

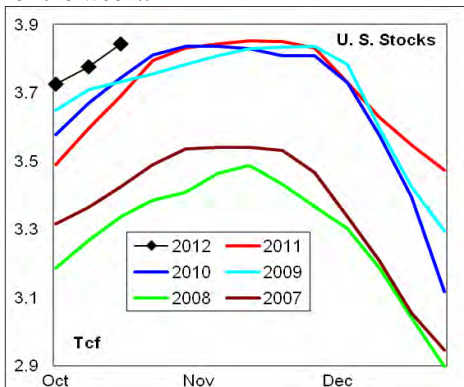
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

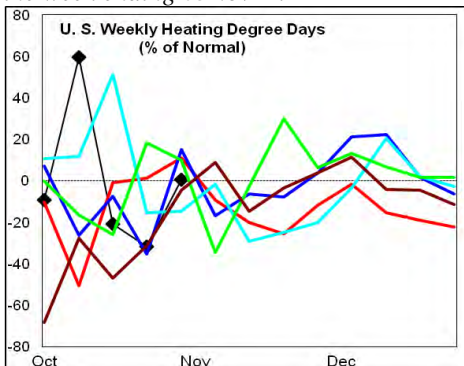
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Monday, October 29, 2012



Summary¹ The stock build of +67 Bcf for the week matched the historic mid range for the week..



Heating degree days for the week ending 20Oct12 were -21% below normal, -32% below normal for the week ending 27Oct12 and forecast to be +1% above normal for the week ending 03Nov12.



In the East Region stocks increased +28 Bcf for the week, a level below the historic mid range for the period. Stocks increased +11 Bcf in the West Region, a level above the 5-year range for this week. Stocks increased +28 Bcf in the Producing Region, a build that was below the last 2-years.

Heating degree days were -19% below normal in the East Region, -27% below normal in the West Region and -27% below normal in the Producing Region for the week ending 20Oct12.

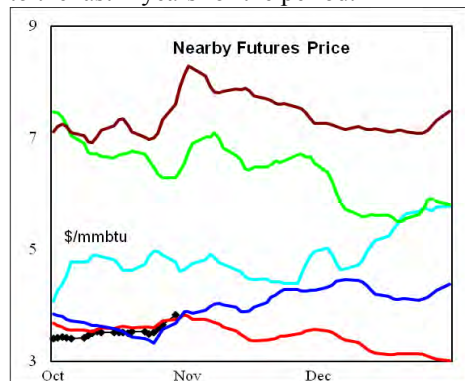
Heating degree days were -21% below normal for the week ending 20Oct12, -32% below normal for the week ending

27Oct12 and forecast to be +1% above normal for the week ending 03Nov12.

The 6-10 day NWS forecast for the week ending 07Nov12 is for much below normal heating degree days in the western 1/2 of the country and near normal in the east.

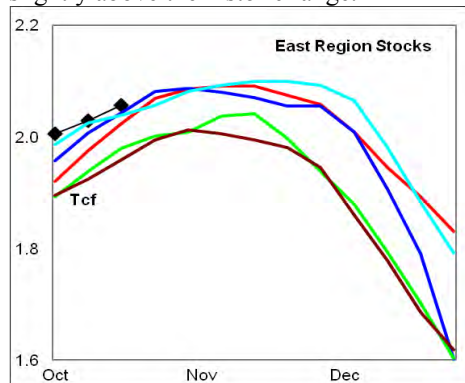
The 8-14 day NWS forecast for the week ending 11Nov12 is for near normal temperatures across most of the country.

Prices: Nearby gas futures prices increased +\$0.38/mmbtu for the week ending 29Oct12. The current price is comparable to the last 2-years for the period.



The 1st - 4th month forward price curve traded at a level comparable to a year ago for the week ending 29Oct12, at the lowest inversion of the past 5-years

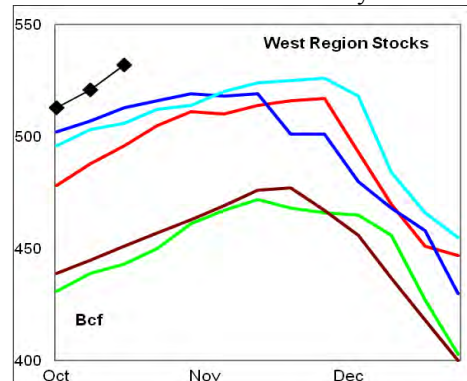
East Region stocks increased +28 Bcf for the week, a level below the historic mid range for the week. The current stock level was +1.6% above last year, and slightly above the historic range.



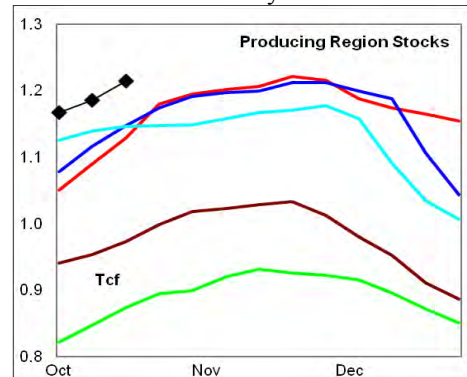
Heating degree days in the region were -19% below normal for the week ending 20Oct12, -40% below normal for the week ending 27, 2012 and forecast to be +6% above normal this week. Heating degree days are forecast to be near normal in the region for the next 10-days.

