

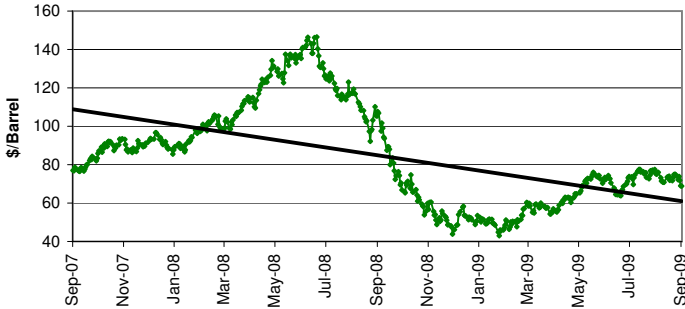
COMPETITIVE ENERGY SERVICES CETX ENERGY AGENCY MARKET SUMMARY

VIII - Issue 39

WEEK ENDING 9/25/09

Oil Market

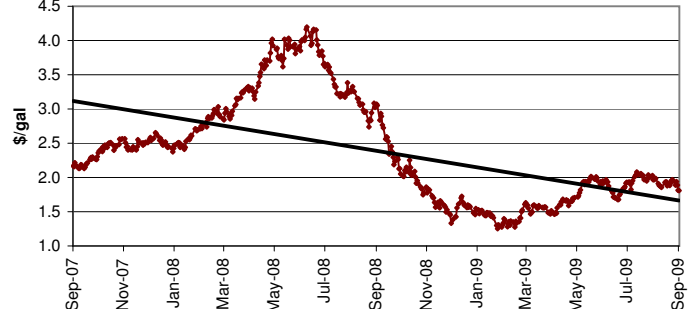
NYMEX Crude Futures - 12 Month Forward Strip



NYMEX PRICING	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$68.84	\$74.75	\$146.44	\$43.06
date	9/25/09	9/18/09	7/14/08	2/18/09
change from last close		-8%	-53%	60%

STORAGE (in million bbls)	crude oil
domestic stocks as of 9/18/2009	335.6
gain / loss from previous week	2.8
comparison to historic range	above

NYMEX #2 Heating Oil Futures - 12 Month Forward Strip

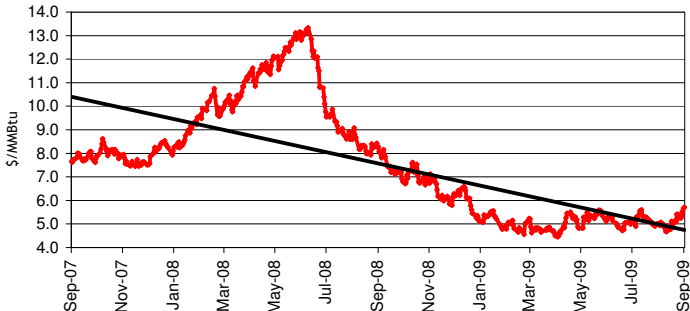


NYMEX PRICING	last close	previous week	24-month high	24-month low
12 month strip, \$/gal	\$1.81	\$1.95	\$4.19	\$1.25
date	9/25/09	9/18/09	7/3/08	2/18/09
change from last close		-8%	-57%	44%

STORAGE (in million bbls)	distillate	propane	gasoline
domestic stocks as of 9/18/2009	170.8	72.0	213.1
gain / loss from previous week	3.0	1.4	5.4
comparison to historic range	above	above	above

Natural Gas Market

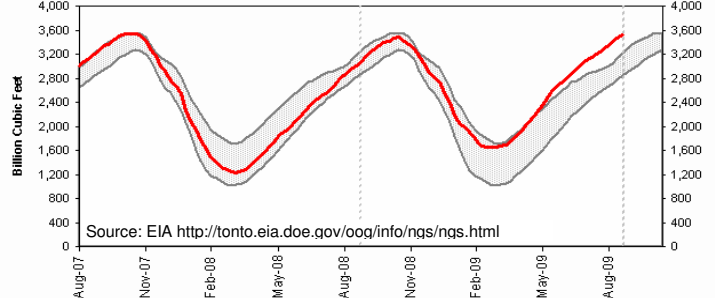
NYMEX Henry Hub Futures: 12 Month Forward Strip



NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBtu	\$5.72	\$5.42	\$13.33	\$4.45
date	9/25/09	9/18/09	7/3/08	4/27/09
change from last close		5%	-57%	28%

Forward Strips	18 month	24 month	35 month	48 month
\$/MMBtu	\$6.14	\$6.26	\$6.52	\$6.66

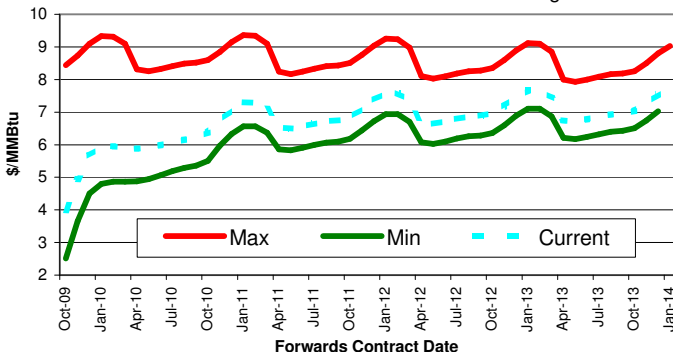
Working Gas in Storage Compared to 5-Year Range



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 3,525 Bcf as of Friday, September 18th, 2009. This implies a net weekly injection of 67 Bcf, compared to a 5-year average injection of 69 Bcf and last year's injection of 54 Bcf for the same report week. Gas in storage was about 17% above last year's level and 16% above the 5-year average.

NYMEX Natural Gas Forwards vs. 1 Year Range



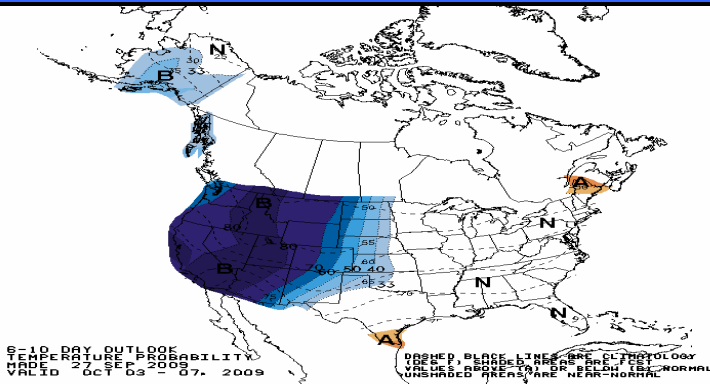
Natural gas futures are useful to monitor for natural gas and electricity consumers because they drive electricity pricing in many US markets, including Texas and New England. This chart compares the current natural gas price for each forward month on the NYMEX exchange to the highest and lowest prices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

Forwards	Score
12 Month	74
24 Month	73
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 3 - 7, 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

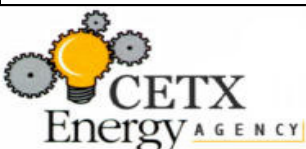
Crude oil ended a two-week rally as concrete signs of economic recovery failed to materialize. Crude oil rose on Tuesday as the U.S. dollar slipped against the euro, increasing the incentive to invest in commodities. However, the Wednesday storage report from the EIA showed larger than projected gains in inventory of crude oil, distillate, and gasoline. This stemmed the recent trend of crude oil trading on speculation of increased demand, and crude oil continued to fall during the latter half of the week. Distillate inventories have reached a level not seen since 1983, and gasoline inventories are now above the historical range, which last occurred in April. After the prompt month contract fell 8% in two days, prices leveled off on Friday as investors worried that the losses were overdone.

The October crude oil contract expired on September 22nd at \$71.55 per barrel; November is the current prompt month. Crude oil for the 12 months starting November 2009 fell an average of 9% last week on the NYMEX, with all contracts rising around the same percent. The November 2009 contract ended the week at \$66.02 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 October 2010 at \$71.41 per barrel. NYMEX heating oil futures contracts for delivery in the next 12 months starting October 2009 fell 8% on average last week, with the nearest contracts falling 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 \$1.68 per gallon and was the cheapest contract for delivery in the next twelve months. The winter heating months (November '09 – March '10) averaged \$1.76 per gallon on Friday.

For most of 2009 crude oil prices rose as natural gas fell, but last week the trends reversed. Natural gas rose every day but Monday as some nuclear power plants shut down for seasonal maintenance, temporarily increasing demand for gas-fueled electricity. Furthermore, a colder-than-normal forecast for much of the U.S. should increase demand ahead of the normal heating season. Although the number of natural gas rigs rose by 6 in the past week, the total number is down 56% from the same time last year. Injections into domestic stocks are on pace to exceed the current record, but unseasonably cold weather could result in large withdrawals from inventories as the number of working rigs lags behind demand. Still, with the current glut of natural gas and one month before the withdrawal season officially begins, some analysts are projecting a drop in price of as much as 20%.

The September 2009 natural gas contract expired on August 27th at \$2.84 per MMBTU on the NYMEX, and October is still the prompt month. Natural gas contracts for the next 12 months rose 5.5% on average between Friday, September 25th, and the previous Friday. The October 2009 contract, which expires today, ended last week at \$3.99 per MMBtu and was the lowest priced contract with delivery in next 12 months. The heating season contracts closed at an average price of \$5.68 per MMBtu, and the September 2010 contract ended the week at \$6.22 per MMBtu, the highest priced natural gas contract in the next 12 months.

The National Weather Service forecasts temperatures much cooler than normal west of the Great Plains, while the rest of the country is projected to be around the long-term average (see map above). Energy prices, especially for natural gas and electricity, grew less attractive compared to historical levels last week but are still significantly below last year's levels. Clients with commodity contracts expiring in 2010 or 2011 should consult with their CES or CETX representative for customized guidance on executing a forward energy market hedge. 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

