

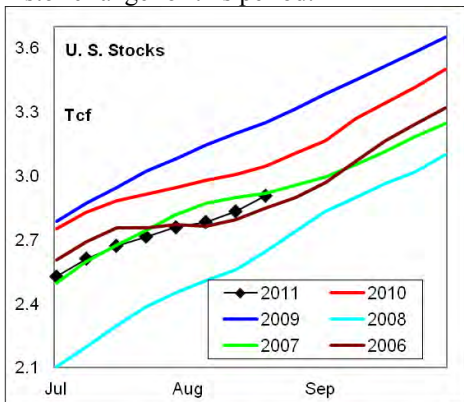
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

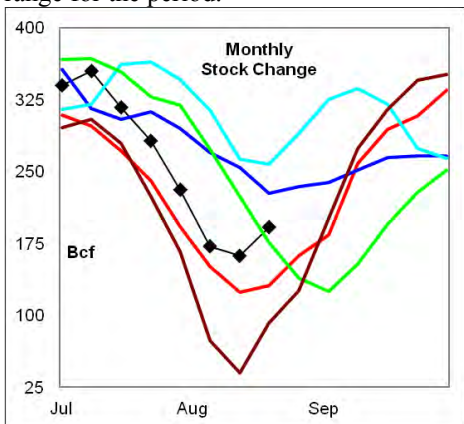
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Monday, August 29, 2011



Summary¹ The stock build of +73 Bcf for the week was at the upper end of the historic range for this period.



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



In the East Region stocks increased +58 Bcf for the period, a level near historic highs for the week. Stocks increased +8 Bcf in the West Region, the 6th consecutive week of near record high builds. The stock build of +7 Bcf in the Producing Region was near 5-year highs for the period.

Cooling degree days were +1% above normal in the East Region, +8% above normal in the West Region and +26% above normal in the Producing Region for the week ending 20Aug11.

Heating degree days were +9% above normal for the week ended 20Aug11, and +28% above normal for the week ending 27Aug11.

¹ Related Web Sites:

[Data Source is EIA Weekly Statistics](#)

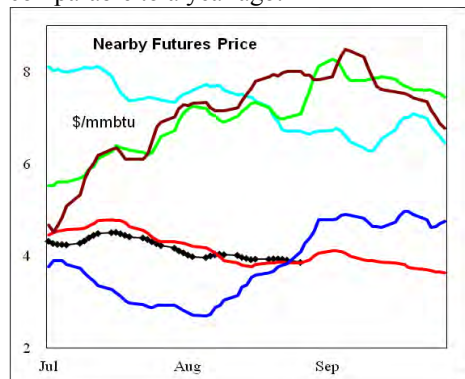
[National Weather Service 6-10 Day](#)

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

The 6-10 day NWS forecast for the week ending 07Sep11 is for near normal cooling degree days in the northern 1/2 of the country, and above normal in the western and southeast areas.

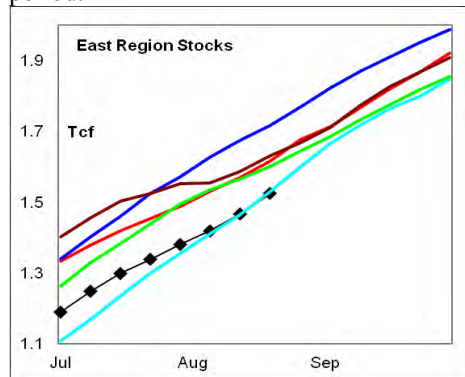
The 8-14 day NWS forecast for the week ending 11Sep11 is for below normal cooling degree days in the eastern 1/2 of the country and above normal in intermountain and gulf coast areas.

Prices: Nearby gas futures prices were unchanged for the the week ending 29Aug11. Price levels ended the week comparable to a year ago.



The 1st – 4th month forward price curve traded sideways for the week ending 29Aug11. The spread ended the week at a record low differential for this time of year.

East Region stocks increased +58 Bcf last week, a level near the historic highs for the week. The latest 4-wk stock build was above the mid range for this time of year. Stock levels matched 5-year lows for the period.

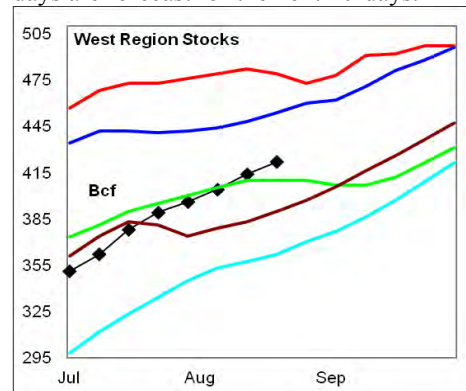


Cooling degree days in the region were +1% above normal for the week ending 20Aug11, and +16% above normal for the week ending 27Aug11. Below normal cooling degree days are forecast for the next 10-days.

