

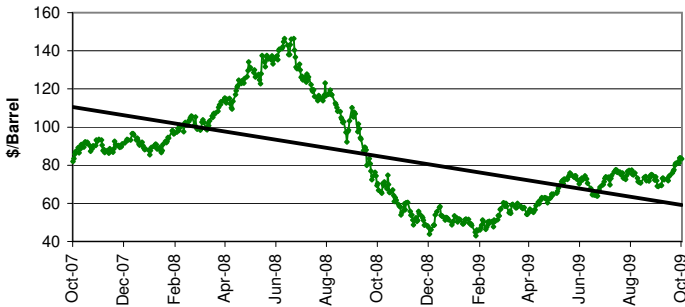
# COMPETITIVE ENERGY SERVICES CETX ENERGY AGENCY MARKET SUMMARY

VIII - Issue 43

WEEK ENDING 10/23/09

## Oil Market

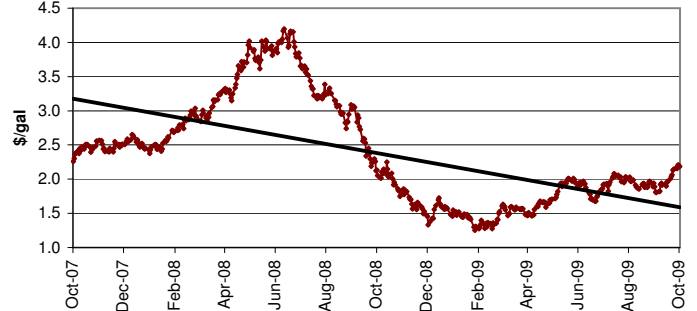
NYMEX Crude Futures - 12 Month Forward Strip



NYMEX PRICING	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$83.30	\$80.91	\$146.44	\$43.06
date	10/23/09	10/16/09	7/14/08	2/18/09
change from last close		3%	-43%	93%

STORAGE (in million bbls)	crude oil
domestic stocks as of 10/16/2009	339.1
gain / loss from previous week	1.3
comparison to historic range	above

NYMEX #2 Heating Oil Futures - 12 Month Forward Strip

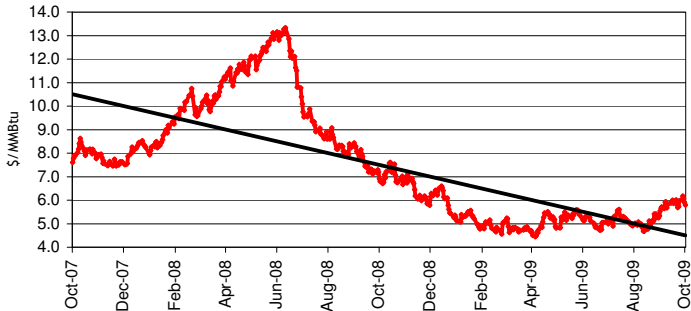


NYMEX PRICING	last close	previous week	24-month high	24-month low
12 month strip, \$/gal	\$2.19	\$2.15	\$4.19	\$1.25
date	10/23/09	10/16/09	7/3/08	2/18/09
change from last close		2%	-48%	75%

STORAGE (in million bbls)	distillate	propane	gasoline
domestic stocks as of 10/16/2009	169.9	71.6	206.9
gain / loss from previous week	-0.8	-1.3	-2.3
comparison to historic range	above	within	within

## Natural Gas Market

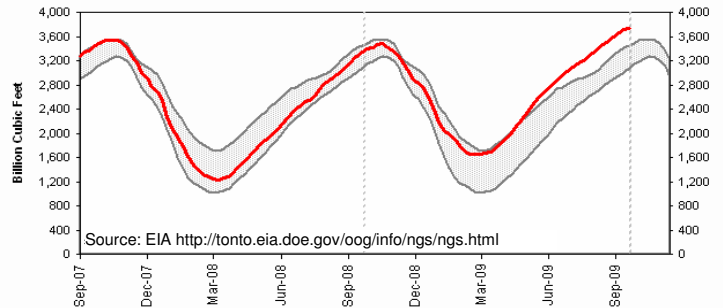
NYMEX Henry Hub Futures: 12 Month Forward Strip



NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBTu	\$5.80	\$5.97	\$13.33	\$4.45
date	10/23/09	10/16/09	7/3/08	4/27/09
change from last close		-3%	-57%	30%

Forward Strips	18 month	24 month	35 month	48 month
\$/MMBTu	\$6.17	\$6.27	\$6.52	\$6.68

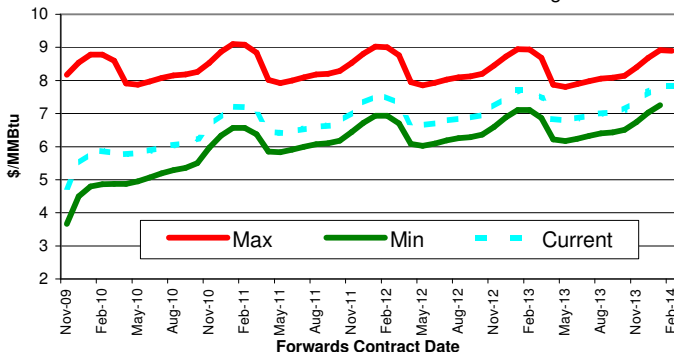
Working Gas in Storage Compared to 5-Year Range



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 3,734 Bcf as of Friday, October 16th. This implies a net weekly injection of 18 Bcf, compared to a 5-year average injection of 60 Bcf and last year's injection of 71 Bcf for the same report week. Gas in storage was about 12% above last year's level and 13% above the 5-year average.

