

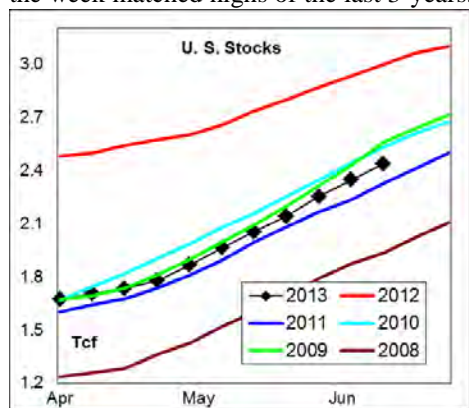
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

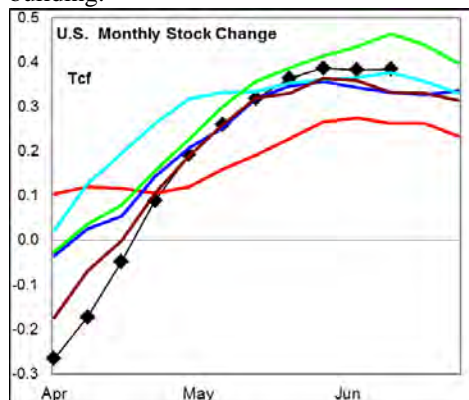
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Sunday, June 23, 2013



Summary¹ The stock build of +91 Bcf for the week matched highs of the last 3-years.



The latest 4-wk stock change was a build of 385 Bcf, greater than four of the last 5-years. Increased production continues to drive an above average rate of stock building.



In the East Region stocks increased +60 Bcf for the week, a build that matched highs of the last 3-years. Stocks increased +11 Bcf in the West Region, a build that matched lows for this time of year. Stocks were +20 Bcf higher on the week in the Producing region, a build significantly above each of the last 2-years.

Heating degree days were -39% below normal in the East Region, -58% below normal in the West Region and -100% below normal in the Producing Region for the week ending 15Jun13.

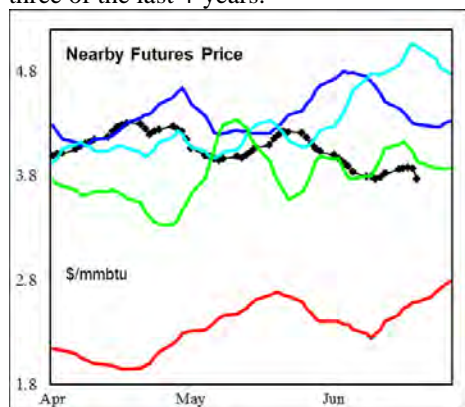
Heating degree days were -45% below normal for the week ending 15Jun13, and -

50% below normal for the week ending 22Jun13.

The 6-10 day NWS forecast for the week ending 03Jul13 is for much above normal temperatures across the western 1/2 of the country and below normal in the central 1/3rd of the country.

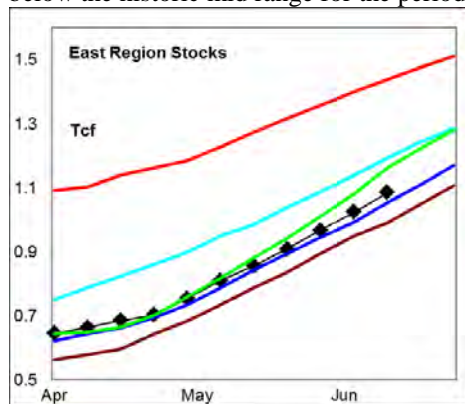
The 8-14 day NWS forecast for the week ending 07Jul13 is for much above normal temperatures across the western 1/2 of the country and below normal in the eastern 1/2 of the country.

Prices: Nearby gas futures prices increased +\$0.04/mmbtu for the week ending 21Jun13. The current price level is below three of the last 4-years.



The 1st - 4th month forward price curve trended higher last week, ending at a level above the historic range for this time of year.

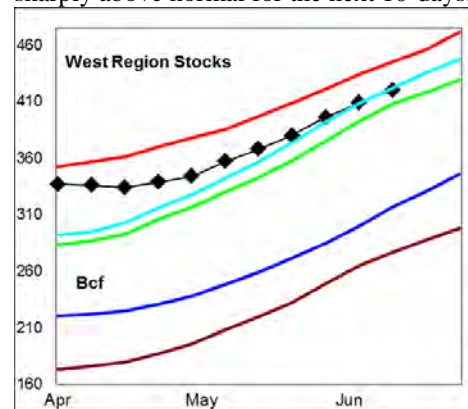
East Region stocks increased +60 Bcf for the week, a build that matched highs of the last 3-years. The current stock level is below the historic mid range for the period.