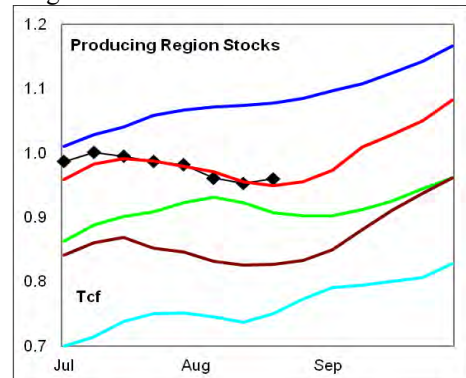
West Region stocks increased +8 Bcf on the week, a level that exceeded the 5-year highs for this time of year. Stock levels

ended the week above the mid range. The latest 4-wk stock build exceeded the historic range.

Cooling degree days were +8% above normal for the week ending 20Aug11, and +51% above normal for the week ending 27Aug11. Above normal cooling degree days are forecast for the next 10-days.



Producing Region stocks experienced a build of +7 Bcf on the week, a level that was at the upper end of the historic range. The monthly stock change was a near record draw for the period. Stock levels match a year ago, and above the mid range.



Cooling degree days were +26% above normal for the week ending 20Aug11, and +37% above normal for the week ending 27Aug11. 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 be near normal in the eastern 1/2 of the country for the next 10-days. Loss of electric power due to hurricane Irene has limited demand in the very near term for the eastern seaboard. Expect continued price weakness during the shoulder months of reduced seasonal demand.



NATURAL GAS: Graph Link and Weekly Summary

Report prepared as of: August 29, 2011

For the week ending: 19-Aug-11

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

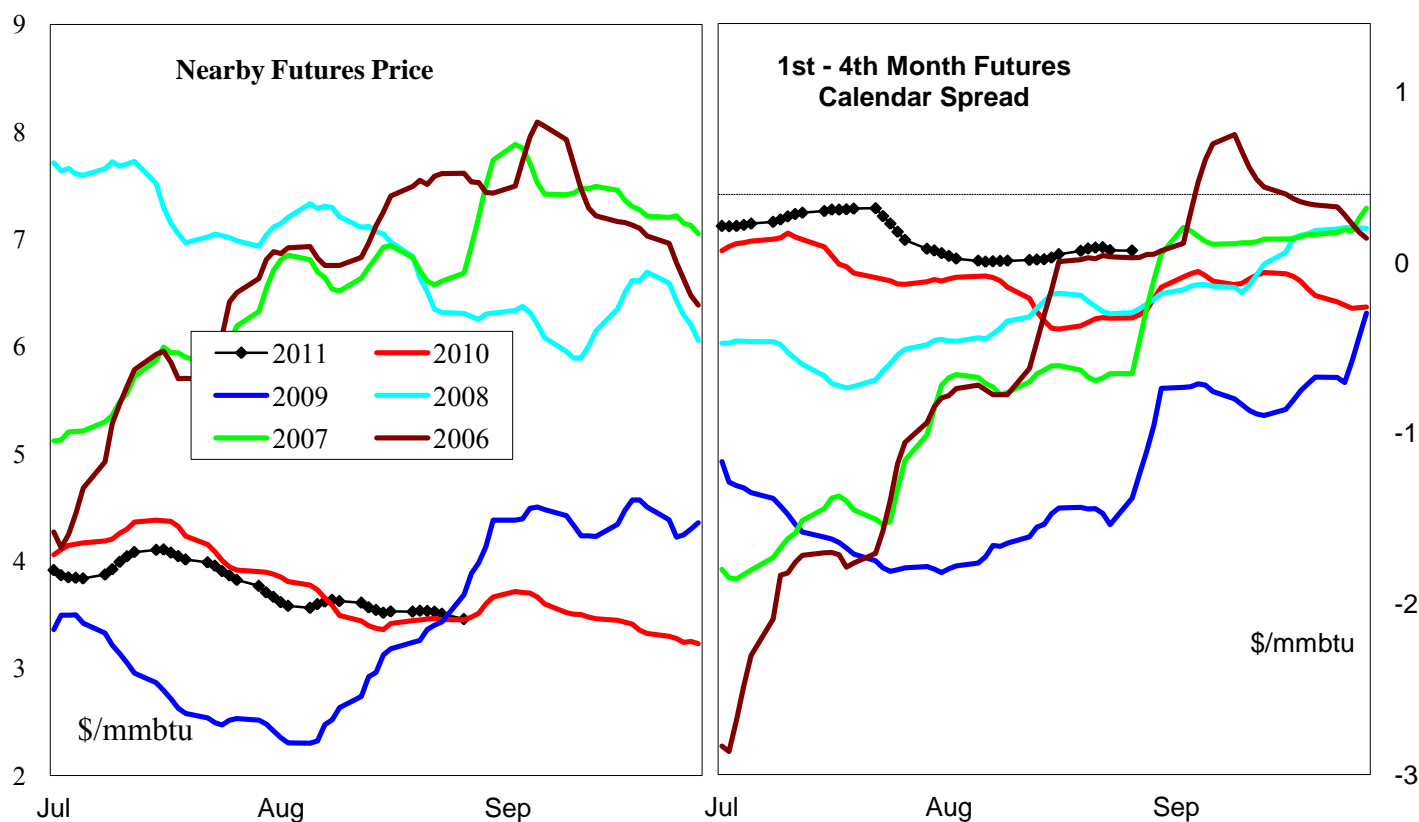
Week ending:	19-Aug-11			20-Aug-11		27-Aug-11		3-Sep-11	
Region	Weekly Stocks			Weekly Cooling Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,906	73	-4.6	-6	9%	5	28%	-8	29%
East	1,524	58	-5.8	-11	1%	0	16%	-6	22%
West	422	8	-11.9	8	8%	16	51%	-11	45%
Producing	960	7	1.1	-4	26%	5	37%	-15	32%

