



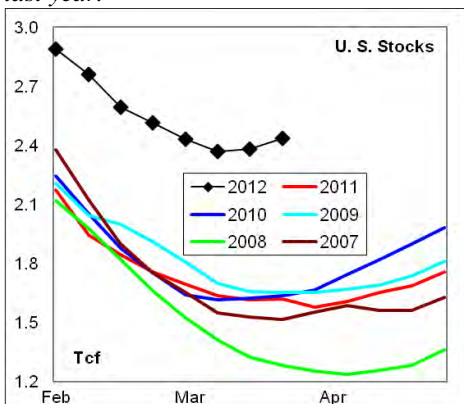
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

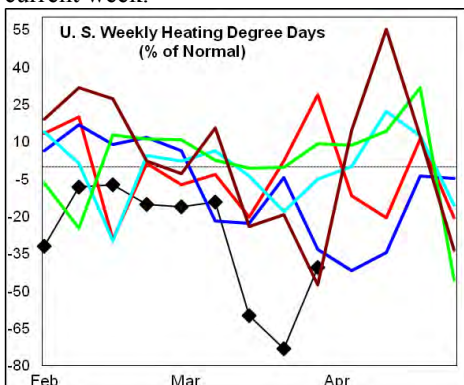
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, March 29, 2012



Summary¹ The stock build of +57 Bcf for the week was a record build for the week. *Stock levels ended the week +50% above last year.*



Heating degree days for the week ending 24Mar12 were -73% below normal and forecast to be -41% below normal for the current week.



In the East Region stocks increased +25 Bcf for the week, a record build for the period. Stocks decreased -2 Bcf in the West Region, a draw slightly larger than the mid range. The stock build of +34 Bcf in the Producing Region was a record build for the week.

Heating degree days were -84% below normal in the East Region, -21% below normal in the West Region and -52% below normal in the Producing Region for the week ending 24Mar12.

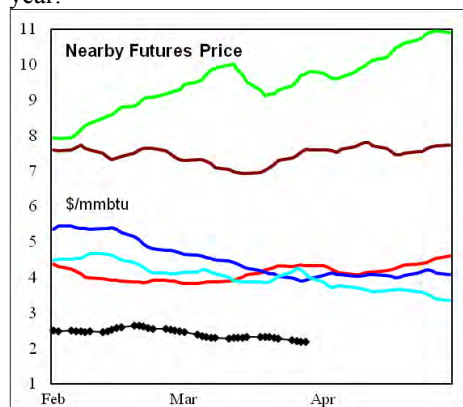
Heating degree days were -73% below normal for the week ended 24Mar12, and forecast to be -41% below normal for the

current week.

The 6-10 day NWS forecast for the week ending 07Apr12 is for below normal heating degree days in the Plains and Rocky Mountain states, with other areas near normal.

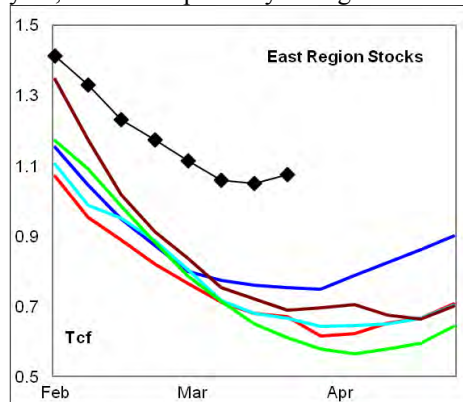
The 8-14 day NWS forecast for the week ending 11Apr12 is for below normal heating degree days in the Plains and Rocky Mountain states, with other areas near normal.

Prices: Nearby gas futures prices decreased -\$0.10/mmbtu for the week ending 29Mar12. The current price is -\$2/mmbtu below the prior 5-year low for this time of year.



The 1st - 4th month forward price curve traded sideways for the week ending 29Mar12 at a level below the mid range.

East Region stocks +25 Bcf for the week, the largest build of the last 5-years. The current stock level was +60% above last year, and above prior 5-year highs.

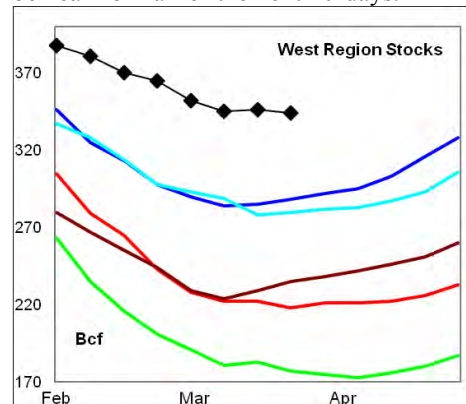


Heating degree days in the region were -84% below normal for the week ending 24Mar12, and forecast to be -36% below normal for the current week. Temperatures are forecast to be near normal for the next 10-days.

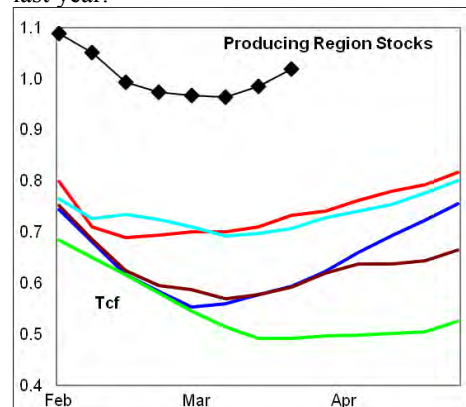
West Region stocks decreased -2 Bcf on the week, a draw slightly larger than normal. Stock levels ended the week

+58% above last year and above the 5-year range. The latest 4-wk stock draw was below the mid range for the week.

