

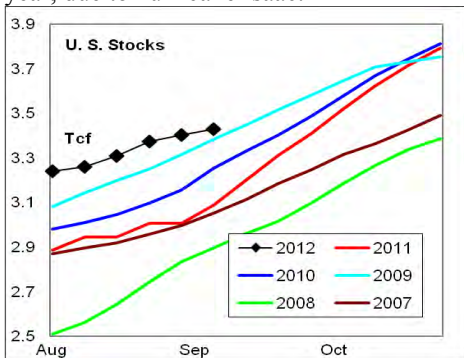
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

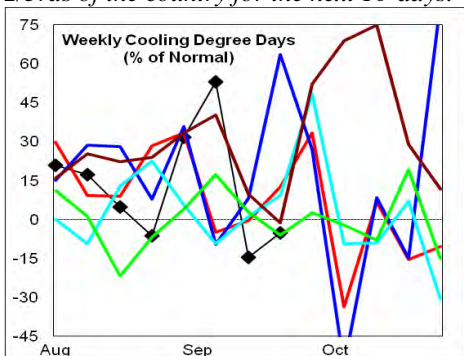
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Monday, September 17, 2012



Summary¹ The stock build of +27 Bcf for the week was a record low for this time of year, due to hurricane Isaac.



Cooling degree days for the week ending 15Sep12 were -15% below normal, are forecast to be -5% below normal this week and sharply below normal in the eastern 2/3rds of the country for the next 10-days.



In the East Region stocks increased +38 Bcf for the week, below the 5-year range for the week. Stocks increased +2 Bcf in the West Region, a level at the low end of the historic range for the period. Stocks decreased -13 Bcf in the Producing Region, a record draw for this time of year due to hurricane Isaac.

Cooling degree days were +68% above normal in the East Region, +35% above normal in the West Region and +39% above normal in the Producing Region for the week ending 08Sep12.

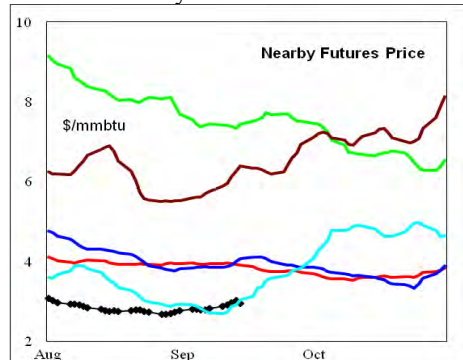
Cooling degree days were +53% above normal for the week ending 08Sep12, -15% below normal for the week ending 15Sep12, and forecast to be -5% below

normal for the week ending 22Sep12.

The 6-10 day NWS forecast for the week ending 26Sep12 is for sharply below normal cooling degree days in the eastern 2/3rds the country with above normal cooling degree days in the west.

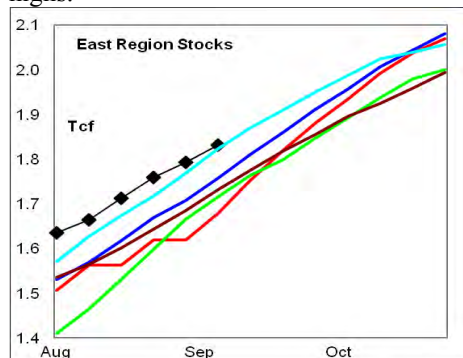
The 8-14 day NWS forecast for the week ending 30Sep12 is for below normal cooling degree days in the eastern 2/3rds of the country, and above normal cooling degree days in western 1/3rd of the country.

Prices: Nearby gas futures prices increased +\$0.26/mmbtu for the week ending 14Sep12. The current price is - \$0.11/mmbtu above the prior 5-year low for this time of year.



The 1st - 4th month forward price curve traded sideways for the week ending 14Sep12, ending at a level comparable to the last 2-years.

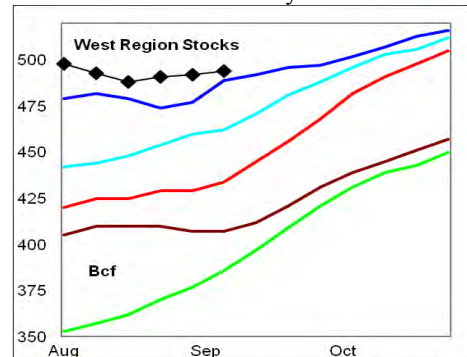
East Region stocks increased +38 Bcf for the week, below the 5-year range for the week. The current stock level was +9% above last year, and above prior 5-year highs.



