

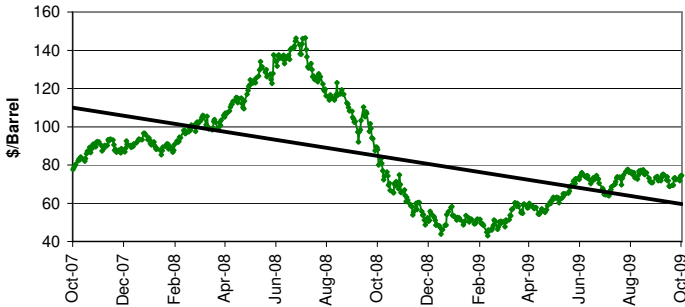
COMPETITIVE ENERGY SERVICES CETX ENERGY AGENCY MARKET SUMMARY

VIII - Issue 41

WEEK ENDING 10/9/09

Oil Market

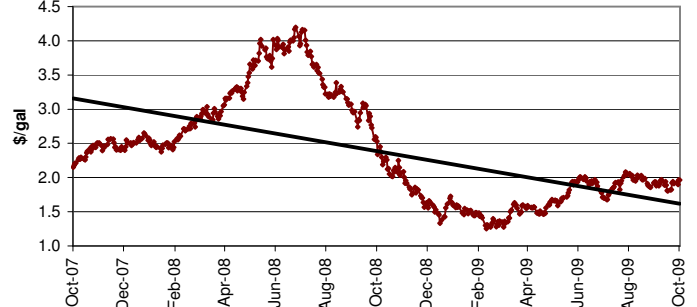
NYMEX Crude Futures - 12 Month Forward Strip



NYMEX PRICING	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$74.52	\$72.38	\$146.44	\$43.06
date	10/9/09	10/2/09	7/14/08	2/18/09
change from last close		3%	-49%	73%

STORAGE (in million bbls)	crude oil
domestic stocks as of 10/2/2009	337.4
gain / loss from previous week	-1.0
comparison to historic range	above

NYMEX #2 Heating Oil Futures - 12 Month Forward Strip

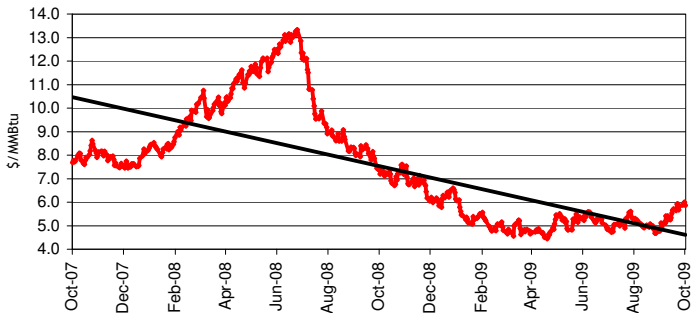


NYMEX PRICING	last close	previous week	24-month high	24-month low
12 month strip, \$/gal	\$1.97	\$1.91	\$4.19	\$1.25
date	10/9/09	10/2/09	7/3/08	2/18/09
change from last close		3%	-53%	57%

STORAGE (in million bbls)	distillate	propane	gasoline
domestic stocks as of 10/2/2009	171.8	72.9	214.4
gain / loss from previous week	0.7	0.0	2.9
comparison to historic range	above	above	above

Natural Gas Market

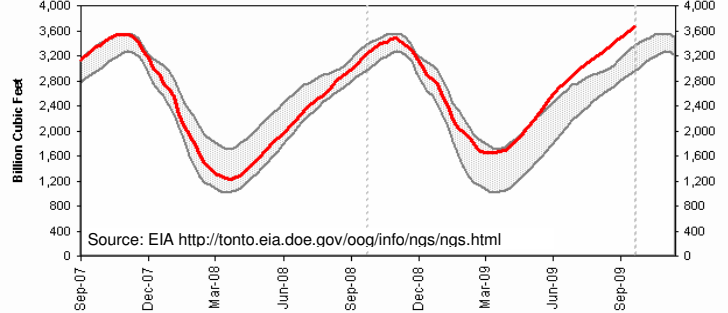
NYMEX Henry Hub Futures: 12 Month Forward Strip



NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBTu	\$5.86	\$5.83	\$13.33	\$4.45
date	10/9/09	10/2/09	7/3/08	4/27/09
change from last close		1%	-56%	32%

Forward Strips	18 month	24 month	35 month	48 month
\$/MMBTu	\$6.21	\$6.30	\$6.51	\$6.65