Heating degree days were -21% below normal for the week ending 24Mar12, and forecast to be -40% below normal for the current week. Temperatures are forecast to be near normal for the next 10-days.



Producing Region stocks experienced a build of +34 Bcf on the week, a record build for the week. The monthly stock build was a record high for the period. Stock levels ended the week +39% above last year.



Heating degree days were -52% below normal for the week ending 24Mar12, and forecast to be -82% below normal for the current week. Near 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 -38% below last year.

Outlook: Stocks are +50% above a year ago. Look for significant volumes to be shut-in during the 3rd quarter shoulder season when storage is filled. Moderate temperatures are forecast into mid April for eastern 2/3rds of the country. Prices should continue to make new lows.

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 29, 2012

For the week ending: 23-Mar-12

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

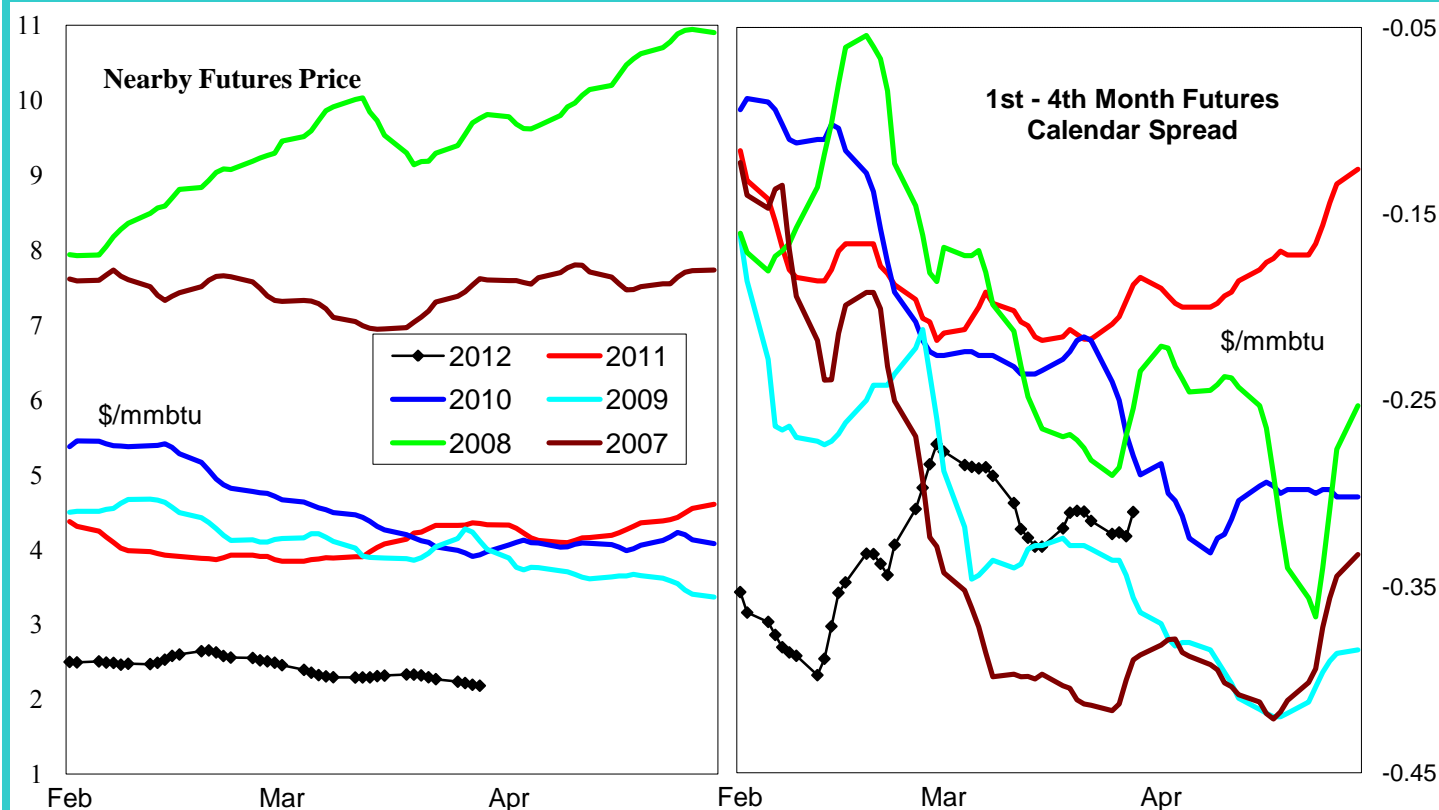
Week ending:	23-Mar-12			17-Mar-12		24-Mar-12		31-Mar-12	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,437	57	50.3	-84	-60%	-25	-73%	38	-41%
East	1,074	25	60.3	-101	-63%	-41	-84%	68	-36%
West	344	-2	57.8	-39	-30%	6	-21%	-33	-40%
Producing	1,019	34	39.0	-53	-70%	10	-52%	-24	-82%

