WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Sunday, November 28, 2010

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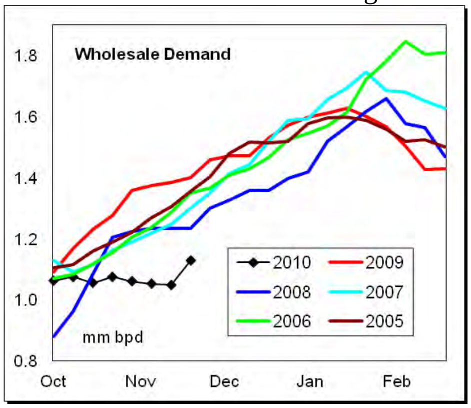
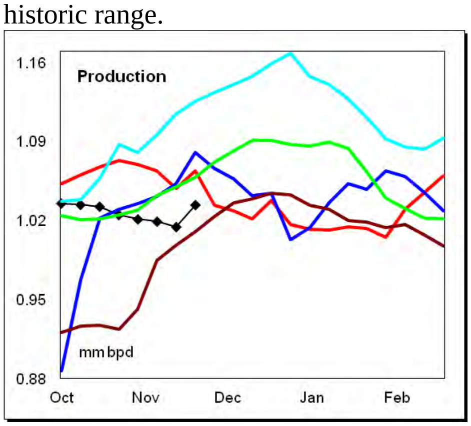
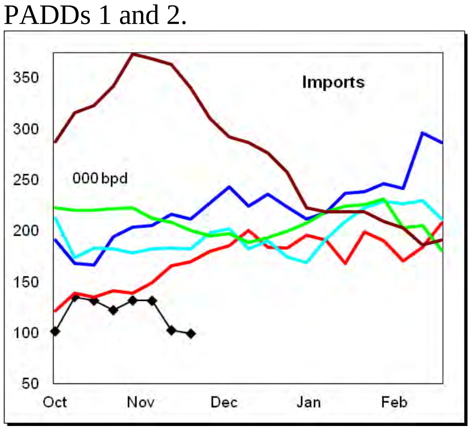
Summary[1]: Wholesale demand increased +198,000 bpd last week, but remain at a level well below the historic range.



Production increased +28,000 bpd on the week, with the level at the low end of the historic range.

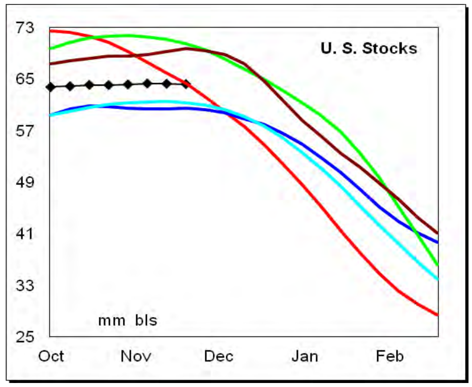


Imports decreased -44,000 bpd last week, with the decline concentrated in PADDs 1 and 2.

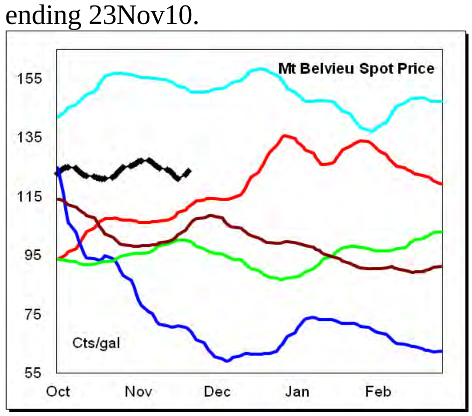


Combined production and imports during the latest 4-wk period were -90,000 bpd below a year ago. Production was -43,000 bpd below last year, and near historic lows. The latest 4-wk average demand was -364,000 bpd below last year, and well below the historic range.

Stocks decreased -0.5 million barrels this week. The U.S. stock level is now at the 5-year mid range; with stocks in PADD 2 at record highs, offset by a record low stock level in PADD 3.



Price and Spreads Mt Belvieu spot prices increased +2.5 cts/gal and Conway increased +0.5 cts/gal lower for the week ending 23Nov10.



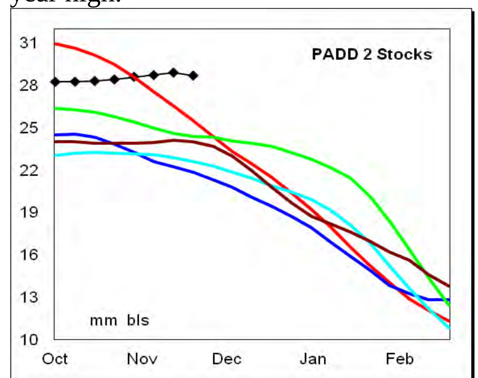
The Conway – Mt Belvieu price spread fell sharply last week ending 23Nov10. The spread ended the week well below the historic range.

