

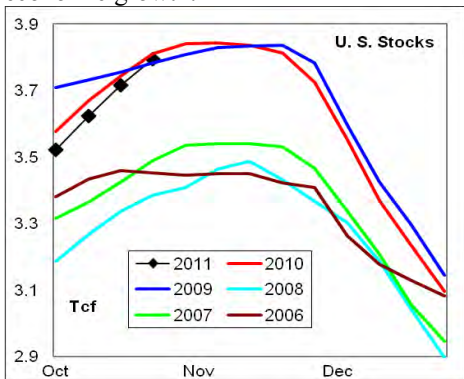
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

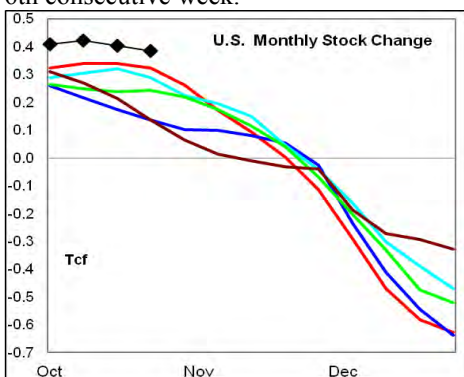
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Friday, November 04, 2011



Summary¹ The stock build of +78 Bcf for the week was above the 5-year range for the 6th consecutive week; driven by mild temperatures, high production and weak economic growth.



The latest 4-wk stock build was +19% above last years' record increase for the period, also above the historic range for the 6th consecutive week.



In the East Region stocks increased +32 Bcf for the period, a level near the upper end of the historic range. Stocks increased +7 Bcf in the West Region, a level that matched the 5-year high for the week. The stock build of +39 Bcf in the Producing Region was a 5-year high for the period.

Heating degree days were +3% above normal in the East Region, -3% below normal in the West Region and +3% above normal in the Producing Region for the week ending 29Oct11.

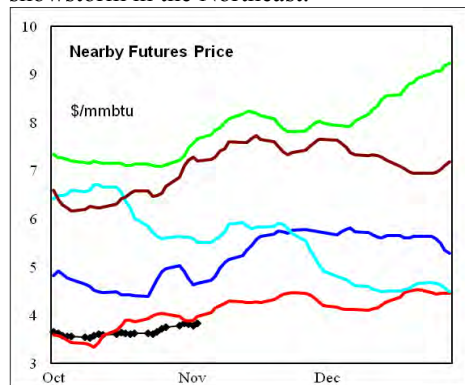
Heating degree days were +2% above normal for the week ended 29Oct11, and forecast to be -7% below normal for the

week ending 05Nov11.

The 6-10 day NWS forecast for the week ending 13Nov11 is for above normal heating degree days in the western 1/3rd of the country and below normal heating degree days in the eastern 2/3rds of the country.

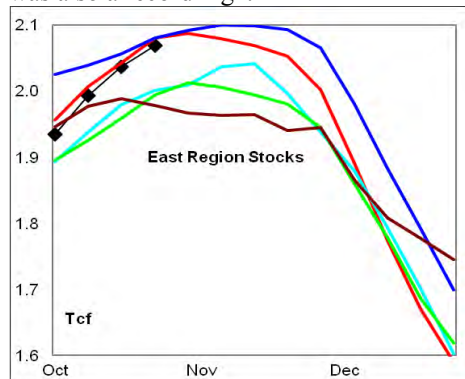
The 8-14 day NWS forecast for the week ending 17Nov11 is for above normal heating degree days in the western 1/2 of the country and below normal heating degree days in the eastern 1/3rd of the country.

Prices: Nearby gas futures prices decreased -\$0.10/mmbtu for the week ending 04Nov11. The price decrease was driven by a warming trend in the eastern 1/2 half of the country after the prior week early snowstorm in the Northeast.



The 1st - 4th month forward price curve trended higher for the week ending 04Nov11 on continued weakness in the prompt month.

East Region stocks increased +32 Bcf last week, a level near the upper end of the historic range. The latest 4-wk stock build was also a record high.

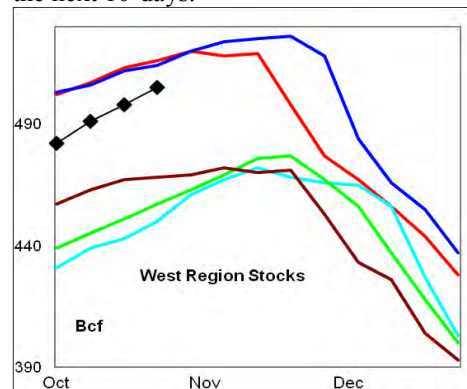


Heating degree days in the region were +3% above normal for the week ending 29Oct11, forecast to be -10% below normal for the week ending 05Nov11. Much below normal heating degree days are forecast for the next 10-days.

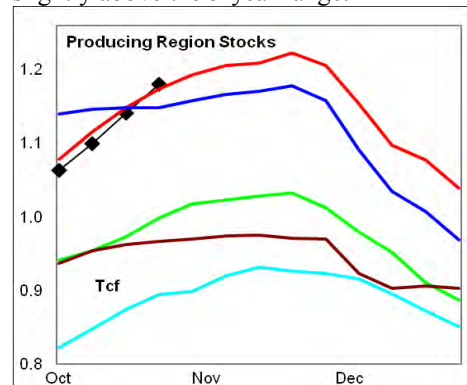
West Region stocks increased +7 Bcf on

the week, a level that matched the 5-year high for the week. Stock levels ended the week -2.1% below the 5-year high. The latest 4-wk stock build was a record high for the season.

