

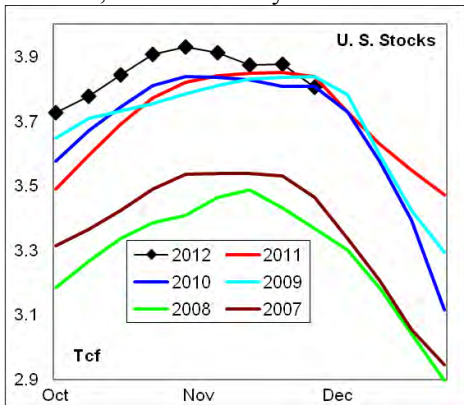
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

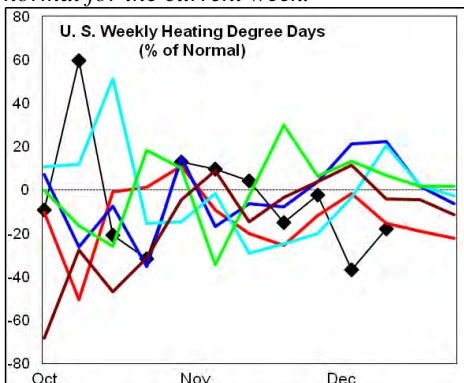
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Monday, December 10, 2012



Summary¹ The stock draw of -73 Bcf for the week, matched the 5-year record draw.



Heating degree days for the week ending 01Dec12 were -2% below normal, -37% below normal for the week ending 08Dec12 and forecast to be -18% below normal for the current week.



In the East Region stocks decreased -56 Bcf for the week, a draw that matched the 5-year record. Stocks decreased -3 Bcf in the West Region, a draw near the historic mid range. Stocks declined -14 Bcf in the Producing Region, a draw greater than four of the last 5-years.

Heating degree days were +4% above normal in the East Region, -20% below normal in the West Region and -20% below normal in the Producing Region for the week ending 01Dec12.

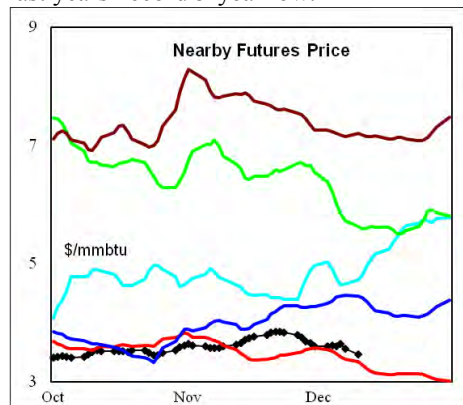
Heating degree days were -2% below normal for the week ending 01Dec12, -37% below normal for the week ending 08Dec12 and forecast to be -18% below

normal for the current week.

The 6-10 day NWS forecast for the week ending 9Dec12 is for below normal heating degree days in the eastern 2/3rds of the country, and near normal in the west.

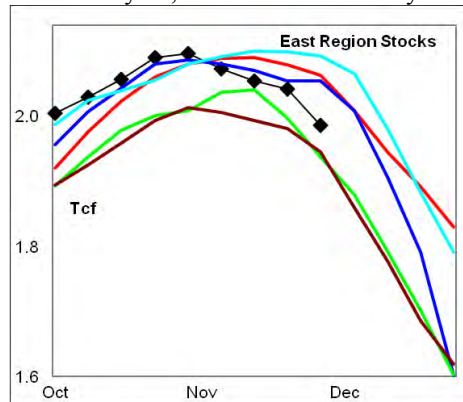
The 8-14 day NWS forecast for the week ending 23Dec12 is for below normal heating degree days across the central 2/3rds of the country and near normal elsewhere.

Prices: Nearby gas futures prices declined -\$.013/mmbtu for the week ending 10Dec12. The current price level is near last years' record 5-year low.



The 1st - 4th month forward price curve traded at a level above the 5-year mid range for this time of year.

East Region stocks decreased -56 Bcf for the week, a draw that matched the 5-year record. The current stock level was -3.7% below last year, and below the last 3-years.

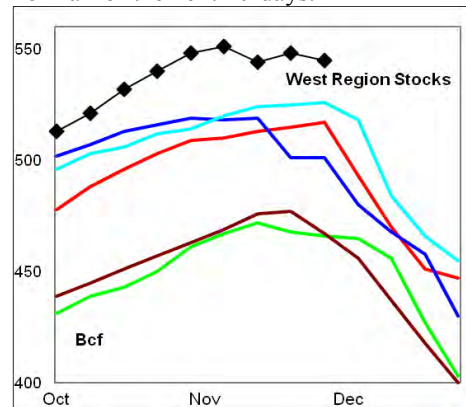


Heating degree days in the region were +4% above normal for the week ending 01Dec12, -34% below normal for the week ended 08Dec12 and forecast to be -21% below normal for the current week. Heating degree days are forecast to be much below normal in the region for the next 10-days.

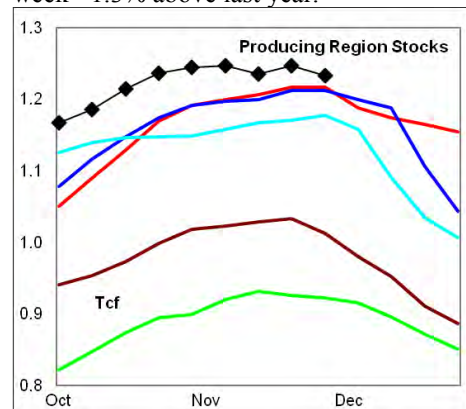
West Region stocks decreased -3 Bcf on the week, a draw near the historic mid range. Stock levels ended the week +5.4%

above last year and above the 5-year range.

The latest 4-wk stock change was a draw of -3 Bcf, a draw greater than four of the last 5-years. Heating degree days were -20% below normal for the week ending 01Dec12, -28% below normal for the week ending 08Dec12 and forecast to be -7% below normal for the current week. Heating degree days are forecast to be near normal for the next 10-days.



