

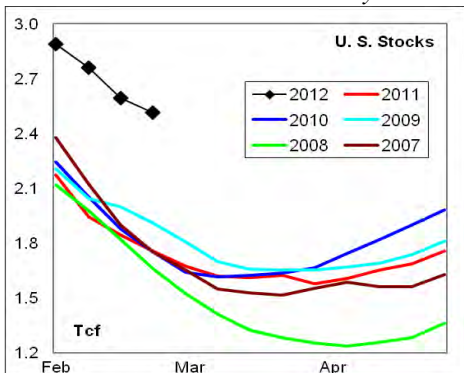
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

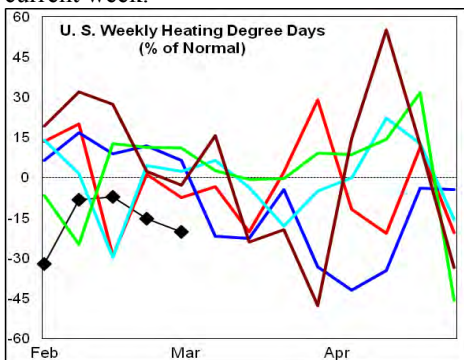
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, March 01, 2012



Summary¹ The stock draw of -82 Bcf for the week matched the lowest draw of the last 5-years for this period. *Stock levels ended the week +43% above last year.*



Heating degree days for the week ending 25Feb12 were -15% below normal and forecast to be -20% below normal for the current week.



In the East Region stocks decreased -58 Bcf for the week, the smallest draw of the last 5-years for this period. Stocks declined -5 Bcf in the West Region, a record low draw for the period. The stock draw of -19 Bcf in the Producing Region was less than the mid range.

Heating degree days were -16% below normal in the East Region, -7% below normal in the West Region and -21% below normal in the Producing Region for the week ending 25Feb12.

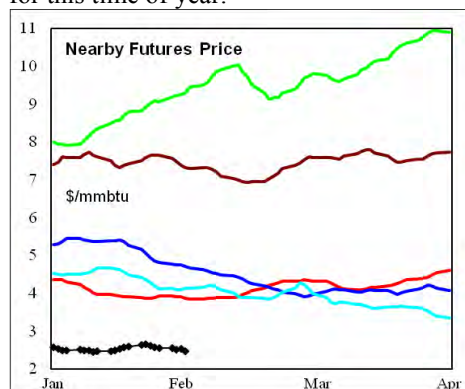
Heating degree days were -15% below normal for the week ended 25Feb12, and forecast to be -20% below normal for the current week.

The 6-10 day NWS forecast for the

week ending 10Mar12 is for below normal heating degree days across the eastern 1/2 of the country and colder than normal along the west coast.

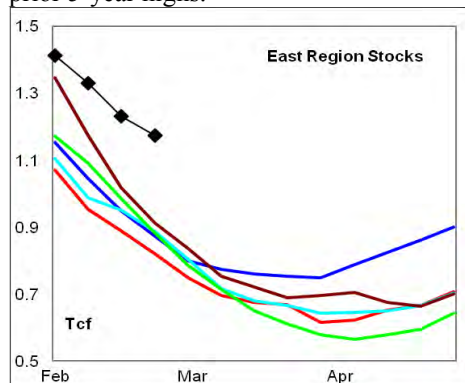
The 8-14 day NWS forecast for the week ending 14Mar12 is for an extension of the 6-10 day forecast, with heating degree days below normal across the eastern 1/2 of the country and colder than normal in the northwest.

Prices: Nearby gas futures prices decreased -\$0.15/mmbtu for the week ending 01Mar12. The current price is -\$1.40/mmbtu below the prior 5-year low for this time of year.



The 1st - 4th month forward price curve increased on the roll to April prompt month last week ending 01Mar12, to a level at the low end of the historic range.

East Region stocks decreased -58 Bcf for the week, the smallest draw of the last 5-years for this period. The current stock level was +43% above last year, and above prior 5-year highs.

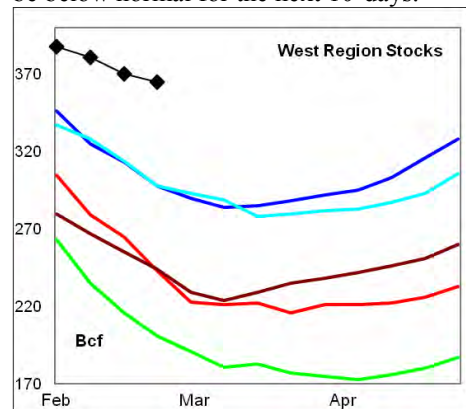


Heating degree days in the region were -16% below normal for the week ending 25Feb12, and forecast to be -21% below normal for the current week. Temperatures are forecast to be much above normal for the next 10-days.

