WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, April 28, 2010

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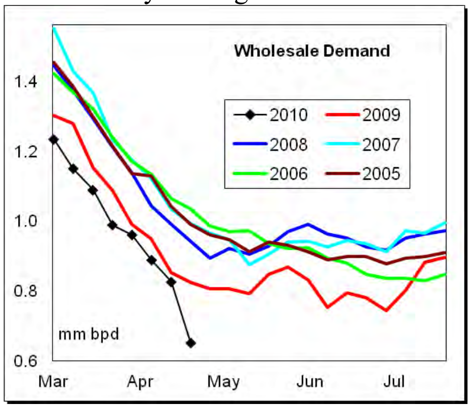
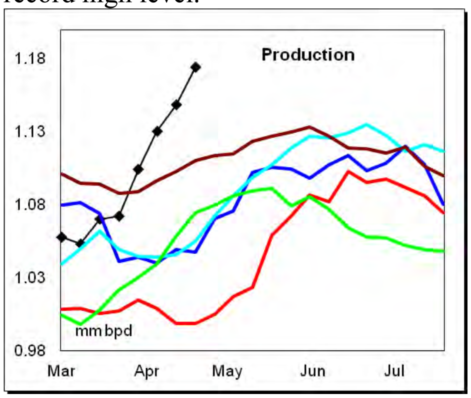
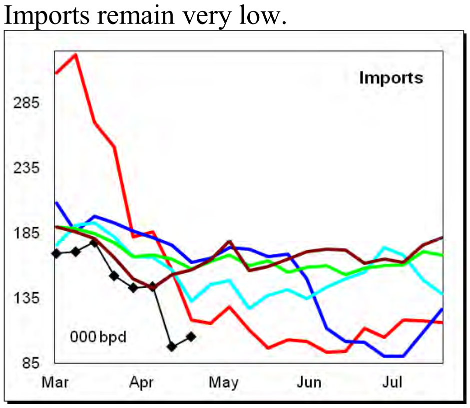
Summary[1]: Wholesale demand fell -245,000 bpd last week, to a level well below the 5-year range.



Production was nearly unchanged at a record high level.

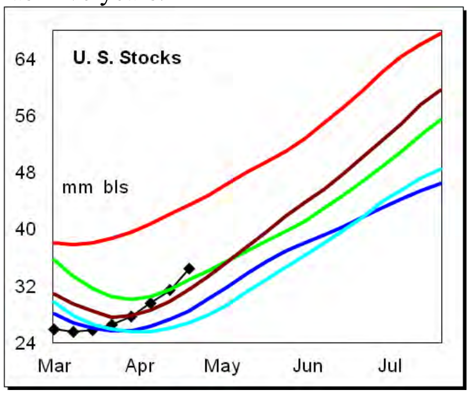


Imports increased +29,000 bpd with the increase concentrated in PADD 2. Imports remain very low.

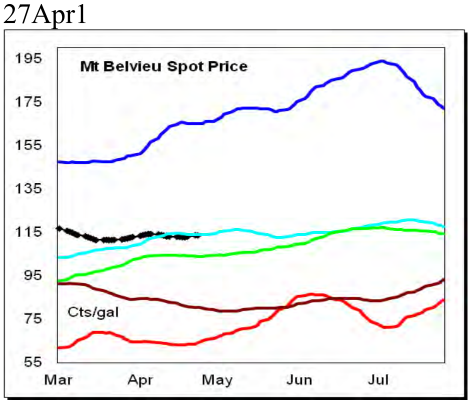


Combined production and imports during the latest 4-wk period were +122,000 bpd above a year ago. Imports declined -21,000 bpd during the period, offset by a +143,000 bpd rise in production. The latest 4-wk average demand was -47,000 bpd below a year ago.

Stocks increased +3.6 million barrels on the week, with builds all regional markets. The latest 4-wk stock change was a build of 7.8 million barrels, a record build for this time of year. Stock levels are above four of the last five years.



Price and Spreads Mt Belvieu prices increased +1 ct/gal while Conway decreased -1.5 ct/gal for the week ending 27Apr1



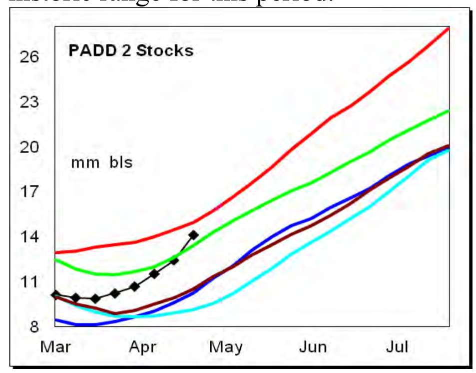
The Conway – Mt Belvieu price spread trended lower for the week ending 27Apr10. The spread ended the week at below the 5-year range.

The propane to natural gas price spread trended lower on the week. The level remains exceptionally high in favor of propane.

