

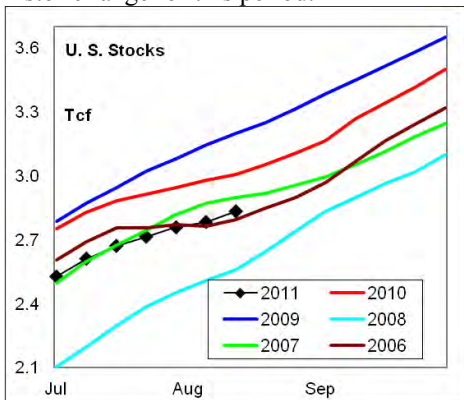
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

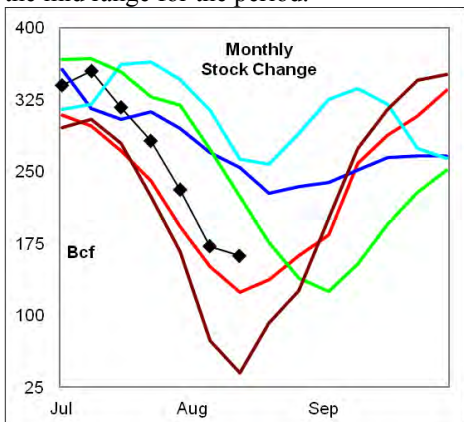
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, August 18, 2011



Summary¹ The stock build of +50 Bcf for the week was at the upper end of the historic range for this period.



The latest 4-wk stock build was well below the mid range for the period.



In the East Region stocks increased +48 Bcf for the period, a level above the mid range for the week. Stocks increased +10 Bcf in the West Region, the 5th consecutive week of near record high builds. The stock draw of -8 Bcf in the Producing Region matched the 5-year mid range.

Cooling degree days were +9% above normal in the East Region, -12% below normal in the West Region and +24% above normal in the Producing Region for the week ending 13Aug11.

Heating degree days were +9% above normal for the week ended 13Aug11, and forecast to be +14% above normal for the week ending 20Aug11.

¹ Related Web Sites:

[Data Source is EIA Weekly Statistics](#)

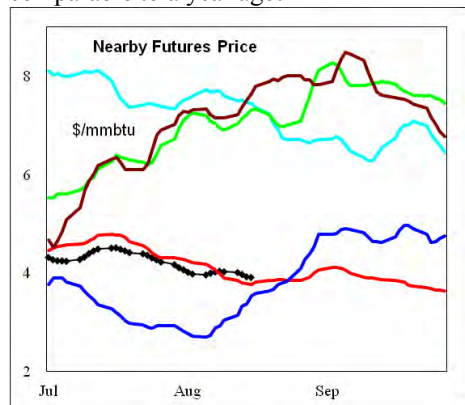
[National Weather Service 6-10 Day](#)

[National Weather Service 10-14 Day](#)

The 6-10 day NWS forecast for the week ending 27Aug11 is for below normal cooling degree days in the eastern 1/2 of the country and above normal in the western 1/2.

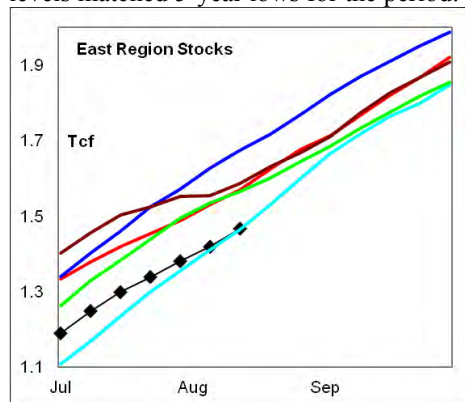
The 8-14 day NWS forecast for the week ending 31Aug11 is for below normal cooling degree days in the eastern 1/3rd of the country and above normal in the western 1/3rd.

Prices: Nearby gas futures prices declined - \$0.20/mmbtu for the week ending 18Aug11. Price levels ended the week comparable to a year ago.



The 1st - 4th month forward price curve traded sideways for the week ending 18Aug11. The spread ended the week at a record low differential for this time of year.

East Region stocks increased +48 Bcf last week, a level above the mid range. The latest 4-wk stock build remains below the mid range for this time of year. Stock levels matched 5-year lows for the period.

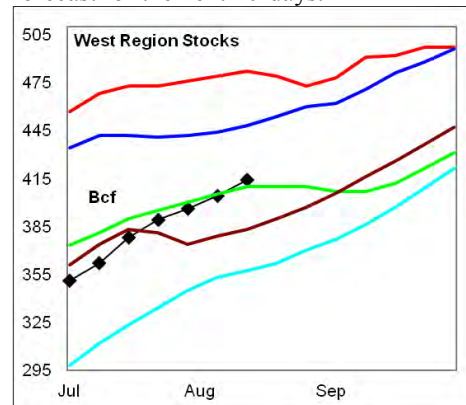


Cooling degree days in the region were +9% above normal for the week ending 13Aug11, and forecast to be +10% above normal for the week ending 20Aug11. Below normal cooling degree days are forecast for the next 10-days.

