

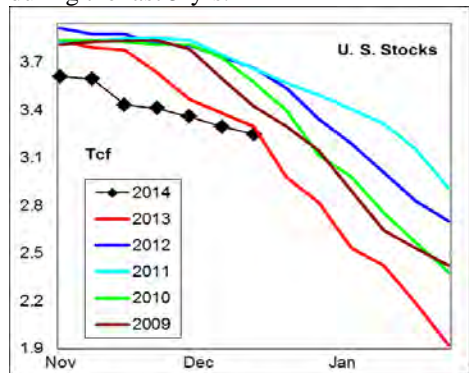
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

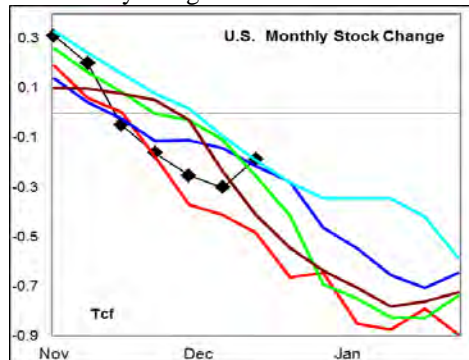
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Friday, December 26, 2014



Summary¹ The stock draw of -49 Bcf last week was a record low draw for this period during the last 5-yrs.



The latest 4-wk stock change was a draw of -191 Bcf, was a record low draw for this time of year. The cumulative stock draw for the winter season was -32% less than last year, resulting in a stock level that now matches a year ago.



In the East Region stocks decreased -36 Bcf for the week, a draw equal to the lowest draw for this period during the last 5-yrs. Stocks decreased -10 Bcf last week in the West Region, a draw less than the 5-yr range for the week. Stocks decreased -3 Bcf on the week in the Producing region, also a record low draw for this time of year.

Note: heating degree charts in the report are not current with data under revision.

Temperatures were above normal across the country for the week ending 19Dec14, and forecast to be above normal for the week ending 26Dec14.

¹ Related Web Sites:

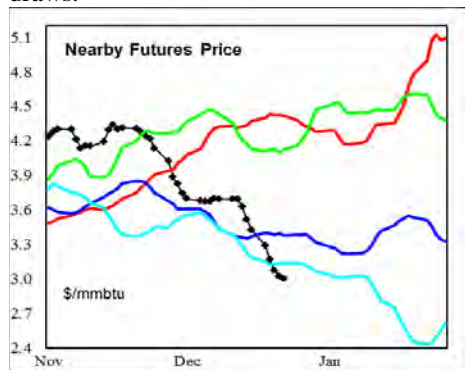
Data Source is EIA Weekly Statistics

National Weather Service 6-10 Day

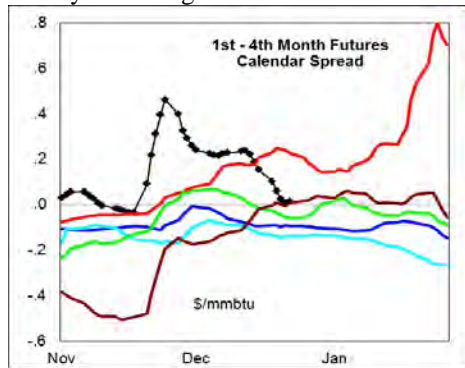
National Weather Service 10-14 Day

The 6-10 day NWS forecast for the week ending 04Jan15 is for below normal temperatures across nearly the entire country. The 8-14 day NWS forecast for the week ending 08Jan15 is for below normal temperatures across the central 2/3rds of the country.

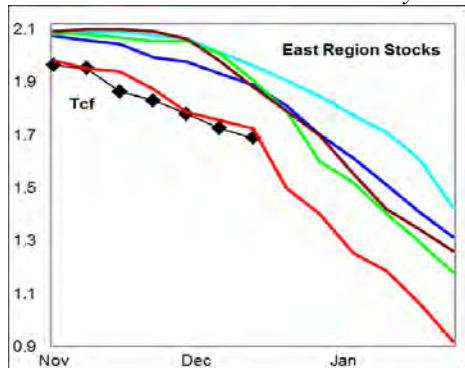
Prices: Nearby gas futures fell - \$0.46/mmbtu for the week ending 26Dec14. Prices ended the week at a level below the last 3-yrs; driven by high production and a very low rate of stock draws.



The 1st - 4th month forward price curve traded sideways last week at a level near the 3-yr mid range.