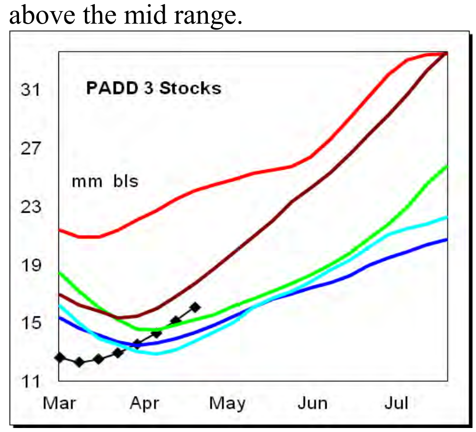
The propane / crude oil price spread trended higher late in the week, ending at the low end of the historic range.

PADD 1 stocks increased +0.4 million barrels on the week. Combined production and imports increased +9,000 bpd, but remain below the mid range. Stock levels were at the upper end of the historic range.

PADD 2 stocks increased +2.3 million barrels last week. Combined imports and production increased +46,000 bpd last week on higher imports and production. Supply was +42,000 bpd above last year for the latest 4-wk period. The most recent 4-wk stock build of +3.9 million barrels was a record build for this time of year. Stock levels are now at the upper end of the historic range for this period.



PAD 3 stocks increased +1 million barrels last week. Production declined -29,000 bpd on the week, with the 4-wk average +108,000 bpd above last year, and a record high. Stock levels are above the mid range.



PADDs 4 & 5 stocks were unchanged on the week. Stock levels are below the mid range.

Emerging Trends *show production at record high levels for the last month, up +143,000 bpd over a year ago. Demand was -5% below the historic range for the same period. These trends should lead to a pull back in prices over the nest 60-days.*

[1] Source is latest EIA Weekly Statistics

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PROPANE: Graph Link and Weekly Summary

April 28, 2010

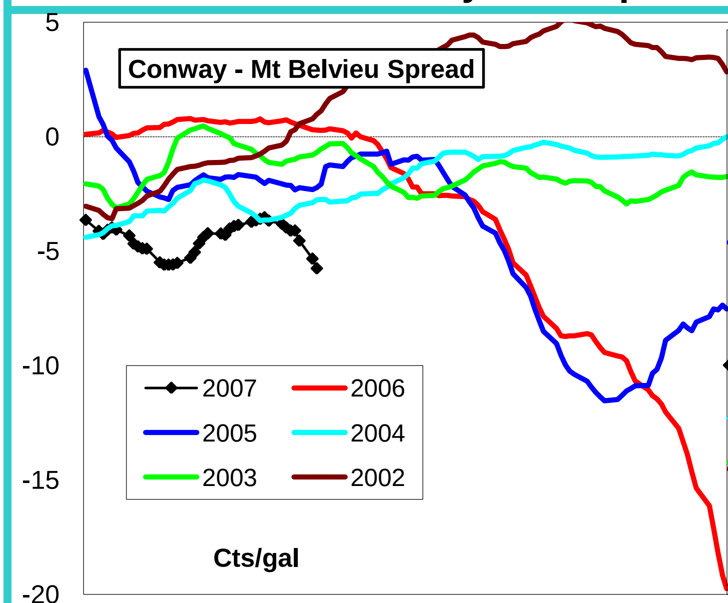
Fundamental Trends for the Week Ending: Friday, April 23, 2010

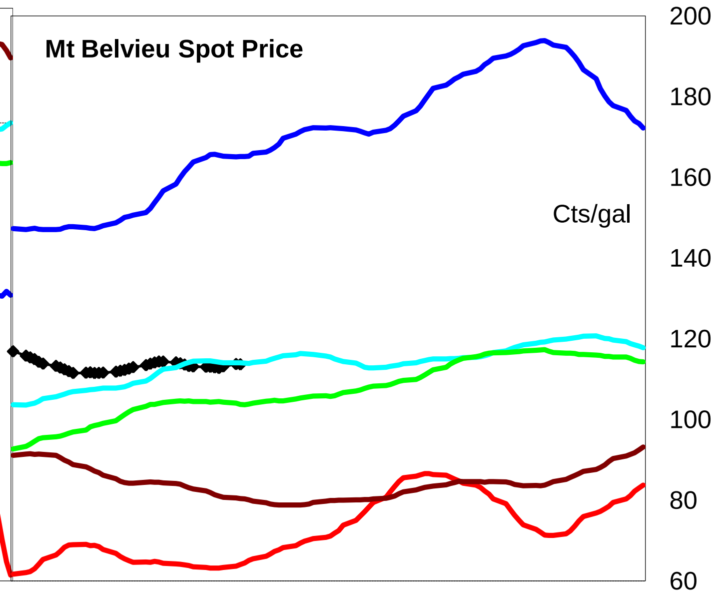
000 bpd / Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	34,413	3,155	14,110	16,508	640	3,615	368	2,274	956	17
Propylene Stocks	2,898					125				
Production	1,174	57	273	773	71	1	2	22	-29	6
Imports	105	23	77	0	5	29	7	24	0	-2
Whsle Demand	692					-245				

