

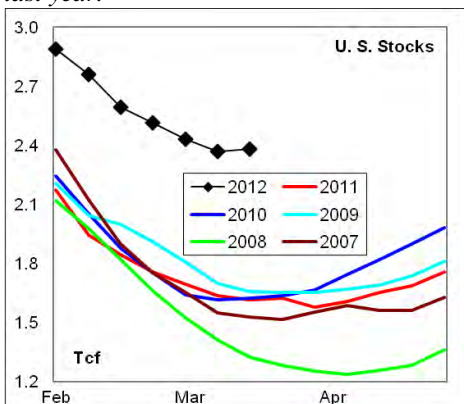
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

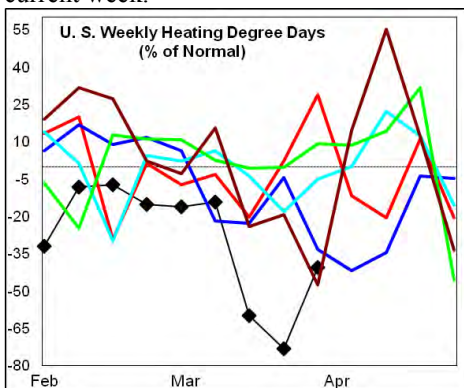
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Monday, March 26, 2012



Summary¹ The stock build of +11 Bcf for the week was a record build for the week. *Stock levels ended the week +47% above last year.*



Heating degree days for the week ending 17Mar12 were -60% below normal and forecast to be -41% below normal for the current week.



In the East Region stocks decreased -10 Bcf for the week, the smallest draw of the last 5-years for this period. Stocks increased +1 Bcf in the West Region, a build comparable to the historic mid range. The stock build of +20 Bcf in the Producing Region a record build for the week.

Heating degree days were -63% below normal in the East Region, -30% below normal in the West Region and -70% below normal in the Producing Region for the week ending 17Mar12.

Heating degree days were -60% below normal for the week ended 17Mar12, and

¹ Related Web Sites:

[Data Source is EIA Weekly Statistics](#)

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

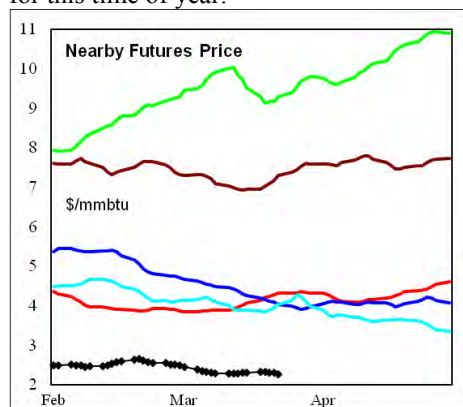
[National Weather Service 10-14 Day](#)

forecast to be -41% below normal for the current week.

The 6-10 day NWS forecast for the week ending 04Apr12 is for below normal heating degree days across the entire country.

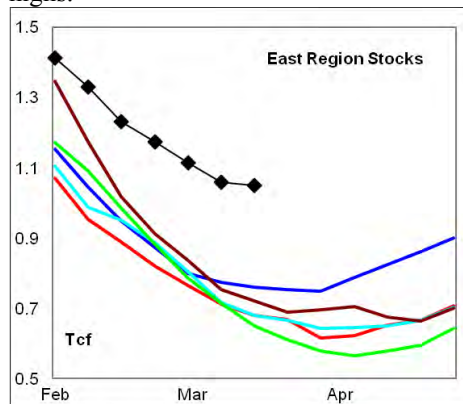
The 8-14 day NWS forecast for the week ending 08Apr12 is for below normal heating degree days in the western 1/3rd of the country and near normal elsewhere.

Prices: Nearby gas futures prices decreased -\$0.05/mmbtu for the week ending 23Mar12. The current price is -\$1.70/mmbtu below the prior 5-year low for this time of year.



The 1st - 4th month forward price curve trended higher for the week ending 23Mar12 at a level below the mid range.

East Region stocks decreased -10 Bcf for the week, the smallest draw of the last 5-years. The current stock level was +54% above last year, and above prior 5-year highs.

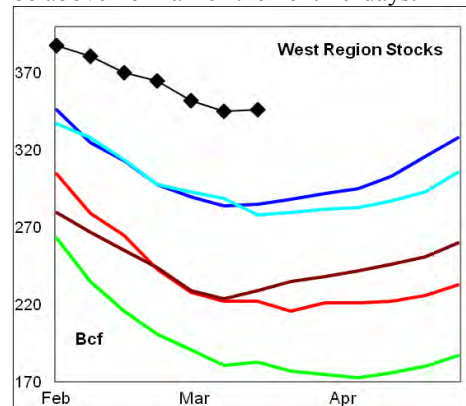


Heating degree days in the region were -63% below normal for the week ending 17Mar12, and forecast to be -36% below normal for the current week. Temperatures are forecast to be above normal for the next 10-days.