West Region stocks increased +11 Bcf on the week, a level above the 5-year range. Stock levels ended the week +7.3% above last year and above the 5-year range. The

latest 4-wk stock change was a build of +30 Bcf, a level that matched the historic mid range. Heating degree days were -27% below normal for the week ending 20Oct12, +9% above normal for the week ending 27Oct12, and forecast to be -30% below normal for the current week. Heating degree days are forecast to be below normal for the next 10-days.



Producing Region stocks increased +28 Bcf for the week, a build that was below the last 2-years. Stock levels ended the week +7.3% above last year.



Heating degree days were -29% below normal for the week ending 20Oct12, -15% below normal for the week ending 27Oct12 and forecast to be -5% below normal for the current week. Near normal heating 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 -2% below last year.

Outlook: Heating degree days continue to track at below normal levels for this time of year. Stock levels are now just +4% above last year; driven by the lack of storage capacity by the industry. A return to 'normal' heating degree days will be required to lift prices above last years' record 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: October 29, 2012

For the week ending: 19-Oct-12

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

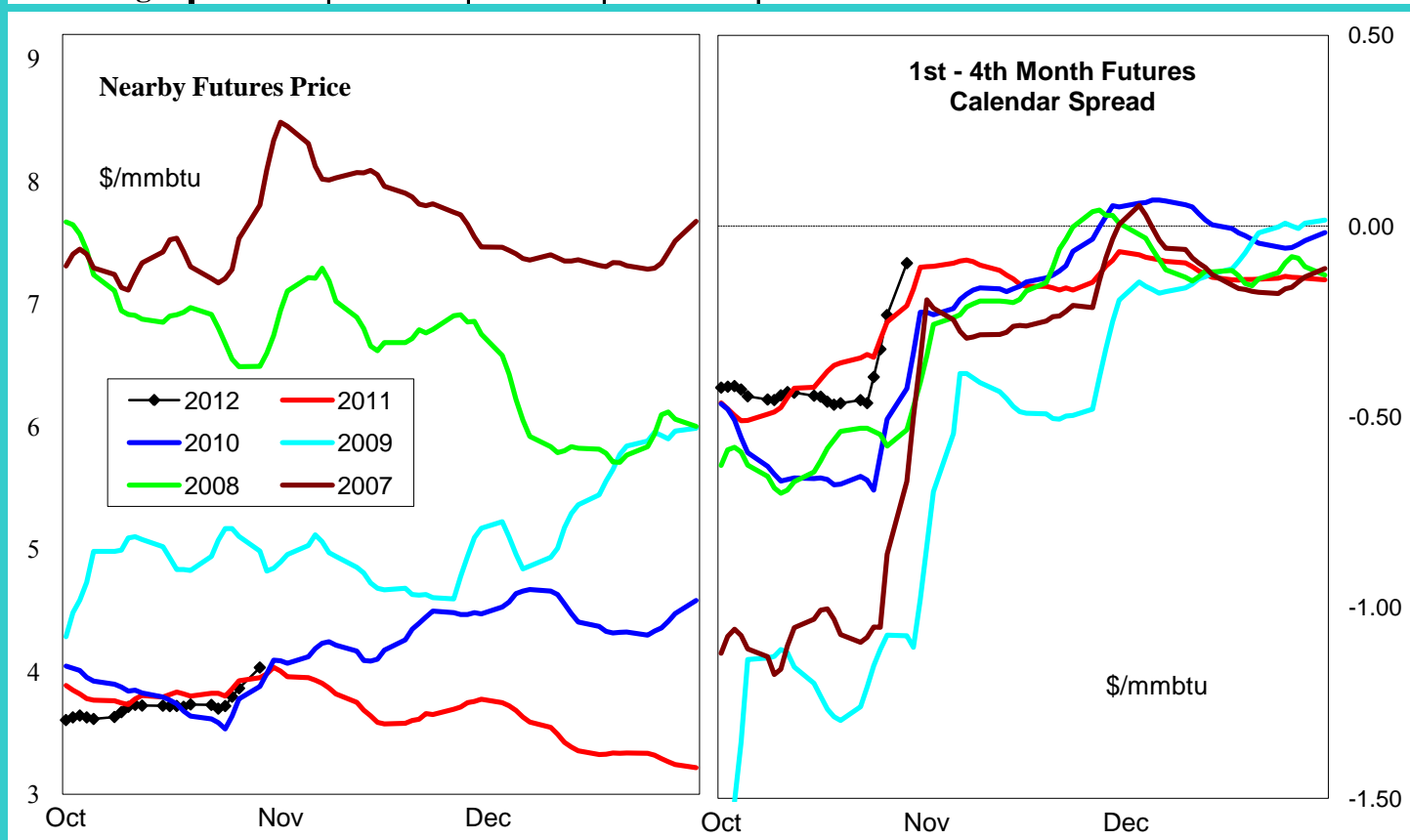
Week ending:	19-Oct-12			20-Oct-12		27-Oct-12		3-Nov-12	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,843	67	4.1	-36	-21%	3	-32%	44	1%
East	2,057	28	1.6	-43	-19%	-8	-40%	64	6%
West	532	11	7.3	-23	-27%	47	9%	-25	-30%
Producing	1,254	28	7.3	-19	-29%	15	-15%	17	-5%

