



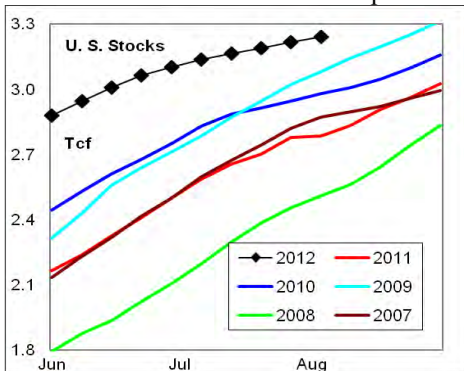
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

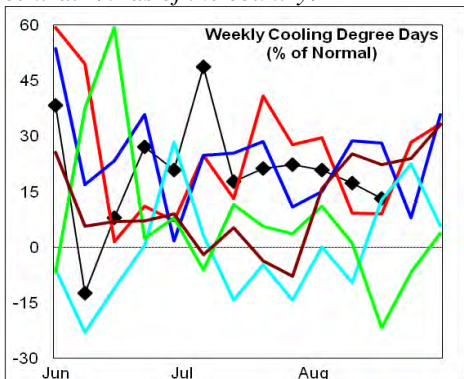
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, August 16, 2012



Summary¹ The stock build of +20 Bcf for the week was a record low for the period.



The latest 6-8 and 10-14 day cooling degree day forecast is for much below normal cooling degree days across the central 2/3rds of the country.



In the East Region stocks increased +29 Bcf for the week, matching 5-year lows for the period. Stocks decreased -5 Bcf in the West Region, a record draw for the week. Stocks decreased -4 Bcf in the Producing Region, a smaller draw than four of the last 5-years.

Cooling degree days were +9% above normal in the East Region, +48% above normal in the West Region and +13% above normal in the Producing Region for the week ending 11Aug12.

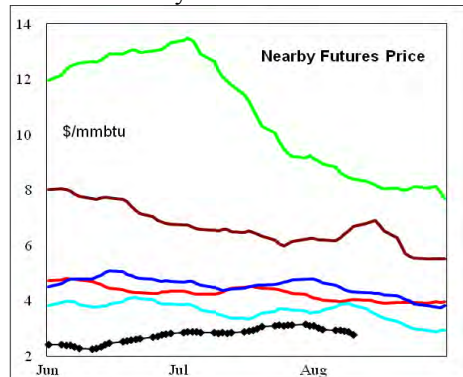
Cooling degree days were +17% above normal for the week ending 11Aug12, +and forecast to be +13% above normal for the current week.

The 6-10 day NWS forecast for the week ending 25Aug12 is for much below

normal cooling degree days in the central 2/3rds of the country.

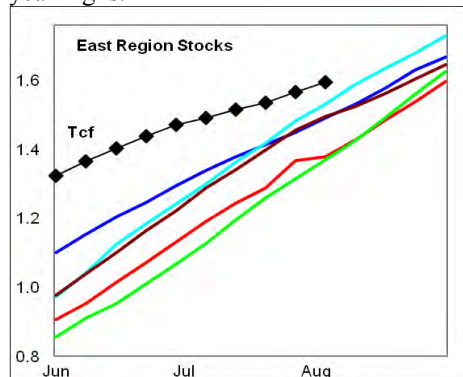
The 8-14 day NWS forecast for the week ending 29Aug12 is for slightly below normal cooling degree days in central 2/3rds of the country.

Prices: Nearby gas futures prices decreased -\$0.16/mmbtu for the week ending 16Aug12. The current price is -\$0.50/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 6Aug12, ending at a level comparable to the last 2-years.

East Region stocks increased +29 Bcf for the week, a level that matched lows of the last 5-years. The current stock level was +14% above last year, and above prior 5-year highs.

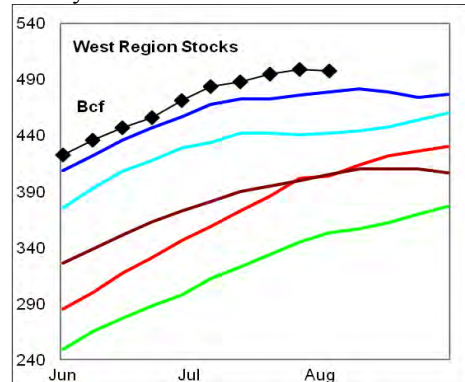


Cooling degree days in the region were +9% above normal for the week ending 11Aug12, and forecast to be +4% above normal this week. Cooling degree days are forecast to be below normal in the region for the next 10-days.