Seasonal Trends in Stocks and Heating Degree Days

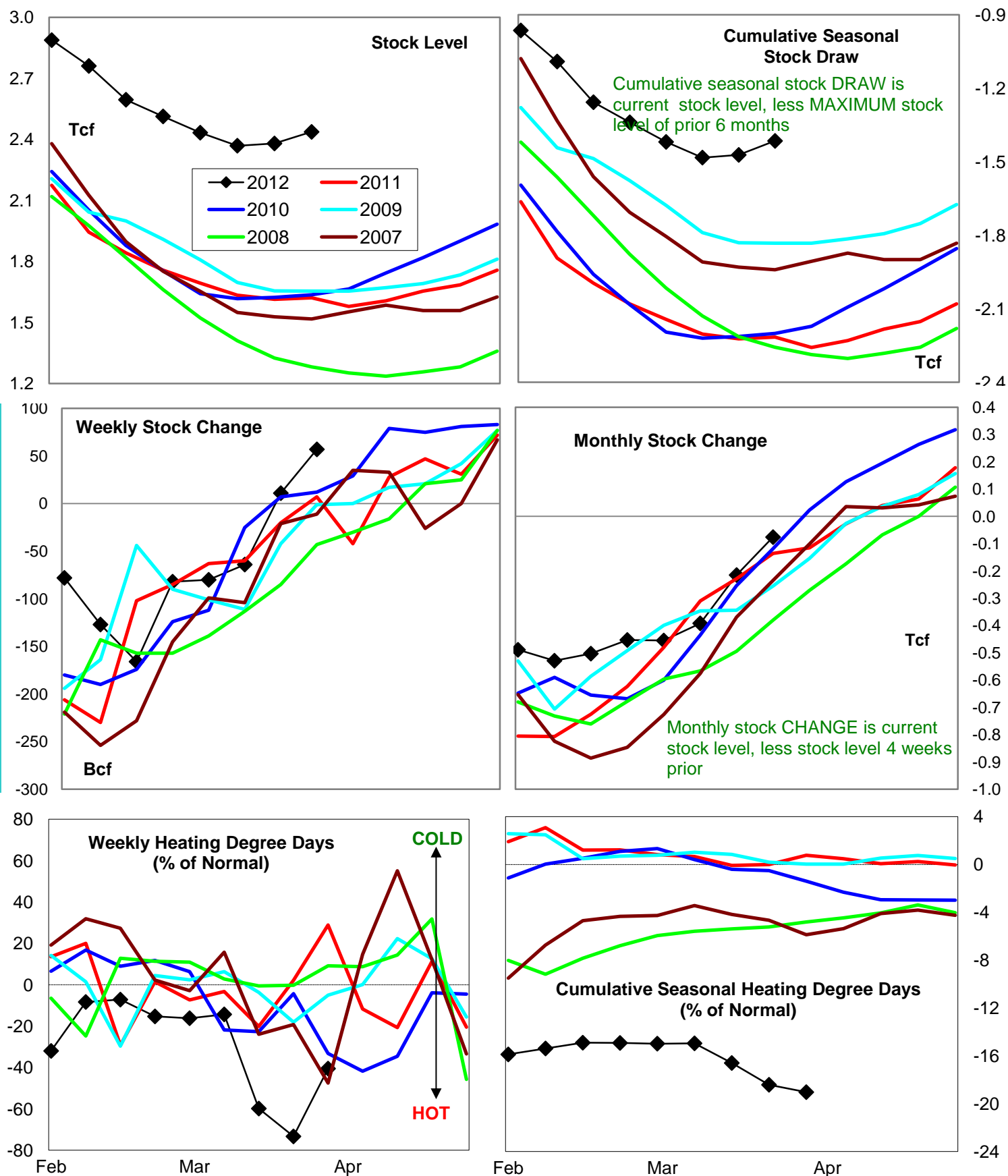
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	-1,415	801	-56.6	63	-16.6	38	-18.4	76	-19.0
East	-1,017	400	-39.3	67	-17.6	26	-19.8	94	-20.2
West	-173	128	-74.0	106	-10.3	112	-10.6	79	-11.5
Producing	-242	277	-114.5	25	-16.4	35	-17.3	11	-18.7

Futures Market Price Trends

Date:	29-Mar-12	Change vs prior week, month, year		
		23-Mar-12	2-Mar-12	30-Mar-11
1st month Futures	2.18	-0.09	-0.30	-1.96
% change	xxxxx	-4.2	-12.2	-47.3