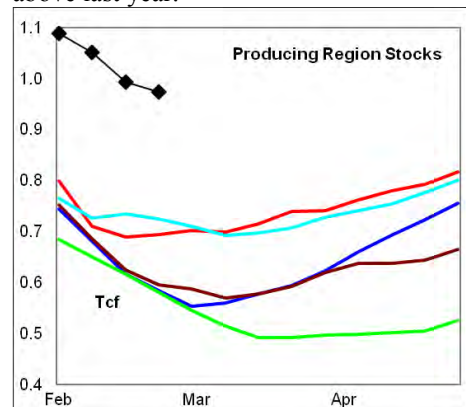
West Region stocks decreased -5 Bcf on the week, a record low draw for the week. Stock levels ended the week +50% above last year and above the 5-year range. The

latest 4-wk stock draw was a record low for the period.

Heating degree days were -7% below normal for the week ending 25Feb12, and forecast to be +8% above normal for the current week. Temperatures are forecast to be below normal for the next 10-days.



Producing Region stocks experienced a draw of -19 Bcf on the week, a draw that was less than the mid range. The monthly stock draw was near the low of the last 5-years. Stock levels ended the week +40% above last year.



Heating degree days were -21% below normal for the week ending 25Feb12, and forecast to be -41% below normal for the current week. Above normal temperatures 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, with residual fuel demand -45% below last year.

Outlook: Stocks are +43% above a year ago. Production is being constrained in the Producing region with year-on-year stock levels up less than in any other regional market. Extremely mild temperatures are forecast through mid March for the eastern 1/2 of the country. There is risk prices will drop below earlier record low levels ahead of the fall heating season.

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: March 1, 2012

For the week ending: 24-Feb-12

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

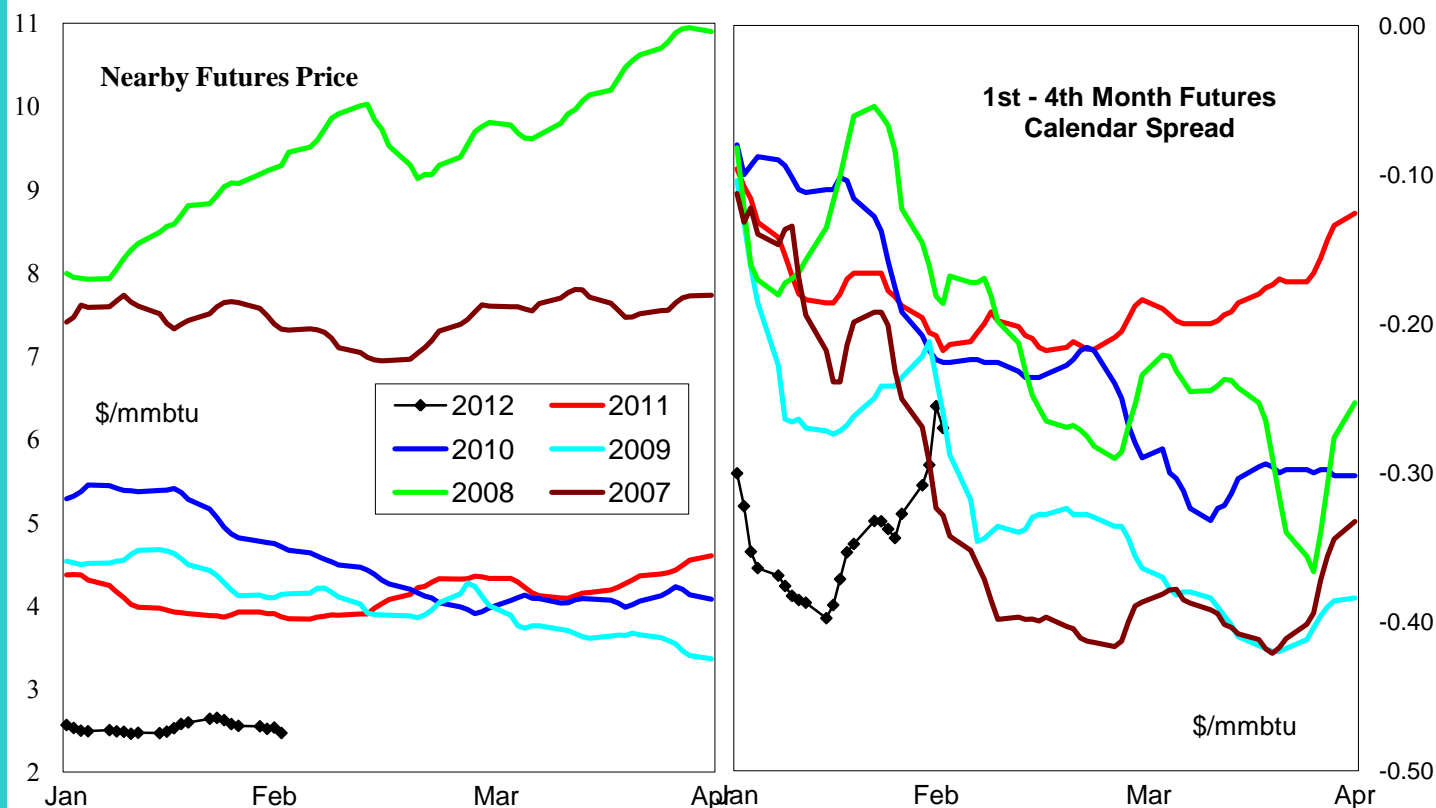
Week ending:	24-Feb-12			18-Feb-12		25-Feb-12		3-Mar-12	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,513	-82	43.0	-8	-7%	-28	-15%	-20	-20%
East	1,174	-58	43.3	-9	-10%	-24	-16%	-24	-21%
West	365	-5	50.2	11	2%	-26	-7%	17	8%
Producing	974	-19	40.1	-16	5%	-43	-21%	-30	-41%

