



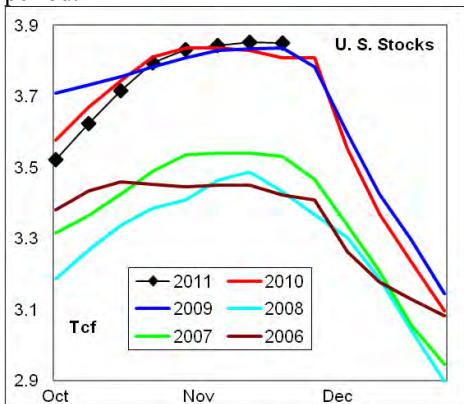
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

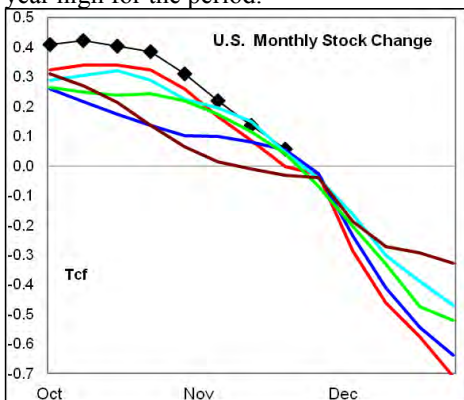
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Monday, December 05, 2011



Summary¹ The stock draw of -1 Bcf for the week matched the smallest drawdown of the week for this time of year. Stock levels reached a new 5-year high for the period.



The latest 4-wk stock build matched the 5-year high for the period.



In the East Region stocks decreased -17 Bcf for the week, a draw that was larger than the mid range for this time of year. Stocks increased +2 Bcf in the West Region, a build that was above the historic range for the week. The stock build of +14 Bcf in the Producing Region was a record build for the week.

Heating degree days were -27% below normal in the East Region, +11% above normal in the West Region and -31% below normal in the Producing Region for the week ending 26Nov11.

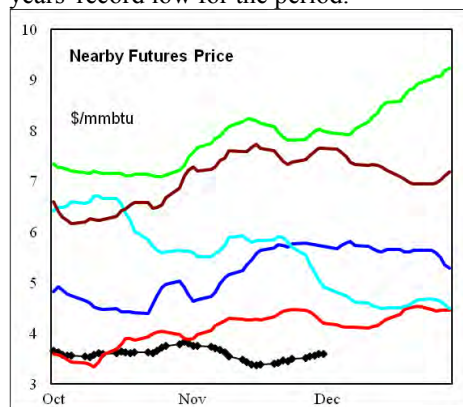
Heating degree days were -23% below normal for the week ended 26Nov11, and

estimated to be -10% below normal for the week ending 3Dec11.

The 6-10 day NWS forecast for the week ending 14Dec11 is for above normal heating degree days in the West and southeast, with other regions forecast to be normal.

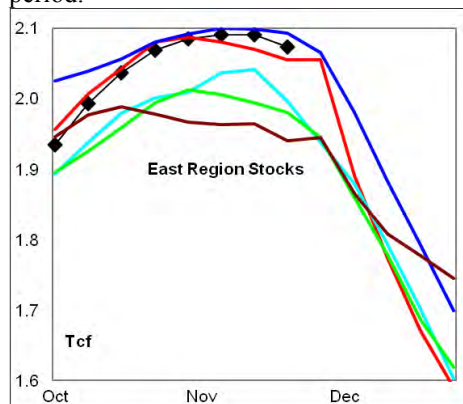
The 8-14 day NWS forecast for the week ending 18Dec11 is for below normal heating degrees in the eastern 1/3rd of the country and above normal heating degree days in the western 1/3rd of the country.

Prices: Nearby gas futures prices increased +\$0.04/mmbtu for the week ending 02Dec11; a level -\$0.76/mmbtu below last years' record low for the period.



The 1st - 4th month forward price curve trended higher for the week ending 02Dec11 at a level below the last 2-years.

East Region stocks decreased -17 Bcf for the week, a draw that was larger than the mid range for the week. The latest 4-wk stock build matched the 5-year high for the period.

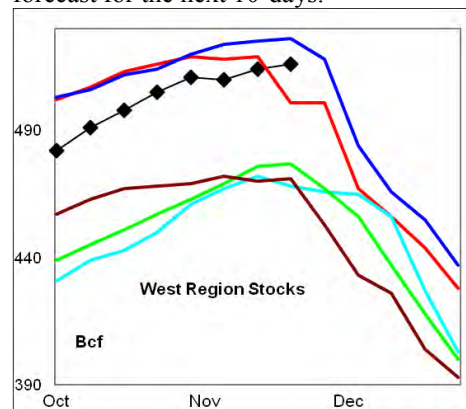


Heating degree days in the region were -27% below normal for the week ending 26Nov11, and estimated to be -19% below normal for the week ending 03Dec11. Normal heating degree days are forecast for the next 10-days.

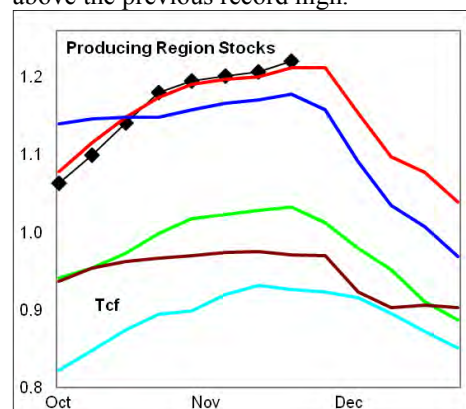
West Region stocks increased +2 Bcf on the week, a build that was above the

historic range for the week period. Stock levels ended the week +3% above last year. The latest 4-wk stock build was matched the mid range for the week.

