

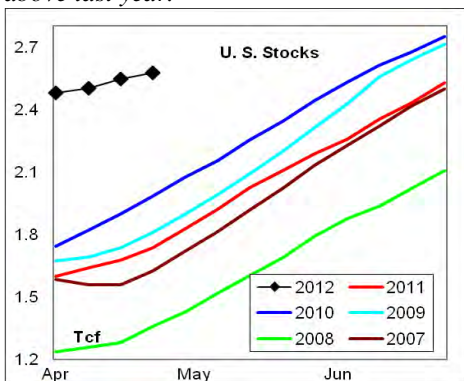
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

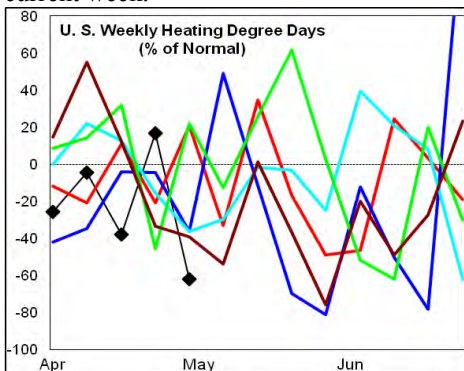
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Friday, May 04, 2012



Summary¹ The stock build of +28 Bcf for the week was a record low build for the week. *Stock levels ended the week +48% above last year.*



Heating degree days for the week ending 28Apr12 were +17% above normal and forecast to be -62% below normal for the current week.



In the East Region stocks increased +20 Bcf for the week, a record low build for this time of year. Stocks increased +9 Bcf in the West Region, a build that matched the 5-year mid range. The stock draw of -1 Bcf in the Producing Region reflects exceptionally high deliveries to the East Region.

Heating degree days were +30% above normal in the East Region, -34% below normal in the West Region and -30% below normal in the Producing Region for the week ending 28Apr12.

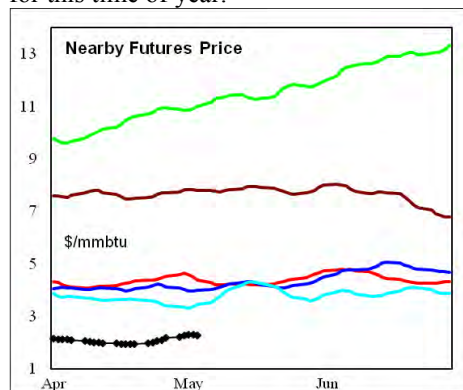
Heating degree days were +17% above normal for the week ended 22Apr12, and forecast to be -62% below normal for the

current week.

The 6-10 day NWS forecast for the week ending 13May12 is for cooler than normal temperatures in the eastern 2/3rds of the country and warmer than normal temperatures in the western 1/3rd of the country.

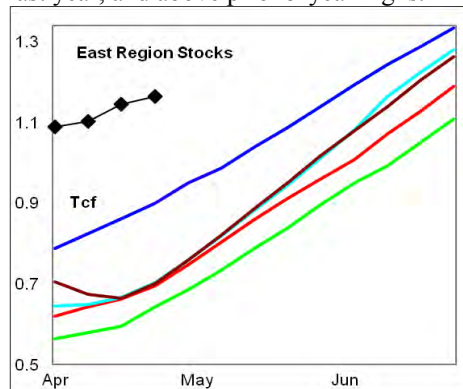
The 8-14 day NWS forecast for the week ending 17May12 is for cooler than normal temperatures in the eastern 1/3rd of the country and warmer than normal temperatures in the western 1/3rd of the country.

Prices: Nearby gas futures prices increased +\$0.10/mmbtu for the week ending 04May12. The current price is - \$1.44/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 04May12, ending at a level above four of the last 5-years.

East Region stocks increased +20 Bcf for the week, a record low build for the week. The current stock level was +68% above last year, and above prior 5-year highs.

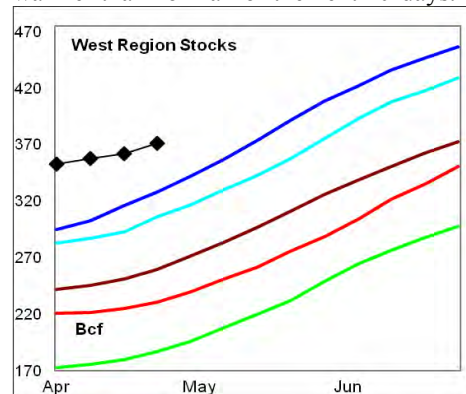


Heating degree days in the region were +17% above normal for the week ending 28Apr12, and forecast to be -62% below normal for the current week. Temperatures are forecast to be below normal for the next 10-days.

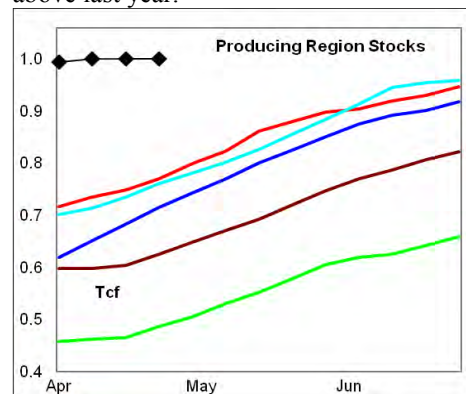
West Region stocks increased +9 Bcf on

the week, a build that matched the 5-year mid range. Stock levels ended the week +61% above last year and above the 5-year range. The latest 4-wk stock build was matched the mid range for the week.

Heating degree days were -34% below normal for the week ending 28Apr12, and forecast to be -47% below normal for the current week. Temperatures are forecast to warmer than normal for the next 10-days.



Producing Region stocks experienced a draw of -1 Bcf on the week, compared to an average build of +20 Bcf for the week. Much colder temperatures in the East Region pulled stocks off the Gulf last week. Stock levels ended the week +28% above last year.