Seasonal Trends in Stocks and Heating Degree Days

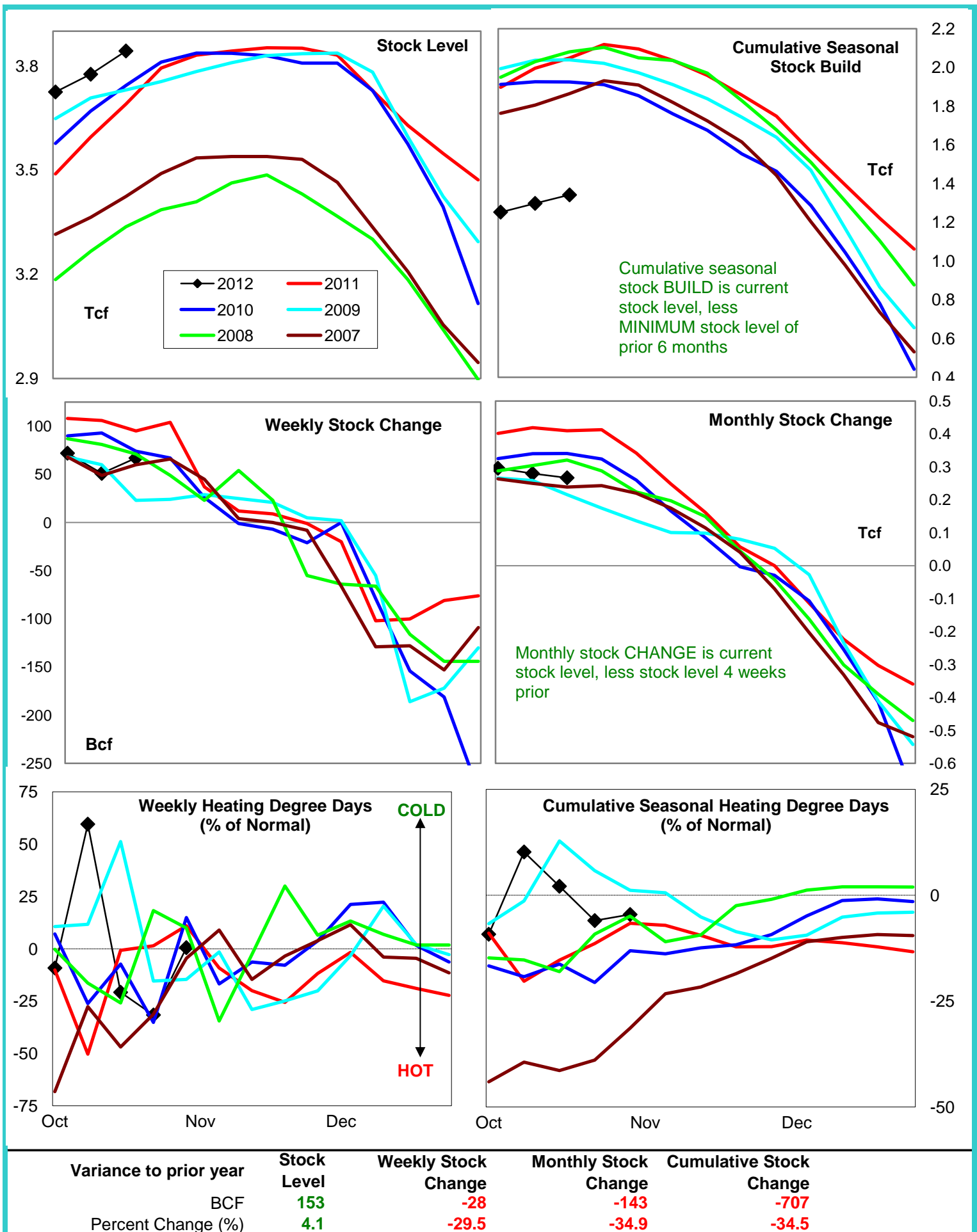
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	1,342	-707	-52.7	59	2.1	62	-6.0	106	-4.5
East	954	-426	-44.7	71	6.3	62	-4.8	126	-2.4
West	174	-100	-57.5	57	-24.3	104	-17.6	78	-19.9
Producing	216	-178	-82.4	22	15.0	37	5.3	53	2.1

