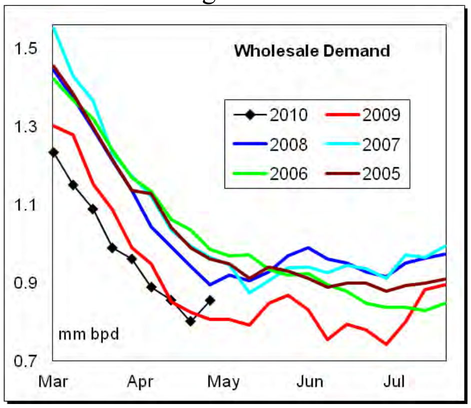
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

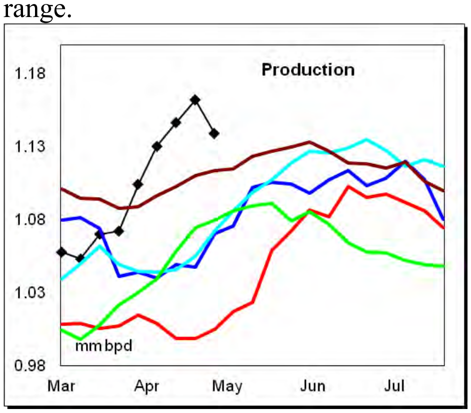
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, May 05, 2010

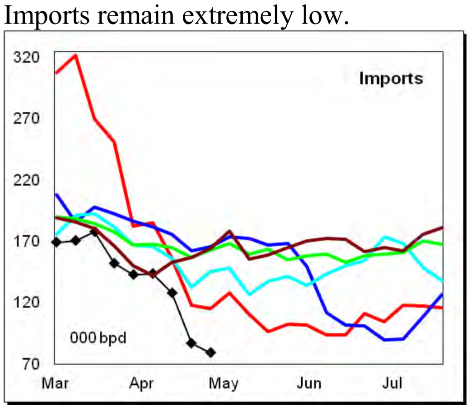
Summary[1]: Wholesale demand increased +203,000 bpd last week, to the low end of the historic range.



Production decreased -35,000 bpd on the week, but remains above the historic range.

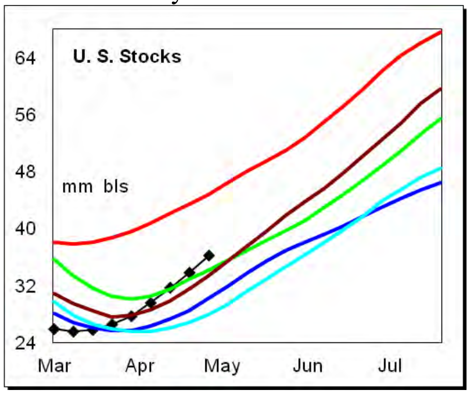


Imports declined -26,000 bpd with the decrease concentrated in PADD 2. Imports remain extremely low.

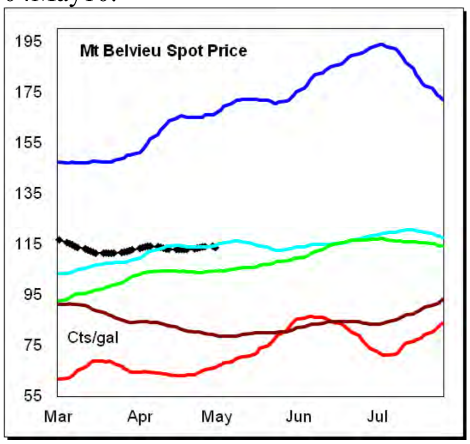


Combined production and imports during the latest 4-wk period were +119,000 bpd above a year ago. Imports declined -32,000 bpd during the period, offset by a +151,000 bpd rise in production. The latest 4-wk average demand was +25,000 bpd above a year ago.

Stocks increased +1.8 million barrels on the week, with builds concentrated in PADDs 2 and 3. The latest 4-wk stock change was a build of 8.4 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 were unchanged while Conway increased + 2 cts/gal for the week ending 04May10.



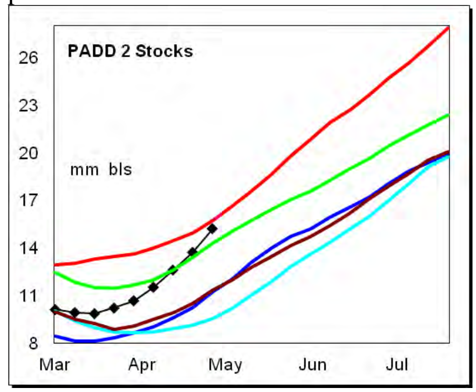
The Conway – Mt Belvieu price spread trended higher on the week ending 04May10. The spread ended the week below the 5-year range.

