

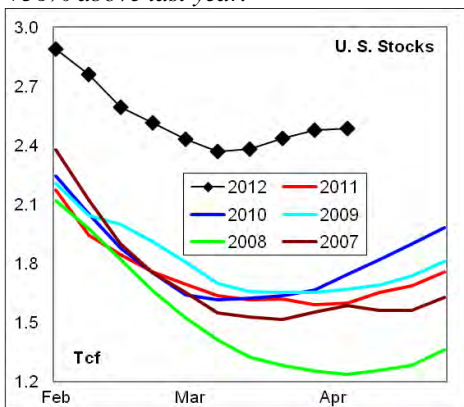
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

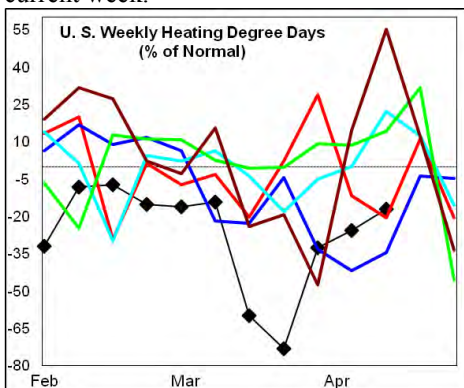
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, April 12, 2012



Summary¹ The stock build of +8 Bcf for the week was comparable to the 5-year mid range. *Stock levels ended the week +56% above last year.*



Heating degree days for the week ending 07Apr12 were -26% below normal and forecast to be -17% below normal for the current week.



In the East Region stocks increased +7 Bcf for the week, matching the historic mid range for the period. Stocks increased +4 Bcf in the West Region, a build that matched the 5-year high for this time of year. The stock draw of -3 Bcf in the Producing Region was a record for the week, compared to builds that averaged +20 Bcf in prior years.

Heating degree days were -24% below normal in the East Region, -9% below normal in the West Region and -63% below normal in the Producing Region for the week ending 07Apr12.

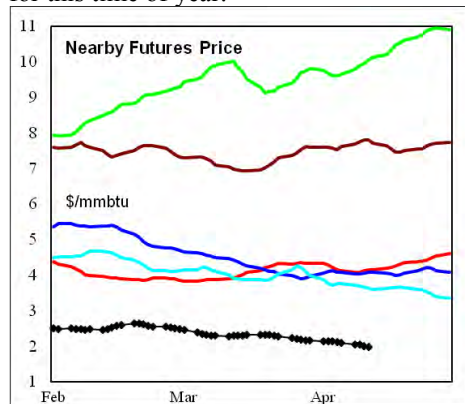
Heating degree days were -26% below

normal for the week ended 07Apr12, and forecast to be -17% below normal for the current week.

The 6-10 day NWS forecast for the week ending 21Apr12 is for near normal heating degree days in the central 1/2 of the country, and below normal heating degree days in the East and West regions.

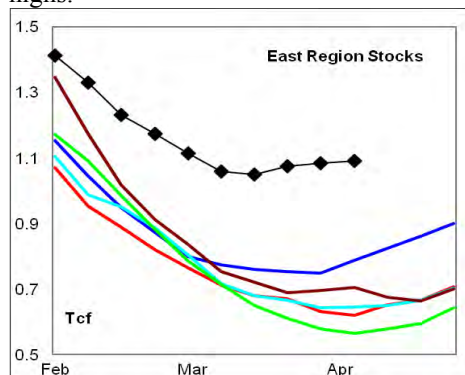
The 8-14 day NWS forecast for the week ending 25Apr12 is for below normal heating degree days in the southwest and near normal elsewhere.

Prices: Nearby gas futures prices decreased -\$0.10/mmbtu for the week ending 12Apr12. The current price is -\$1.60/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 12Apr12 at a level near the mid range.

East Region stocks increased +7 Bcf for the week, a build near the 5-year mid range. The current stock level was +76% above last year, and above prior 5-year highs.

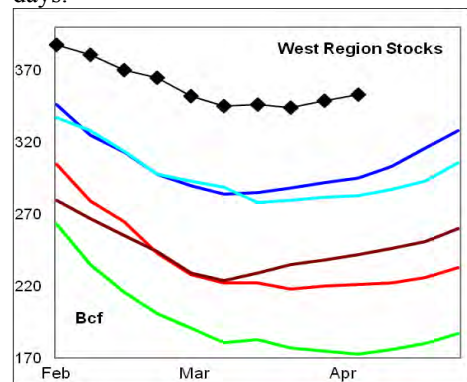


Heating degree days in the region were -24% below normal for the week ending 07Apr12, and forecast to be -11% below normal for the current week. Temperatures are forecast to be above normal for the next 10-days.

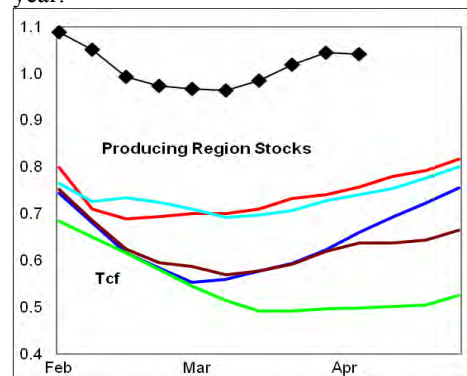
West Region stocks increased +4 Bcf on the week, a build that matched historic

highs for the week. Stock levels ended the week +60% above last year and above the 5-year range. The latest 4-wk stock build was above the mid range for the week.

Heating degree days were -9% below normal for the week ending 07Apr12, and forecast to be -28% below normal for the current week. Temperatures are forecast to be warmer than normal for the next 10-days.



Producing Region stocks experienced a draw of -3 Bcf on the week, a record for the period compared to average builds of +20 Bcf. The monthly stock build was above the mid range for the period. Stock levels ended the week +38% above last year.



Heating degree days were -63% below normal for the week ending 07Apr12, and forecast to be -57% 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 -38% below last year.

