

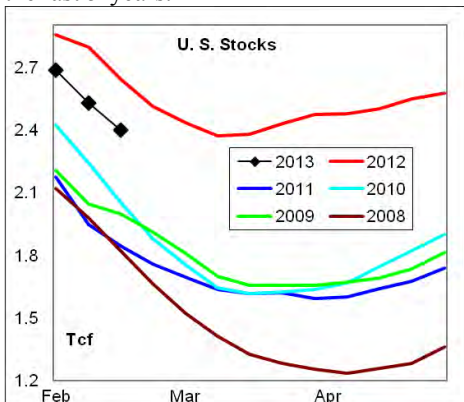
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

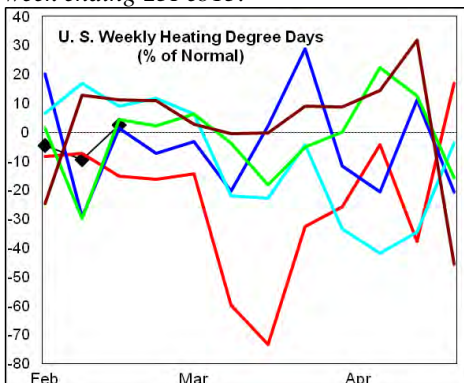
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Sunday, February 24, 2013



Summary¹ The stock draw of -127 Bcf for the week, was less than the average of the last 5-years.



Heating degree days for the week ending 16Feb13 were -9% below normal, and estimated to be +2% above normal for week ending 23Feb13.



In the East Region stocks decreased -79 Bcf for the week, less than the historic average for the period. Stocks decreased -13 Bcf in the West Region, a draw which matched the 5-year average. Stocks decreased -35 Bcf in the producing region, a larger than average draw for the week.

Heating degree days were -12% in the East Region, +23% above normal in the West Region and -4% below normal in the Producing Region for the week ending 16Feb13.

Heating degree days were -9% below normal for the week ending 16Feb13, and estimated to be +2% above normal for the week ending 23Feb13.

¹ Related Web Sites:

[Data Source is EIA Weekly Statistics](#)

[National Weather Service 6-10 Day](#)

[National Weather Service 10-14 Day](#)

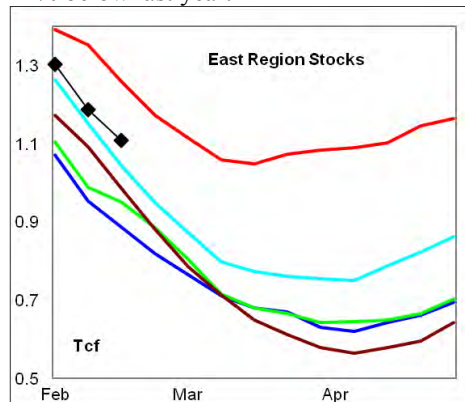
The 6-10 day NWS forecast for the week ending 06Mar13 is for sharply above normal heating degree days across the eastern 2/3rds of the country and below normal in the western 1/3rd of the country.

The 8-14 day NWS forecast for the week ending 10Mar13 is for below normal heating degree days in the eastern 2/3rds of the country and near normal in the western 1/3rd of the country.

Prices: Nearby gas futures prices increased +\$0.14/mmbtu for the week ending 22Feb13. The current price level is +\$0.65/mmbtu above last years' record 5-year low.

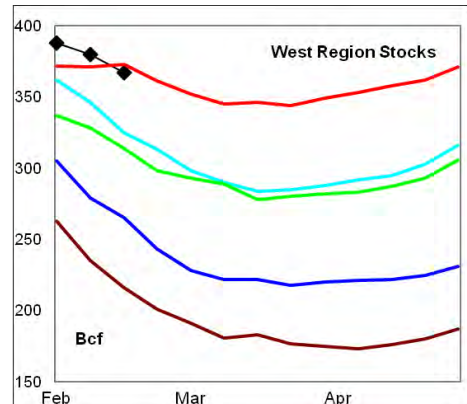
The 1st - 4th month forward price curve trended higher last week on an increase in prompt demand, ending at a level near the 5-year mid range.

East Region stocks decreased -79 Bcf for the week, less than the historic average for the period. The current stock level was -12% below last year.

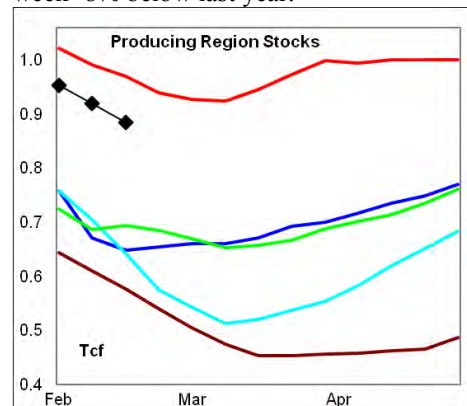


Heating degree days in the region were -12% below normal for the week ending 16Feb13 and estimated to be +4% above normal for the week ending 23Feb13. Heating degree days are forecast to be sharply above normal in the region for the next 10-days.

West Region stocks decreased -13 Bcf on the week, a draw equal to the historic mid range. Stock levels ended the week -1.6% below last year. The latest 4-wk stock change was a draw of -48 Bcf, a draw near 5-year lows. Heating degree days were +2% above normal for the week ended 16Feb13, and estimated to be +11% above normal for the week ended 23Feb13. Heating degree days are forecast to be below normal for the next 10-days.



