

COMPETITIVE ENERGY SERVICES MARKET SUMMARY

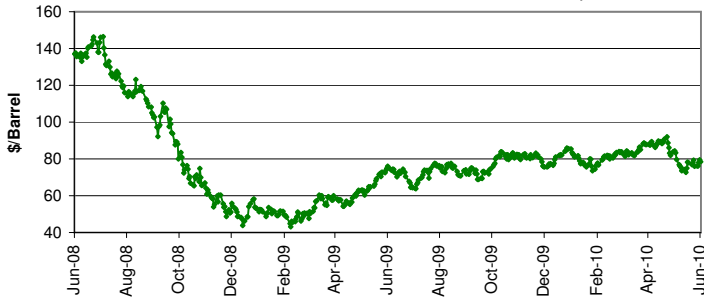
VIII - Issue 24

WEEK ENDING 6/11/10

Oil Market

Crude Oil

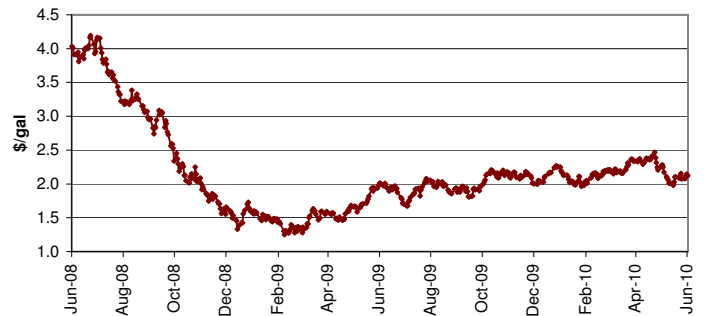
NYMEX Crude Futures - 12 Month Forward Strip



NYMEX PRICING	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$78.40	\$75.98	\$146.44	\$43.06
date	6/11/10	6/4/10	7/14/08	2/18/09
change from last close		3.2%	-46%	82%

STORAGE (in million bbls)	crude oil
domestic stocks as of 6/4/2010	361.4
gain / loss from previous week	-1.8
comparison to historic range	above

NYMEX #2 Heating Oil Futures - 12 Month Forward Strip

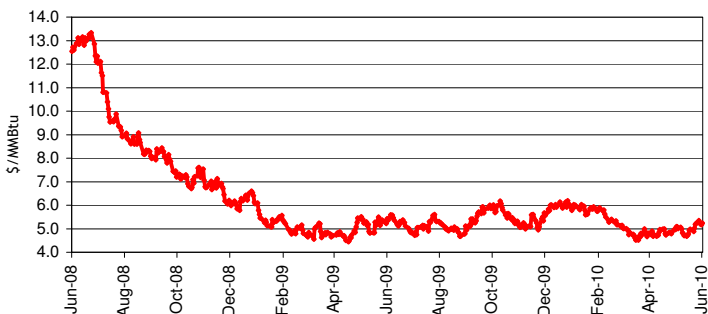


NYMEX PRICING	last close	previous week	24-month high	24-month low
12 month strip, \$/gal	\$2.12	\$2.07	\$4.19	\$1.25
date	6/11/10	6/4/10	7/3/08	2/18/09
change from last close		2.3%	-49%	69%

STORAGE (in million bbls)	distillate	propane	gasoline
domestic stocks as of 6/4/2010	154.8	42.9	219
gain / loss from previous week	1.8	1.2	0.0
comparison to historic range	above	within	above

Natural Gas Market

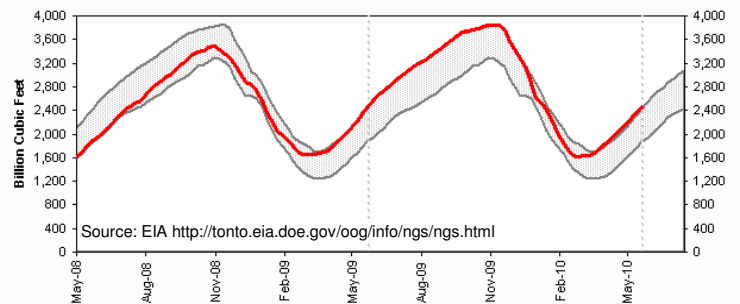
NYMEX Henry Hub Futures: 12 Month Forward Strip



NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBtu	\$5.24	\$5.23	\$13.33	\$4.45
date	6/11/10	6/4/10	7/3/08	4/27/09
change from last close		0.2%	-61%	18%

Forward Strips	18 month	24 month	36 month	48 month
\$/MMBtu	\$5.36	\$5.46	\$5.60	\$5.71

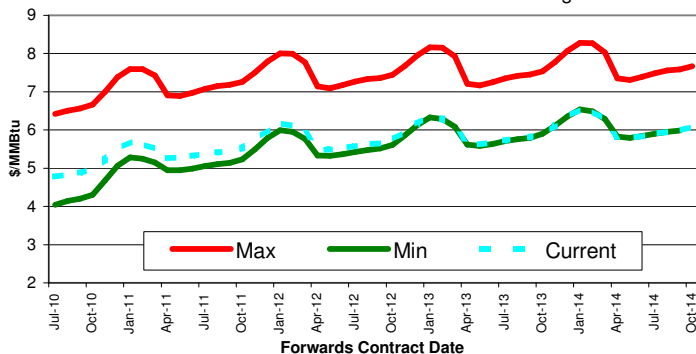
Working Gas in Storage Compared to 5-Year Range



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 2,456 Bcf as of Friday, June 4th. This implies a net weekly injection of 99 Bcf, compared to a net injection of 95 Bcf for the 5-year average and 109 Bcf for the same report week last year. Gas in storage was 1% greater than 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	78
24 Month	84
36 Month	88

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.

