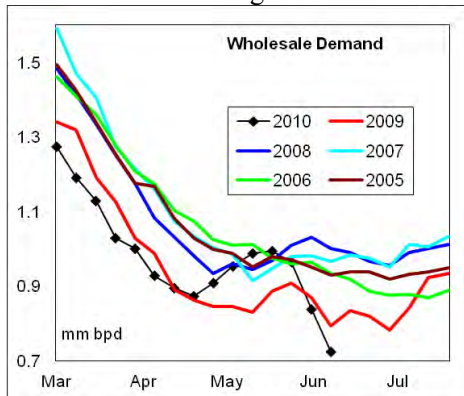

**FUNDAMENTAL
PETROLEUM
TRENDS**

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

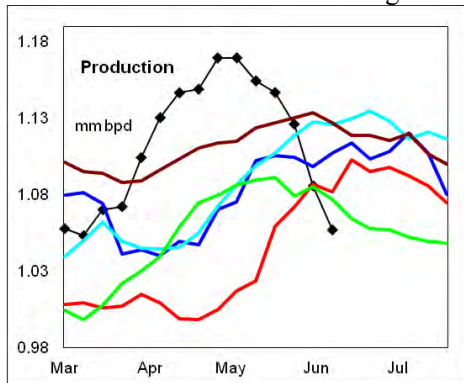
A Fundamental Petroleum Trends Weekly Report

 Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, June 16, 2010

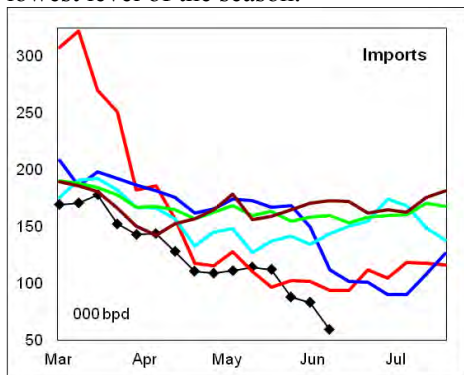

Summary¹: Wholesale demand decreased -201,000 last week, falling below the historic range.



Production declined -44,000 bpd on the week to a level below the mid range.



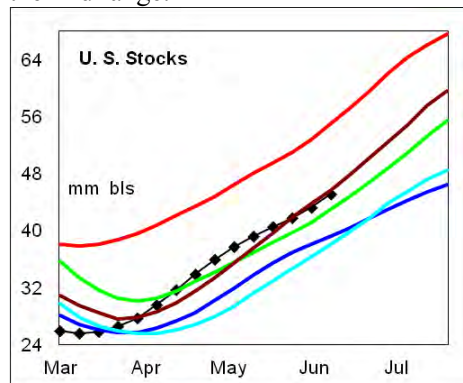
Imports decreased -10,000 bpd to the lowest level of the season.



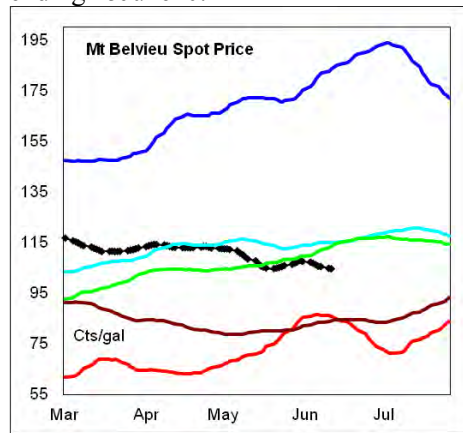
Combined production and imports during the latest 4-wk period were -3,000 bpd above a year ago. Imports declined -20,000 bpd during the period, offset by a +23,000 bpd rise in production. The latest 4-wk average

demand was -15,000 bpd below last year.

Stocks increased +2.2 million barrels on the week, including a +1.6 million barrel build in the Midwest. The latest 4-wk stock change was a build of +6 million barrels, at the low end of the historic range. Stock levels are above the mid range.



Price and Spreads Mt Belvieu and Conway prices decreased -1 ct/gal and -2.50 cts/gal; respectively for the week ending 15June10.



