



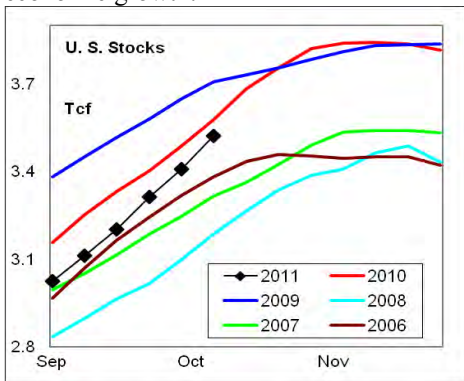
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

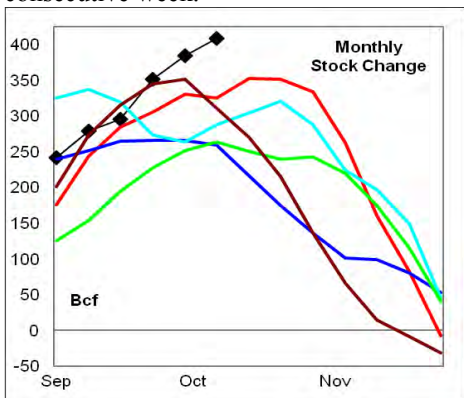
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Monday, October 17, 2011



Summary¹ The stock build of +112 Bcf for the week was above the 5-year range for the 3rd consecutive week; driven by unusually mild temperatures and weak economic growth.



The latest 4-wk stock build was above the historic range, again for the 3rd consecutive week.



In the East Region stocks increased +54 Bcf for the period, the 4th consecutive record high weekly build. Stocks increased +14 Bcf in the West Region, a level that exceeded the 5-year range. The stock build of +44 Bcf in the Producing Region was also a 5-year high for the week.

Cooling degree days were -47% below normal in the East Region, -52% below normal in the West Region and -1% below normal in the Producing Region for the week ending 08Oct11.

Cooling degree days were -34% below normal for the week ended 08Oct11, and

¹ Related Web Sites:

[Data Source is EIA Weekly Statistics](#)

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

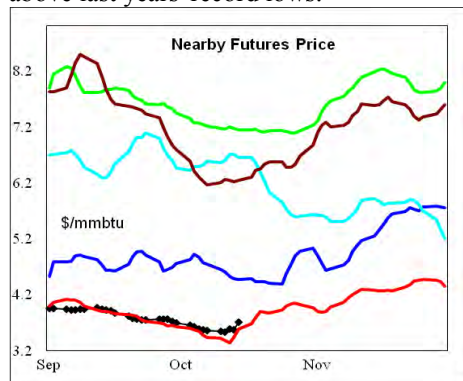
[National Weather Service 10-14 Day](#)

+27% above normal for the week ending 15Oct11.

The 6-10 day NWS forecast for the week ending 26Oct11 is for above normal cooling degree days in the western 1/2 of the country and well below normal in the southeastern 1/3rd of the country.

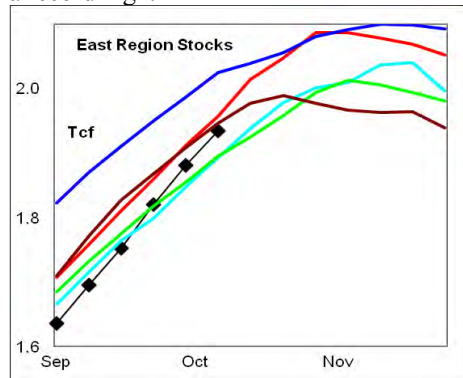
The 8-14 day NWS forecast for the week ending 30Oct11 is for above normal cooling degree days from the western 1/3rd of the country and below normal cooling degree days in the eastern 1/3rd of the country.

Prices: Nearby gas futures prices increased +\$0.22/mmbtu for the week ending 14Oct11. Price levels ended the week just above last years' record lows.



The 1st - 4th month forward price curve trended higher for the week ending 14Oct11. The spread ended the week at a level just above the last 2-years.

East Region stocks increased +54 Bcf last week, the 4th consecutive record weekly build. The latest 4-wk stock build was also a record high.

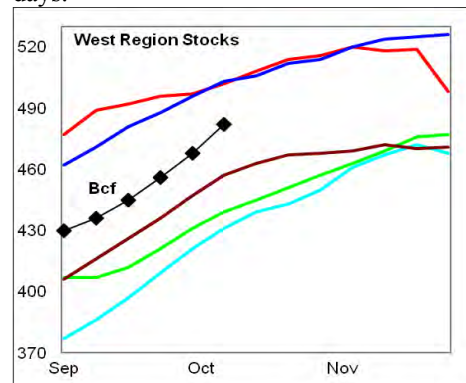


Cooling degree days in the region were -47% below normal for the week ending 08Oct11, and +14% above normal for the week ending 15Oct11. Below normal cooling degree days are forecast for the next 10-days.

