

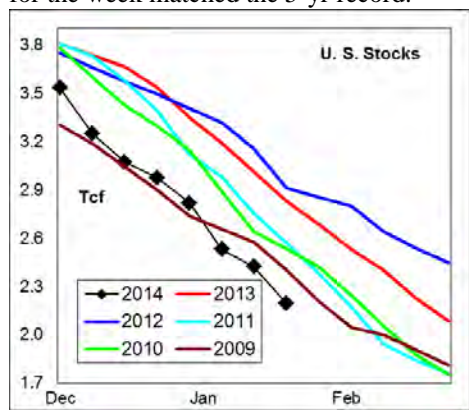
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

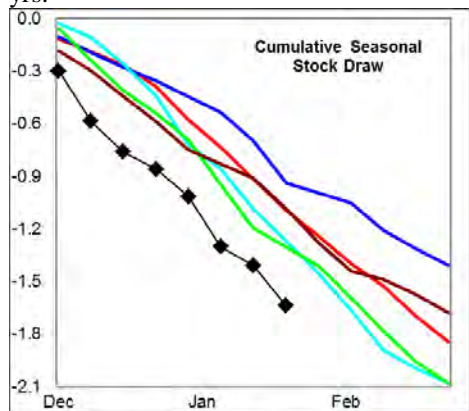
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, January 30, 2014



Summary ¹ The stock draw of -230 Bcf for the week matched the 5-yr record.



The latest 4-wk stock change was a draw of -761 Bcf, larger than four of the last 5-yrs.



In the East Region stocks decreased -124 Bcf for the week, a larger draw than the 3-yr mid range. Stocks decreased -22 Bcf in the West Region, a draw that matched the 3-yr mid range. Stocks decreased -84 Bcf on the week in the Producing region, a record draw for the period.

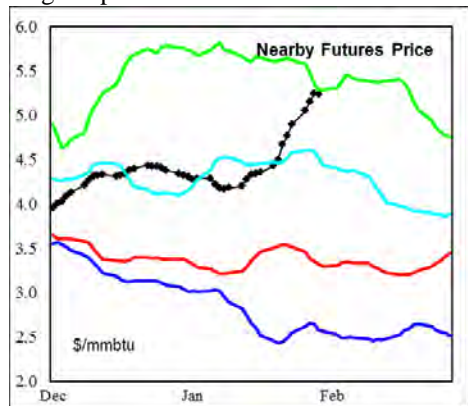
Heating degree days were much above normal in regions East of the Rockies for the week ending 24Jan14.

The 6-10 day NWS forecast for the week ending 08Feb14 is for very high heating degree days across the country, except the southeast and southwest.

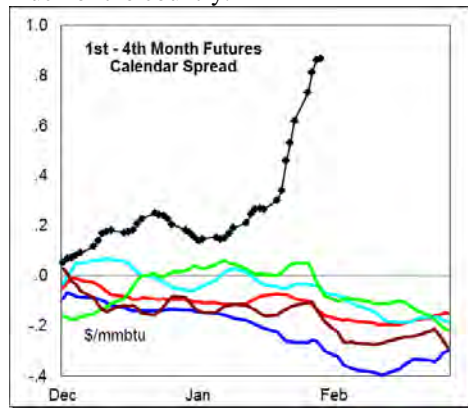
The 8-14 day NWS forecast for the week ending 12Feb14 is for much above normal heating degree days across the

country except the southwest and Florida.

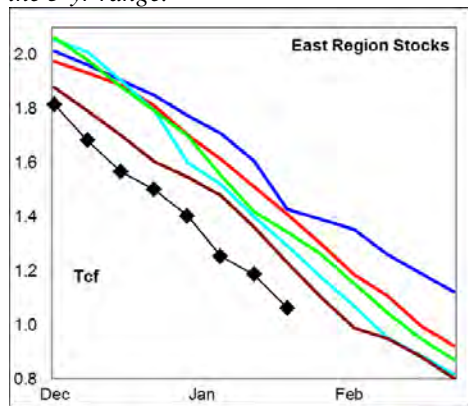
Prices: Nearby gas futures spiked +\$0.51/mmbtu for the week ending 30Jan14. Extremely high heating degree days across much of the country led to the surge in prices last week.



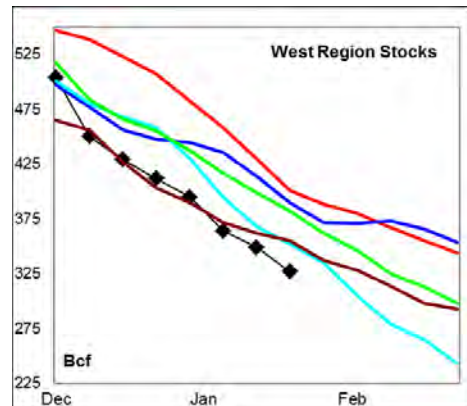
The 1st - 4th month forward price curve spiked higher last week, driven by the extremely high heating degree days across much of the country.



