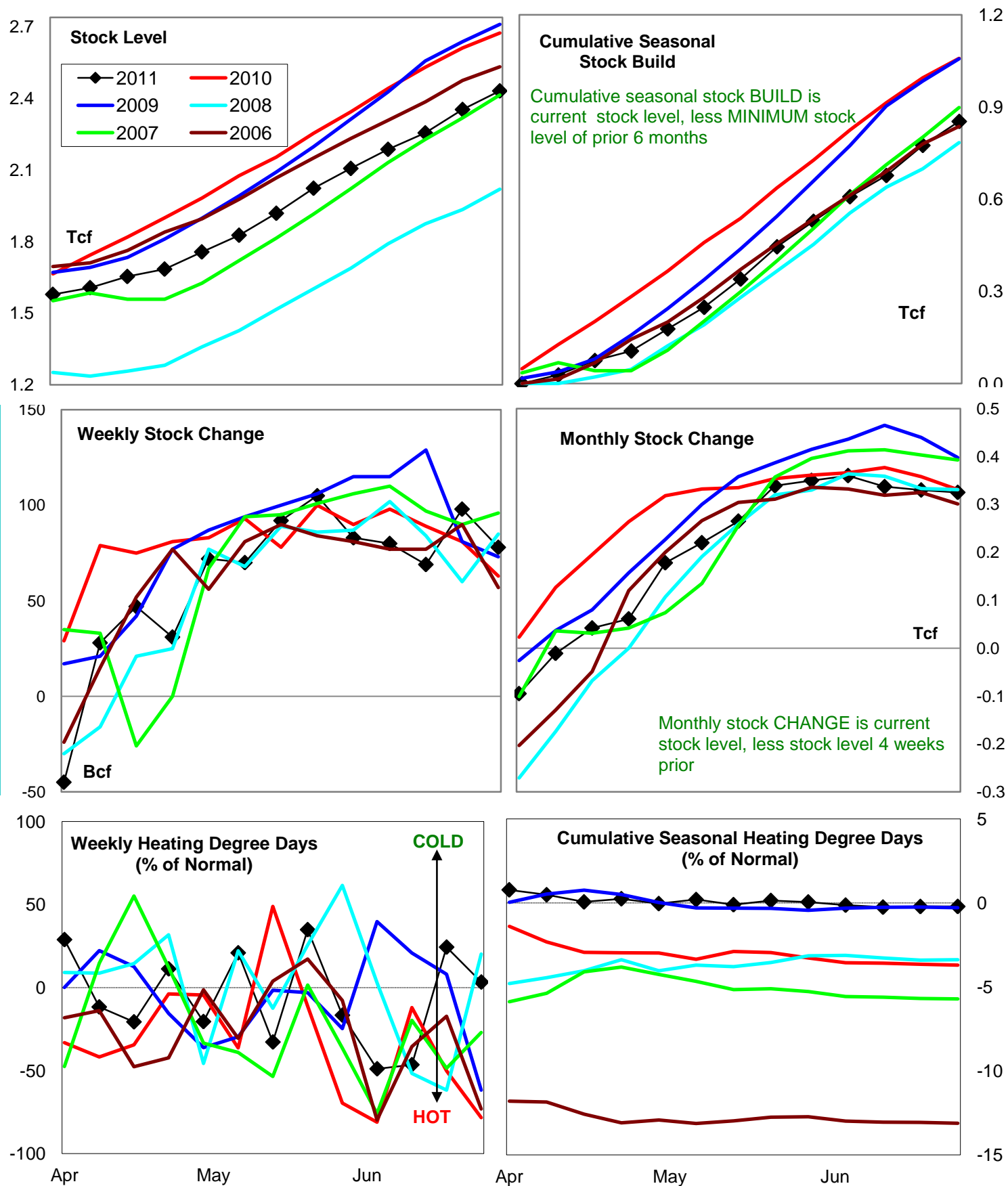
	Cumulative Stock Draw			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	853	-205	-24.0	10	-0.2	5	-0.2	1	-0.2
East	511	-26	-5.1	11	0.1	4	0.1	1	0.1
West	119	-44	-37.0	19	0.2	15	0.2	2	0.0
Producing	283	-106	-37.5	0	-2.5	0	-2.5	0	-2.5