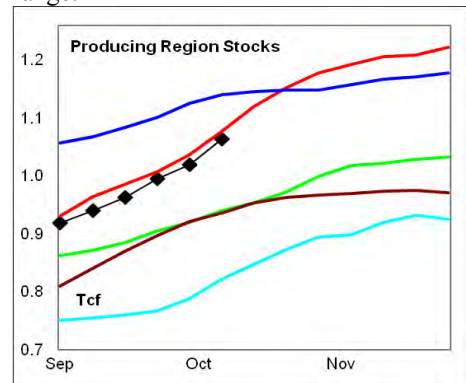
West Region stocks increased +14 Bcf on the week, a level that was a 5-year high for the week. Stock levels ended the week

well above the mid range. The latest 4-wk stock build was a record high for the season.

Cooling degree days were -52% below normal for the week ending 08Oct11, +36% above normal for the week ending 15Oct11. Well above normal cooling degree days are forecast for the next 10-days.



Producing Region stocks experienced a build of +424 Bcf on the week, a record high level for the season. The monthly stock build was also a record high for this time of year. Stock levels ended the week near last year, and well above the mid range.



Cooling degree days were -1% below normal for the week ending 08Oct11, and +42% above normal for the week ending 15Oct11. Slightly below 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: The rate of stock building as been a record high during the last 4-wks on very mild temperatures. However, cooler temperatures are forecast to begin moving across the country this week from east to west. Expect the seasonal upturn in prices that began last week to continue.



NATURAL GAS: Graph Link and Weekly Summary

Report prepared as of: October 17, 2011

For the week ending: 7-Oct-11

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

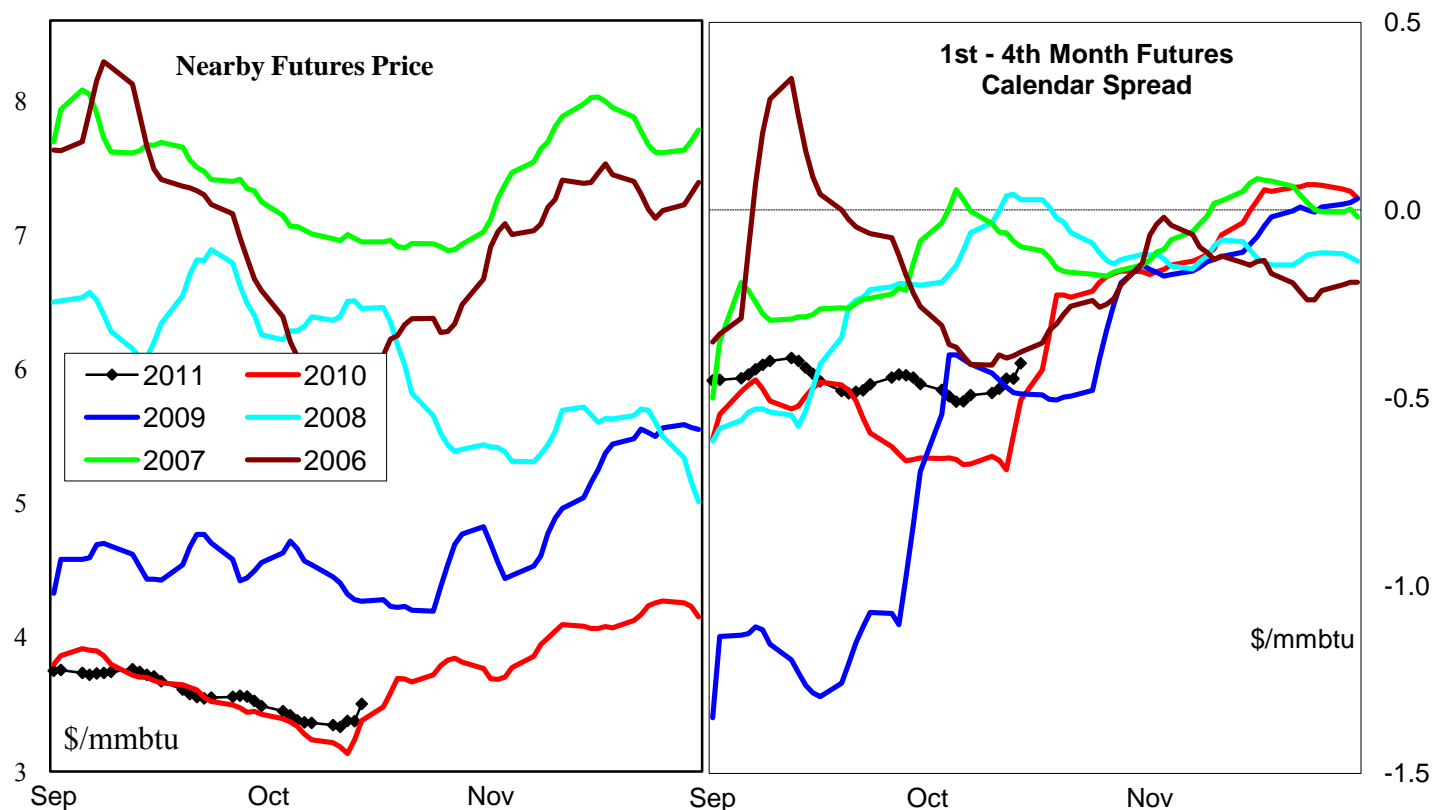
Week ending:	7-Oct-11			1-Oct-11		8-Oct-11		15-Oct-11	
Region	Weekly Stocks			Weekly Cooling Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,521	112	-1.6	3	33%	-26	-34%	6	27%
East	1,935	54	-1.1	3	43%	-20	-47%	5	14%
West	482	14	-4.0	5	22%	-40	-52%	7	36%
Producing	1,104	44	-1.3	4	34%	-29	-1%	3	42%