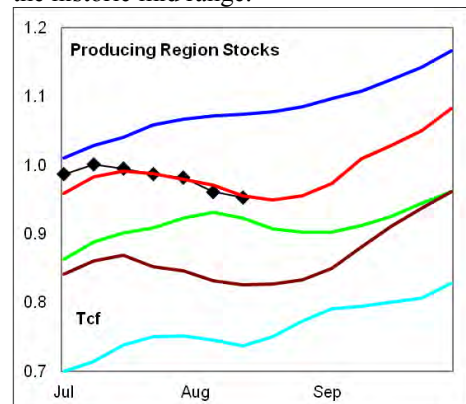
West Region stocks increased +10 Bcf on the week, a level that exceeded 5-year

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

Cooling degree days were -12% below above normal for the week ending 13Aug11, and forecast to be +22% above normal for the week ending 20Aug11. Above normal cooling degree days are forecast for the next 10-days.



Producing Region stocks experienced a draw of -8 Bcf on the week, a level that matched the mid range. 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 +24% above normal for the week ending 13Aug11, and forecast to be +217 above normal for the week ending 20Aug11. Near 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 be below normal in the eastern 1/2 half of the country for the next 10-days. Combined with slower global economic growth, expect prices to trend lower.



NATURAL GAS: Graph Link and Weekly Summary

Report prepared as of: August 18, 2011

For the week ending: 12-Aug-11

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

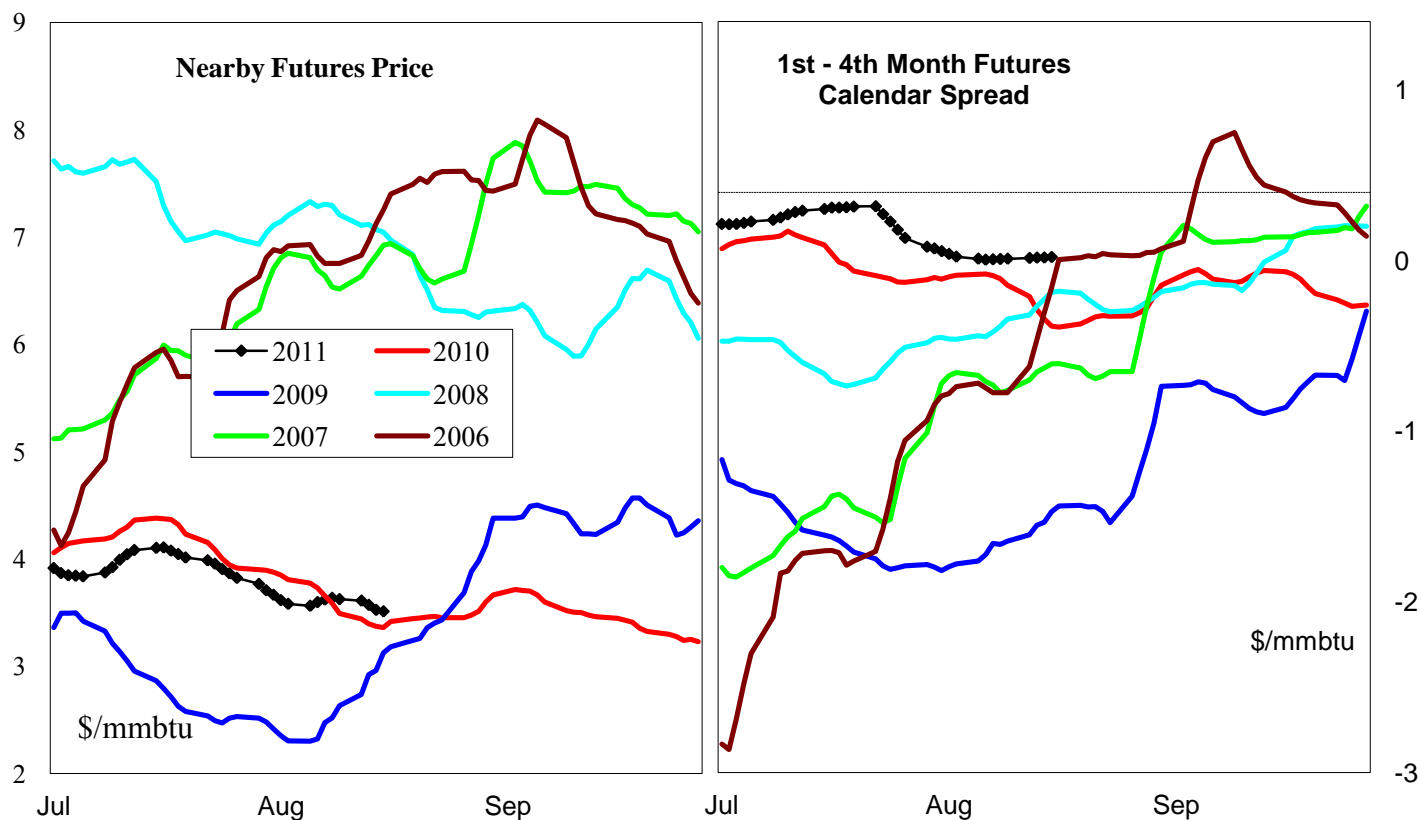
Week ending:	12-Aug-11			6-Aug-11		13-Aug-11		20-Aug-11	
Region	Weekly Stocks			Weekly Cooling Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,833	50	-5.8	0	30%	-19	9%	-3	14%
East	1,466	48	-6.6	-4	34%	-22	9%	-6	10%
West	414	10	-14.1	2	9%	-14	-12%	12	22%
Producing	953	-8	-0.3	15	36%	-17	24%	-14	17%

