



WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

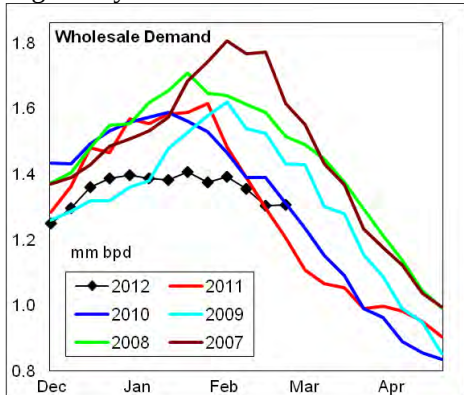
A Fundamental Petroleum Trends Weekly Report

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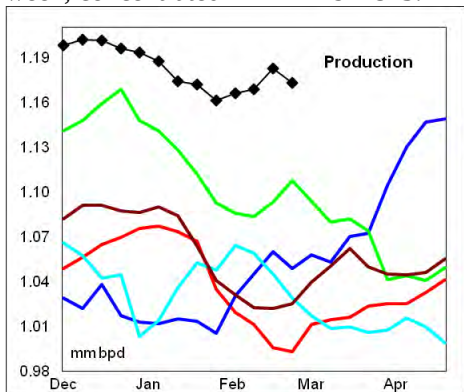
Summary¹:



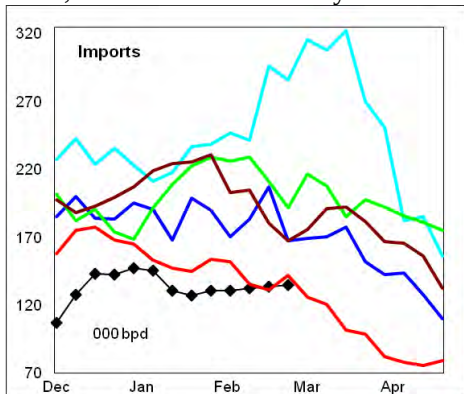
Wholesale demand decreased -103,000 bpd on the week, the result of heating degree days -15% below normal.



Production declined -28,000 bpd last week, concentrated in PADDs 2 & 3.



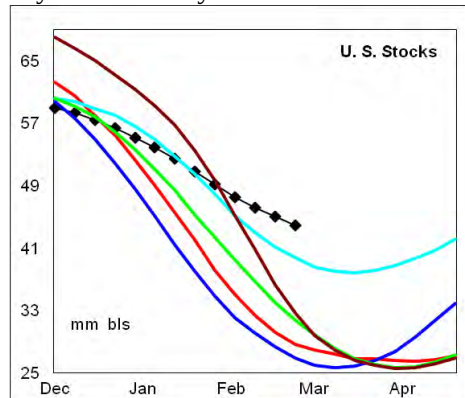
Imports increased +6,000 bpd on the week, a level that matched 5-year lows.



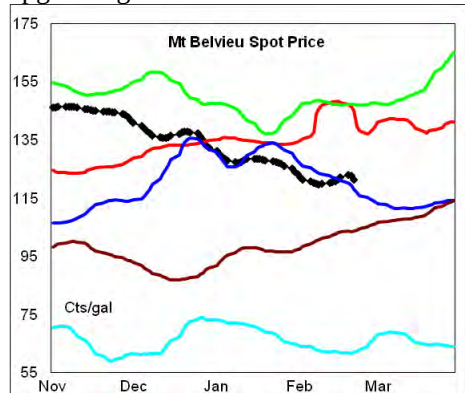
Combined production and imports during the latest 4-wk period were +186,000 bpd above a year ago. Production was +181,000 bpd above last year (+18%), while imports were +5,000 bpd higher. The latest 4-wk average

demand was +27,000 bpd above last year.

Stocks decreased -1 million barrels last week. The 4-wk stock change was a draw of -5.3 million barrels, less than any of the last 5-years.



Price and Spreads Mt Belvieu spot prices were unchanged on the week ending 29Feb12, while Conway increased +6 cpg during the same week.



The Conway – Mt Belvieu price spread trended sharply higher, ending the week at a -14 cpg discount.

