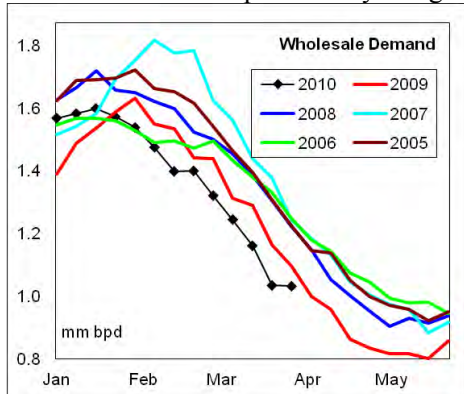


WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

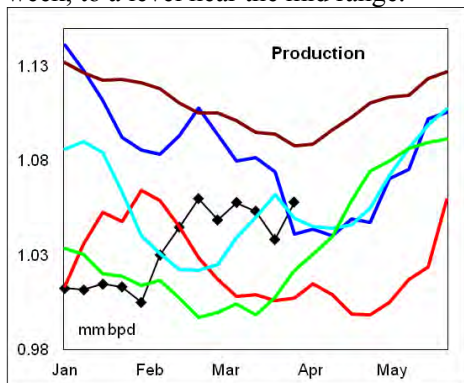
A Fundamental Petroleum Trends Weekly Report

 Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, March 31, 2010

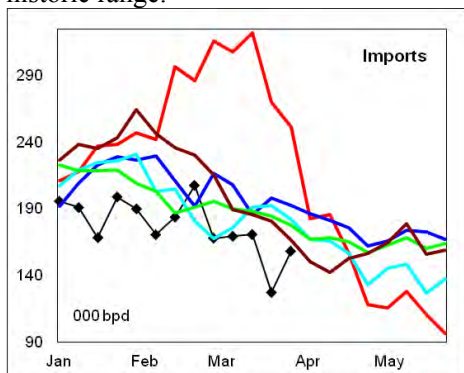

Summary¹: Wholesale demand increased +9,000 bpd last week, extending the recent weakness compared to a year ago.



Production increased +14,000 bpd on the week, to a level near the mid range.



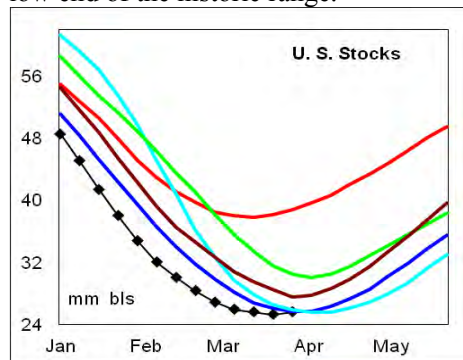
Imports increased +57,000 bpd on the week, with the increased concentrated in PADD 01. The level remains below the historic range.



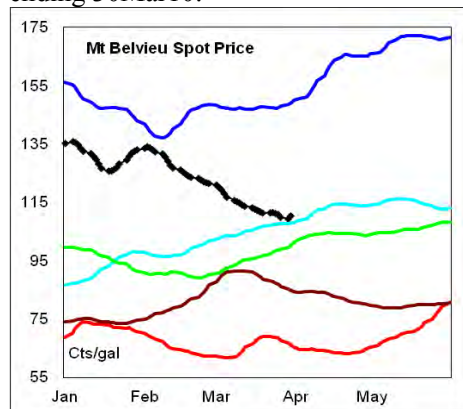
Combined production and imports during the last 4-wk period were -64,000 bpd below last year. Imports declined -111,000 bpd during the period, partially

offset by a +47,000 bpd rise in production. Lower supply was in line with the -59,000 bpd decrease in demand for the same period.

Stocks increased +0.5 million barrels on the week, with the increase concentrated in PADDs 01 and 03. The latest 4-wk stock change was a draw of -1.2 million barrels, less than four of the last five years. Stock levels are at the low end of the historic range.



Price and Spreads Mt Belvieu prices decreased -3 cts/gal while Conway prices decreased -0.5 cts/gal for the week ending 30Mar10.



