



Weekly Update

January 26th, 2012



NYMEX Commodities

	1/25	1/18	▲	Year Ago
Crude Oil Mar. 2012	\$99.40	\$100.59	(\$1.19)	\$87.33
Natural Gas Mar. 2012	\$2.73	\$2.47	\$0.26	\$4.40
Gas (RBOB) Mar. 2012	\$2.83	\$2.83	\$0.01	\$2.43
Heating Oil Mar. 2012	\$3.02	\$3.01	\$0.01	\$2.67

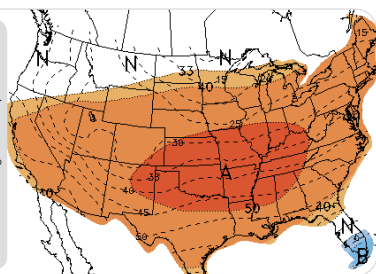
Platts-ICE Forward Curve, Electricity

Prompt: 2/2012	1/25	1/18	▲	Year Ago
Mass Hub	\$45.75	\$46.25	(\$0.50)	\$70.25
N.Y. Zone G	\$45.50	\$46.00	(\$0.50)	\$71.00
PJM West	\$38.25	\$38.50	(\$0.25)	\$58.75
ERCOT	\$27.75	\$26.00	\$1.75	\$37.50

NYMEX Natural Gas Strip Averages

Prompt: 2/2012	1/25	1/18	▲
Q1 2012	\$2.75	\$2.49	\$0.26
Q2 2012	\$2.95	\$2.68	\$0.27
Winter 2012	\$2.73	\$2.47	\$0.26
Spring 2012	\$2.95	\$2.68	\$0.27
Cal. Yr. 2012	\$3.07	\$2.79	\$0.28
Cal. Yr. 2013	\$3.75	\$3.53	\$0.22
12 Months	\$3.12	\$2.85	\$0.27
24 Months	\$3.46	\$3.21	\$0.24
36 Months	\$3.68	\$3.49	\$0.19

NOAA 6 to 10 Day Outlook: Color indicates the probability of forecasted temperatures being above or below a historical average for the period.



Regardless of one's view on whether energy prices will rise or fall, all should determine if there is an opportunity to save money or to mitigate risk. Contact your account representative to explore all current offers and discuss market conditions.

Obama seeks to lift natural gas demand

The Financial Times | January 25, 2012

Plans to increase US demand for natural gas, including a new tax break for gas-fuelled trucks, are being unveiled by President Barack Obama on Thursday as part of the effort set out in his state of the union address to support "American-made energy".

The proposals, some of which will require legislation from a Congress that has been reluctant to endorse any of president Obama's initiatives, include a new lease sale of offshore drilling rights in the Gulf of Mexico, the second since the Deepwater Horizon disaster in 2010.

The plans to strengthen gas demand follow a slump in the US gas price to a ten-year low last week. This was caused by the boom in reserves that were previously thought to be uneconomic, weak demand because of warmer weather than expected and the slow growth of the economy.

Gas producing companies such as Chesapeake Energy and ConocoPhillips have been announcing plans to cut back their North American gas output.

They are also hoping, however, that increased demand will help lift prices from their present levels of about \$2.75 per million British thermal units.

President Obama's proposed tax break for trucks powered by gas or other alternative fuels would be worth half the difference in price between one of those trucks and a conventional diesel-powered vehicle.

Among other proposals, he also wants a competitive grant programme to give funds to communities that come up with ways to break down the barriers to greater use of natural gas, support for investment in infrastructure such as filling stations and help for municipalities to switch to gas for their buses and trucks.

With US crude oil at about \$100 a barrel, gas is a much cheaper alternative.

However, the growth of vehicles using natural gas as fuel has been restricted by the lack of infrastructure such as filling stations to give drivers the confidence that they will be able to refuel when they need to.

President Obama will be making his speech at a UPS depot in Las Vegas, which has trucks powered by liquefied natural gas (super cooled to minus 162 degrees centigrade) in its fleet.

UPS had been reluctant to deploy LNG-powered trucks in that area, the administration says, because of the lack of infrastructure, but the company was able to switch to gas after a filling station was opened in the city, thanks in part to help from the president's 2009 stimulus package.

Mr Obama has been stressing the value of US gas production in terms of job creation and the environmental benefits of burning gas rather than coal to generate power.



Weekly Update

January 26th, 2012



The substitution of gas for oil in transport could help US energy security, given that oil imports are still running at almost 9m barrels a day.