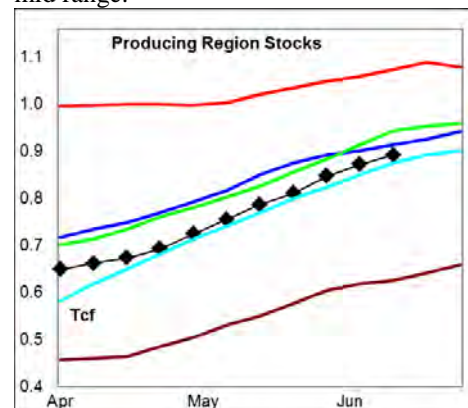
Heating degree days in the region were -39% below normal for the week ending 15Jun13, and -31% below normal for the week ending 22Jun13. Cooling degree days are forecast to be below normal in the region for the next 10-days.

West Region stocks increased +11 Bcf last week, a build that matched lows for this

time of year. Stock levels ended the week -5.6% below last year. Heating degree days were -58% below normal for the week ended 15Jun13, and -80% below normal for the week ended 22Jun13. Cooling degree days are forecast to be sharply above normal for the next 10-days.



Producing Region stocks increased +20 Bcf for the week, a build significantly above each of the last 2-years. Stock levels ended the week below the 5-year mid range.



Heating degree days were -100% below normal for the week ended 15Jun13, and -100% below normal for the week ending 22Jun13. Below normal cooling 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 -7% below last year.

Outlook: Stocks continued to build at an above average rate; six of the last 7-wks including the current week. As a result, prices are trading near 3-month lows. Cooler than normal temperatures are forecast for the eastern 1/2 of the country during the next 10-days; with potential for further price weakness.

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: June 23, 2013

For the week ending: 14-Jun-13

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

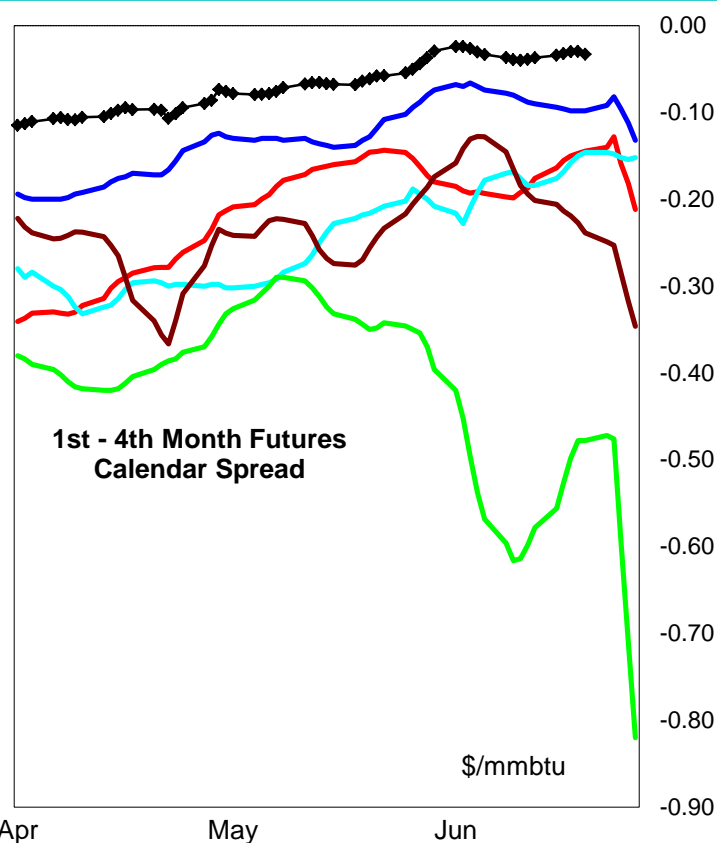
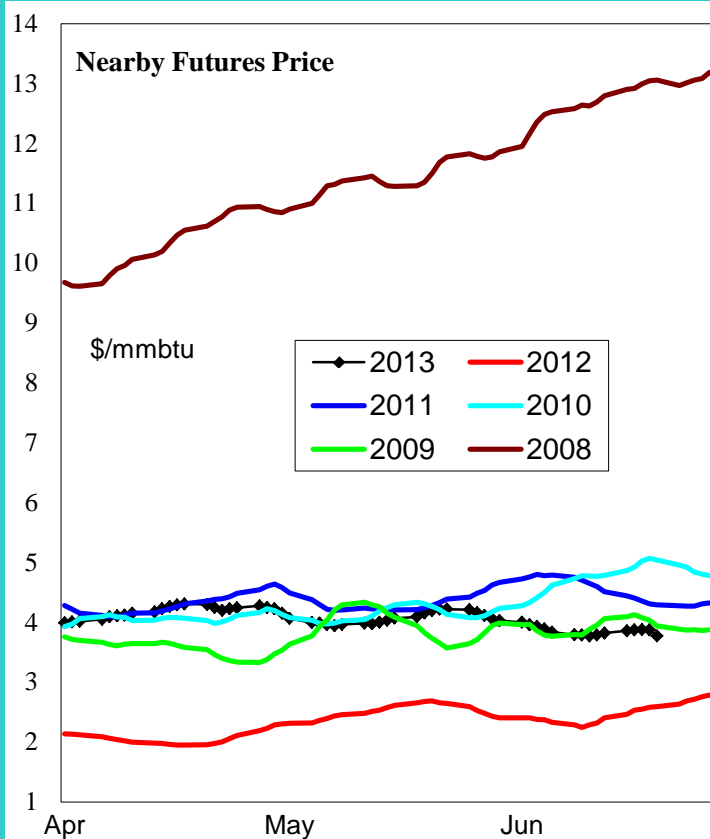
Week ending:	14-Jun-13			8-Jun-13		15-Jun-13		22-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,438	91	-18.7	2	24%	-14	-45%	-3	-50%
East	1,085	60	-24.5	3	38%	-17	-39%	-3	-31%
West	420	11	-5.6	-6	-27%	-12	-58%	-7	-80%
Producing	933	20	-16.2	3	46%	-4	-100%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