Futures Market Price Trends

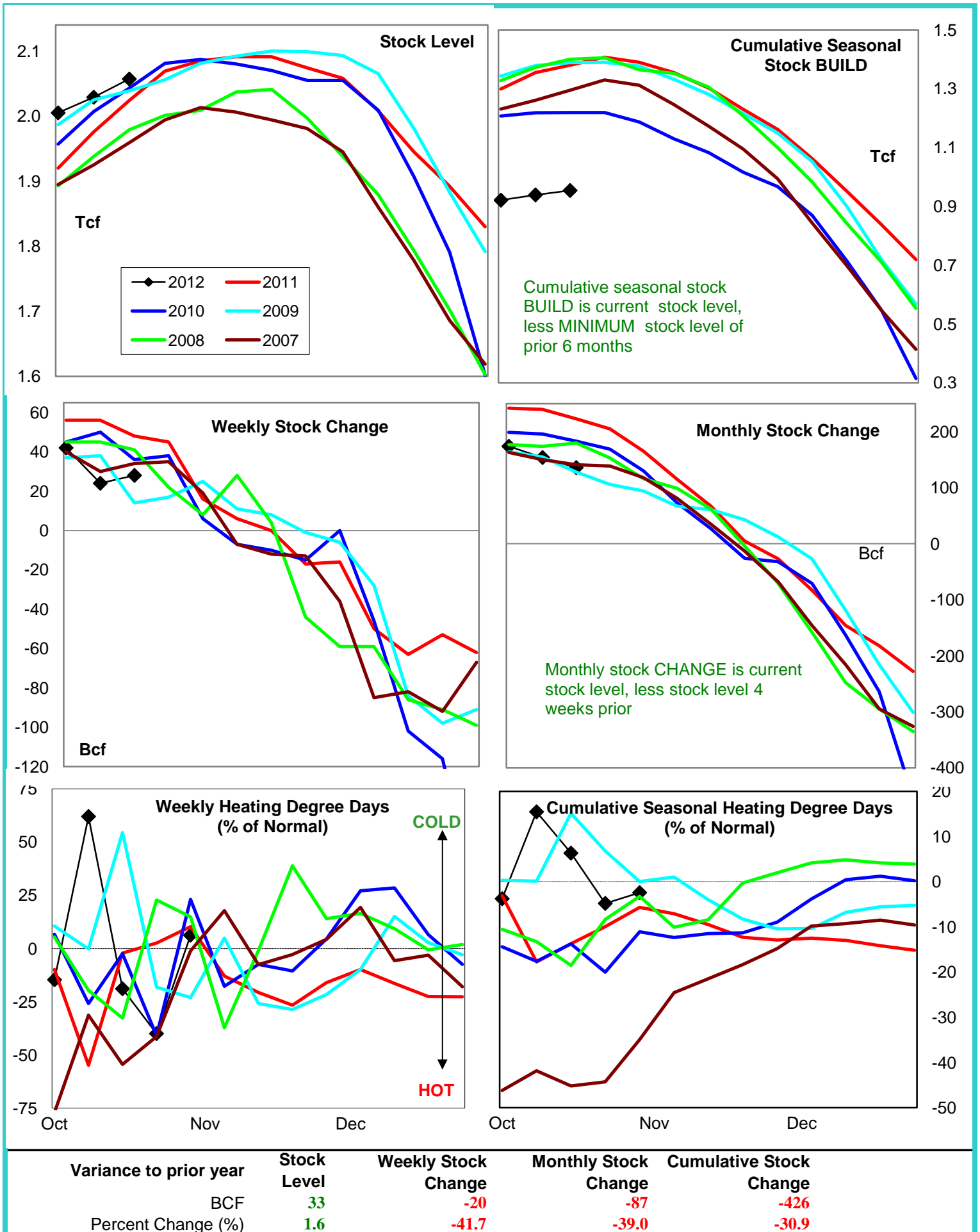
Date:	29-Oct-12	Change vs prior week, month, year		
		23-Oct-12	2-Oct-12	2-Nov-11
1st month Futures	3.83	0.30	0.30	0.25
% change	xxxxx	8.4	8.6	7.1