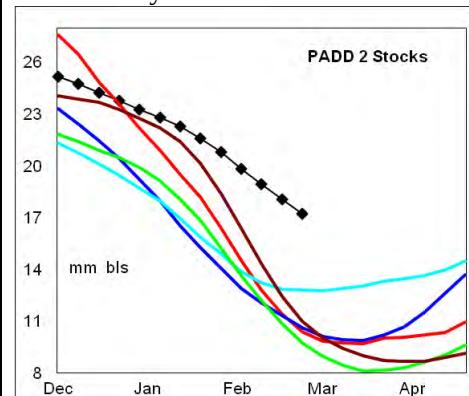
The propane to natural gas price spread traded sideways last week at a level comparable to the prior 60-days. The spread was still near record highs in favor of propane.

The propane / crude oil price spread extended the longer term downtrend last week, falling to new all time record lows for the season.

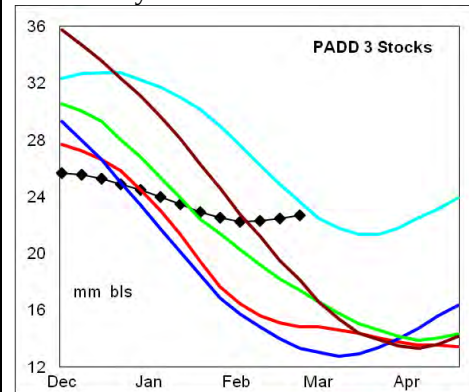
PADD 1 stocks fell -0.5 million barrels on the week. Stock levels remain above the mid range. Supply for the latest 4-wk period was +7,000 bpd above last year.

PADD 2 stocks decreased -0.7 million

barrels on the week. Supply declined -26,000 bpd on lower imports and production. The latest 4-wk average supply was +29,000 bpd above a year ago, driven by increased production. Stock levels ended the week +78% above a year ago, and a record high for this time of year.



PAD 3 stocks increased +0.2 million barrels on the week, with the 4-wk stock change a build of +0.2 million barrels compared to an average draw of -3 million barrels for the last 2-years. Stock levels ended the week +51% above last year.



PADDs 4 & 5 stocks decreased -0.1 million barrels. The stock level was +52% above a year ago.

Emerging Trends Gulf Coast stock levels increased +0.2 million barrels during the latest 4-wk period; compared to an average draw of -3.5 million barrels. Production was +181,000 bpd above a year ago for the latest 4-wk average. Expect price weakness during the next quarter, and extending until infrastructure projects are completed to support higher exports.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

February 29, 2012

Fundamental Trends for the Week Ending:

Friday, February 24, 2012

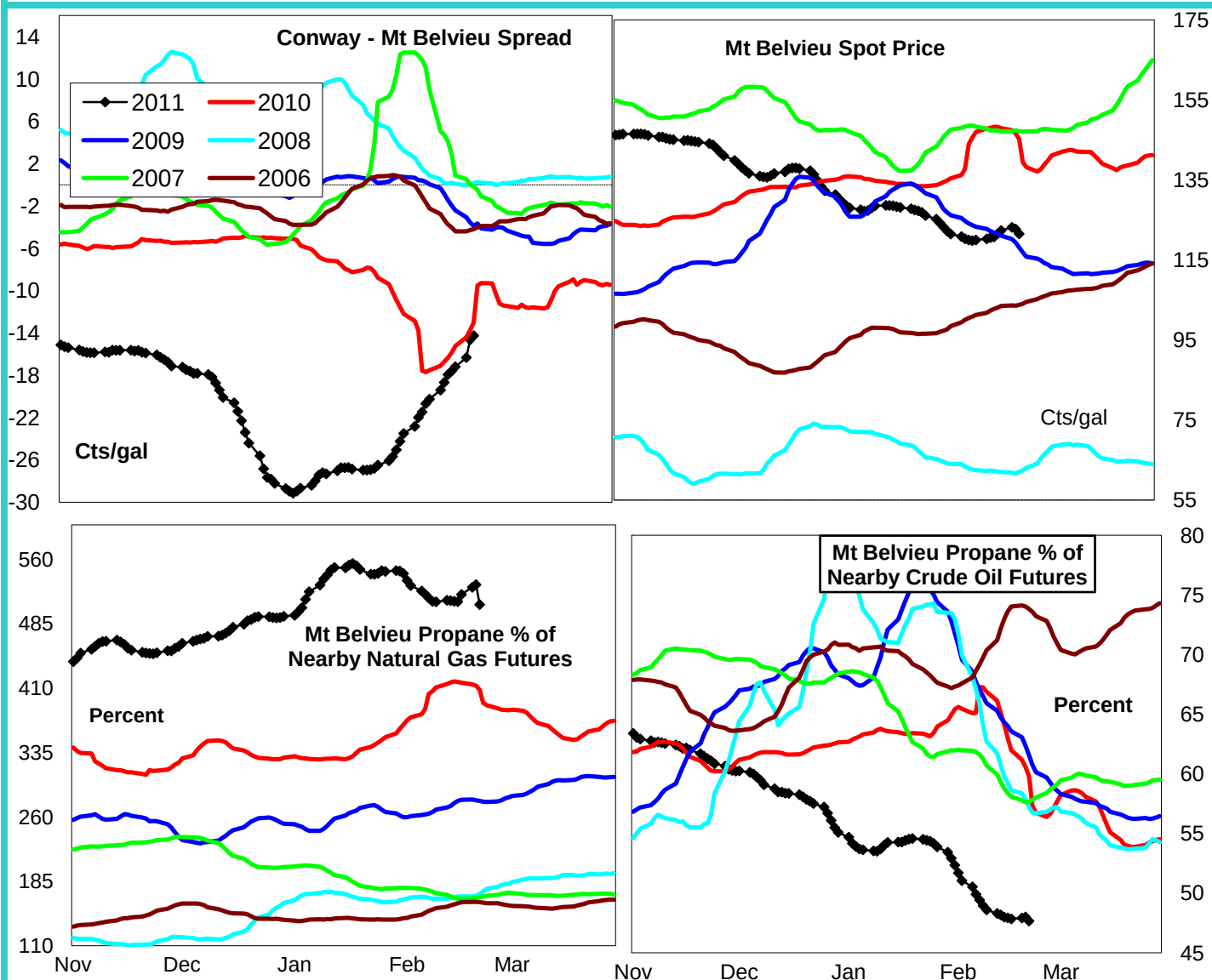
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	43,900	2,947	17,200	22,674	1,079	-984	-481	-689	241	-55
Propylene Stocks	4,732					-36				
Production	1,173	83	256	711	123	-28	6	-20	-11	-3
Imports	135	42	58	0	35	6	5	-6	0	7
Whsle Demand	1,345					-103				

Price Trends for the Week Ending:

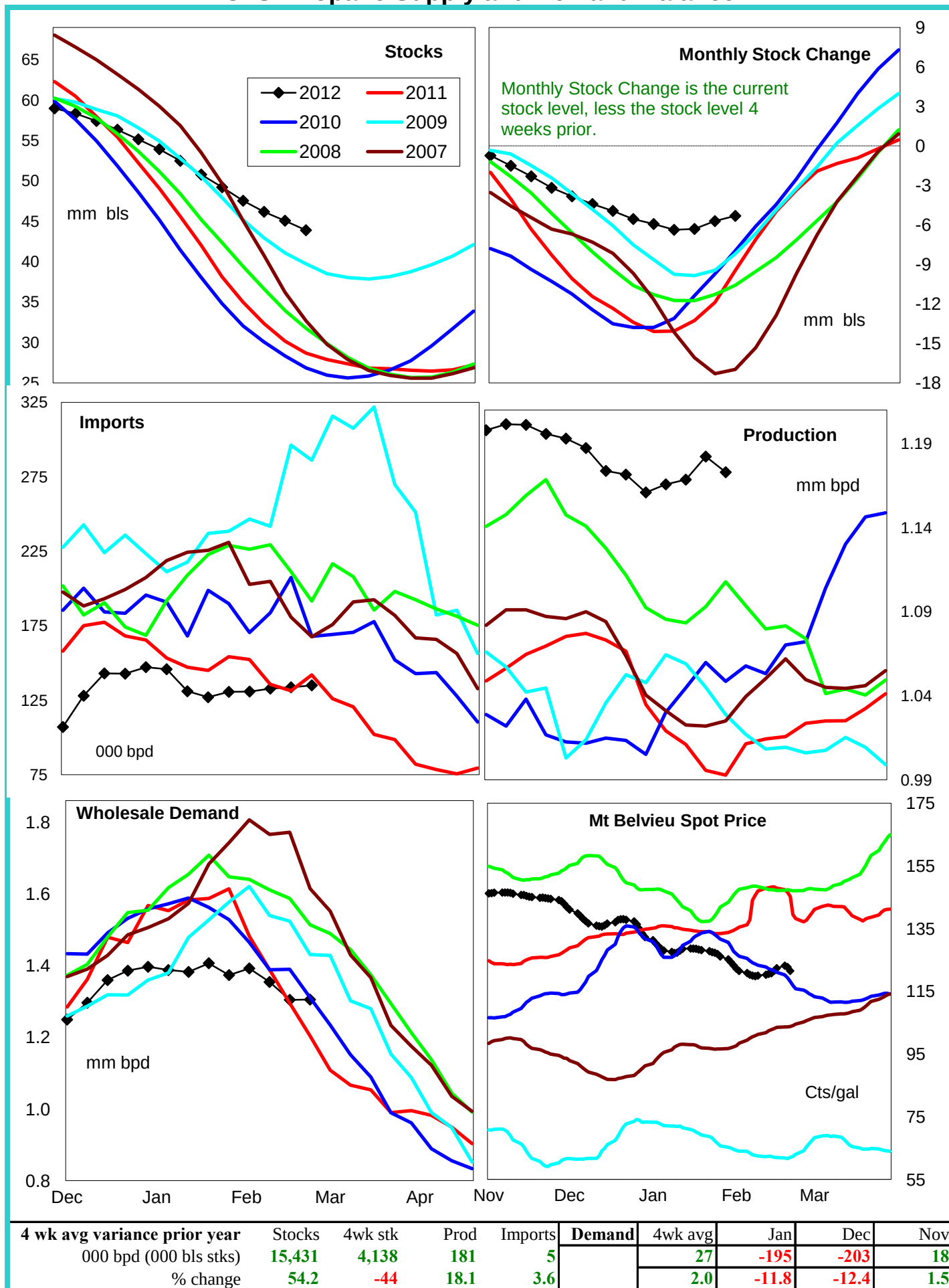
Wednesday, February 29, 2012

Cents/gal	Average for week ending:				Change from:			% change from:		
	2/29/12	2/22/12	2/1/12	3/3/11	2/22/12	2/1/12	3/3/11	2/22/12	2/1/12	3/3/11
Mont Belvieu Spot	123.2	119.0	129.1	143.8	4.21	-10.19	-14.64	3.5	-7.9	-10.2
Conway Spot	106.8	99.8	101.8	133.9	7.03	-2.02	-32.03	7.0	-2.0	-23.9

