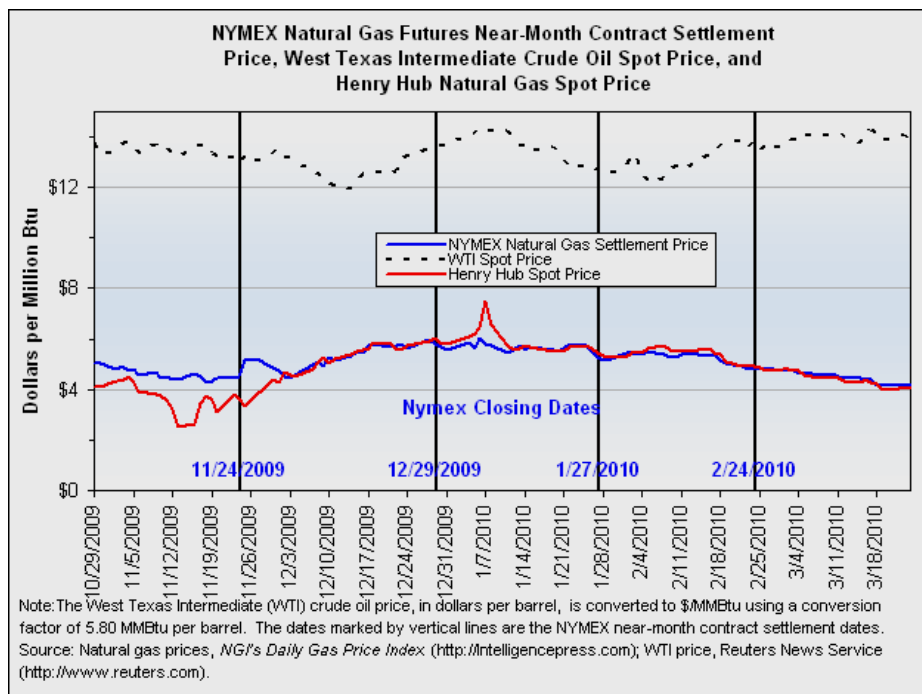


PRICES

At the NYMEX, the price of the near-month contract (for April delivery) decreased \$0.20 during the report week to \$4.11 per MMBtu. The decrease was attributable chiefly to warmer temperatures moving into consuming regions of the country. Downward price pressure also appears related to a strong domestic production outlook. The April 2010 contract is currently priced about 13.1 percent higher than the expiration price of \$3.63 per MMBtu for the April 2009 contract. However, the April 2008 contract expired at \$9.58 per MMBtu, or more than double the current price of the April 2010 contract. At the end of trading yesterday, the 12-month strip, which is the average for natural gas futures contracts over the next year, was priced at \$4.71 per MMBtu, a decrease of about \$0.21, or 4.2 percent, since last Wednesday.

Moderate demand contributed to price declines at market locations across the lower 48 States. Total U.S. demand ended the report week at about 65.7 Bcf per day, but dropped below 60 Bcf per day earlier in the week, according to BENTEK Energy, LLC. At less than 60 Bcf per day, demand was well below the average available supply of approximately 64 Bcf per day, which suggests opportunities for injections into storage.

Strong domestic production is also putting downward pressure on prices, contributing to lower imports of natural gas. Contrary to expectations of production declines because of a reduction in drilling activity last year, domestic production remains strong. Production from unconventional gas fields, such as the Marcellus Shale in the Northeast/Appalachia region and the Haynesville Shale in Louisiana, is growing steadily. According to the March edition of EIA’s Short-Term Energy Outlook (STEO), dry production this month is expected to reach 56.2 Bcf per day, a forecast that is about 3.5 percent higher than the projection in the November 2009 STEO. As a result of strong domestic production and lower prices, imports of natural gas have declined.



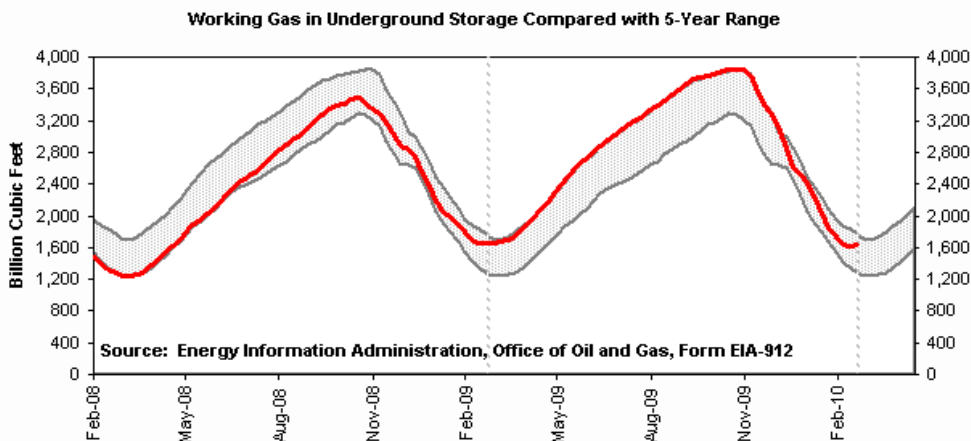
STORAGE

Working natural gas in storage rose to 1,626 Bcf as of Friday, March 19, posting the first net injection of the year, according to EIA's Weekly Natural Gas Storage Report (see Storage Figure). The implied net injection was 11 Bcf, compared with last year's net withdrawal of 1 Bcf and the 5-year (2005-2009) average withdrawal of 37 Bcf for the report week. Net injections of 2 Bcf and 19 Bcf occurred, respectively, in the West and Producing regions. Warming temperatures in most regions of the lower 48 States and sustained natural gas production likely contributed to the implied net injection during the report week. Working gas inventories were 121 Bcf above the 5-year average level and 28 Bcf below last year's level at this time.