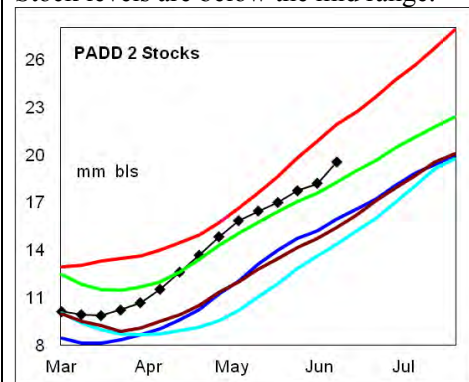
The Conway – Mt Belvieu price spread trended lower during the week ending 16June10. The spread ended the week comparable to the last two years.

The propane to natural gas price spread extended the recent downtrend on strength in gas prices. The spread was at the upper end of the historic range.

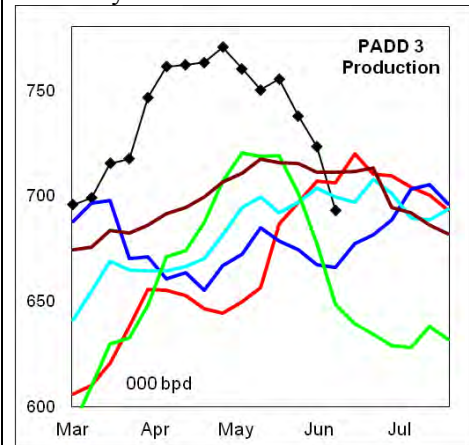
The propane / crude oil price spread trended lower last week, on strength in crude oil prices. The spread level ended the week below the mid range.

PADD 1 stocks were increased +0.1million barrels on the week.

Combined production and imports decreased -21,000 bpd compared to a year ago for the latest 4-wk period. Stock levels are below the mid range.



PADD 2 stocks increased +1.6 million barrels last week. Combined imports and production decreased -6,000 bpd last week. Supply was +12,000 bpd above last year for the latest 4-wk period. The most recent 4-wk stock build of +3.4 million barrels, was at the historic mid range. Stock levels are above four of the last five years.



PADD 3 stocks increased +0.4 million barrels last week. Production fell -61,000 bpd on the week, with the 4-wk average +23,000 bpd above last year.

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

Emerging Trends show significant slowing in wholesale demand which fell below the historic range. However, production and imports also fell below the historic range. The market remains well supplied. Look for prices to trend seasonally higher after mid summer.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

June 16, 2010

Fundamental Trends for the Week Ending:

Friday, June 11, 2010

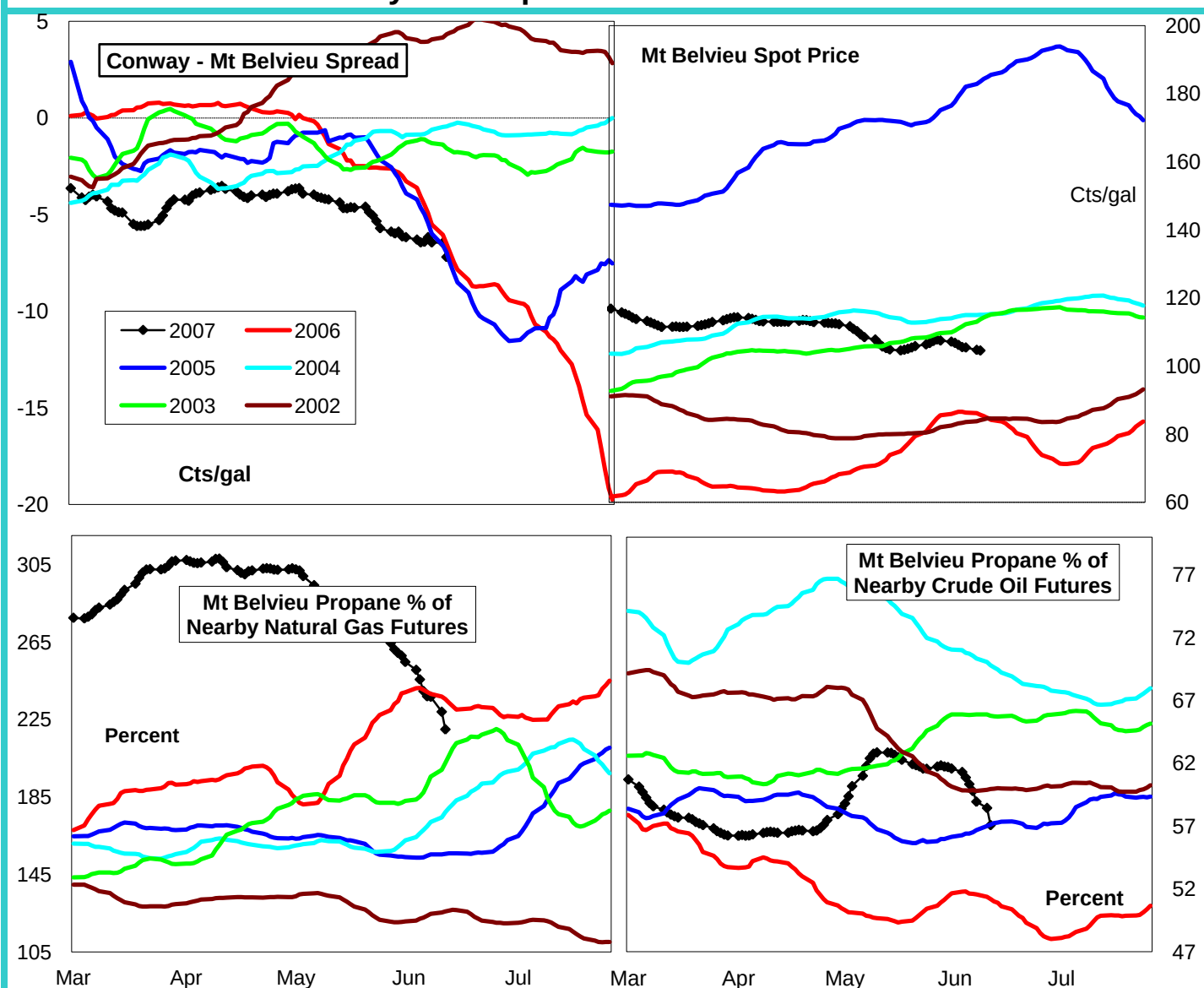
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	45,130	3,434	19,530	21,074	1,092	2,236	88	1,631	404	113
Propylene Stocks	3,218					-178				
Production	1,057	42	271	693	51	-44	0	8	-61	9
Imports	59	18	37	0	4	-10	-10	-2	0	2
Whsle Demand	725					-201				

