

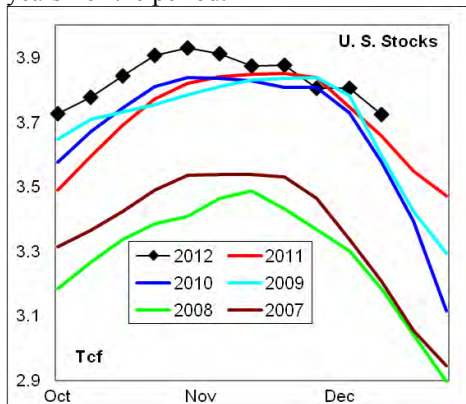
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

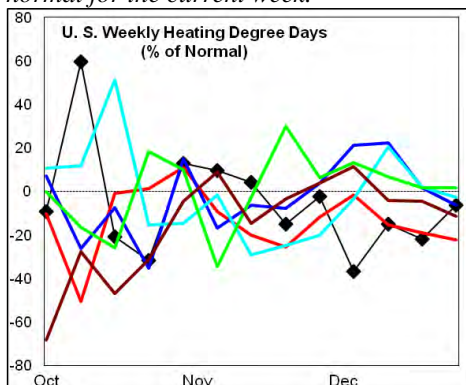
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Monday, December 24, 2012



Summary¹ The stock draw of -82 Bcf for the week, was less than each of the last 5-years for the period.



Heating degree days for the week ending 15Dec12 were -15% below normal, -22% below normal for the week ending 22Dec12 and forecast to be -6% below normal for the current week.



In the East Region stocks decreased -49 Bcf for the week, less than the 5-year range. Stocks decreased -9 Bcf in the West Region, a draw less than four of the last 5-years. Stocks decreased -24 Bcf in the Producing Region, matching the 5-year mid range.

Heating degree days were -18% below normal in the East Region, -2% below normal in the West Region and -7% below normal in the Producing Region for the week ending 15Dec12.

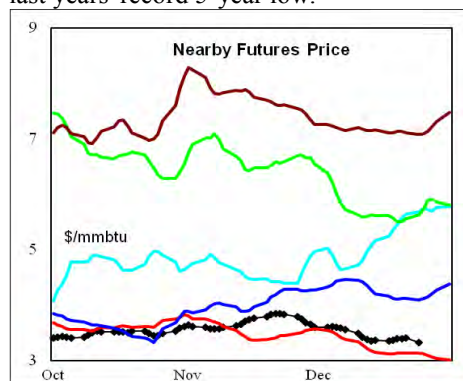
Heating degree days were -15% below normal for the week ending 15Dec12, -22% below normal for the week ending

22Dec12 and forecast to be -6% below normal for the current week.

The 6-10 day NWS forecast for the week ending 02Jan13 is for sharply above normal heating degree days across the entire country.

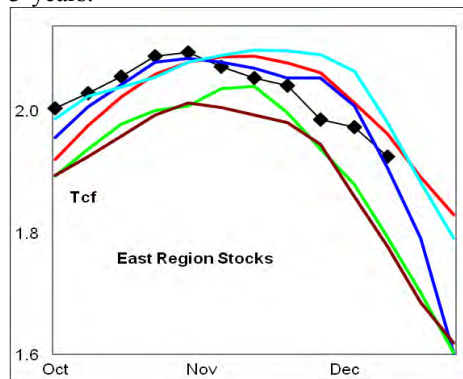
The 8-14 day NWS forecast for the week ending 06Jan13 is for above normal heating degree days in the west and east, with the central 1/3rd of the country near normal.

Prices: Nearby gas futures prices declined - \$0.02/mmbtu for the week ending 24Dec12. The current price level is near last years' record 5-year low.



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

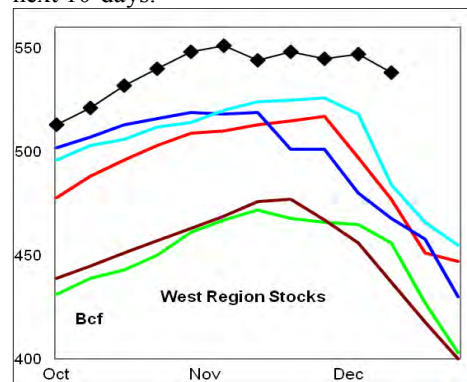
East Region stocks decreased -49 Bcf for the week, less than any year in the last 5-years. The current stock level was -1.9% below last year, and below two of the last 3-years.



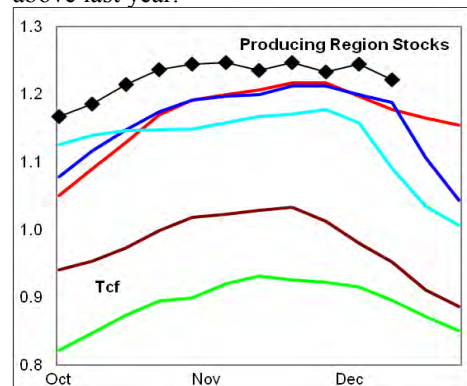
Heating degree days in the region were -18% below normal for the week ending 15Dec12, -24% below normal for the week ended 22Dec12 and forecast to be -8% below normal for the current week. Heating degree days are forecast to be sharply above normal in the region for the next 10-days.

