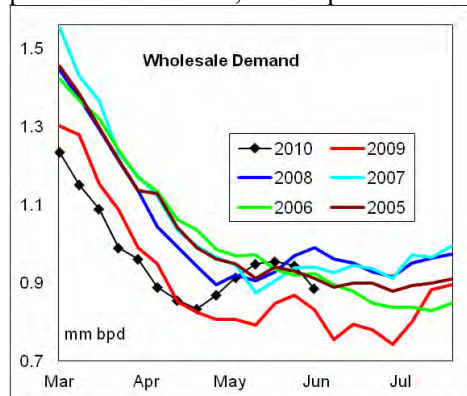

**FUNDAMENTAL
PETROLEUM
TRENDS**

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

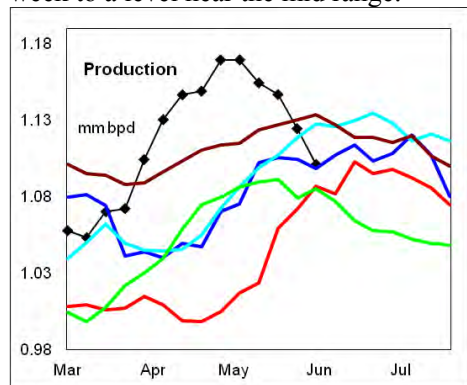
A Fundamental Petroleum Trends Weekly Report

 Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, June 10, 2010

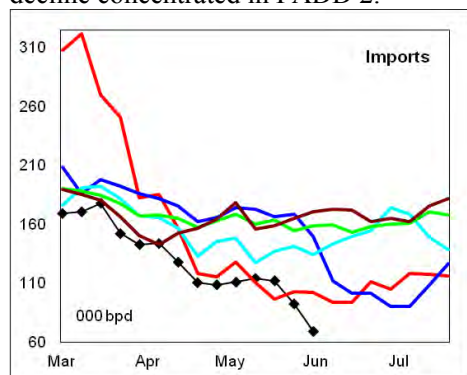

Summary¹: Wholesale demand increased +61,000 bpd last week, following the prior week -292,000 bpd decline.



Production increased +2,000 bpd on the week to a level near the mid range.



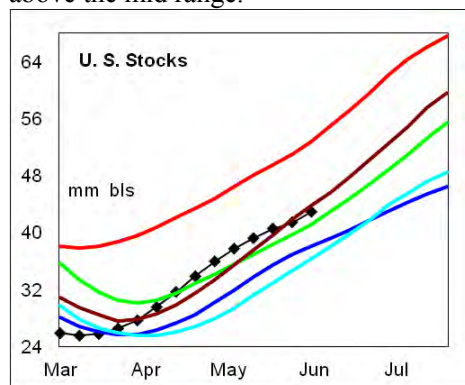
Imports decreased -52,000 bpd with the decline concentrated in PADD 2.



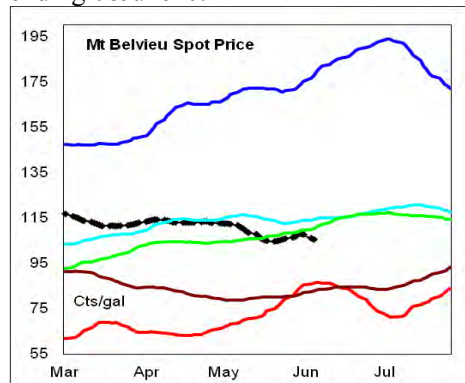
Combined production and imports during the latest 4-wk period were +70,000 bpd above a year ago. Imports declined -3,000 bpd during the period, offset by a +73,000 bpd rise in production. The latest 4-wk average

demand was +148,000 bpd above last year.

Stocks increased +1.2 million barrels on the week, including a +0.8 million barrel build in the Midwest. The latest 4-wk stock change was a build of 5.1 million barrels, below the historic range for the period. Stock levels are above the mid range.



Price and Spreads Mt Belvieu and Conway prices decreased -4 cts/gal and -3 cts/gal, respectively for the week ending 08June10.



