

MONTHLY PETROLEUM DEMAND-EXPORT TRENDS

A Fundamental Petroleum Trends Monthly Report

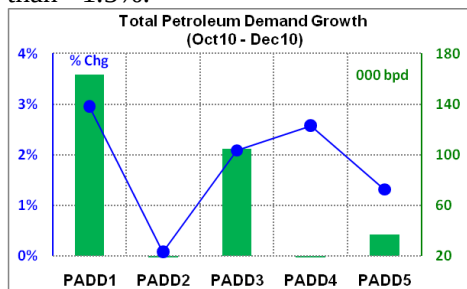
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, March 03, 2011

Wholesale Petroleum Demand

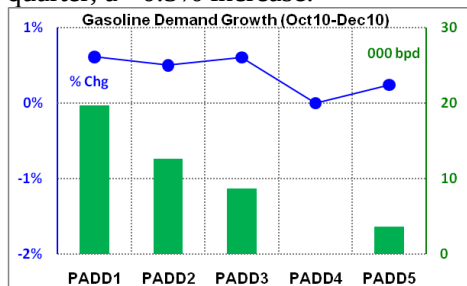
Wholesale demand for all petroleum products, including finished and unfinished products increased +457,000 bpd over the prior year for the October 2010 through December 2010 quarter, a +1.7% increase.

U. S. Petroleum Demand			
Product	Oct - Dec10 Avg	Chg prev Yr	% Chg
Gasoline	8,986	45	0.5%
Distillate	3,938	235	6.3%
Jet Fuel	1,403	41	3.0%
Residual Fuel	567	60	11.8%
Propane	1,285	-162	-11.2%
Total Petroleum	19,257	326	1.7%

The -11% drop in propane, and lackluster growth in gasoline limited overall energy demand year-on-year growth in the 4th quarter. Demand in PADD 01 grew +3%, PADD 04 +2.6%, and PADD 03 +2.1%. PADDs 02 and 05 witnessed growth of less than +1.5%.



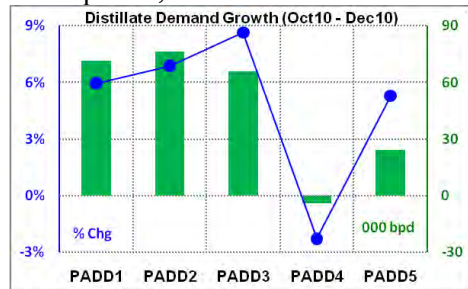
Gasoline wholesale demand increased +45,000 bpd over the prior year for the October 2010 through December 2010 quarter, a +0.5% increase.



Growth was lackluster in all regions with the largest increase of +0.6% in PADDs 01 and 03. Demand increased +0.2% in PADD 05 and was unchanged in PADD 04.

Distillate wholesale demand increased +235,000 bpd over the prior year for the October 2010 through December

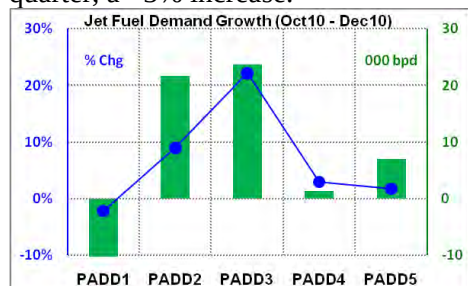
2010 quarter, a +6.3% increase.



Demand climbed +8.7% in PADD 03 and +6.9% in PADD 02. Demand in PADD 03 exceeded levels of the prior 5-years on economic growth in that region. Demand in all other regions was below historic highs, with PADD 05 significantly lower.

Demand in PADD 04 decreased -2.3%, while all other regions witnessed growth above +5%.

Jet fuel wholesale demand increased +41,000 bpd over the prior year for the October 2010 through December 2010 quarter, a +3% increase.



Demand climbed +24,000 and +22,000 bpd in PADDs 03 and 02; respectively.

Demand in PADD 01 decreased -12,000 bpd, with PADDs 04 and 05 nearly unchanged.

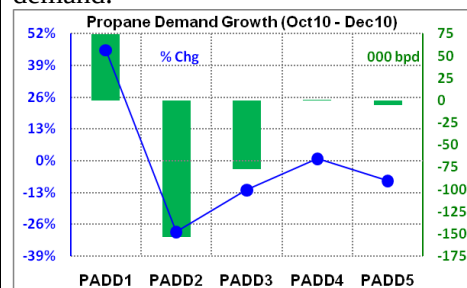
Residual fuel oil wholesale demand increased +60,000 bpd over the prior year for the October 2010 through December 2010 quarter, a +12% increase.

Demand increased +27,000 bpd in PADD 03 and +26,000 bpd in PADD 01 for the quarter. Demand in other regions was flat for the period.

Propane wholesale demand decreased -162,000 bpd over the prior year for the October 2010 through December 2010 quarter, a -11.2% decline.

Reduced use for grain drying in the Midwest was the primary factor driving lower demand. Demand fell -

153,000 bpd in PADD 02 and -78,000 bpd in PADD 03 for the quarter. These declines were partially offset by a +74,000 bpd increase in PADD 01 demand.

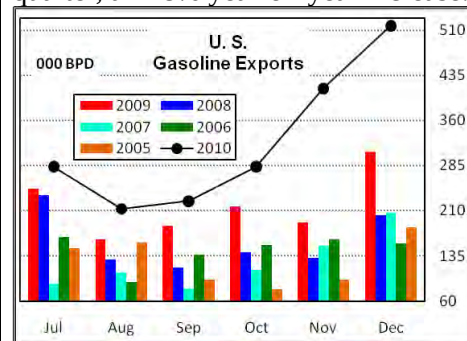


Petroleum Product Exports

Exports of refined fuels were broadly higher, with only residual fuel oil having a decline during the October 2010 to December 2010 quarter.

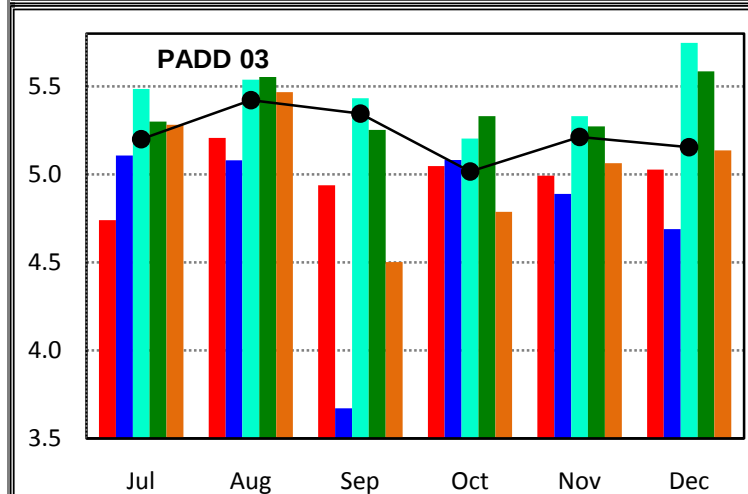
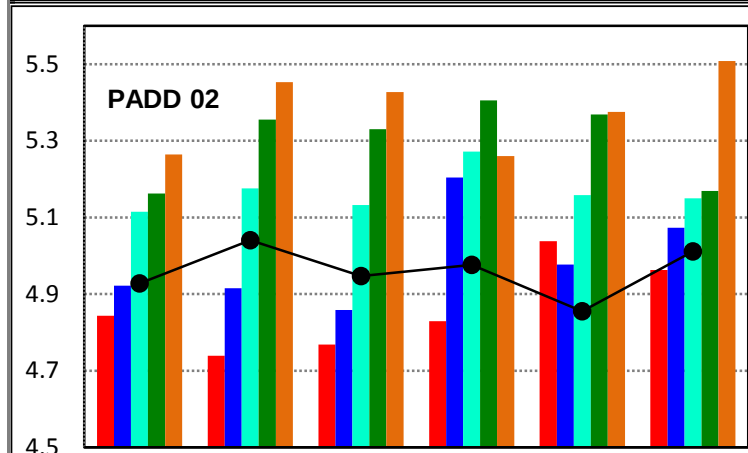
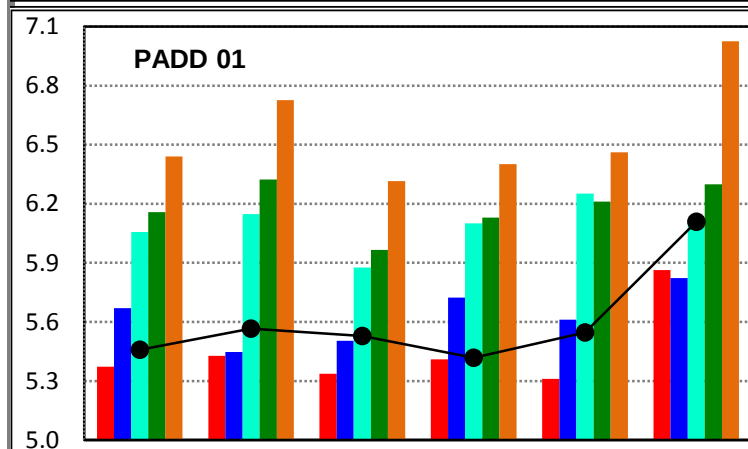
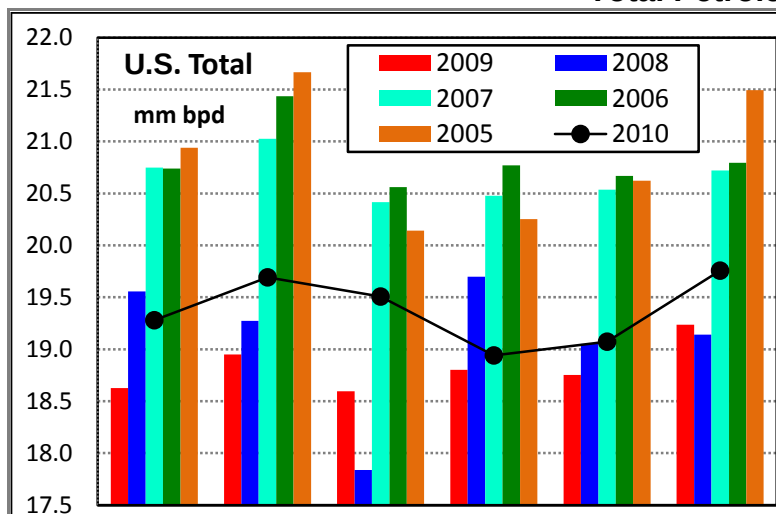
U. S. Exports of Petroleum Products			
Product	Oct - Dec10 Avg	Chg prev Yr	% Chg
Gasoline	404	166	69.7%
Distillate	768	251	48.5%
Jet Fuel	100	5	5.6%
Residual Fuel	360	-49	-11.9%
Propane	126	14	12.2%