West Region stocks decreased -9 Bcf on the week, a draw less than four of the last 5-years. Stock levels ended the week

+13% above last year and above the 5-year range. The latest 4-wk stock change was a draw of -6 Bcf, a record low draw. Heating degree days were -2% below normal for the week ending 15Dec12, normal for the week ending 22Dec12 and forecast to be +2% above normal for the current week. Heating degree days are forecast to be sharply above normal for the next 10-days.



Producing Region stocks decreased -24 Bcf for the week, matching the 5-year mid range. Stock levels ended the week +3.5% above last year.



Heating degree days were -7% below normal for the week ending 15Dec12, -27% below normal for the week ended 22Dec12 and forecast to be -1% below normal for the current week. Sharply above 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 -36% below last year.

Outlook: Heating degree days are forecast to be sharply above normal for the next 10-days across the entire country; returning to near normal levels by the end of the 1st week of January. Below normal stock draws and high stock levels continue to depress prices even with the colder temperatures.

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 24, 2012

For the week ending: 14-Dec-12

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

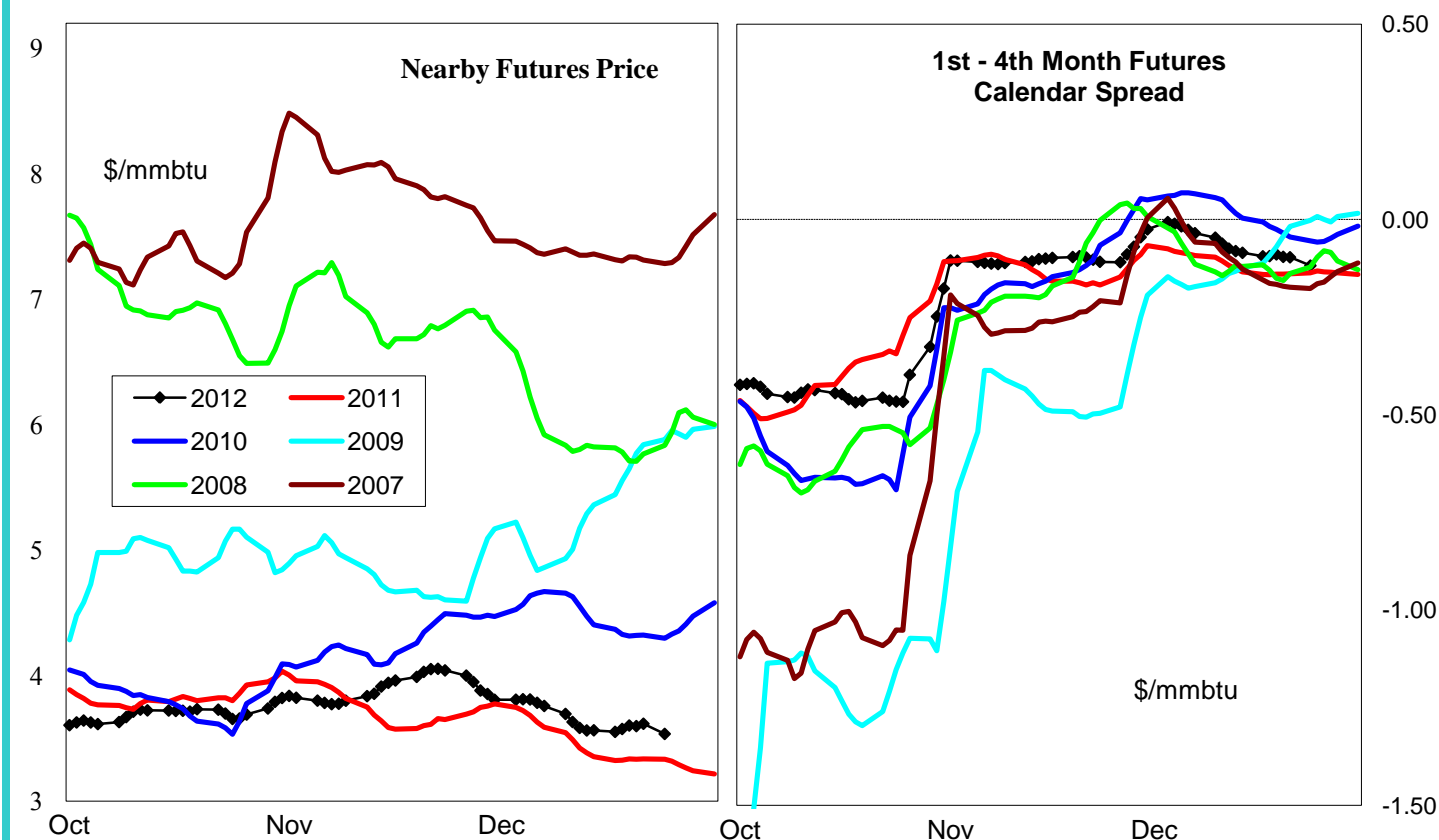
Week ending:	14-Dec-12			15-Dec-12		22-Dec-12		29-Dec-12	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,724	-82	1.8	53	-15%	-4	-22%	43	-6%
East	1,925	-49	-1.9	46	-18%	-2	-24%	48	-8%
West	538	-9	12.8	58	-2%	13	0%	10	2%
Producing	1,261	-24	3.5	77	-7%	-21	-27%	46	-1%