Price Trends for the Week Ending:

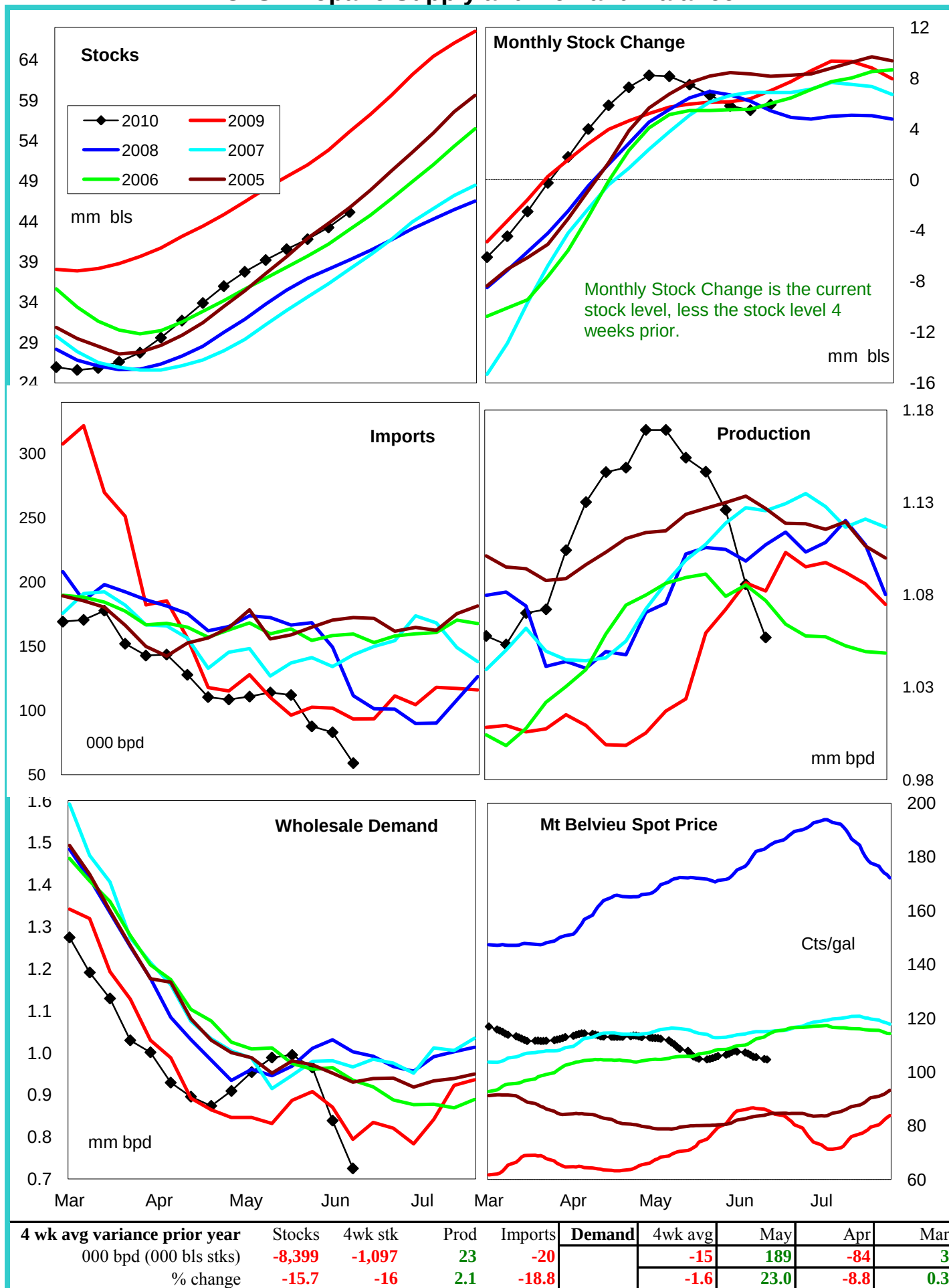
Tuesday, June 15, 2010

Cents/gal	Average for week ending:				Change from:			% change from:		
	6/15/10	6/8/10	5/17/10	6/5/09	6/8/10	5/17/10	6/5/09	6/8/10	5/17/10	6/5/09
Mont Belvieu Spot	105.5	107.7	110.3	87.8	-2.21	-2.60	22.46	-2.1	-2.4	25.6
Conway Spot	99.0	101.3	105.3	82.7	-2.28	-3.96	22.54	-2.2	-3.8	27.2