Seasonal Trends in Stocks and Cooling Degree Days

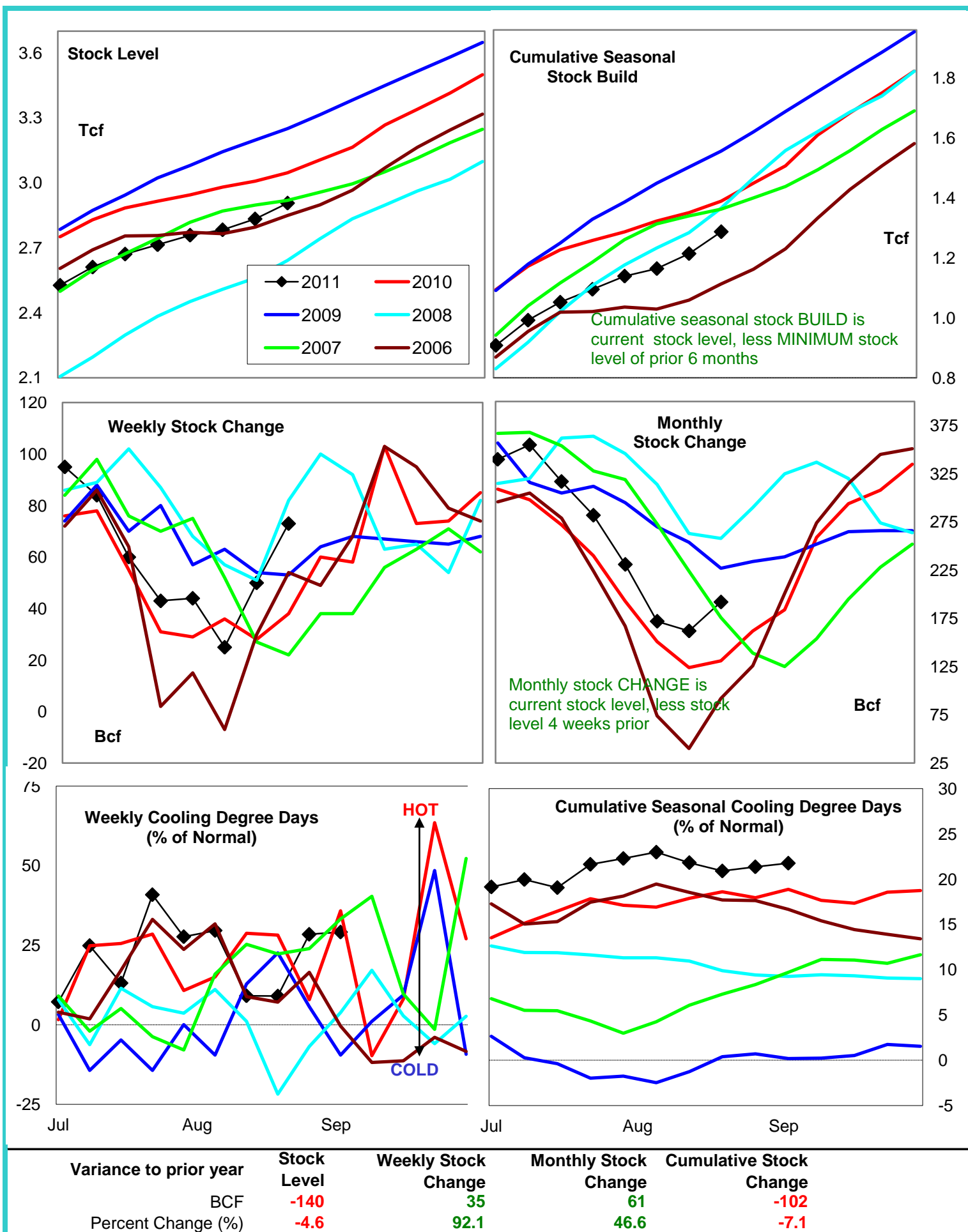
	Cumulative Stock change			Cumulative Cooling Degree Days					
	Bcf	Change vs prior year Bcf	%	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal
U.S. Total	1,327	-102	-7.7	194	21%	211	21%	227	22%
East	908	41	4.5	505	26%	545	26%	577	25%
West	206	11	5.3	-75	-11%	-51	-7%	-32	-4%
Producing	273	-124	-45.4	505	31%	545	31%	577	31%