Outlook: Stocks are +56% 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 through late April for most 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: April 12, 2012

For the week ending: 6-Apr-12

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

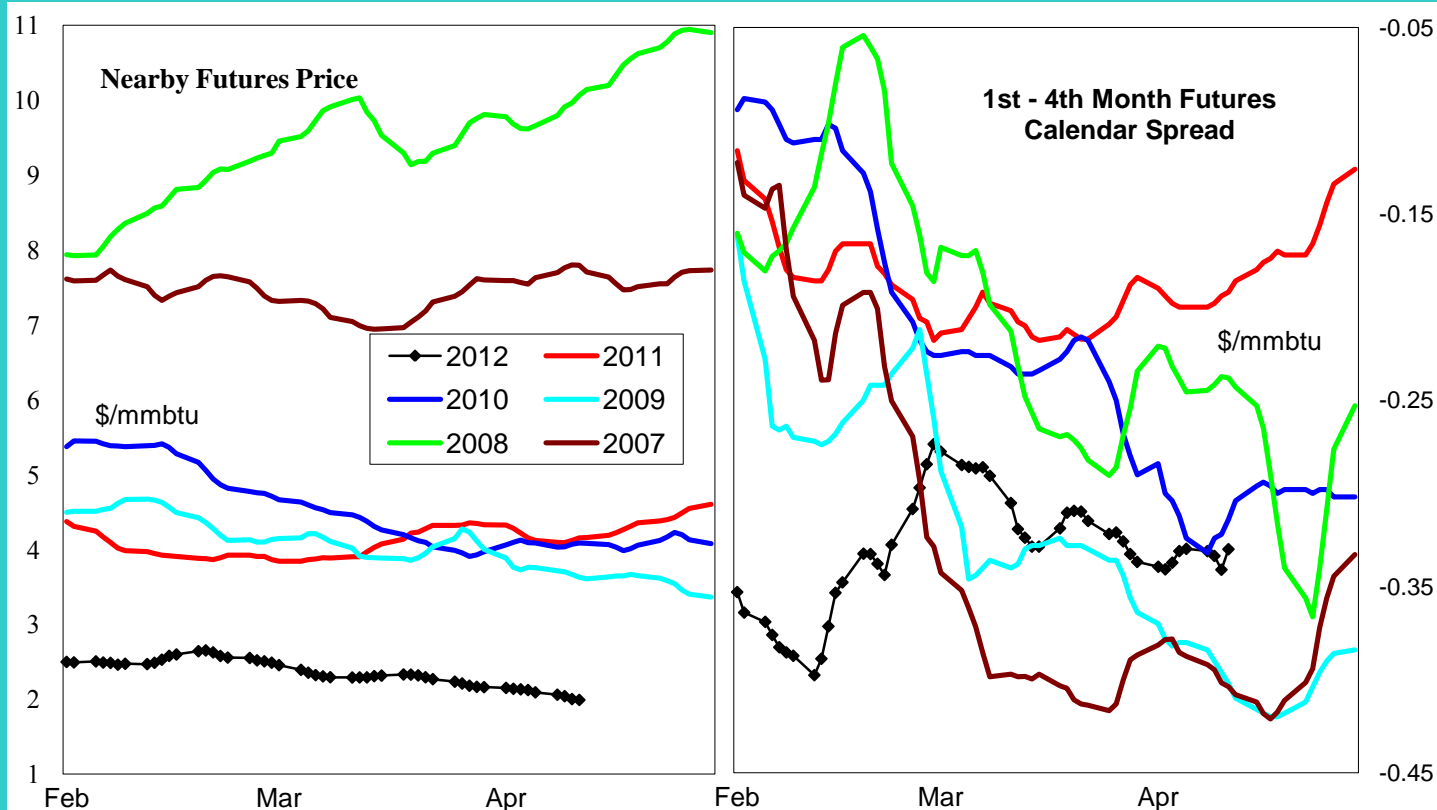
Week ending:	6-Apr-12			31-Mar-12		7-Apr-12		14-Apr-12	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,487	8	55.5	48	-33%	-1	-26%	-2	-17%
East	1,092	7	75.8	78	-29%	-5	-24%	2	-11%
West	353	4	59.7	-8	-21%	6	-9%	-31	-28%
Producing	1,042	-3	37.6	-22	-80%	7	-63%	-2	-57%