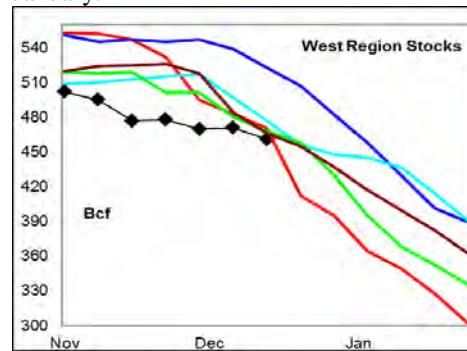


East Region stocks declined -36 Bcf for the week, a draw equal to the lowest draw for this period during the last 5-yrs. The current stock level is -2% below last year.



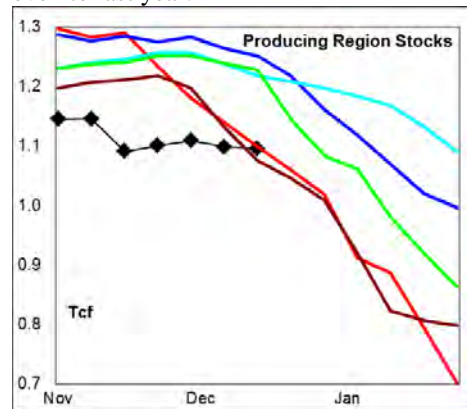
Temperatures were above normal for the week just ended, with below normal temperatures forecast through early

January.



West Region stocks decreased -10 Bcf last week, a record low draw for the period. Stock levels ended the week -2% below last year. Temperatures are forecast to be slightly below normal through the 1st week of January.

Producing Region stocks decreased -3 Bcf for the week. Stock levels ended the week even to last year.



Temperatures are forecast to be below normal through the 1st week of January in the region.

Residual Fuel Oil Switching: The price spread between fuel oil and natural gas has dropped to near a 5-yr low on declines in petroleum prices.

Outlook: Temperatures are forecast to be below normal over the next 10-days in major heating markets.

However, low heating degree days over the past month and high production has led to very low stock draws, lifting stocks to near year ago levels in all regions.

The improving stock levels, high production and collapse in global energy prices underlie the pull back in gas prices.

Look for prices to remain very weak through the balance of the heating season, in the absence of a period of extreme cold.

NATURAL GAS: Graph Link and Weekly Summary



Report prepared as of: December 26, 2014

For the week ending: 19-Dec-14

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

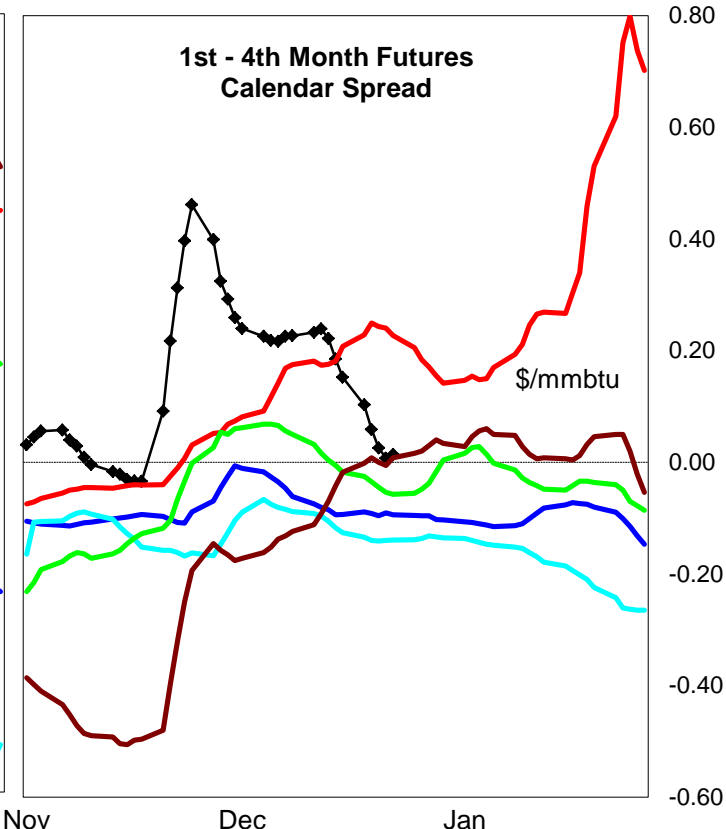
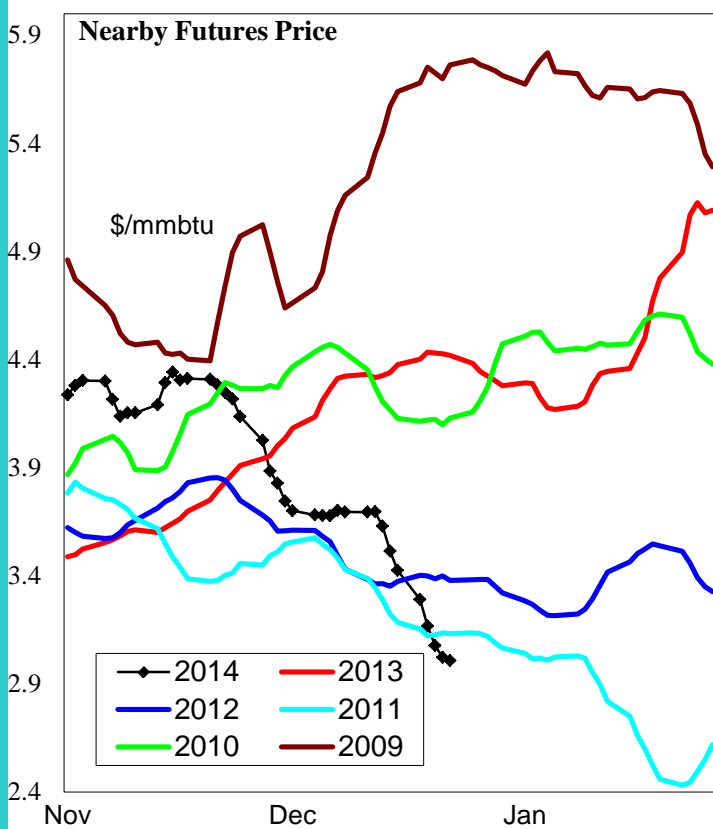
Week ending:	19-Dec-14			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,246	-49	-1.5	-14	-45%	-2	-33%	-3	-77%
East	1,689	-36	-2.1	-17	-39%	-2	-18%	-4	-74%
West	461	-10	-2.1	-12	-58%	-2	-55%	-5	-78%
Producing	1,096	-3	-0.3	-4	-100%	0	-100%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