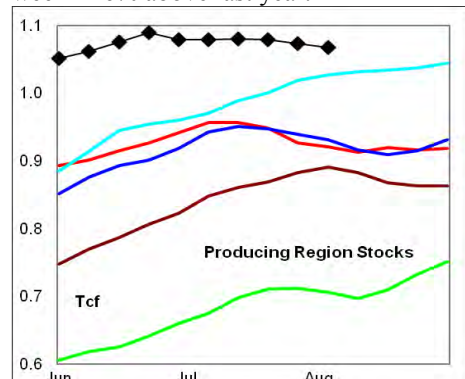
West Region stocks decreased -5 Bcf on the week, a record draw for the week. Stock levels ended the week +19% above last year and above the 5-year range. The latest 4-wk stock build matched historic lows.

Cooling degree days were +48% above normal for the week ending

11Aug12 and forecast to be +54% above normal this week. Cooling degree days are forecast to be above normal for the next 10-days.



Producing Region stocks decreased -4 Bcf for the week, a smaller draw than four of the last 5-years. Stock levels ended the week +16% above last year.



Cooling degree days were +13% above normal for the week ending 11Aug12, and forecast to be +5% above normal this week. Below 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 -8% below last year.

Outlook: Forecast of much below normal cooling degree days across the central 2/3rds of the country for the 2nd half of August should reduce natural gas demand for electric power generation. Look for price weakness on below normal cooling degree day forecast and start of the shoulder season.

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: August 16, 2012

For the week ending: 10-Aug-12

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

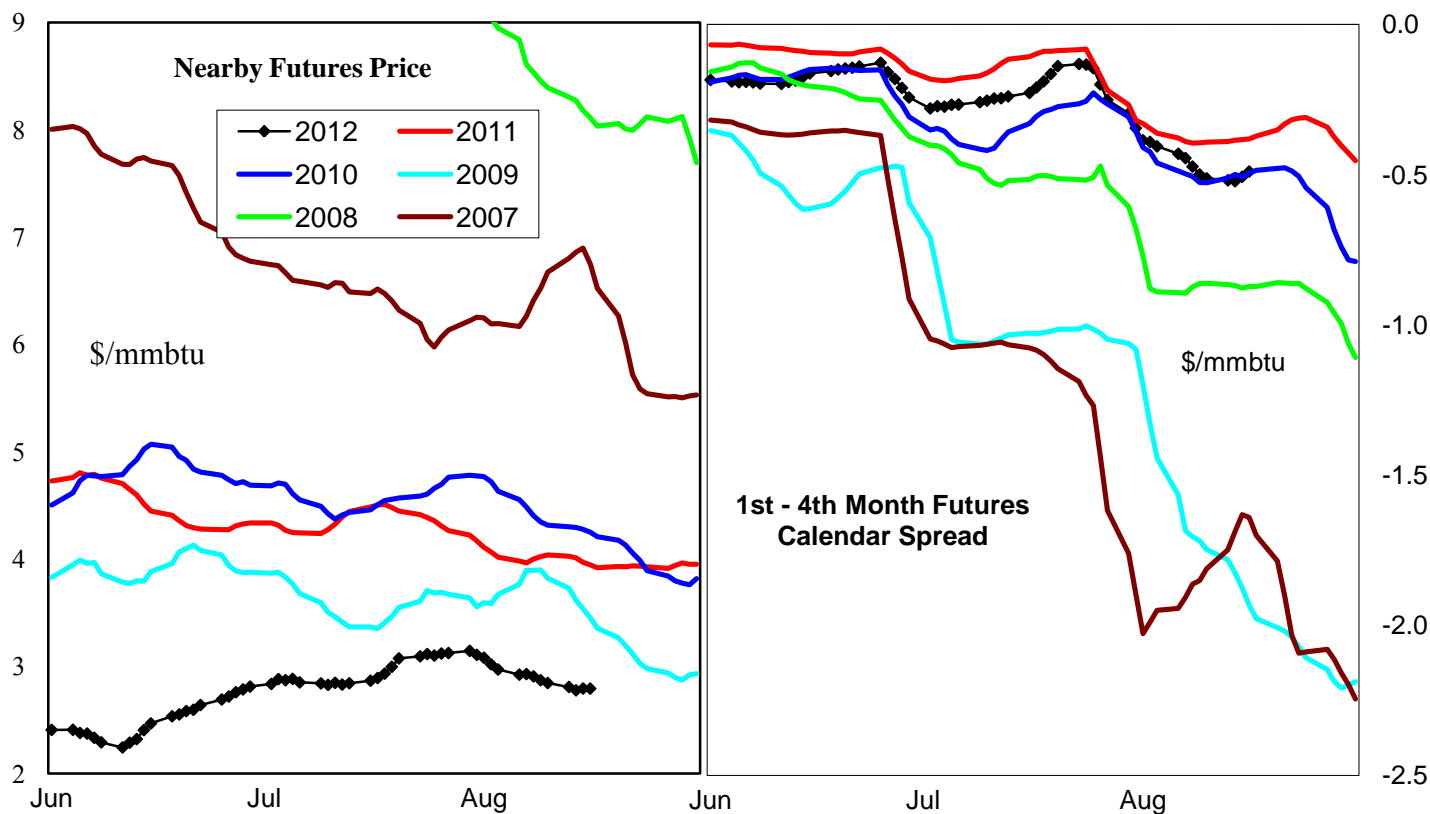
Week ending:	10-Aug-12			4-Aug-12		11-Aug-12		18-Aug-12	
Region	Weekly Stocks			Weekly Cooling Degree Days					
		Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
	Bcf	Week Bcf	Year (%)						
U.S. Total	3,261	20	15.1	-2	21%	-5	17%	-9	13%
East	1,664	29	13.5	-8	22%	-13	9%	-10	4%
West	493	-5	19.1	4	9%	20	48%	-5	54%
Producing	1,104	-4	15.8	11	27%	-17	13%	-13	5%