Producing Region stocks decreased -35 Bcf for the week, a larger than average draw for the week. Stock levels ended the week -8% below last year.



Heating degree days were -4% below normal for the week ended 16Feb13, and estimated to be -18% below normal for the week ending 23Feb13. 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 -43% below last year.

Outlook: Heating degree days are forecast to be sharply above normal for the next 10-days across the eastern 2/3rds of the country, and below normal in the western 1/3rd of the country.

Look for modest price strength in the near term on higher heating demand. High stocks and excess production capacity risk a price pull back as the heating season comes to an end.



NATURAL GAS: Graph Link and Weekly Summary

Report prepared as of: February 24, 2013

For the week ending: 15-Feb-13

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

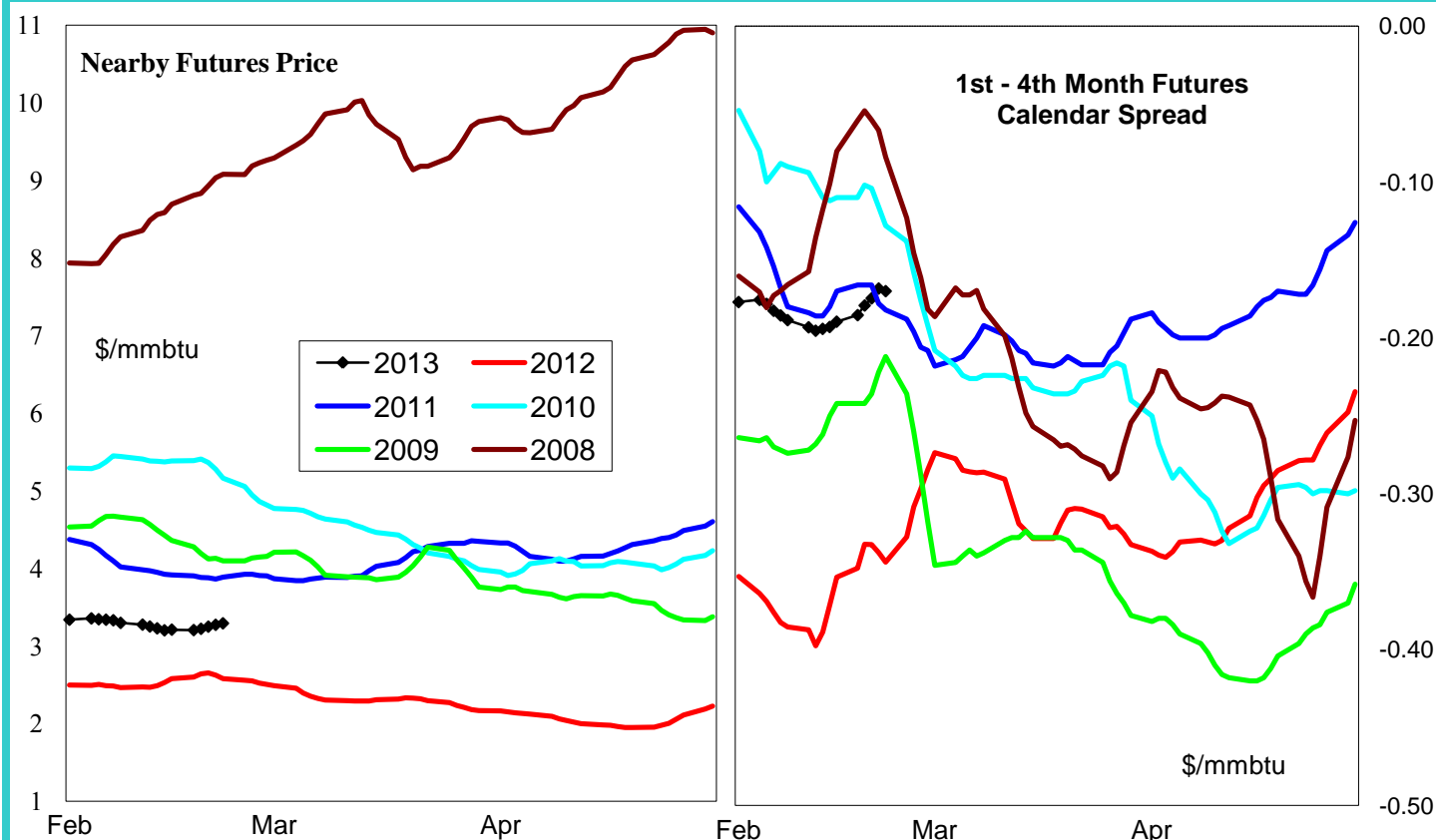
Week ending:	15-Feb-13			9-Feb-13		16-Feb-13		23-Feb-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,400	-127	-9.2	19	-5%	-20	-9%	11	2%
East	1,108	-79	-12.1	31	0%	-40	-12%	24	4%
West	367	-13	-1.6	-5	-3%	-1	2%	6	11%
Producing	925	-35	-8.4	-9	-37%	37	-4%	-30	-18%