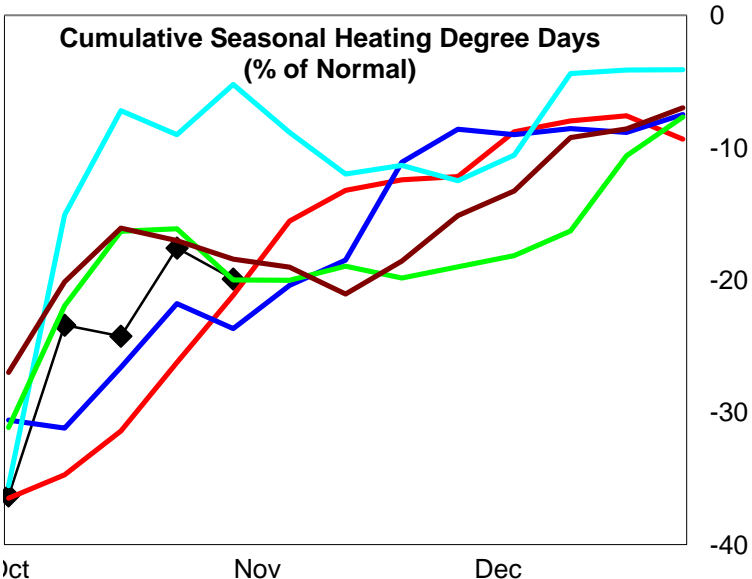
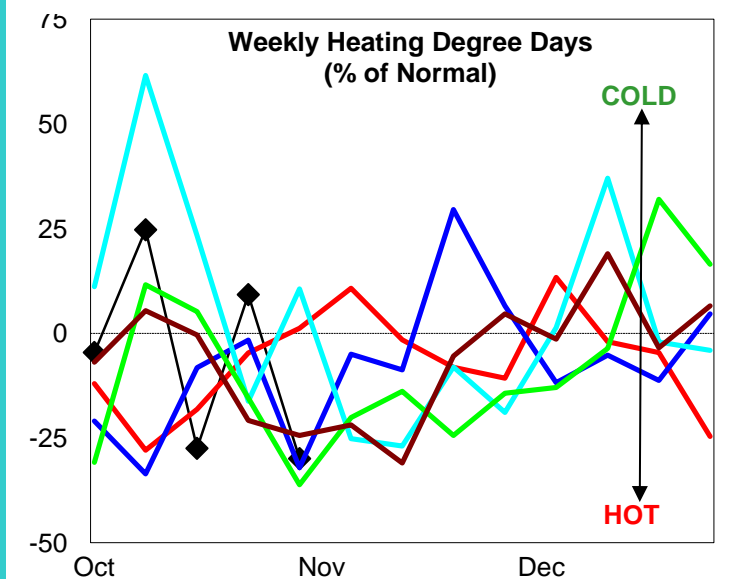
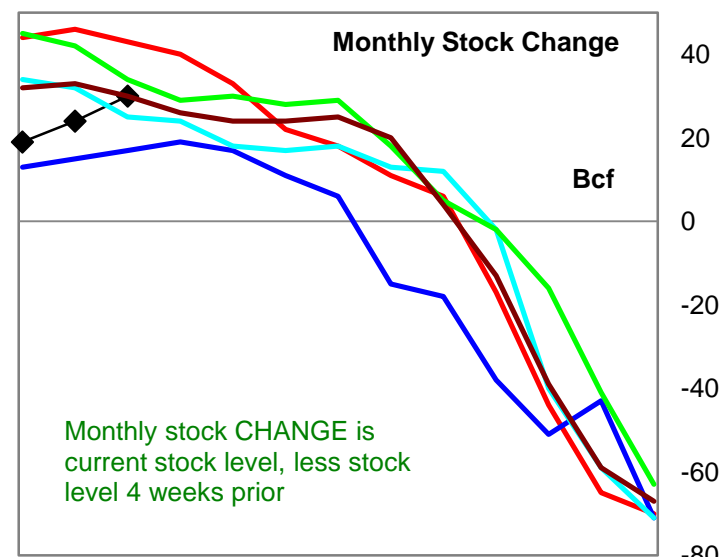
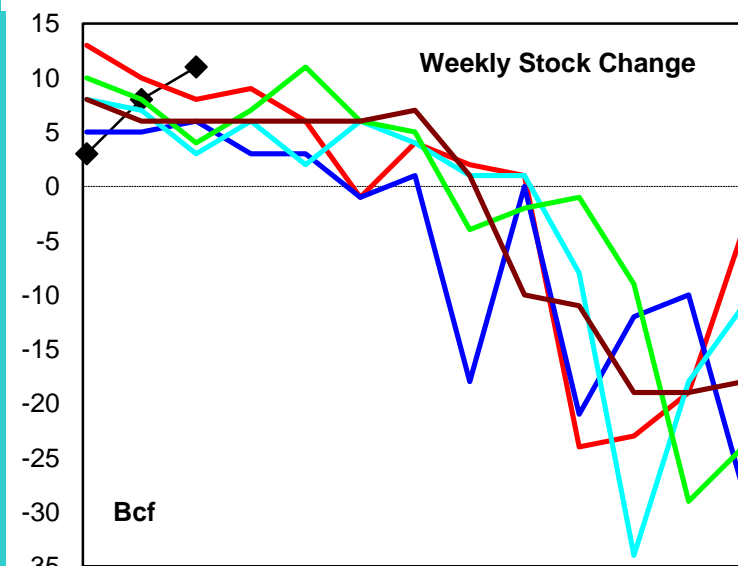
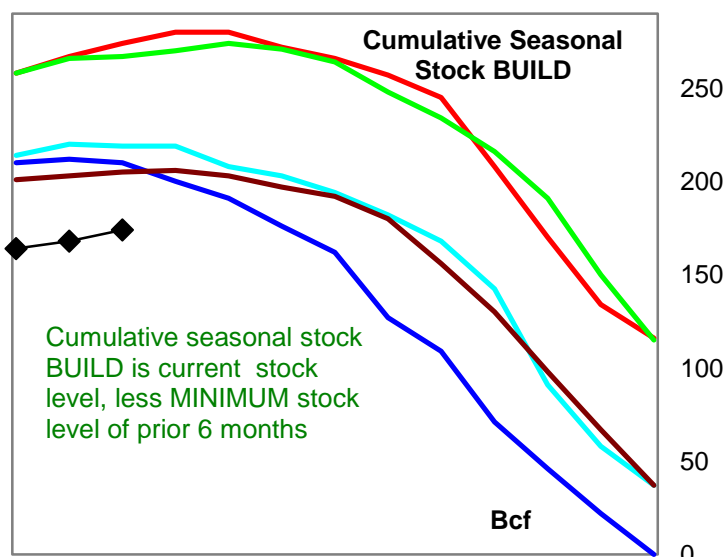
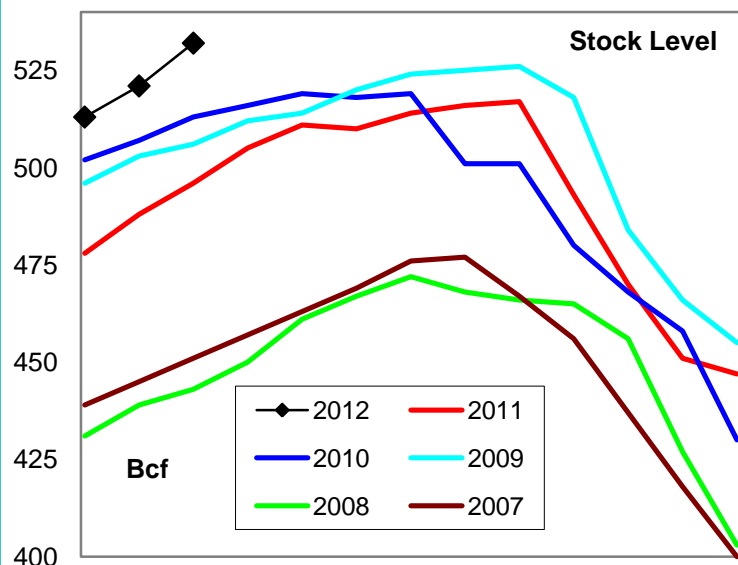
United States Natural Gas Stock and Weather Trends



