WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

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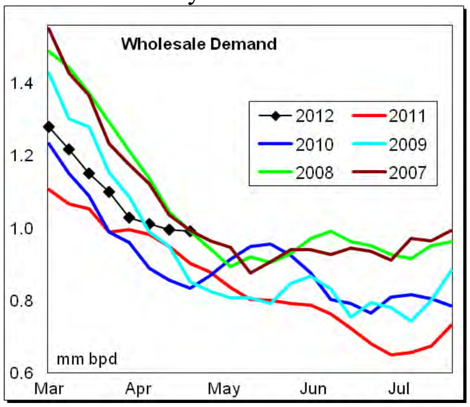
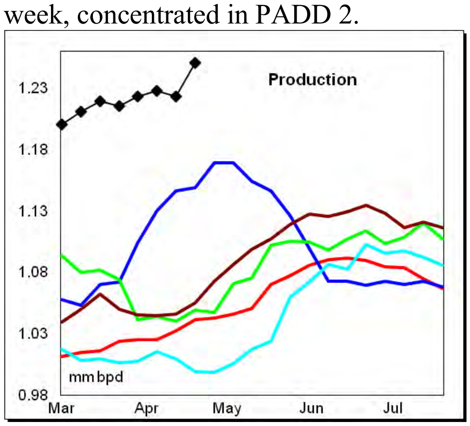
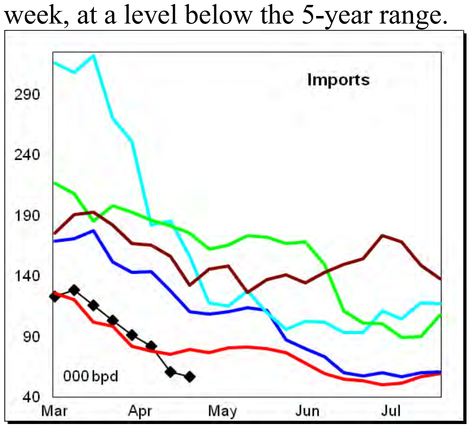
Summary[1]:
Wholesale demand decreased -15,000 bpd on the week, to a level slightly above the last 3-years.



Production increased +23,000 bpd last week, concentrated in PADD 2.

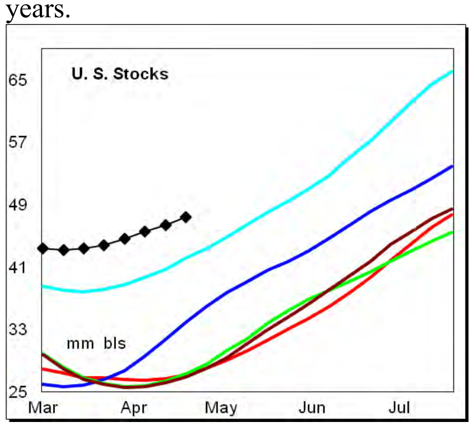


Imports decreased -7,000 bpd on the week, at a level below the 5-year range.

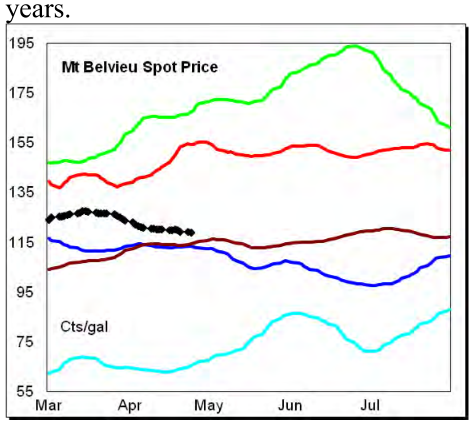


Combined production and imports during the latest 4-wk period were +178,000 bpd above a year ago. Production was +193,000 bpd above last year (+19%), while imports were -15,000 bpd lower. The latest 4-wk average demand was +2,000 bpd above last year.

Stocks increased +1.1 million barrels last week, and are now +79% above a year ago. The 4-wk stock change was a build of +4 million barrels, comparable to the average of the last 3-years.



Price and Spreads Mt Belvieu spot prices decreased -2 cpg on the week ending 24Apr12, while Conway fell -7 cpg during the same week. Conway price levels are well below four of the last 5-years.



