WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, April 14, 2010

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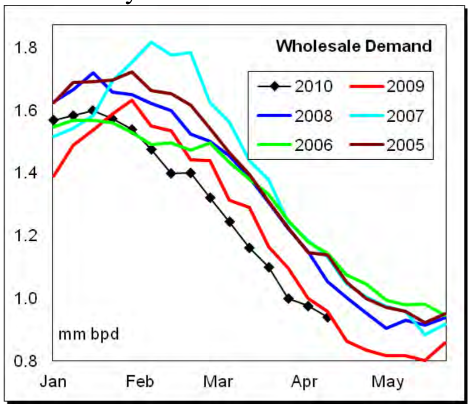
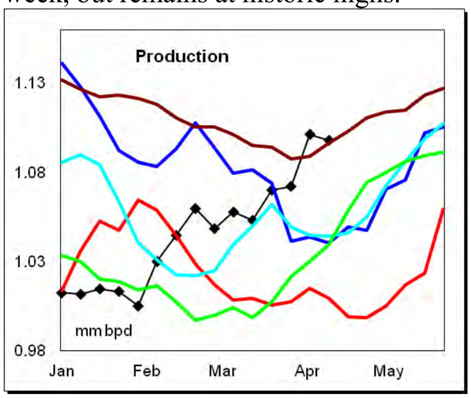
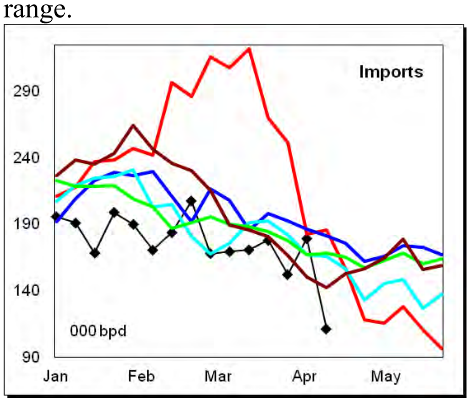
Summary[1]: Wholesale demand declined -14,000 bpd last week, and remains below last years' record low level.



Production decreased -50,000 bpd on the week, but remains at historic highs.

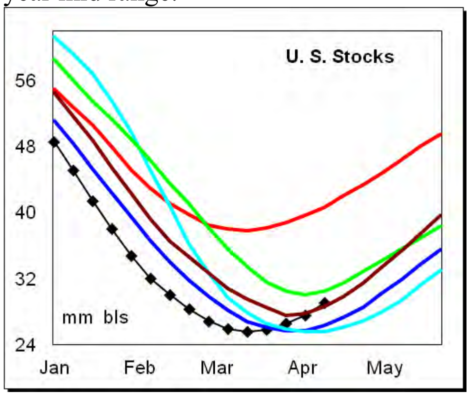


Imports fell -157,000 bpd with the decline concentrated in PADDs 1 and 2. Weekly imports were below the historic range.

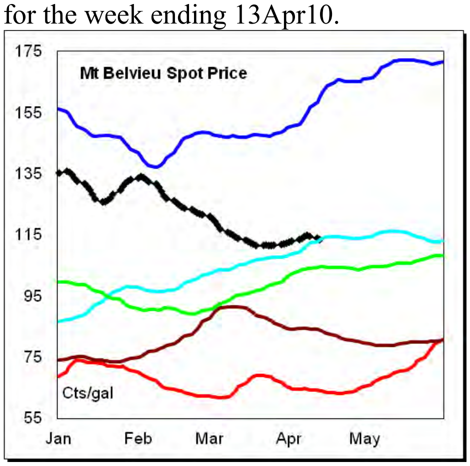


Combined production and imports during the latest 4-wk period were +20,000 bpd above a year ago. Imports declined -51,000 bpd during the period, offset by a +71,000 bpd rise in production. The latest 4-wk average demand was -32,000 bpd below a year ago.

Stocks increased +1.1 million barrels on the week, with builds concentrated in PADDs 2 and 3. The latest 4-wk stock change was a build of 3.5 million barrels, a record build for this time of year. Stock levels are at the 5-year mid range.



Price and Spreads Mt Belvieu and Conway prices each declined -2.5 cts/gal for the week ending 13Apr10.



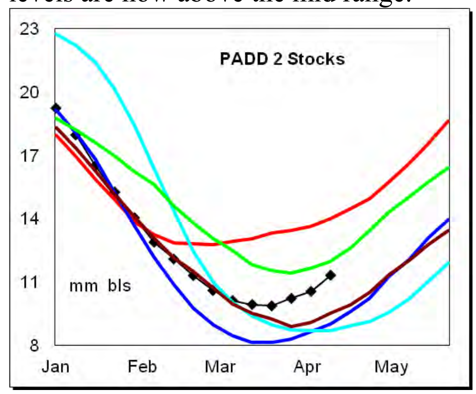
The Conway – Mt Belvieu price spread trended traded flat for the week ending 13Apr10. The spread ended the week below the 5-year range.

