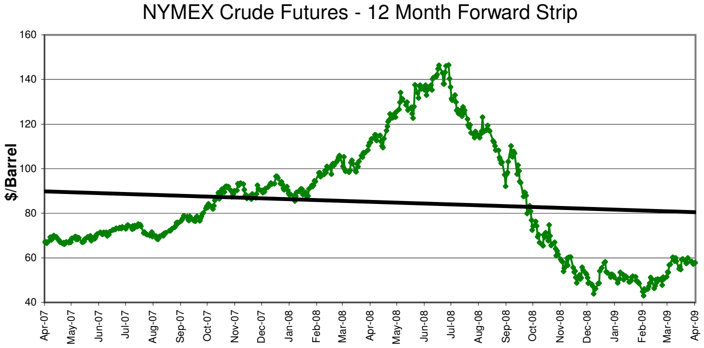
COMPETITIVE ENERGY SERVICES
CETX ENERGY AGENCY

MARKET SUMMARY

VIII - Issue 16 **WEEK ENDING 4/17/09**

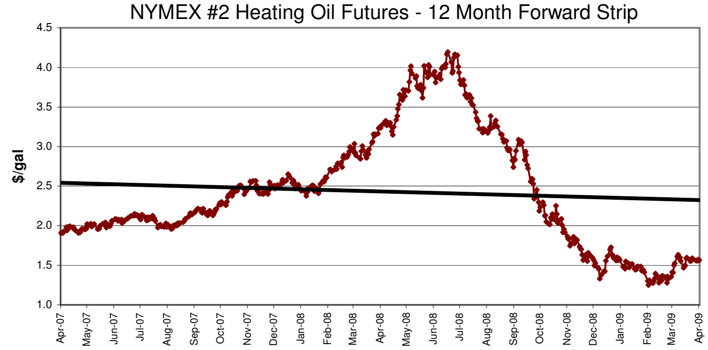
Oil Market

NYMEX Crude Futures - 12 Month Forward Strip



The April 2009 crude oil contract expired on March 20th at $51.06/barrel on the NYMEX. May is currently the prompt month. As of April 17th, the 12 month NYMEX forward strip starting May 2009 was $57.74/barrel, down 4% from the previous week. The current price is 34% above the 24 month low set on February 18th at $43.06/barrel. Strip prices are 61% below the 24 month high for the 12 month strip, which was set July 14, 2008 at $146.44/barrel.

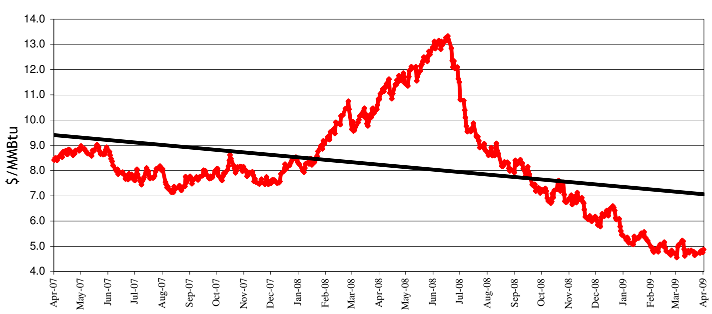
NYMEX #2 Heating Oil Futures - 12 Month Forward Strip



The April 2009 heating oil contract expired on March 31st at $1.34/gal. May is currently the prompt month. As of April 17th, the 12 month NYMEX forward strip starting May 2009 was $1.57/gal. This is down 1.5% from the previous week and is 25% above the 24 month low set at $1.25/gal on February 18th, 2009. Strip prices are 63% below the 24 month high, set on July 3rd at $4.19/gal.

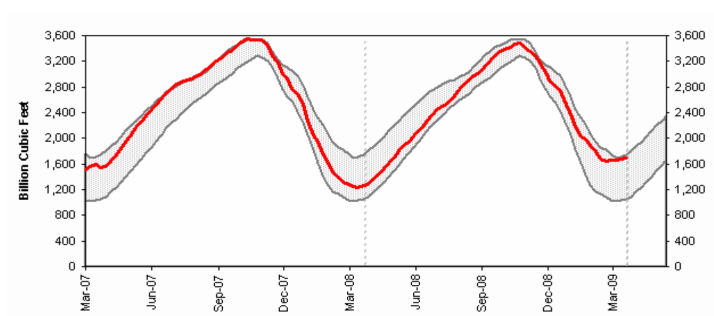
Natural Gas Market

NYMEX Henry Hub Futures: 12 Month Forward Strip



The future price of natural gas is the single most important determinant of the future price of electricity. Natural gas fired generation plants are most often called upon to provide incremental electricity and because of the structure of the competitive electricity market, these plants generally set the price of electricity for all consumers. Electricity suppliers, therefore, follow the natural gas market closely and base their prices to consumers on the forward prices for natural gas.

Working Gas in Storage Compared to 5-Year Range



This chart shows the amount of natural gas in storage at each point in time compared to the highest and lowest amounts over the past 5 years (shown as shaded region). When current storage levels approach their lowest levels, gas markets will be tight during the winter months and prices can be expected to rise. Conversely, high amounts of natural gas in storage will, all other things being equal, have a dampening effect on prices.

Source: EIA http://tonto.eia.doe.gov/oog/info/ngs/ngs.html

The April 2009 natural gas contract expired on March 27th at $3.631/MMBtu. May is currently the prompt month. As of April 17th, the 12 month NYMEX strip starting May 2009 was $4.88/MMBtu, up 3.5% from last week. This is 7% above the 24 month low, which was set on March 18th at $4.56/MMBtu, and 63% below the 24 month high, set July 3rd at $13.33/MMBtu. For comparison the 18, 24, 36, and 48 month NYMEX forward natural gas strips starting May 2009 were $5.24/MMBtu, $5.65/MMBtu, $6.11/MMBtu, and $6.38/MMBtu respectively.