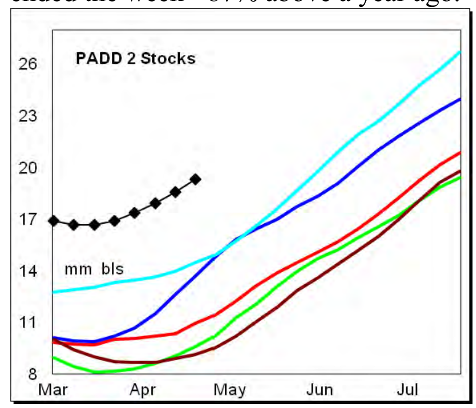
The Conway – Mt Belvieu price spread extended the recent downtrend, with the spread falling to -32 cpg.

The propane to natural gas price spread traded sideways on the week, at a level near recent record highs; as a result of natural gas prices at record lows.

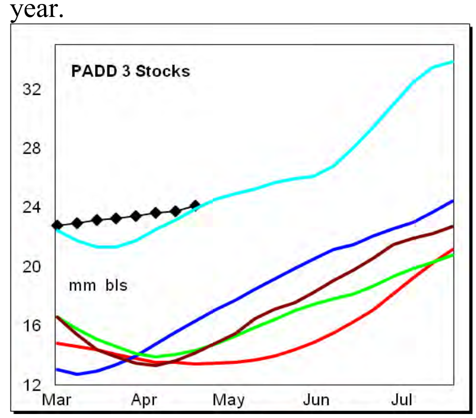
The propane / crude oil price spread trended lower last week, and remains equal to all time lows.

PADD 1 stocks fell -0.3 million barrels last week. Supply decreased -8,000 bpd due to lower imports and production. Stock levels ended the week at the upper end of the 5-year range. Supply for the latest 4-wk period was +22,000 bpd above last year, on near record production.

PADD 2 stocks increased +0.9 million barrels on the week. Supply increased +26,000 bpd on higher production. The latest 4-wk average supply was +12,000 bpd above a year ago. Stock levels ended the week +87% above a year ago.



PAD 3 stocks increased +0.6 million barrels on the week, with the 4-wk stock change a build of +0.9 million barrels, near the latest 3-year average. Stock levels ended the week +80% above last year.



PADDs 4 & 5 stocks were unchanged on the week. The stock level was +66% above a year ago.

Emerging Trends Conway spot prices extended the longer term downtrend on limited available storage capacity and seasonally lower demand. Look for regional price variances based on limits to move product from producing to storage markets. Prices should remain very weak.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

April 25, 2012

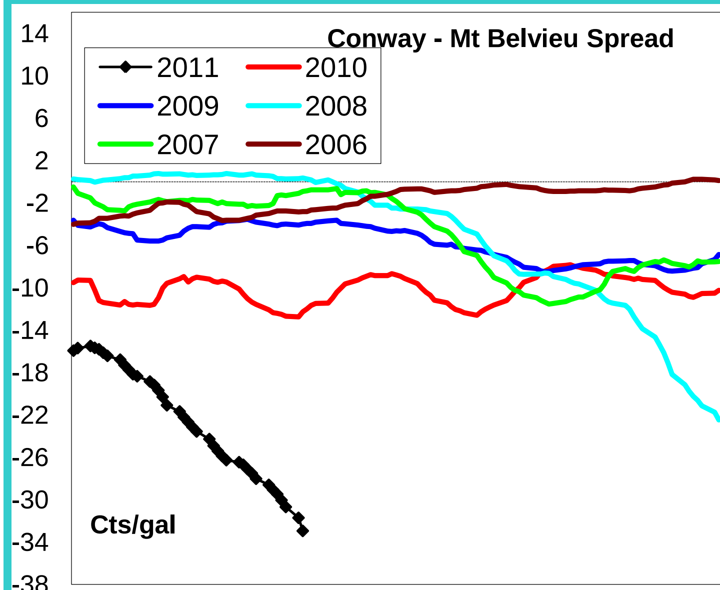
Fundamental Trends for the Week Ending: Friday, April 20, 2012

