



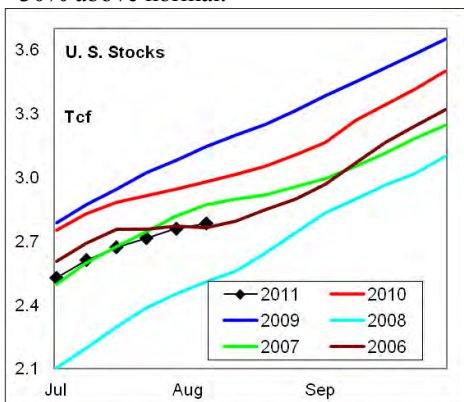
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

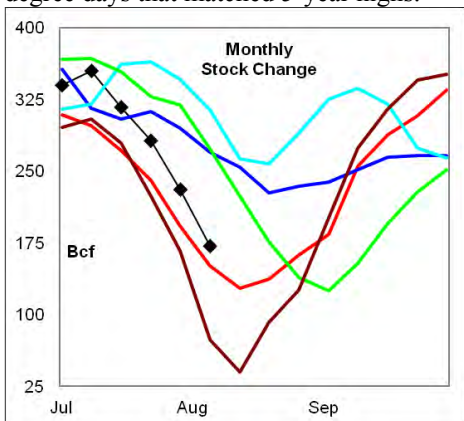
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, August 11, 2011



Summary¹ The stock build of +25 Bcf for the week was at the low end of the 5-year range on cooling degree days that were +30% above normal.



The latest 4-wk stock build also fell to a level well below the mid range on cooling degree days that matched 5-year highs.



In the East Region stocks increased +38 Bcf for the period, a level below the mid range for the week. Stocks increased +8 Bcf in the West Region, a level that matched 5-year highs for this time of year. The stock draw of -21 Bcf in the Producing Region was a record draw for the period.

Cooling degree days were +34% above normal in the East Region, +9% above normal in the West Region and +36% above normal in the Producing Region for the week ending 06Aug11.

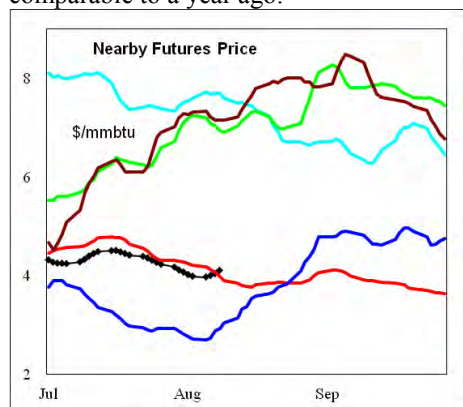
Heating degree days were +30% above normal for the week ended 06Aug11, and forecast to be +15% above normal for the

week ending 13Aug11.

The 6-10 day NWS forecast for the week ending 20Aug11 is for above normal cooling degree days across the central 1/2 of the country and normal on the east and west regions.

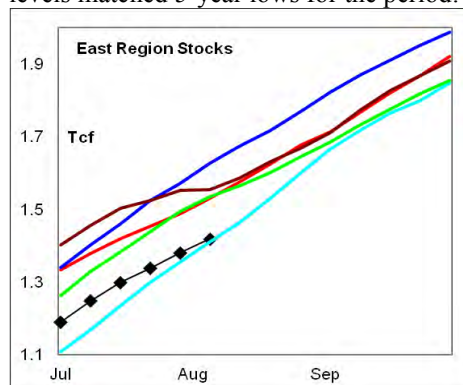
The 8-14 day NWS forecast for the week ending 24Aug11 is for above normal cooling degree days across 2/3rds of the country from the southwest to the northeast areas of the country.

Prices: Nearby gas futures prices increased +\$0.16/mmbtu for the week ending 11Aug11. Price levels ended the week comparable to a year ago.



The 1st - 4th month forward price curve traded sideways for the week ending 11Aug11. The spread ended the week at a record low differential for this time of year.

East Region stocks increased +38 Bcf last week, a level below the mid range. The latest 4-wk stock build remains well below the mid range for this time of year. Stock levels matched 5-year lows for the period.

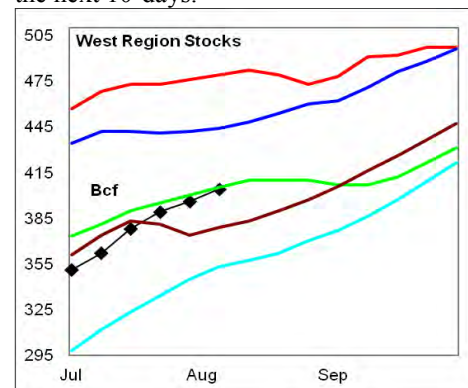


Cooling degree days in the region were +34% above normal for the week ending 06Aug11, and forecast to be +13% above normal for the week ending 13Aug11. Slightly above normal cooling degree days are forecast for the next 10-days.