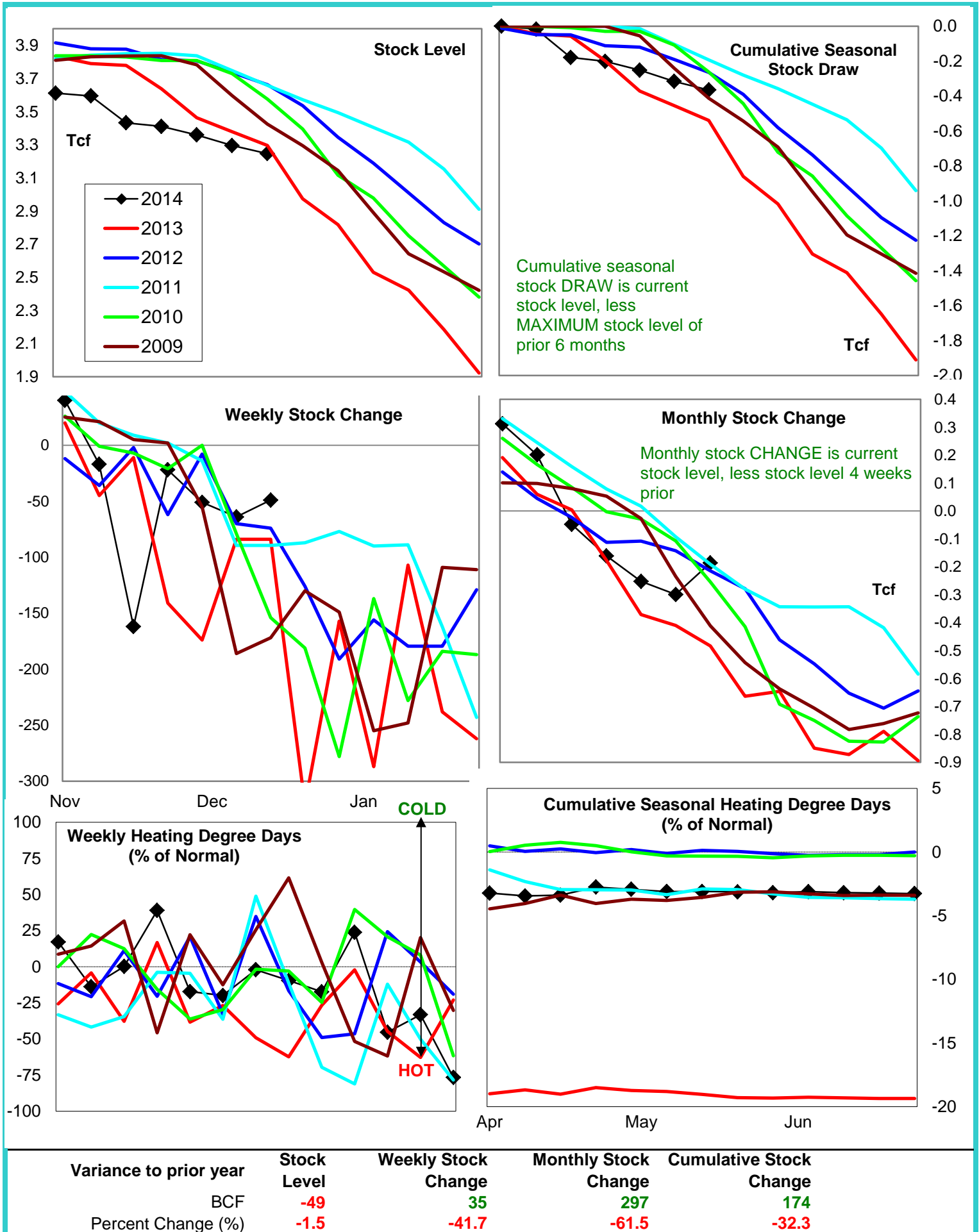
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	-365	174	-47.7	6	-3.2	4	-3.2	1	-3.3
East	-275	-16	5.8	6	-2.9	4	-2.9	1	-2.9
West	-41	43	-104.9	10	-4.6	8	-4.7	3	-4.9
Producing	-50	148	-296.0	0	-4.0	0	-4.1	0	-4.1