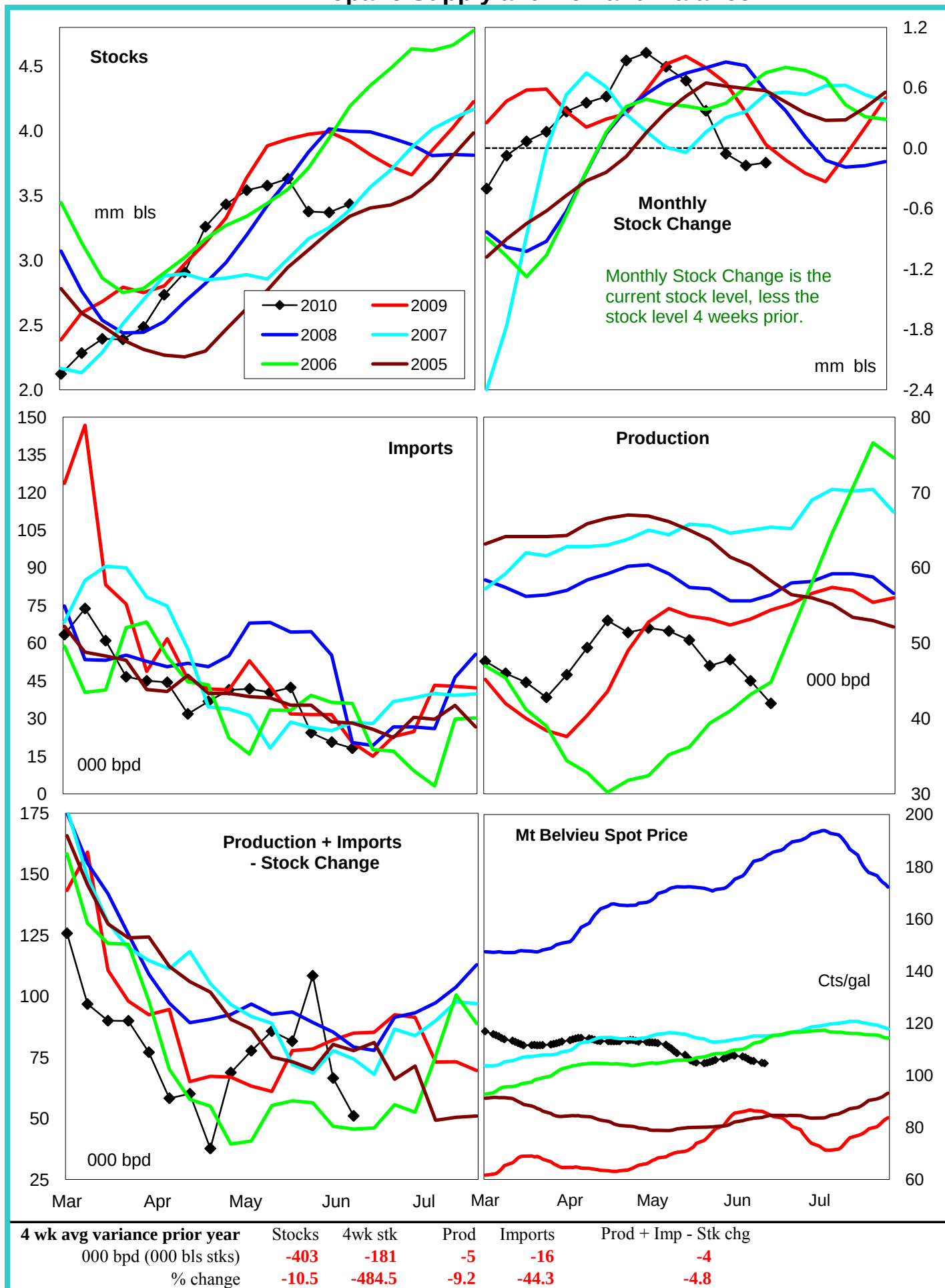
Key Price Spreads and Differentials