East Region stocks decreased -124 Bcf for the week, a larger draw than the 3-yr mid range. *The current stock level is -25% below last years' record high; and below the 5-yr range.*

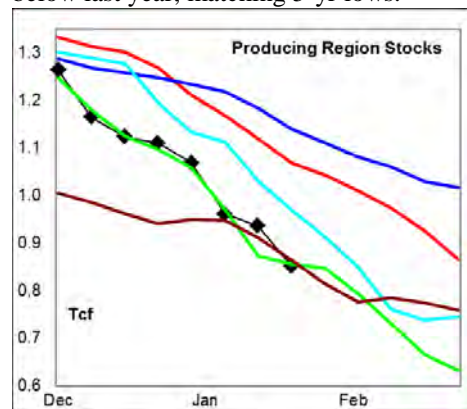


Heating degree days were at extremely high levels last week, and forecast to remain extremely high over the next 10-days.



West Region stocks decreased -22 Bcf last week, a draw that matched the 3-yr mid range. Stock levels ended the week -19% below last years' record high, and below the 5-yr range. Heating degree days are forecast to be near normal for the next 10-days.

Producing Region stocks declined -84 Bcf for the week, a record low draw for the week. Stock levels ended the week -21% below last year, matching 5-yr lows.



Above normal 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 may favor residual fuel in some local eastern markets where pipeline capacity constraints exist.

Outlook: Look for extremely high stock draws to be reported through mid February.

Very high heating degree days are forecast to extend to mid month. The large snowpack should lead to below average temperatures in key heating markets over the next 30-days – driving very high stock draws. An extremely inverted forward price curve points to potential for a large price pull back on an end to winter heating demand.

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: January 30, 2014

For the week ending: 6-Jan-14

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

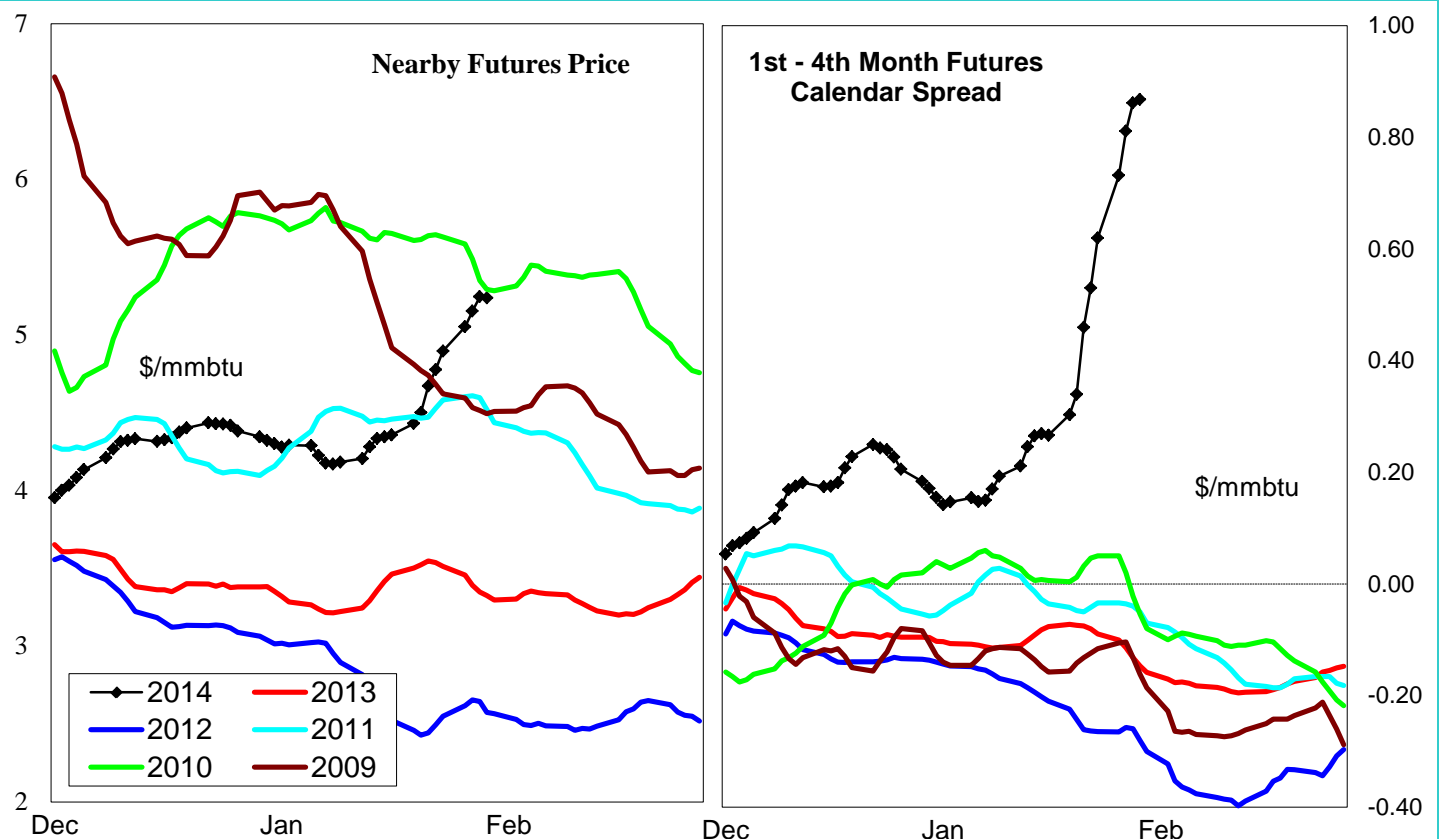
Week ending:	6-Jan-14			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,193	-230	-22.5	-14	-45%	-2	-33%	-3	-77%
East	1,063	-124	-24.6	-17	-39%	-2	-18%	-4	-74%
West	327	-22	-18.5	-12	-58%	-2	-55%	-5	-78%
Producing	803	-84	-21.3	-4	-100%	0	-100%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