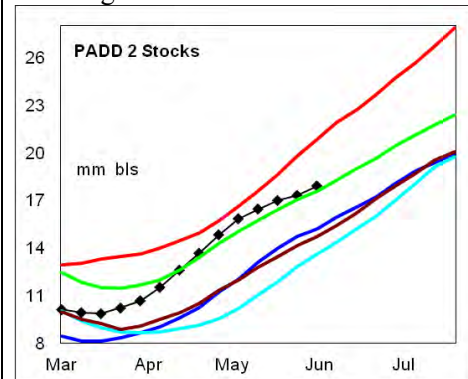
The Conway – Mt Belvieu price spread trended higher late in the week ending 08June10. The spread ended the week at the low end of the 5-year range.

The propane to natural gas price spread extended the recent downtrend on strength in gas prices. The now matches last years' record high for the period.

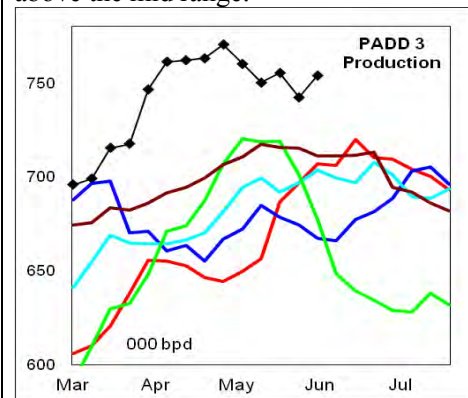
The propane / crude oil price spread traded sideways last week, at a level above the historic mid range.

PADD 1 stocks were nearly unchanged last week. Imports increased +12,000 bpd on the week. Combined production and imports decreased -13,000 bpd compared to a year ago for the latest 4-

wk period. Stock levels are below the mid range.



PADD 2 stocks increased +0.8 million barrels last week. Combined imports and production decreased -68,000 bpd last week. Supply was +36,000 bpd above last year for the latest 4-wk period. The most recent 4-wk stock build of +2.1 million barrels, was below the historic range. Stock levels are well above the mid range.



PAD 3 stocks increased +0.2 million barrels last week. Production increased +31,000 bpd on the week, with the 4-wk average +56,000 bpd above last year, and above the historic range.

PADDs 4 & 5 stocks increased +0.2 million barrels on the week. Stock levels are at the low end of the 5-year range.

Emerging Trends show moderating wholesale demand, following the counter seasonal surge early in the month. The rate of stock building has dropped below the five year range on declines in production and imports. Look for prices to trade within the recent range.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

June 10, 2010

Fundamental Trends for the Week Ending:

Friday, June 04, 2010

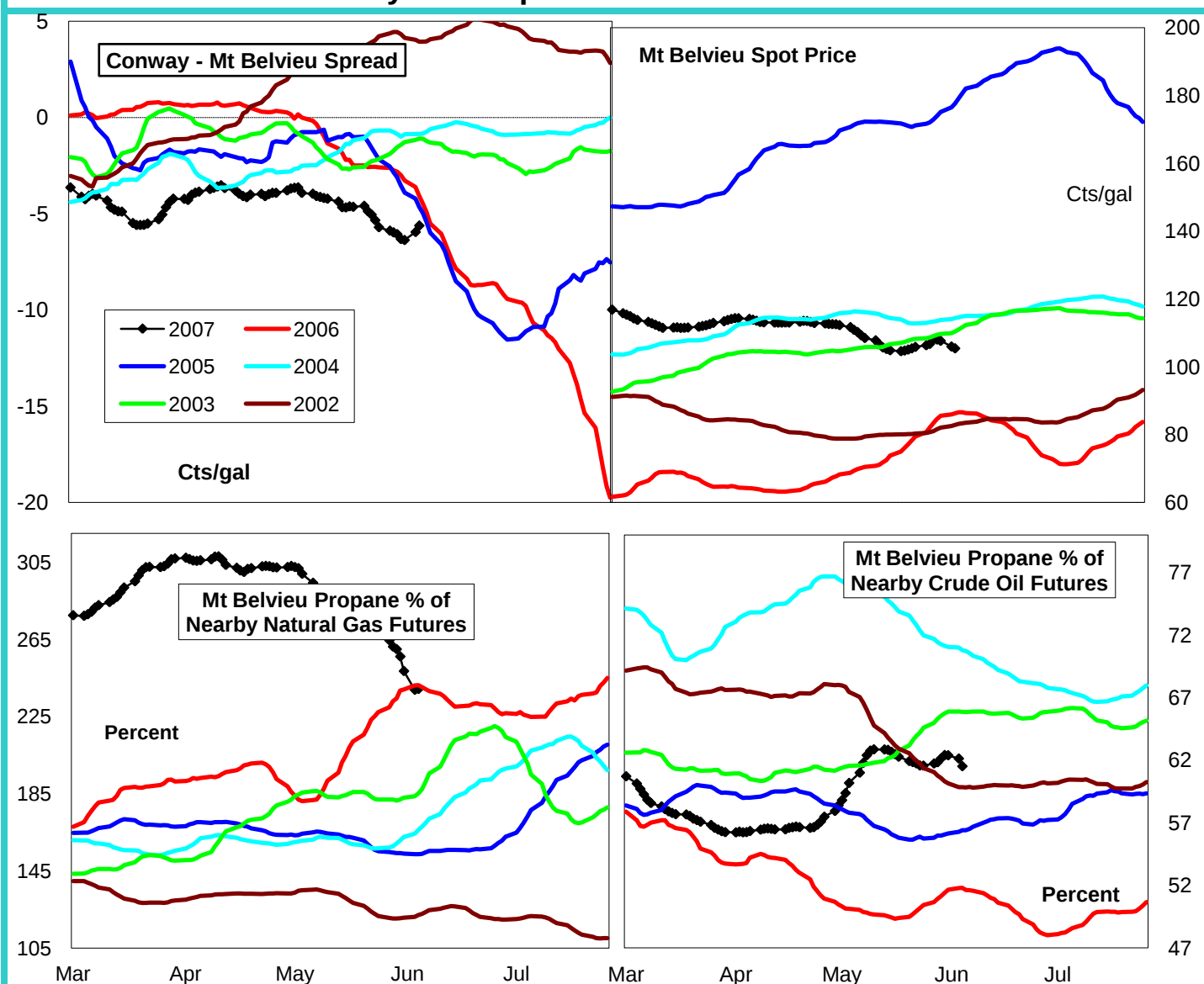
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	42,894	3,346	17,899	20,670	979	1,204	14	764	236	190
Propylene Stocks	3,396					163				
Production	1,101	42	263	754	42	2	-9	-6	31	-14
Imports	69	28	39	0	3	-52	12	-62	0	-2
Whsle Demand	926					61				

Price Trends for the Week Ending:

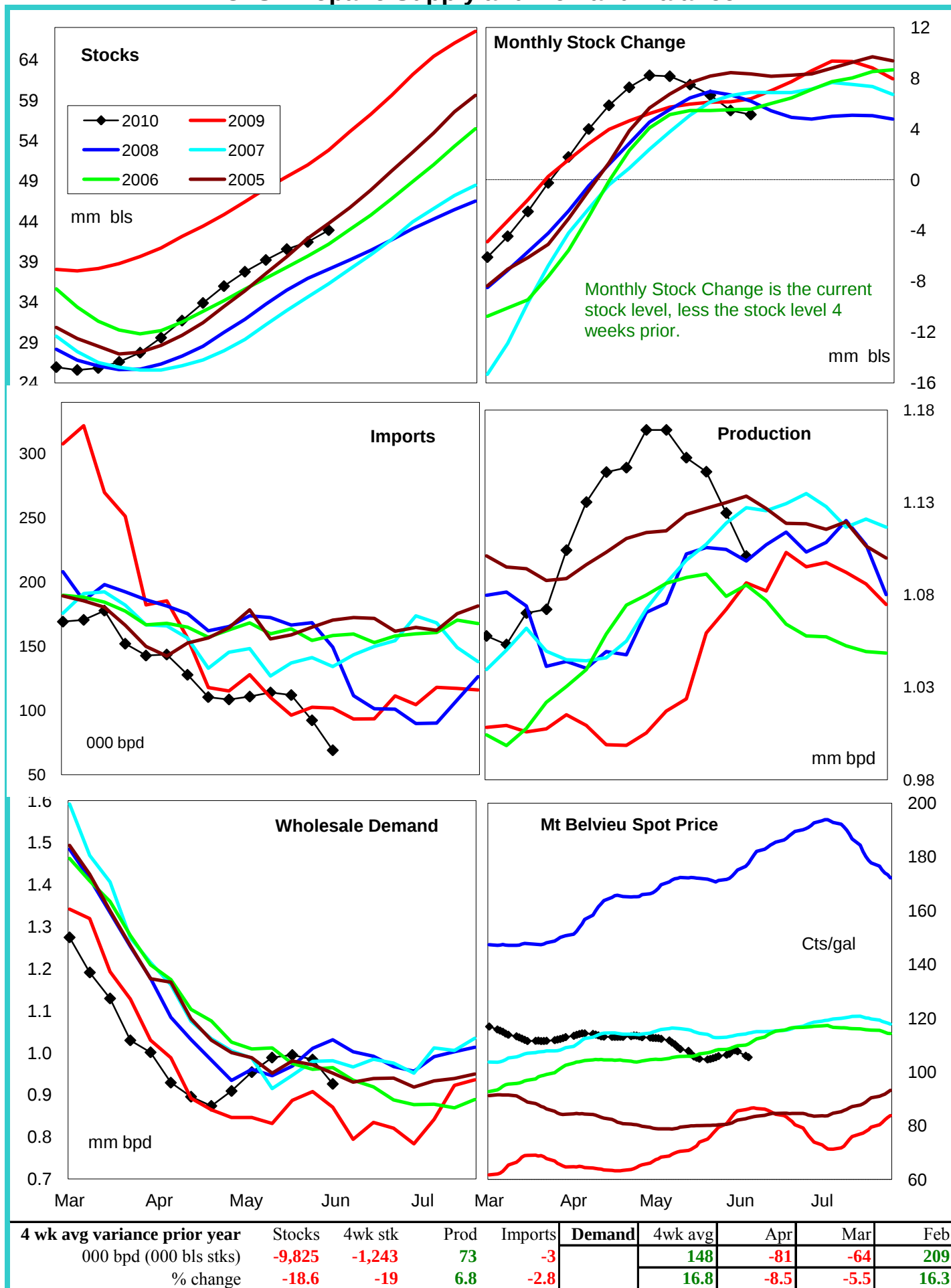
Tuesday, June 08, 2010

Cents/gal	Average for week ending:				Change from:			% change from:		
	6/8/10	6/1/10	5/10/10	5/29/09	6/1/10	5/10/10	5/29/09	6/1/10	5/10/10	5/29/09
Mont Belvieu Spot	107.7	107.3	110.9	85.6	0.36	-3.64	25.39	0.3	-3.3	29.7
Conway Spot	101.3	101.9	107.7	82.2	-0.63	-5.81	25.54	-0.6	-5.4	31.1