Oil Gains a Second Day After Federal Reserve Commits to Low Interest Rates

Bloomberg | January 25, 2012

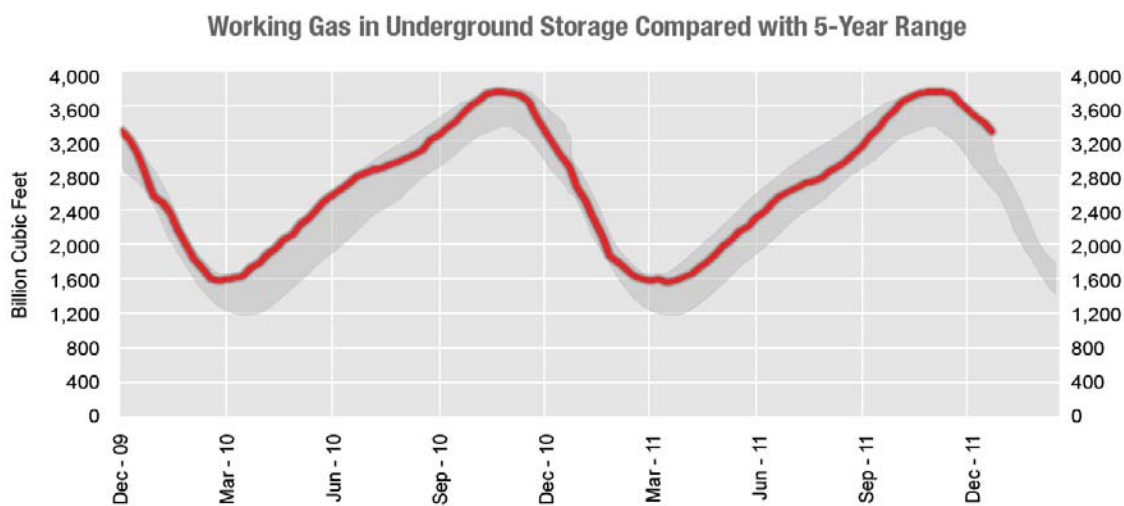
Futures advanced as much as 1.6 percent after the Fed's announcement sent the dollar to its lowest in more than a month against the euro, making assets priced in the U.S. currency more attractive. The Federal Open Market Committee said yesterday it expects its benchmark interest rate to stay "exceptionally low" at least until late 2014. A wider ban on Iranian oil than that announced this week by the European Union could boost crude by \$30 a barrel, the International Monetary Fund said.

"It's a big commitment from the central bank," said Sintje Boie, who correctly predicted in November that oil prices would slide by year-end. "For the markets, it's a liquidity thing. All this liquidity must go somewhere, and so we have some money also going into oil. Prices are higher because of this bubble of liquidity."

Crude for March delivery on the New York Mercantile Exchange rose as much as \$1.60 to \$101 a barrel, the highest price since Jan. 19, and was at \$100.74 at 1:32 p.m. London time. The contract rose 45 cents to \$99.40 yesterday. Prices are up 15 percent in the past year.

Brent oil for March settlement was up \$1.71, or 1.6 percent, at \$111.52 a barrel on the ICE Futures Europe exchange in London. The European contract's premium to Nymex crude was \$10.78 a barrel. That's down from a record \$27.88 on Oct. 14.

EIA - Weekly Natural Gas Storage Report



Summary

Working gas in storage was 3,098 Bcf as of Friday, January 20, 2012, according to EIA estimates. This represents a net decline of 192 Bcf from the previous week. Stocks were 531 Bcf higher than last year at this time and 547 Bcf above the 5-year average of 2,551 Bcf. In the East Region, stocks were 202 Bcf above the 5-year average following net withdrawals of 122 Bcf. Stocks in the Producing Region were 284 Bcf above the 5-year average of 837 Bcf after a net withdrawal of 43 Bcf. Stocks in the West Region were 61 Bcf above the 5-year average after a net drawdown of 27 Bcf. At 3,098 Bcf, total working gas is above the 5-year historical range.

Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2007 through 2011.

