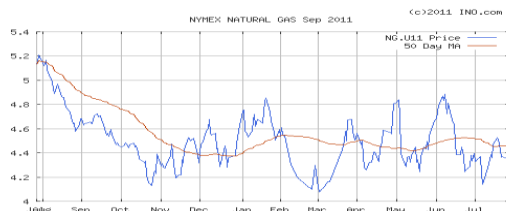


Volume 387 July 28, 2011

Market August natural gas futures closed Wednesday at \$.4370 per therm; September is now the front month. Natural gas traded mixed this week and lower this morning after the storage report as hot weather across the country and competitive coal prices are keeping gas prices supported. Deficit storage levels compared to last year are raising concerns whether 4,000 BCF is attainable by winter. Gas production levels due mostly to shale drilling are still strong; but shale fracking practice under some environmental scrutiny now. Industrial demand is still only recovering slowly. Natural gas is attractive to fix at this time to protect this year and beyond. The North American rig count is 889 this week. After a rise in count starting a year and a half ago the rig count has leveled off but increased by 4 this week.

The Crude oil price for Sep is lower this week at \$97.70 per barrel. Heating oil is lower at \$3.11 per gal. Unleaded gasoline futures are higher this week at \$3.09 and gasoline at the pump is around \$3.75...in Indiana. The natural gas storage report today was an injection of 60 BCF. Storage is 213 BCF lower than last year and 59 BCF lower than the 5 year average.



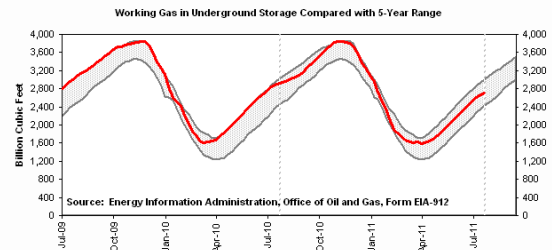
Above Graph – Sept 2011 NYMEX gas futures

Weather Thu: Rain with thunderstorms. A lingering thunderstorm is possible this afternoon. High 91F. Winds SW at 10 to 20 mph. Chance of rain 80%. Rainfall near a quarter of an inch. **Fri:** Scattered showers and thunderstorms, especially early in the day. Humid. High 87F. Winds N at 5 to 10 mph. Chance of rain 50%. **Sat:** Abundant sunshine. Highs in the upper 80s and lows in the upper 60s. **Sun:** Abundant sunshine. Highs in the low 90s and lows in the low 70s.

Storage Statistics: (BCF) Billion Cubic Ft

This Week	Last Year	5 Year Ave.
2,714	2,915	2,779

The total is an increase of 43 BCF from last week.



Above Graph - Storage levels as of 7-28-11

Comparative Fuels: Futures Prices for Sept

	Price	Compared to Nat Gas
Natural Gas (therm)	\$.4241	\$.4241
Propane (gal)	\$1.54	\$1.68
Crude Oil (barrel)	\$97.70	
Heating Oil (gal)	\$3.11	\$2.23
Unleaded Gas (gal)	\$3.09	

North American Natural Gas Rig Count:

This week	889
Last week	885
Year Ago this week	982

NYMEX Futures Price for Winter

Nov 2011-Mar 2012 **\$.4939** per therm.

NYMEX Futures Price for 1 YR

Sept 2011-Aug 2012 **\$.4901** per therm.

NGI for July 2011 \$4380

