



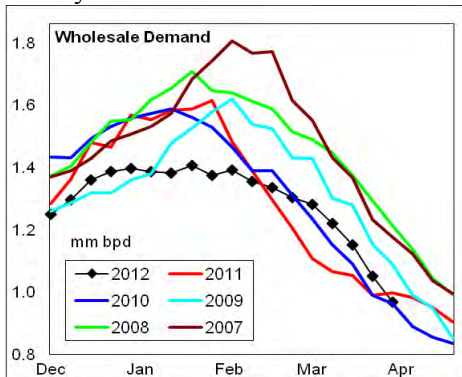
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

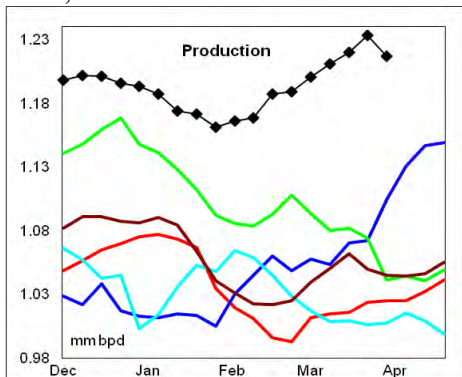
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary¹:

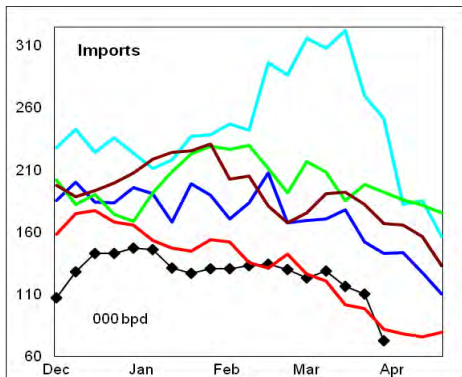
Wholesale demand fell -130,000 bpd on the week, to a level comparable with the last 2-years.



Production declined -35,000 bpd last week, concentrated in PADDs 2 & 3.



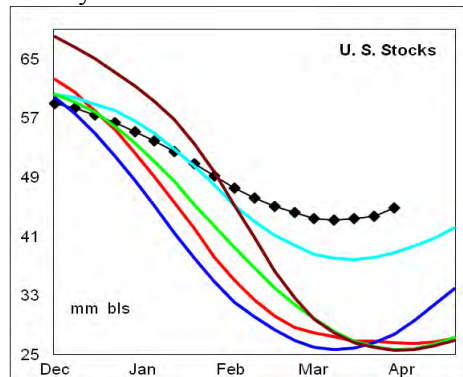
Imports fell -82,000 bpd on the week, to a record low level.



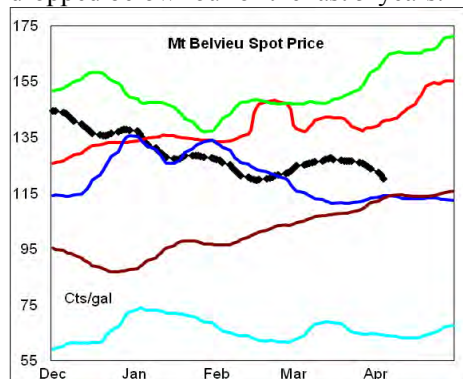
Combined production and imports during the latest 4-wk period were +215,000 bpd above a year ago. Production was +196,000 bpd above last year (+19%), while imports were +19,000 bpd higher. The latest 4-wk average demand was +101,000 bpd

above last year, driven by exports from the gulf and restocking private inventory.

Stocks increased +1.1 million barrels last week, and are now +74% above a year ago. The 4-wk stock change was a build of +1.8 million barrels, matching the largest build of the last 5-years.



Price and Spreads Mt Belvieu spot prices fell -6 cpg on the week ending 04Apr12, while Conway declined -8 cpg during the same week. Conway price levels have dropped below four of the last 5-years.



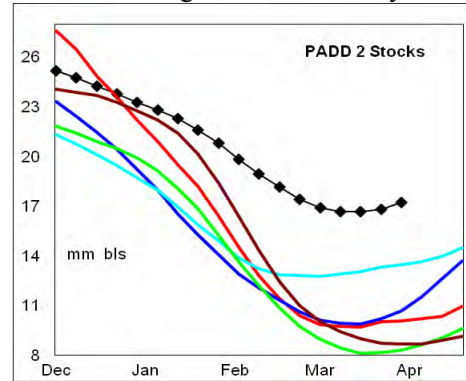
The Conway – Mt Belvieu price spread extended the recent downtrend, with the spread falling to -24 cpg.