United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock Level

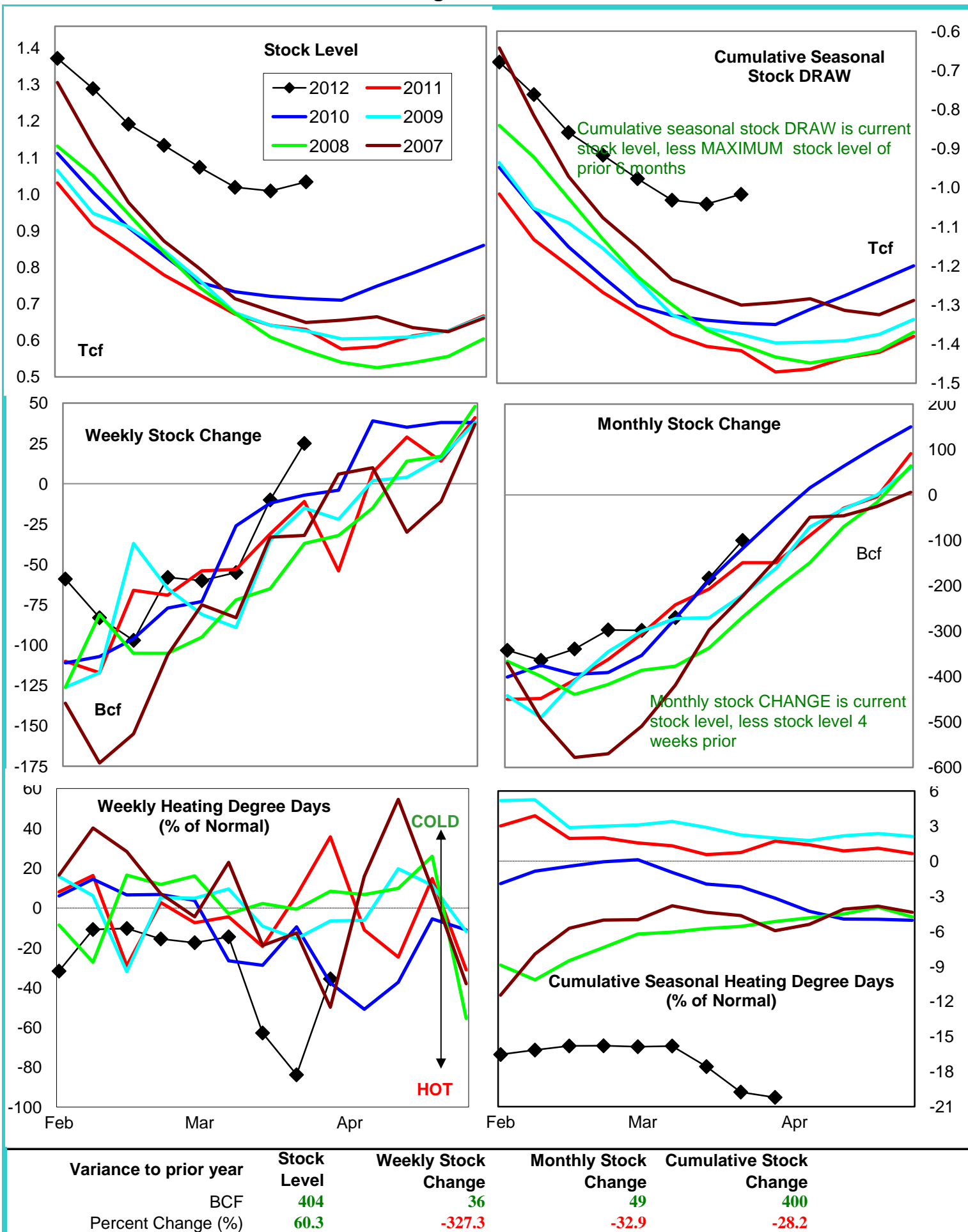
Weekly Stock Change

Monthly Stock Change

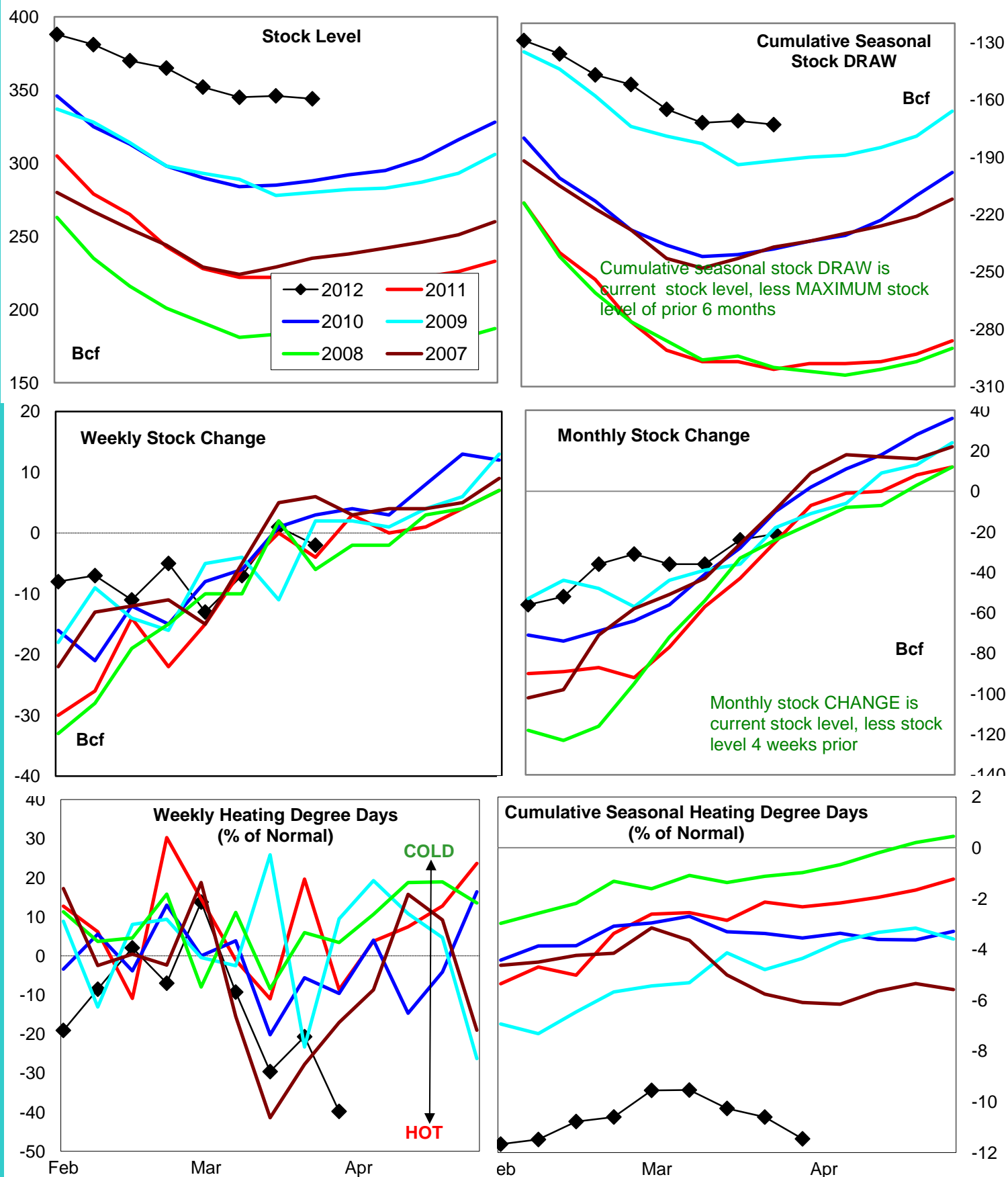
Cumulative Stock Change

BCF
Percent Change (%)816