The propane to natural gas price spread declined on strength in natural gas prices. The level remains exceptionally high in favor of propane.

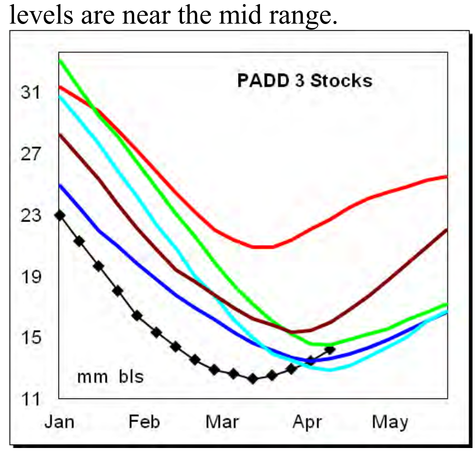
The propane / crude oil price spread traded sideways last week, ending at the low end of the historic range.

PADD 1 stocks decreased -0.4 million barrels on the week as a result of a sharp drop in imports. Combined production and imports were below the mid range on a sharp drop in imports. Stock levels were below the mid range.

PADD 2 stocks increased +0.8 million barrels last week. Combined imports and production decreased -62,000 bpd on lower imports. Supply was +35,000 bpd above last year for the latest 4-wk period. The most recent 4-wk stock build of +1.4 million barrels was a record build for this time of year. Stock levels are now above the mid range.



PAD 3 stocks increased +0.7 million barrels last week. Production fell -44,000 bpd on the week, but remains well above the historic range. Stock levels are near the mid range.



PADDs 4 & 5 stocks were unchanged on the week. Stock levels are at the low end of the historic range.

Emerging Trends *show record rate of stock building based on the 4-wk change. High production and weak demand should drive stock levels to the upper end of the historic range by the end of the 2nd quarter. Expect flat to weak prices during the next 60-days.*

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

April 14, 2010

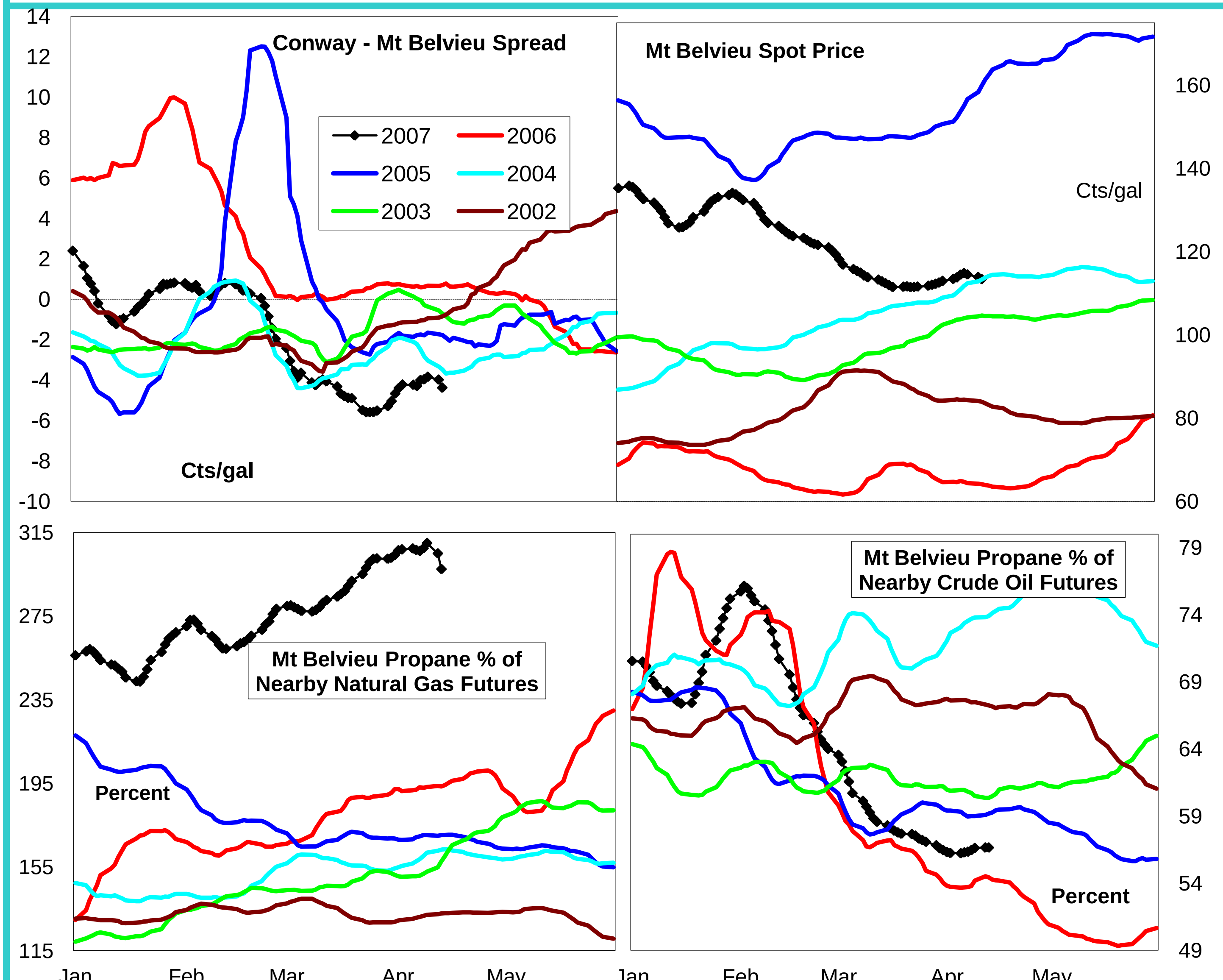
Fundamental Trends for the Week Ending: Friday, April 09, 2010