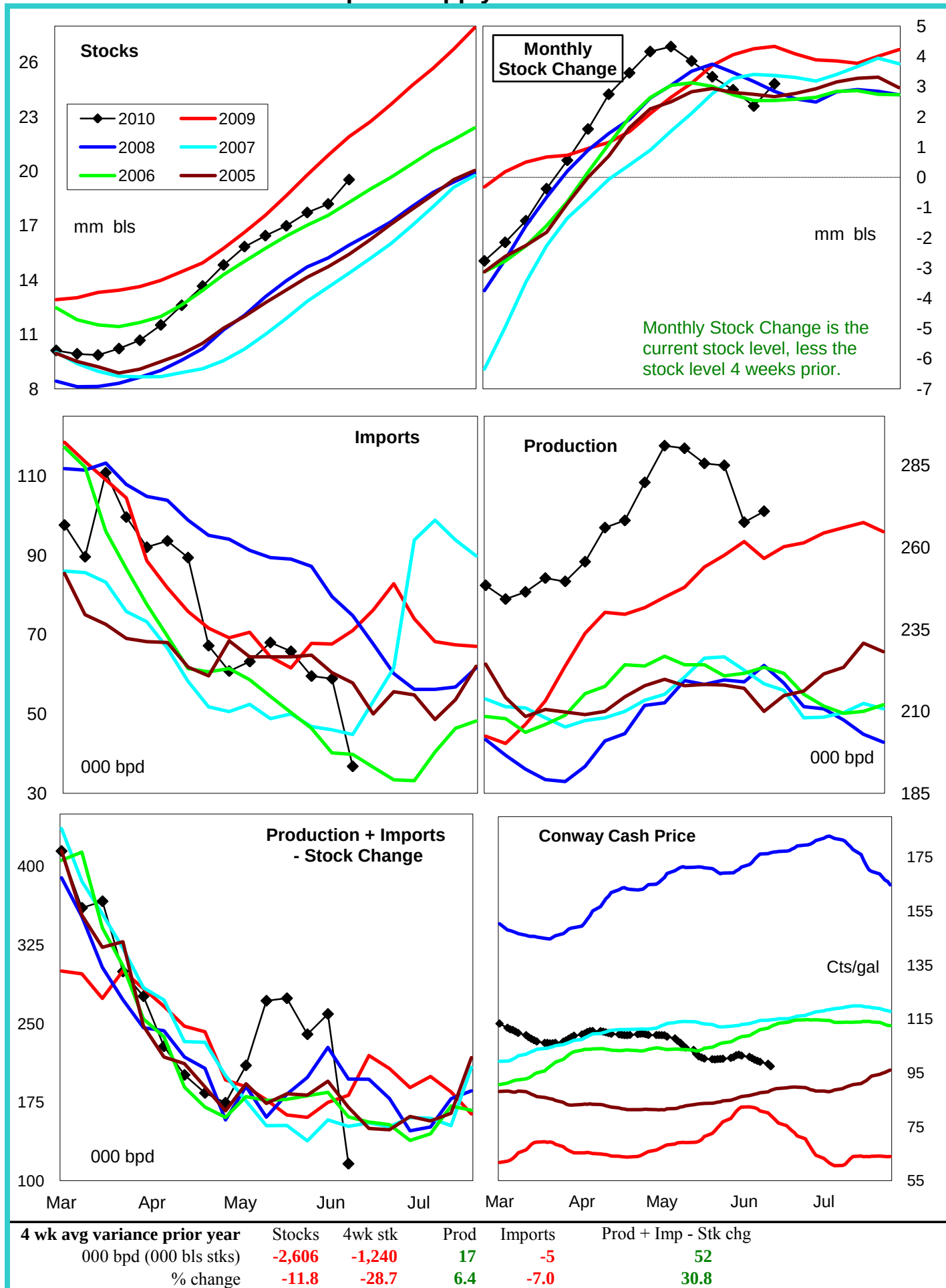
U. S. Propane Supply and Demand Balance