Gasoline exports surged to 517,000 bpd in December 2010, and averaged 404,000 bpd during the quarter, a +70% increase. Distillate exports were 638,000 bpd during December 2010, and averaged 768,000 bpd during the quarter, a +48% year-on-year increase.



Combined exports of the 5-major fuels were +1.8 million bpd during the month of December 2010. This was a +511,000 bpd (+29%) increase over last year. The surge in exports reflects robust economic growth among Atlantic Basin countries, and the closure of refiners in the Caribbean and Europe during the recent recession.

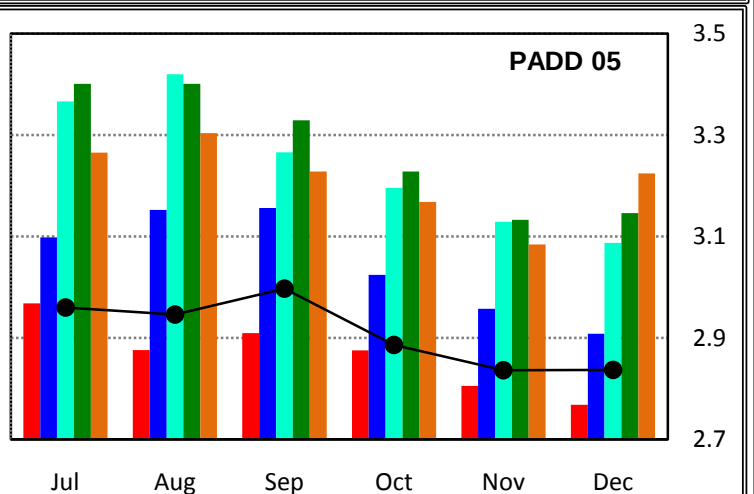
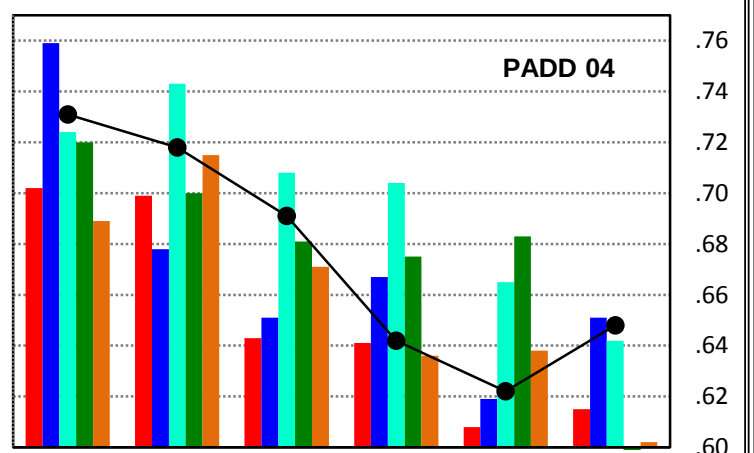
Total Petroleum Demand



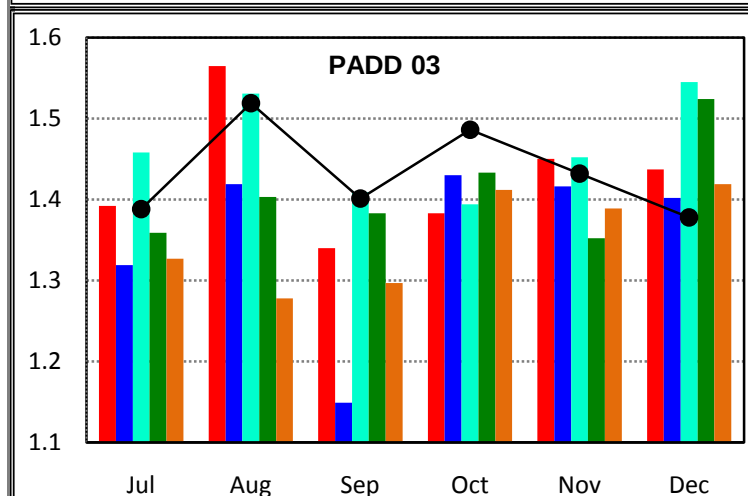
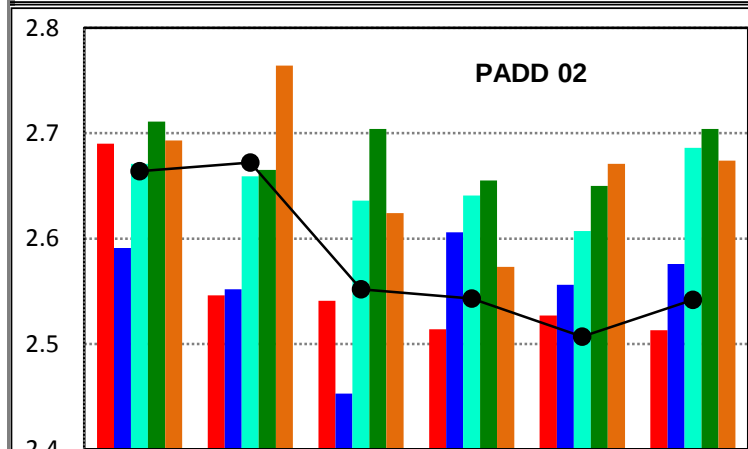
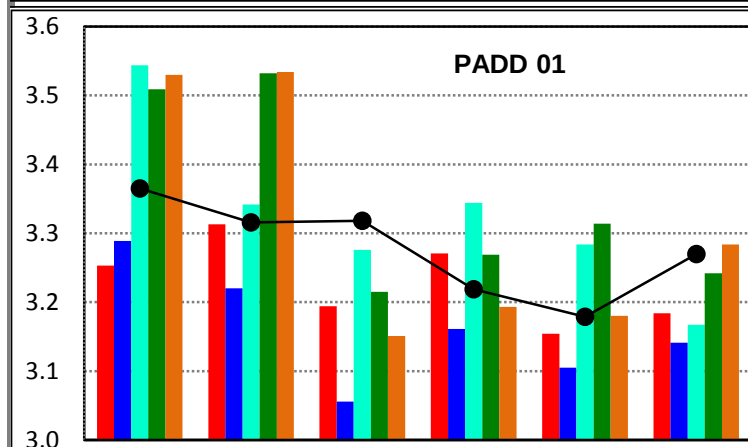
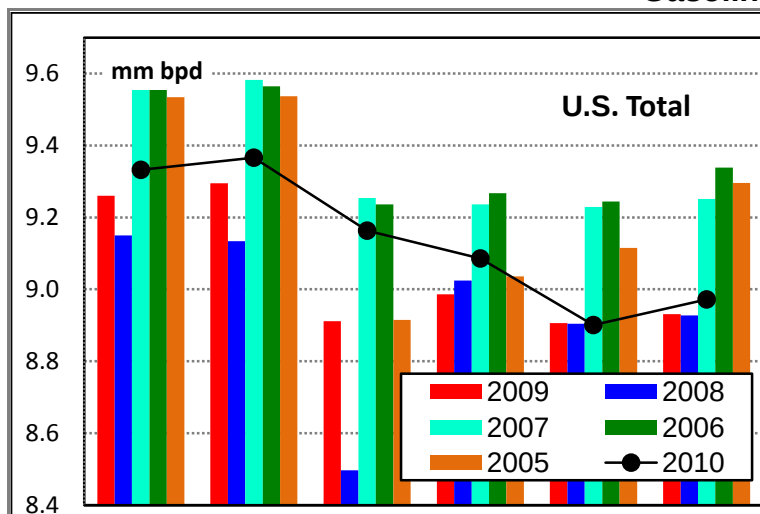
Demand for all Petroleum Products