Heating degree days were +11% above normal for the week ending 26Nov11, and estimated to be -9% below normal for the week ending 03Dec11. Above normal heating degree days are forecast for the next 10-days.



Producing Region stocks experienced a build of +14 Bcf on the week, a record build for the week. The monthly stock build matched the 5-year high for the week. Stock levels ended the week +0.7% above the previous record high.



Heating degree days were -31% below normal for the week ending 26Nov11, and estimated to be +40% above normal for the week ending 03Dec11. Near 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: Heating degree days are forecast to be below normal by mid month in key heating markets. Stock levels are at record highs. These trends point to continued rice weakness.

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: December 5, 2011

For the week ending: 25-Nov-11

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

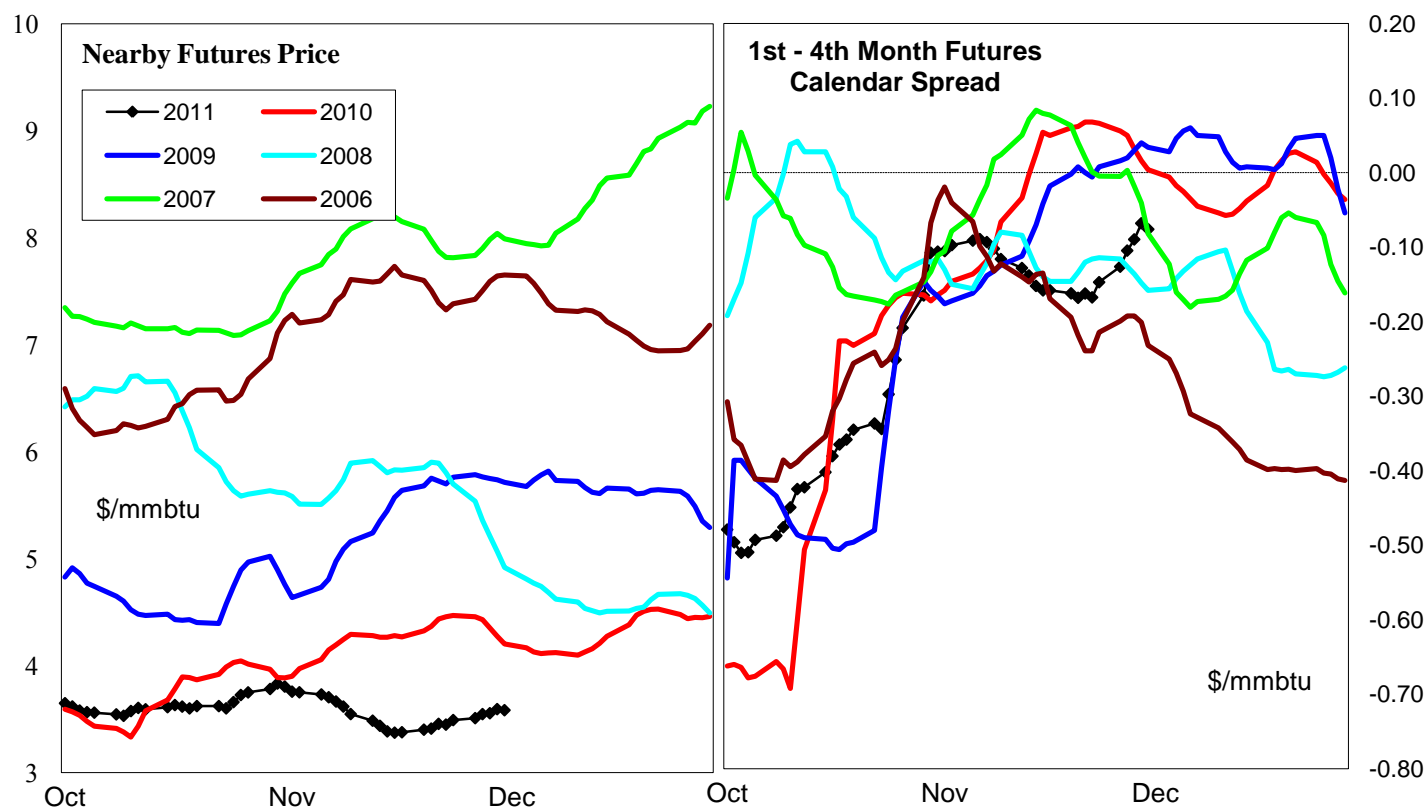
Week ending:	25-Nov-11			19-Nov-11		26-Nov-11		3-Dec-11	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,851	-1	1.1	0	-16%	5	-23%	35	-10%
East	2,074	-17	0.9	3	-21%	4	-27%	27	-19%
West	516	2	3.0	1	18%	5	11%	2	-9%
Producing	1,261	14	0.7	-11	-18%	8	-31%	80	40%