Seasonal Trends in Stocks and Heating Degree Days

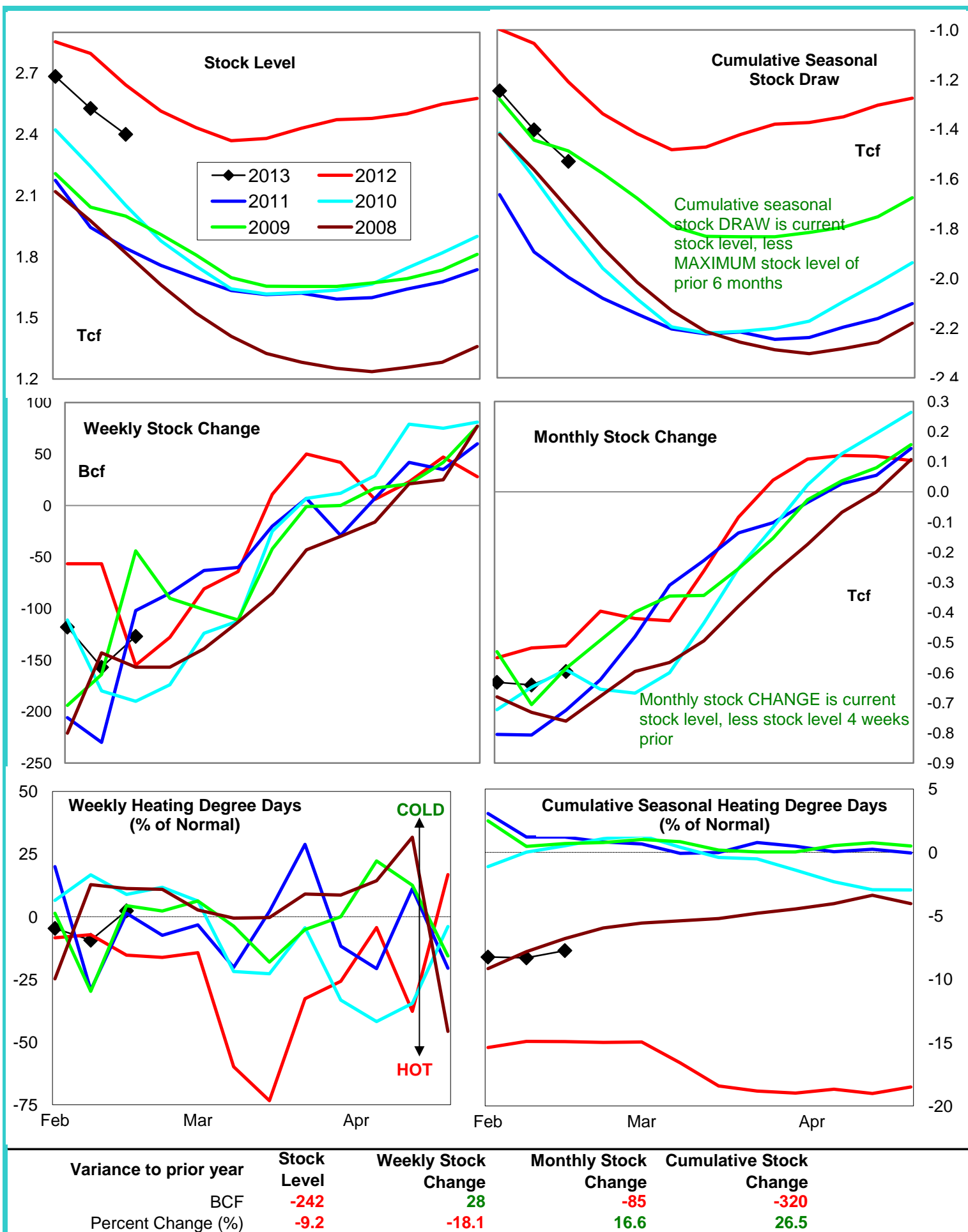
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	-1,529	-320	20.9	214	-8.3	194	-8.3	205	-7.7
East	-988	-157	15.9	254	-7.3	214	-7.6	238	-6.9
West	-184	-40	21.7	191	-7.1	190	-6.6	196	-5.8
Producing	-362	-115	31.8	91	-15.0	127	-14.3	98	-14.5