Heating degree days were -3% below normal for the week ending 29Oct11, forecast to be +12% above normal for the week ending 05Nov11. Well above normal heating degree days are forecast for the next 10-days.



Producing Region stocks experienced a build of +39 Bcf on the week, a record high for the week. The monthly stock build was also a record high for this time of year. Stock levels ended the week slightly above the 5-year range.



Heating degree days were +3% above normal for the week ending 29Oct11, and forecast to be -9% below normal for the week ending 05Nov11. Below normal heating 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: Mild weather, high stock levels and record production capacity should constrain prices during the heating season. Any colder than normal weather forecast in major heating regions is unlikely to lift prices from the current low range due to excess supplies.

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: November 4, 2011

For the week ending: 28-Oct-11

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

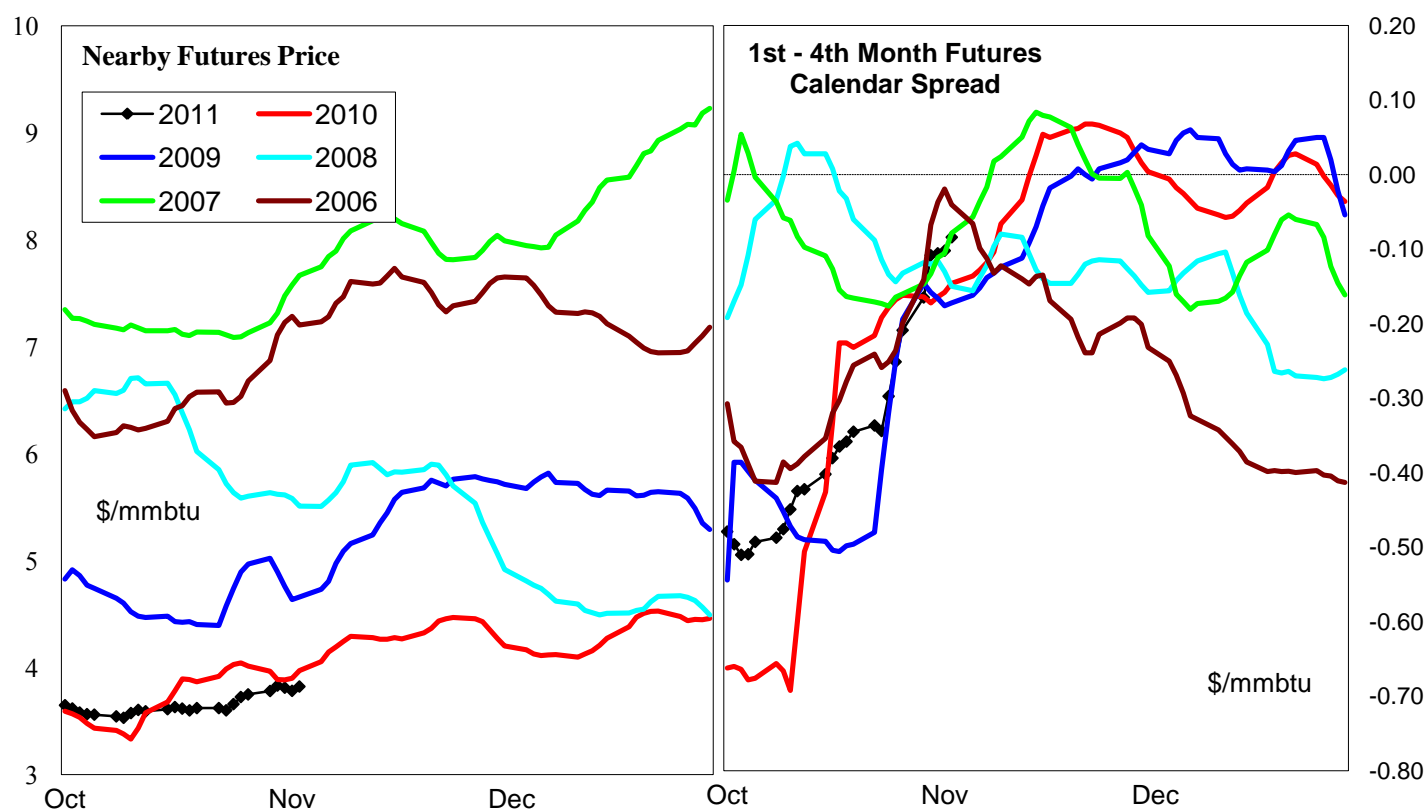
Week ending:	28-Oct-11			22-Oct-11		29-Oct-11		5-Nov-11	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,794	78	-0.4	47	3%	18	2%	1	-7%
East	2,069	32	-0.6	56	-2%	21	3%	0	-10%
West	505	7	-2.1	19	-12%	27	-3%	14	12%
Producing	1,220	39	0.5	32	91%	0	3%	-2	-9%

