

Summary

Natural Gas: The NYMEX prompt-month contract increased \$0.77/MMBtu last week to \$5.81/MMBtu on Friday. The 12-month NYMEX strip price was down \$0.09/MMBtu to \$5.40/MMBtu. Last week, the Henry Hub cash price decreased \$0.34/MMBtu to \$4.76/MMBtu.

Storage: The EIA storage inventory for the week ending February 19th dropped by 172 Bcf to 2.025 Tcf. The draw was slightly higher than expectations. The storage level is 13 Bcf above the five-year average and 56 Bcf less than the same period in 2009. This is the first time that storage levels this year are below last year's levels for the same period.

Weather: Most of the country should have colder-to-much-colder than normal temperatures while the Upper Midwest and Northeast regions should have normal temperatures in the six- to 10-day period. During the eight- to 14-day time period most of the country is forecasted to have colder than normal temperatures while the Pacific Northwest will have normal temperatures.

Imports: Send out volumes last week from LNG terminals totaled about 1.48 Bcfd, which was 0.5 Bcfd more than a year ago. Canadian imports were 7.77 Bcfd, which was 0.1 Bcfd more than a year ago.

E&P: The total U.S. oil and gas rig count increased by 28 last week to 1,373 rigs. The gas rig count increased by 12 and stands at 905. The Canadian rig count increased by 6 to 576.

Electricity: Electricity generation for the week ending February 20th was 2.5 percent less than the prior week and 6.6 percent more than a year ago. Year-to-date electricity usage is 4.0 percent higher than last year.

The US Environmental Protection Agency said it would slow a phase-in of new carbon dioxide limits from coal and other heavy industry plants to ease concerns about the impact on the economy. In September 2009, the EPA said it would require coal plants and refineries and other heavy industry facilities emitting more than 25,000 tons per year of greenhouse gases to obtain permits demonstrating they were using the best emissions reducing technology.

Petroleum: The NYMEX WTI prompt-month contract settled at \$79.66/Bbl on Friday, down \$0.15/Bbl for the week. Brent crude settled at 77.59/Bbl on Friday. U.S. retail gasoline prices were up \$0.062 last week at \$2.704 per gallon.

Highlights

- Cold weather is forecasted for most of the country during the next two weeks
- EIA will slow implementing new carbon emissions rules
- US economy grew 5.6 percent in 4th quarter 2009

For the week ending February 19th, crude oil inventories increased by 3.0 MMBbls, distillate inventories decreased by 0.59 MMBbls, and gasoline inventories decreased by 0.9 MMBbls. The decrease in gasoline inventories was unexpected. U.S. refinery utilization increased 1.5 percent to 81.2 percent. Crude oil imports increased 6.3 percent to over 9 MMBpd – the highest level since October 2009.

Compared to last year, the EIA estimates that the four-week rolling average U.S. gasoline demand was down 0.3 percent from last year. Distillate fuel demand was down 6.8 percent and jet fuel demand was down 1.9 percent. Total products supplied to the U.S. market were

up by 1.3 percent compared to last year.

India's refinery runs at its 19 refineries in January rose 3.8 percent to 3.31 MMBpd from a year earlier. India is expected to increase refining capacity to 5.28 MMBpd by the fiscal year ending March 2014 from around 3.57 MMBpd currently.

Economy: The economy grew at 5.6 percent in the 4th quarter 2009 according to the Commerce Department. Almost two-thirds of the growth was from manufacturing. The Commerce Department also reported that durable goods orders for big-ticket items rose by 3 percent in January, the biggest increase since July 2009. The primary cause for the increase was a 126 percent increase in commercial aircraft orders.