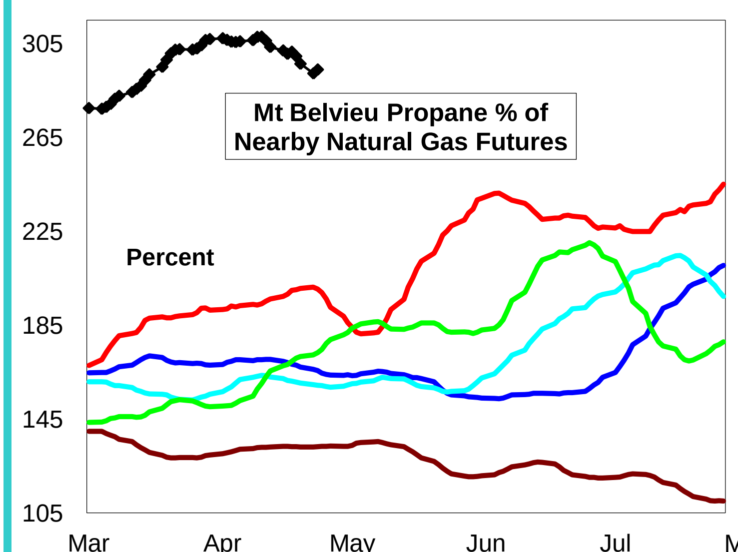
Price Trends for the Week Ending: Tuesday, April 27, 2010

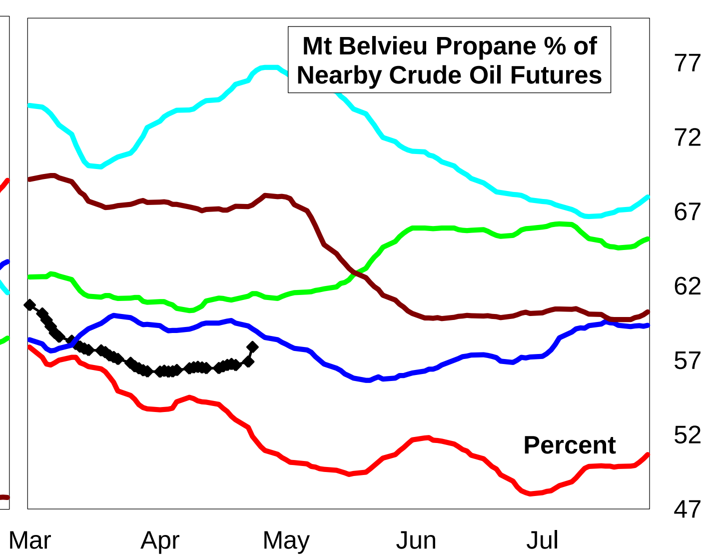
Cents/gal	Average for week ending:				Change from:			% change from:		
	4/27/10	4/20/10	3/29/10	4/17/09	4/20/10	3/29/10	4/17/09	4/20/10	3/29/10	4/17/09
Mont Belvieu Spot	113.1	112.8	110.0	63.0	0.27	2.80	47.04	0.2	2.5	74.7
Conway Spot	108.6	109.5	105.1	63.6	-0.95	4.46	41.44	-0.9	4.2	65.1