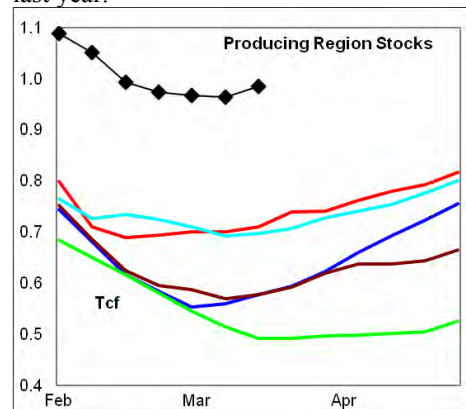
West Region stocks increased +1 Bcf on the week, a build comparable to the historic mid range. Stock levels ended the

week +56% 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 -30% below normal for the week ending 17Mar12, and forecast to be -40% below normal for the current week. Temperatures are forecast to be above normal for the next 10-days.



Producing Region stocks experienced a build of +20 Bcf on the week, a record build for the week. The monthly stock draw was less than four of the last 5-years. Stock levels ended the week +38% above last year.



Heating degree days were -70% below normal for the week ending 17Mar12, and forecast to be -82% 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 -60% below last year.

Outlook: Stocks are +48% 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 markets. Extremely mild temperatures are forecast into early April 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 26, 2012

For the week ending: 16-Mar-12

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

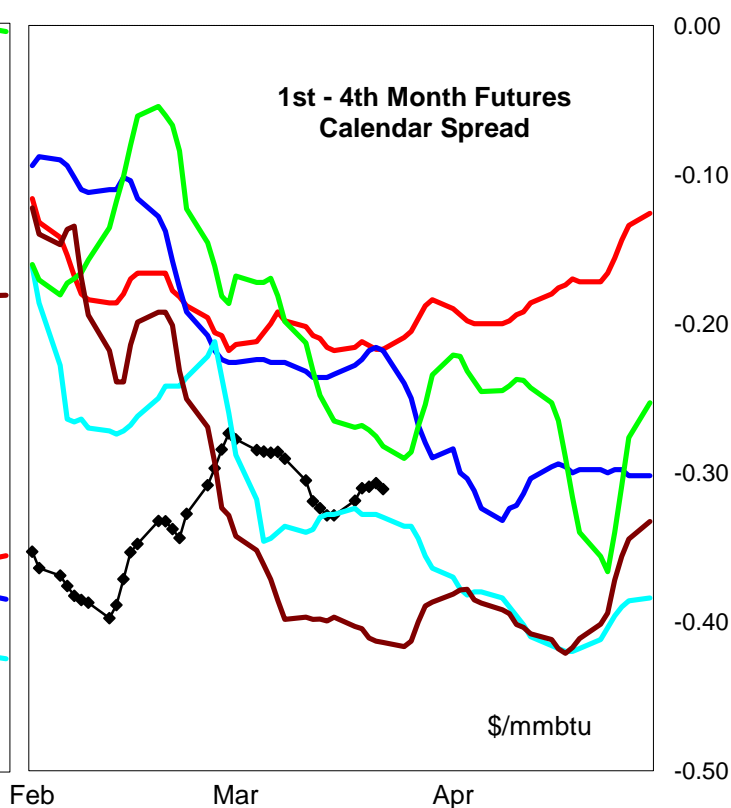
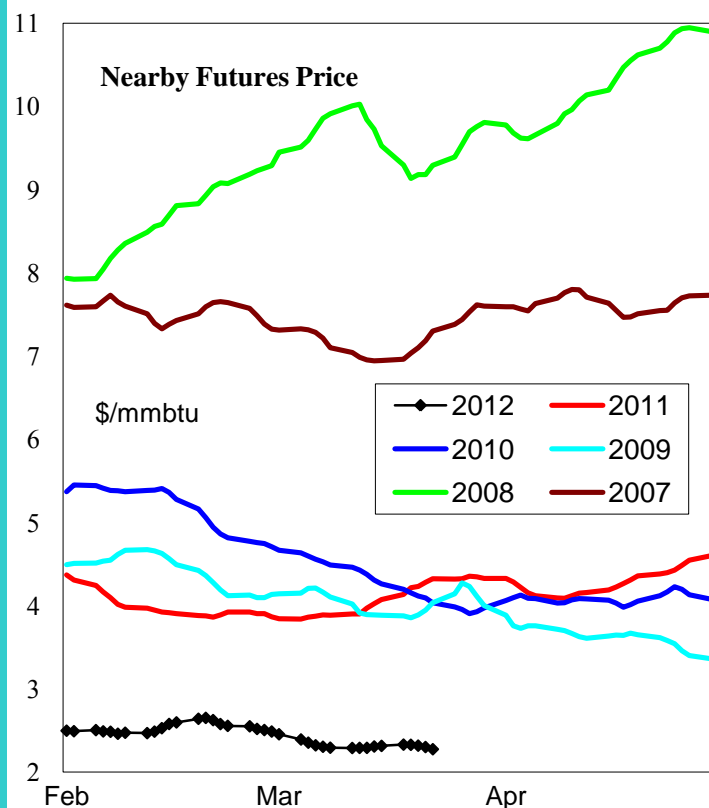
Week ending:	16-Mar-12			17-Mar-12		24-Mar-12		31-Mar-12	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,380	11	47.5	-84	-60%	-25	-73%	38	-41%
East	1,049	-10	54.0	-101	-63%	-41	-84%	68	-36%
West	346	1	55.9	-39	-30%	6	-21%	-33	-40%
Producing	985	20	38.5	-53	-70%	10	-52%	-24	-82%