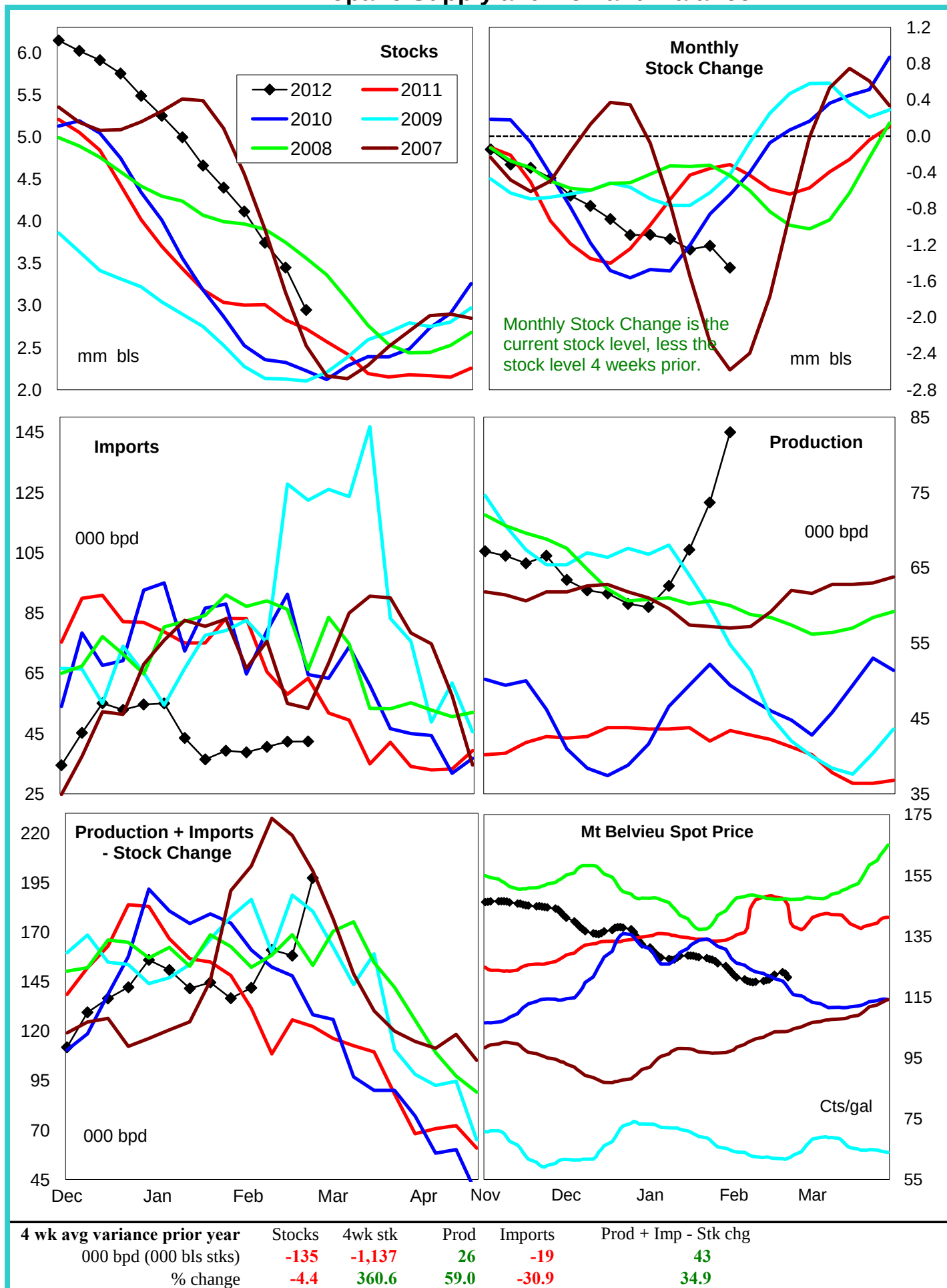
Key Price Spreads and Differentials



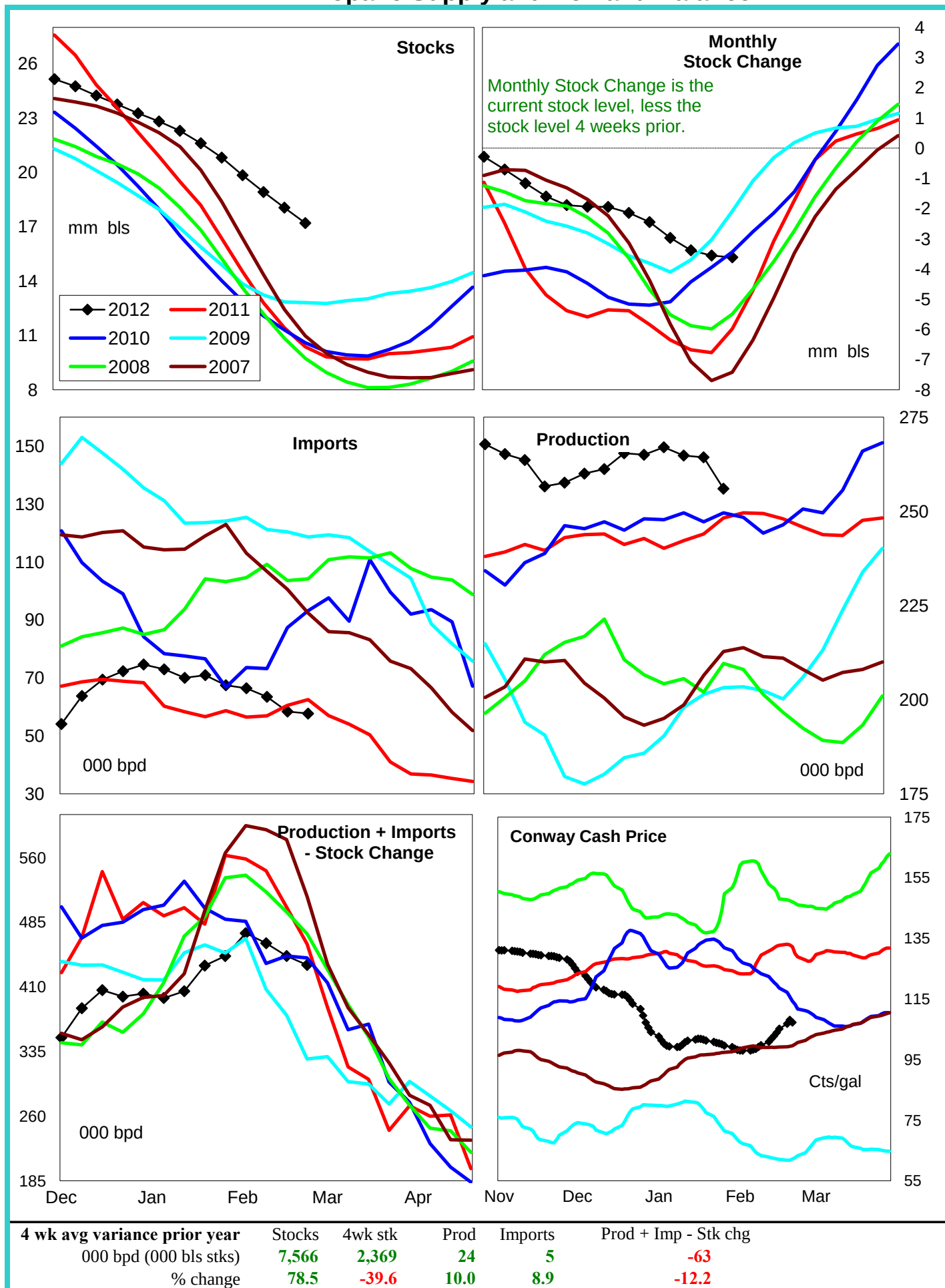
