



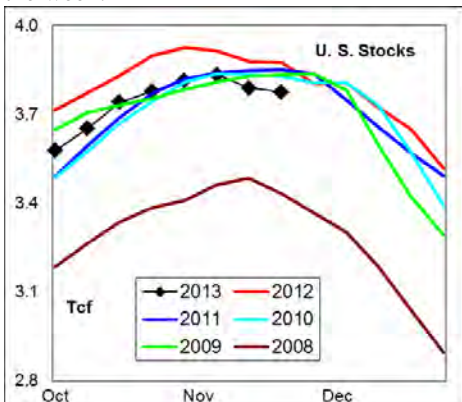
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

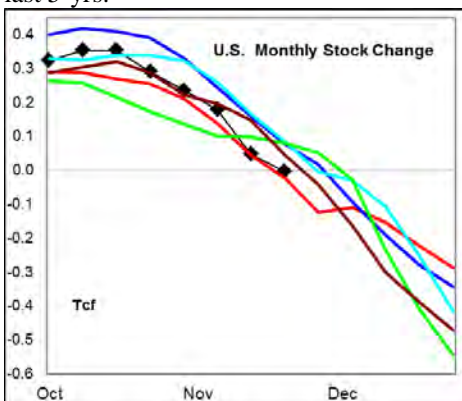
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Monday, December 02, 2013



Summary¹ The stock draw of -13 Bcf for the week matched the 3-yr mid range for the week.



The latest 4-wk stock change was a draw of -23 Bcf, a larger draw than four of the last 5-yrs.



In the East Region stocks decreased -14Bcf for the week, a draw equal to the 3-yr mid range for the period. Stocks decreased -6 Bcf in the West Region, a record draw for the period. Stocks were +7 Bcf higher on the week in the Producing region, a build at the upper end of the historic range.

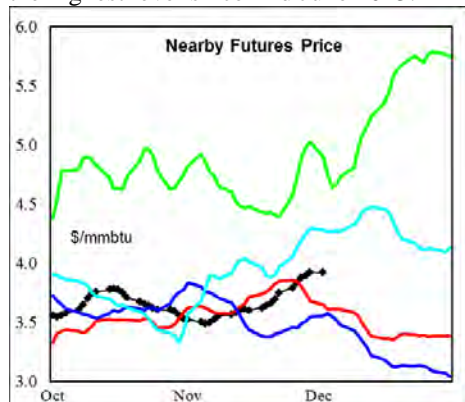
Heating degree days were near normal across the eastern 2/3rds of the country last week.

The 6-10 day NWS forecast for the week ending 11Dec13 is for exceptionally high heating degree days for this time of year across the western 3/4ths of the country.

The 8-14 day NWS forecast for the

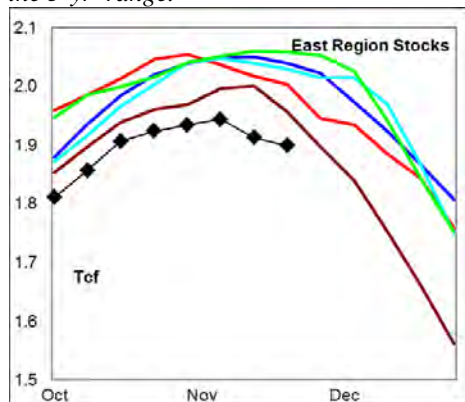
week ending 15Dec13 is for above normal heating degree days across nearly the entire country.

Prices: Nearby gas futures increased +\$0.13/MMBTU for the week ending 02Dec13. The current price level ended the week at a level above the last 2-yrs and the highest level since mid June 2013.



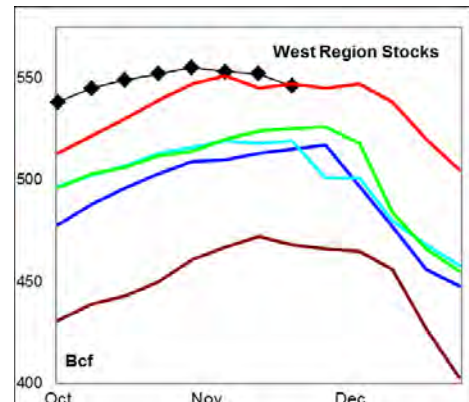
The 1st - 4th month forward price curve trended higher last week ending at record low 'carry' in the forward price curve.

East Region stocks decreased -14 Bcf for the week, a draw equal to the 3-yr mid range. *The current stock level is -5.1% below last years' record high; and below the 5-yr range.*

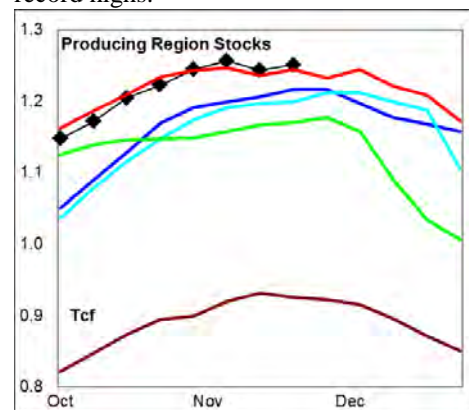


Heating degree days are forecast to be very high in the region for the next 10-days.

West Region stocks decreased -6 Bcf last week, a record draw for the period. Stock levels ended the week -0.2% below last years' record high. Heating degree days are forecast to be extremely high for the next 10-days.



Producing Region stocks increased +7 Bcf for the week, a build at the upper end of the 5-yr range for the period. Stock levels ended the week +0.5% above last years' record highs.



Extremely high heating degree days are forecast for the next 10-days in the region.

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 extremely high for the next 10-days across nearly the entire country for this time of year.

Natural gas stock levels in the East region are below the 5-yr range, although other regions have stock levels near historic highs. The latest 4-wk stock draw is greater than four of the last 5-yrs.

