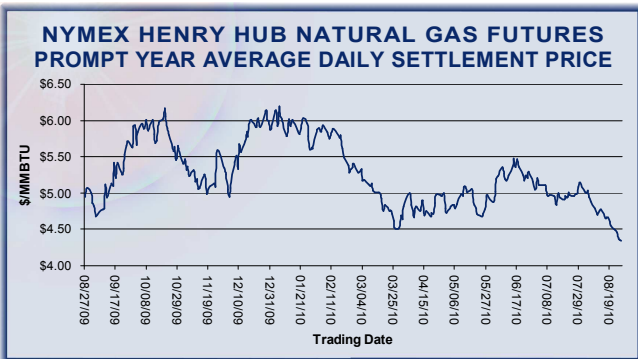
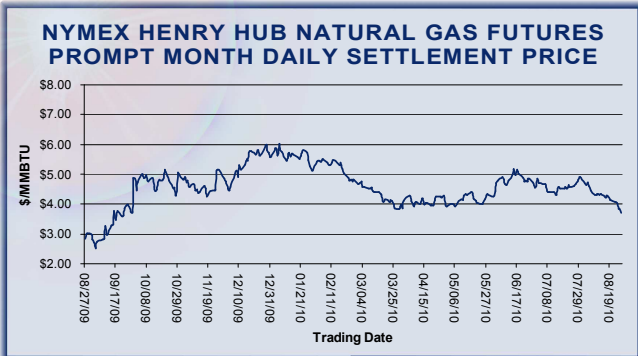
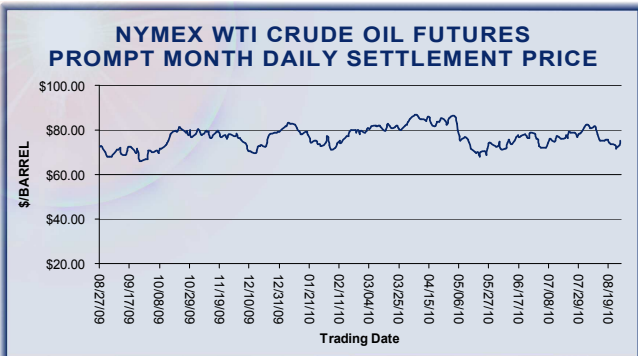
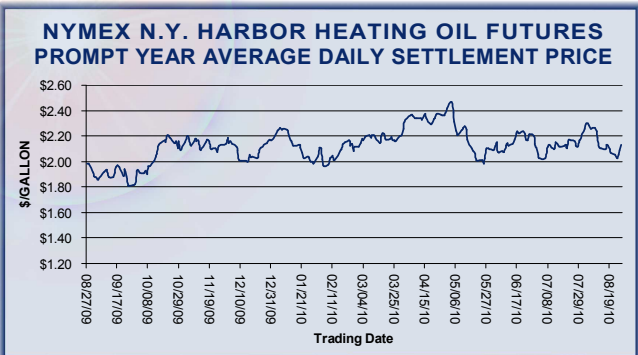


NATURAL GAS CHARTS



PETROLEUM CHARTS



MARKET COMMENTARY

On Friday, September Natural Gas opened down \$0.06 after trading mostly unchanged overnight. September reached an intraday high of \$3.84 just after the open, shy of a key resistance level. That failure brought out the sellers once more and September went off the board on a weak note, hitting a new intraday low of \$3.61 on the way to settling at the lowest expiration price since the September 2009 contract expired at \$2.843. It's worth pointing out that after last year's September settlement, the October contract made a further low and then reversed and closed out the month over 50% above those lows. The market was also very oversold at that time. Most of those same indicators are present today. Historically, the \$3.70 level has been a solid support and October closed just above it on Friday. If the \$3.70 level holds then we would expect a recovery this week back to the \$3.85 to \$4.10 area. Otherwise, \$3.50 would be our next downside target. This morning in Globex trade, Natural Gas is up around \$0.03, Crude Oil is down around \$0.50, Heating Oil is down around a penny and Gasoline is down around half a cent.

Hurricane Danielle has dropped to category 1 strength and is well on her way into the North Atlantic this morning. Hurricane Earl is currently about 250 miles east of Puerto Rico and holding at category 2 strength. Earl is expected to strengthen to category 4 as it moves Northwest over the next three days. While the most likely track keeps Earl out at sea, the entire east coast from the Carolinas north is within the "error cone" of the forecast. Invest 97L failed to organize into a Tropical Depression over the weekend, but still has good prospects to develop later in the week. A major limiting factor is the cooler surface waters churned up by Danielle and Earl. 97L is expected to follow a similar path to Danielle, brushing the northern Leeward Islands before turning northwest and then curving back out to sea.

Basis markets found little or no support on Friday, with most markets grinding lower on minimal volume.

Northeast city gate cash prices gave up another few cents in value on Friday as Tennessee Gas Pipeline and many utilities were declaring OFO's in anticipation of Saturday's cool temperatures. The summer heat is forecast to return for a few days this week, but it could be the last hurrah for the season.

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 - August 27, 2010						
Basis Mo.	NG Settle	NG Change	HO Settle	HO Change	CL Settle	CL Change
Sep-10	\$3.651	-\$0.166	204.43¢	+ 3.51¢	\$75.17	+ \$1.81
Oct-10	\$3.705	-\$0.138	205.75¢	+ 3.39¢	\$76.21	+ \$1.99
Nov-10	\$4.003	-\$0.090	207.94¢	+ 3.41¢	\$77.30	+ \$2.11
Dec-10	\$4.326	-\$0.077	210.29¢	+ 3.47¢	\$78.15	+ \$2.11
Jan-11	\$4.493	-\$0.076	212.76¢	+ 3.53¢	\$78.84	+ \$2.09
Feb-11	\$4.482	-\$0.077	214.26¢	+ 3.51¢	\$79.43	+ \$2.08
Mar-11	\$4.422	-\$0.074	214.94¢	+ 3.50¢	\$79.90	+ \$2.04
Apr-11	\$4.339	-\$0.070	215.02¢	+ 3.49¢	\$80.35	+ \$2.01
May-11	\$4.368	-\$0.068	215.30¢	+ 3.55¢	\$80.78	+ \$1.99
Jun-11	\$4.427	-\$0.068	215.81¢	+ 3.64¢	\$81.18	+ \$1.97
Jul-11	\$4.501	-\$0.066	217.43¢	+ 3.69¢	\$81.51	+ \$1.96
Aug-11	\$4.555	-\$0.066	219.21¢	+ 3.74¢	\$81.83	+ \$1.94
Sep-Oct	\$3.678	-\$0.152	205.09¢	+ 3.45¢	\$75.69	+ \$1.90
Nov-Mar	\$4.345	-\$0.079	212.04¢	+ 3.48¢	\$78.72	+ \$2.09

EIA NATURAL GAS STORAGE STATISTICS - WEEK ENDING Aug 20, 2010						
Storage Region	This Week		Last Year		5 Year Average	
	Inventory	Change	Inventory	% Diff.	Inventory	% Diff.
East Market	1,624 BCF	+ 48 BCF	1,718 BCF	- 5.5%	1,609 BCF	+ 0.9%
West Market	479 BCF	- 3 BCF	454 BCF	+ 5.5%	401 BCF	+ 19.6%
Producing	949 BCF	- 5 BCF	1,078 BCF	- 12.0%	865 BCF	+ 9.7%
TOTAL	3,052 BCF	+ 40 BCF	3,250 BCF	- 6.1%	2,875 BCF	+ 6.1%

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	
8/24/10	13%	10%	11%	14%	38%	2%	4%	9%	100%
8/17/10	5,163	3,836	4,076	5,359	7,347	833	1,420	1,673	19,363
8/10/10	5,121	3,861	4,101	5,303	7,396	780	1,349	1,719	19,373
8/3/10	5,057	3,837	4,096	5,286	7,444	789	1,436	1,745	19,439
8/3/10	4,722	3,793	3,952	4,833	7,429	1,027	1,190	1,569	18,756

COOLING DEGREE DAYS - 7 DAYS ENDING August 29, 2010			
Market	Actual CDD	Normal CDD	Variance
BOSTON	37	40	- 6%
NEWARK	53	61	- 13%
PITTSBURGH	27	32	- 16%
SYRACUSE	14	17	- 18%