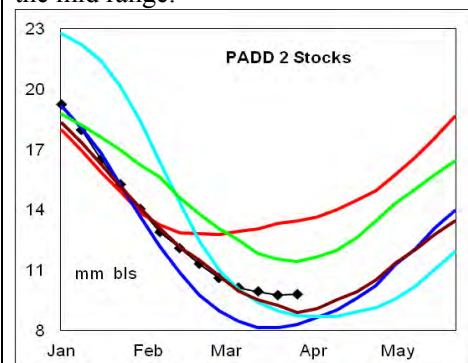
The Conway – Mt Belvieu price spread traded flat for the week ending 30Mar10. The spread ended the week at a -5.5 cts/gal discount of Conway under Mt Belvieu.

The propane to natural gas price spread extended the longer term uptrend, ending at new record highs. The propane / crude oil price spread extended a longer tem downtrend, ending the week near historic lows for the period.

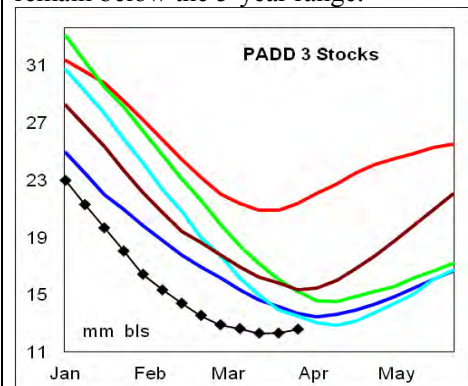
PADD 1 stocks increased +0.3 million barrels on the week as a result of higher imports. Combined production and

imports were near the 5-year mid range. Stock levels matched historic lows for the period.

PADD 2 stocks decreased -0.1 million barrels last week. Combined imports and production decreased -7,000 barrels for the week. Supply was +25,000 bpd above last year for the latest 4-wk period. The most recent 4-wk stock draw of -0.7 million barrels was less than the average. Stock levels are now above the mid range.



PADD 3 stocks increased +0.3 million barrels last week. Production increased +25,000 bpd on the week, to a record weekly high for the period. Stock levels remain below the 5-year range.



PADDs 4 & 5 stocks decreased -0.1 million barrels on the week. Stock levels are at the low end of the historic range.

Emerging Trends show propane prices particularly weak in relation to crude oil, but at record high values against natural gas. Recent weakness in European propane prices should limit exports during the spring quarter. Expect price weakness during the spring quarter.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

March 31, 2010

Fundamental Trends for the Week Ending:

Friday, March 26, 2010

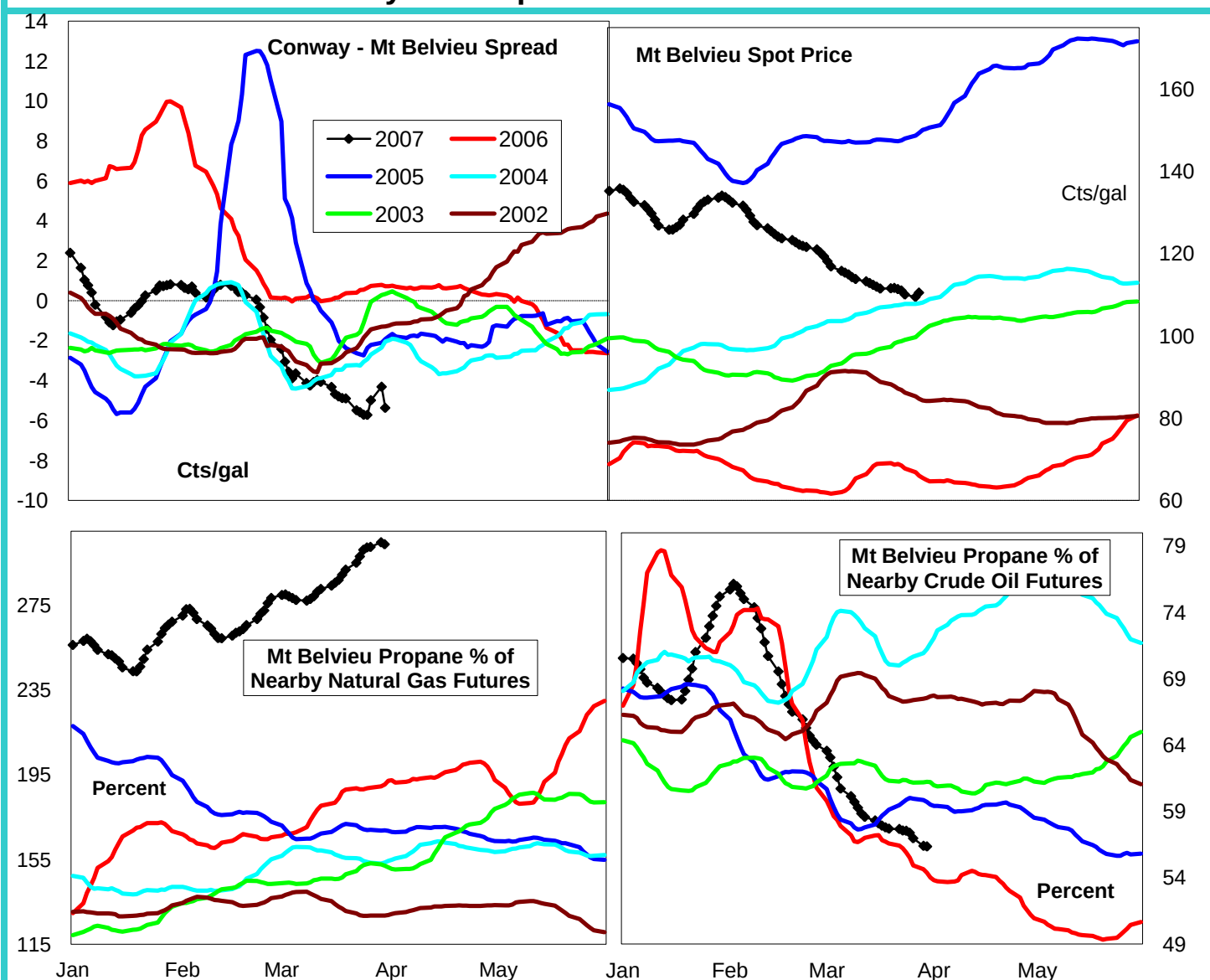
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	25,617	2,213	9,786	12,992	626	474	301	-91	330	-66
Propylene Stocks	2,178					-79				
Production	1,058	41	234	724	59	14	2	-9	25	-4
Imports	158	81	71	0	6	57	55	2	0	0
Whsle Demand	1,062					9				