Source: EIA Monthly Petroleum Supply

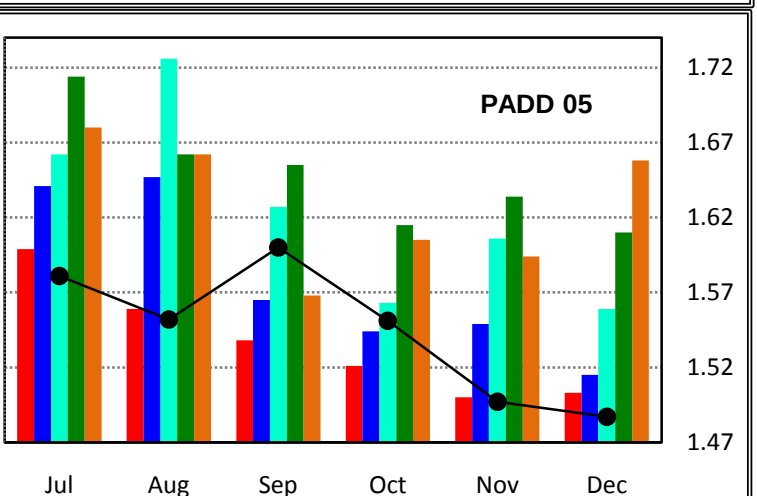
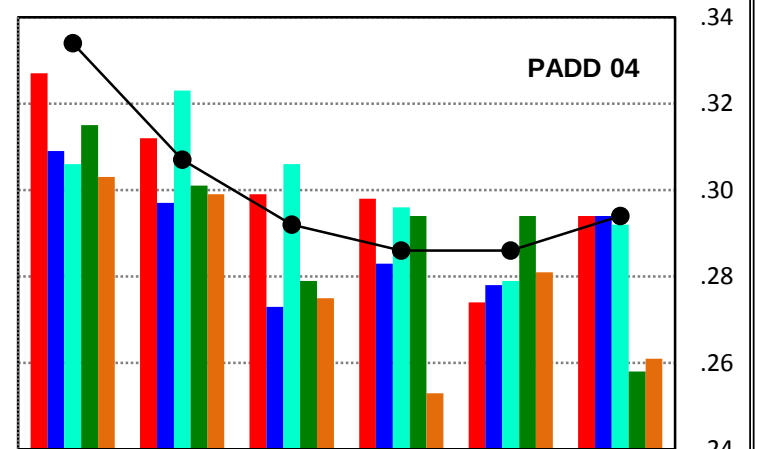
	000 bpd						Latest Qtr Avg
	Jul10	Aug10	Sep10	Oct10	Nov10	Dec10	
U. S.	19,278	19,692	19,507	18,939	19,074	19,758	19,257
Ch prev Yr	652	743	913	136	321	521	326
% chg	3.5%	3.9%	4.9%	0.7%	1.7%	2.7%	1.7%
PADD 01	5,459	5,565	5,528	5,418	5,547	6,108	5,691
Ch prev Yr	86	137	192	8	237	245	163
% chg	1.6%	2.5%	3.6%	0.1%	4.5%	4.2%	3.0%
PADD 02	4,928	5,040	4,947	4,976	4,855	5,011	4,947
Ch prev Yr	85	301	179	147	-183	48	4
% chg	1.8%	6.4%	3.8%	3.0%	-3.6%	1.0%	0.1%
PADD 03	5,200	5,422	5,345	5,016	5,213	5,154	5,128
Ch prev Yr	460	215	406	-32	220	126	105
% chg	9.7%	4.1%	8.2%	-0.6%	4.4%	2.5%	2.1%
PADD 04	731	718	691	642	622	648	637
Ch prev Yr	29	19	48	1	14	33	16
% chg	4.1%	2.7%	7.5%	0.2%	2.3%	5.4%	2.6%
PADD 05	2,960	2,946	2,997	2,886	2,836	2,837	2,853
Ch prev Yr	-8	70	88	11	31	69	37
% chg	-0.3%	2.4%	3.0%	0.4%	1.1%	2.5%	1.3%



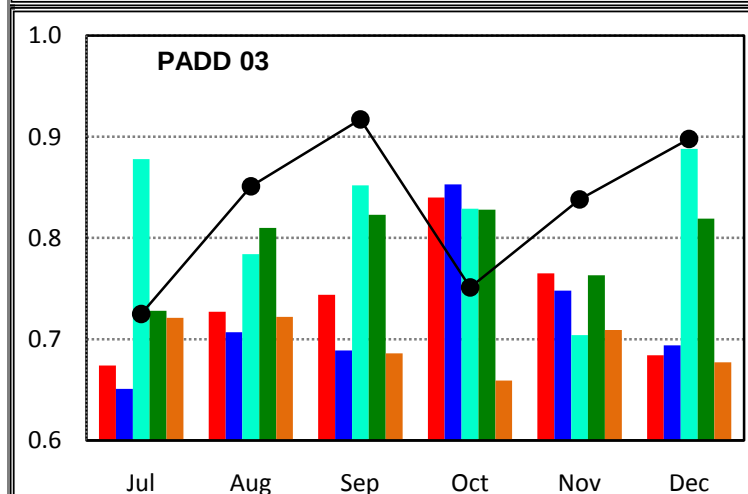
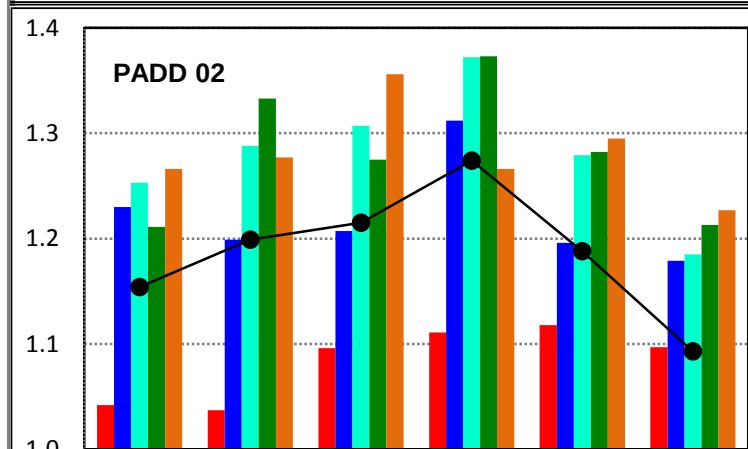
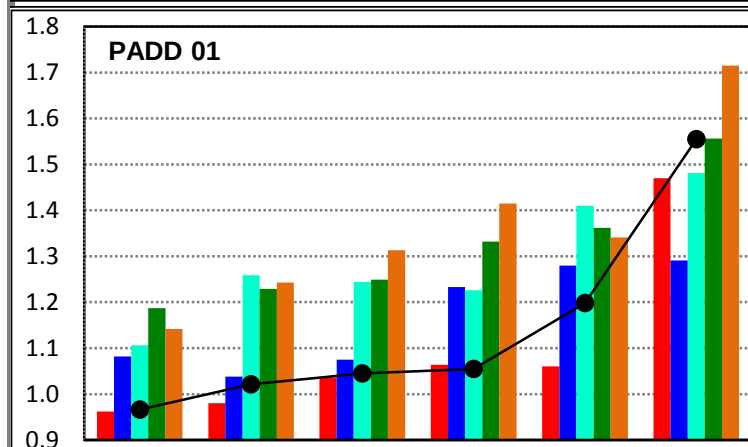
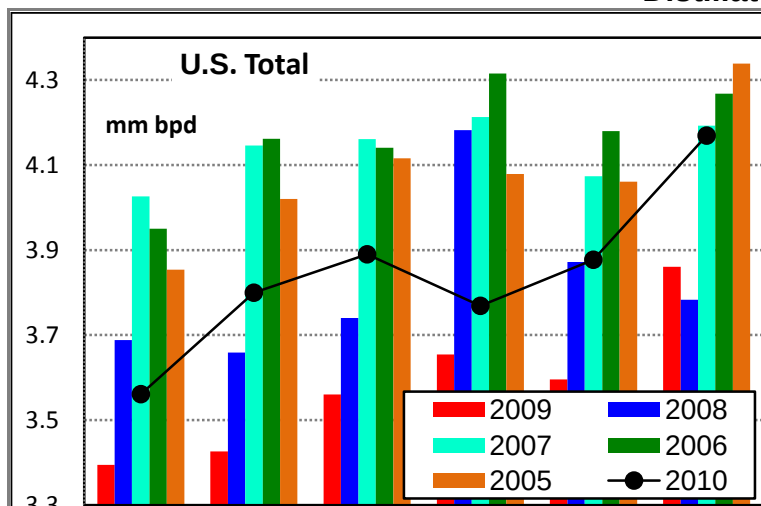
Gasoline Demand



