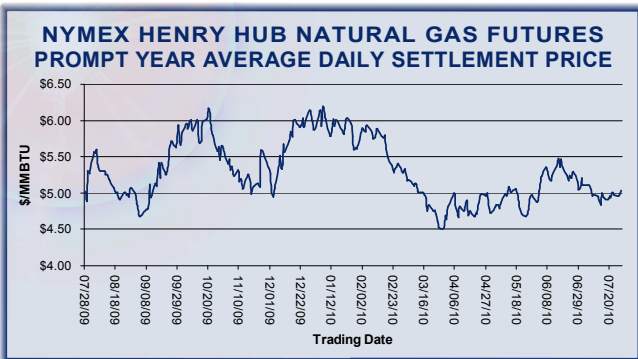
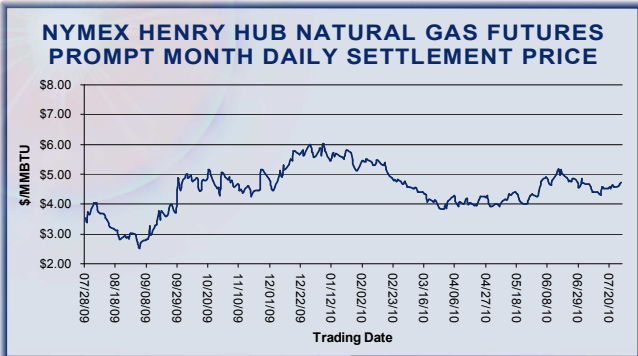
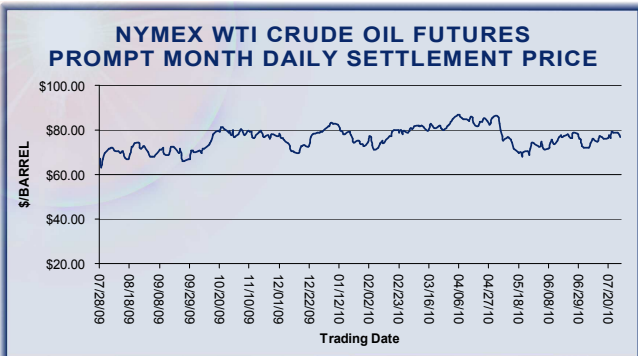
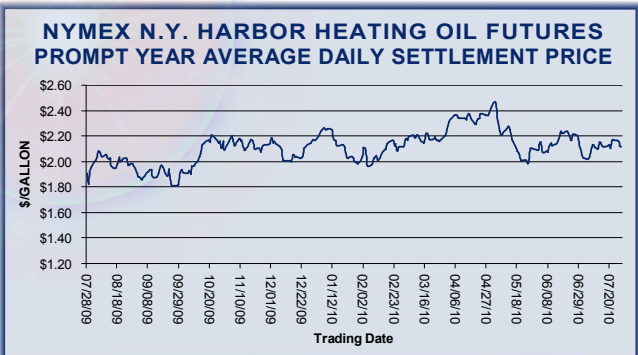


NATURAL GAS CHARTS



PETROLEUM CHARTS



MARKET COMMENTARY

On Wednesday, August Natural Gas opened up \$0.07 ahead of the contract expiration. The bulls took charge of the market early, pushing August up nearly a dime in the opening ten minutes. After a brief sell-off back down to \$4.77, the bulls made another push to \$4.881. As we have seen time and time again, however, the \$4.85 level proved impossible for the bulls to hold. The sellers returned in force and by the time the day session ended, August came off the board up only about a dime. The September through November contracts were slightly up, but the rest of the curve ended the day in the red. Now that September is prompt we will see if it can hold the \$4.67 major support level today. The September contract ended up almost \$0.06 behind August at expiration, which could be a sign of future weakness. This morning in Globex trade, Natural Gas is up around \$0.035, Crude Oil is up around \$0.45, Heating Oil is up around a penny and a half and Gasoline is up around half a cent.

There is nothing new to report in the tropics this morning. No tropical cyclone development expected before the end of the month.