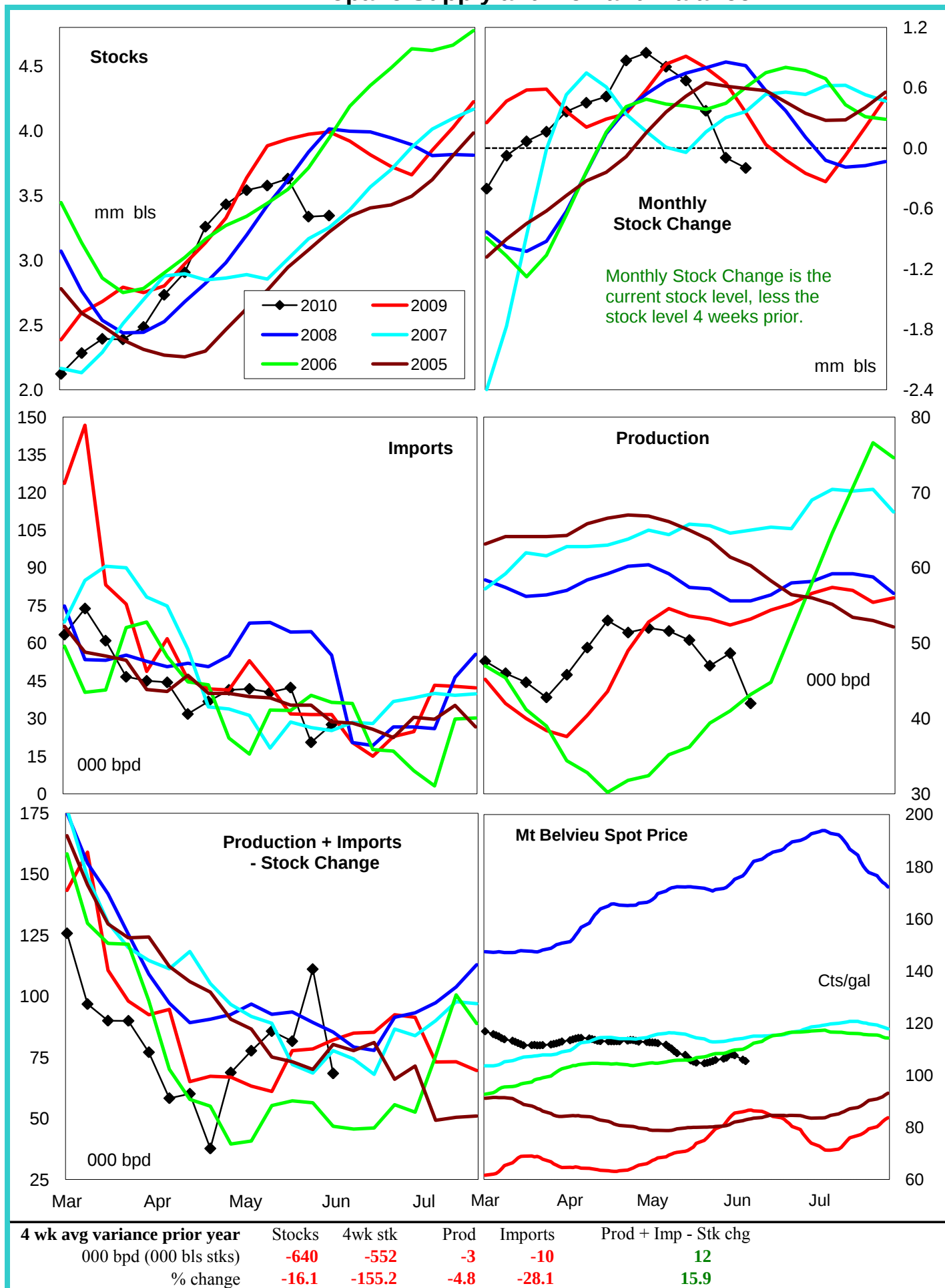
Key Price Spreads and Differentials



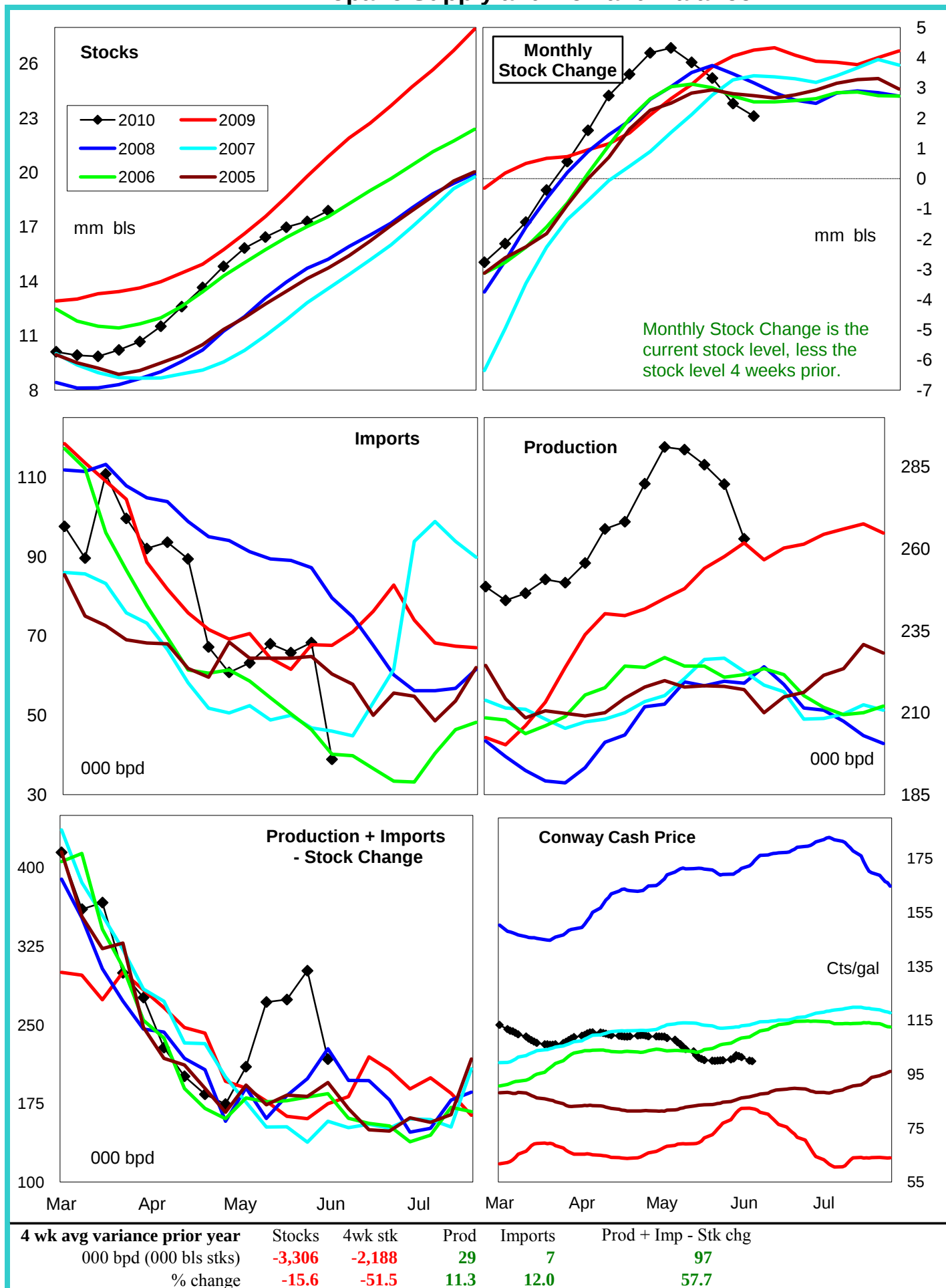