Seasonal Trends in Stocks and Heating Degree Days

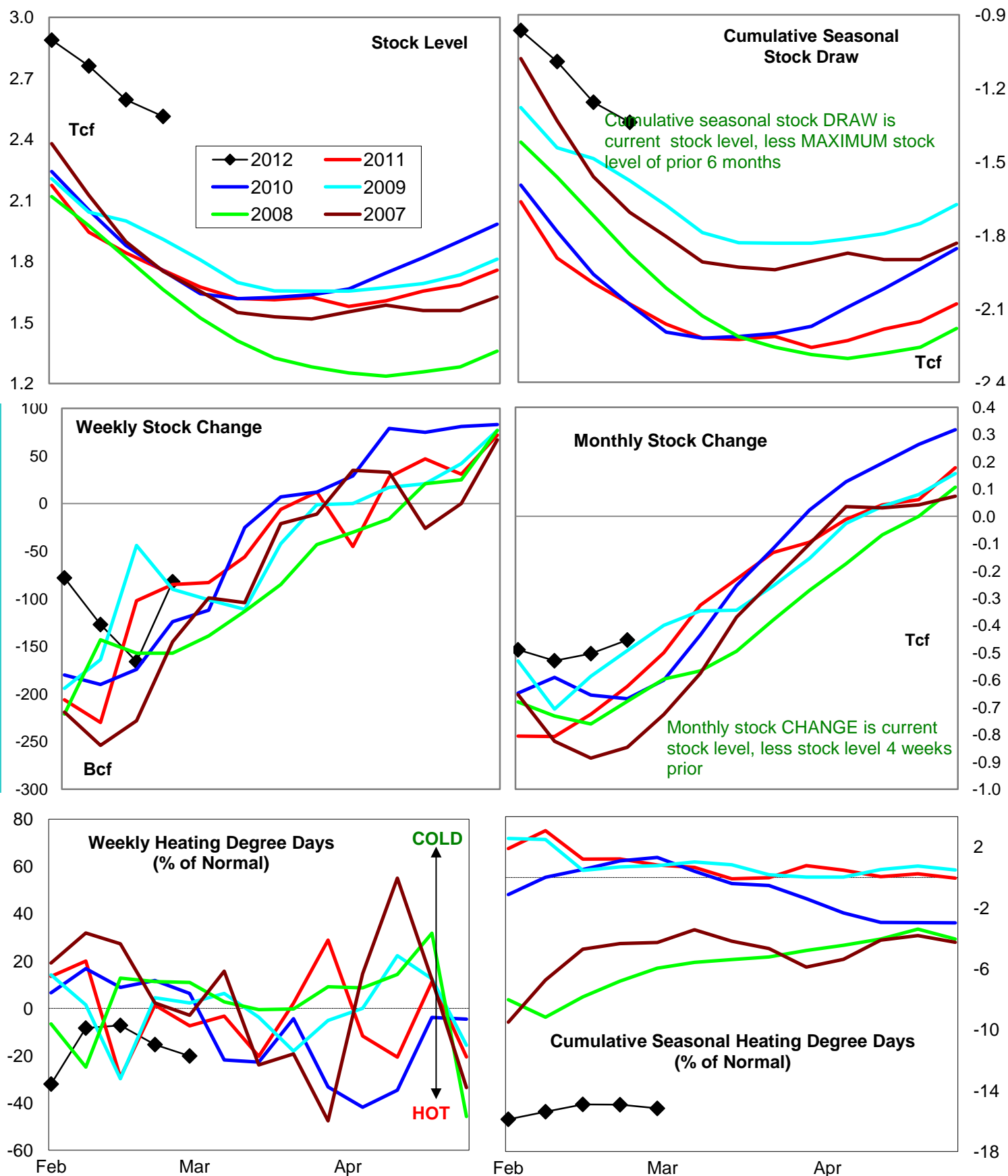
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	-1,339	741	-55.3	195	-14.9	167	-14.9	147	-15.2
East	-917	351	-38.3	214	-15.8	190	-15.8	166	-16.0
West	-152	124	-81.6	188	-10.8	162	-10.6	179	-9.8
Producing	-287	270	-94.1	135	-13.2	91	-13.6	62	-14.7