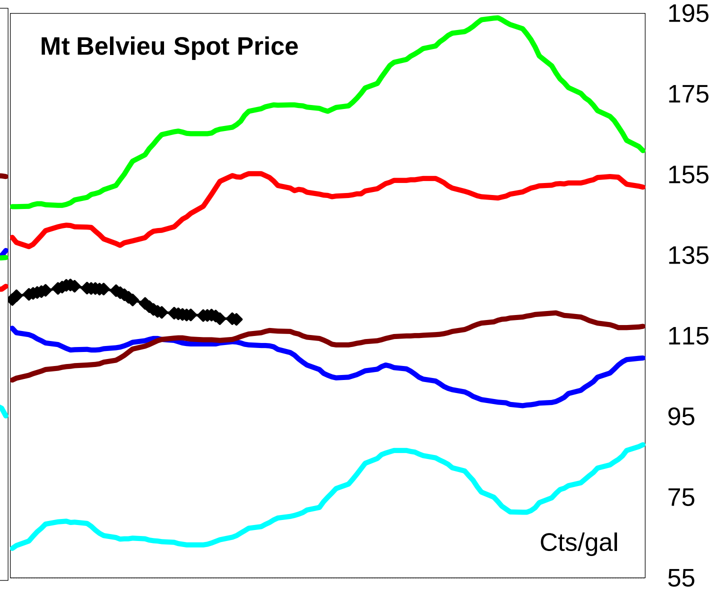
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	47,440	3,019	19,311	24,106	1,004	1,108	-338	866	569	11
Propylene Stocks	3,688					-4				
Production	1,251	62	284	779	126	23	-4	25	-1	3
Imports	57	21	29	0	7	-7	-4	1	0	-4
Whsle Demand	1,032					-15				

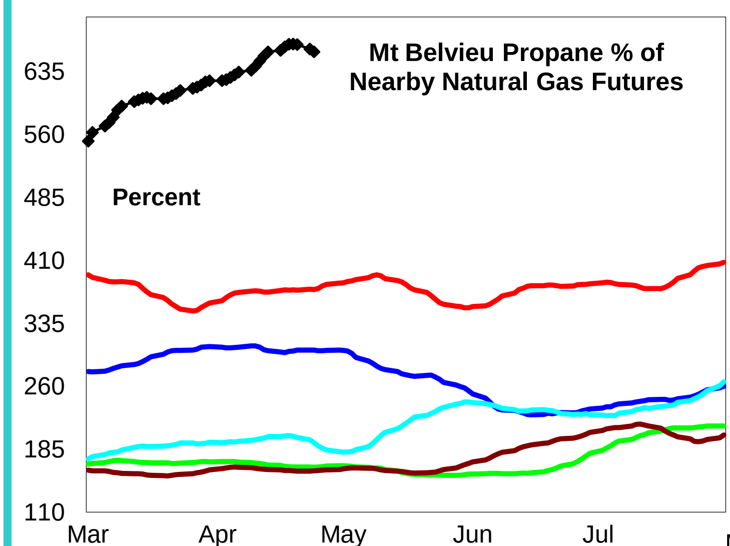
Price Trends for the Week Ending: Tuesday, April 24, 2012

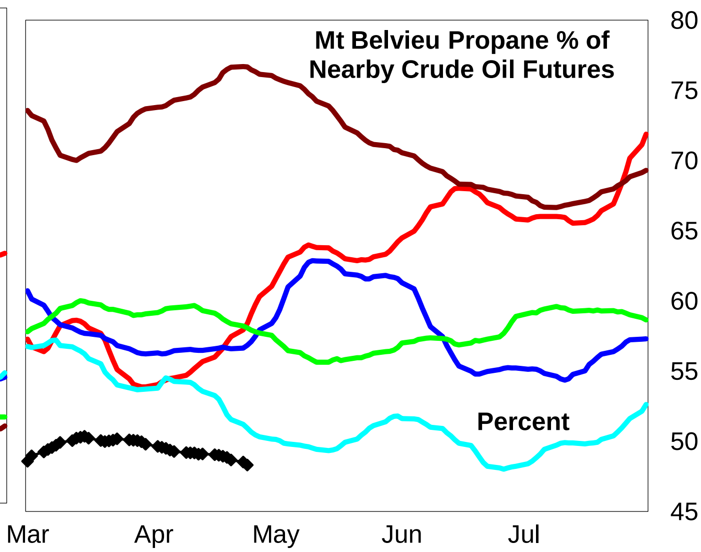
Cents/gal	Average for week ending:				Change from:			% change from:		
	4/24/12	4/17/12	3/27/12	4/27/11	4/17/12	3/27/12	4/27/11	4/17/12	3/27/12	4/27/11
Mont Belvieu Spot	119.3	121.1	127.7	153.0	-1.84	-6.56	-25.34	-1.5	-5.1	-16.6
Conway Spot	88.6	93.4	107.2	140.2	-4.77	-13.85	-32.95	-5.1	-12.9	-23.5