Futures Market Price Trends

Date:	28-Jun-11	Change vs prior week, month, year		
		22-Jun-11	1-Jun-11	28-Jun-10
1st month Futures	4.37	0.14	-0.34	0.06
% change	xxxxx	3.3	-7.2	1.4



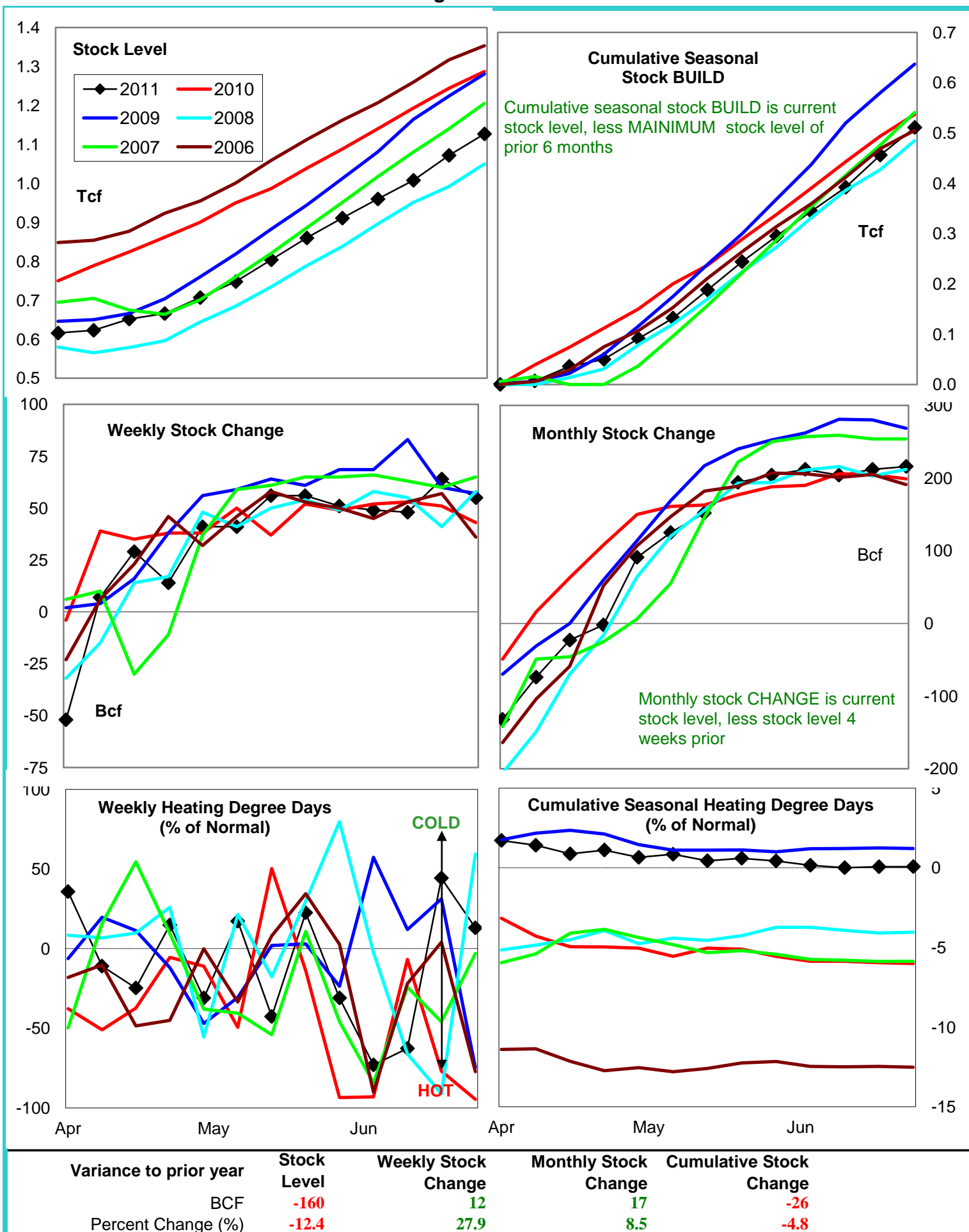
United States Natural Gas Stock and Weather Trends



