

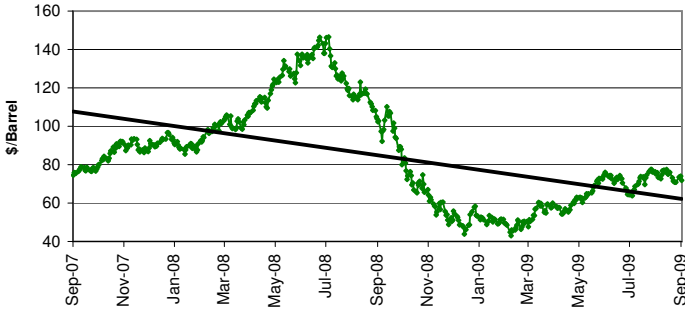
COMPETITIVE ENERGY SERVICES CETX ENERGY AGENCY MARKET SUMMARY

VIII - Issue 37

WEEK ENDING 9/11/09

Oil Market

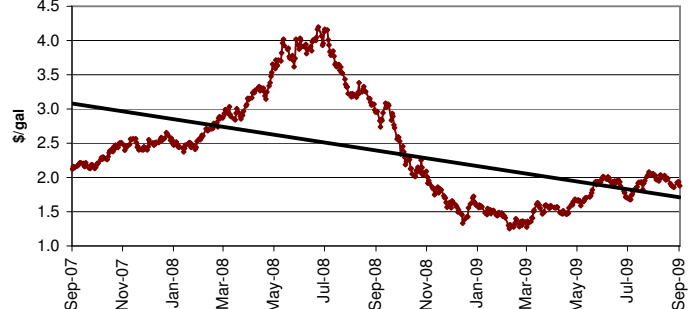
NYMEX Crude Futures - 12 Month Forward Strip



NYMEX PRICING	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$71.88	\$70.76	\$146.44	\$43.06
date	9/11/09	9/4/09	7/14/08	2/18/09
change from last close		2%	-51%	67%

STORAGE (in million bbls)	crude oil
domestic stocks as of 9/4/2009	337.5
gain / loss from previous week	-5.9
comparison to historic range	above

NYMEX #2 Heating Oil Futures - 12 Month Forward Strip

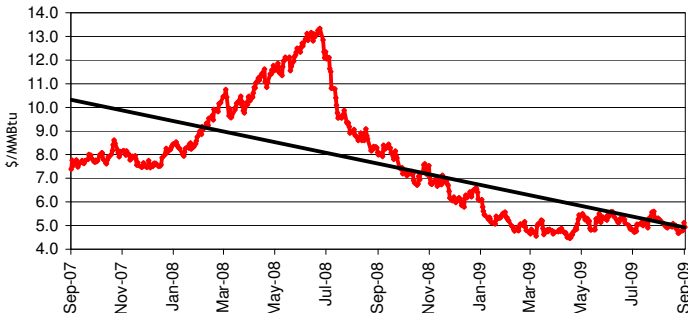


NYMEX PRICING	last close	previous week	24-month high	24-month low
12 month strip, \$/gal	\$1.88	\$1.86	\$4.19	\$1.25
date	9/11/09	9/4/09	7/3/08	2/18/09
change from last close		1%	-55%	50%

STORAGE (in million bbls)	distillate	propane	gasoline
domestic stocks as of 9/4/2009	165.6	70.7	207.2
gain / loss from previous week	2.0	1.6	2.1
comparison to historic range	above	above	within

Natural Gas Market

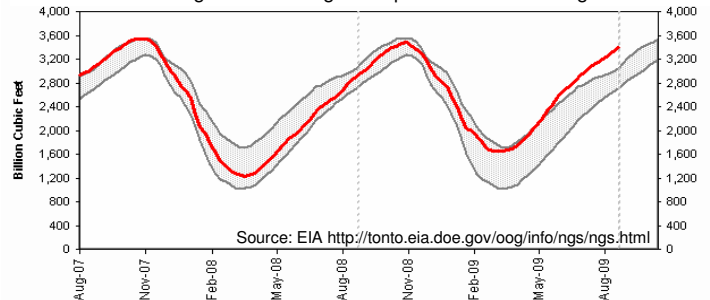
NYMEX Henry Hub Futures: 12 Month Forward Strip



NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBtu	\$4.93	\$4.69	\$13.33	\$4.45
date	9/11/09	9/4/09	7/3/08	4/27/09
change from last close		5%	-63%	11%

Forward Strips	18 month	24 month	35 month	48 month
\$/MMBtu	\$5.44	\$5.64	\$6.00	\$6.21

