

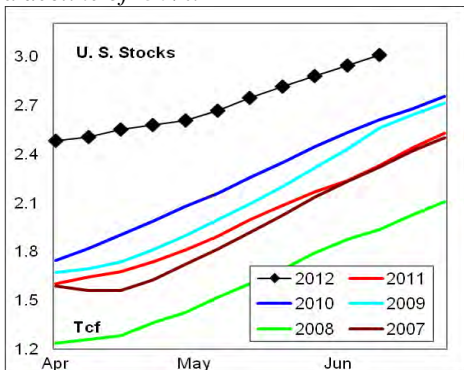
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

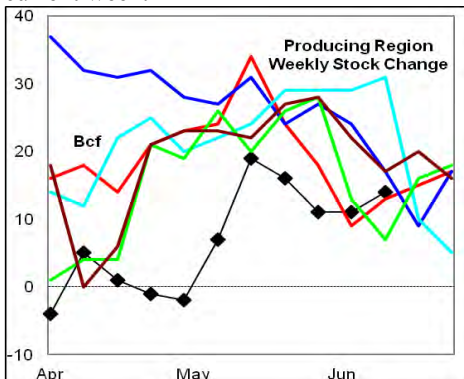
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Friday, June 22, 2012



Summary¹ The stock build of +62 Bcf for the week was at the low end of the 5-year range. The average weekly build for the last 2-months was -24 Bcf below last year; a decline of -30%.



Heating degree days for the week ending 16Jun12 were -45% below normal and forecast to be -75% below normal for the current week.



In the East Region stocks increased +37 Bcf for the week, a build slightly below the 5-year range. Stocks increased +11 Bcf in the West Region, a build at the low end of the 5-year range. The stock build of +14 Bcf in the Producing Region matched the historic mid range.

Heating degree days were -46% below normal in the East Region, -36% below normal in the West Region and -100% below normal in the Producing Region for the week ending 16Jun12.

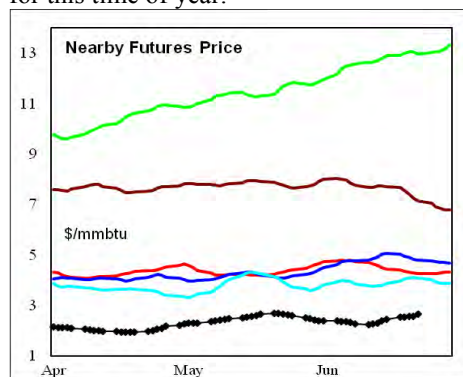
Heating degree days were -45% below normal for the week ended 16Jun12, and forecast to be -75% below normal for the

current week.

The 6-10 day NWS forecast for the week ending 01Jul12 is for much above normal cooling degree days across nearly the entire country.

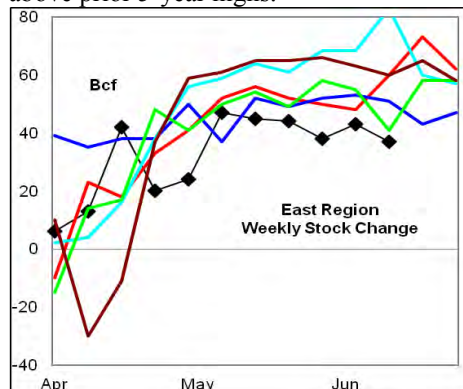
The 8-14 day NWS forecast for the week ending 05Jul12 is for much above normal cooling degree days across the entire country except the Great Lakes and New England regions.

Prices: Nearby gas futures prices increased +\$0.19/mmbtu for the week ending 22Jun12. The current price is -\$1.25/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 22Jun12 (decreasing carry), ending at a level which was comparable to the last 2-years.

East Region stocks increased +37 Bcf for the week, a build slightly below the historic range for the week. The current stock level was +37% above last year, and above prior 5-year highs.

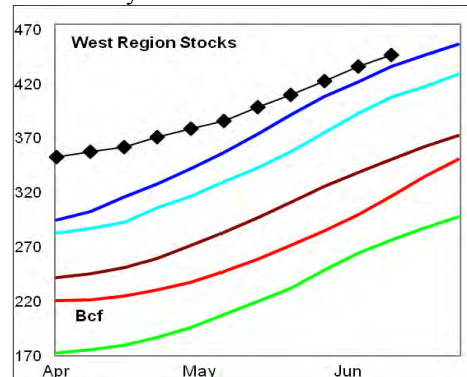


Heating degree days in the region were -46% below normal for the week ending 16Jun12, and forecast to be -78% below normal for the current week. Temperatures are forecast to be well above normal in the region for the next 10-days.

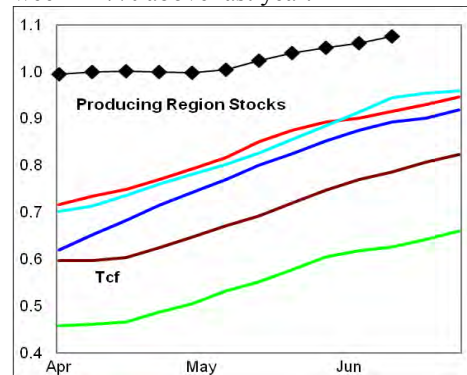
West Region stocks increased +11 Bcf on the week, a build at the low end of the 5-year range. Stock levels ended the week

+41% above last year and above the 5-year range. The latest 4-wk stock build was slightly below the 5-year range.

Heating degree days were -36% below normal for the week ending 16Jun12, and forecast to be -68% below normal for the current week. Cooling degree days are forecast to be much above normal for the next 10-days.



Producing Region stocks experienced a build of +14 Bcf on the week, a build at the mid range. Stock levels ended the week +17% above last year.



Heating degree days were -100% below normal for the week ending 16Jun12, and forecast to be -100% below normal for the current week. Much above normal cooling degree days 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 -41% below last year.

Outlook: The cumulative stock build this spring was -13% below a year ago and below the 5-year range. High electric power demand, shut in of wells due to low prices and expected limits on storage capacity underlies the low stock build rate. Unusually high cooling degree days should continue to support prices early in the summer quarter.