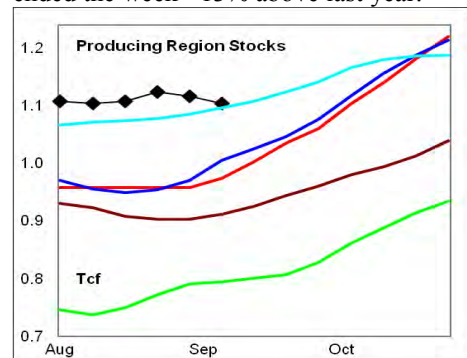
Cooling degree days in the region were +68% above normal for the week ending 08Sep12, -31% below normal for the week ending 15Sep12, and forecast to be -16% below normal this week. Cooling degree days are forecast to be sharply below normal in the region for the next 10-days.

West Region stocks increased +2 Bcf on the week, a level at the low end of the

historic range for the week. Stock levels ended the week +14% above last year and above the 5-year range. The latest 4-wk stock change was a build of +1 Bcf, which matched the lowest of the last 5-years. Cooling degree days were +35% above normal for the week ending 08Sep12, +38% above normal for the week ending 15Sep12, and forecast to be +42% above normal for the current week. Cooling degree days are forecast to be above normal for the next 10-days.



Producing Region stocks decreased -13 Bcf for the week, a record draw for the week, due to hurricane Isaac. Stock levels ended the week +13% above last year.



Cooling degree days were +39% above normal for the week ending 08Sep12, --26% below normal for the week ending 15Sep12 and forecast to be -19% below normal for the current week. Much 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 -31% below last year.

Outlook: Hurricane Isaac led to a record low stock build for this time of year. Cooling degree days are forecast to be below normal for the balance of September, leading to a sharp increase in stock building during the shoulder season. Prices should remain near 5-year 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: September 17, 2012

For the week ending: 7-Sep-12

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

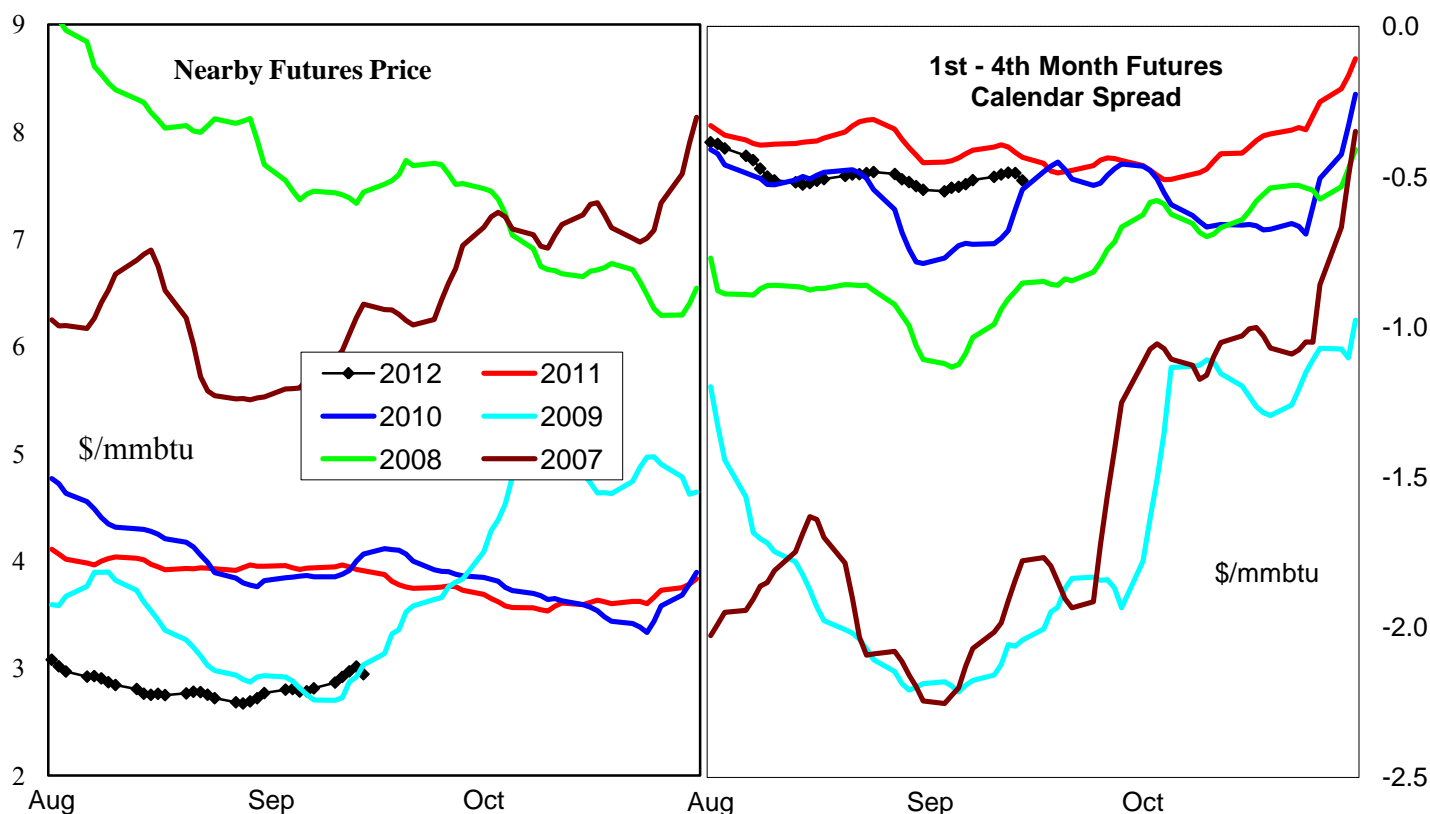
Week ending:	7-Sep-12			8-Sep-12		15-Sep-12		22-Sep-12	
Region	Weekly Stocks			Weekly Cooling Degree Days					
		Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
	Bcf	Week Bcf	Year (%)						
U.S. Total	3,429	27	11.1	2	53%	-40	-15%	-4	-5%
East	1,831	38	9.1	1	68%	-47	-31%	-1	-16%
West	494	2	13.8	-3	35%	-5	38%	-10	42%
Producing	1,104	-13	13.2	12	39%	-68	-26%	-5	-19%