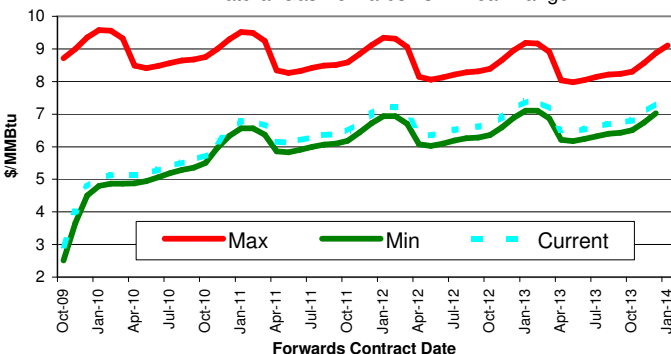
Working Gas in Storage Compared to 5-Year Range



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 3,392 Bcf as of Friday, September 4th, 2009. This implies a net weekly injection of 69 Bcf, compared to a 5-year average injection of 67 Bcf and last year's injection of 63 Bcf for the same report week. Gas in storage was about 17% above last year's level and 17% above the 5-year average. Gas in storage set a new record on August 31st at 3,353 Bcf and is projected to reach 3,842 Bcf by the end of the injection season.

NYMEX Natural Gas Forwards vs. 1 Year Range

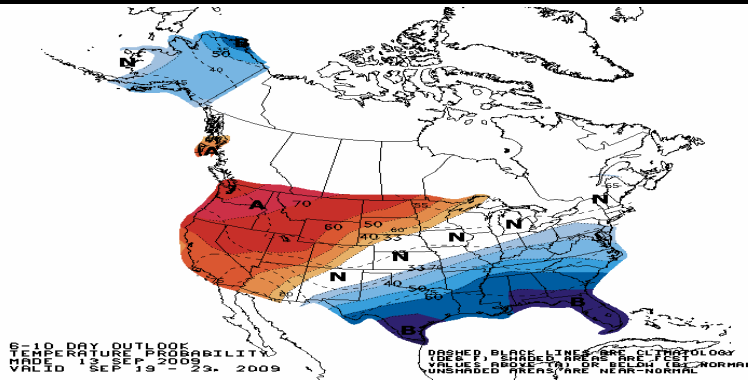


Natural gas futures are useful to monitor for natural gas and electricity consumers because they drive electricity pricing in many US markets, including Texas and New England. This chart compares the current natural gas price for each forward month on the NYMEX exchange to the highest and lowest prices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

Forwards	Score
12 Month	94
24 Month	92
36 Month	90

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 September 19 - 23, 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

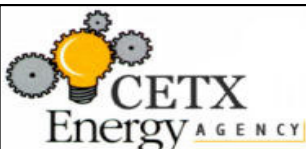
Crude oil prices rose slightly over last week, paring some of the losses from the previous week. Crude oil rose at the beginning of last week, reacting to gains in U.S. equities and also the U.S. dollar falling to its lowest point in 2009, which increases the attractiveness of commodities as an inflation hedge. Furthermore, OPEC announced it would maintain current production levels and at the same time the International Energy Agency increased its 2010 global oil demand projections. However, prices fell late Friday as the dollar stabilized, leading analysts to believe that gains in the previous days were not justified by the fundamentals.

The September crude oil contract expired on August 20th at \$72.54 per barrel; October is the current prompt month. Crude oil for the next 12 months starting October 2009 rose an average of 1.6% last week on the NYMEX, with all contracts rising around the same percent. The October 2009 contract ended the week at \$69.29 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 September 2010 at \$74.32 per barrel. NYMEX heating oil futures contracts for delivery in the next 12 months rose 1% on average last week, with the farther contracts gaining the most. The September 2009 contract expired on August 31st at \$1.78 per gallon. October 2009, the current prompt month, closed the week at \$1.73 per gallon and was the cheapest contract for delivery in the next twelve months. The winter heating months (November '09 – March '10) averaged \$1.84 per gallon on Friday.

Natural gas followed the same trend as crude oil on the NYMEX, jumping 14% between Tuesday and Thursday. The EIA's weekly report showed a gain in inventory that was less than projected and in line with previous (non-recession) years. Another bullish factor was a Labor Department report on Thursday showing that the number of applications for unemployment was lower than expected. However, on Friday the prompt month price fell more than 13% in the afternoon, paring some of the gains from before.

Natural gas futures prices for the next 12 months rose 5.5% on average between Friday, September 11th, and the previous Friday. The September 2009 natural gas contract expired on August 27th at \$2.84 per MMBtu on the NYMEX. October 2009, the current prompt month, rose 8.5% and closed last week at \$2.96 per MMBtu, the lowest priced contract with delivery in next 12 months. The heating season contracts closed at an average price of \$4.82 per MMBtu, and the September 2010 contract ended the week at \$5.59 per MMBtu, the highest priced natural gas contract in the next 12 months.

The National Weather Service forecasts warmer than normal weather for the West and Central North, while the South and parts of the East are expected to be warmer than normal (see map above). Energy prices, especially for natural gas and electricity, are very attractive compared to historical levels. Most clients with contracts before the end of 2010 should seriously consider hedging remaining electricity and natural gas costs through at least the end of the 2010 calendar year. Clients with contracts expiring in 2011 and beyond 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.



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