U. S. Propane Supply and Demand Balance



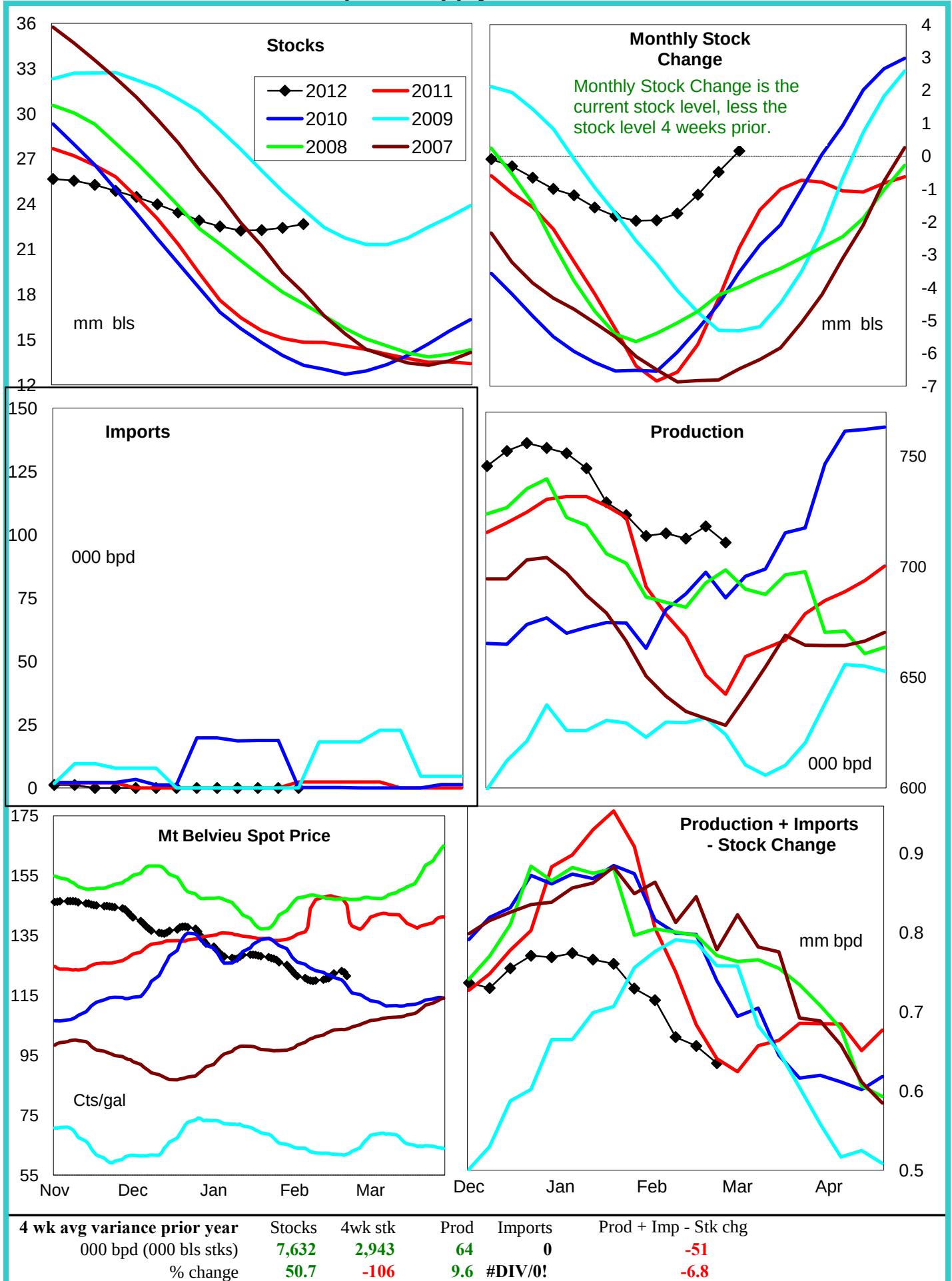
PADD 1 Propane Supply and Demand Balance



