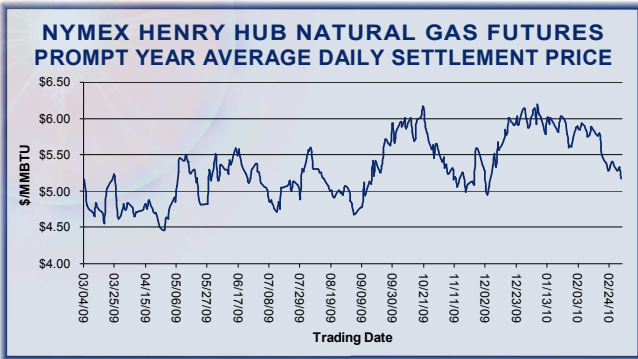
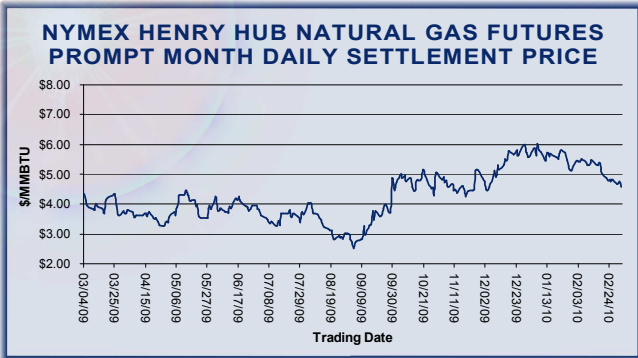
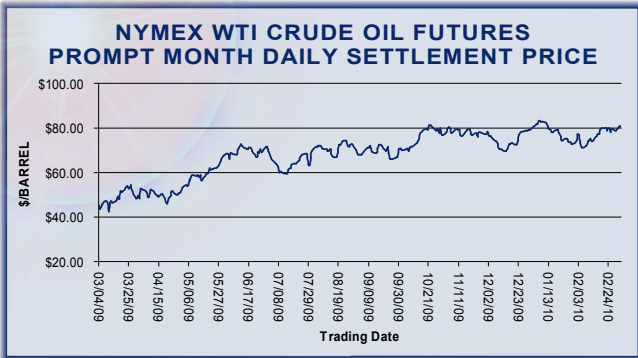
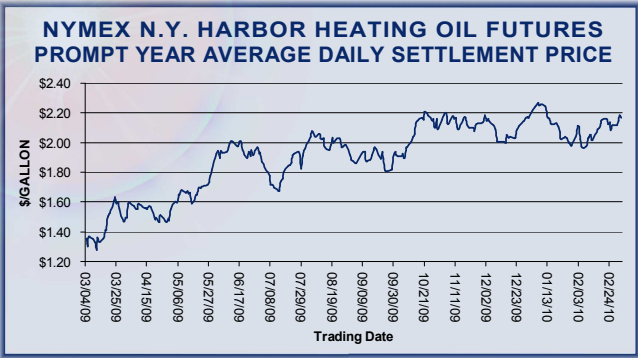


**NATURAL GAS CHARTS**



**PETROLEUM CHARTS**



**MARKET COMMENTARY**

On Thursday, April Natural Gas opened down \$0.02 following a quiet overnight session. After the opening, Natural Gas traded higher and once again retested the \$4.75 level. April traded between \$4.71 and \$4.76 ahead of the storage report. The withdrawal reported by EIA was at the low end of expectations and the market quickly dropped. There was steady selling right up to the noon weather update, reaching new lows in the mid \$4.50's. The forecast updates didn't indicate any changes, and April spent the rest of the day trading between \$4.55 and \$4.60. The technical picture remains the same, bearish overall but oversold. Yesterday's new lows reinforce the recent weakness and continue to suggest that a test of the 200 Day Moving Average (currently \$4.38) is not far off. This morning in Globex, Natural Gas is almost unchanged, Crude Oil is up around \$0.40, Heating Oil is up around half a cent and Gasoline is up around a penny.

EIA reported a net withdrawal of 116 BCF yesterday, at the very low end of the range of analyst estimates. The year-over-year storage deficit now stands at 71 BCF while the five year average surplus stands at 21 BCF. It's getting harder to call the precise direction of the storage picture from week to week, but it seems reasonably safe to say that we're going to end the season within 100 BCF of the five year average.