000 bpd / Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	29,110	2,578	11,311	14,629	592	1,071	-360	760	672	-1
Propylene Stocks	2,470					121				
Production	1,098	48	257	732	61	-50	2	-6	-44	-2
Imports	111	19	88	0	4	-157	-64	-91	0	-2
Whsle Demand	970					-14				

Price Trends for the Week Ending: Tuesday, April 13, 2010

Cents/gal	Average for week ending:				Change from:			% change from:		
	4/13/10	4/6/10	2/15/10	4/2/09	4/6/10	2/15/10	4/2/09	4/6/10	2/15/10	4/2/09
Mont Belvieu Spot	114.5	113.7	112.0	64.9	0.75	1.76	47.08	0.7	1.6	72.6
Conway Spot	110.7	109.2	108.9	65.6	1.45	0.35	43.30	1.3	0.3	66.0

Key Price Spreads and Differentials



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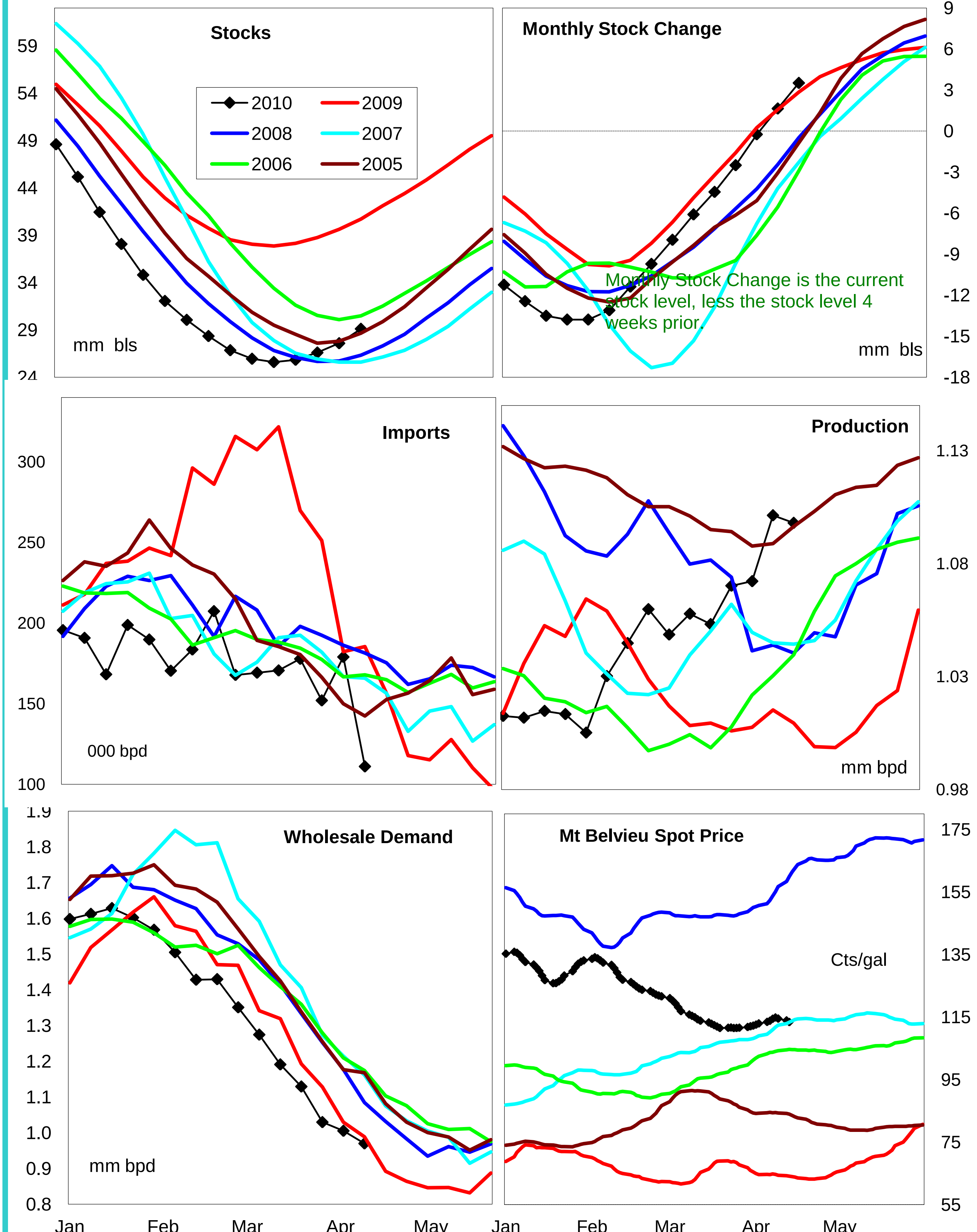
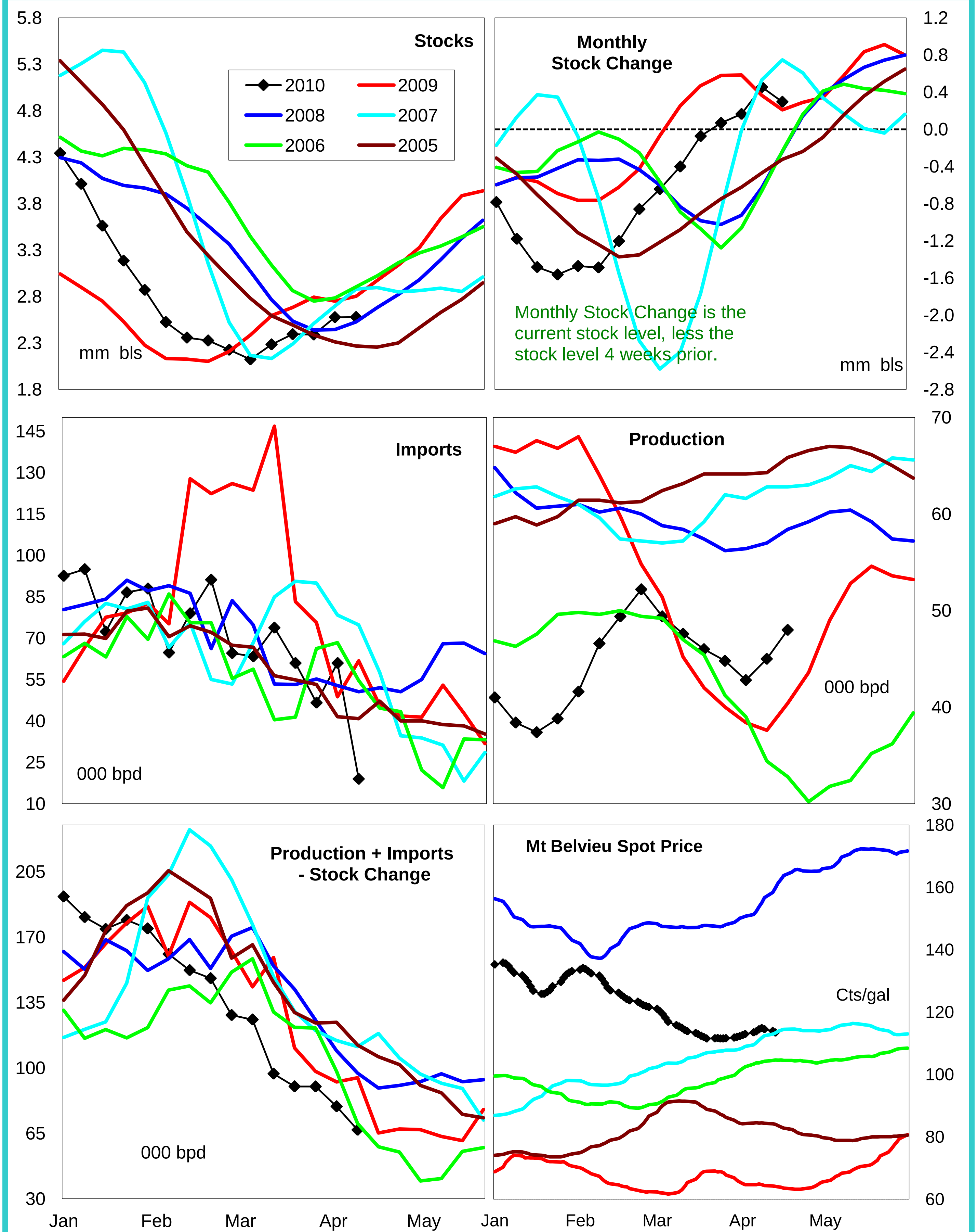
U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Feb	Jan	Dec
000 bpd (000 bls stks)	-11,716	666	71	-51		-32	133	181	204
% change	-28.7	23	7.0	-24.2		-3.1	10.3	12.6	15.2

PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-168	85	7	-6	-17
% change	-6.1	40.8	20.0	-9.5	-17.6

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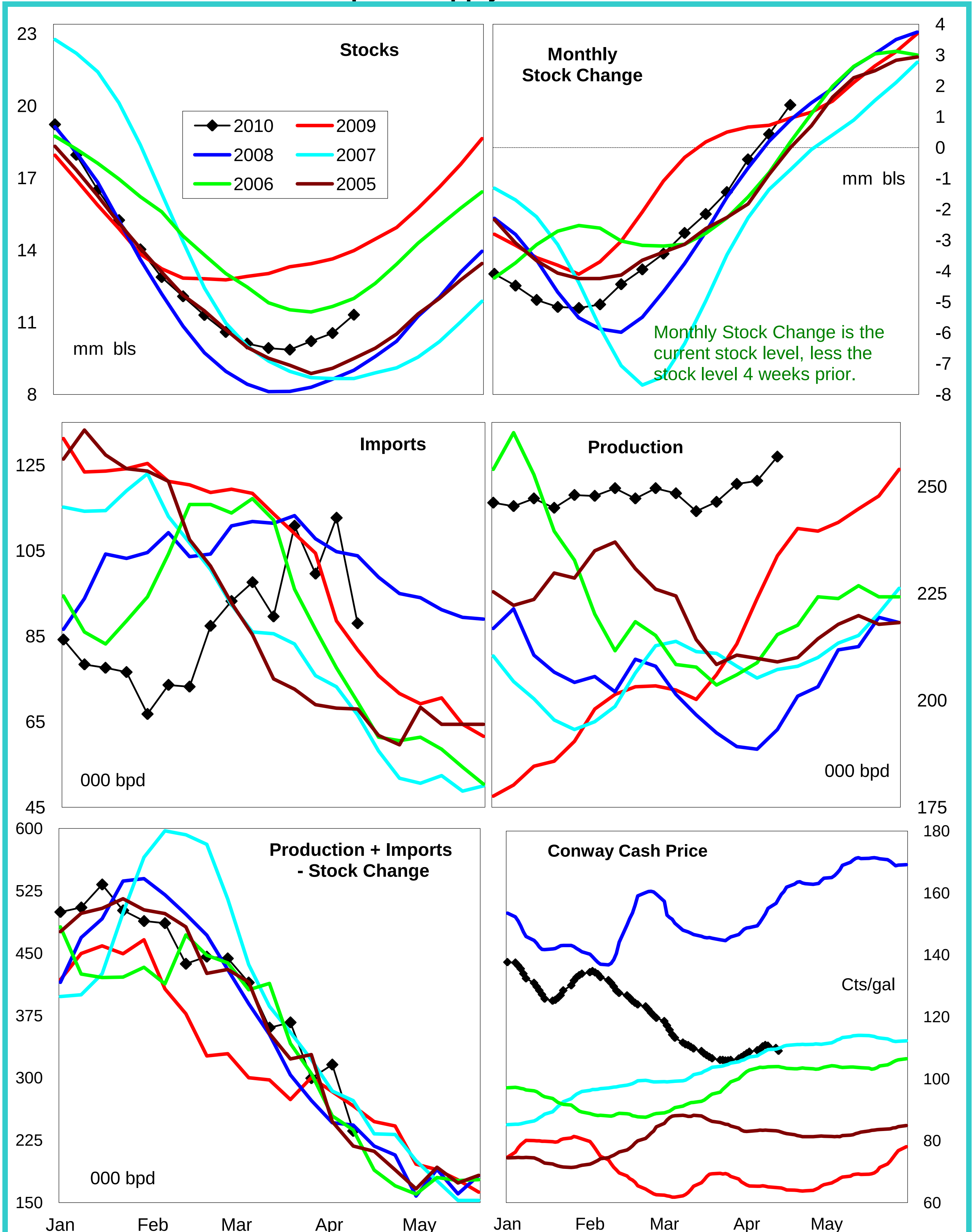
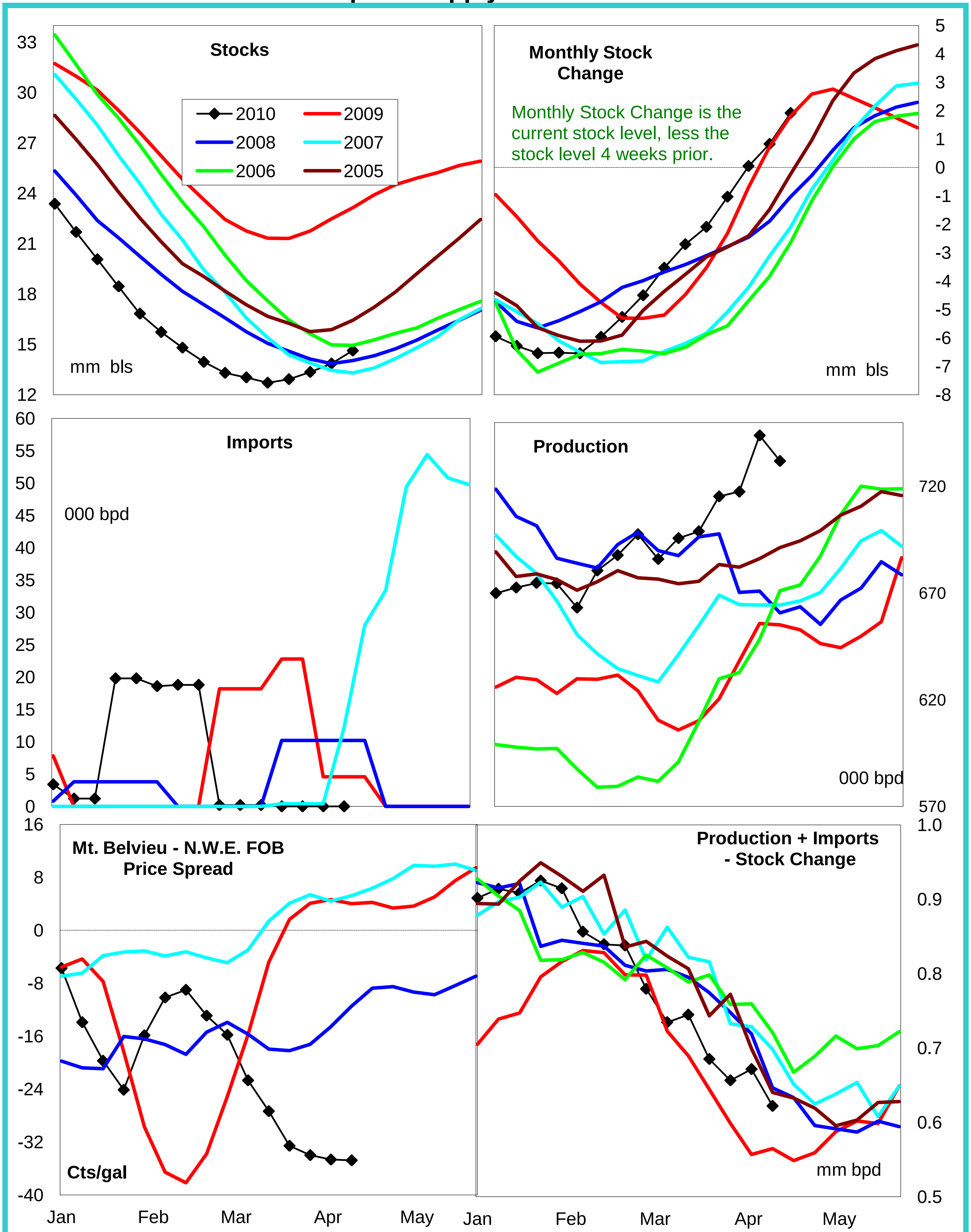
PADD 2 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-2,284	430	31	4	24
% change	-16.8	45.0	14.3	3.6	8.4