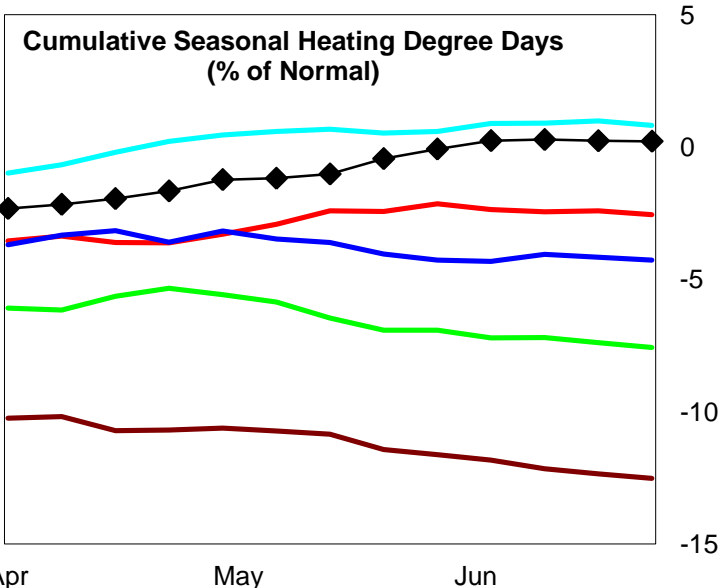
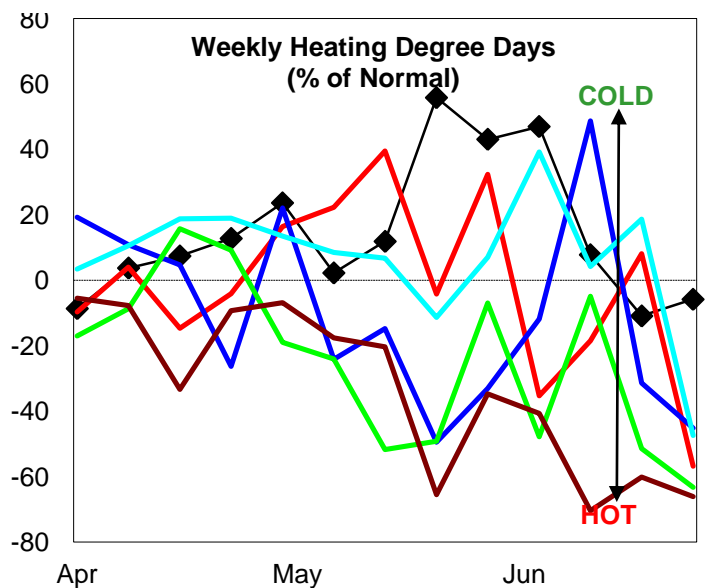
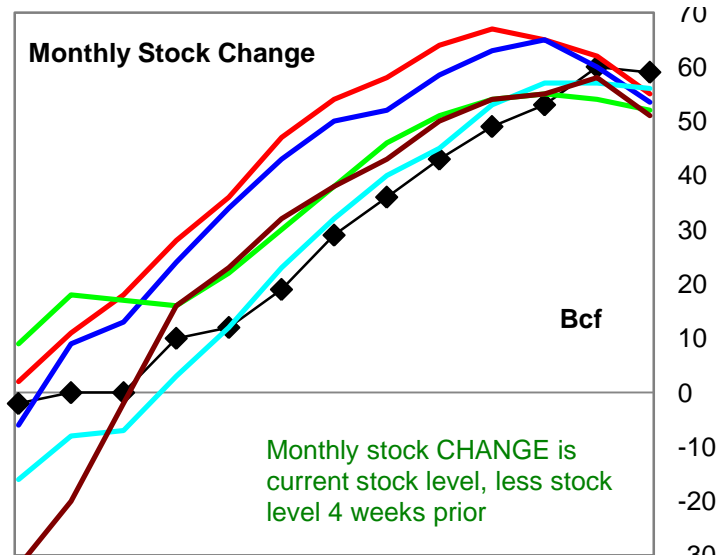
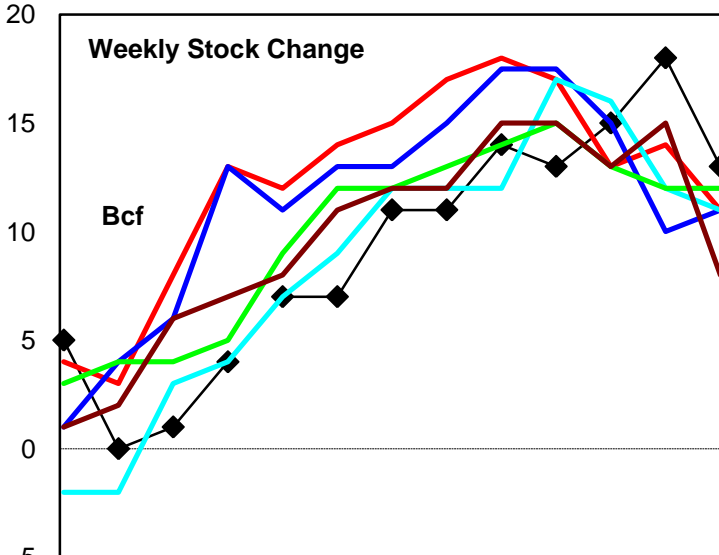