Natural Gas East Region Stock and Weather Trends



Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF
Percent Change (%)

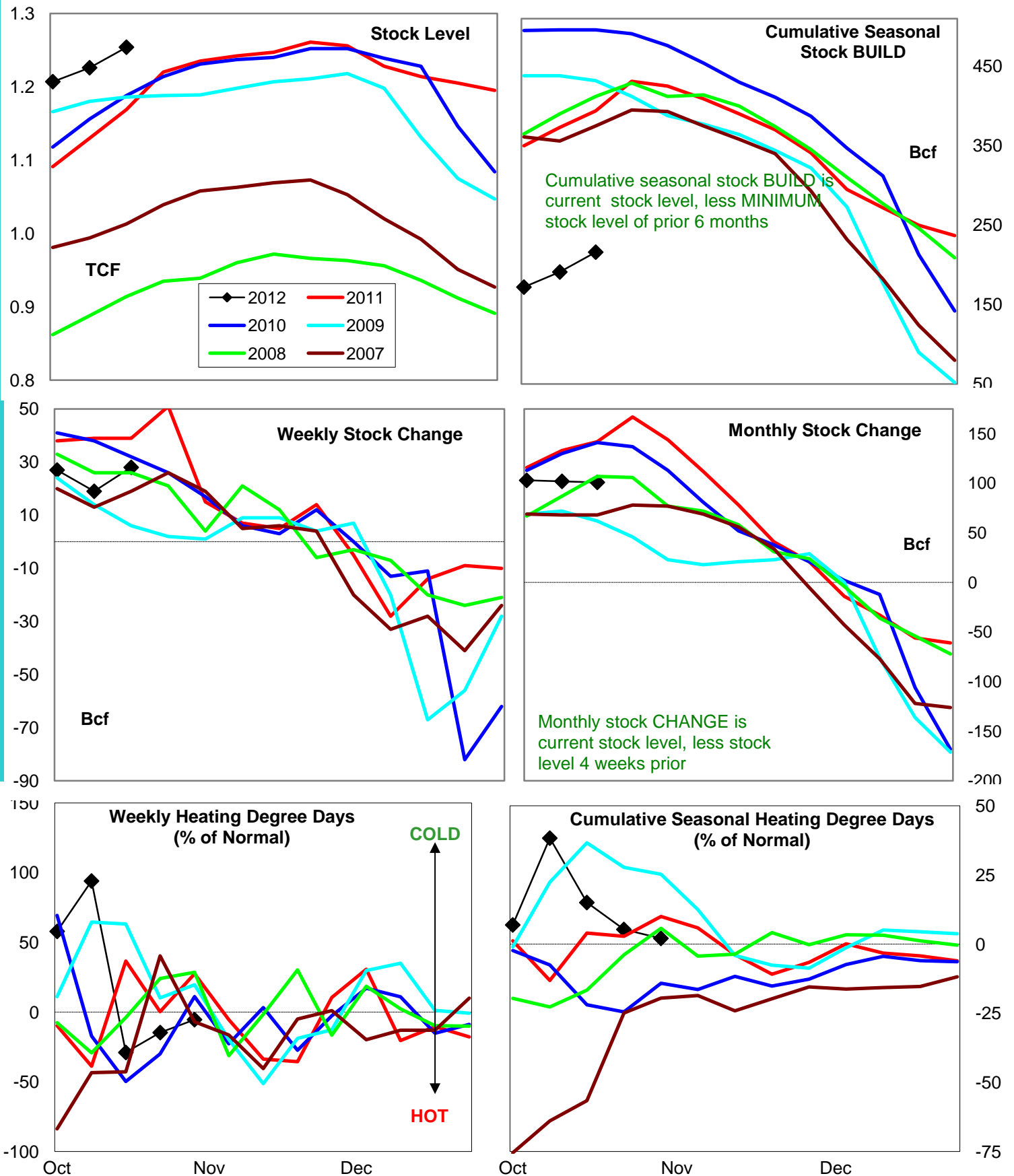
36
7.3

3
37.5

-13
-30.2

-100
-36.5