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: June 22, 2012

For the week ending: 15-Jun-12

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

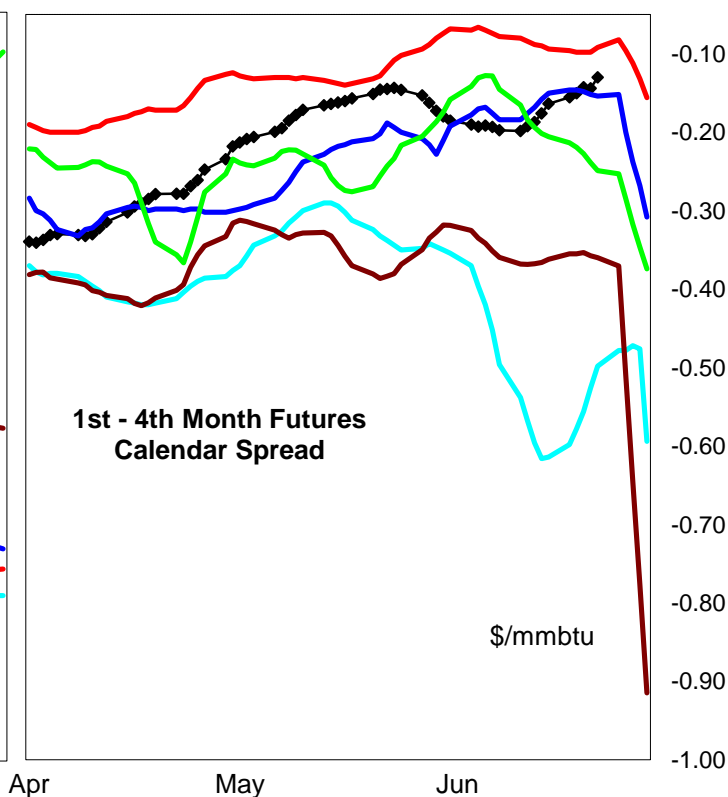
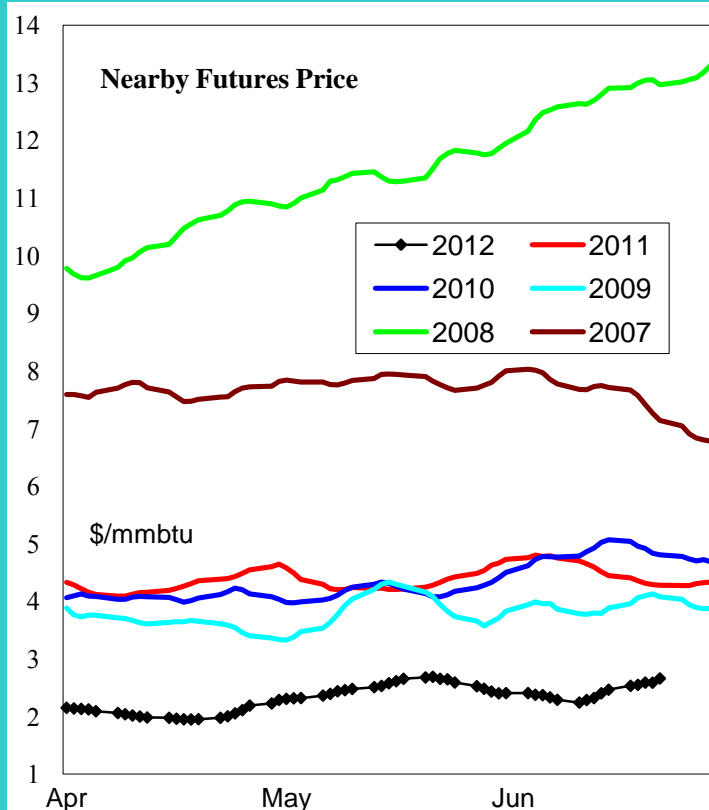
Week ending:	15-Jun-12			9-Jun-12		16-Jun-12		23-Jun-12	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,006	62	29.2	-1	-2%	-9	-45%	-4	-75%
East	1,443	37	36.9	2	11%	-13	-46%	-4	-78%
West	447	11	41.0	-12	-32%	-6	-36%	-9	-68%
Producing	1,116	14	16.9	-3	-95%	0	-100%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

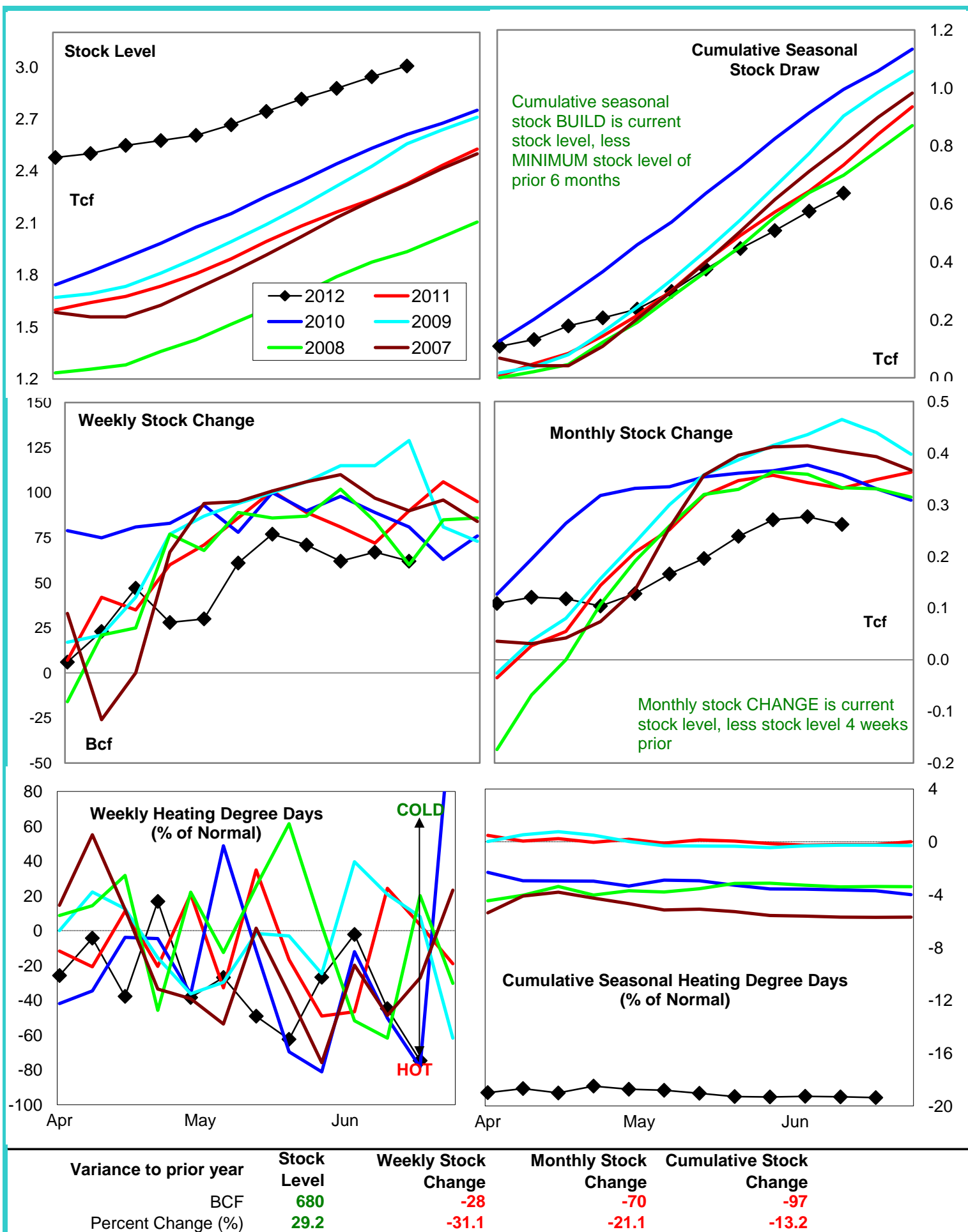
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	637	-97	-15.2	15	-19.3	5	-19.3	1	-19.4
East	394	-39	-9.9	18	-20.2	5	-20.2	1	-20.3
West	103	4	3.9	20	-12.1	14	-12.2	5	-12.4
Producing	151	-115	-76.2	0	-20.4	0	-20.5	0	-20.5