The propane to natural gas price spread traded sideways on the week, at a new record high level, due to extremely weak natural gas prices.

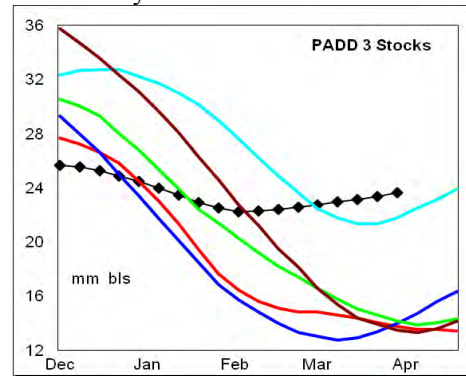
The propane / crude oil price spread traded sideways last week, and remains slightly above recent all time lows.

PADD 1 stocks increased +0.4 million barrels on the week. Stock levels ended the week above the 5-year range. Supply for the latest 4-wk period was +65,000 bpd above last year, on record production.

PADD 2 stocks increased +0.5 million barrels on the week. Supply decreased -33,000 bpd on lower production. The latest 4-wk average supply was +9,000 bpd above a year ago. Stock levels ended the week +81% 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 +0.9 million barrels compared to an average draw of -1 million barrels for the last 3-years. Stock levels ended the week +71% above last year.



PADDs 4 & 5 stocks decreased -0.1 million barrels on the week. were unchanged last week. The stock level was +57% above a year ago.

Emerging Trends Spot prices pulled back last week to a level near the lows of the 1st quarter; driven by exceptionally high carryout stocks, a slowdown in pre-buys for next season and continued record production. The rise in gas liquids extraction capacity that is driven by the boom in wet gas production should keep propane markets over supplied in 2012.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

April 5, 2012

Fundamental Trends for the Week Ending:

Friday, March 30, 2012

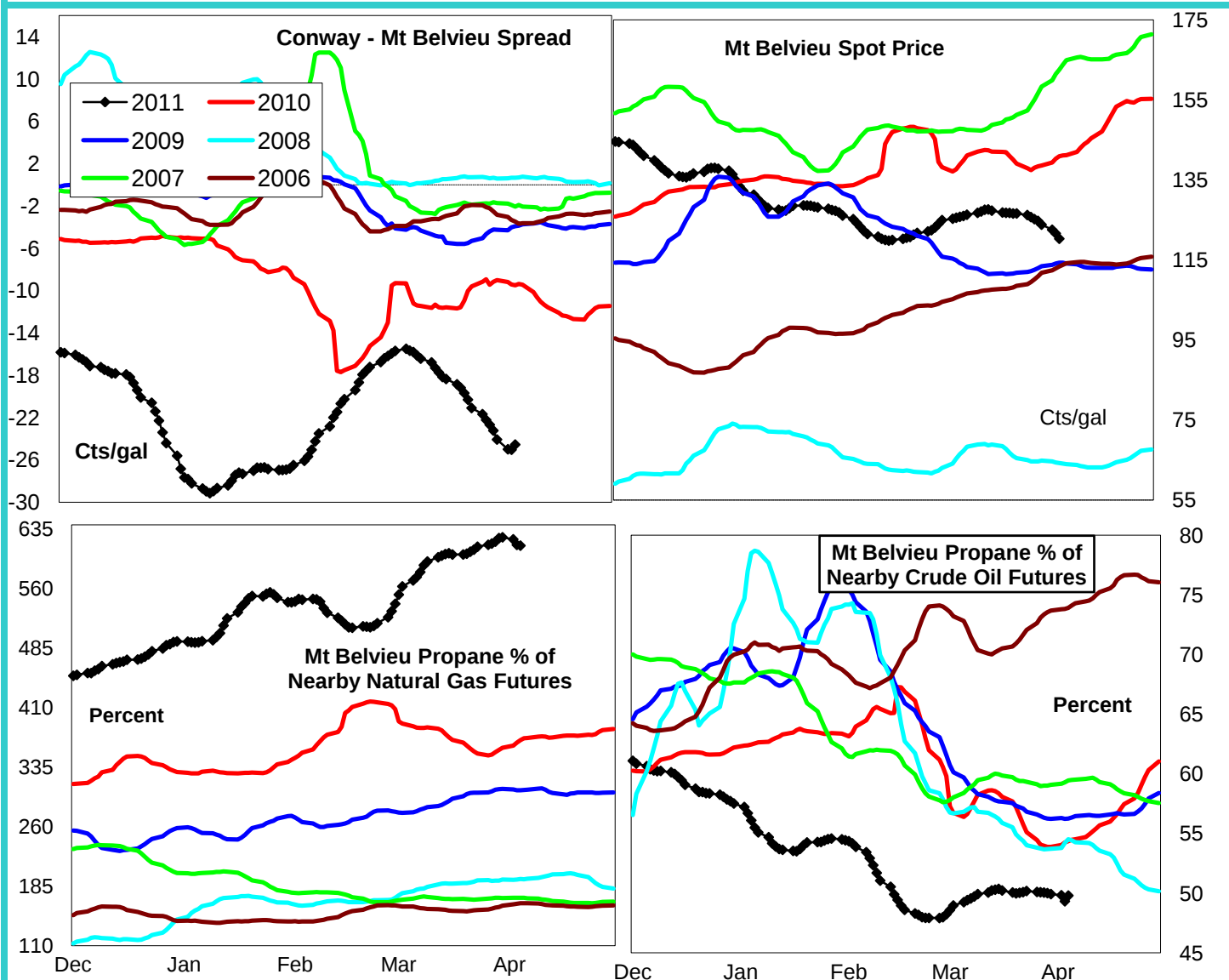
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	44,783	3,065	17,205	23,650	863	1,074	414	505	206	-51
Propylene Stocks	4,140					-35				
Production	1,217	83	258	731	145	-35	8	-27	-27	11
Imports	73	31	23	2	17	-82	-77	-6	1	0
Whsle Demand	1,008					-130				