Seasonal Trends in Stocks and Heating Degree Days

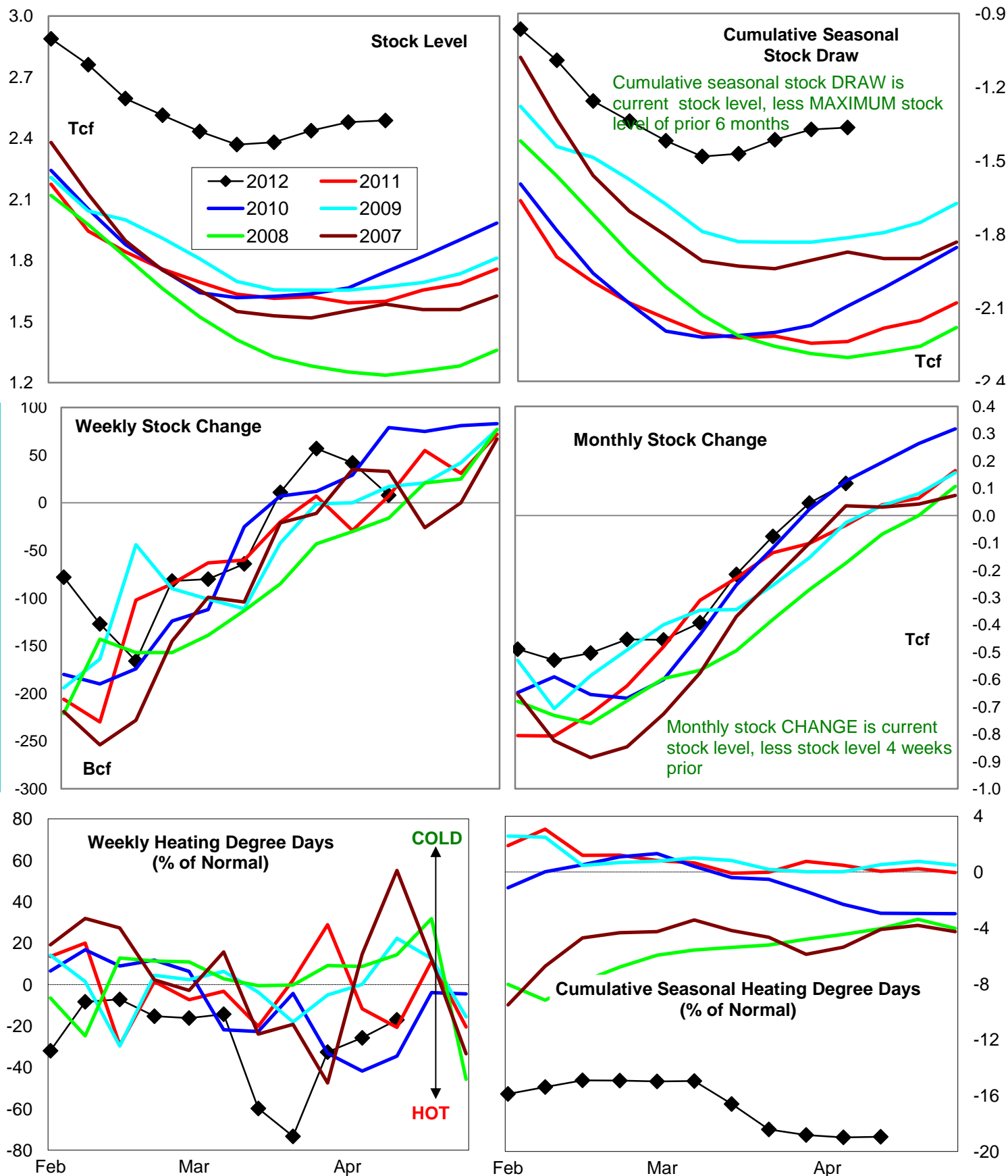
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	-1,365	873	-64.0	86	-18.8	85	-19.0	82	-18.9
East	-999	467	-46.7	104	-20.0	99	-20.1	102	-19.9
West	-164	134	-81.7	103	-10.9	110	-10.9	79	-11.3
Producing	-219	276	-126.0	13	-18.7	19	-19.5	18	-20.0

Futures Market Price Trends

Date:	12-Apr-12	Change vs prior week, month, year		
		6-Apr-12	16-Mar-12	13-Apr-11
1st month Futures	1.99	-0.10	-0.34	-2.39
% change	xxxxx	-4.7	-14.4	-54.6



United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

888

1

153

873

Percent Change (%)

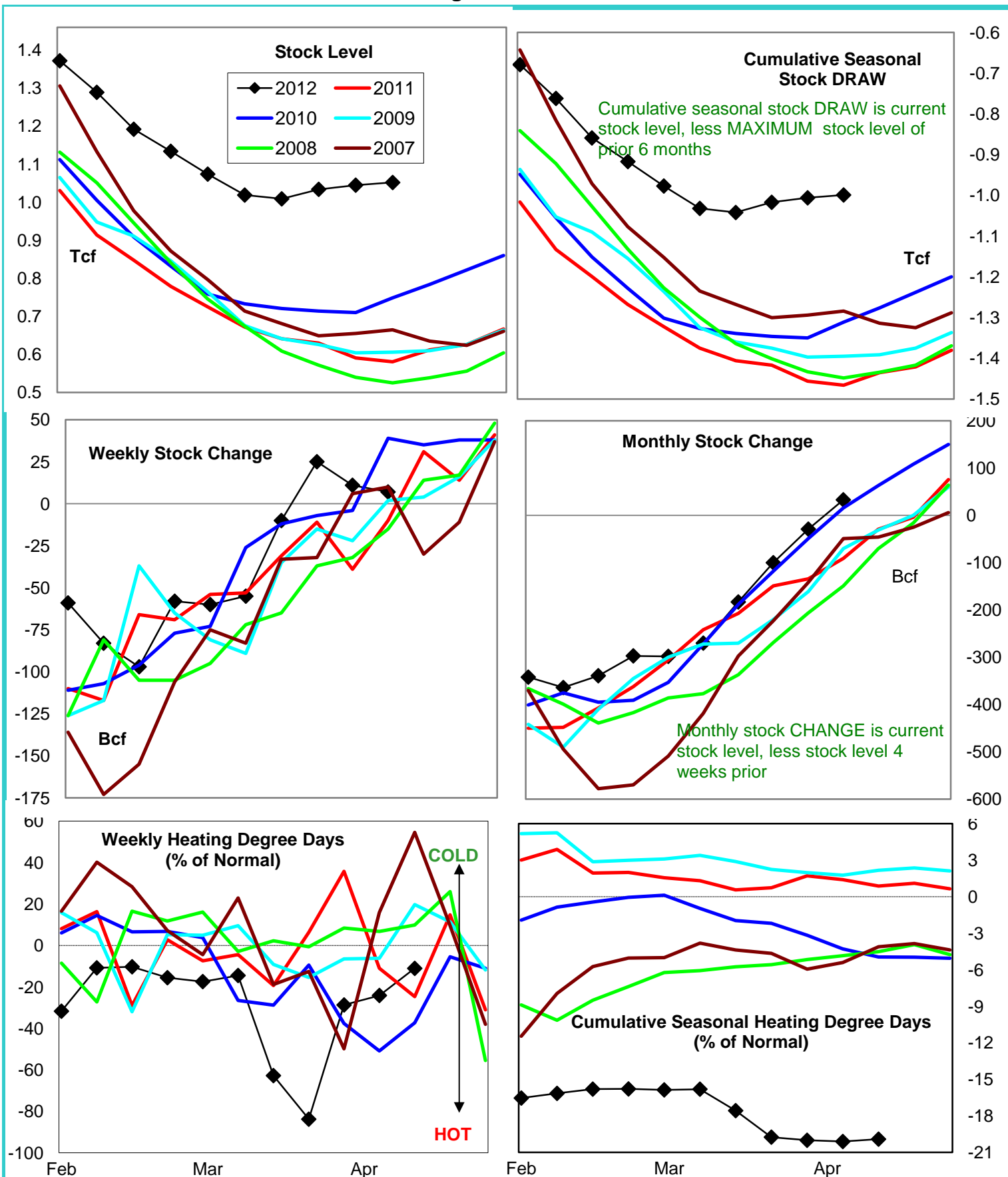
55.5

14.3

-437.1

-39.0

Natural Gas East Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
Change

BCF

471

17

124

467

Percent Change (%)