Futures Market Price Trends

Date:	1-Mar-12	Change vs prior week, month, year		
		24-Feb-12	3-Feb-12	2-Mar-11
1st month Futures	2.47	-0.08	-0.03	-1.47
% change	xxxxx	-3.1	-1.2	-37.3



United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock Level

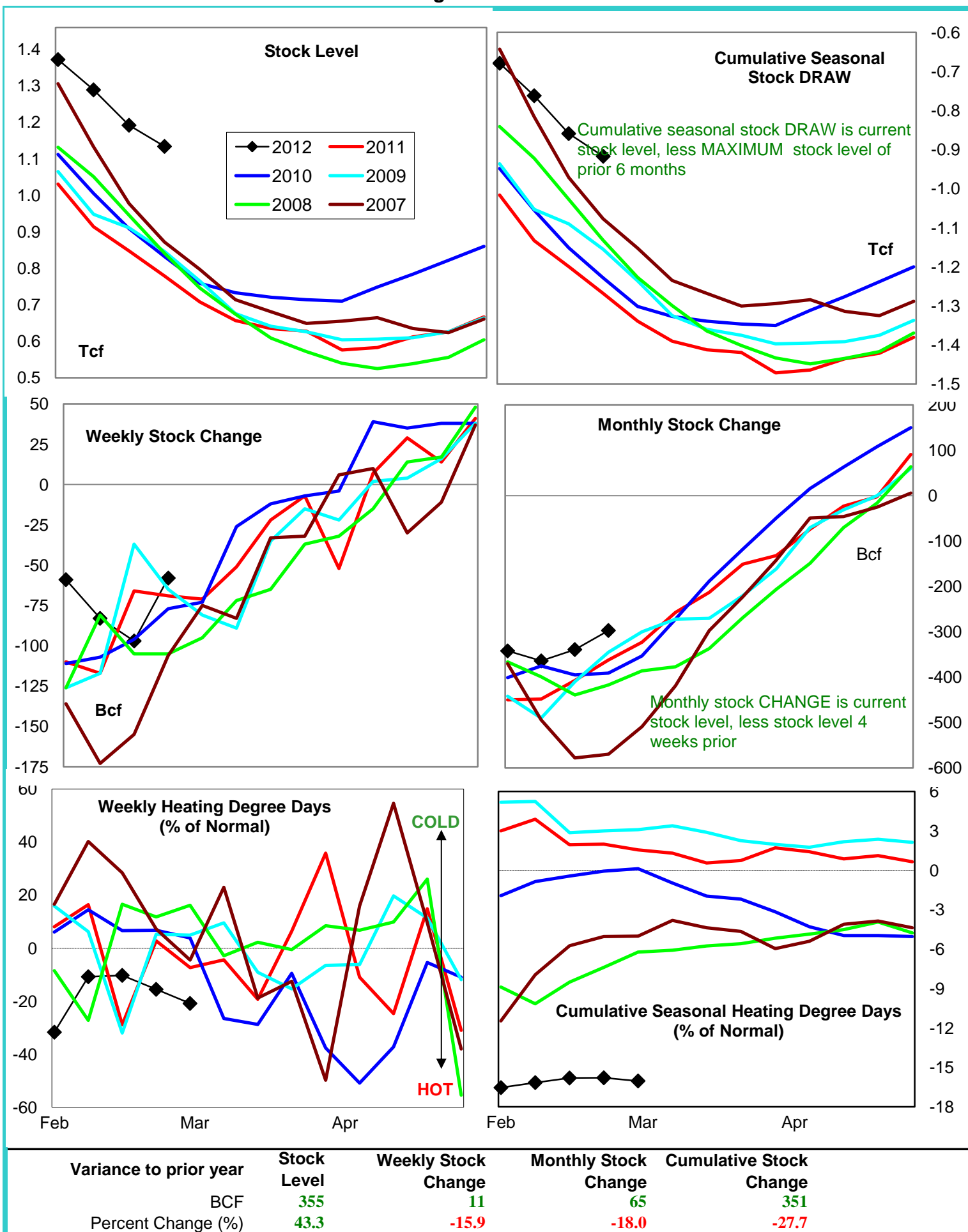