With a forecast of extremely high heating degree days across much of the country into mid December, look for high stock draws. Prices surged above the 6-month trading range last week, and should extend the uptrend, on the current weather outlook.

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 2, 2013

For the week ending: 22-Nov-13

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

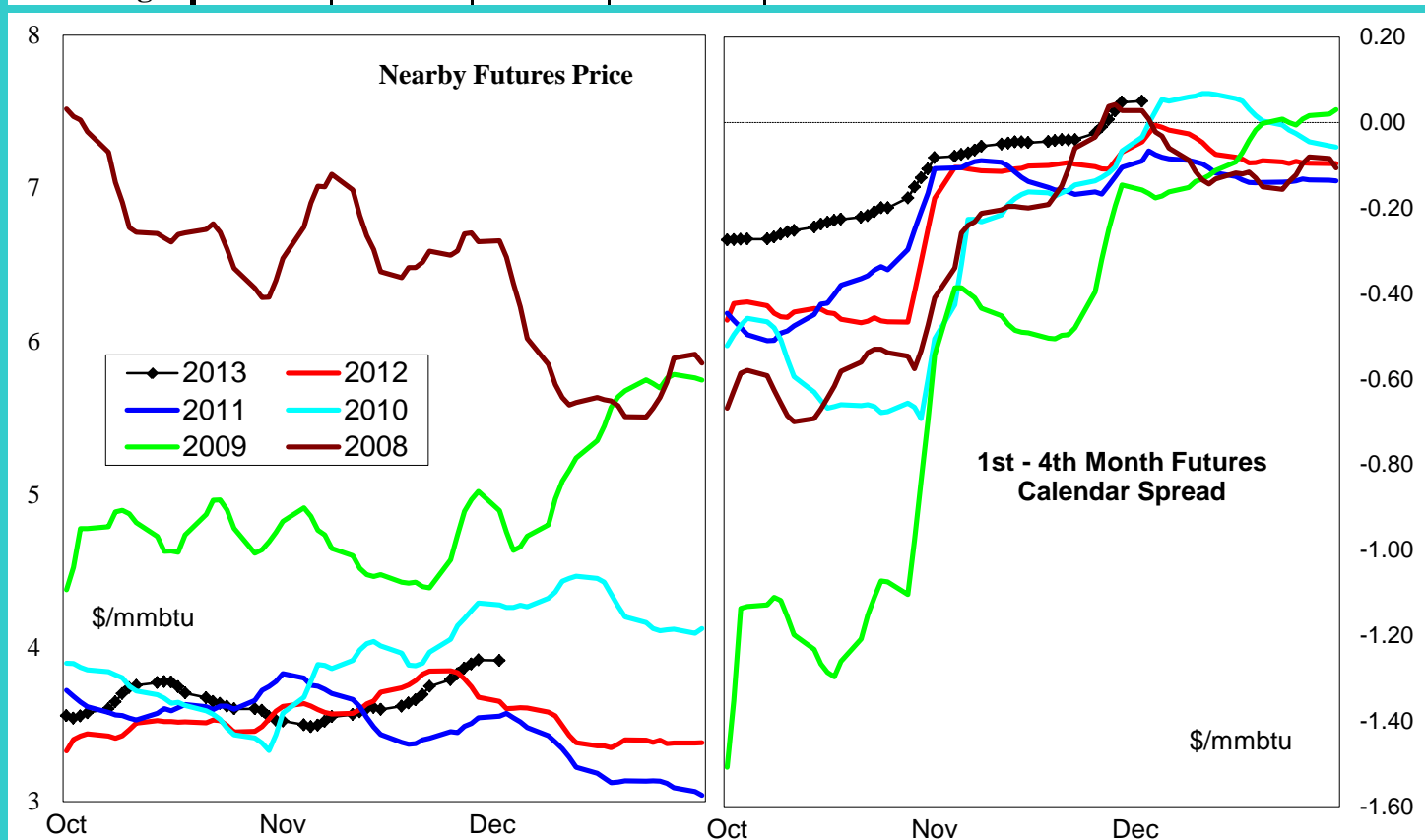
| Week ending: | 22-Nov-13 | | | 15-Jun-13 | | 22-Jun-13 | | 29-Jun-13 | |
|--------------|---------------|------------------|----------|----------------------------|-------------|----------------------|-------------|----------------------|-------------|
| Region | Weekly Stocks | | | Weekly Heating 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 | 3,776 | -13 | -2.6 | -14 | -45% | -2 | -33% | -3 | -77% |
| East | 1,939 | -14 | -5.1 | -17 | -39% | -2 | -18% | -4 | -74% |
| West | 546 | -6 | -0.2 | -12 | -58% | -2 | -55% | -5 | -78% |
| Producing | 1,291 | 7 | 0.5 | -4 | -100% | 0 | -100% | 0 | -100% |

