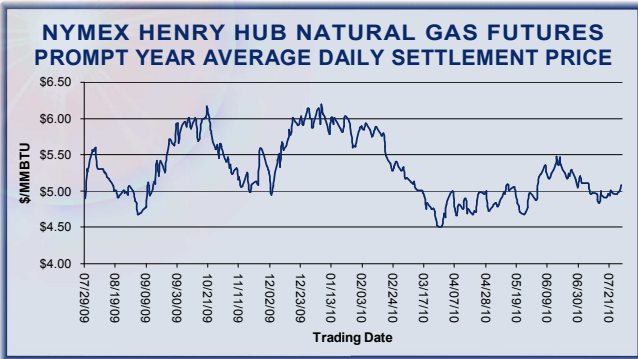
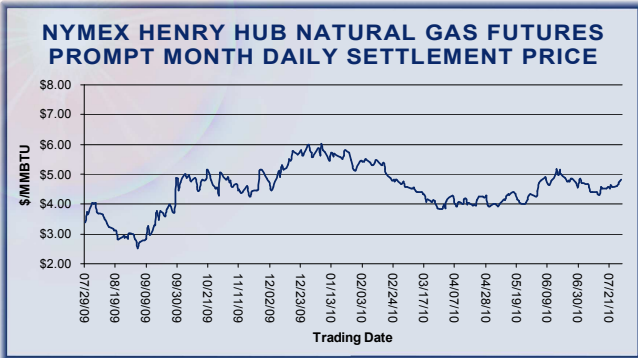
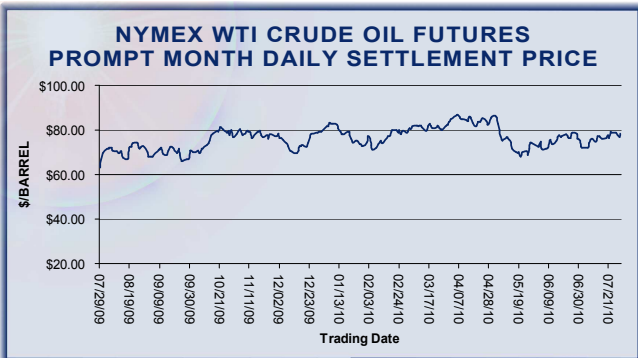
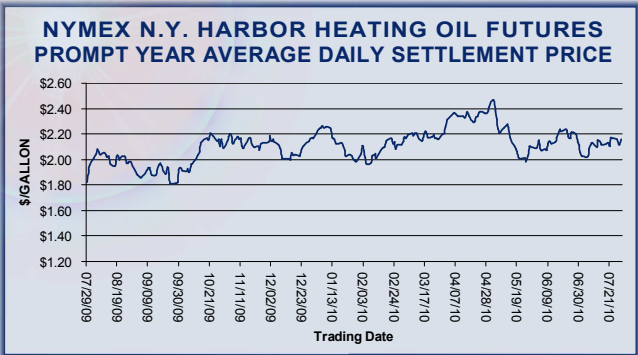


**NATURAL GAS CHARTS**



**PETROLEUM CHARTS**



**MARKET COMMENTARY**

On Thursday, September Natural Gas opened up \$0.08 after trading mostly unchanged overnight. Natural Gas traded in a quiet three cent range ahead of the storage report. After the report came out, September popped to a high of \$4.87 before renewed selling pushed prices down to a low of \$4.71. September could get no closer to the \$4.67 support level and Natural Gas climbed back throughout the rest of the session to close a nickel off the highs of the day, up nearly \$0.11. On the balance, yesterday's trade was neutral with September failing to get close to \$4.67 but also failing to hold the \$4.85 level. This morning in Globex trade, Natural Gas is up around \$0.03, Crude Oil is down around \$0.55, Heating Oil is down around a penny and a half and Gasoline is down around half a cent.

Conditions in the tropics are becoming more favorable for storm development, with a couple of tropical waves moving into areas of reduced wind shear and less dry air. NHC has designated a wave in the eastern Atlantic as 90L. It has good prospects for development, but is still many days away from being a U.S. threat.