Seasonal Trends in Stocks and Cooling Degree Days

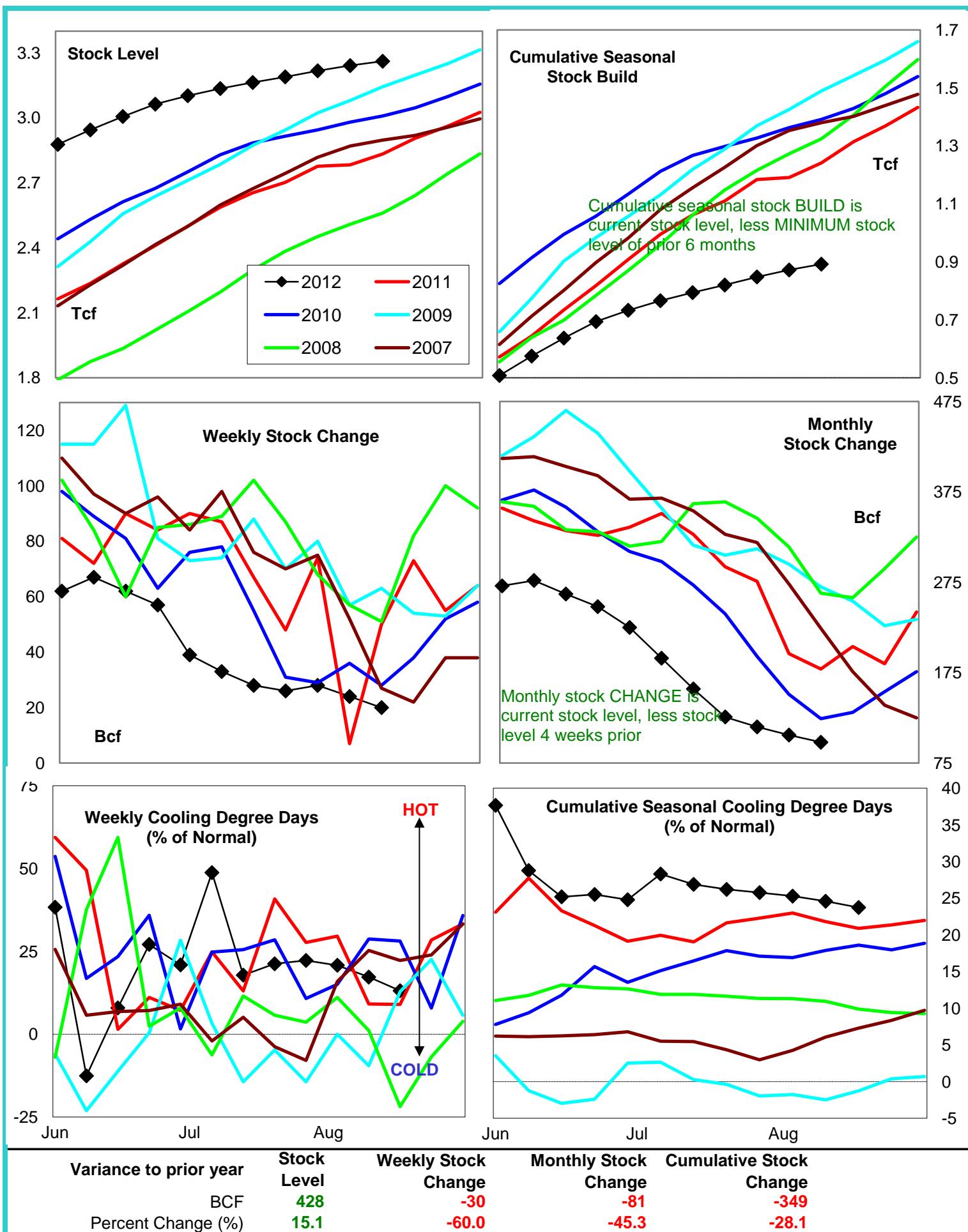
	Cumulative Stock change			Cumulative Cooling Degree Days					
	Bcf	Change vs prior year Bcf	%	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal
U.S. Total	892	-349	-39.1	194	25%	207	25%	215	24%
East	615	-230	-37.4	336	32%	351	30%	357	28%
West	149	-47	-31.5	17	3%	44	7%	71	11%
Producing	139	-125	-89.9	336	25%	351	24%	357	22%