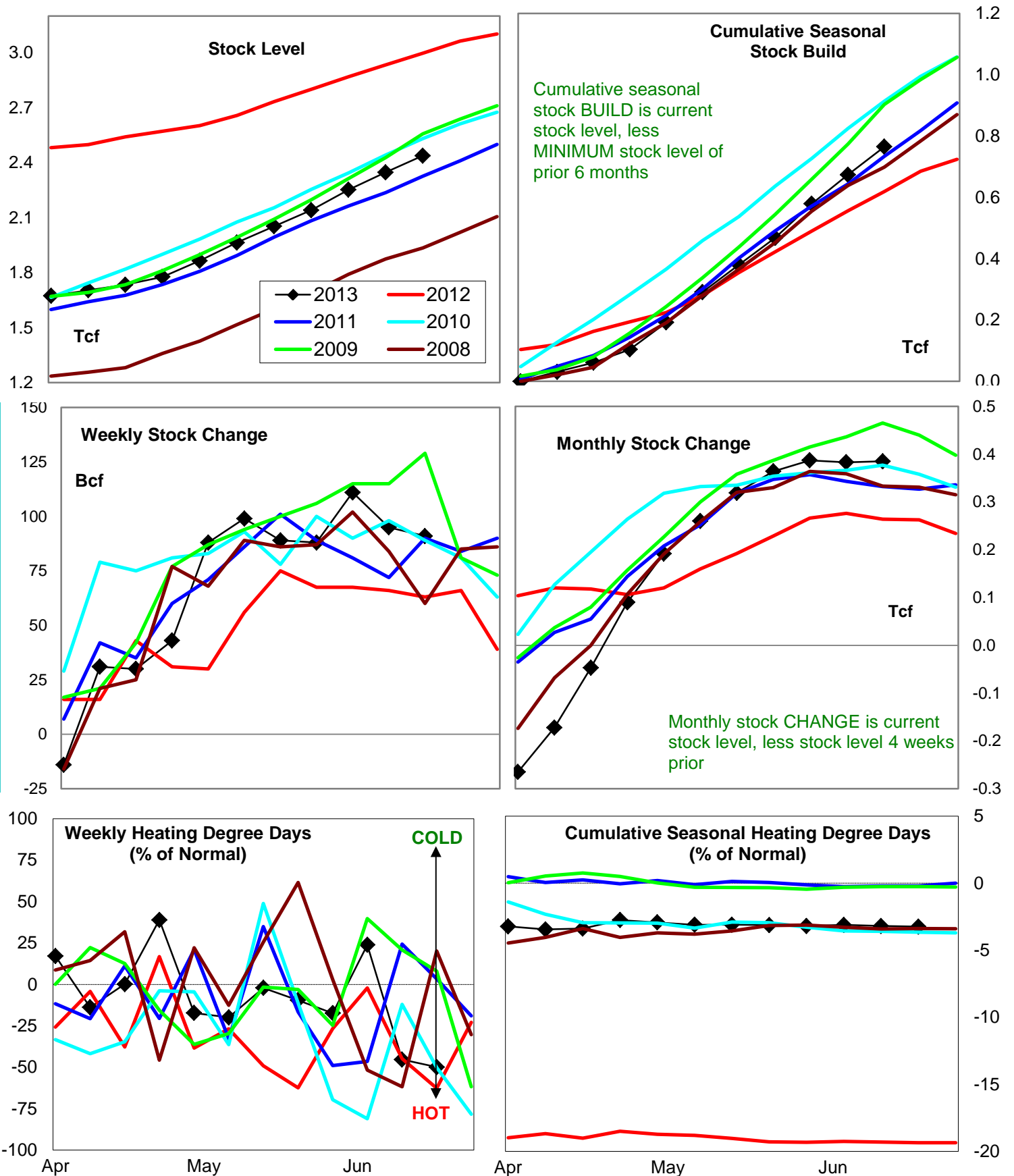
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	765	146	19.1	20	-3.1	6	-3.2	3	-3.2
East	439	51	11.6	24	-2.8	6	-2.9	3	-2.9
West	90	-11	-12.2	22	-4.3	10	-4.6	4	-4.8
Producing	243	94	38.7	4	-4.0	0	-4.0	0	-4.1