Seasonal Trends in Stocks and Heating Degree Days

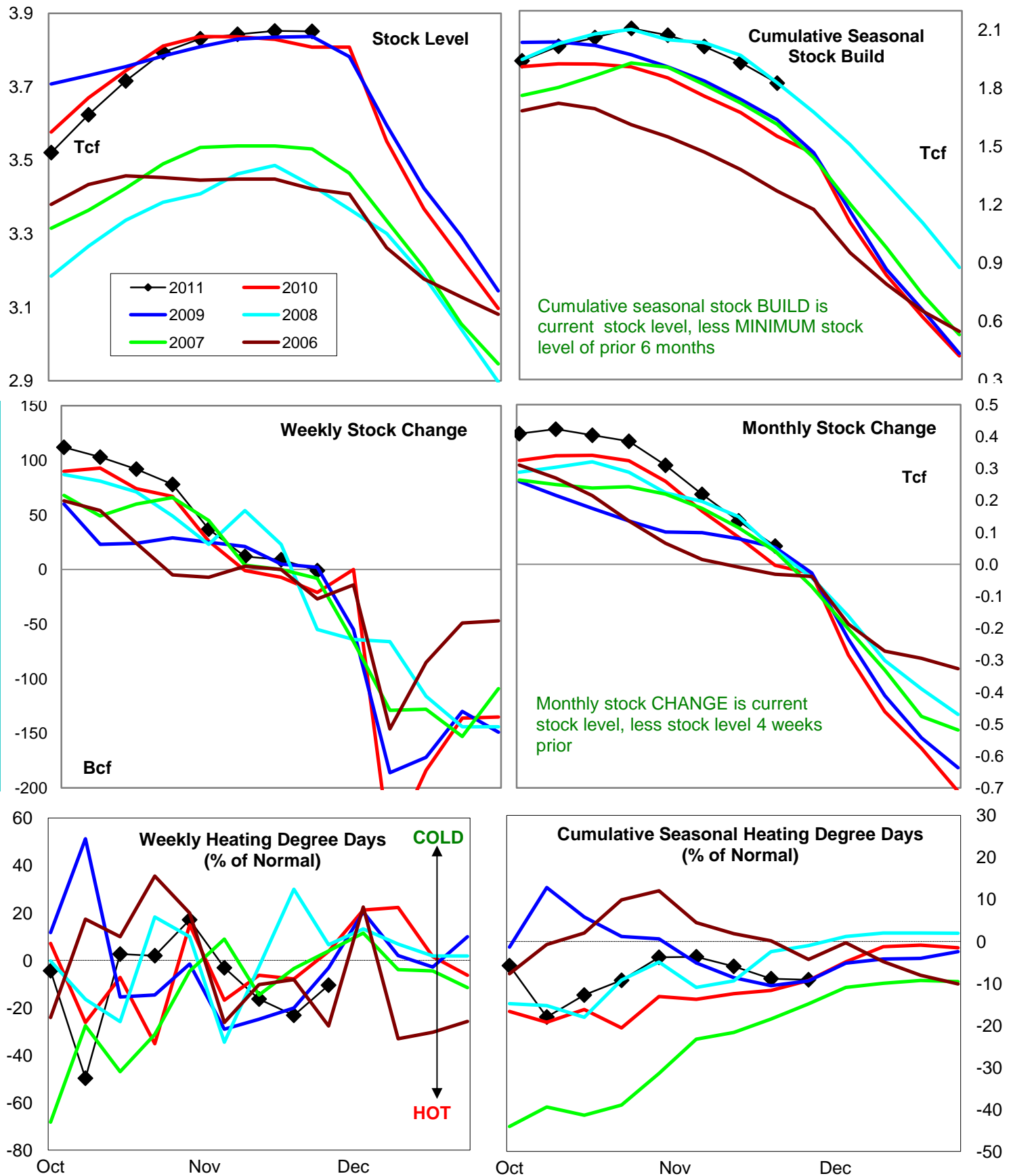
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	1,827	273	14.9	115	-5.9	120	-8.9	155	-9.1
East	1,214	198	16.3	125	-9.5	129	-12.3	156	-13.3
West	254	127	50.0	151	1.2	155	2.7	158	0.9
Producing	359	-52	-14.5	61	19.2	69	6.9	149	13.8

Futures Market Price Trends

Date:	2-Dec-11	Change vs prior week, month, year		
		28-Nov-11	4-Nov-11	2-Dec-10
1st month Futures	3.58	0.22	-0.11	-0.47
% change	xxxxx	6.5	-3.0	-11.5