Futures Market Price Trends

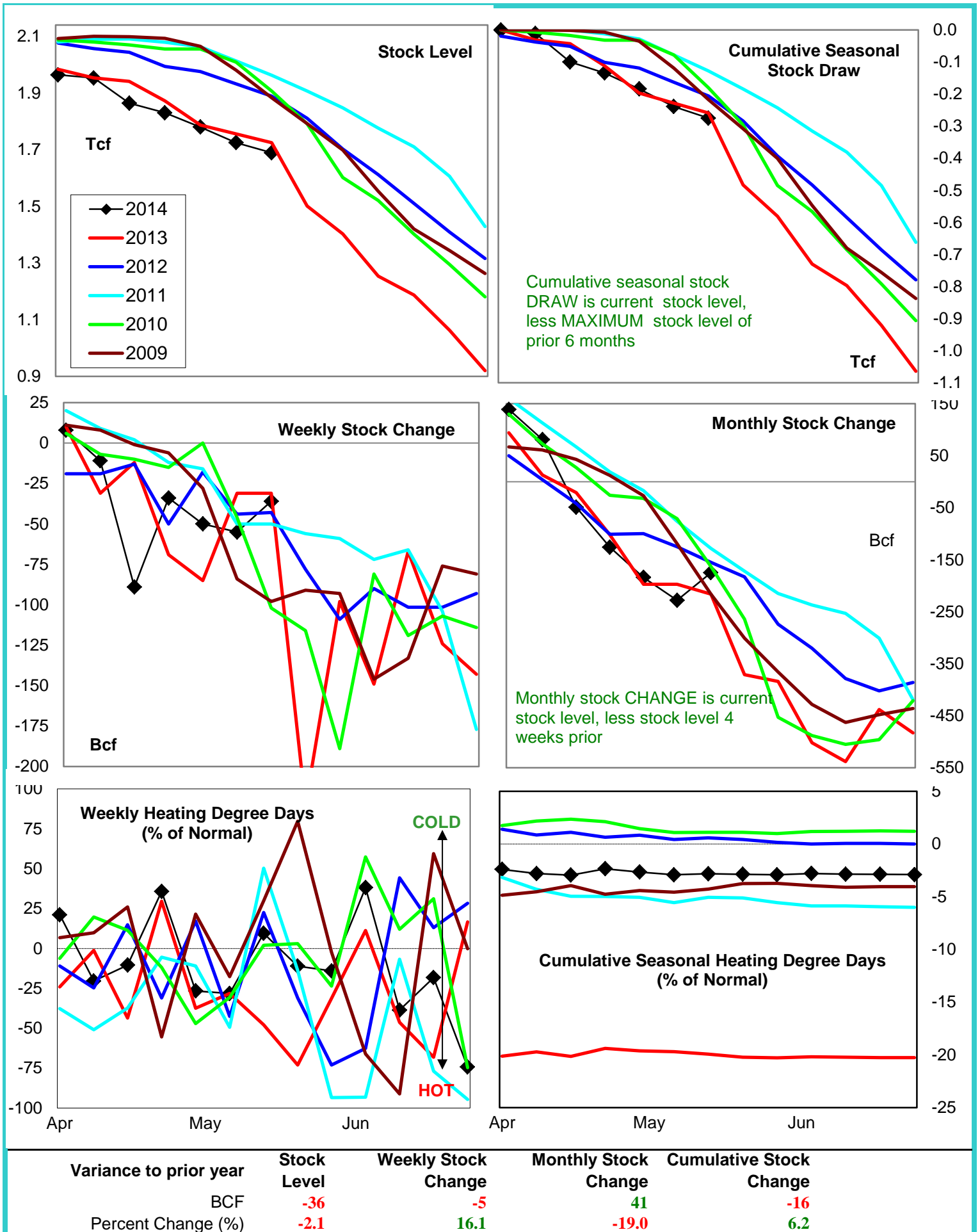
Date:	26-Dec-14	Change vs prior week, month, year		
		22-Dec-14	1-Dec-14	7-Jan-14
1st month Futures	3.01	-0.14	-1.00	-1.00
% change	xxxxx	-4.4	-25.0	-24.9