Price Trends for the Week Ending:

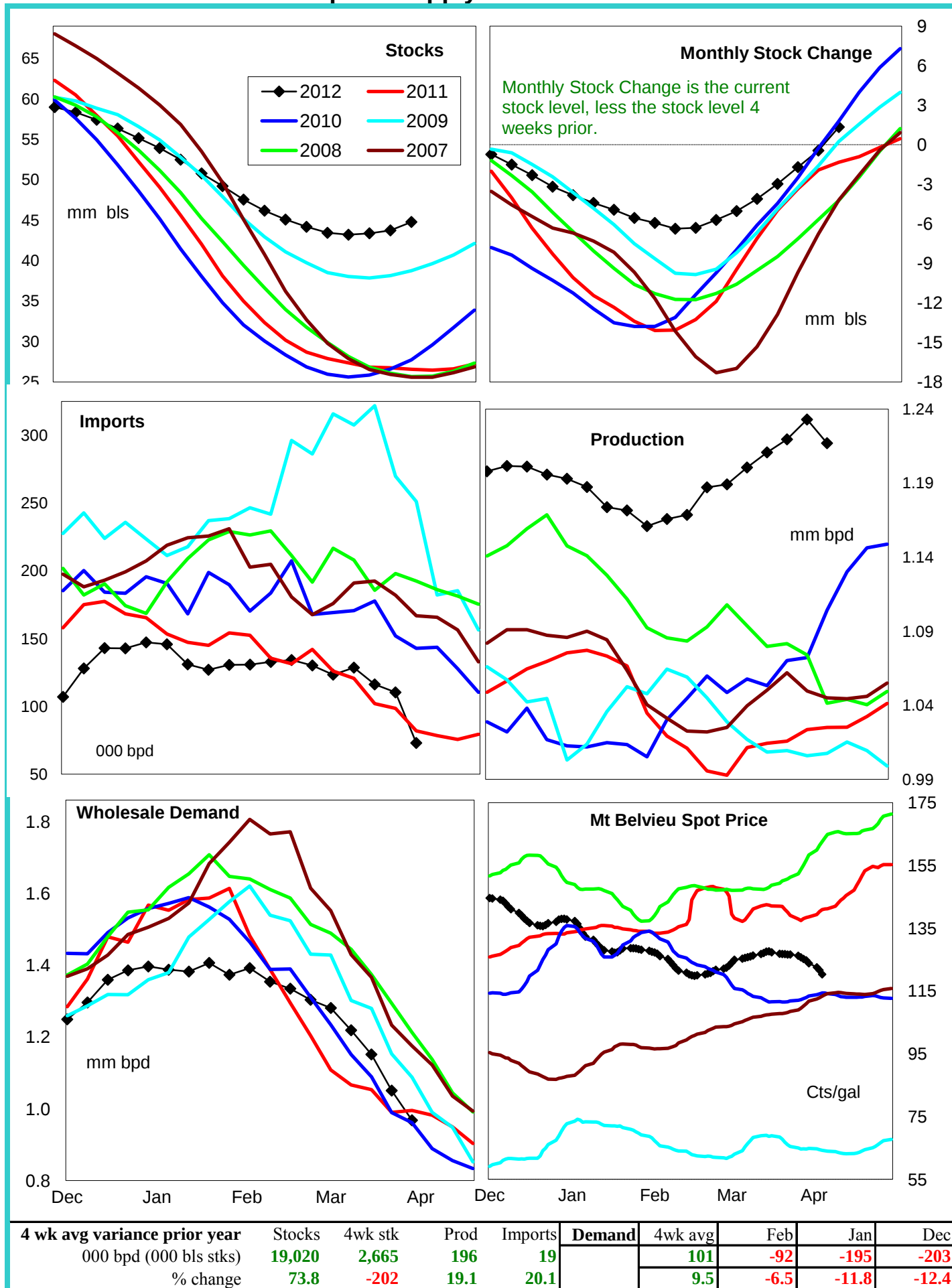
Wednesday, April 04, 2012

Cents/gal	Average for week ending:				Change from:			% change from:		
	4/4/12	3/28/12	3/7/12	4/7/11	3/28/12	3/7/12	4/7/11	3/28/12	3/7/12	4/7/11
Mont Belvieu Spot	122.5	127.5	123.4	140.7	-4.96	4.16	-17.34	-3.9	3.4	-12.3
Conway Spot	97.6	106.6	108.2	132.4	-9.05	-1.60	-24.15	-8.5	-1.5	-18.2

