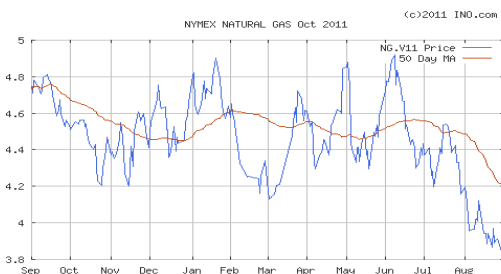


Volume 392 September 1, 2011

Market September natural gas futures expired Monday at \$.3857 per therm; October is now the front month. Natural gas traded higher this week reacting to new hurricane threats in the Gulf; yet tempered by market developments of sluggish economic reports as well as moderate US temperatures. Prices are falling this morning after an expected storage injection. Gas production levels due mostly to shale drilling are still strong; but shale fracking practice under some environmental scrutiny now. Natural gas is very attractive to fix at this time to protect this year and beyond. The North American rig count is 898 this week. After a rise in count starting a year and a half ago the rig count has leveled off and decreased by 2 this week.

The Crude oil price for September is higher this week at \$89.49 per barrel. Heating oil is higher at \$3.07 per gal. Unleaded gasoline futures are higher this week at \$2.90 and gasoline at the pump is around \$3.89...in Indiana. The natural gas storage report today was an injection of 55 BCF; but storage is 137 BCF lower than last year and 60 BCF lower than the 5 year average.



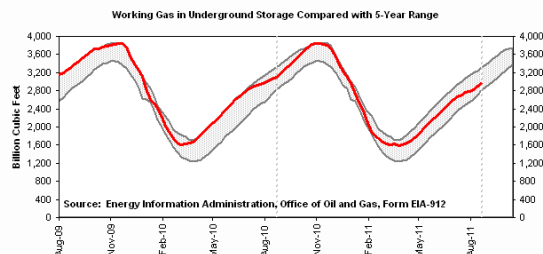
Above Graph – Oct 2011 NYMEX gas futures

Weather: Today: Sunny. Hot and humid. High 94F. Winds S at 5 to 10 mph. **Tonight:** Clear skies. Humid. Low near 75F. Winds SSW at 10 to 20 mph. **Fri:** Plentiful sunshine. Hot and humid. High 94F. Winds WSW at 15 to 25 mph. **Saturday:** A few thunderstorms possible. Highs in the low 80s and lows in the mid 60s. **Sun:** Mostly cloudy and windy. Highs in the low 70s and lows in the low 50s. **Monday:** Sunshine. Highs in the upper 60s and lows in the low 50s.

Storage Statistics: (BCF) Billion Cubic Ft

This Week	Last Year	5 Year Ave.
2,961	3,098	3,021

The total is an increase of 55 BCF from last week.



Above Graph - Storage levels as of 9-1-11

Comparative Fuels: Futures Prices for Oct

	Price	Compared to Nat Gas
Natural Gas (therm)	\$ 4.040	\$ 4.040
Propane (gal)	\$ 1.53	\$ 1.66
Crude Oil (barrel)	\$ 89.49	
Heating Oil (gal)	\$ 3.07	\$ 2.21
Unleaded Gas (gal)	\$ 2.90	

North American Natural Gas Rig Count:

This week	898
Last week	900
Year Ago this week	973

Typical Fixed Price for Winter

Nov 2011-Mar 2012 \$**.5407** per therm.

Typical Fixed Price for 1 YR

Oct 2011-Sep 2012 \$**.5377** per therm.

NGI for August 2011 \$4.490