Futures Market Price Trends

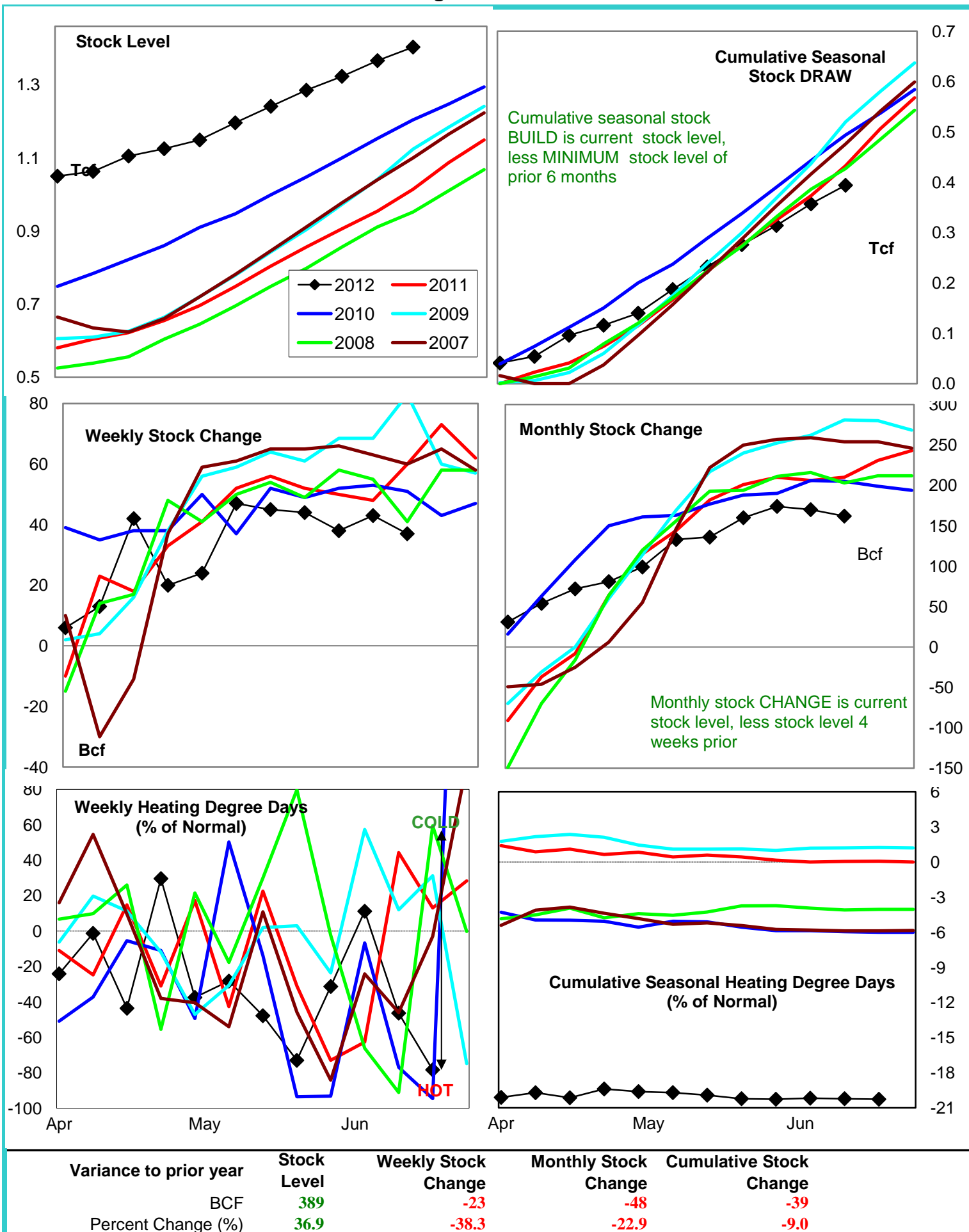
Date:	22-Jun-12	Change vs prior week, month, year		
		18-Jun-12	28-May-12	27-Jun-11
1st month Futures	2.66	0.03	0.09	-1.47
% change	xxxxx	0.9	3.6	-35.6