Seasonal Trends in Stocks and Cooling Degree Days

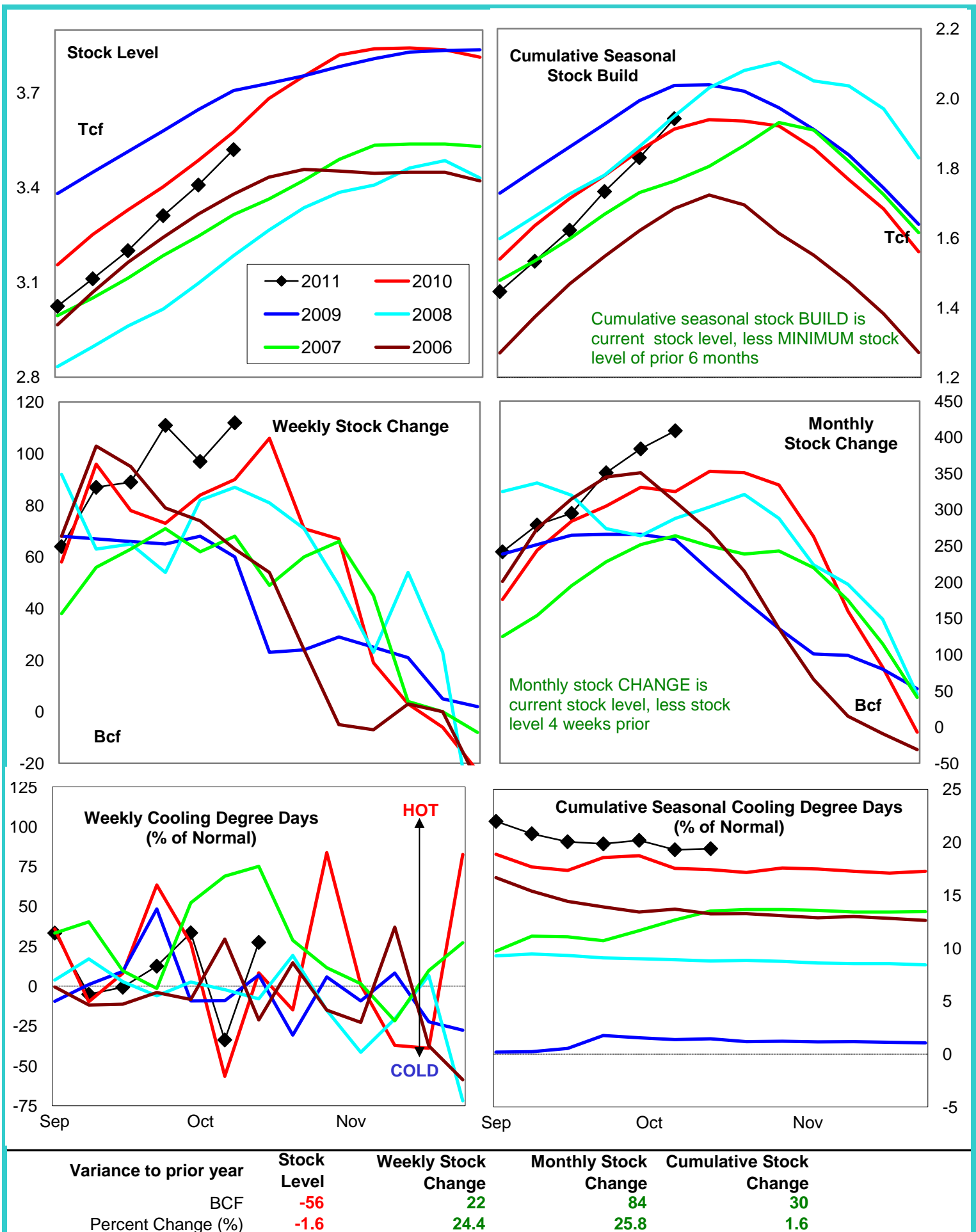
	Cumulative Stock change			Cumulative Cooling Degree Days					
	Bcf	Change vs prior year Bcf	%	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal
U.S. Total	1,942	30	1.5	241	20%	234	19%	238	19%
East	1,319	112	8.5	583	23%	582	22%	595	22%
West	261	51	19.5	1	0%	-8	-1%	-4	0%
Producing	362	-133	-36.7	583	28%	582	27%	595	27%