Seasonal Trends in Stocks and Cooling Degree Days

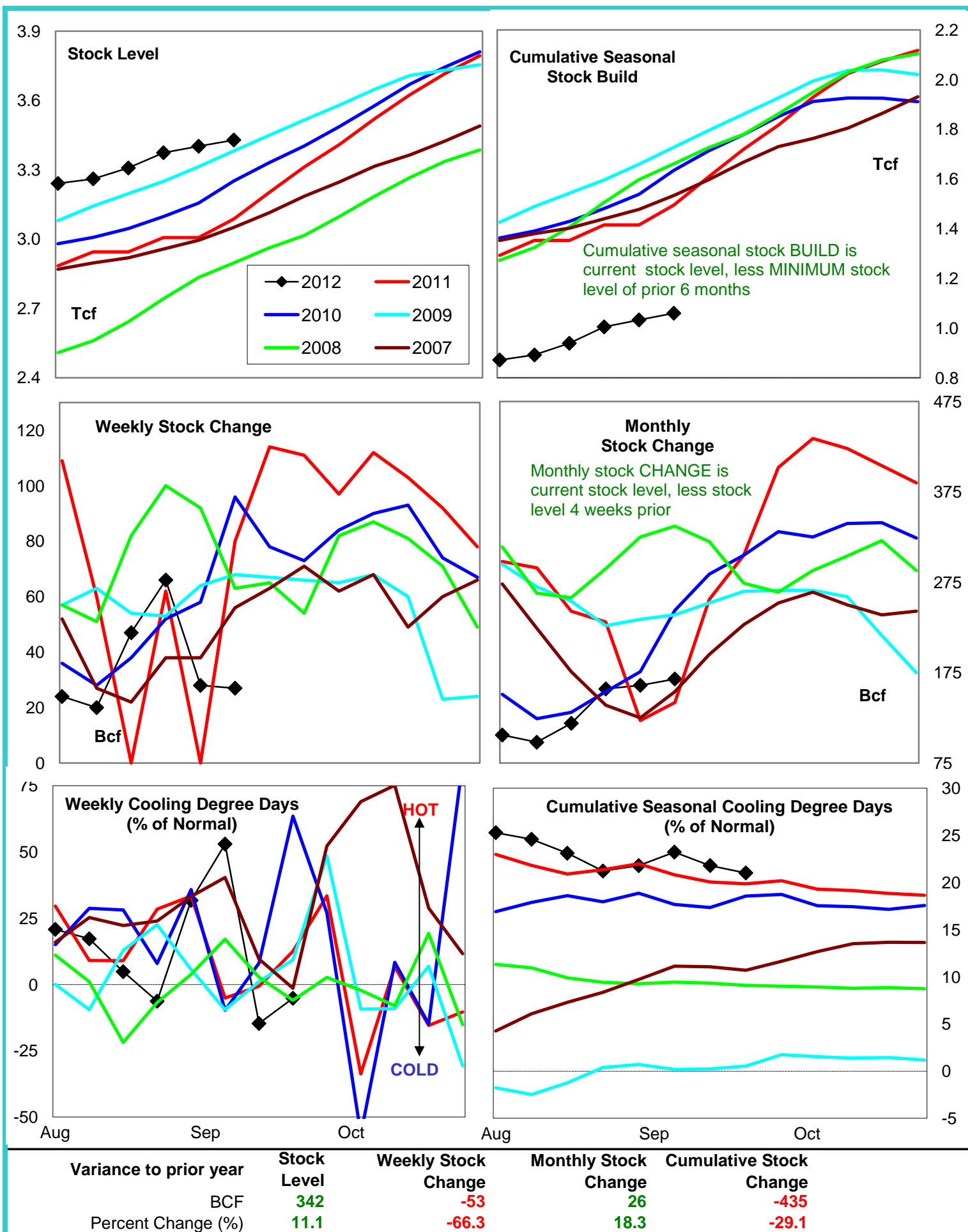
	Cumulative Stock change			Cumulative Cooling Degree Days					
	Bcf	Change vs prior year Bcf	%	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal
U.S. Total	1,060	-435	-41.0	250	23%	244	22%	242	21%
East	782	-275	-35.2	392	27%	371	25%	358	24%
West	150	-66	-44.0	110	14%	124	15%	136	16%
Producing	139	-135	-97.1	392	21%	371	19%	358	17%

