

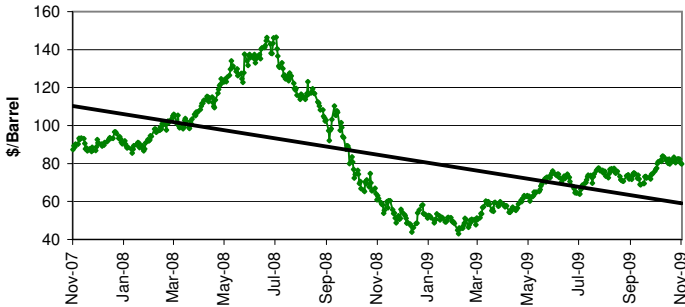
# COMPETITIVE ENERGY SERVICES MARKET SUMMARY

VIII - Issue 46

WEEK ENDING 11/13/09

## Oil Market

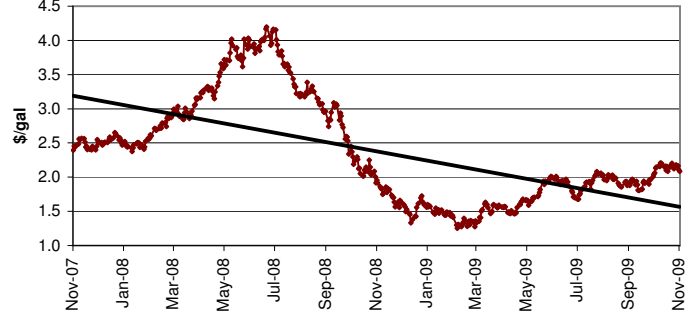
NYMEX Crude Futures - 12 Month Forward Strip



NYMEX PRICING	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$79.70	\$80.45	\$146.44	\$43.06
date	11/13/09	11/6/09	7/14/08	2/18/09
change from last close		-1%	-46%	85%

STORAGE (in million bbls)	crude oil
domestic stocks as of 11/6/2009	337.7
gain / loss from previous week	1.8
comparison to historic range	above

NYMEX #2 Heating Oil Futures - 12 Month Forward Strip

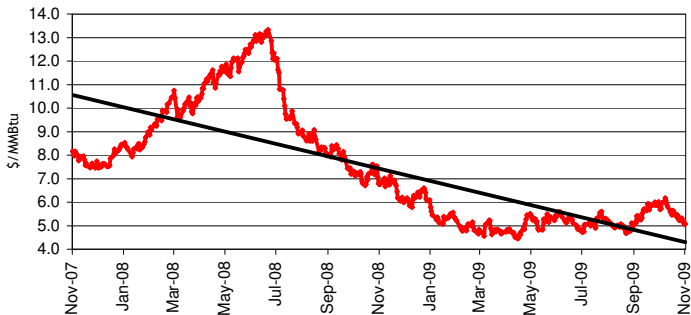


NYMEX PRICING	last close	previous week	24-month high	24-month low
12 month strip, \$/gal	\$2.09	\$2.12	\$4.19	\$1.25
date	11/13/09	11/6/09	7/3/08	2/18/09
change from last close		-2%	-50%	67%

STORAGE (in million bbls)	distillate	propane	gasoline
domestic stocks as of 11/6/2009	167.7	68.4	210.8
gain / loss from previous week	0.3	-1.2	2.5
comparison to historic range	above	within	above

## Natural Gas Market

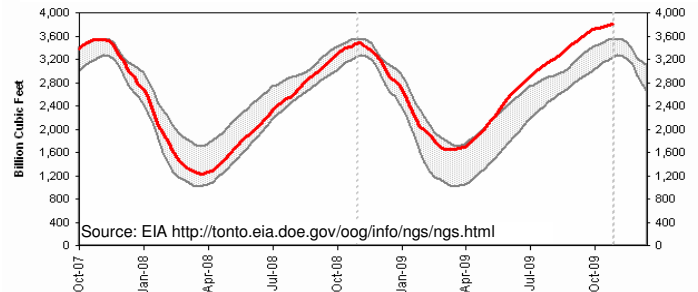
NYMEX Henry Hub Futures: 12 Month Forward Strip



NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBTu	\$5.08	\$5.23	\$13.33	\$4.45
date	11/13/09	11/6/09	7/3/08	4/27/09
change from last close		-3%	-62%	14%

Forward Strips	18 month	24 month	35 month	48 month
\$/MMBTu	\$5.45	\$5.61	\$5.88	\$6.07

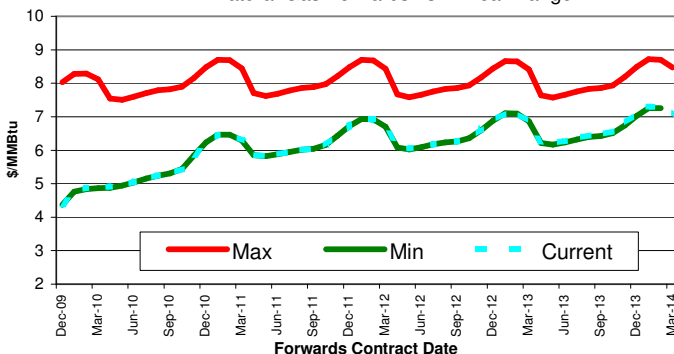
Working Gas in Storage Compared to 5-Year Range



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 3,813 Bcf as of Friday, November 6th. This implies a net weekly injection of 25 Bcf, compared to a 5-year average injection of 30 Bcf and last year's injection of 54 Bcf for the same report week. Gas in storage was about 10% above last year's level and 12% above the 5-year average.