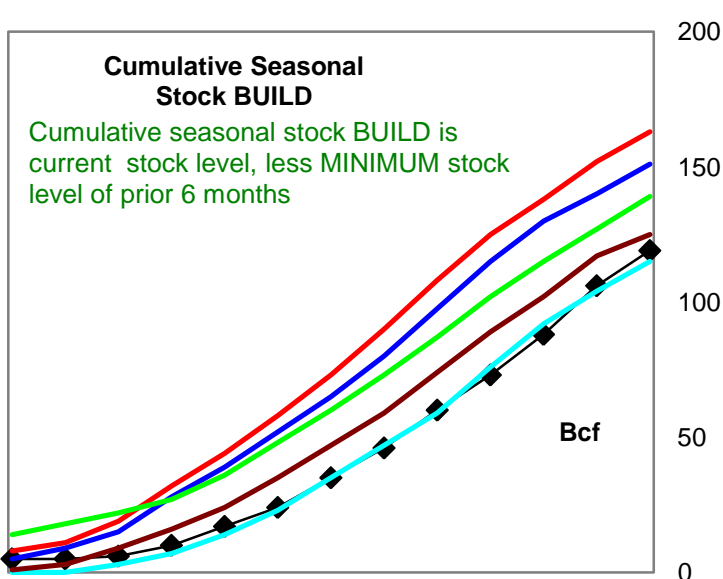
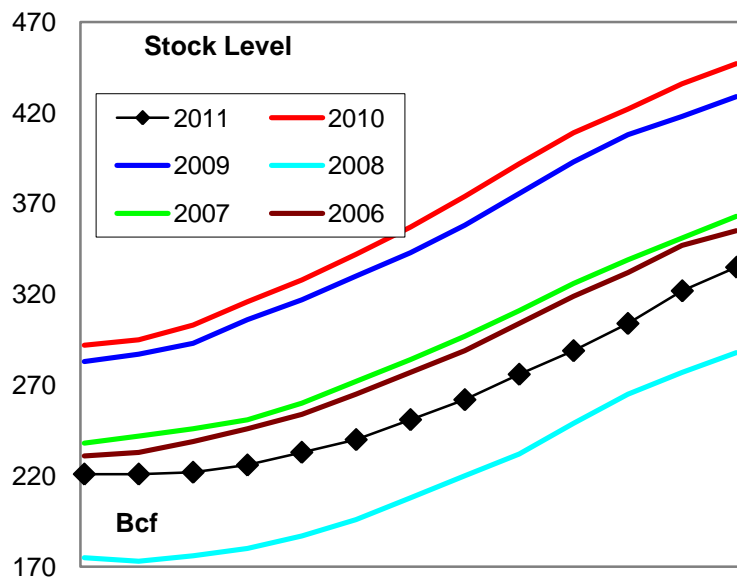
Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)-243
-9.115
23.8-6
-1.8-205
-19.4