Key Price Spreads and Differentials

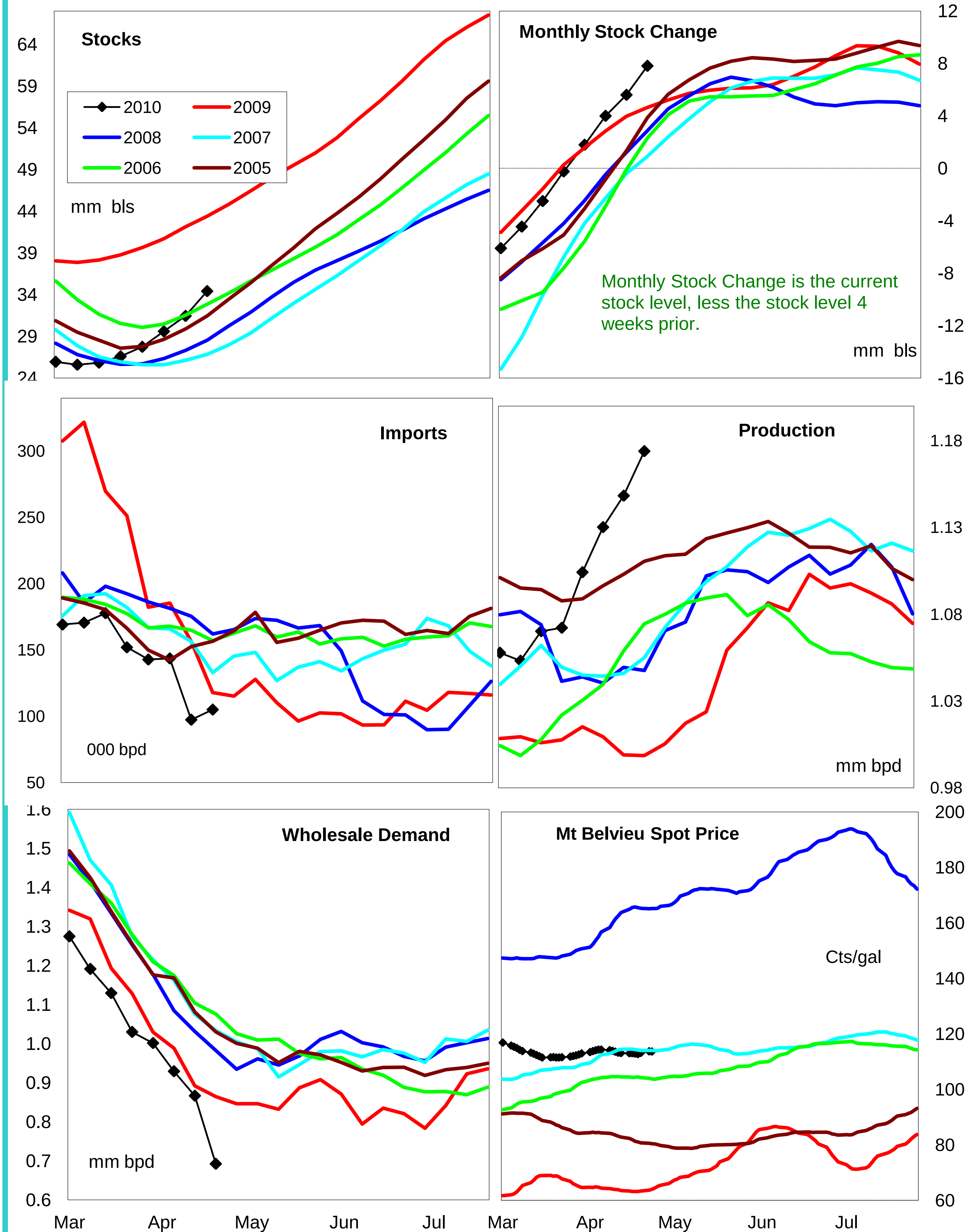








U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Mar	Jan	Jan
000 bpd (000 bls stks)	-8,706	3,165	143	-21		-47	-64	133	0
% change	-20.2	68	14.2	-12.8		-4.9	-5.5	10.3	#DIV/0!

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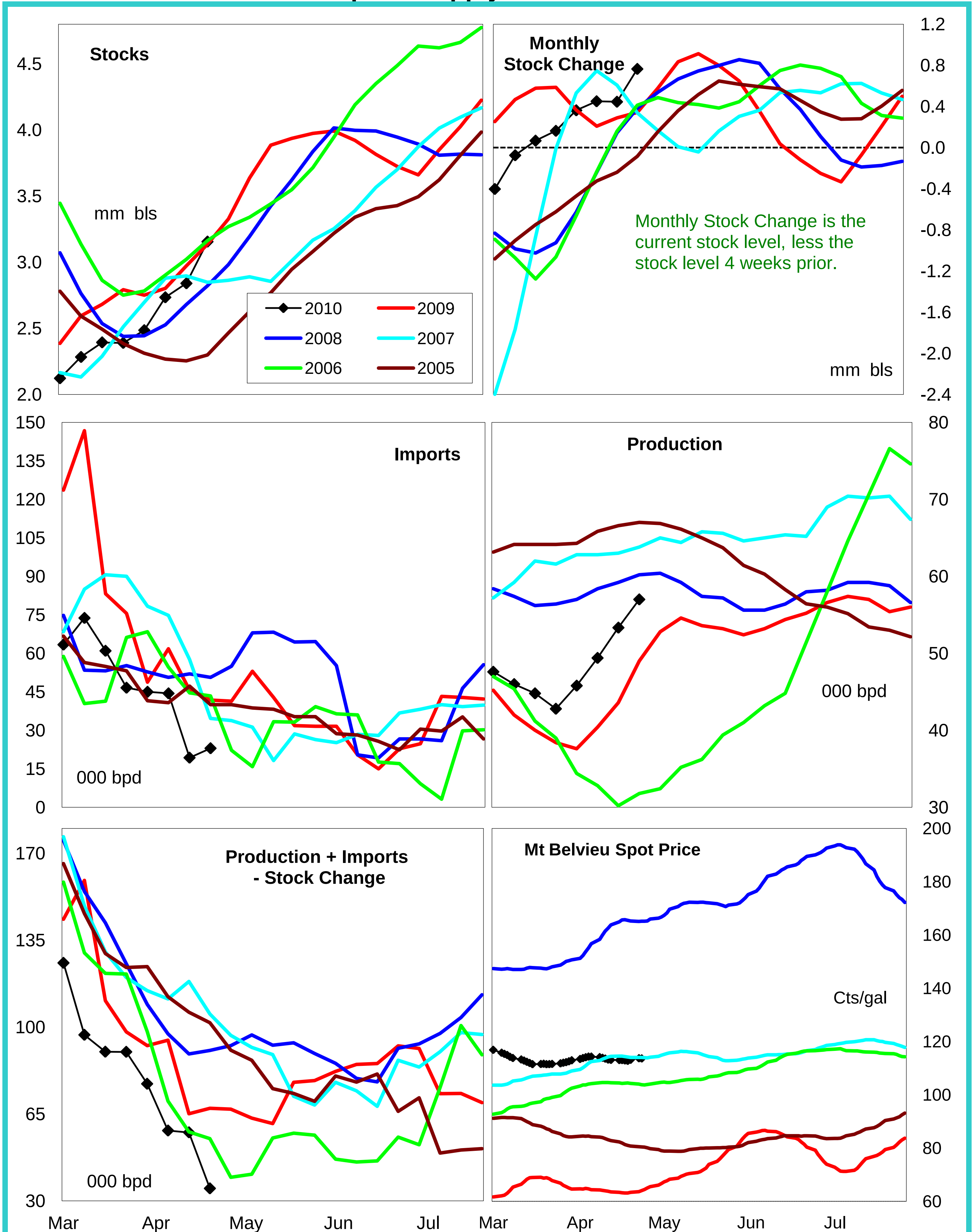
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	162	422	10	-4	-23
% change	5.4	122.8	24.1	-10.8	-28.7

