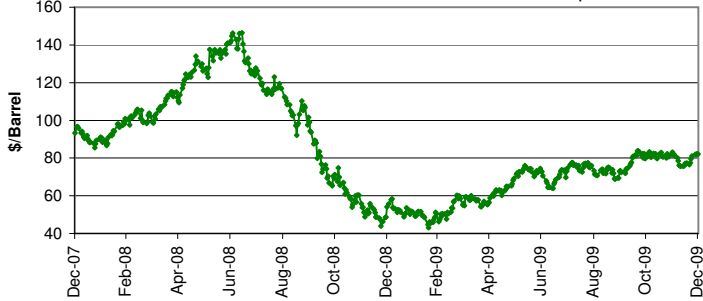


## Oil Market

### Crude Oil

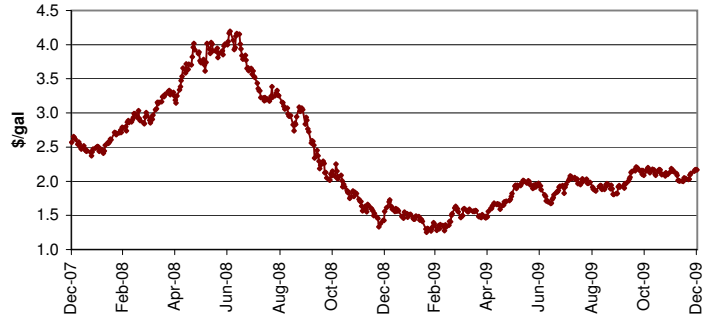
NYMEX Crude Futures - 12 Month Forward Strip



NYMEX PRICING	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$82.15	\$81.03	\$146.44	\$43.06
date	12/31/09	12/24/09	7/14/08	2/18/09
change from last close		1%	-44%	91%

STORAGE (in million bbls)	crude oil
domestic stocks as of 12/25/2009	326
gain / loss from previous week	-1.5
comparison to historic range	within

### NYMEX #2 Heating Oil Futures - 12 Month Forward Strip

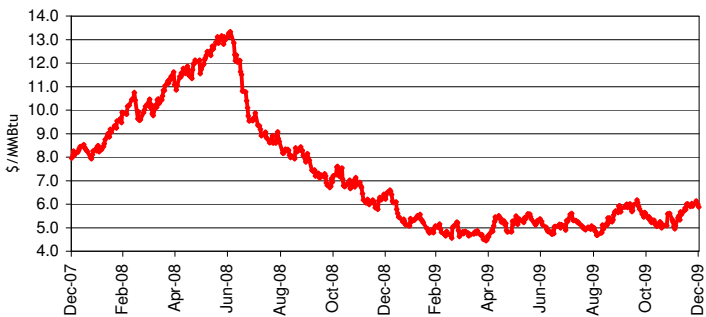


NYMEX PRICING	last close	previous week	24-month high	24-month low
12 month strip, \$/gal	\$2.17	\$2.11	\$4.19	\$1.25
date	12/31/09	12/24/09	7/3/08	2/18/09
change from last close		3%	-48%	73%

STORAGE (in million bbls)	distillate	propane	gasoline
domestic stocks as of 12/25/2009	159.3	52.5	216
gain / loss from previous week	-2.0	-1.5	-0.3
comparison to historic range	above	below	within

## Natural Gas Market

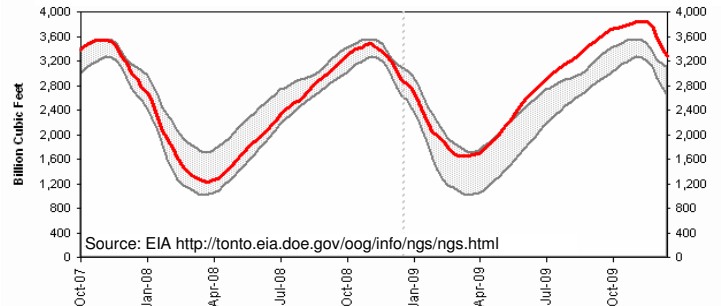
NYMEX Henry Hub Futures: 12 Month Forward Strip



NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBTu	\$5.87	\$5.91	\$13.33	\$4.45
date	12/31/09	12/24/09	7/3/08	4/27/09
change from last close		-1%	-56%	32%

Forward Strips	18 month	24 month	36 month	48 month
\$/MMBTu	\$5.99	\$6.11	\$6.26	\$6.36

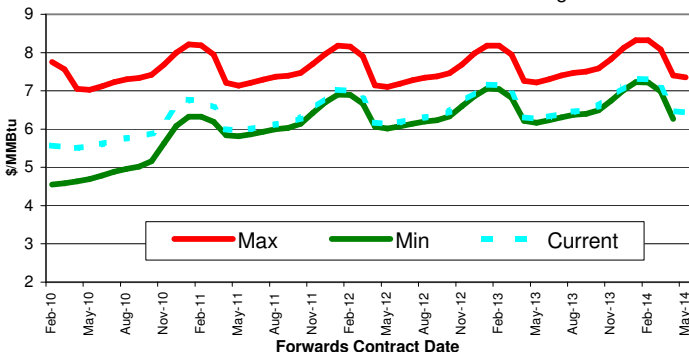
Working Gas in Storage Compared to 5-Year Range



This chart shows the amount of natural gas in storage at each point in time (red line) compared to the highest and lowest amounts over the past 5 years.

The EIA (Energy Information Administration) reported that natural gas in storage was 3,276 Bcf as of Friday, December 25th. This implies a net weekly withdrawal of 124 Bcf. Gas in storage was about 13% above last year's level and 14% above the 5-year average.