U. S. Propane Supply and Demand Balance



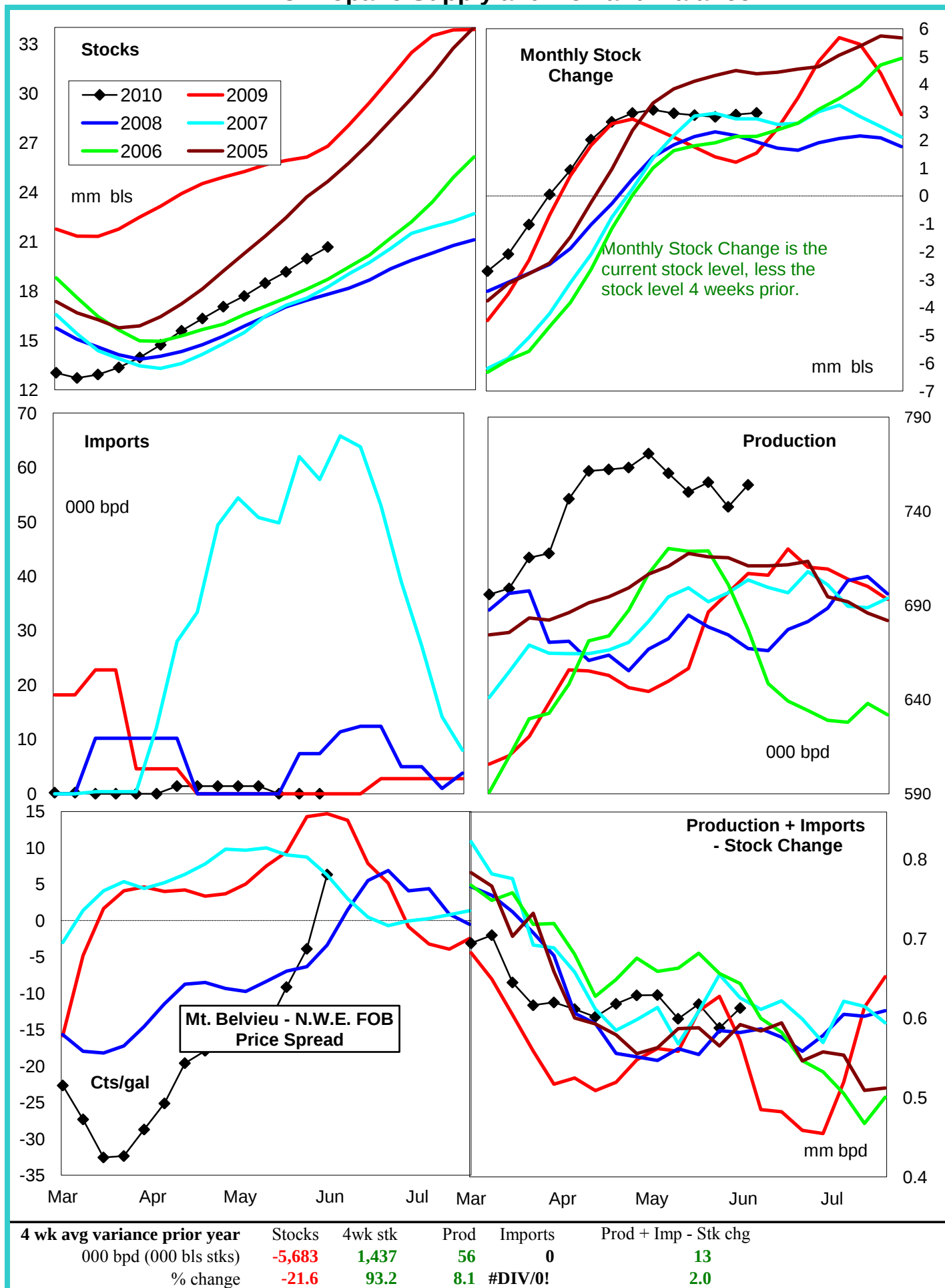
PADD 1 Propane Supply and Demand Balance



