

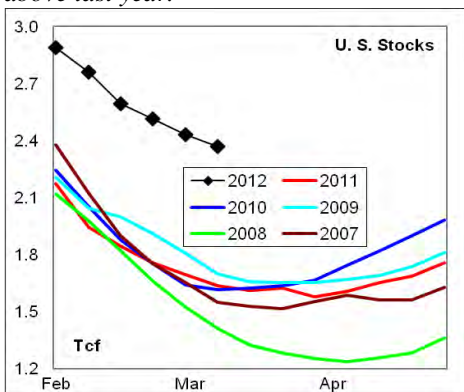
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

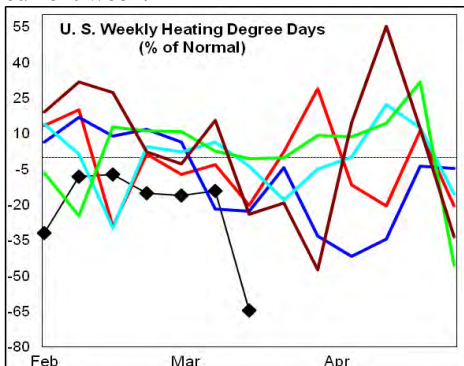
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Friday, March 16, 2012



Summary¹ The stock draw of -64 Bcf for the week was above the mid range for the period. *Stock levels ended the week +45% above last year.*



Heating degree days for the week ending 10Mar12 were -14% below normal and forecast to be -65% below normal for the current week.



In the East Region stocks decreased -55 Bcf for the week, a slightly larger draw than the last 2-years. Stocks declined -7 Bcf in the West Region, a draw comparable to the last 2-years. The stock draw of -2 Bcf in the Producing Region was slightly greater than the last 2-years.

Heating degree days were -14% below normal in the East Region, -9% below normal in the West Region and -18% below normal in the Producing Region for the week ending 10Mar12.

Heating degree days were -14% below normal for the week ended 10Mar12, and forecast to be -65% below normal for the current week.

¹ Related Web Sites:

[Data Source is EIA Weekly Statistics](#)

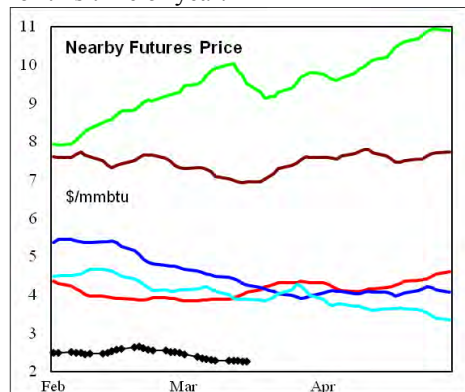
[National Weather Service 6-10 Day](#)

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

The 6-10 day NWS forecast for the week ending 25Mar12 is for below normal heating degree days across the eastern 2/3rds of the country.

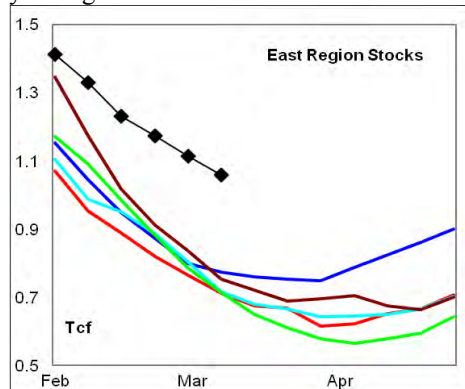
The 8-14 day NWS forecast for the week ending 29Mar12 is for below normal heating degree days across the country, except the west coast which will be cooler than normal.

Prices: Nearby gas futures prices decreased -\$0.06/mmbtu for the week ending 15Mar12. The current price is -\$1.75/mmbtu below the prior 5-year low for this time of year.



The 1st - 4th month forward price curve trended sharply lower for the week ending 16Mar12 at a level near 5-year lows.

East Region stocks decreased -55 Bcf for the week, a slightly larger draw than the last 2-years. The current stock level was +49% above last year, and above prior 5-year highs.

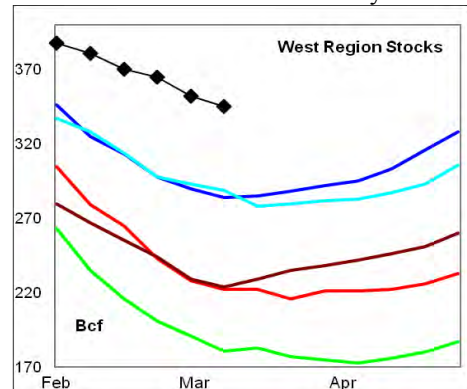


Heating degree days in the region were -14% below normal for the week ending 10Mar12, and forecast to be -66% below normal for the current week. Temperatures are forecast to be much above normal for the next 10-days.