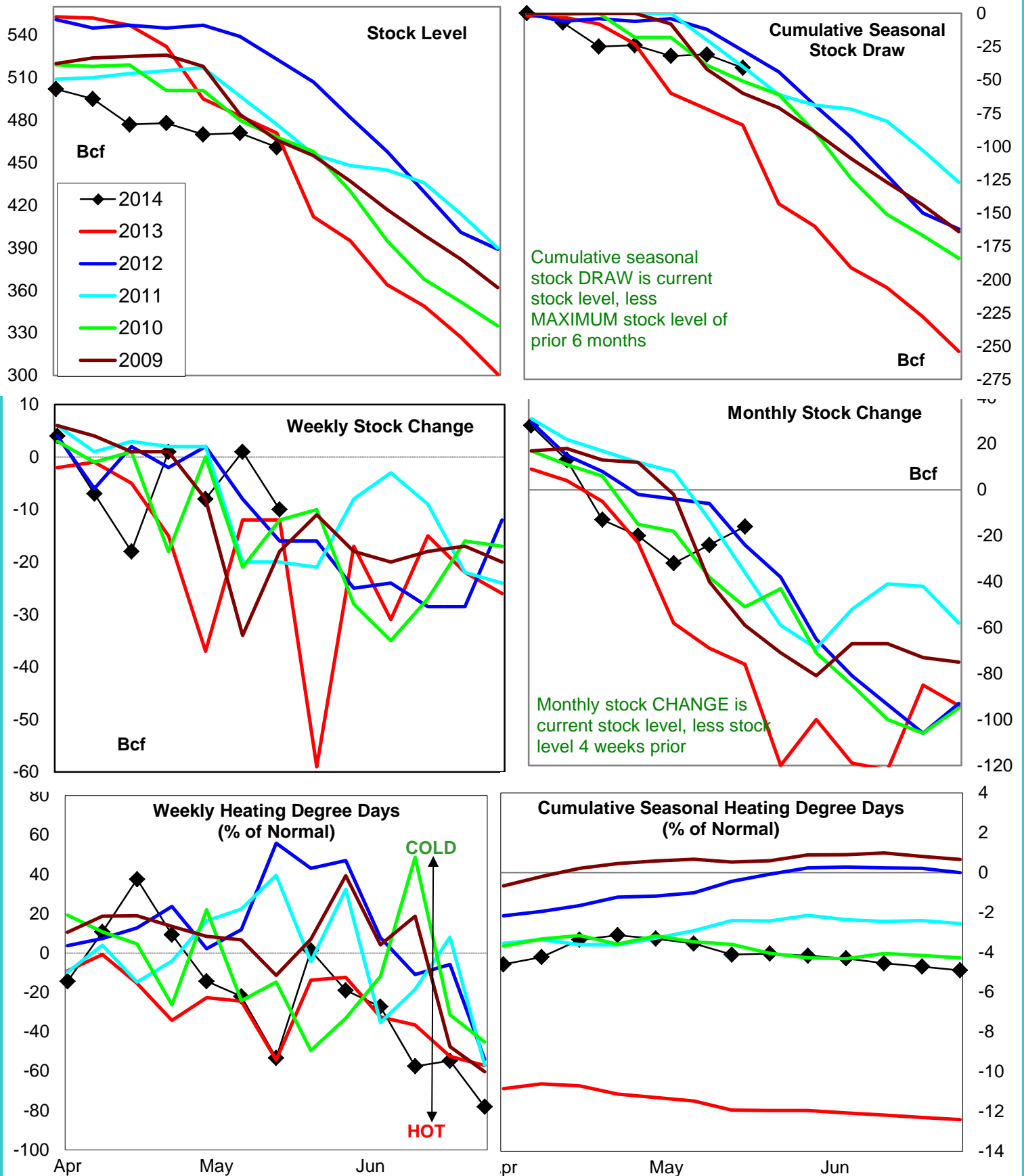
United States Natural Gas Stock and Weather Trends