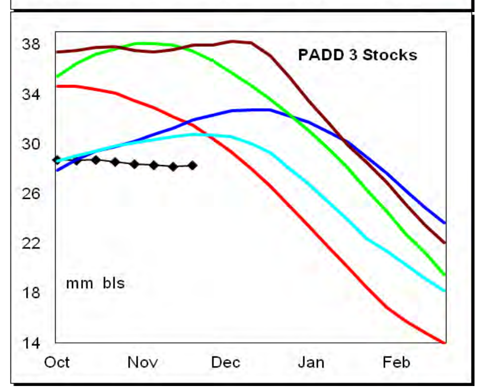
The propane to natural gas price spread traded lower last week on strength in natural gas prices. The spread remains well above the historic range.

The propane / crude oil price spread trended hiher on the week, ending above the level of the last 2-years.

PADD 1 stocks decreased -0.1 million barrels on lower imports. Combined production and imports decreased -53,000 bpd, with both production and imports below the historic range. Supply for the latest 4-wk period was +13,000 bpd above a year ago. Stock levels were above the 5-year mid range.

PADD 2 stocks decreased -0.4 million barrels last week, well below the average for this time of year. Production matched the 5-year high for this time of year while imports were well below the historic range. Stock levels are now +3.5 million barrels above the prior 5-year high.





PAD 3 stocks were unchanged on the week. Production increased +37,000 bpd on the week, to the upper end of the historic range. Stock levels were -3.3 million barrels below the previous 5-year low for the period.

PADDs 4 & 5 stocks were unchanged last week. Stock levels were below the 5-year range.

Emerging Trends *show continued weak demand, partially offset by record low supply. Stock levels now match the 5-year mid range. Much colder than normal temperatures in the eastern 1/2 half of the country should support prices.*

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

November 28, 2010

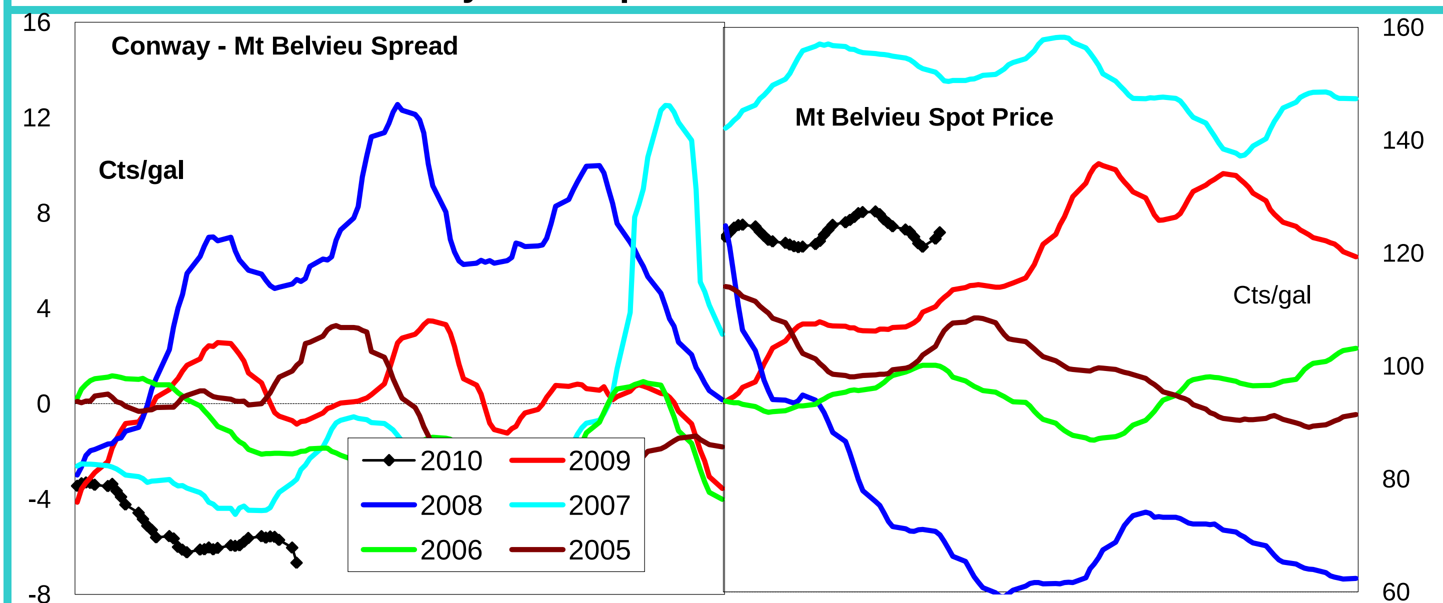
Fundamental Trends for the Week Ending: Friday, November 19, 2010

