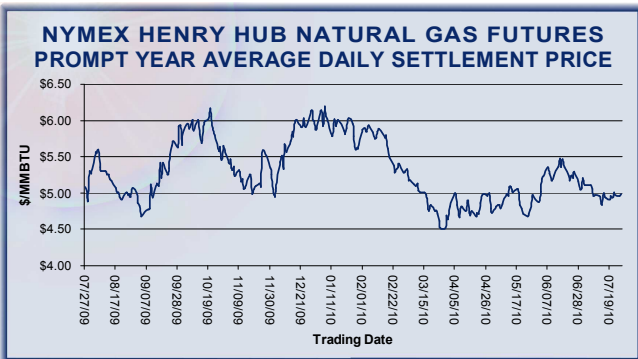
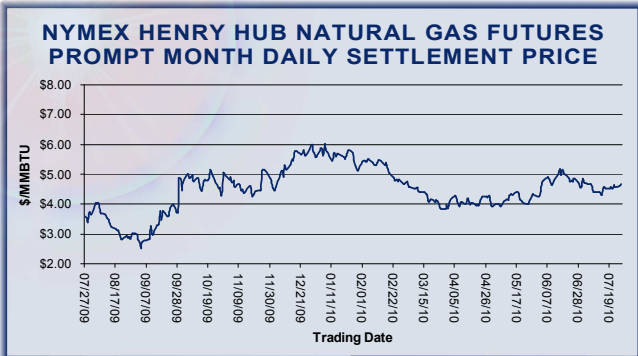
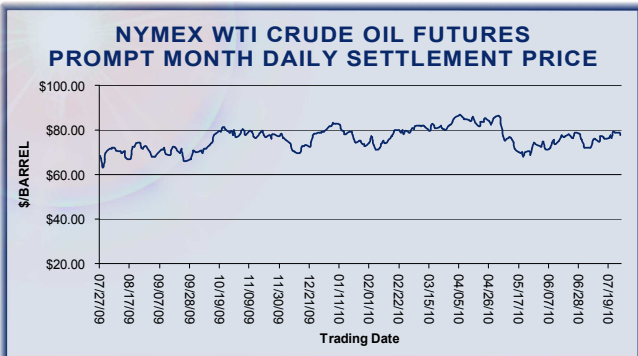
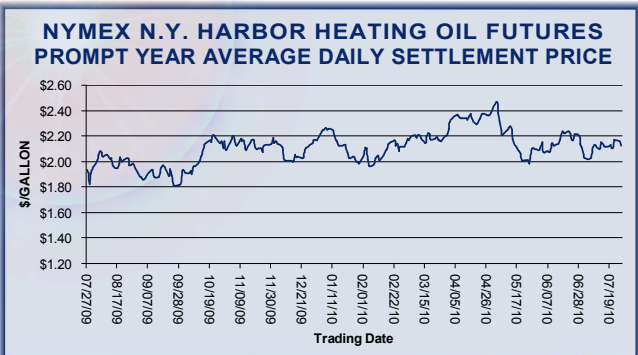


NATURAL GAS CHARTS



PETROLEUM CHARTS



MARKET COMMENTARY

On Tuesday, August Natural Gas opened up around a nickel. August pushed up to the day's high of \$4.689 after the open, but rally proved short lived. Natural Gas quickly fell back to \$4.60 but could go no lower. That set up the boundaries of another quiet trading day where most of the price action took place between \$4.62 and \$4.66. There was a tiny rally the final 30 minutes that saw August close near the day's highs. With the current weather pattern in place for the rest of the week and no tropical activity expected until August at the earliest, the energy markets are trading in a range bound funk. August expires today, but we doubt that it will stir up much activity. Instead, we're expecting another quiet day in the \$4.64 to \$4.74 range. This morning in Globex trade, Natural Gas is up around \$0.04, Crude Oil is down around a dime, Heating Oil is almost unchanged and Gasoline is down around a penny.

There is nothing new to report in the tropics this morning. No tropical cyclone development expected before the end of the month.

We saw more activity in the basis markets on Tuesday, but the trades were tightly range-bound around unchanged.

Northeast city gate cash spreads decreased by around \$0.03 on Tuesday although absolute prices were up by around a nickel. We would attribute this more to market timing than any change in supply and demand. Temperatures are forecast to remain above normal through Friday before falling as we head into the weekend.

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 27, 2010						
Basis Mo.	NG Settle	NG Change	HO Settle	HO Change	CL Settle	CL Change
Aug-10	\$4.675	+ \$0.063	199.94¢	- 4.32¢	\$77.50	- \$1.48
Sep-10	\$4.646	+ \$0.063	202.94¢	- 4.17¢	\$77.90	- \$1.47
Oct-10	\$4.679	+ \$0.059	205.83¢	- 4.03¢	\$78.41	- \$1.45
Nov-10	\$4.895	+ \$0.042	208.68¢	- 3.89¢	\$78.91	- \$1.44
Dec-10	\$5.136	+ \$0.022	211.46¢	- 3.74¢	\$79.40	- \$1.41
Jan-11	\$5.290	+ \$0.013	214.18¢	- 3.66¢	\$79.85	- \$1.38
Feb-11	\$5.263	+ \$0.011	216.07¢	- 3.64¢	\$80.27	- \$1.34
Mar-11	\$5.167	+ \$0.010	216.97¢	- 3.57¢	\$80.67	- \$1.31
Apr-11	\$4.982	+ \$0.003	216.96¢	- 3.50¢	\$81.06	- \$1.28
May-11	\$4.997	+ \$0.002	217.11¢	- 3.43¢	\$81.43	- \$1.26
Jun-11	\$5.035	+ \$0.000	217.61¢	- 3.31¢	\$81.77	- \$1.25
Jul-11	\$5.085	- \$0.001	219.09¢	- 3.25¢	\$81.98	- \$1.24
Aug-Oct	\$4.667	+ \$0.062	202.90¢	- 4.17¢	\$77.94	- \$1.47
Nov-Mar	\$5.150	+ \$0.020	213.47¢	- 3.70¢	\$79.82	- \$1.38

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%
TOTAL	2,891 BCF	+ 51 BCF	2,943 BCF	- 1.8%	2,629 BCF	+ 10.0%

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 27, 2010			
Market	Actual CDD	Normal CDD	Variance
BOSTON	84	67	+ 25%
NEWARK	128	91	+ 40%
PITTSBURGH	85	56	+ 52%
SYRACUSE	59	49	+ 20%