50.350
714.360
-44.1801
-36.1

Natural Gas East Region Stock and Weather Trends



Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

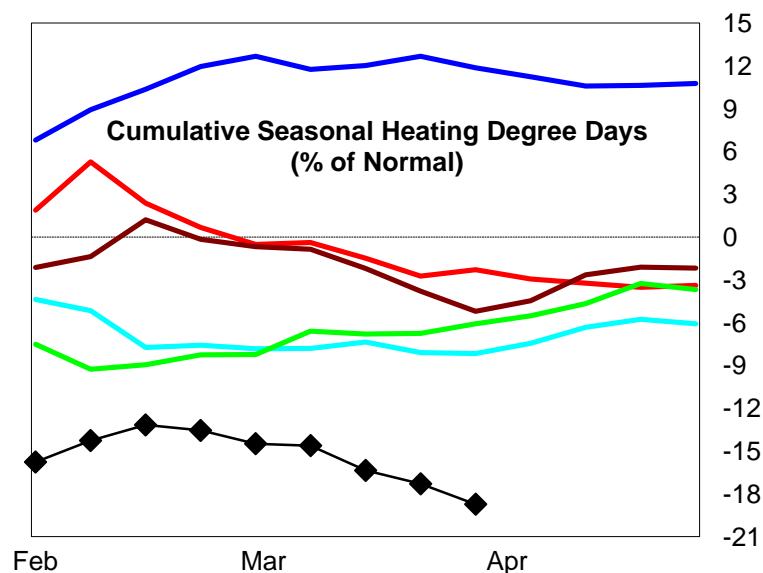
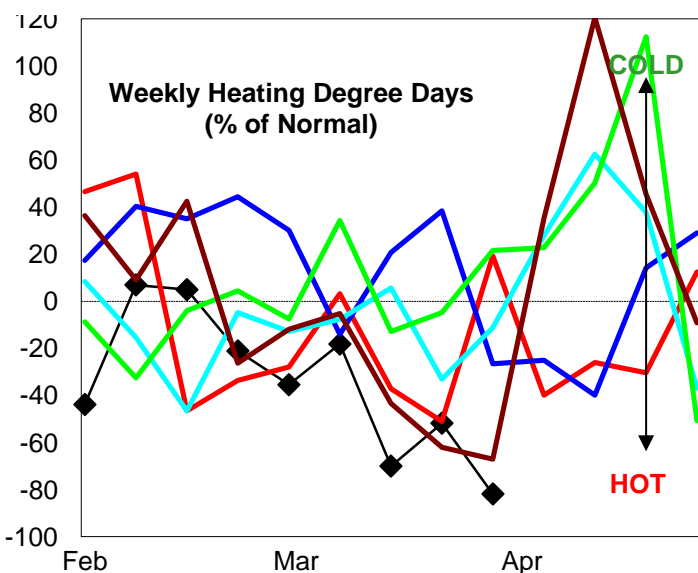
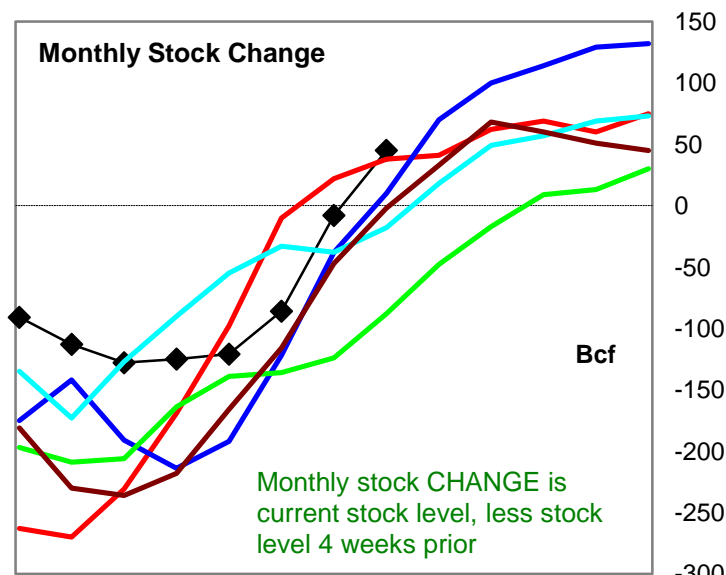