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

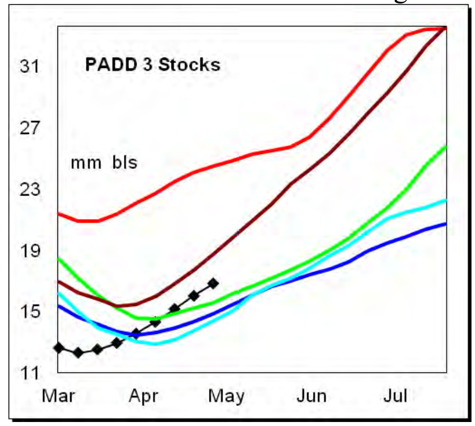
The propane / crude oil price spread traded sideways, ending below four of the last five years.

PADD 1 stocks decreased -0.1 million barrels on the week. Combined production and imports decreased -5,000 bpd, and remains below the mid range. Stock levels were above the historic mid range.

PADD 2 stocks increased +1.1 million barrels last week. Combined imports and production decreased -14,000 bpd last week on lower. Supply was +22,000 bpd above last year for the latest 4-wk period. The most recent 4-wk stock build of +4.5 million barrels was a record build for this time of year. Stock levels are near the 5-year high for the period.



PAD 3 stocks increased +0.5 million barrels last week. Production decreased -45,000 bpd on the week, with the 4-wk average +116,000 bpd above last year. 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 continued record rate of stock building, driven by high production. These trends should lead to a pull back in prices over the nest 60-days.*

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

May 5, 2010

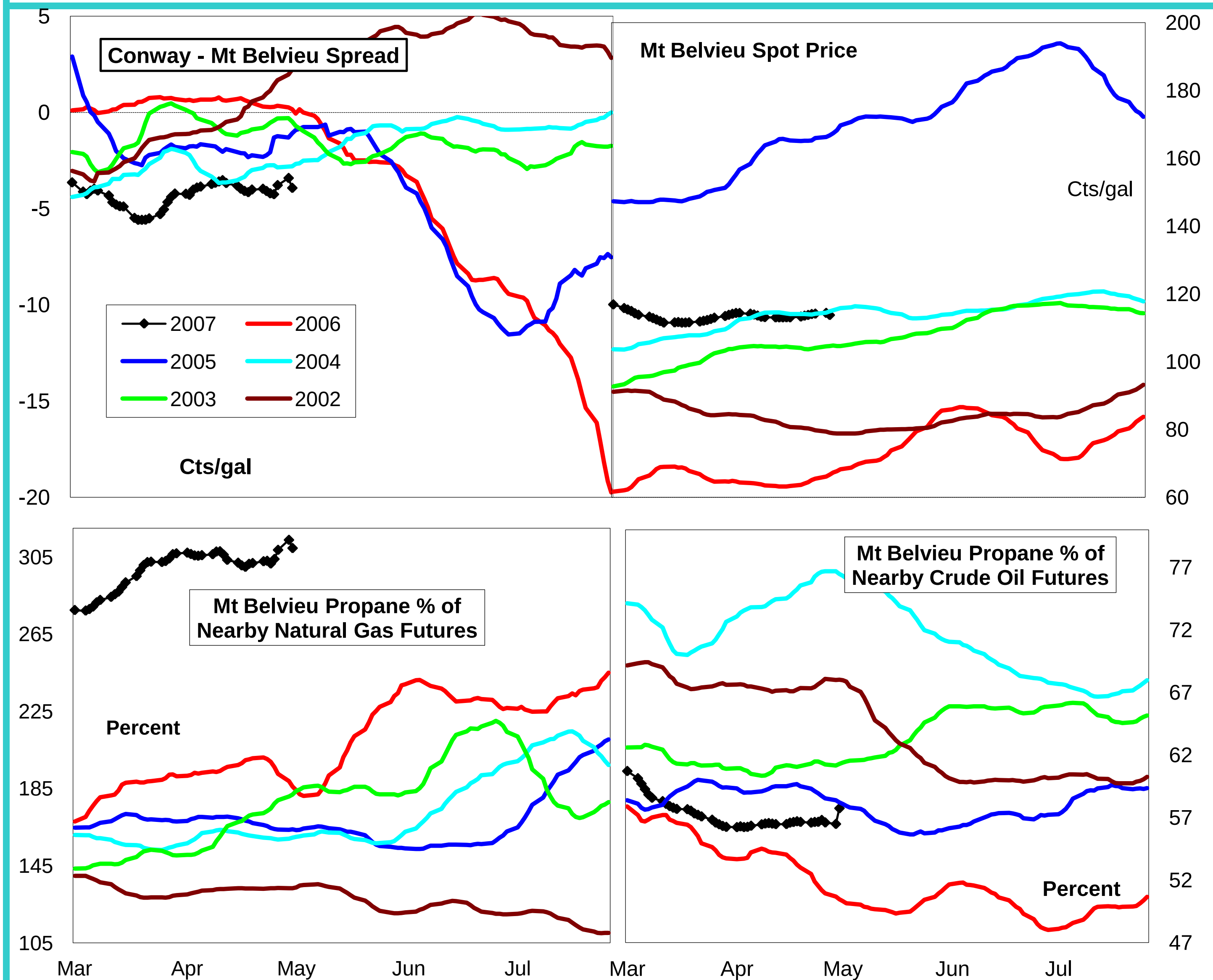
Fundamental Trends for the Week Ending: Friday, April 30, 2010