The EIA (Energy Information Administration) reported that natural gas in storage was 1,695 Bcf as of Friday, April 10, 2009. This implies a net injection of 21 Bcf for the week, compared to the 5-year average injection of 22 Bcf and last year's withdrawal of 21 Bcf for the same report week. Gas in storage was about 35% above last year's level and 23% above the 5-year average.

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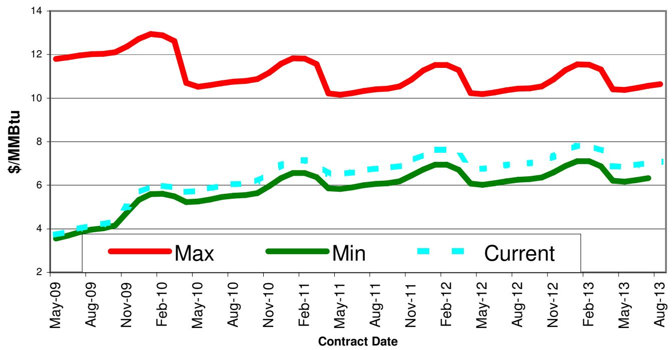
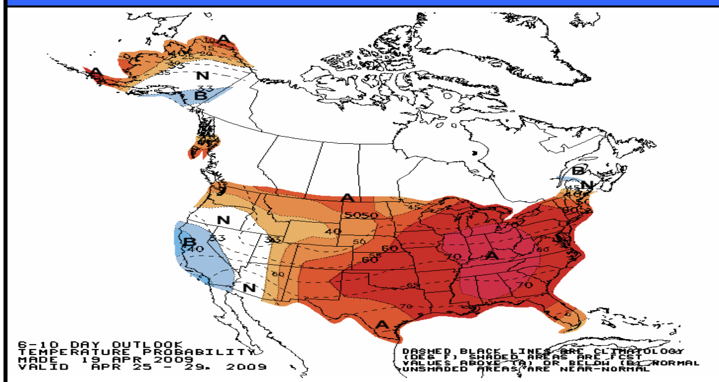
NYMEX Natural Gas Forwards vs. 1 Year Range



Score 12 Month Forward Strip	**96**
Score 24 Month Forward Strip	**93**
Score 36 Month Forward Strip	**90**

Natural gas futures are useful to monitor for both natual gas and electricity consumers. The natural gas futures market drives electricity pricing in many US markets, including Texas and New England. This chart shows the current forward prices for natural gas on the NYMEX exchange for each forward month shown on the horizontal axis compared to the highest and lowest prices for these same forward months over the past 12-month period. 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 maxima; a score close to 100 indicates that current prices are close to their historic minima.

Weather Forecast



For the period April 25 - 29, 2009

This chart measures how temperatures for this week compare 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 and heating oil prices went down last week while natural gas prices increased. Crude oil fell early last week until Wednesday, when the Labor Department released a report showing an unexpected drop in unemployment claims and U.S. equities rallied. However, these gains were tempered at the end of the week by high inventories and a rise in the dollar against the euro, decreasing the appeal of commodities. Also, the American Petroleum Institute released a report on Thursday showing that first quarter demand for crude was the lowest in 11 years for that period, leading some to worry that the worst of the recession had not passed. Natural gas rose steadily throughout the week with the exception of a dip on Thursday when the EIA released its weekly natural gas report showing weak demand and predicting that industrial demand for gas will decline 7.4 percent this year. However, buyers looking to lock in low prices and hopes that the economy would soon rebound helped to bolster natural gas prices despite weak demand and growing inventories.

Overall, NYMEX natural gas futures prices for the next 12 months rose an average of 3% between Friday, April 17th, and the previous Thursday (trading was closed on April 10th for Good Friday). The May 2009 contract increased 3% to $3.73 per MMBtu, but was still the lowest priced futures contract for delivery in the next 12 months. The February 2010 contract closed Thursday at $5.97 per MMBtu, the highest-priced natural gas futures contract for the same period.

NYMEX crude oil prices for the next 12 months decreased 3.7% on average. The May 2009 contract fell 3.7% over the week and was the least expensive at $50.33 per barrel, while the April 2010 contract was the most expensive at $62.35 per barrel. Heating oil prices for contracts with delivery in the next 12 months fell an average of 1.5% on the NYMEX last week, with the farthest contracts decreasing the most. The current prompt month, May 2009, settled at $1.42 per gallon on Friday, down 0.4% from the previous Thursday. The April 2010 contract, at $1.6709 per gallon, was the highest priced contract for the same period.

The EIA reported that for the period of April 3 - April 10, crude oil stocks and propane stocks increased by 5.6 million barrels and 1.1 million barrels respectively while distillate stocks (including heating oil) fell by 1.2 million barrels and gasoline stocks decreased by 0.6 million barrels. Inventories for all four products are currently above their 5-year average range.

The National Weather Service forecasts normal or warmer than normal temperatures for most of the United States except for California, which is forcasted to be colder than normal (see map above). Energy prices remain very attractive compared to historical levels. Most clients with contracts expiring in 2009 should seriously consider hedging remaining energy costs through the end of the calendar year. Clients with contracts expiring in 2010 or even 2011 could also benefit from extending their hedged position. Hedging decisions are very dependent on unique budgetary circumstances and goals and clients should consult with their representatives at CES or CETX for customized assistance.

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

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