Seasonal Trends in Stocks and Heating Degree Days

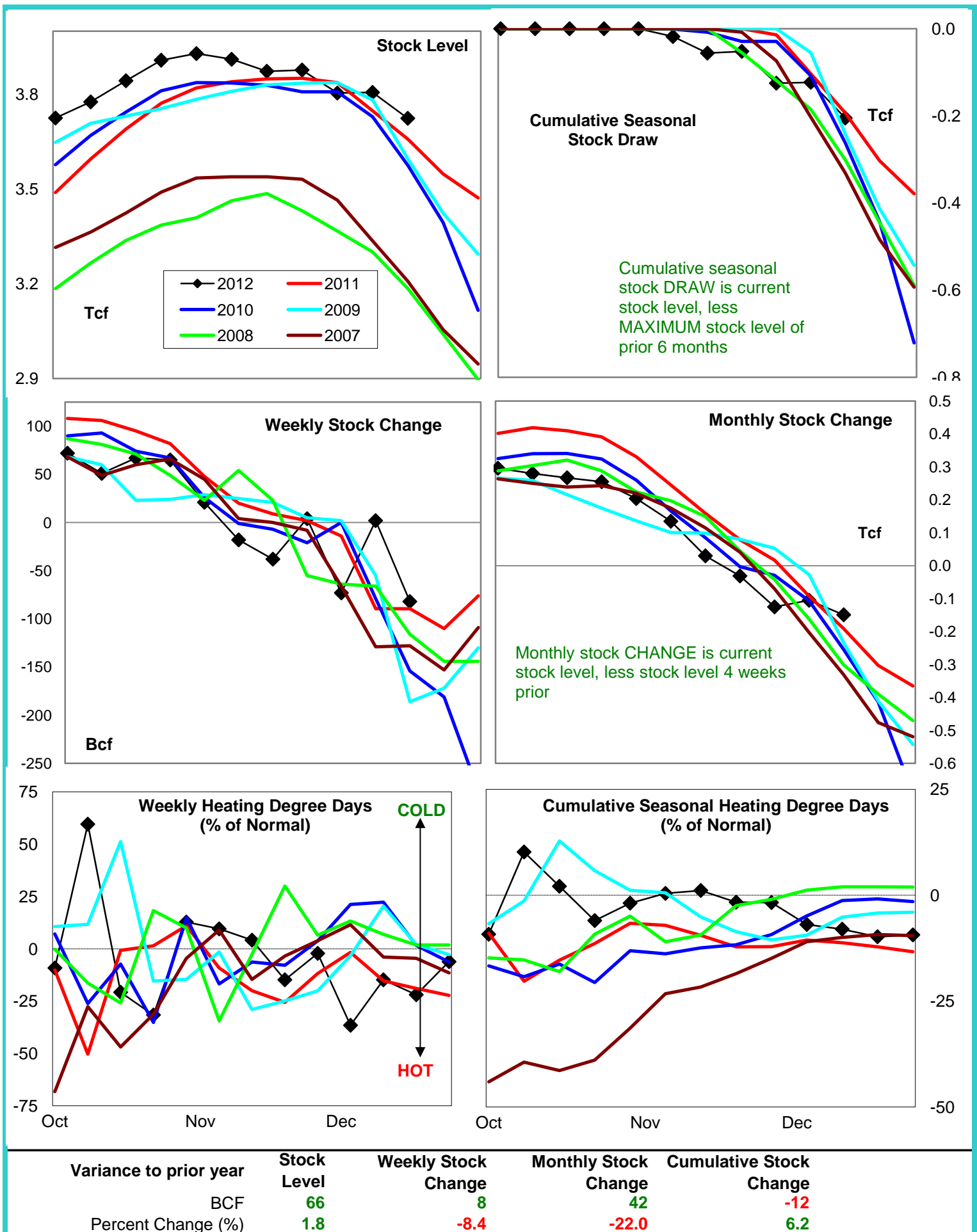
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	-205	-12	5.9	173	-8.0	169	-9.8	212	-9.4
East	-171	-43	25.1	181	-5.4	179	-7.8	227	-7.8
West	-13	27	-207.7	195	-16.9	208	-15.0	218	-13.1
Producing	-26	13	-50.0	130	-15.6	109	-17.3	156	-15.1