Seasonal Trends in Stocks and Cooling Degree Days

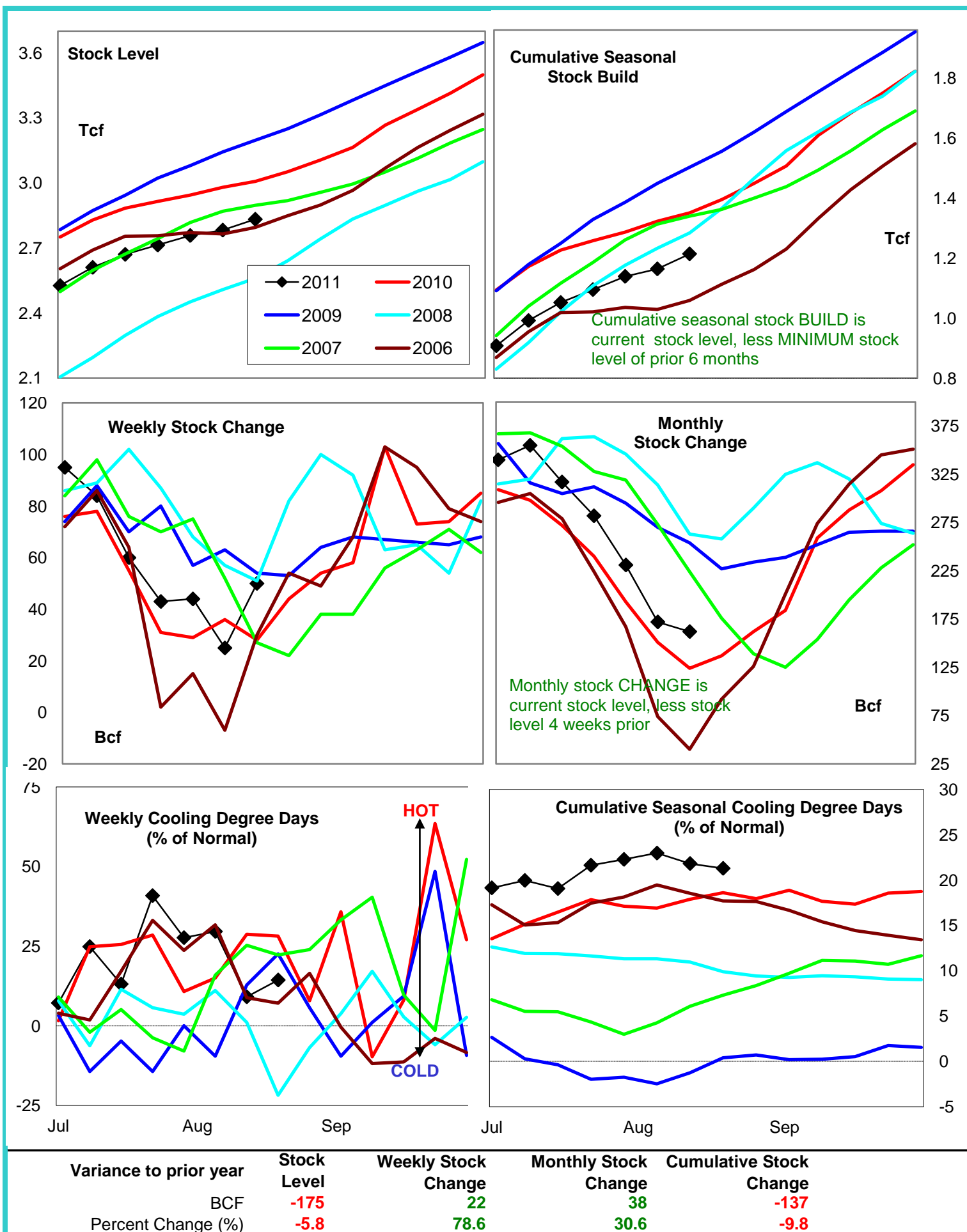
	Cumulative Stock change			Cumulative Cooling Degree Days					
	Bcf	Change vs prior year Bcf	%	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal
U.S. Total	1,254	-137	-10.9	182	23%	188	22%	198	21%
East	850	30	3.5	448	30%	477	28%	496	27%
West	198	0	0.0	-73	-13%	-80	-13%	-69	-10%
Producing	266	-137	-51.5	448	32%	477	31%	496	30%