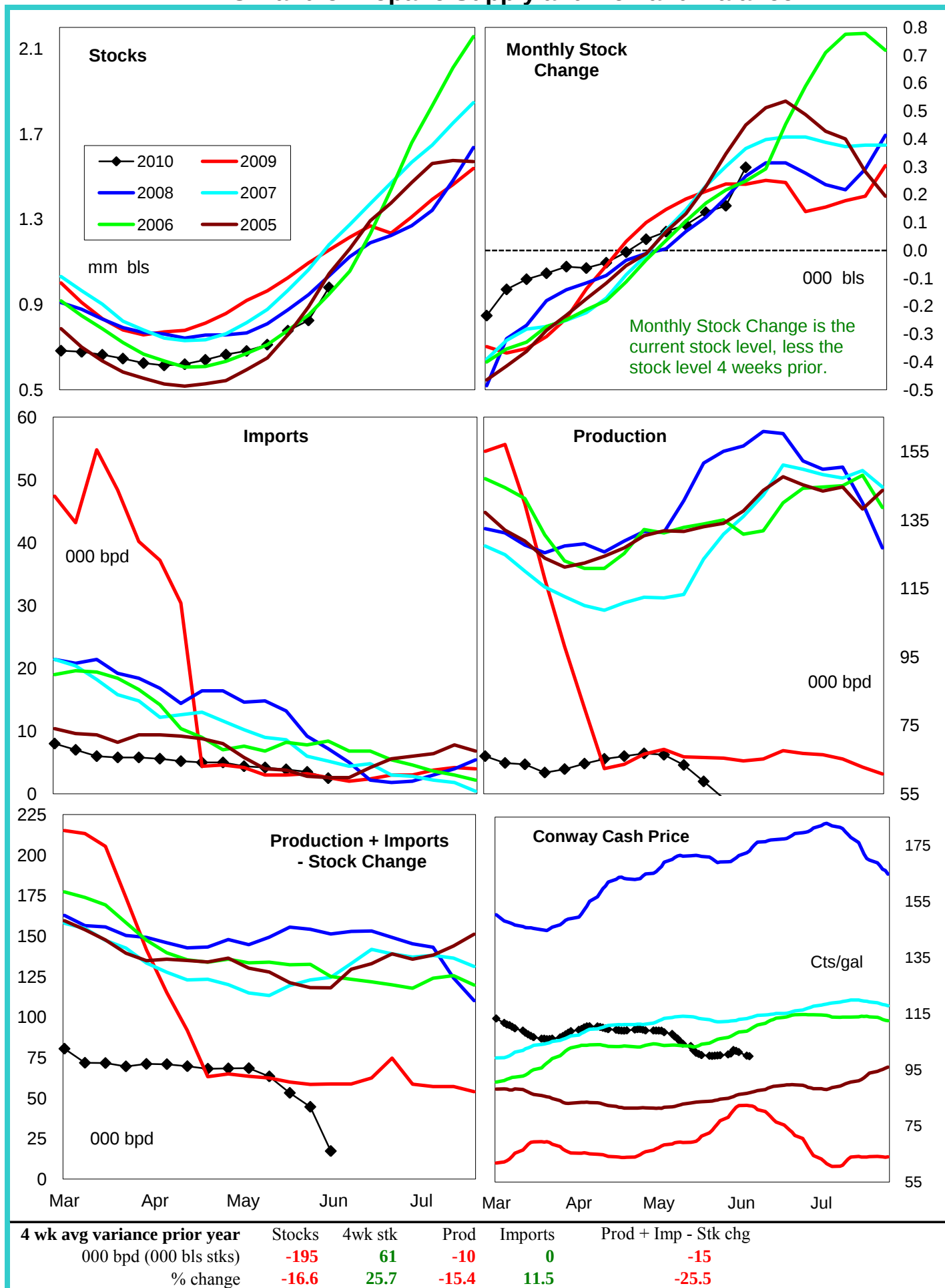
PADD 2 Propane Supply and Demand Balance



