

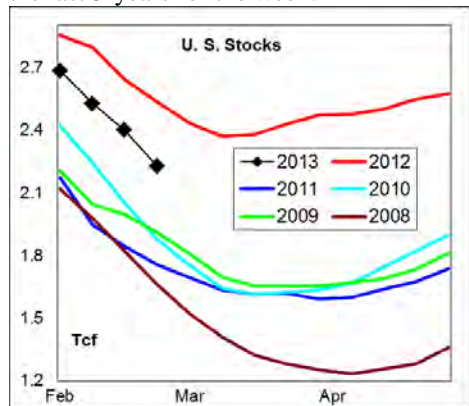
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

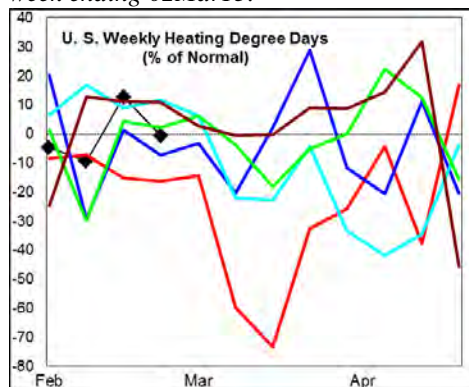
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Friday, March 01, 2013



Summary¹ The stock draw of -171 Bcf for the week, matched the record draw of the last 5-years for the week.



Heating degree days for the week ending 23Feb13 were +13% above normal, and estimated to be -1% below normal for week ending 02Mar13.



In the East Region stocks decreased -109 Bcf for the week, a record draw for the period. Stocks decreased -12 Bcf in the West Region, a draw less than the historic average. Stocks decreased -50 Bcf in the producing region, a near record draw for the week.

Heating degree days were +12% in the East Region, +19% above normal in the West Region and +10% above normal in the Producing Region for the week ending 23Feb13.

Heating degree days were +13% above normal for the week ending 23Feb13, and estimated to be -1% below normal for the week ending 02Mar13.

¹ Related Web Sites:

[Data Source is EIA Weekly Statistics](#)

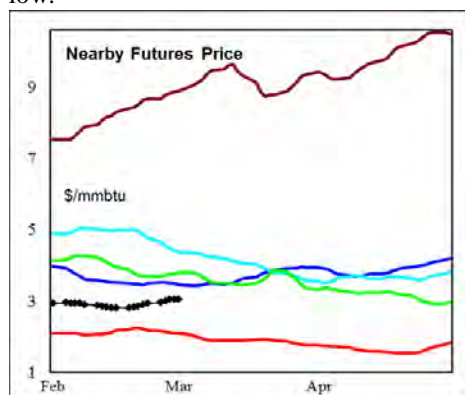
[National Weather Service 6-10 Day](#)

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

The 6-10 day NWS forecast for the week ending 11Mar13 is for sharply below normal heating degree days across the central 1/2 of the country and above normal heating degree days in the west.

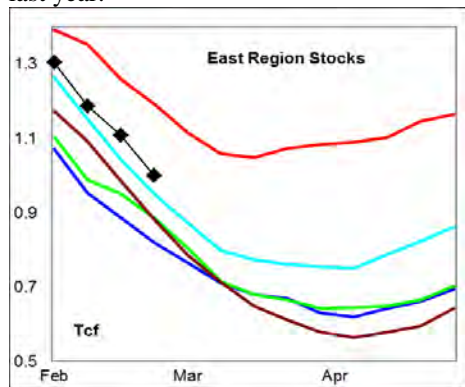
The 8-14 day NWS forecast for the week ending 15Mar13 is for below normal heating degree days in the eastern 1/2 of the country and above normal in the western 1/2 of the country.

Prices: Nearby gas futures prices increased +\$0.17/mmbtu for the week ending 01Mar13. The current price level is +\$1/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 above the 5-year mid range.

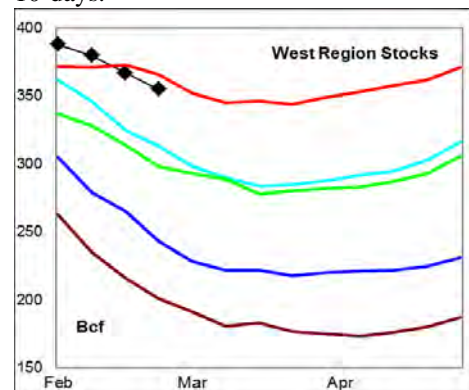
East Region stocks decreased -109 Bcf for the week, a record draw for the period. The current stock level was -16% below last year.



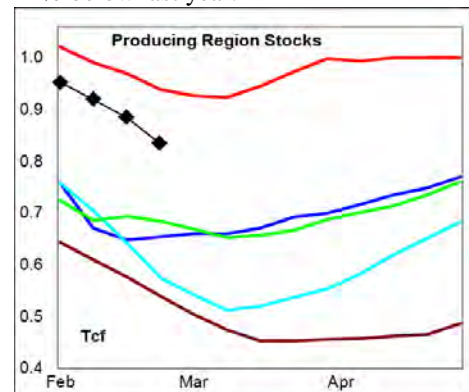
Heating degree days in the region were +12% below normal for the week ending 23Feb13 and estimated to be -5% below normal for the week ending 02Mar13. Heating degree days are forecast to be below normal in the region for the next 10-days.

