WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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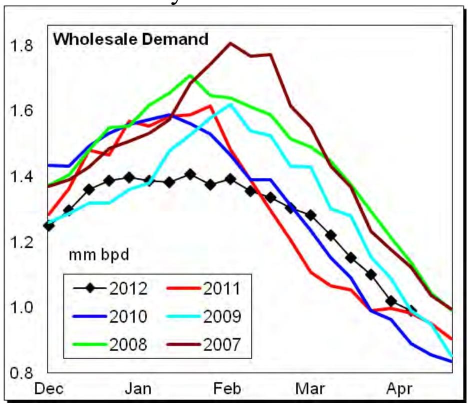
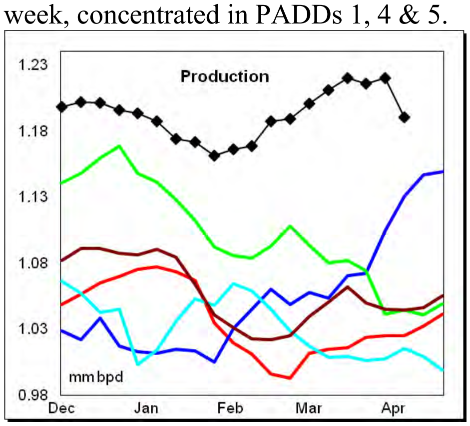
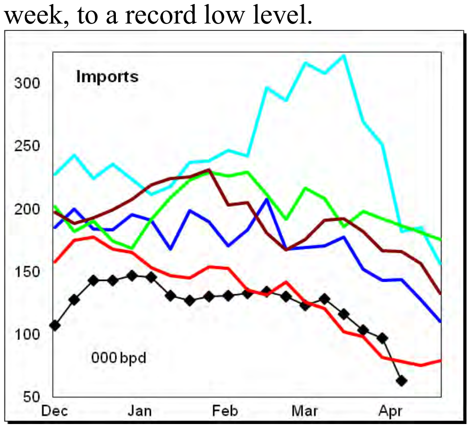
Summary[1]:
Wholesale demand increased +22,000 bpd on the week, to a level comparable with the last 3-years.



Production declined -27,000 bpd last week, concentrated in PADDs 1, 4 & 5.

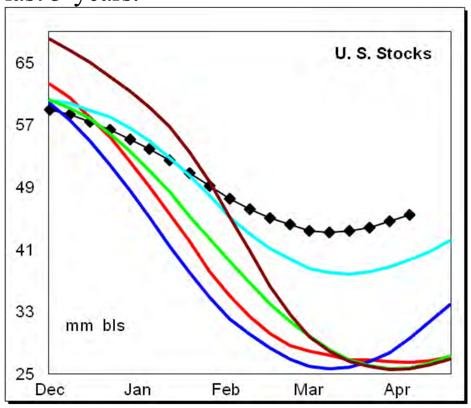


Imports declined -10,000 bpd on the week, to a record low level.

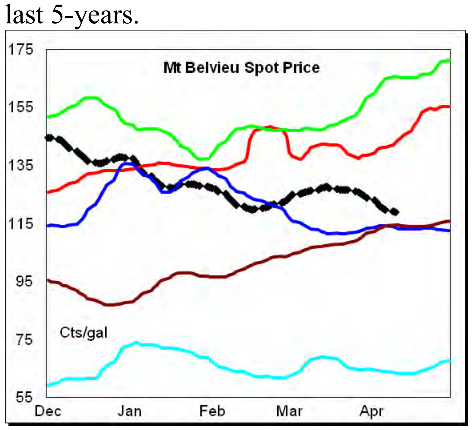


Combined production and imports during the latest 4-wk period were +211,000 bpd above a year ago. Production was +199,000 bpd above last year (+19%), while imports were +12,000 bpd higher. The latest 4-wk average demand was +45,000 bpd above last year, driven by downstream supply chain prebuys.

Stocks increased +0.7 million barrels last week, and are now +70% above a year ago. The 4-wk stock change was a build of +2.2 million barrels, comparable to the average of the last 3-years.



Price and Spreads Mt Belvieu spot prices fell -2.5 cpg on the week ending 10Apr12, while Conway declined -5 cpg during the same week. Conway price levels have dropped below four of the last 5-years.



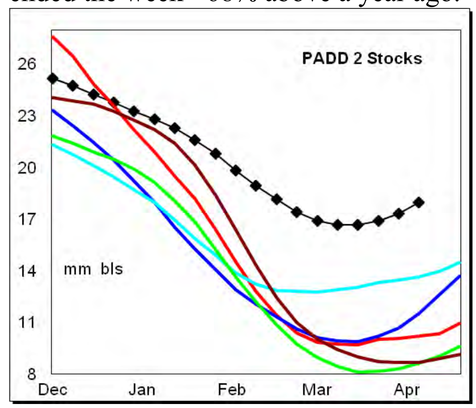
The Conway – Mt Belvieu price spread extended the recent downtrend, with the spread falling to -27 cpg.

The propane to natural gas price spread trended higher on the week, reaching a new record high; as a result of natural gas prices falling to lows.