Seasonal Trends in Stocks and Heating Degree Days

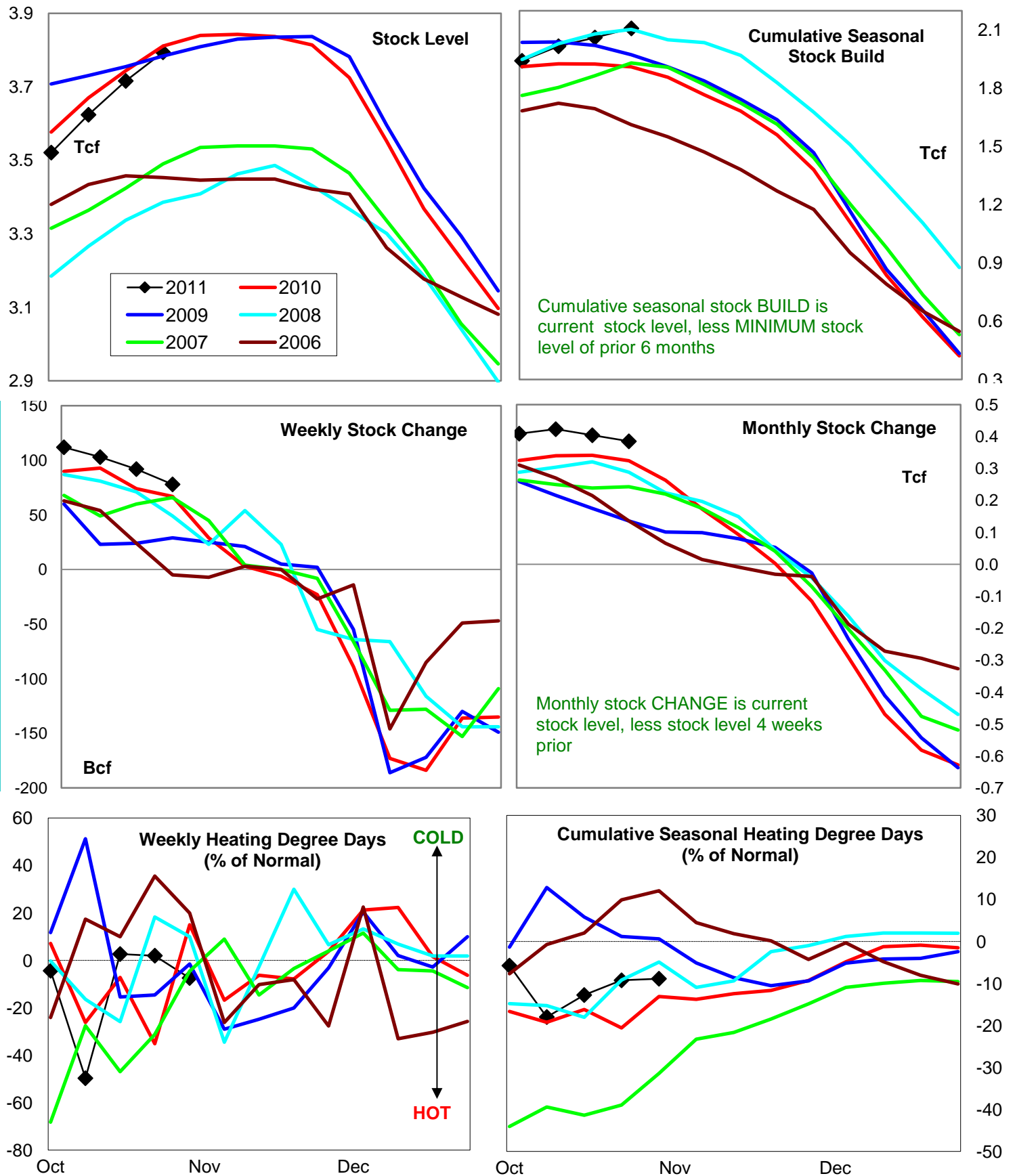
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	2,109	198	9.4	79	-12.8	97	-9.3	98	-8.9
East	1,403	184	13.1	90	-13.7	111	-9.9	111	-9.9
West	279	79	28.3	68	-23.2	95	-18.9	109	-13.5
Producing	427	-64	-15.0	47	30.5	47	20.5	45	12.1

Futures Market Price Trends

Date:	4-Nov-11	Change vs prior week, month, year		
		31-Oct-11	10-Oct-11	4-Nov-10
1st month Futures	3.82	-0.11	0.28	-0.19
% change	xxxxx	-2.8	8.0	-4.6