Natural Gas East Region Stock and Weather Trends



Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

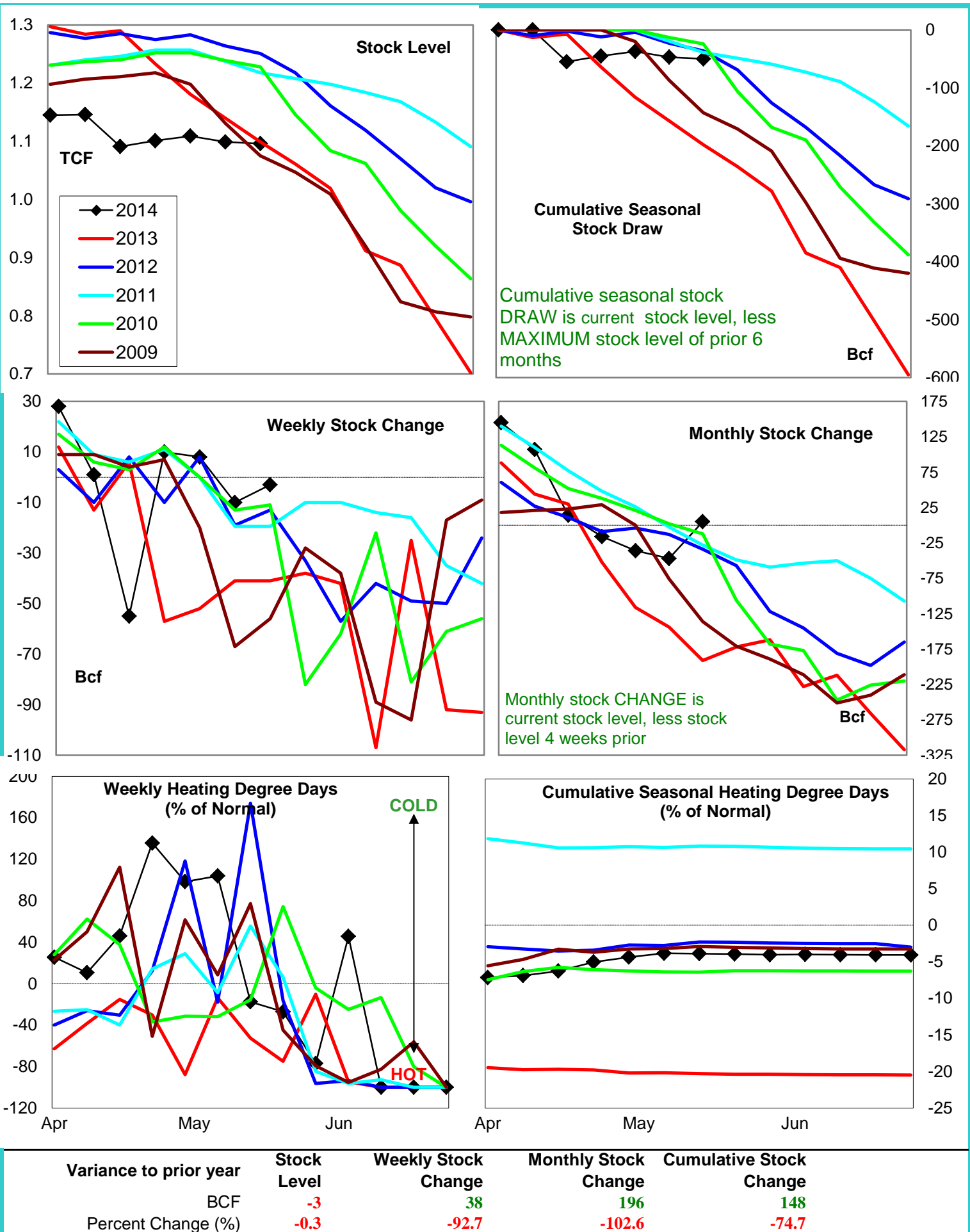
Weekly Stock Change

Monthly Stock Change