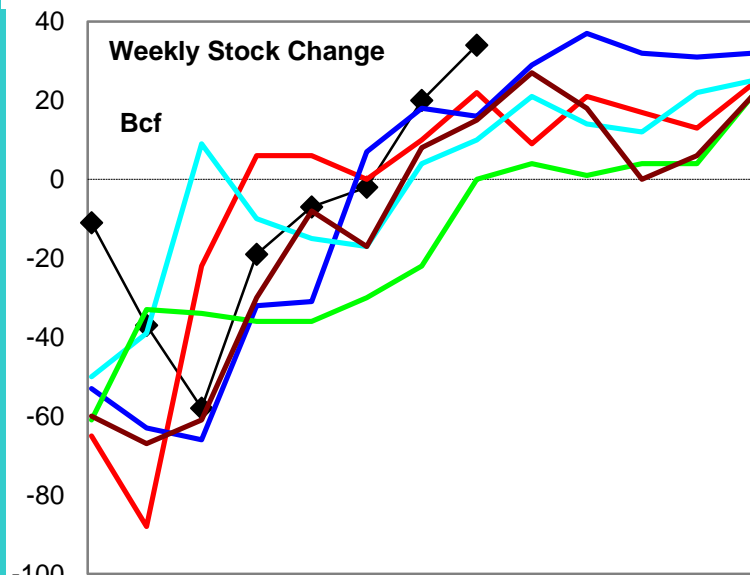
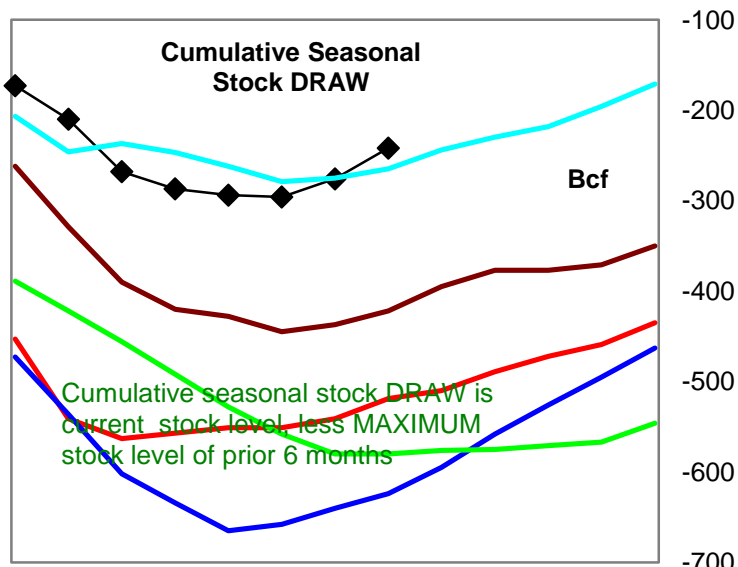
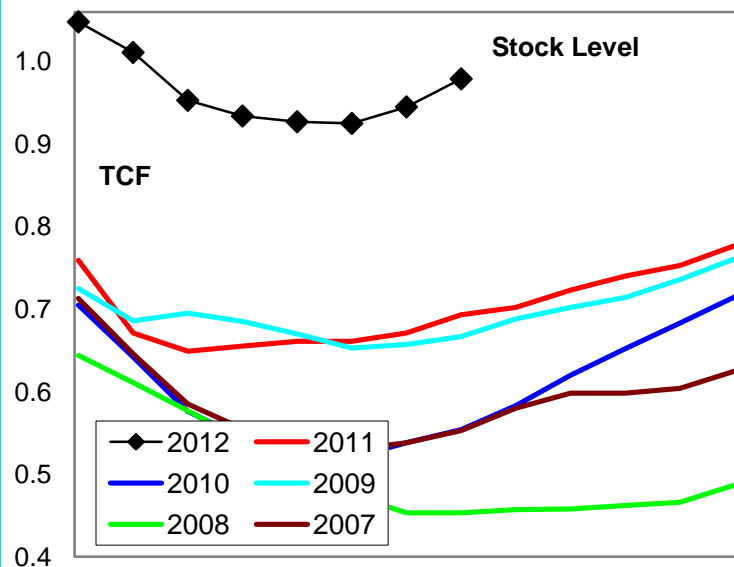
Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF
Percent Change (%)126
57.82
-50.04
-16.0128
-42.5