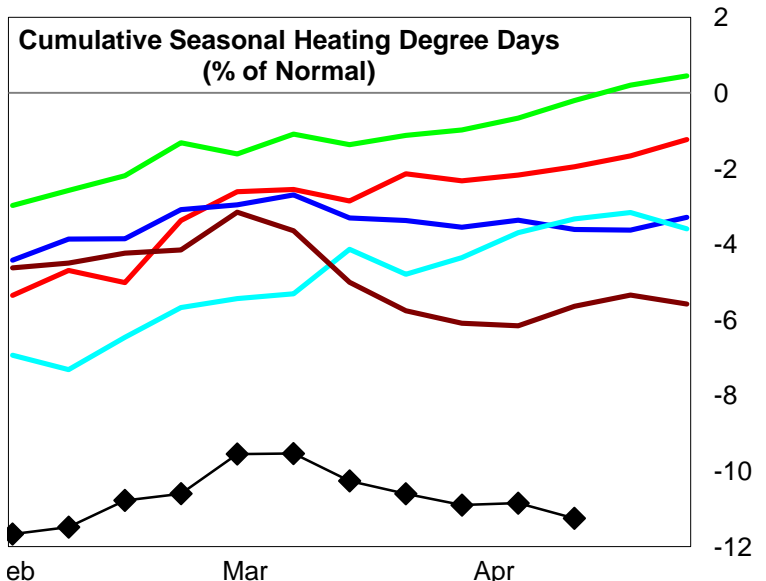
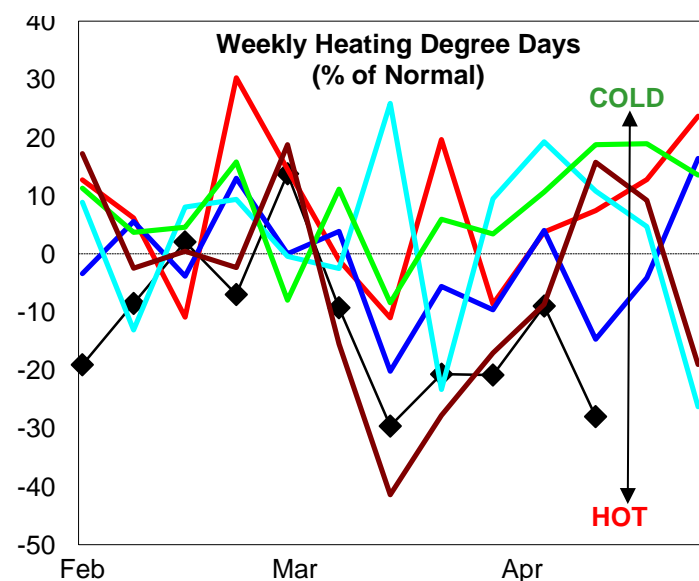
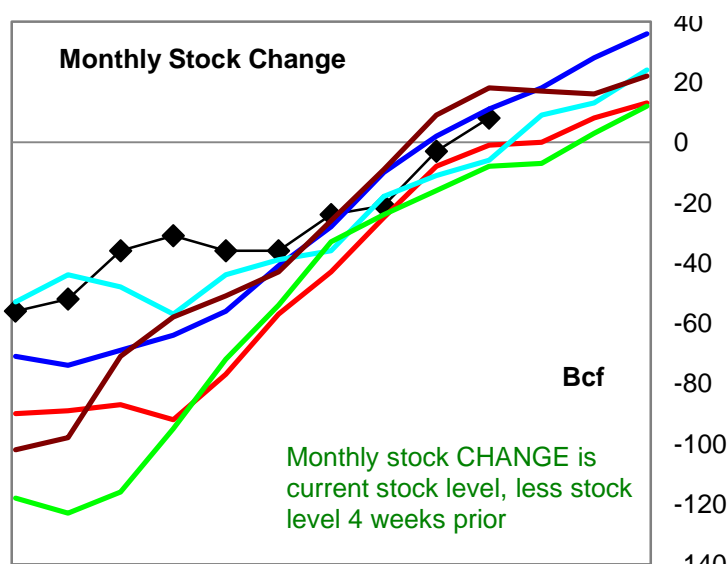
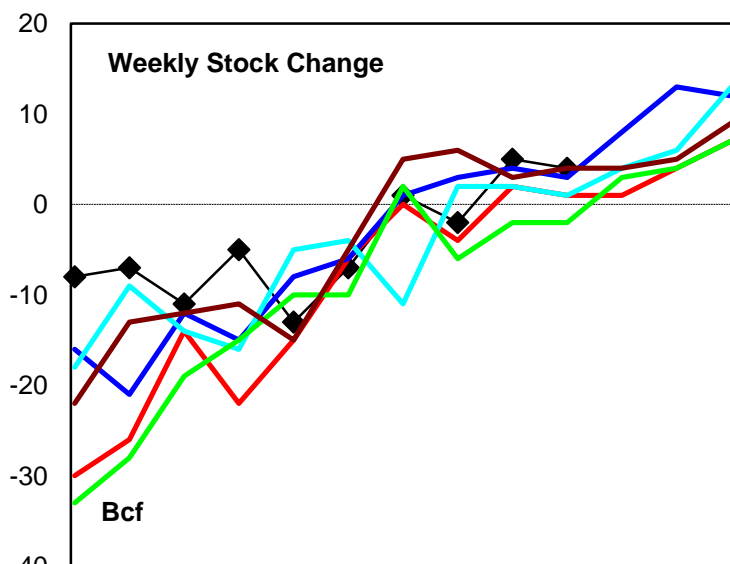
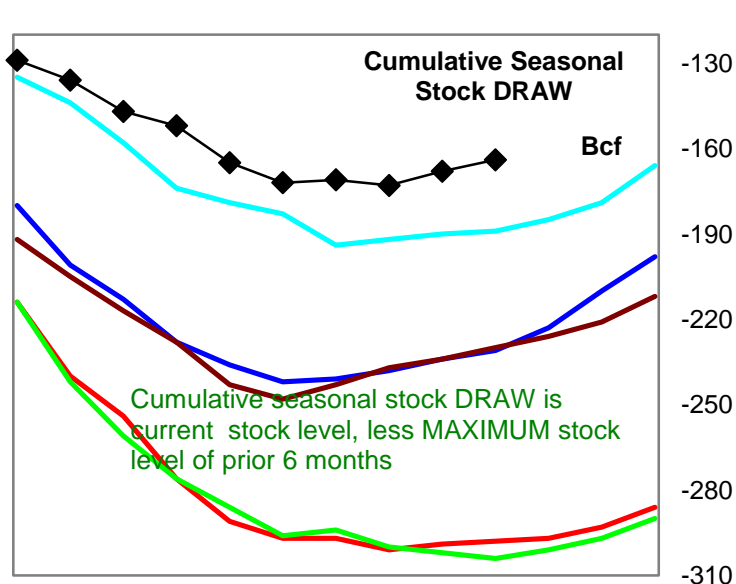
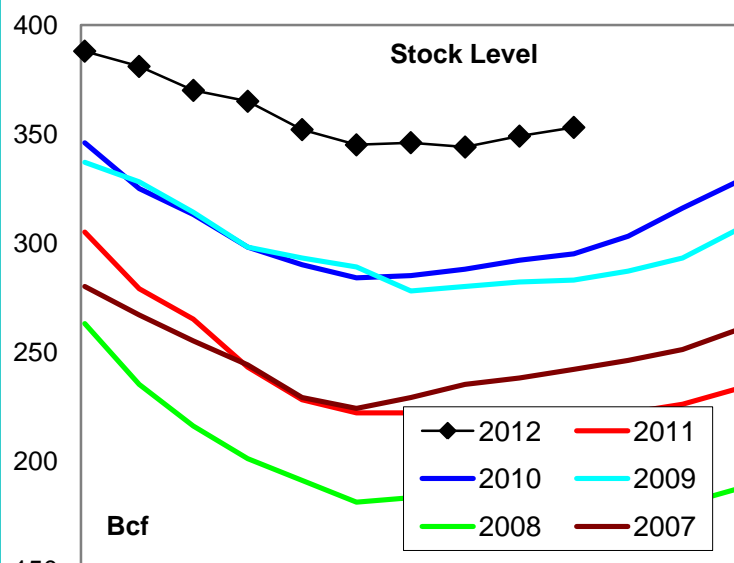
75.8