Futures Market Price Trends

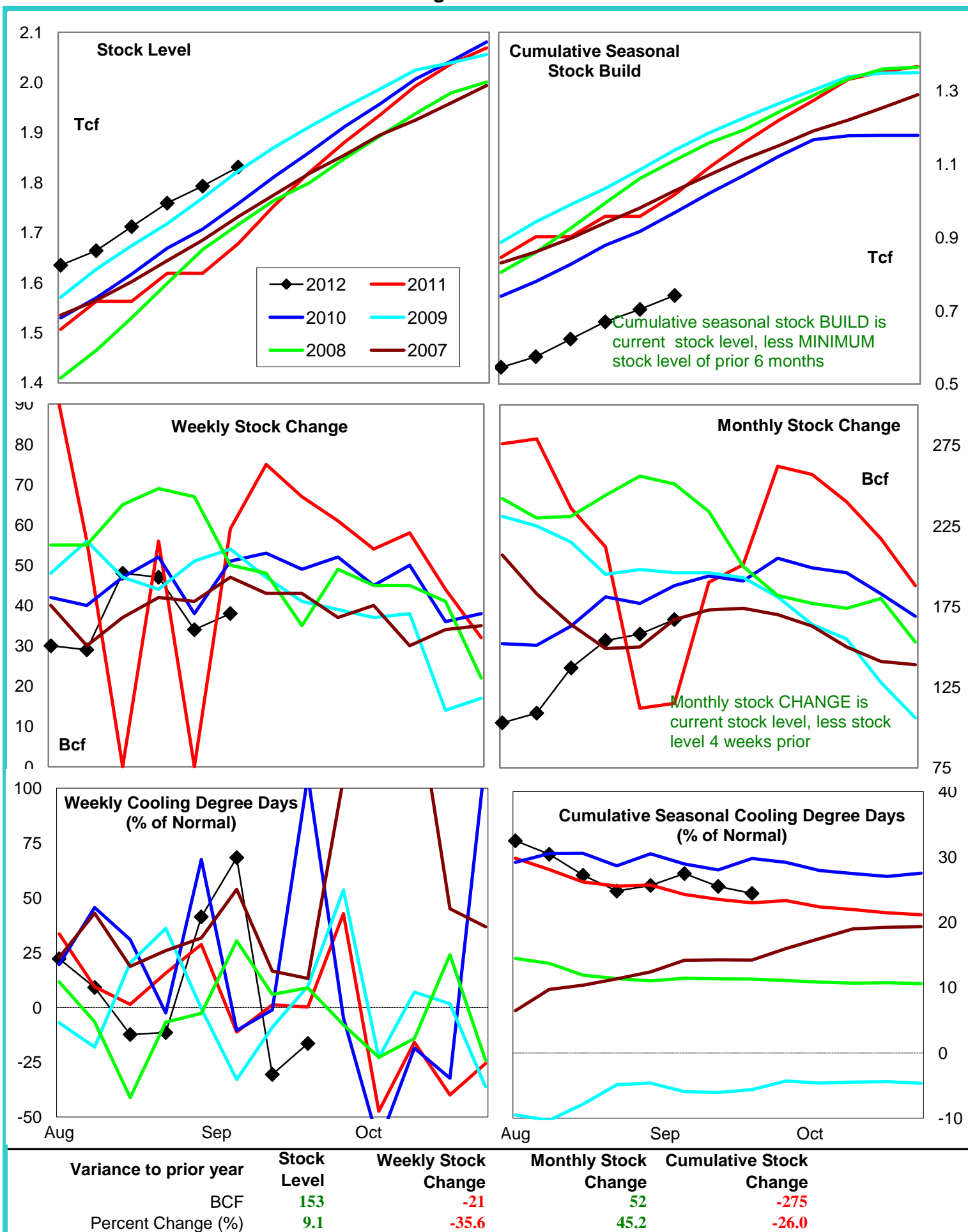
Date:	14-Sep-12	Change vs prior week, month, year		
		10-Sep-12	20-Aug-12	13-Sep-11
1st month Futures	2.94	0.13	0.17	-0.81
% change	xxxxx	4.7	6.0	-21.5