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

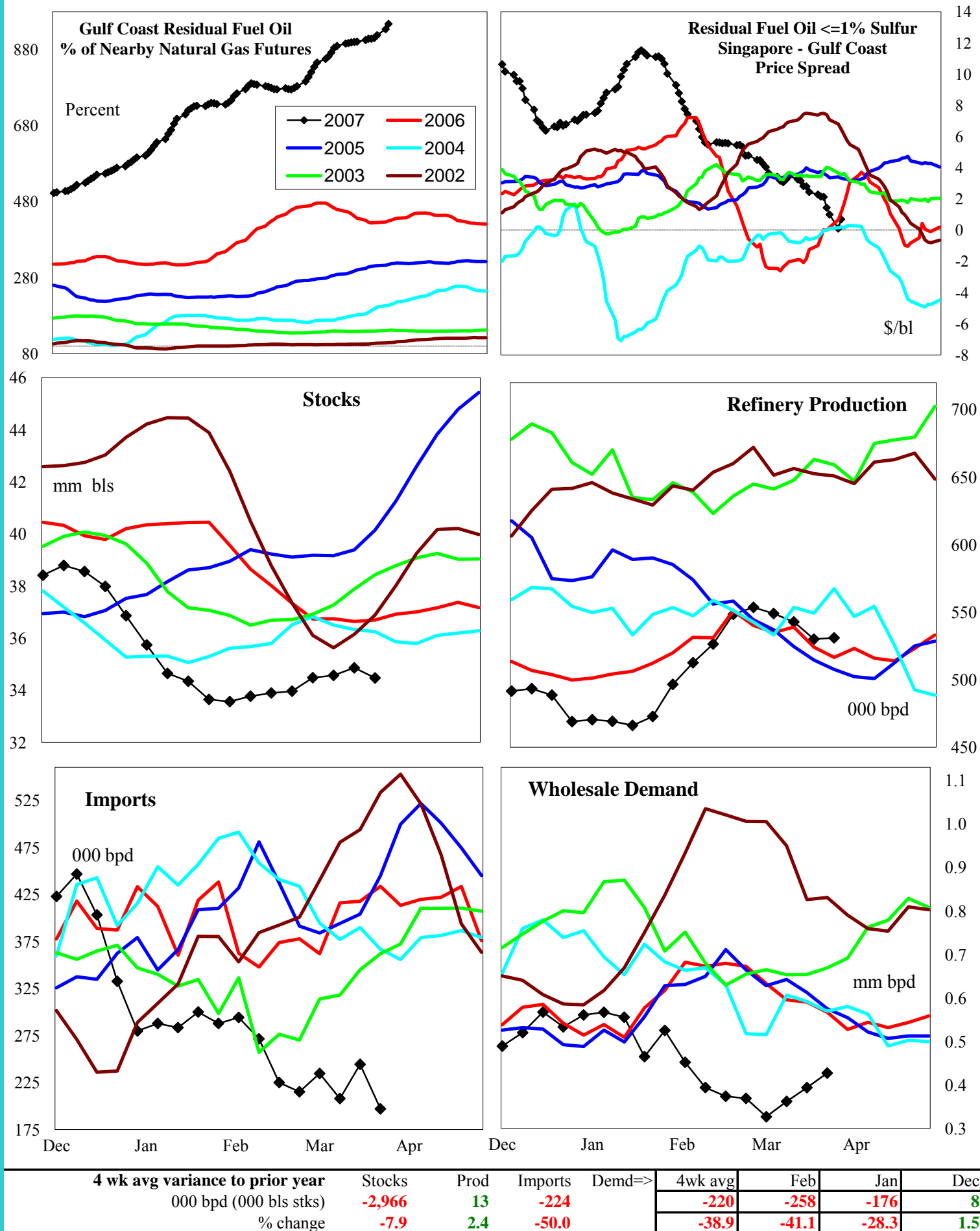
Weekly Stock Change

Monthly Stock Change

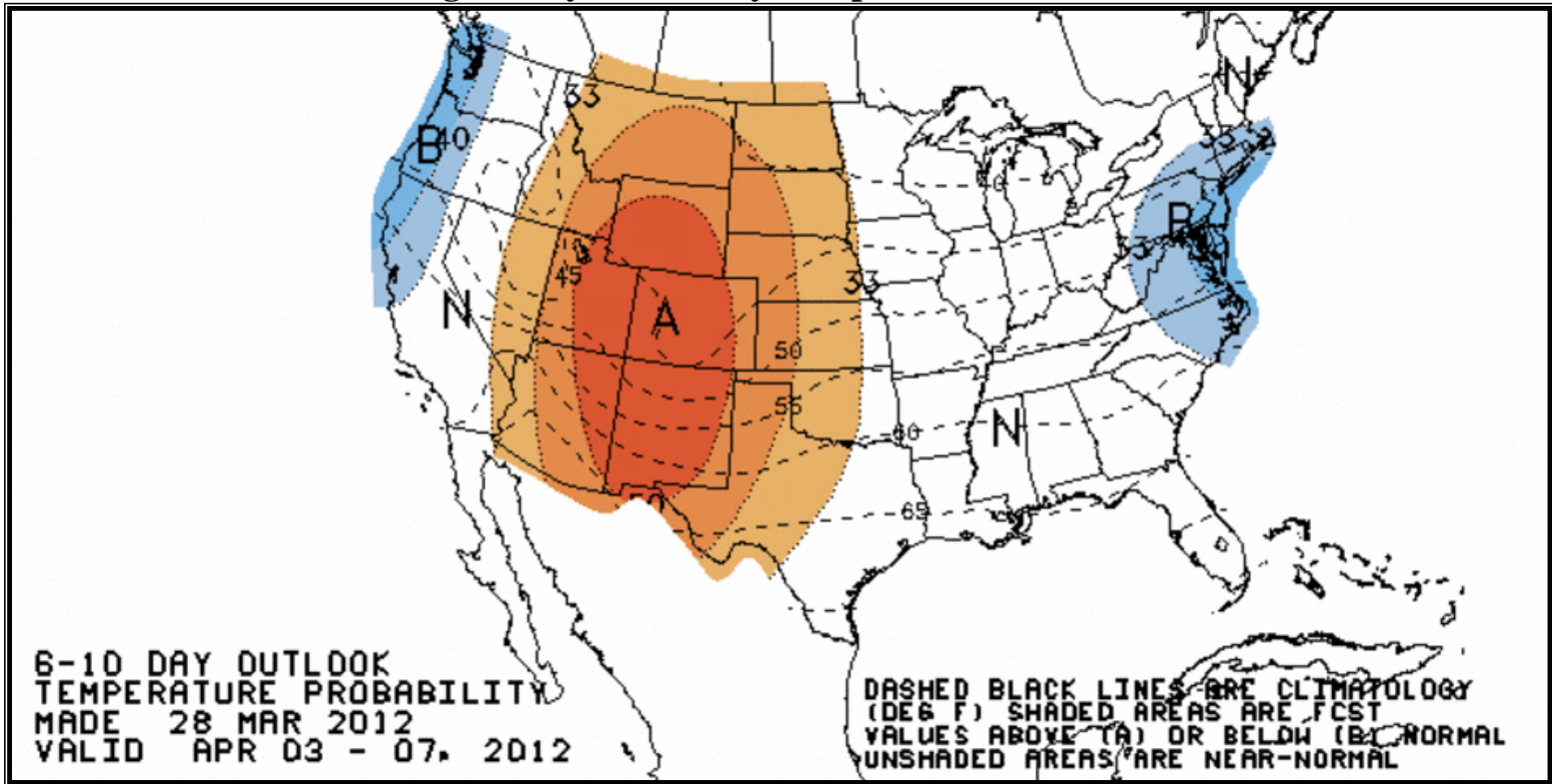