Futures Market Price Trends

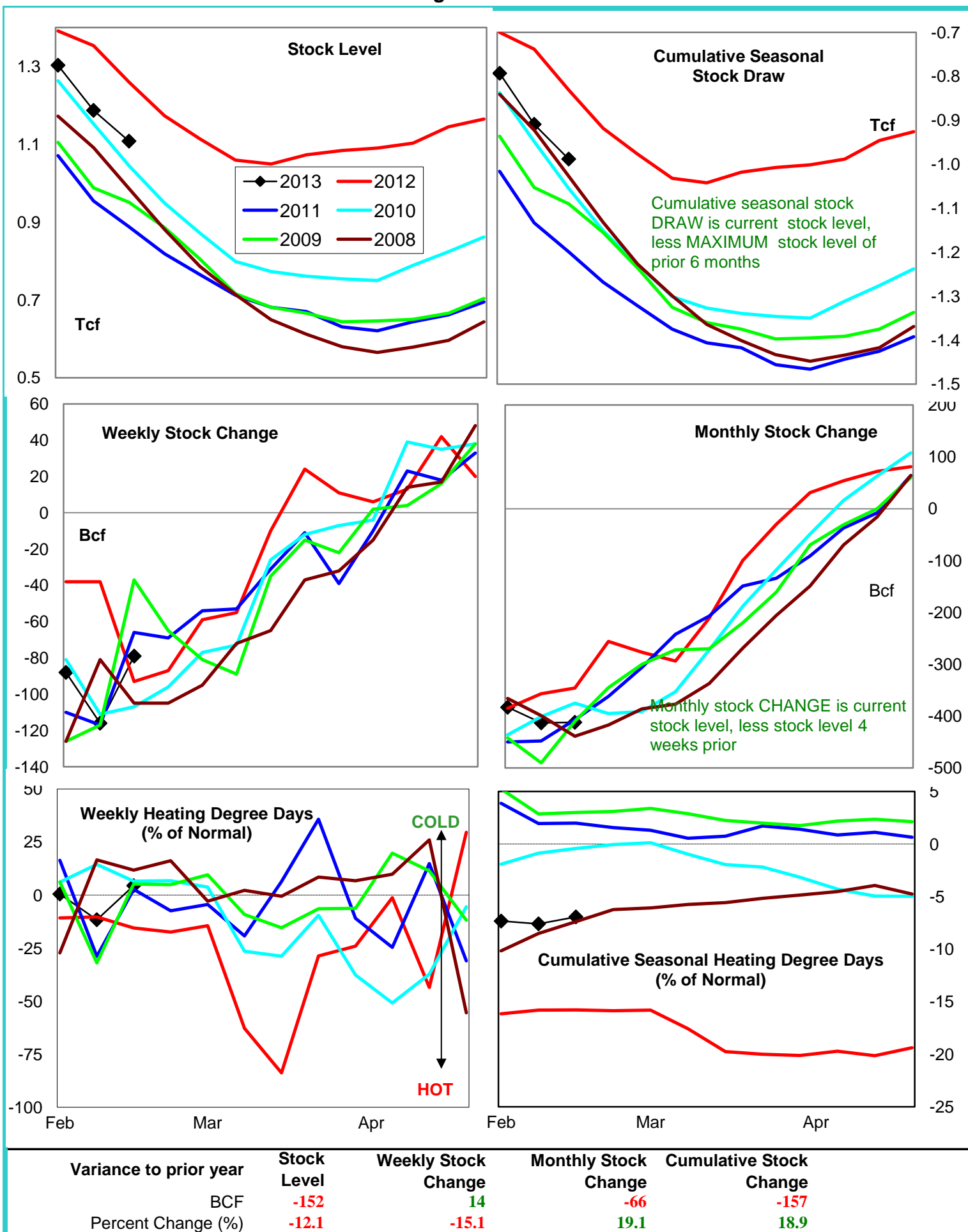
Date:	22-Feb-13	Change vs prior week, month, year		
		18-Feb-13	28-Jan-13	5-Mar-12
1st month Futures	3.29	0.14	0.00	1.02
% change	xxxxx	4.4	0.1	44.9