Weekly Stock Change

Monthly Stock Change

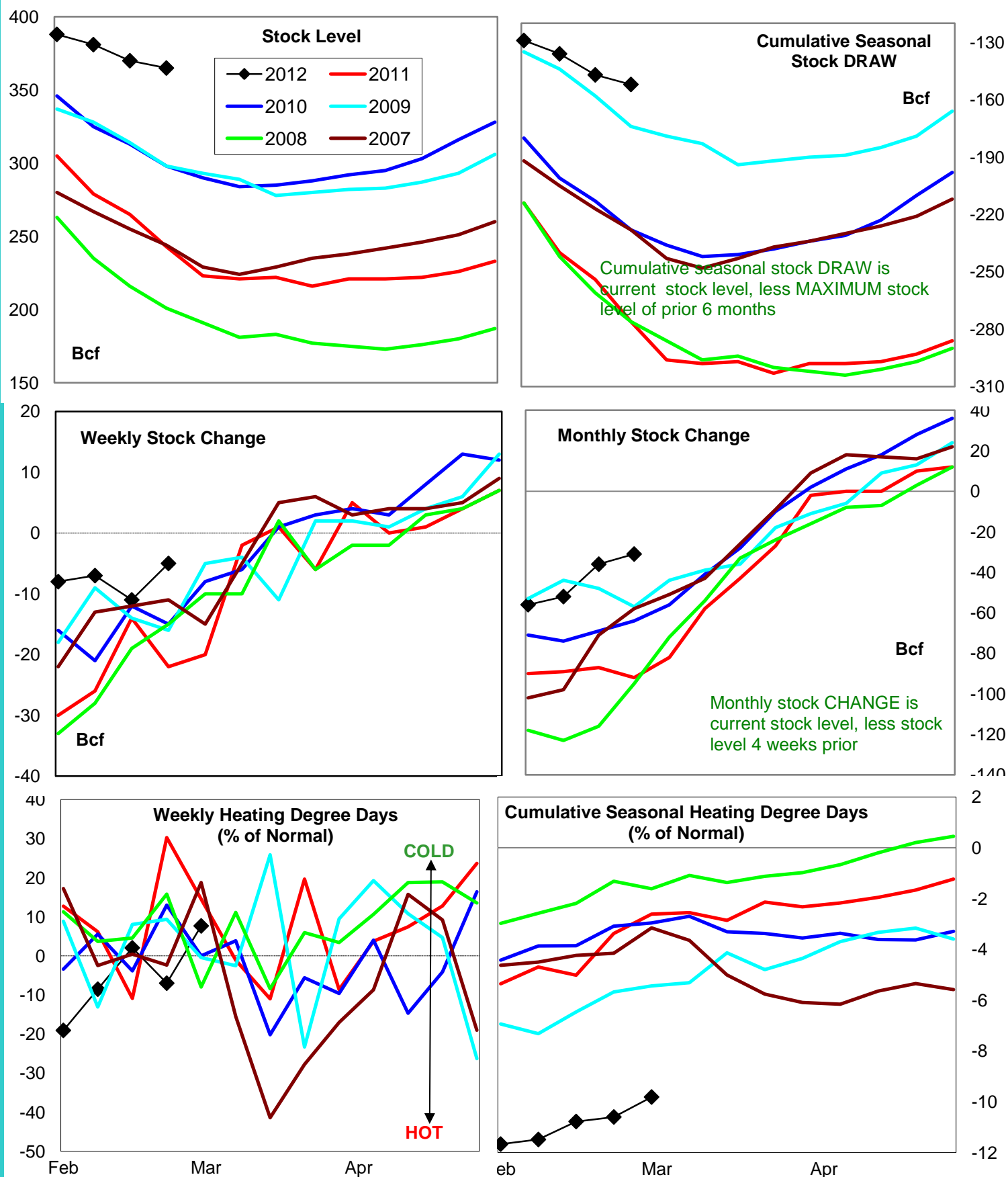
Cumulative Stock Change

BCF
Percent Change (%)756
43.03
-3.5170
-27.3741
-35.6

Natural Gas East Region Stock and Weather Trends



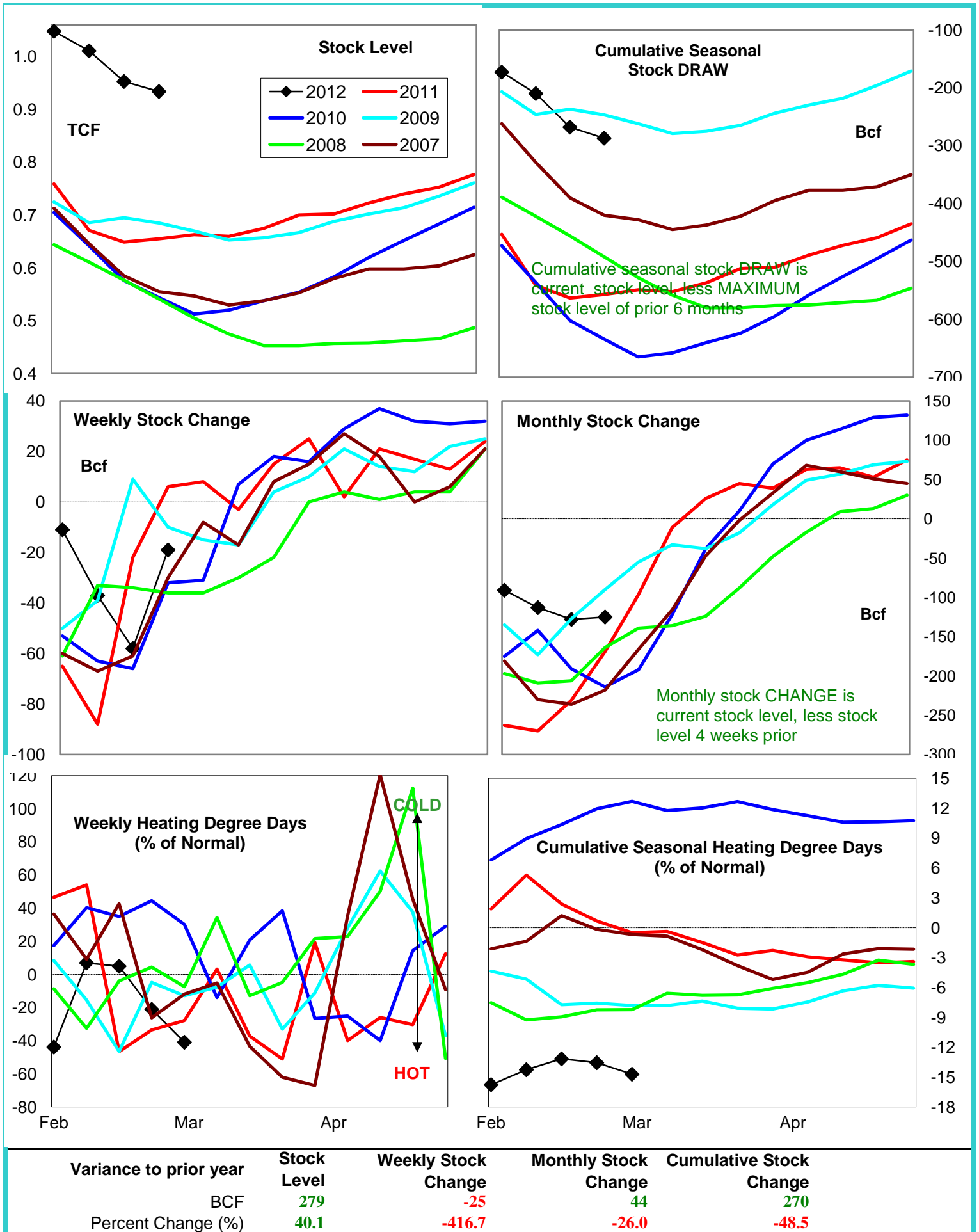
Natural Gas West Region Stock and Weather Trends



