

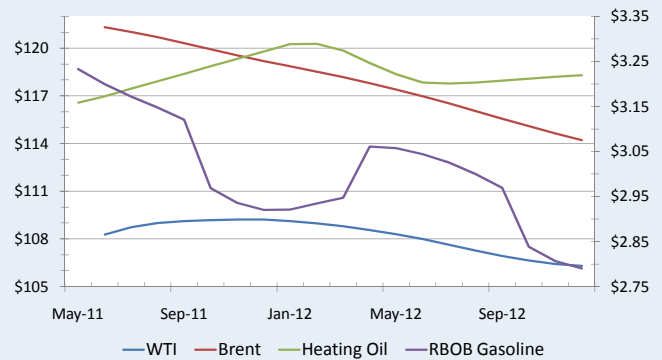
### EIA WEEKLY PETROLEUM STATUS REPORT COMMENTARY

- **Bullish Crude:** Stocks ↓2.3 million barrels, vs. ↑0.8 million barrels expected, sending WTI \$2 above yesterday's settle. While crude oil inputs by refineries were slightly higher (↑87,000 bpd to 14.104 million bpd), crude imports tanked (↓518,000 bpd to 8.053 million bpd)
- **Bullish Distillate:** A 2.5 million barrel decrease in stocks surprised markets, which expected inventories to be near unchanged. Almost the entire draw is attributable to the Gulf Coast region
- **Macro Demand:** Products Supplied by refineries were approximately unchanged during the week at 19.274 million bpd, but higher than year ago at 18.484 million bpd
- **Cushing:** Crude oil stocks at the NYMEX hub are ↓800,000 barrels, easing somewhat the WTI discount against Brent at \$12.69/bbl in June
- **Neutral Gasoline:** Gasoline inventories ↓1.6 million barrels, vs. ↓1.8 million barrels expected
- **Refinery utilization rates advanced,** ↑1.1% to 82.5%, while the East Coast continues to lag at 54.4%

### CALENDAR SWAPS & IMPLIED VOLATILITIES

	Q3 2011	Q4 2011	Q1 2012	Implied Vol	5-day range
WTI	\$111.14	\$111.08	\$110.63	27%	27-28%
Brent	\$122.01	\$120.88	\$119.81	26%	26-28%
HO	\$3.271	\$3.321	\$3.321	20%	20-22%
RBOB	\$3.103	\$2.947	\$2.999	20%	20-21%
NG	\$4.456	\$4.698	\$4.978	32%	32-33%

### CRUDE/PRODUCTS SETTLEMENT CURVES

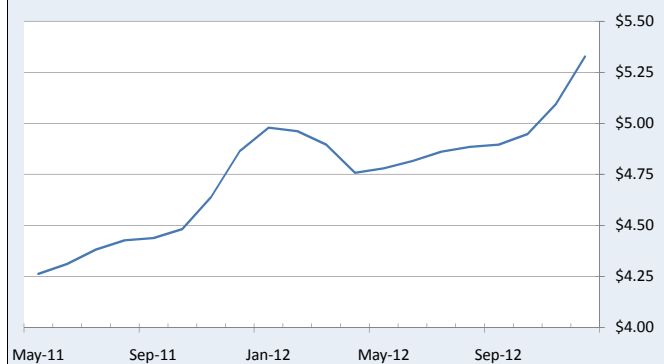


### COSTLESS\* COLLAR STRATEGIES WTI (ASIAN)

		Q3 2011	Q4 2011	Q1 2012
\$10 wide	Call	\$117.00	\$117.00	\$116.00
	Put	\$107.00	\$107.00	\$106.00
\$15 wide	Call	\$120.00	\$119.50	\$118.50
	Put	\$105.00	\$104.50	\$103.50
\$20 wide	Call	\$123.00	\$122.00	\$120.50
	Put	\$103.00	\$102.00	\$100.50

\*BUY CALL AND SELL PUT FOR ZERO NET PREMIUM

### NATURAL GAS SETTLEMENT CURVE



### HEATING OIL CALL OPTIONS (ASIAN)

### RBOB CALL OPTIONS (ASIAN)

### NATURAL GAS CALL OPTIONS (EUROPEAN)

		HEATING OIL CALL OPTIONS (ASIAN)			RBOB CALL OPTIONS (ASIAN)			NATURAL GAS CALL OPTIONS (EUROPEAN)		
		ATM	+\$0.10	+\$0.20	ATM	+\$0.10	+\$0.20	ATM	+\$0.25	+\$0.50
Q3 2011	Offer	\$0.220	\$0.175	\$0.145	\$0.210	\$0.170	\$0.135	\$0.345	\$0.250	\$0.185
	Strike	\$3.270	\$3.370	\$3.470	\$3.110	\$3.210	\$3.310	\$4.450	\$4.700	\$4.950
Q4 2011	Offer	\$0.300	\$0.255	\$0.220	\$0.270	\$0.230	\$0.195	\$0.470	\$0.370	\$0.290
	Strike	\$3.320	\$3.420	\$3.520	\$2.950	\$3.050	\$3.150	\$4.700	\$4.950	\$5.200
Q1 2012	Offer	\$0.355	\$0.310	\$0.270	\$0.320	\$0.280	\$0.245	\$0.520	\$0.420	\$0.350
	Strike	\$3.320	\$3.420	\$3.520	\$3.000	\$3.100	\$3.200	\$4.980	\$5.230	\$5.480