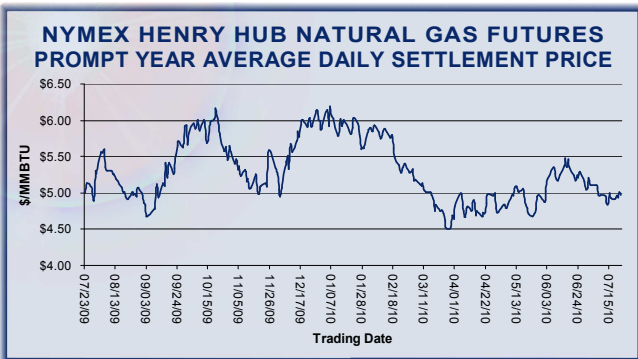
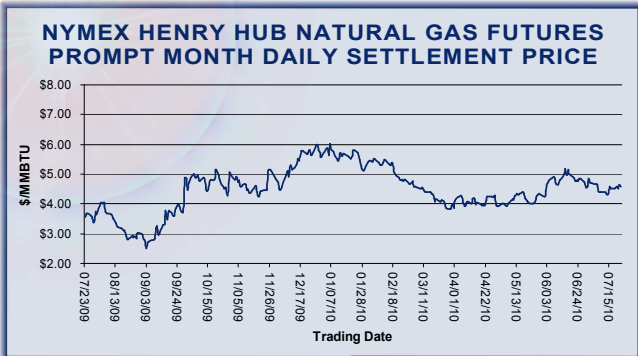
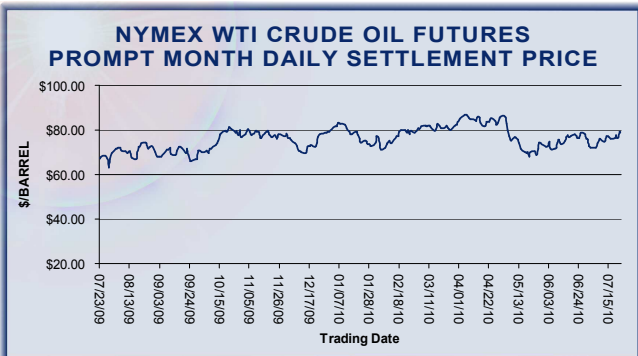
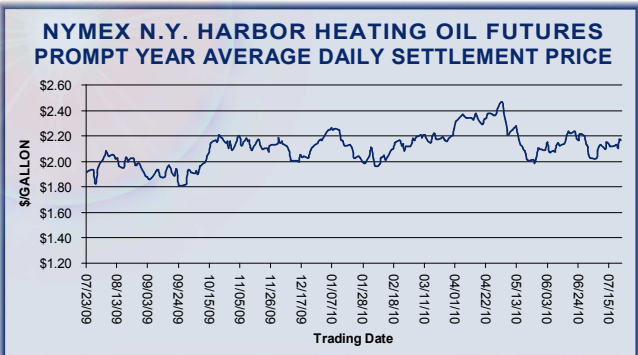


## NATURAL GAS CHARTS



## PETROLEUM CHARTS



## MARKET COMMENTARY

On Friday, August Natural Gas opened down around \$0.04 after trading near \$4.67 overnight. August slowly slipped back to the high \$4.50's as the prospects for Tropical Storm Bonnie gradually diminished. After the initial push down, Natural Gas made one push up to the day's high of \$4.639 and then settled into a quiet trading range of \$4.57 to \$4.629. The price action was typical for a summertime Friday, but the overall price volatility last week was the lowest we've seen since August 2002. Fear of heat and hurricanes are the only two factors preventing further declines. And while these fears are healthy and well-founded, they need some occasional affirmation to keep prices from continuing to grind down. This morning in Globex trade, Natural Gas is down around \$0.02, Crude Oil is down around \$0.65, Heating Oil is down around a cent and a half and Gasoline is down around \$0.03.