Producing Region stocks decreased -14 Bcf for the week, a draw greater than four of the last 5-years. Stock levels ended the week +1.3% above last year.



Heating degree days were -20% below normal for the week ending 01Dec12, -58% below normal for the week ended 08Dec12 and forecast to be -10% below normal for the current week. Below 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 -8% below last year.

Outlook: Heating degree days have been below normal since mid November, with the trend forecast to continue into late December. Prices should continue to trade near last years' record lows for this time of year on low heating demand.

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: December 10, 2012

For the week ending: 30-Nov-12

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

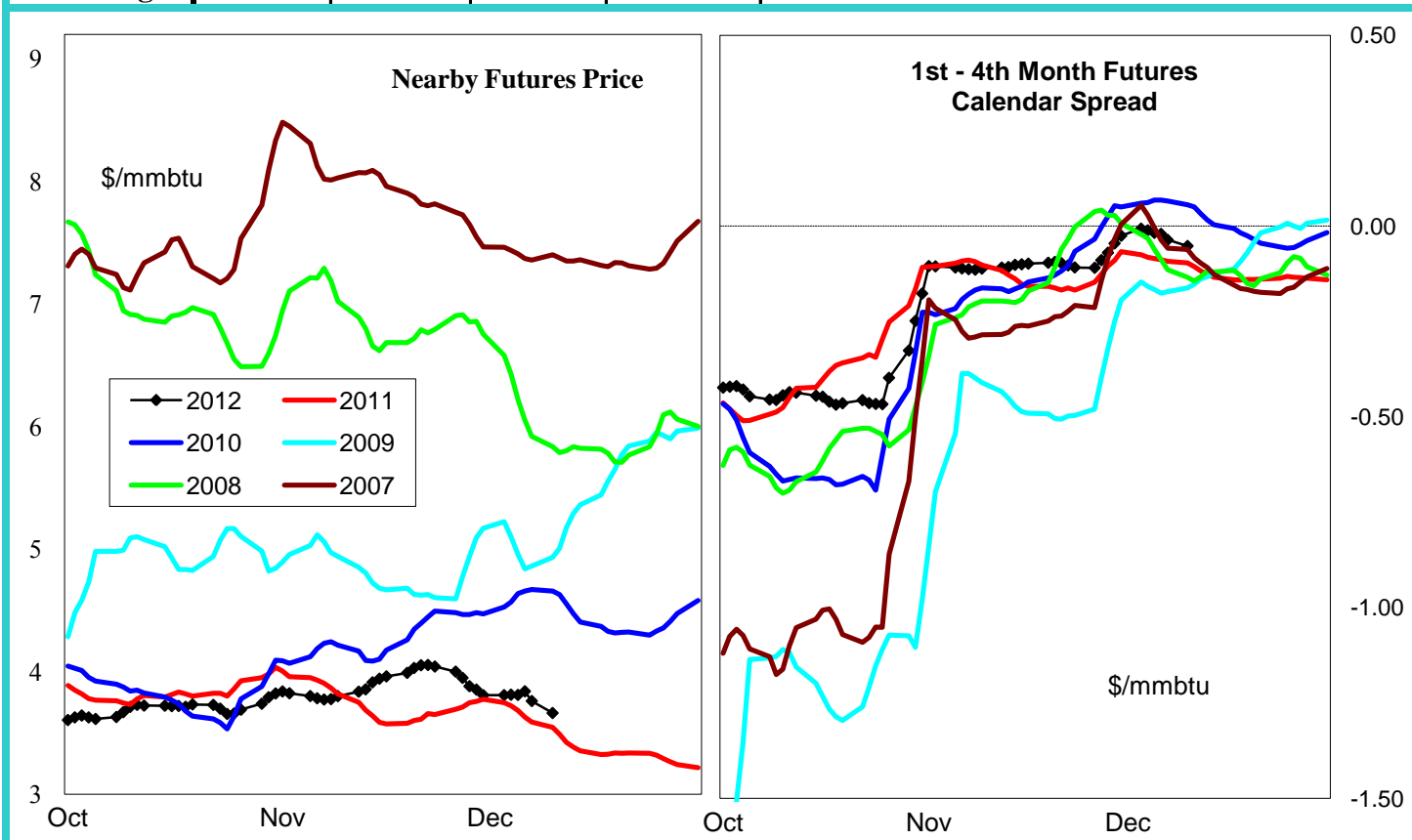
Week ending:	30-Nov-12			1-Dec-12		8-Dec-12		15-Dec-12	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,804	-73	-0.9	36	-2%	-50	-37%	47	-18%
East	1,986	-56	-3.7	42	4%	-60	-34%	39	-21%
West	545	-3	5.4	24	-20%	-6	-28%	48	-7%
Producing	1,273	-14	1.3	21	-20%	-39	-58%	73	-10%