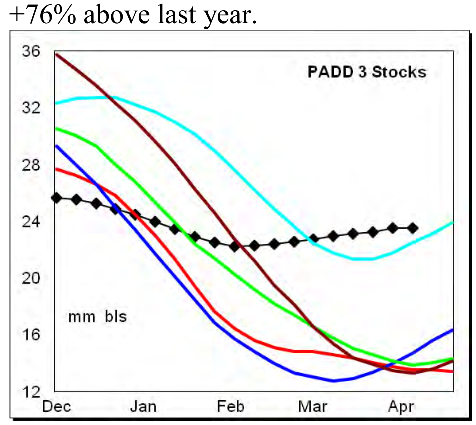
The propane / crude oil price spread traded sideways last week, and remains slightly above recent all time lows.

PADD 1 stocks were unchanged last week. Supply fell -28,000 bpd due to lower imports and production. Stock levels ended the week above the 5-year range. Supply for the latest 4-wk period was +52,000 bpd above last year, on record production.

PADD 2 stocks increased +0.8 million barrels on the week. Supply increased +14,000 bpd on higher imports. The latest 4-wk average supply was +24,000 bpd above a year ago. Stock levels ended the week +68% above a year ago.



PAD 3 stocks decreased -0.1 million barrels on the week, with the 4-wk stock change a build of +0.7 million barrels, comparable to the average of the last 3-years. Stock levels ended the week +76% above last year.



PADDs 4 & 5 stocks were unchanged on the week. The stock level was +56% above a year ago.

Emerging Trends Spot prices extended the recent downtrend, with Conway falling to a new low for the year. Record carryout stocks and production assure the market remains very over supplied. Increased gas liquids production from natural gas processing should keep the propane market over supplied in 2012.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

April 11, 2012

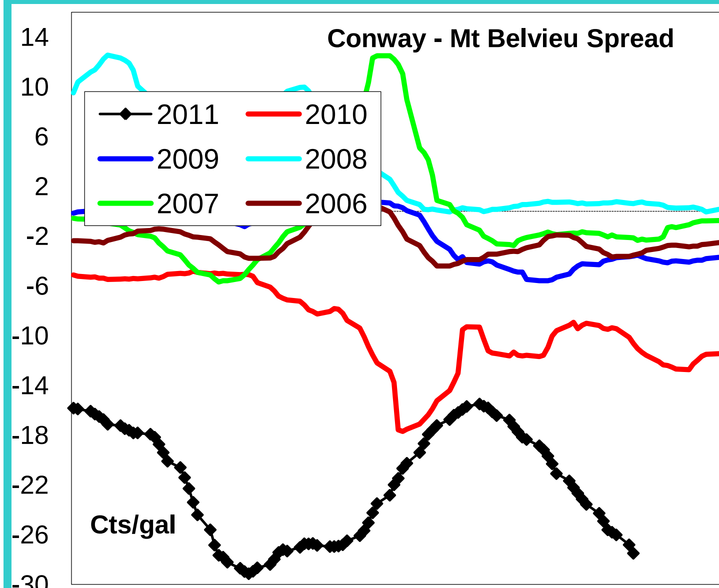
Fundamental Trends for the Week Ending: Friday, April 06, 2012

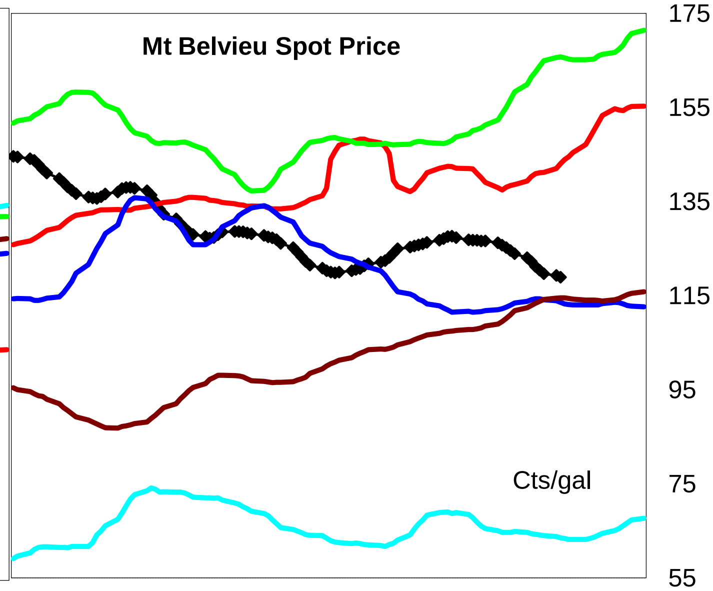
000 bpd Stocks 000 bls	Weekly Supply-Demand U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	Change from prior week: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	45,442	3,060	17,966	23,512	904	659	-5	761	-138	41
Propylene Stocks	3,995					-145				
Production	1,190	70	259	737	124	-27	-13	1	6	-21
Imports	63	16	36	0	11	-10	-15	13	-2	-6
Whsle Demand	1,030					22				