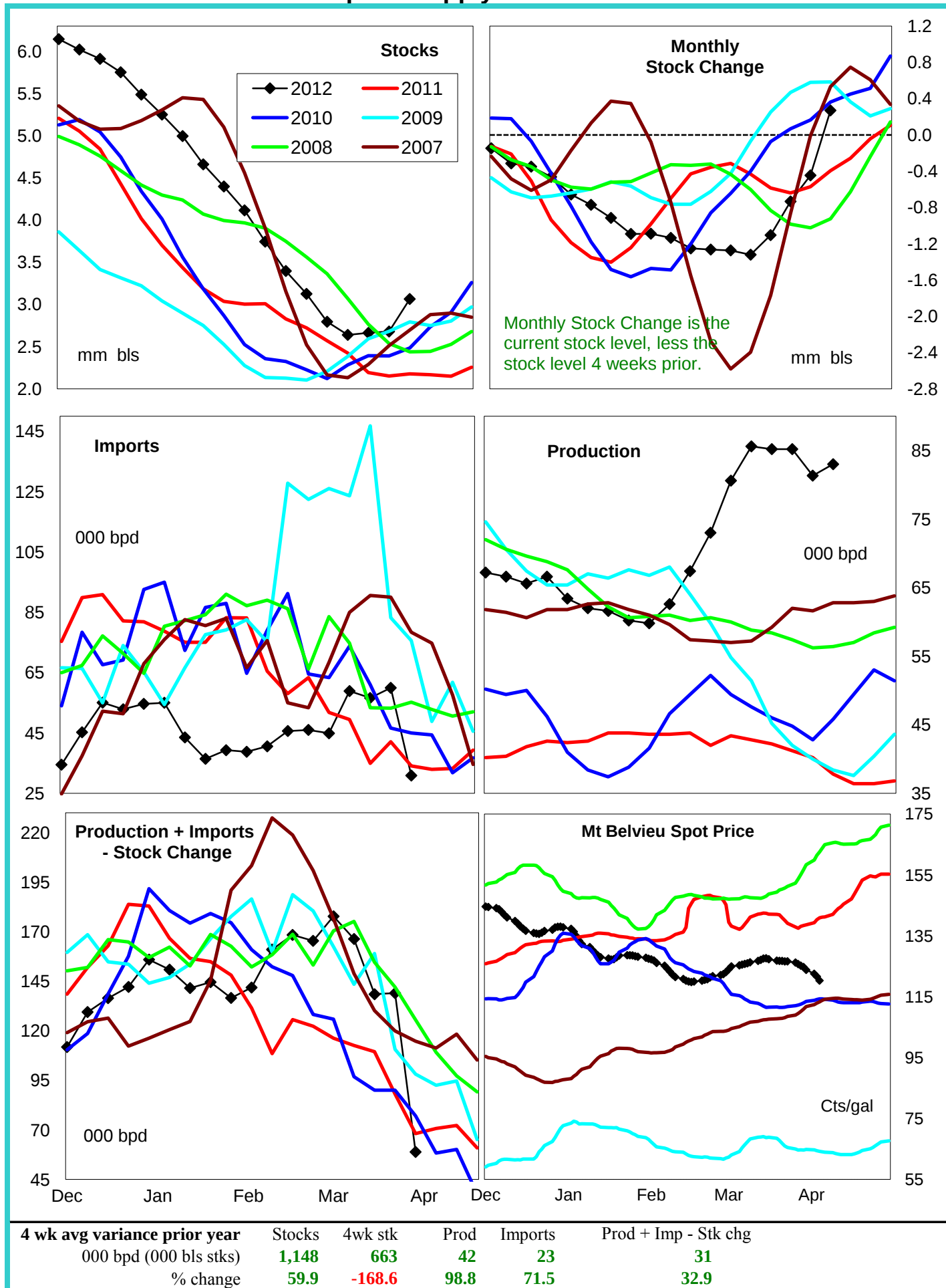
Key Price Spreads and Differentials