Futures Market Price Trends

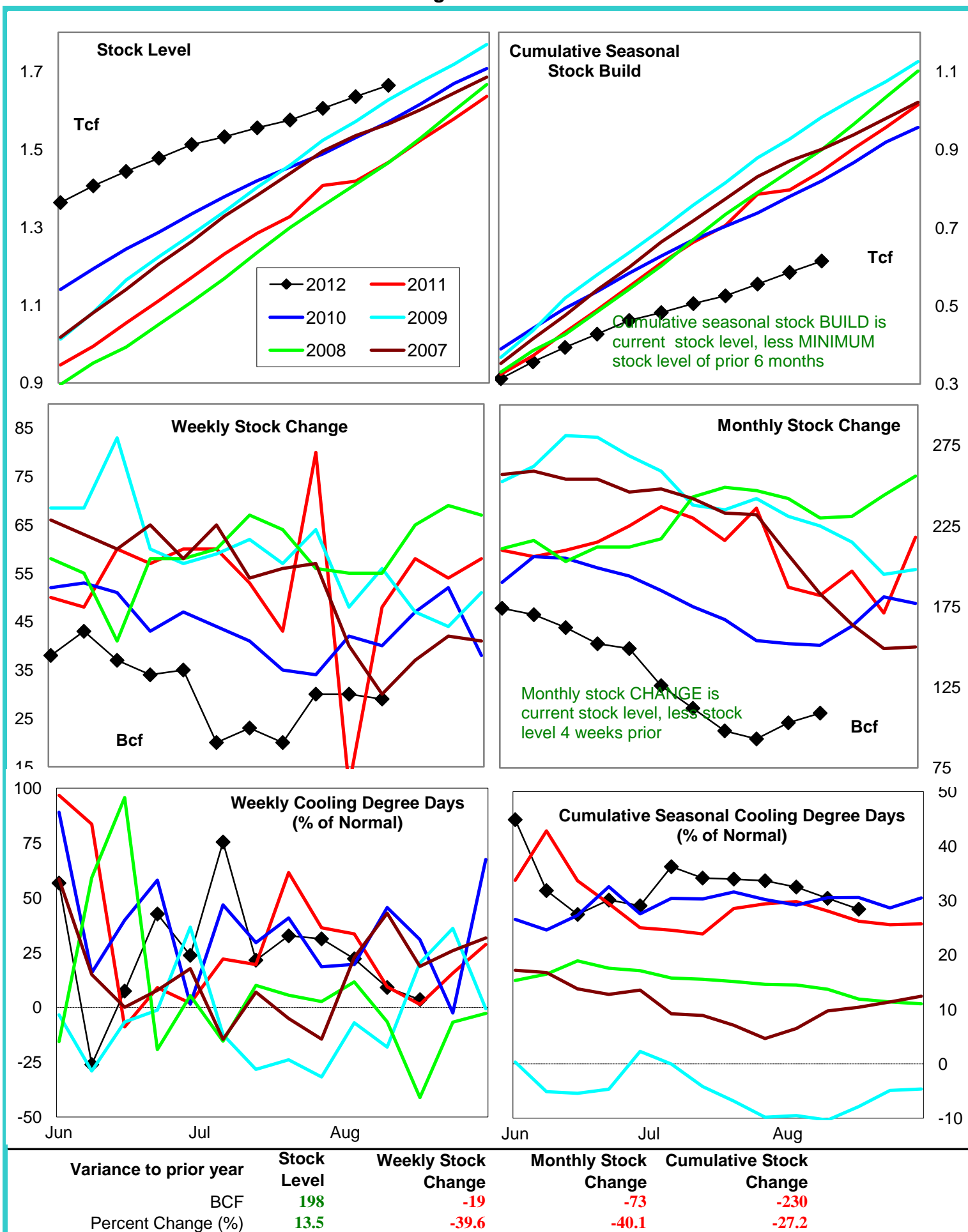
Date:	16-Aug-12	Change vs prior week, month, year		
		10-Aug-12	20-Jul-12	12-Aug-11
1st month Futures	2.79	0.02	-0.29	-1.26
% change	xxxxx	0.7	-9.4	-31.1