Futures Market Price Trends

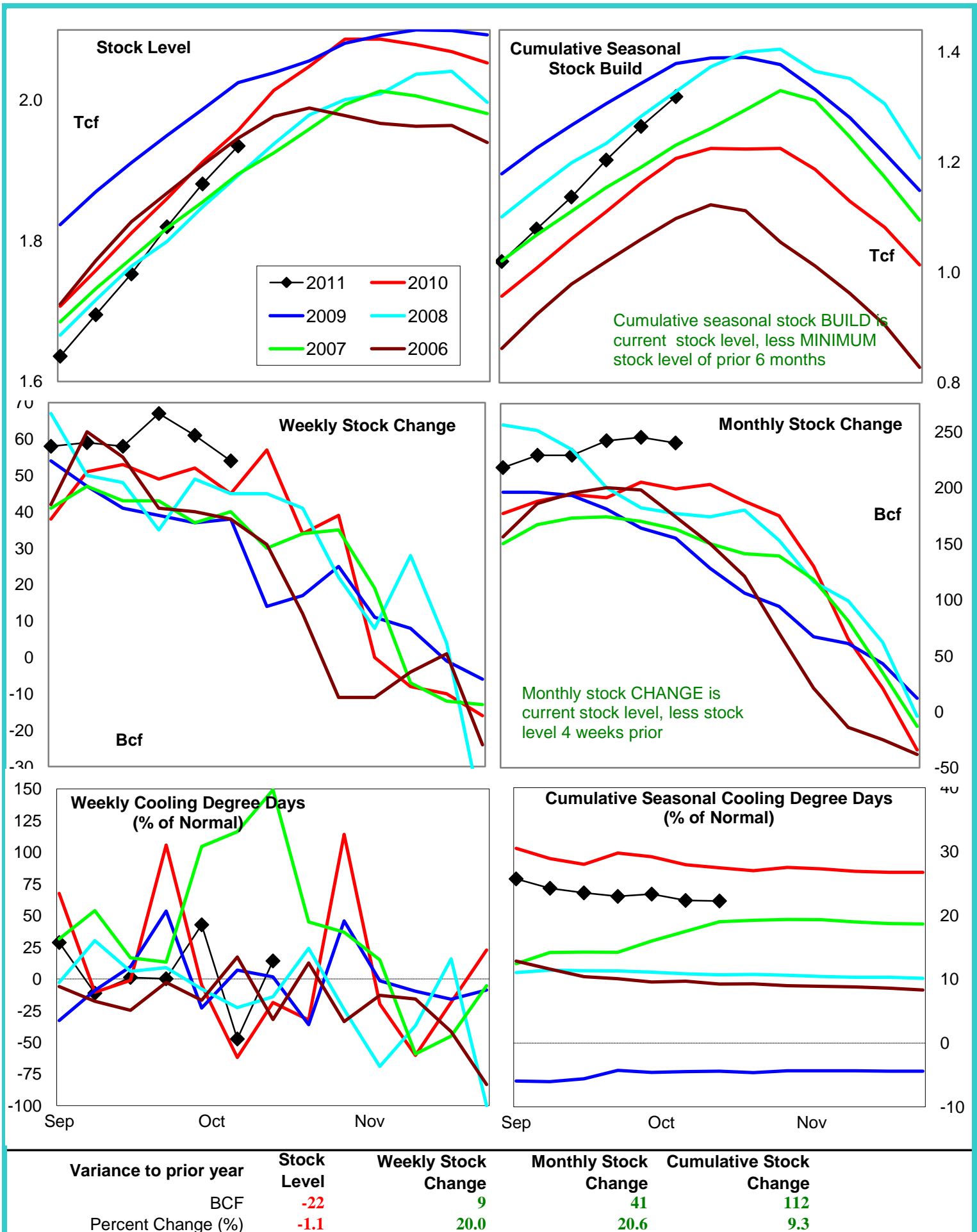
Date:	14-Oct-11	Change vs prior week, month, year		
		10-Oct-11	19-Sep-11	6-Oct-10
1st month Futures	3.70	0.16	-0.13	-0.19
% change	xxxxx	4.6	-3.3	-4.8