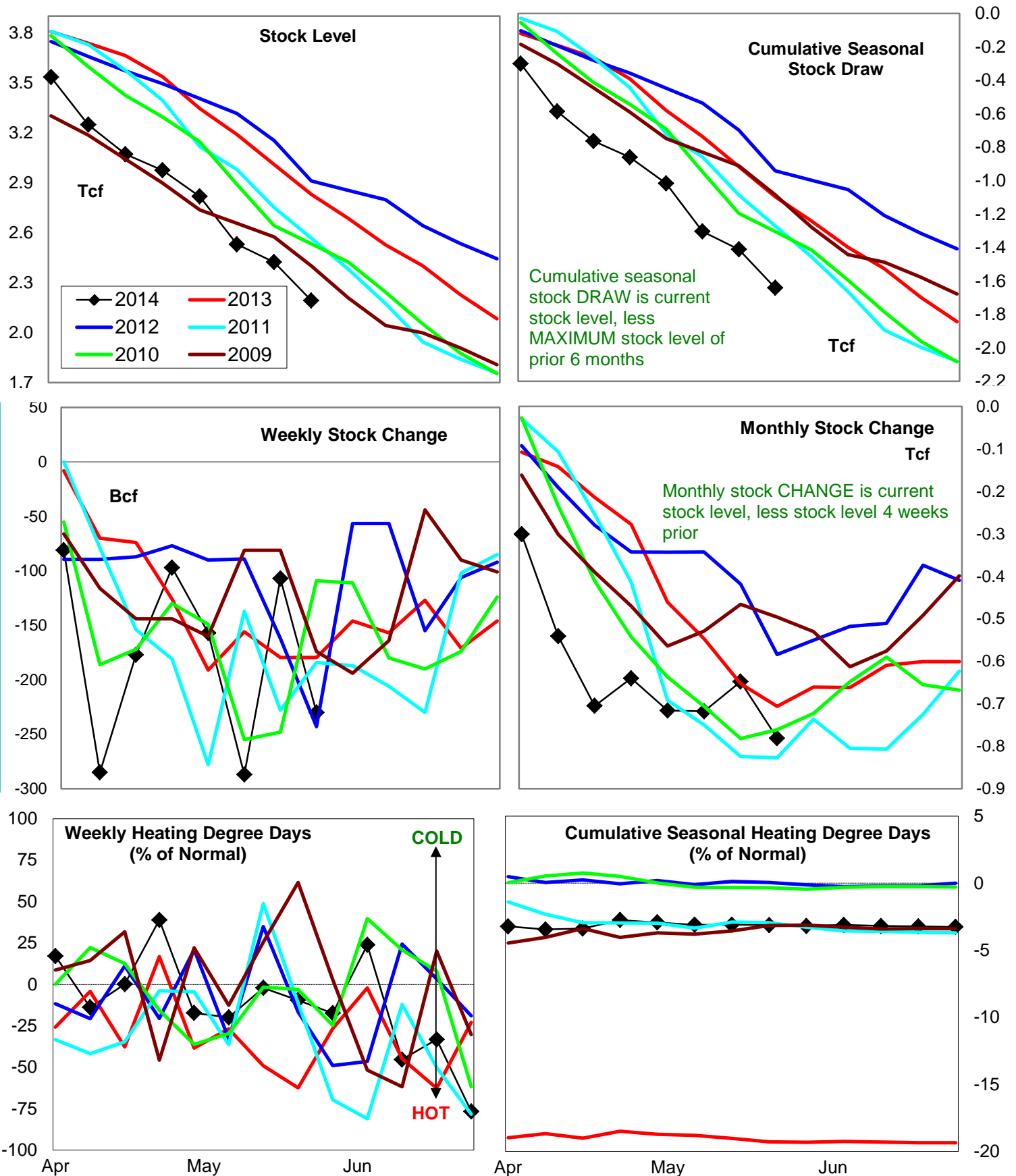
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	-1,641	-545	33.2	6	-3.2	4	-3.2	1	-3.3
East	-921	-235	25.5	6	-2.9	4	-2.9	1	-2.9
West	-228	-78	34.2	10	-4.6	8	-4.7	3	-4.9
Producing	-494	-227	46.0	0	-4.0	0	-4.1	0	-4.1

Futures Market Price Trends

Date:	30-Jan-14	Change vs prior week, month, year		
		24-Jan-14	3-Jan-14	8-Feb-13
1st month Futures	5.24	0.06	0.93	2.01
% change	xxxxx	1.1	21.7	62.2