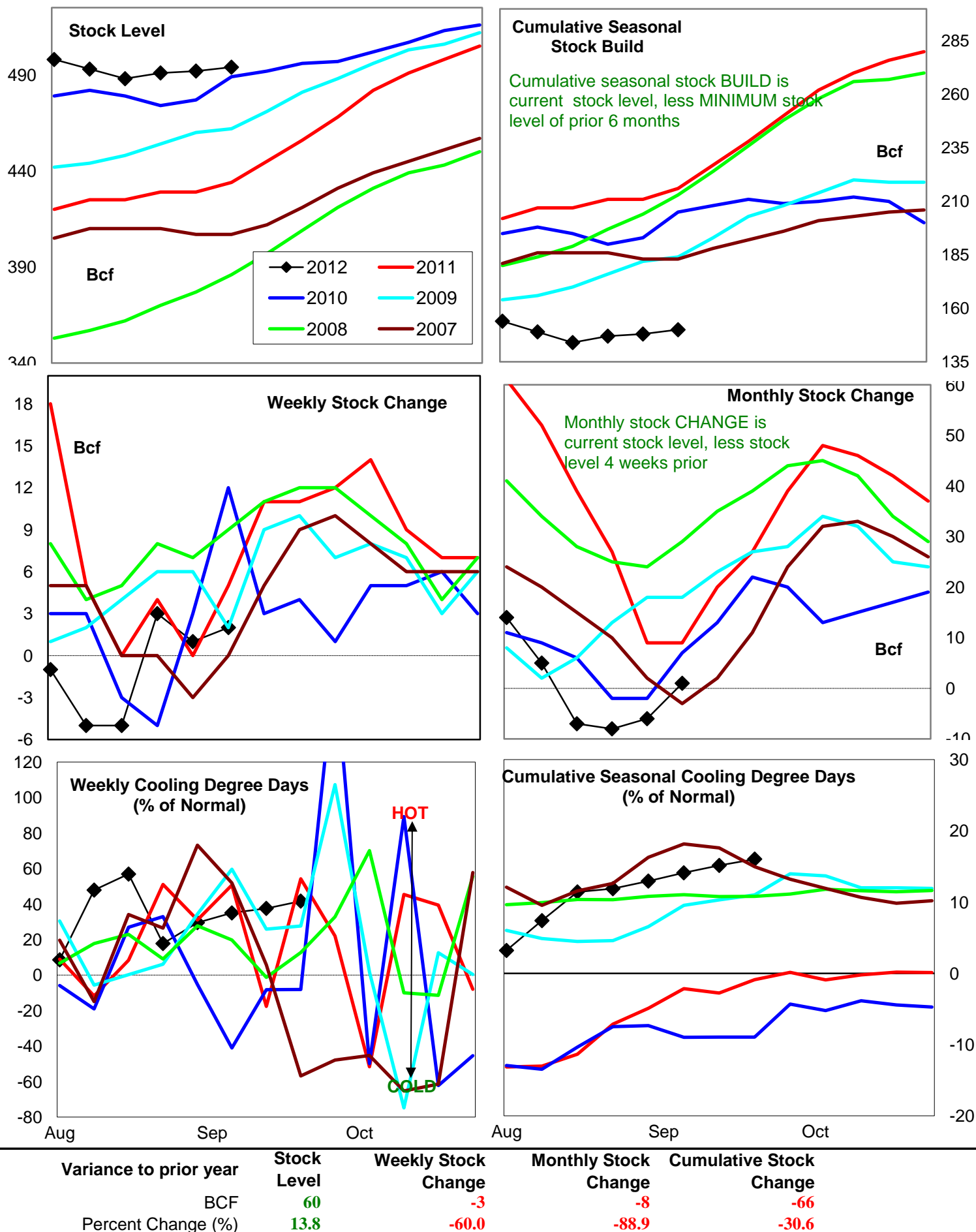
United States Natural Gas Stock and Weather Trends