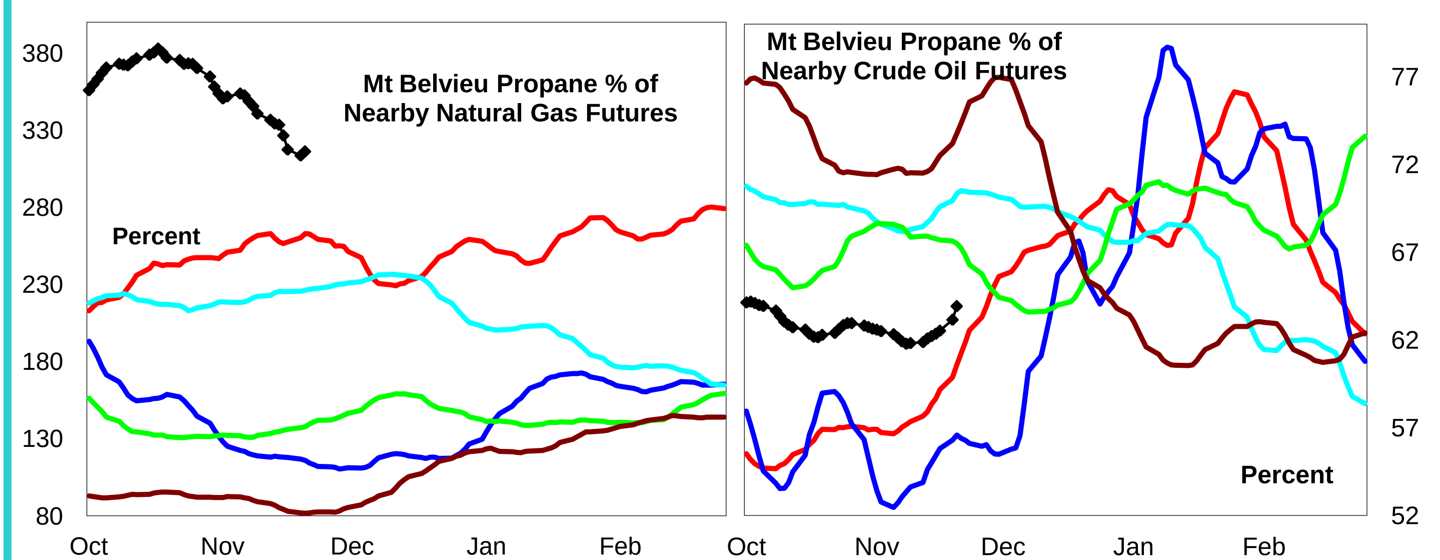
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	64,234	5,297	28,676	28,262	1,999	-542	-142	-397	-14	11
Propylene Stocks	2,090					-57				
Production	1,034	39	238	708	49	28	-3	-4	37	-2
Imports	99	26	60	0	12	-42	-57	16	0	-2
Whsle Demand	1,129					198				

Price Trends for the Week Ending: Tuesday, October 26, 2010

Cents/gal	Average for week ending:				Change from:			% change from:		
	10/26/10	10/19/10	9/28/10	10/16/09	10/19/10	9/28/10	10/16/09	10/19/10	9/28/10	10/16/09
Mont Belvieu Spot	121.1	125.8	121.2	109.1	-4.63	4.58	12.12	-3.7	3.8	11.1
Conway Spot	115.4	120.3	114.9	107.9	-4.88	5.39	7.01	-4.1	4.7	6.5