Heating degree days were -30% below normal for the week ending 28Apr12, and forecast to be -96% below normal for the current week. Below 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 -5% below last year.

Outlook: Stocks are +48% above a year ago. Producers are shutting in wells and users are switching to gas where possible, including record use by electric utilities. Look for modest strength in gas prices as producers shut in wells.

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: May 4, 2012

For the week ending: 27-Apr-12

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

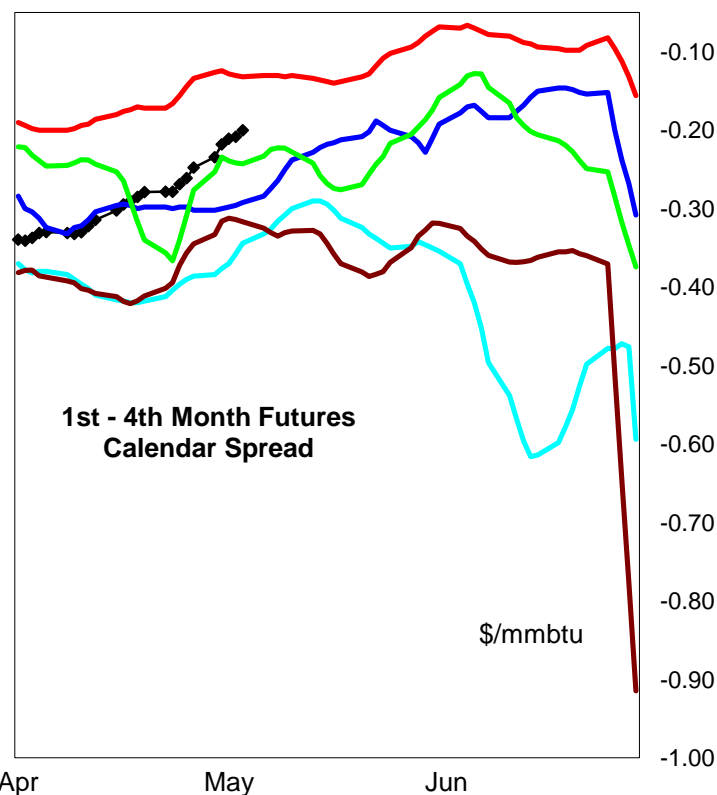
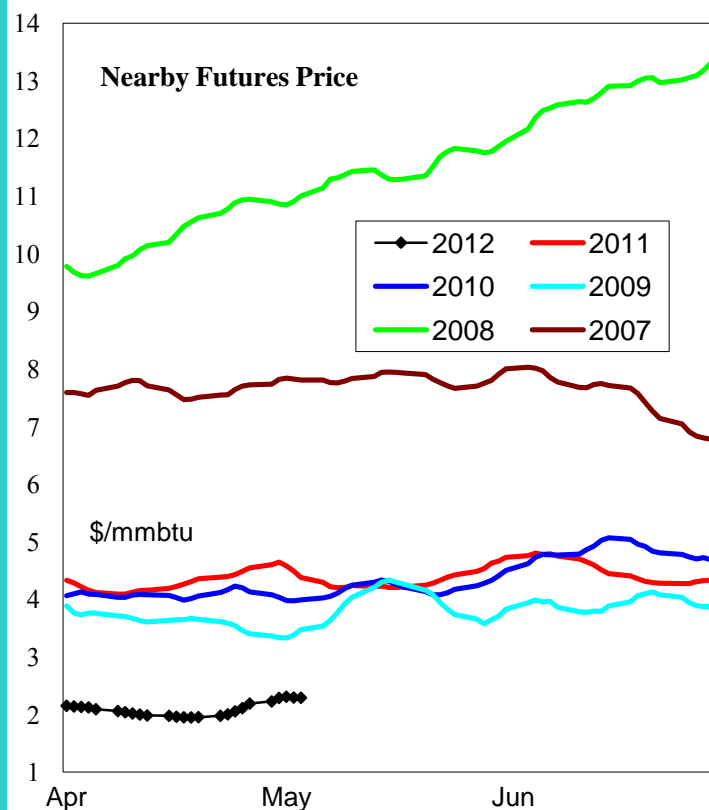
Week ending:	27-Apr-12			21-Apr-12		28-Apr-12		5-May-12	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,576	28	48.4	-42	-38%	31	17%	-61	-62%
East	1,165	20	67.6	-58	-44%	52	30%	-82	-62%
West	371	9	60.6	-26	-15%	-26	-34%	-17	-47%
Producing	1,040	-1	28.4	2	-15%	-10	-30%	-16	-96%