Futures Market Price Trends

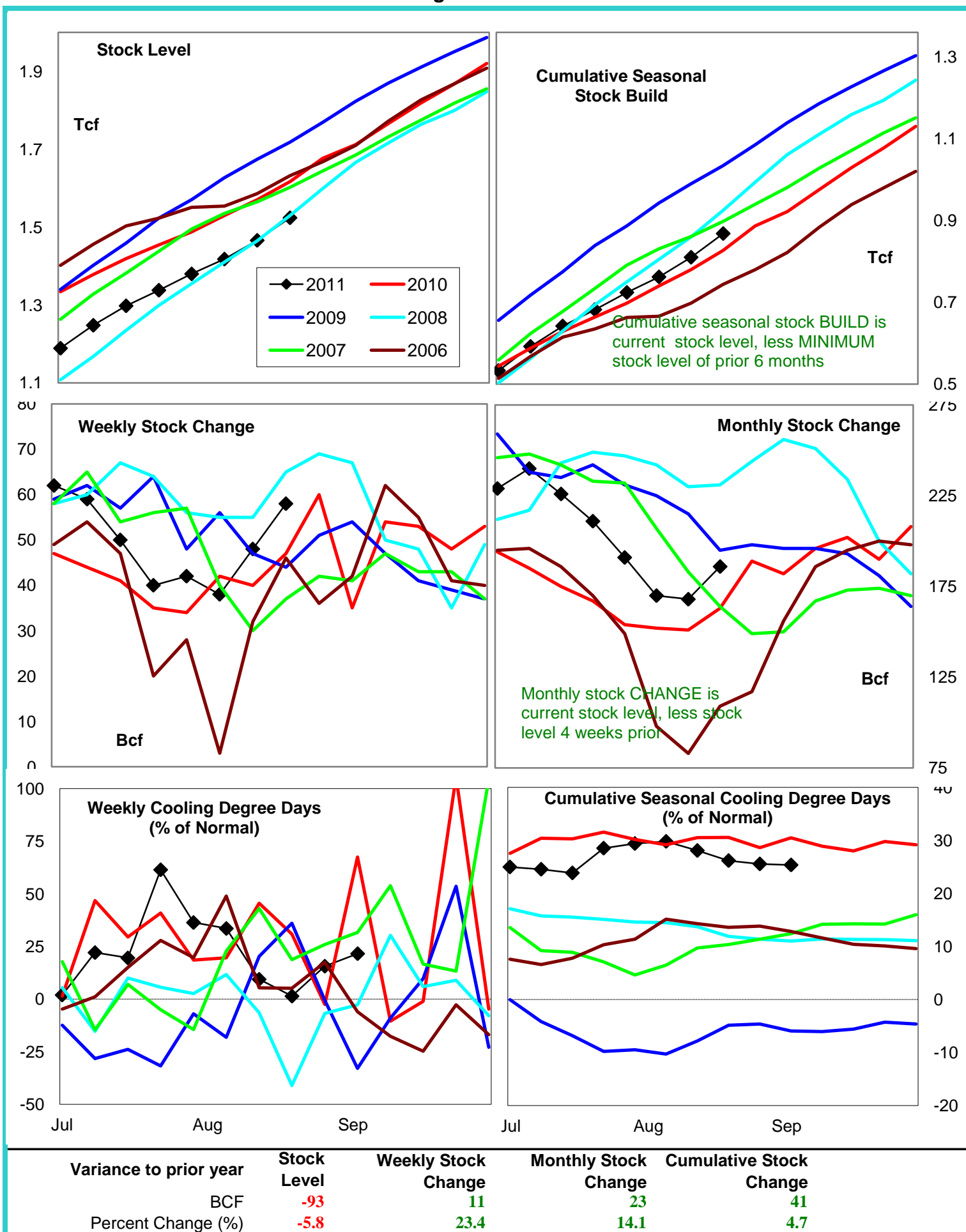
Date:	29-Aug-11	Change vs prior week, month, year		
		23-Aug-11	2-Aug-11	19-Aug-10
1st month Futures	3.86	-0.13	-0.30	-0.02
% change	xxxxx	-3.3	-7.3	-0.6