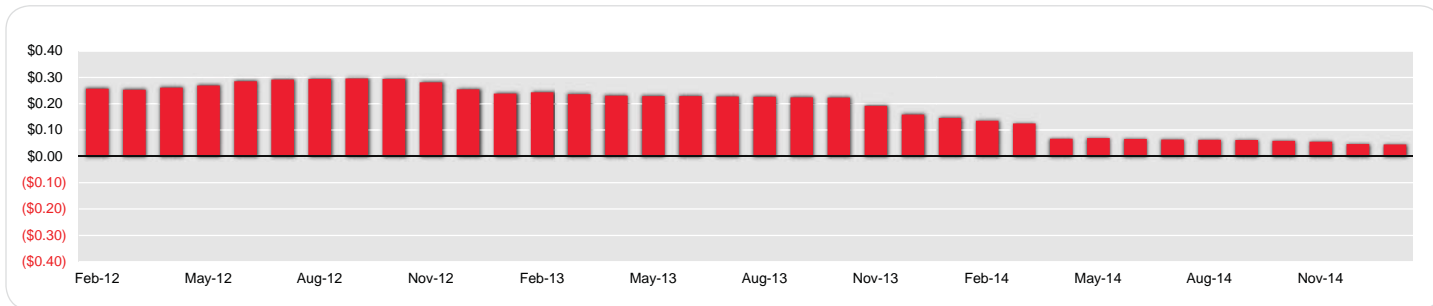


Weekly Update

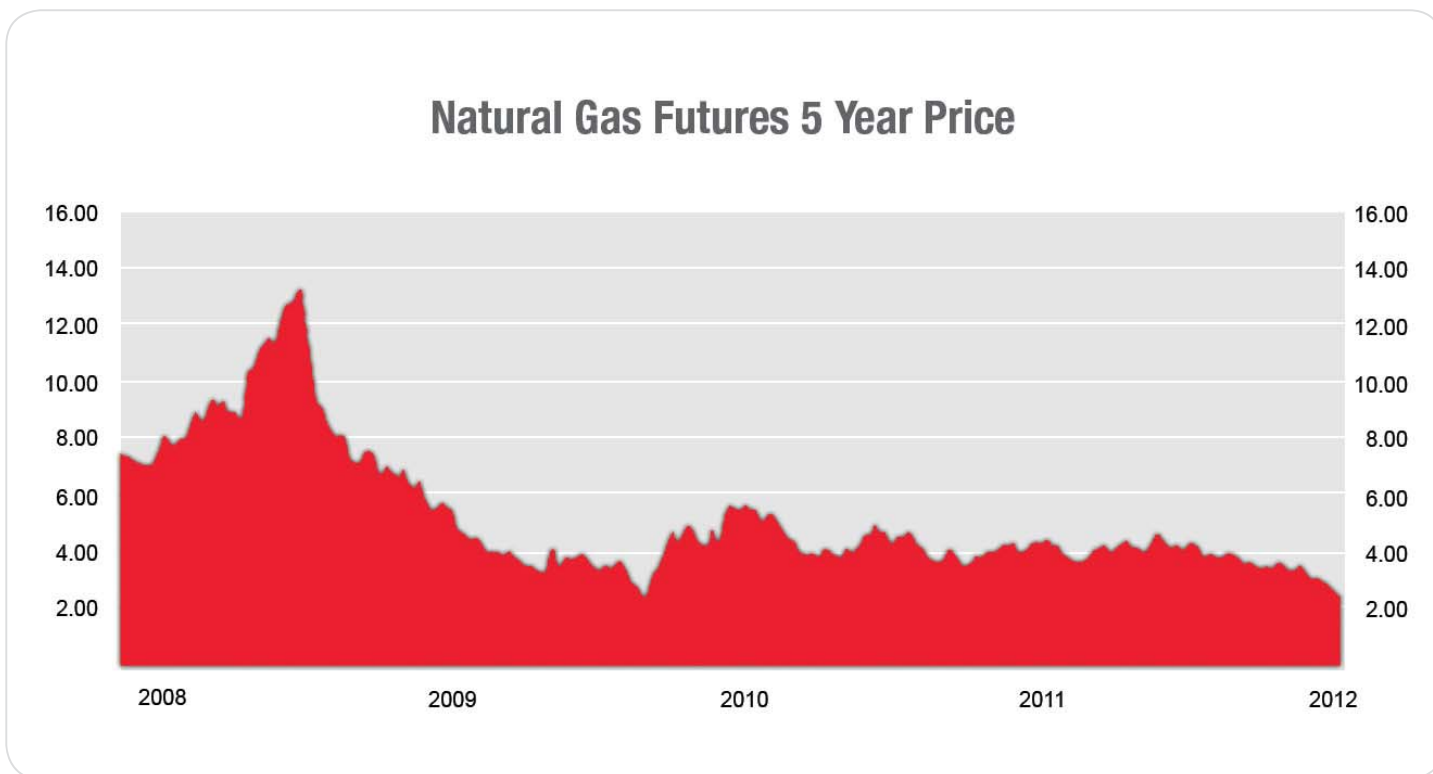
January 26th, 2012



NYMEX Natural Gas Week-to-Week Price Change



NYMEX Natural Gas Week-to-Week Price Change - Yearly Snapshot



General Disclaimer: This information is provided as a courtesy to our customers and should not be construed as an offer to sell or as a solicitation of an offer to buy contracts or any energy commodity. Listed utility supply prices are averages of C&I rates as filed with the appropriate regulatory commission. Reliance on this information for decisions is at the sole risk of the reader and past performance is not necessarily indicative of future results. This information is based on factual data obtained from sources believed to be reliable, but its accuracy is not guaranteed.

Contact Info: Web: www.patriotenergygroup.com
 Phone: (800)343-4410
 Fax: (866)362-9440
 Email: sales@patriotenergygroup.com

Offices: Burlington, MA Brunswick, ME
 West Springfield, MA Harrisburg, PA
 Dallas, TX Bridgeport, PA

Our Markets:

