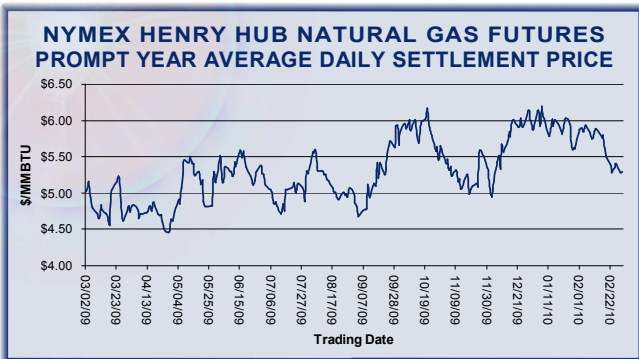
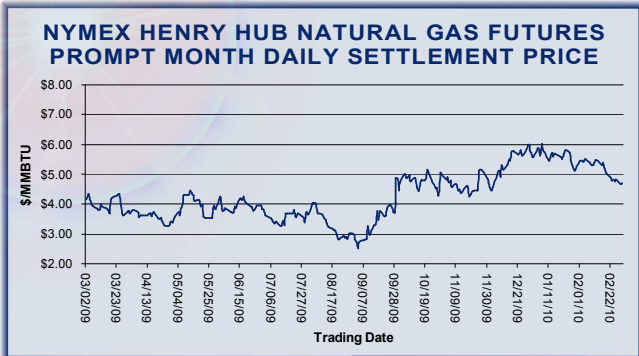
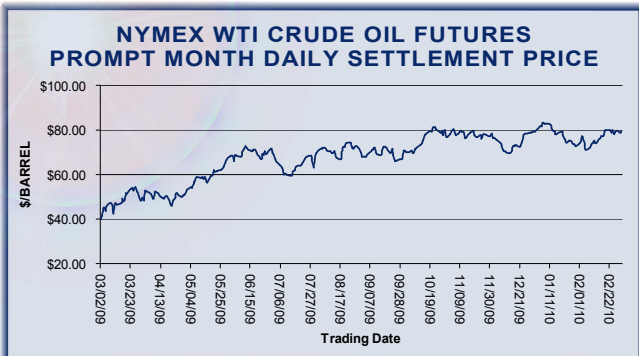
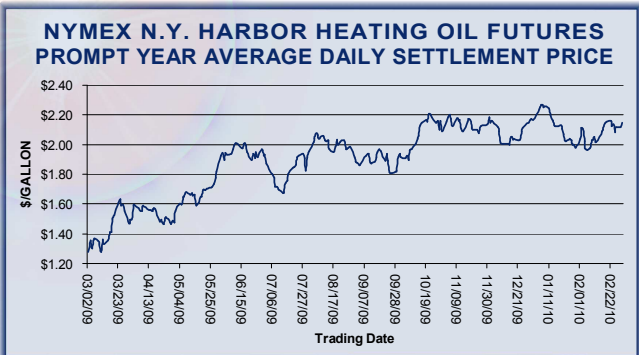


NATURAL GAS CHARTS



PETROLEUM CHARTS



MARKET COMMENTARY

On Tuesday, April Natural Gas opened up over a nickel following a quiet evening on Globex. After the opening, Natural Gas trailed off and tested its overnight lows near \$4.66 before once again holding and trading higher. April traded as high as \$4.755 before failing and settling back into the original opening range of \$4.69 to \$4.74. It looks like Natural Gas is once again trying to carve out a consolidation range, although we continue to make new lows. If we see a rally today, it could mark the beginning of a bear market correction and a move back to the upper bound of the downward channel. The magic number of the moment is \$4.75. If too many rallies stall out short of that level, it may convince the bears to resume selling and we'll see a test the 200 Day Moving Average currently at \$4.37. This morning in Globex, Natural Gas is almost unchanged, Crude Oil is up around \$0.40, Heating Oil is up around a cent and a half and Gasoline is up around half a penny.

Basis markets for the future winters edged up a bit on Tuesday as we saw slightly more buyers than sellers in an overall quiet market. In spite of this blip, we still view this market as bearish.

City gate cash markets continued to erode on Tuesday as degree days disappear from the weather forecast maps. Currently, the next shot of cold is forecast to hit the Southeast and the southern Mid-Atlantic early next week, but the Northeast is forecast to stay at or above normal for this time of the year.