Seasonal Trends in Stocks and Heating Degree Days

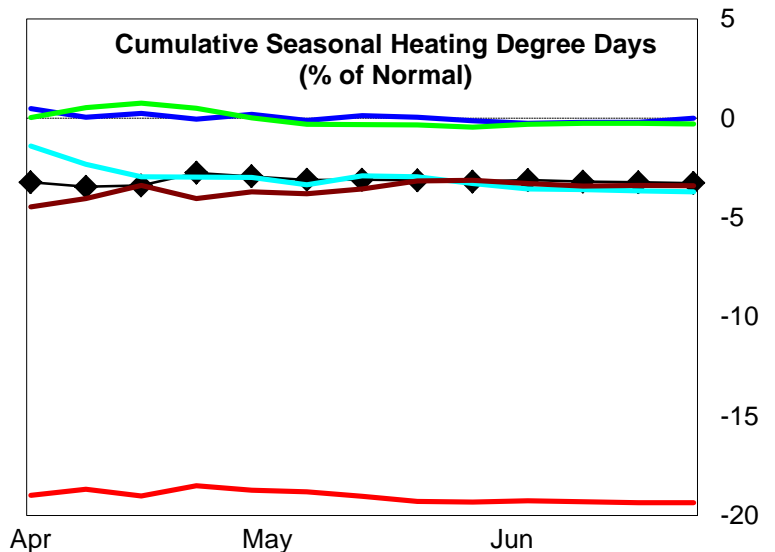
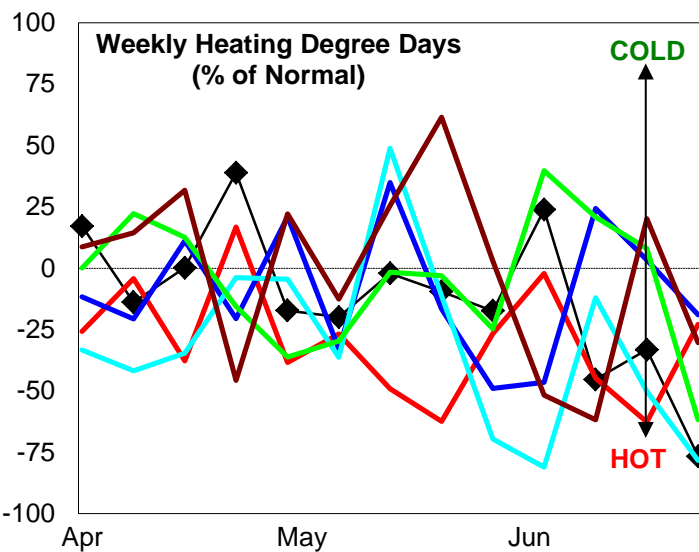
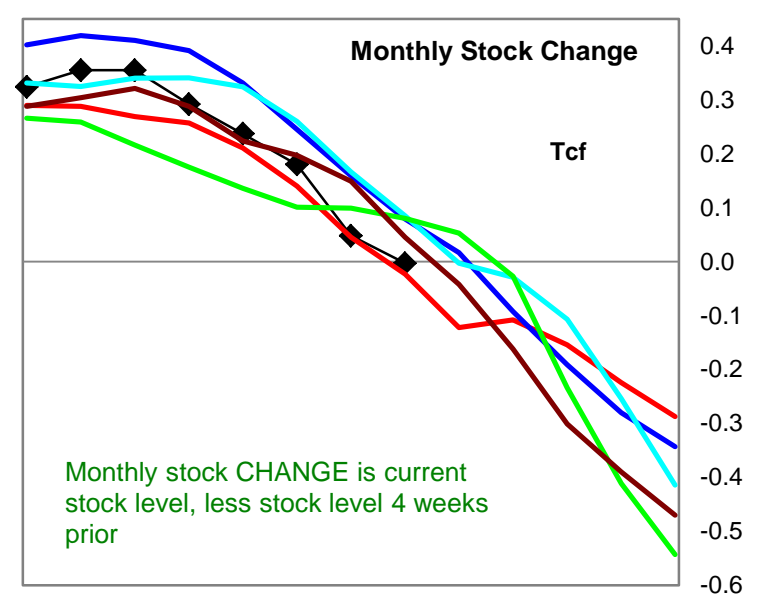
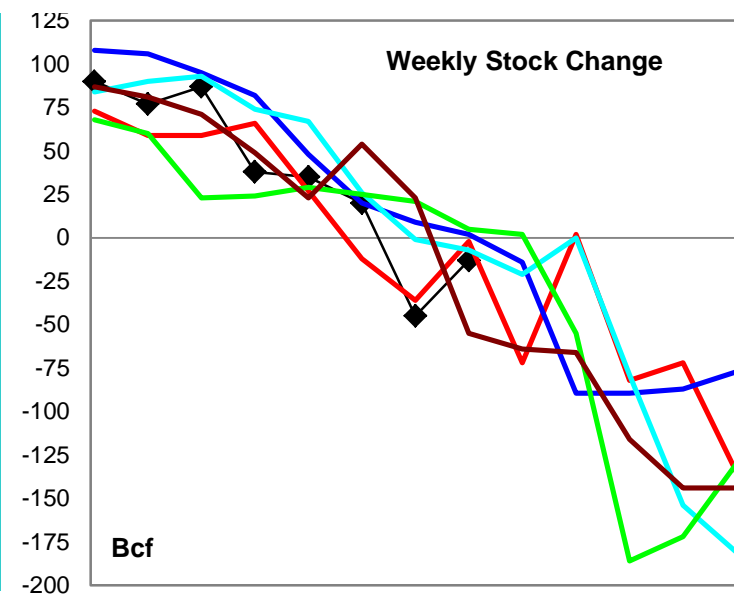
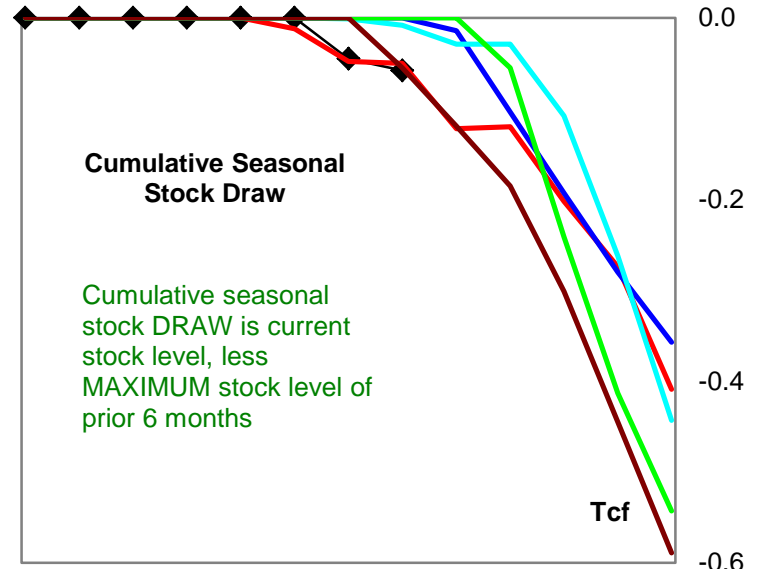
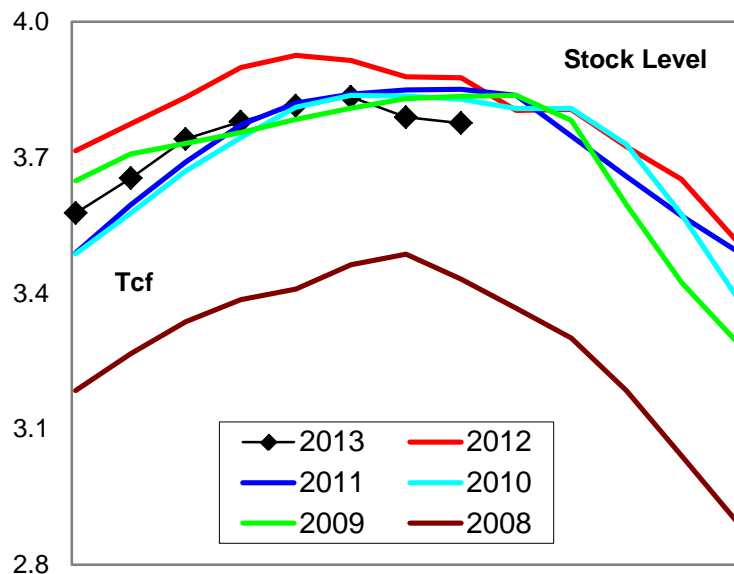
| | Cumulative Stock Change | | | Cumulative Heating Degree Days | | | | | |
|-------------------|-------------------------|-----------------------------|--------------|--------------------------------|----------------|---------------------|----------------|---------------------|----------------|
| | 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 | -58 | -8 | 13.8 | 6 | -3.2 | 4 | -3.2 | 1 | -3.3 |
| East | -45 | 6 | -13.3 | 6 | -2.9 | 4 | -2.9 | 1 | -2.9 |
| West | -9 | -5 | 55.6 | 10 | -4.6 | 8 | -4.7 | 3 | -4.9 |
| Producing | -6 | -4 | 66.7 | 0 | -4.0 | 0 | -4.1 | 0 | -4.1 |