Key Price Spreads and Differentials





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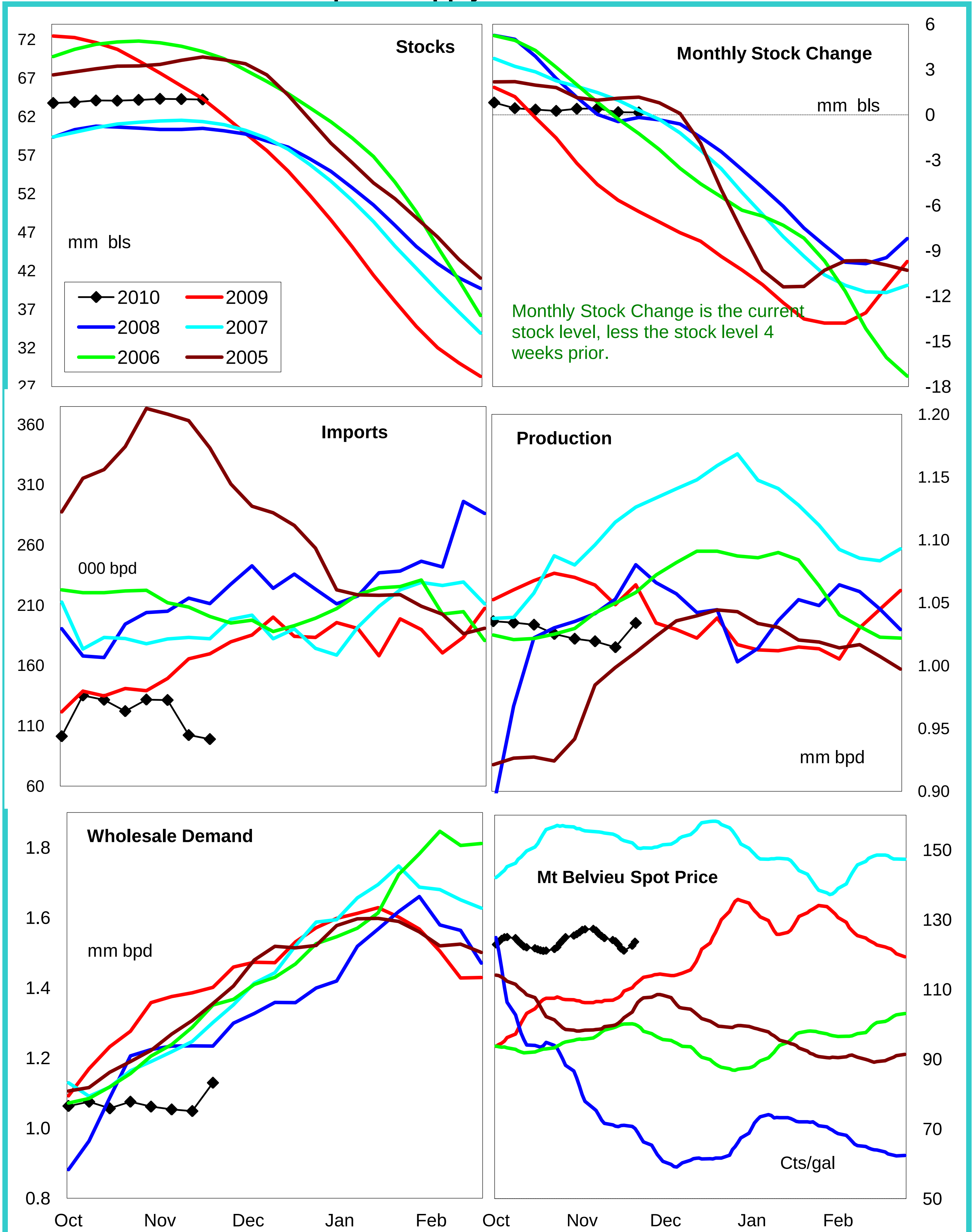
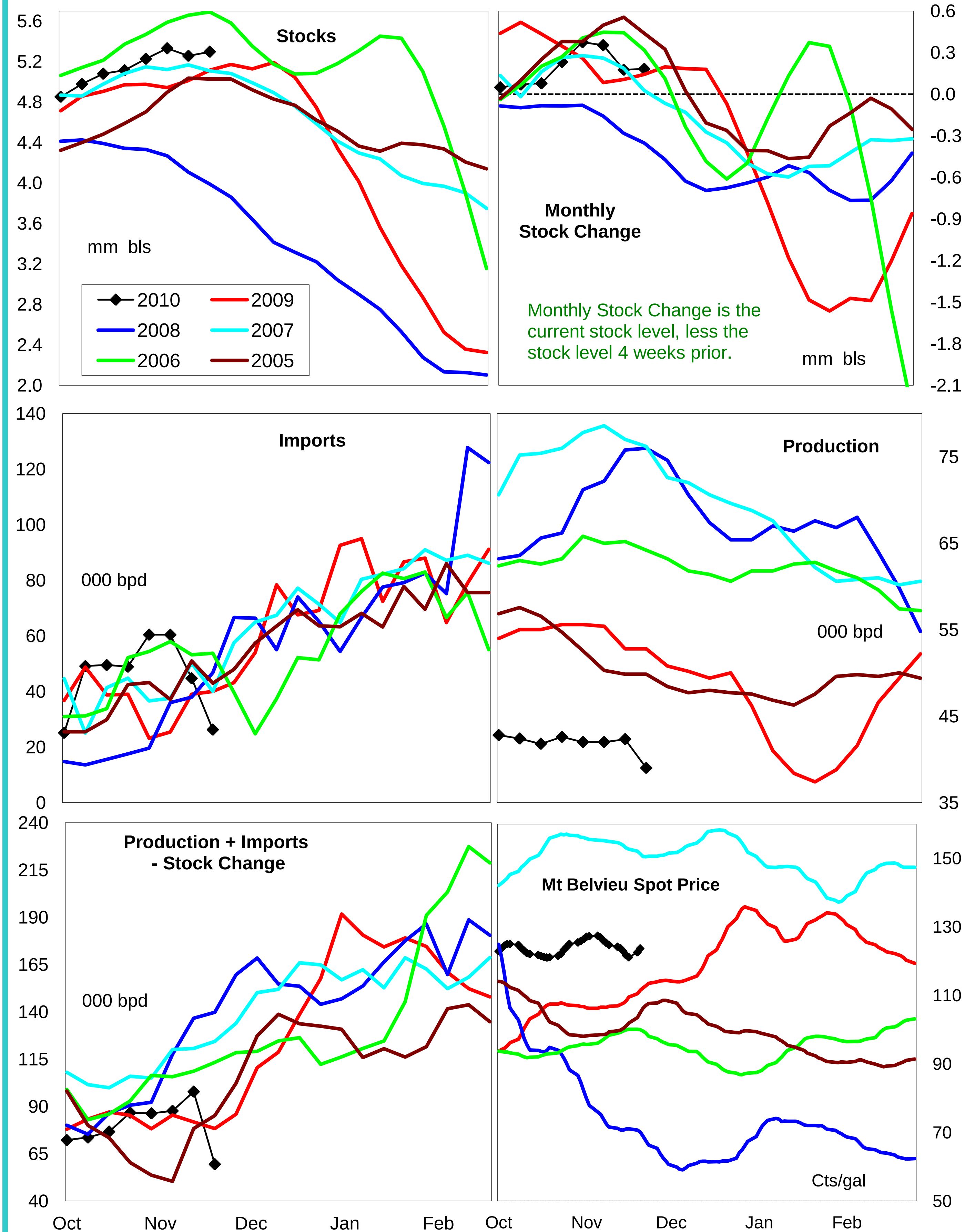
U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Oct	Sep	Aug
000 bpd (000 bls stks)	587	6,561	-43	-47		-364	-125	46	-187
% change	0.9	-102	-4.0	-32.0		-25.9	-10.3	4.6	-18.5