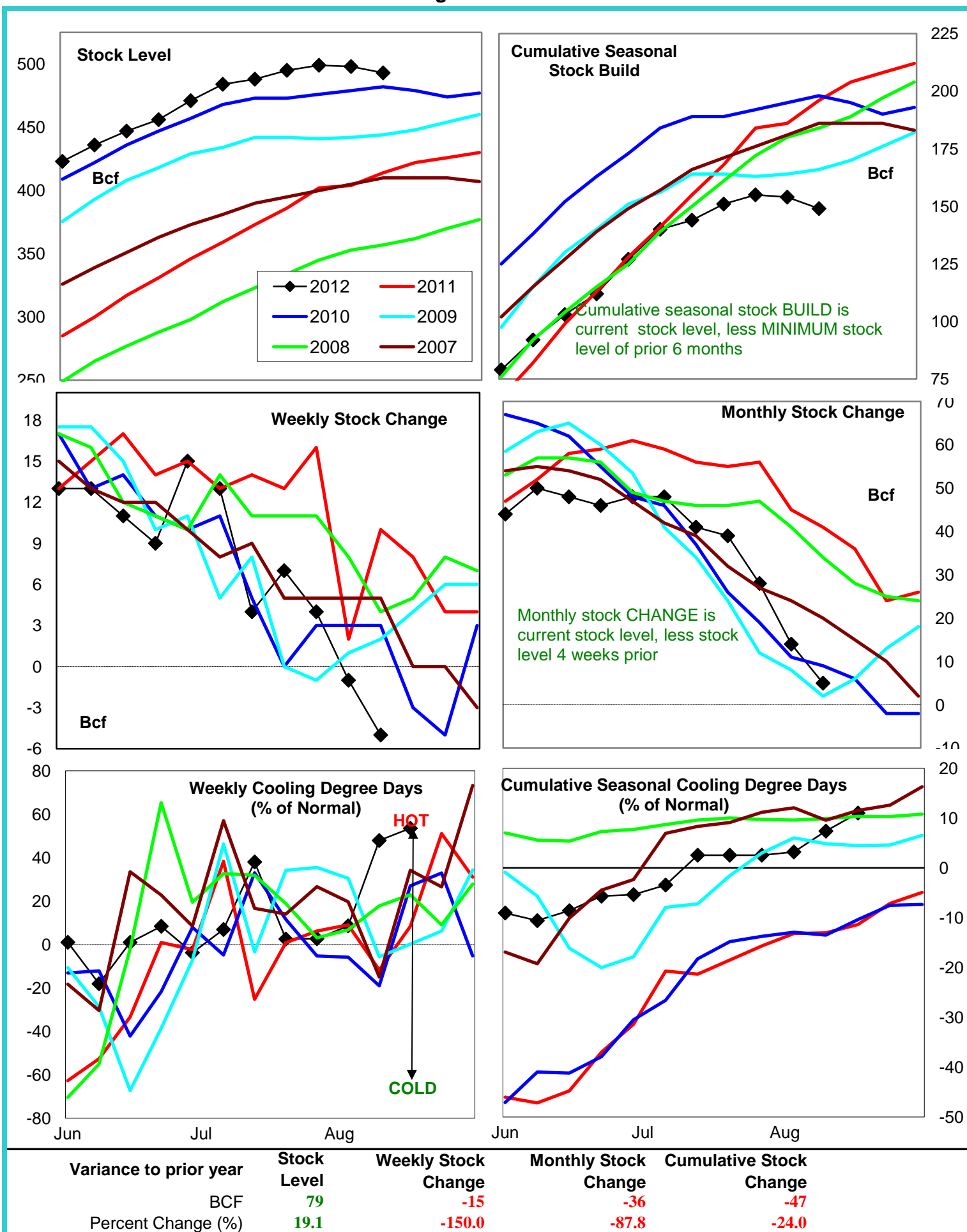
United States Natural Gas Stock and Weather Trends