Key Price Spreads and Differentials









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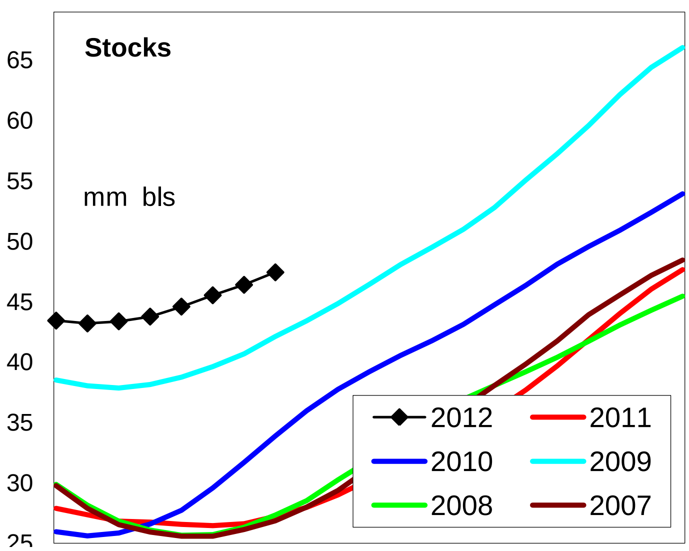
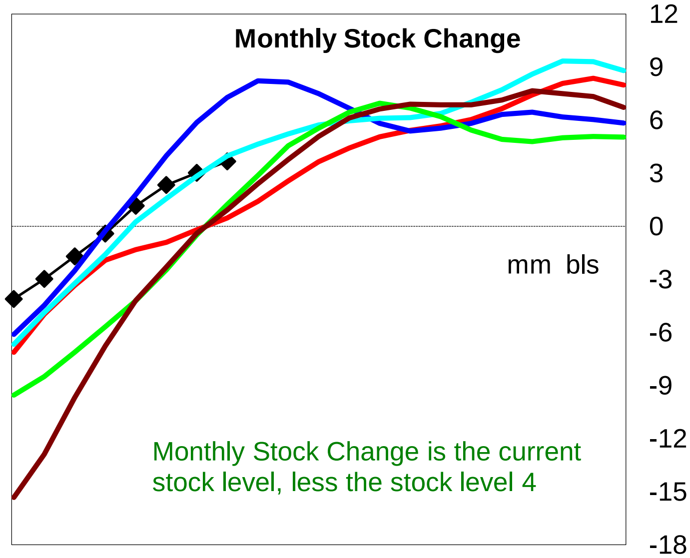
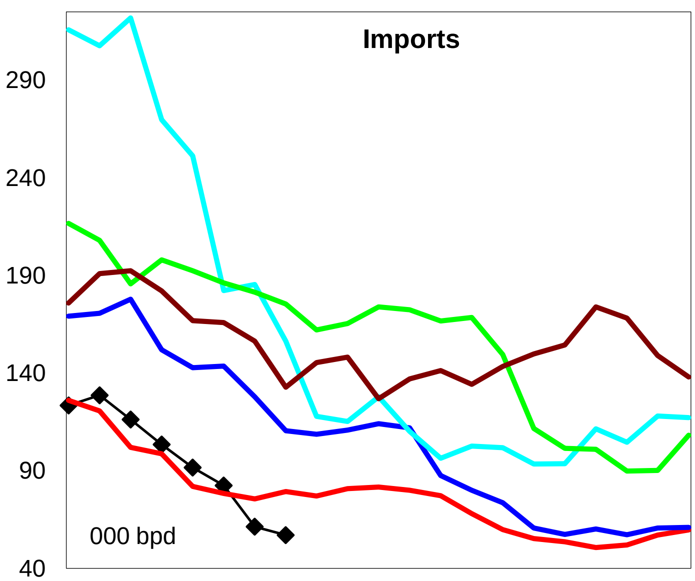
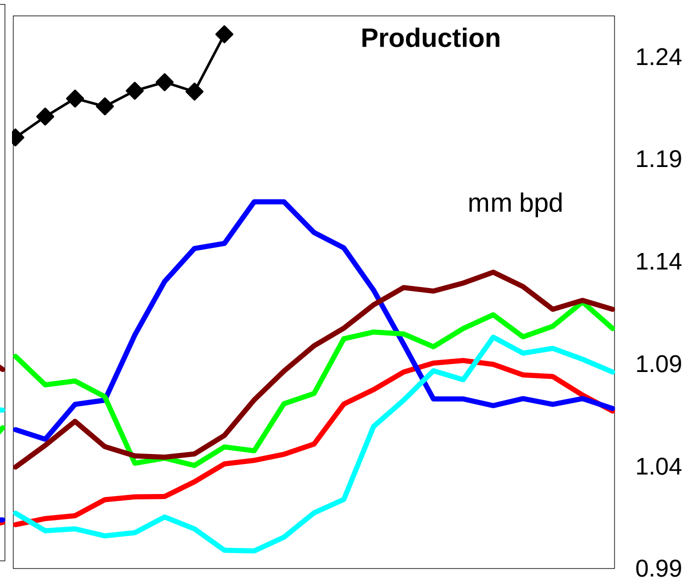
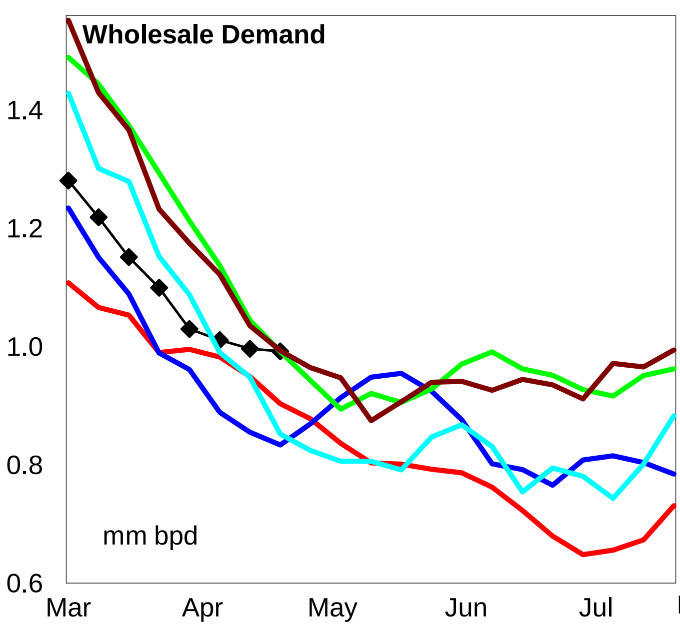
U. S. Propane Supply and Demand Balance