United States Natural Gas Stock and Weather Trends



Variance to prior year

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

43

20

60

273

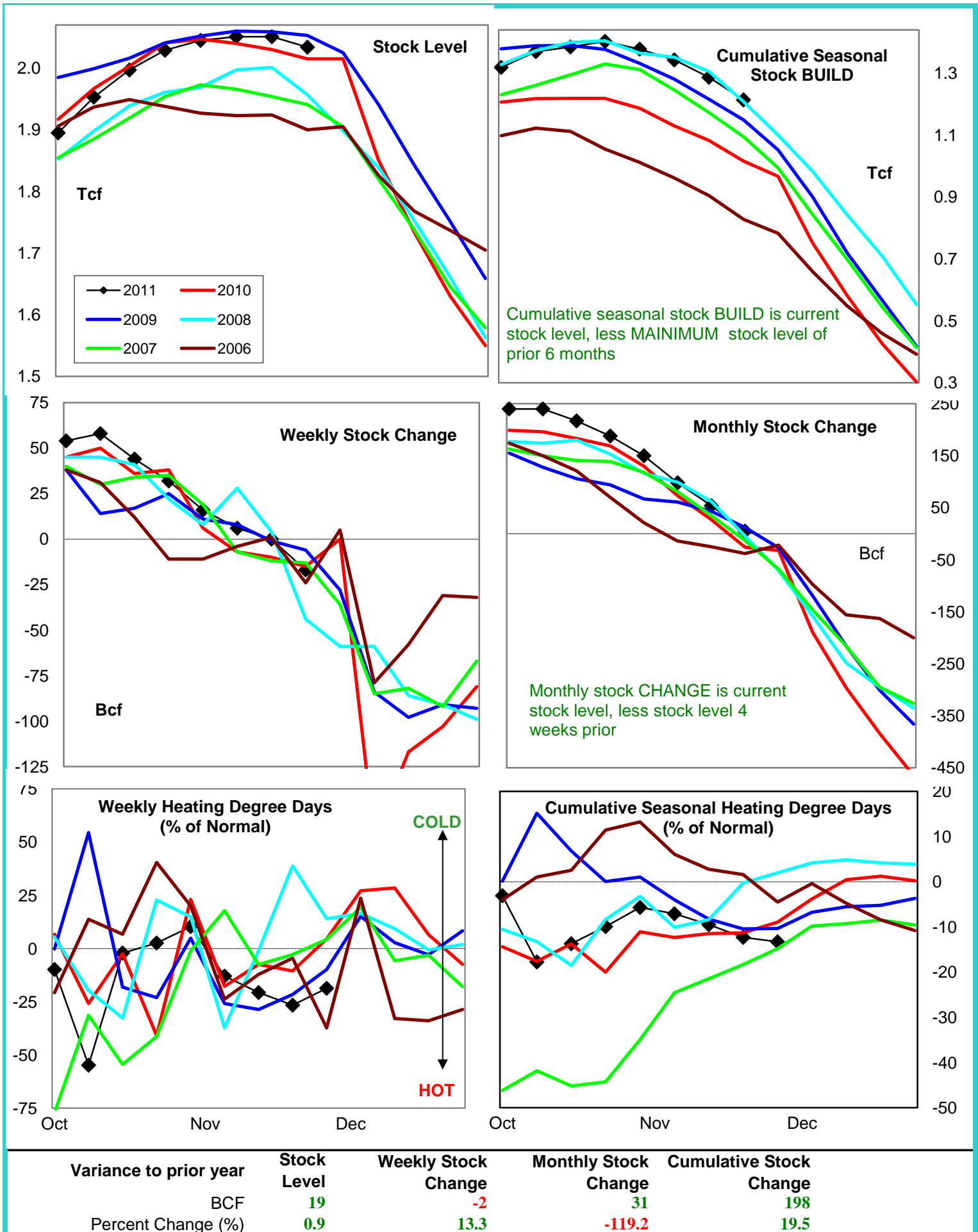
1.1

-95.2

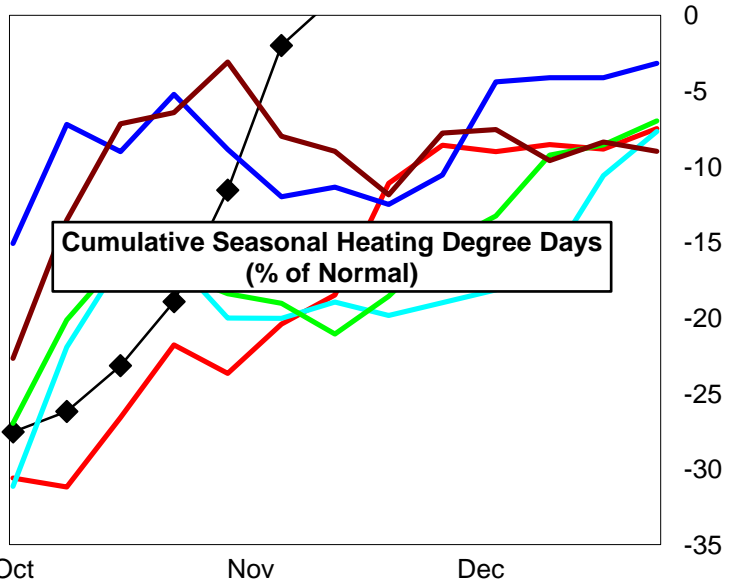
