



PRICING ALERT

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Energy Solutions INC
natural gas buying advisors

Pricing Alerts are issued when there is something happening in the industry or something that is anticipated to happen that has the potential to change or impact natural gas prices.

Natural Gas Pricing Alert (a value-added service of The Advisor)

- In its March 2011 edition of [Natural Gas Buying Guide](#), Energy Solutions, Inc. stated, “A major price decline will occur in late fall 2011. Rapidly refilling natural gas storage inventories, reduced consumer spending, and a slowing pace of economic recovery will push near-term natural gas prices to new 2011 price lows.”
- In its July 2011 edition of [Natural Gas Price Outlook](#), Energy Solutions, Inc. stated, “Market conditions and price indicators point to a period of natural gas price weakness in late fall 2011 with the potential for natural gas prices to fall to \$3.50 per MMBtu.”
- Our position toward price weakness has not changed, and in the October 5 weekly edition of [The Advisor](#), Energy Solutions, Inc. projected that the front-month natural gas NYMEX contract would dip to \$3.40-\$3.50 per MMBtu in conjunction with the fall seasonal decline.

On October 10, the front-month natural gas NYMEX contract hit a low of \$3.455 per MMBtu, but then advanced the following day to the \$3.60s. Another downward price attempt was made on October 13, as the front-month natural gas NYMEX contract fell to a low of \$3.446 per MMBtu. But again, a price rally the next day took the front-month natural gas NYMEX contract to the \$3.70s. The quick price rallies occurring the day following significant price weakness is a reminder that the speculative sector still holds a lot of clout relative to where prices may move. Plus, it is a precursor of what to expect when the nation experiences its first blast of winter. Relative to winter weather forecasts, initial predictions favor a winter that is slightly milder than last year. However, it could still be colder than average, since the winter of 2010-2011 was the 16th coldest in the past 60 winters, and the coldest of the past decade.

While our price projections above are tied to the front-month natural gas NYMEX contract price, buyers should not lose sight of the performance of other monthly natural gas NYMEX contracts. For example, natural gas buyers who are solely focusing on the price action of the November 2011 natural gas NYMEX contract may miss out on the opportunity to secure the first quarter of 2012 at sub-\$4 per MMBtu price levels. It is the opinion of Energy Solutions, Inc. that the window for the seasonal fall decline is beginning to close. A shift to above normal temperatures or higher than expected storage injections have the potential to keep this window open a bit longer, allowing for another short-lived push into the \$3.40s. However, when the window closes, prices are expected to move over \$4 per MMBtu, and remain there for the next several months.

[Request a Complimentary Copy of the October Monthly Edition of *The Advisor* \(issued 10/17/11\)](#)

[Request a Laminated Natural Gas NYMEX Reference Card \(mailing address required\)](#)

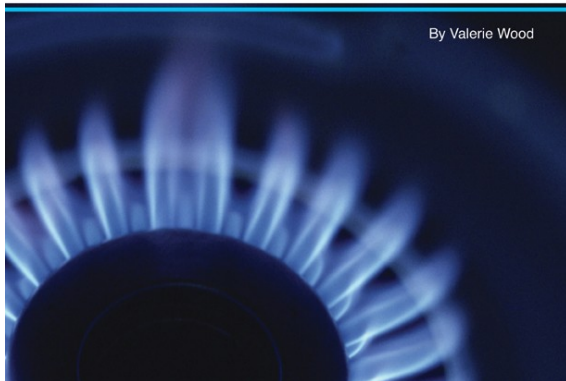
Conclusion: The fall price bottom has either already occurred or is very close by. If as a buyer you have yet to make some purchasing decisions for the winter, the October 24 release of [Natural Gas Buying Guide](#) or [The Advisor](#) can assist in purchasing decisions that protect your profits and give you peace of mind.

Release Date: October 24, 2011

Natural Gas *Buying Guide*

A Decision-Making Tool to Improve Profitability

Energy Solutions
natural gas buying advisors



By Valerie Wood

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About This Guide

- A strategic decision-making tool designed to assist natural gas buyers in the implementation of a proactive natural gas purchasing strategy.
- Provides natural gas buying models for low-risk, medium-risk and high-risk buyers.

Product Overview

- Provides buyers with the three critical components required for a successful natural gas purchasing strategy — research, planning, and implementation.
- Identifies four timeframes, referred to as Decision Timeframes, in which buyers are encouraged to evaluate and consider natural gas purchases.
- Evaluates natural gas production levels and provides insight into when production may show signs of stabilizing.
- Identifies the key ingredient of what will prompt a price trend change.

Benefits

- Helps buyers better identify their risk level tolerance to ensure better decision making and improved profitability.
- Gives buyers the confidence needed to make well-informed natural gas purchases.
- Articulates a plan of action for each Decision Timeframe for each buying model.
- Comprehensive information provides assistance and support to your natural gas risk management plan or strategy.

About the Editor

Valerie Wood, President of Energy Solutions, Inc. and editor of *The Advisor* has over 26 years of experience in the natural gas industry. She is a recognized industry leader in helping businesses improve their natural gas procurement plans. Ms. Wood provides training to businesses throughout the nation on the development and implementation of strategic natural gas procurement plans. She is uniquely qualified to communicate with businesses at all levels.

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