Seasonal Trends in Stocks and Heating Degree Days

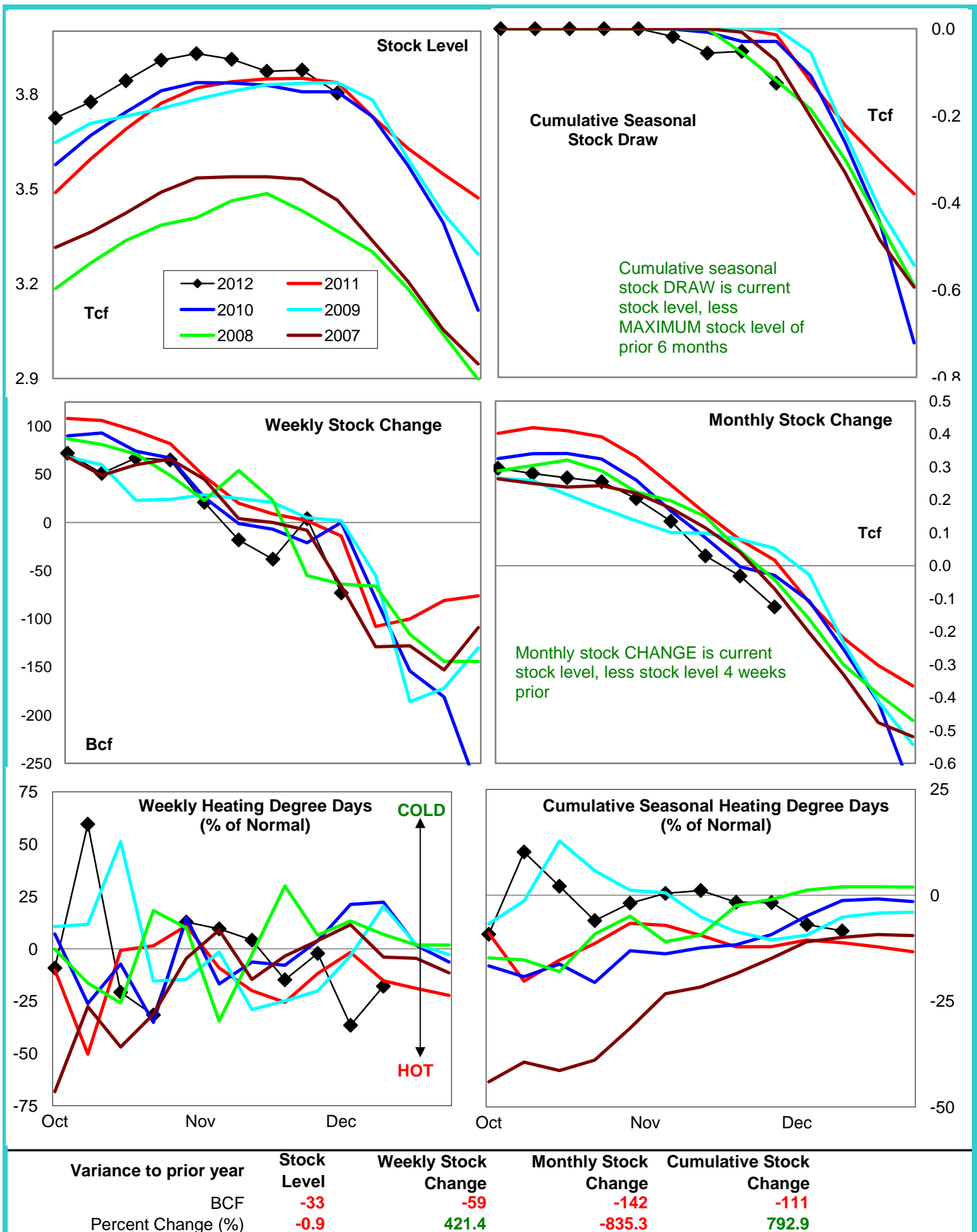
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	-125	-111	88.8	169	-1.7	119	-6.9	166	-8.4
East	-110	-82	74.5	195	1.9	135	-3.4	174	-5.8
West	-6	-6	100.0	144	-17.7	138	-19.0	186	-17.5
Producing	-14	-14	100.0	93	-8.0	53	-17.3	126	-16.0

Futures Market Price Trends

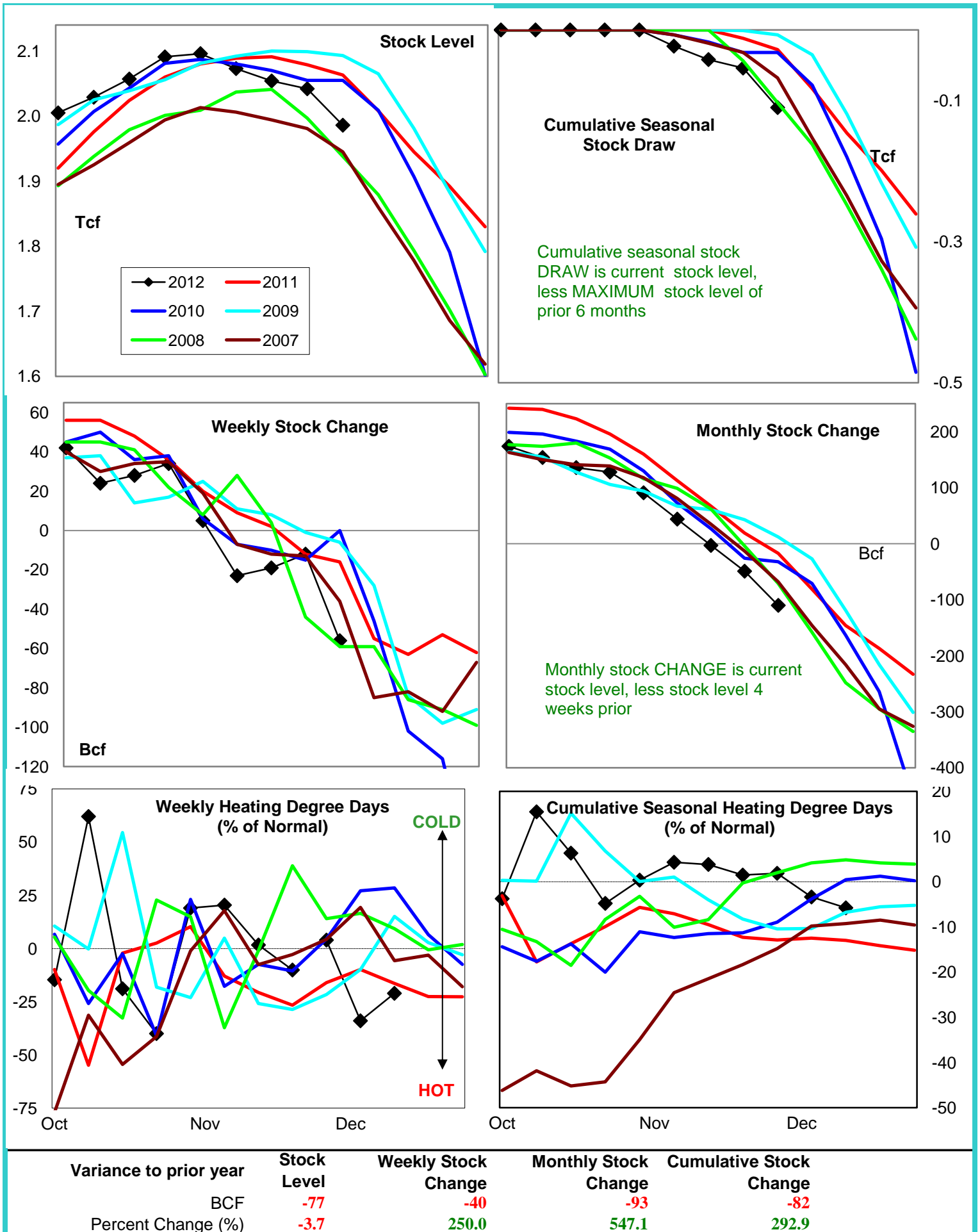
Date:	10-Dec-12	Change vs prior week, month, year		
		4-Dec-12	13-Nov-12	15-Dec-11
1st month Futures	3.46	-0.08	-0.28	0.35
% change	xxxxx	-2.2	-7.4	11.2