Futures Market Price Trends

Date:	21-Jun-13	Change vs prior week, month, year		
		17-Jun-13	27-May-13	2-Jul-12
1st month Futures	3.77	-0.10	-0.47	0.83
% change	xxxxx	-2.7	-11.0	28.0



United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
Change

BCF

-559

28

121

146

Percent Change (%)

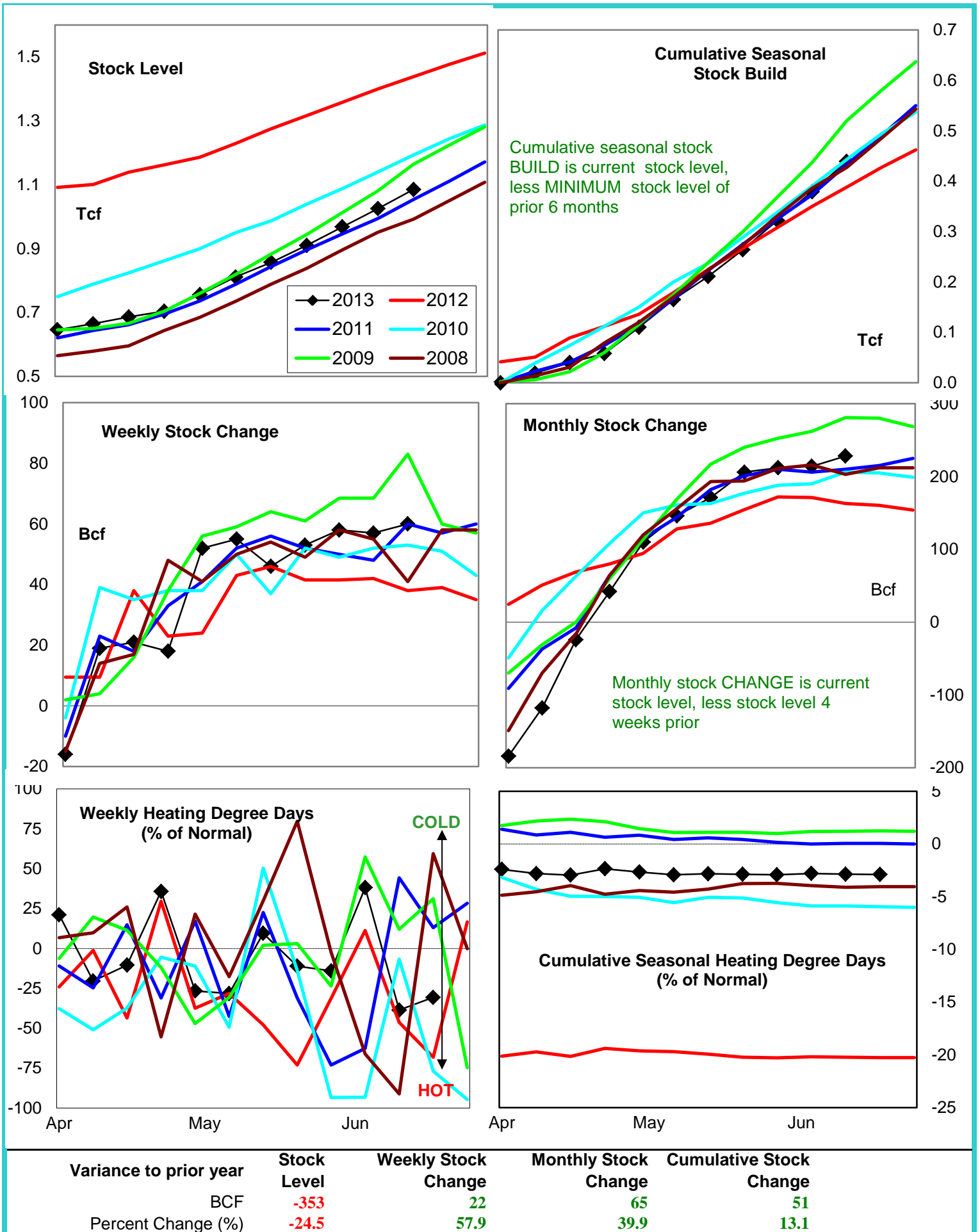
-18.7

44.4

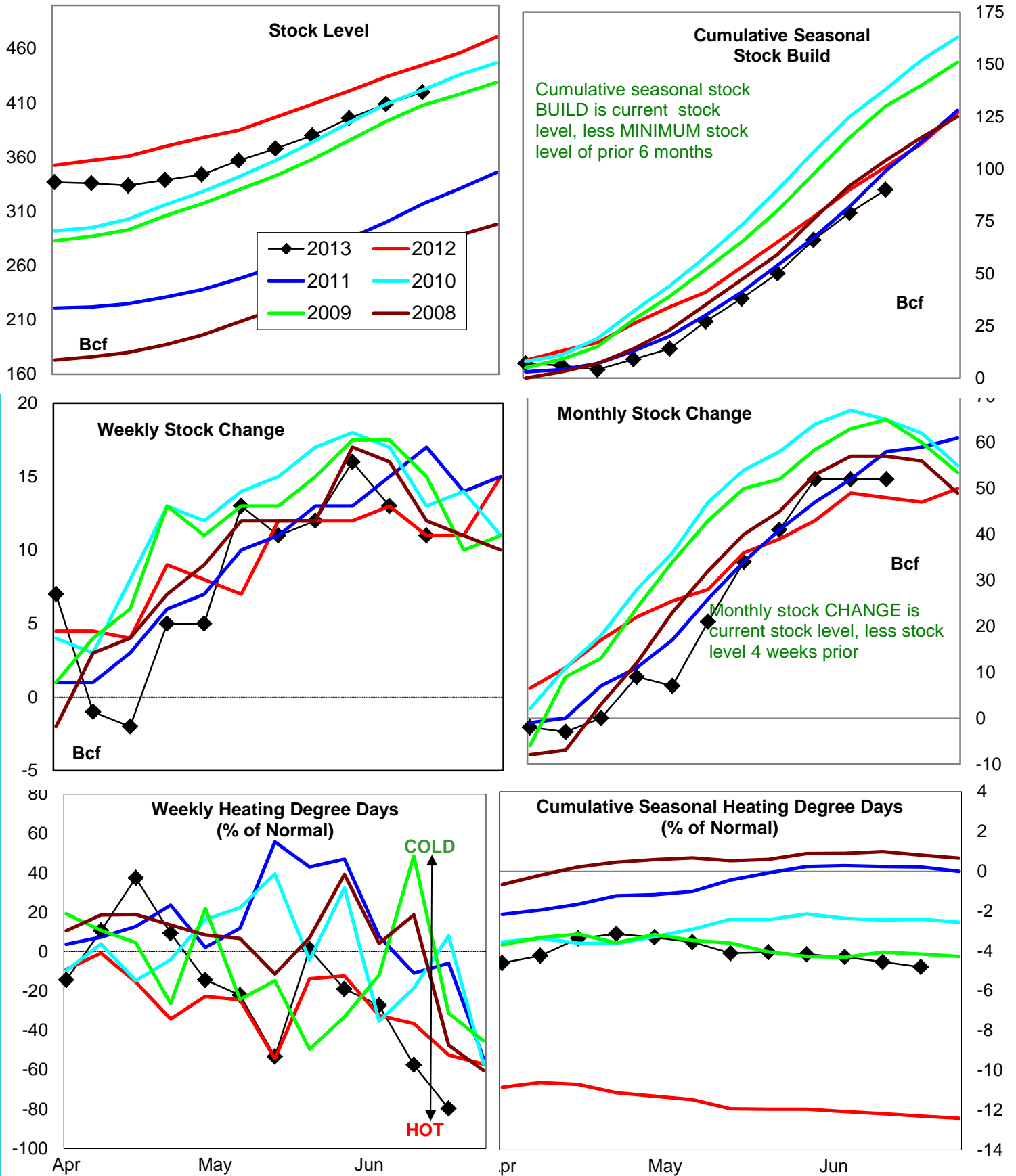
45.8

23.6

Natural Gas East Region Stock and Weather Trends



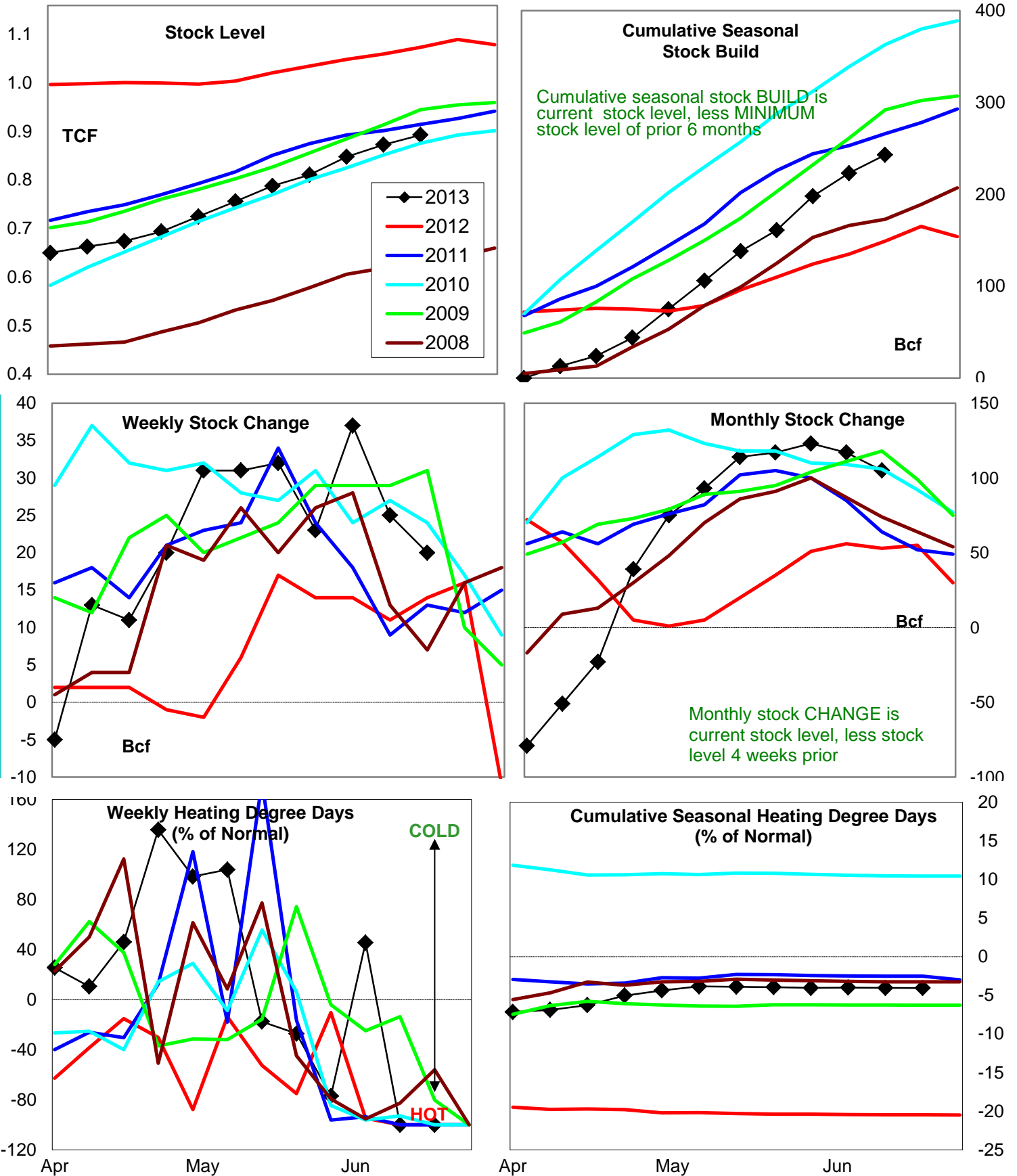
Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)-25
-5.60
0.04
8.3-11
-10.9

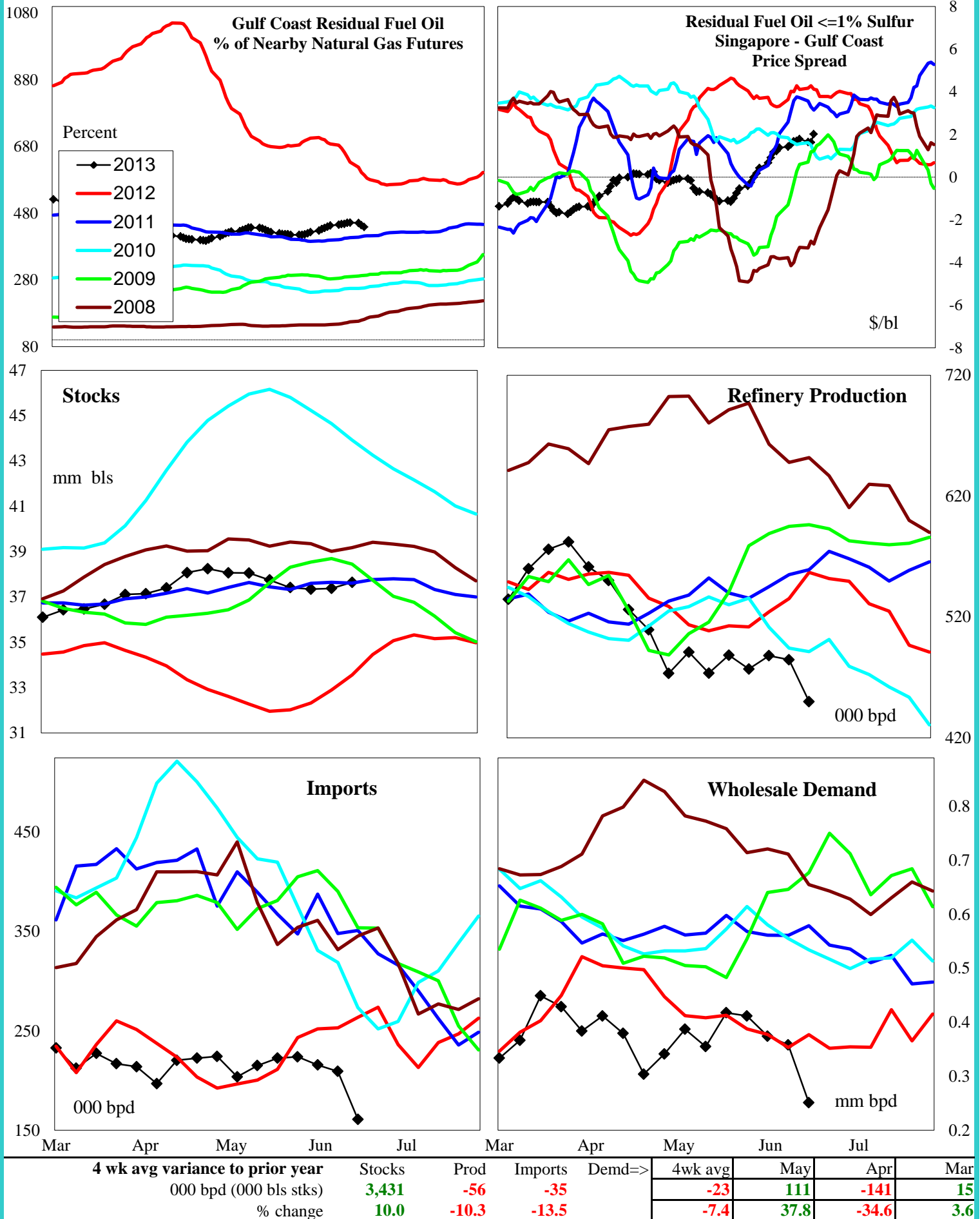
Natural Gas Producing Region Stock and Weather Trends