PADD 3 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-9,151	99	79	-6	68
% change	-38.5	5.4	12.1	-100.0	11.4

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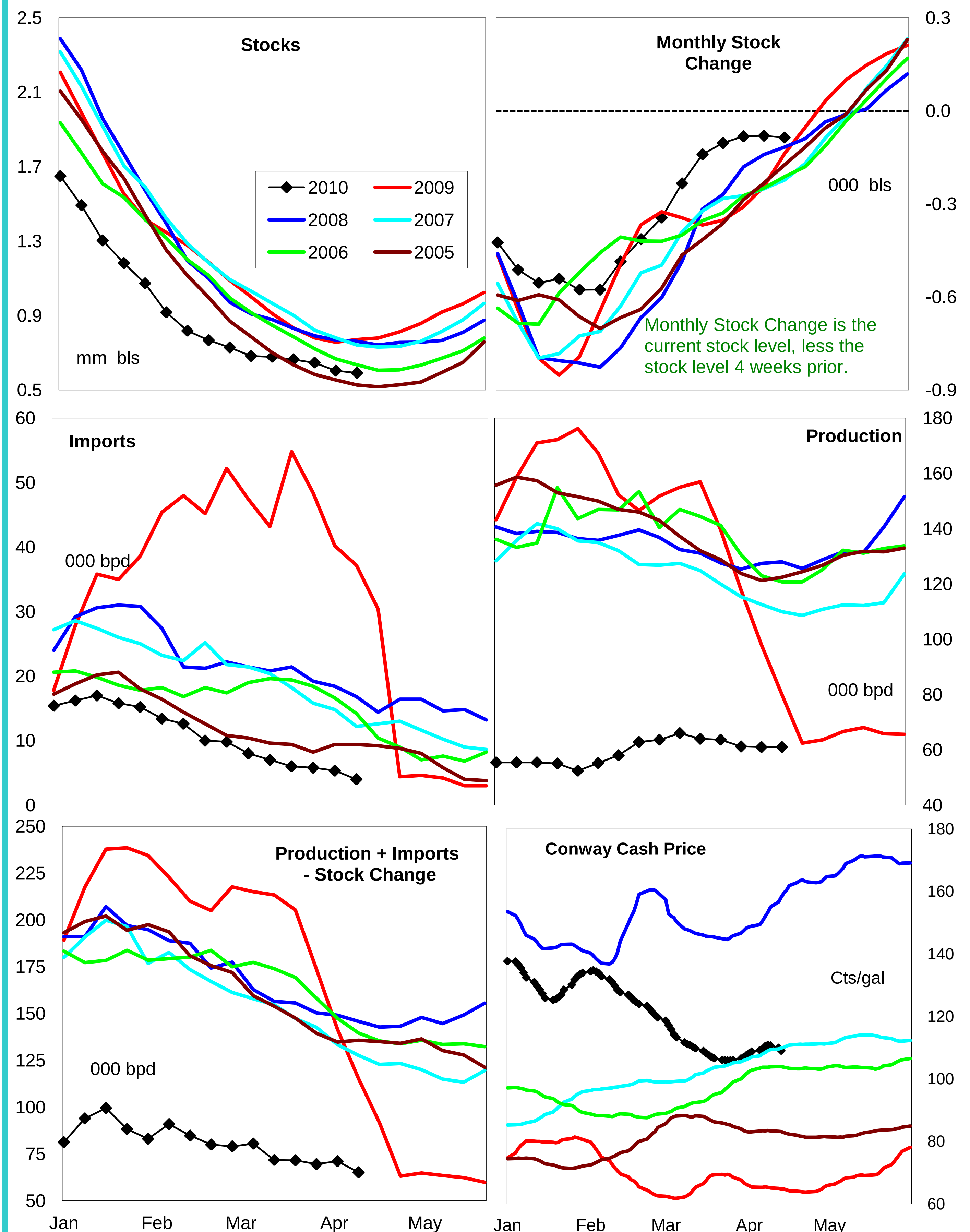
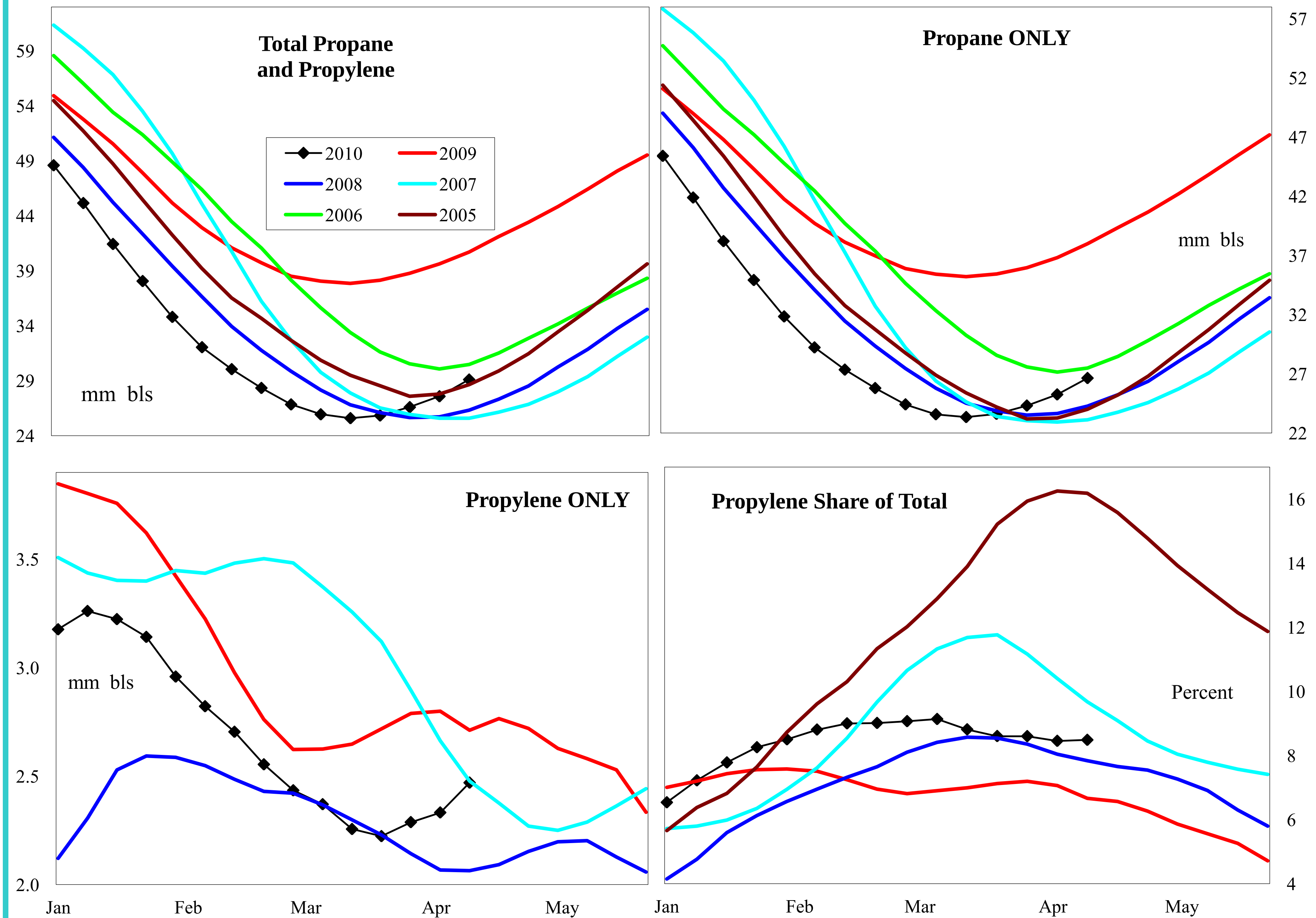
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-113	52	-46	-43	-90
% change	-16.0	-37.6	-42.9	-88.7	-56.4