NYMEX Natural Gas Forwards vs. 1 Year Range

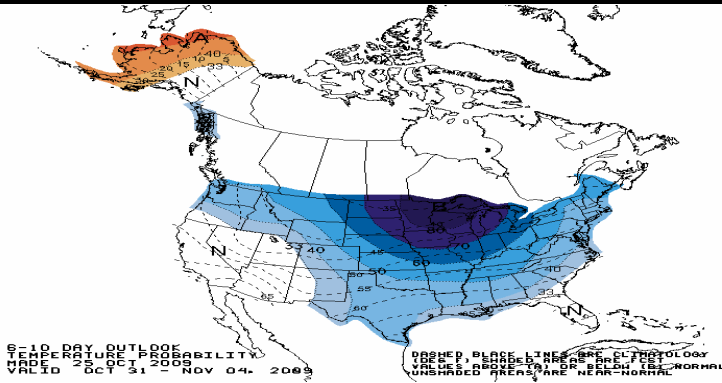


Natural gas futures are useful to monitor for natural gas and electricity consumers because they drive electricity pricing in many US markets, including Texas and New England. This chart compares the current natural gas price for each forward month on the NYMEX exchange to the highest and lowest prices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

Forwards	Score
12 Month	73
24 Month	74
36 Month	72

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 October 31 - November 4, 2009

This chart 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.

Currently, there are no hurricanes in the Atlantic threatening the Gulf of Mexico. The Atlantic hurricane season ends November 30.

Source: Chart from the National Weather Service Climate Prediction Center

## Market Assessment

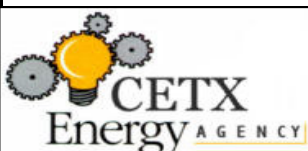
Crude oil and heating oil moved higher last week, continuing the rally from the previous week. Crude oil climbed on Monday as equities performed well domestically and globally. Also, the U.S. dollar weakened against the euro, increasing the appeal of investment in commodities. However, the largest daily gain occurred on Wednesday after the EIA released its weekly storage report showing a larger than expected decline in gasoline stocks, although crude oil stocks increased. Crude oil futures pared some of these gains in the latter half of the week due to the U.S. dollar strengthening and speculation that OPEC countries will move to increase production at its next meeting. Domestic crude oil stocks are still 9% above the 5-year average, leading some analysts to doubt that the recent rally in crude oil prices is justified.

The November crude oil contract expired on October 20th at \$79.09 per barrel; December is the current prompt month. Crude oil for the 12 months starting December 2009 rose an average of 2.5% last week on the NYMEX, with all contracts rising around the same percent. The December 2009 contract ended the week at \$80.50 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 November 2010 at \$85.34 per barrel. NYMEX heating oil futures contracts for delivery in the next 12 months starting November 2009 rose 2% on average last week. The October 2009 contract expired on September 30th at \$1.80 per gallon. November 2009, the current prompt month, closed the week at \$2.08 per gallon and was the cheapest contract for delivery in the next twelve months. The rest of the winter heating months (December '09 – March '10) averaged \$2.14 per gallon on Friday.

Natural gas climbed during the first half of last week on a cold weather forecast for the rest of October and signs that the economy was in recovery. Caterpillar Inc., which manufactures bulldozers and excavators, announced that third quarter profits were higher than estimated, signalling a rebound in industrial demand. However, prices began to fall on Wednesday in anticipation of the EIA's weekly storage report, and this trend continued after the EIA's weekly report confirmed that last week's injection into inventories sets a fourth straight record. Although record gas stocks are currently keeping prices in check, as the heating season begins it appears that injections into storage will not test the maximum storage capacity, estimated to be 3.9 trillion cubic feet.

The October 2009 natural gas contract expired on September 28th at \$3.73 per MMBTU on the NYMEX. Natural gas contracts for the next 12 months starting November 2009 fell 3% on average between Friday, October 23rd, and the previous Friday. The November 2009 contract ended last week at \$4.79 per MMBtu; it was the only contract to gain over the week but was still the lowest priced contract with delivery in next 12 months. The remaining heating season contracts closed at an average price of \$5.74 per MMBtu, and the October 2010 contract ended the week at \$6.26 per MMBtu, the highest priced natural gas contract in the next 12 months.

The National Weather Service forecasts cooler than normal temperatures for almost all of the United States, with the enviable exceptions of the Southwest and Florida (see map above). Despite recent market increases, clients with commodity contracts expiring in 2009, 2010 or 2011 may want to consider locking in some portion of their energy budgets. Please consult with your CES or CETX representative for customized guidance on executing a forward energy market hedge, as hedging decisions are very dependent on unique budgetary circumstances and goals.



2121 Sage Rd. Suite 310  
Houston, TX 77056  
Tel: (800) 475-5315  
Fax: (800) 884-3996  
www.cetxenergy.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.

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