Price Trends for the Week Ending:

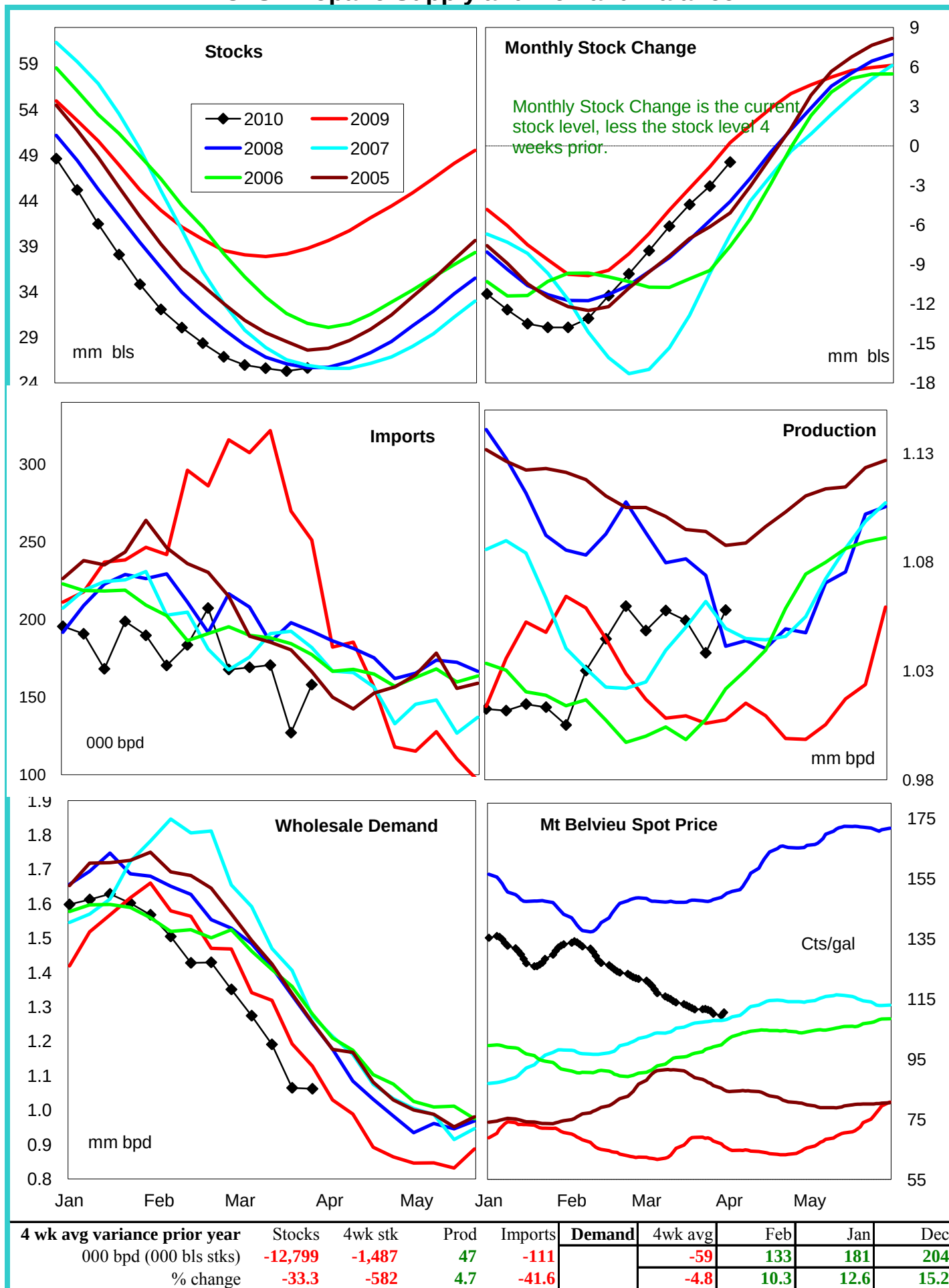
Tuesday, March 30, 2010

Cents/gal	Average for week ending:				Change from:			% change from:		
	3/30/10	3/23/10	3/2/10	3/20/09	3/23/10	3/2/10	3/20/09	3/23/10	3/2/10	3/20/09
Mont Belvieu Spot	110.0	112.9	121.2	66.0	-2.90	-8.26	55.25	-2.6	-6.8	83.8
Conway Spot	105.1	106.8	119.3	66.9	-1.75	-12.51	52.39	-1.6	-10.5	78.3