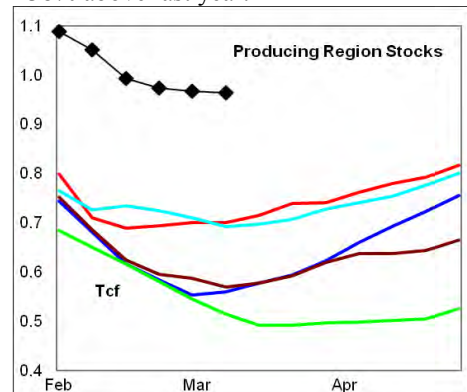
West Region stocks decreased -7 Bcf on the week, a draw comparable to the last 2-years. Stock levels ended the week +55% above last year and above the 5-year range. The latest 4-wk stock draw matched record

lows for the period.

Heating degree days were -9% below normal for the week ending 10Mar12, and forecast to be -43% below normal for the current week. Temperatures are forecast to be near normal for the next 10-days.



Producing Region stocks experienced a draw of -2 Bcf on the week, compared to small builds the last 2-years. The monthly stock draw was near mid range of the last 5-years. Stock levels ended the week +38% above last year.



Heating degree days were -18% below normal for the week ending 10Mar12, and forecast to be -74% below normal for the current week. Much 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 -60% below last year.

Outlook: Stocks are +45% 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 the end of March for nearly the entire country. Prices are making new lows ahead of the summer cooling season.



NATURAL GAS: Graph Link and Weekly Summary

Report prepared as of: March 16, 2012

For the week ending: 9-Mar-12

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

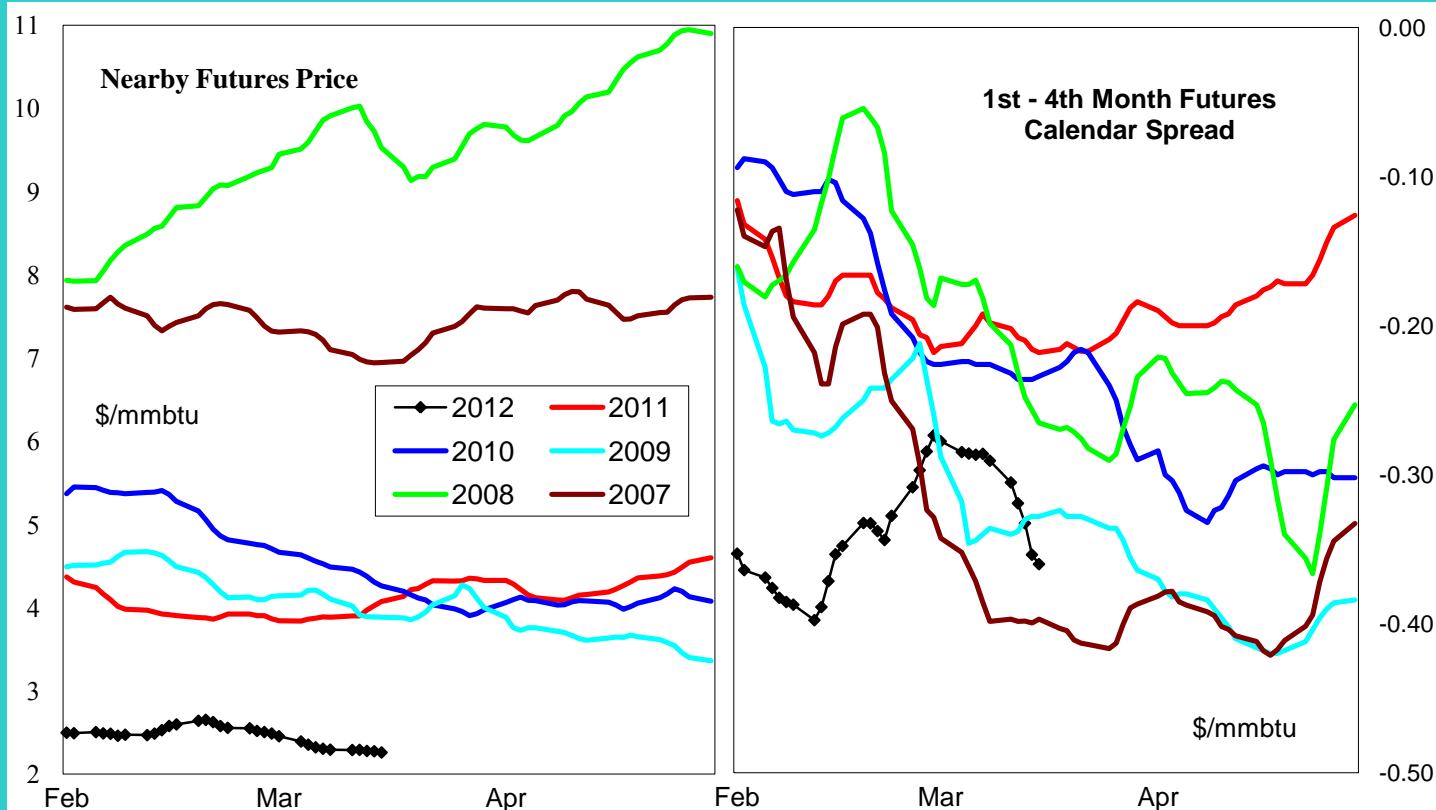
Week ending:	9-Mar-12			3-Mar-12		10-Mar-12		17-Mar-12	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,369	-64	45.0	-13	-16%	-7	-14%	-92	-65%
East	1,059	-55	48.7	-16	-17%	-6	-14%	-107	-66%
West	345	-7	55.4	27	14%	-45	-9%	-59	-43%
Producing	965	-2	37.7	-24	-35%	10	-18%	-56	-74%