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	36,178	3,077	15,195	17,253	653	1,765	-78	1,085	745	13
Propylene Stocks	3,064					166				
Production	1,139	59	286	728	66	-35	2	13	-45	-5
Imports	79	18	50	7	4	-26	-5	-27	7	-1
Whsle Demand	895					203				

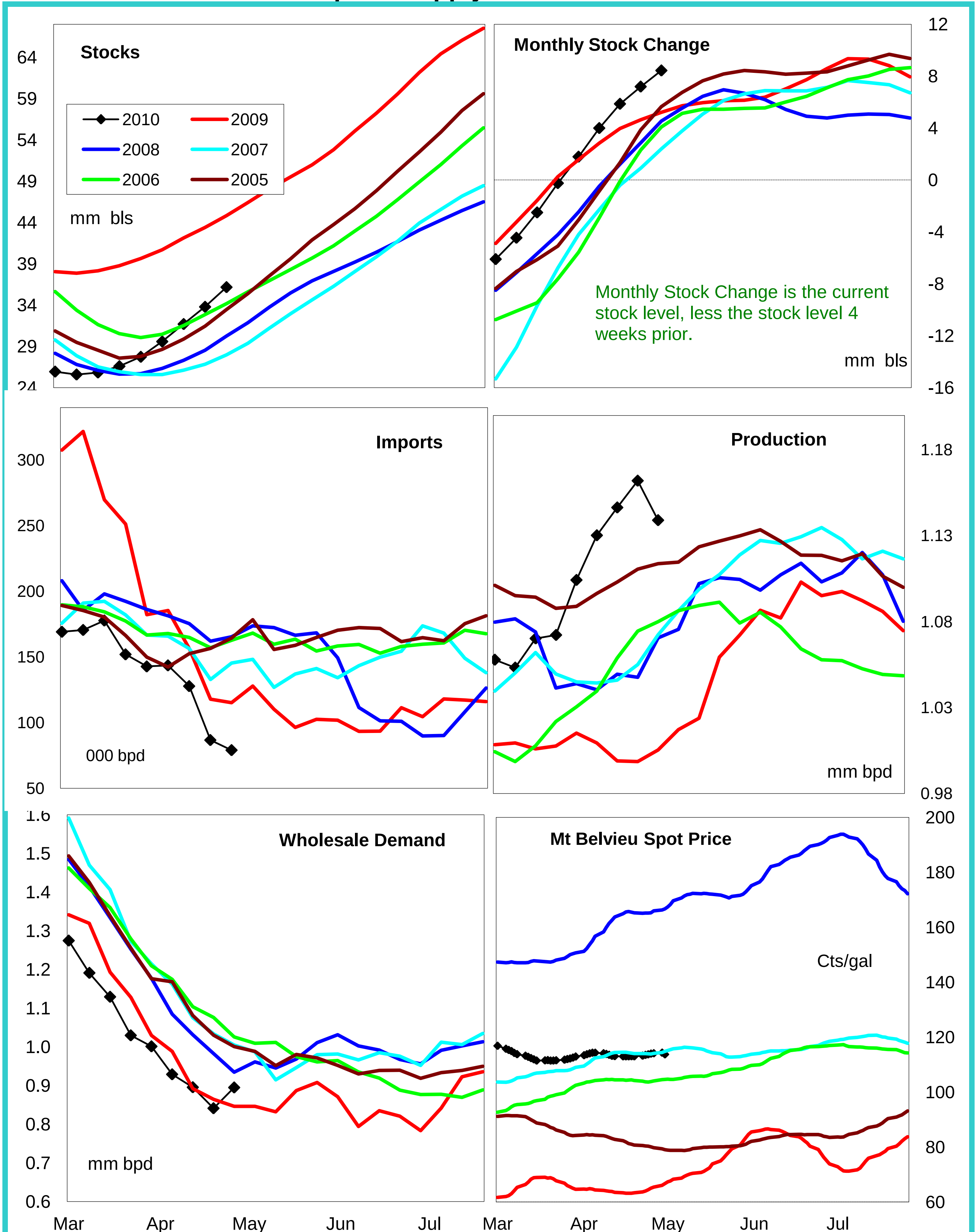
Price Trends for the Week Ending: Tuesday, May 04, 2010