NYMEX Natural Gas Forwards vs. 1 Year Range

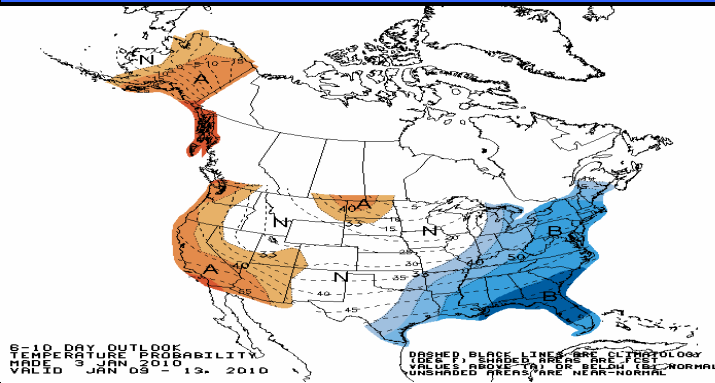


Natural gas futures are useful to monitor for both natural gas and electricity consumers because they drive electricity pricing in many U.S. markets including New England, Texas and, to a lesser extent, New York and the Mid-Atlantic. This chart compares the current natural gas price for each forward month on the NYMEX exchange to the highest and lowest prices for the same month over the past 12 months.

Forwards	Score
12 Month	68
24 Month	78
36 Month	82

The Score provides a measure of how current prices compare to the historic range. A score close to 0 indicates that current prices are close to their historic highs; a score close to 100 indicates that current prices are close to their historic lows.

## Weather Forecast



For the period January 9 - 13, 2010

This map depicts forecasted temperatures for next week compared to the long term average. The blue/purple areas are forecast to be colder than normal, white areas are normal, and yellow/orange/red areas are warmer than normal. Abnormally hot weather in the summer and cold weather in the winter can increase the price for natural gas, oil, and electricity.

Source: Chart from the National Weather Service Climate Prediction Center [www.cpc.ncep.noaa.gov](http://www.cpc.ncep.noaa.gov)

## Market Assessment

Last week was another four-day trading week due to the New Year's holiday. Crude oil and heating oil remained stable throughout the trading week. Crude oil for the prompt month closed at \$79.36 per barrel on Thursday, ending the year with an annual gain of 71%, the largest since 1999. Bullish factors last week included anti-government demonstrations in Iran and a below-normal temperature forecast through January for the South and the East. However, prices were kept in check by plentiful crude supplies; the EIA reported that while crude oil stocks dropped over the previous week, the decrease was less than projected. As of Monday morning, crude oil was continuing to rise as economists predicted that the Labor Department will report this week that December saw the fewest job losses in two years.

The January crude oil contract expired on December 21st at \$72.47 per barrel, and February 2010 is the current prompt month. Crude oil contracts for delivery in the 12 months rose an average of 1.4% last week on the NYMEX. The February 2010 contract ended the week at \$79.36 per barrel, the lowest priced crude oil futures contract with delivery in next 12 months. The most expensive contract in the next 12 months was January 2011 at \$84.44 per barrel. For NYMEX heating oil futures, the January 2010 contract expired on December 31st at \$2.12 per gallon, making February 2010 the prompt month. Heating oil contracts for delivery in the next 12 months rose 2.4% on average last week. The February 2010 contract closed the week at \$2.12 per gallon and was the cheapest contract for delivery in the next twelve months. March 2010, the remaining winter heating month, also closed the week at \$2.12 per gallon. The most expensive contract in the next 12 months was January 2011 at \$2.29 per gallon.

Natural gas fell over the course of last week. Prices jumped on Monday due to the colder-than-normal January forecast for much of the U.S., with the prompt month experiencing a 6% gain. However, these gains were erased during the rest of the week. On Tuesday the Department of Energy reported that production rose 2.9% as existing wells in the West, which had been shut down while prices were low, came back into production. The DOE also increased its forecast for domestic production in 2010, largely due to shale-gas fields in the Eastern U.S. Adding to the bearish sentiment, the EIA's weekly gas storage report, released every Thursday, showed lower-than-projected withdrawals from inventory last week. Gas price for the prompt month fell 0.9% overall in 2009 after gains in recent months brought prices back up to the levels of last January.

The January 2010 natural gas contract expired on December 29th at \$5.81 per MMBtu on the NYMEX. Natural gas contracts for the next 12 months starting February 2010 fell 2% on average between Thursday, December 31st, and the previous Thursday. The February 2010 contract ended the week at \$5.57 per MMBtu, and March 2010, the remaining heating season contract, closed at \$5.68 per MMBtu. The lowest priced contract with delivery in next 12 months was April 2010 at \$5.50 per MMBtu and the highest priced contract was January 2011 at \$6.77 per MMBtu.

The National Weather Service forecasts colder than normal temperatures for the Eastern United States from Louisiana north to Michigan, while the West is expected to see warmer than normal temperatures (see chart above). The CES market score (see first page) improved moderately last week. Clients with electricity or natural gas contracts expiring in 2010 or 2011 should consult with a CES representative for customized guidance on executing a forward energy market hedge. As always, hedging decisions are very dependent on unique budgetary circumstances and goals.



148 Middle St. Suite 506  
 Portland, ME 04101  
 Tel: (866) 408-4591  
 Fax: (866) 743-4968  
[www.competitive-energy.com](http://www.competitive-energy.com)

The information set forth herein is a compilation of public and internal information and is presented solely for the convenience of CES customers. CES does not make any representation or warranties, express or implied, with respect to the accuracy or completeness of the information contained herein. CES shall not have any liability to any person or entity resulting from the use of this information in any way.