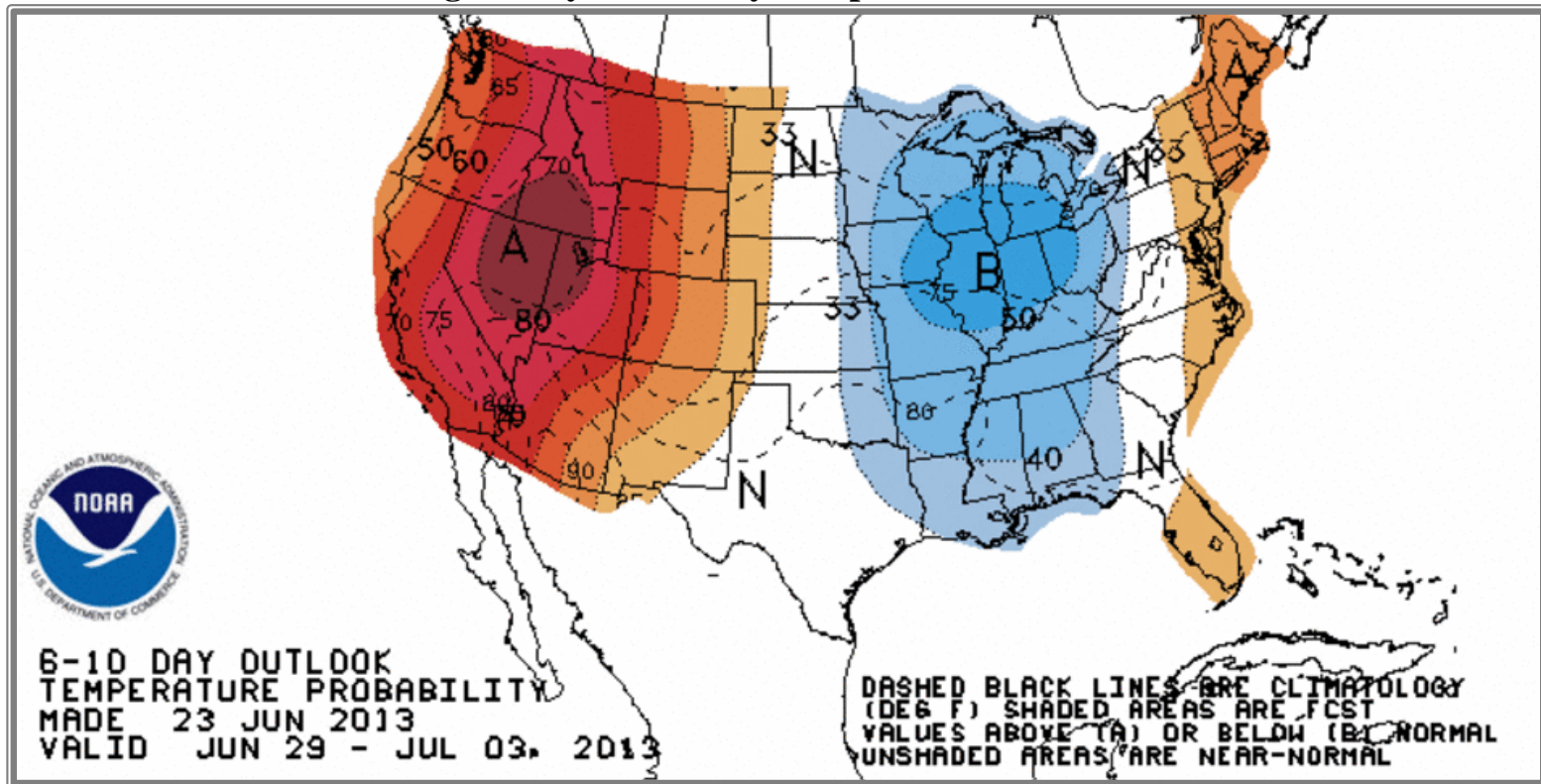
Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)-181
-16.26
42.952
98.194
63.1