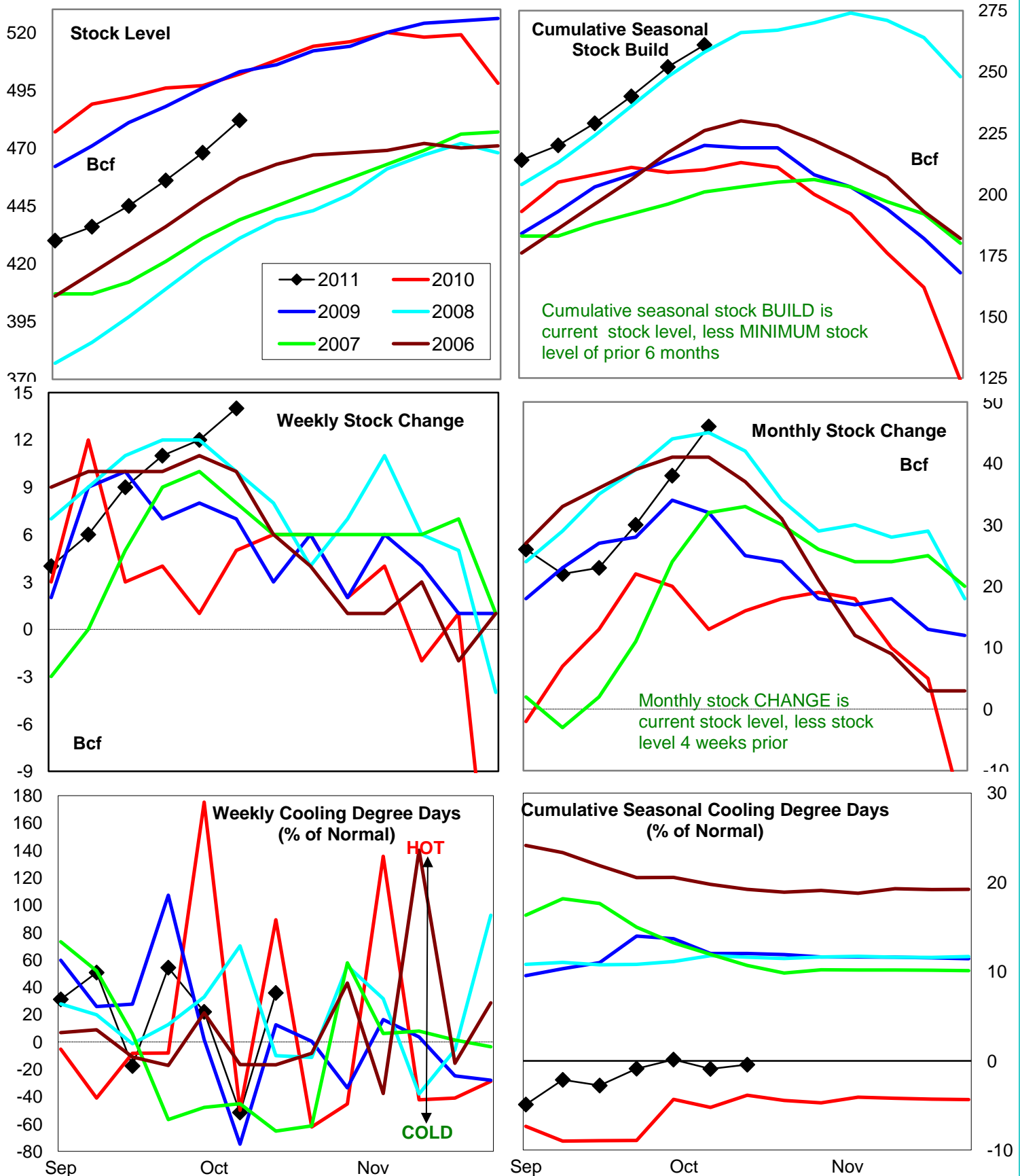
United States Natural Gas Stock and Weather Trends