Futures Market Price Trends

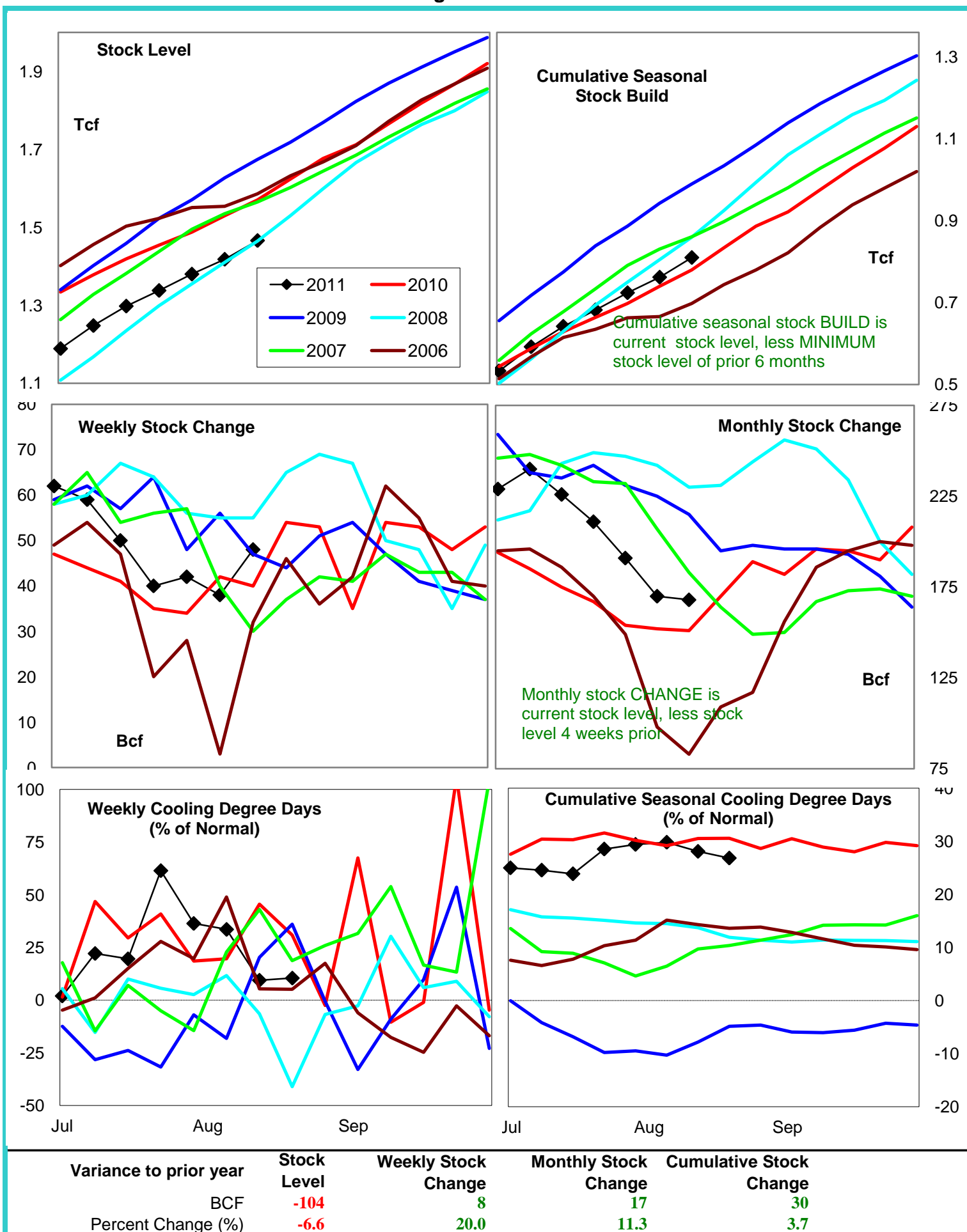
Date:	16-Aug-11	Change vs prior week, month, year		
		10-Aug-11	20-Jul-11	6-Aug-10
1st month Futures	3.91	-0.15	-0.49	0.15
% change	xxxxx	-3.7	-11.1	4.0