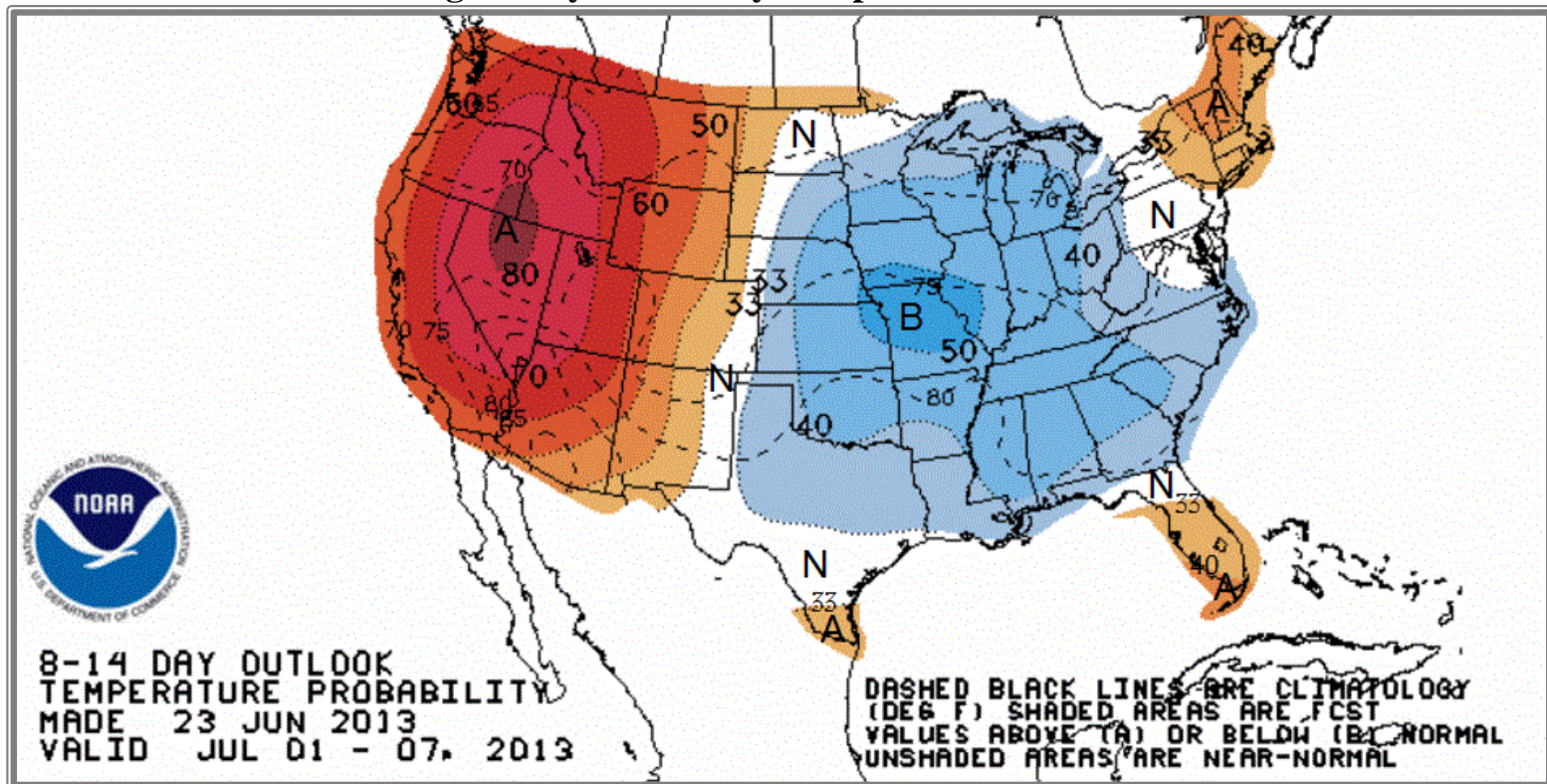
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