Futures Market Price Trends

| Date: | 2-Dec-13 | Change vs prior week, month, year | | |
|------------------------------|--------------|-----------------------------------|-------------|-------------|
| | | 26-Nov-13 | 5-Nov-13 | 12-Dec-12 |
| 1st month Futures | 3.92 | 0.10 | 0.45 | 0.57 |
| % change | xxxxx | 2.7 | 13.1 | 17.1 |



United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock Level

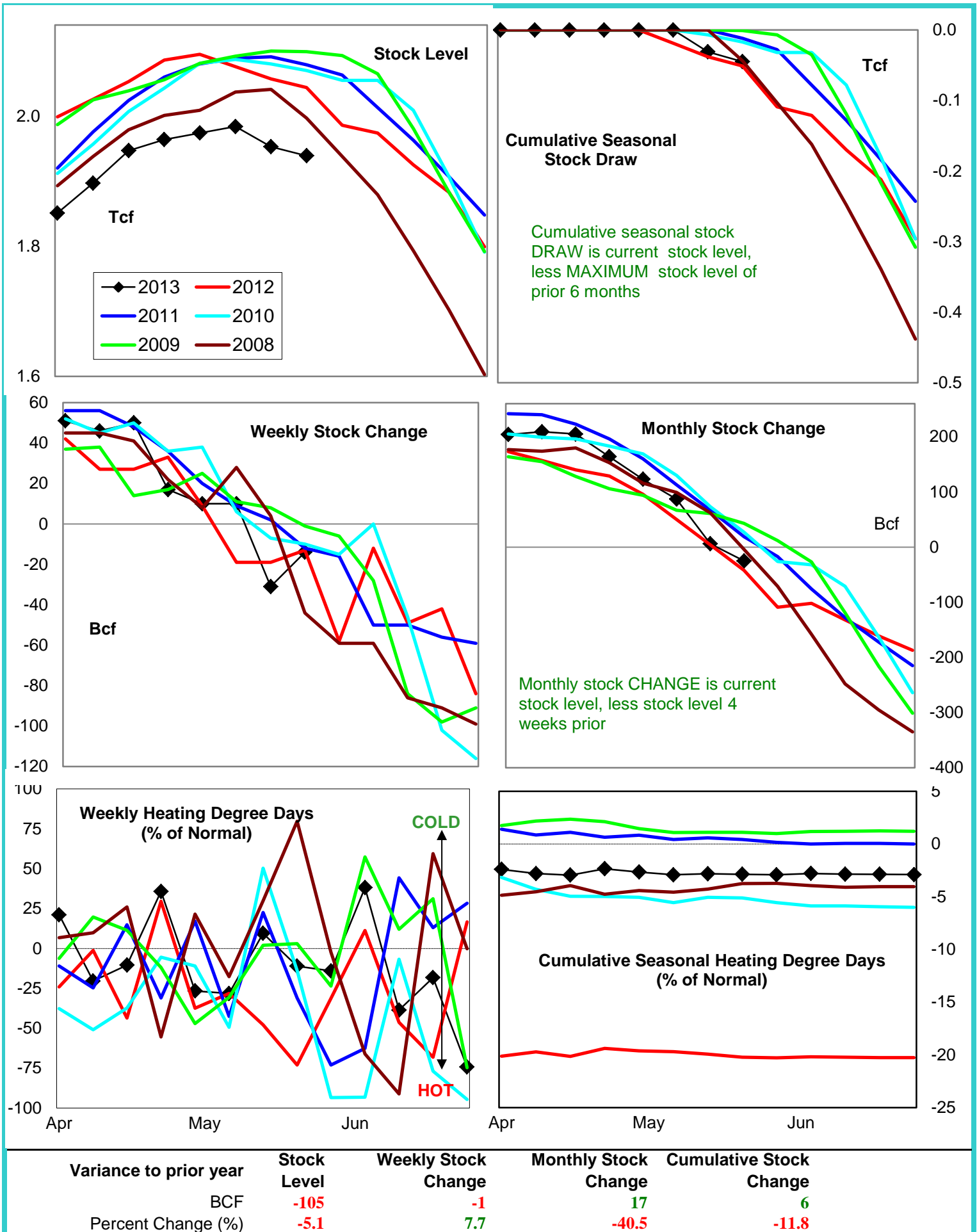
Weekly Stock Change

Monthly Stock Change

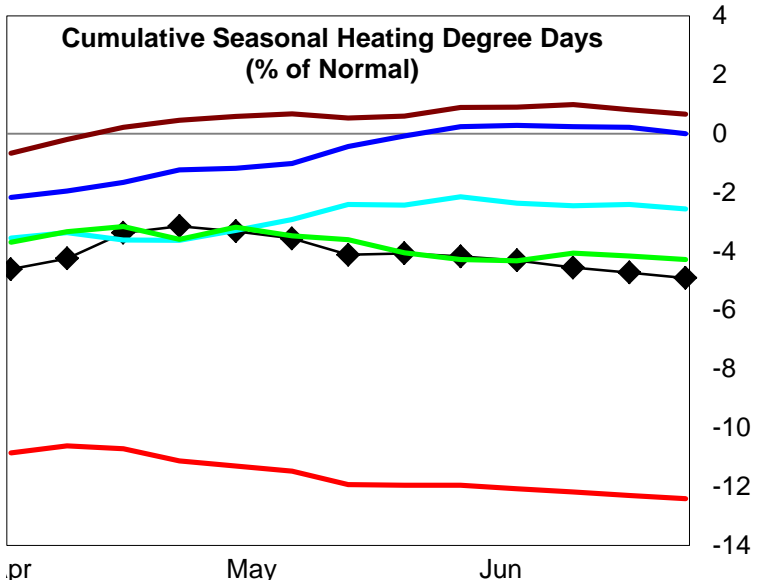
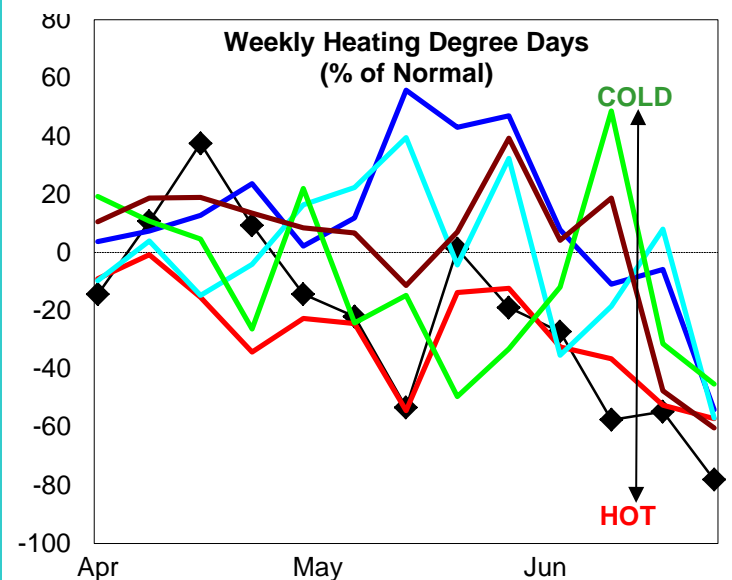
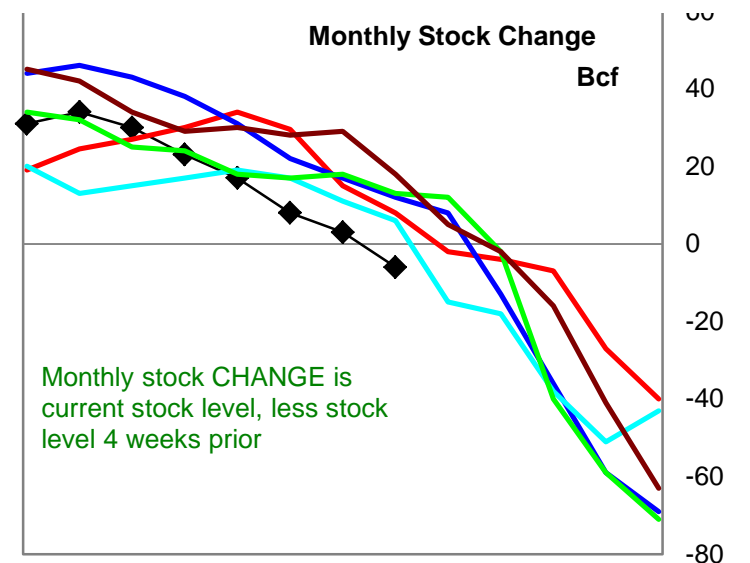
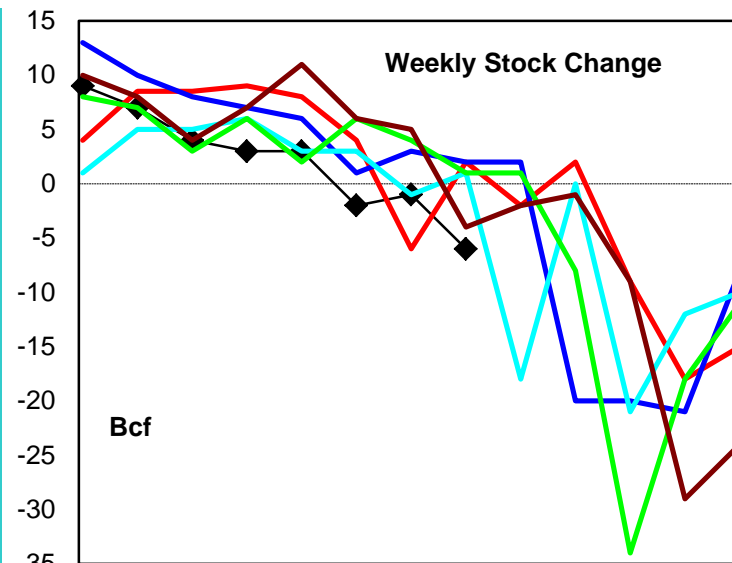
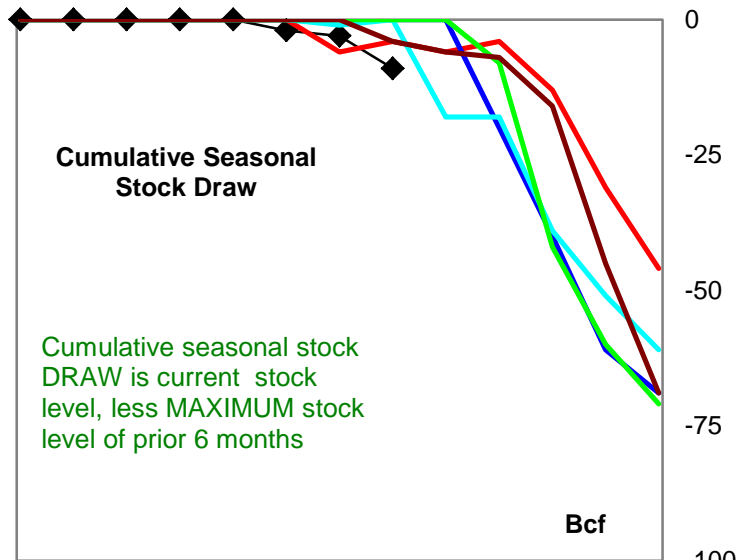
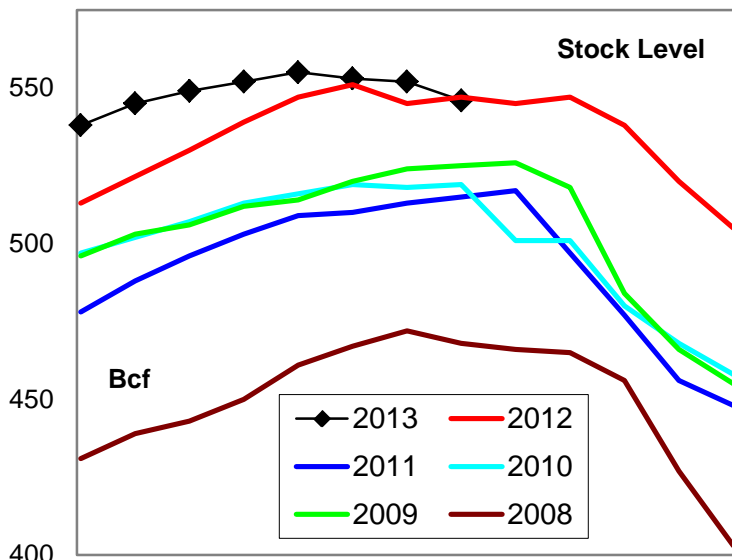
Cumulative Stock Change