Futures Market Price Trends

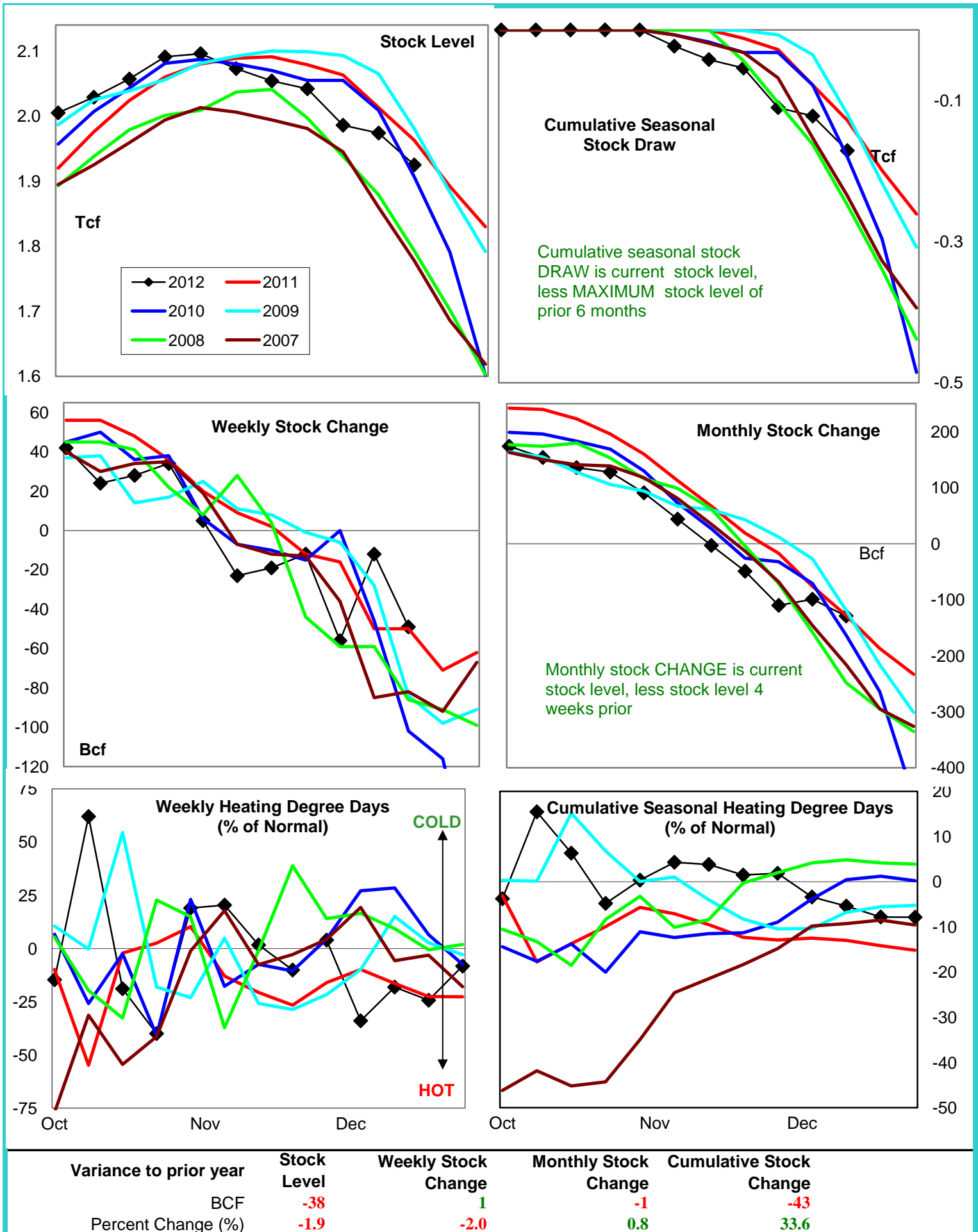
Date:	24-Dec-12	Change vs prior week, month, year		
		18-Dec-12	27-Nov-12	30-Dec-11
1st month Futures	3.34	-0.08	-0.43	0.28
% change	xxxxx	-2.4	-11.5	9.0