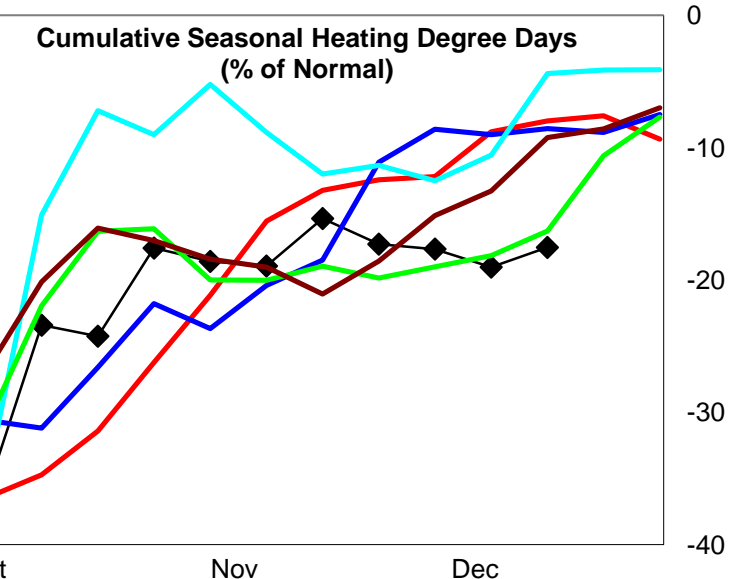
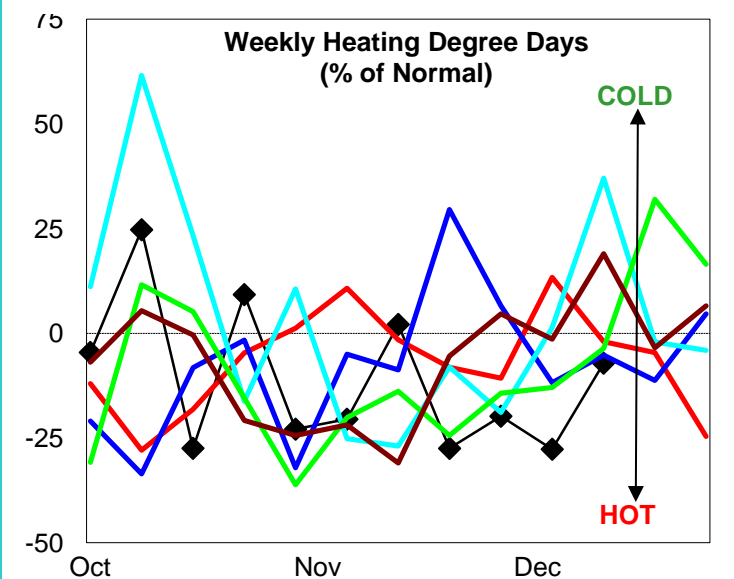
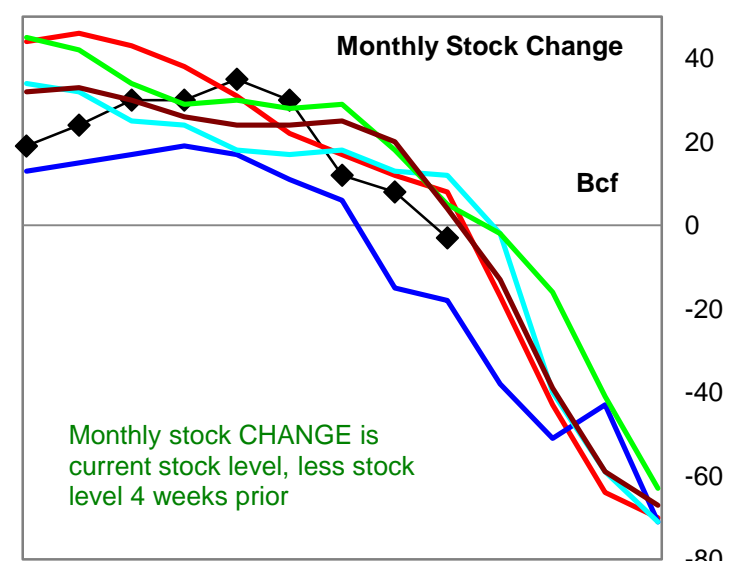
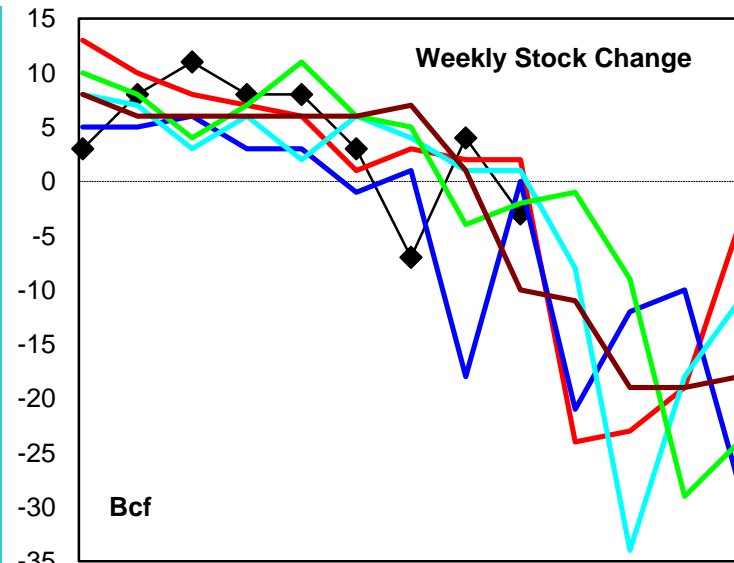
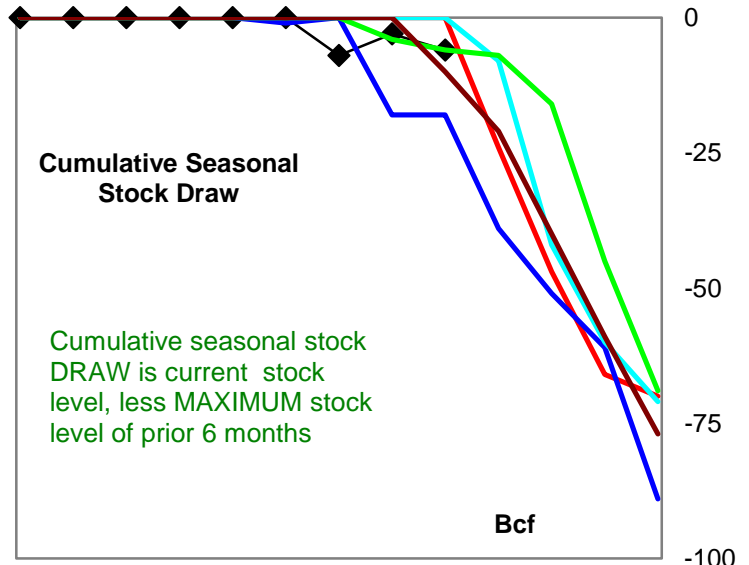
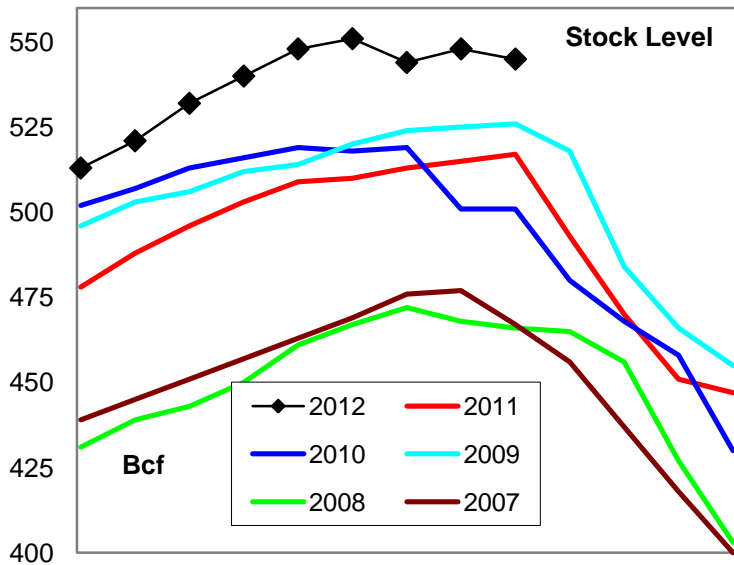
United States Natural Gas Stock and Weather Trends