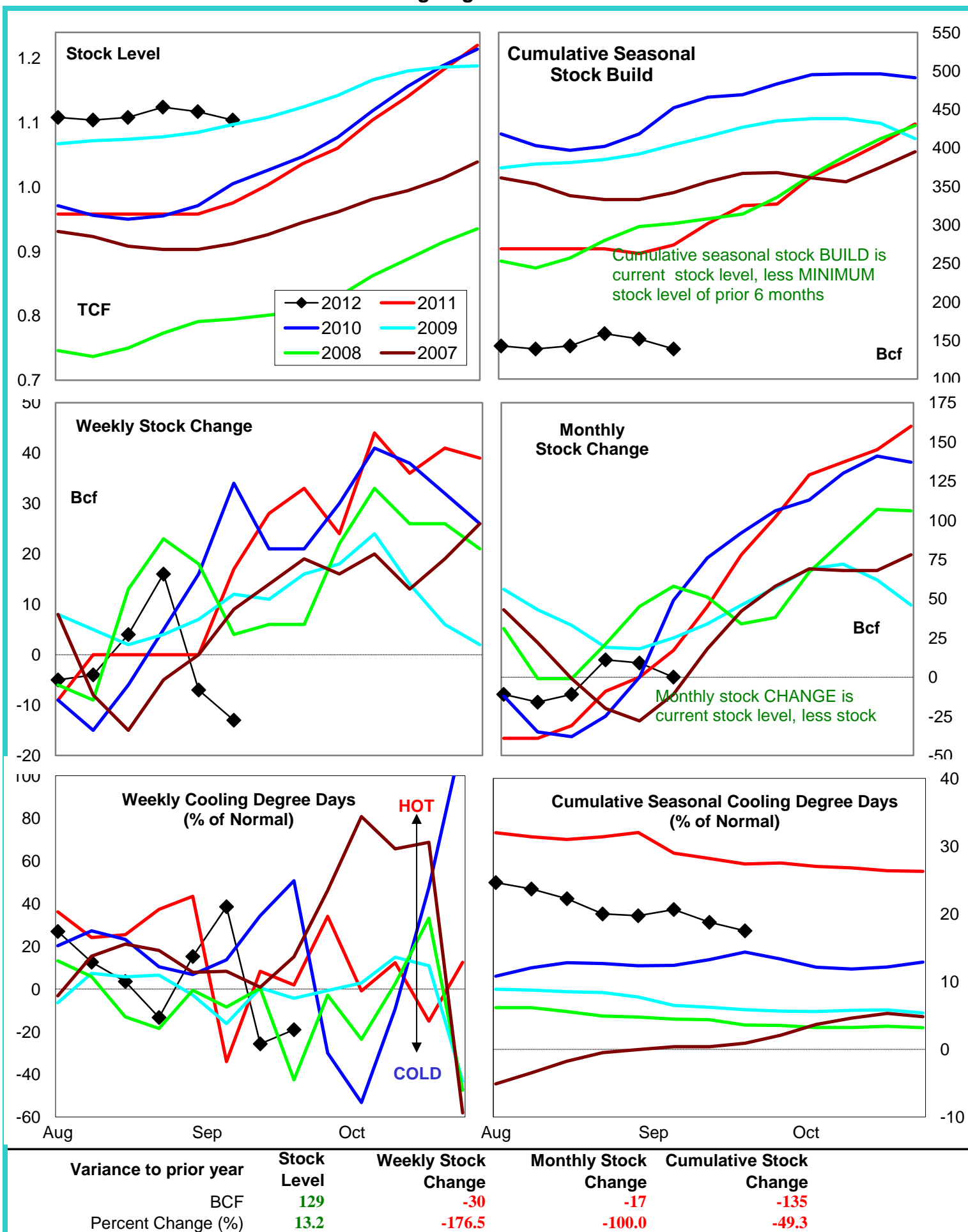
Natural Gas East Region Stock and Weather Trends



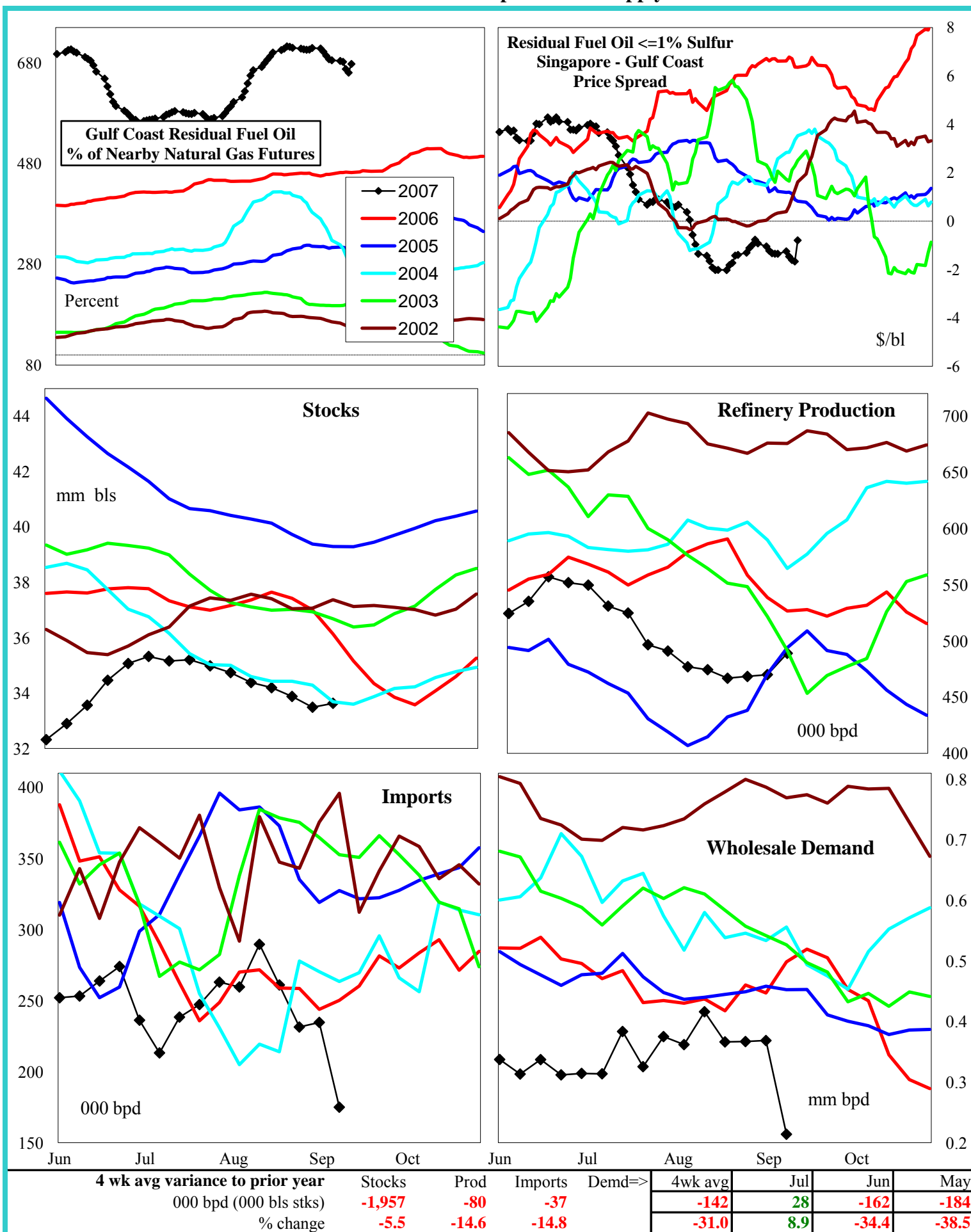
Natural Gas West Region Stock and Weather Trends