Seasonal Trends in Stocks and Heating Degree Days

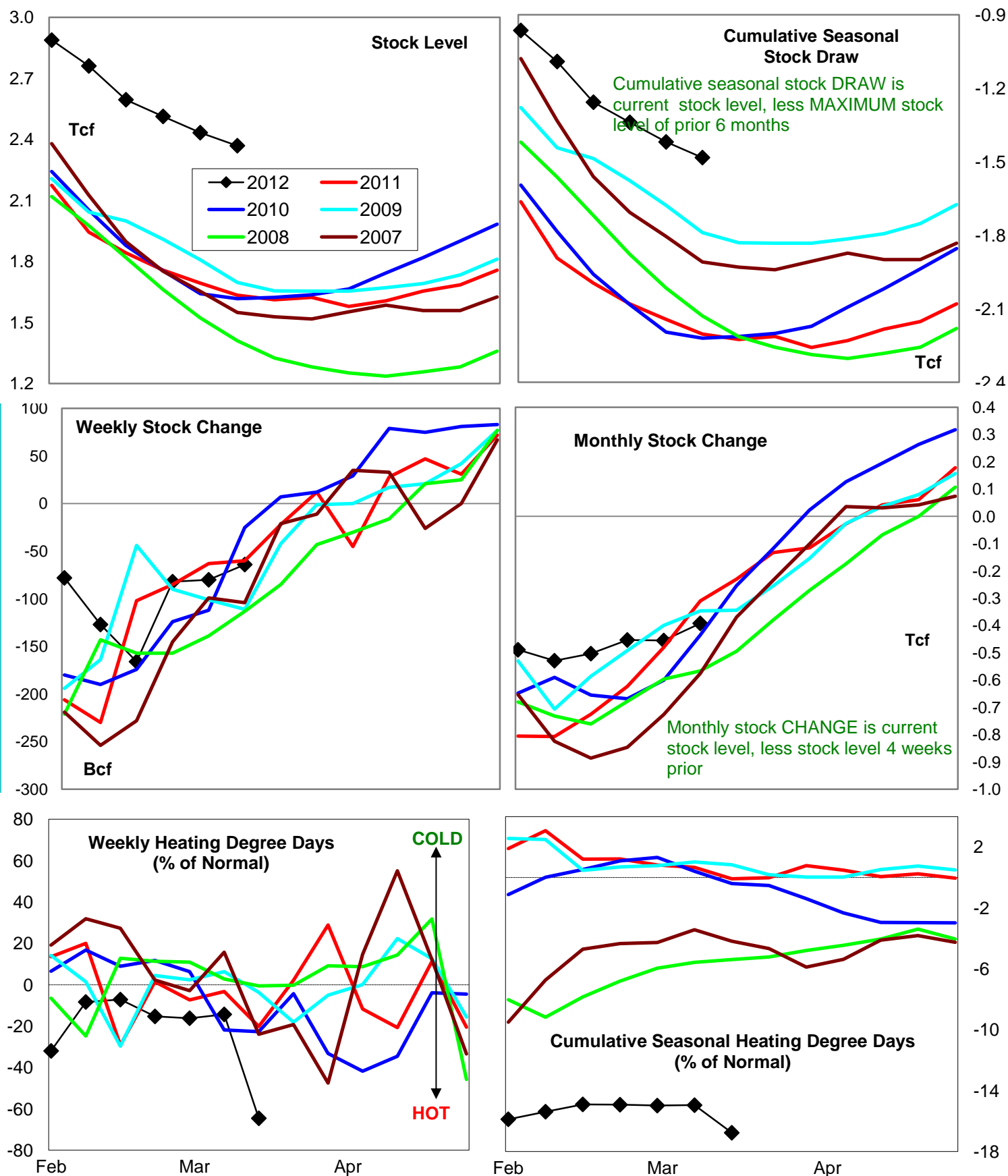
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	-1,483	720	-48.6	154	-15.0	147	-15.0	56	-16.8
East	-1,032	343	-33.2	174	-15.9	168	-15.8	60	-17.7
West	-172	125	-72.7	189	-9.6	144	-9.5	86	-10.7
Producing	-296	255	-86.1	68	-14.5	78	-14.6	21	-16.5