United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock Level

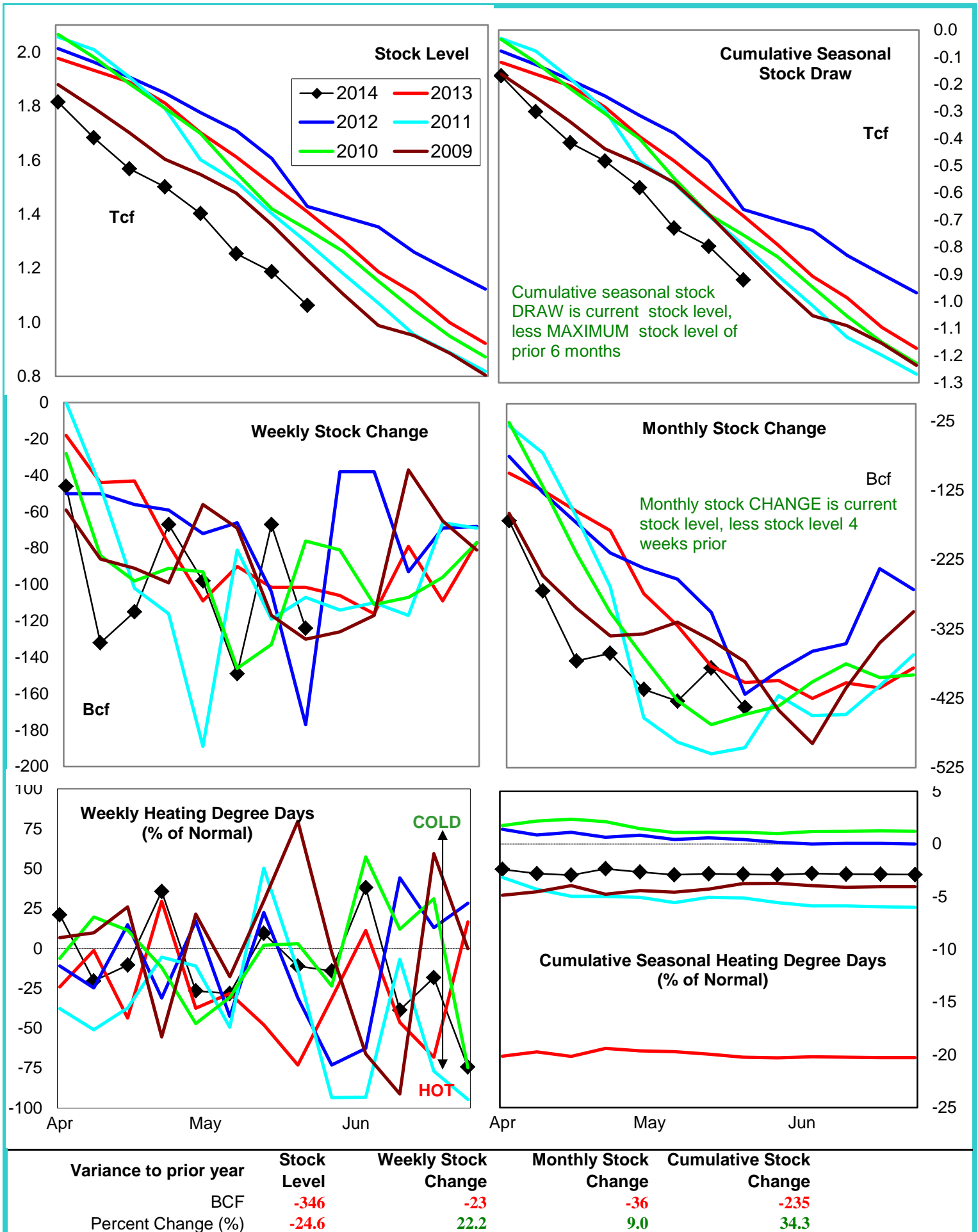
Weekly Stock Change

Monthly Stock Change

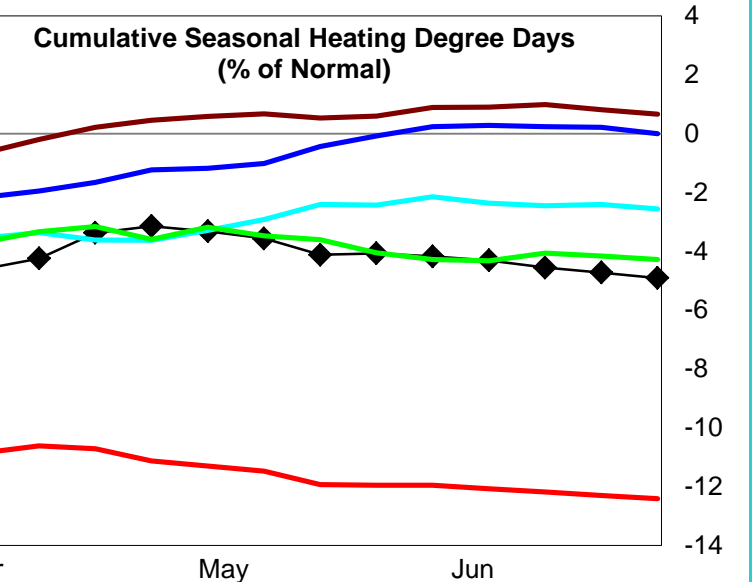