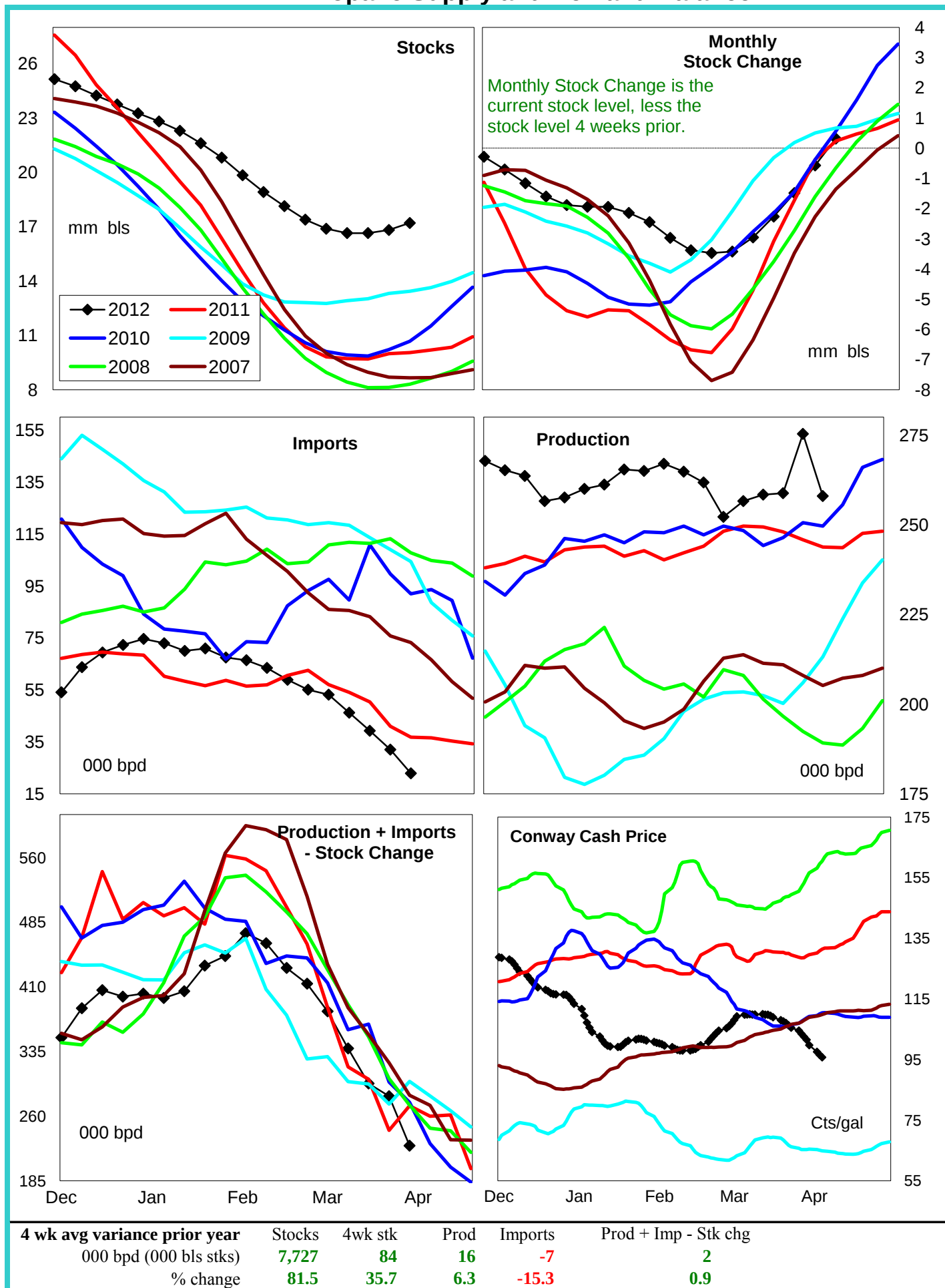
U. S. Propane Supply and Demand Balance