West Region stocks decreased -12 Bcf on the week, a draw less than the historic mid range. Stock levels ended the week -3%

below last year. The latest 4-wk stock change was a draw of -43 Bcf, a draw less than four of the last 5-years. Heating degree days were +19% above normal for the week ended 23Feb13, and estimated to be +1% above normal for the week ended 02Mar13. Heating degree days are forecast to be above normal for the next 10-days.



Producing Region stocks decreased -50 Bcf for the week, a near record draw for the week. Stock levels ended the week -11% below last year.



Heating degree days were +10% above normal for the week ending 23Feb13, and estimated to be +31% above normal for the week ending 02Mar13. 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 -42% below last year.

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

Risk of price weakness is increased on below normal heating degree days in the eastern 1/2 of the country, a seasonal downtrend in heating degree days and very ample stock levels.

NATURAL GAS: Graph Link and Weekly Summary



Report prepared as of: March 1, 2013

For the week ending: 22-Feb-13

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

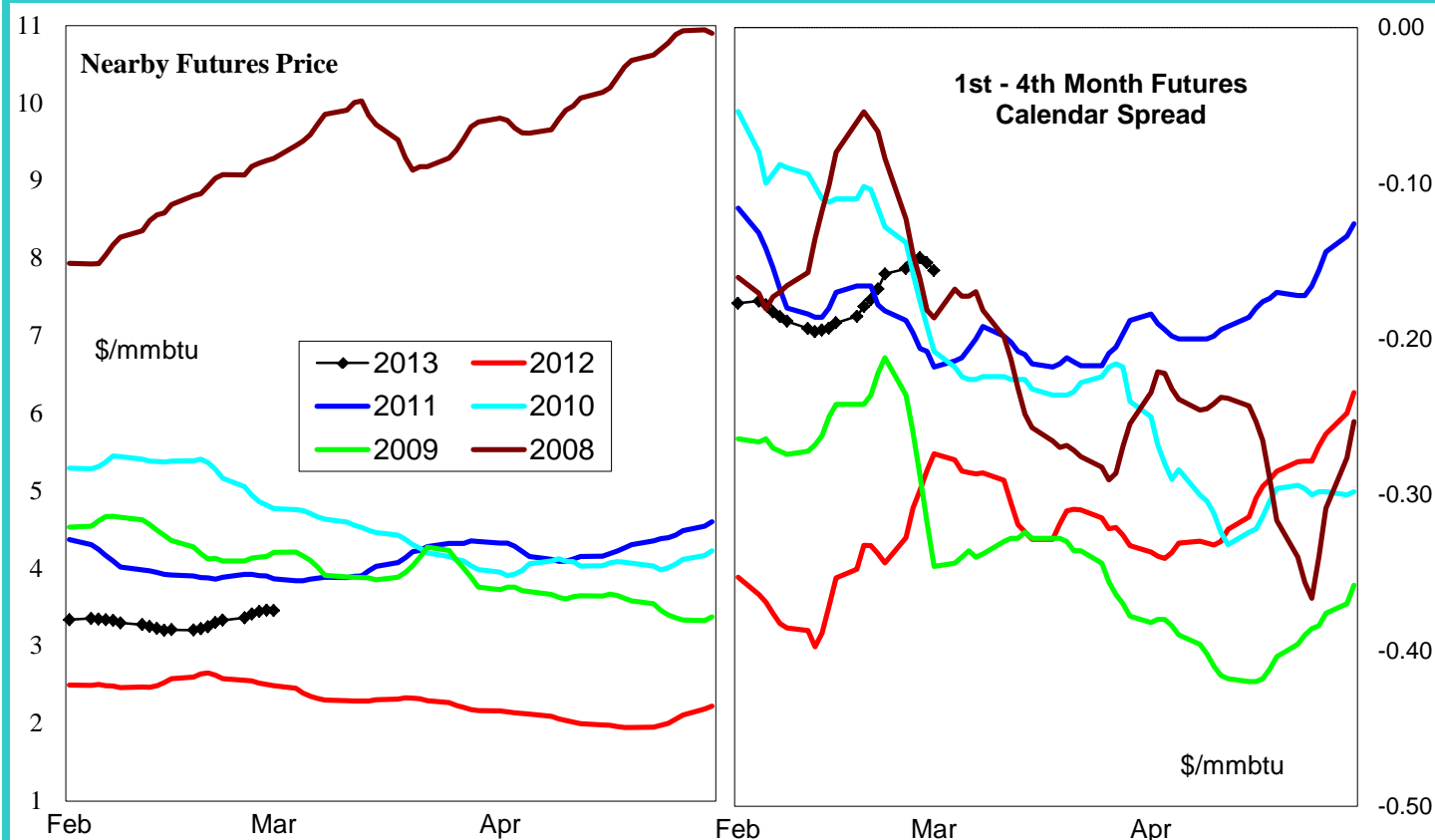
| Week ending: | 22-Feb-13 | | | 16-Feb-13 | | 23-Feb-13 | | 2-Mar-13 | |
|--------------|---------------|------------------|----------|----------------------------|-------------|----------------------|-------------|----------------------|-------------|
| Region | Weekly Stocks | | | Weekly Heating Degree 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 | 2,229 | -171 | -12.1 | -20 | -9% | 33 | 13% | -41 | -1% |
| East | 999 | -109 | -16.1 | -40 | -12% | 43 | 12% | -56 | -5% |
| West | 355 | -12 | -3.0 | -1 | 2% | 21 | 19% | -41 | 1% |
| Producing | 875 | -50 | -10.6 | 37 | -4% | 4 | 10% | 10 | 31% |