NYMEX Natural Gas Forwards vs. 1 Year Range

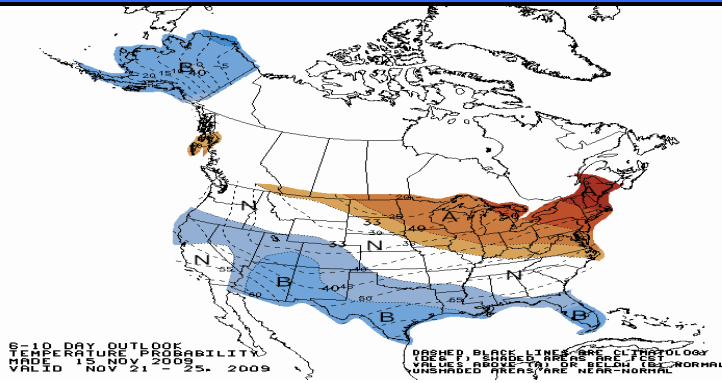


Natural gas futures are useful to monitor for both natural gas and electricity consumers because they drive electricity pricing in many U.S. markets including New England, Texas and, to a lesser extent, New York and the Mid Atlantic. This chart compares the current natural gas price for each forward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

Forwards	Score
12 Month	99
24 Month	100
36 Month	100

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 November 21 - November 25, 2009

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.

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 followed the same pattern from the previous week, rising at the beginning of the week and then falling after the EIA's inventory report on Thursday. Exploration rigs and production platforms in the Gulf of Mexico evacuated employees early in the week in anticipation of Tropical Storm Ida, temporarily cutting production but causing no significant damage. Also, the dollar slipped against the euro, increasing the incentive to invest in commodities as a hedge against inflation. Crude oil was steady on Wednesday, but on Thursday the prompt month fell 3% after the EIA released its report showing larger than projected gains in inventory for crude oil and gasoline. By the end of the week, crude oil prices had fallen back to mid-October levels despite U.S. stocks performing well last week and the U.S. dollar declining against the euro.

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 fell an average of 1% last week on the NYMEX. The December 2009 contract ended the week at \$76.35 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 \$82.28 per barrel. NYMEX heating oil futures contracts for delivery in the next 12 months starting December 2009 also fell 2% on average last week. The November 2009 contract expired on October 30th at \$1.98 per gallon. December 2009, the current prompt month, closed the week at \$1.97 per gallon and was the cheapest contract for delivery in the next twelve months. The rest of the winter heating months (January-March 2010) averaged \$2.03 per gallon on Friday.

Natural gas experienced a weekly decline for the fourth week in a row. Prices rose on Monday due to Tropical Storm Ida but fell on Tuesday after the International Energy Agency (IEA) predicted a North American glut of natural gas for the next few years from unconventional sources such as shale gas and tight gas, which is trapped in hard-to-reach underground formations. Natural gas fell again on Thursday after the Energy Information Agency (EIA) reported that last week's injection into domestic inventories increased the storage record for the seventh straight week. Baker Hughes, an oil and gas firm, reported on Friday that the number of active gas rigs declined by 6 last week and is now down over 50% from last year. Gas prices were rising as of Monday morning along with most commodities.

The November 2009 natural gas contract expired on October 28th at \$4.29 per MMBTU on the NYMEX. Natural gas contracts for the next 12 months starting December 2009 fell 3% on average between Friday, November 13th, and the previous Friday. The December 2009 contract fell 4% and ended last week at \$4.39 per MMBtu, the lowest priced contract with delivery in next 12 months. The remaining heating season contracts closed at an average price of \$4.86 per MMBtu. The November 2010 contract was the highest priced natural gas contract in the next 12 months at \$5.85 per MMBtu.

The National Weather Service forecasts warmer than normal temperatures for the northern U.S., while the southwestern states are expected to be colder than normal. Natural gas prices again grew more attractive last week while oil products were stable. Clients with electricity or natural gas contracts expiring in 2009, 2010 or 2011 should seriously consider locking in some portion of their energy budgets. Please consult with your CES representative for customized guidance on executing a forward energy market hedge, as hedging decisions are very dependent on unique budgetary circumstances and goals.



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