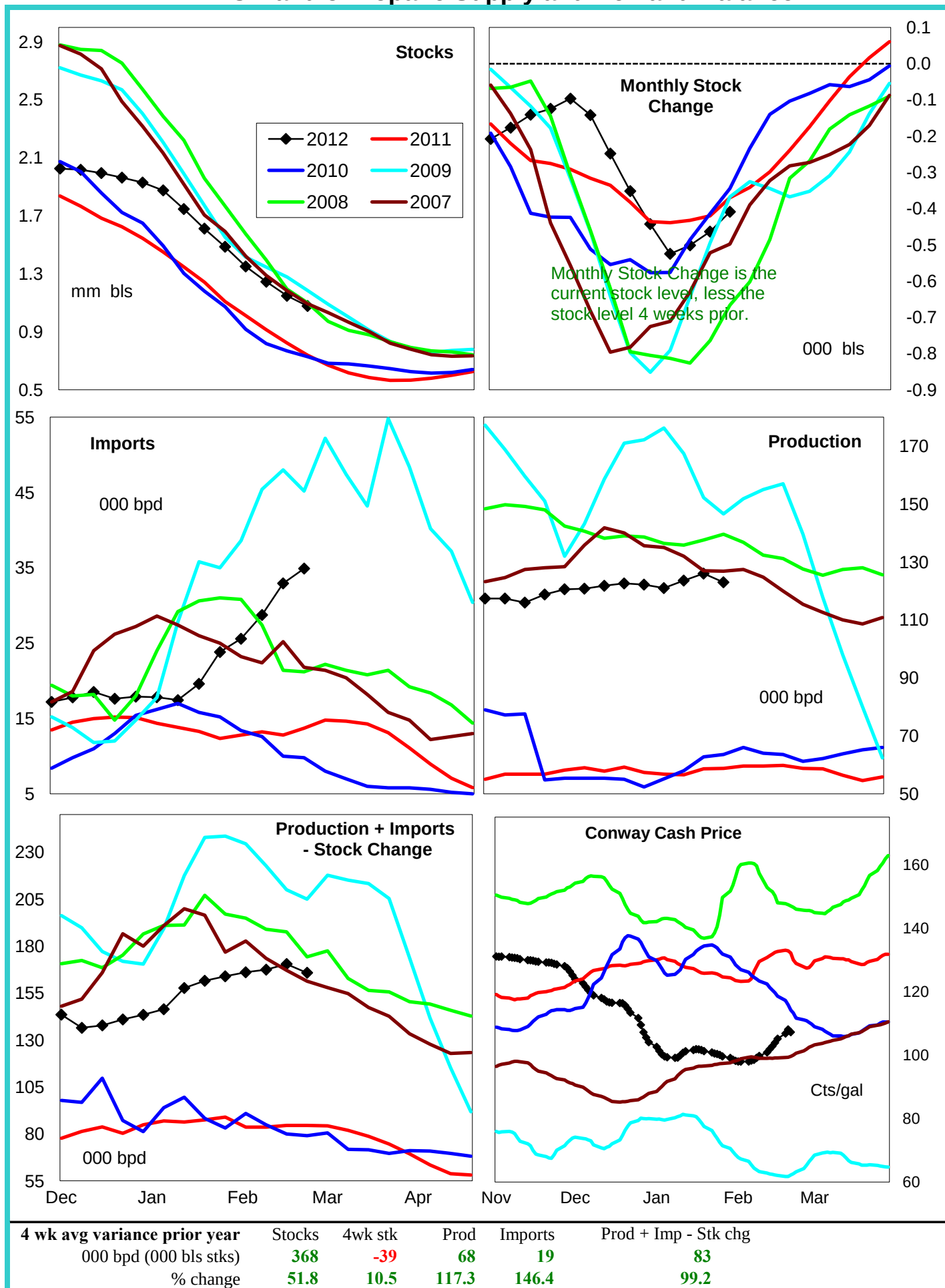
PADD 2 Propane Supply and Demand Balance