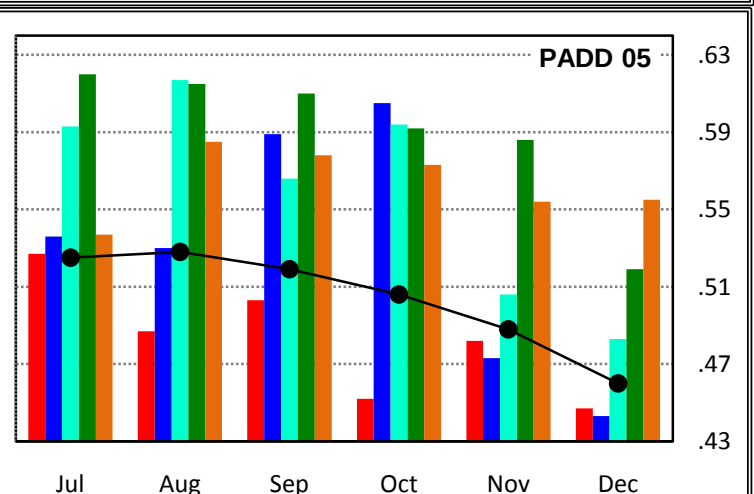
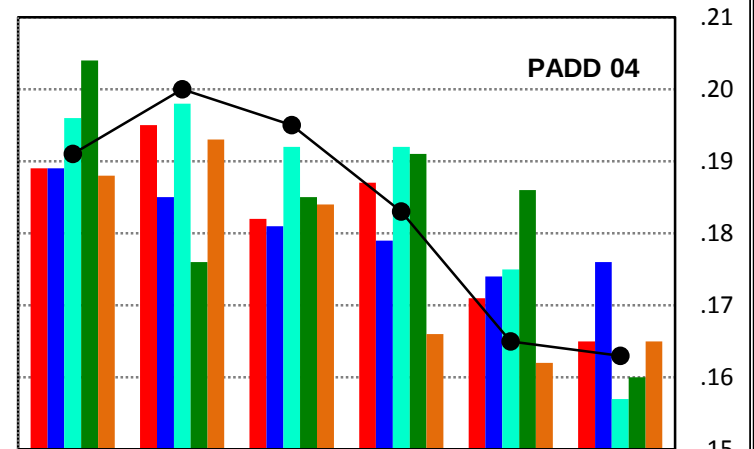
Demand for Gasoline							
Source: EIA Monthly Petroleum Supply							
	000 bpd						Latest
	Jul10	Aug10	Sep10	Oct10	Nov10	Dec10	Qtr Avg
U. S.	9,332	9,366	9,163	9,086	8,901	8,972	8,986
Ch prev Yr	72	71	252	100	-5	41	45
% chg	0.8%	0.8%	2.8%	1.1%	-0.1%	0.5%	0.5%
PADD 01	3,365	3,316	3,318	3,219	3,179	3,270	3,223
Ch prev Yr	112	3	124	-52	25	86	20
% chg	3.4%	0.1%	3.9%	-1.6%	0.8%	2.7%	0.6%
PADD 02	2,664	2,672	2,552	2,543	2,507	2,542	2,531
Ch prev Yr	-26	126	11	29	-20	29	13
% chg	-1.0%	4.9%	0.4%	1.2%	-0.8%	1.2%	0.5%
PADD 03	1,388	1,519	1,401	1,486	1,432	1,378	1,432
Ch prev Yr	-4	-46	61	103	-18	-59	9
% chg	-0.3%	-2.9%	4.6%	7.4%	-1.2%	-4.1%	0.6%
PADD 04	334	307	292	286	286	294	289
Ch prev Yr	7	-5	-7	-12	12	0	0
% chg	2.1%	-1.6%	-2.3%	-4.0%	4.4%	0.0%	0.0%
PADD 05	1,581	1,552	1,600	1,551	1,497	1,487	1,512
Ch prev Yr	-18	-7	62	30	-3	-16	4
% chg	-1.1%	-0.4%	4.0%	2.0%	-0.2%	-1.1%	0.2%



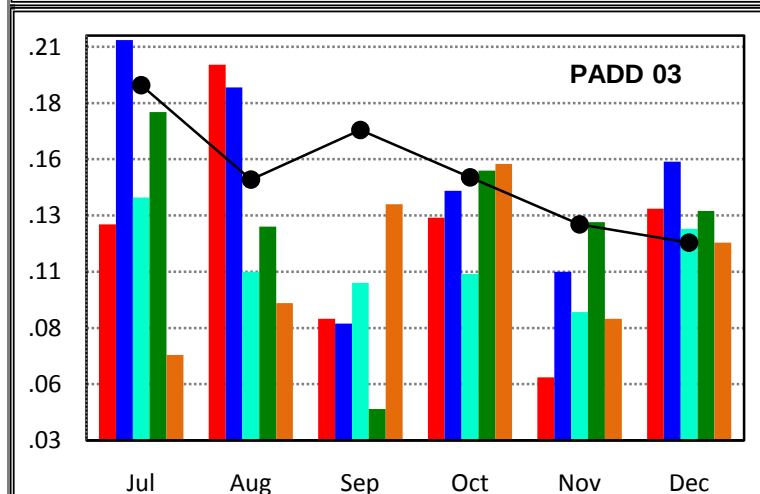
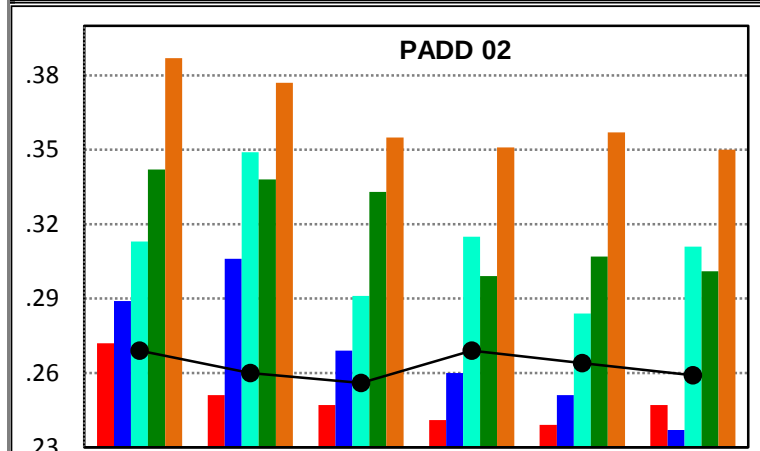
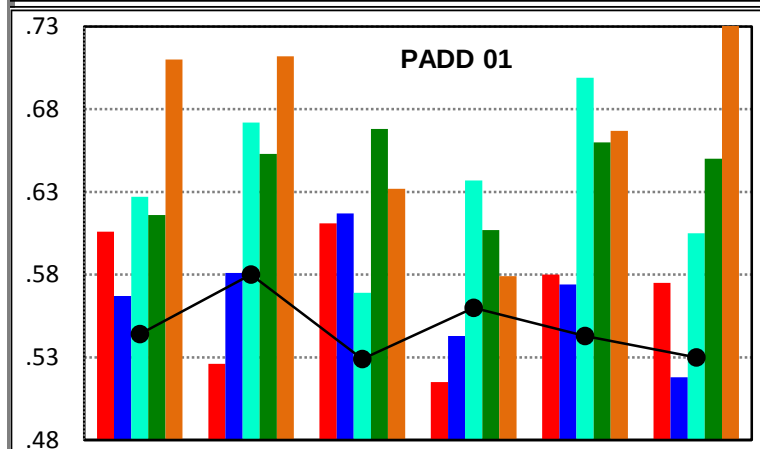
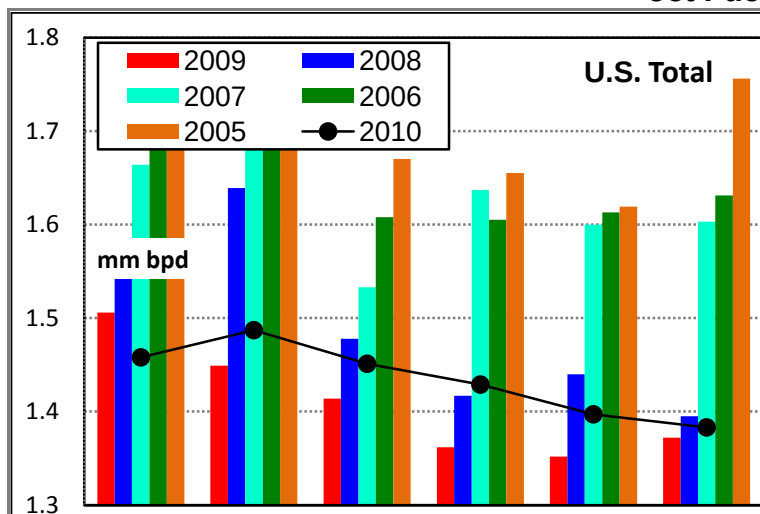
Distillate Demand