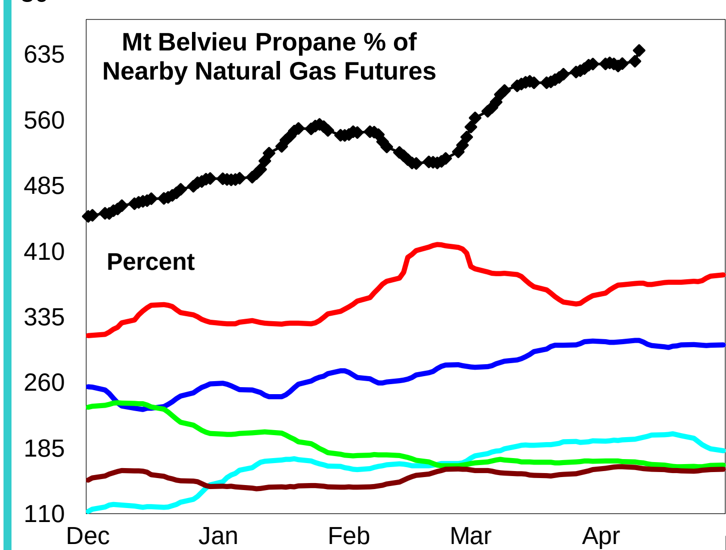
Price Trends for the Week Ending: Tuesday, April 10, 2012

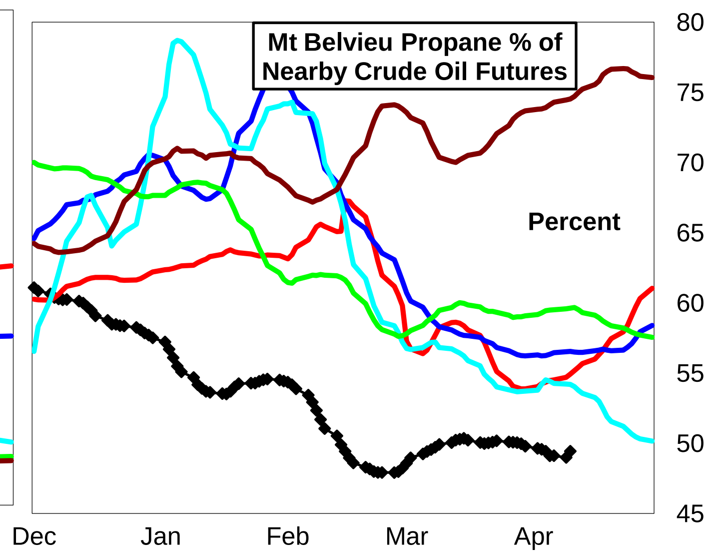
Cents/gal	Average for week ending: 4/10/12	4/3/12	3/13/12	4/13/11	Change from: 4/3/12	3/13/12	4/13/11	% change from: 4/3/12	3/13/12	4/13/11
Mont Belvieu Spot	119.7	123.7	129.2	141.4	-4.06	-5.53	-12.20	-3.3	-4.3	-8.6
Conway Spot	93.6	99.2	112.6	131.8	-5.57	-13.42	-19.19	-5.6	-11.9	-14.6