Yesterday morning's natural gas storage report did not disappoint the bulls, coming in at an anemic 28 BCF net injection. While the number was well below both last year's injection and the five year average, it's worth pointing out that we actually saw net withdrawals in the summer of 2006 with fewer cooling degree days than we've accumulated so far this summer. Inventories are now 94 BCF below last year's levels and 239 BCF above the five year average.

Yesterday saw another Northeast LNG project get shelved due to the weak price environment, this one off the coast of New York and New Jersey. Production in the Northeast region hit another record high of 2.9 BCF with Marcellus Shale producers leading the way. Basis prices were overall unchanged on the day.

Cash prices for the end of the month were mostly unchanged on Thursday, with city gate spreads slipping slightly due to strength at the Hub. This morning, we traded for August 1st and 2nd.

*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 29, 2010						
Basis Mo.	NG Settle	NG Change	HO Settle	HO Change	CL Settle	CL Change
Sep-10	\$4.827	+ \$0.109	203.72¢	+ 4.08¢	\$78.36	+ \$1.37
Oct-10	\$4.848	+ \$0.105	206.96¢	+ 4.36¢	\$78.83	+ \$1.39
Nov-10	\$5.009	+ \$0.092	209.70¢	+ 4.24¢	\$79.43	+ \$1.40
Dec-10	\$5.205	+ \$0.071	212.49¢	+ 4.14¢	\$79.99	+ \$1.40
Jan-11	\$5.335	+ \$0.053	215.13¢	+ 4.03¢	\$80.53	+ \$1.40
Feb-11	\$5.303	+ \$0.050	217.76¢	+ 3.96¢	\$81.04	+ \$1.41
Mar-11	\$5.196	+ \$0.039	219.69¢	+ 3.96¢	\$81.52	+ \$1.42
Apr-11	\$4.988	+ \$0.019	220.61¢	+ 3.94¢	\$81.97	+ \$1.44
May-11	\$5.000	+ \$0.017	220.56¢	+ 3.90¢	\$82.40	+ \$1.46
Jun-11	\$5.030	+ \$0.011	220.65¢	+ 3.87¢	\$82.81	+ \$1.49
Jul-11	\$5.076	+ \$0.007	221.06¢	+ 3.83¢	\$83.18	+ \$1.49
Aug-11	\$5.116	+ \$0.004	222.51¢	+ 3.80¢	\$83.40	+ \$1.49
Sep-Oct	\$4.838	+ \$0.107	205.34¢	+ 4.22¢	\$78.60	+ \$1.38
Nov-Mar	\$5.210	+ \$0.061	214.95¢	+ 4.07¢	\$80.50	+ \$1.41

EIA NATURAL GAS STORAGE STATISTICS - WEEK ENDING Jul 23, 2010						
Storage Region	This Week		Last Year		5 Year Average	
	Inventory	Change	Inventory	% Diff.	Inventory	% Diff.
East Market	1,459 BCF	+ 34 BCF	1,515 BCF	- 3.7%	1,434 BCF	+ 1.8%
West Market	473 BCF	- 1 BCF	441 BCF	+ 7.2%	385 BCF	+ 22.8%
Producing	987 BCF	- 5 BCF	1,057 BCF	- 6.6%	861 BCF	+ 14.6%
<b>TOTAL</b>	<b>2,919 BCF</b>	<b>+ 28 BCF</b>	<b>3,013 BCF</b>	<b>- 3.1%</b>	<b>2,680 BCF</b>	<b>+ 8.9%</b>

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	
7/20/10	13%	10%	10%	13%	41%	2%	3%	9%	100%
7/13/10	4,905	3,860	3,927	5,002	7,973	756	1,162	1,679	19,458
7/6/10	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 29, 2010			
Market	Actual CDD	Normal CDD	Variance
BOSTON	88	67	+ 32%
NEWARK	123	91	+ 35%
PITTSBURGH	81	56	+ 45%
SYRACUSE	61	47	+ 30%