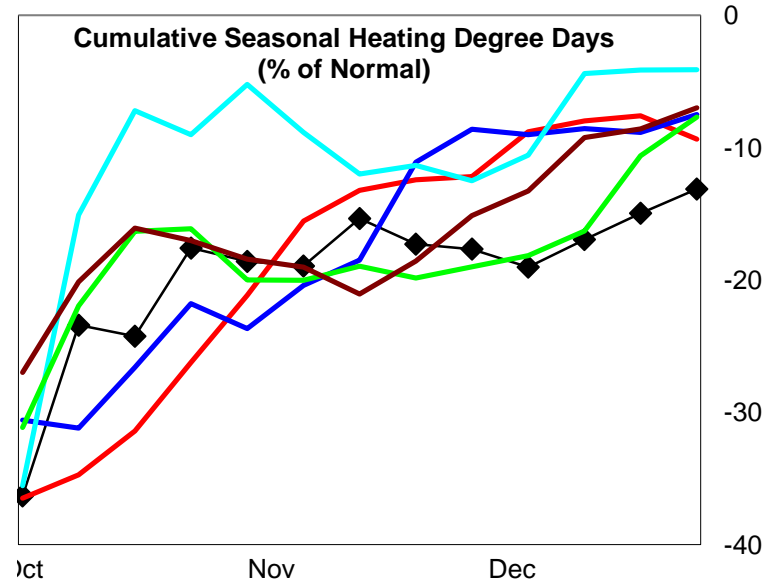
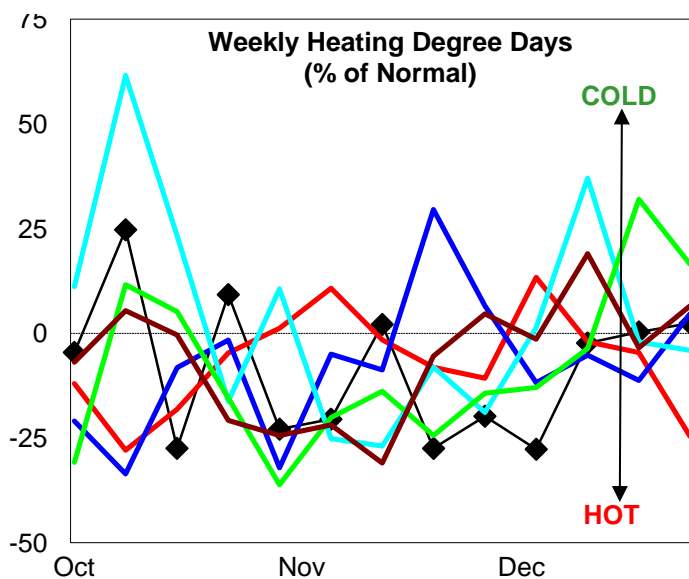
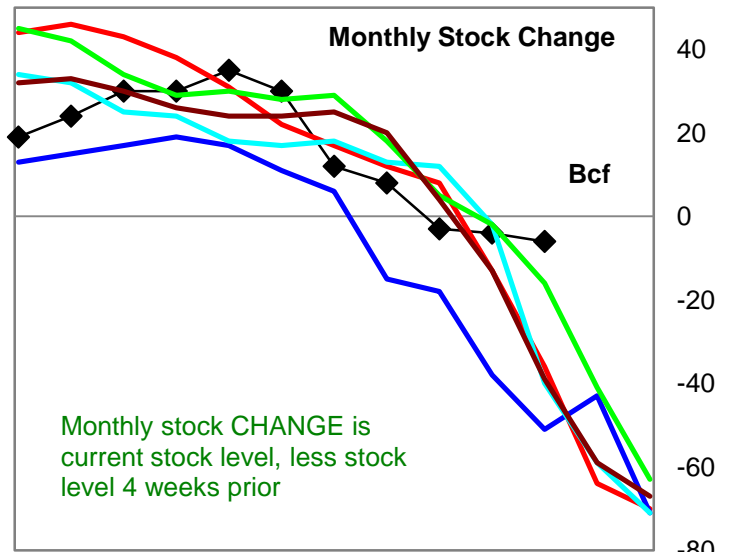
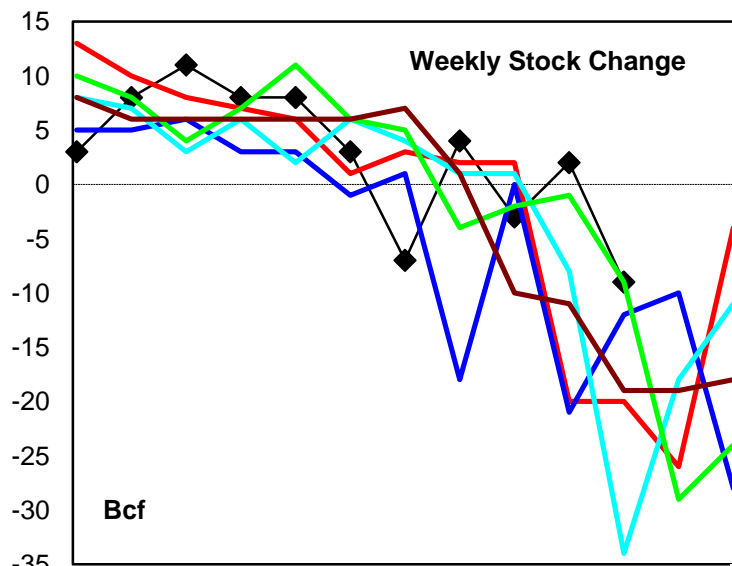
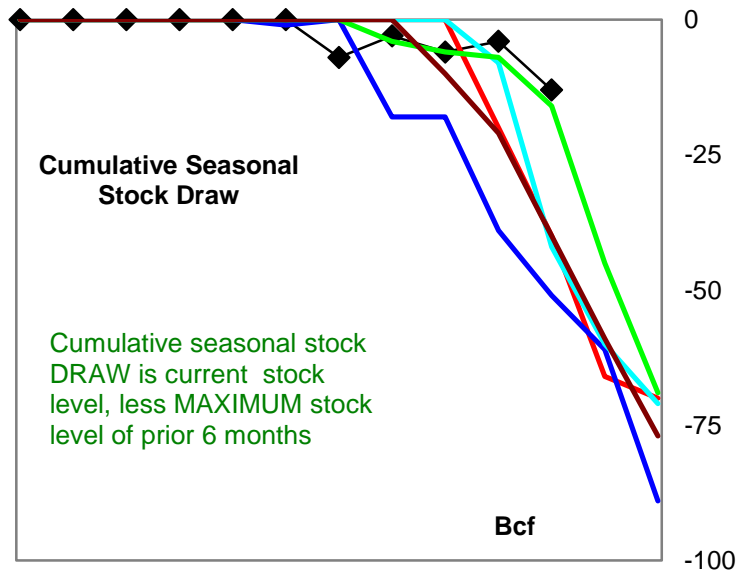
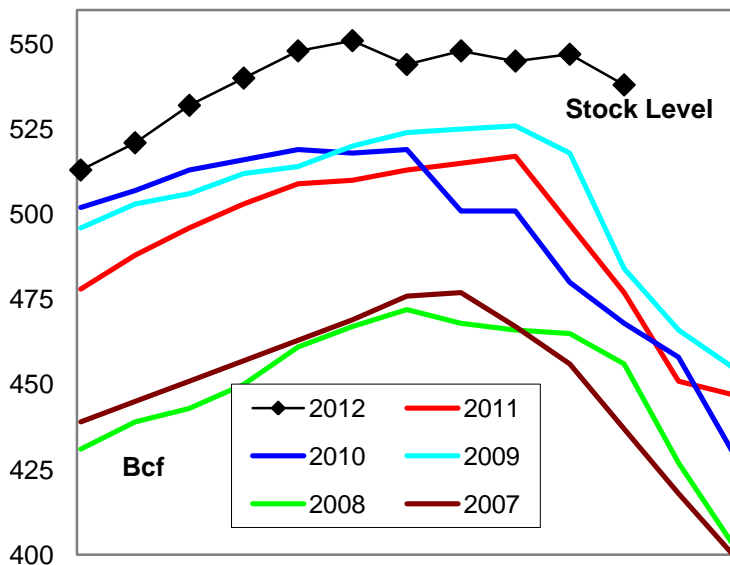
United States Natural Gas Stock and Weather Trends



