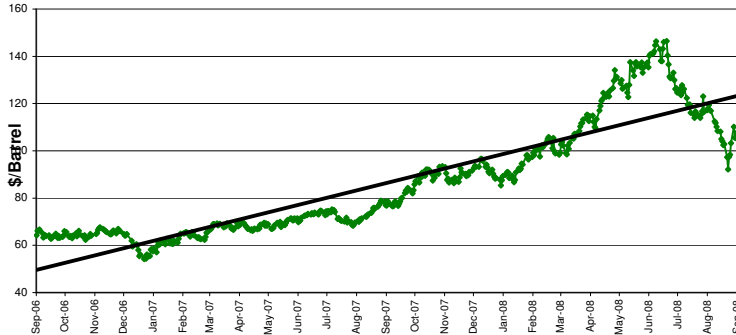


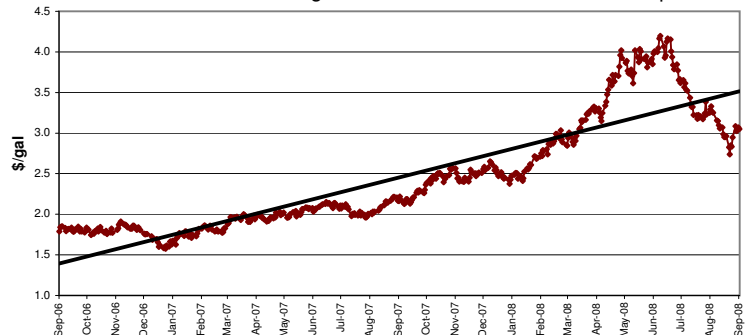
Oil Market

NYMEX Crude Futures - 12 Month Forward Strip



The October 2008 crude oil contract expired on September 22th at \$120.92/barrel on the NYMEX. November is currently the prompt month. As of September 26th, the 12 month NYMEX forward strip starting November 2008 was \$106.88/barrel. This is up 4% from the previous week and is 27% below the 24 month high for the 12 month strip, which was set July 14, 2008 at \$146.44/barrel. Strip prices are approximately 97% above the 24 month low of \$54.17/barrel which occurred on January 16th, 2007.

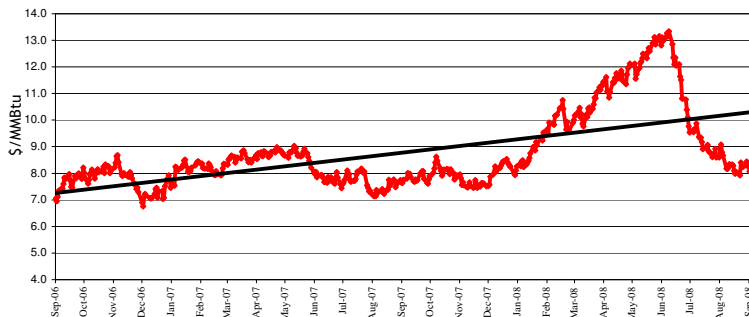
NYMEX #2 Heating Oil Futures - 12 Month Forward Strip



The September 2008 heating oil contract expired on August 29th at \$3.18/gal. October is currently the prompt month. As of September 26th, the 12 month NYMEX forward strip starting October was \$3.05/gal. This is up 4% from the previous week and is 27% below the 24 month high, set on July 3rd at \$4.19/gal. Strip prices are approximately 93% above the 24 month low of \$1.58/gal, which occurred on January 18th, 2007.

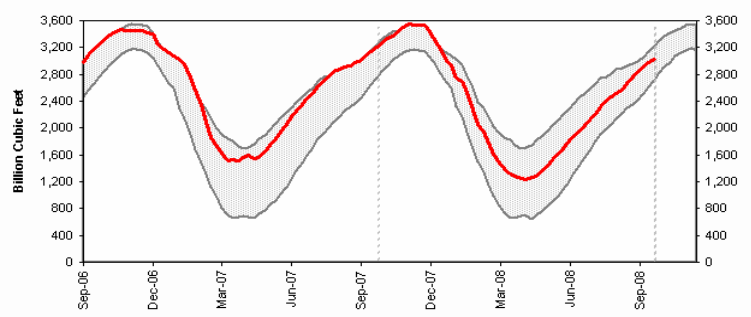
Natural Gas Market

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



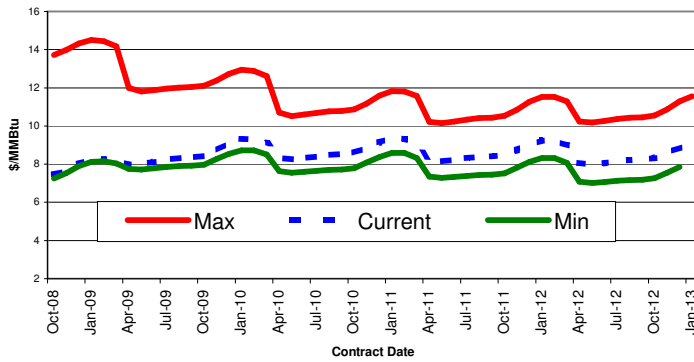
This chart shows the amount of natural gas in storage at each point in time compared to the highest and lowest amounts over the past 5 years (shown as shaded region). When current storage levels approach their lowest levels, gas markets will be tight during the winter months and prices can be expected 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 October 2008 natural gas contract expired on September 26th at \$7.47/MMBtu. November is currently the prompt month. As of September 26th, the 12 month NYMEX strip starting October was \$8.07/MMBtu. This is down 2% from the previous week and is 39% below the 24 month high for the 12 month strip set July 3rd at \$13.33/MMBtu. Strip prices are approximately 19% above the 24 month low of \$6.76/MMBtu, which occurred on December 27th, 2006. For comparison the 18, 24, 36, and 48 month NYMEX forward natural gas strips starting October were \$8.38/MMBtu, \$8.38/MMBtu, \$8.48/MMBtu, and \$8.49/MMBtu respectively.