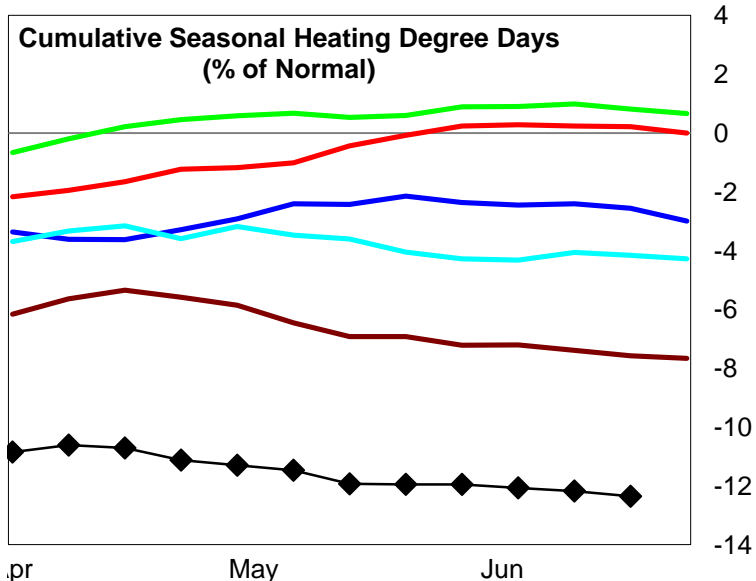
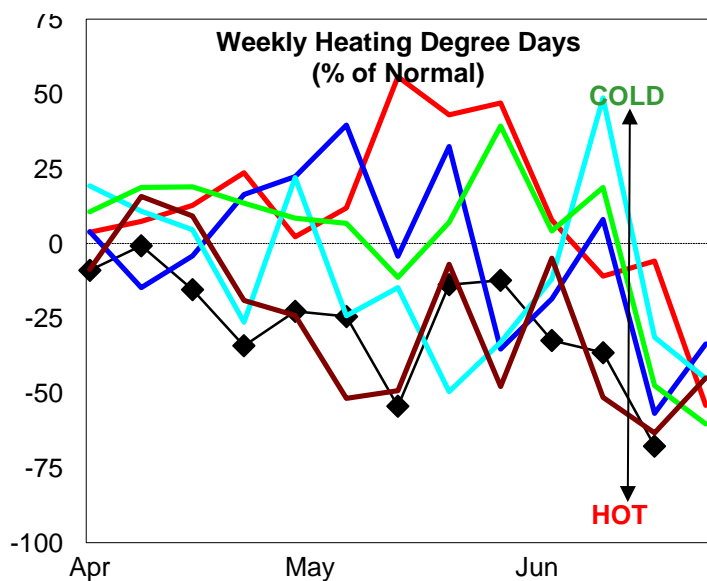
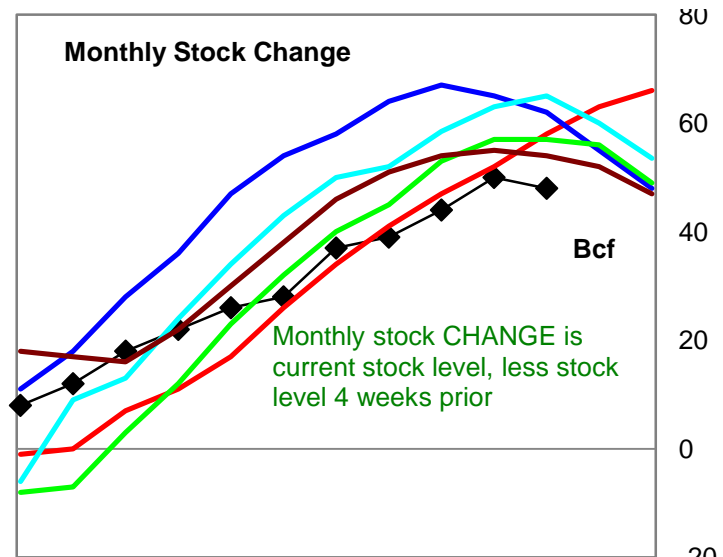
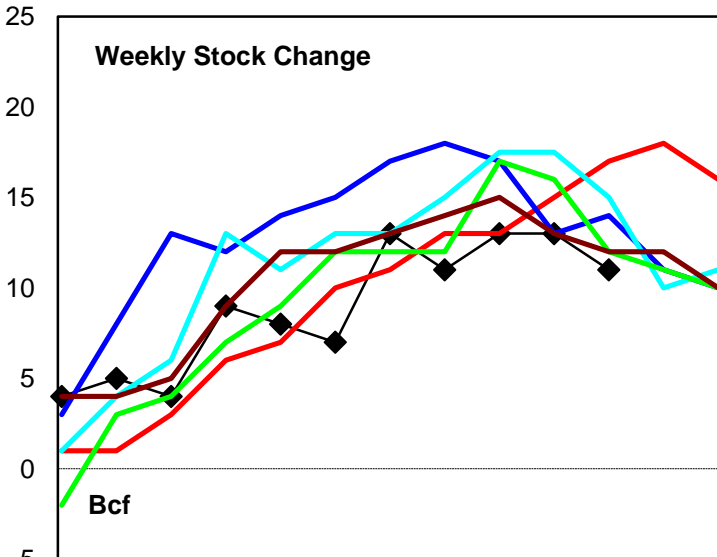
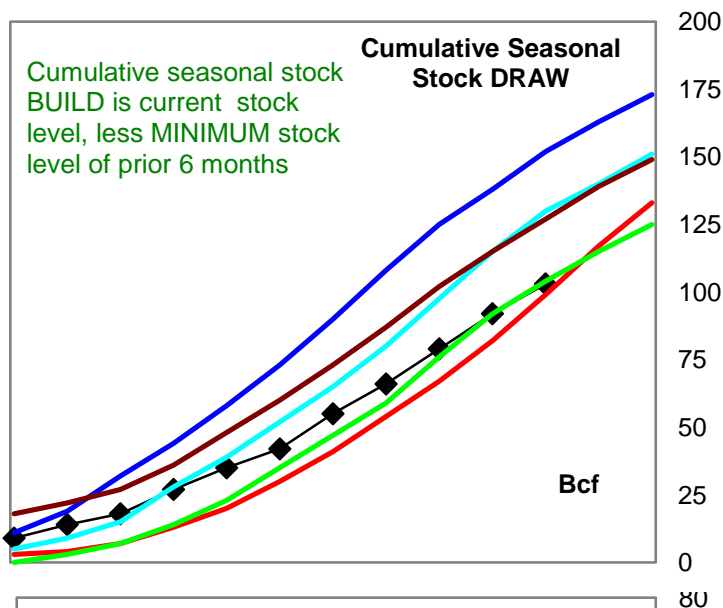
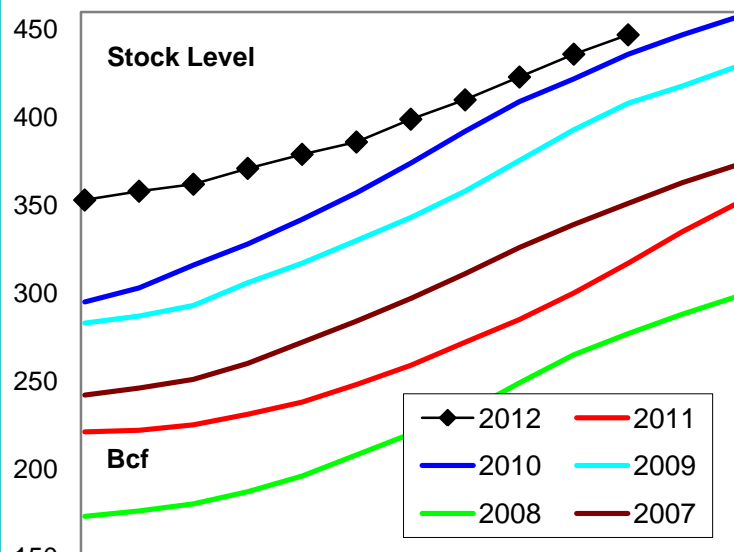
United States Natural Gas Stock and Weather Trends