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 (%)

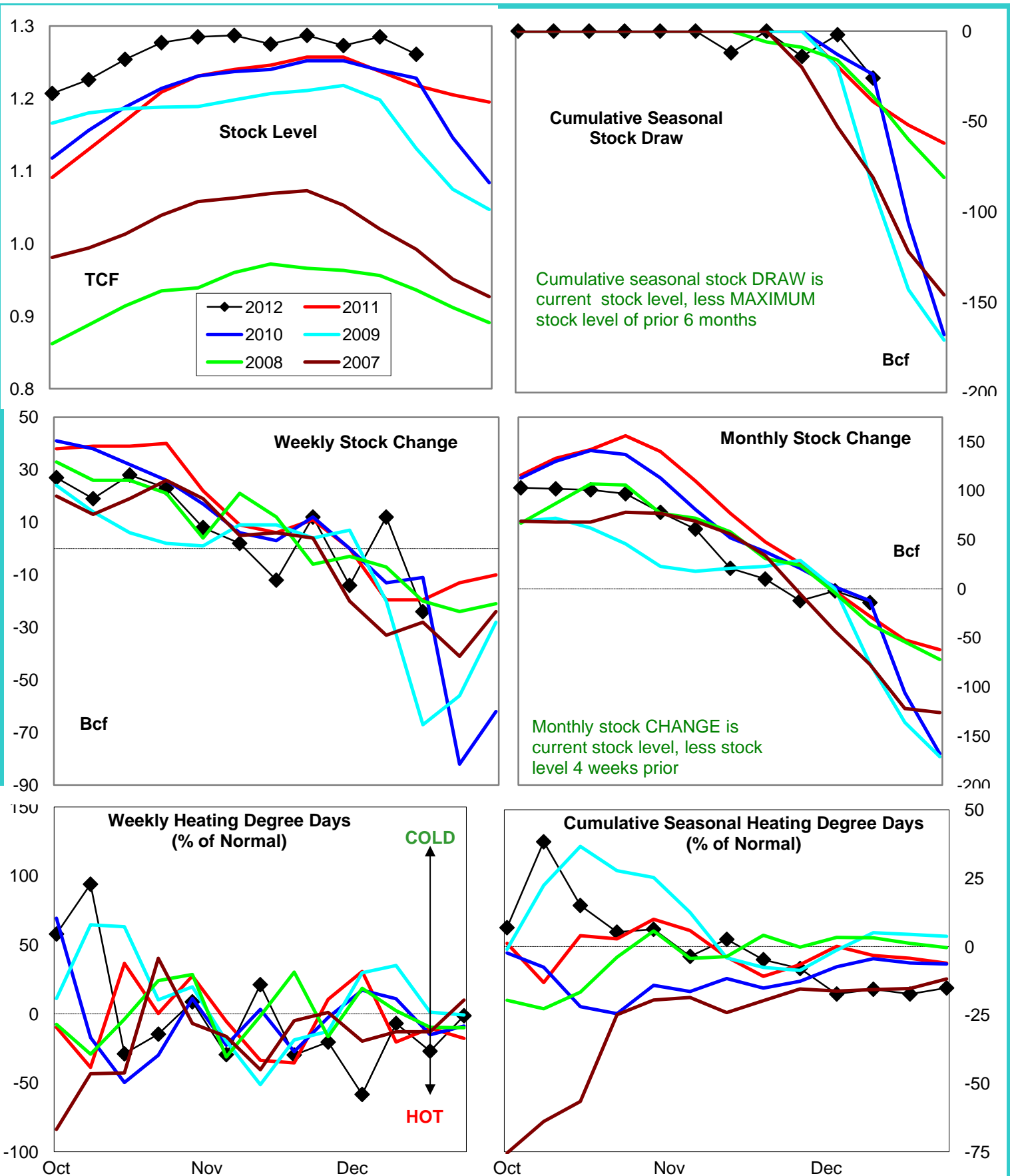
61
12.8

11
-55.0

30
-83.3

27
-67.5

