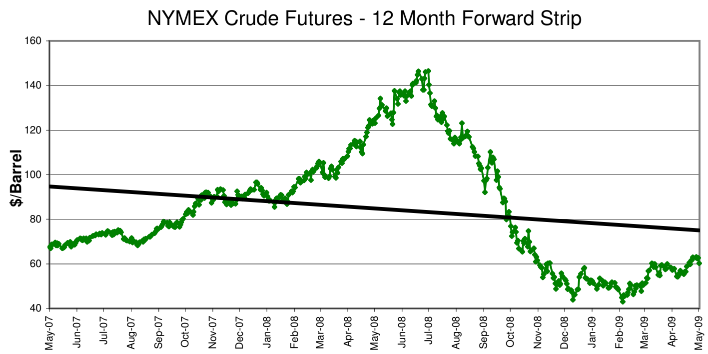
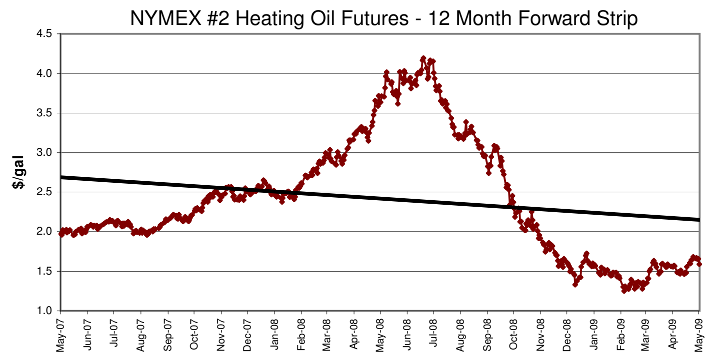
COMPETITIVE ENERGY SERVICES
CETX ENERGY AGENCY
MARKET SUMMARY

VIII - Issue 20 **WEEK ENDING 5/15/09**

Oil Market

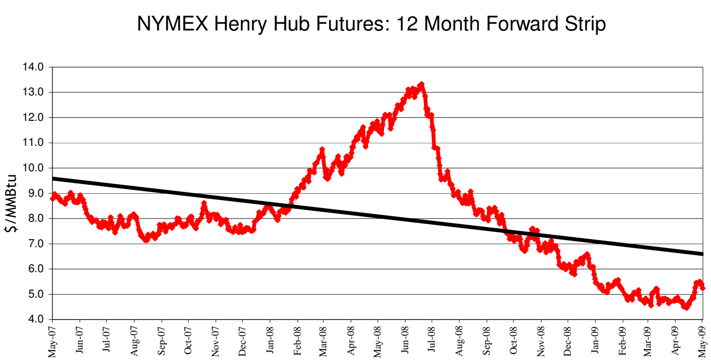


The May 2009 crude oil contract expired on April 21st at $46.51/barrel on the NYMEX. June is currently the prompt month. As of May 15th, the 12 month NYMEX forward strip starting June 2009 was $60.29/barrel, down 4% from the previous week. The current price is 40% above the 24 month low set on February 18th at $43.06/barrel. Strip prices are 59% below the 24 month high for the 12 month strip, which was set July 14, 2008 at $146.44/barrel.

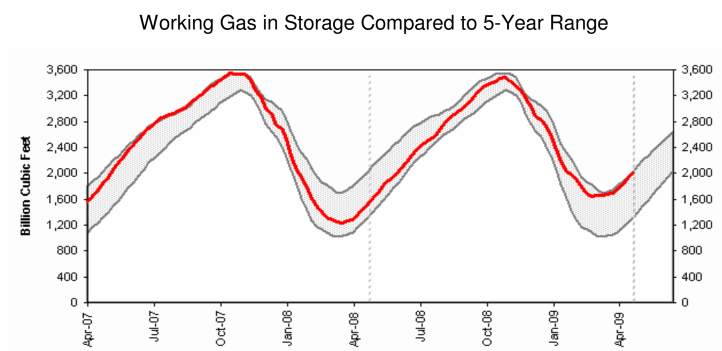


The May 2009 heating oil contract expired on April 30th at $1.315/gal. June is currently the prompt month. As of May 15th, the 12 month NYMEX forward strip starting June 2009 was $1.59/gal. This is down 5.5% from the previous week and is 27% above the 24 month low set at $1.25/gal on February 18th, 2009. Strip prices are 62% below the 24 month high, set on July 3rd at $4.19/gal.

Natural Gas Market



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.