Tropical Storm Bonnie's passage over southern Florida proved very disruptive to the storm's already weak circulation, allowing a modest 25 knots of wind shear over the Gulf to tear the storm apart. By the time Bonnie arrived in Louisiana, it was barely discernable. Around 10% of the Gulf's natural gas production was shut in on Friday due to Bonnie. We expect that the majority of that will be back by today. The Atlantic basin is very quiet this morning, with no tropical cyclones expected to develop over the next 48 hours.

We saw very little activity in the basis markets on Friday.

Northeast city gate cash spreads decreased by around \$0.075 for the weekend while absolute prices were down \$0.02 to \$0.05.

*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 - July 23, 2010						
Basis Mo.	NG Settle	NG Change	HO Settle	HO Change	CL Settle	CL Change
Aug-10	\$4.580	-\$0.063	205.05¢	- 1.19¢	\$78.98	-\$0.32
Sep-10	\$4.563	-\$0.069	207.86¢	- 1.09¢	\$79.34	-\$0.30
Oct-10	\$4.600	-\$0.072	210.58¢	- 0.93¢	\$79.83	-\$0.29
Nov-10	\$4.840	-\$0.065	213.27¢	- 0.93¢	\$80.31	-\$0.26
Dec-10	\$5.127	-\$0.045	215.87¢	- 0.96¢	\$80.74	-\$0.24
Jan-11	\$5.292	-\$0.045	218.53¢	- 1.00¢	\$81.11	-\$0.24
Feb-11	\$5.268	-\$0.038	220.40¢	- 1.01¢	\$81.47	-\$0.23
Mar-11	\$5.173	-\$0.037	221.24¢	- 0.92¢	\$81.83	-\$0.22
Apr-11	\$4.996	-\$0.022	221.10¢	- 0.89¢	\$82.19	-\$0.22
May-11	\$5.012	-\$0.020	221.07¢	- 0.83¢	\$82.54	-\$0.22
Jun-11	\$5.052	-\$0.020	221.33¢	- 0.79¢	\$82.88	-\$0.22
Jul-11	\$5.103	-\$0.019	222.68¢	- 0.76¢	\$83.09	-\$0.22
Aug-Oct	\$4.581	-\$0.068	207.83¢	- 1.07¢	\$79.38	-\$0.30
Nov-Mar	\$5.140	-\$0.046	217.86¢	- 0.96¢	\$81.09	-\$0.24

EIA NATURAL GAS STORAGE STATISTICS - WEEK ENDING Jul 16, 2010						
Storage Region	This Week		Last Year		5 Year Average	
	Inventory	Change	Inventory	% Diff.	Inventory	% Diff.
East Market	1,425 BCF	+ 41 BCF	1,459 BCF	- 2.3%	1,387 BCF	+ 2.7%
West Market	474 BCF	+ 4 BCF	442 BCF	+ 7.2%	381 BCF	+ 24.4%
Producing	992 BCF	+ 6 BCF	1,041 BCF	- 4.7%	860 BCF	+ 15.3%
<b>TOTAL</b>	<b>2,891 BCF</b>	<b>+ 51 BCF</b>	<b>2,943 BCF</b>	<b>- 1.8%</b>	<b>2,629 BCF</b>	<b>+ 10.0%</b>

CFTC 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	
7/20/10	13%	10%	10%	13%	41%	2%	3%	9%	100%
7/13/10	4,905	3,860	3,927	5,002	7,973	756	1,162	1,679	19,458
7/6/10	4,881	3,885	4,036	5,040	7,857	793	1,539	1,572	19,516
7/6/10	4,674	3,878	4,089	4,889	7,870	755	1,253	1,478	19,117
6/29/10	4,613	3,886	4,152	4,961	7,670	737	1,048	1,502	18,871

COOLING DEGREE DAYS - 7 DAYS ENDING July 25, 2010			
Market	Actual CDD	Normal CDD	Variance
BOSTON	76	67	+ 14%
NEWARK	133	91	+ 46%
PITTSBURGH	87	56	+ 55%
SYRACUSE	60	47	+ 28%