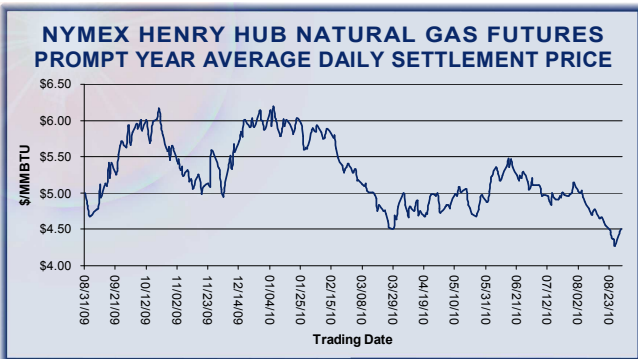
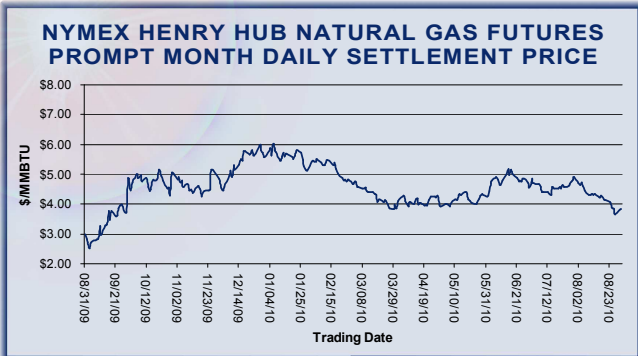
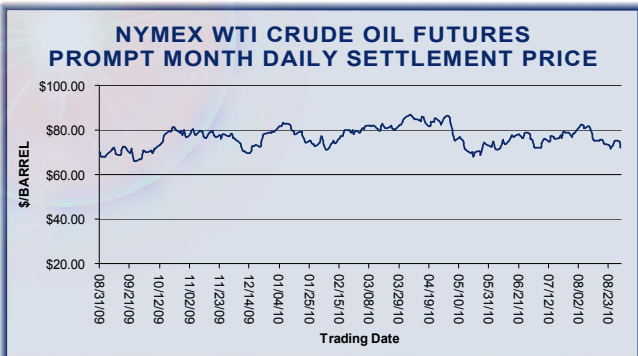
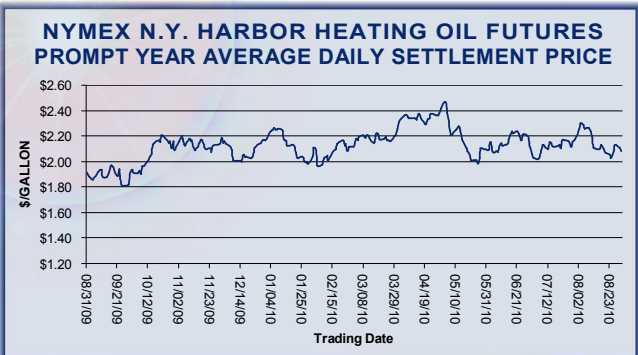


NATURAL GAS CHARTS



PETROLEUM CHARTS



MARKET COMMENTARY

On Tuesday, October Natural Gas opened down \$0.07 after trading as high as \$3.877 overnight. October slipped to an intraday low of \$3.727 in the first ten minutes before firming up. From that point, Natural Gas rallied back above the \$3.80 level and retested the \$3.85 major resistance. Similar to Monday, the bulls were able to break through but unable to hold on and that brought out the sellers. October fell back to the opening range in the final minutes, closing with only modest gains. The longer dated contracts fared better than October, indicating that we may be seeing some bargain-hunting with Calendar 2011 trading sub-\$5.00. The technical picture still looks bearish although there is room for a short-term correction, perhaps back to \$4.00. In all likelihood, the October contract will get pounded by bid week. This morning in Globex trade, Natural Gas is down around \$0.04, Crude Oil is up around \$0.65, Heating Oil is up around \$0.025 and Gasoline is up around \$0.02.

Hurricane Earl went through an eye wall replacement cycle yesterday, weakening the storm to category 3. Because of the drier air, lower sea surface temperatures and higher wind shear Earl will encounter as it begins to accelerate northward, it is not expected to get back to category 4 strength. The forecast track hasn't changed much since yesterday, keeping the storm 100 to 200 miles offshore with a possibly landfall in Nova Scotia on Saturday. Tropical Storm Fiona is struggling to gain strength in the wake of Earl and is forecast to stay far away from the east coast, like Danielle. Invest 98L has forecasters confused with its persistent refusal to organize into a tropical depression. At the moment, the GFS model isn't developing 98L. We will continue to monitor this system as it drifts westward.

Tuesday was another blah day in the basis markets, with little volume trading and almost no movement in prices.

City gate cash prices for September 1 were up around a dime for Northeast markets as this week's mini-heat wave is forecast to peak over the next two days. City gate spreads also increased.

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 31, 2010						
Basis Mo.	NG Settle	NG Change	HO Settle	HO Change	CL Settle	CL Change
Oct-10	\$3.816	+ \$0.004	199.44¢	- 3.08¢	\$71.92	- \$2.78
Nov-10	\$4.148	+ \$0.024	199.17¢	- 4.60¢	\$73.54	- \$2.37
Dec-10	\$4.492	+ \$0.047	201.54¢	- 4.47¢	\$75.10	- \$2.07
Jan-11	\$4.654	+ \$0.043	204.09¢	- 4.40¢	\$76.19	- \$1.94
Feb-11	\$4.647	+ \$0.047	206.80¢	- 4.28¢	\$77.05	- \$1.84
Mar-11	\$4.580	+ \$0.044	208.54¢	- 4.16¢	\$77.68	- \$1.83
Apr-11	\$4.500	+ \$0.047	209.35¢	- 4.11¢	\$78.14	- \$1.84
May-11	\$4.525	+ \$0.043	209.50¢	- 4.09¢	\$78.57	- \$1.85
Jun-11	\$4.579	+ \$0.039	209.82¢	- 4.12¢	\$78.99	- \$1.86
Jul-11	\$4.651	+ \$0.039	210.37¢	- 4.14¢	\$79.39	- \$1.87
Aug-11	\$4.703	+ \$0.039	211.97¢	- 4.16¢	\$79.73	- \$1.85
Sep-11	\$4.724	+ \$0.038	213.72¢	- 4.19¢	\$80.05	- \$1.83
Oct-Oct	\$3.816	+ \$0.004	199.44¢	- 3.08¢	\$71.92	- \$2.78
Nov-Mar	\$4.504	+ \$0.041	204.03¢	- 4.38¢	\$75.91	- \$2.01

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		
8/24/10	13%	10%	11%	14%	38%	2%	4%	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 31, 2010			
Market	Actual CDD	Normal CDD	Variance
BOSTON	75	36	+ 108%
NEWARK	90	59	+ 53%
PITTSBURGH	48	29	+ 64%
SYRACUSE	37	13	+ 185%