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)	606	39	-13	26	2
% change	12.9	27.5	-24.1	188.9	2.3

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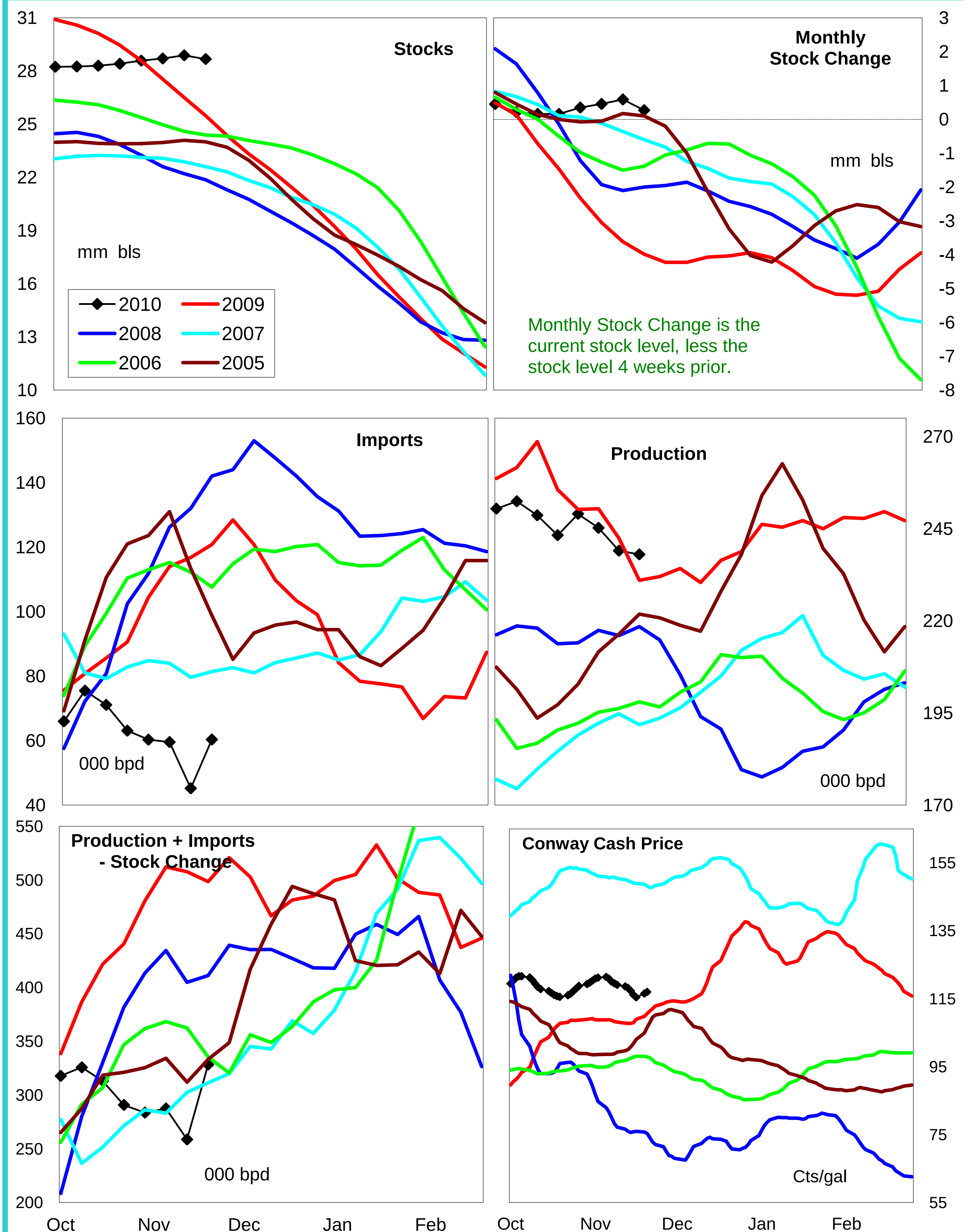
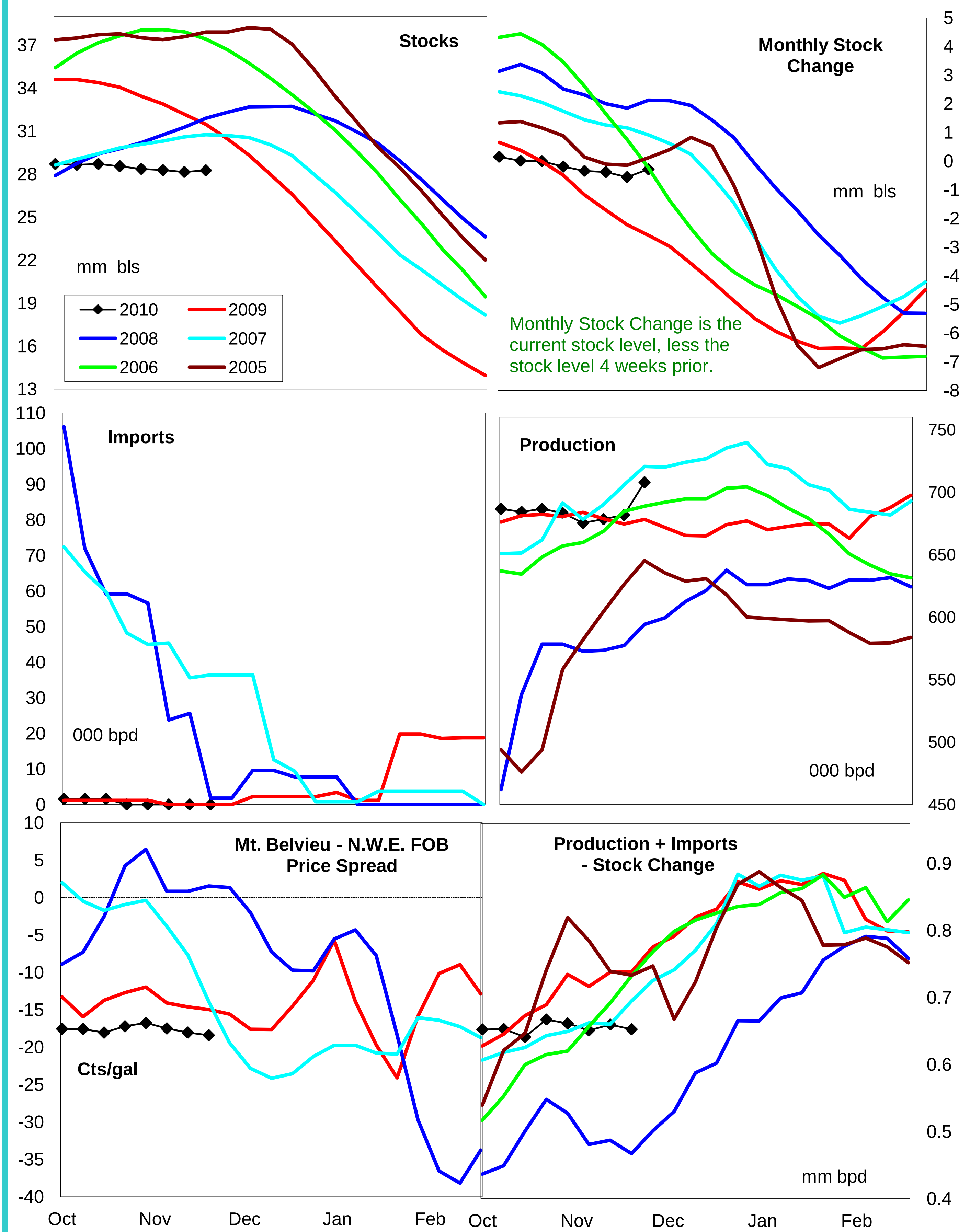
PADD 2 Propane Supply and Demand Balance



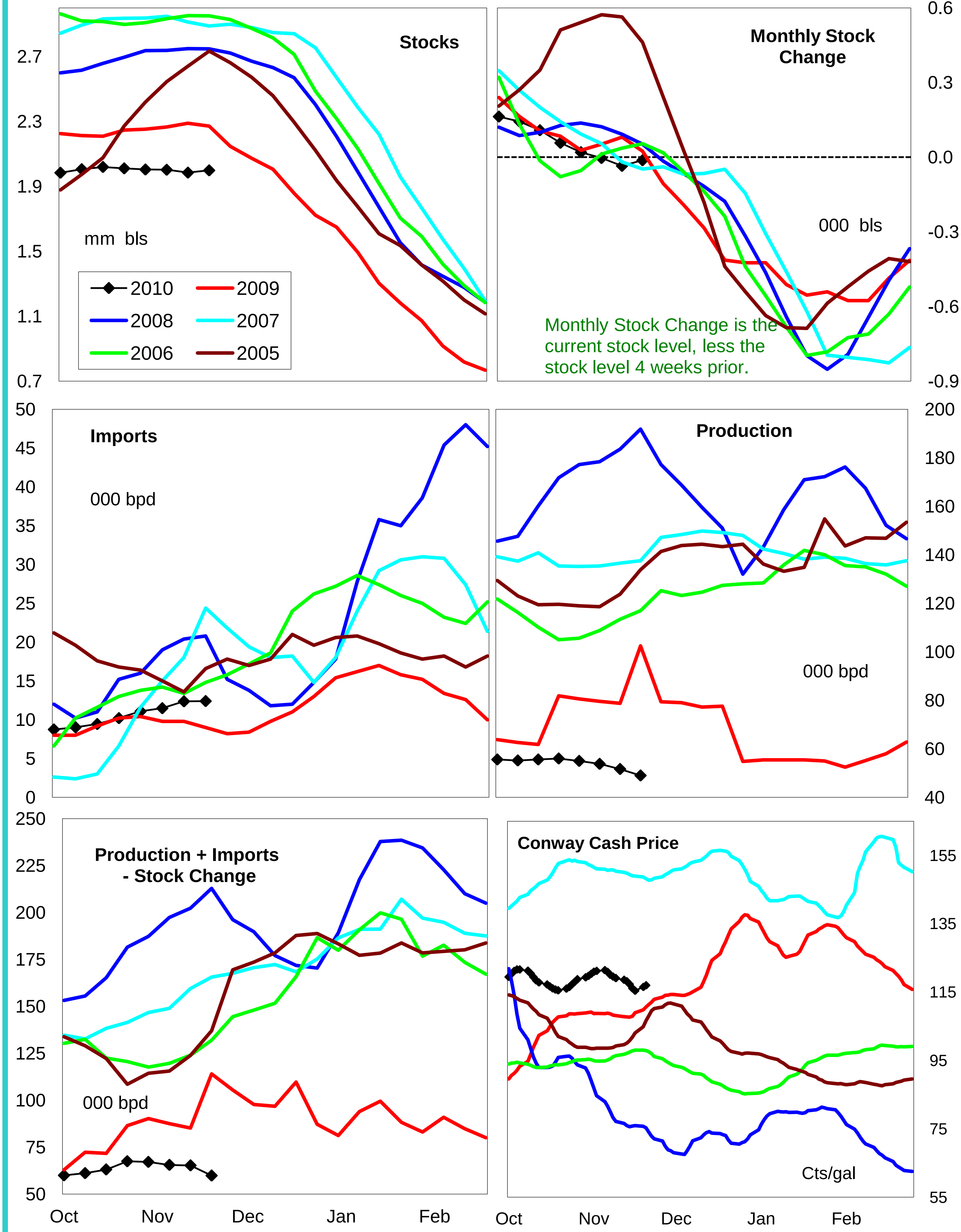
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	3,545	4,253	-5	-74	-210
% change	14.1	-106.8	-2.0	-61.4	-42.1

