COMPETITIVE ENERGY SERVICES

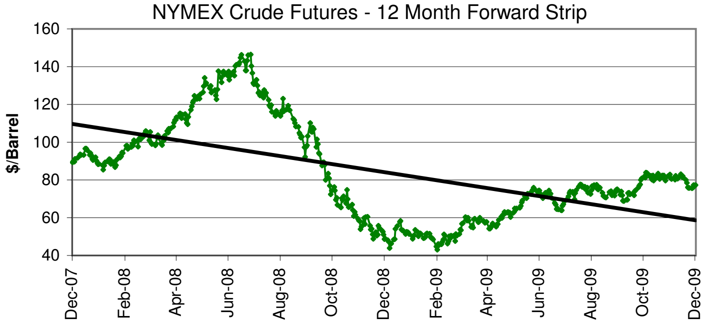
MARKET SUMMARY

VIII - Issue 51 WEEK ENDING 12/18/09

Oil Market

Crude Oil

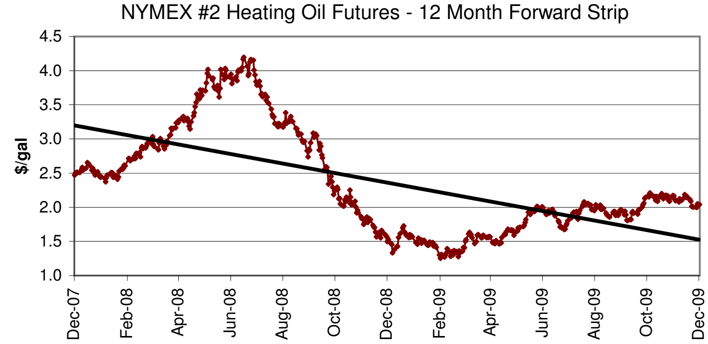
NYMEX Crude Futures - 12 Month Forward Strip



NYMEX PRICING	last close	previous week	24-month high	24-month low
12 month strip, $/bbl	$77.36	$75.70	$146.44	$43.06
date	12/18/09	12/11/09	7/14/08	2/18/09
change from last close		2%	-47%	80%

STORAGE (in million bbls)	crude oil
domestic stocks as of 12/11/2009	332.4
gain / loss from previous week	-3.7
comparison to historic range	above

NYMEX #2 Heating Oil Futures - 12 Month Forward Strip

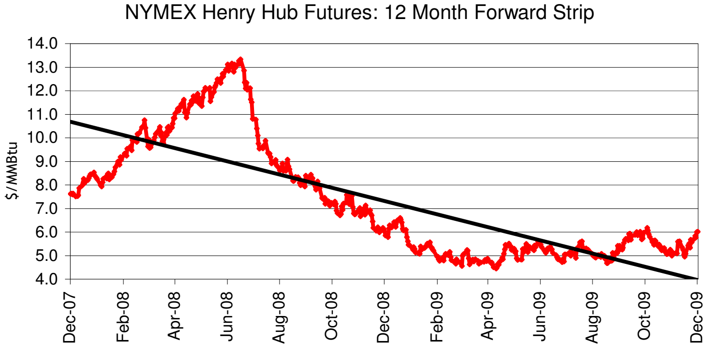


NYMEX PRICING	last close	previous week	24-month high	24-month low
12 month strip, $/gal	$2.04	$2.00	$4.19	$1.25
date	12/18/09	12/11/09	7/3/08	2/18/09
change from last close		2%	-51%	63%

STORAGE (in million bbls)	distillate	propane	gasoline
domestic stocks as of 12/11/2009	164.4	57.4	217.2
gain / loss from previous week	-2.9	-4.0	0.9
comparison to historic range	above	below	above

Natural Gas Market

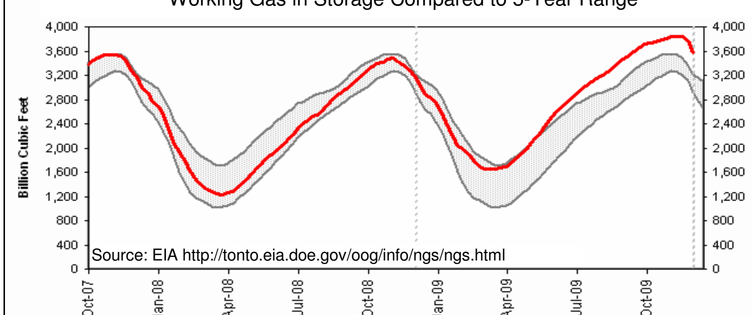
NYMEX Henry Hub Futures: 12 Month Forward Strip



NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, $/MMBTu	$6.01	$5.57	$13.33	$4.45
date	12/18/09	12/11/09	7/3/08	4/27/09
change from last close		8%	-55%	35%

Forward Strips	18 month	24 month	36 month	48 month
$/MMBtu	$6.18	$6.26	$6.38	$6.47

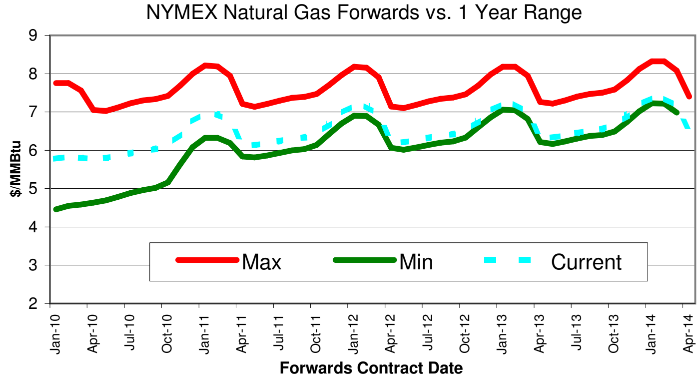
Working Gas in Storage Compared to 5-Year Range



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 3,566 Bcf as of Friday, December 11th. This implies a net weekly withdrawal of 207 Bcf, compared to a five-year average withdrawal of 127 Bcf and last year's withdrawal of 116 Bcf for the same report week. Gas in storage was about 12% above last year's level and 14% above the 5-year average.