Key Price Spreads and Differentials

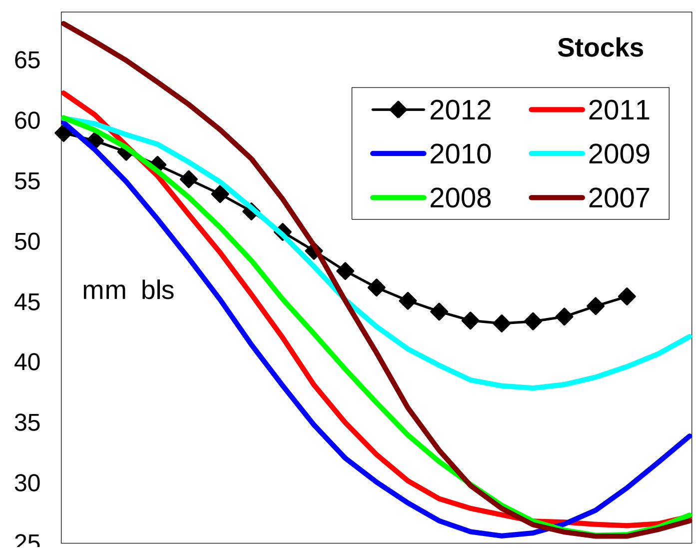


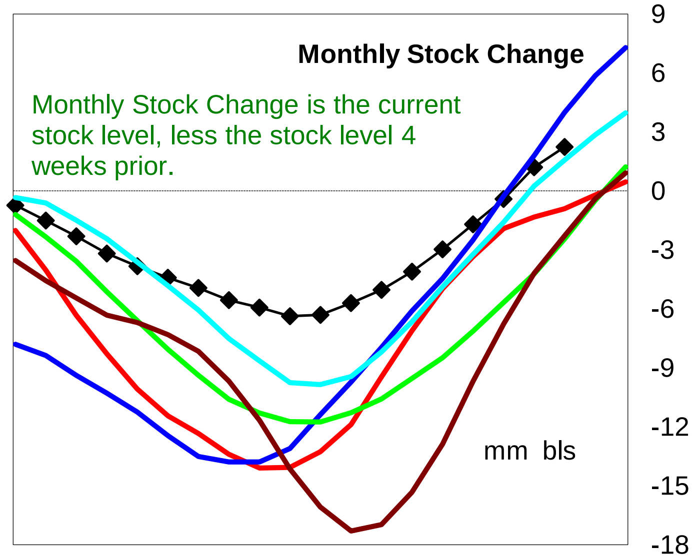


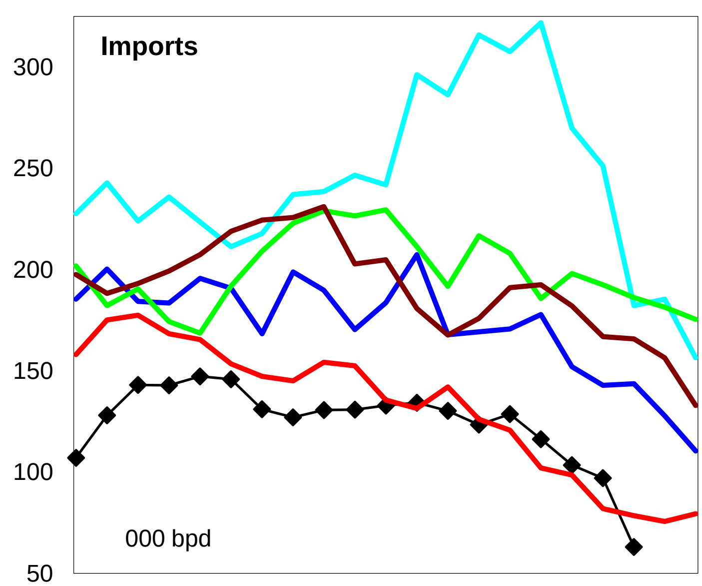


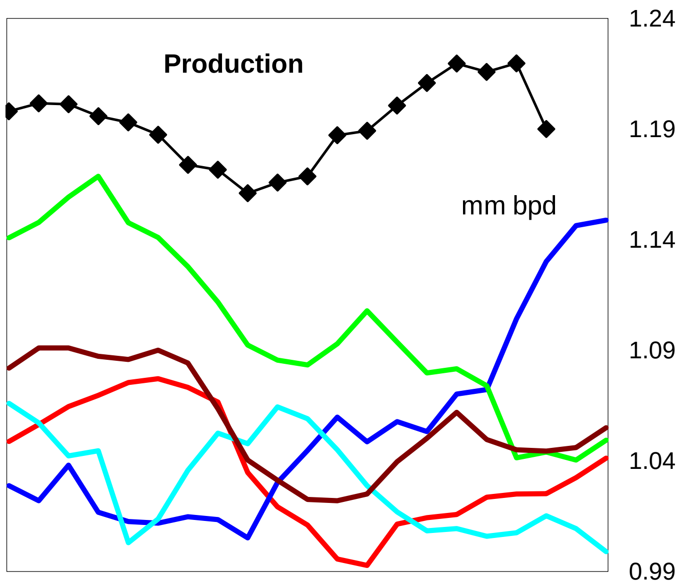