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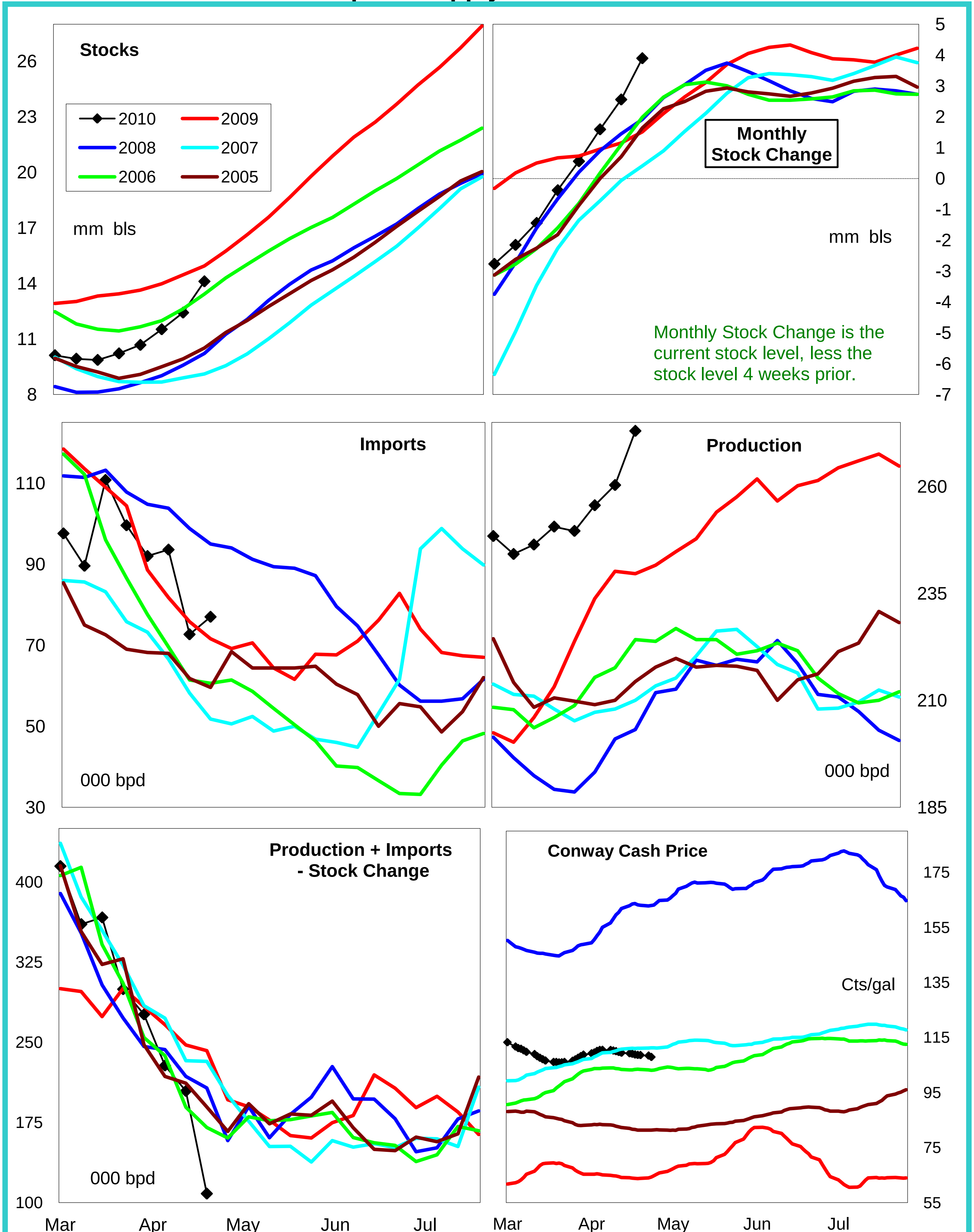
PADD 2 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-810	2,387	20	22	-56
% change	-5.4	158.1	8.1	27.7	-21.4