Cumulative Stock Change

BCF
Percent Change (%)286
39.012
54.57
18.4277
-53.4

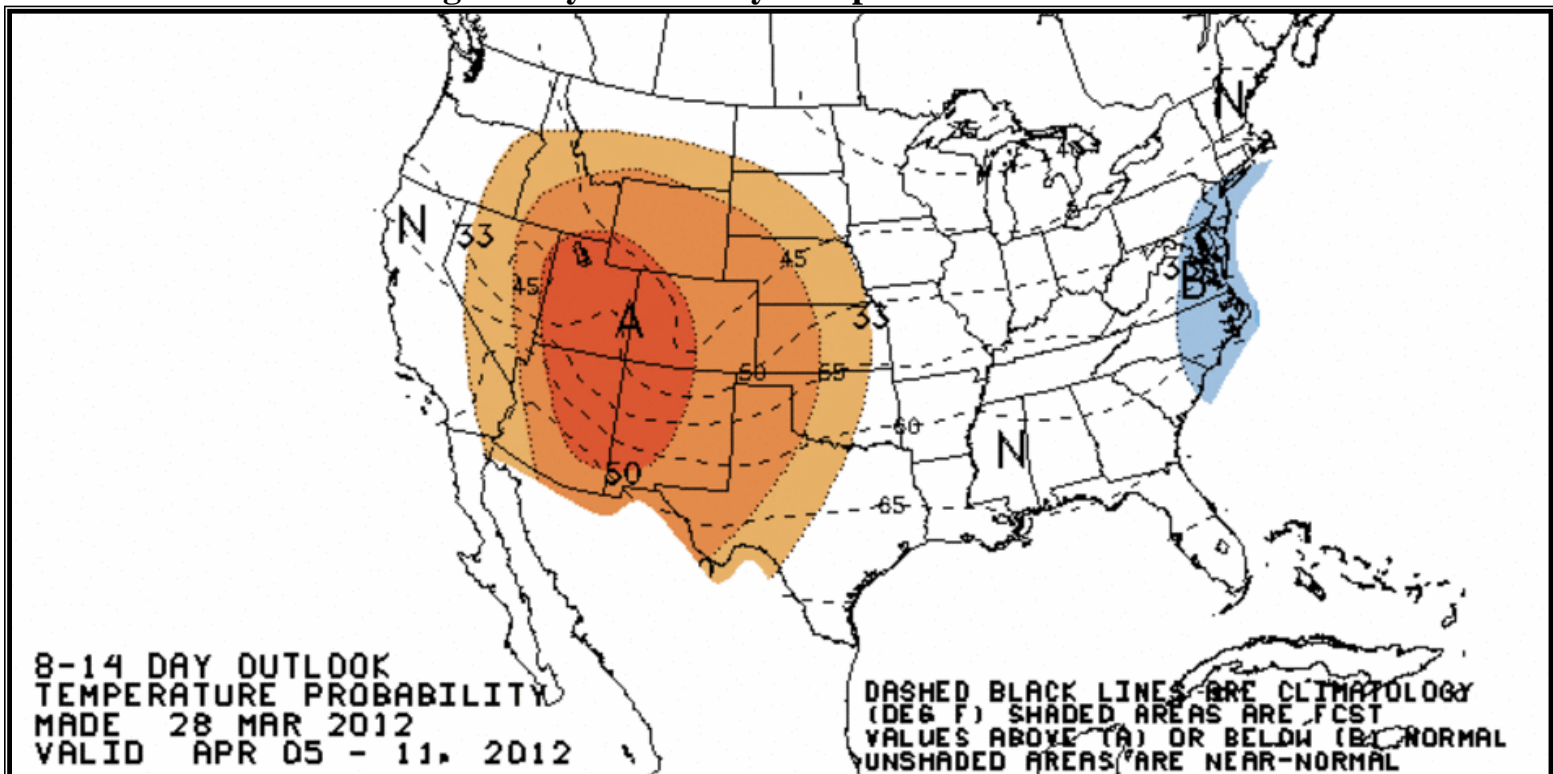
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