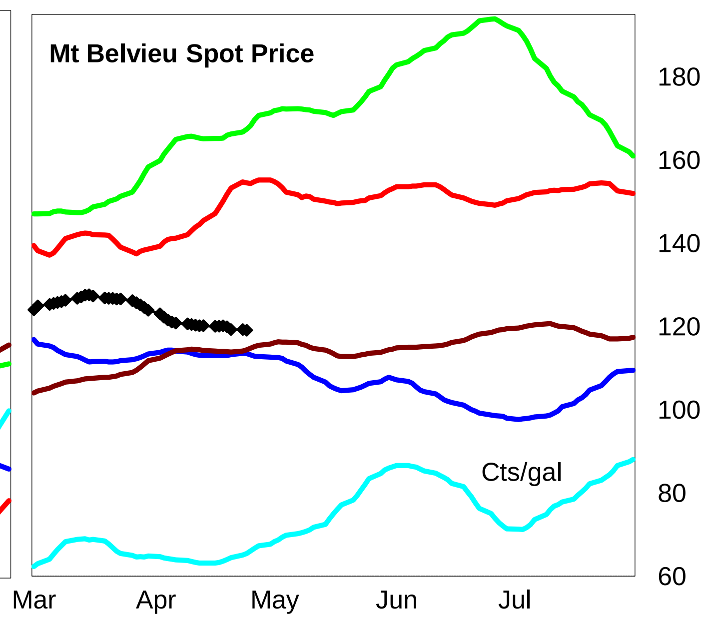












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Mar	Feb	Jan
000 bpd (000 bls stks)	20,975	3,201	193	-15		2	-22	-1,423	-246
% change	79.3	683	18.8	-19.2		0.1	-1.9	-100.0	-14.9