-170.0

-136.3

-31.9

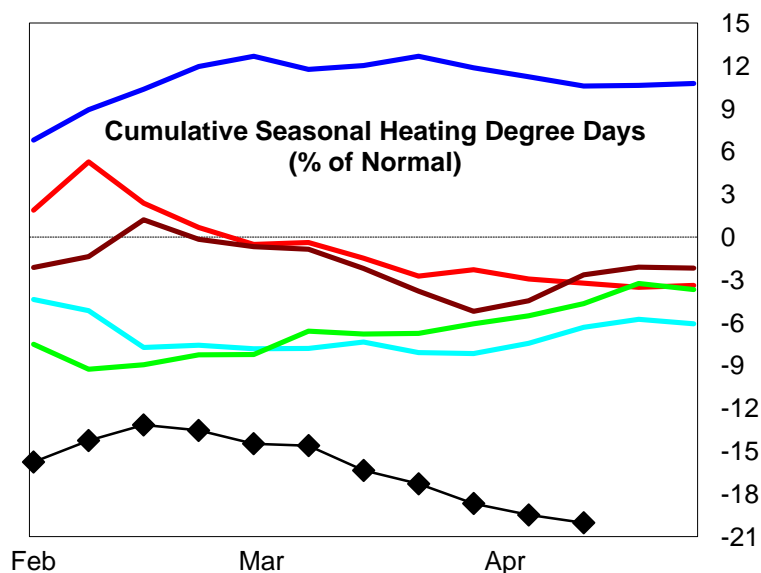
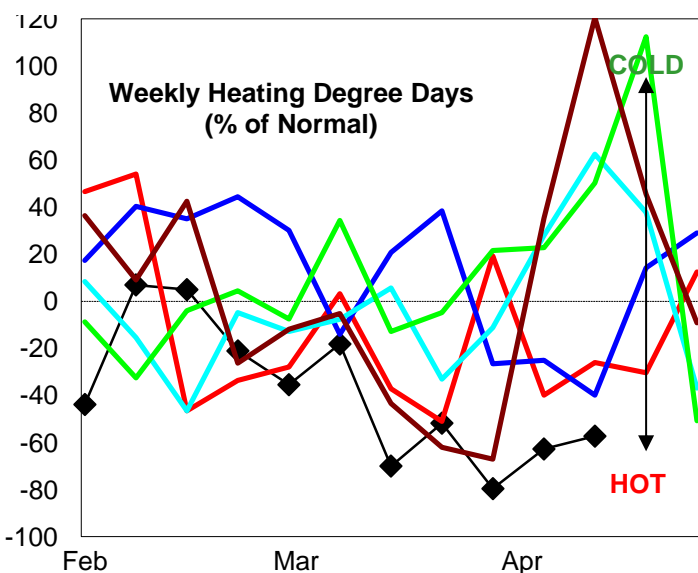
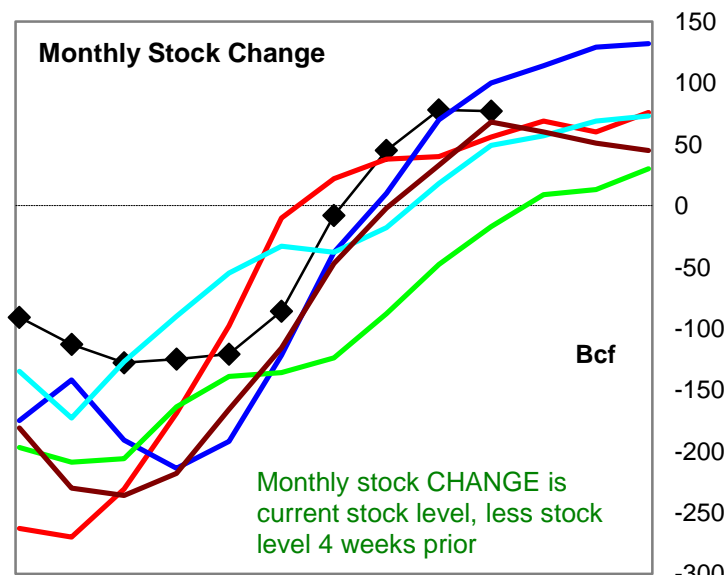
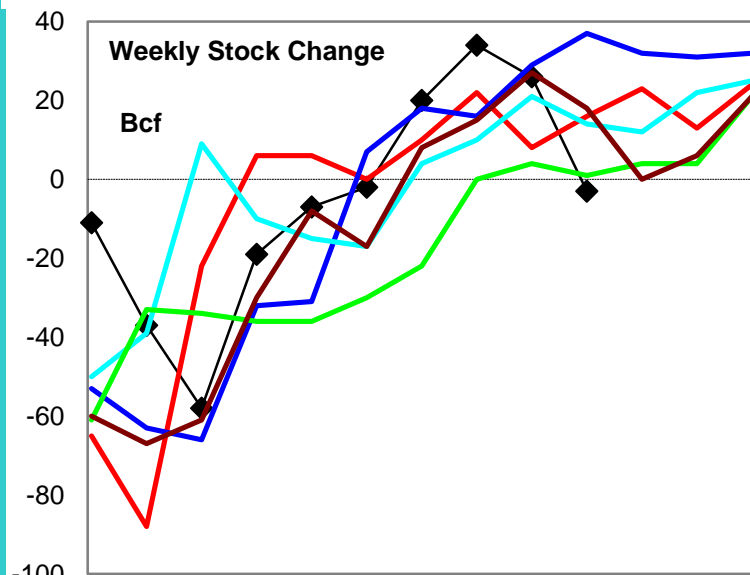
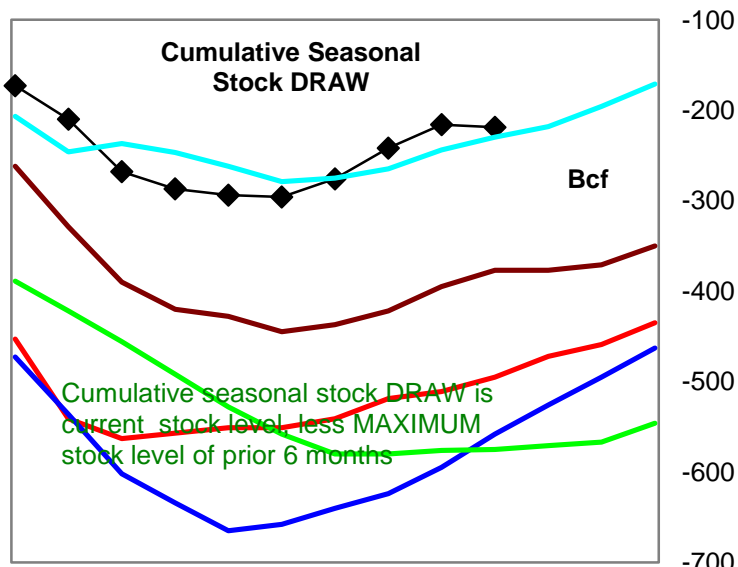