United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock Level

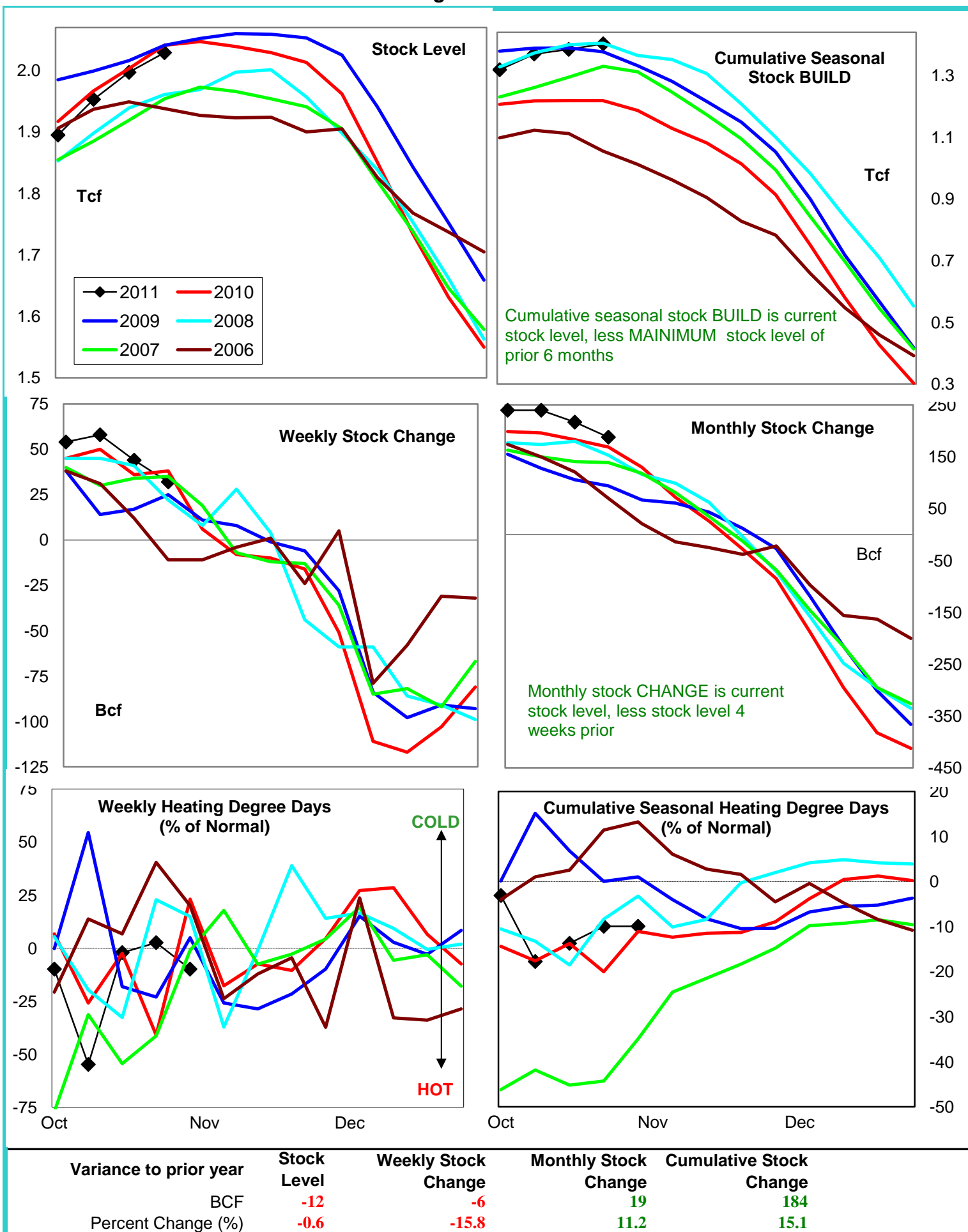
Weekly Stock Change

Monthly Stock Change

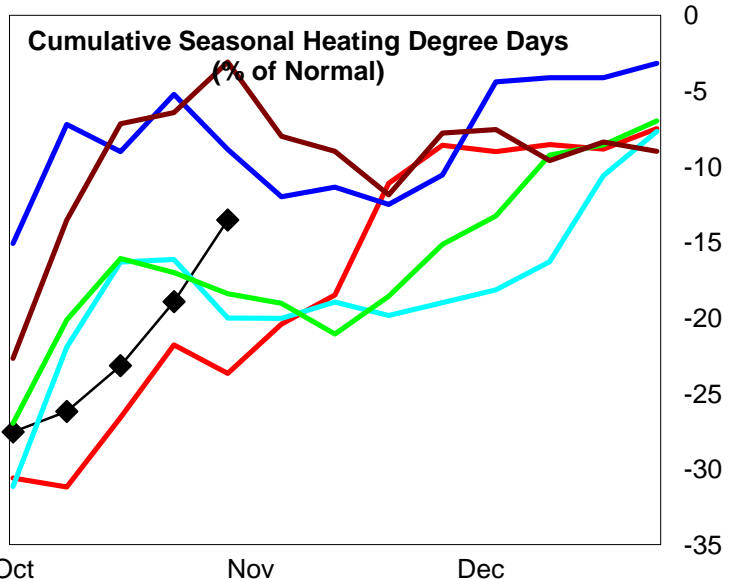