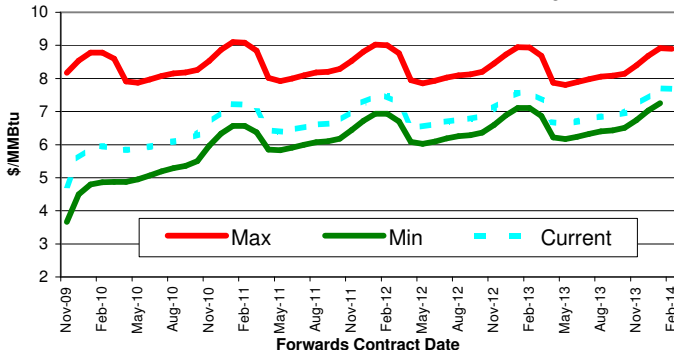
Working Gas in Storage Compared to 5-Year Range



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 3,658 Bcf as of Friday, October 2nd. This implies a net weekly injection of 64 Bcf, compared to a 5-year average injection of 70 Bcf and last year's injection of 87 Bcf for the same report week. Gas in storage was about 15% above last year's level and also the 5-year average.

NYMEX Natural Gas Forwards vs. 1 Year Range

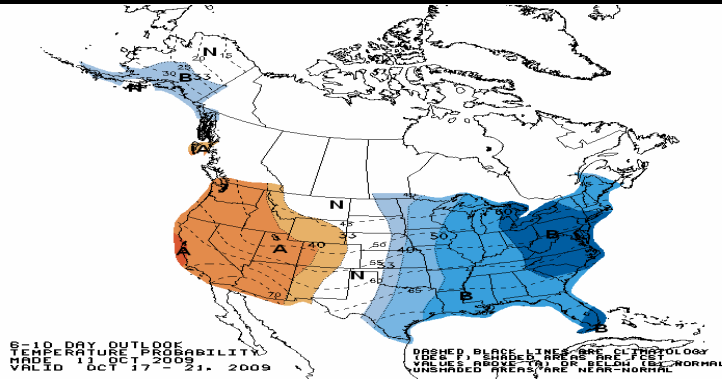


Natural gas futures are useful to monitor for natural gas and electricity consumers because they drive electricity pricing in many US markets, including Texas and New England. This chart compares the current natural gas price for each forward month on the NYMEX exchange to the highest and lowest prices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

Forwards	Score
12 Month	72
24 Month	73
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 17 - 21, 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 increased last week, climbing every day except Wednesday. Prices rose early in the week as U.S. stocks performed well and the dollar fell against the euro, increasing the incentive to invest in commodities. Oil prices fell on Wednesday after the EIA released its weekly report showing that distillate fuel and gasoline experienced higher than expected gains in inventory while crude oil stocks decreased over the week, despite a projected gain. Crude oil futures recovered on Thursday and Friday, responding to further weakening of the U.S. dollar and also a Labor Department report stating that the number of initial unemployment applications fell last week to the lowest point since January. Adding to the bullish market sentiment, the International Energy Agency increased its energy demand forecast for 2010 on Friday.

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 3% last week on the NYMEX, with all contracts rising around the same percent. The November 2009 contract ended the week at \$71.77 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 \$76.90 per barrel. NYMEX heating oil futures contracts for delivery in the next 12 months starting November 2009 also rose 3% 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 \$1.86 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 \$1.92 per gallon on Friday.

Natural gas was steady over the course of last week. The prompt month (November 2009) remained just under \$5 per MMBtu at the close of each day, while the October 2010 contract is running about \$1.50/MMBtu higher. Natural gas prices rose mid-week on optimism of a recovery in demand and a colder than normal forecast for next week, but fell on Friday as analysts predicted that the current glut of natural gas in storage would be ample for the coming heating months. The calendar 2010 strip price is currently down 25% from its 12 month high, although it had been down as much as 37% in September.

The October 2009 natural gas contract expired on September 28th at \$3.73 per MMBtu on the NYMEX. Natural gas contracts for the next 12 months starting November 2009 rose 0.5% on average between Friday, October 7th, and the previous Friday. The November 2009 contract ended last week at \$4.77 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 \$5.84 per MMBtu, and the October 2010 contract ended the week at \$6.30 per MMBtu, the highest priced natural gas contract in the next 12 months.

The National Weather Service forecasts cooler than normal temperatures east of the Plains while the states West of the Plains are expected to be warmer than normal (see map above). Despite recent market increases, clients with commodity contracts expiring in 2009, 2010 or 2011 may want to consider locking in some portion of their energy budgets. 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.



2121 Sage Rd. Suite 310
Houston, TX 77056
Tel: (800) 475-5315
Fax: (800) 884-3996
www.cetxenergy.com

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