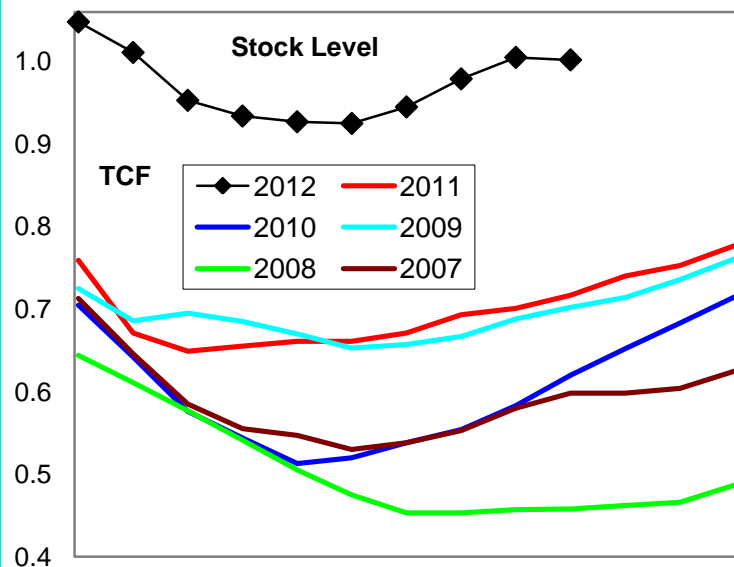
Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)132
59.73
300.09
-900.0134
-45.0

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

285

-19

21

276

Percent Change (%)