Futures Market Price Trends

Date:	16-Mar-12	Change vs prior week, month, year		
		12-Mar-12	20-Feb-12	17-Mar-11
1st month Futures	2.26	-0.01	-0.42	-2.13
% change	xxxxx	-0.4	-15.8	-48.5



United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock Level

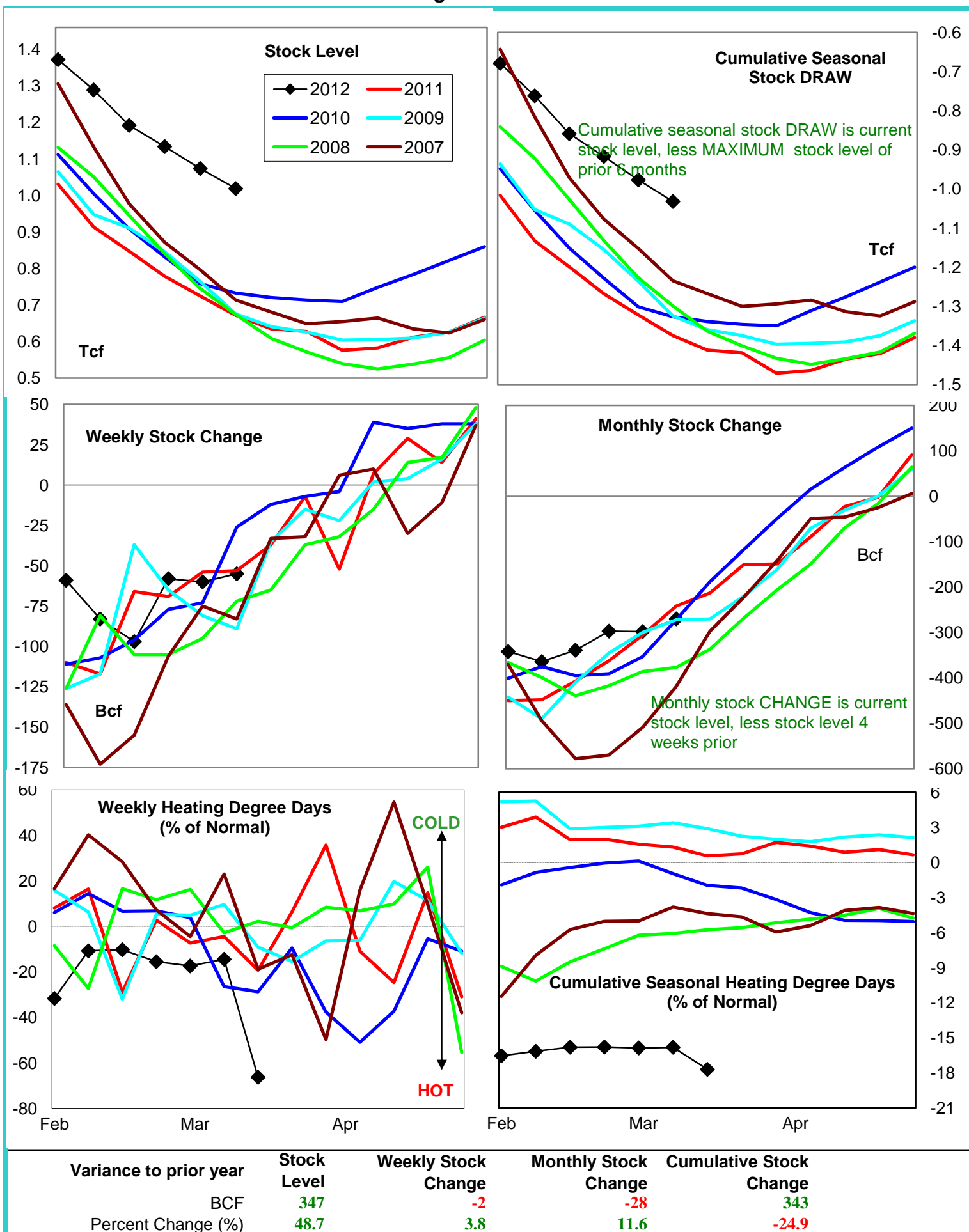
Weekly Stock Change