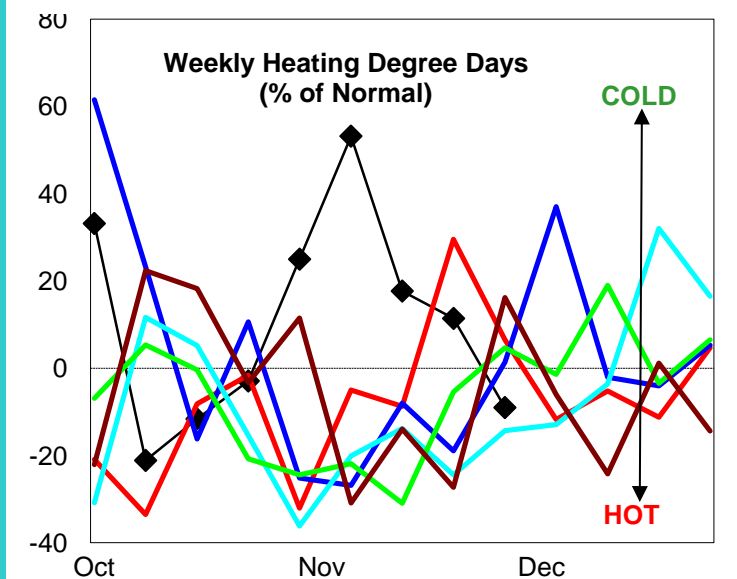
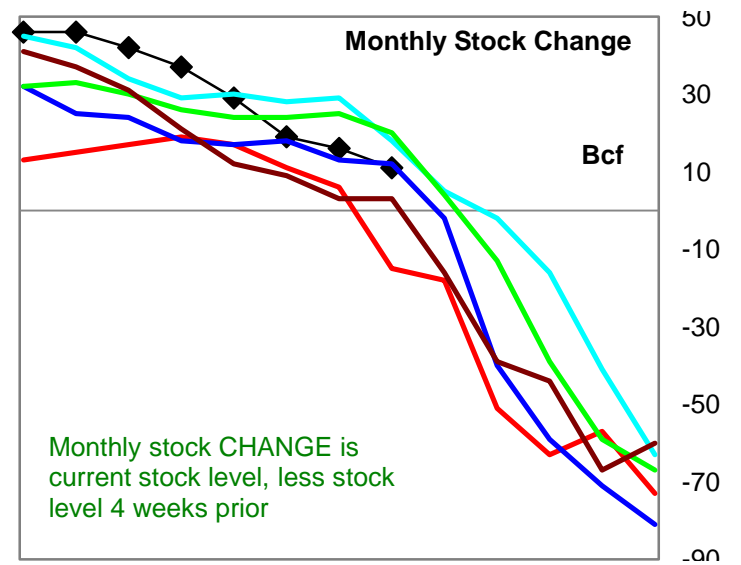
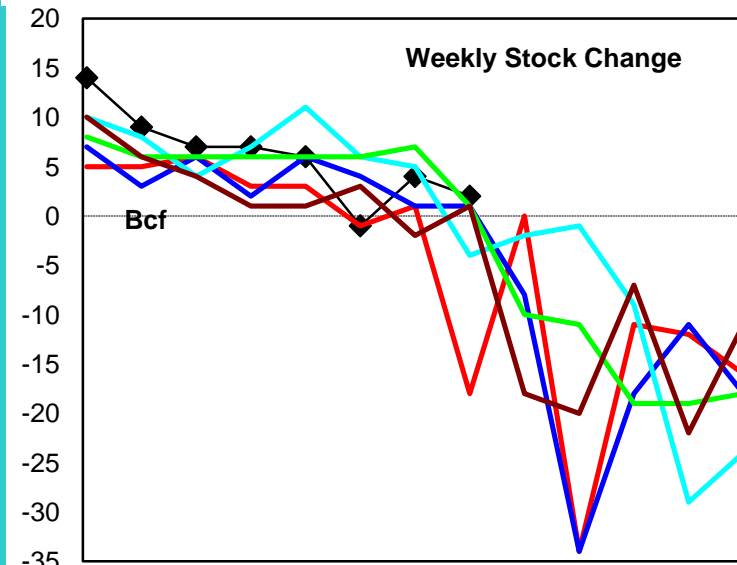
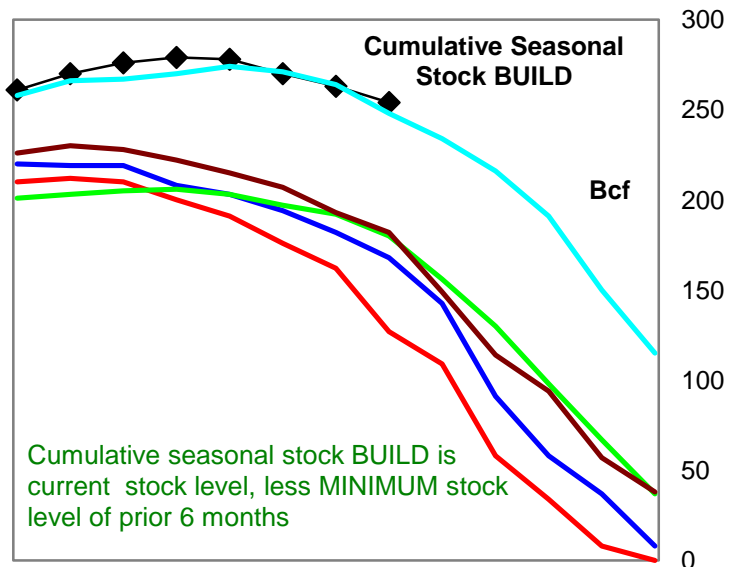
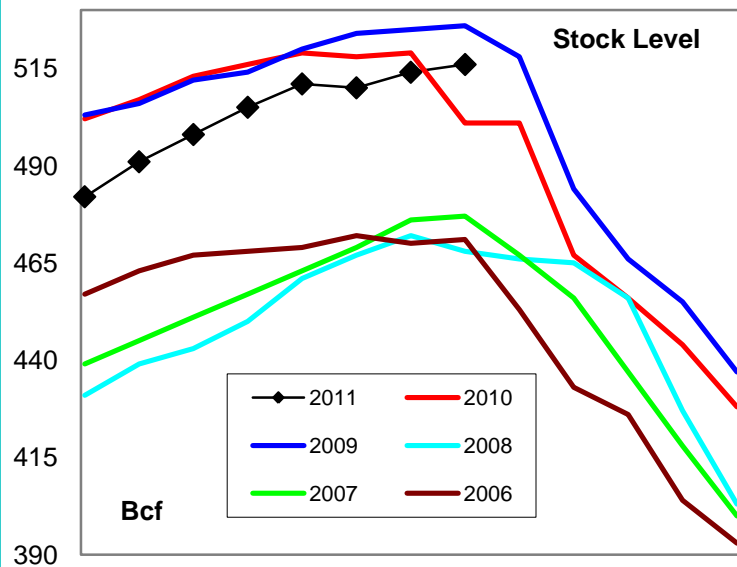
-2,000.0