PADD 3 Propane Supply and Demand Balance



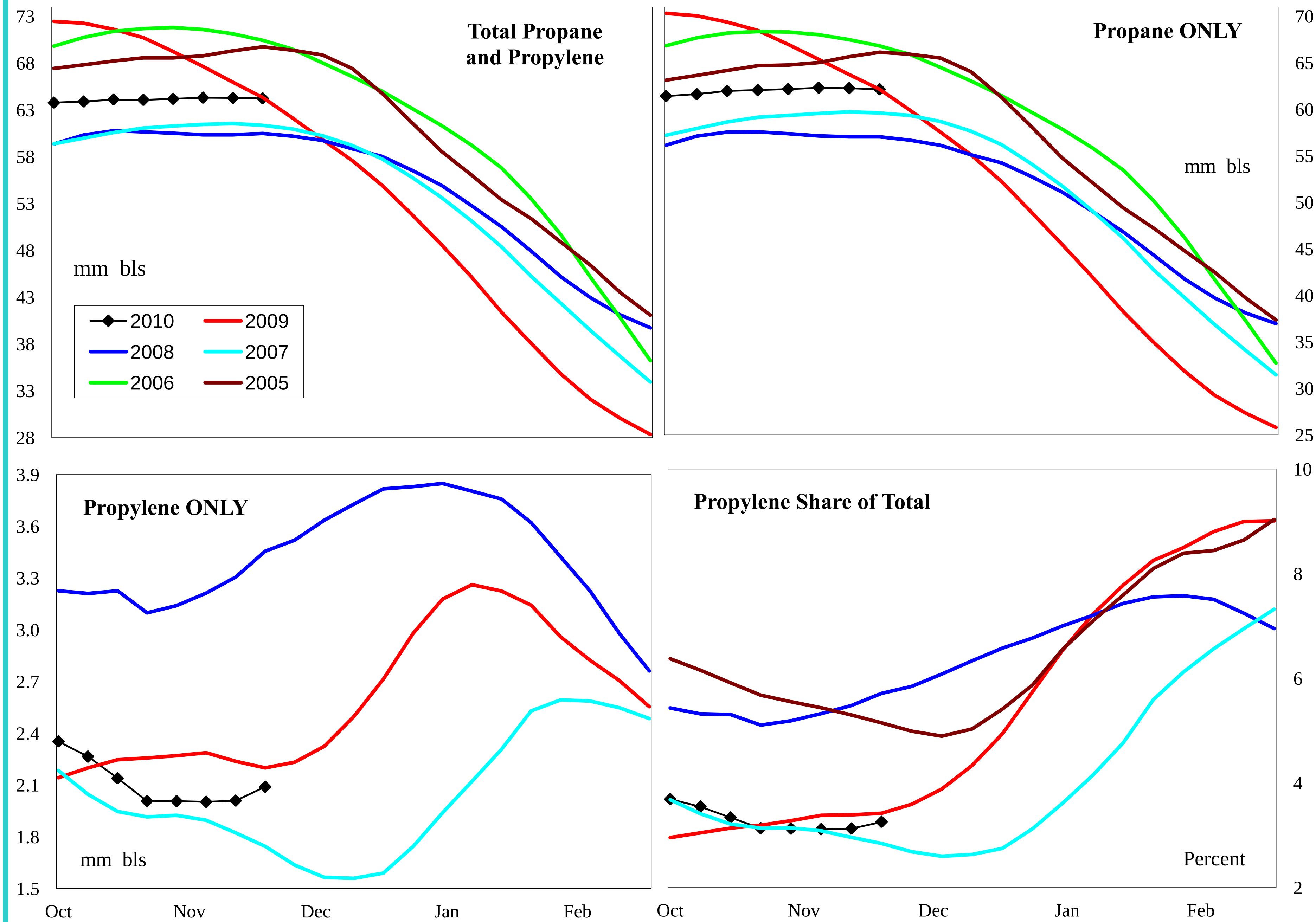
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-3,340	2,304	7	0	-76
% change	-10.6	-89.0	1.0	#DIV/0!	-9.8