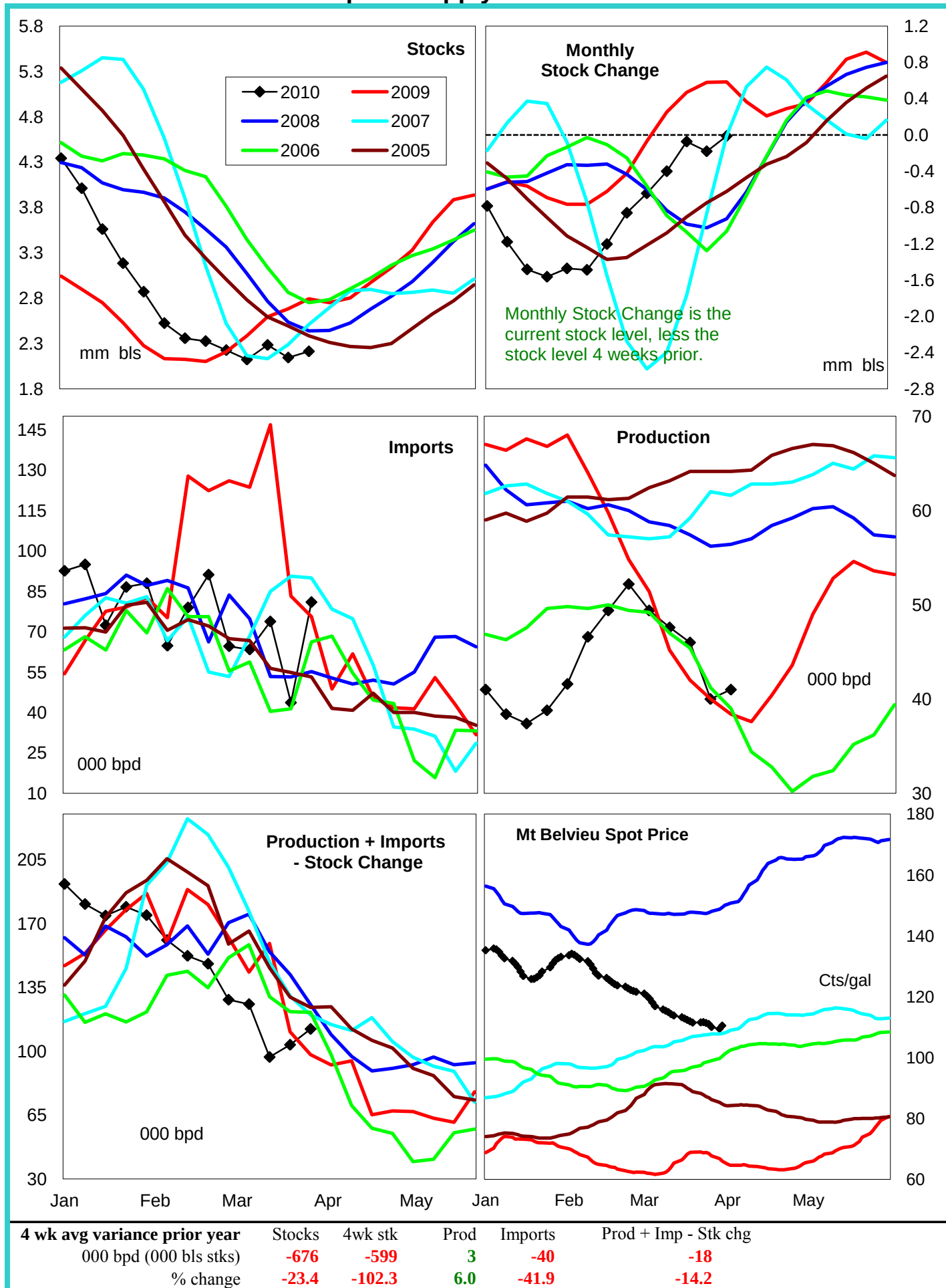
Key Price Spreads and Differentials