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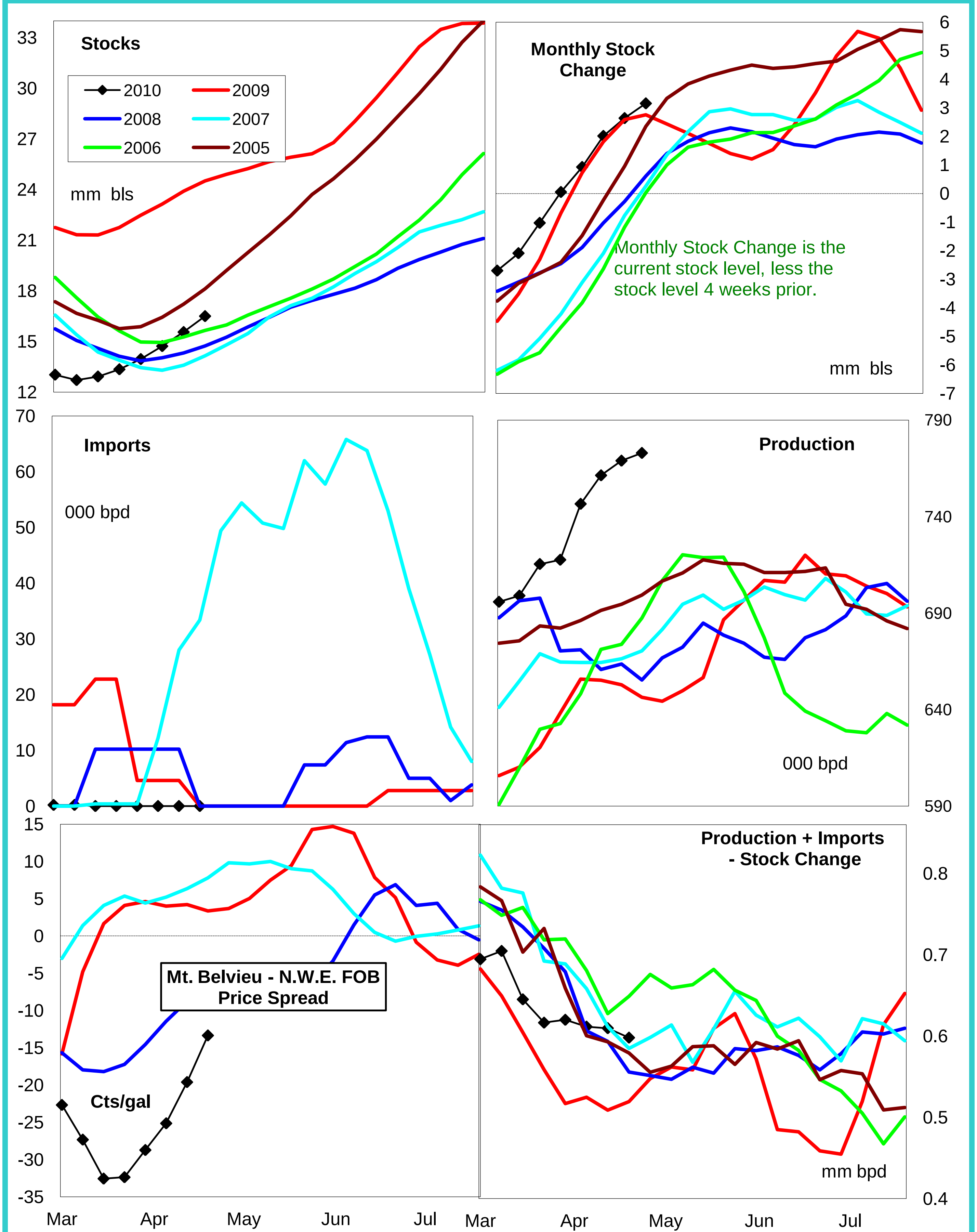
PADD 3 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-7,807	396	108	-6	92
% change	-32.1	14.3	16.3	-100.0	16.6