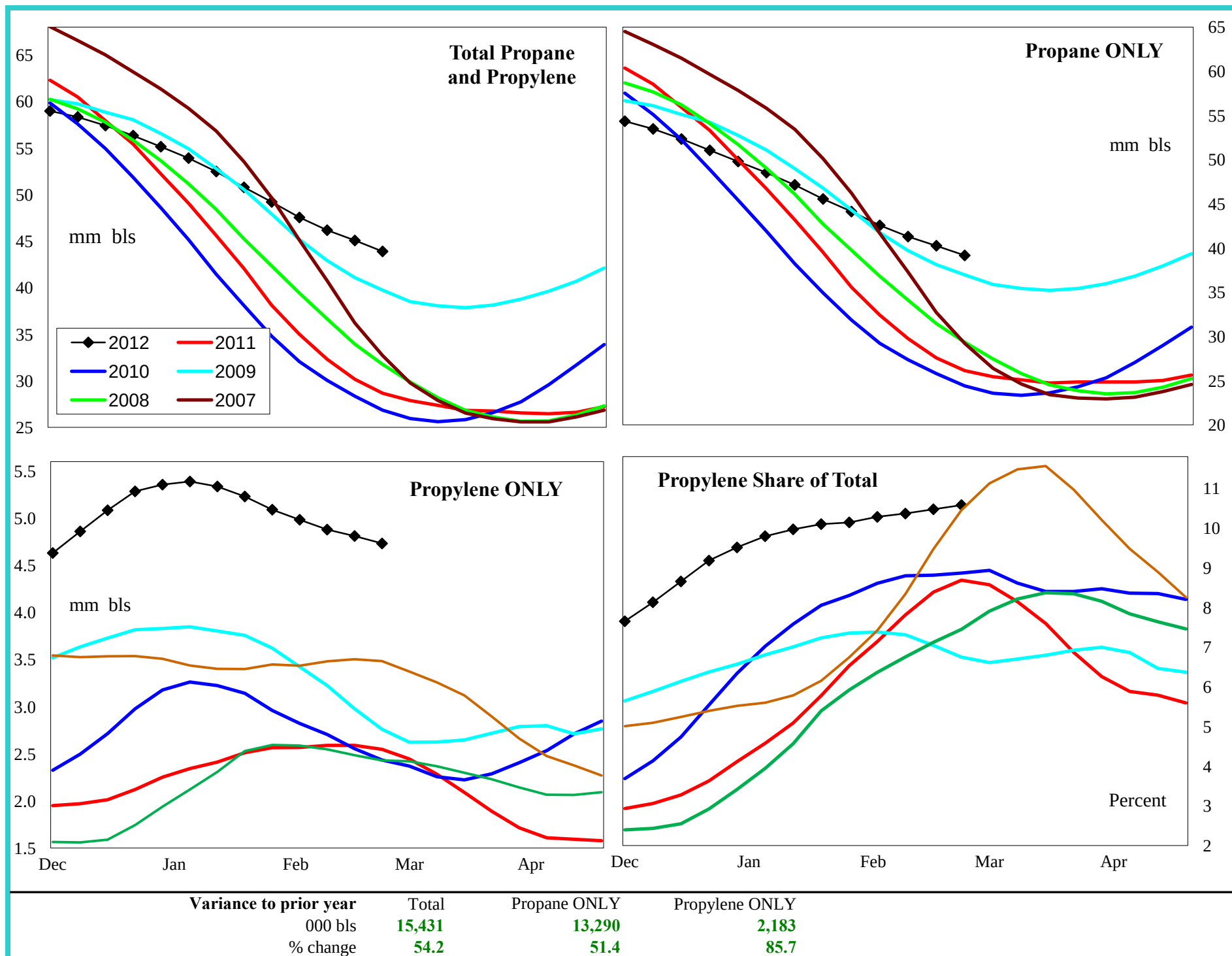
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