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

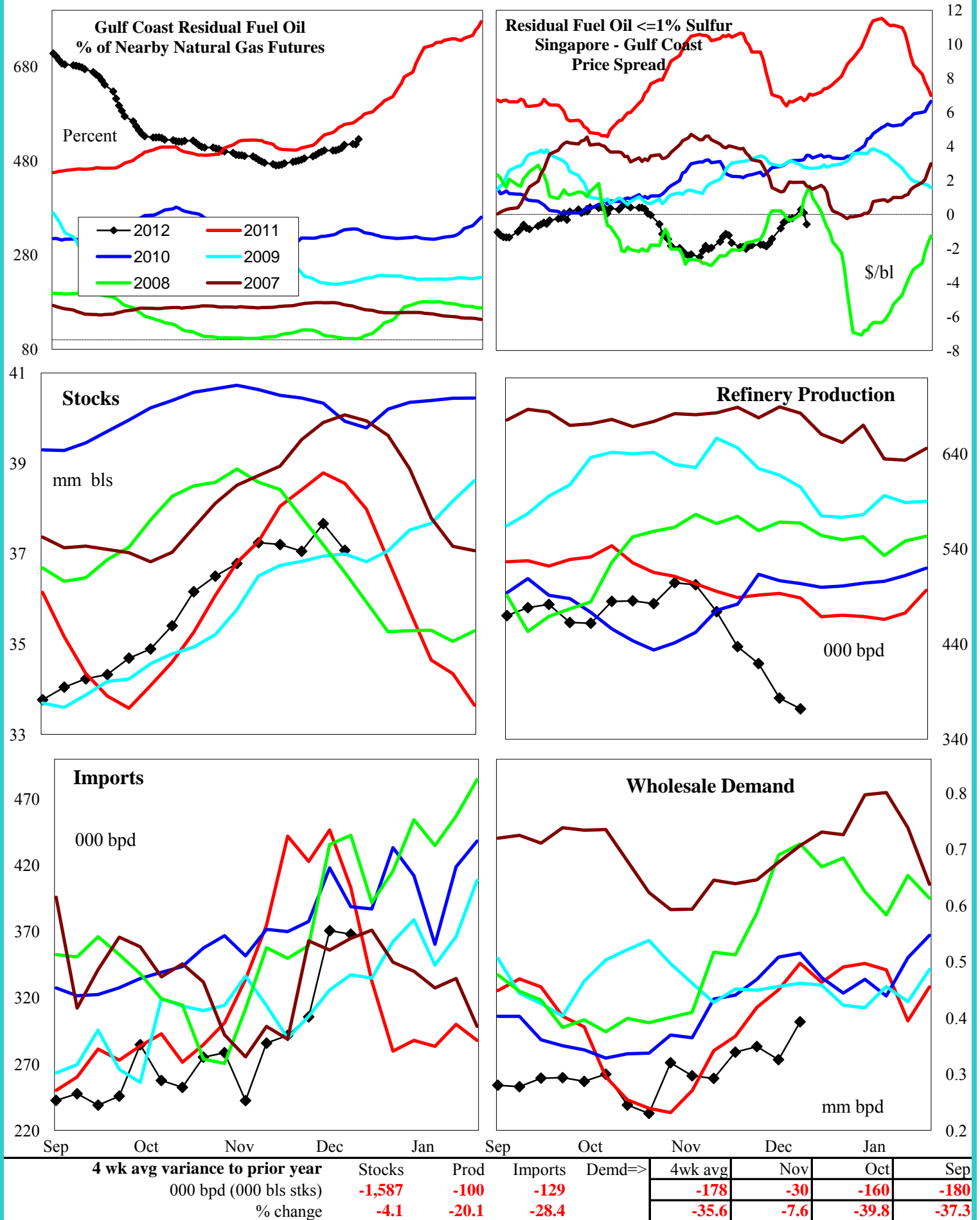
Weekly Stock Change

Monthly Stock Change

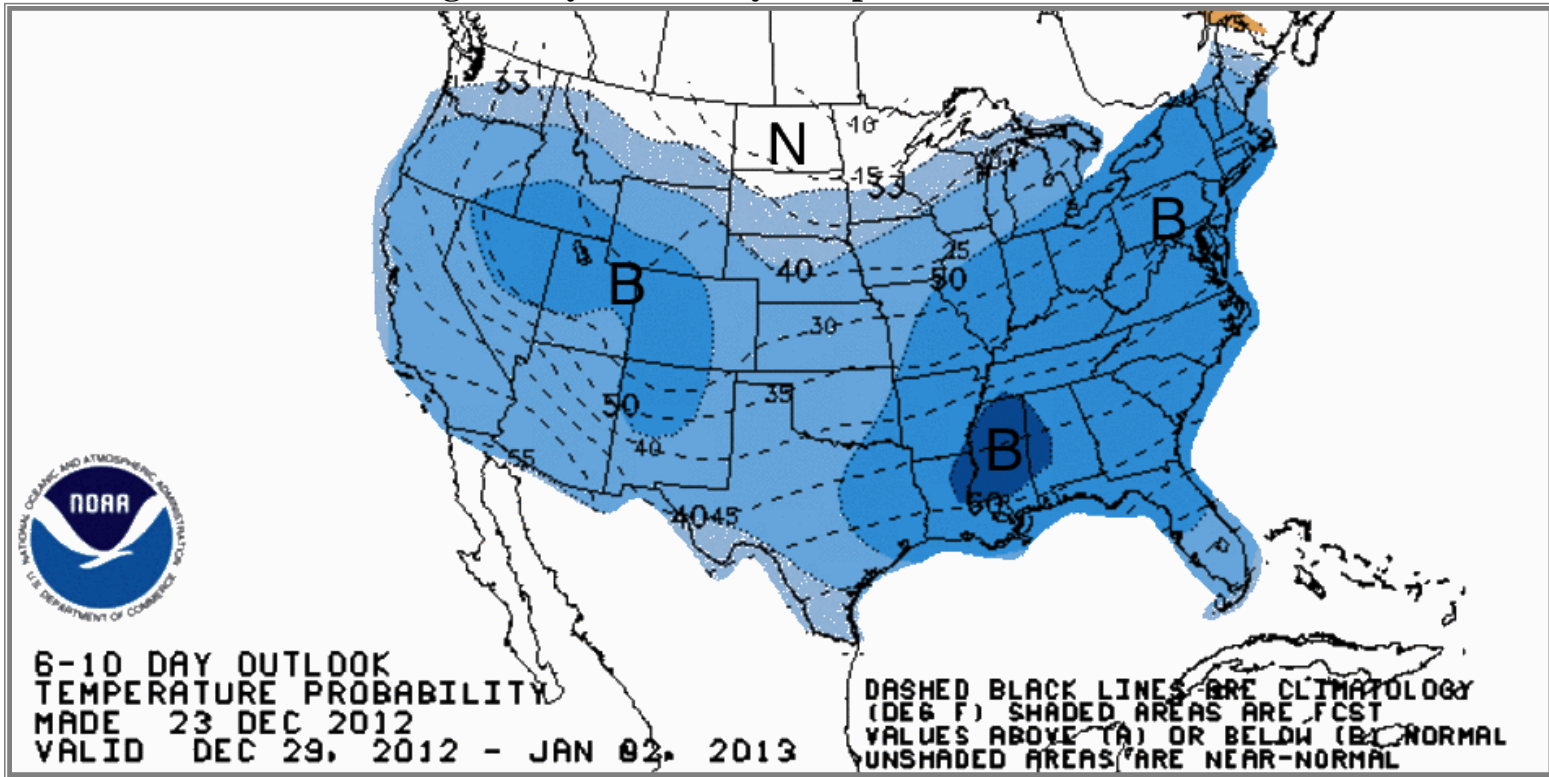