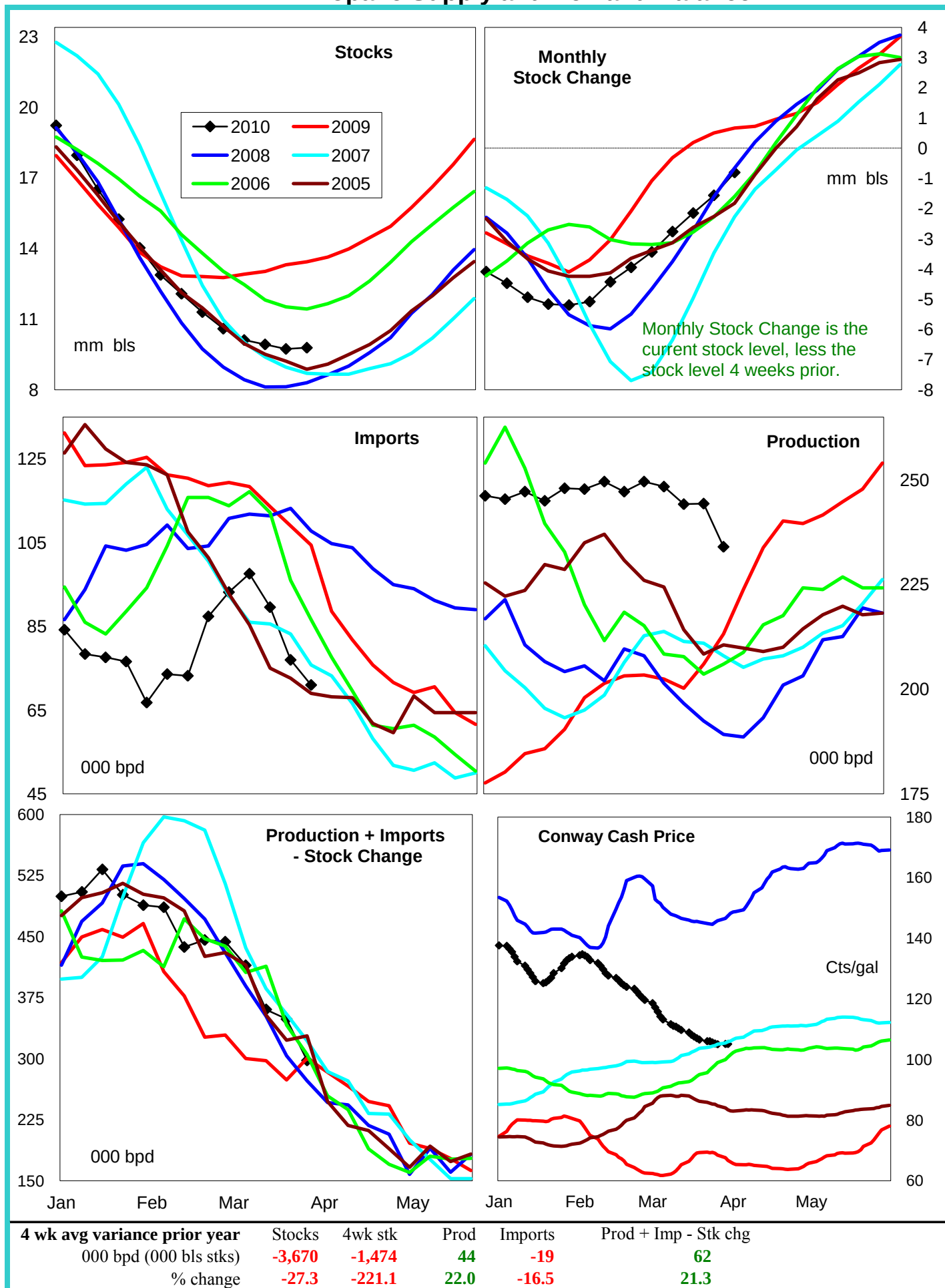
U. S. Propane Supply and Demand Balance