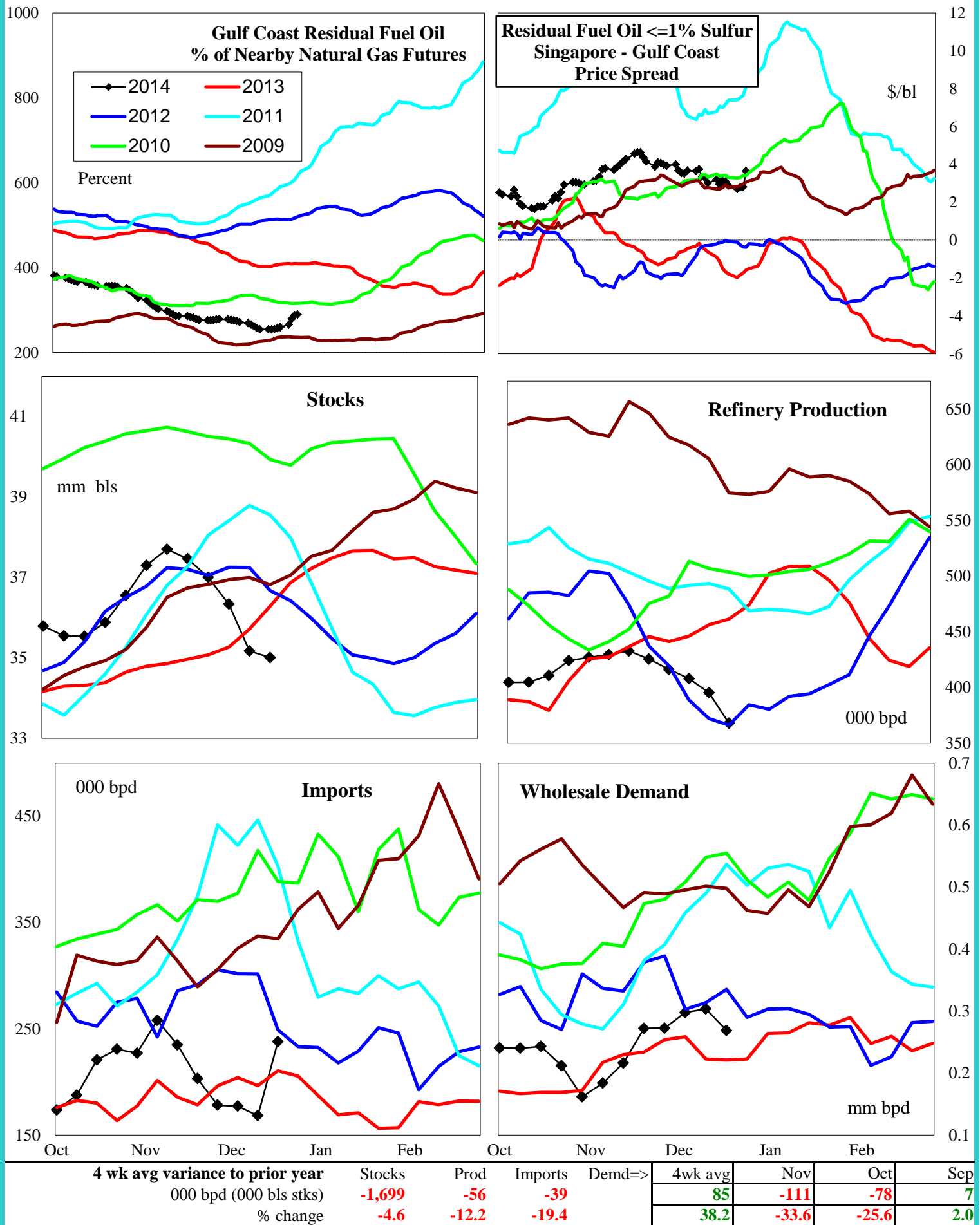
Cumulative Stock Change

BCF
Percent Change (%)-10
-2.12
-16.760
-78.943
-51.2

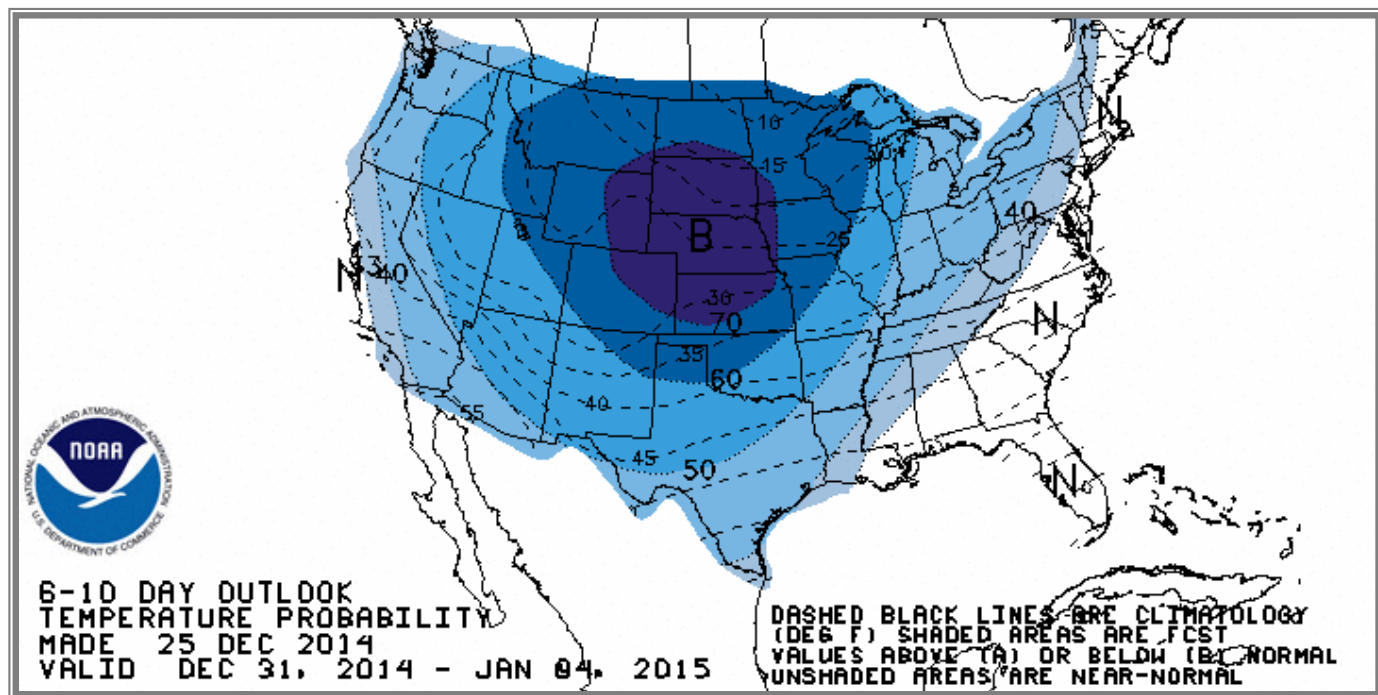
Natural Gas Producing Region Stock and Weather Trends