Natural Gas East Region Stock and Weather Trends



Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

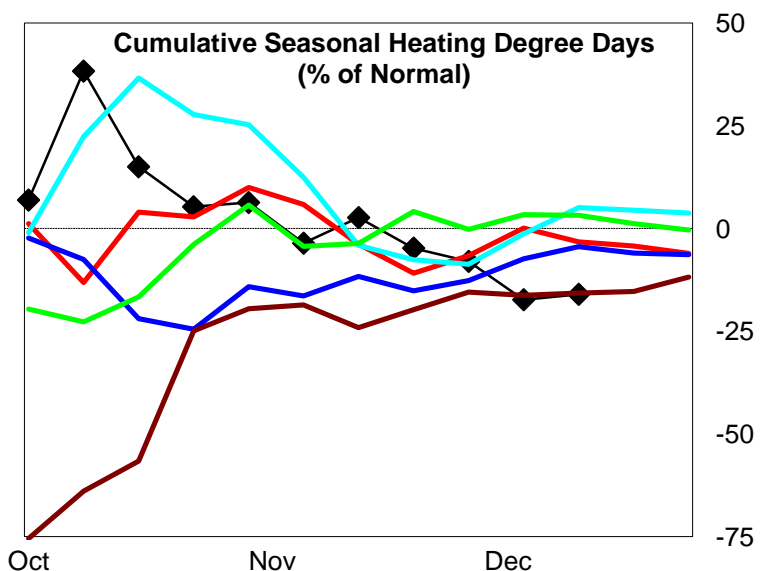
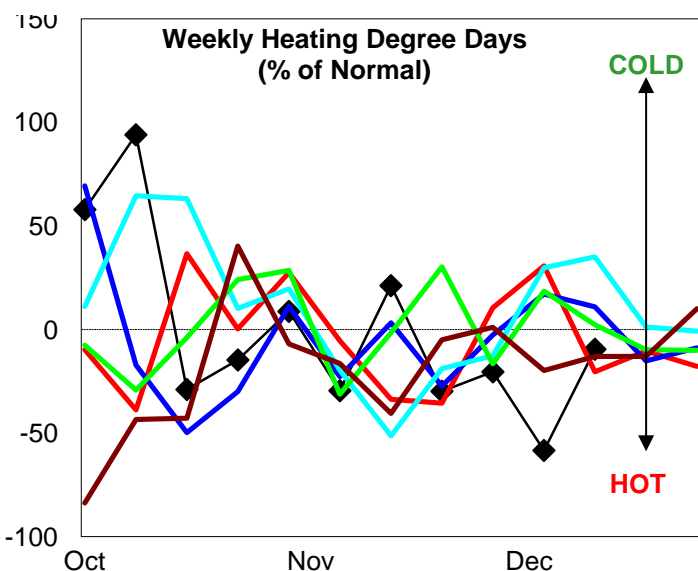
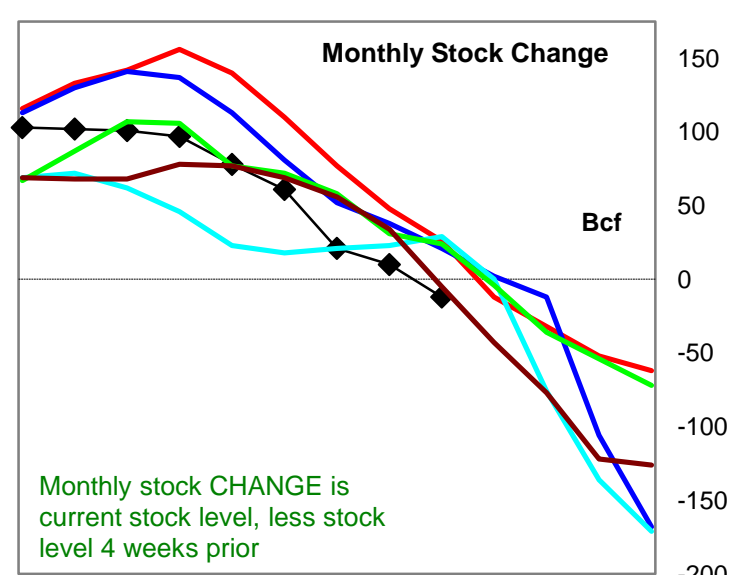