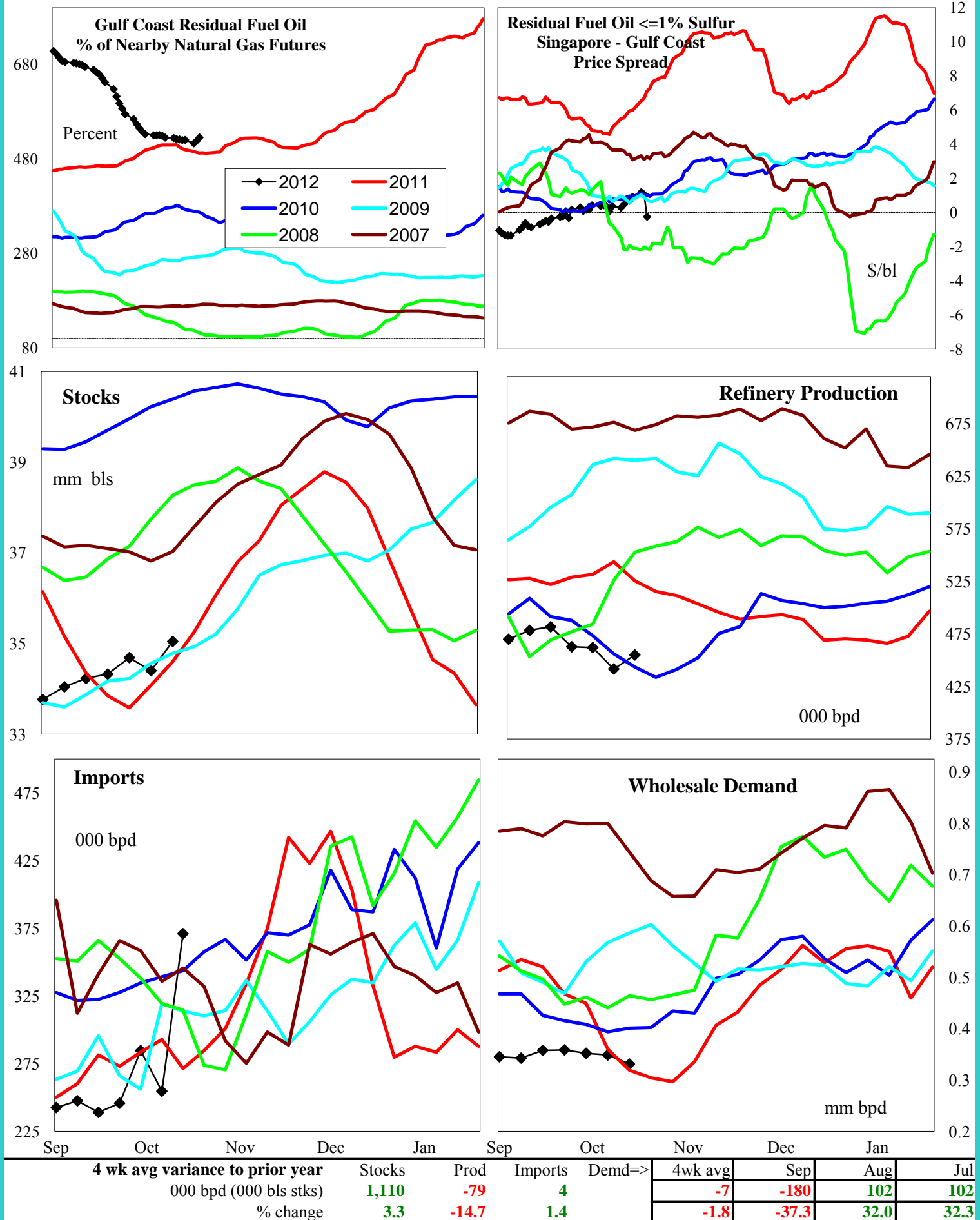
Natural Gas Producing Region Stock and Weather Trends



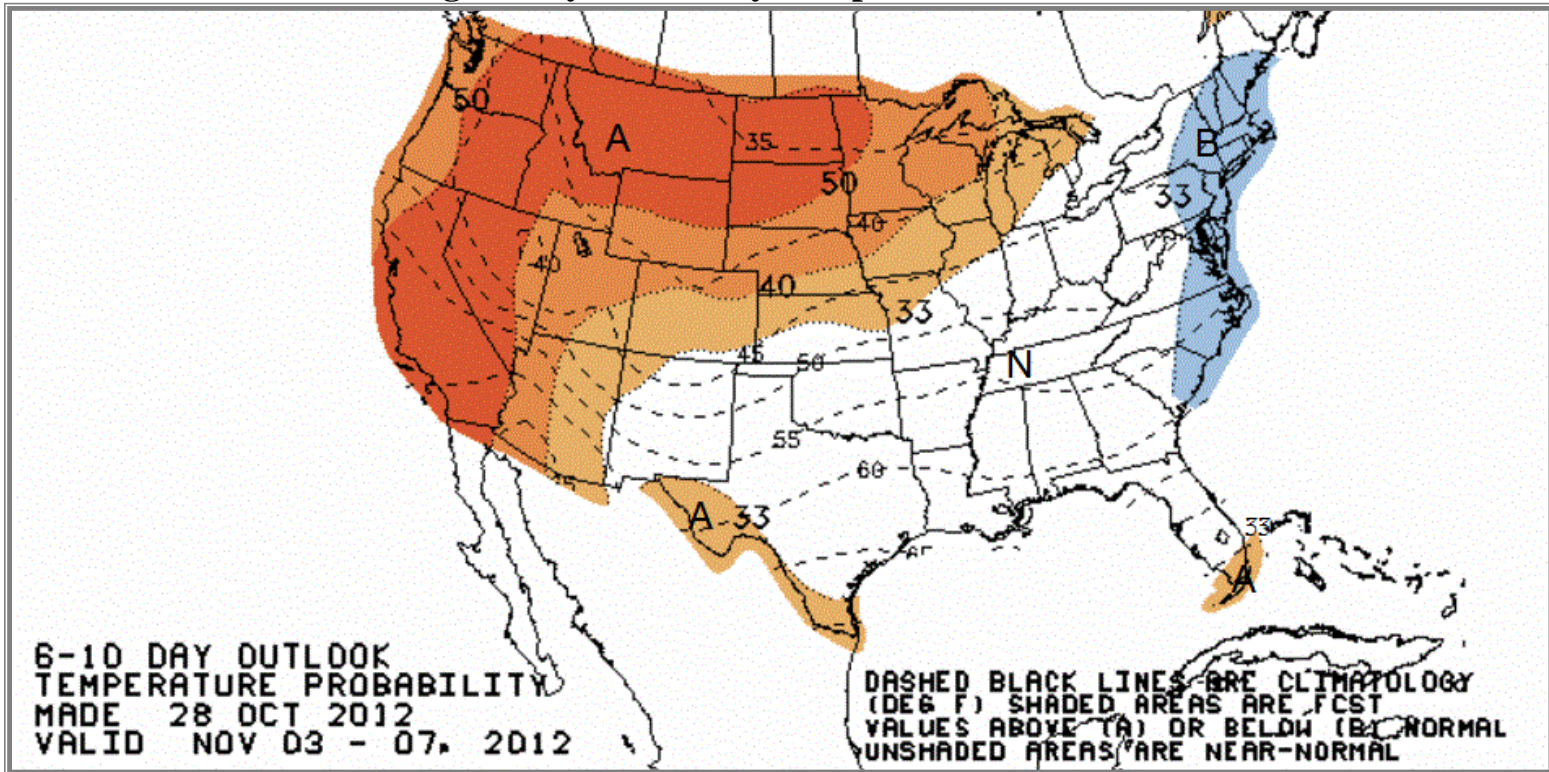
Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)85
7.3-11
-28.2-41
-28.9-178
-45.2