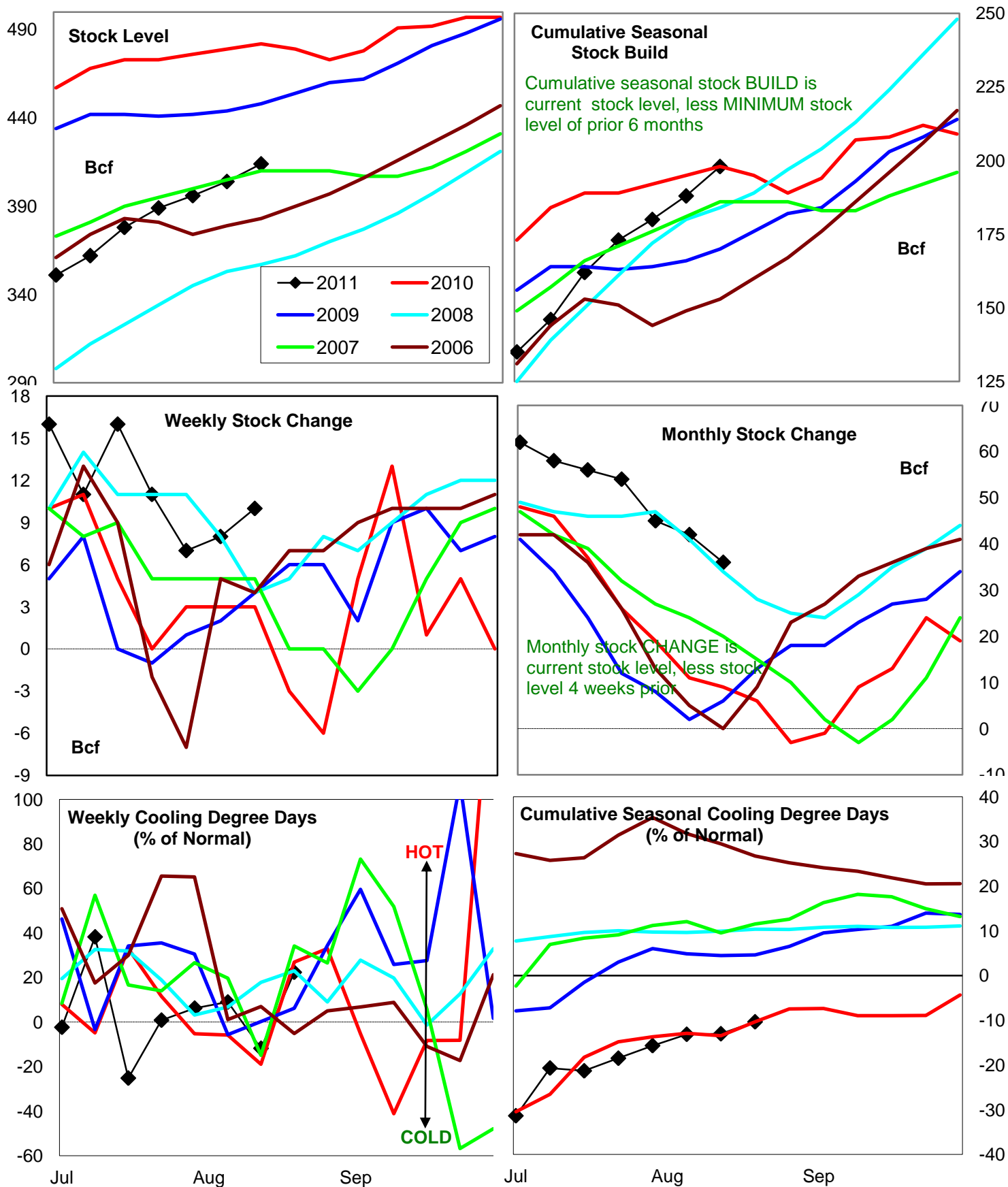
United States Natural Gas Stock and Weather Trends



Natural Gas East Region Stock and Weather Trends



Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

-68

7

27

0

Percent Change (%)