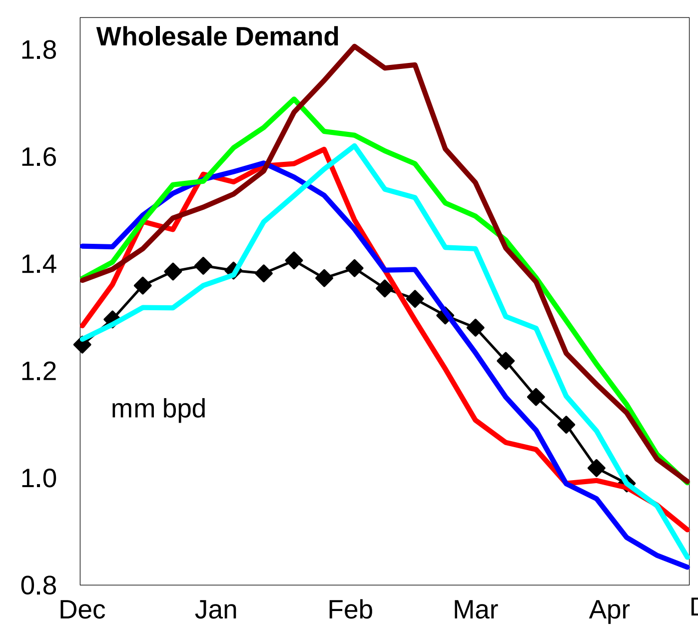
U. S. Propane Supply and Demand Balance

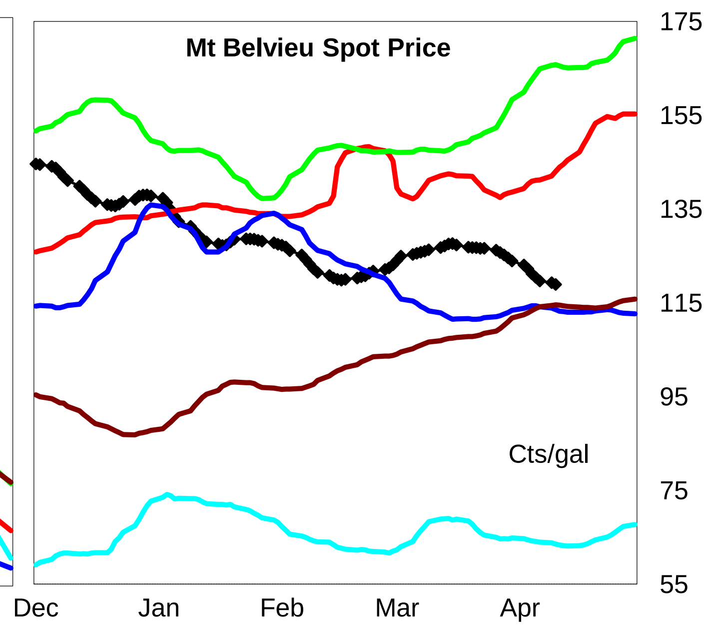






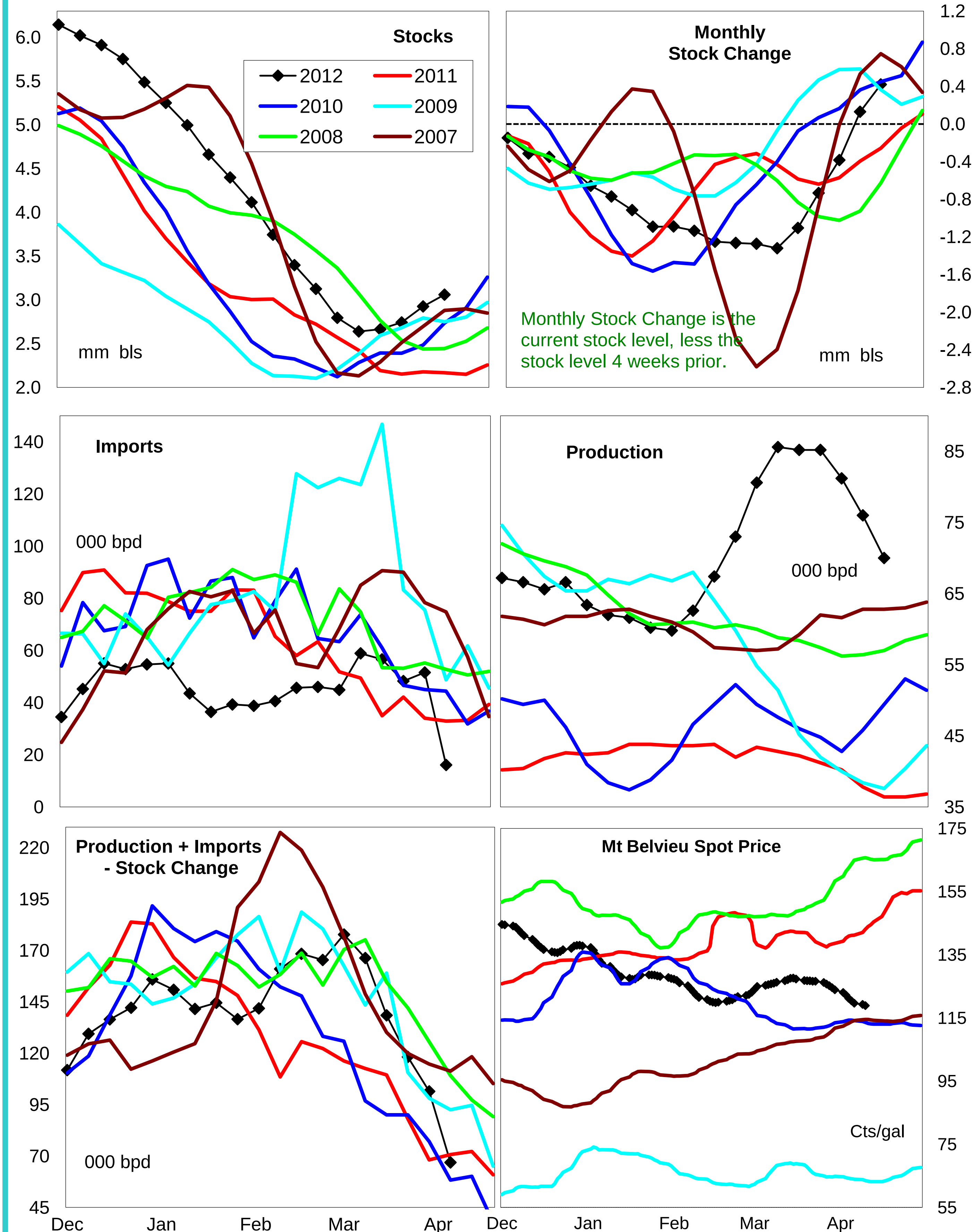






