

COMPETITIVE ENERGY SERVICES MARKET SUMMARY

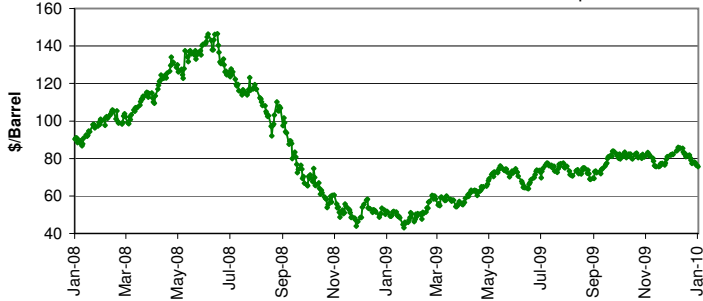
VIII - Issue 5

WEEK ENDING 1/29/10

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	\$75.72	\$77.34	\$146.44	\$43.06
date	1/29/10	1/22/10	7/14/08	2/18/09
change from last close		-2%	-48%	76%

STORAGE (in million bbls)	crude oil
domestic stocks as of 1/22/2010	326.7
gain / loss from previous week	-3.9
comparison to historic range	above

NYMEX #2 Heating Oil Futures - 12 Month Forward Strip

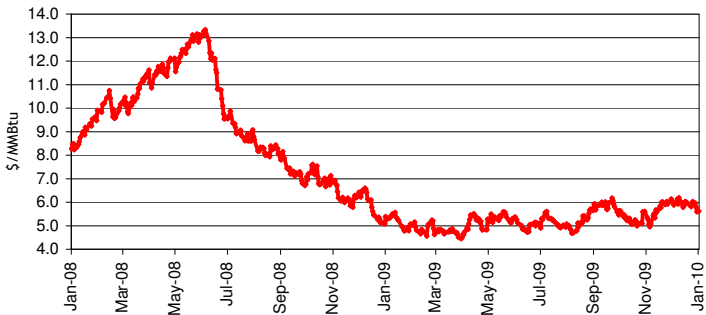


NYMEX PRICING	last close	previous week	24-month high	24-month low
12 month strip, \$/gal	\$1.98	\$2.02	\$4.19	\$1.25
date	1/29/10	1/22/10	7/3/08	2/18/09
change from last close		-2%	-53%	58%

STORAGE (in million bbls)	distillate	propane	gasoline
domestic stocks as of 1/22/2010	157.5	41.1	229.4
gain / loss from previous week	0.4	-4.8	2.0
comparison to historic range	above	below	above

Natural Gas Market

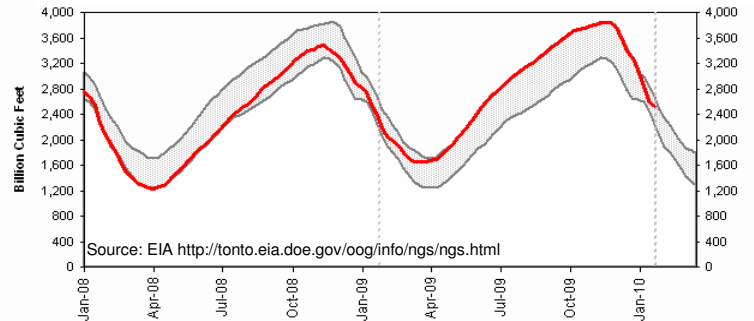
NYMEX Henry Hub Futures: 12 Month Forward Strip



NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBtu	\$5.61	\$6.03	\$13.33	\$4.45
date	1/29/10	1/22/10	7/3/08	4/27/09
change from last close		-6.9%	-58%	26%

Forward Strips	18 month	24 month	36 month	48 month
\$/MMBtu	\$5.72	\$5.91	\$6.07	\$6.19

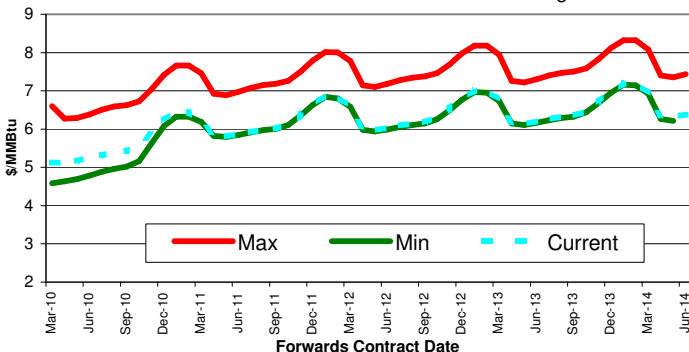
Working Gas in Storage Compared to 5-Year Range



This chart shows the amount of natural gas in storage at each point in time (red line) compared to the highest and lowest amounts in the past 5 calendar years. The record storage levels during 2009 now set the top of this range.