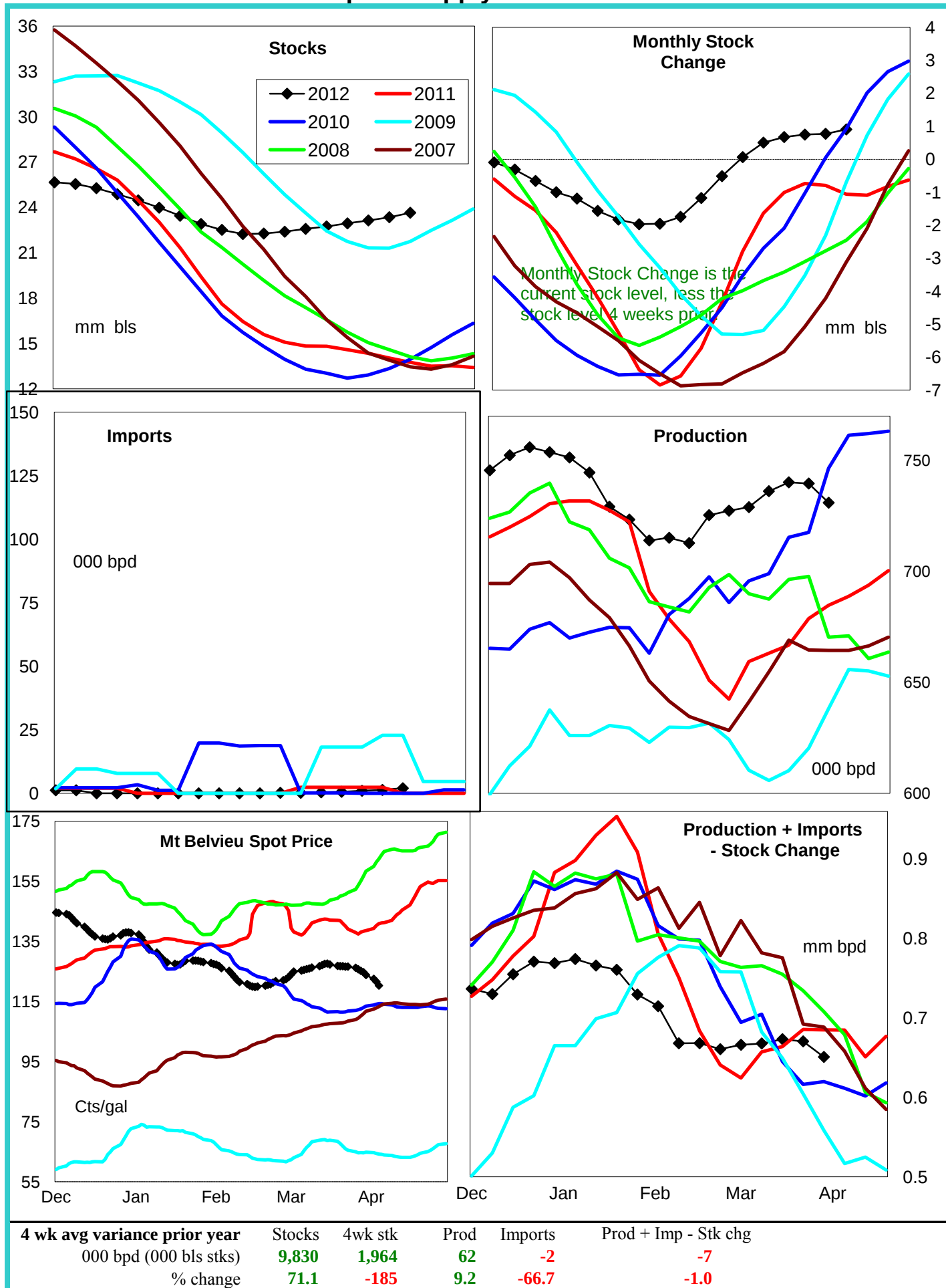
PADD 1 Propane Supply and Demand Balance