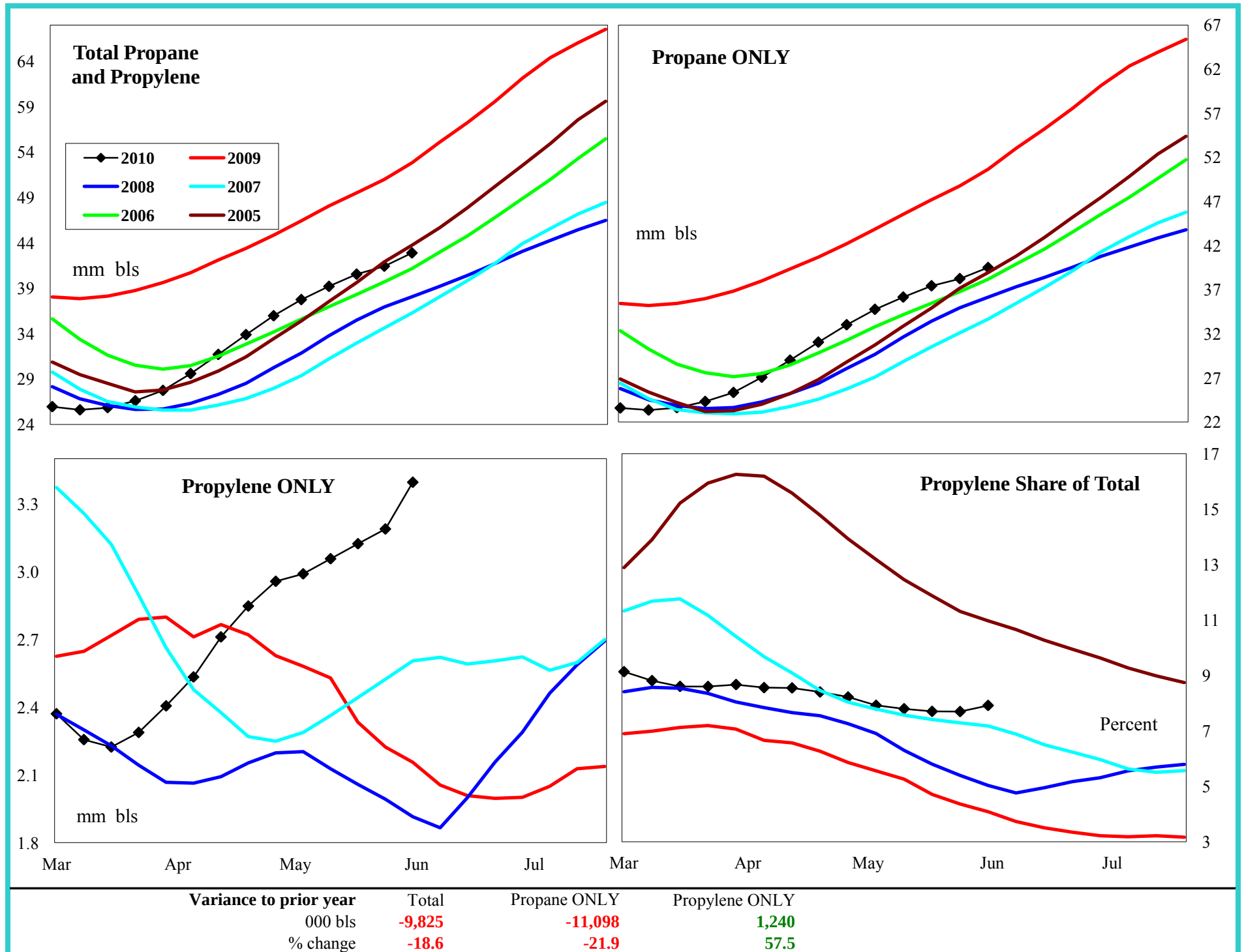
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