17.6

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 (%)

15

20

26

127

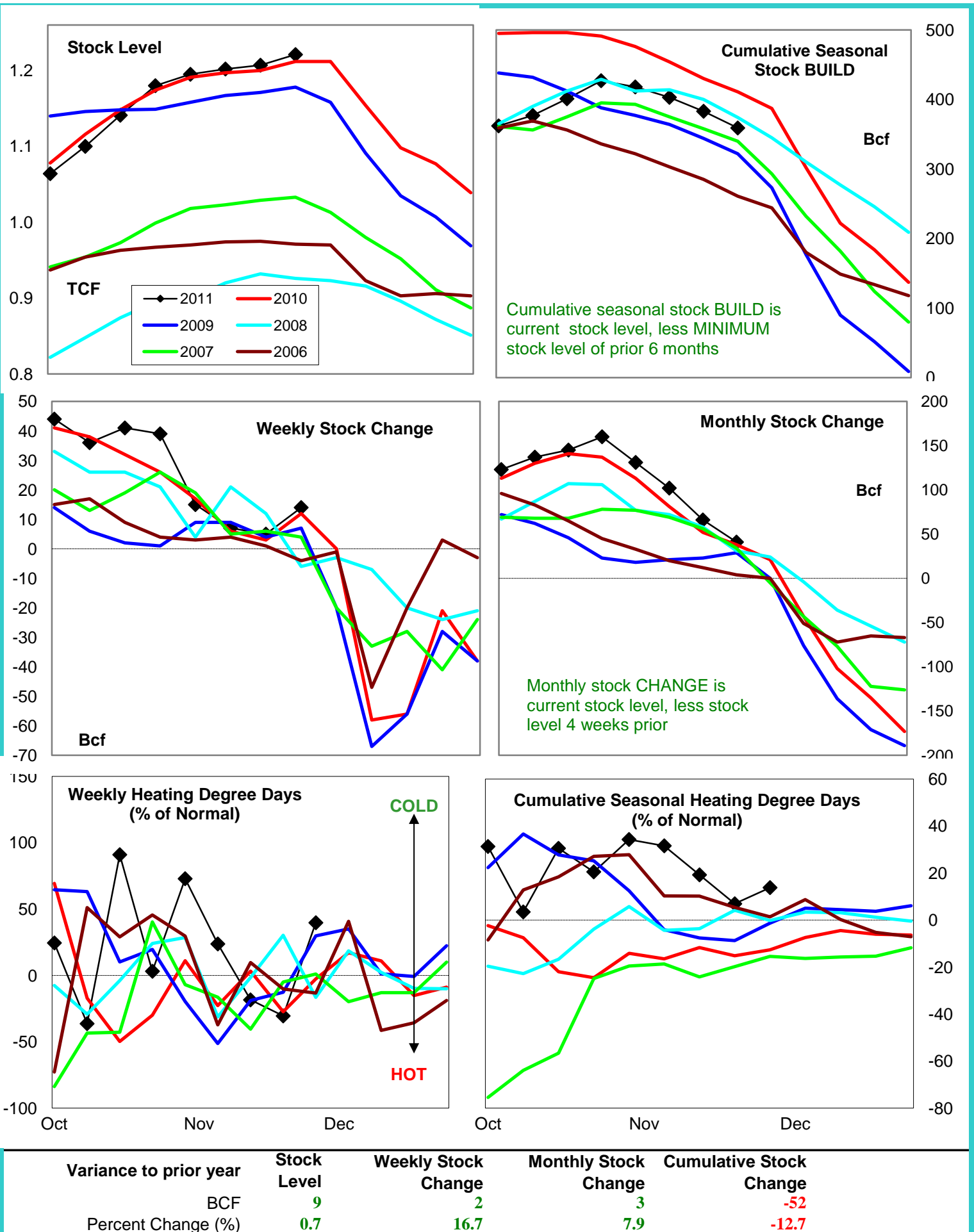