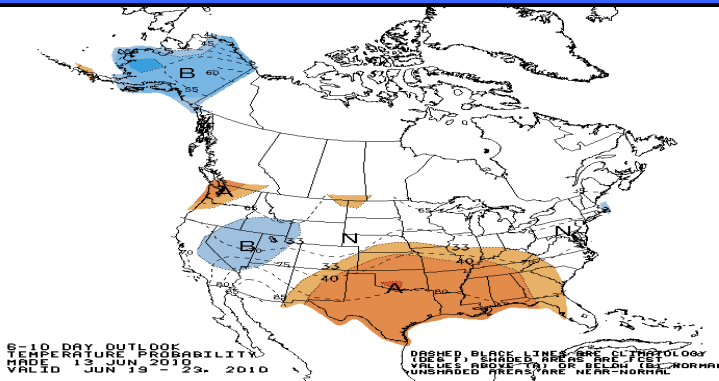
Weather Forecast

For the period June 19 - 23, 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.

At this time, the National Hurricane Center is reporting no tropical cyclones for the Atlantic Coast.

Source: Chart from the National Weather Service Climate Prediction Center www.cpc.ncep.noaa.gov



Market Assessment

Crude oil and heating oil prices rose last week, reversing the trend from the previous week. Prices were steady on Monday and Tuesday as the euro sunk to a four-year low against the US dollar, decreasing the appeal of investing in dollar denominated commodities. On Wednesday, prompt month oil gained over 3% in reaction to China reporting that its exports in May were 50% higher than last year, signaling a possible rise in global oil demand. Adding to the bullish sentiment, domestic crude oil stocks have fallen to their lowest levels since April. Oil continued to rise on Thursday as Japan reported that its annualized growth rate for the first quarter was 5% and Australia announced that its economy added jobs for the third consecutive month. However, crude oil pared some of these gains on Friday after a Commerce Department report showed that U.S. retail sales unexpectedly fell 1.2% in May. As of Monday morning, crude oil was gaining after the European Union reported industrial production for its sixteen member nations grew 0.8% in April, causing the euro to climb versus the dollar.

The June crude oil contract expired on May 20th at \$68.01 per barrel, and July 2010 is the current prompt month. Crude oil contracts for delivery in the next twelve months starting July rose 3% on average last week. The July 2010 contract ended the week at \$73.78 per barrel, the lowest priced crude oil contract with delivery in next 12 months. The most expensive contract in the next 12 months was June 2011 at \$81.25 per barrel. For NYMEX heating oil futures, the June 2010 contract expired on Friday, May 28th at \$1.98 per gallon, and July 2010 is the prompt month. Heating oil contracts for delivery in the next 12 months rose 2% on average last week. The July 2010 contract ended the week at \$2.01 per gallon, and the most expensive contract in the next 12 months was June 2011, which ended the week at \$2.18 per gallon.

Natural gas prices fluctuated last week but ended the week close to where they started. Prices jumped on Monday due to a decline in the number of gas rigs in the Gulf of Mexico, which is now at a 16-year low. The EIA estimates that the current moratorium on deep-water drilling in the Gulf will reduce domestic gas production by 8 Bcf over the rest of the year. Furthermore, MDA Federal Inc.'s EarthSat Energy Weather service reported higher than normal temperatures across the US for the third week in June, boosting electricity generation demand for gas. Gas prices fell on Tuesday and Wednesday as updated weather forecasts called for more moderate temperatures for the third week in June and analysts projected that the EIA's storage report would show a weekly gas injection in line with the historical average. Prices continued to decline on Thursday after the EIA reported a net weekly injection of 99 Bcf, higher than the projected gain of 95 Bcf. However, prices climbed on Friday after multiple weather services forecasted higher than normal temperatures for the Midwest and Northeast, which could diminish the current surplus in gas stocks.

The June 2010 natural gas contract expired on May 26th at \$4.16 per MMBtu on the NYMEX. Natural gas contracts for the next 12 months starting July 2010 rose 0.2% on average last week, with all contracts gaining or losing less than 0.5%. July 2010, the lowest priced contract with delivery in the next 12 months, ended the week at \$4.78 per MMBtu. The highest priced contract in the next twelve months was January 2011 at \$5.69 per MMBtu.

The National Weather Service forecasts warmer than normal temperatures for the South while most of the remainder of the US should see normal temperatures (see chart above). The CES market score (see first page) changed very little from last week, and 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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