Seasonal Trends in Stocks and Heating Degree Days

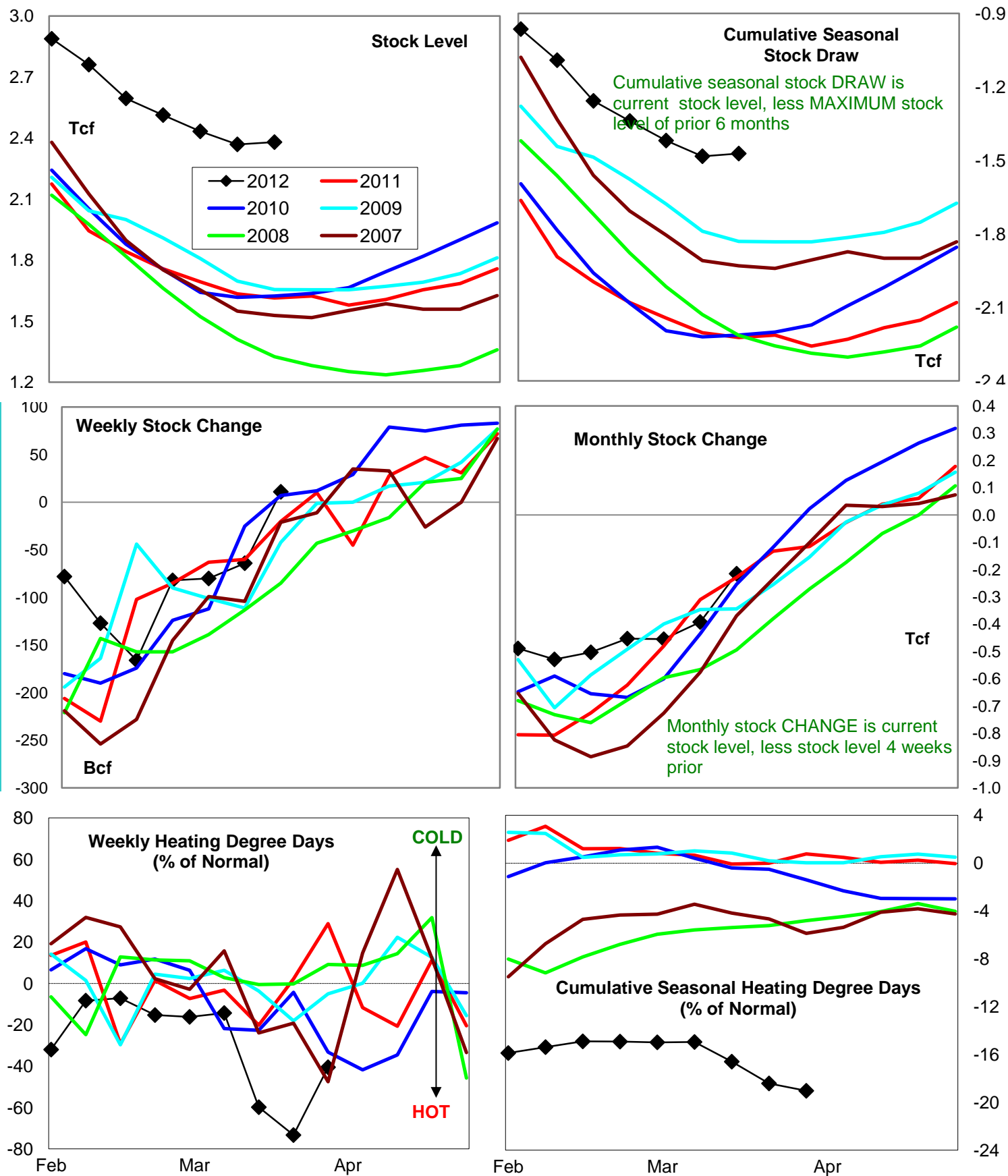
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	-1,472	751	-51.0	63	-16.6	38	-18.4	76	-19.0
East	-1,042	364	-34.9	67	-17.6	26	-19.8	94	-20.2
West	-171	126	-73.7	106	-10.3	112	-10.6	79	-11.5
Producing	-276	265	-96.0	25	-16.4	35	-17.3	11	-18.7