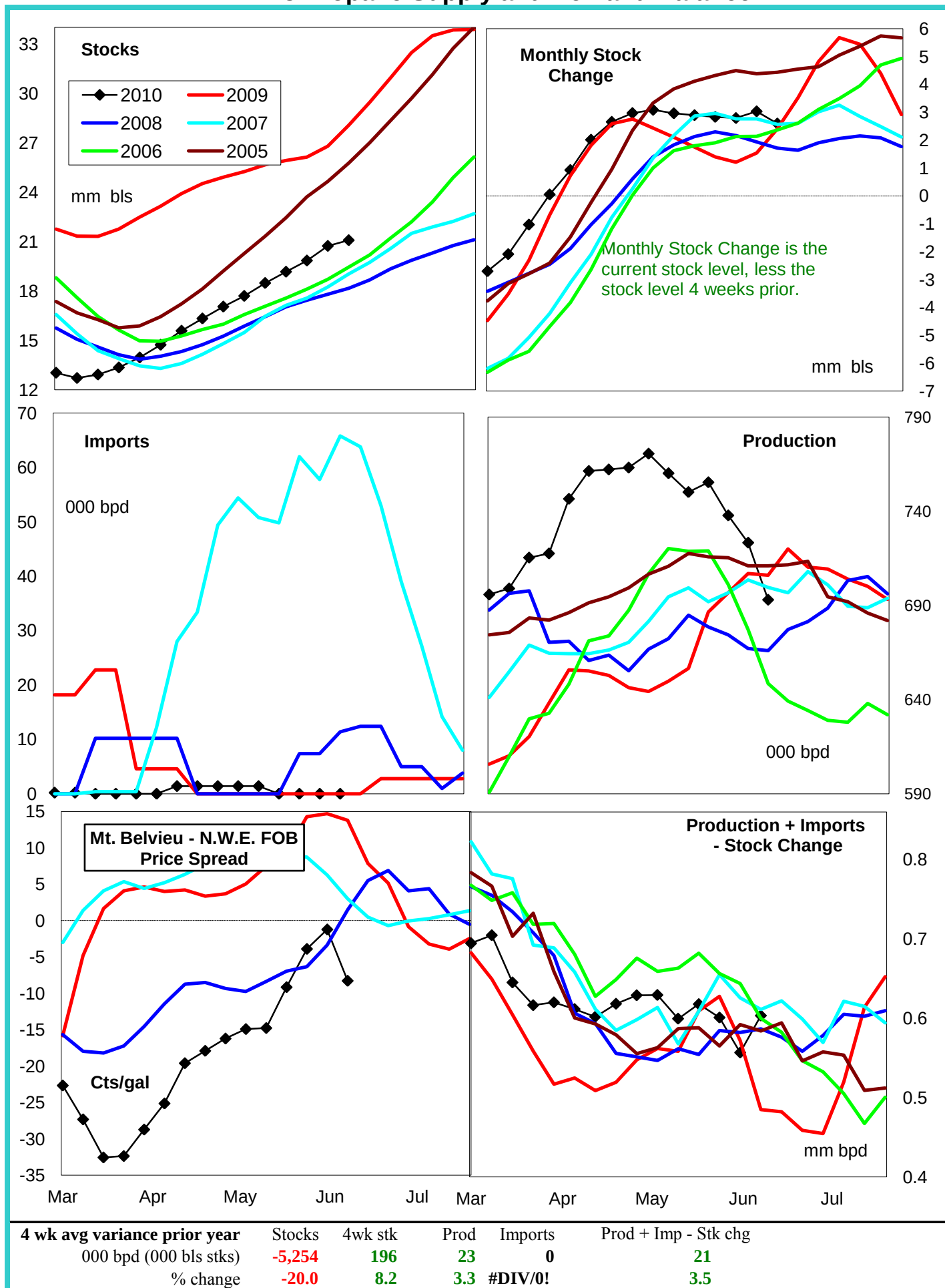
PADD 1 Propane Supply and Demand Balance