NYMEX Natural Gas Forwards vs. 1 Year Range



Natural gas futures are useful to monitor for both natural gas and electricity consumers because they drive electricity pricing in many U.S. markets including New England, Texas and, to a lesser extent, New York and the Mid-Atlantic. 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.

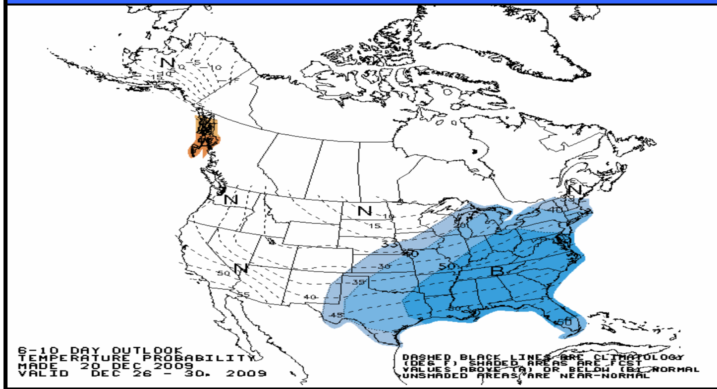
Forwards	Score
12 Month	57
24 Month	66
36 Month	72

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.

MARKET SUMMARY

 WEEK ENDING 12/18/09

Weather Forecast



For the period December 26 - 30, 2009

This map 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.

Source: Chart from the National Weather Service Climate Prediction Center www.cpc.ncep.noaa.gov

Market Assessment

Crude oil and heating oil moved up last week, recovering some of the losses of the previous week. Oil rose on Tuesday after the Federal Reserve announced that output from factories, mines, and utilities rose 0.8% in November and manufacturing alone rose 1.1%. On Wednesday, prices continued to climb after the EIA released its weekly storage report, which showed an unexpected drop in crude supplies. Although crude oil imports have fallen for a third straight week, the American Petroleum Industry had forecasted a gain of 924,000 million barrels. A strong U.S. dollar kept prices from rising on Thursday, but on Friday Iranian forces temporarily occupied an oil well along the Iran-Iraq border in a disputed region, pushing up the price of oil. Prices were holding steady as of Monday morning. OPEC will be meeting on Tuesday of this week but is expected to maintain current production rates.

The December crude oil contract expired on November 20th at $76.72 per barrel; January 2010 is the current prompt month but the contract terminates at the end of trading today. Crude oil for the 12 months starting January 2010 rose an average of 2% last week on the NYMEX. The January 2010 contract increased 5% and ended the week at $73.36 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 December 2010 at $80.54 per barrel. NYMEX heating oil futures contracts for delivery in the next 12 months starting January 2010 also rose 2% on average. The December 2009 contract expired on November 30th at $2.02 per gallon. The January 2010 contract closed the week at $1.96 per gallon and was the cheapest contract for delivery in the next twelve months. The open winter months (January-March 2010) averaged $1.97 per gallon on Friday, and the most expensive contract in the next 12 months was December 2010 at $2.15 per gallon.

Natural gas prices jumped again last week, continuing the trend from the previous week. Prices started the week with an increase due to a forecast for below-normal temperatures in the Northeast. Some of these gains were pared on Wednesday as investors sold off contracts in anticipation that the EIA's Thursday storage report could push down prices. However, the report revealed higher than projected withdrawals from inventory and sent prices to their highest levels in more than 11 months. By close of trading on Friday, the prompt month had gained 12% over the week and the 12-month strip has risen 18.5% over the past two weeks. Some investors are questioning whether the recent gains are warranted in light of the surplus in storage. Weather could continue to put upward pressure in the near term as most of the U.S. is forecasted to be colder than normal through the end of the year. The number of natural gas rigs in operation rose 2% last week but is still down 43% from this time last year.

The December 2009 natural gas contract expired on November 24th at $4.49 per MMBTU on the NYMEX. Natural gas contracts for the next 12 months starting January 2010 rose 8% on average between Friday, December 18th, and the previous Friday. The January 2010 contract ended the week at $5.78 per MMBtu, the lowest priced contract with delivery in next 12 months. The active heating season contracts (Jan-Mar) closed at an average price of $5.81 per MMBtu. The December 2010 contract ended last week at $6.74 per MMBtu and was the highest priced contract with delivery in next 12 months.

The National Weather Service forecasts colder than normal temperatures for the Eastern United States from Texas north to Wisconsin, while the West is expected to see normal temperatures (see chart above). The CES market score (see first page) declined significantly during the past few weeks and clients with electricity or natural gas contracts expiring in 2010 or 2011 should consult with a CES representative for customized guidance on executing a forward energy market hedge. As always, hedging decisions are very dependent on unique budgetary circumstances and goals.

Competitive Energy Services

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