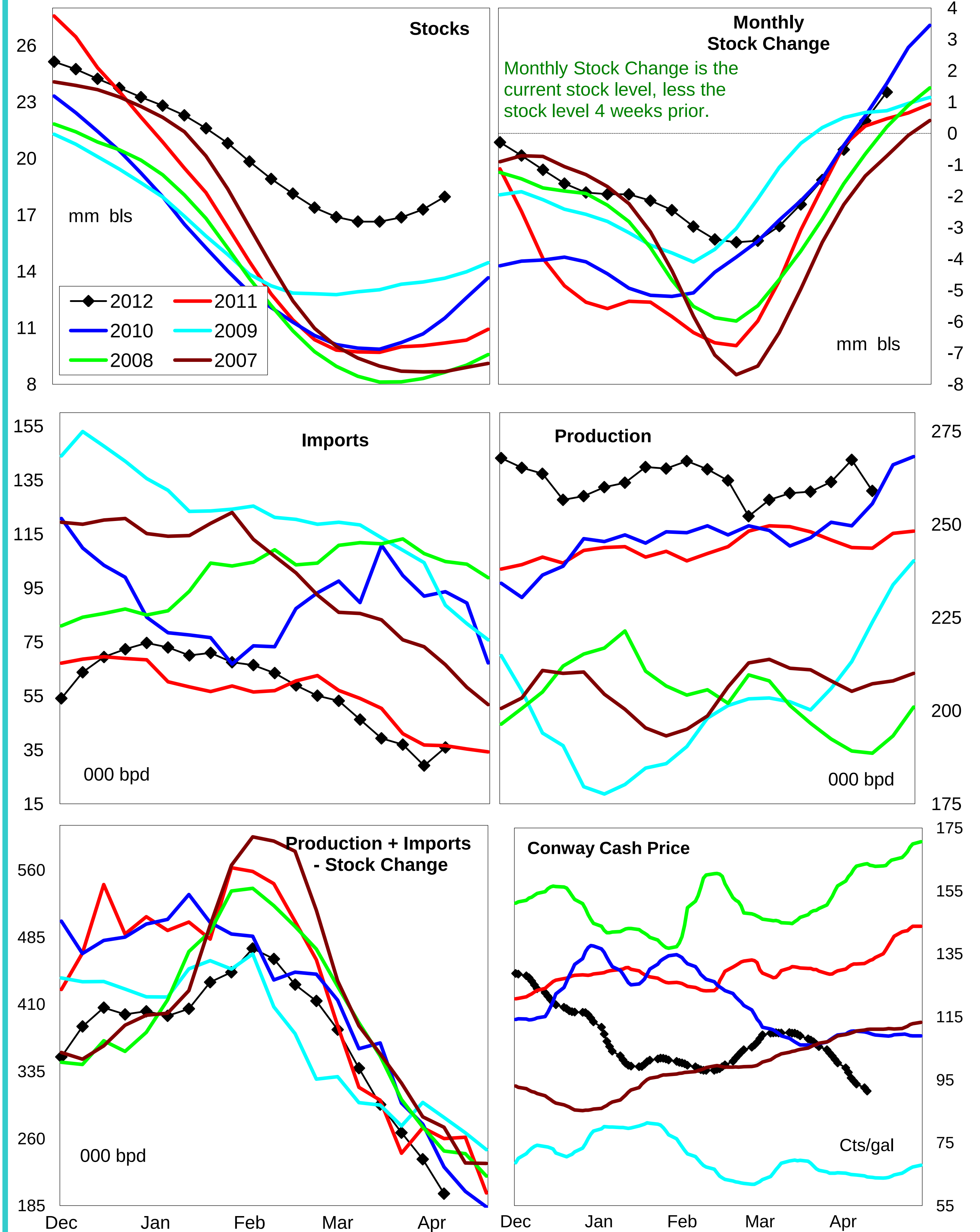
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Mar	Feb	Jan
000 bpd (000 bls stks)	18,696	3,149	199	12		45	-22	-1,423	-246
% change	69.9	-345	19.4	13.5		4.4	-1.9	-100.0	-14.9