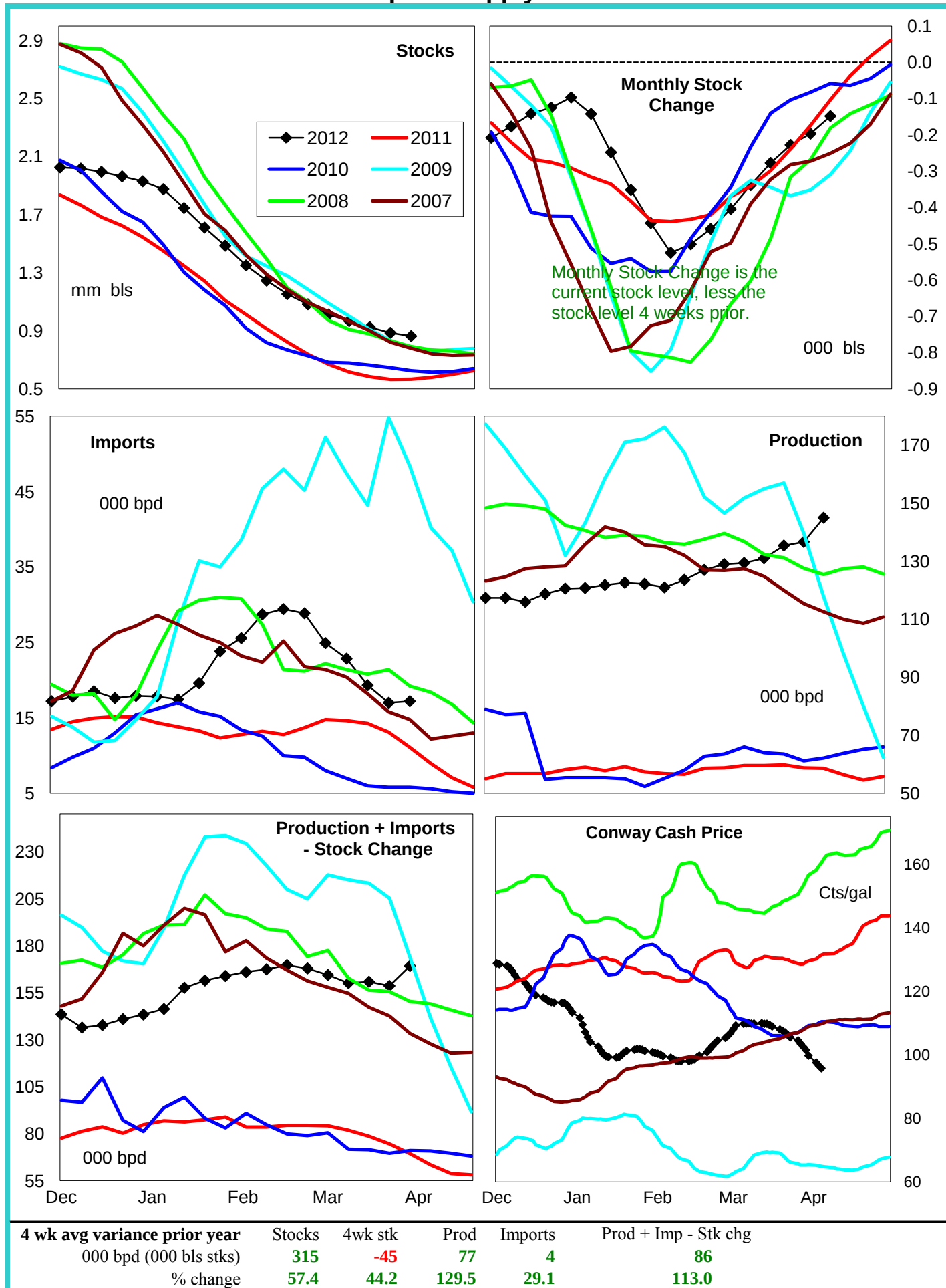
PADD 2 Propane Supply and Demand Balance