Natural Gas East Region Stock and Weather Trends



Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

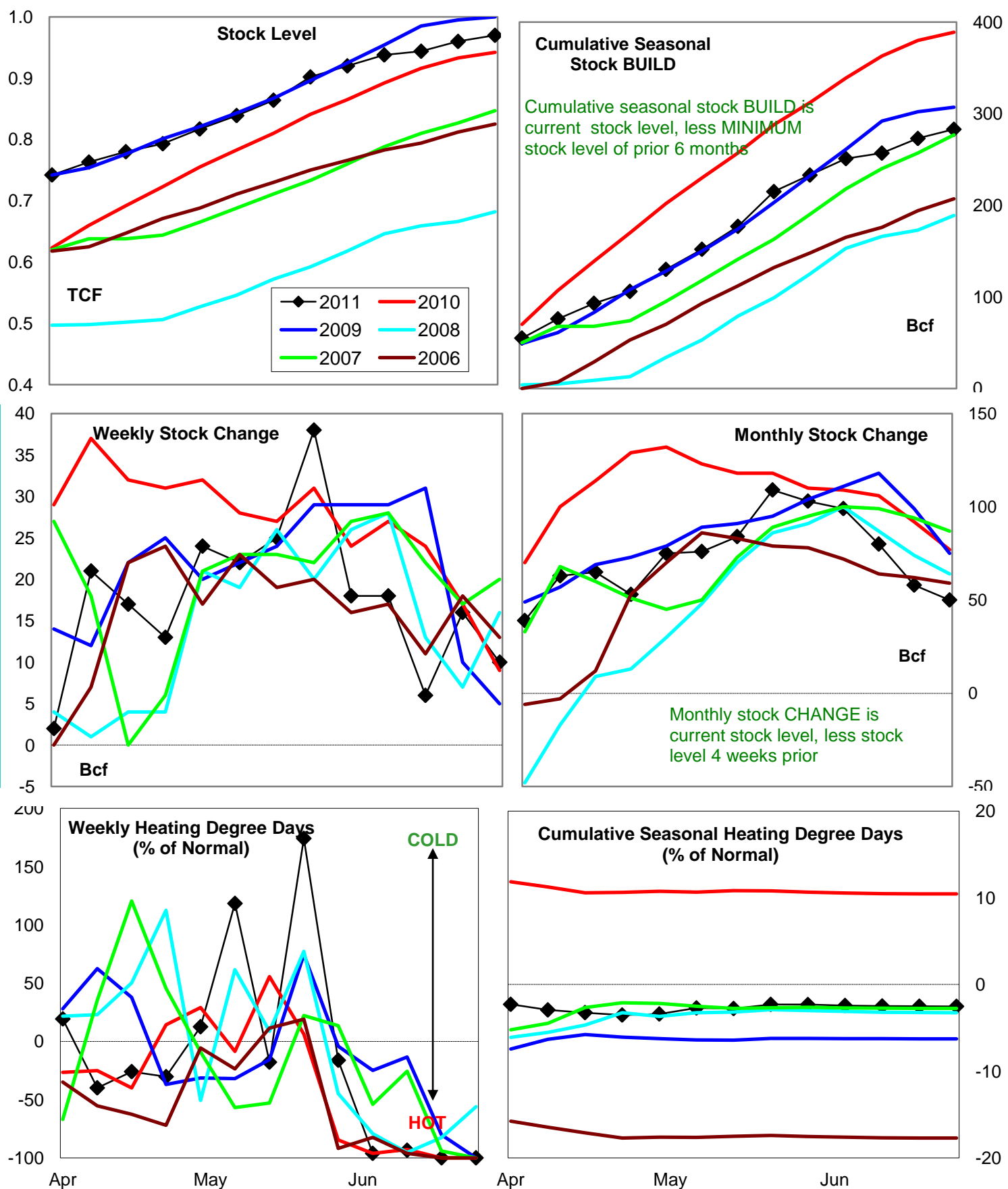
Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF
Percent Change (%)-112
-25.12
18.24
7.3-44
-27.0