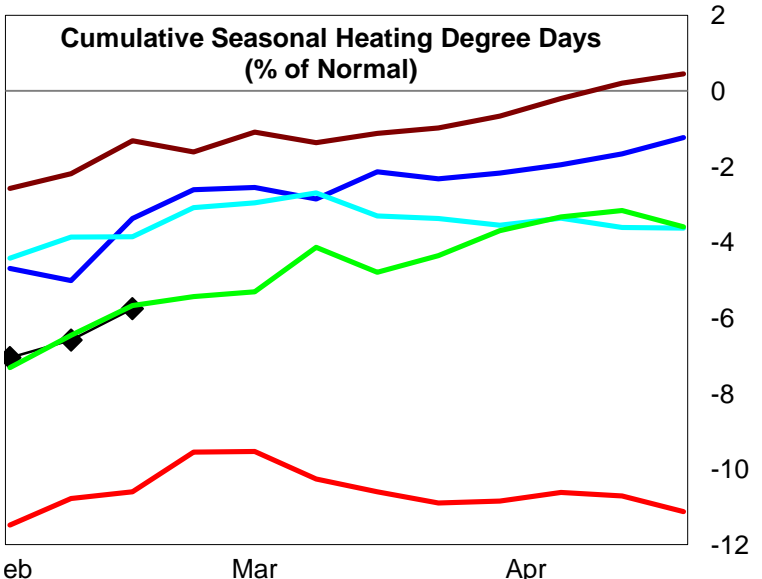
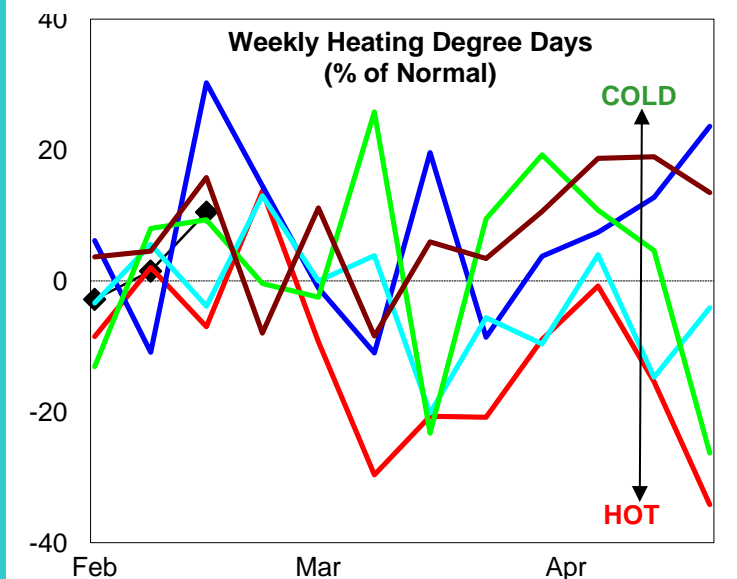
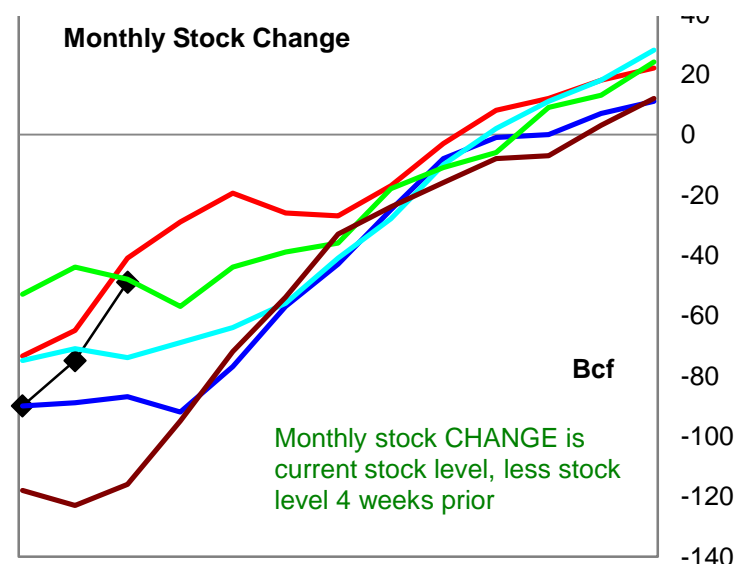
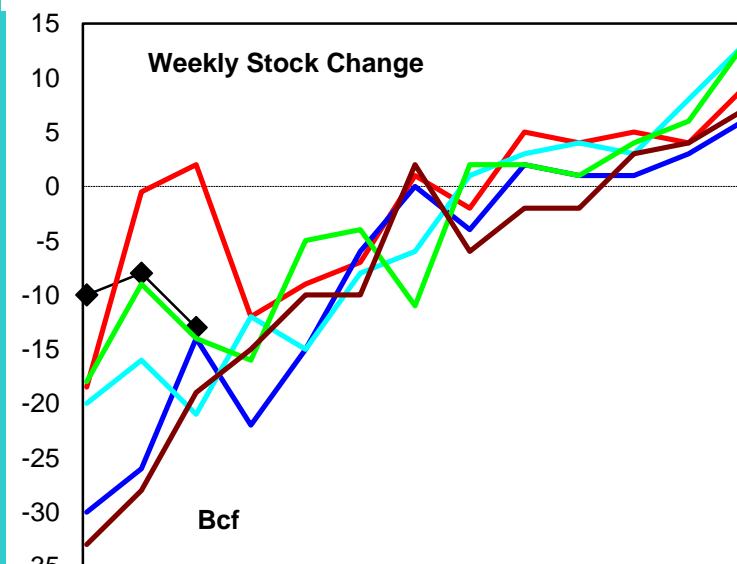
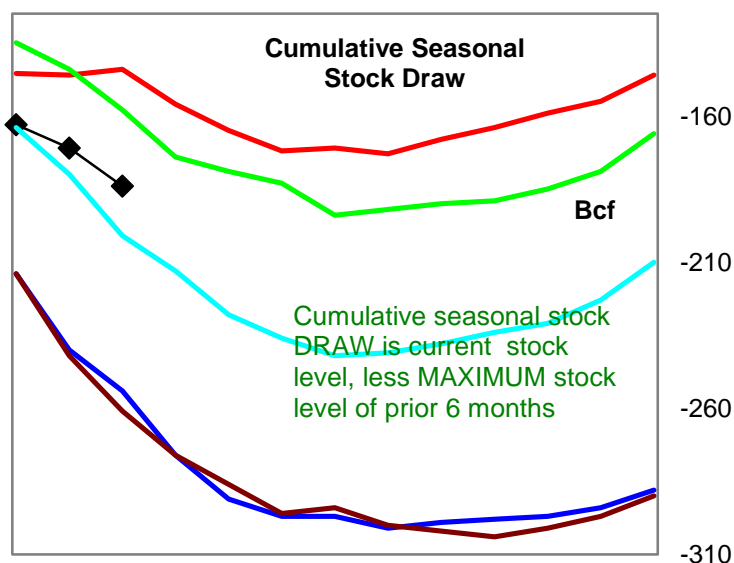
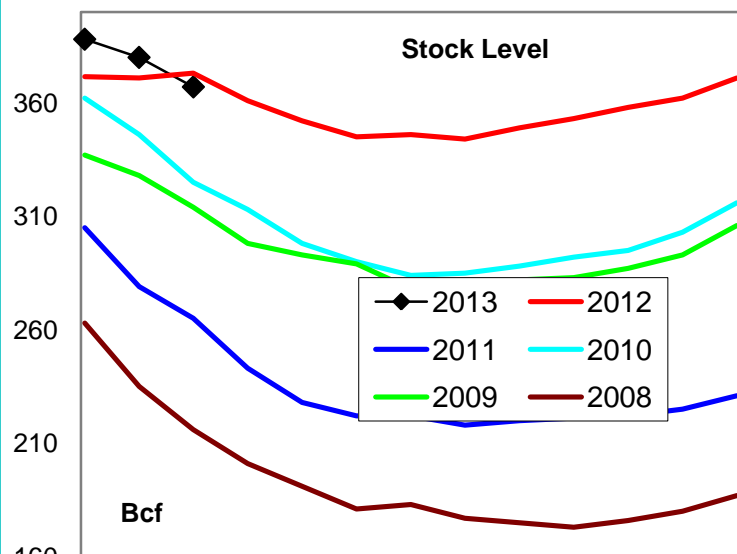
United States Natural Gas Stock and Weather Trends



