

April 23, 2012

Natural Gas Trends**Highlights****GAMECHANGER: LNG EXPORT APPLICATION APPROVED BY FERC**

The LNG terminal will be able to operate simultaneously as a bi-directional facility, importing natural gas to the United States and exporting natural gas worldwide, in response to changing market conditions.

On April 16, 2012, the Federal Energy Regulatory Commission (FERC) conditionally approved the joint application of two Cheniere LNG, Inc. subsidiaries to site, construct, and operate liquefied natural gas (LNG) liquefaction facilities for the purpose of exporting domestically produced natural gas worldwide.

The facilities, which are to be constructed in Cameron Parish, Louisiana within five years of the date of the FERC's Order, are subject to certain environmental conditions. Upon completion of the project, Cheniere's subsidiaries will be able to liquefy and export up to 2.2 billion cubic feet per day (Bcf/d) of domestically produced natural gas.



Two interstate natural gas pipelines interconnect with the LNG terminal, including the affiliated Cheniere Creole Trail Pipeline, L.P. and the Kinder Morgan Louisiana Pipeline, LLC. The FERC's approval of Cheniere's export application follows the U.S. Department of Energy's approvals of the project, in 2010 and 2011.

A copy of the FERC's 56-page *Order Granting Section 3 Authorization* is available at www.ferc.gov.

Data

- May Natural Gas Futures Contract (as of April 20), NYMEX at Henry Hub closed at \$1.927 per million British thermal units (MMBtu)
- May Light, Sweet Crude Oil Futures Contract (as of April 20), NYMEX at Cushing closed at \$103.05 per U.S. oil barrel (Bbl.) or approximately \$16.41 per MMBtu

Last week: U.S. HDD lower than normal

For the week beginning 4/15/12 and ending 4/21/12, heating degree days (HDD) were normal for Texas and lower than normal for the U.S. For the heating season (7/1/11 to 6/30/12), cumulative heating degree days were 22% below normal for Texas and 18% below normal for the U.S. Source: www.cpc.ncep.noaa.gov

HEATING DEGREE DAYS (HDD)				
City or Region	Total HDD for week ending 4/21/2012	*Week HDD + / - from normal	Year-to-date total HDD	* YTD % +/- from normal
Amarillo	41	-22	3454	-17%
Austin	2	-5	1460	-11%
DFW	7	-7	1771	-25%
El Paso	18	-2	2265	-10%
Houston	0	-8	951	-38%
SAT	0	-7	1123	-29%
Texas**	14	0	1564	-22%
U.S.**	46	-30	3513	-18%

* A minus (-) value is warmer than normal; a plus (+) value is cooler than normal. NOAA uses 65° Fahrenheit as the 'normal' basis from which HDD are calculated. ** State and U.S. degree days are population-weighted by NOAA.

Last week: U.S. natural gas storage at 2,512 Bcf

For the week ending 4/13/12, U.S. working gas in storage rose from 2,487 to 2,512 Bcf, compared to 1,641 Bcf in storage a year ago and compared to an average of 1,593 Bcf in storage during the 5-year period from 2007 to 2011. Working gas in storage in the producing region (which includes Texas) rose from 1,042 to 1,049 Bcf. Source: www.eia.doe.gov

U.S. WORKING GAS IN STORAGE				
Region	Week ending 4/13/12	Prior week	One-week change	Current Δ from 5-YR Average (%)
East	1,105	1,092	13	+ 64.2%
West	358	353	5	+ 44.9%
Producing	1,049	1,042	7	+ 55.9%
Lower 48 Total	2,512	2,487	25	+ 57.7%

Lower 48 states, underground storage, units in billion cubic feet (Bcf)

Last week: U.S. gas rig count up 7 to 631

The gas rig count for the U.S. was up 7 when compared to the prior week and down 247 when compared to 12 months ago. The U.S. total rig count was up 22 when compared to the prior week, and up 172 when compared to 12 months ago.