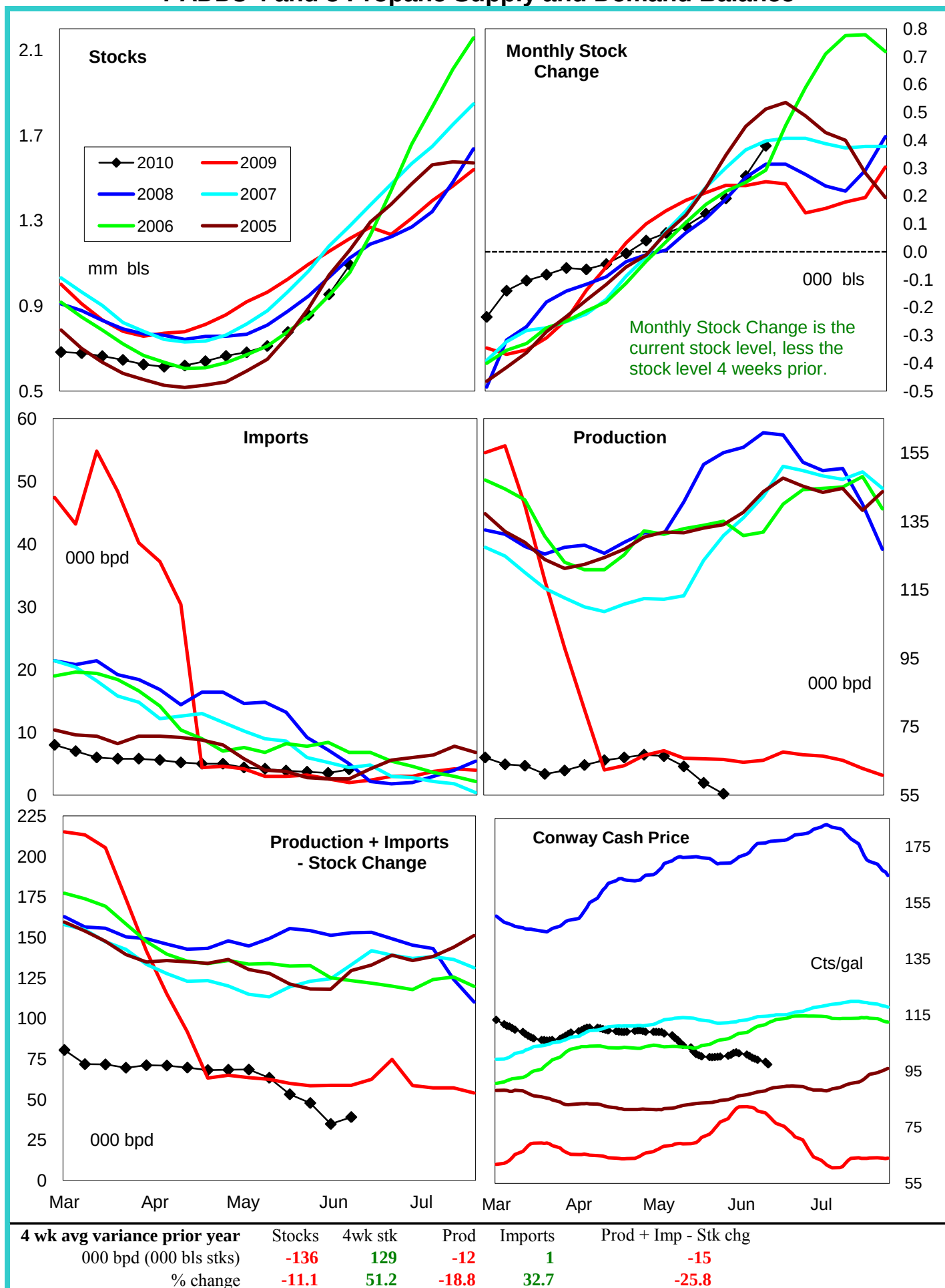
PADD 2 Propane Supply and Demand Balance