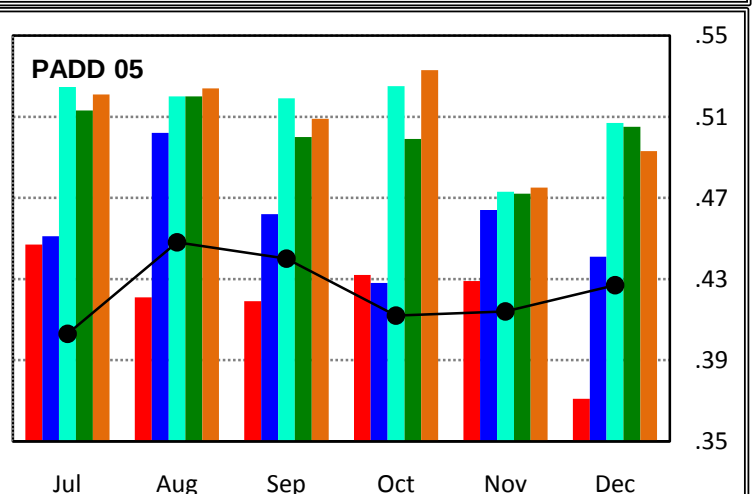
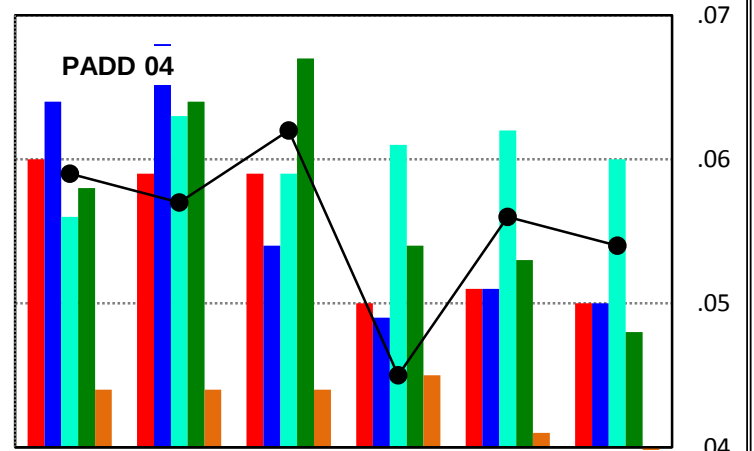
Demand for Distillate							
Source: EIA Monthly Petroleum Supply							
	000 bpd						Latest
	Jul10	Aug10	Sep10	Oct10	Nov10	Dec10	Qtr Avg
U. S.	3,561	3,800	3,890	3,769	3,877	4,169	3,938
Ch prev Yr	166	374	330	115	281	308	235
% chg	4.9%	10.9%	9.3%	3.1%	7.8%	8.0%	6.3%
PADD 01	966	1,021	1,045	1,055	1,198	1,555	1,269
Ch prev Yr	4	41	9	-9	138	85	71
% chg	0.4%	4.2%	0.9%	-0.8%	13.0%	5.8%	6.0%
PADD 02	1,154	1,199	1,215	1,274	1,188	1,093	1,185
Ch prev Yr	112	162	119	163	70	-4	76
% chg	10.7%	15.6%	10.9%	14.7%	6.3%	-0.4%	6.9%
PADD 03	725	851	917	751	838	898	829
Ch prev Yr	51	124	173	-89	73	214	66
% chg	7.6%	17.1%	23.3%	-10.6%	9.5%	31.3%	8.7%
PADD 04	191	200	195	183	165	163	170
Ch prev Yr	2	5	13	-4	-6	-2	-4
% chg	1.1%	2.6%	7.1%	-2.1%	-3.5%	-1.2%	-2.3%
PADD 05	525	528	519	506	488	460	485
Ch prev Yr	-2	41	16	54	6	13	24
% chg	-0.4%	8.4%	3.2%	11.9%	1.2%	2.9%	5.3%



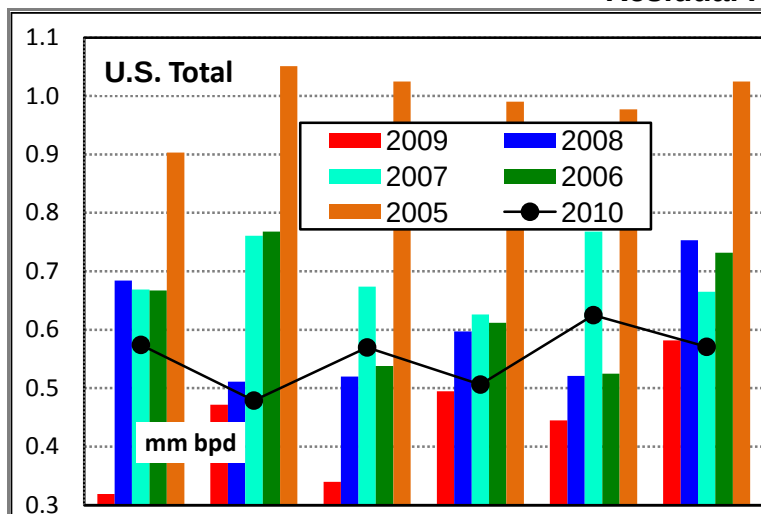
Jet Fuel Demand



Demand for Jet Fuel							
Source: EIA Monthly Petroleum Supply							
	000 bpd						Latest Qtr Avg
	Jul10	Aug10	Sep10	Oct10	Nov10	Dec10	
U. S.	1,458	1,487	1,451	1,429	1,397	1,383	1,403
Ch prev Yr	-48	38	37	67	45	11	41
% chg	-3.2%	2.6%	2.6%	4.9%	3.3%	0.8%	3.0%
PADD 01	544	580	529	560	543	530	544
Ch prev Yr	-62	54	-82	45	-37	-45	-12
% chg	-10.2%	10.3%	-13%	8.7%	-6.4%	-7.8%	-2.2%
PADD 02	269	260	256	269	264	259	264
Ch prev Yr	-3	9	9	28	25	12	22
% chg	-1.1%	3.6%	3.6%	11.6%	10.5%	4.9%	8.9%
PADD 03	188	146	168	147	126	118	130
Ch prev Yr	62	-51	84	18	68	-15	24
% chg	49.2%	-25.9%	100%	14%	117.2%	-11%	22.2%
PADD 04	54	52	57	40	51	49	47
Ch prev Yr	-1	-2	3	-5	5	4	1
% chg	-1.8%	-3.7%	5.6%	-11.1%	10.9%	8.9%	2.9%
PADD 05	403	448	440	412	414	427	418
Ch prev Yr	-44	27	21	-20	-15	56	7
% chg	-9.8%	6.4%	5.0%	-4.6%	-3.5%	15.1%	1.7%