PADD 1 Propane Supply and Demand Balance



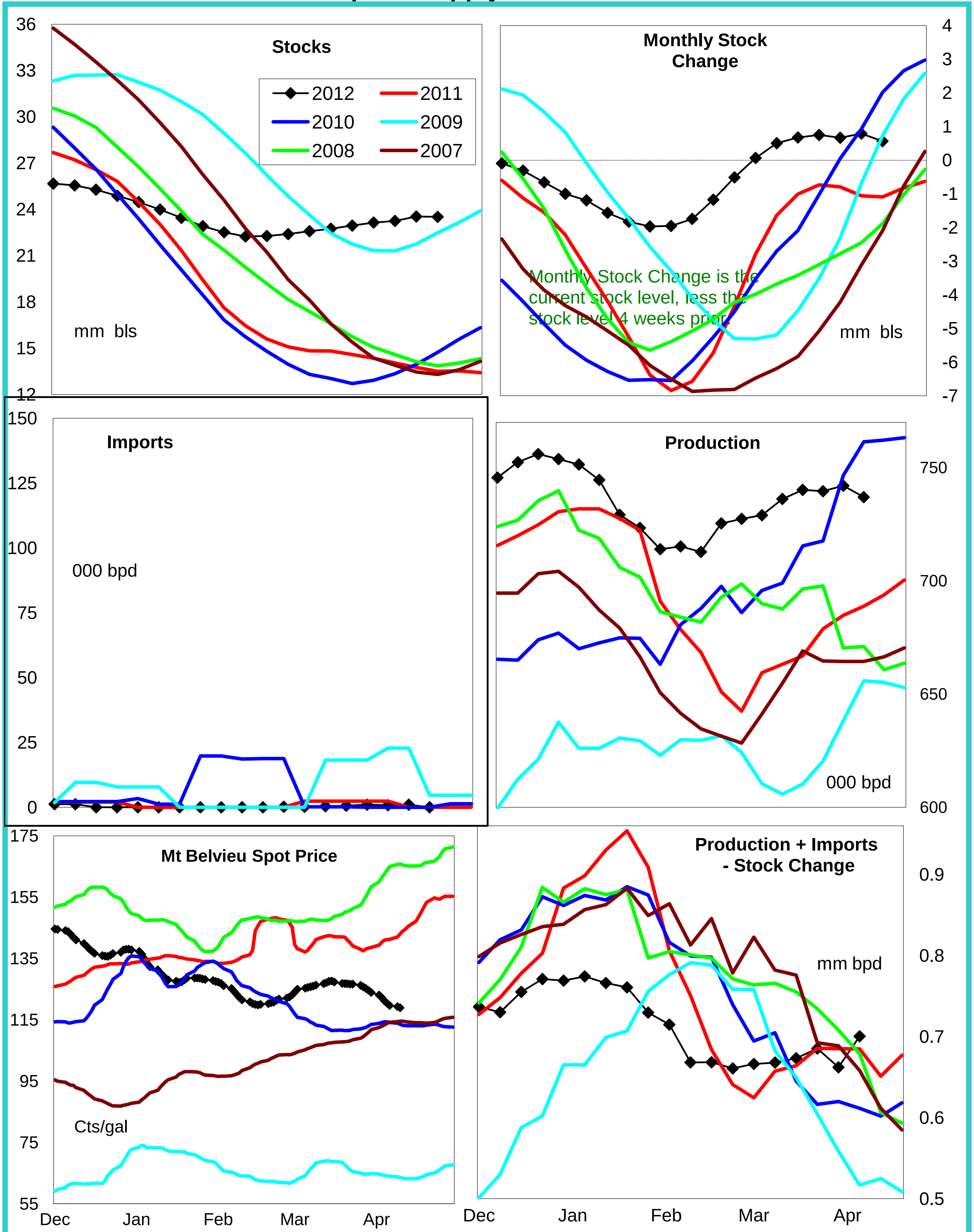
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	938	677	40	12	22
% change	44.2	-263.6	105.2	31.0	26.3

PADD 2 Propane Supply and Demand Balance



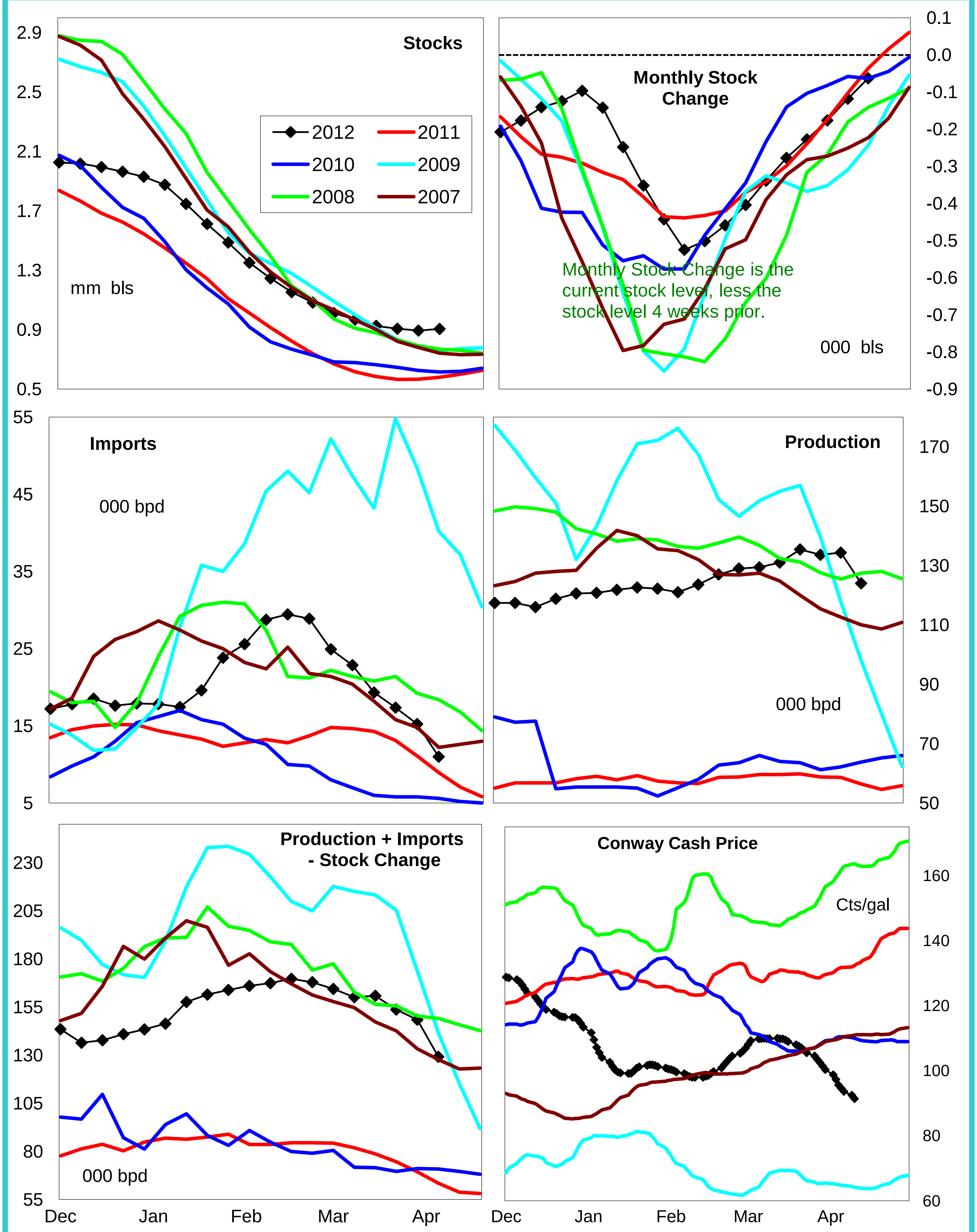
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	7,279	846	28	-4	-20
% change	68.1	179.3	11.4	-10.6	-7.3