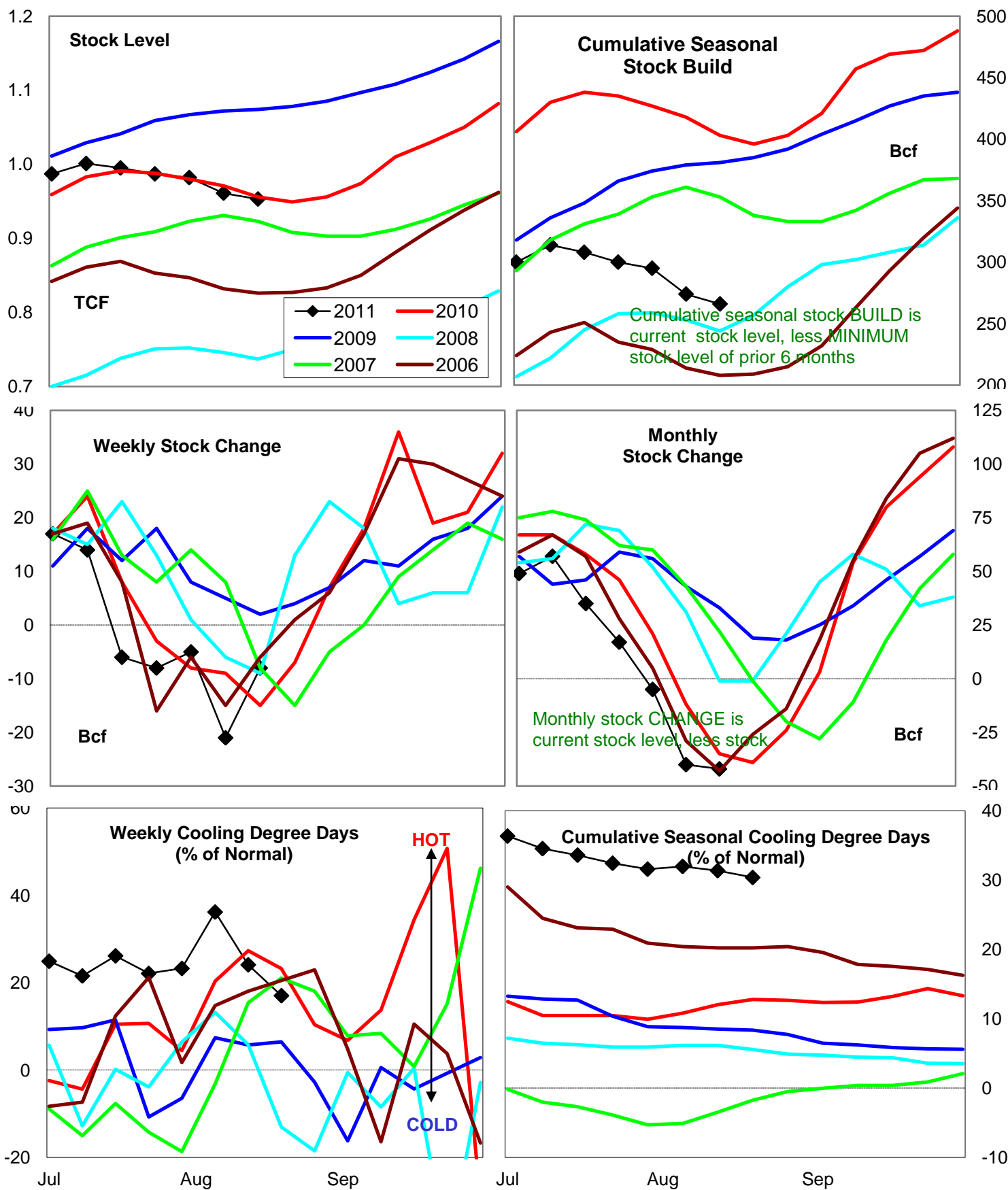
-14.1

233.3

300.0

0.0

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
Change

BCF

-3

7

-7

-137

Percent Change (%)