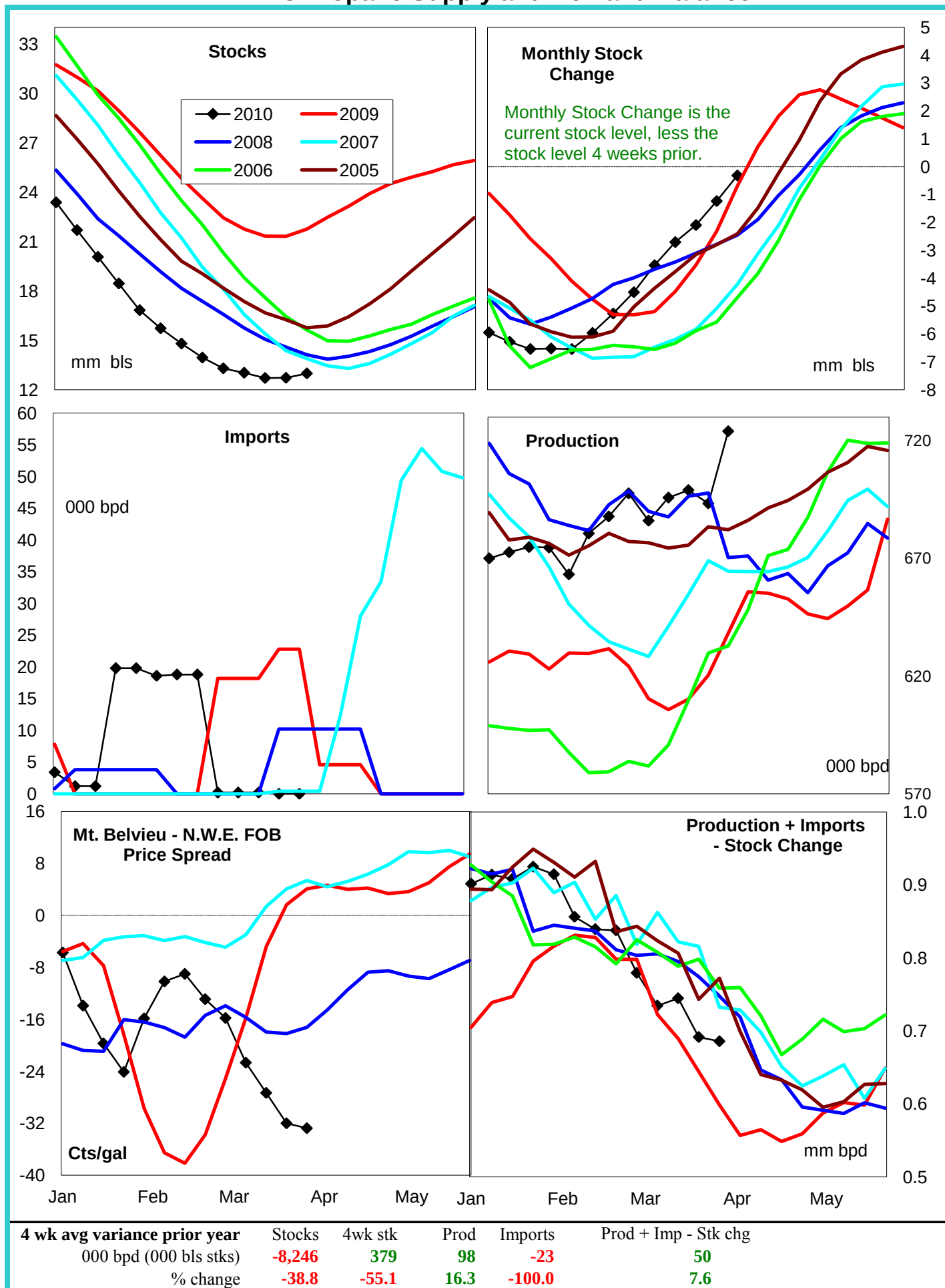
PADD 1 Propane Supply and Demand Balance