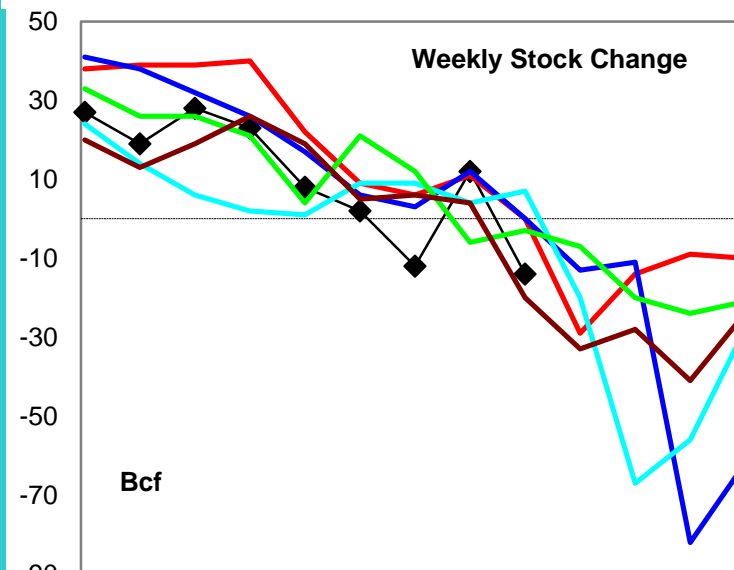
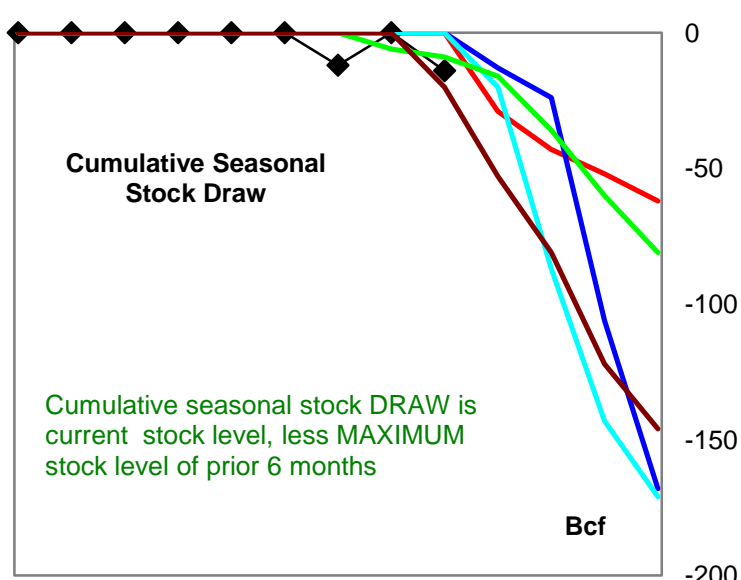
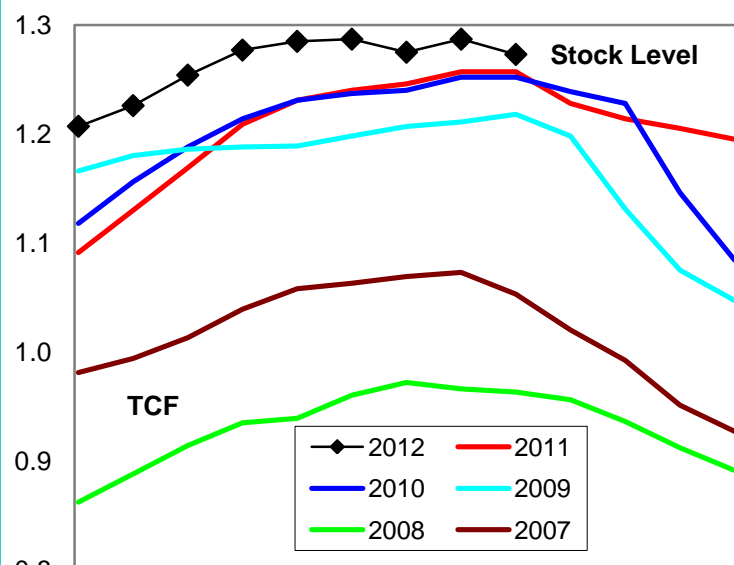
Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF
Percent Change (%)28
5.4-5
-250.0-11
-137.5-6
#DIV/0!