Cumulative Stock Change

BCF
Percent Change (%)43
3.5-5
23.114
-50.013
-33.3

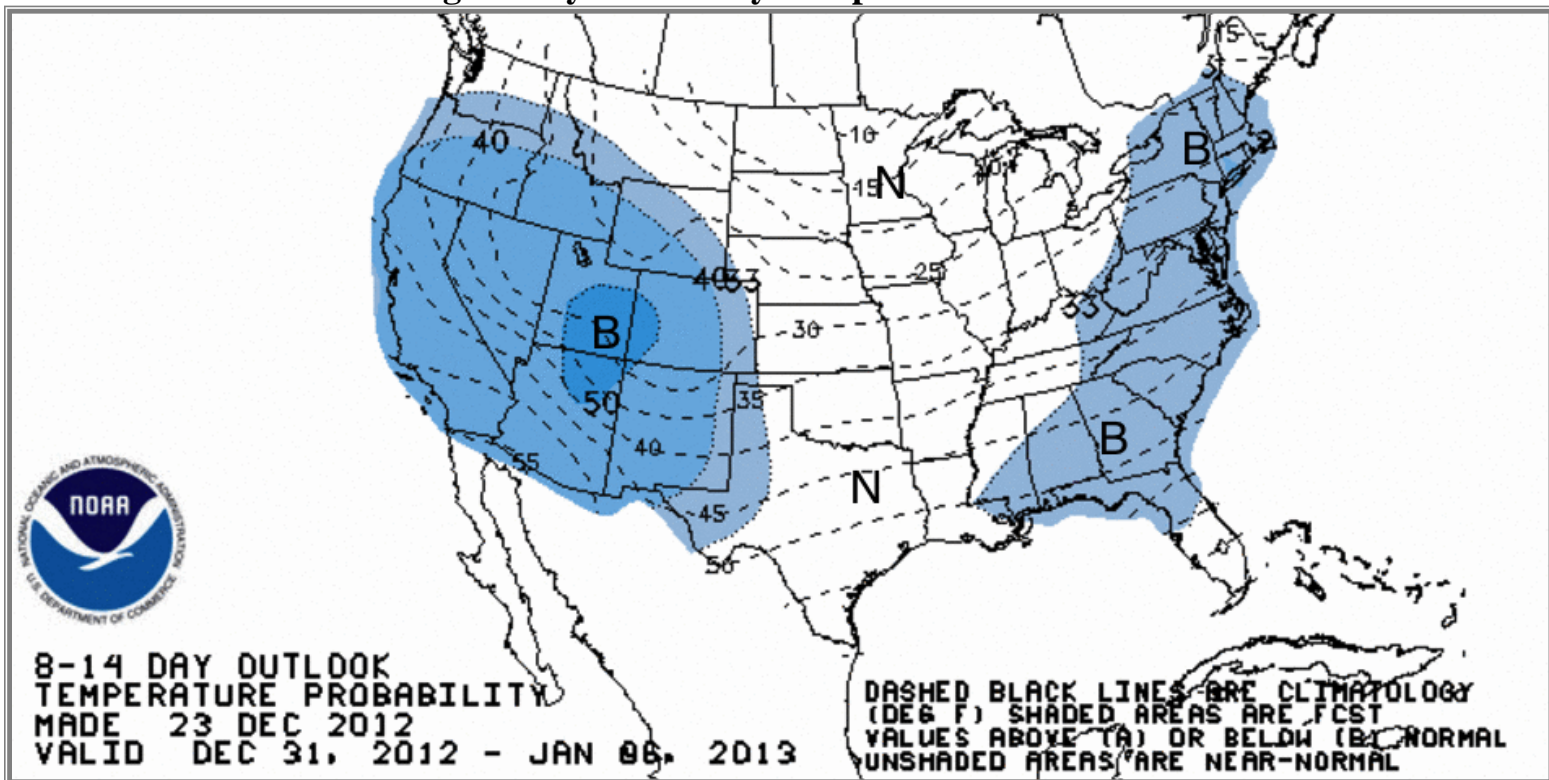
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