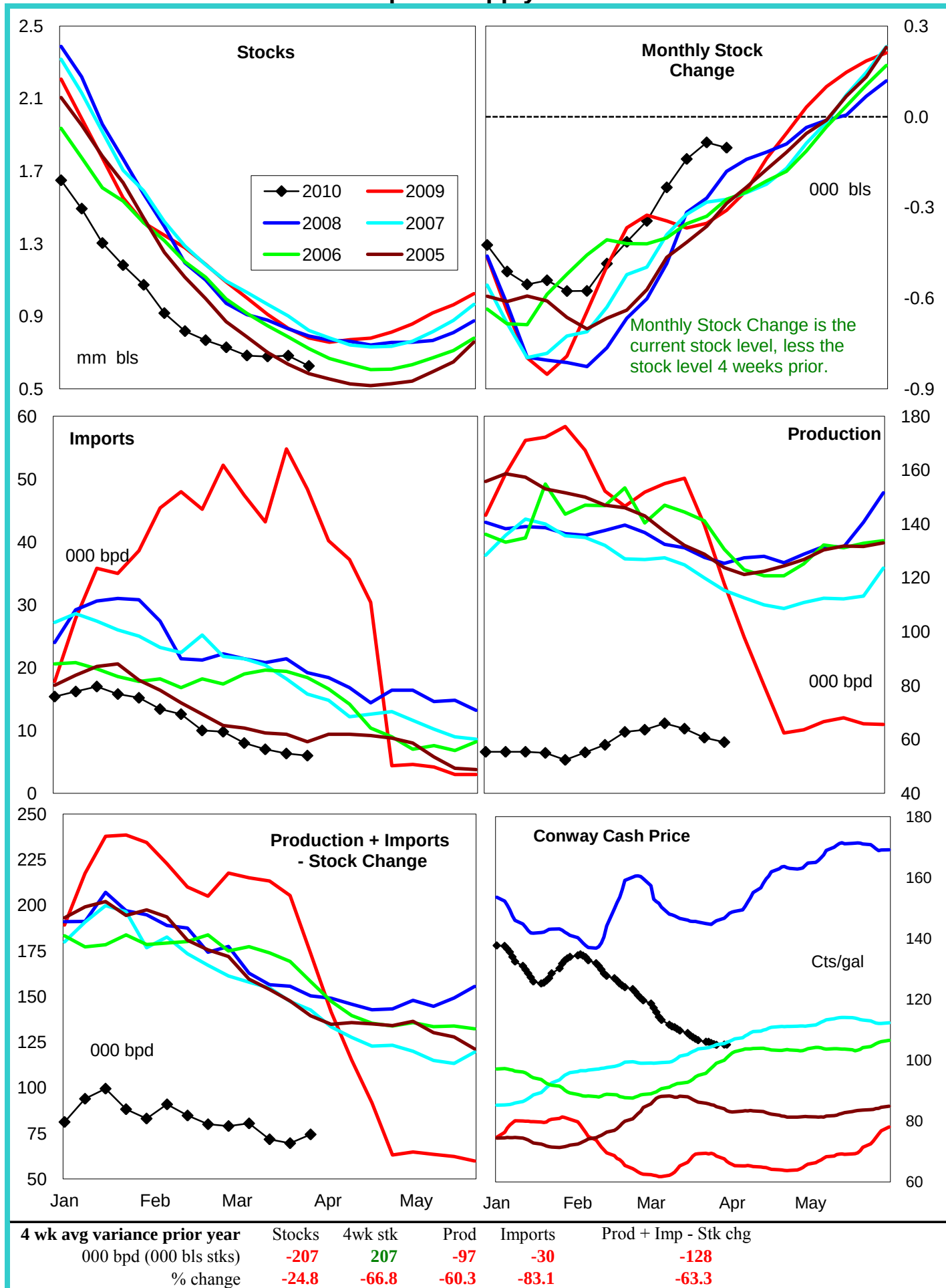
PADD 2 Propane Supply and Demand Balance