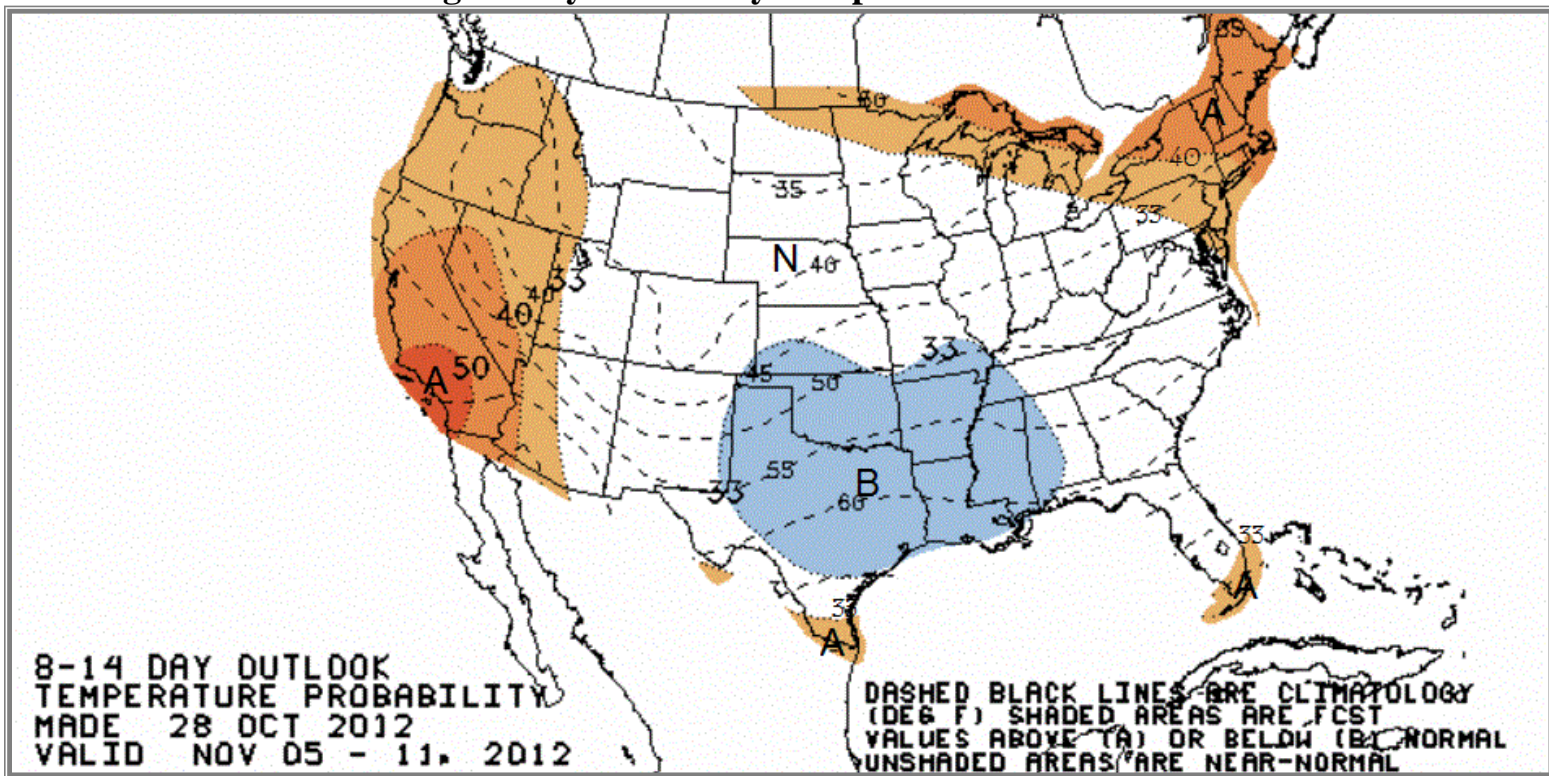
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