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

130

-6

-10

4

Percent Change (%)

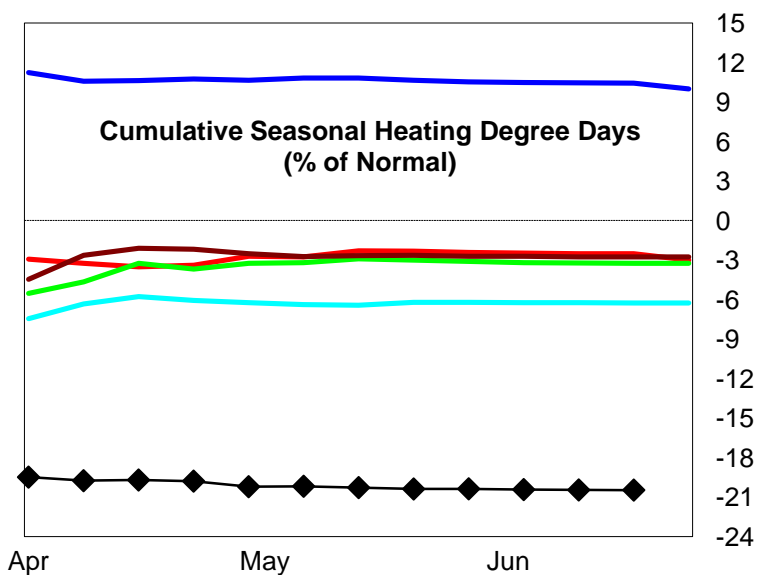
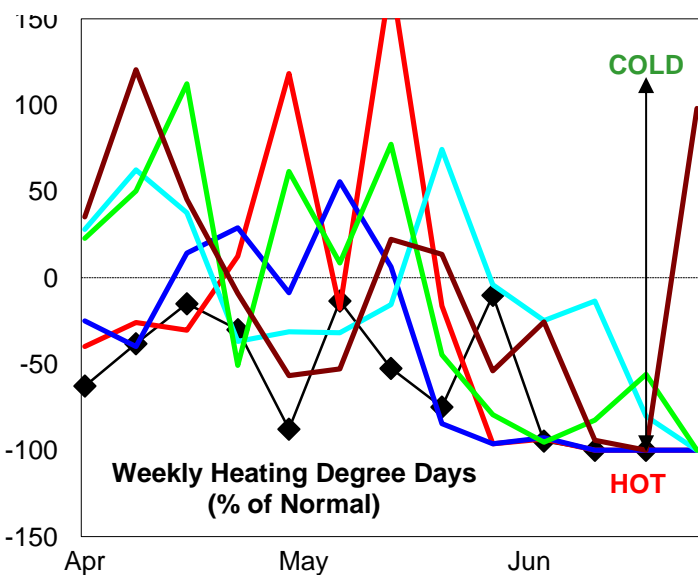
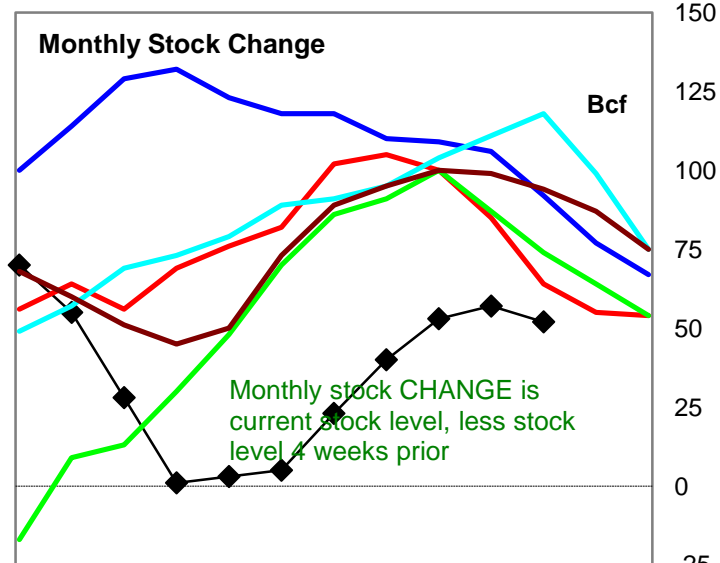
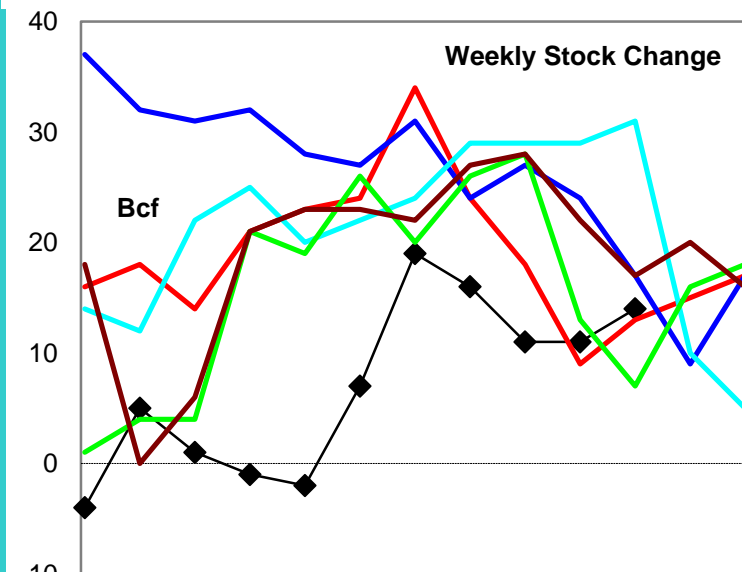
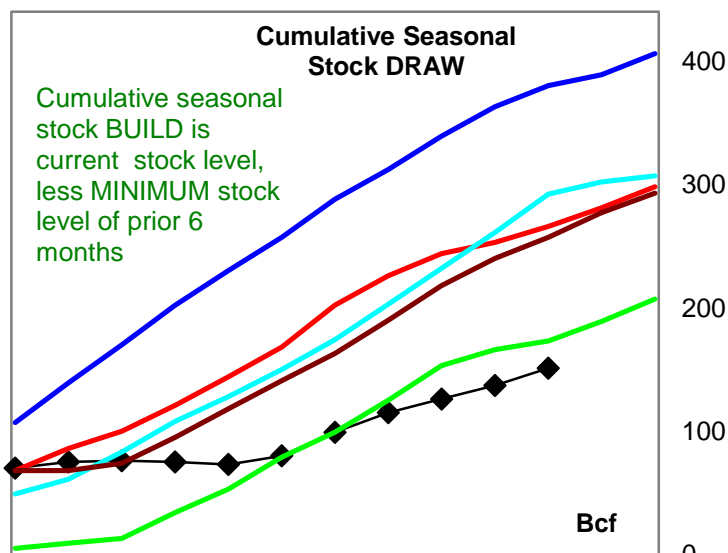
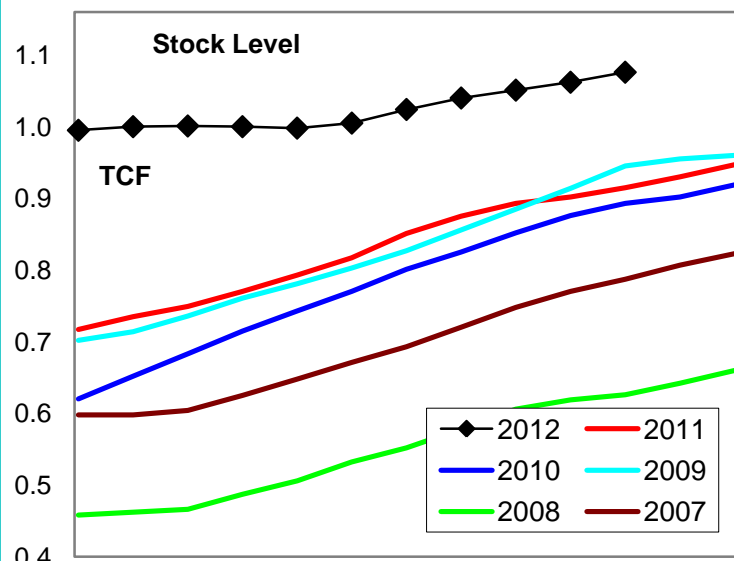
41.0