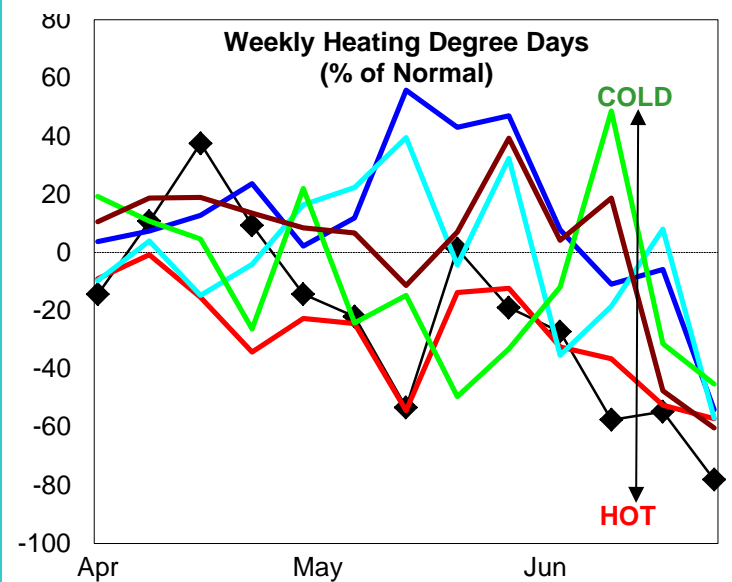
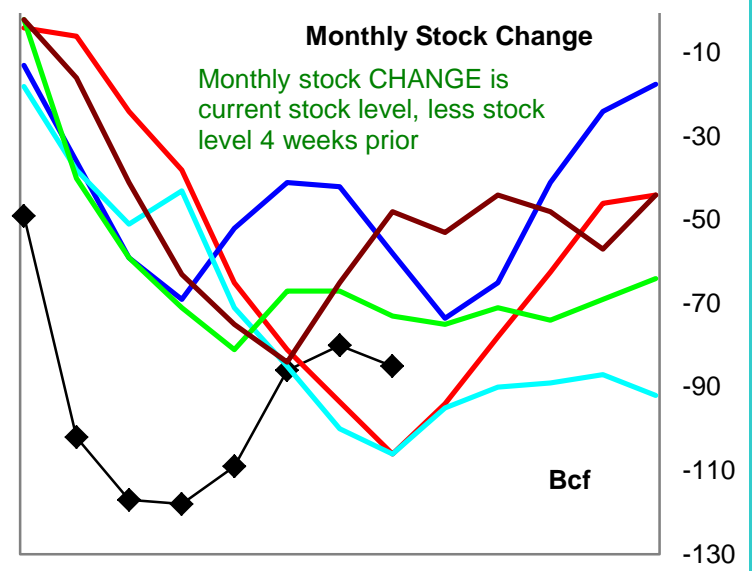
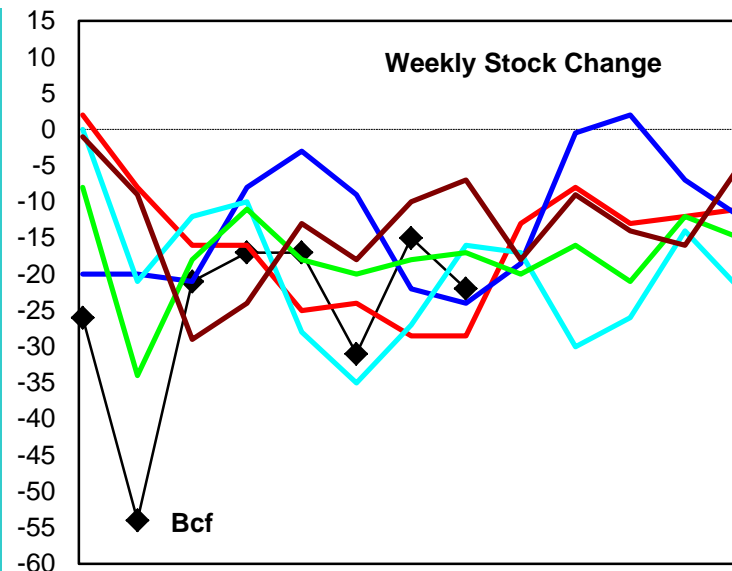
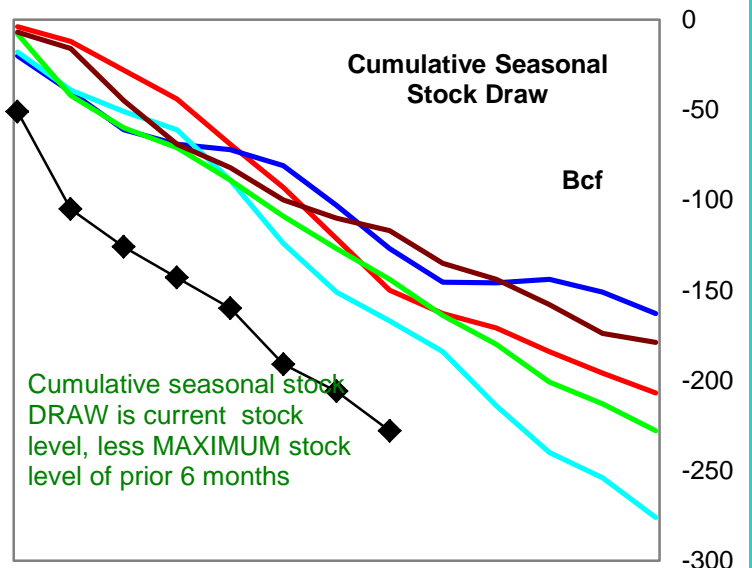
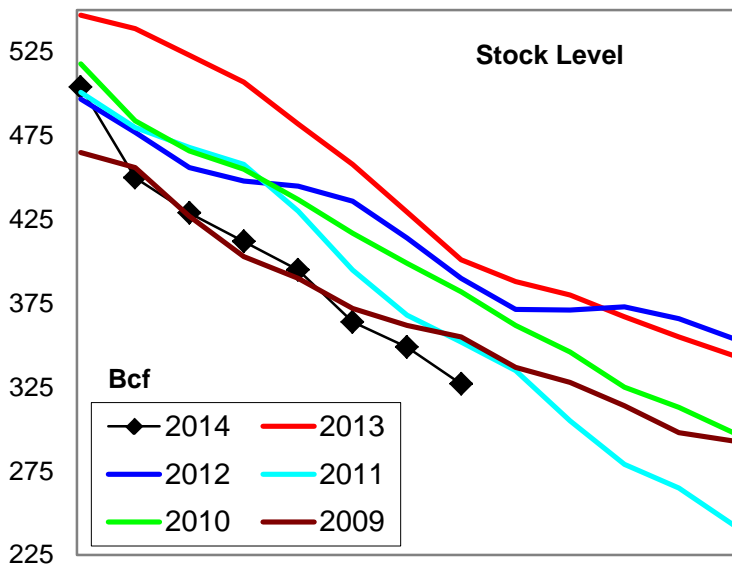
Cumulative Stock Change