Monthly Stock Change

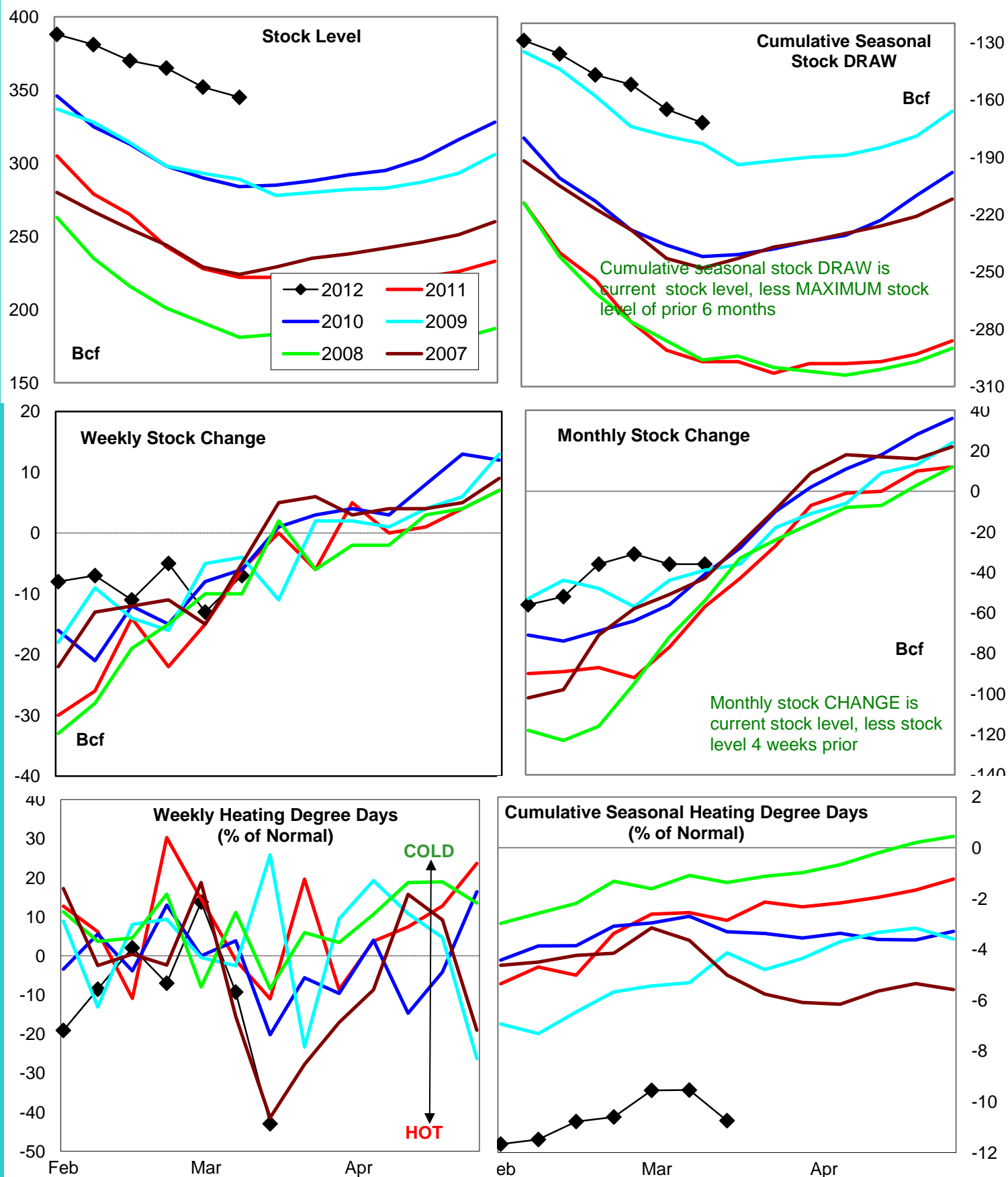
Cumulative Stock Change

BCF
Percent Change (%)735
45.0-4
6.7-82
26.5720
-32.7

Natural Gas East Region Stock and Weather Trends



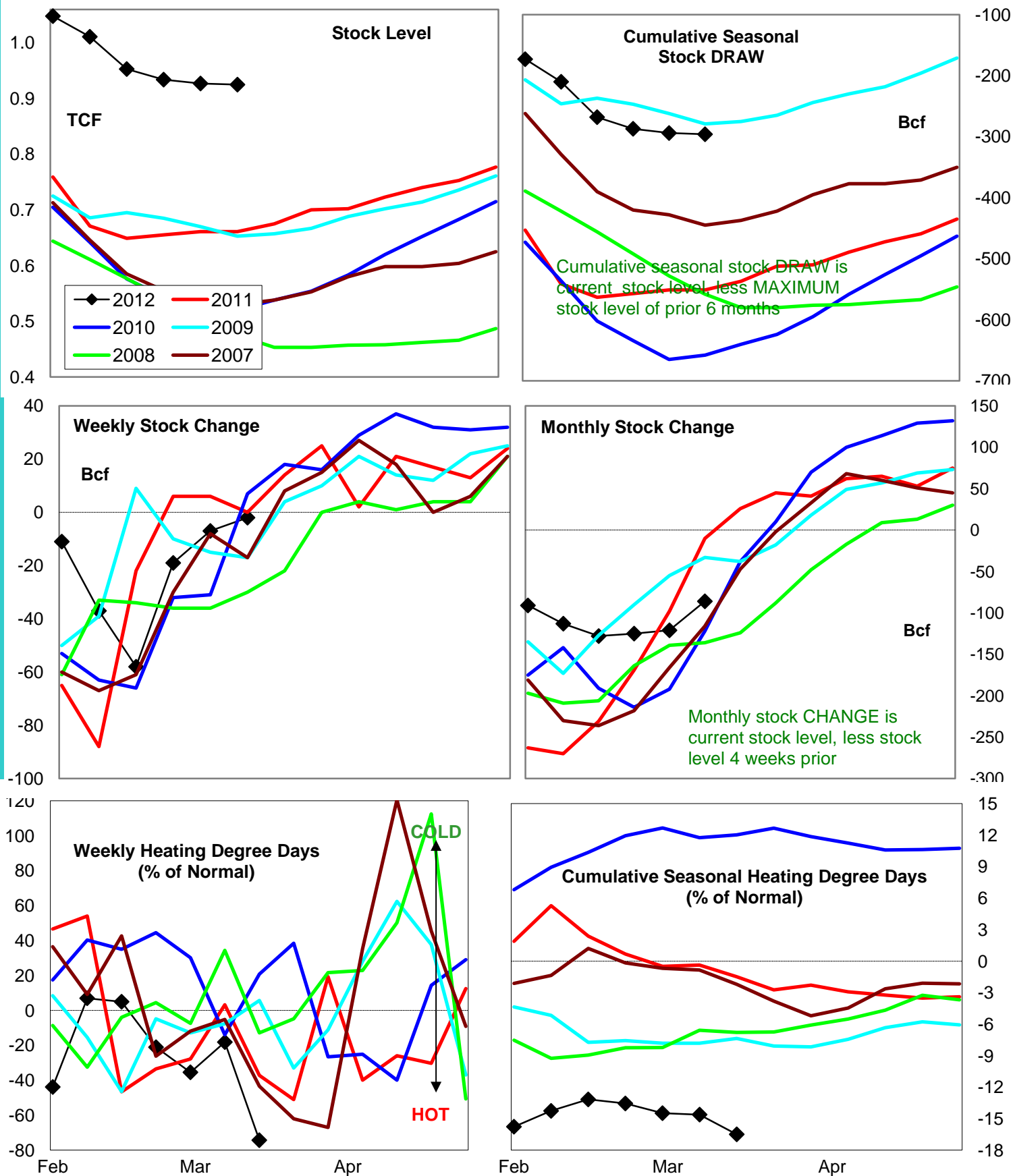
Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)123
55.4-1
16.721
-36.8125
-42.1