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

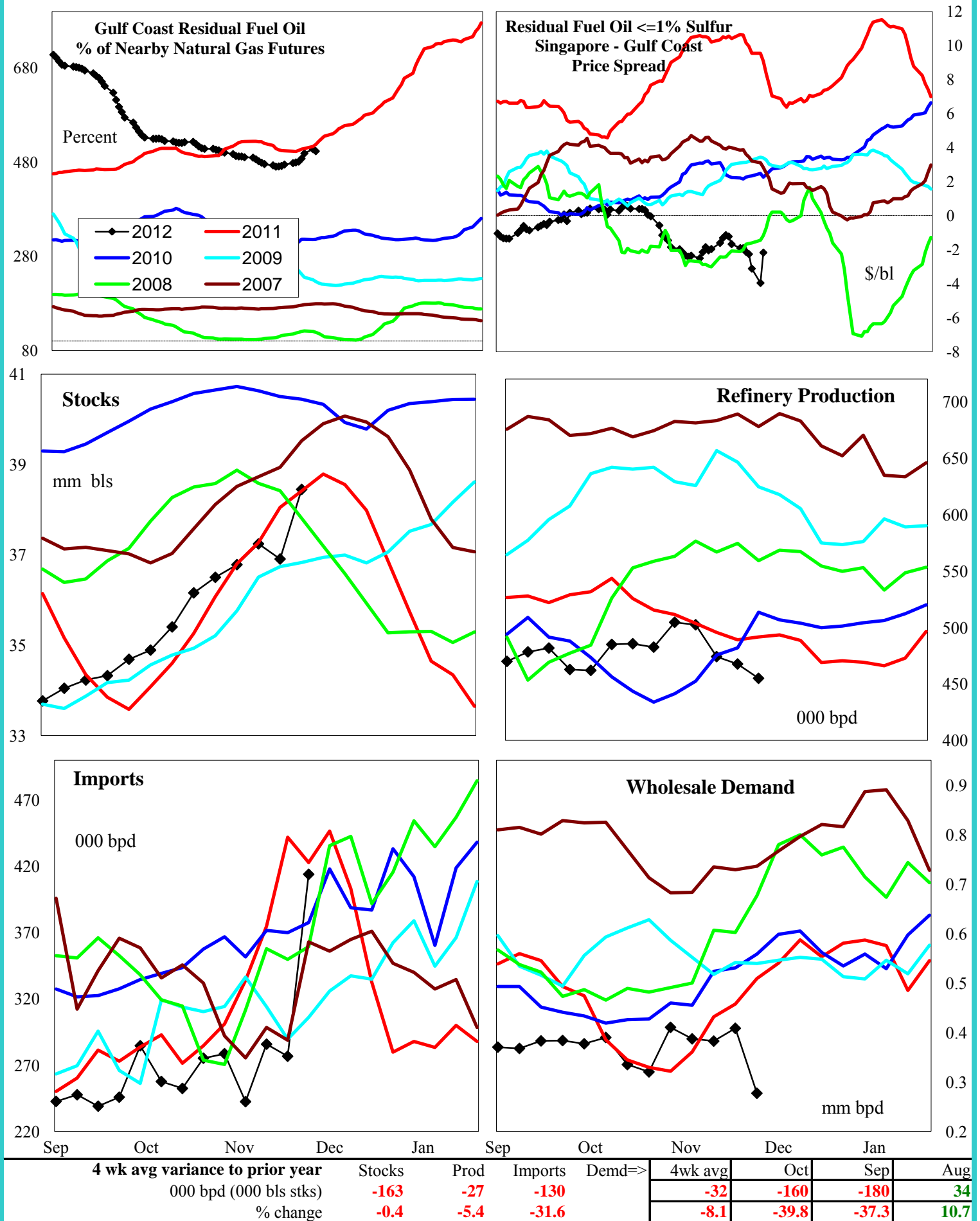
Weekly Stock Change

Monthly Stock Change

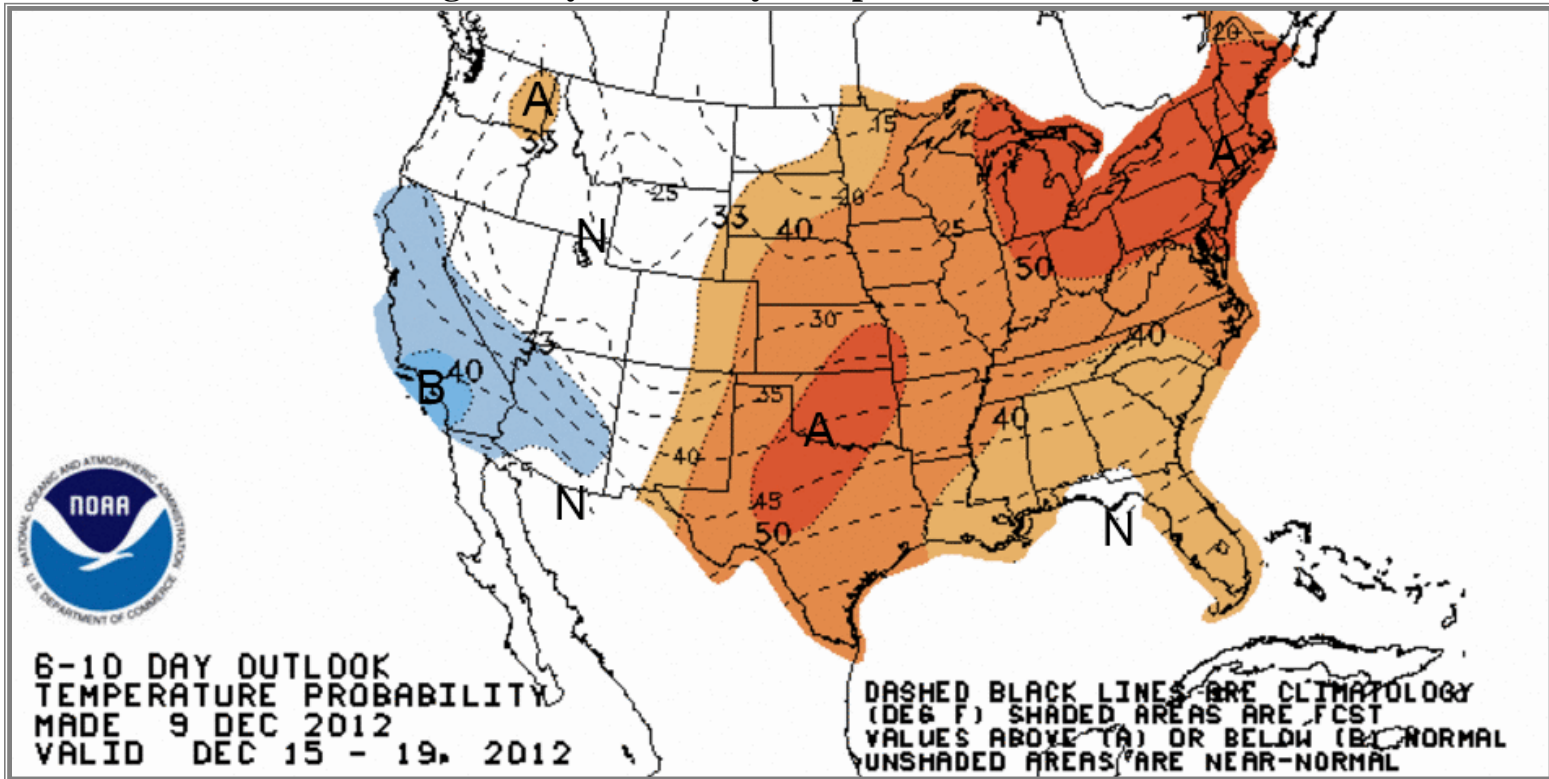