Temperatures were generally warmer than normal in most Census Divisions in the lower 48 States during the week ended March 18. Based on the National Weather Service's degree-day data, temperatures in the lower 48 States during the week ending March 18 were, on average, about 4 degrees warmer than normal and 3 degrees warmer than last year (see Temperature Maps and Data). Although the West South Central had the warmest temperatures in the lower 48 States at an average of 54 degrees last week, the average temperature in the region this report week was 3 degrees colder than normal. The average temperature in the East South Central Census Division was 1 degree colder than normal. Elsewhere in the lower 48 States, average temperatures ranged between 43 and 52 degrees, about 1 and 9 degrees warmer than normal.

	Current Stocks 03/19/10	One-Week Prior Stocks 03/12/10	Implied Net Change from Last Week	Estimated Prior 5-Year (2005-2009) Average	Percent Difference from 5 Year Average
All Volumes in Bcf					
East Region	760	770	-10	696	9.2
West Region	285	283	2	228	25.0
Producing Region	581	562	19	581	0.0
Total Lower 48	1,626	1,615	11	1,505	8.0

Source: Energy Information Administration: Form EIA-912, "Weekly Underground Natural Gas Storage Report," and the Historical Weekly Storage Estimates Database. Row and column sums may not equal totals due to independent rounding.

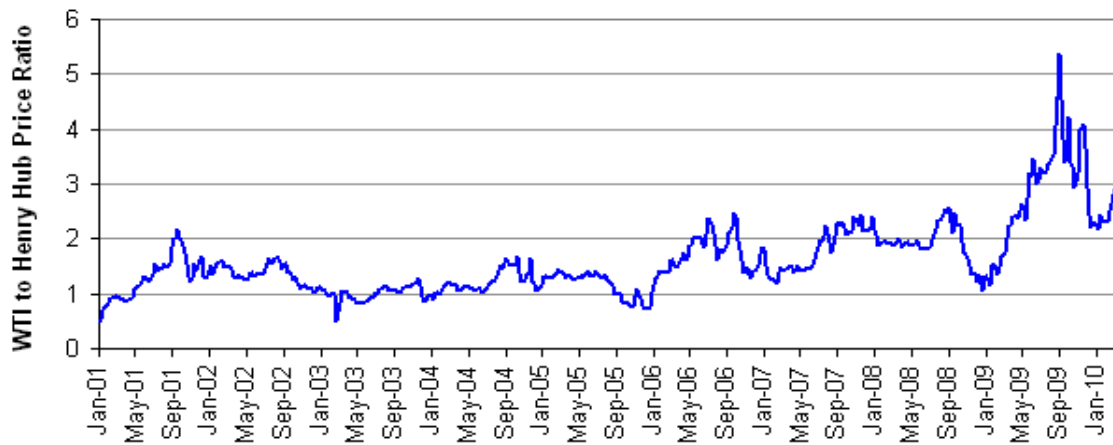


Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2003 through 2007. Source: Form EIA-912, "Weekly Underground Natural Gas Storage Report." The dashed vertical lines indicate current and year-ago weekly periods.

OTHER MARKET TRENDS

Ratio of Oil to Gas Prices Rising. In the last several weeks, natural gas prices at the Henry Hub have fallen as the West Texas Intermediate (WTI) crude oil spot prices have increased. Both prices are measured in terms of thermal equivalency, or dollars per MMBtu. These price changes have led to an increase in the ratio of oil to gas prices. Over the last 10 years, this ratio has typically been no more than 2, with the WTI spot price being roughly twice the Henry Hub price. However, in 2009, the ratio rose to more than 5 for the week ending September 4. During this week, oil prices dropped, but natural gas prices dropped dramatically, hitting their lowest weekly level since 2002. The ratio oscillated somewhat in the fall, then began dropping in late November, and fell to below 2.5 for the remainder of 2009 and into 2010 (see figure below). However, the ratio began rising again mid-February 2010. Since the beginning of February, natural gas prices have fallen about 20 percent, while crude oil prices have risen 8 percent. The ratio of oil to gas prices was 3.3 for the week ending March 19, 2010, the highest since the week ending November 27, 2009. Possible factors that could drive the prices of oil and natural gas apart include a lack of perfect substitutability, the relative abundance of the domestic natural gas resource base, and reductions in the cost of extracting natural gas.

Ratio of Weekly WTI Spot Prices to Weekly Henry Hub Spot Prices, January 2001-March 2010



Note: The ratio is the WTI price divided by the Henry Hub price on a weekly, thermal equivalency basis.
Source: Energy Information Administration, Office of Oil and Gas, Natural Gas Intelligence, and Reuters.

NATURAL GAS TRANSPORTATION UPDATE



Normal Pipeline Conditions Exist.