PADDs 4 and 5 Propane Supply and Demand Balance



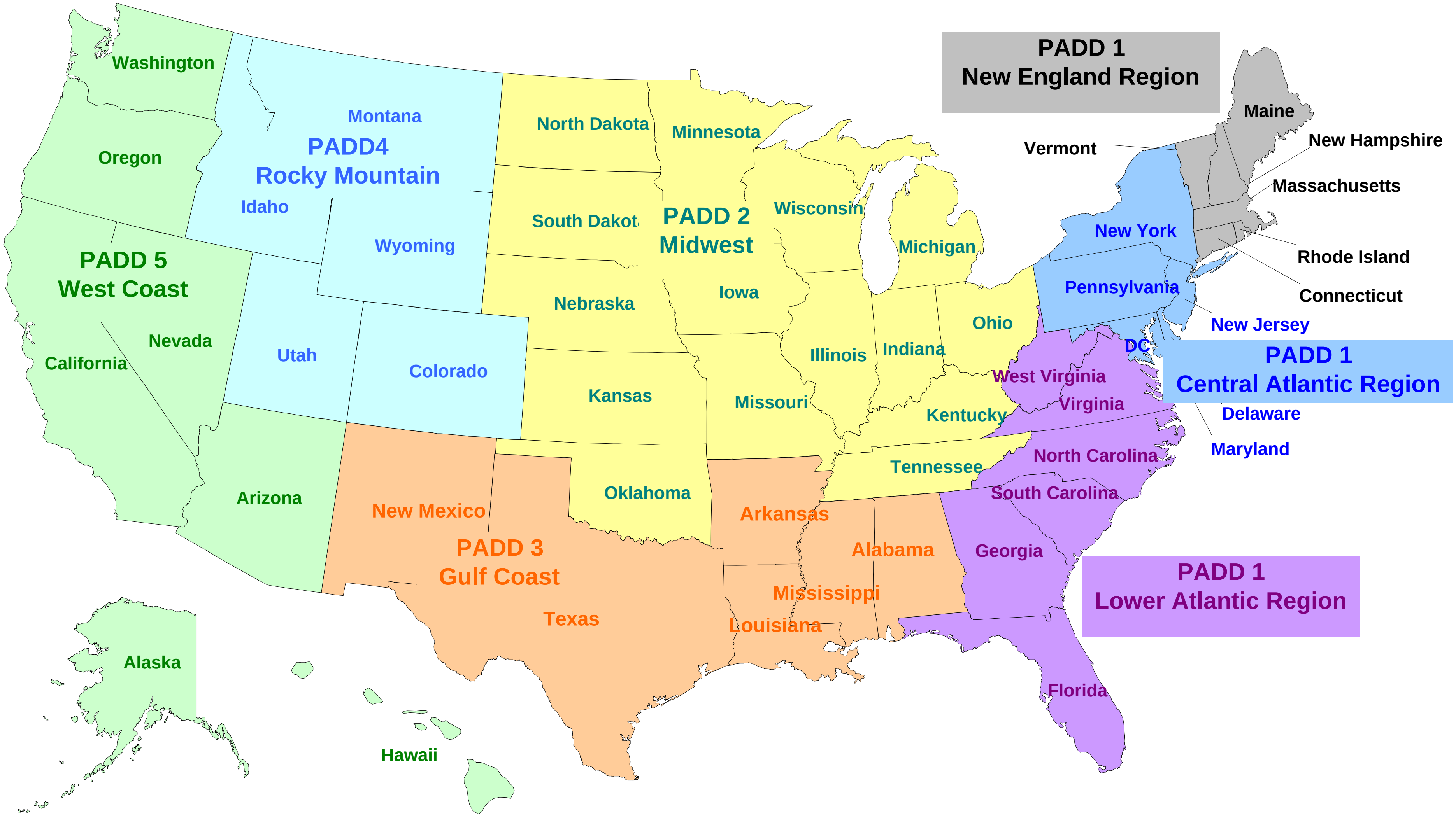
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-224	-36	-31	2	-30
% change	-10.1	-151.7	-37.0	19.0	-31.7

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	587	725	-109
% change	0.9	1.2	-5.0

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



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