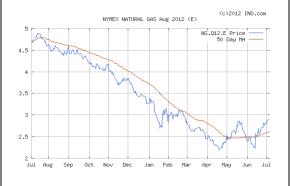
Nordic Energy

ENERGY MATTERS NATURAL GAS NEWSLETTER

Volume 433 July 5, 2012

Market- The natural gas market traded higher again this week due to hot weather and natural gas going to fuel peaking power. Over-supply is keeping prices low; but the extreme hot weather, higher oil prices and the potential for an increase in liquefied natural gas exports is keeping prices supported. We still have more gas in storage than last year and the 5 year average. The US gas traditional rig count was a decrease this week of 7 but horizontal drilling increased 6 rigs. Prices continue to be tempered by flat industrial demand; but the economy is improving. Gas production levels due mostly to shale drilling are still strong and exports continue. Natural gas is very attractive to fix at this time.

The Crude oil price for July is higher this week at \$87.91 per barrel. Heating oil is higher at \$2.78 per gal. Unleaded gasoline futures are higher this week at \$2.78 and gasoline at the pump is around \$3.59...in Indiana. The natural gas storage report last week was an injection of 57 BCF; storage is 653BCF higher than last year and 613 **BCF higher** than the 5 year average.



Above Graph - August 2012 NYMEX gas futures

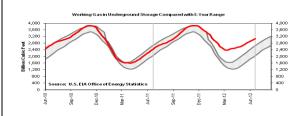
Extended Temperature Forecast: Chicago Area

	Thu	Fri	Sat	Sun	Mon
High	102	102	90	80	81
Low	83	78	71	69	68

Storage Statistics: (BCF) Billion Cubic Ft

This Week	Last Year	5 Year Ave.
3,063	2,410	2,450

The total is an increase of 57 BCF from last week.



Above Graph - Storage levels as of 6-28-12.Next report is Friday July 6

Comparative Fuels: Futures Prices for July

F	Price Com	pared to Nat Gas
Natural Gas (therm)	\$.2911	\$.2911
Propane (gal)	\$.7970	\$.9041
Crude Oil (barrel)	\$87.91	
Heating Oil (gal)	\$2.78	\$1.99
Unleaded Gas (gal)	\$2.78	

North American Traditional Nat. Gas Rig Count:

This week	534
Last week	541
Year Ago this week	874

US Horizontal Rig Count:

This week	1171
Last week	1165
Year Ago this week	1073

NGI for July 2012 \$.2790