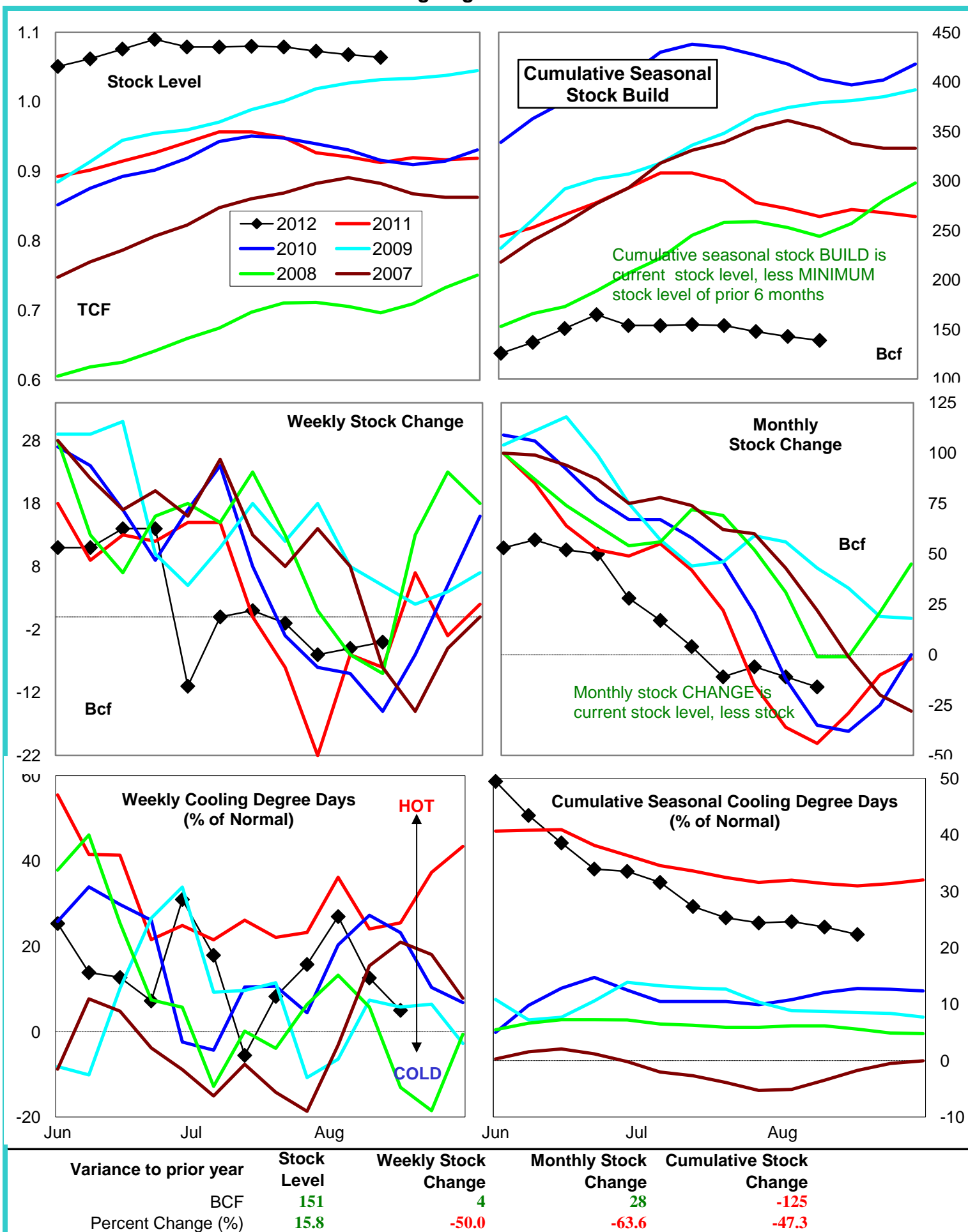
Natural Gas East Region Stock and Weather Trends



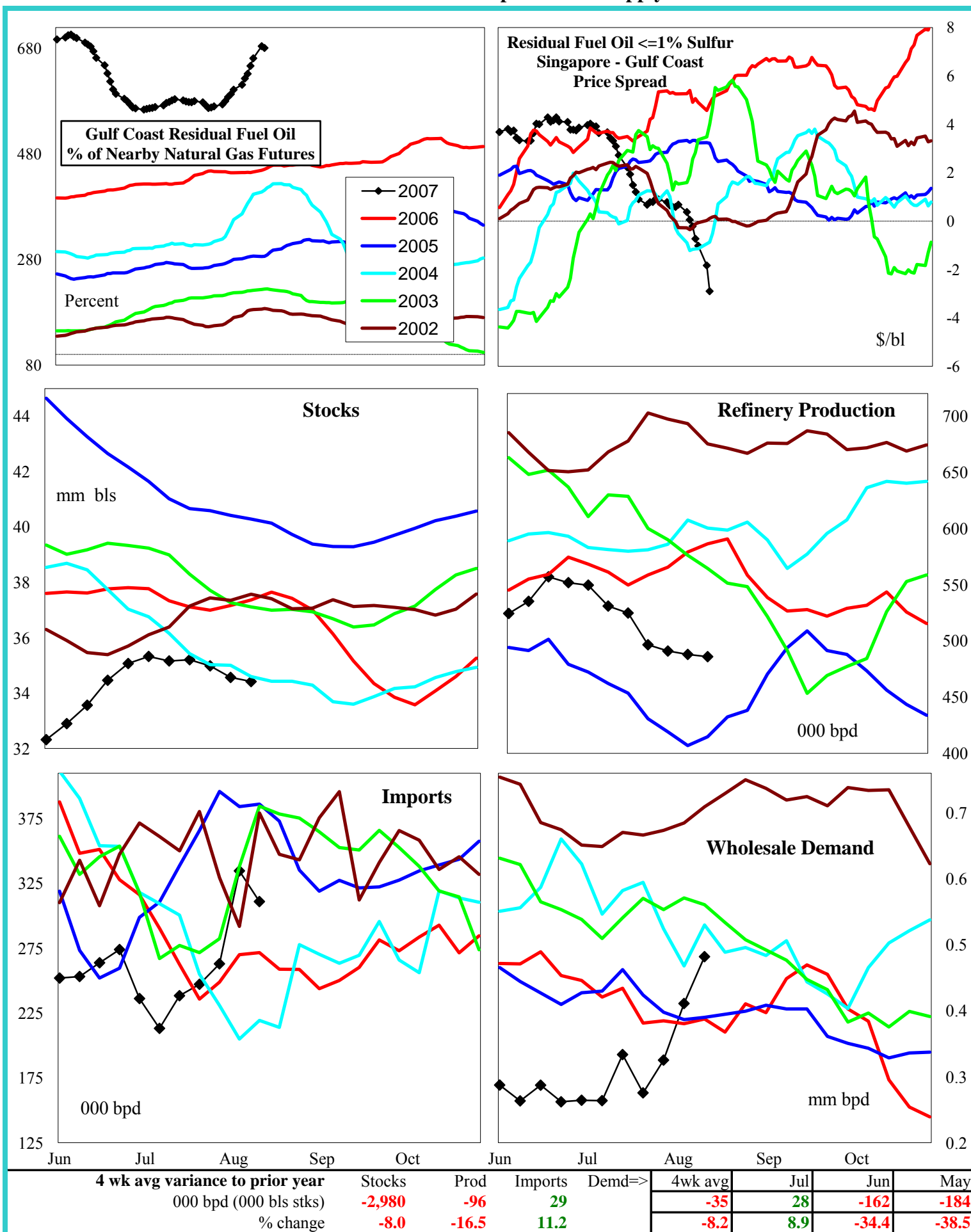
Natural Gas West Region Stock and Weather Trends