-35.3

-17.2

4.0

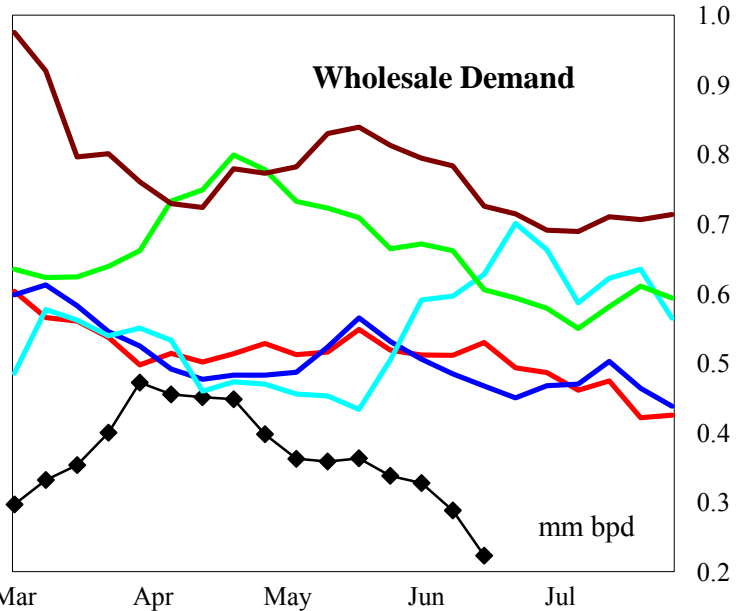
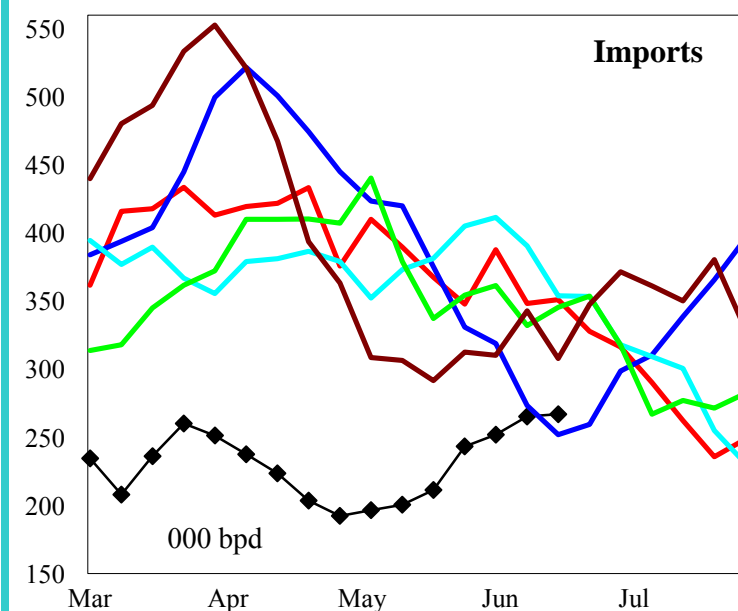
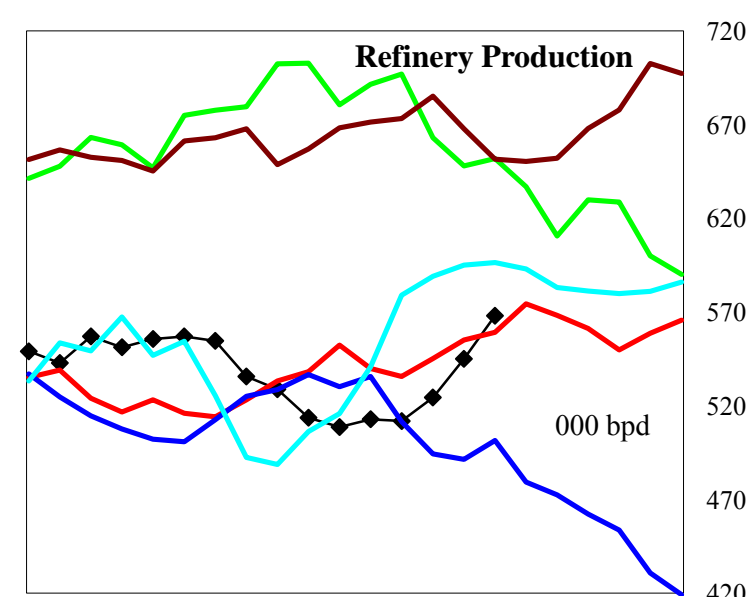
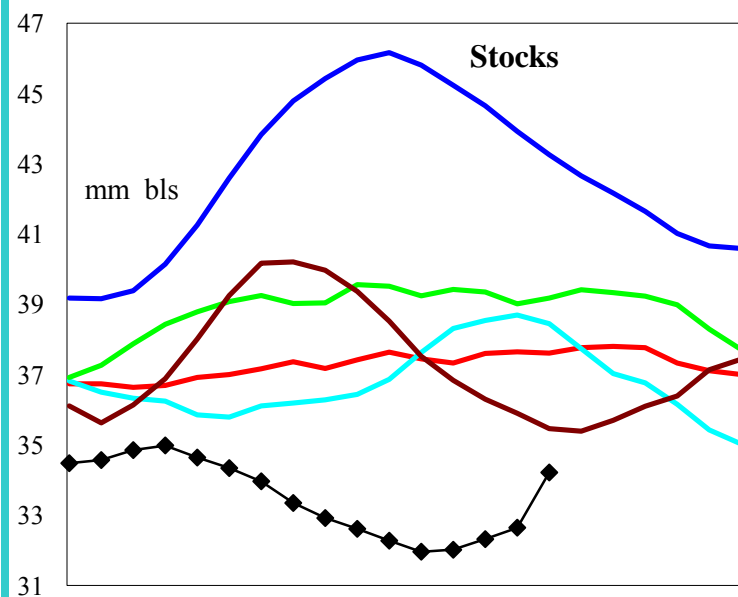