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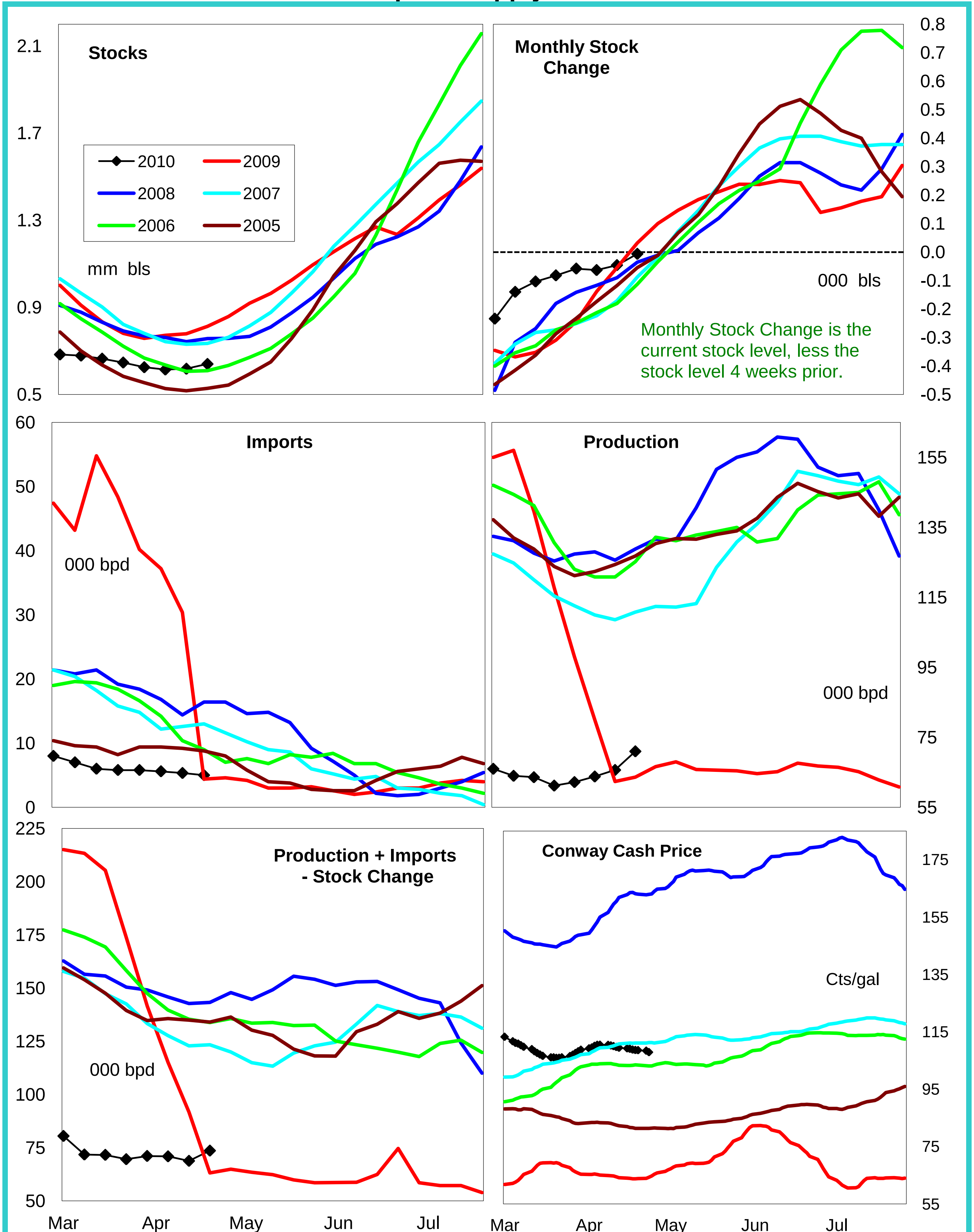
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-251	-39	5	-32	-32
% change	-28.2	-120.6	8.8	-85.3	-30.9