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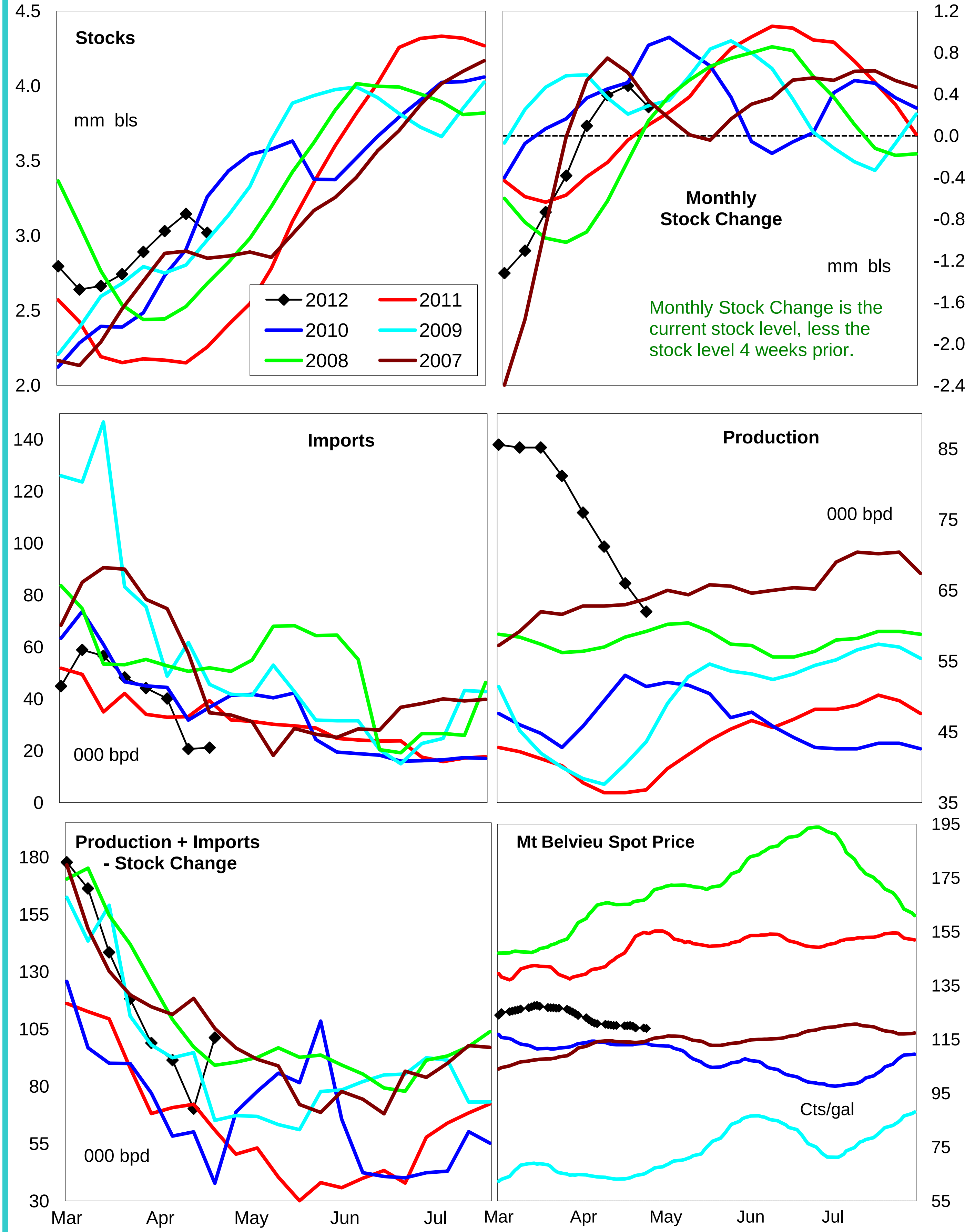