Futures Market Price Trends

Date:	23-Mar-12	Change vs prior week, month, year		
		19-Mar-12	27-Feb-12	24-Mar-11
1st month Futures	2.28	-0.08	-0.17	-1.79
% change	xxxxx	-3.2	-7.0	-44.0



United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

766

31

13

751

Percent Change (%)

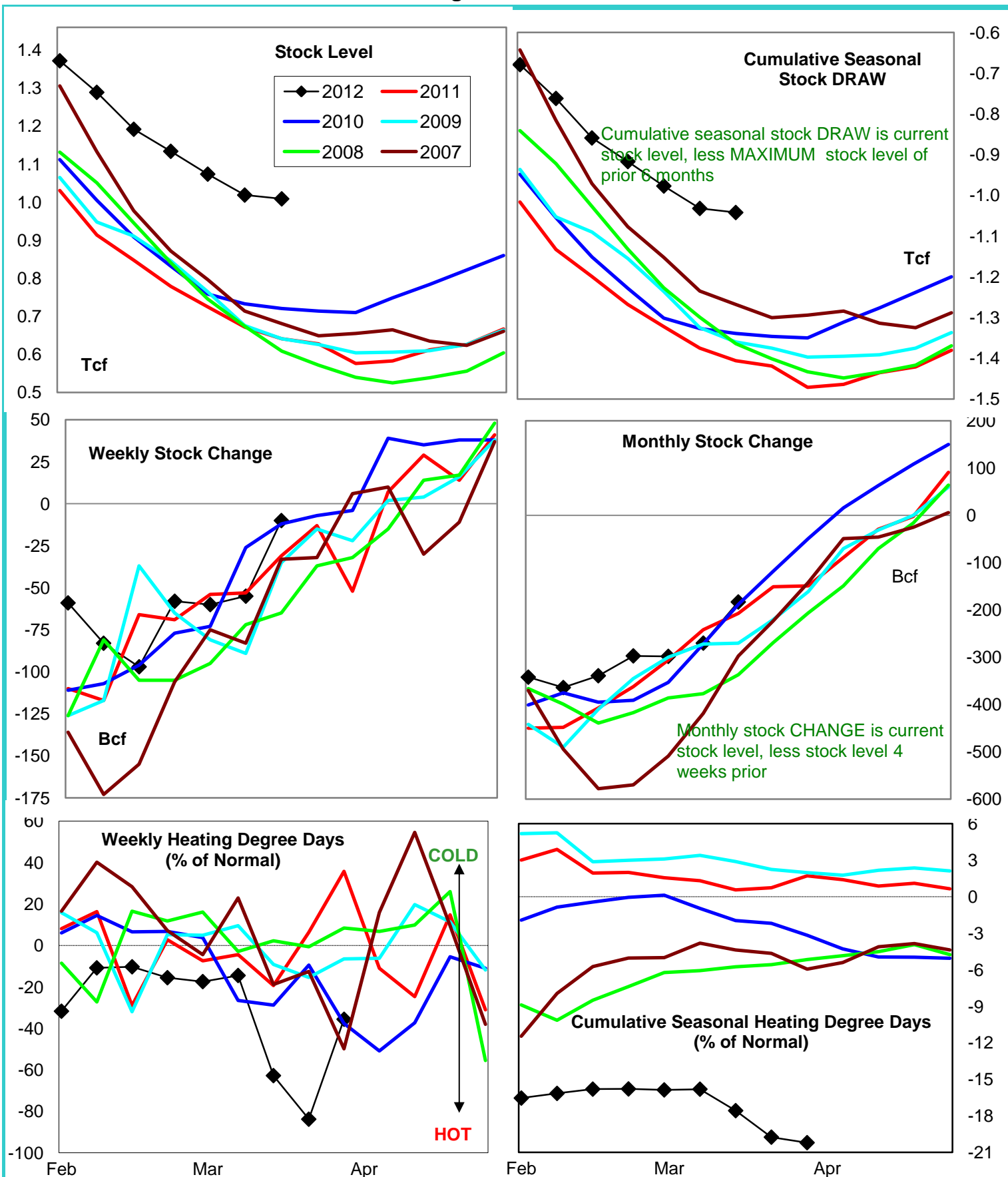
47.5

-155.0

-5.7

-33.8

Natural Gas East Region Stock and Weather Trends



Variance to prior year

Stock Level

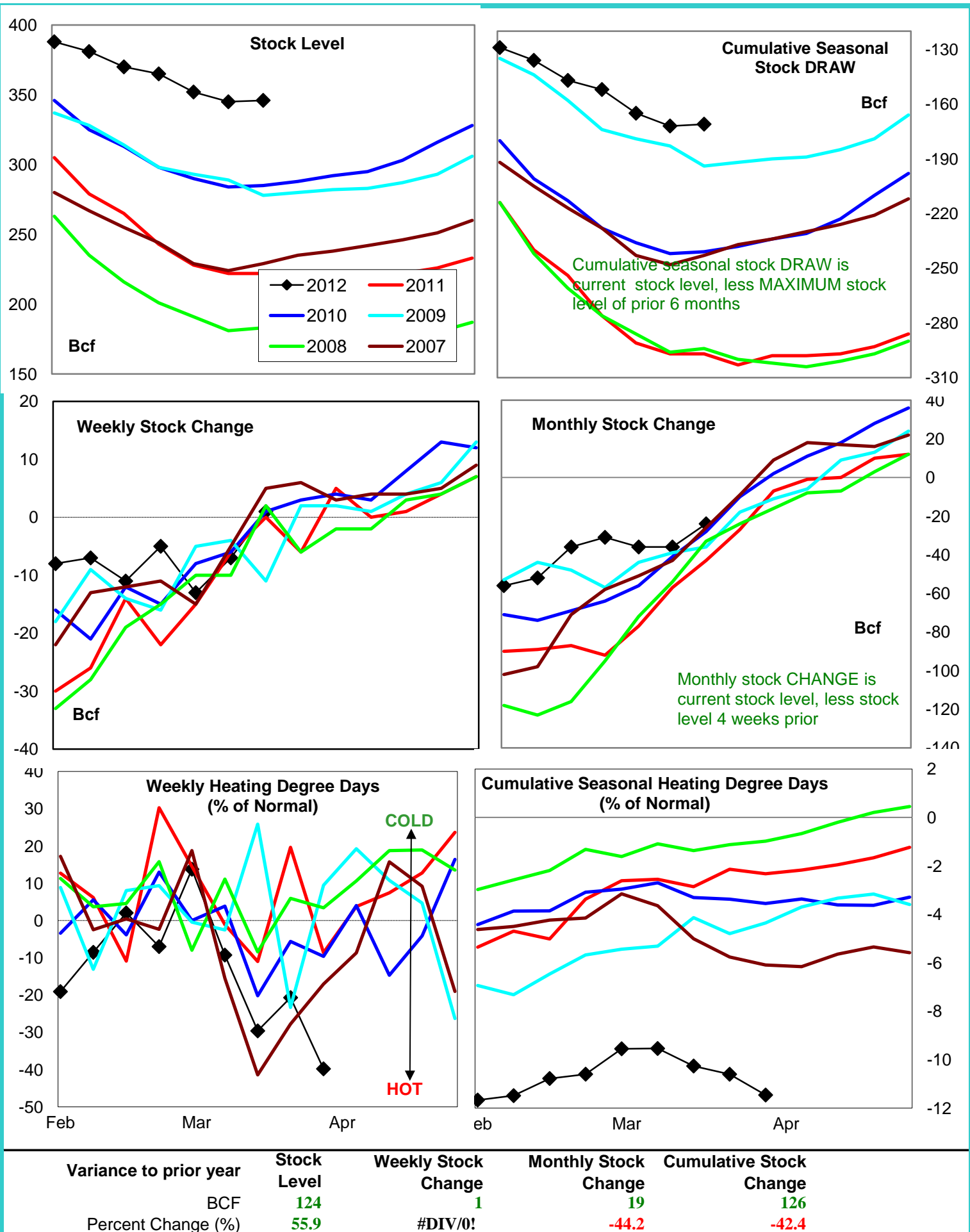
Weekly Stock Change