Cents/gal	Average for week ending:				Change from:			% change from:		
	5/4/10	4/27/10	4/6/10	4/24/09	4/27/10	4/6/10	4/24/09	4/27/10	4/6/10	4/24/09
Mont Belvieu Spot	114.1	113.1	113.7	65.3	1.02	-0.62	48.47	0.9	-0.5	74.3
Conway Spot	110.4	108.6	109.2	65.2	1.78	-0.64	44.03	1.6	-0.6	67.5

Key Price Spreads and Differentials

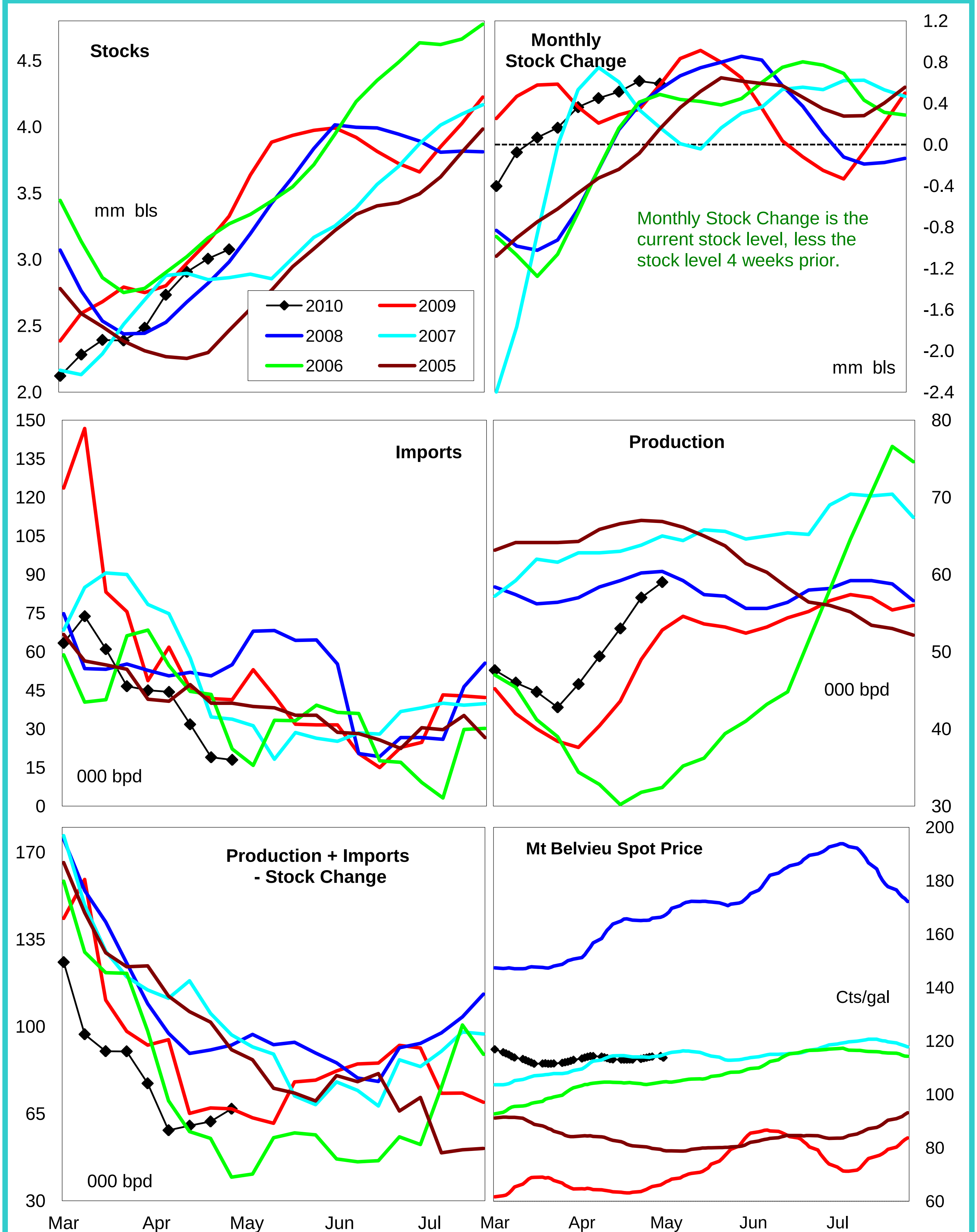


U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Mar	Feb	Jan
000 bpd (000 bls stks)	-9,319	3,218	151	-32		25	-64	133	181
% change	-20.5	62	15.2	-25.4		2.9	-5.5	10.3	12.6

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)	-655	14	8	-30	-12
% change	-17.6	2.5	17.7	-60.8	-15.9