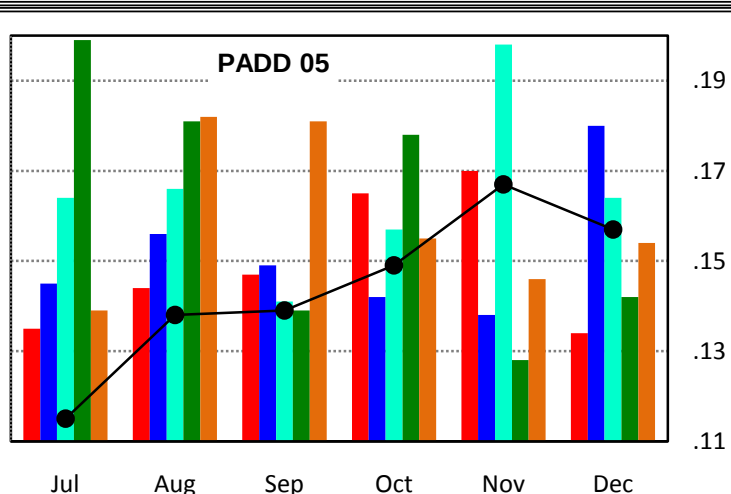
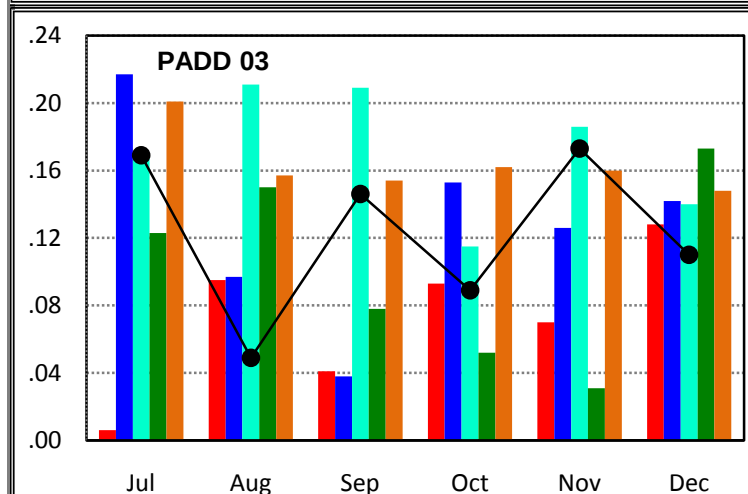
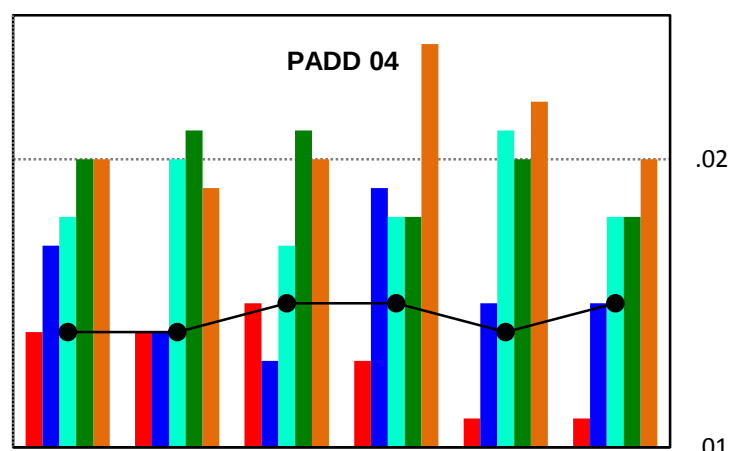
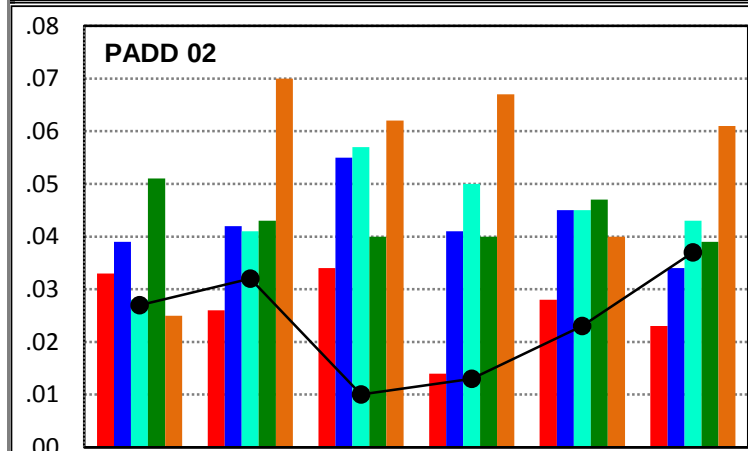
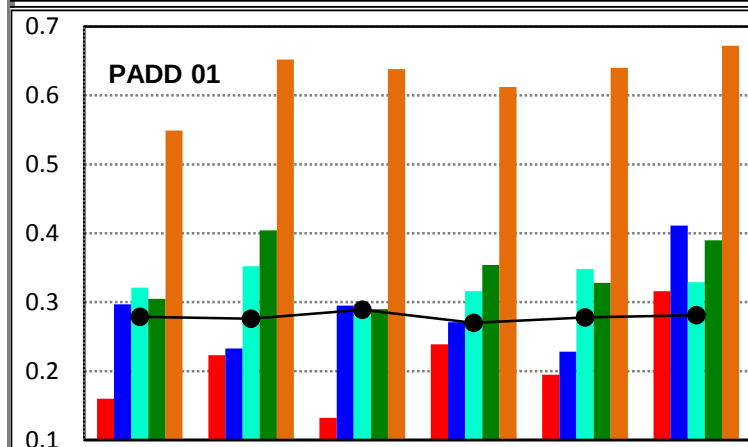
Residual Fuel Demand