Natural Gas East Region Stock and Weather Trends



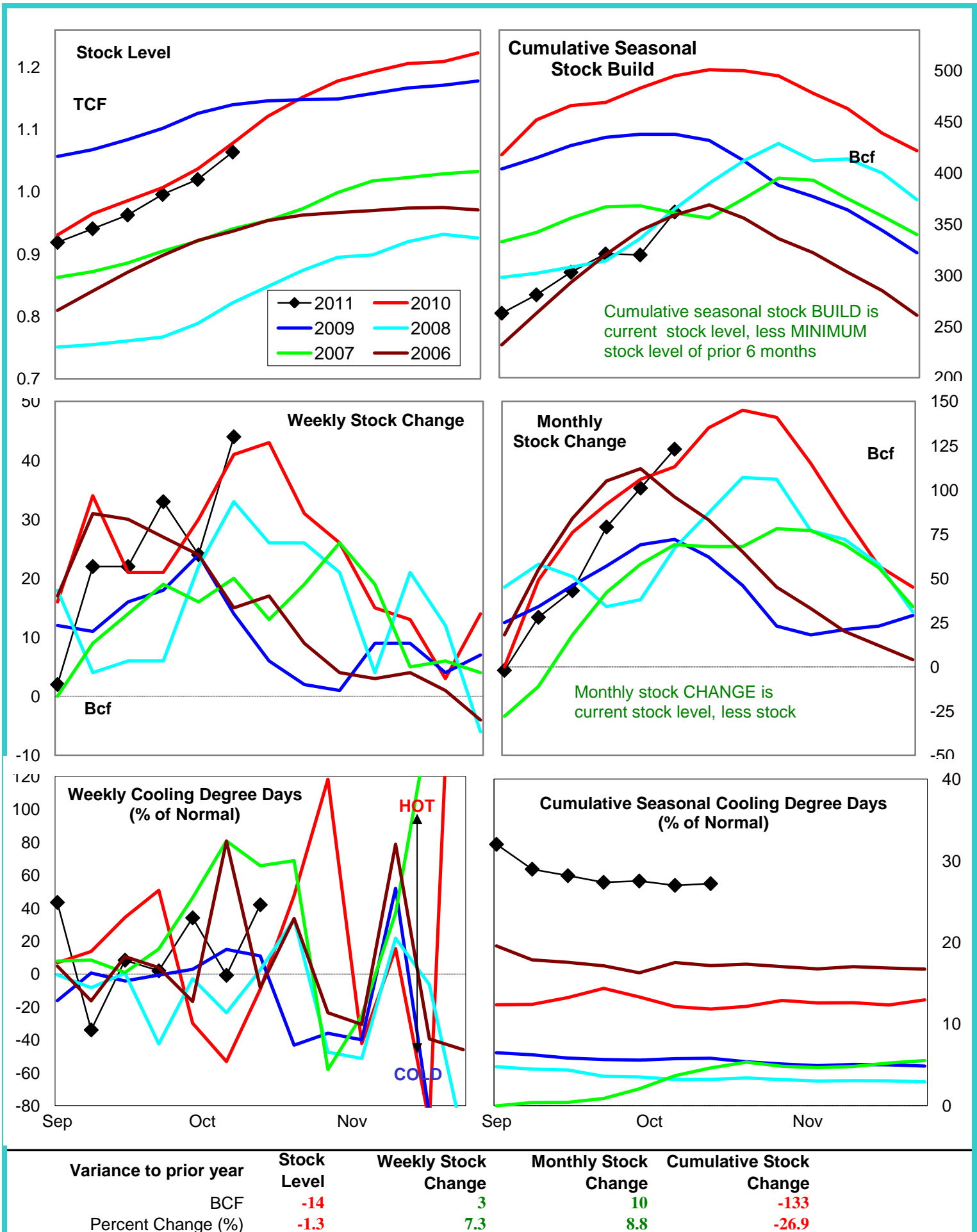
Natural Gas West Region Stock and Weather Trends