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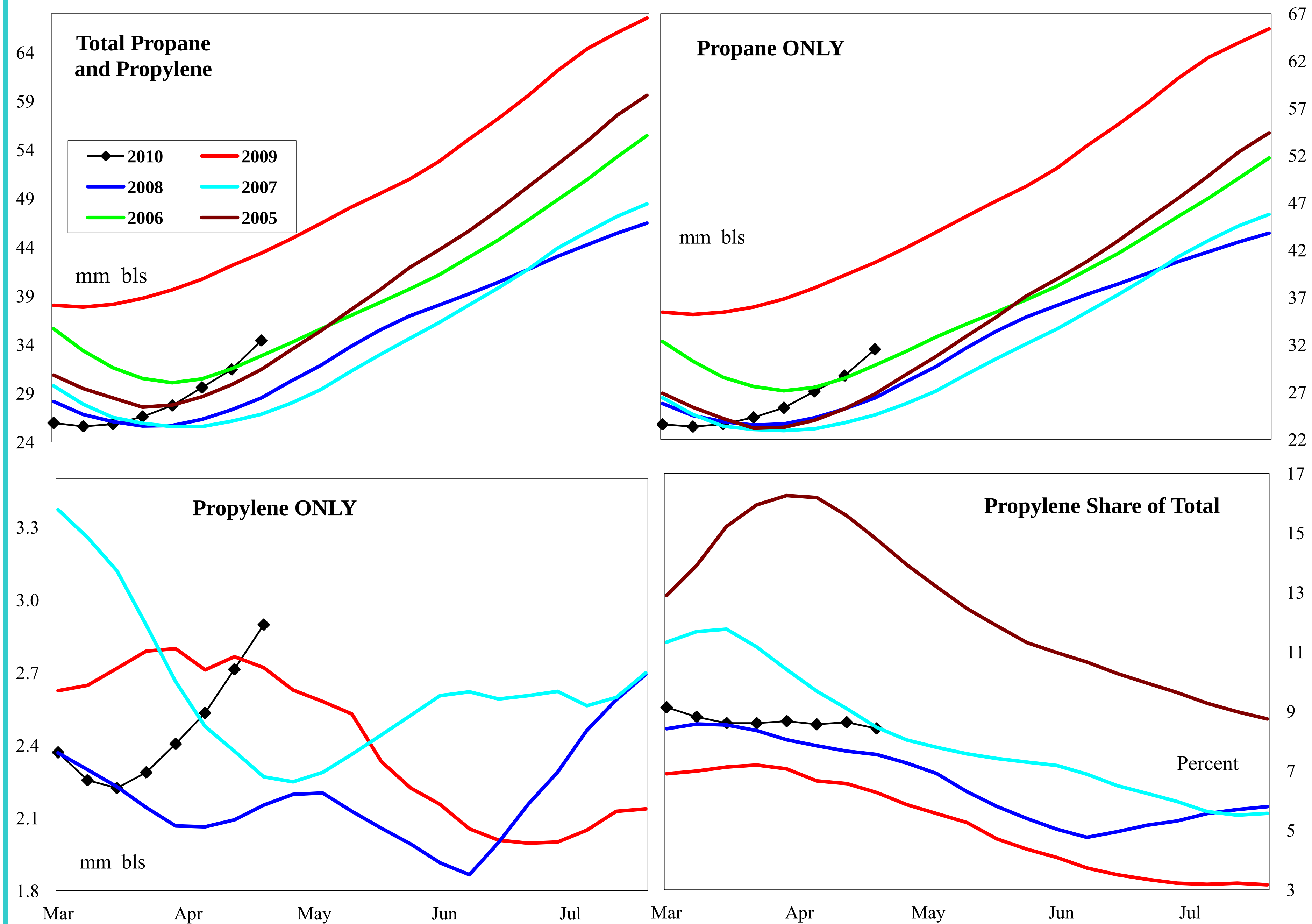
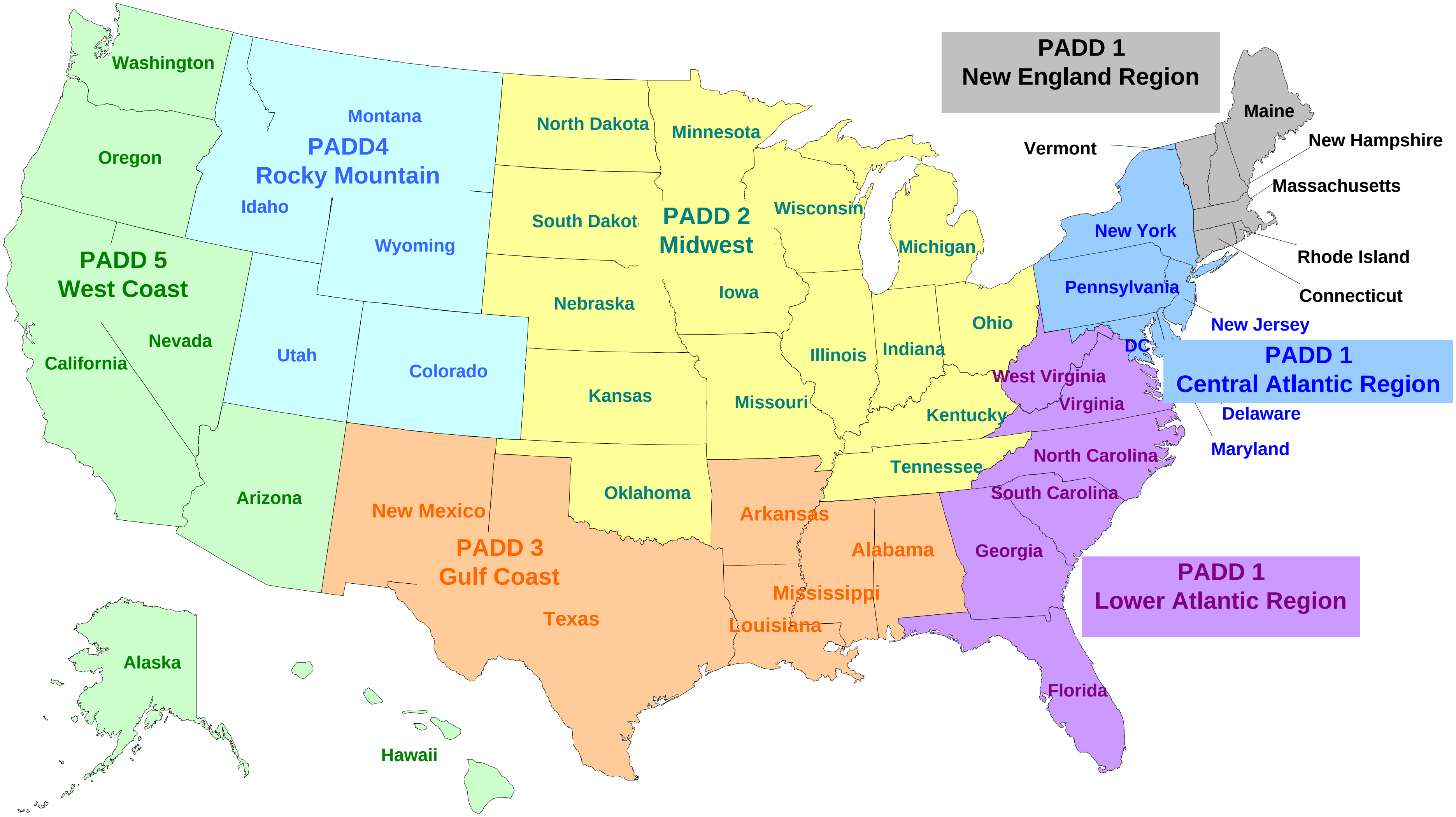
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-8,706	-9,174	178
% change	-20.2	-22.5	6.5

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



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