The EIA (Energy Information Administration) reported that natural gas in storage was 2,521 Bcf as of Friday, January 22nd. This implies a net weekly withdrawal of 86 Bcf, compared to a 5-year average withdrawal of 179 Bcf and a withdrawal of 184 Bcf for the same report week last year. Gas in storage was about 5% above last year's level and 4% above the 5-year average.

NYMEX Natural Gas Forwards vs. 1 Year Range



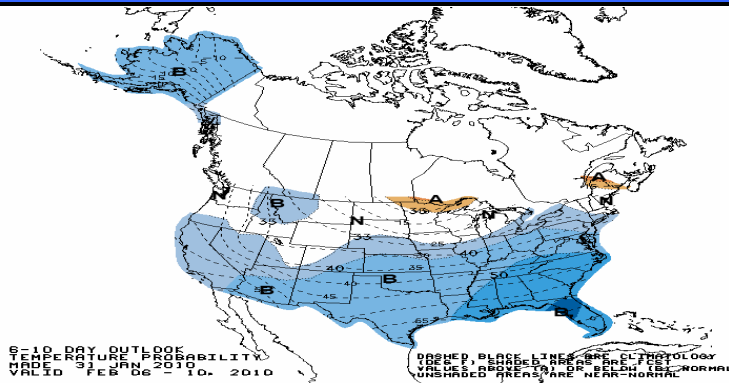
Natural gas futures are useful to monitor for both natural gas and electricity consumers because they drive electricity pricing in many U.S. markets including New England, Texas and, to a lesser extent, New York and the Mid-Atlantic. This chart compares the current natural gas price for each forward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

Forwards	Score
12 Month	78
24 Month	88
36 Month	91

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 February 6 - 10, 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

Market Assessment

Crude oil and heating oil prices continued to decline last week, marking a third consecutive weekly decrease. Oil rallied on Monday along with U.S. equities but fell during the rest of the week. Prices fell on Tuesday in anticipation that the EIA report would show a weekly increase in crude oil and gasoline inventories. The report, released on Wednesday afternoon, showed an unexpected decrease in crude oil stocks. However, gasoline stocks gained more than expected, indicating that demand for end-products is down. Furthermore, the decrease in crude oil stocks is thought to have been caused by a two-day closure of the Houston Ship Channel - a waterway in Texas that is heavily used for oil imports. Global demand may also take a hit as China seeks to control its economic expansion by reining in bank lending. The U.S. dollar advanced against the euro on Thursday and Friday, decreasing the incentive to invest in commodities and bringing down the price of crude oil. As of Monday morning, crude oil was rising as the U.S. dollar fell against the euro.

The February crude oil contract expired on January 20th at \$77.62 per barrel, and March 2010 is the current prompt month. Crude oil contracts for delivery in the forward 12 months fell an average of 2% last week on the NYMEX. The March 2010 contract ended the week at \$72.89 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 February 2011 at \$78.25 per barrel. For NYMEX heating oil futures, the February 2010 contract expired on January 29th at \$1.90 per gallon, and March 2010 is the prompt month. Heating oil contracts for delivery in the next 12 months fell 2% on average last week. March 2010, the remaining winter heating month, closed the week at \$1.91 per gallon. The most expensive contract in the next 12 months was January 2011 at \$2.10 per gallon.

Natural gas prices declined each day last week. Early in the week, AccuWeather.com projected mild weather for early February in the Midwest and Northeast which would reduce demand for natural gas. The Commodity Weather Group issued a similar outlook on Thursday, keeping prices down. Since the February gas contract expired on Wednesday, analysts are now paying attention to weather forecasts for March. Last week's withdrawal from inventories was less than half of the five-year average, and analysts believe that the heavy drawdowns from three weeks ago are unlikely to occur again in March. The EIA also reported that production rose 1% in November, furthering the bullish sentiment.

The February 2010 natural gas contract expired on January 27th at \$5.27 per MMBtu on the NYMEX. Natural gas contracts for the next 12 months starting March 2010 fell 8% on average between Friday, January 29th, and the previous Friday. March 2010, the remaining heating season contract, ended the week at \$5.13 per MMBtu. The lowest priced contract with delivery in next 12 months was April 2010 at \$5.12 per MMBtu and the highest priced contract was January 2011 at \$6.47 per MMBtu.

The National Weather Service forecasts cooler than normal temperatures for most of the United States, especially in the Southeast (see chart above). The CES market score (see first page) improved significantly 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.



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