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-11,716	-11,347	-242
% change	-28.7	-29.9	-8.9

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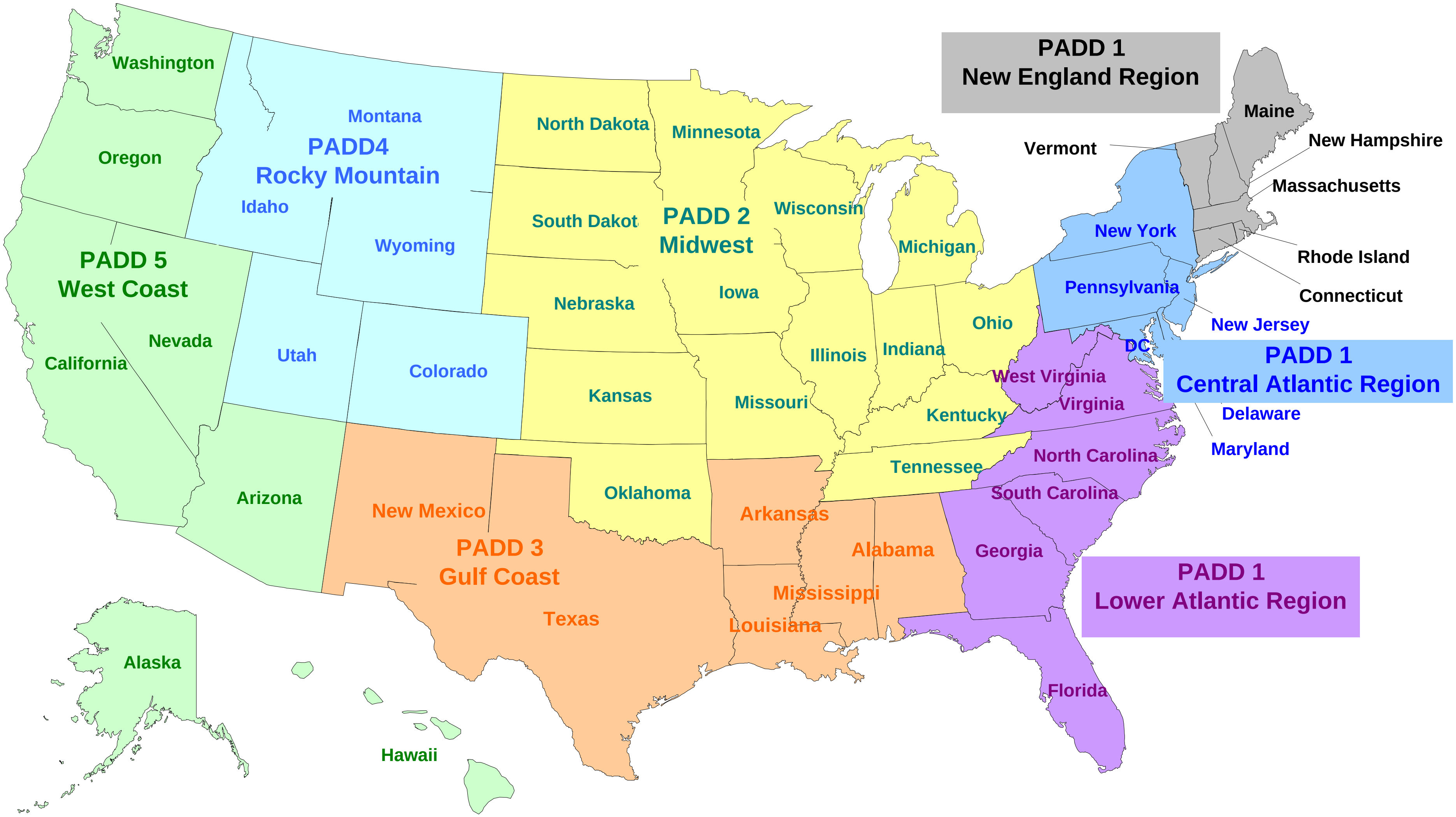
U. S. Petroleum Administrative for Defense Districts (PADDs)



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