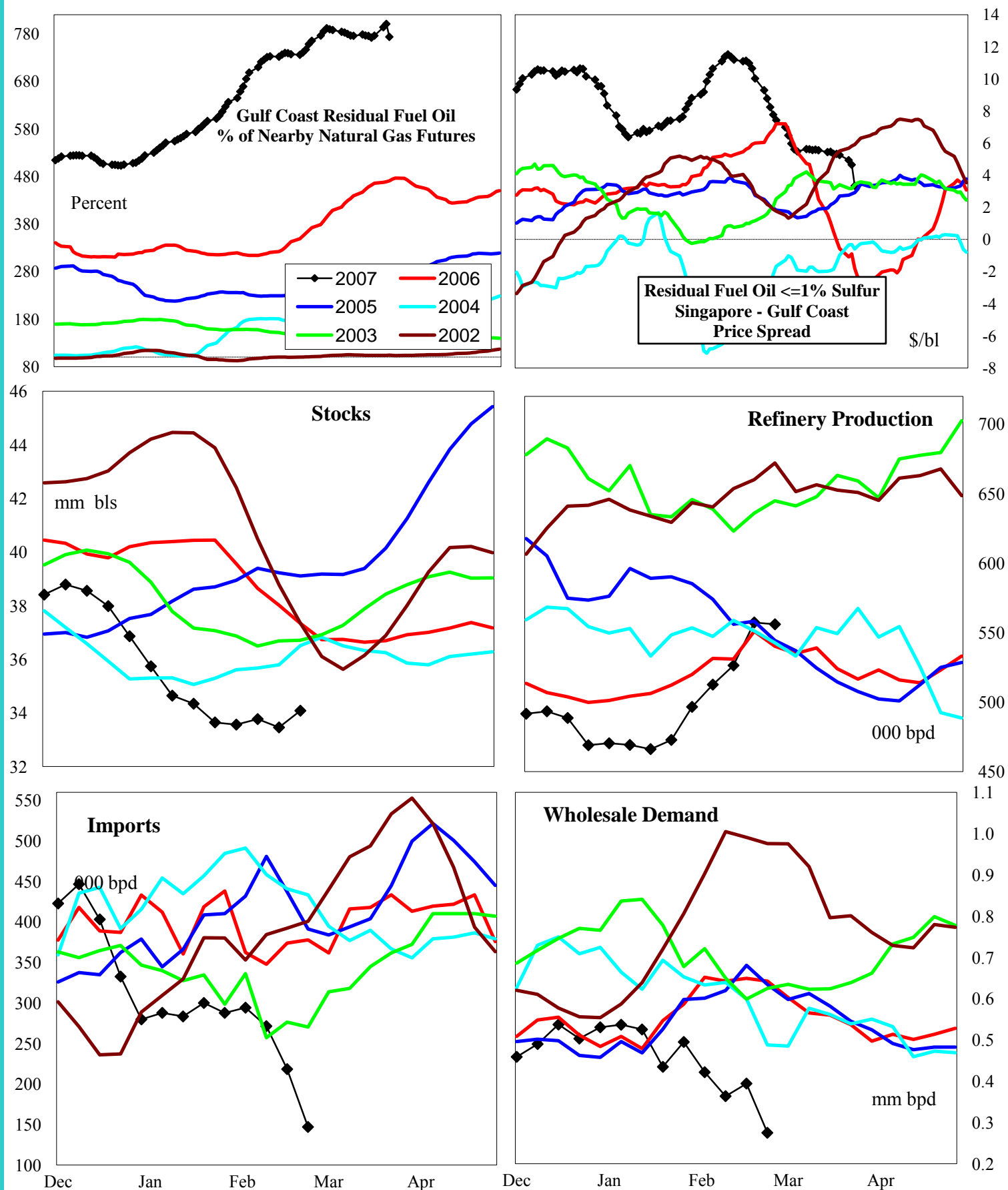
Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)122
50.217
-77.361
-66.3124
-44.9