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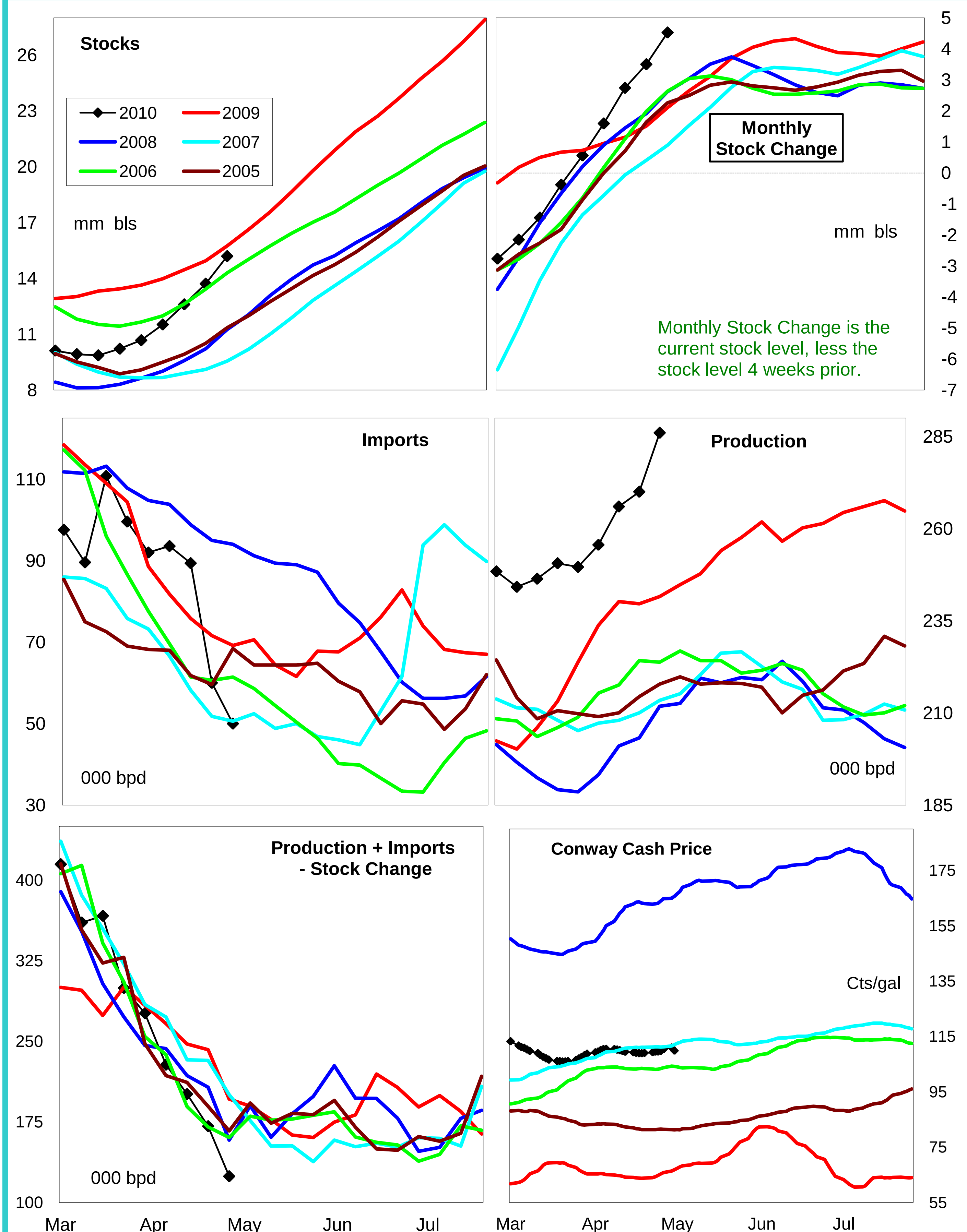
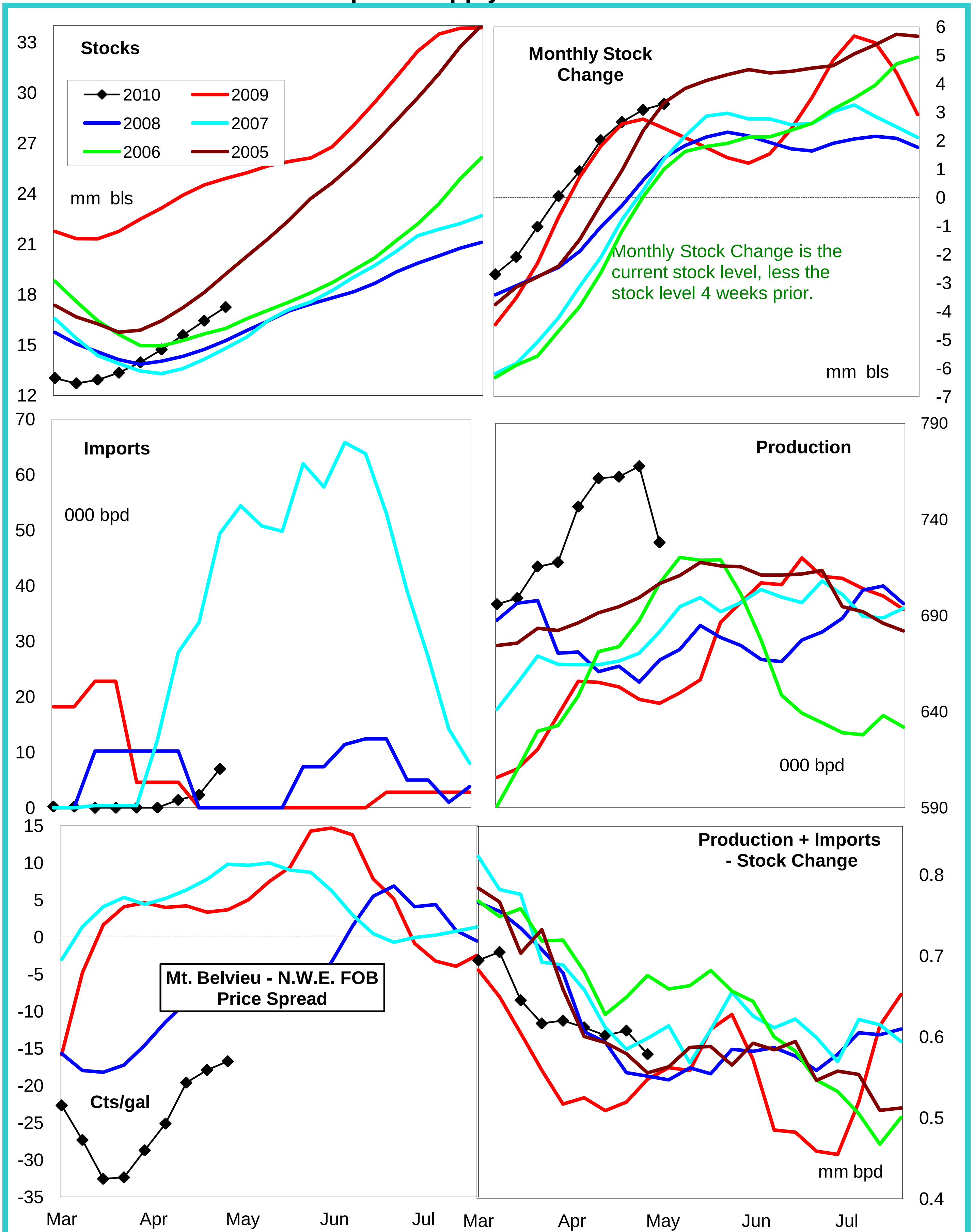
PADD 2 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-658	2,414	26	-4	-57
% change	-4.2	114.4	10.6	-5.3	-23.9