Seasonal Trends in Stocks and Heating Degree Days

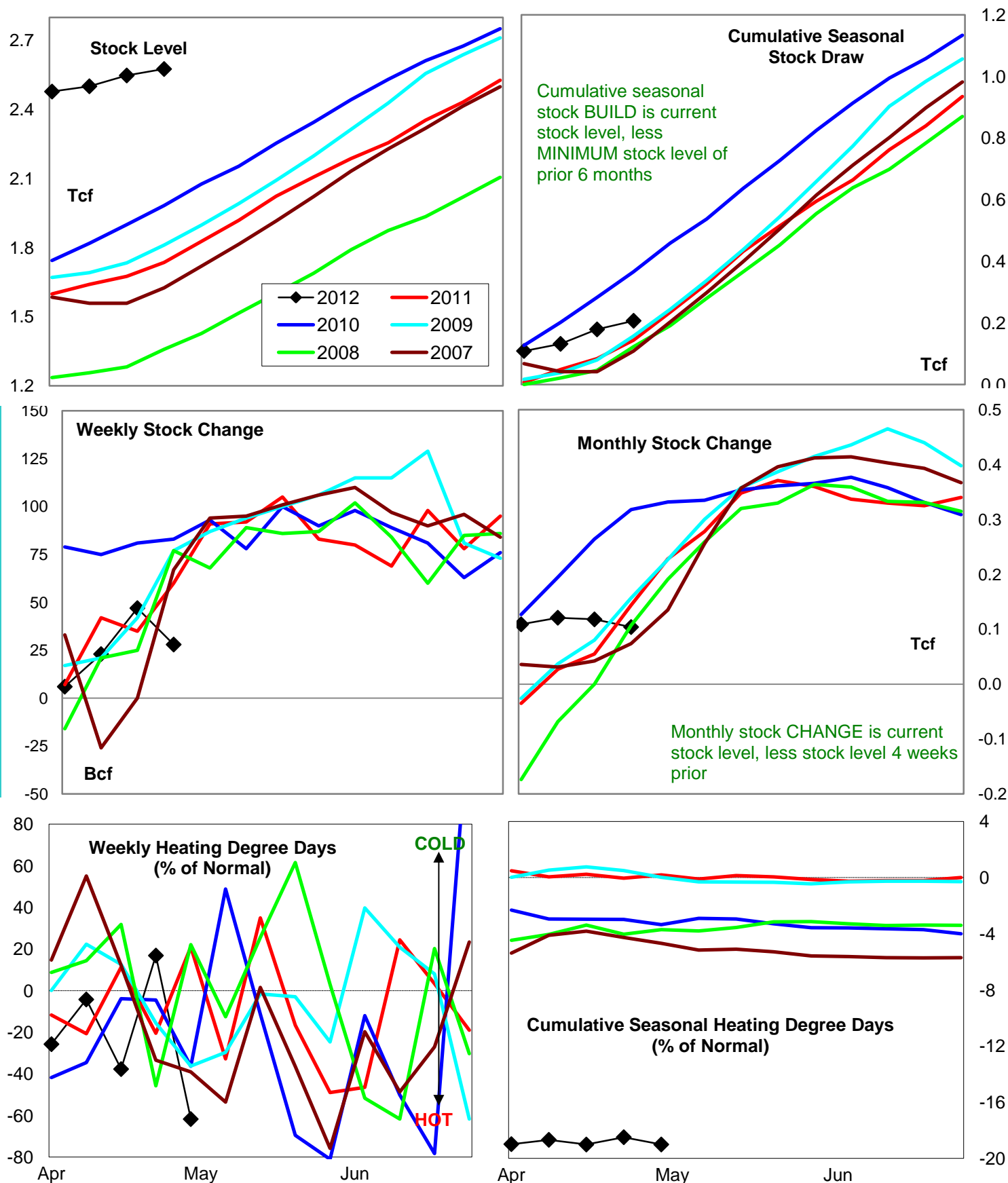
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	207	63	30.4	53	-19.0	84	-18.5	23	-19.0
East	116	42	36.2	56	-20.1	108	-19.4	27	-19.9
West	27	14	51.9	82	-10.7	56	-11.1	39	-11.7
Producing	75	-46	-61.3	27	-19.7	17	-19.8	1	-20.3