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

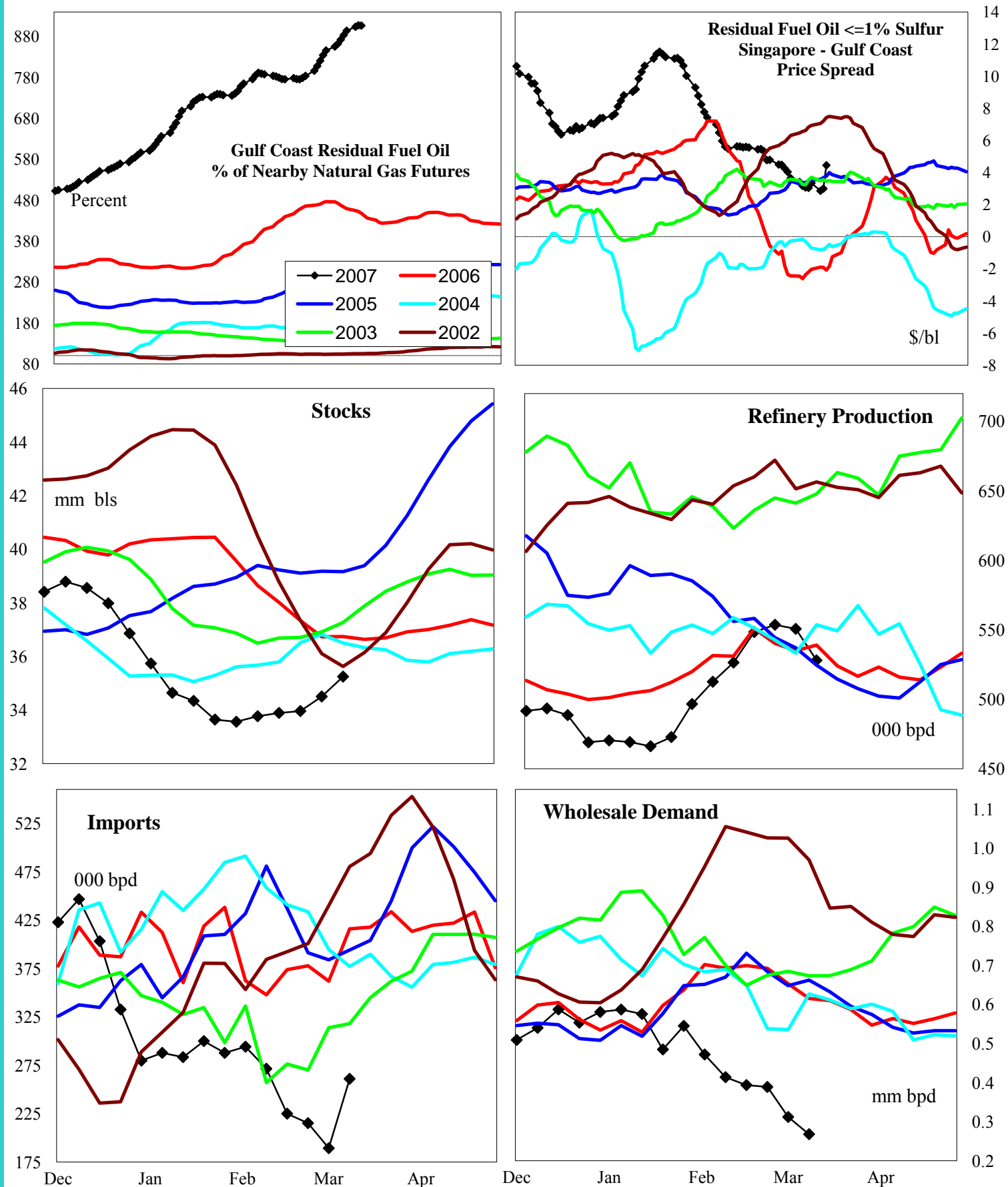
Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF
Percent Change (%)264
37.7-2
#DIV/0!-76
760.0255
-46.3

