

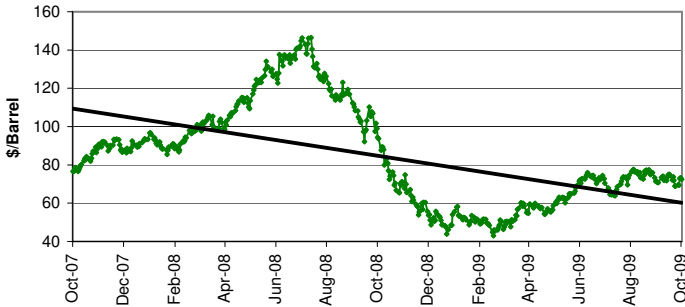
COMPETITIVE ENERGY SERVICES CETX ENERGY AGENCY MARKET SUMMARY

VIII - Issue 40

WEEK ENDING 10/2/09

Oil Market

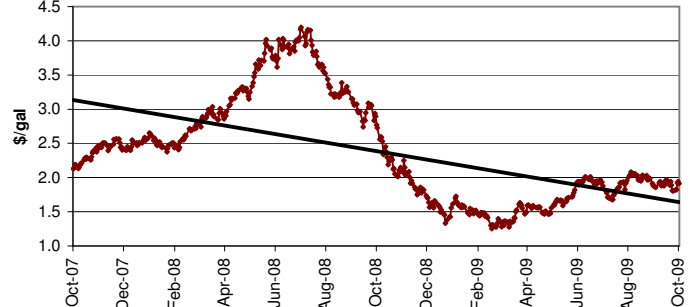
NYMEX Crude Futures - 12 Month Forward Strip



NYMEX PRICING	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$72.38	\$68.84	\$146.44	\$43.06
date	10/2/09	9/25/09	7/14/08	2/18/09
change from last close		5%	-51%	68%

STORAGE (in million bbls)	crude oil
domestic stocks as of 9/25/2009	338.4
gain / loss from previous week	2.8
comparison to historic range	above

NYMEX #2 Heating Oil Futures - 12 Month Forward Strip

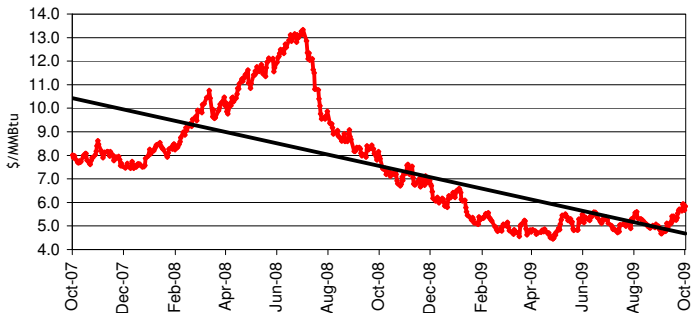


NYMEX PRICING	last close	previous week	24-month high	24-month low
12 month strip, \$/gal	\$1.91	\$1.81	\$4.19	\$1.25
date	10/2/09	9/25/09	7/3/08	2/18/09
change from last close		6%	-54%	53%

STORAGE (in million bbls)	distillate	propane	gasoline
domestic stocks as of 9/25/2009	171.1	72.8	211.5
gain / loss from previous week	0.3	0.8	-1.6
comparison to historic range	above	above	above

Natural Gas Market

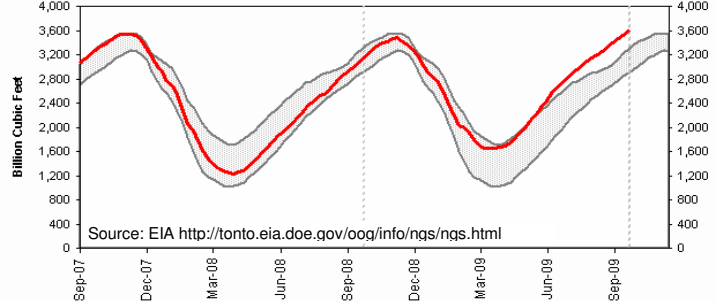
NYMEX Henry Hub Futures: 12 Month Forward Strip



NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBtu	\$5.83	\$5.72	\$13.33	\$4.45
date	10/2/09	9/25/09	7/3/08	4/27/09
change from last close		2%	-56%	31%

Forward Strips	18 month	24 month	35 month	48 month
\$/MMBtu	\$6.21	\$6.31	\$6.54	\$6.68

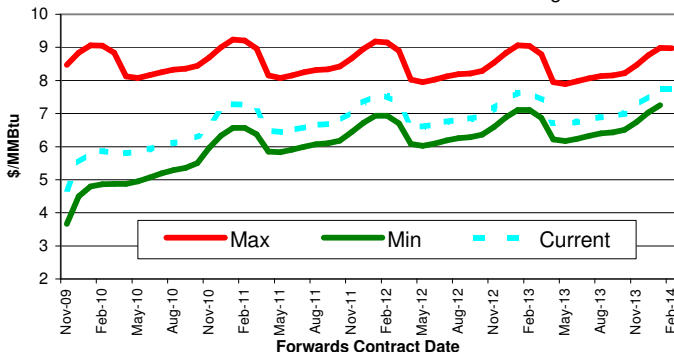
Working Gas in Storage Compared to 5-Year Range



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 3,589 Bcf as of Friday, September 25th, which sets a new storage record. This implies a net weekly injection of 64 Bcf, compared to a 5-year average injection of 68 Bcf and last year's injection of 82 Bcf for the same report week. Gas in storage was about 16% above last year's level and also the 5-year average.