3.0

-111.1

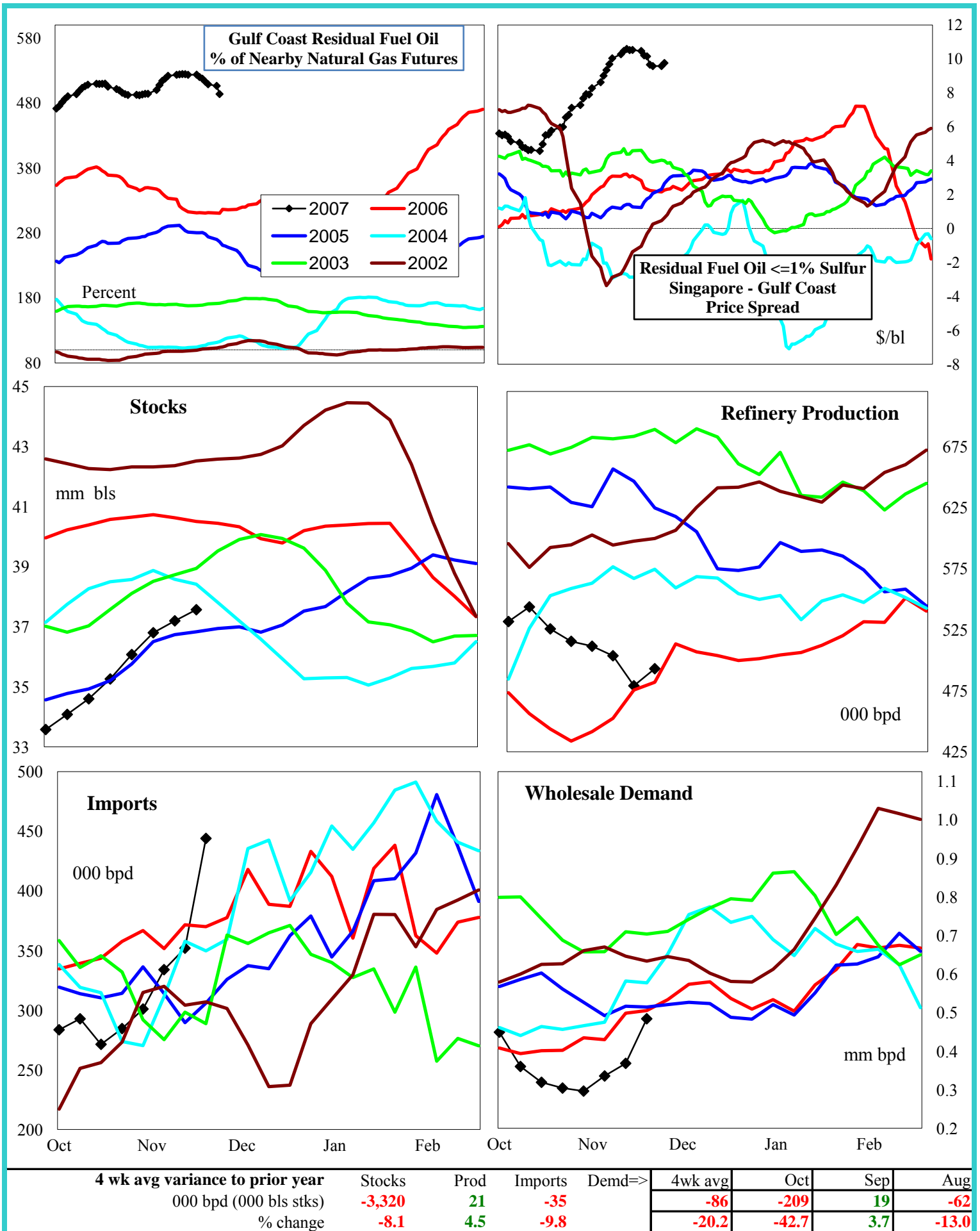
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100.0