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



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-528

-1.5

Prod

12

2.3

Imports

-117

-34.2

Demd=>

4wk avg

-388

-60.6

Feb

-258

-41.1

Jan

-176

-28.3

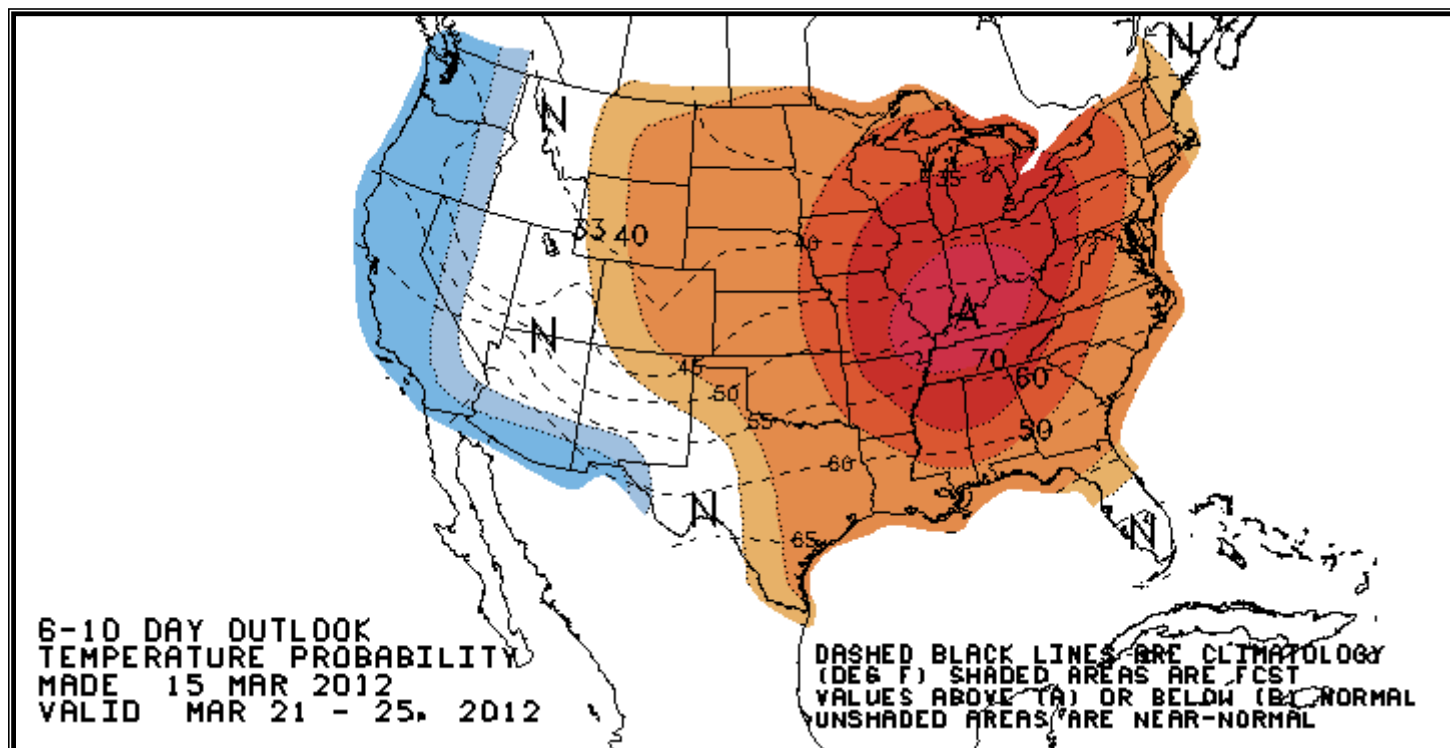
Dec

8