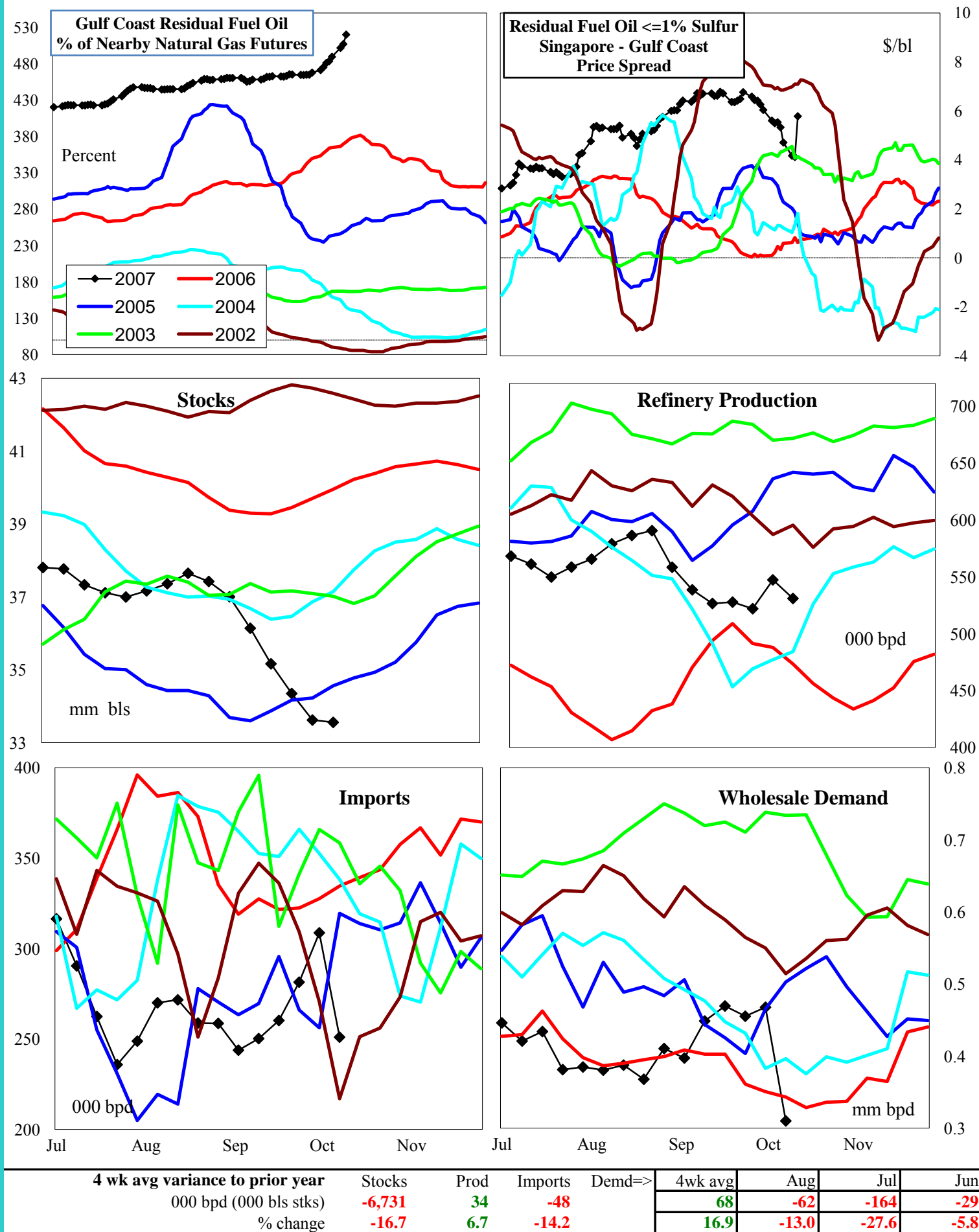
Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)-20
-4.09
180.033
253.851
24.3