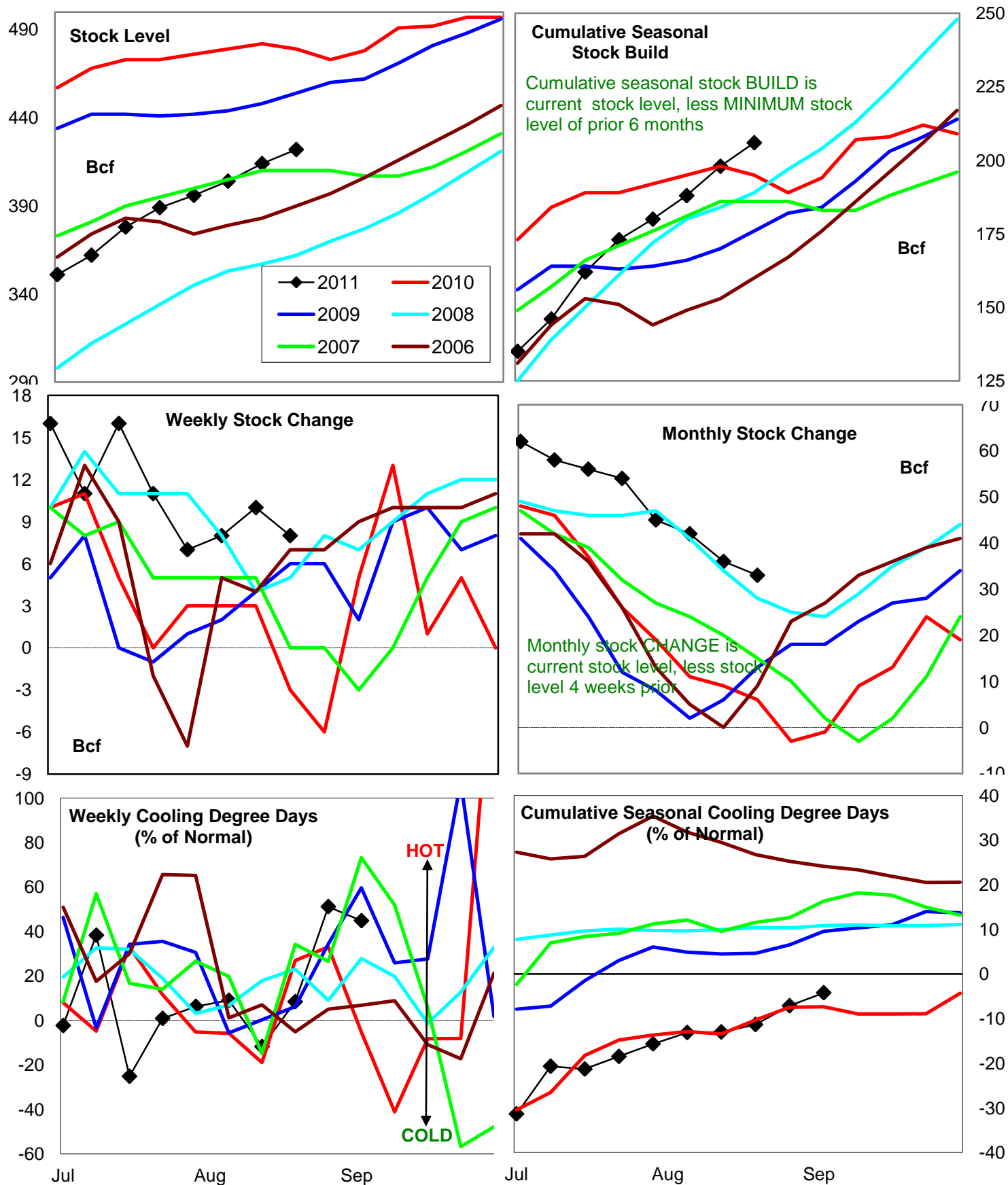
United States Natural Gas Stock and Weather Trends