Analysts are expecting the lowest injection yet in this morning's natural gas storage report with a consensus injection in the low 30's. Protracted heat over much of the country is to blame for the low estimates. In spite of the string of low storage injections, other analysts are quick to point out that the market is still over-supplied under a normal weather scenario and say that the number of LNG cargoes being diverted away from the U.S. to Europe and Asia is evidence that the U.S. market is not desperate for gas. Last year's date-adjusted injection was 70 BCF and the five year average injection is 52 BCF.

Basis markets saw a bit of activity on Wednesday alongside the expiring August futures, but it was almost exclusively focused on the prompt month.

Northeast city gate cash spreads were a little stronger on Wednesday as the region is forecast to get one more day of hot, sticky weather before temperatures fall to average normal to below normal for the weekend.

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 - July 28, 2010						
Basis Mo.	NG Settle	NG Change	HO Settle	HO Change	CL Settle	CL Change
Aug-10	\$4.774	+ \$0.099	199.64¢	- 0.30¢	\$76.99	- \$0.51
Sep-10	\$4.718	+ \$0.072	202.60¢	- 0.34¢	\$77.44	- \$0.46
Oct-10	\$4.743	+ \$0.064	205.46¢	- 0.37¢	\$78.03	- \$0.38
Nov-10	\$4.917	+ \$0.022	208.35¢	- 0.33¢	\$78.59	- \$0.32
Dec-10	\$5.134	- \$0.002	211.10¢	- 0.36¢	\$79.13	- \$0.27
Jan-11	\$5.282	- \$0.008	213.80¢	- 0.38¢	\$79.63	- \$0.22
Feb-11	\$5.253	- \$0.010	215.73¢	- 0.34¢	\$80.10	- \$0.17
Mar-11	\$5.157	- \$0.010	216.67¢	- 0.30¢	\$80.53	- \$0.14
Apr-11	\$4.969	- \$0.013	216.66¢	- 0.30¢	\$80.94	- \$0.12
May-11	\$4.983	- \$0.014	216.78¢	- 0.33¢	\$81.32	- \$0.11
Jun-11	\$5.019	- \$0.016	217.23¢	- 0.38¢	\$81.69	- \$0.08
Jul-11	\$5.069	- \$0.016	218.71¢	- 0.38¢	\$81.91	- \$0.07
Aug-Oct	\$4.745	+ \$0.078	202.57¢	- 0.34¢	\$77.49	- \$0.45
Nov-Mar	\$5.149	- \$0.002	213.13¢	- 0.34¢	\$79.60	- \$0.22

EIA NATURAL GAS STORAGE STATISTICS - WEEK ENDING Jul 16, 2010						
Storage Region	This Week		Last Year		5 Year Average	
	Inventory	Change	Inventory	% Diff.	Inventory	% Diff.
East Market	1,425 BCF	+ 41 BCF	1,459 BCF	- 2.3%	1,387 BCF	+ 2.7%
West Market	474 BCF	+ 4 BCF	442 BCF	+ 7.2%	381 BCF	+ 24.4%
Producing	992 BCF	+ 6 BCF	1,041 BCF	- 4.7%	860 BCF	+ 15.3%
TOTAL	2,891 BCF	+ 51 BCF	2,943 BCF	- 1.8%	2,629 BCF	+ 10.0%

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		
7/20/10	13%	10%	10%	13%	41%	2%	3%	100%	
7/20/10	4,905	3,860	3,927	5,002	7,973	756	1,162	1,679	19,458
7/13/10	4,881	3,885	4,036	5,040	7,857	793	1,539	1,572	19,516
7/6/10	4,674	3,878	4,089	4,889	7,870	755	1,253	1,478	19,117
6/29/10	4,613	3,886	4,152	4,961	7,670	737	1,048	1,502	18,871

COOLING DEGREE DAYS - 7 DAYS ENDING July 28, 2010			
Market	Actual CDD	Normal CDD	Variance
BOSTON	89	67	+ 33%
NEWARK	128	91	+ 40%
PITTSBURGH	89	56	+ 59%
SYRACUSE	64	48	+ 33%