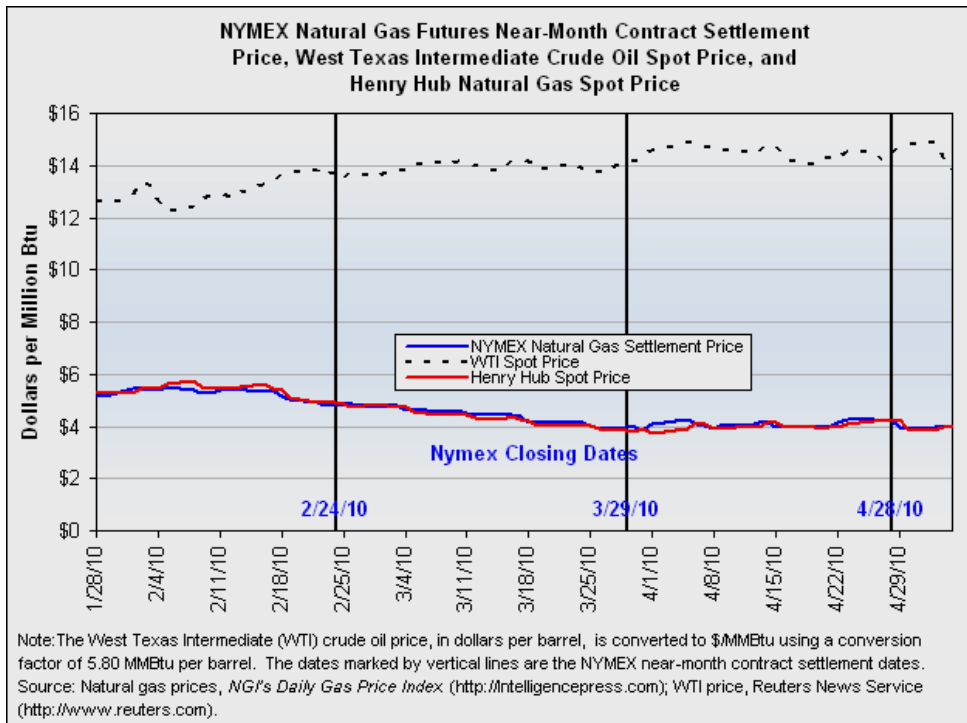


PRICES

At the NYMEX, the 12-month (June 2010 through May 2011) strip of contract prices for future natural gas delivery fell \$0.25 per MMBtu, or about 5 percent, during the report week. On the week, the price of the June contract fell \$0.24 per MMBtu, or about 6 percent. Overall, prices for the 12-month futures strip (May 2010 through April 2011) averaged \$4.84 per MMBtu as of Wednesday, May 5. Price declines since last Wednesday were largest for the July delivery contract, with each successive contract posting progressively smaller declines on the week. Natural gas futures prices for delivery during the injection season months averaged \$4.14 per MMBtu, while prices for delivery during the heating season (November 2010 through March 2011) averaged \$5.31 per MMBtu, a premium of \$0.14 to the Henry Hub spot price. This premium suggests natural gas suppliers have an incentive to replenish inventory levels of natural gas held in storage.

Since last Wednesday, April 28, natural gas spot prices decreased at market locations across the lower 48 States. As temperatures moderated throughout most of the lower 48 States, and natural gas production remained robust, natural gas prices fell, with declines ranging between 3 and 7 percent at most market locations. Additional factors possibly contributing to widespread price decreases include falling crude oil prices and declines in natural gas futures prices. Renewed confidence in the sufficiency of natural gas supplies following the release of EIA’s Weekly Natural Gas Storage Report, and its revised production estimates last Thursday, April 29 may have also contributed to price declines, as working gas stocks and revised production estimates exceeded market expectations. Prices declined with natural gas consumption heading into last weekend, but recovered somewhat in trading since Monday, May 3, as consumption increased during the week. However, these price gains were not sufficient to offset the earlier price decreases. On the week, price declines at most markets generally ranged between \$0.06 and \$0.33 per MMBtu.