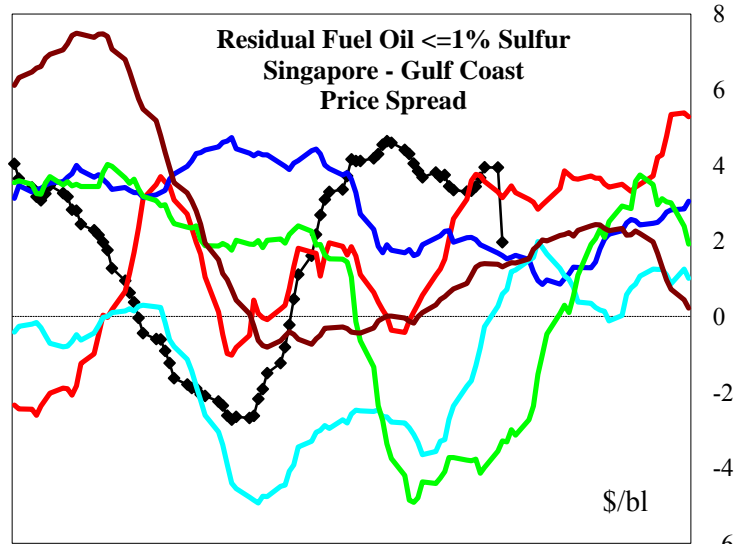
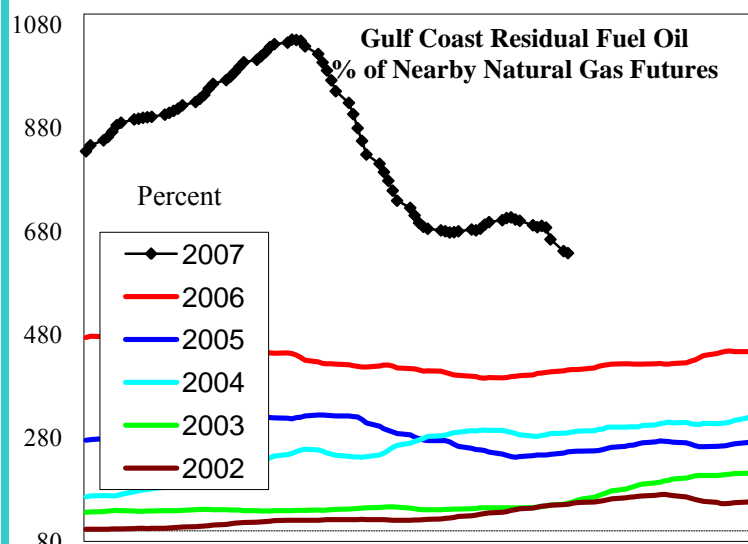
Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)161
16.91
7.7-12
-18.8-115
-43.2

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



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-3,431

-9.1

Prod

-8

-1.4

Imports

-93

-26.6

Demd=>

4wk avg

-217

-41.2

May

-116

-24.3

Apr

-172

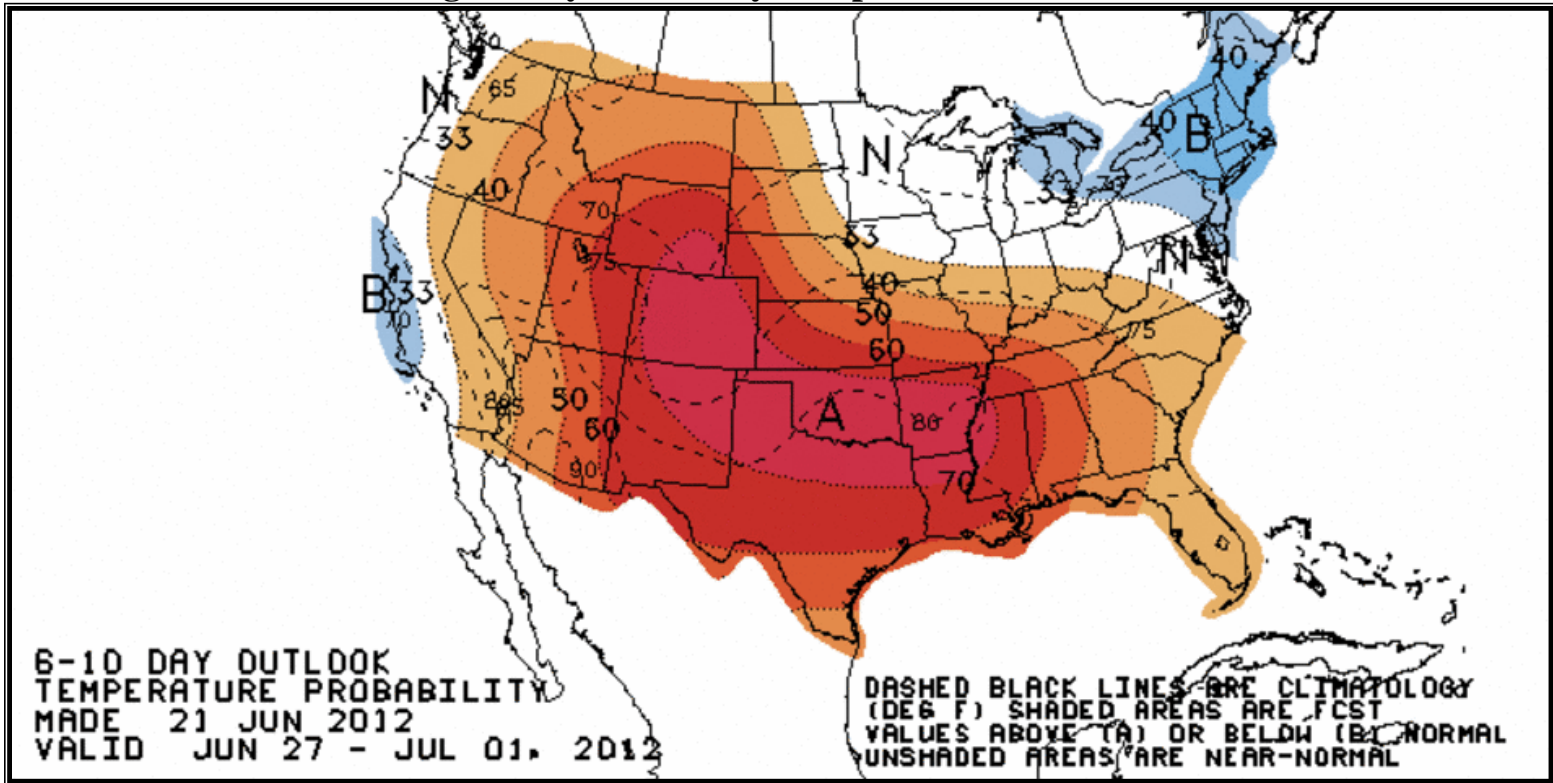
-28.7

Mar

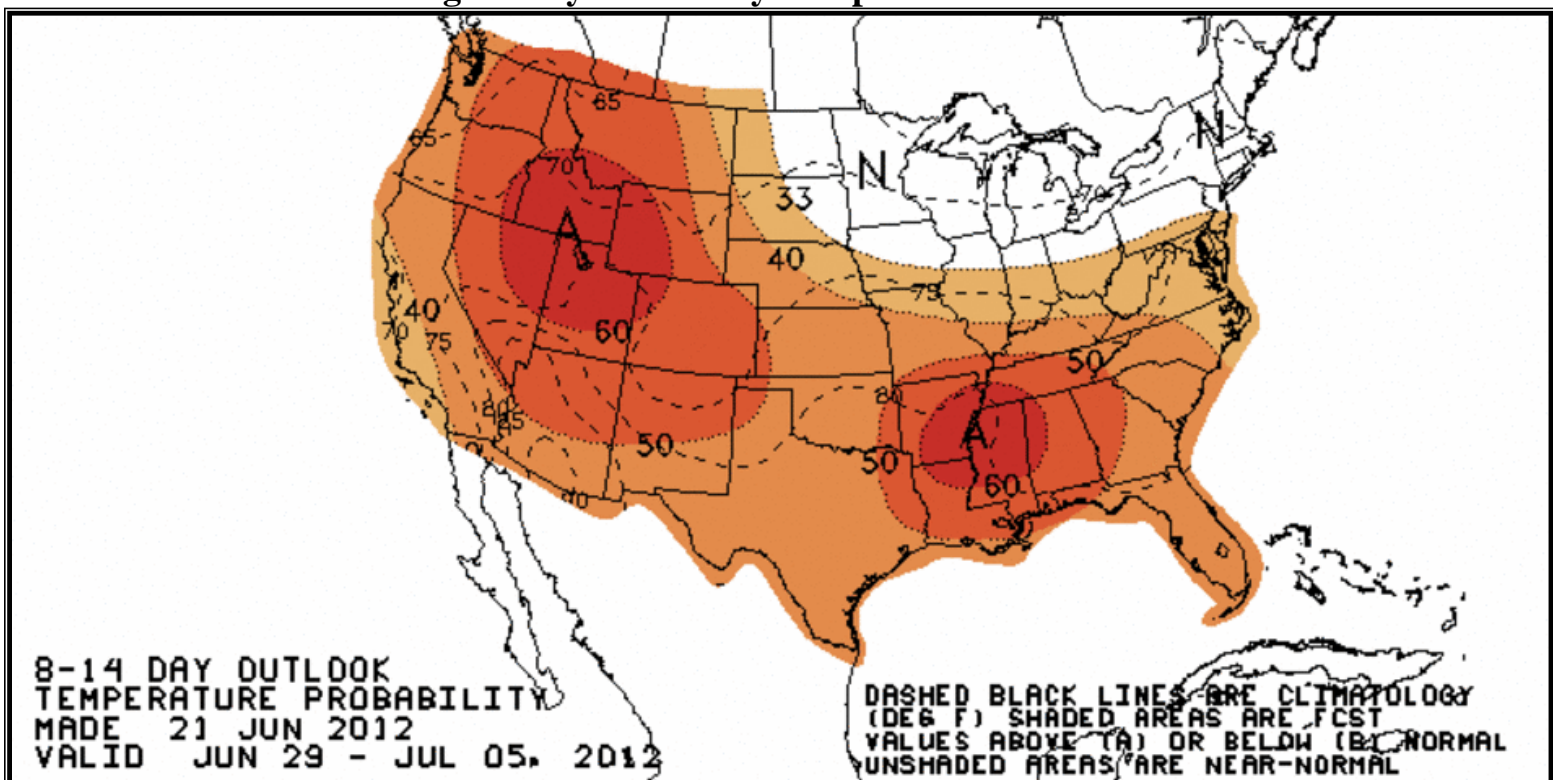
-131

-23.9

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