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 (%)

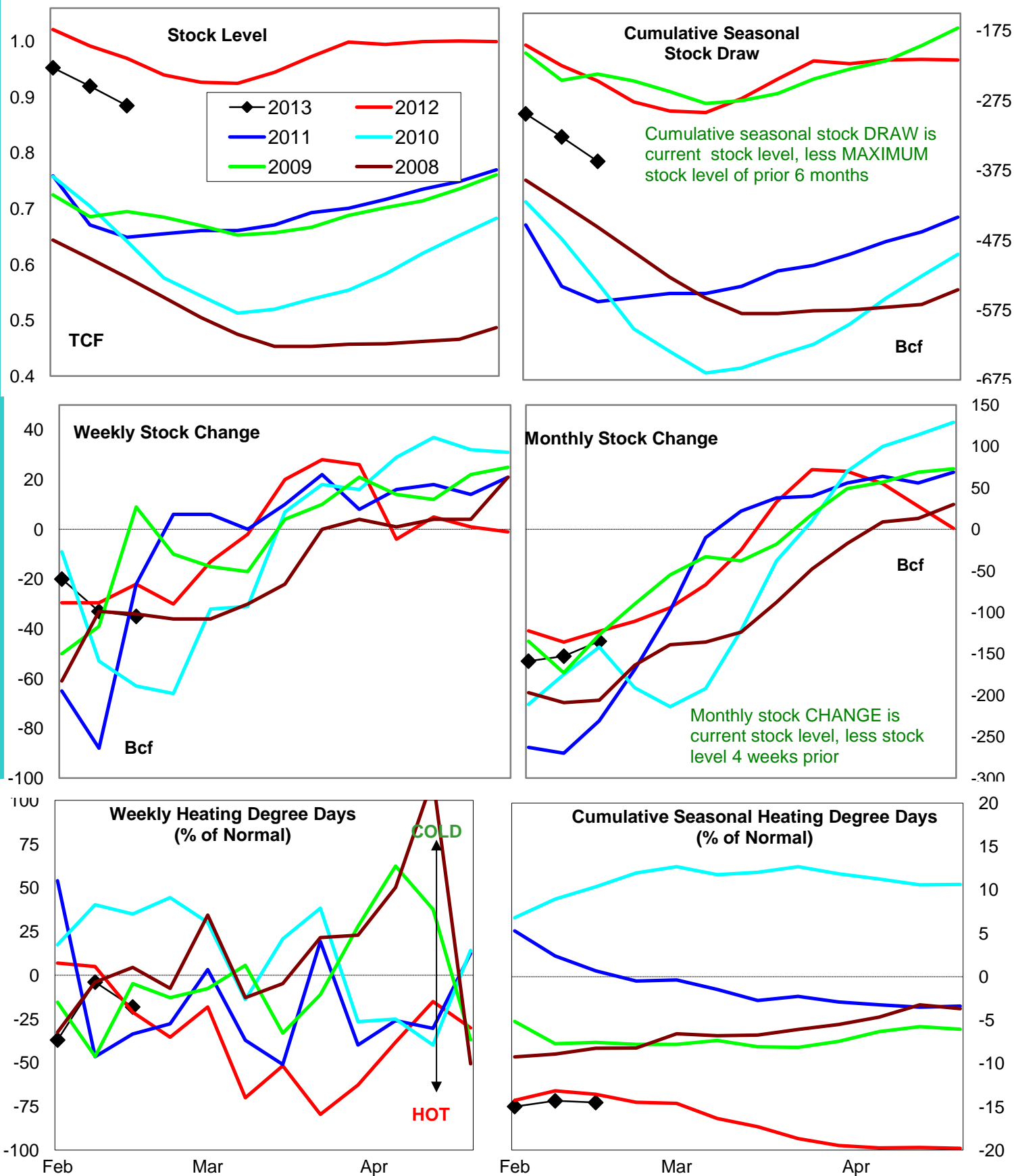
-6
-1.6

-15
-750.0

-8
19.5

-40
27.8

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

-85

-13

-12

-115

Percent Change (%)

