

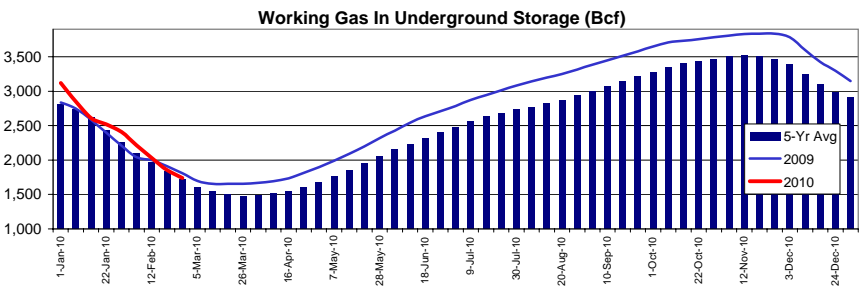
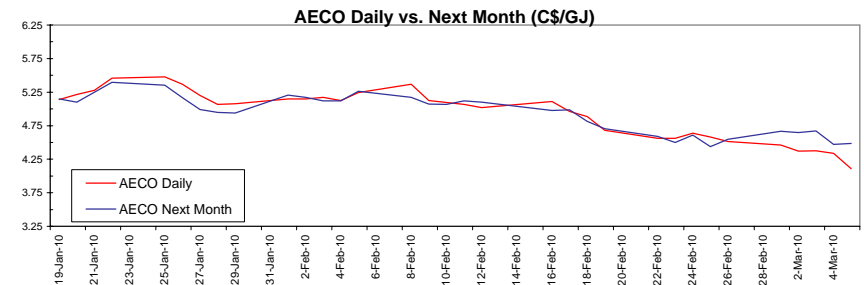
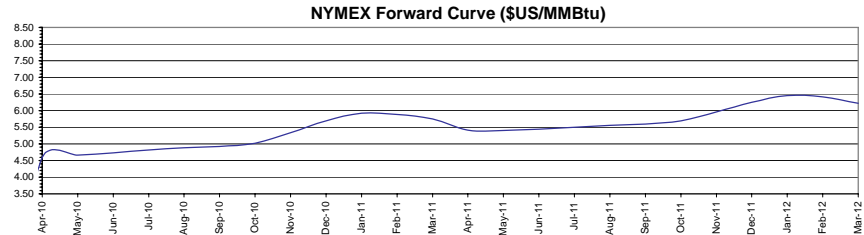
SOURCE REPORT

March 8, 2010

"Drill, Baby, Drill." It was the Republican war cry reverberating from the US Vice Presidential debate between Joe Biden and our favourite Alaskan conservative, Sarah Palin. Although the slogan was meant to apply to offshore oil it really gained its most strength and vigor with Natural Gas. As reported earlier, Natural Gas drilling rigs have exited their post-credit environment freefall and shot back up to a 1000 active rigs. The rigs are back on-line and, thanks to recent dramatic improvements in production technology, are producing gas faster than ever before. What does this drilling frenzy mean? While wintry weather has helped immensely in bringing down surplus natural gas storage levels, the commodity market is now left wondering whether all this drilling momentum will create another supply glut. Prices will continue to be under pressure until the drill, baby, drill tempo moderates. Hey, wait... I think I can see Russia from here... (MJB)

Settlement Date: **March 5, 2010**

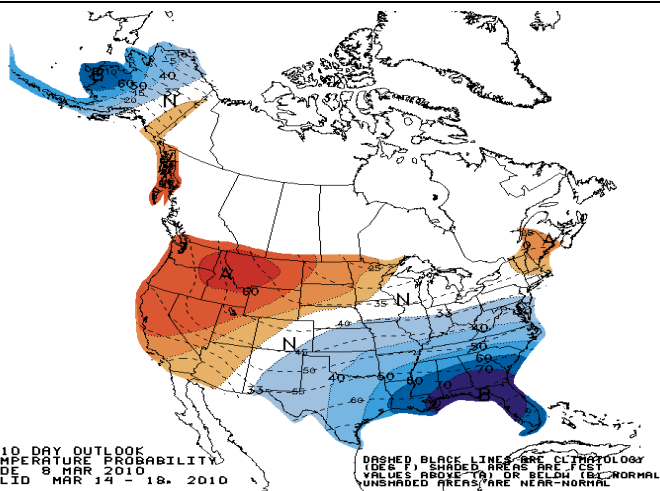
NYMEX (US\$/MMBtu)	
Henry Hub Settle:	
3-Mar-10	4.78
4-Mar-10	4.75
5-Mar-10	4.59
Nymex Futures:	
Apr-10	4.59
May-10	4.66
Jun-10	4.73
Apr 10 - Oct 10	4.80
Nov 10 - Mar 11	5.72
AECO (C\$/GJ)	
AECO / N.I.T. Next Day Index Price	
2-Mar-10	4.37
3-Mar-10	4.38
4-Mar-10	4.34
5-Mar-10	4.11
AECO Futures:	
Apr-10	4.49
May-10	4.32
Jun-10	4.36
Apr 10 - Oct 10	4.42
Nov 10 - Mar 11	5.50
DAWN (US\$/MMBtu)	
Daily next day spot gas price (US\$/MMBtu)	
<u>Clearing Date</u>	<u>W. Avg</u>
3-Mar-10	5.05
4-Mar-10	5.06
5-Mar-10	4.88
Dawn Futures:	
Apr-10	4.59
May-10	5.00
Jun-10	5.06
Apr 10 - Oct 10	5.07
Nov 10 - Mar 11	5.96



Foreign Exchange Rate			
CS/US\$	1.031	US\$/C\$	0.970

EIA Storage - Week Ending		26-Feb-10	
	2010 Stocks (Bcf)	Weekly Change (Bcf)	5-Yr Avg Stocks (Bcf)
East	861	(74)	870
West	296	(15)	242
Producing	580	(27)	604
Total	1,737	(116)	1,716

Source: eia.doe.gov



Map provided by NOAA www.cpc.noaa.gov

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