Futures Market Price Trends

Date:	4-May-12	Change vs prior week, month, year		
		30-Apr-12	9-Apr-12	6-May-11
1st month Futures	2.29	0.00	0.18	-1.80
% change	xxxxx	0.2	8.7	-44.0



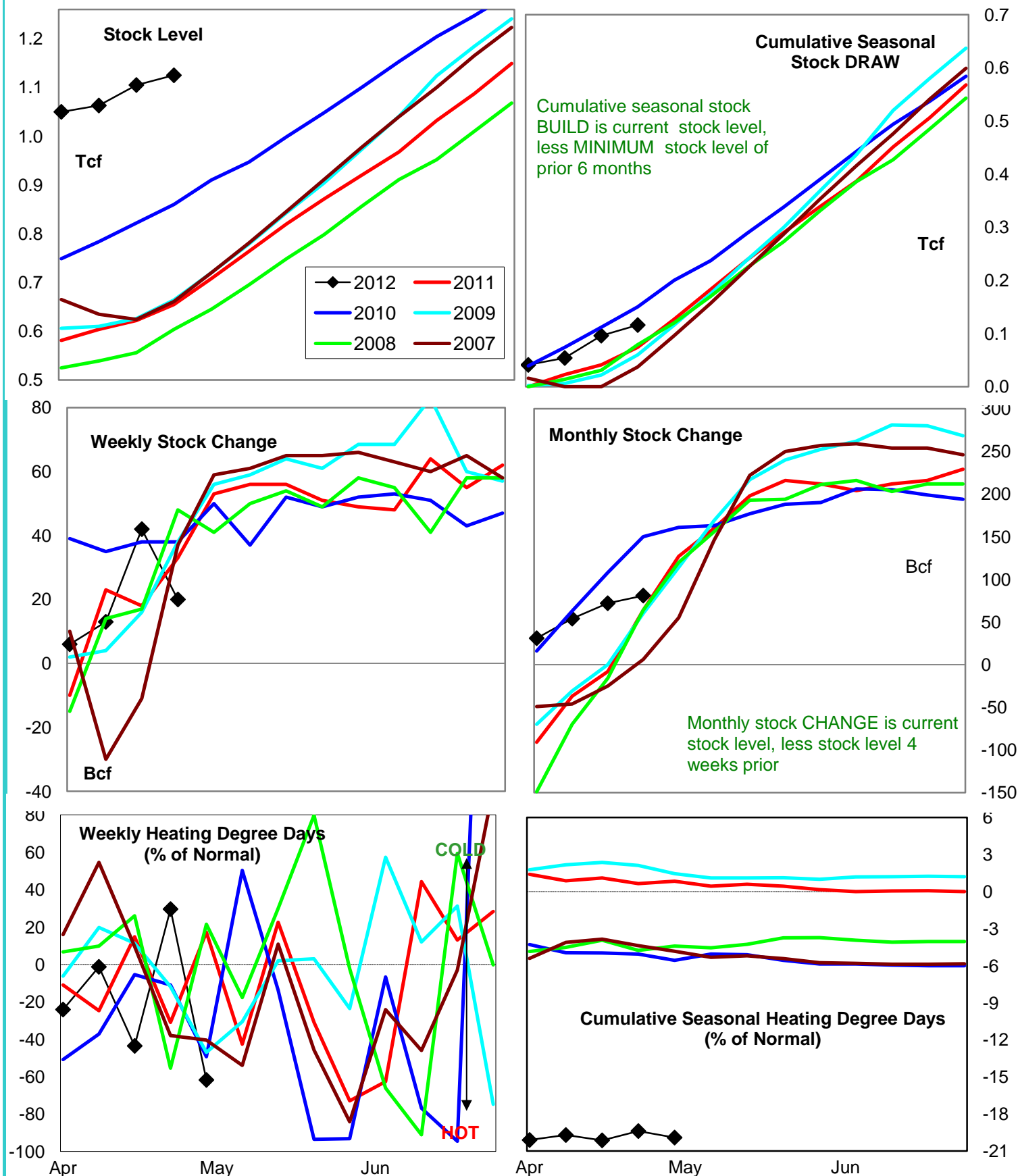
United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)840
48.4-32
-53.3-40
-27.863
43.8