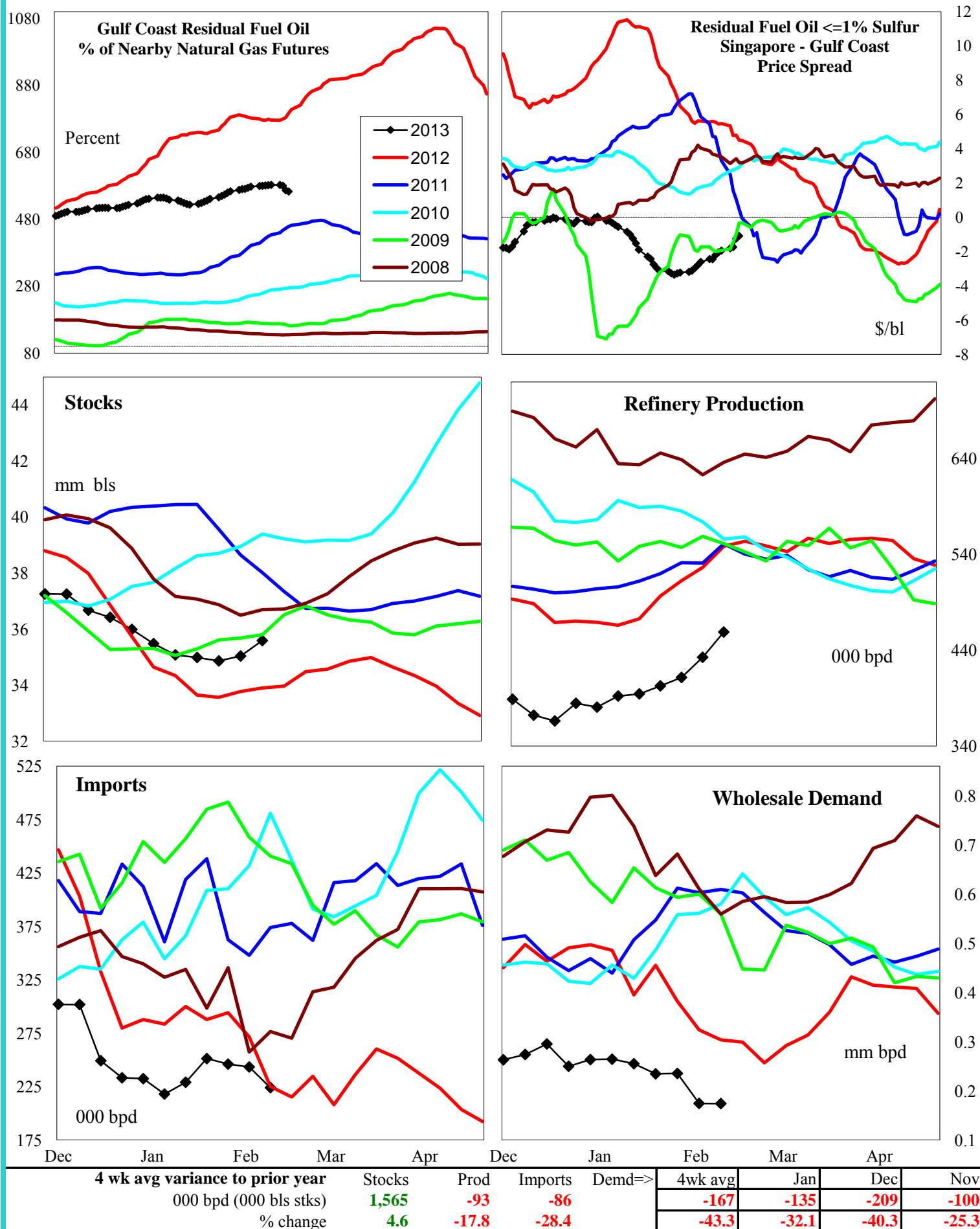
-8.4

59.1

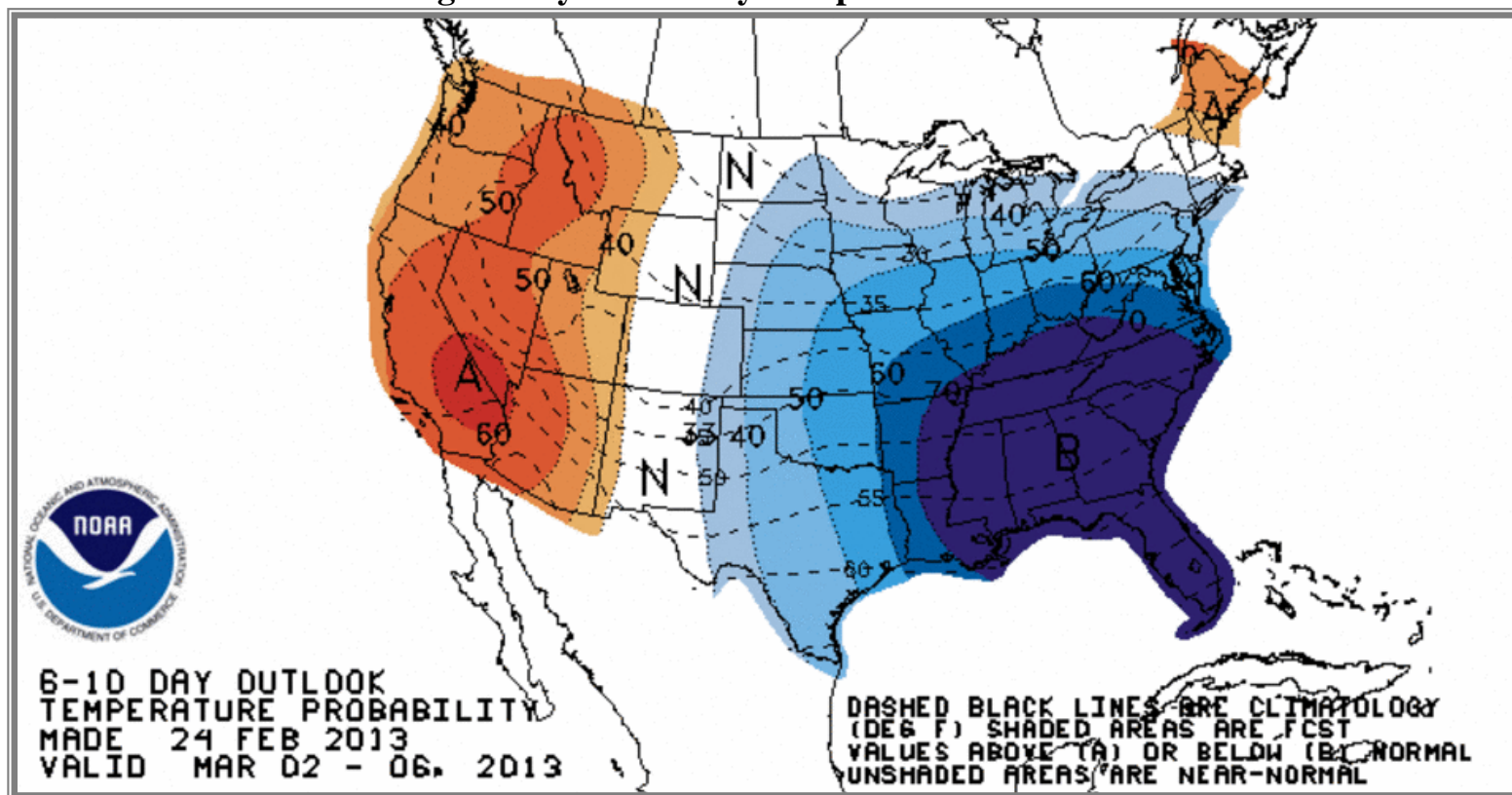
9.8