Natural Gas Producing Region Stock and Weather Trends

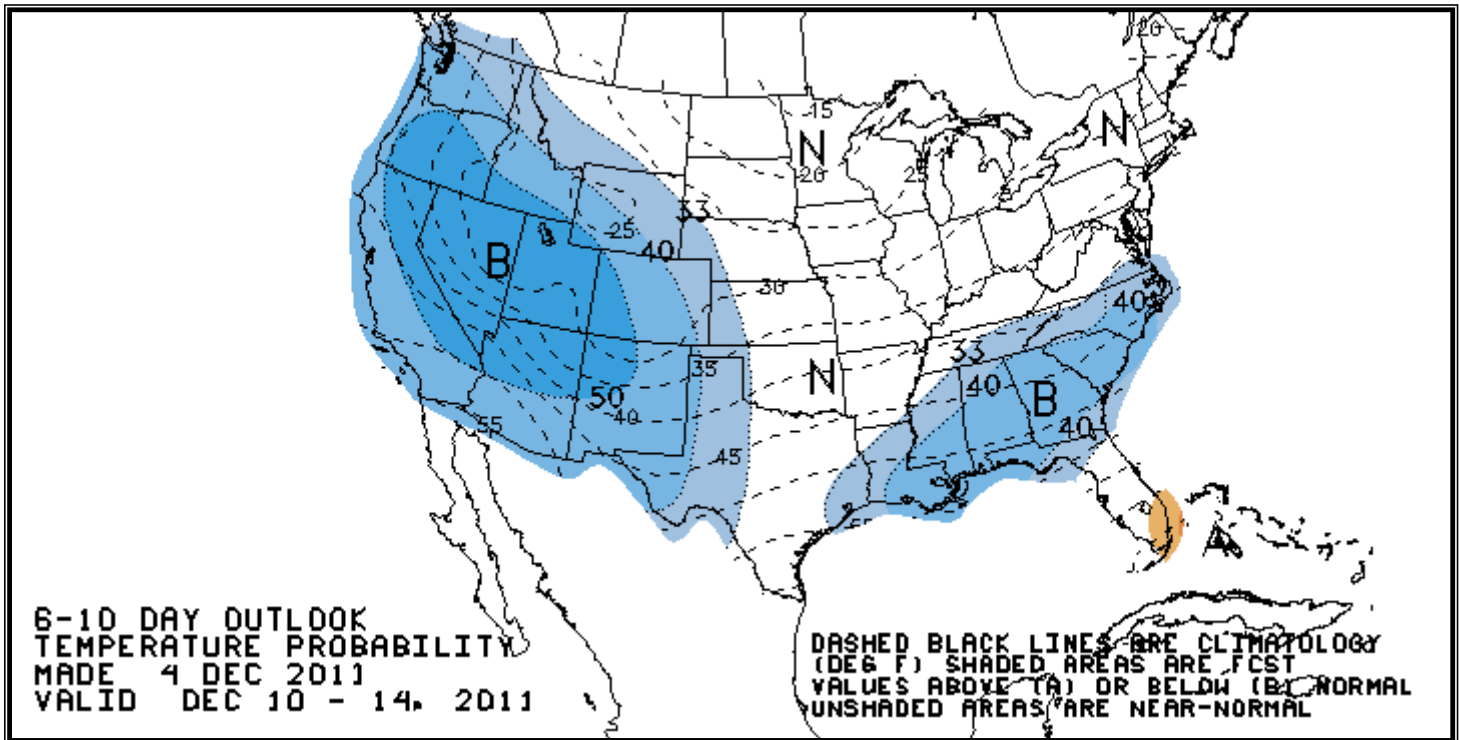


U.S. Residual Fuel Oil Price Spreads and Supply Balance



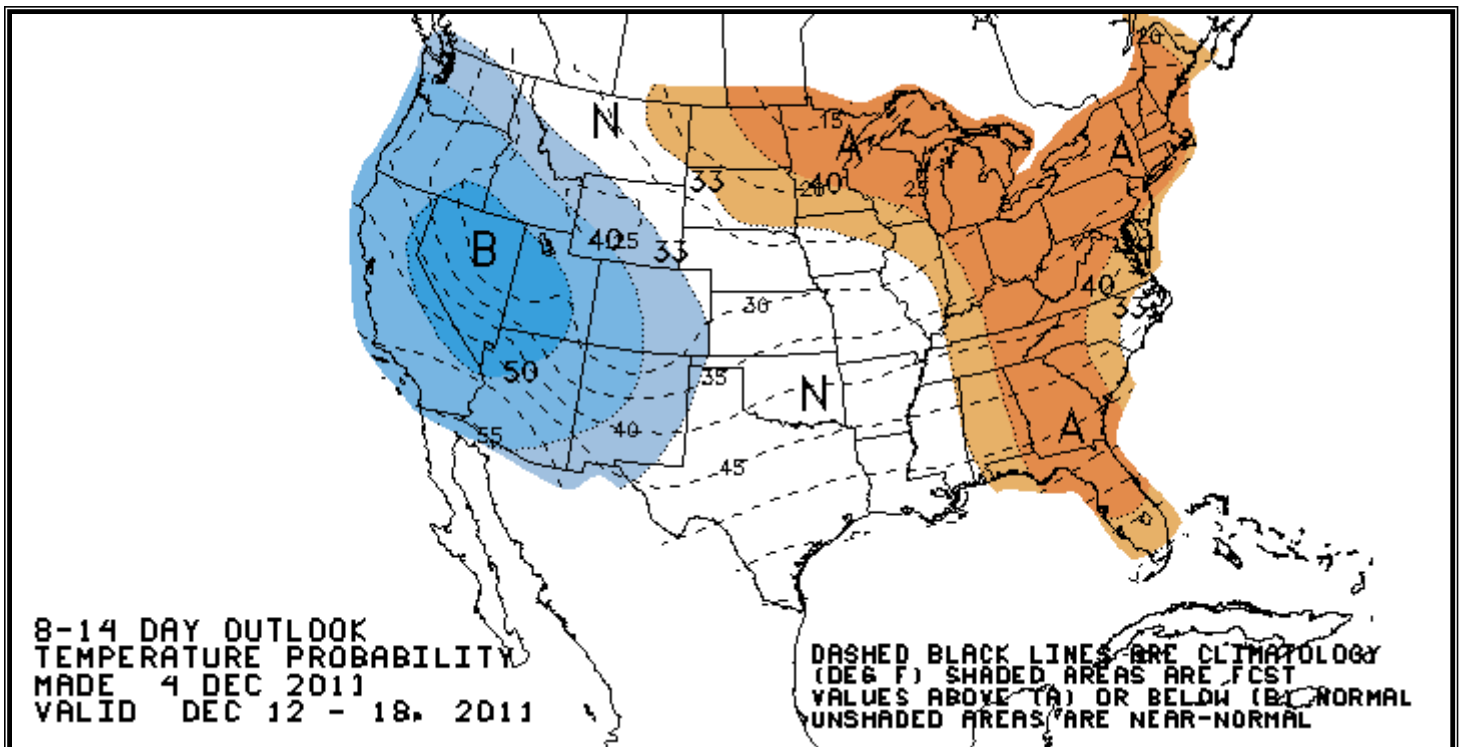
National Weather Service Climate Prediction Center

Degree Days 6 - 10 Day Temperature Forecast



National Weather Service Climate Prediction Center

Degree Days 8 - 14 Day Temperature Forecast



American Gas Association Regions