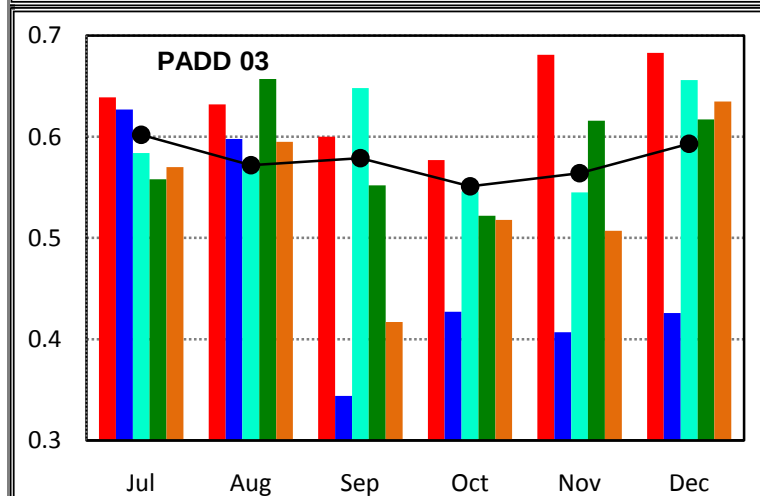
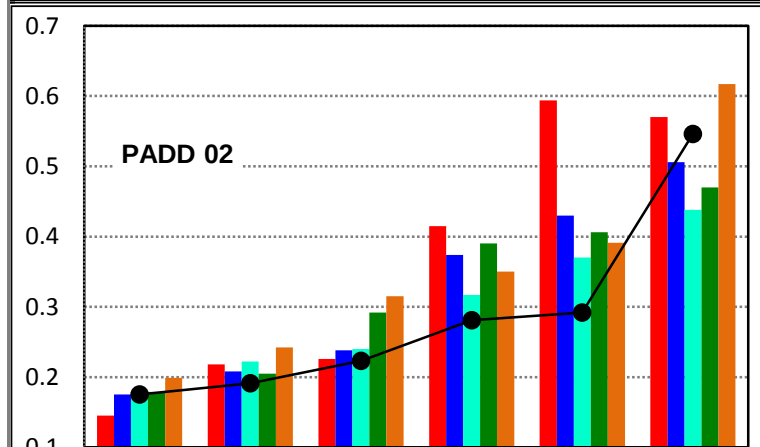
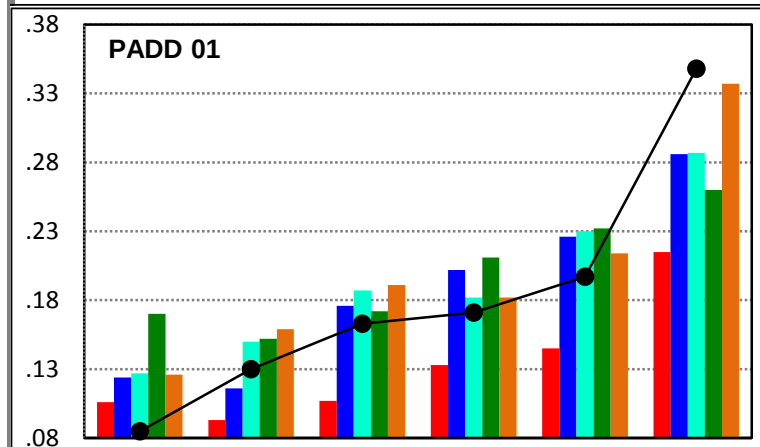
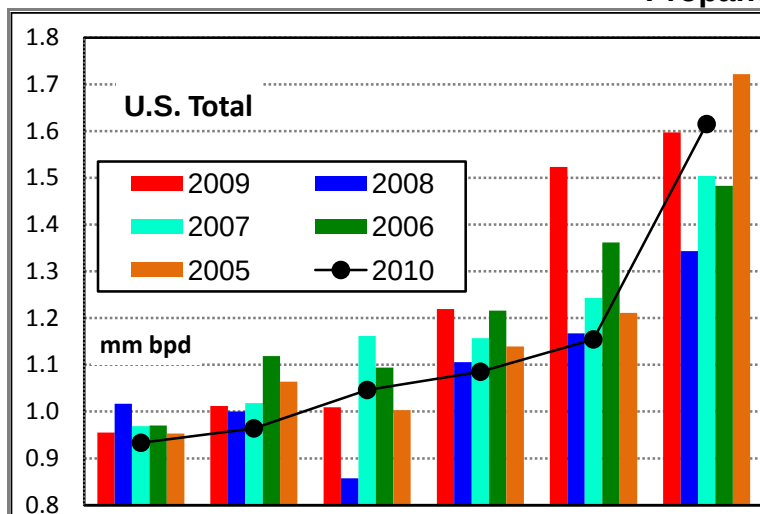
Demand for Residual Fuel Oil

Source: EIA Monthly Petroleum Supply

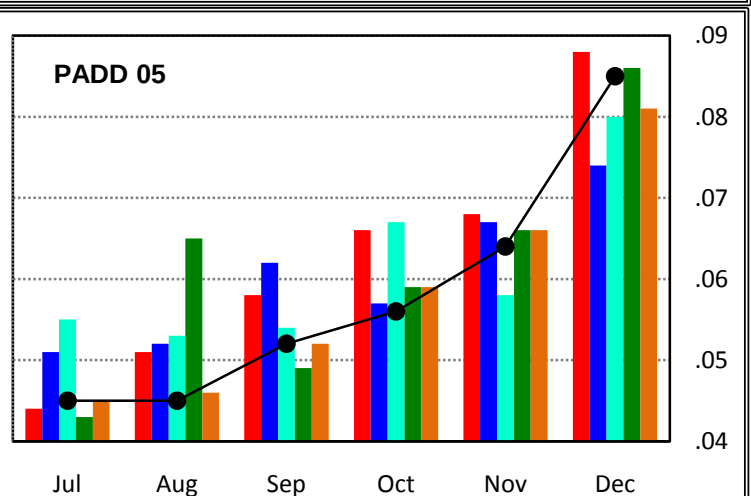
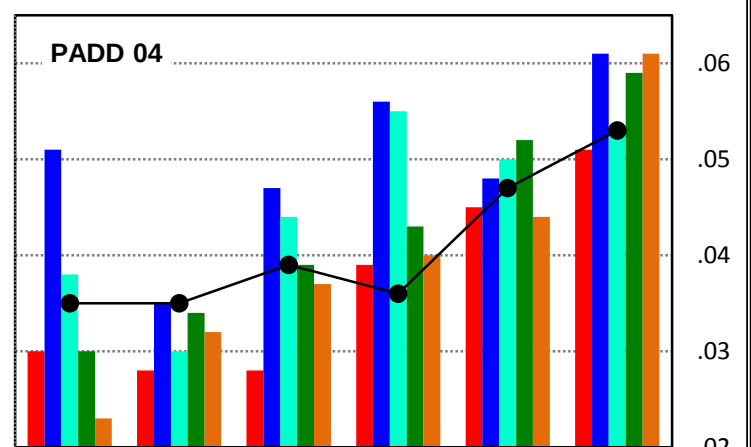
	000 bpd						Latest Qtr Avg
	Jul10	Aug10	Sep10	Oct10	Nov10	Dec10	
U. S.	574	479	570	506	625	571	567
Ch prev Yr	255	7	230	11	180	-11	60
% chg	79.9%	1.5%	67.6%	2.2%	40.4%	-1.9%	11.8%
PADD 01	254	251	264	245	253	256	251
Ch prev Yr	119	53	157	31	83	-35	26
% chg	88.1%	26.8%	147%	14%	48.8%	-12.0%	11.7%
PADD 02	27	32	10	13	23	37	24
Ch prev Yr	-6	6	-24	-1	-5	14	3
% chg	-18.2%	23.1%	-71%	-7.1%	-17.9%	60.9%	12.3%
PADD 03	169	49	146	89	173	110	124
Ch prev Yr	163	-46	105	-4	103	-18	27
% chg	2717%	-48%	256%	-4%	147.1%	-14%	27.8%
PADD 04	9	9	10	10	9	10	10
Ch prev Yr	0	0	0	2	3	4	3
% chg	0.0%	0.0%	0.0%	25.0%	50.0%	66.7%	45.0%
PADD 05	115	138	139	149	167	157	158
Ch prev Yr	-20	-6	-8	-16	-3	23	1
% chg	-14.8%	-4.2%	-5%	-9.7%	-1.8%	17.2%	0.9%