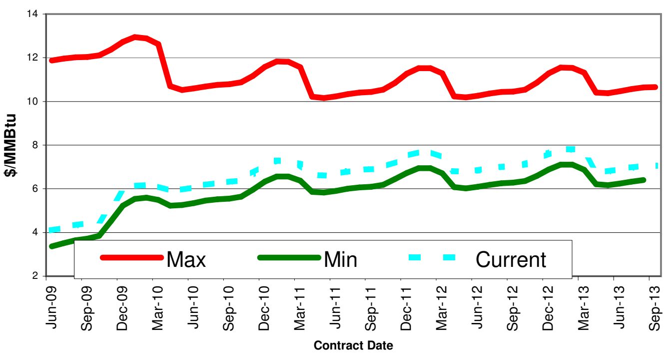
This chart shows the amount of natural gas in storage at each point in time compared to the highest and lowest amounts over the past 5 years (shown as shaded region). When current storage levels approach their lowest levels, gas markets will be tight during the winter months and prices can be expected 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 May 2009 natural gas contract expired on April 28th at $3.321/MMBtu. June is currently the prompt month. As of May 15th, the 12 month NYMEX strip starting June 2009 was $5.24/MMBtu, down 4% from last week. The current strip price is 18% above the 24 month low, set April 27th at $4.45/MMBtu, and 61% 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 June 2009 were $5.60/MMBtu, $5.95/MMBtu, $6.34/MMBtu, and $6.56/MMBtu respectively.

The EIA (Energy Information Administration) reported that natural gas in storage was 2,013 Bcf as of Friday, May 8th, 2009. This implies a net injection of 95 Bcf for the week, compared to an injection of 89 Bcf for the 5-year average and the 83 Bcf for the same report week last year. Gas in storage was about 33% above last year's level and 23% above the 5-year average.

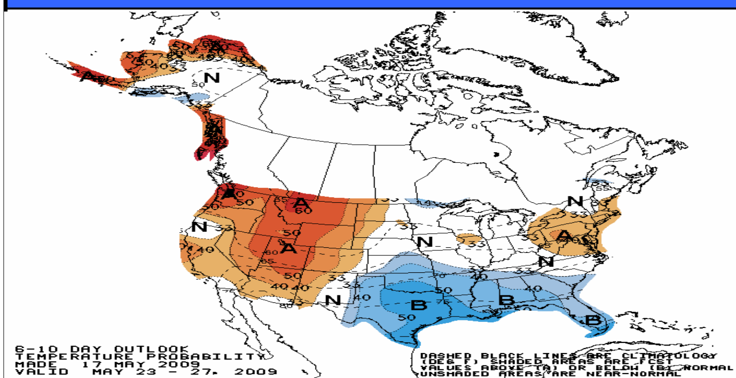
NYMEX Natural Gas Forwards vs. 1 Year Range



Score 12 Month Forward Strip	**91**
Score 24 Month Forward Strip	**88**
Score 36 Month Forward Strip	**86**

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 May 23 - 27, 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 oil, heating oil, and natural gas prices all decreased over the course of last week. Crude oil prices were steady for most of the week and fell on Friday after the International Energy Agency released its monthly report which cut global oil demand estimates for the ninth straight month. Natural gas prices fell from Wednesday to Friday on pessimism that industrial demand will remain in its current slump for the near future. However, as of Monday morning, crude oil was rising in response to threats from the Movement for the Emancipation of the Niger Delta over the weekend, which claimed responsibility for the rupture of two oil and natural gas pipelines. Natural gas is also on the rise due to investors looking to purchase and store gas to resell in the winter. The number of oil and gas rigs operating in the US have both dropped over 50% from last year and continued to fall last week, tempering the decrease in commodity prices.

Overall, NYMEX natural gas futures prices for the next 12 months fell an average of 4% between Friday, May 8th, and the previous Friday, with the nearest months decreasing the most. The June 2009 contract decreased 5% to $4.098 per MMBtu, the lowest priced futures contract for delivery in the next 12 months. The February 2010 contract closed the week at $6.165 per MMBtu, the highest-priced natural gas futures contract for the same period.

NYMEX crude oil prices for the next 12 months fell 4% on average. The June 2009 contract fell 4% and was the least expensive at $56.34 per barrel, while the May 2010 contract was the most expensive at $63.73 per barrel. Heating oil prices for contracts with delivery in the next 12 months fell an average of 5.5% on the NYMEX last week, with the nearest contracts decreasing the most. The current prompt month, June 2009, settled at $1.419 per gallon on Friday, down 6.6% from the previous Friday. The May 2010 contract, at $1.706 per gallon, was the highest priced contract for the same period.

The EIA reported that for the period of May 1 - 8, US crude oil stocks decreased by 4.7 million barrels, the first weekly decrease since February. Gasoline in stock also decreased by 4.1 million barrels. Propane stocks and distillate stocks (including heating oil) rose by 0.7 and 1.0 million barrels respectively. Inventories for crude oil, propane, and distillate products are currently above their 5-year average range while gasoline stocks are within the 5-year average range.

The National Weather Service forecasts warmer than normal temperatures for the West and the Northeast but colder than normal temperatures for the Southeast (see map above). Energy prices remain very attractive compared to historical levels. Most clients with contracts expiring in 2009 or the first half of 2010 should seriously consider hedging remaining energy costs through the end of the 2010 calendar year. Clients with contracts expiring in the second half of 2010 or in 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

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