PADD 3 Propane Supply and Demand Balance



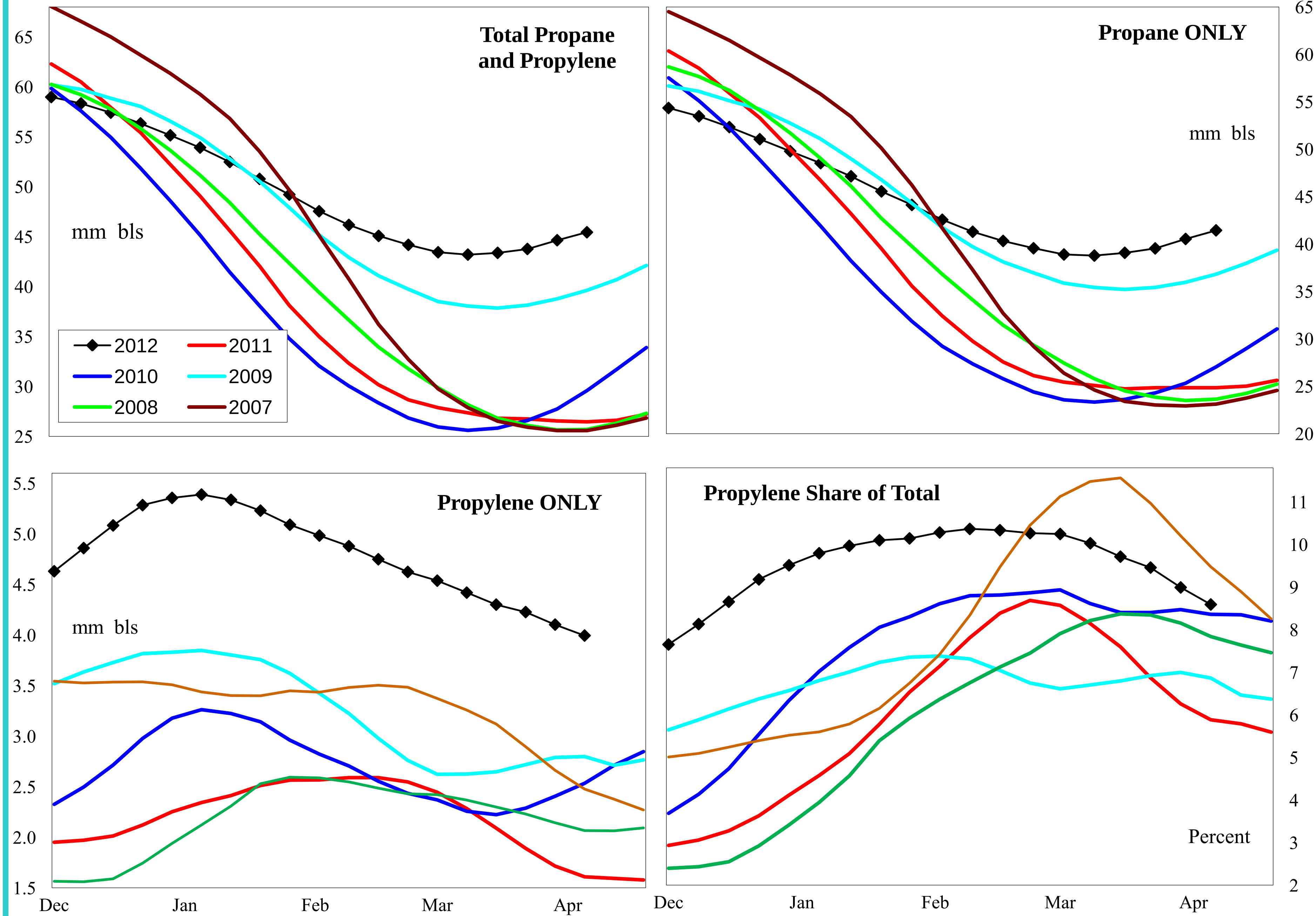
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	10,156	1,654	56	1	0
% change	76.0	-152	8.2	#DIV/0!	0.0

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)	324	-27	75	3	76
% change	55.8	75.0	129.2	24.5	106.9

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	**18,696**	**16,224**	**2,386**
% change	**69.9**	**64.3**	**148.3**

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