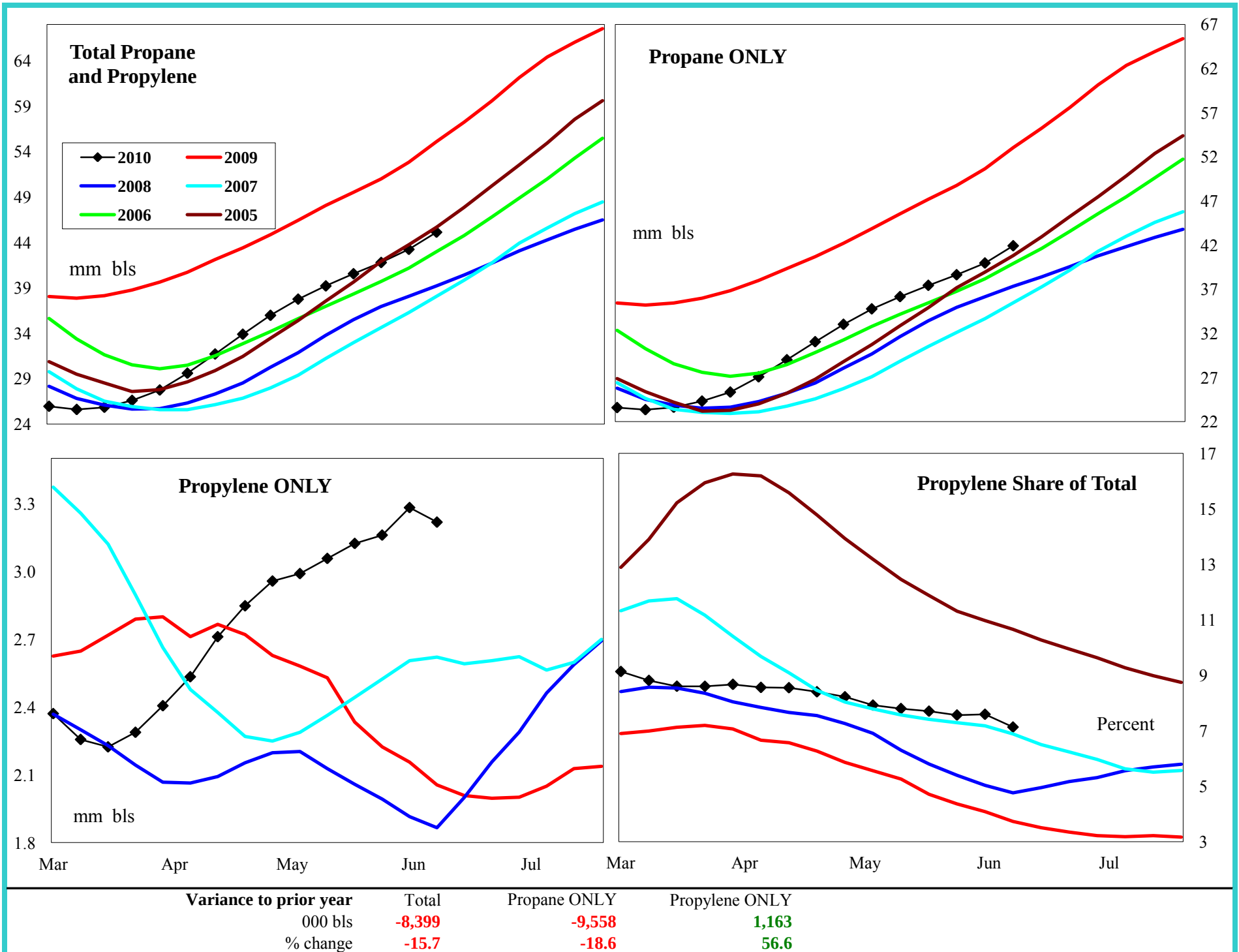
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