Monthly Stock Change

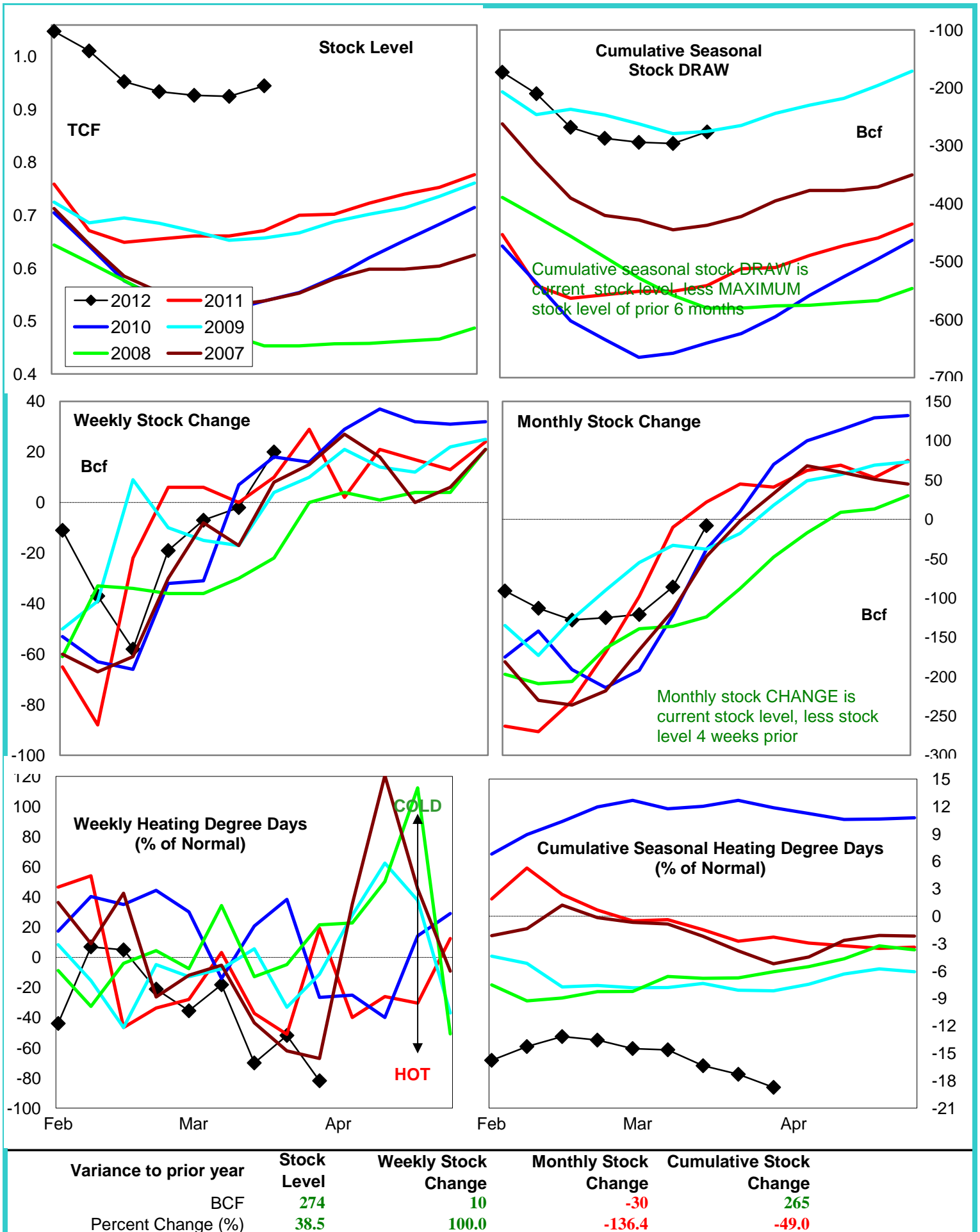
Cumulative Stock Change

BCF
Percent Change (%)368
54.021
-67.724
-11.6364
-25.9

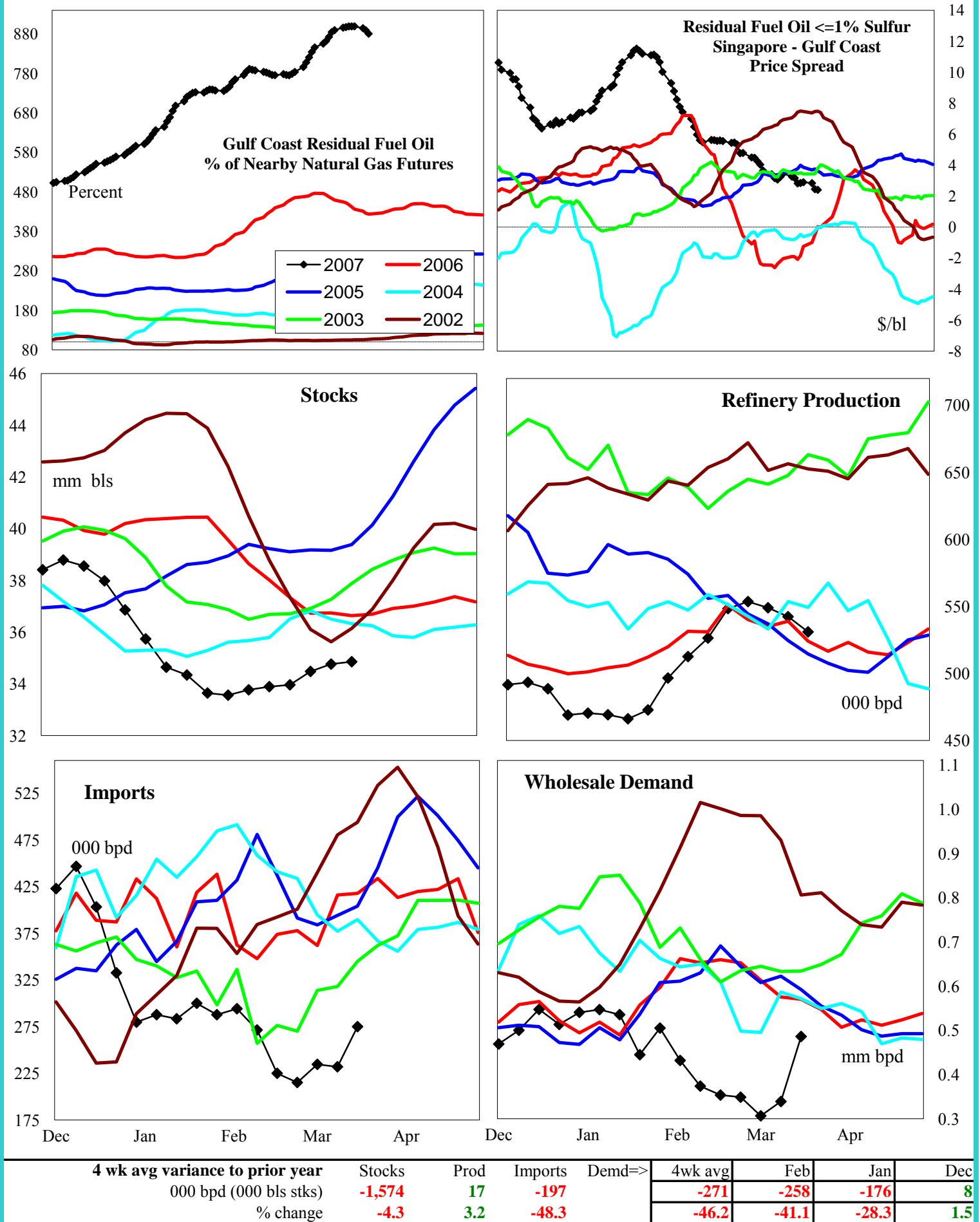
Natural Gas West Region Stock and Weather Trends