Seasonal Trends in Stocks and Heating Degree Days

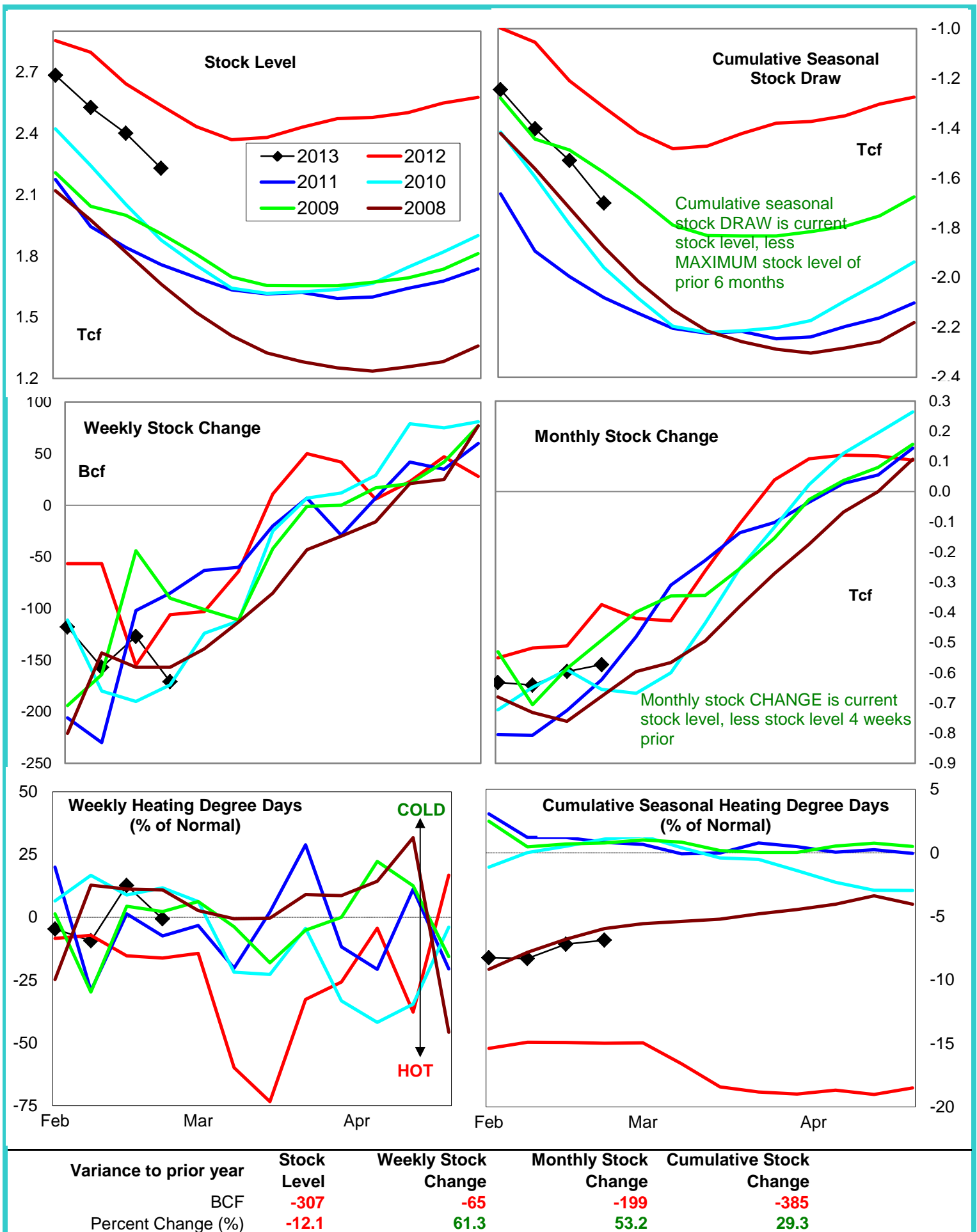
| | Cumulative Stock Change | | | Cumulative Heating Degree Days | | | | | |
|-------------------|-------------------------|----------------------|-------------|--------------------------------|--------------|------------------|--------------|------------------|--------------|
| | Bcf | Change vs prior year | | CHDD's vs normal | % of normal | CHDD's vs normal | % of normal | CHDD's vs normal | % of normal |
| | | Bcf | % | | | | | | |
| U.S. Total | -1,700 | -385 | 22.6 | 194 | -8.3 | 227 | -7.2 | 185 | -6.9 |
| East | -1,097 | -197 | 18.0 | 214 | -7.6 | 257 | -6.5 | 201 | -6.4 |
| West | -196 | -45 | 23.0 | 190 | -6.6 | 211 | -5.3 | 170 | -5.1 |
| Producing | -412 | -134 | 32.5 | 127 | -14.3 | 131 | -13.1 | 141 | -11.1 |