BCF
Percent Change (%)-100
-2.6-11
550.020
-87.0-8
16.0

Natural Gas East Region Stock and Weather Trends



Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

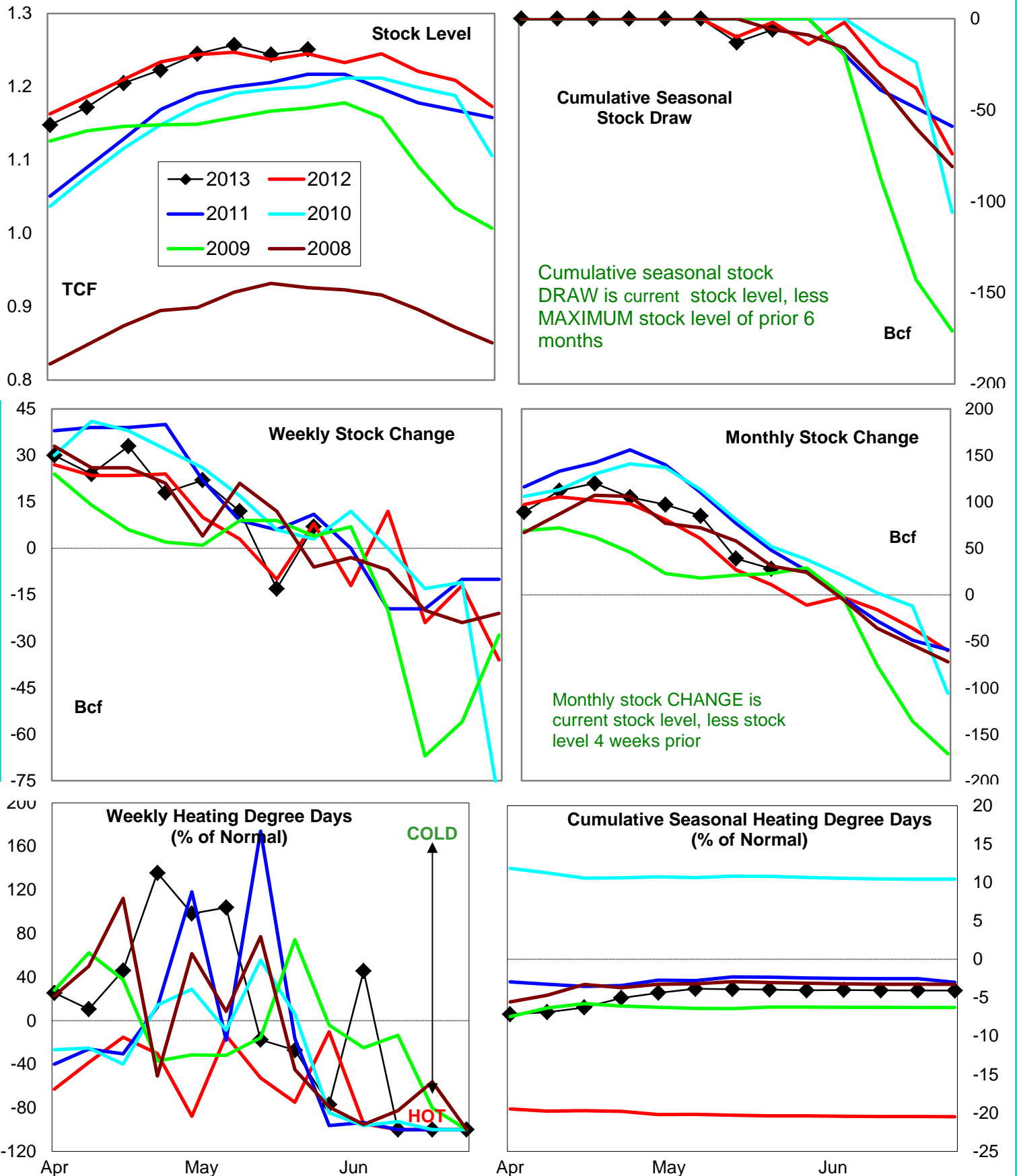
Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF
Percent Change (%)-1
-0.2-8
-400.0-14
-175.0-5
125.0