46.6

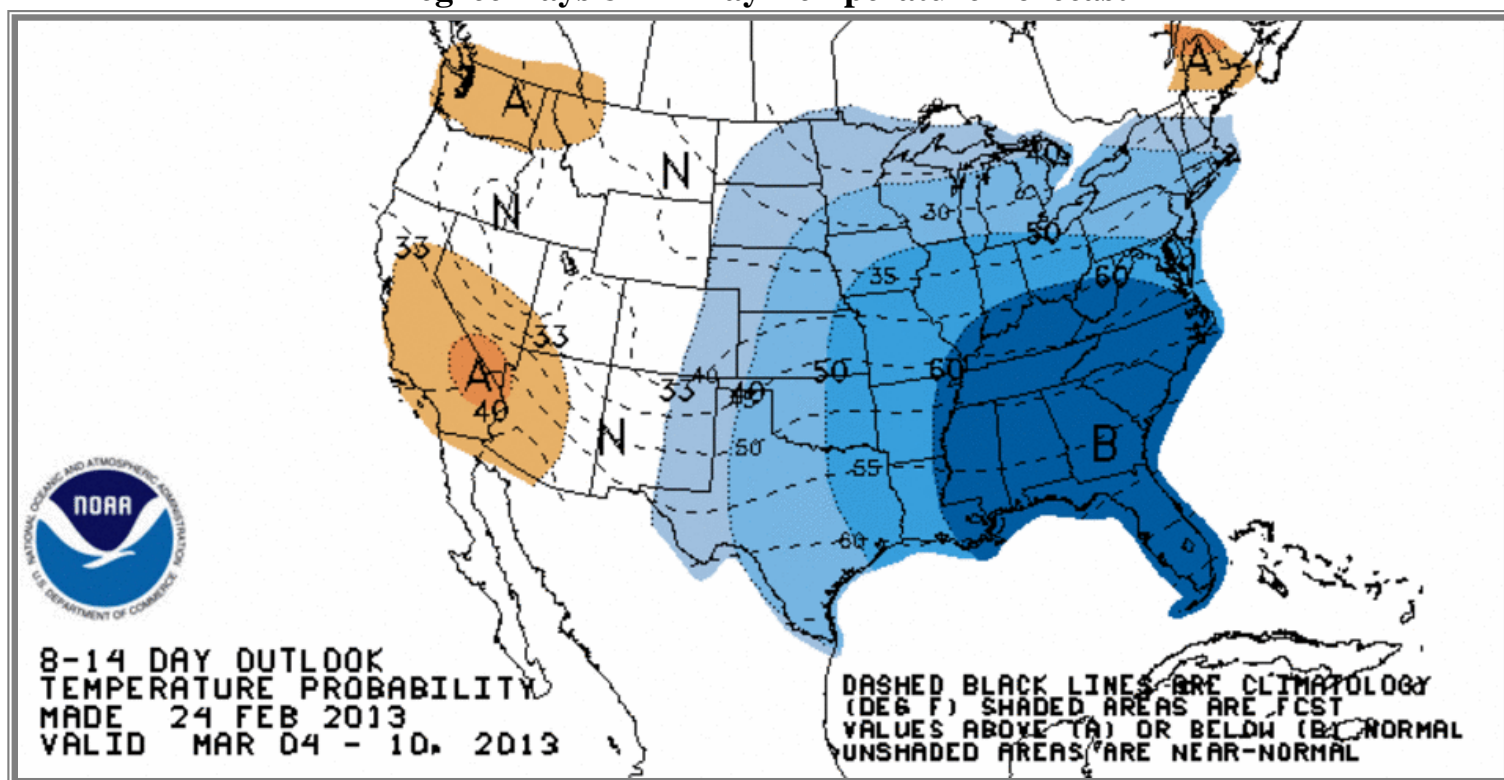
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