Futures Market Price Trends

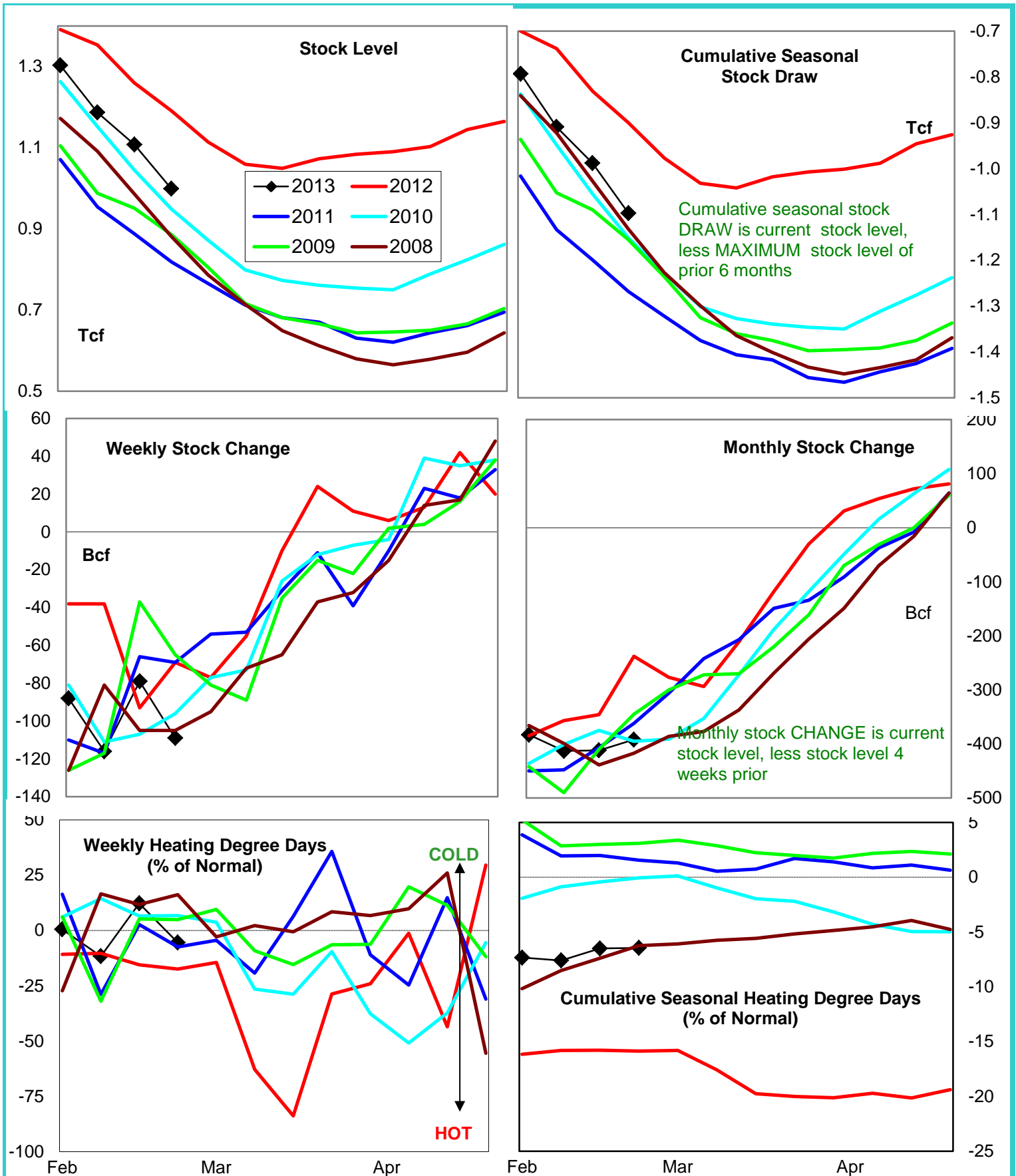
| Date: | 1-Mar-13 | Change vs prior week, month, year | | |
|--------------------------|--------------|-----------------------------------|-------------|-------------|
| | | 25-Feb-13 | 4-Feb-13 | 12-Mar-12 |
| 1st month Futures | 3.46 | 0.04 | 0.14 | 1.18 |
| % change | xxxxx | 1.2 | 4.3 | 51.6 |



United States Natural Gas Stock and Weather Trends



Natural Gas East Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
Change

BCF

-192

-40

-154

-197

Percent Change (%)