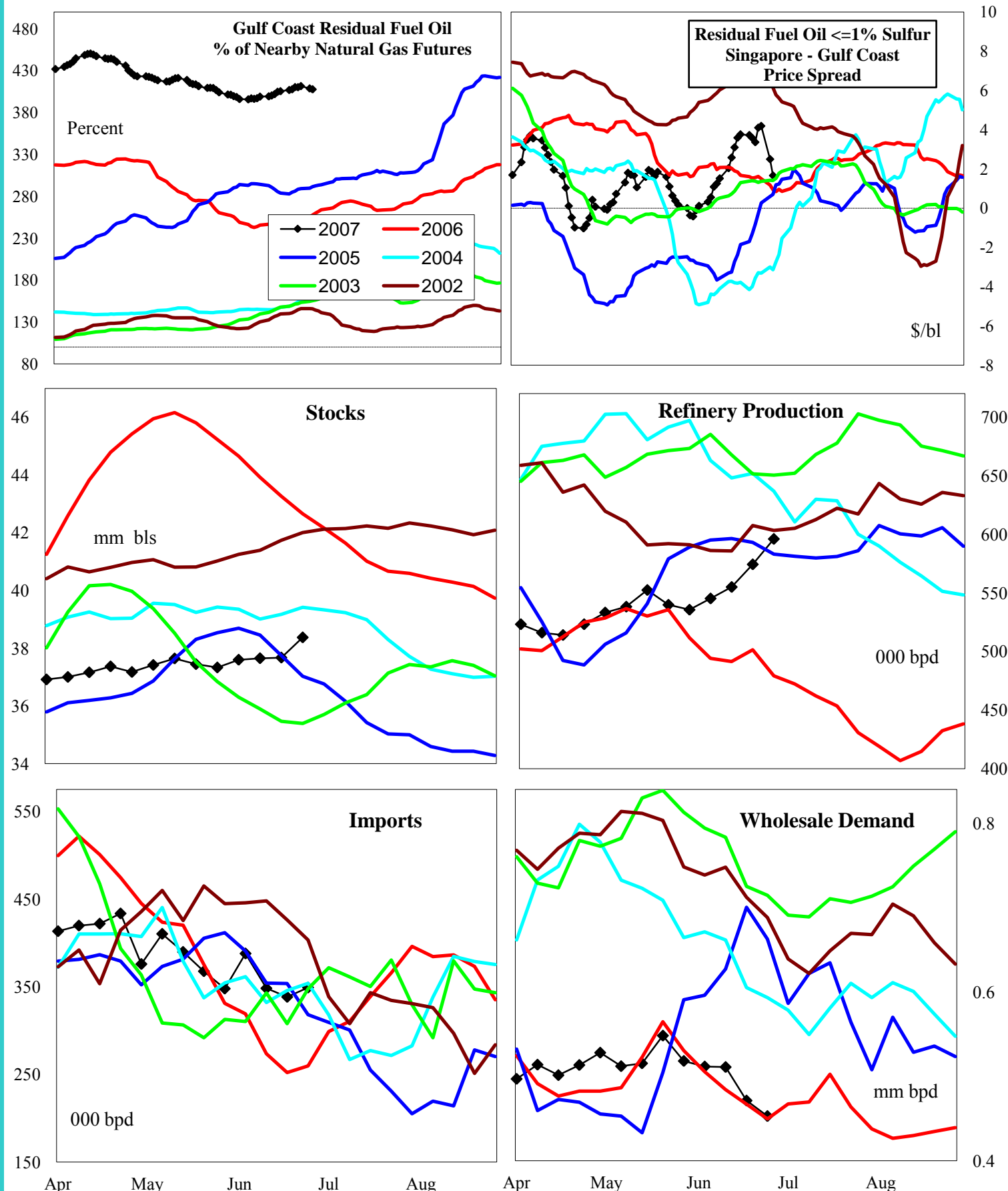
Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)28
3.01
11.1-27
-35.1-106
-27.2