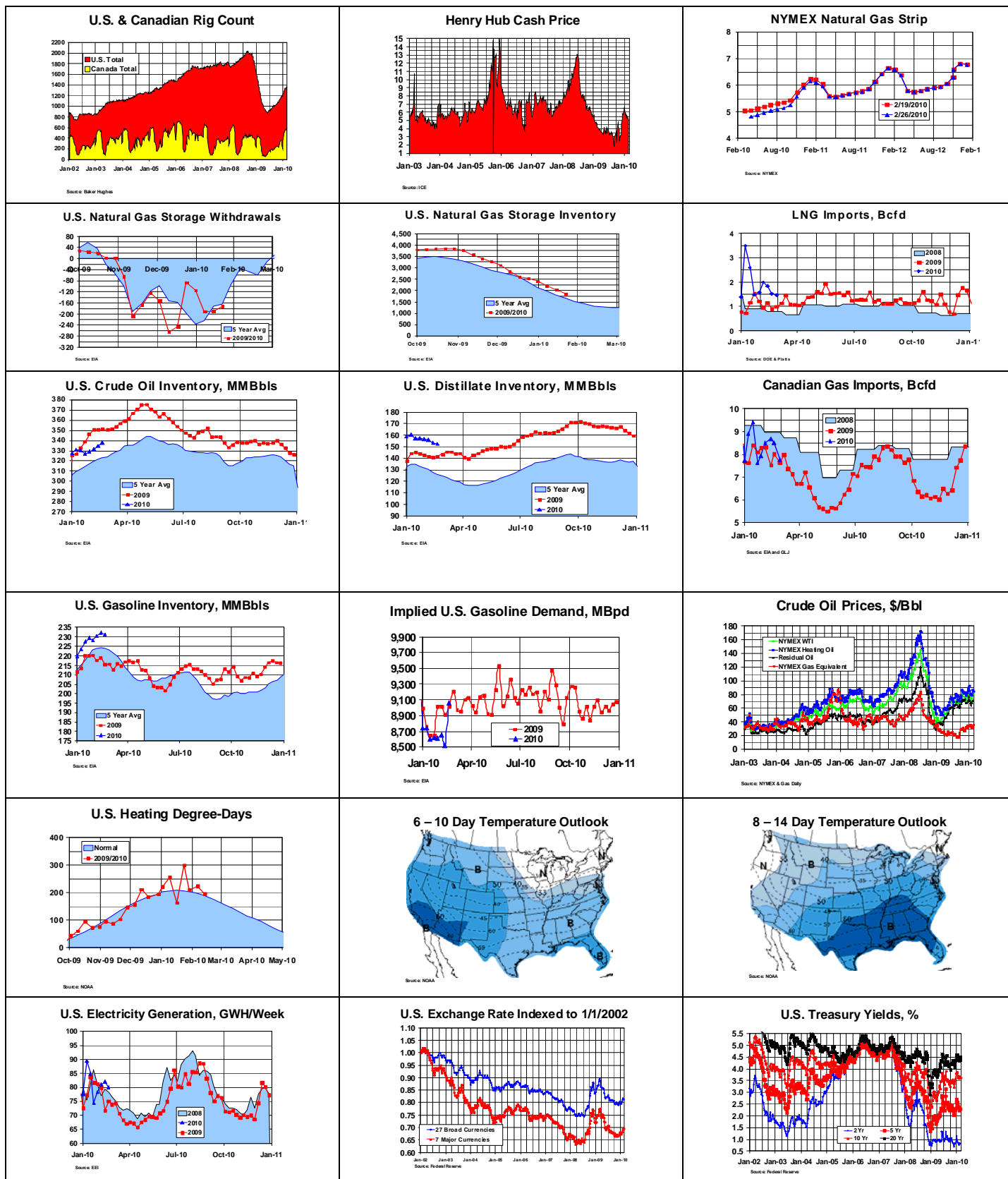
Sales of existing homes fell 7.2 percent to an annualized rate of 5.05 million homes in January 2010 the second month of falling sales and the lowest level since the summer 2009.

The Labor Department reported that new unemployment claims jumped by 22,000 to a seasonally adjust 496,000. The major snowstorms in the Eastern regions of the US were blamed for the unexpected increase.

Federal Reserve Chairman Ben Bernanke reported to Congress that low interest rates were still needed to maintain the momentum of the economic recovery and to help lower unemployment. The Federal Reserve Chairman offered no timetable for when interest rates would be increased.

The Conference Board reported that its consumer confidence index fell to 46 in February from 56.5 last month. A reading above 90 means the economy is on solid ground.

ENERGY STATISTICS AT A GLANCE



Editor: Michele Markey

News: Michele Markey

Topic Report: n/a

Statistics: Michele Markey

Weekly Energy Perspective

Website: http://www.apachecorp.com/Explore/Weekly_Energy_Perspective/index.aspx

Archived Weekly Energy Perspectives:

http://www.apachecorp.com/explore/Weekly_Energy_Perspective/PDF_Archives.aspx

Archived Topic Reports:

http://www.apachecorp.com/explore/Browse_Archives/index.aspx?BindingPrefix=ListOfArticles.&ListOfArticles.DoPostBack=True&ListOfArticles.FormEvent=Update&ResetListOfArticles=False&ListOfArticles.SelectedSourceID=79&ListOfArticles.SelectedRegionID=&ListOfArticles.SelectedAuthorID=0&ListOfArticles.SelectedSubjectID=&ListOfArticles.Selecte dDate=AllDates&ListOfArticles.PageSize=5&SubmitAll.x=87&SubmitAll.y=10

How to Use the Weekly Energy Perspective:

http://www.apachecorp.com/Explore/Weekly_Energy_Perspective/How_to_Use_This_Report/index.aspx

General Disclosures

This information is for the recipient's use only. Other than disclosures relating to Apache Corporation, this research is based on current public information that we consider reliable. Apache Corporation makes no representation, warranty or guarantee as to, and shall not be responsible for, the accuracy or completeness of this information and has no obligation to update any information provided to you. The views provided herein are based upon a number of estimates and assumptions that are subject to significant business, economic, regulatory and competitive uncertainties. Apache Corporation is not liable to any recipient or third party for the use of or reliance on the information contained herein.

Apache Corporation conducts global exploration, production and marketing activities. Our employees may provide oral or written market commentary that reflects opinions that are contrary to the opinions expressed in this report. Our asset managers may make investment decisions that are inconsistent or contrary to the information presented in this report. Apache Corporation's affiliates, officers, directors, and employees will from time to time buy or sell Apache stock, energy commodities or derivatives.

This report is not an offer to sell or the solicitation of an offer to buy any security. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual investors. Apache Corporation is not acting as an agent or advisor and encourages the use of independent consultants, as necessary, prior to entering into any transactions.

Our research is disseminated primarily electronically, and, in some cases, in printed form.

Disclosure information is also available at <http://www.apachecorp.com> or from Apache Corporation, 2000 Post Oak Blvd., Suite 100, Houston, TX 77056.

Copyright 2010 Apache Corporation

No part of this material may be (i) copied, photocopied or duplicated in any form by any means or (ii) redistributed without the prior written consent of Apache Corporation.