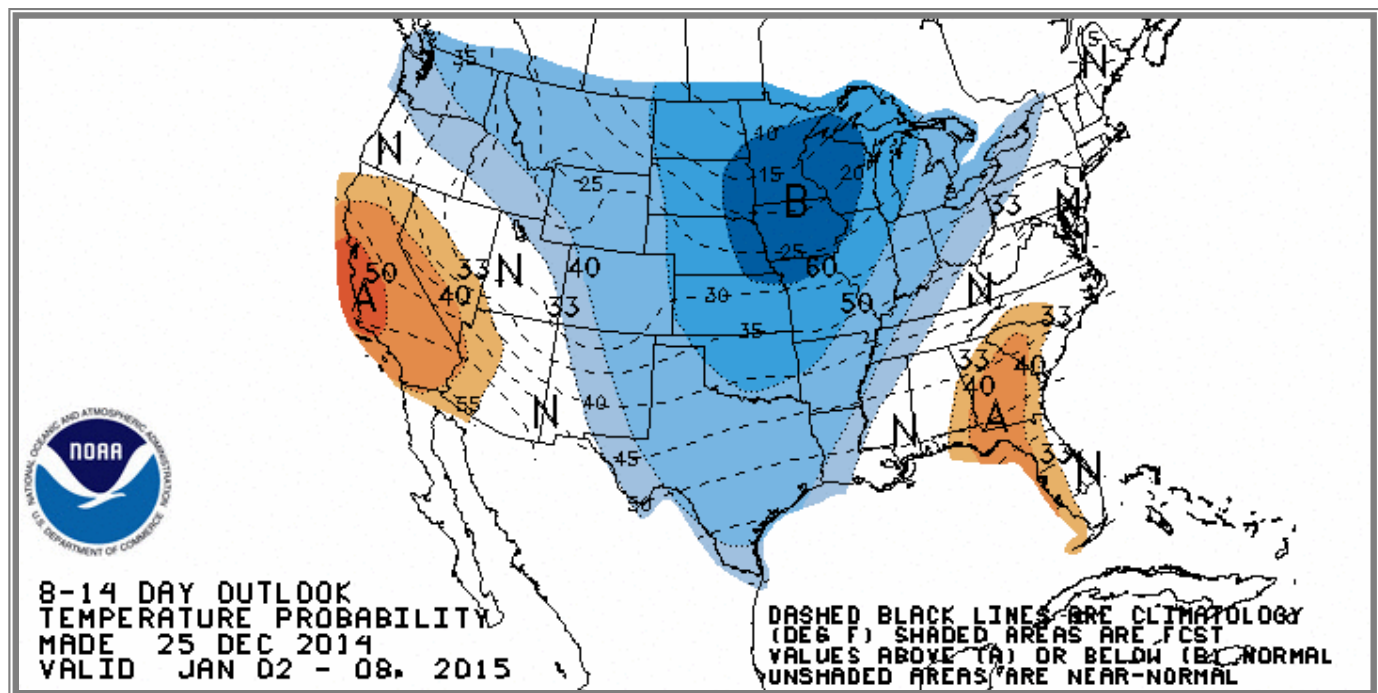
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