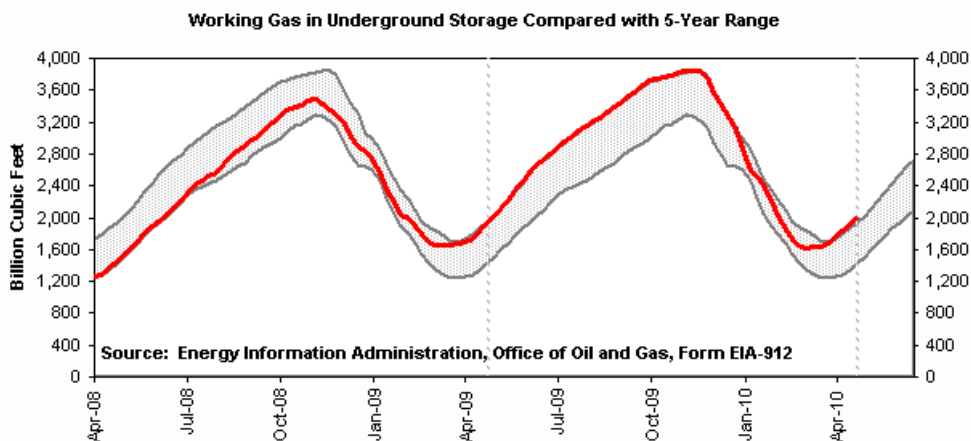
STORAGE

Working natural gas in storage increased to 1,995 Bcf as of Friday, April 30, according to EIA's Weekly Natural Gas Storage Report (see Storage Figure). The implied net injection was 83 Bcf, compared with last year's net injection of 87 Bcf and the 5-year (2005-2009) average of 71 Bcf for the report week. Relatively mild temperatures in most regions of the lower 48 States likely contributed to the larger-than-normal net injections into storage. Working gas inventories were 97 Bcf above year-ago levels and 315 Bcf above the 5-year average level. Working gas in storage exceeded the 5-year average for this time of year in each of the three storage regions. However, working gas stocks in the Producing region are 61 Bcf, or about 7 percent, below last year's level. This marks the fifth consecutive week that the year-on-year storage deficit has declined in the Producing region.

Temperatures were generally cooler than normal in most Census Divisions in the lower 48 States during the week ended April 29. Based on the National Weather Service's degree-day data, temperatures in the lower 48 States during the week ending April 29 were, on average, about 1.3 degrees cooler than normal and 5.7 degrees cooler than last year. Temperatures were warmest in the West South Central, South Atlantic, and East South Central Census Divisions, where the average temperatures ranged between 60.0 and 66.3 degrees. Elsewhere in the lower 48 States, average temperatures ranged between 49 and 55 degrees. In contrast to the rest of the lower 48 States, the East North Central and West North Central reported slightly warmer-than-normal temperatures.

	Current Stocks 04/30/10	One-Week Prior Stocks 04/23/10	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	905	867	38	763	18.6
West Region	330	318	12	253	30.4
Producing Region	760	727	33	663	14.6
Total Lower 48	1,995	1,912	83	1,680	18.8

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.