Natural Gas East Region Stock and Weather Trends



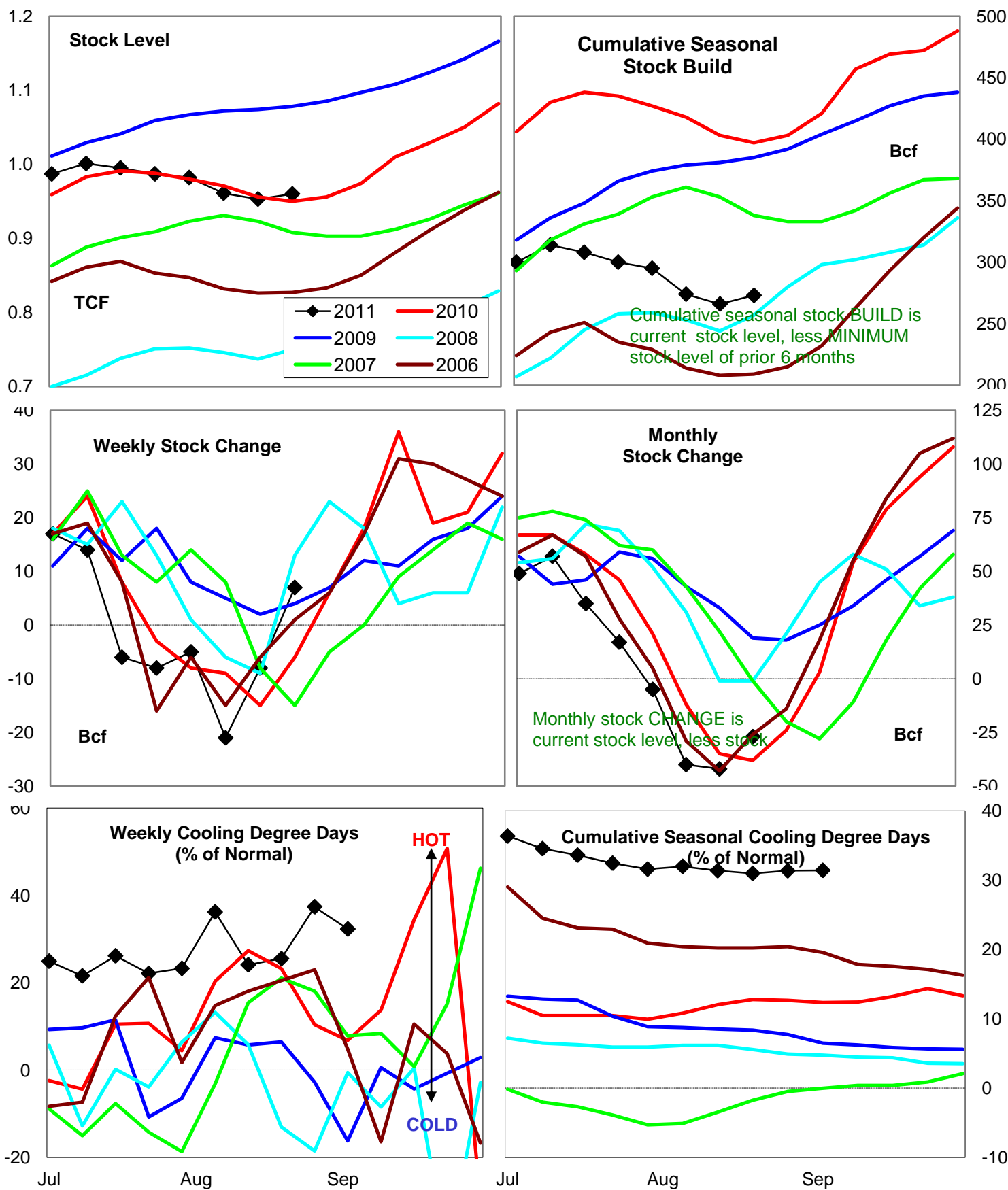
Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)-57
-11.911
-366.727
450.011
5.6

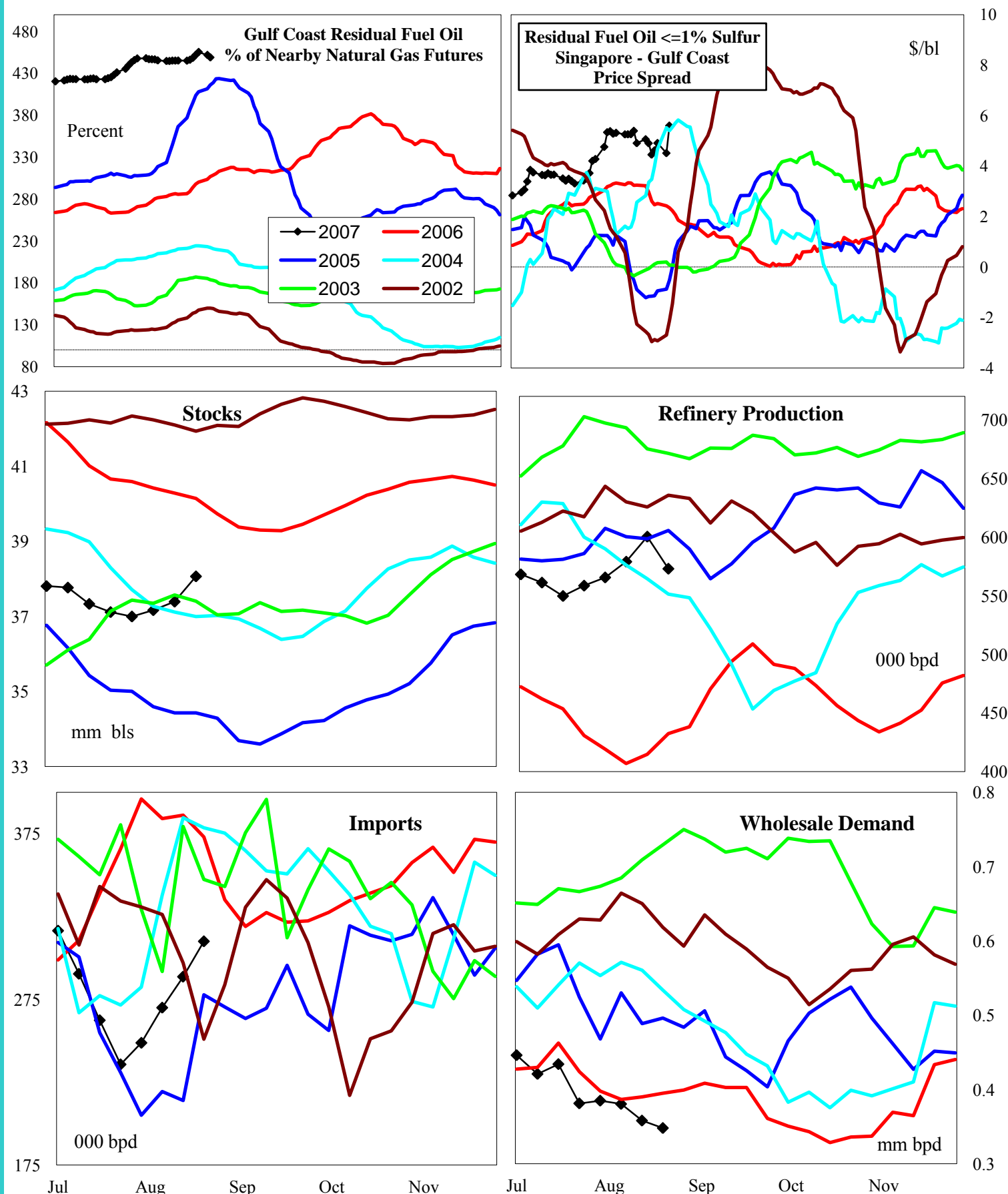
Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)10
1.113
-216.711
-28.9-124
-31.2

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


4 wk avg variance to prior year

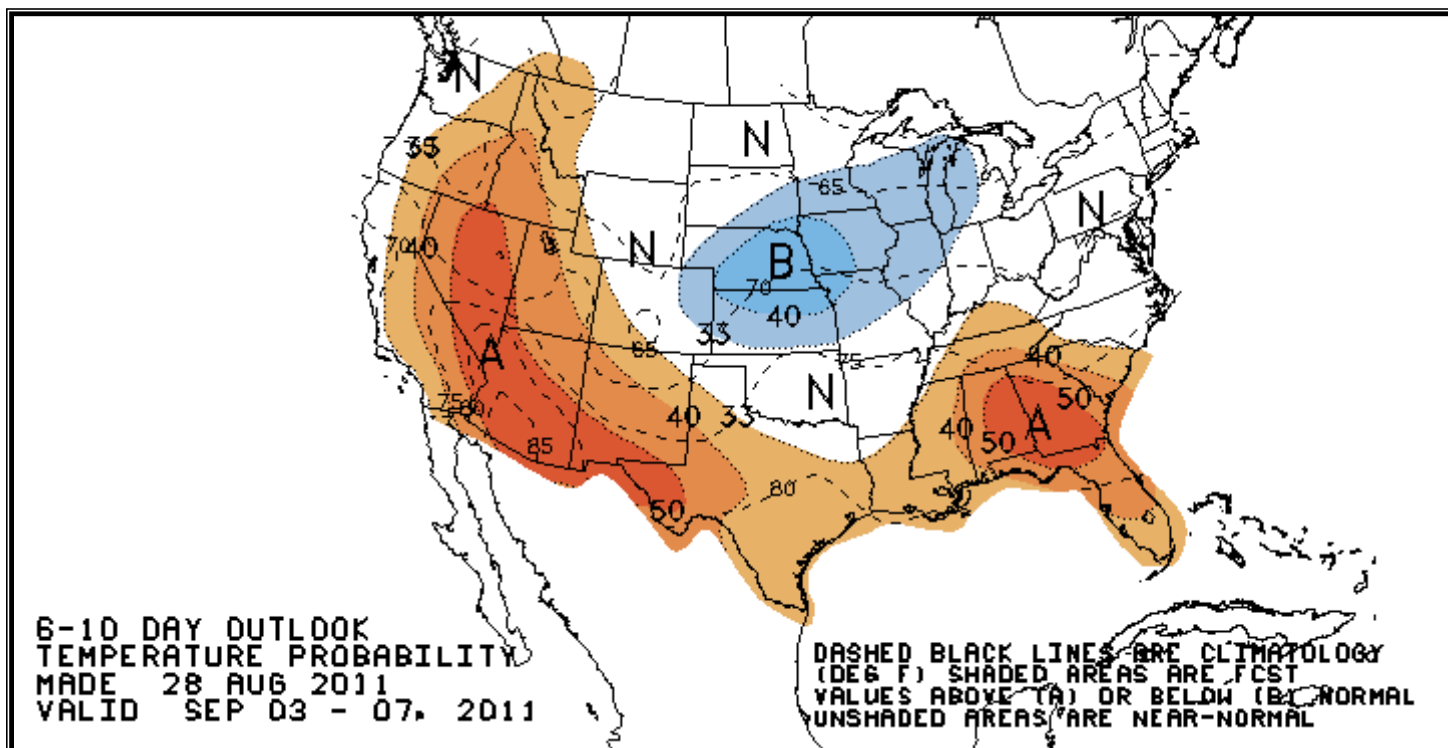
000 bpd (000 bls stks)