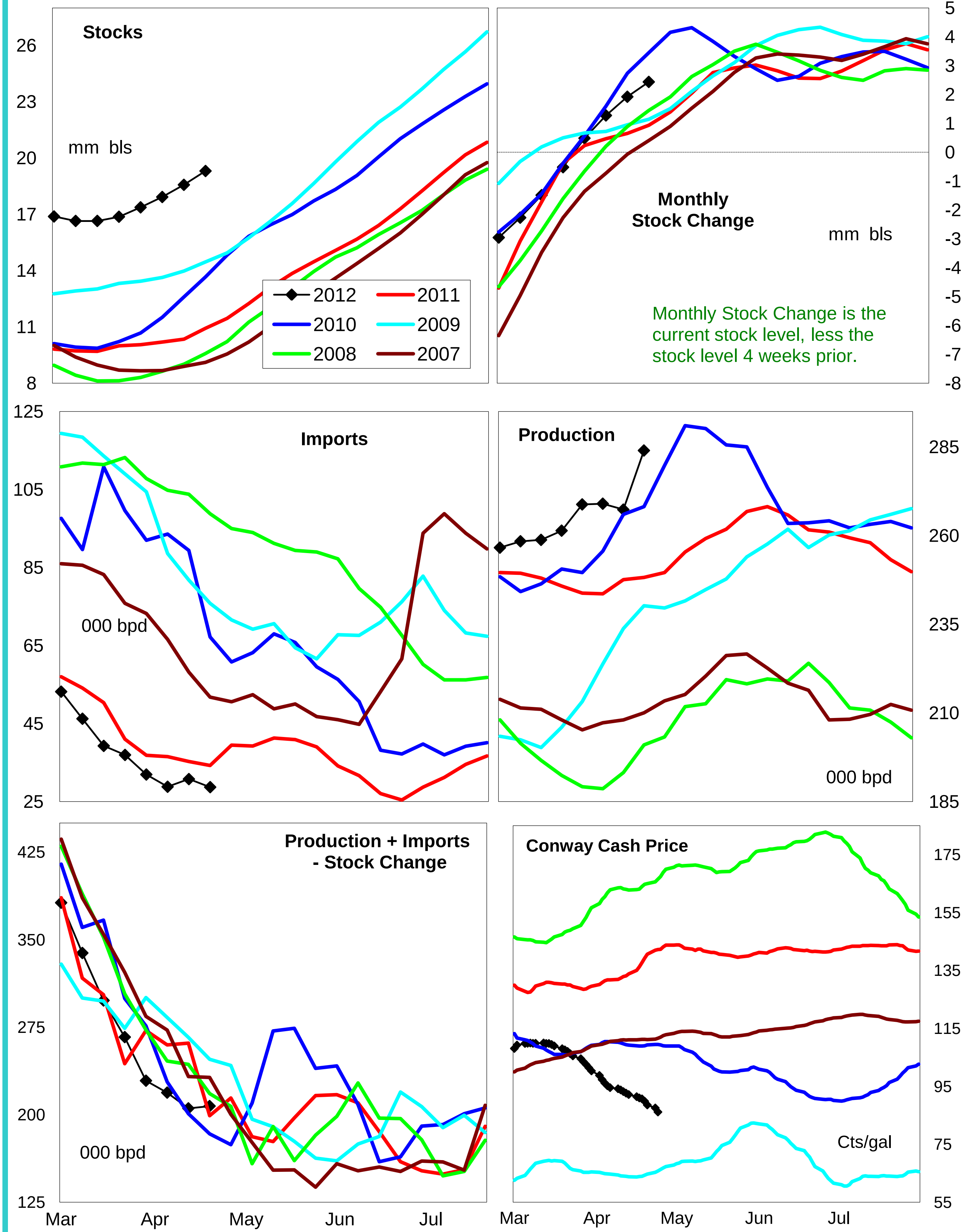
PADD 1 Propane Supply and Demand Balance