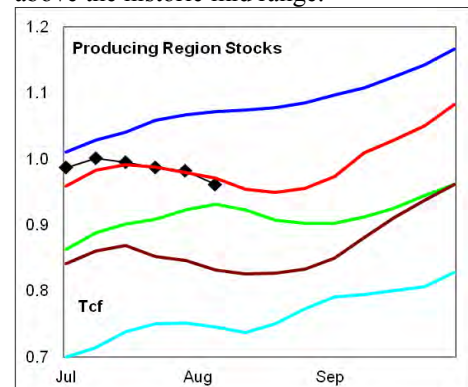
West Region stocks increased +8 Bcf on the week, a level that matched 5-year highs

for this time of year. Stock levels ended the week at the mid range. The latest 4-wk stock build matched the historic high for this time of year.

Cooling degree days were +9% above normal for the week ending 06Aug11, and forecast to be +9% above normal for the week ending 13Aug11. Slightly above normal cooling degree days are forecast for the next 10-days.



Producing Region stocks experienced a draw of -21 Bcf on the week, a record draw for this time of year. The monthly stock change was a record draw for the period. Stock levels match a year ago, and above the historic mid range.



Cooling degree days were +36% above normal for the week ending 06Aug11, and forecast to be +24% above normal for the week ending 13Aug11. 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 continue at levels above normal through month end, though less extreme than the last 30-days. In the absence of hurricane disruptions, expect modest price weakness as seasonal cooling degree days trend 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: August 11, 2011

For the week ending: 5-Aug-11

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

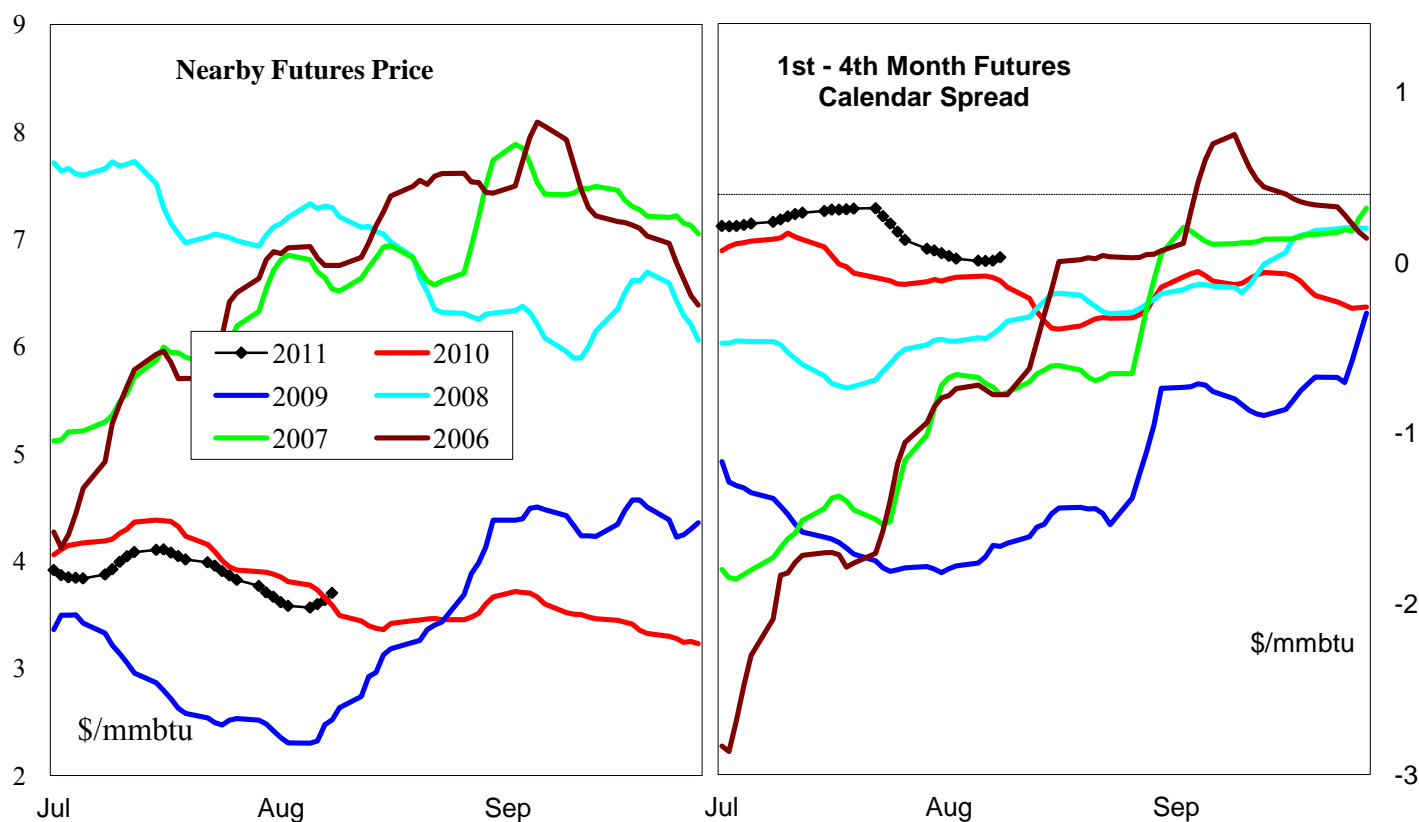
Week ending:	5-Aug-11			30-Jul-11		6-Aug-11		13-Aug-11	
Region	Weekly Stocks			Weekly Cooling Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,783	25	-6.6	-9	28%	0	30%	-15	15%
East	1,418	38	-7.3	-18	36%	-4	34%	-19	13%
West	404	8	-15.7	4	6%	2	9%	-4	9%
Producing	961	-21	-1.0	2	23%	15	36%	-17	24%

