

STAR ENERGY

Energy Market Update March 3, 2010

NYMEX Prices

Futures Prices as of the close on 3-3-10

April Crude Oil	\$ 80.87
April RBOB Unleaded	\$ 2.2476
April Heating Oil	\$ 2.0937
April Natural Gas	\$ 4.757

MARKET COMMENTS: Strong close today on oil courtesy of lower dollar/higher euro. Greece has cut up to 8% in public servants' income, and raised general taxes from 19-21%. The big crude build today did slow things down this morning, but it was short-lived. (see dollar/euro chart 2nd page.)

	<u>Crude</u>				<u>Gasoline</u>				<u>Heating Oil</u>			
	<u>Change</u>	<u>Total</u>	<u>3Yr Avg.</u>	<u>5 Yr. Avg.</u>	<u>Change</u>	<u>Total</u>	<u>3Yr Avg.</u>	<u>5 Yr. Avg.</u>	<u>Change</u>	<u>Total</u>	<u>3Yr Avg.</u>	<u>5 Yr. Avg.</u>
DOE	+4.03	341.6	330	323	+.77	231.9	223	224	-.85	151.8	129	126
EST.	-1.0/+2.5				-.750/+2.0				-1.75/+1.0			
Prop	U.S. Total = -.6 26.8				Conway = +.2 10.9				Belvieu = -1.7 12.9			

The euro is higher this morning versus the dollar. The European Commission said they were confident that Greece could reduce its deficit by 4 percentage points this year. Greece's prime minister called on Greeks yesterday to make painful sacrifices essential to national survival. The government will wait to gage market reaction to their announced cuts before going out with new bonds- Greece's cost of borrowing is currently double that of Germany. Greece's civil servants' unions have been holding strikes, calling the pay cuts and pension freezes "an act of war." Greece and Germany are preparing to sit down together on Friday, but Germany maintains that they have not pledged aid to Greece.

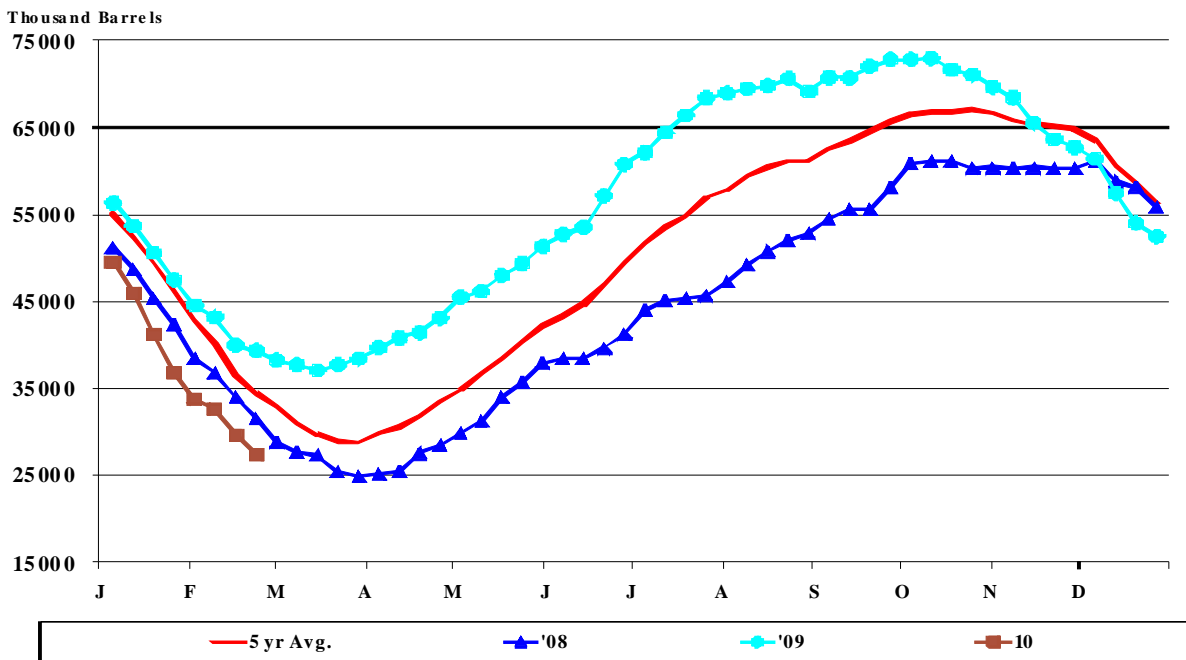
Greeks are legendary spendthrifts with a reputation for throwing cash around freely. "Greece is a poor country with rich people," Kyriakos Sarantis, CEO of Sarantis, a \$363 million consumer products company, is fond of saying. Economists estimate that underreported income could be worth as much as 25% of Greece's \$340 billion economy. One of the government's reforms meant to close the gaping deficit is to try to catch evaders by enforcing measures that encourage consumers to ask for receipts and pressure providers to report the income.

AND THE SURVEY SAYS: According to the American Trucking Association, freight movement conditions continue to improve. The index rose in January following an increase in December also. The January number saw its best year on year tonnage increase in five years.

QUOTE OF THE DAY:

"Like a postage stamp, sticking to it gets you there"

EIA US Propane Inventory



U.S. propane inventories are 11.5 million barrels behind last year at this time, and over 6 million barrels behind the 5 year average.

GR O W M A R K Energy Risk Management 800.550.4820, Marty Wieland (6748), Harry Cooney (6435), Brian Hartman (6301), Charlie LaBelle (6335), Jackie McKinnis (6388).

Iran is threatening to cut off energy supplies to Europe over Tehran's contentious nuclear program. A senior military official from Iran, the world's fourth-largest crude oil exporter, said last Sunday the country could make European countries suffer by cutting off energy supplies and can target any adversary with its missiles.

The U.S. economy grew faster than initially thought in the fourth quarter as businesses drew down inventories at a much slower pace and boosted investment, a government report showed on Friday. In its second reading of fourth-quarter gross domestic product, the Commerce Department said the economy grew at a 5.9 percent annual rate, rather than the 5.7 percent pace it estimated last month. It was still the fastest pace since the third quarter of 2003. The economy expanded at a 2.2 percent annual rate in the third quarter. Analysts polled by Reuters had forecast GDP, which measures total goods and services output within U.S. borders, growing at a 5.7 % rate in the October-December period.

Floating storage of North Sea Forties crude has dropped to zero for the first time in nearly one and a half years after the last supertanker discharged. The number of VLCCs used for storage of Forties was stable at a high level of eight between October and early December, but the amount has declined since then as rising freight rates and an increase in demand triggered destocking.