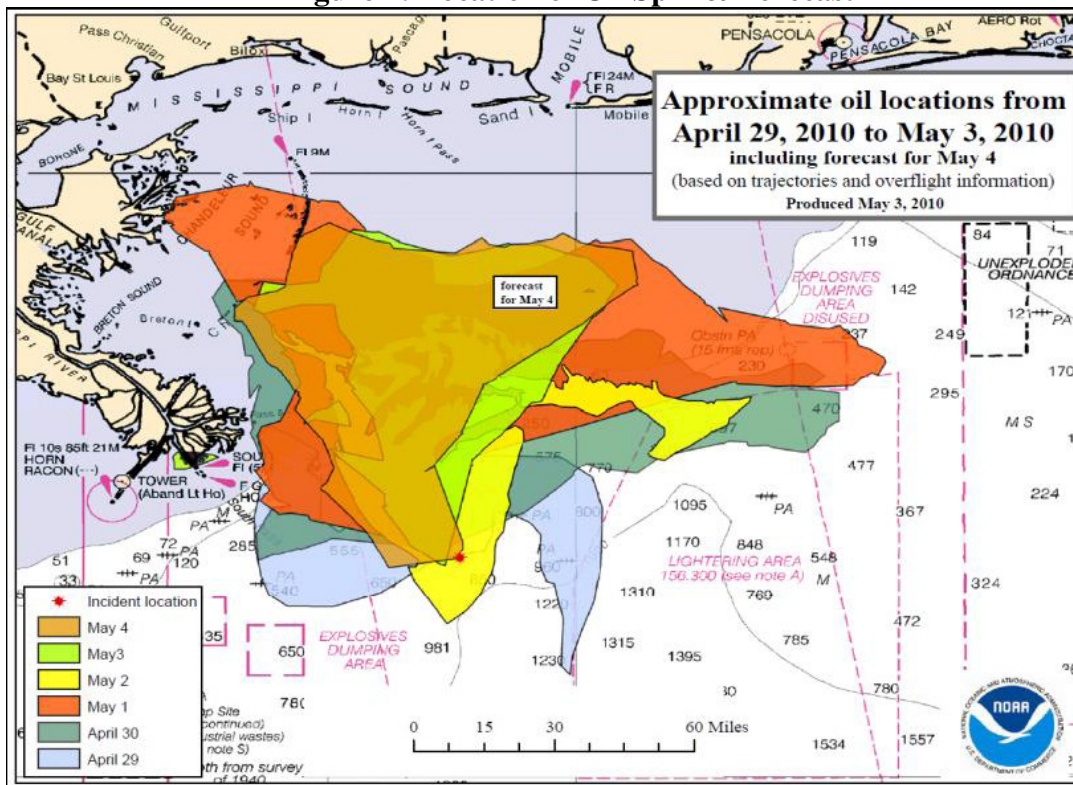
Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2003 through 2007. Source: Form EIA-912, "Weekly Underground Natural Gas Storage Report." The dashed vertical lines indicate current and year-ago weekly periods.

OTHER MARKET TRENDS

Response to the Deepwater Horizon Oil Spill Continues. On April 20, 2010, an explosion occurred aboard the Deepwater Horizon mobile offshore drilling unit located about 50 miles southeast of Venice, Louisiana. Crude oil continues to leak from the well pipe, located on the Gulf of Mexico sea floor, at an estimated rate of approximately 5,000 barrels per day, according to Department of Energy (DOE) Situational Report published on May 5.

- At approximately 11:00 pm EDT April 20, 2010 an explosion occurred aboard the Deepwater Horizon mobile offshore drilling unit (MODU) located 52 miles Southeast of Venice, LA and 130 miles southeast of New Orleans, LA. The MODU was drilling an exploratory well and was not producing oil at the time of the incident. The Deepwater Horizon MODU sank 1,500 feet northwest of the well site. To conduct the containment and cleanup operations, as of May 4, 2010, nearly 200 vessels, skimming boats, storage barges, support vessels, and 7,500 personnel are responding. The U.S. Coast Guard (USCG) has protected the Louisiana shoreline with over 367,000 feet of boom and is working to protect the Alabama, Mississippi, and Florida shorelines. The USCG is also restricting ships from traveling where the slicks exist.

Figure 1: Location of Oil Spill & Forecast



SOURCE: NOAA

NATURAL GAS TRANSPORTATION UPDATE



Normal Pipeline Conditions Exist.

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