NYMEX Natural Gas Forwards vs. 1 Year Range

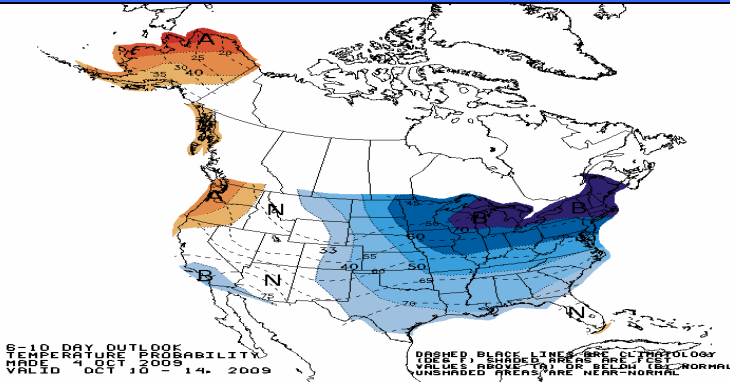


Natural gas futures are useful to monitor for natural gas and electricity consumers because they drive electricity pricing in many US markets, including Texas and New England. This chart compares the current natural gas price for each forward month on the NYMEX exchange to the highest and lowest prices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

Forwards	Score
12 Month	74
24 Month	74
36 Month	73

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 10 - 14, 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

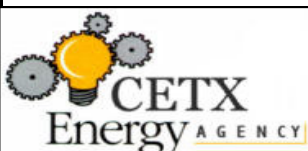
Crude oil futures moved up last week, although the only daily gain was on Wednesday. The EIA released its weekly report showing that while crude oil stocks gained more than expected, gasoline experienced a surprising drop in inventory. This led to a one-day jump of 6% in crude oil, the largest gain in six months. Furthermore, the dollar declined against the euro and manufacturing increased in China and Japan, both bullish factors. These gains were pared on Thursday and Friday as investors noted that crude oil stocks are still 10% above the 5-year average, and the Department of Labor reported that unemployment reached 9.8% in September. Demand for crude products remains low, as evidenced by six straight weeks of gains in distillate stocks even as production and imports are decreasing. Crude oil continued to fall as of Monday morning.

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 rose an average of 5% last week on the NYMEX, with all contracts rising around the same percent. The November 2009 contract ended the week at \$69.95 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 \$74.65 per barrel. NYMEX heating oil futures contracts for delivery in the next 12 months starting November 2009 fell 5% on average last week. The October 2009 contract expired on September 30th at \$1.80 per gallon. November 2009, the current prompt month, closed the week at \$1.80 per gallon and was the cheapest contract for delivery in the next twelve months. The rest of the winter heating months December '09 – March '10 averaged \$1.87 per gallon on Friday.

Natural gas was steady last week until Thursday, when the EIA released its report showing that natural gas in storage had finally broken the all-time record set in November 2007. Although injections into gas stocks had been pointing to this event for some time, the market reacted strongly and the prompt month still fell almost 8% on Thursday. Prices recovered partially on Friday and continued to gain as of Monday morning, with some analysts seeing the potential for prompt month gas to break through the \$5 mark. The Commodity Weather Group is projecting that this winter may be the coldest in a decade for the U.S. Northeast.

The October 2009 natural gas contract expired on September 28th at \$3.73 per MMBTU on the NYMEX, a significant jump from the September contract's final closing price of \$2.84 per MMBTU. Natural gas contracts for the next 12 months starting November 2009 fell 1.5% on average between Friday, October 2nd, and the previous Friday. The November contract fell 4.6% and ended last week at \$4.72 per MMBtu and was the lowest priced contract with delivery in next 12 months. The remaining heating season contracts closed at an average price of \$5.76 per MMBtu, and the October 2010 contract ended the week at \$6.33 per MMBtu, the highest priced natural gas contract in the next 12 months.

The National Weather Service forecasts temperatures much cooler than normal east of the Rockies while the Pacific Northwest is expected to be warmer than normal (see map above). Clients with commodity contracts expiring in 2009, 2010 or 2011 may want to consider locking in some portion of their energy budgets soon. Please consult with your CES or CETX representative for customized guidance on executing a forward energy market hedge, as hedging decisions are very dependent on unique budgetary circumstances and goals.



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