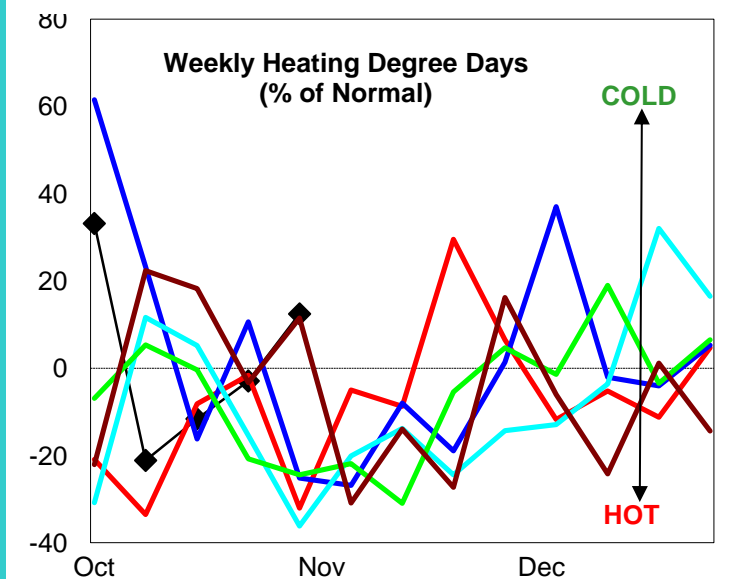
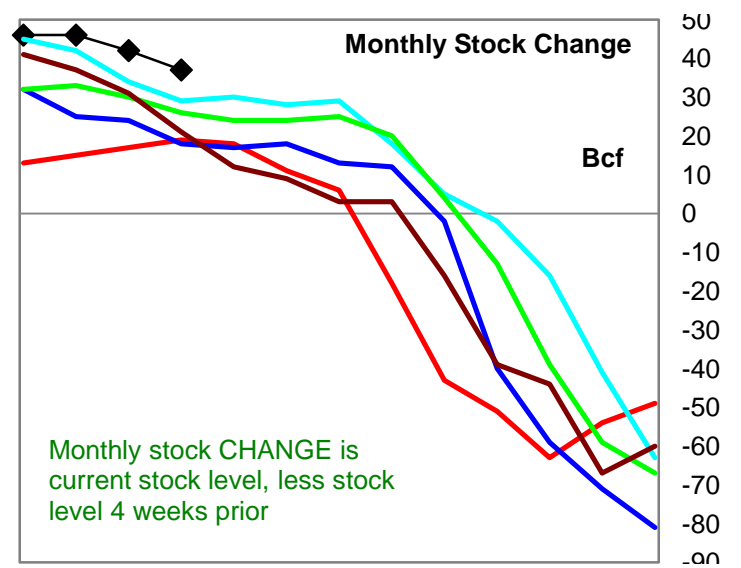
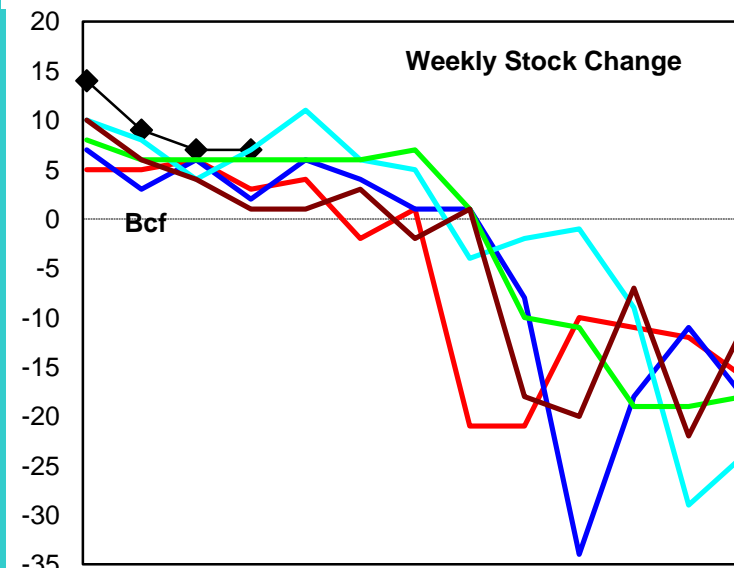
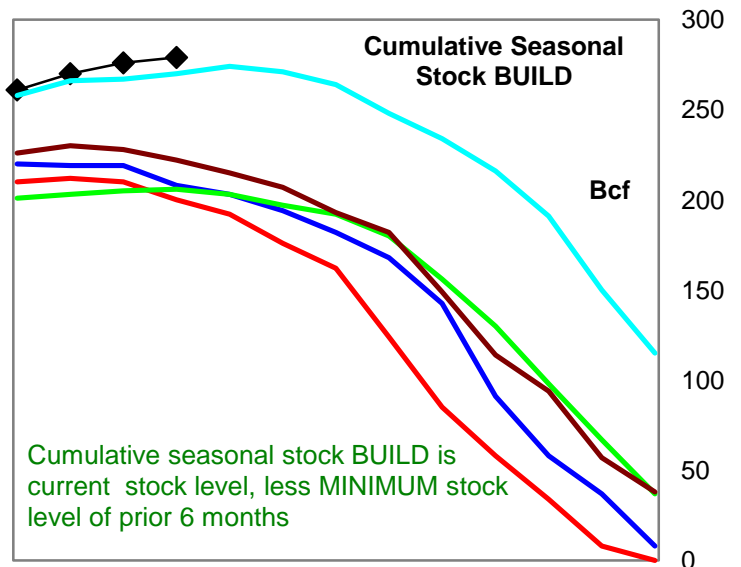
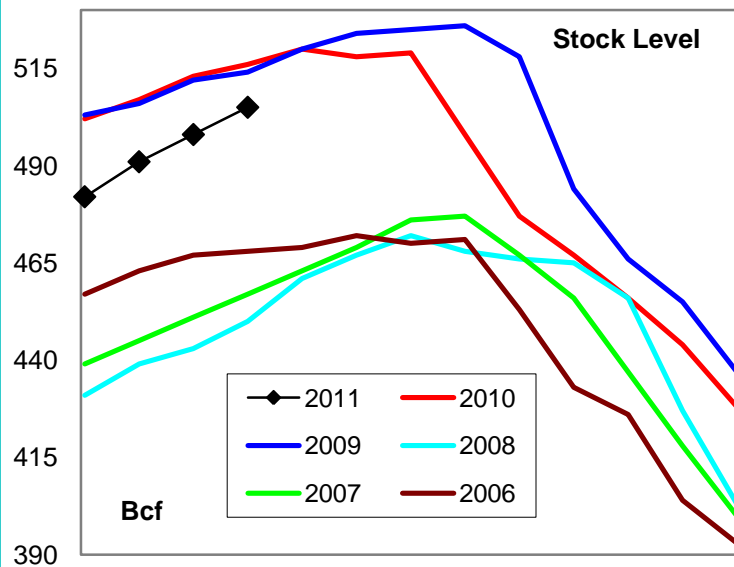
Cumulative Stock Change