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

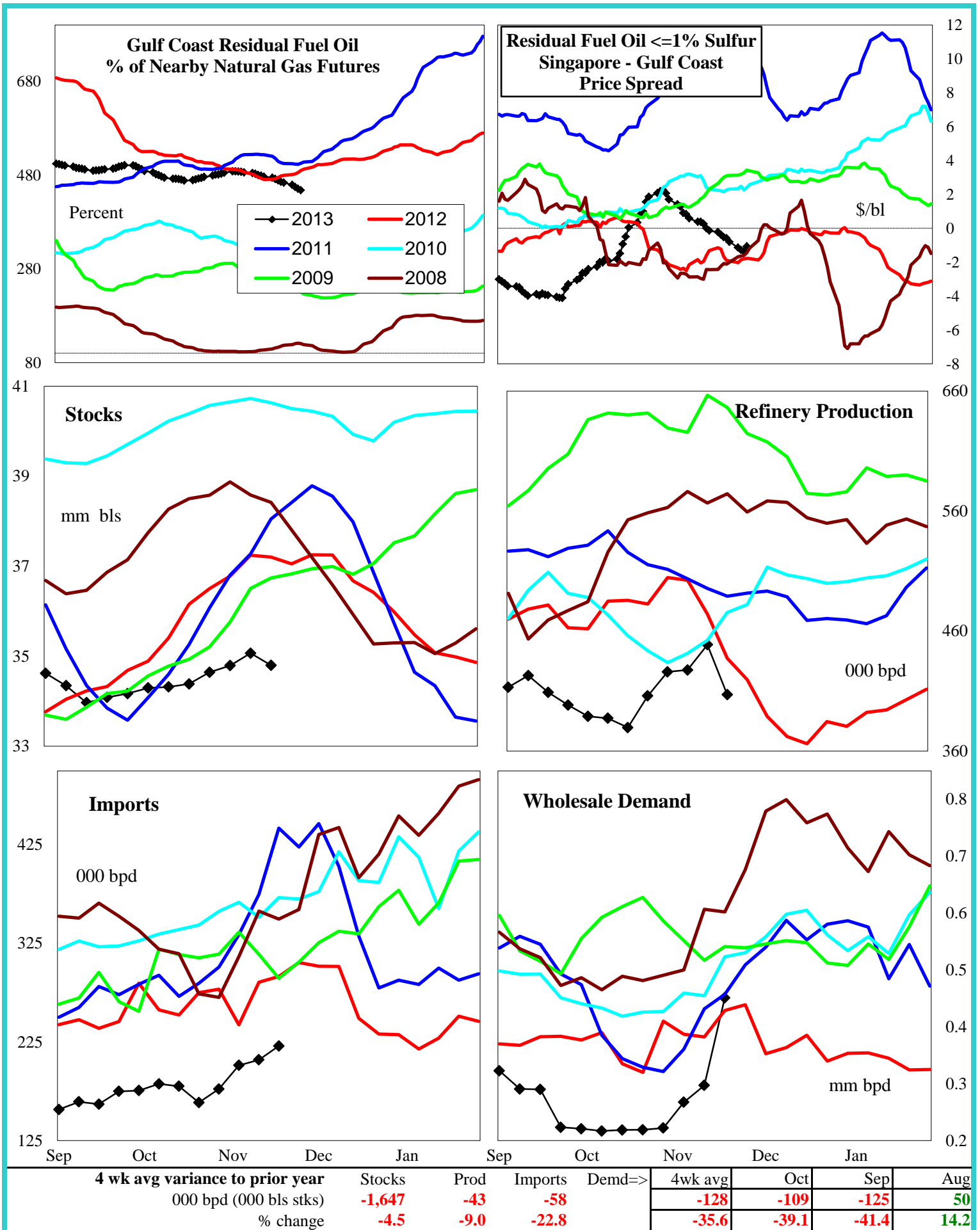
Weekly Stock Change

Monthly Stock Change

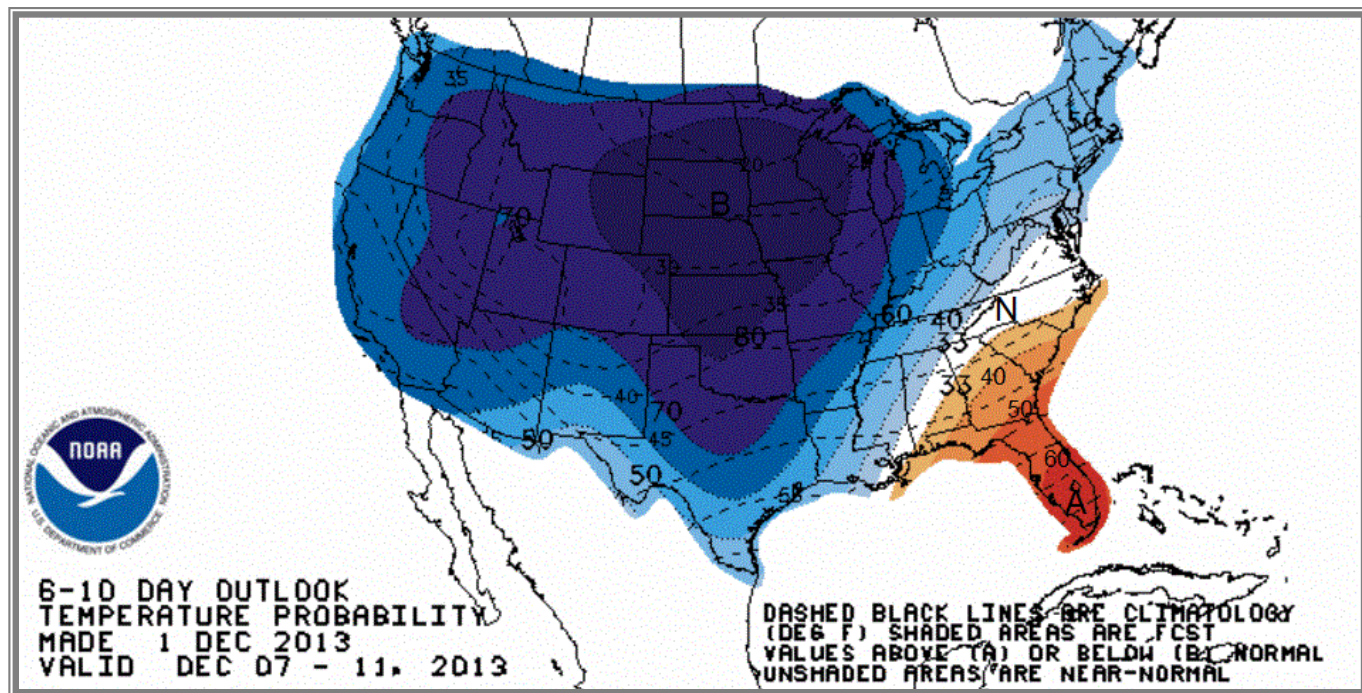