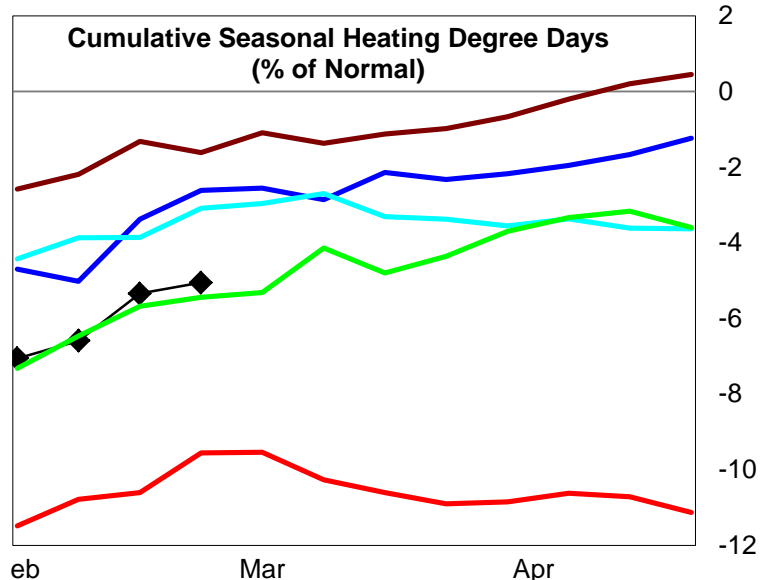
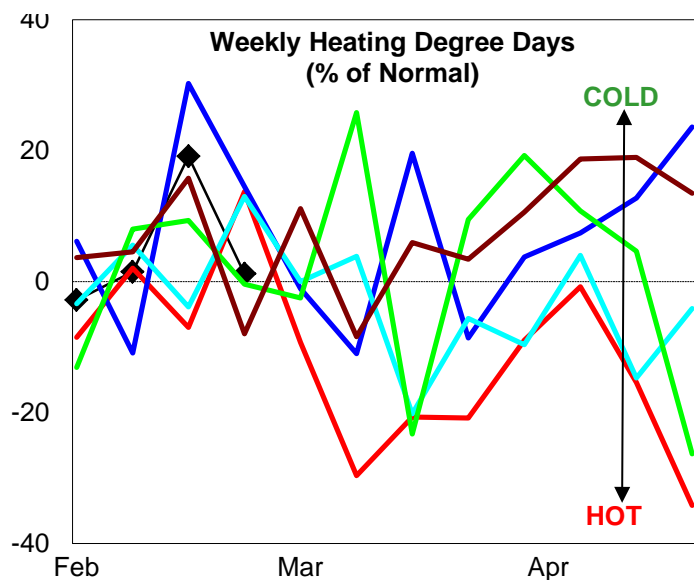
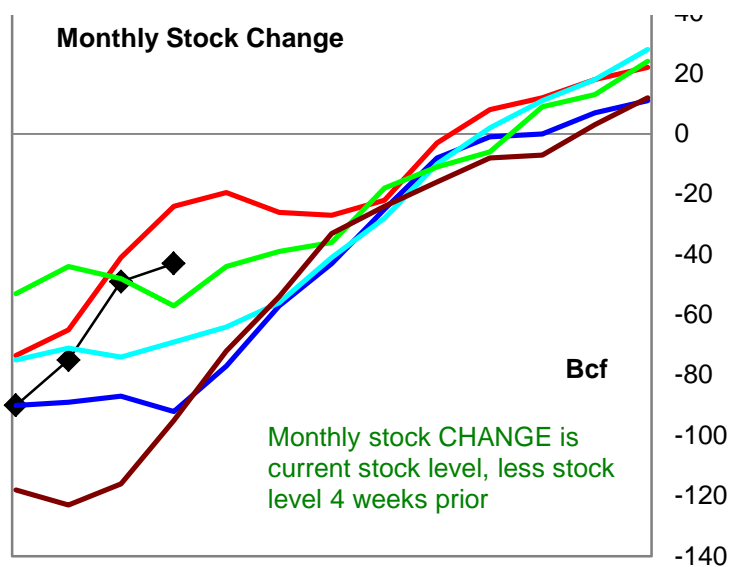
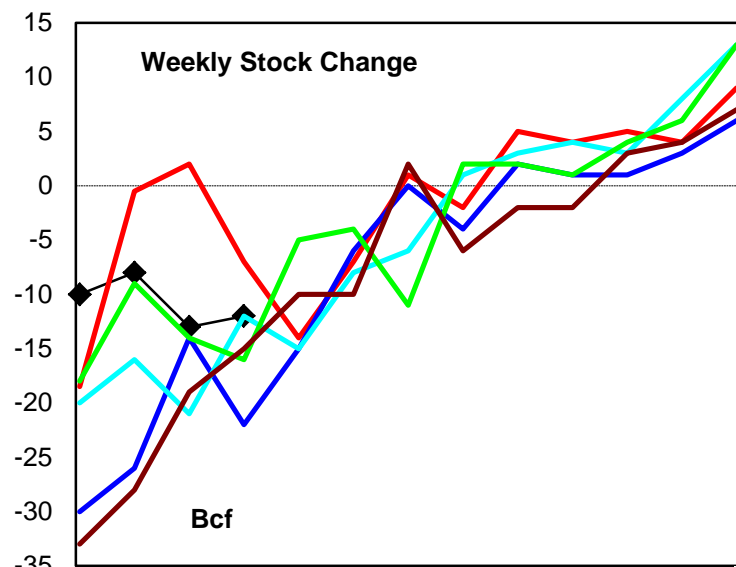
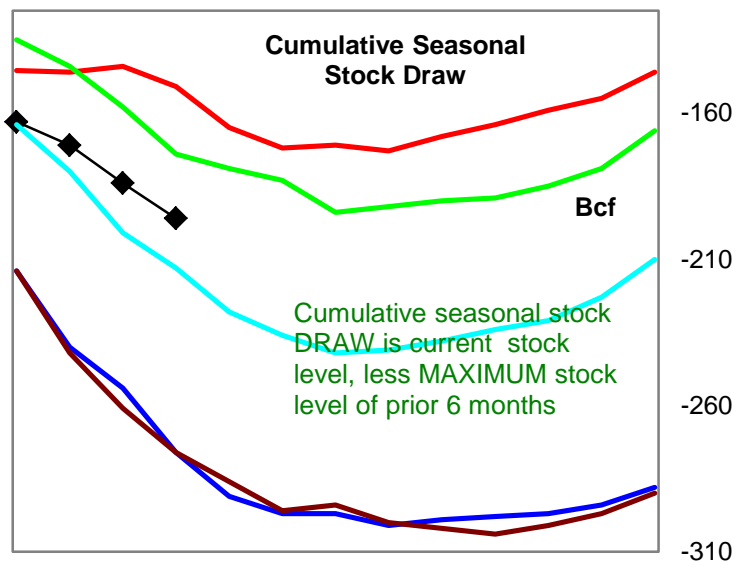
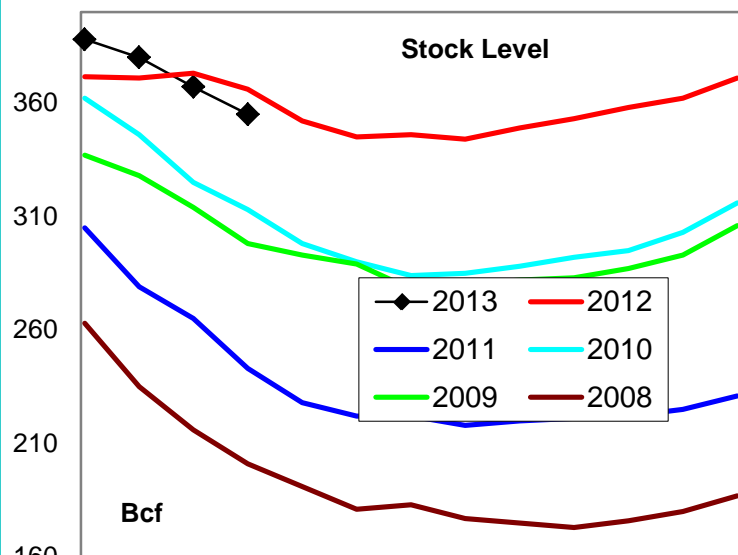
-16.1