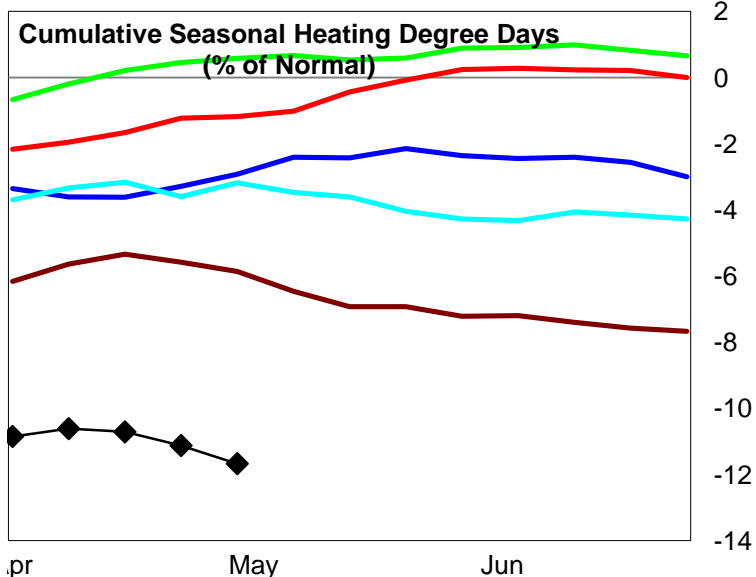
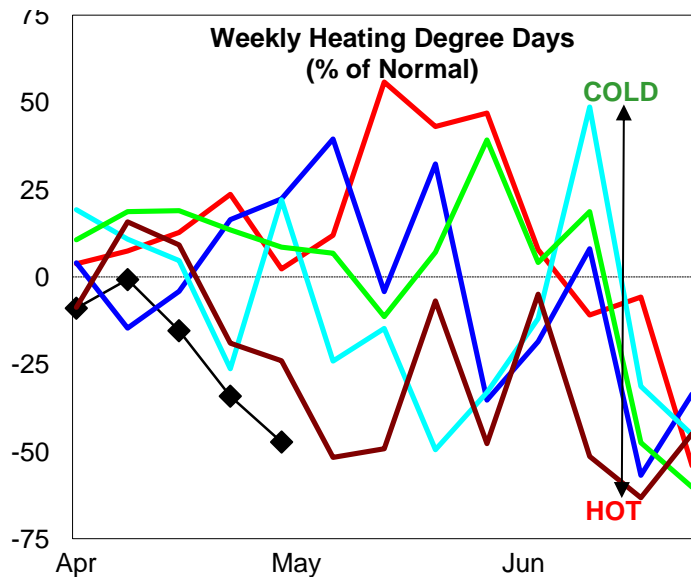
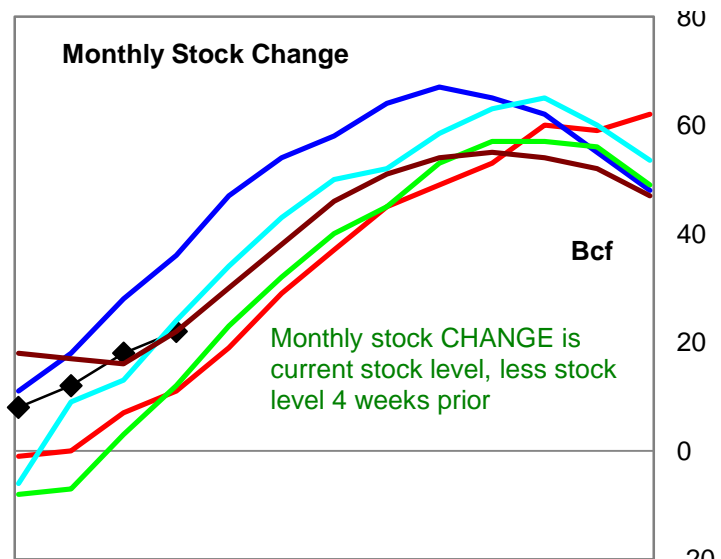
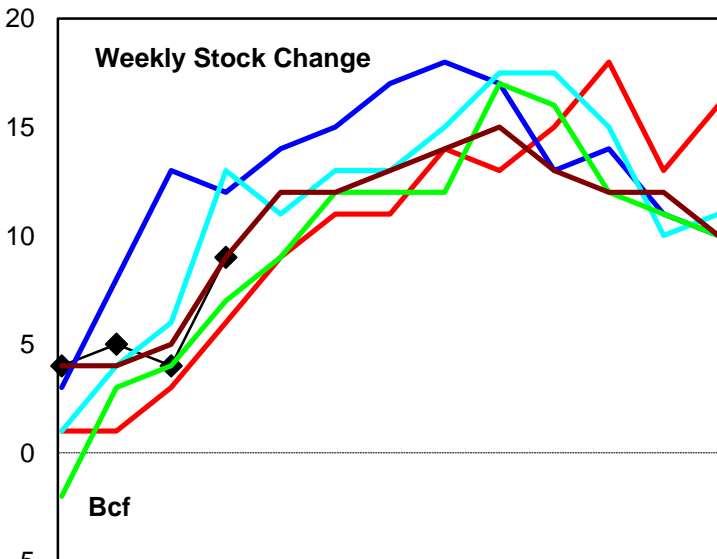
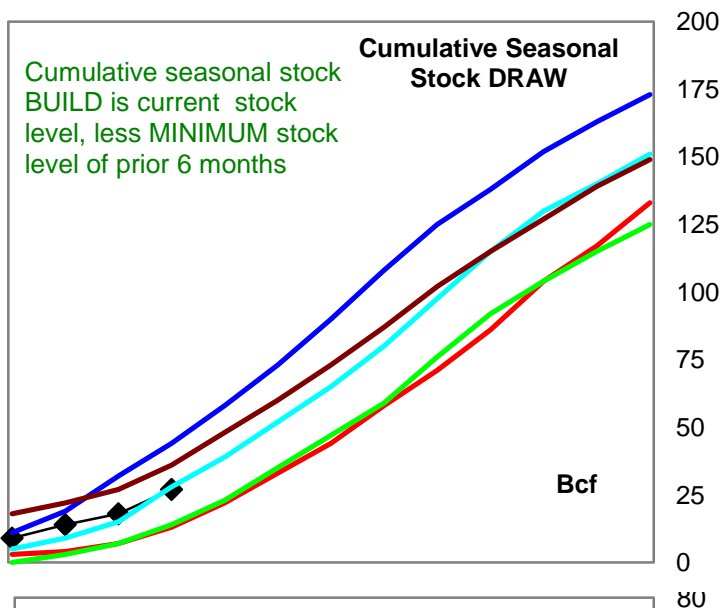
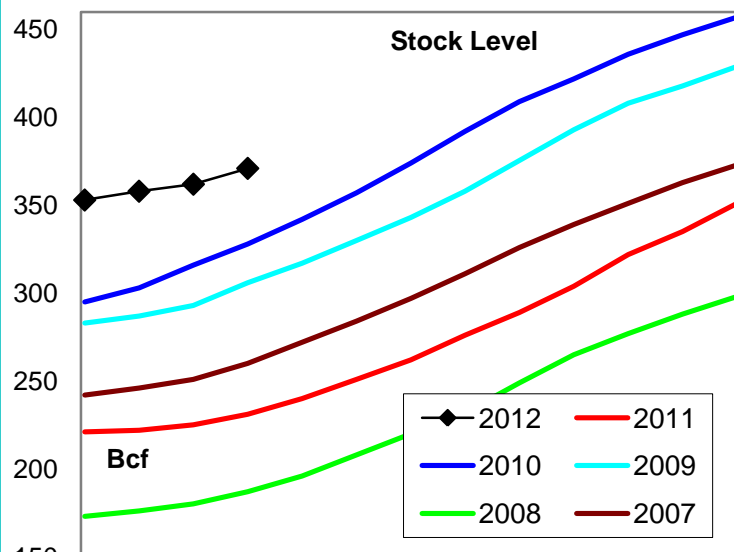
Natural Gas East Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)470
67.6-13
-39.417
26.642
56.8

Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

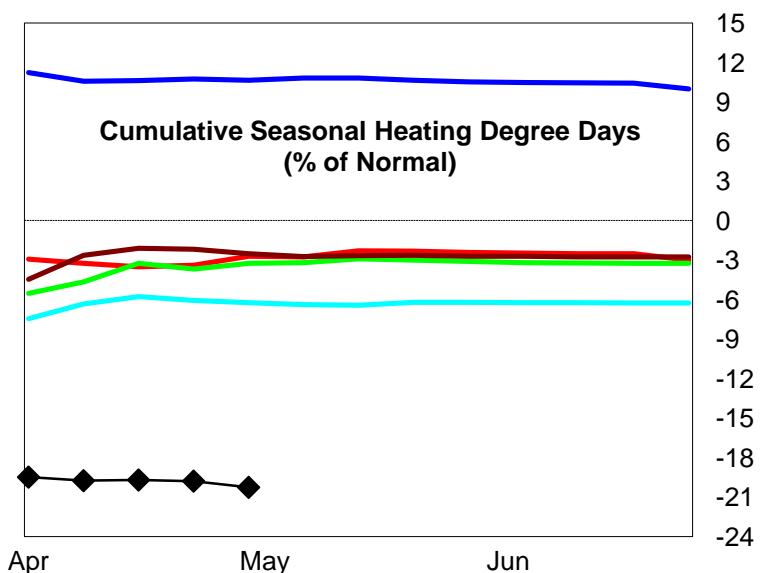
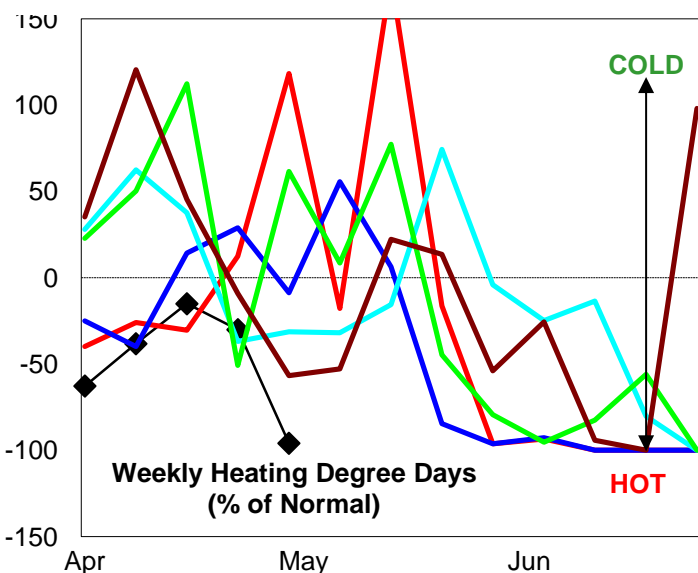
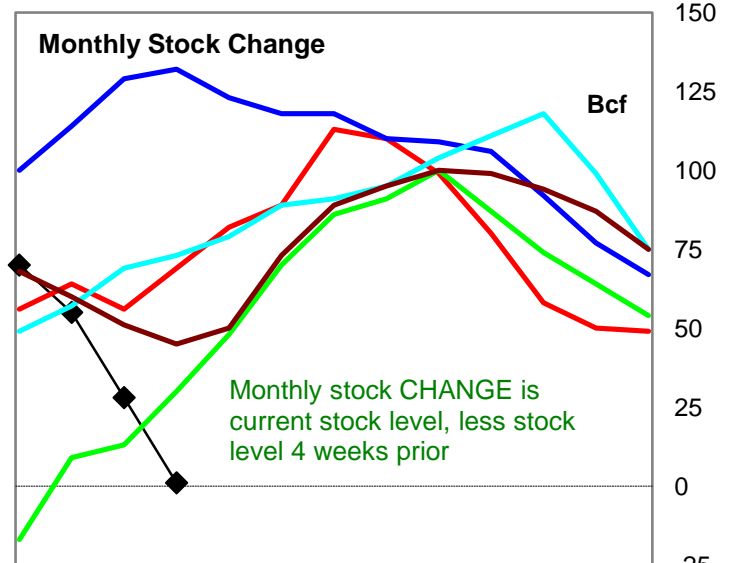
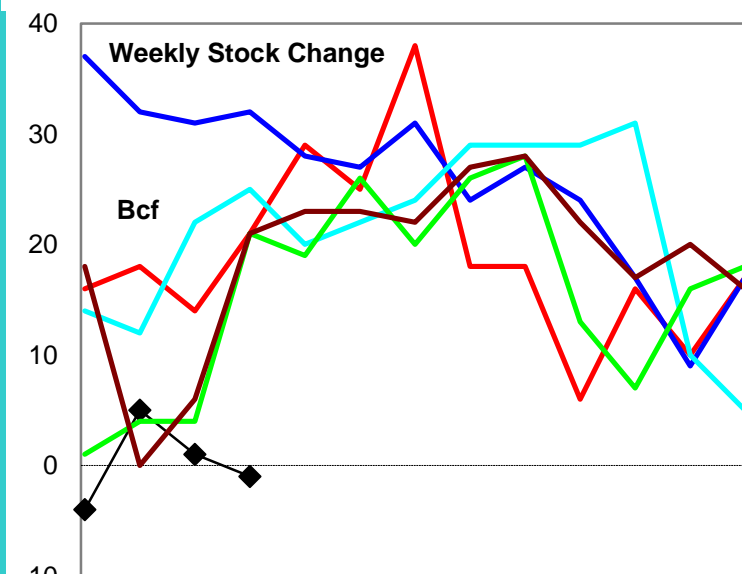
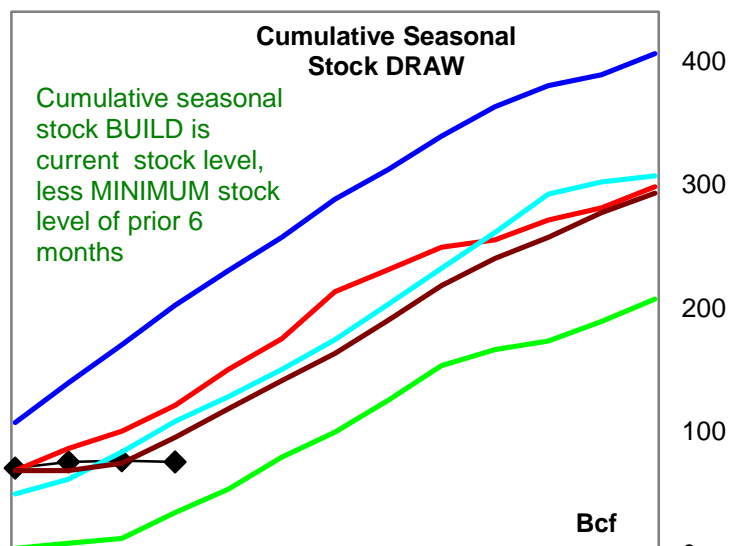
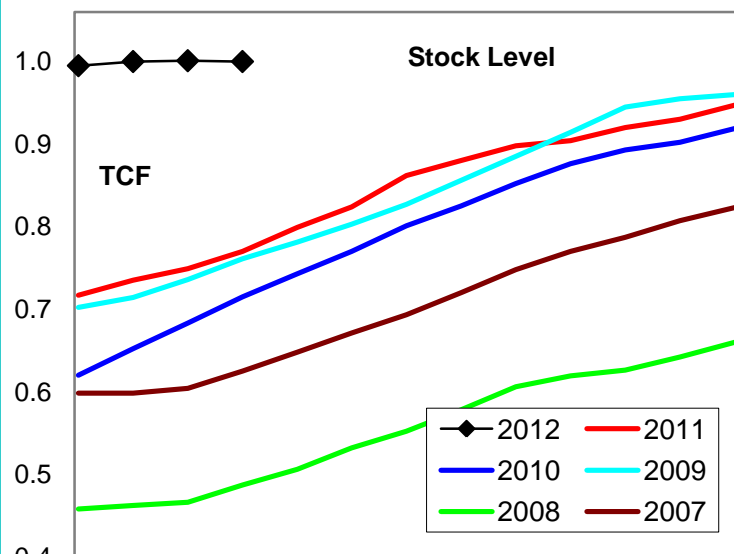
Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF
Percent Change (%)140
60.63
50.011
100.014
107.7