Natural Gas Producing Region Stock and Weather Trends



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



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-2,993

-8.1

Prod

-13

-2.3

Imports

-123

-33.7

Demd=>

4wk avg

-308

-46.3

Jan

-176

-28.3

Dec

8

1.5

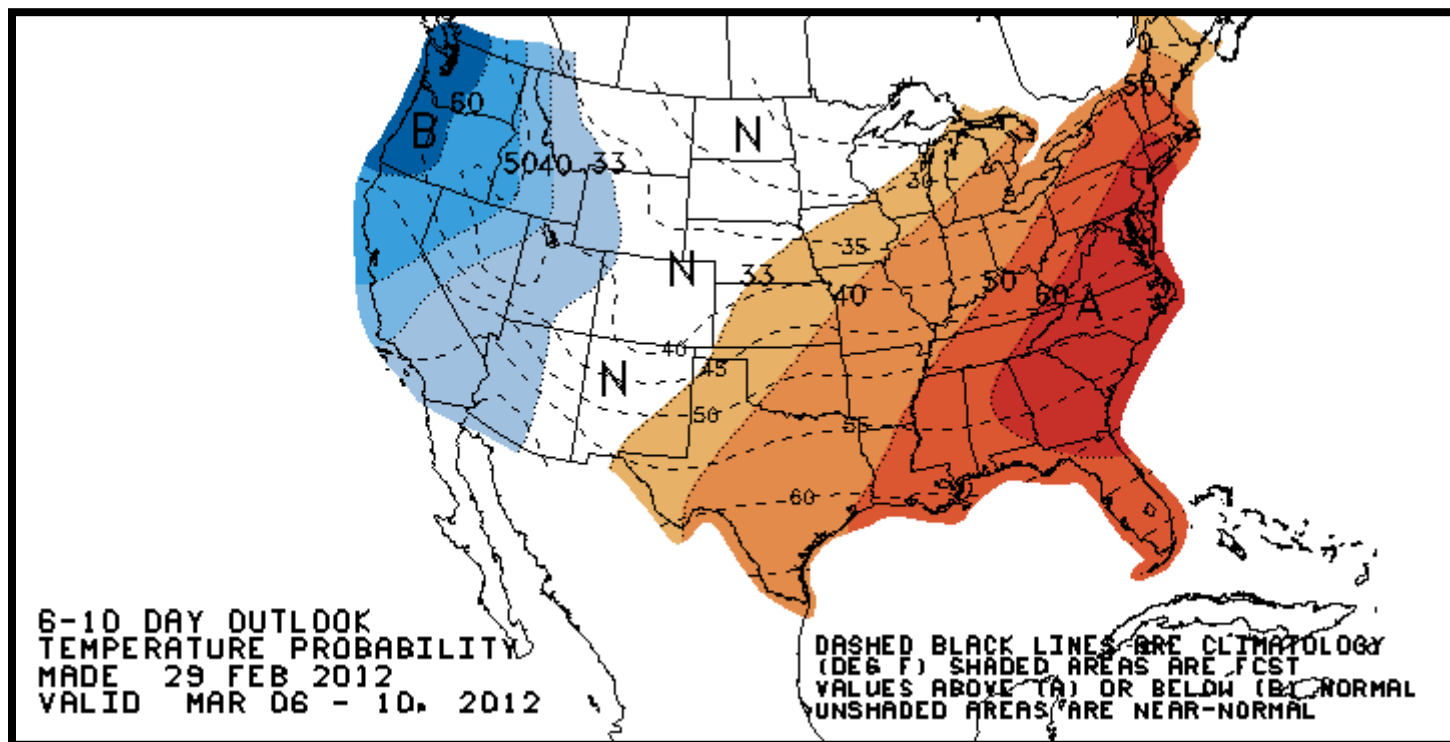