BCF
Percent Change (%)-17
-0.411
16.461
18.8198
10.4

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 (%)

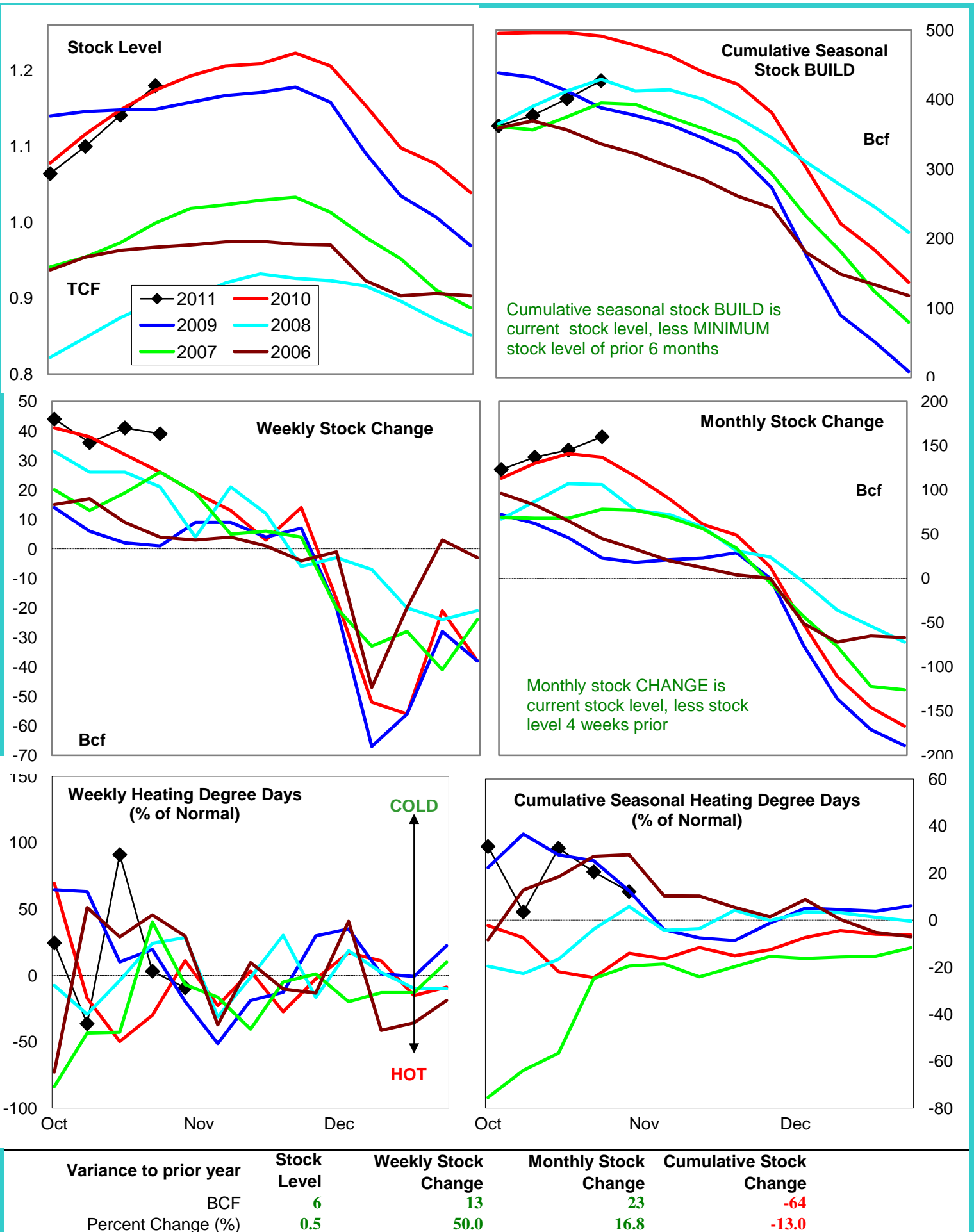
-11
-2.1

4
133.3

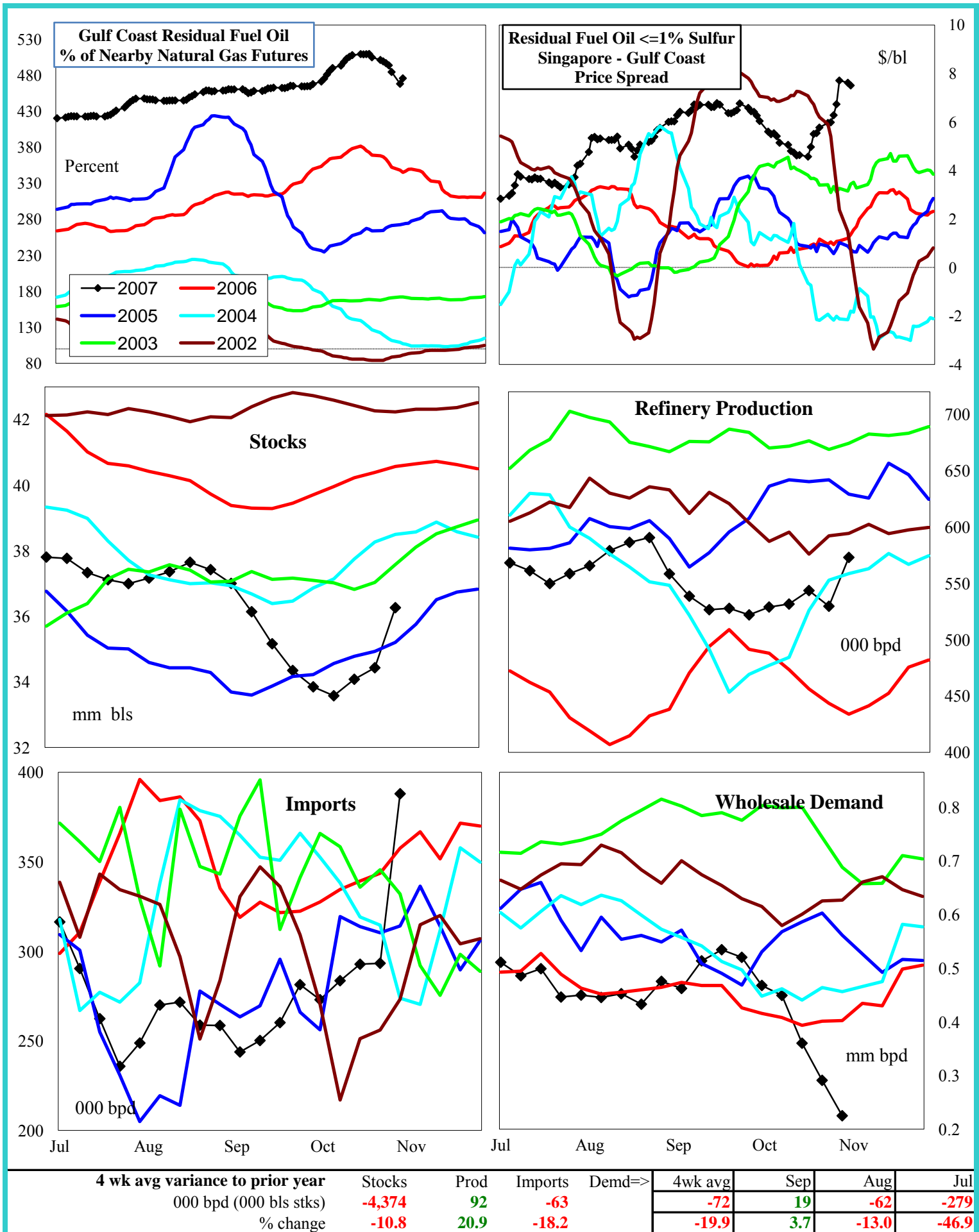
18
94.7