58.0

64.7

21.9

Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

-11

-5

-19

-45

Percent Change (%)

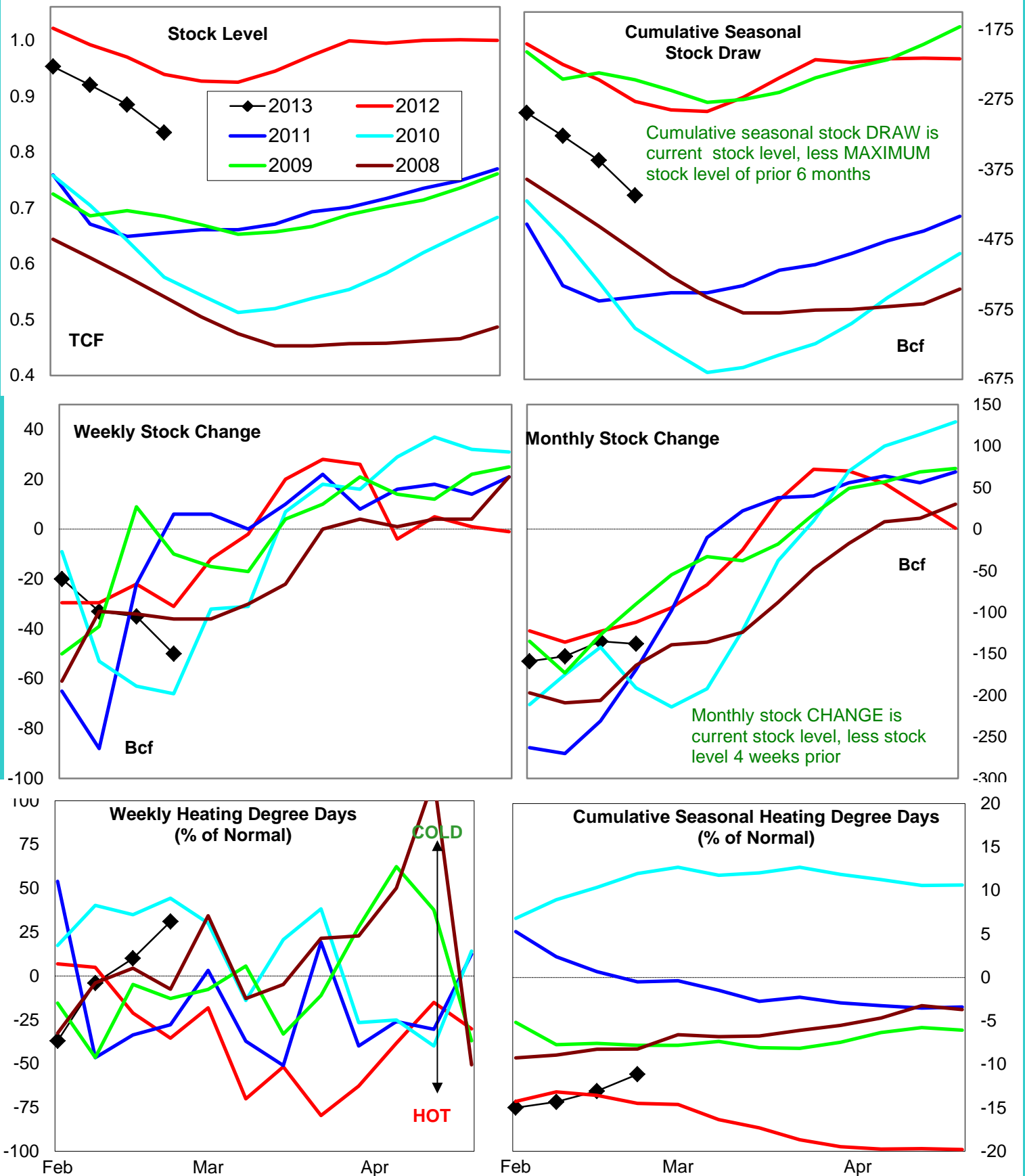
-3.0

71.4

79.2

29.8

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

-104

-19

-26

-134

Percent Change (%)