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
Change

BCF

230

-22

-68

-46

Percent Change (%)

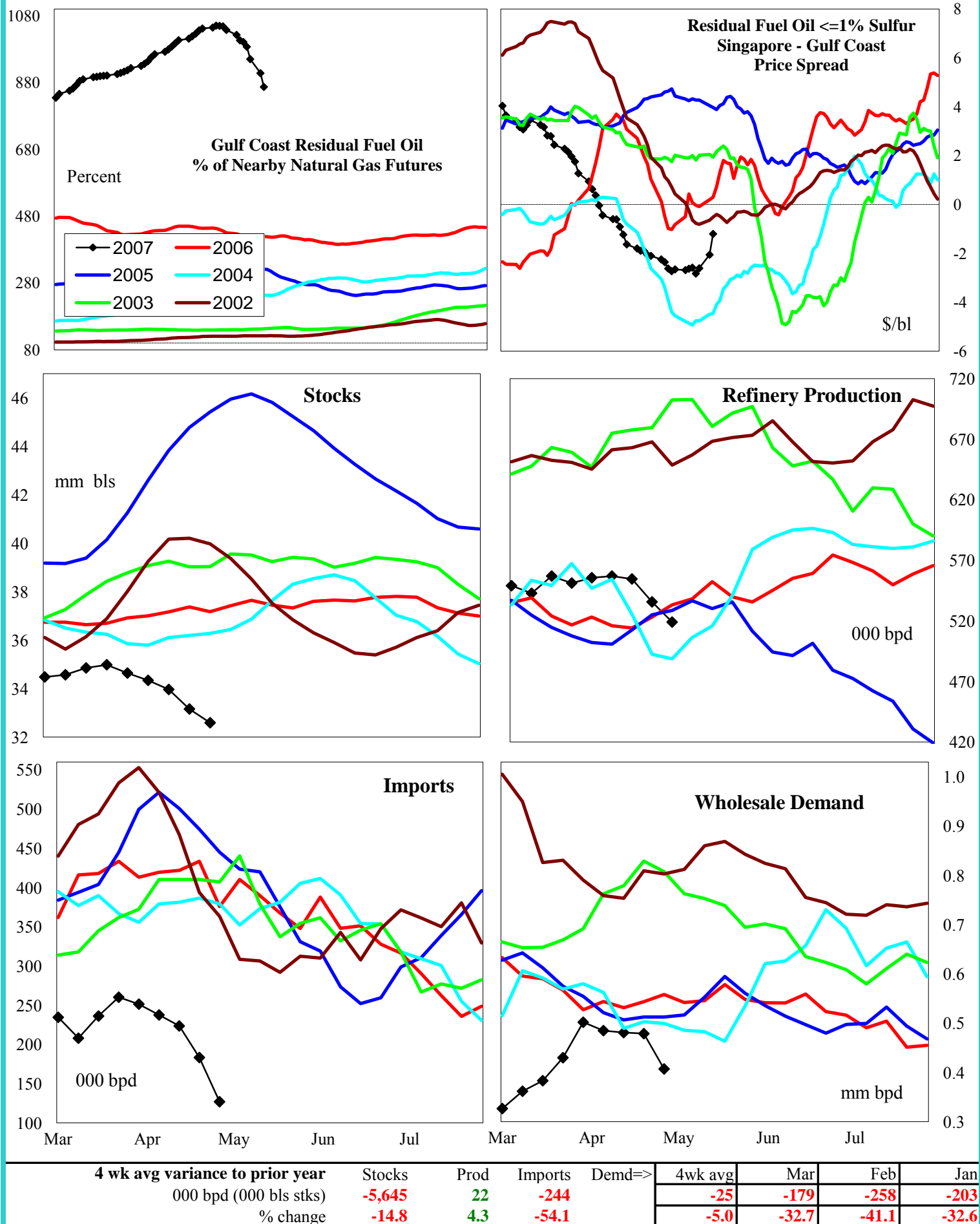
28.4