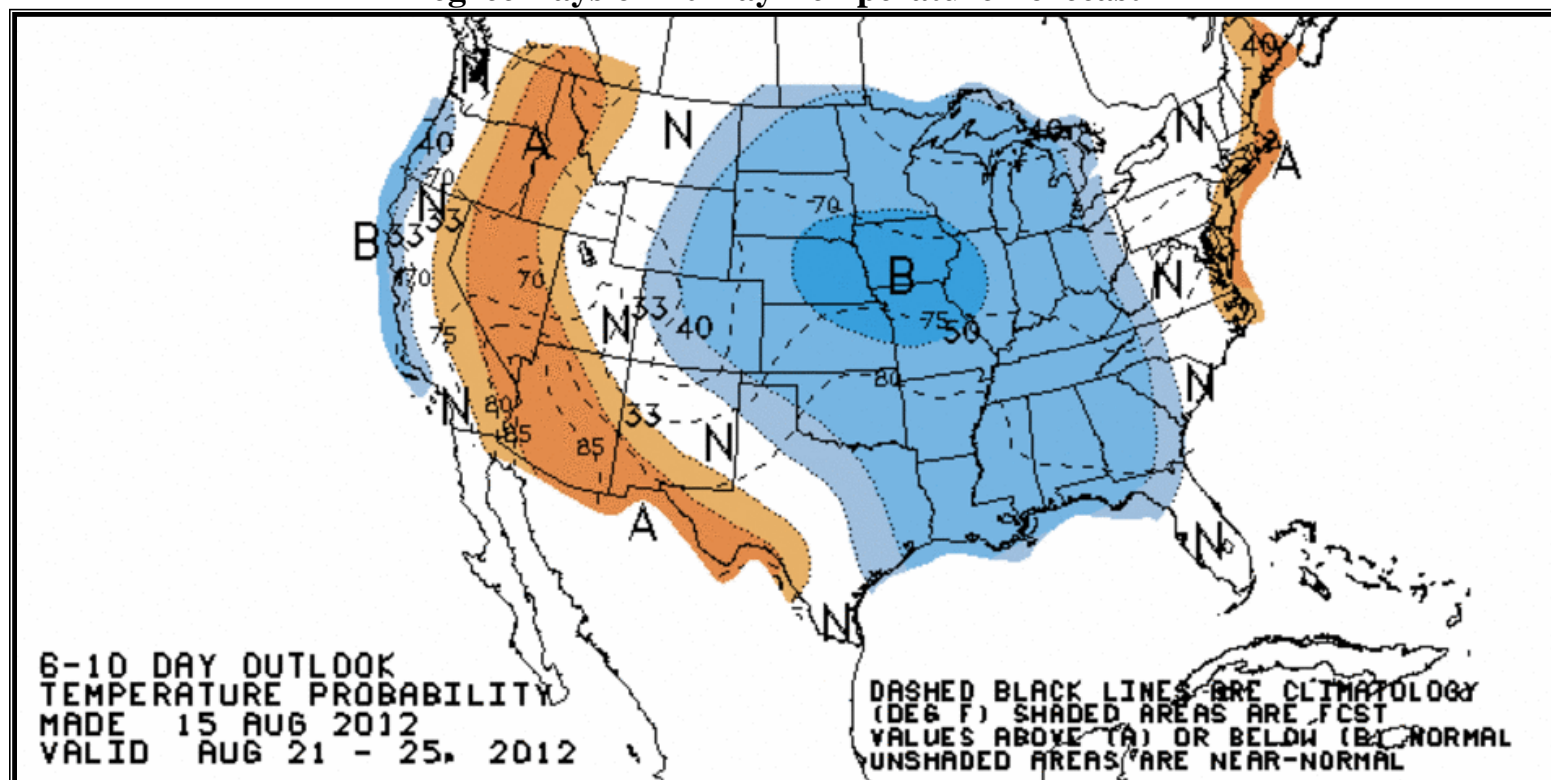
Natural Gas Producing Region Stock and Weather Trends