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)	-7,789	862	116	2	75
% change	-31.1	35.4	18.0	#DIV/0!	13.2

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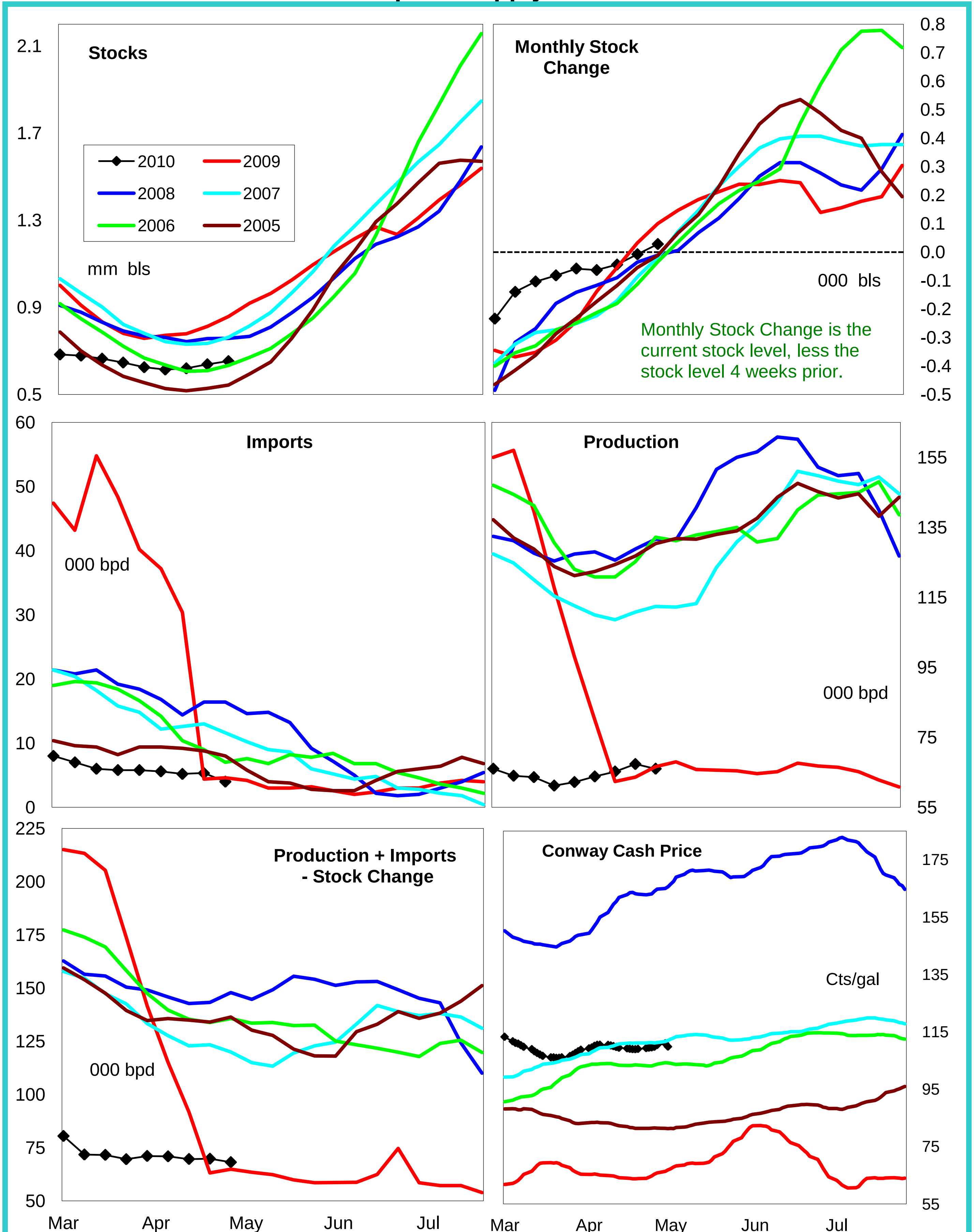
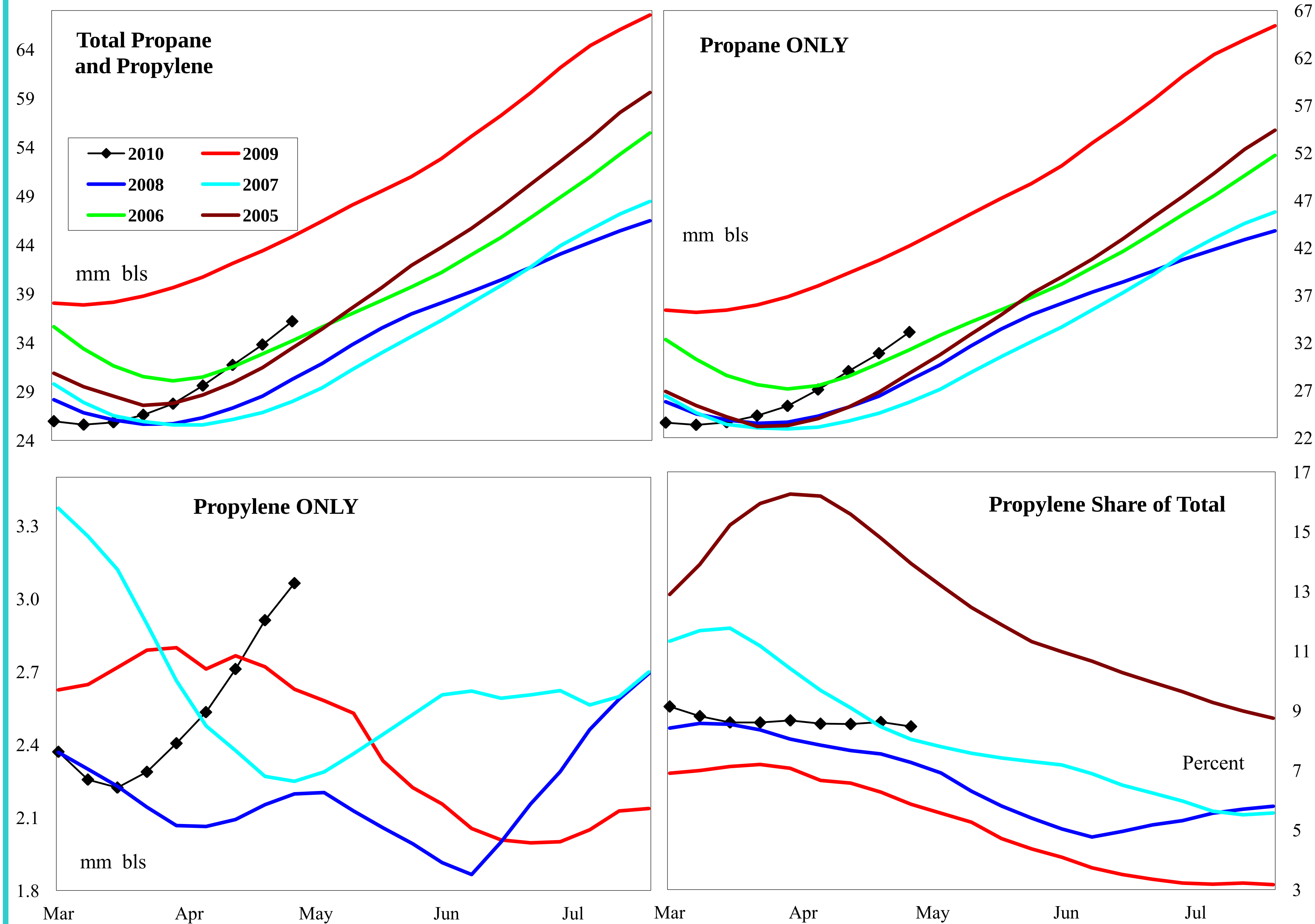
PADDs 4 and 5 Propane Supply and Demand Balance