1.5

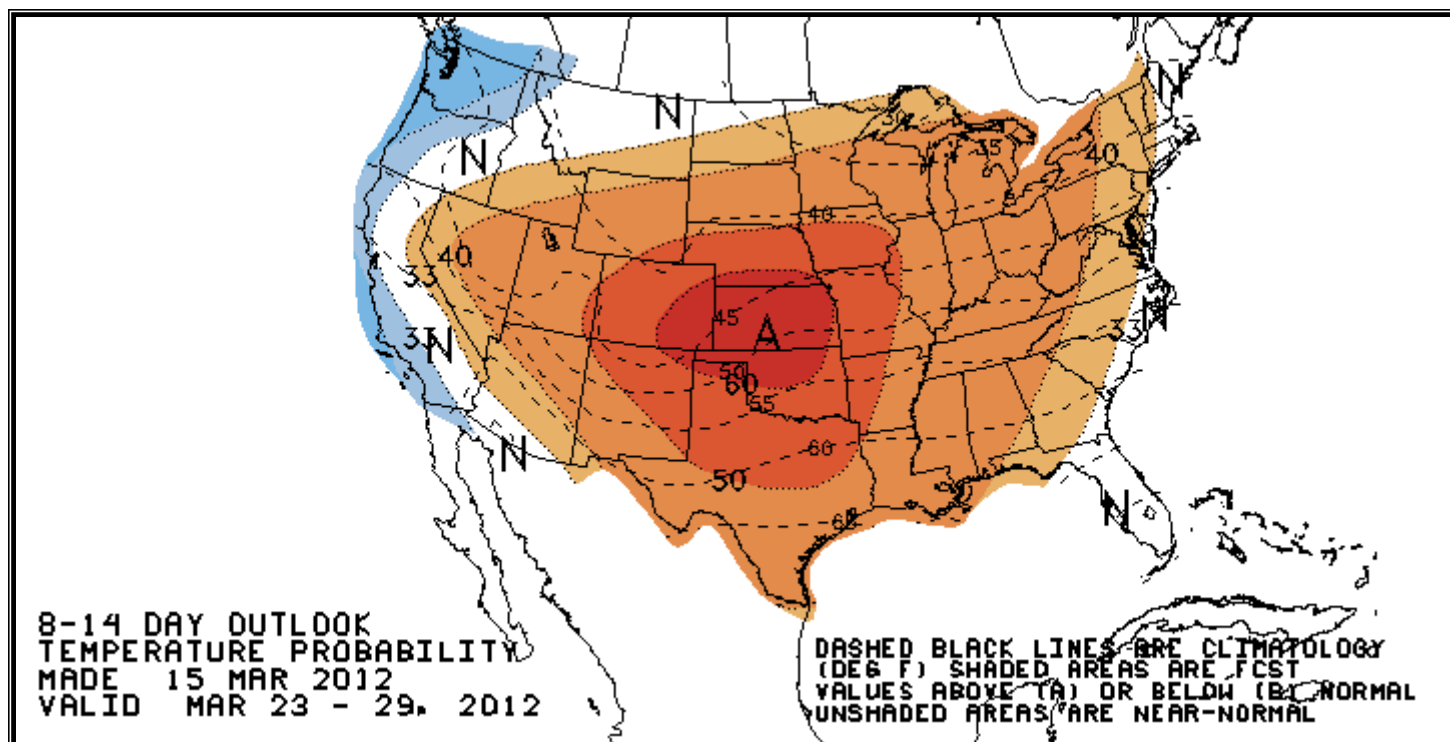
National Weather Service Climate Prediction Center

Degree Days 6 - 10 Day Temperature Forecast



National Weather Service Climate Prediction Center

Degree Days 8 - 14 Day Temperature Forecast



American Gas Association Regions