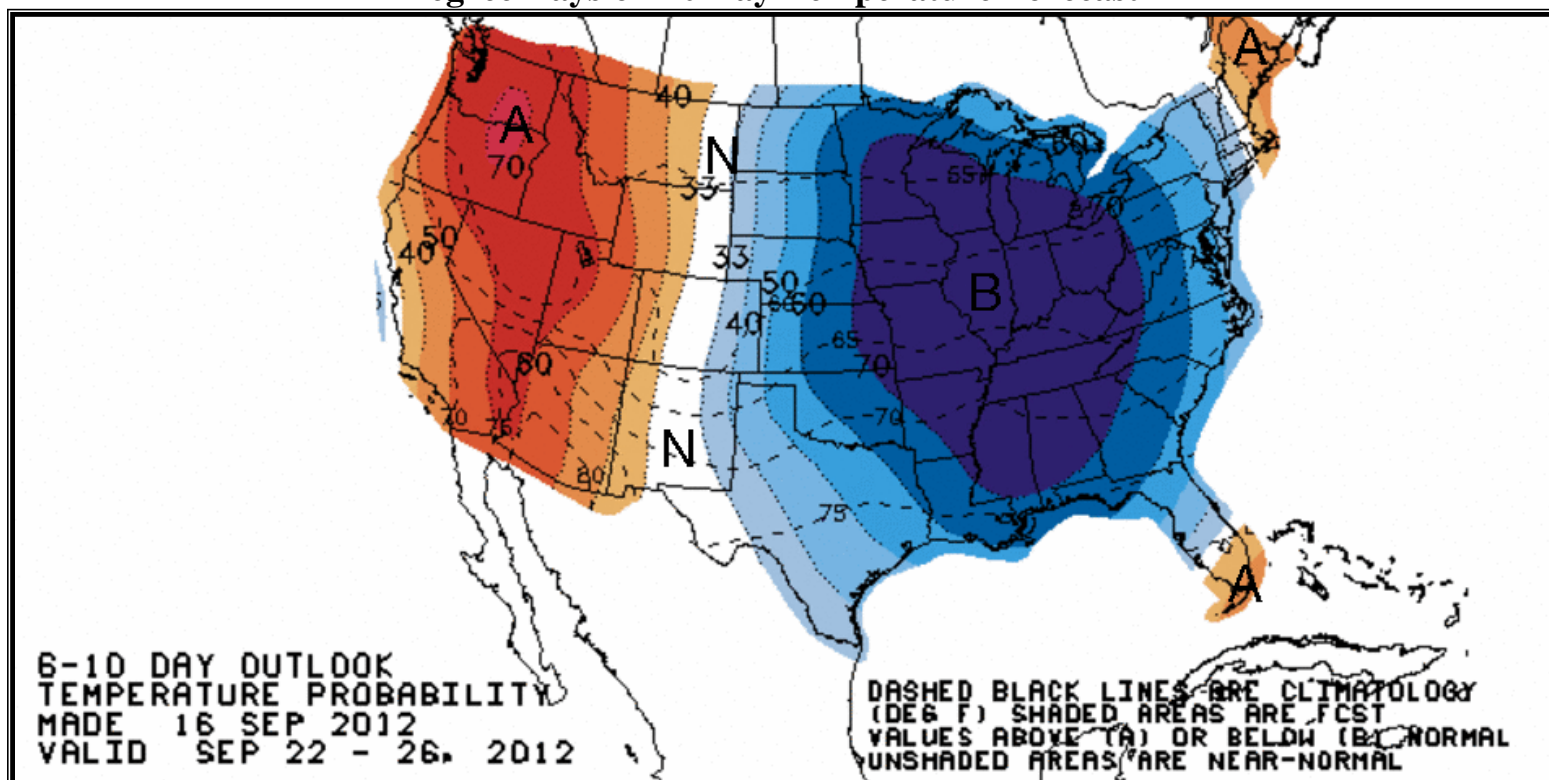
Natural Gas Producing Region Stock and Weather Trends