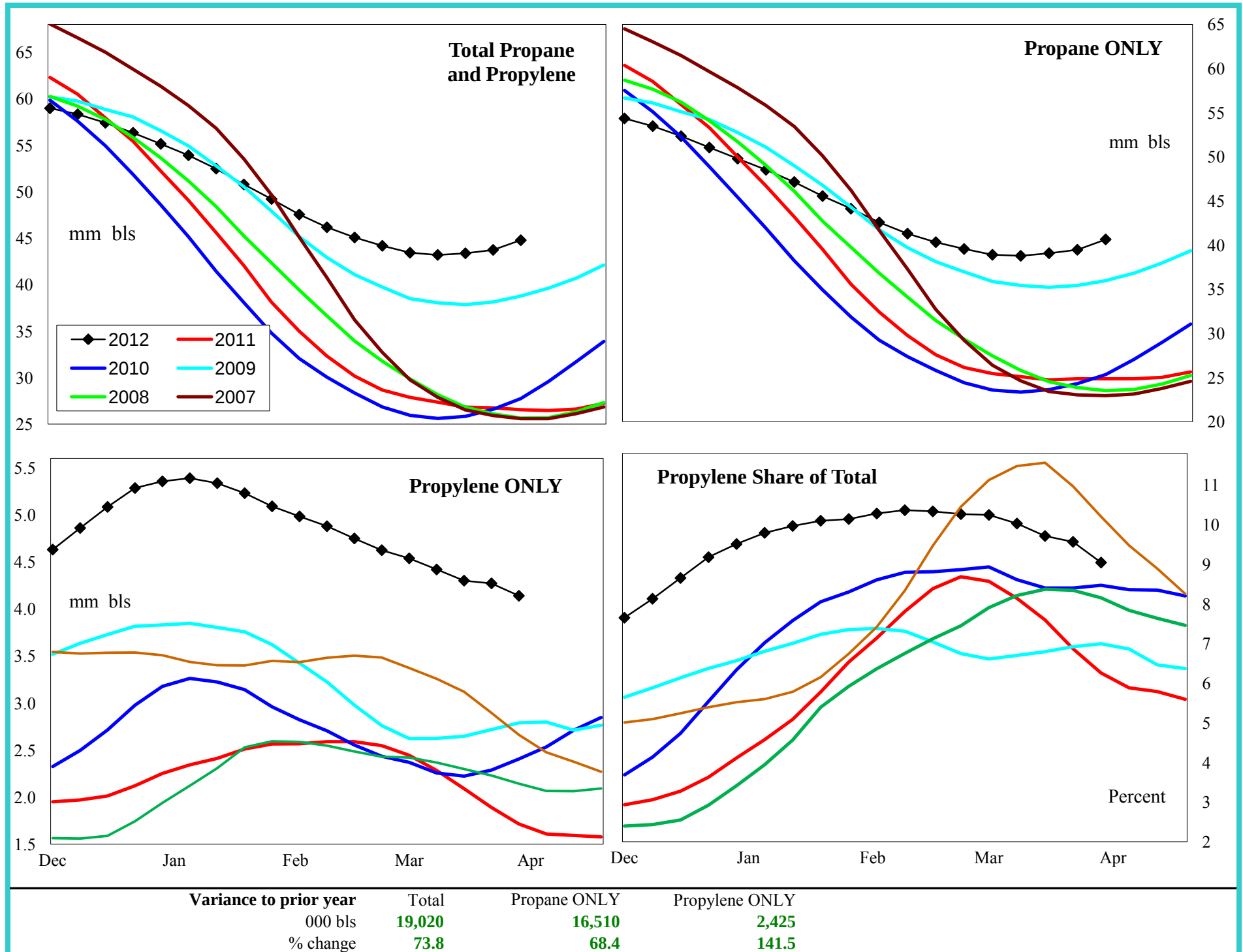
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