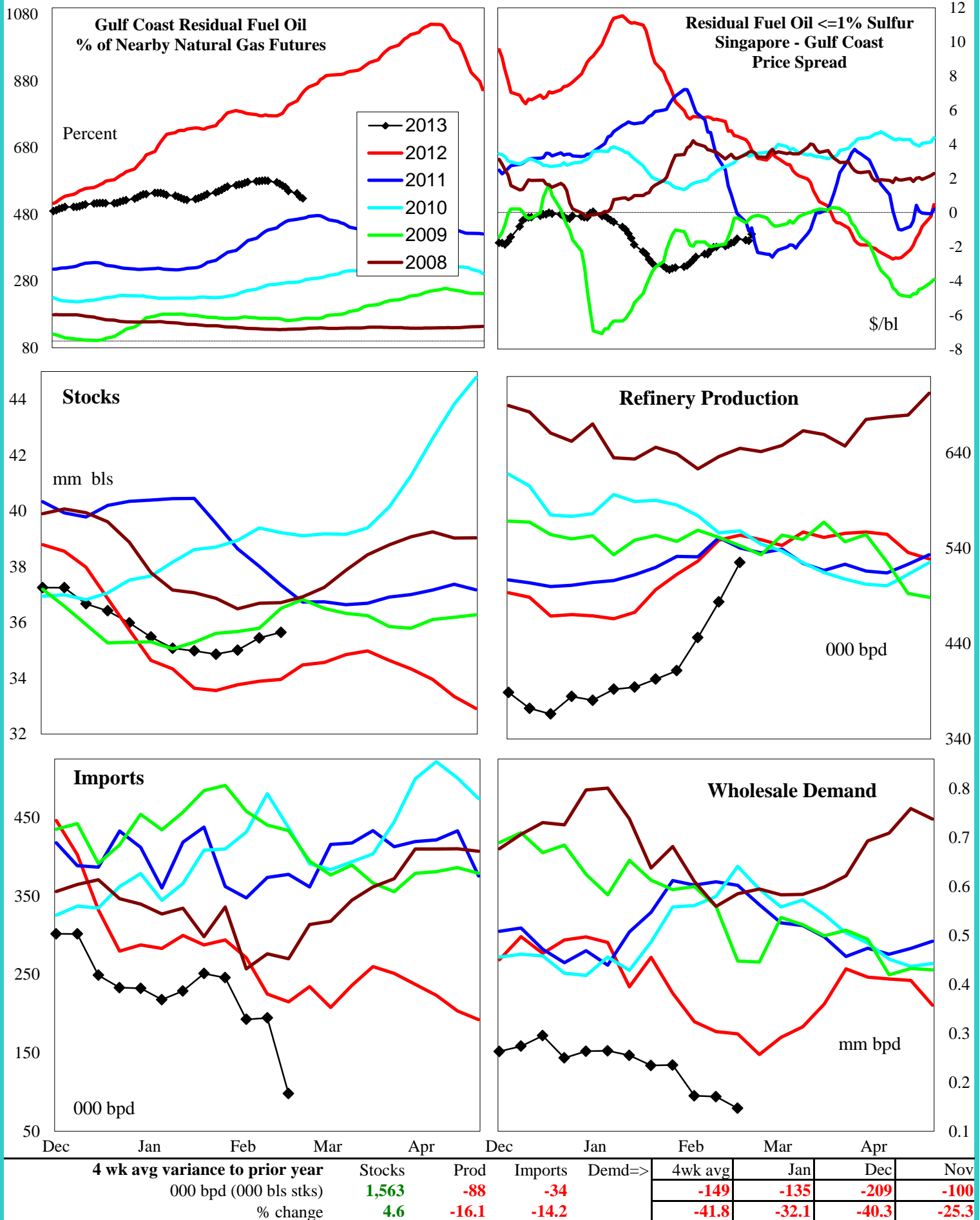
-10.6

61.3

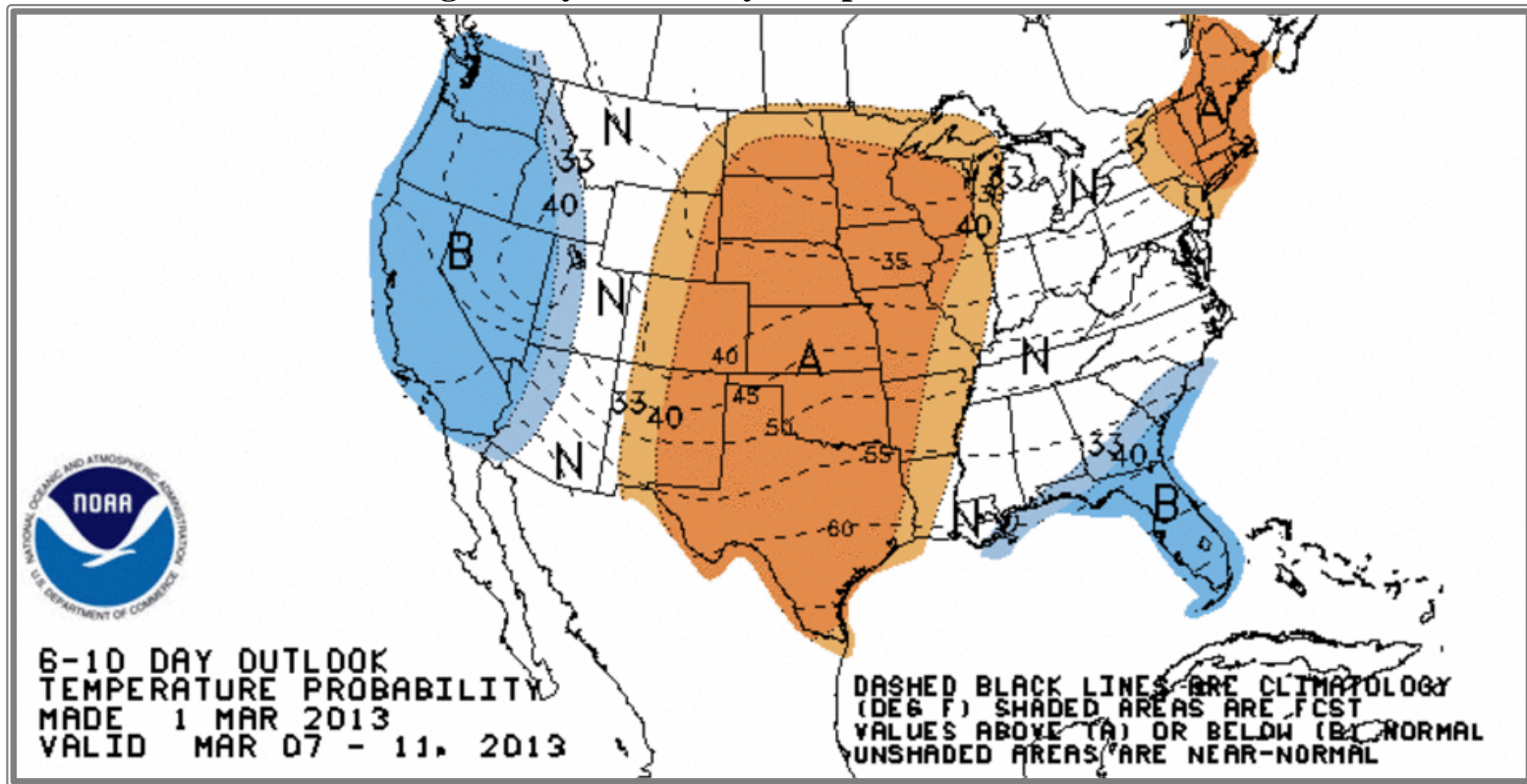
23.2