BCF
Percent Change (%)-637
-22.5-51
28.1-75
10.6-545
49.7

Natural Gas East Region Stock and Weather Trends



Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

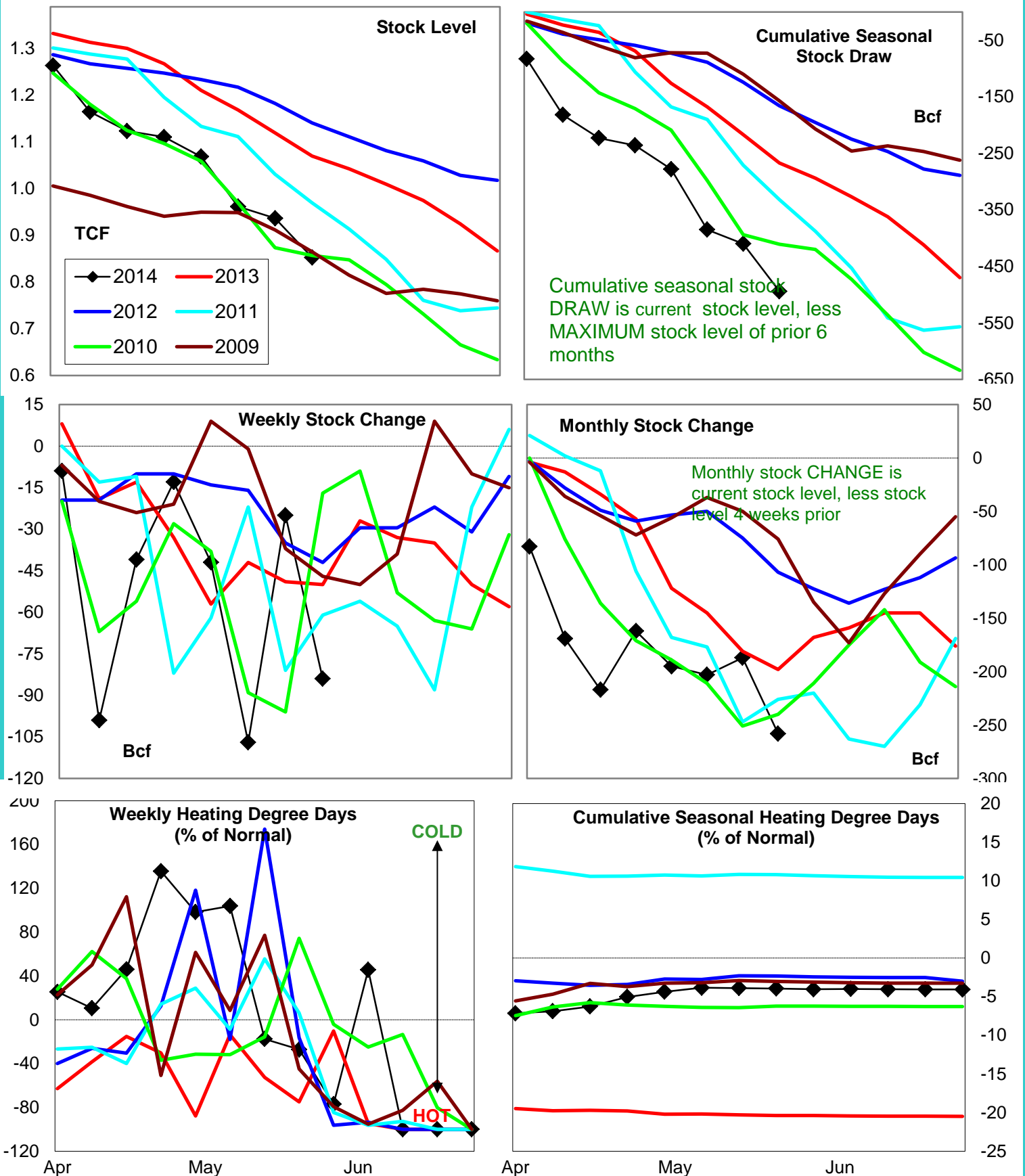
Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF
Percent Change (%)-74
-18.57
-22.821
-19.8-78
52.0