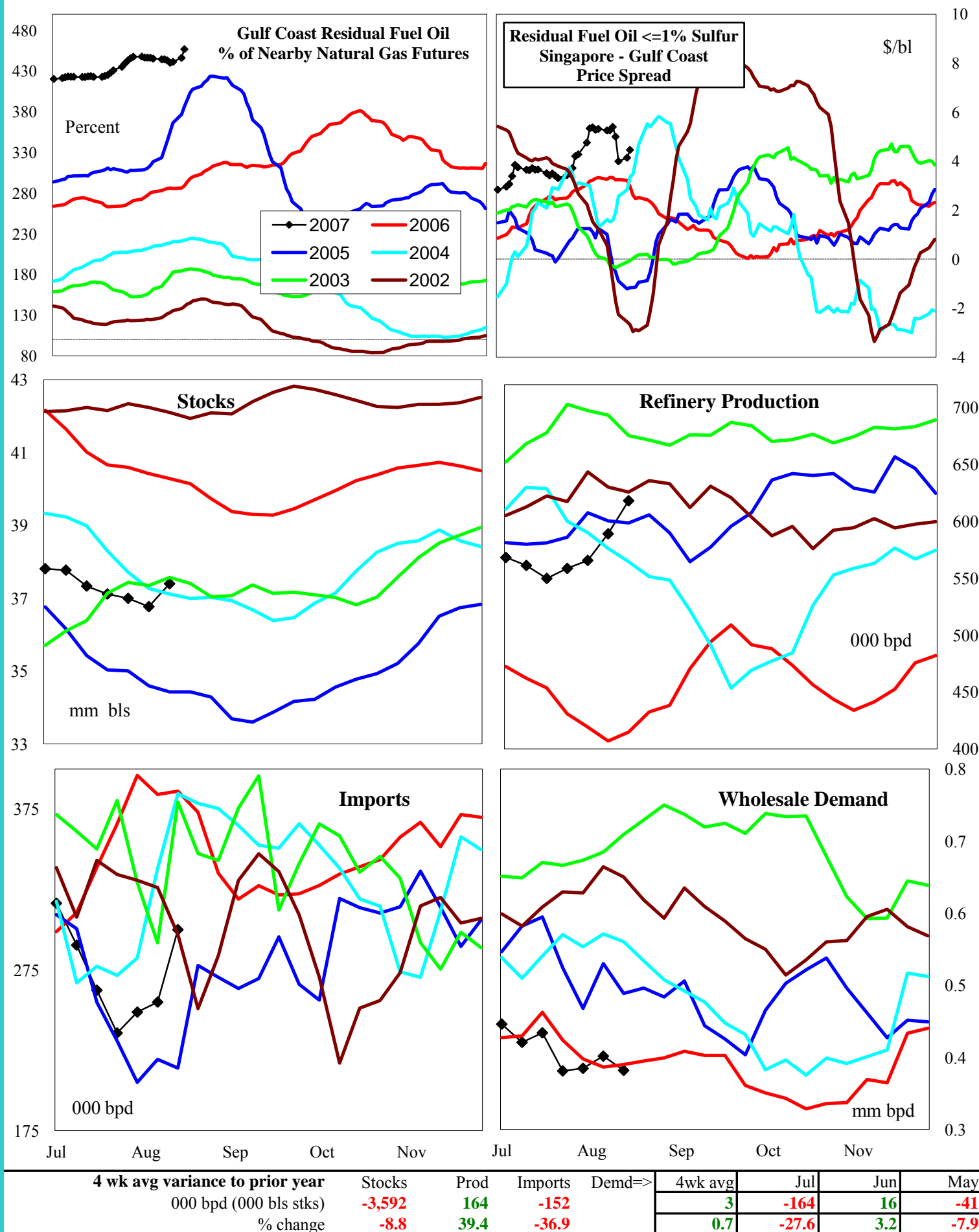
-0.3

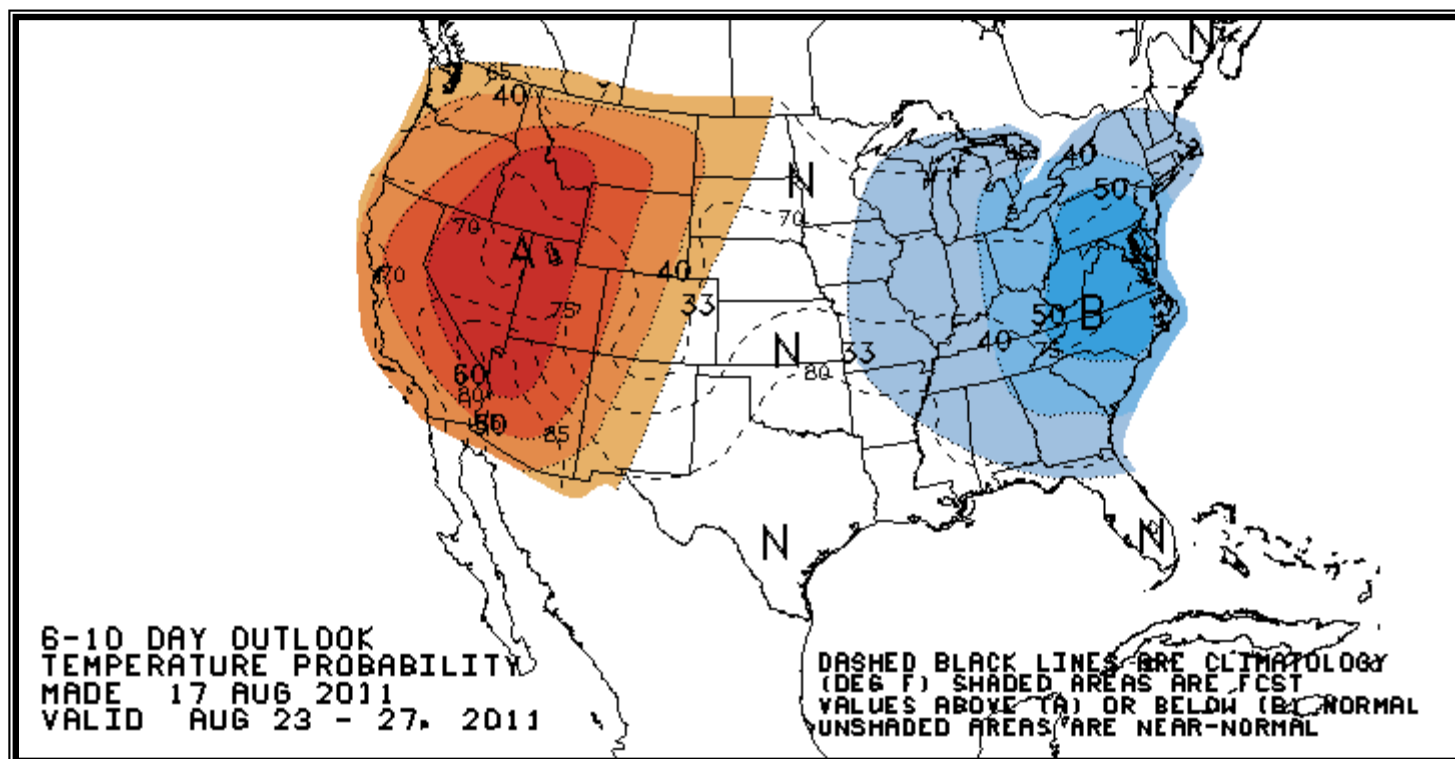