% change

Stocks
-1,638
-4.1
Prod
180
44.3
Imports
-128
-32.3
Demd=>
4wk avg
-7
-1.7
Jul
-164
-27.6
Jun
16
3.2
May
-41
-7.9

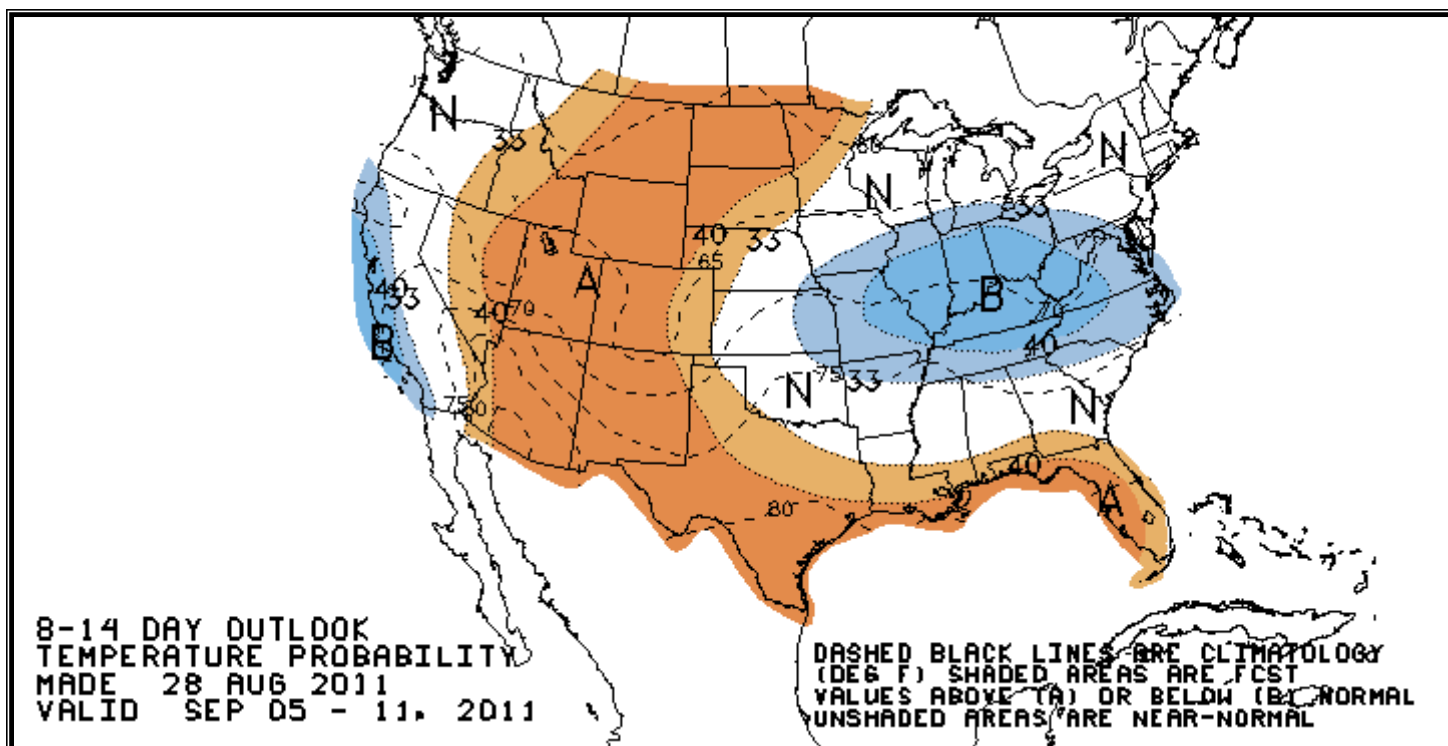
National Weather Service Climate Prediction Center

Degree Days 6 - 10 Day Temperature Forecast



National Weather Service Climate Prediction Center

Degree Days 8 - 14 Day Temperature Forecast



American Gas Association Regions