Natural Gas Producing Region Stock and Weather Trends

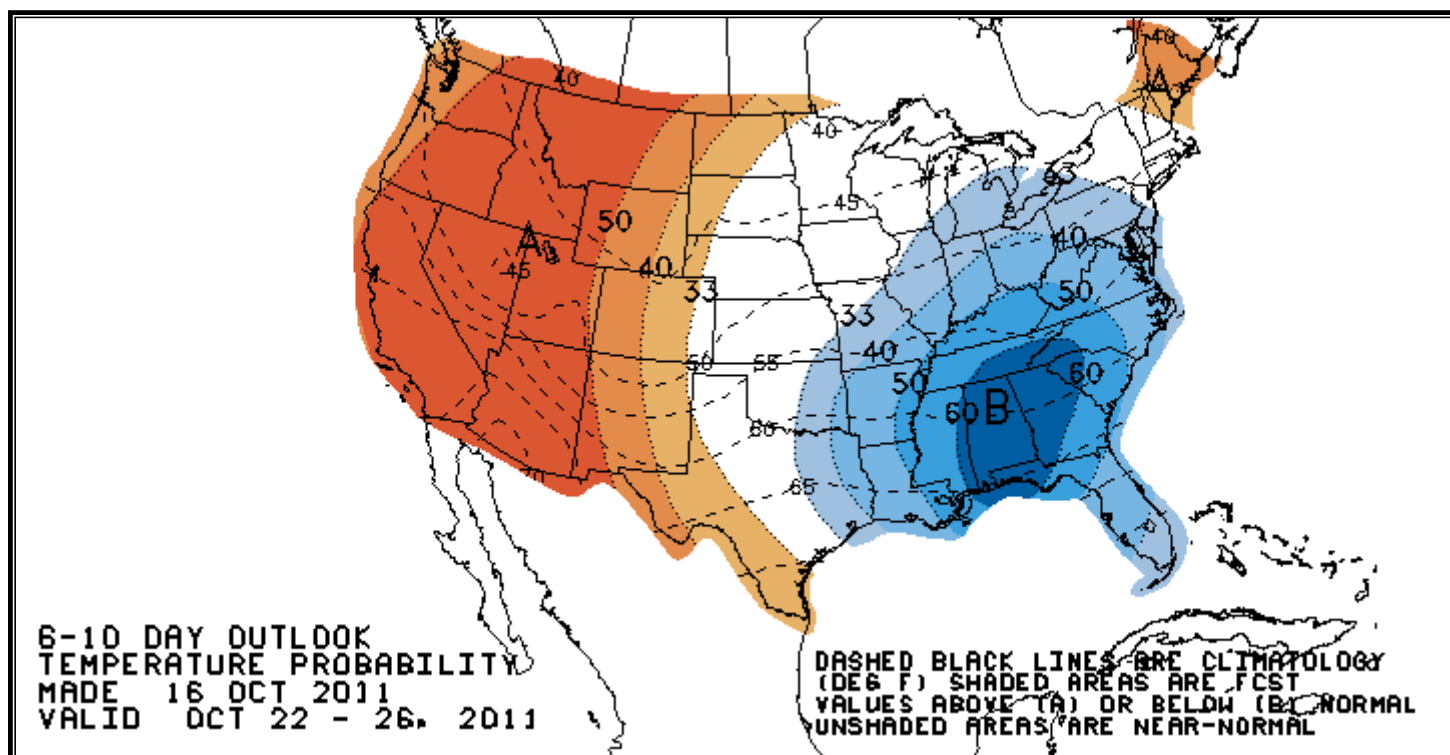


U.S. Residual Fuel Oil Price Spreads and Supply Balance



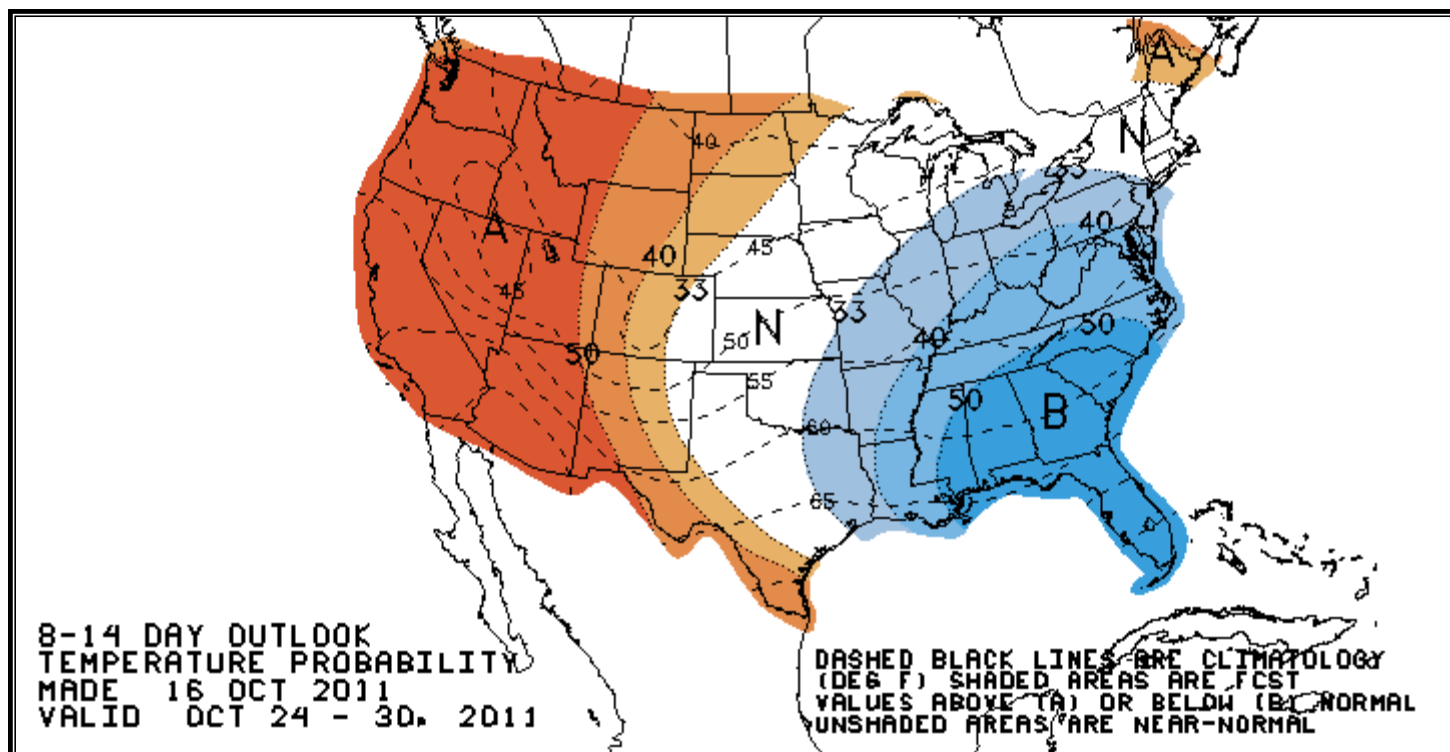
National Weather Service Climate Prediction Center

Degree Days 6 - 10 Day Temperature Forecast



National Weather Service Climate Prediction Center

Degree Days 8 - 14 Day Temperature Forecast



American Gas Association Regions