48.2

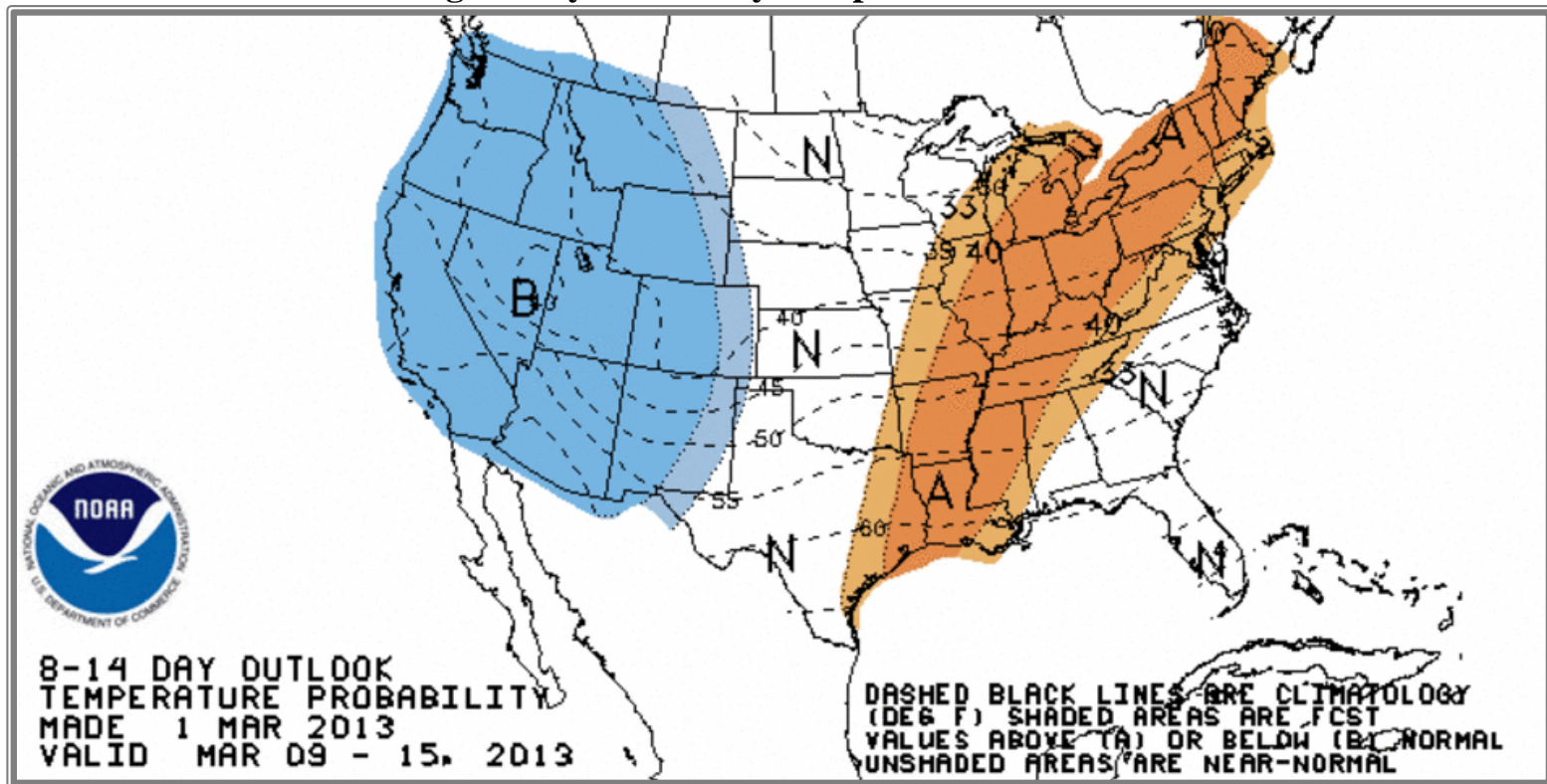
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