Source: Baker Hughes

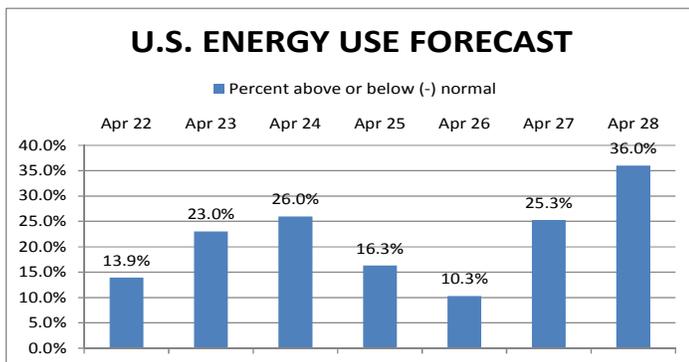
BAKER HUGHES ROTARY RIG COUNT				
	As of 4/20/12	+/- prior week	Year ago	+/- year ago
Texas	929	13	801	128
U.S. gas	631	7	878	-247
U.S. oil	1337	15	913	424
U.S. total	1972	22	1800	172
Canada	146	-23	143	3

Numbers are excerpted and not meant to be totaled

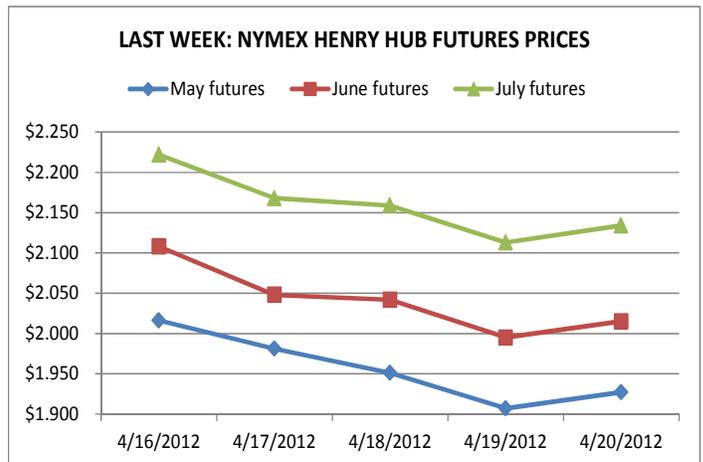
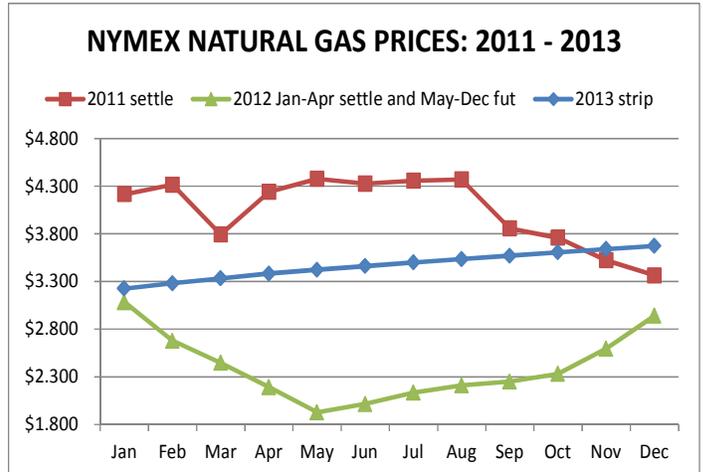
This week: U.S. energy use higher than normal

U.S. energy use is forecasted to be higher than normal this week, according to the Dominion Energy Index, as shown below. Dominion forecasts total U.S. residential energy usage, a component of which is natural gas.

Source: Dominion Energy Index



Strip prices. Natural gas strip prices for 2013, shown below in blue, are the average of daily settlement prices for the next twelve months of natural gas futures contracts.



NATURAL GAS PRICE SUMMARY AS OF 4/20/2012

	This Week	+/- Last Week	+/- Last Year	12-Month Strip Avg.
US May futures				
NYMEX	\$1.927	-\$0.054	-\$2.450	\$2.565

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