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

-217

-34

-60

-227

Percent Change (%)

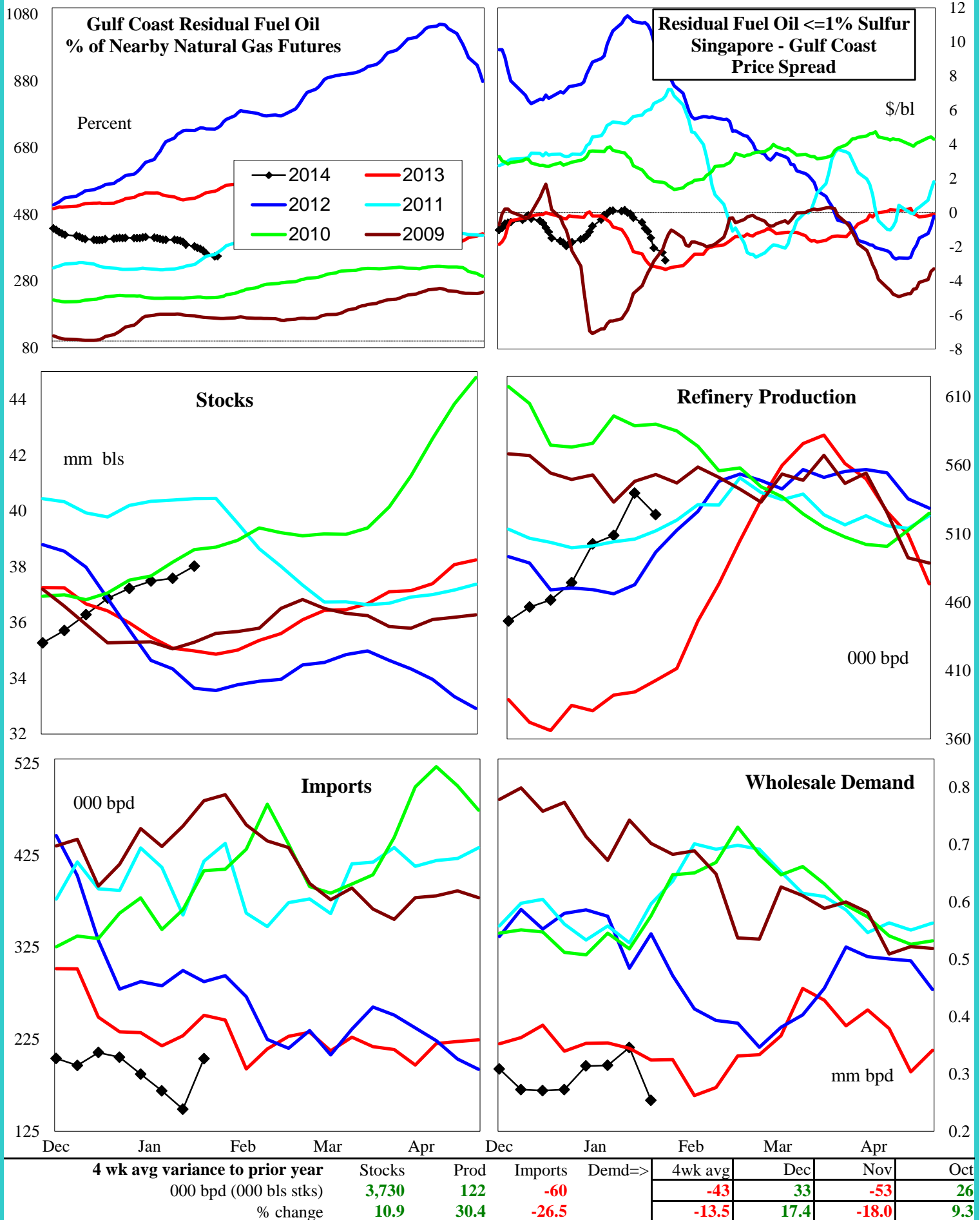
-21.3

68.0