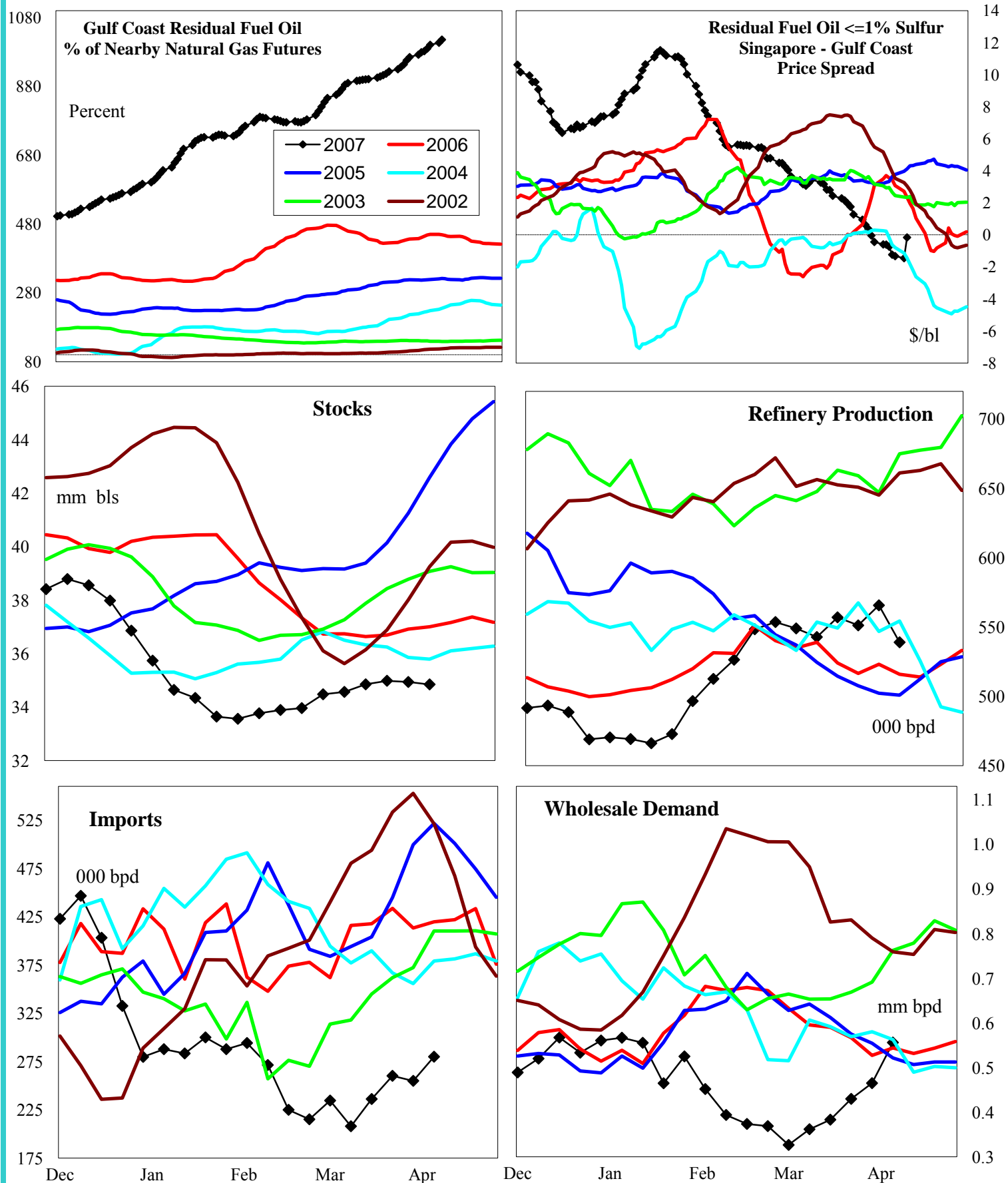
37.6

-118.8

37.5

-55.8

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



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-2,430

-6.5

Prod

34

6.4

Imports

-163