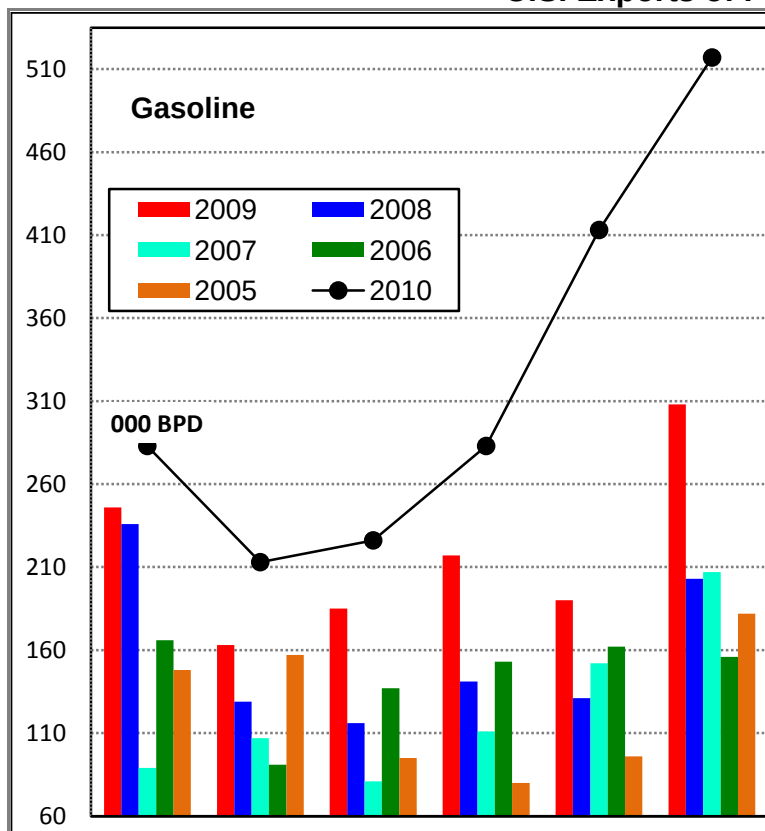
Propane Demand



Demand for Propane							
Source: EIA Monthly Petroleum Supply							
	000 bpd						Latest Qtr Avg
	Jul10	Aug10	Sep10	Oct10	Nov10	Dec10	
U. S.	933	964	1,046	1,085	1,154	1,615	1,285
Ch prev Yr	-22	-48	37	-134	-369	18	-162
% chg	-2.3%	-4.7%	3.7%	-11.0%	-24.2%	1.1%	-11.2%
PADD 01	85	130	163	171	197	348	239
Ch prev Yr	-21	37	56	38	52	133	74
% chg	-19.8%	39.8%	52%	28.6%	35.9%	61.9%	45.2%
PADD 02	175	191	223	281	292	546	373
Ch prev Yr	30	-27	-3	-134	-302	-24	-153
% chg	20.7%	-12.4%	-1%	-32.3%	-50.8%	-4.2%	-29.1%
PADD 03	602	572	579	551	564	593	569
Ch prev Yr	-37	-60	-21	-26	-117	-90	-78
% chg	-5.8%	-9.5%	-3.5%	-4.5%	-17.2%	-13.2%	-12.0%
PADD 04	30	30	34	31	42	48	40
Ch prev Yr	5	7	11	-3	2	2	0
% chg	20.0%	30.4%	47.8%	-8.8%	5.0%	4.3%	0.8%
PADD 05	40	40	47	51	59	80	63
Ch prev Yr	1	-6	-6	-10	-4	-3	-6
% chg	2.6%	-13.0%	-11%	-16.4%	-6.3%	-3.6%	-8.2%



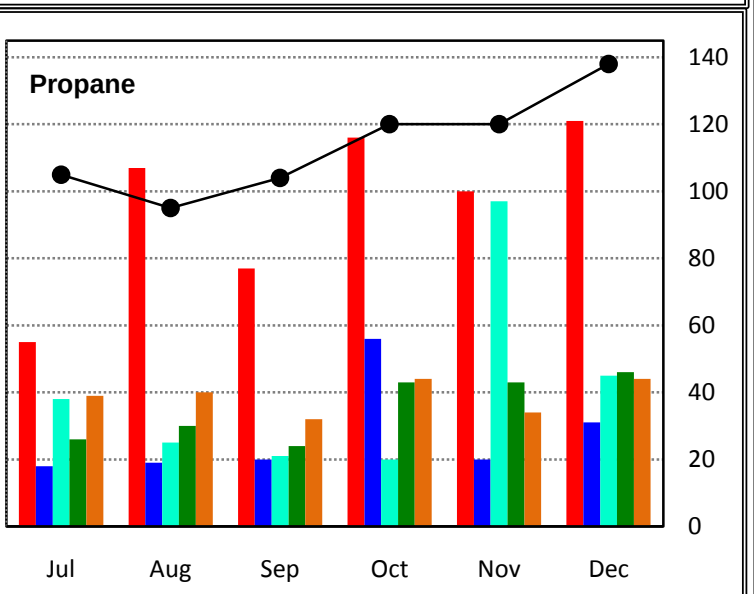
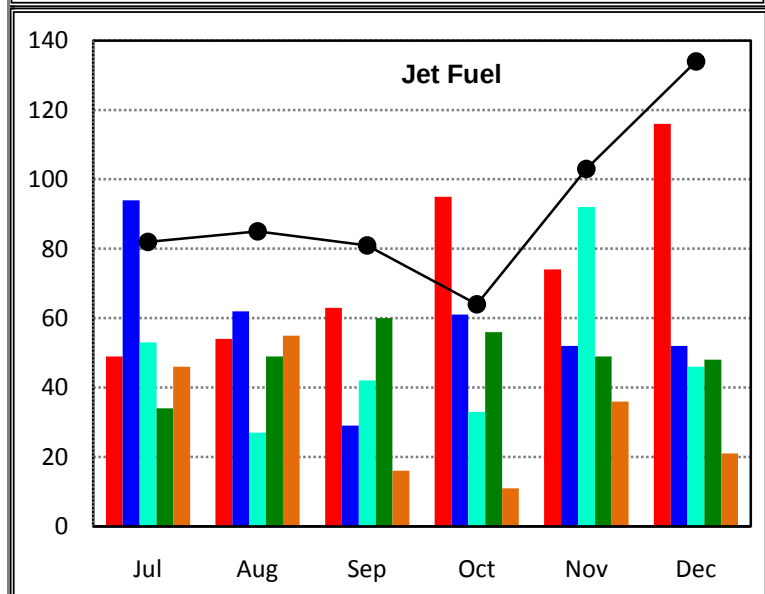
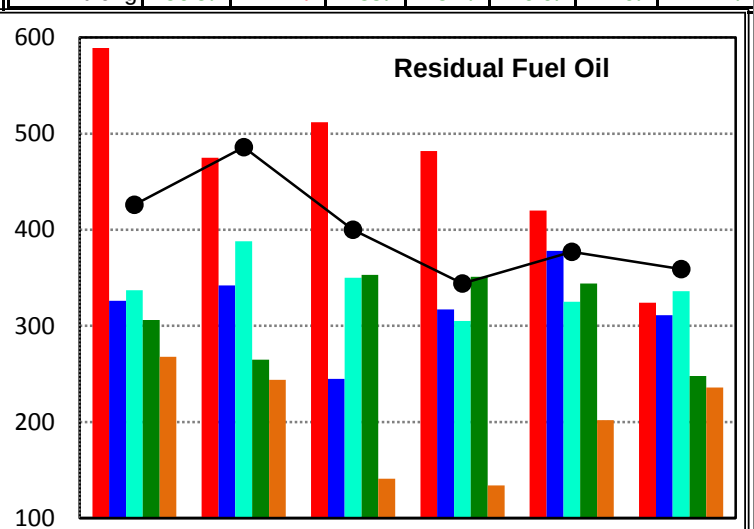
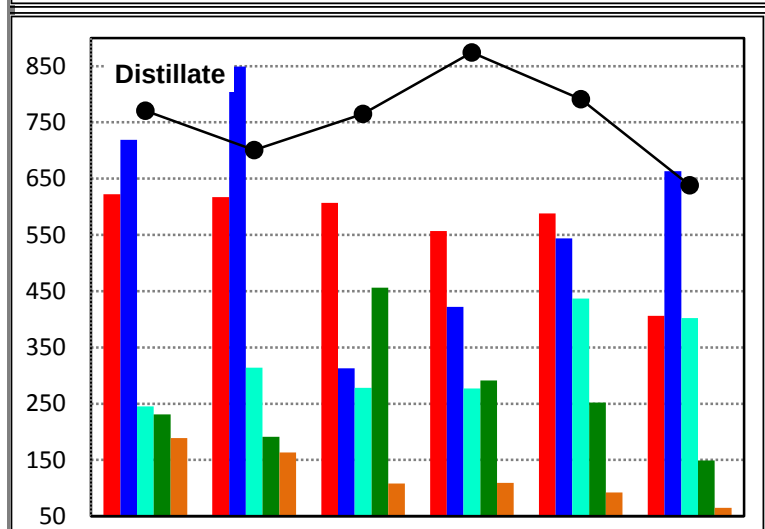
U.S. Exports of Petroleum Products



U. S. Exports of Petroleum Products

Source: EIA Monthly Petroleum Supply

	000 bpd						Latest Qtr Avg
	Jul10	Aug10	Sep10	Oct10	Nov10	Dec10	
Gasoline	283	213	226	283	413	517	404
Ch prev Yr	37	50	41	66	223	209	166
% chg	15.0%	30.7%	22.2%	30.4%	117.4%	68%	69.7%
Distillate	771	701	765	874	791	638	768
Ch prev Yr	149	84	158	317	203	232	251
% chg	24.0%	13.6%	26%	56.9%	34.5%	57.1%	48.5%
Jet	82	85	81	64	103	134	100
Ch prev Yr	33	31	18	-31	29	18	5
% chg	67.3%	57.4%	29%	-32.6%	39.2%	15.5%	5.6%
Residual	426	486	400	344	377	359	360
Ch prev Yr	-163	11	-112	-138	-43	35	-49
% chg	-27.7%	2.3%	-22%	-28.6%	-10.2%	10.8%	-11.9%
Propane	105	95	104	120	120	138	126
Ch prev Yr	50	-12	27	4	20	17	14
% chg	90.9%	-11.2%	35%	3.4%	20.0%	14.0%	12.2%



U. S. Petroleum Administrative for Defense Districts (PADDs)