Seasonal Trends in Stocks and Cooling Degree Days

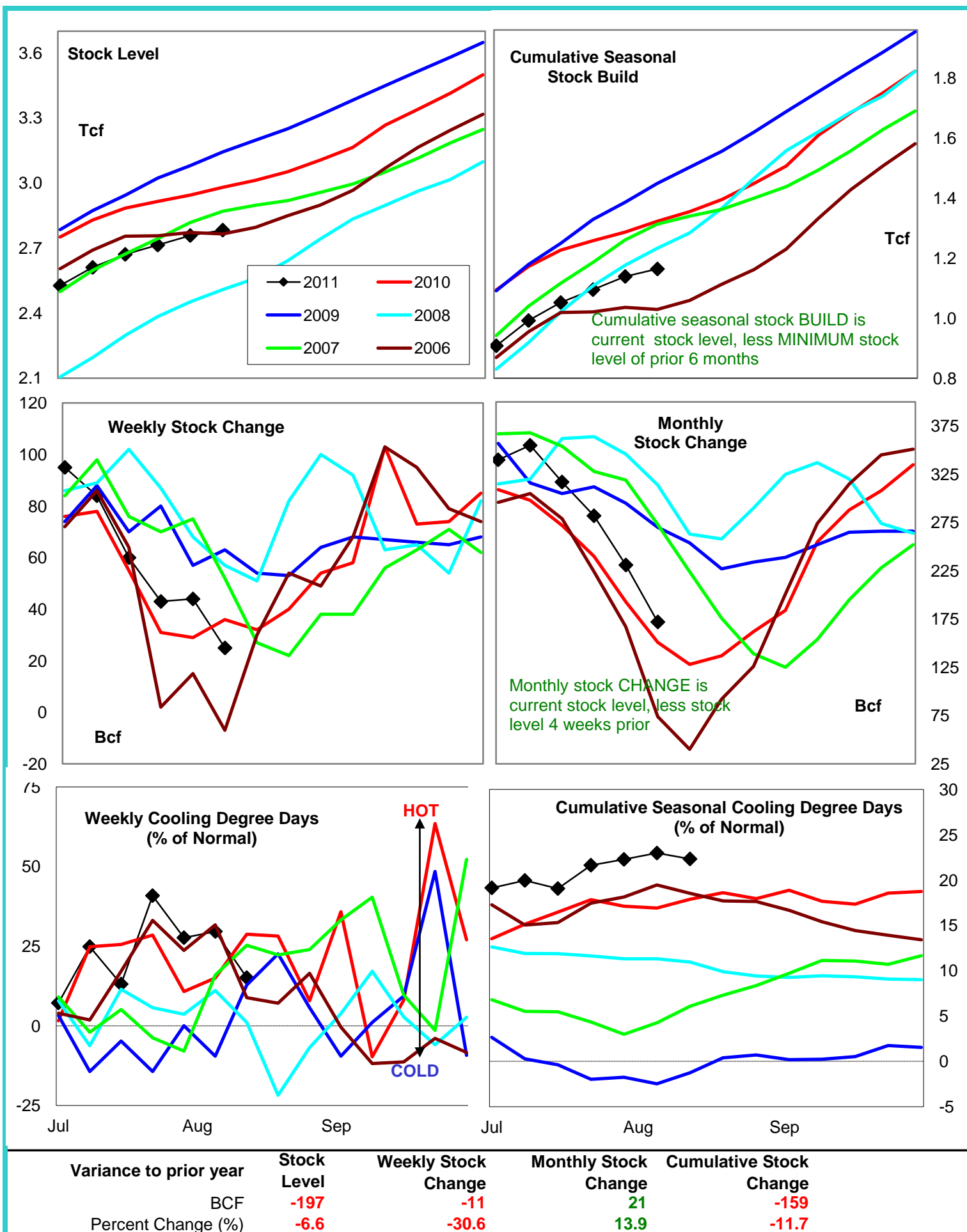
	Cumulative Stock change			Cumulative Cooling Degree Days					
	Bcf	Change vs prior year Bcf	%	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal
U.S. Total	1,204	-159	-13.2	159	22%	182	23%	192	22%
East	802	22	2.7	405	29%	448	30%	476	28%
West	188	-7	-3.7	-78	-16%	-73	-13%	-68	-11%
Producing	274	-144	-52.6	405	32%	448	32%	476	31%

Futures Market Price Trends

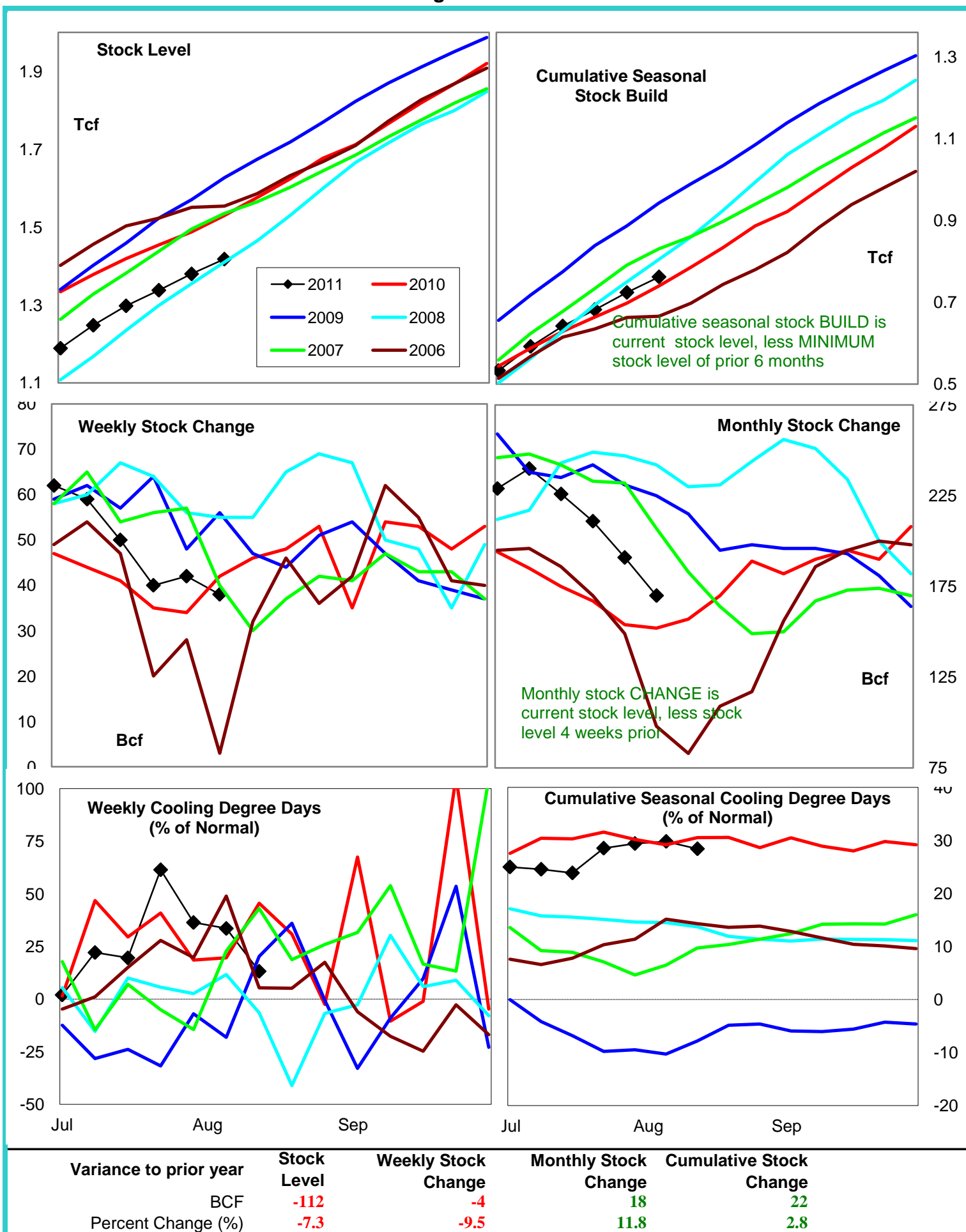
Date:	9-Aug-11	Change vs prior week, month, year		
		3-Aug-11	13-Jul-11	30-Jul-10
1st month Futures	4.10	0.16	-0.45	0.23
% change	xxxxx	4.1	-9.9	5.9



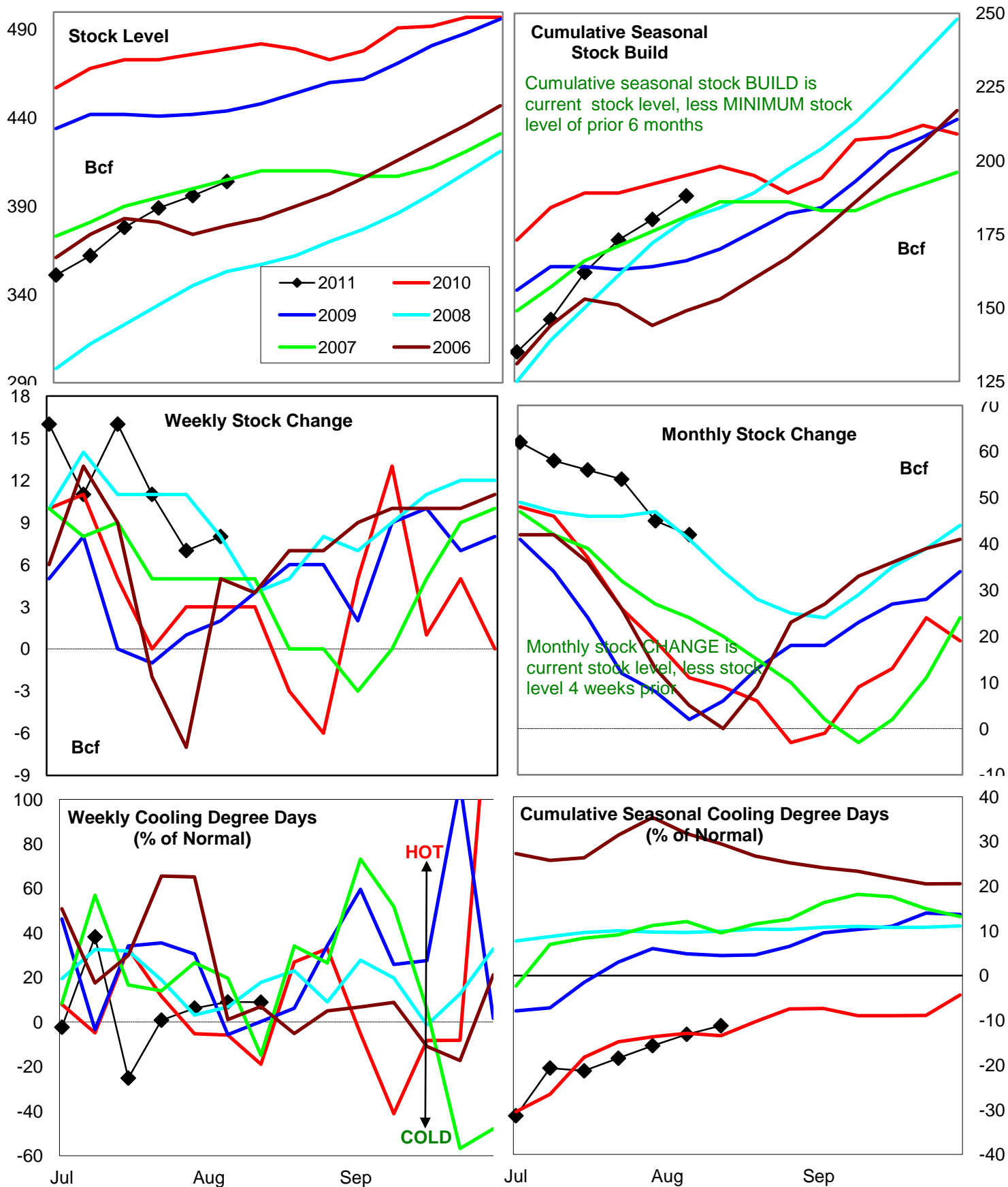
United States Natural Gas Stock and Weather Trends



Natural Gas East Region Stock and Weather Trends



Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
Change

BCF

-75

5

31

-7

Percent Change (%)

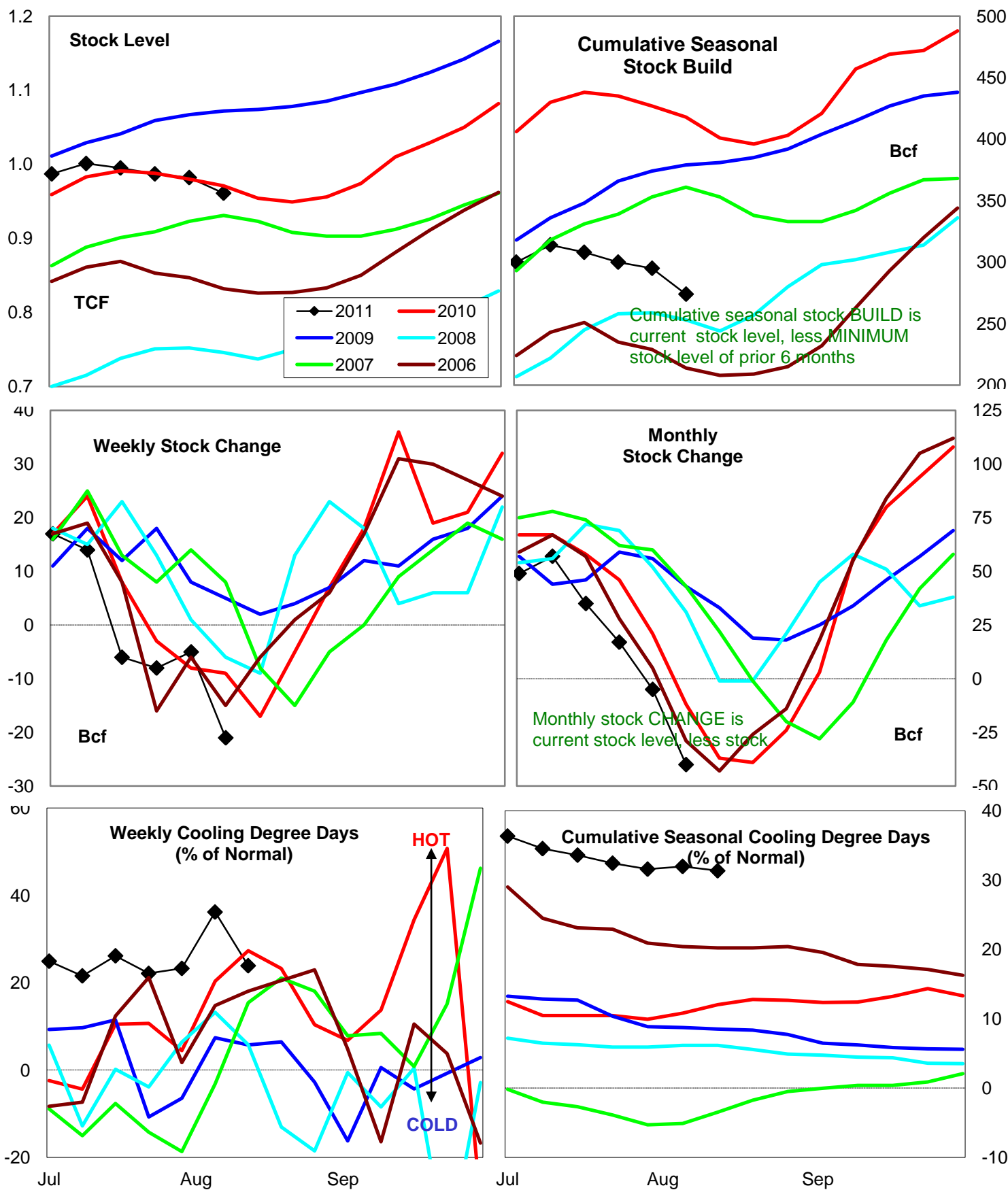
-15.7

166.7

281.8

-3.6

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

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

-10

-12

-28

-144

Percent Change (%)

