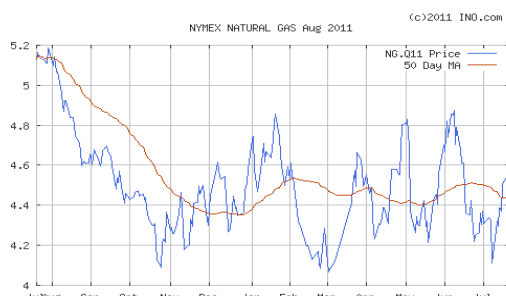


Volume 386 July 21, 2011

**Market** Natural gas traded higher this week as hot weather across the country and competitive coal prices are keeping gas prices supported. Deficit storage levels compared to last year are raising concerns whether 4,000 BCF is attainable by winter. Gas production levels due mostly to shale drilling are still strong; but shale fracking practice under some environmental scrutiny now. Industrial demand is still only recovering slowly and is sluggish. Natural gas is attractive to fix at this time to protect this year and beyond. The North American rig count is 885 this week. After a rise in count starting a year and a half ago the rig count has leveled off but increased by 12 this week.

The Crude oil price for Aug is higher this week at \$98.91 per barrel. Heating oil is higher at \$3.13 per gal. Unleaded gasoline futures are lower this week at \$3.08 and gasoline at the pump is around \$3.89...in Indiana. The natural gas storage report today was an injection of 60 BCF. Storage is 213 BCF lower than last year and 59 BCF lower than the 5 year average.



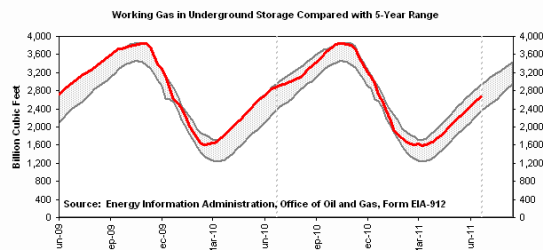
Above Graph – August 2011 NYMEX gas futures

**Weather Thu:** Sunshine and a few afternoon clouds. A stray afternoon thunderstorm is possible. Heat index near 105F. High 96F. Winds WNW at 10 to 15 mph. **Tonight:** Mostly clear skies early with isolated thunderstorms developing late. **Fri:** Clouds with scattered thunderstorms. Humid. High 88F. Winds ENE at 5 to 10 mph. Chance of rain 40%. **Sat:** Scattered thunderstorms possible. Highs in the low 90s and lows in the low 70s.

### Storage Statistics: (BCF) Billion Cubic Ft

This Week	Last Year	5 Year Ave.
2,671	2,884	2,730

The total is an increase of 60 BCF from last week.



Above Graph - Storage levels as of 7-21-11

### Comparative Fuels: Futures Prices for August

	Price	Compared to Nat Gas
Natural Gas (therm)	\$ <b>4.454</b>	\$ <b>4.454</b>
Propane (gal)	\$ <b>1.52</b>	\$ <b>1.66</b>
Crude Oil (barrel)	\$ <b>98.91</b>	
Heating Oil (gal)	\$ <b>3.13</b>	\$ <b>2.25</b>
Unleaded Gas (gal)	\$ <b>3.08</b>	

### North American Natural Gas Rig Count:

This week	885
Last week	873
Year Ago this week	979

### NYMEX Futures Price for Winter

Nov 2011-Mar 2012 \$**.5107** per therm.

### NYMEX Futures Price for 1 YR

Aug 2011-Jul 2012 \$**.5066** per therm.

NGI for July 2011 \$**4380**