-104.8

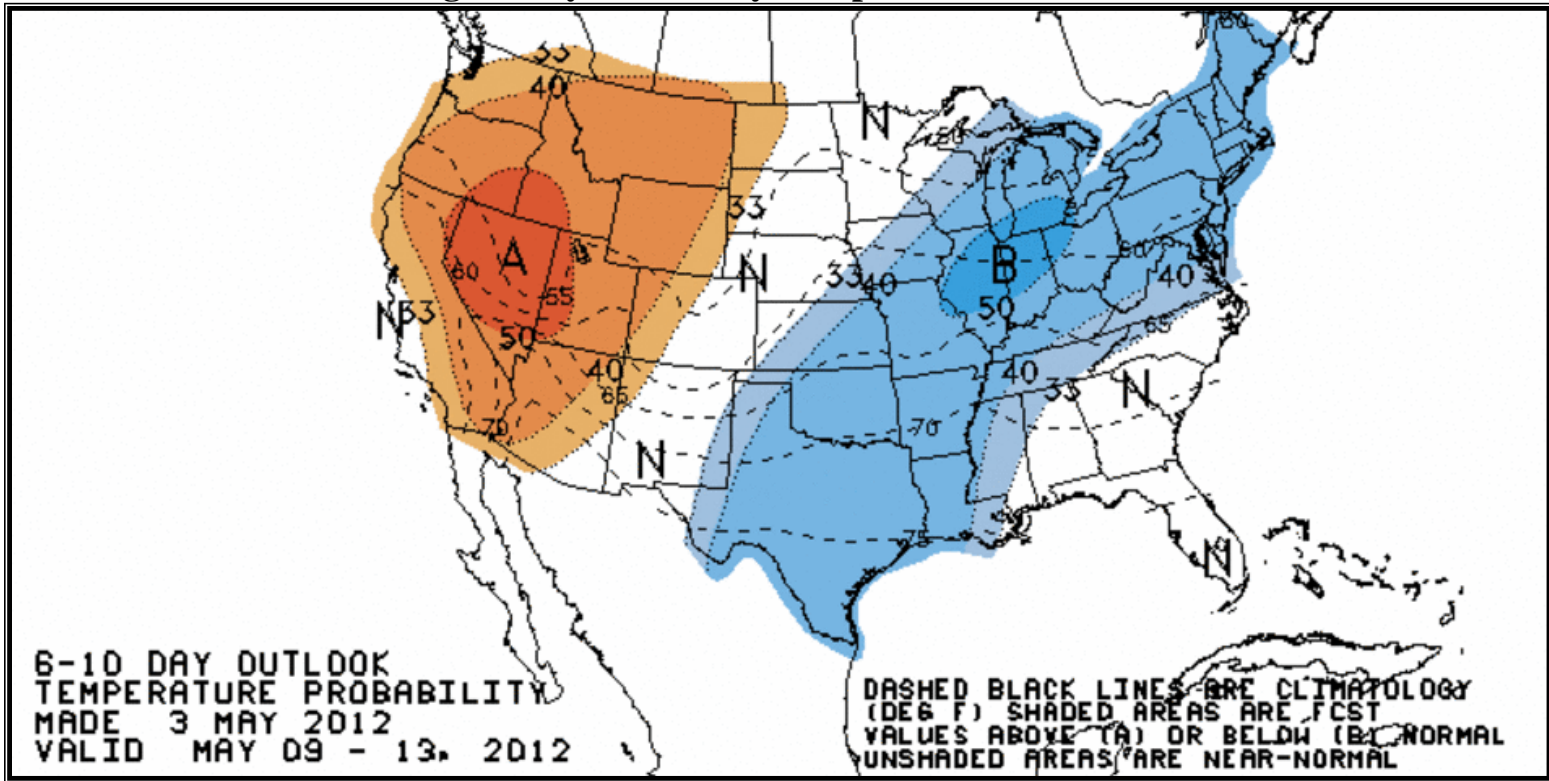
-98.6

-38.0

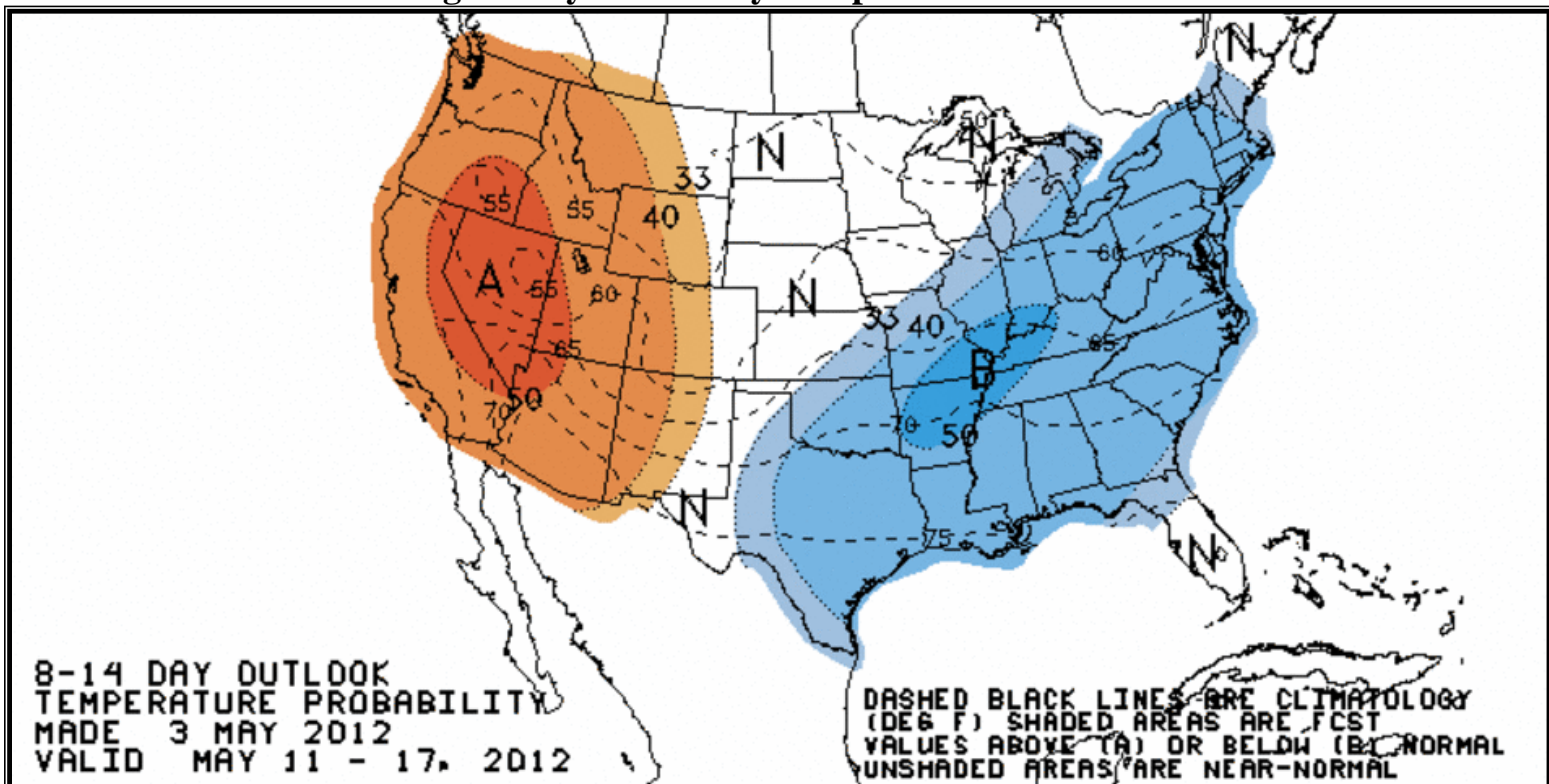
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