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 - March 2, 2010 | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|
| Basis Mo. | NG Settle | NG Change | HO Settle | HO Change | CL Settle | CL Change |
| Apr-10 | \$4.708 | +\$0.029 | 205.61¢ | + 3.26¢ | \$79.68 | + \$0.98 |
| May-10 | \$4.775 | +\$0.029 | 206.66¢ | + 3.18¢ | \$80.06 | + \$0.98 |
| Jun-10 | \$4.850 | +\$0.023 | 207.83¢ | + 3.00¢ | \$80.44 | + \$0.96 |
| Jul-10 | \$4.934 | +\$0.022 | 209.51¢ | + 2.89¢ | \$80.81 | + \$0.95 |
| Aug-10 | \$4.997 | +\$0.021 | 211.16¢ | + 2.71¢ | \$81.11 | + \$0.93 |
| Sep-10 | \$5.035 | +\$0.019 | 213.06¢ | + 2.66¢ | \$81.38 | + \$0.91 |
| Oct-10 | \$5.140 | +\$0.018 | 215.31¢ | + 2.62¢ | \$81.64 | + \$0.89 |
| Nov-10 | \$5.455 | +\$0.005 | 217.61¢ | + 2.60¢ | \$81.92 | + \$0.87 |
| Dec-10 | \$5.795 | -\$0.012 | 219.94¢ | + 2.58¢ | \$82.22 | + \$0.85 |
| Jan-11 | \$6.020 | -\$0.017 | 222.19¢ | + 2.53¢ | \$82.41 | + \$0.84 |
| Feb-11 | \$5.988 | -\$0.017 | 223.39¢ | + 2.43¢ | \$82.61 | + \$0.82 |
| Mar-11 | \$5.848 | -\$0.017 | 223.29¢ | + 2.33¢ | \$82.80 | + \$0.80 |
| Apr-Oct | \$4.920 | +\$0.023 | 209.88¢ | + 2.90¢ | \$80.73 | + \$0.94 |
| Nov-Mar | \$5.821 | -\$0.012 | 221.28¢ | + 2.49¢ | \$82.39 | + \$0.84 |

| EIA NATURAL GAS STORAGE STATISTICS - WEEK ENDING Feb 19, 2010 | | | | | | |
|---|------------------|------------------|------------------|---------------|------------------|---------------|
| Storage Region | This Week | | Last Year | | 5 Year Average | |
| | Inventory | Change | Inventory | % Diff. | Inventory | % Diff. |
| East Market | 935 BCF | - 95 BCF | 886 BCF | + 5.5% | 958 BCF | - 2.4% |
| West Market | 311 BCF | - 11 BCF | 298 BCF | + 4.3% | 255 BCF | + 22.0% |
| Producing | 607 BCF | - 66 BCF | 725 BCF | - 16.3% | 627 BCF | - 3.2% |
| TOTAL | 1,853 BCF | - 172 BCF | 1,909 BCF | - 3.0% | 1,840 BCF | + 0.7% |

| 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 | Spread | |
| 2/23/10 | 11% | 9% | 12% | 14% | 40% | 1% | 3% | 10% | 100% |
| | 4,282 | 3,350 | 4,469 | 5,413 | 7,595 | 457 | 991 | 1,882 | 18,959 |
| 2/16/10 | 4,242 | 3,468 | 4,486 | 5,193 | 7,544 | 607 | 955 | 2,028 | 19,047 |
| 2/9/10 | 4,233 | 3,456 | 4,432 | 5,126 | 7,638 | 562 | 909 | 1,842 | 18,839 |
| 2/2/10 | 4,018 | 3,273 | 4,469 | 5,153 | 7,552 | 666 | 893 | 1,702 | 18,491 |

| HEATING DEGREE DAYS - 7 DAYS ENDING March 2, 2010 | | | |
|---|------------|------------|----------|
| Market | Actual HDD | Normal HDD | Variance |
| BOSTON | 189 | 217 | - 13% |
| NEWARK | 201 | 198 | + 1% |
| PITTSBURGH | 247 | 217 | + 14% |
| SYRACUSE | 226 | 261 | - 14% |