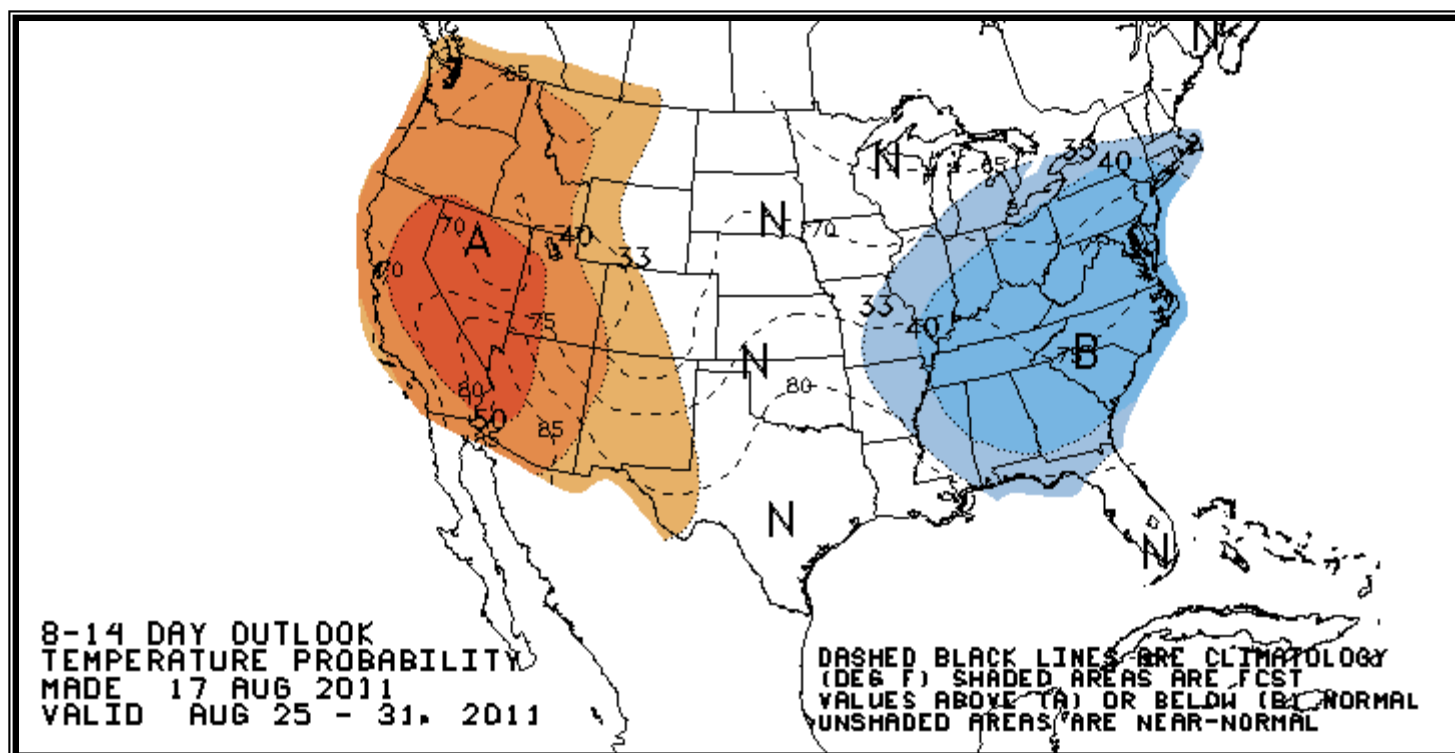
-46.7

20.0

-34.0

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