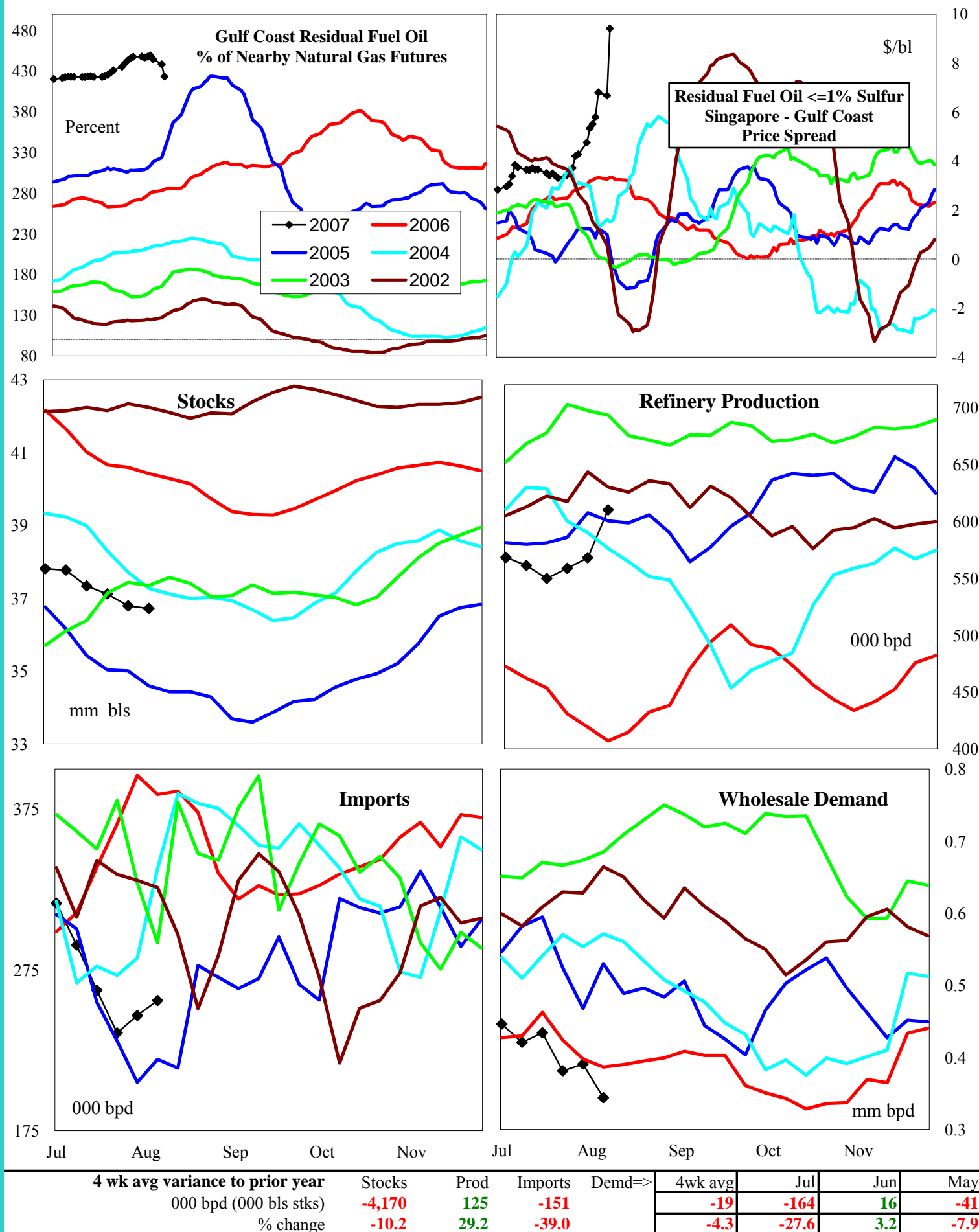
-1.0

133.3

233.3

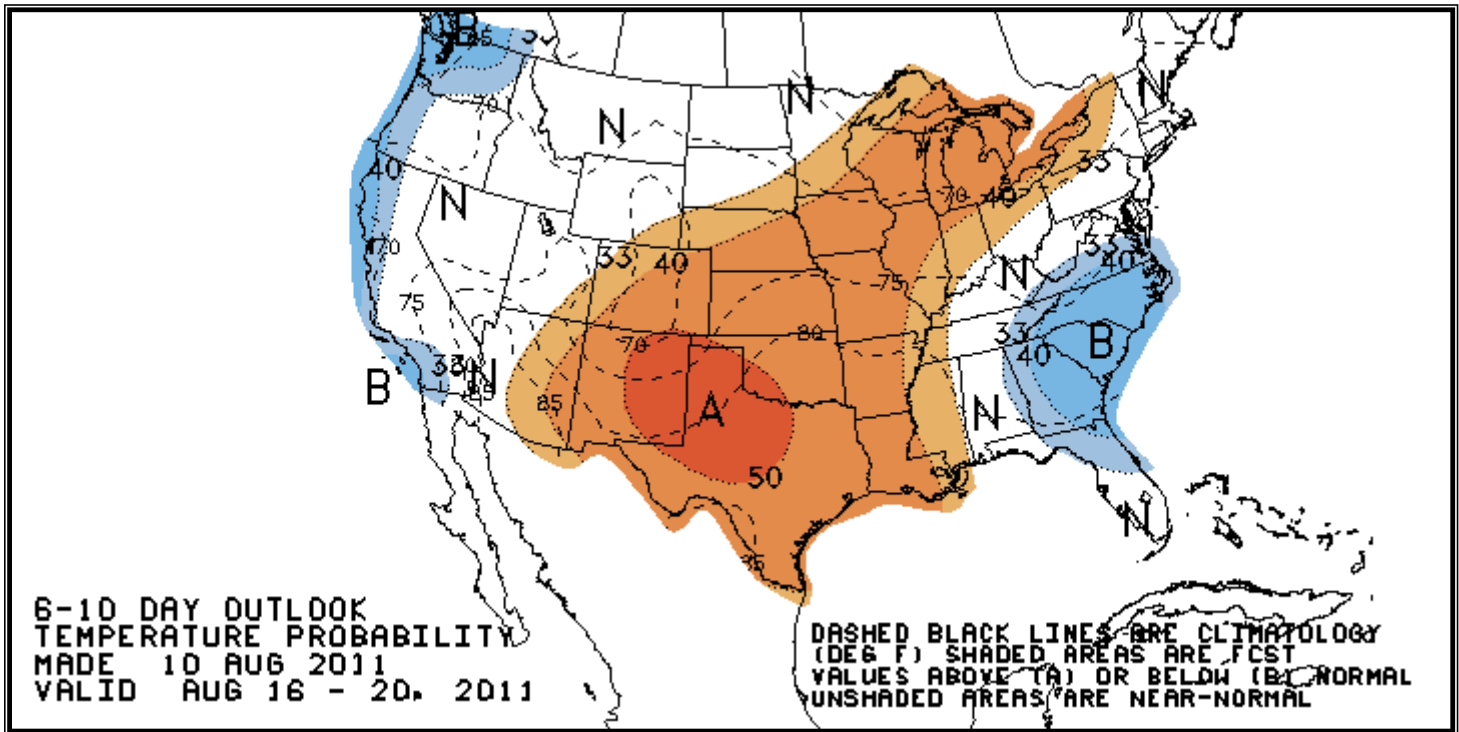
-34.4

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



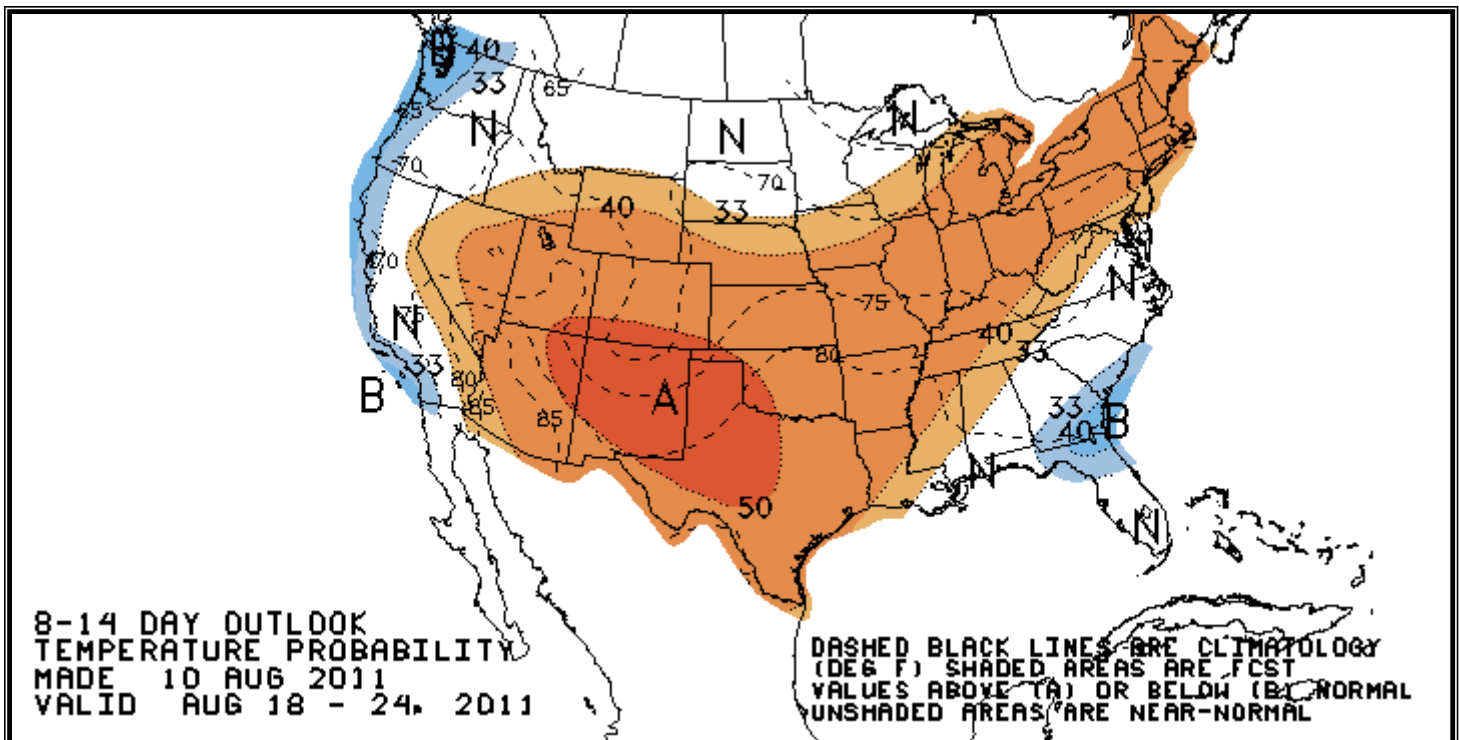
National Weather Service Climate Prediction Center

Degree Days 6 - 10 Day Temperature Forecast



National Weather Service Climate Prediction Center

Degree Days 8 - 14 Day Temperature Forecast



American Gas Association Regions