Natural Gas Producing Region Stock and Weather Trends

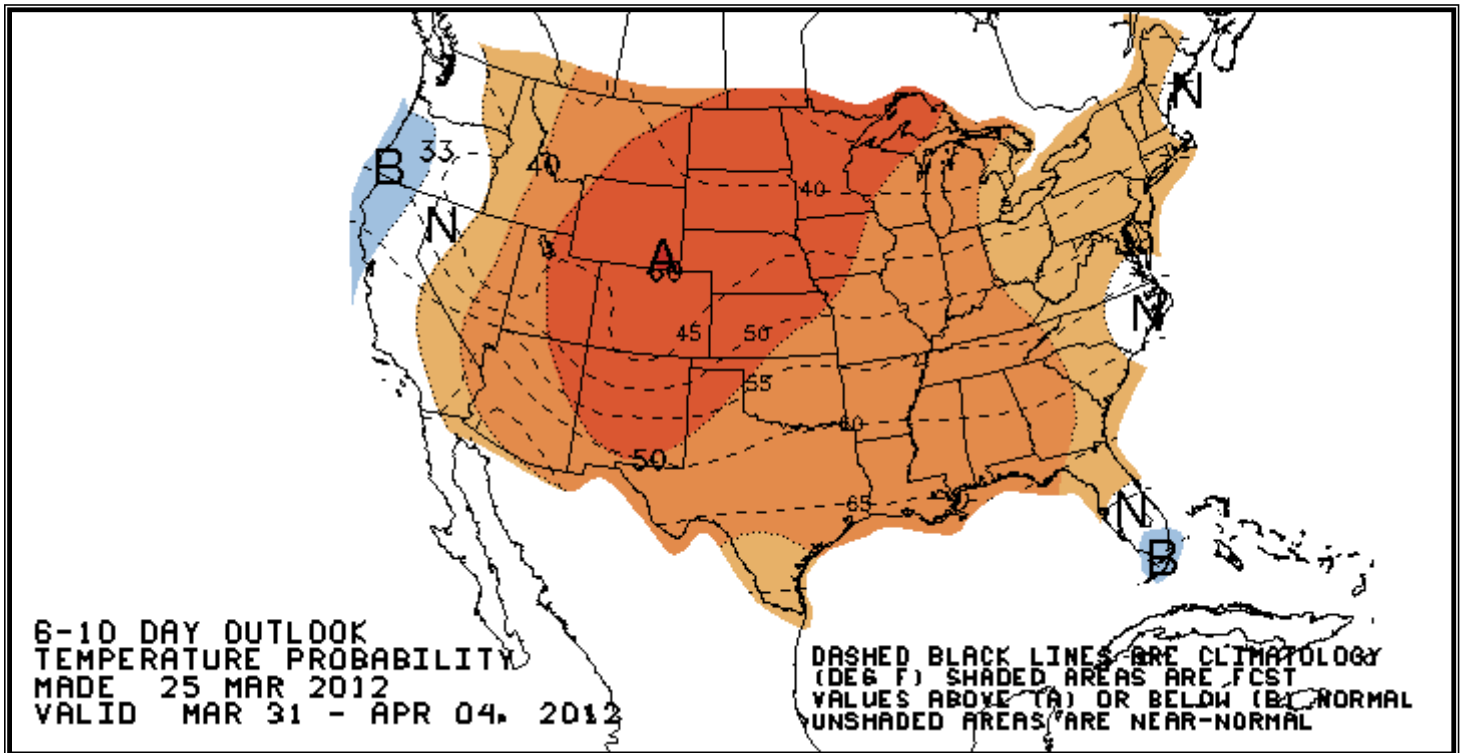


U.S. Residual Fuel Oil Price Spreads and Supply Balance



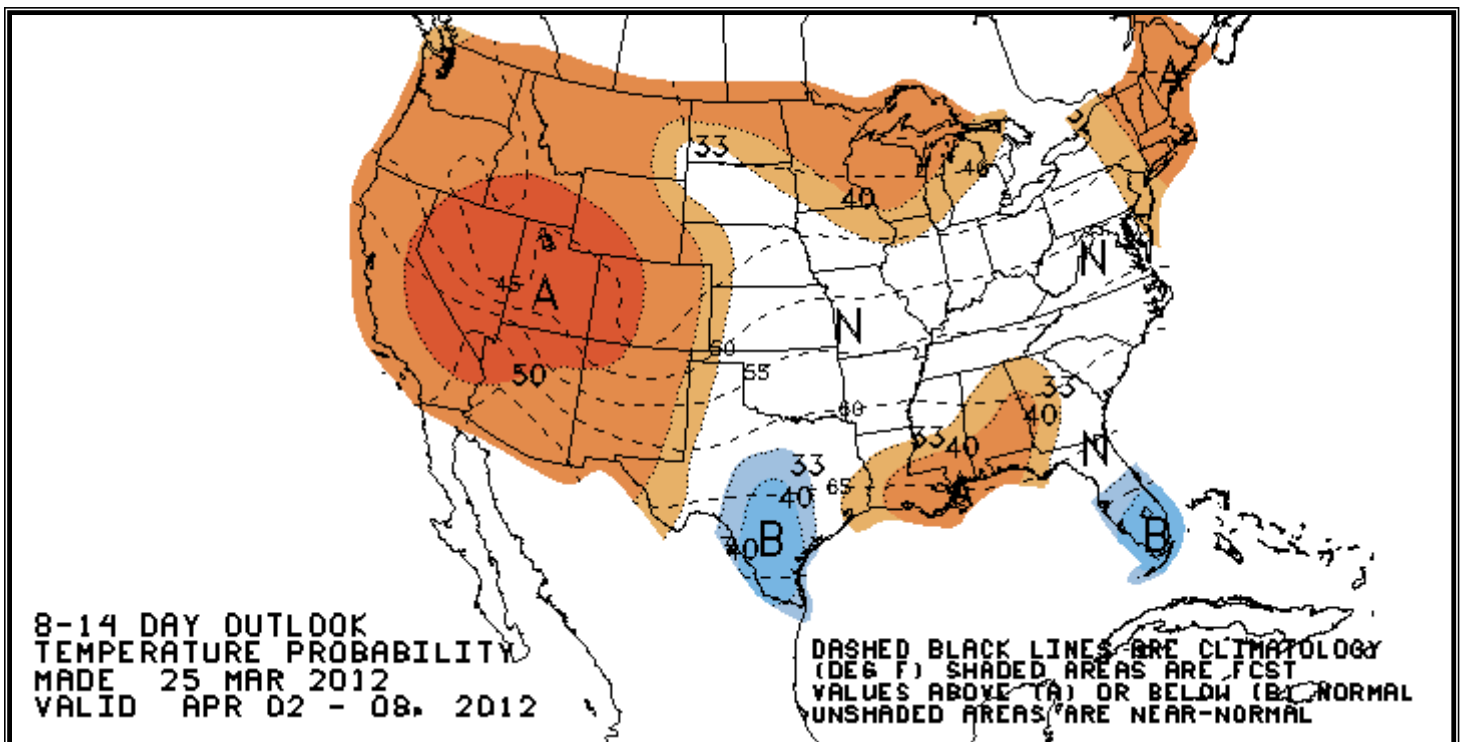
National Weather Service Climate Prediction Center

Degree Days 6 - 10 Day Temperature Forecast



National Weather Service Climate Prediction Center

Degree Days 8 - 14 Day Temperature Forecast



American Gas Association Regions