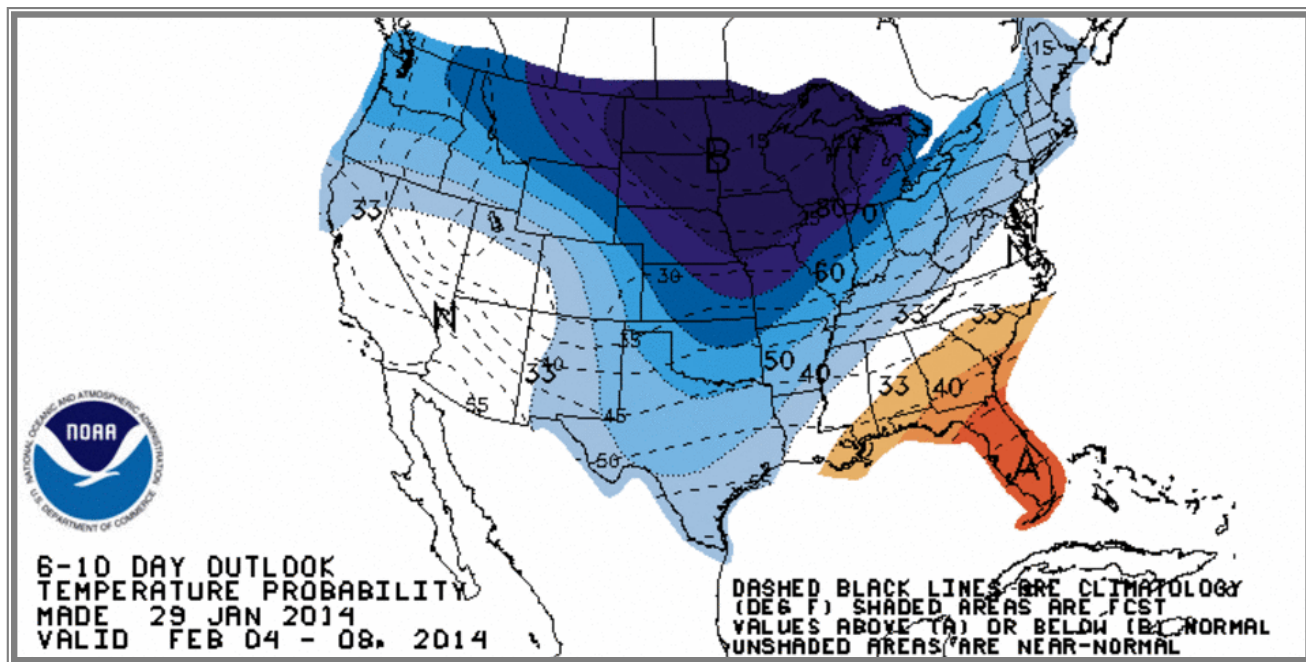
30.3

85.0

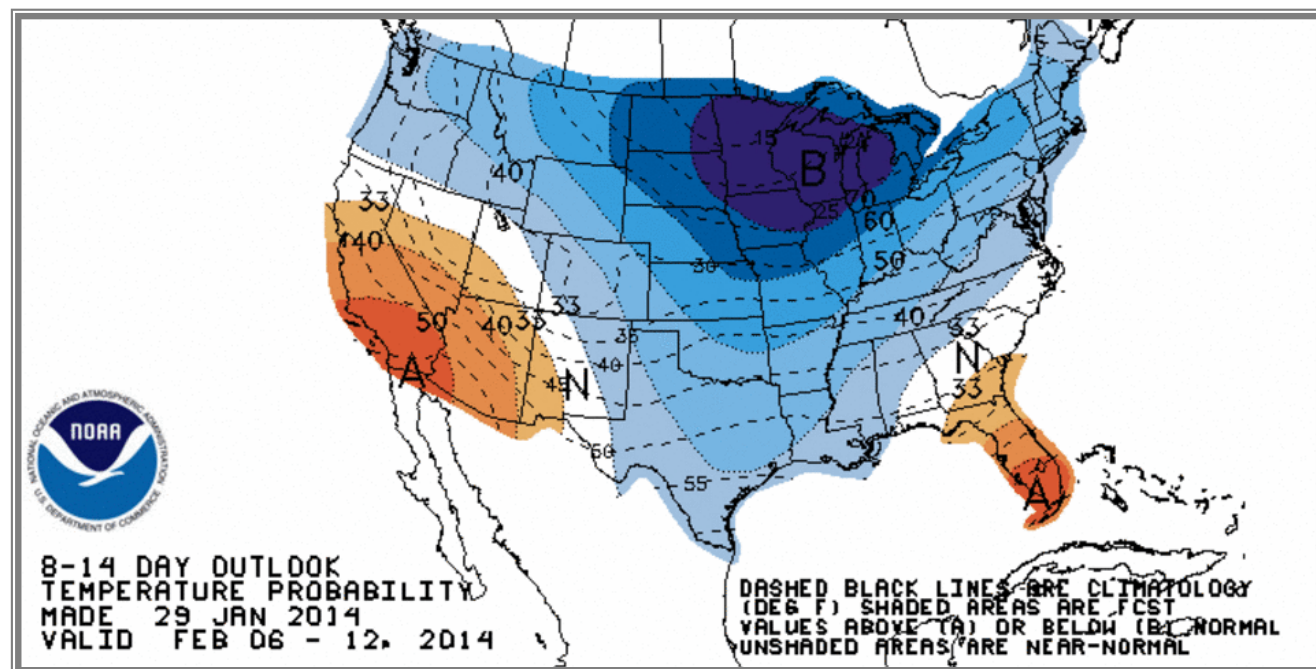
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