Cumulative Stock Change

BCF
Percent Change (%)6
0.5-1
-12.517
154.5-4
200.0

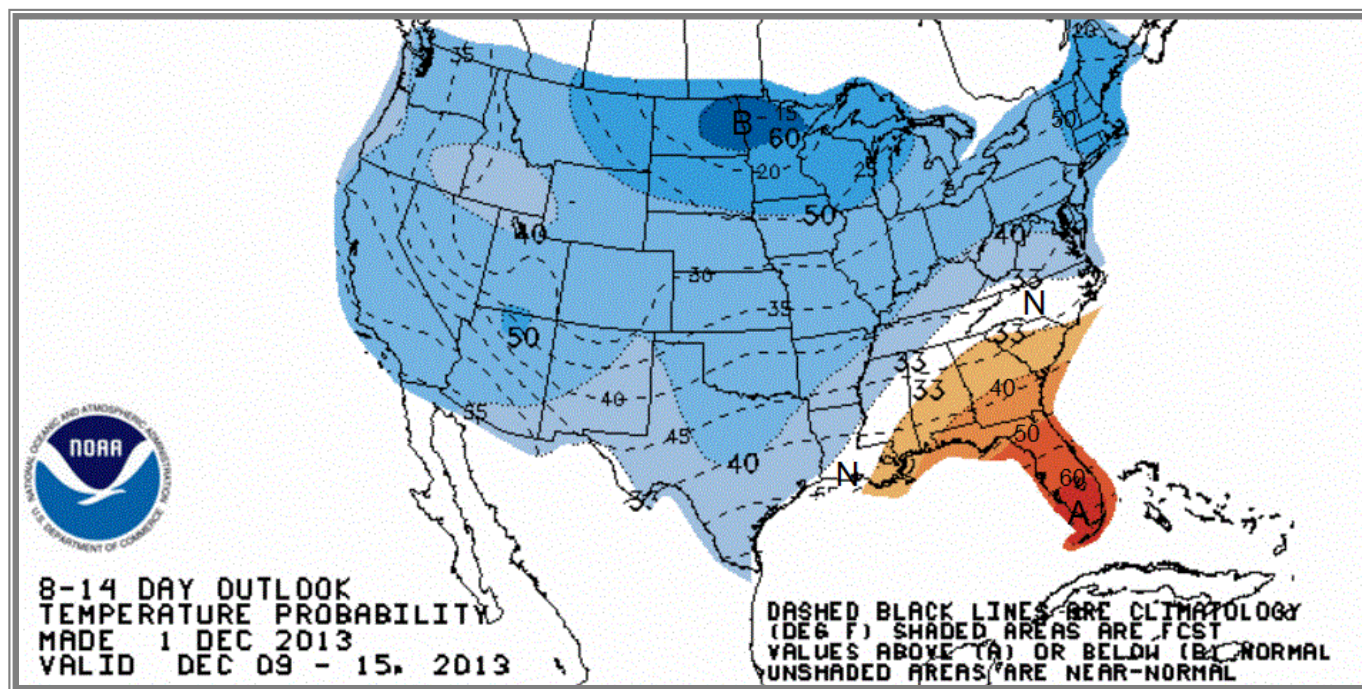
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