79
39.5

Natural Gas Producing Region Stock and Weather Trends

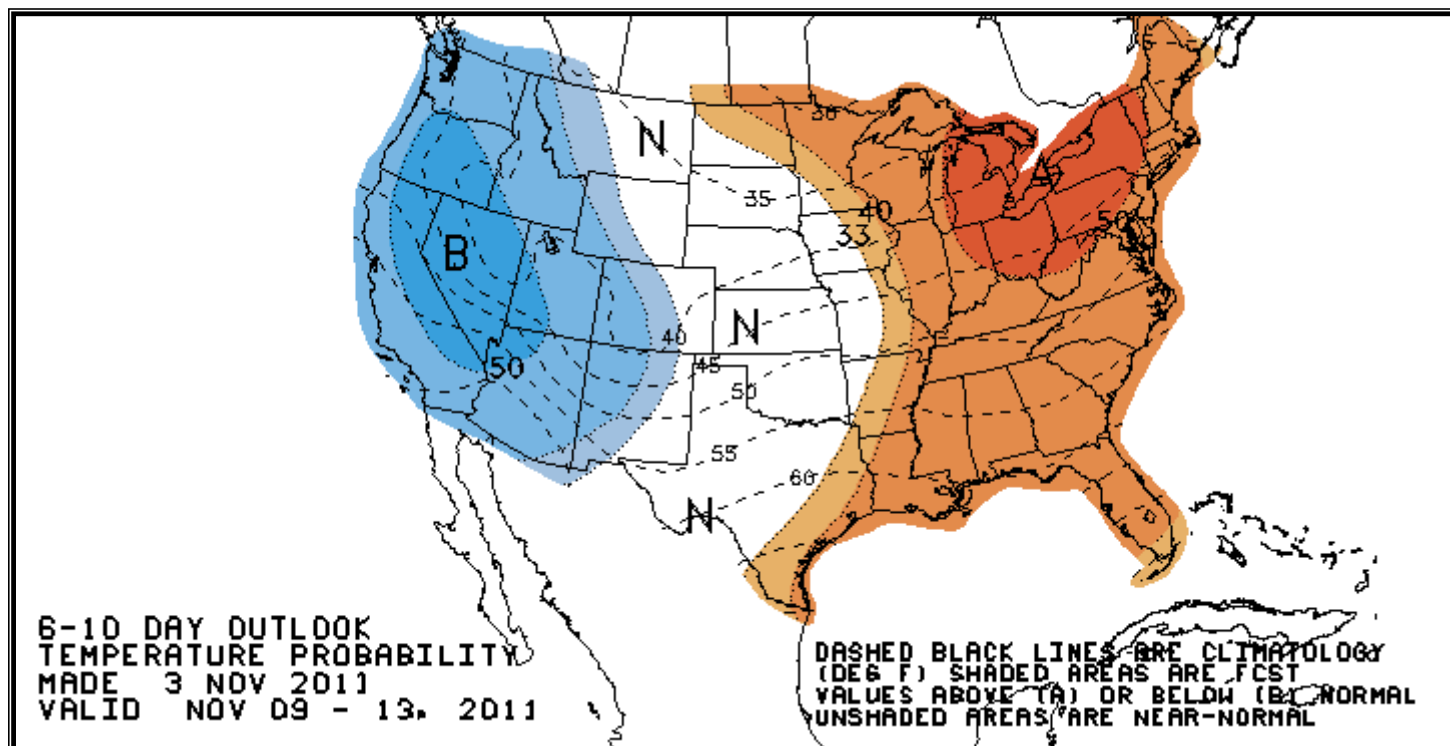


U.S. Residual Fuel Oil Price Spreads and Supply Balance



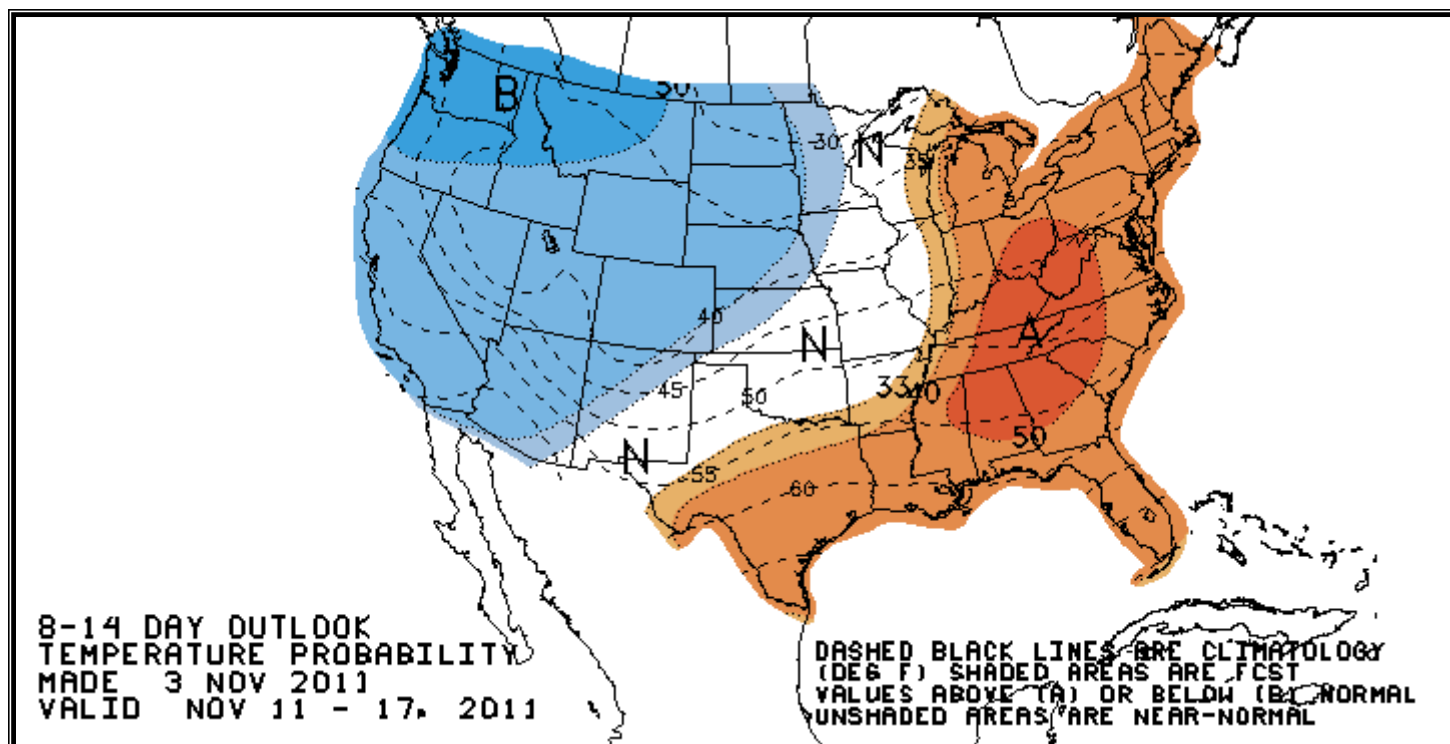
National Weather Service Climate Prediction Center

Degree Days 6 - 10 Day Temperature Forecast



National Weather Service Climate Prediction Center

Degree Days 8 - 14 Day Temperature Forecast



American Gas Association Regions