Cumulative Stock Change

BCF
Percent Change (%)16
1.3-14
#DIV/0!-38
-146.2-14
#DIV/0!

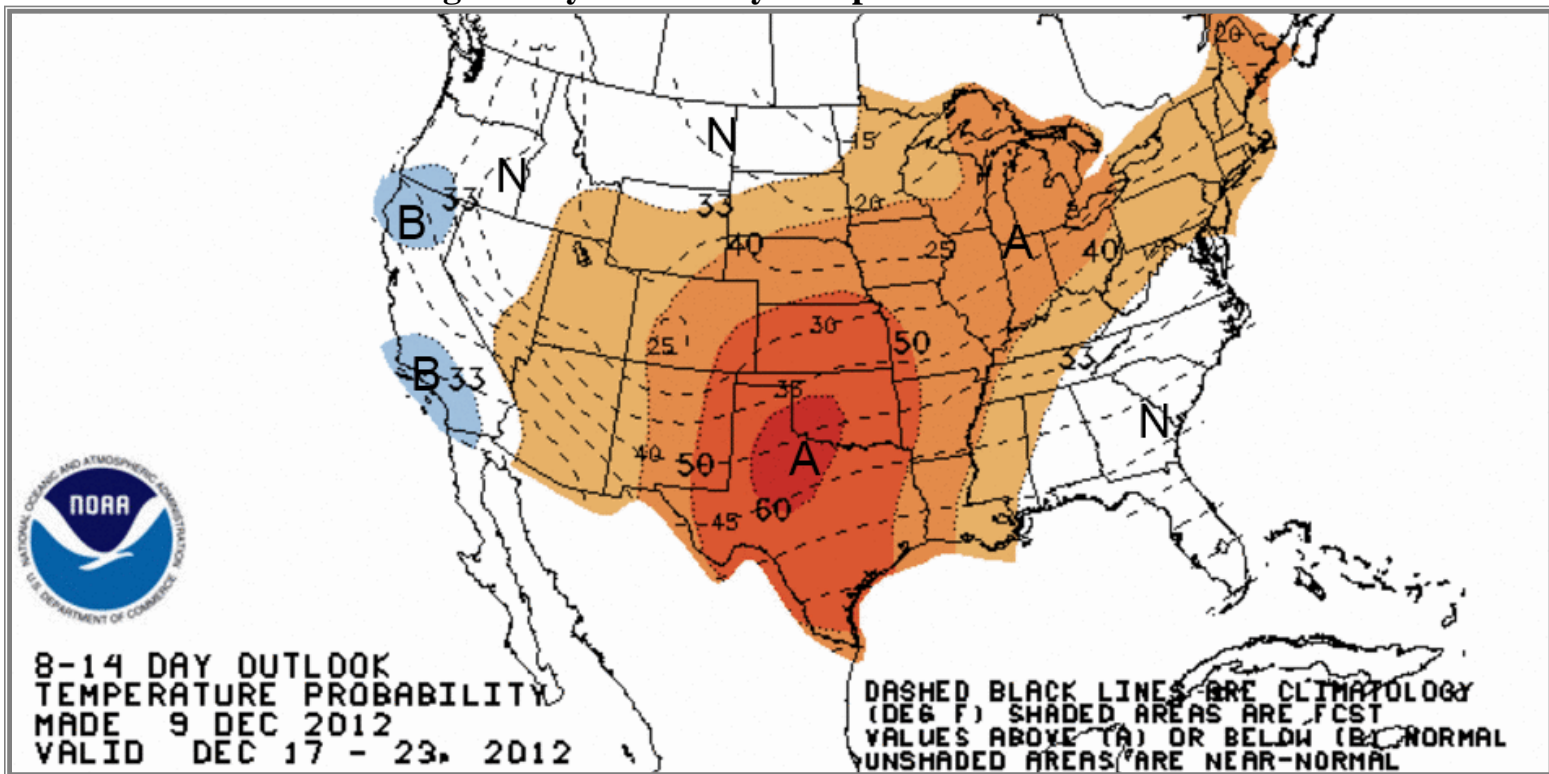
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