-38.5

Demd=>

4wk avg

-42

-8.6

Mar

-179

-32.7

Feb

-258

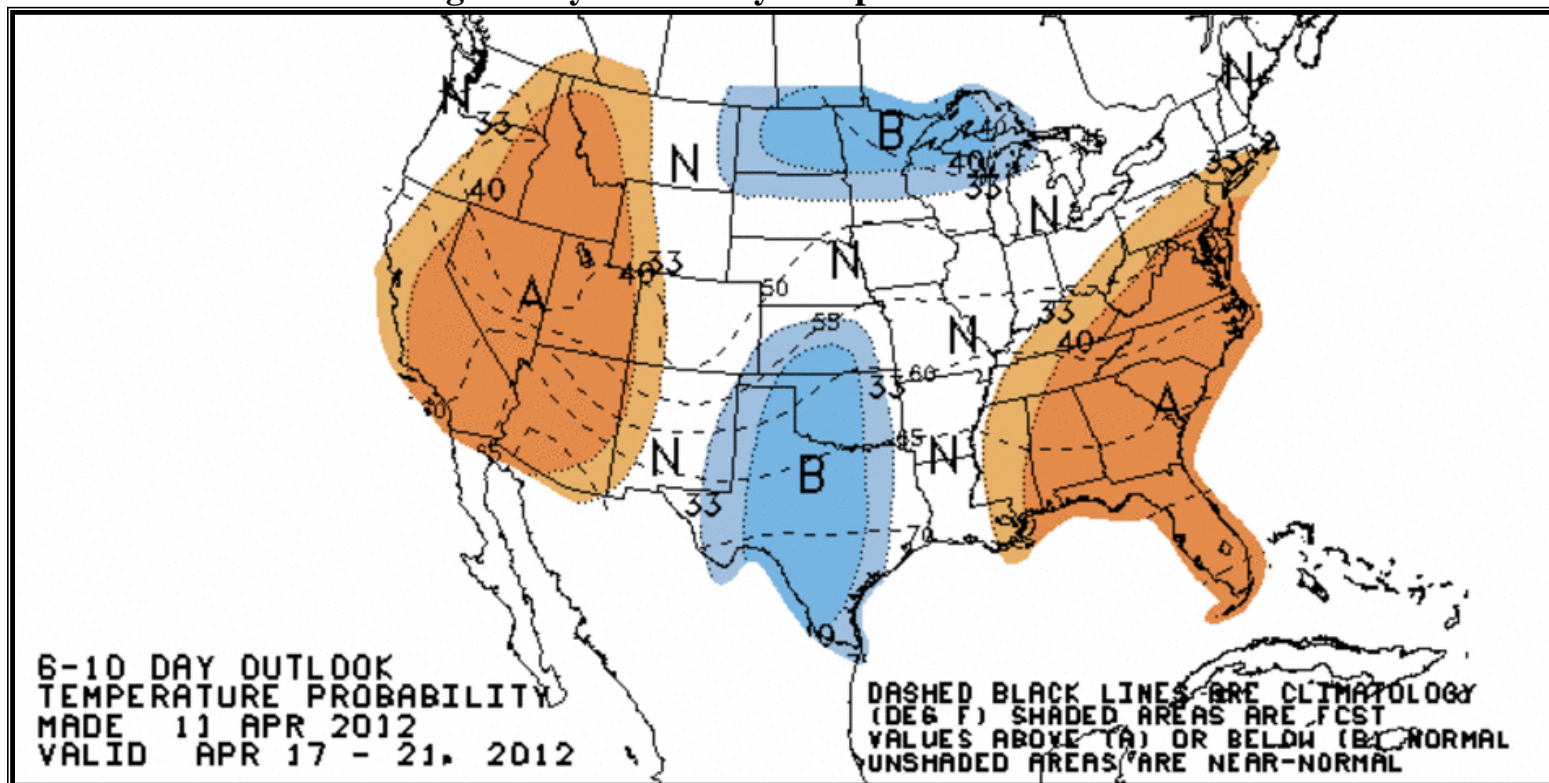
-41.1

Jan

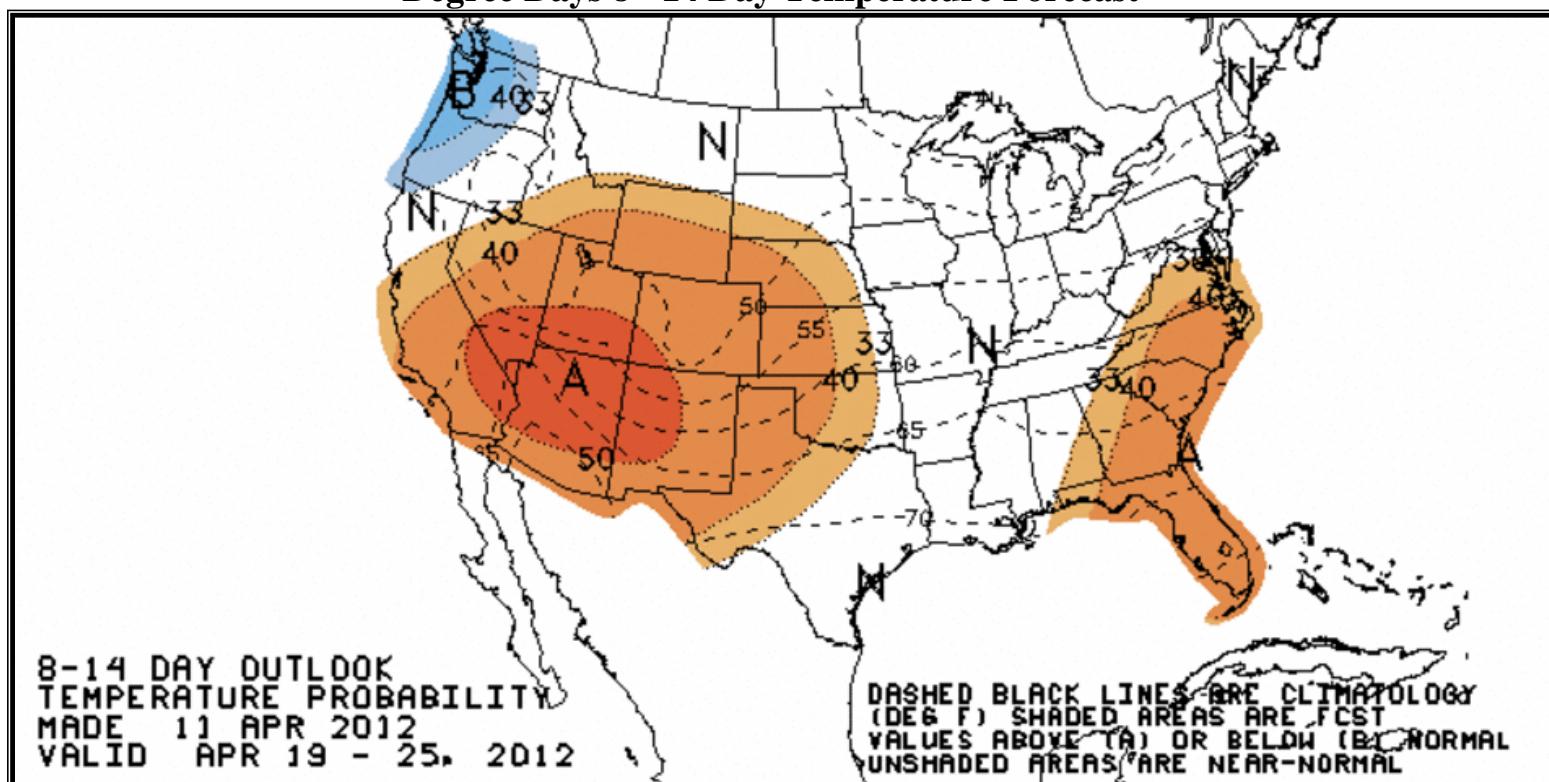
-203

-32.6

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