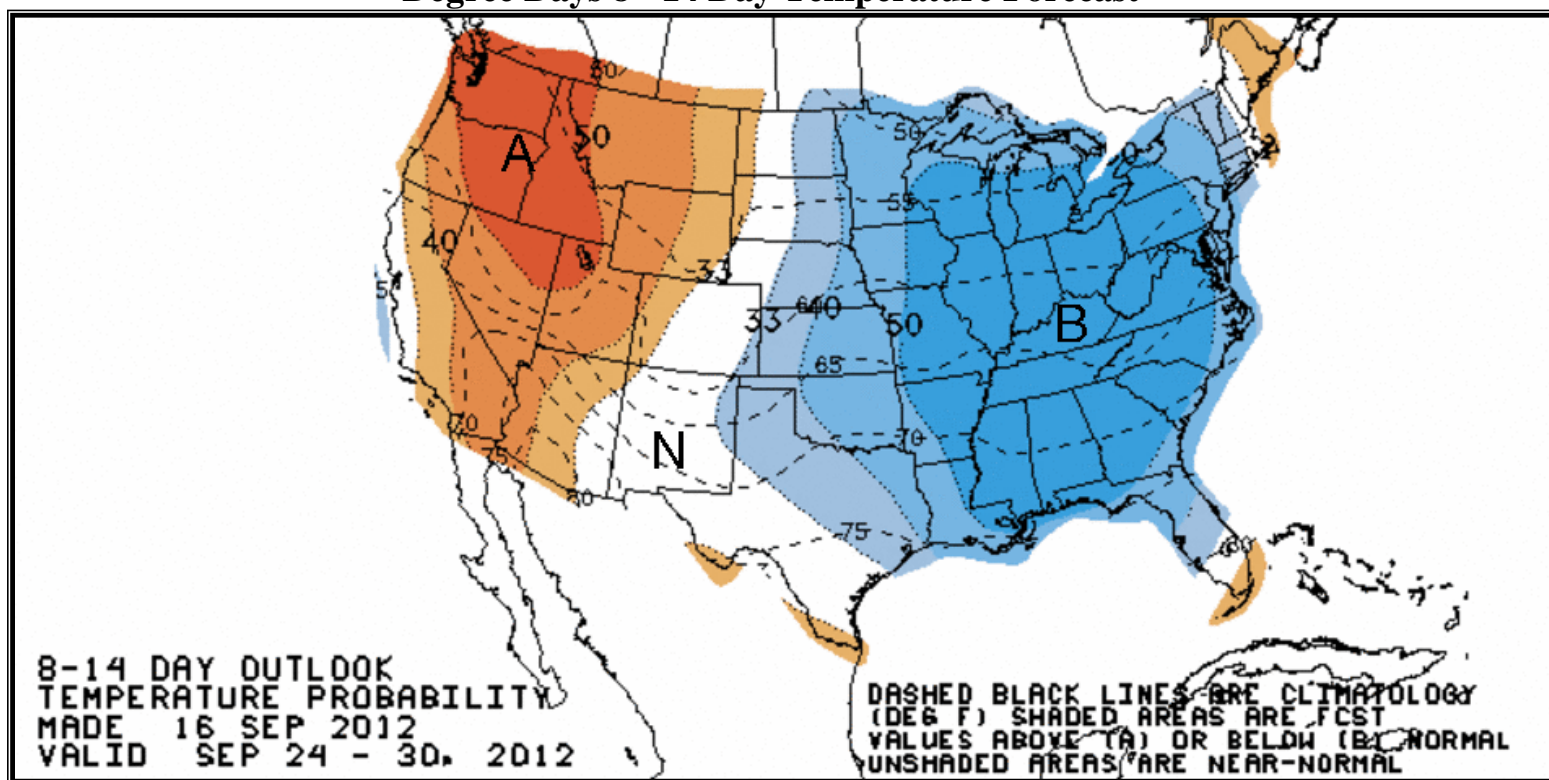
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