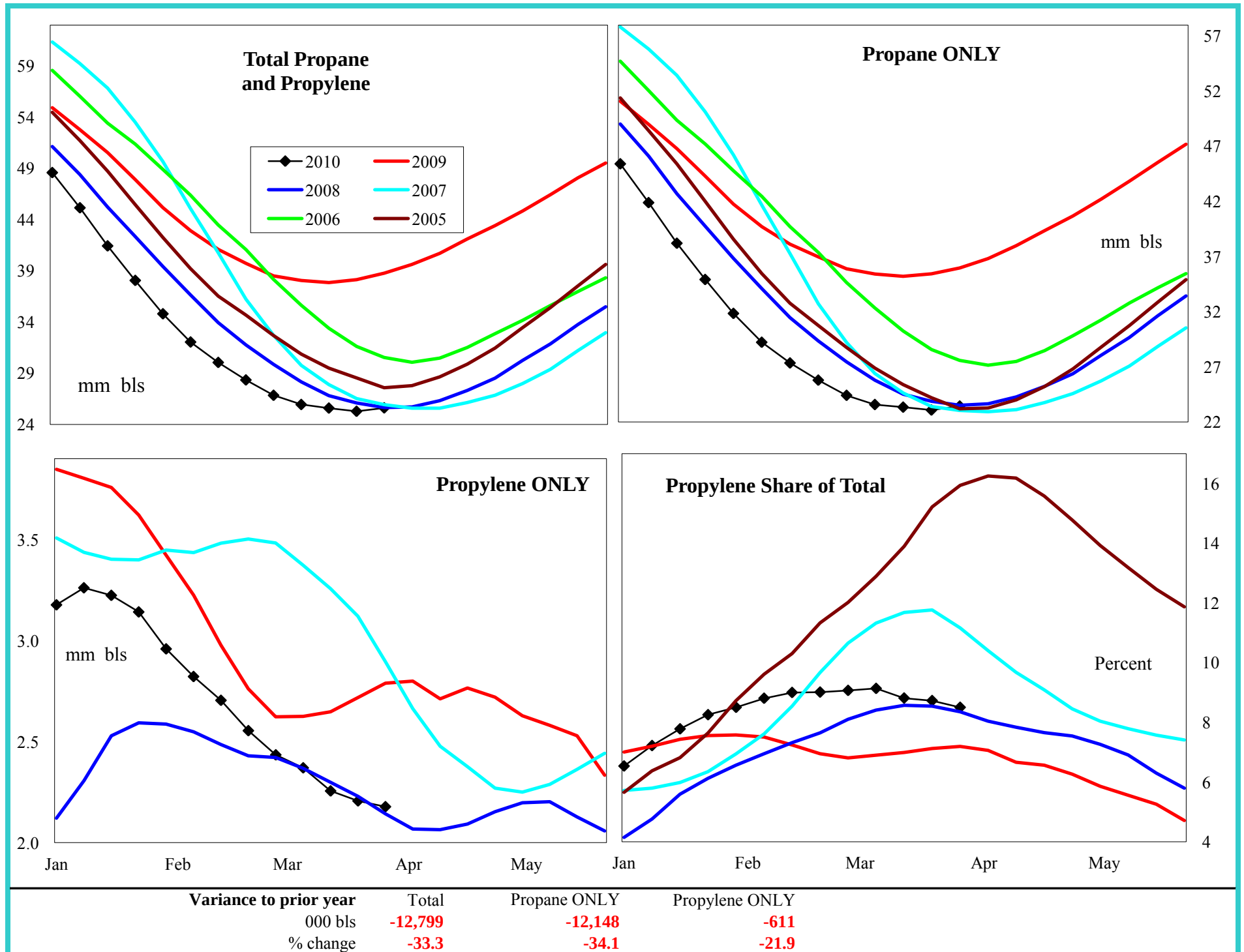
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