Summer basis markets took a hit on the heels of the bearish storage report, but winter markets held their ground. In spite of the bearish fundamentals, winter basis has been finding some good support at these levels. As long as the NY-MEX remains weak, we expect the winters to remain in their recent range.

With the slight exception of Algonquin, Northeast city gate cash markets took another hit on Thursday. Current forecasts indicate a very pleasant weekend for the Northeast, so cash spreads will likely take a beating this morning.

Note: a glossary of commonly used industry terms can be found on our web site at: <http://www.spragueenergy.com/pages/content.aspx?p=Natural%20Gas%20Marketwatch%20Glossary>

**MARKET STATISTICS**

12 MONTH STRIP SETTLEMENT PRICES - March 4, 2010						
Basis Mo.	NG Settle	NG Change	HO Settle	HO Change	CL Settle	CL Change
Apr-10	\$4.575	-\$0.182	206.87¢	-2.50¢	\$80.21	-\$0.66
May-10	\$4.643	-\$0.178	208.14¢	-2.23¢	\$80.63	-\$0.63
Jun-10	\$4.717	-\$0.175	209.46¢	-2.00¢	\$81.10	-\$0.54
Jul-10	\$4.806	-\$0.171	211.35¢	-1.76¢	\$81.54	-\$0.46
Aug-10	\$4.867	-\$0.171	213.17¢	-1.57¢	\$81.88	-\$0.41
Sep-10	\$4.903	-\$0.172	215.06¢	-1.49¢	\$82.18	-\$0.37
Oct-10	\$5.004	-\$0.175	217.31¢	-1.42¢	\$82.46	-\$0.34
Nov-10	\$5.319	-\$0.172	219.66¢	-1.35¢	\$82.77	-\$0.31
Dec-10	\$5.667	-\$0.164	222.09¢	-1.24¢	\$83.10	-\$0.29
Jan-11	\$5.892	-\$0.162	224.37¢	-1.17¢	\$83.30	-\$0.27
Feb-11	\$5.856	-\$0.163	225.56¢	-1.12¢	\$83.51	-\$0.25
Mar-11	\$5.723	-\$0.156	225.40¢	-1.08¢	\$83.70	-\$0.24
Apr-Oct	\$4.788	-\$0.175	211.62¢	-1.85¢	\$81.43	-\$0.49
Nov-Mar	\$5.691	-\$0.163	223.42¢	-1.19¢	\$83.28	-\$0.27

EIA NATURAL GAS STORAGE STATISTICS - WEEK ENDING Feb 26, 2010						
Storage Region	This Week		Last Year		5 Year Average	
	Inventory	Change	Inventory	% Diff.	Inventory	% Diff.
East Market	861 BCF	-74 BCF	805 BCF	+7.0%	870 BCF	-1.0%
West Market	296 BCF	-15 BCF	293 BCF	+1.2%	242 BCF	+22.2%
Producing	580 BCF	-27 BCF	710 BCF	-18.3%	604 BCF	-4.0%
<b>TOTAL</b>	<b>1,737 BCF</b>	<b>-116 BCF</b>	<b>1,808 BCF</b>	<b>-3.9%</b>	<b>1,716 BCF</b>	<b>+1.2%</b>

CFRC COMMITMENTS OF TRADERS REPORT									
FUTURES & OPTIONS COMBINED - NYMEX and ICE OTC - ALL POSITIONS IN BCF									
Report Date	Commercial		Swaps Dealers / Funds			Non-Reporting / Other			Total Open Interest
	Long	Short	Long	Short	Spread	Long	Short	Spread	
2/23/10	11%	9%	12%	14%	40%	1%	3%	10%	100%
2/16/10	4,282	3,350	4,469	5,413	7,595	457	991	1,882	18,959
2/9/10	4,242	3,468	4,486	5,193	7,544	607	955	2,028	19,047
2/2/10	4,233	3,456	4,432	5,126	7,638	562	909	1,842	18,839
2/2/10	4,018	3,273	4,469	5,153	7,552	666	893	1,702	18,491

HEATING DEGREE DAYS - 7 DAYS ENDING March 4, 2010			
Market	Actual HDD	Normal HDD	Variance
BOSTON	200	213	-6%
NEWARK	190	194	-2%
PITTSBURGH	245	212	+15%
SYRACUSE	225	257	-13%