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


4 wk avg variance to prior year

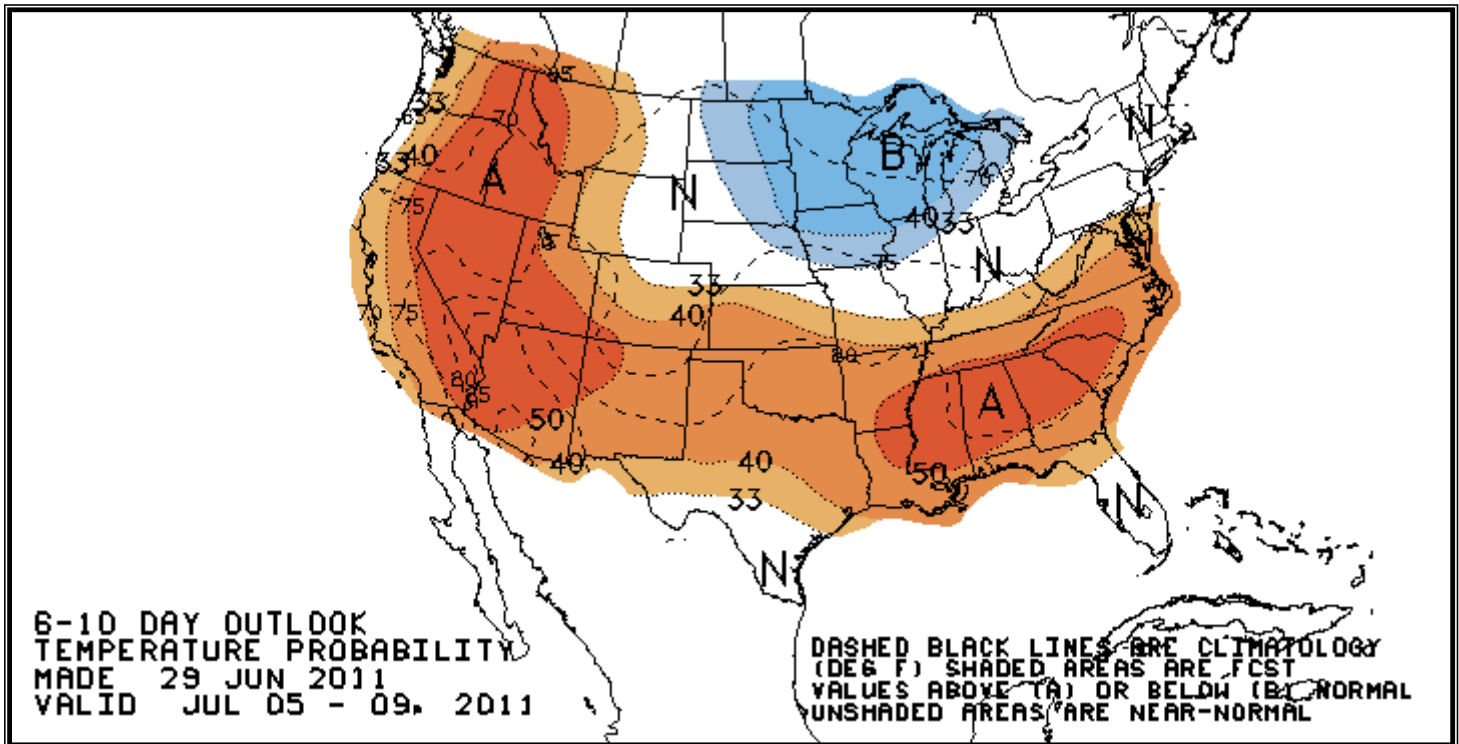
000 bpd (000 bbls stks)