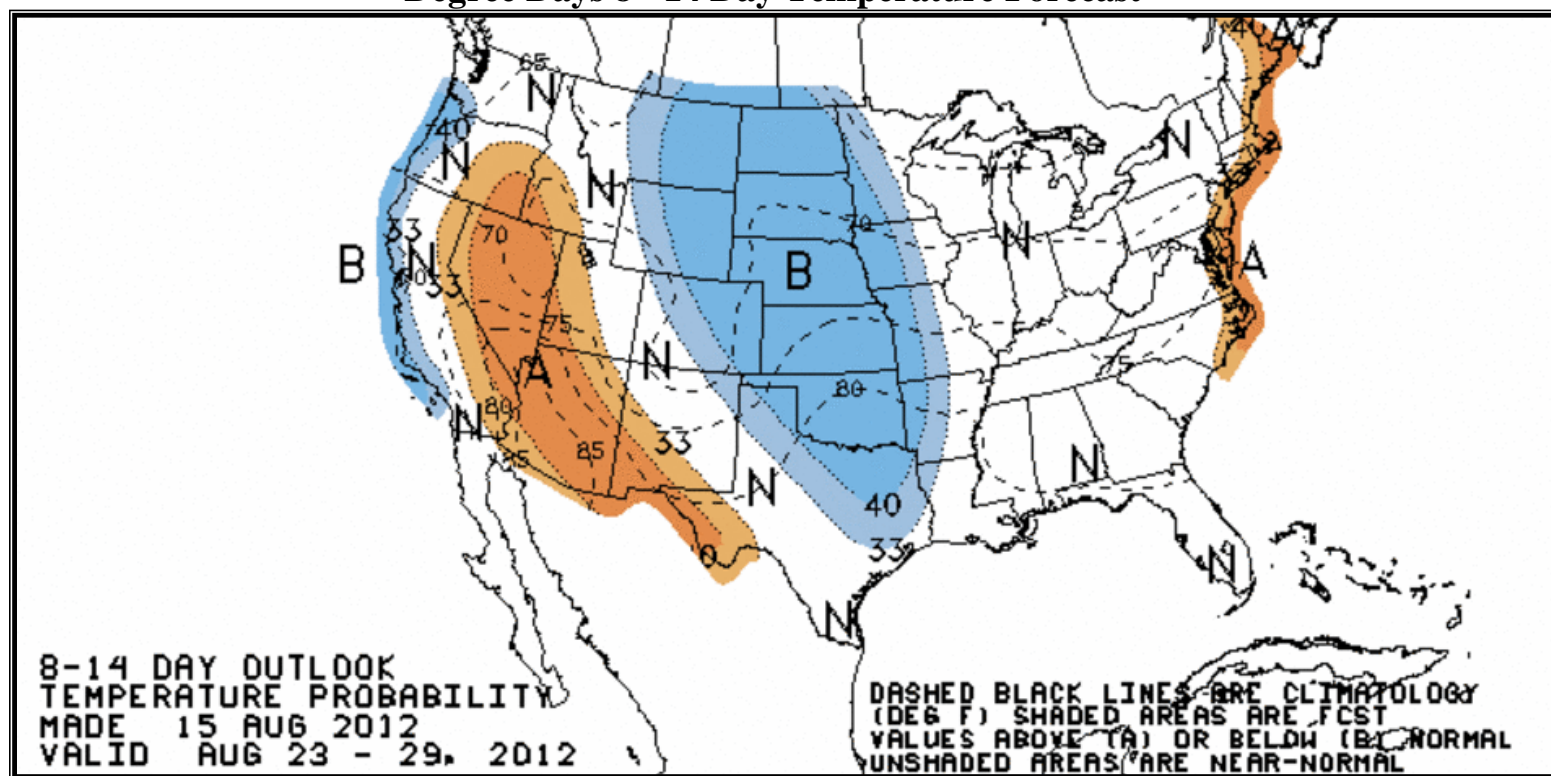
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