The EIA (Energy Information Administration) reported that natural gas in storage was 3,023 Bcf as of Friday, September 12, 2008. This implies a net injection of 51 Bcf for the week, compared to the 5-year average injection of 77 Bcf and last year's injection of 71 Bcf for the same report week. Gas in storage is about 5% below last year's level and 1% above the 5-year average.

NYMEX Natural Gas Forwards vs. 1 Year Range

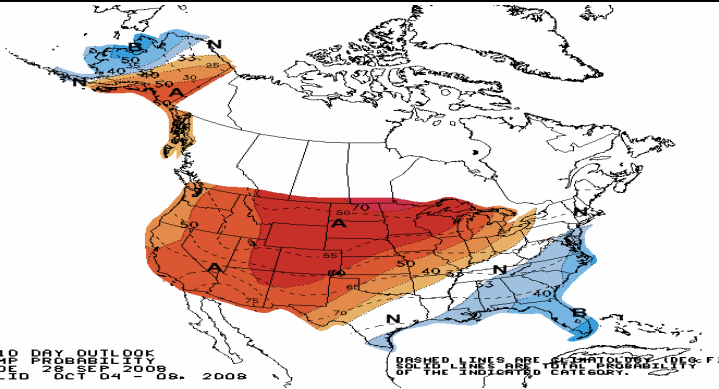


Score 12 Month Forward Strip	95
Score 24 Month Forward Strip	88
Score 36 Month Forward Strip	83

Natural gas futures are useful to monitor for both natural 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 October 4-8, 2008



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

Oil prices increased while natural gas prices decreased on the NYMEX futures market last week. Crude oil prices moved higher last week on speculation that the U.S. government bailout plan for financial companies might boost economic growth and boost demand. The optimism associated with the government bailout plan has already been replaced by skepticism, however, and oil prices are down sharply this morning on fears about the fragile U.S. economy. Natural gas prices moved lower last week in response to improving fundamentals - in particular adequate supply levels for the upcoming heating season. NYMEX natural gas prices increased slightly last Tuesday but have been moving lower ever since. Natural gas prices have followed crude oil sharply lower in trading so far today. As of Friday, the U.S. energy producers had resumed output for about 43 percent of oil and 47 percent of natural gas production in the Gulf of Mexico after hurricanes Gustav and Ike swept through the region.

Natural gas futures prices decreased on the NYMEX last week. The October 2008 contract fell 1% or 6 cents per MMBtu and closed at \$7.47 per MMBtu on Friday. The winter contracts (November – March) decreased 3% or 22 cents per MMBtu on average and closed last week at average price of \$8.06 per MMBtu. The September 2009 contract was at \$8.36 per MMBtu the highest priced natural gas futures contract over next 12 months. The lowest priced natural gas contract for the same period was October 2008 at \$7.47 per MMBtu.

The NYMEX crude oil futures prices increased 4% last week. The October 2008 crude oil contract expired at \$120.92 per barrel on Monday, September 22 after it jumped \$16.37 a barrel or 16% from its previous closing price of \$104.55 per barrel. The October 2009 crude oil futures contract was at \$107.77 per barrel the highest priced contract for delivery in next 12 months last week. The January 2009 contract was at \$106.16 per barrel the lowest priced crude oil futures contract for the same period. The NYMEX heating oil futures prices went up 3% from the previous Friday's close. The current prompt month – October 2008 – increased 10 cents per gallon and closed last week at \$2.99 per gallon. October 2008 was the lowest price for a heating oil contract with delivery in next 12 months. The winter contracts (November – March) increased 10 cents per gallon and averaged \$3.06 per gallon last Friday. The February 2009 heating oil contract was at \$3.08 per gallon the highest priced futures contract for delivery in next 12 months. The EIA reported that the U.S. stocks of crude oil decreased by 1.5 million barrels and were 30.4 million barrels below last year's level. Distillate (including heating oil) inventories declined 4.2 million barrels and were 11.7 million barrels under last year's stocks at the same time. Propane in storage increased by 0.11 million barrels and was 3.28 million barrels under previous year's level according to the report.

The National Weather Service forecast normal to colder than normal weather for the Northeast and the South and warmer than normal temperatures for the rest of the country for the beginning of October (see chart). A subtropical storm Laura has been developing in the Atlantic basin but it is not expected to make a landfall anywhere in the North America. Energy markets are back to reasonable levels and customers with contracts nearing expiration should monitor the markets closely and consider locking-in.



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