% change

Stocks
-4,971
-11.5
Prod
60
12.0
Imports
108
45.9
Demd=>
4wk avg
58
13.1
May
25
4.9
Apr
-85
-14.7
Mar
21
3.9

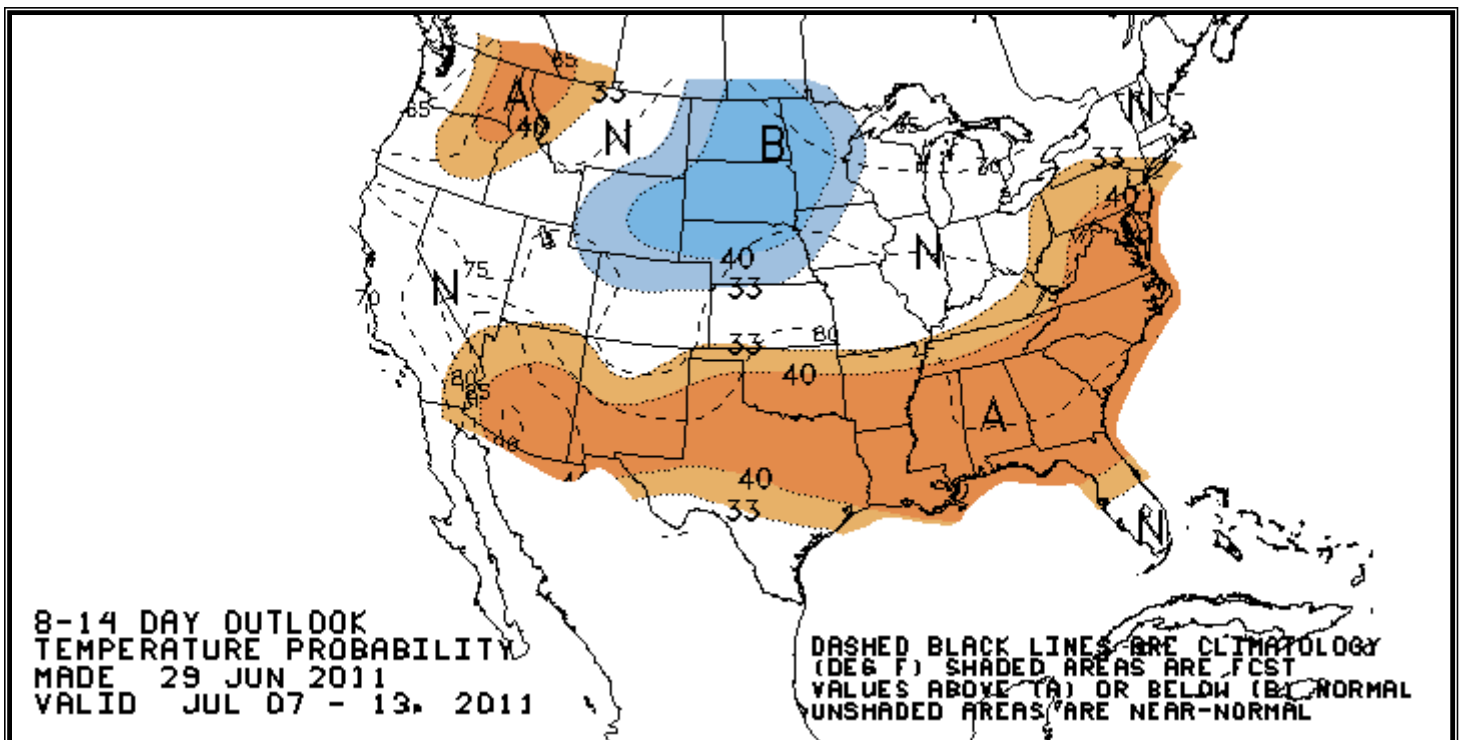
National Weather Service Climate Prediction Center

Degree Days 6 - 10 Day Temperature Forecast



National Weather Service Climate Prediction Center

Degree Days 8 - 14 Day Temperature Forecast



American Gas Association Regions