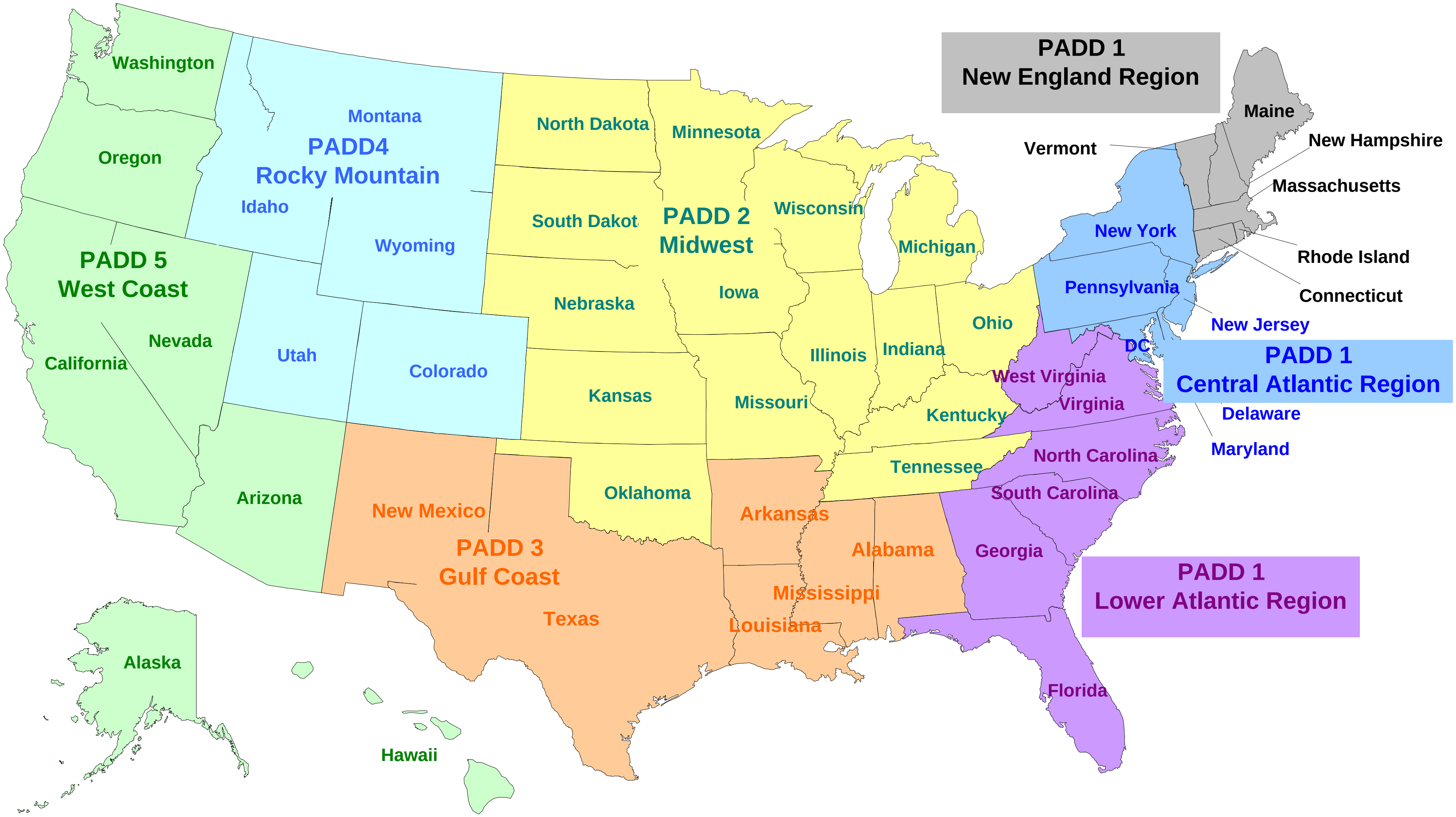
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-217	-72	2	0	-14
% change	-24.9	-72.2	2.3	0.0	-16.9

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-9,319	-9,284	436
% change	-20.5	-21.9	16.6

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



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