Nov

-214

-38.8

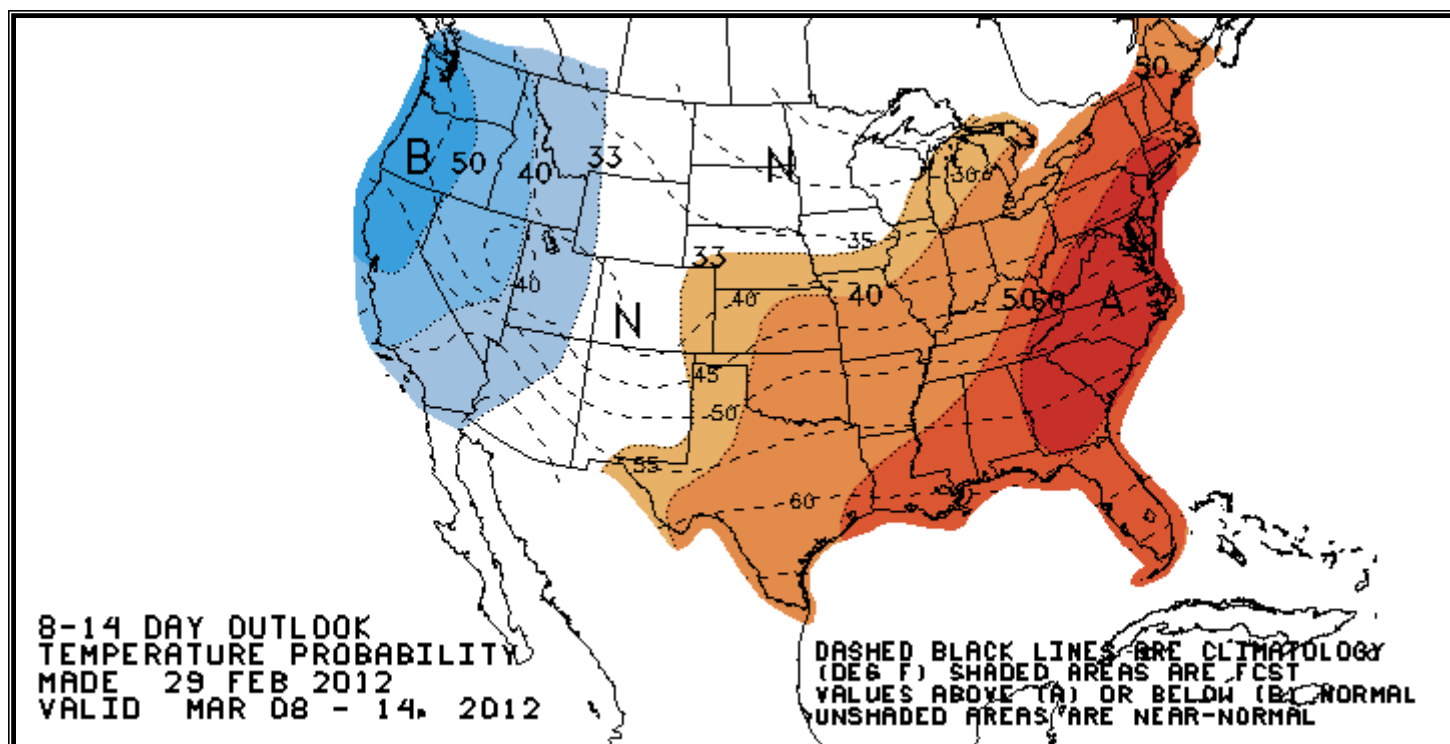
National Weather Service Climate Prediction Center

Degree Days 6 - 10 Day Temperature Forecast



National Weather Service Climate Prediction Center

Degree Days 8 - 14 Day Temperature Forecast



American Gas Association Regions