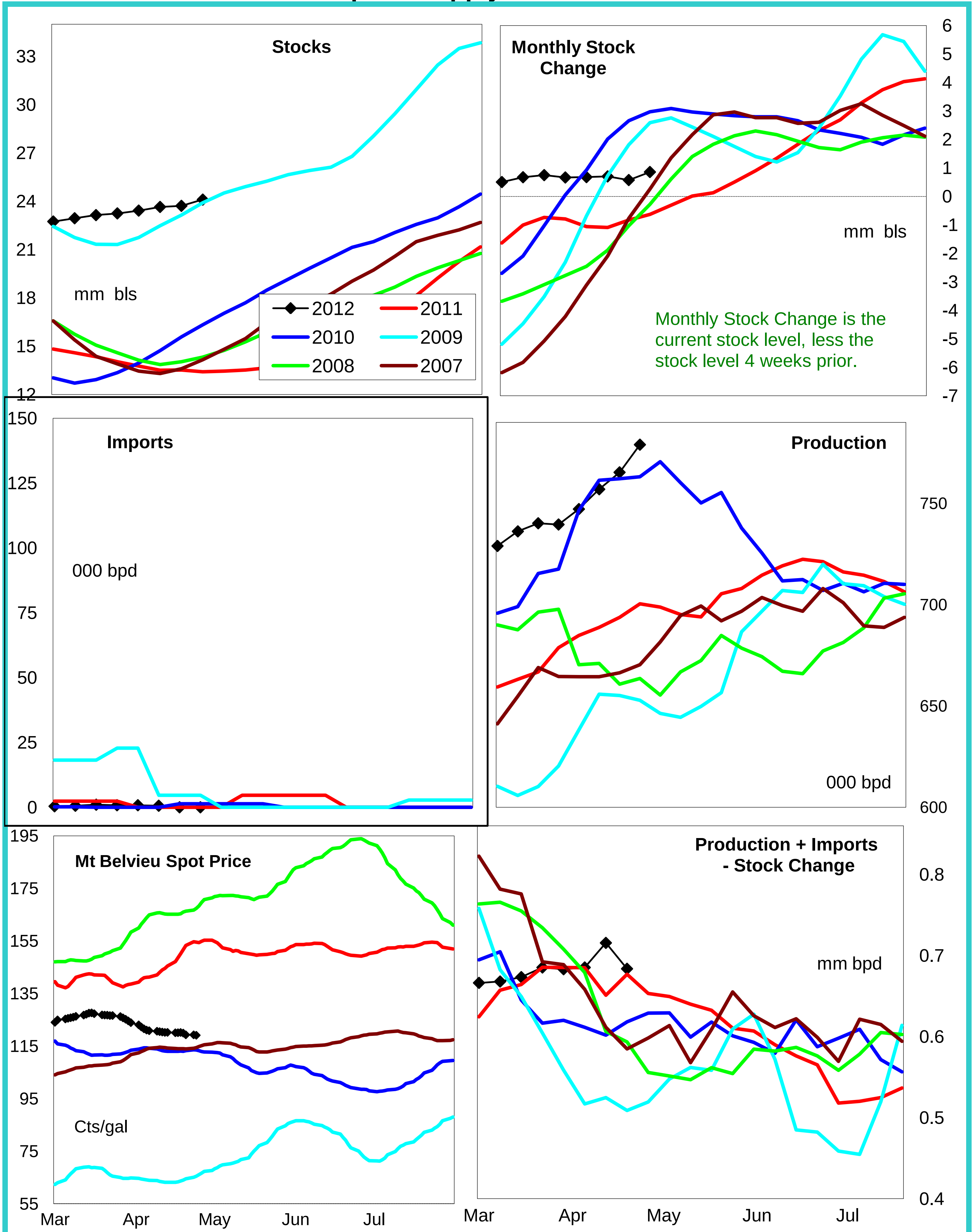
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	865	172	35	-13	22
% change	40.2	163.4	97.9	-36.2	33.1

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)	8,973	1,504	19	-7	-33
% change	86.8	161.0	7.8	-19.2	-13.3

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)	10,736	1,489	66	1	17
% change	80.3	-236	9.5	#DIV/0!	2.4

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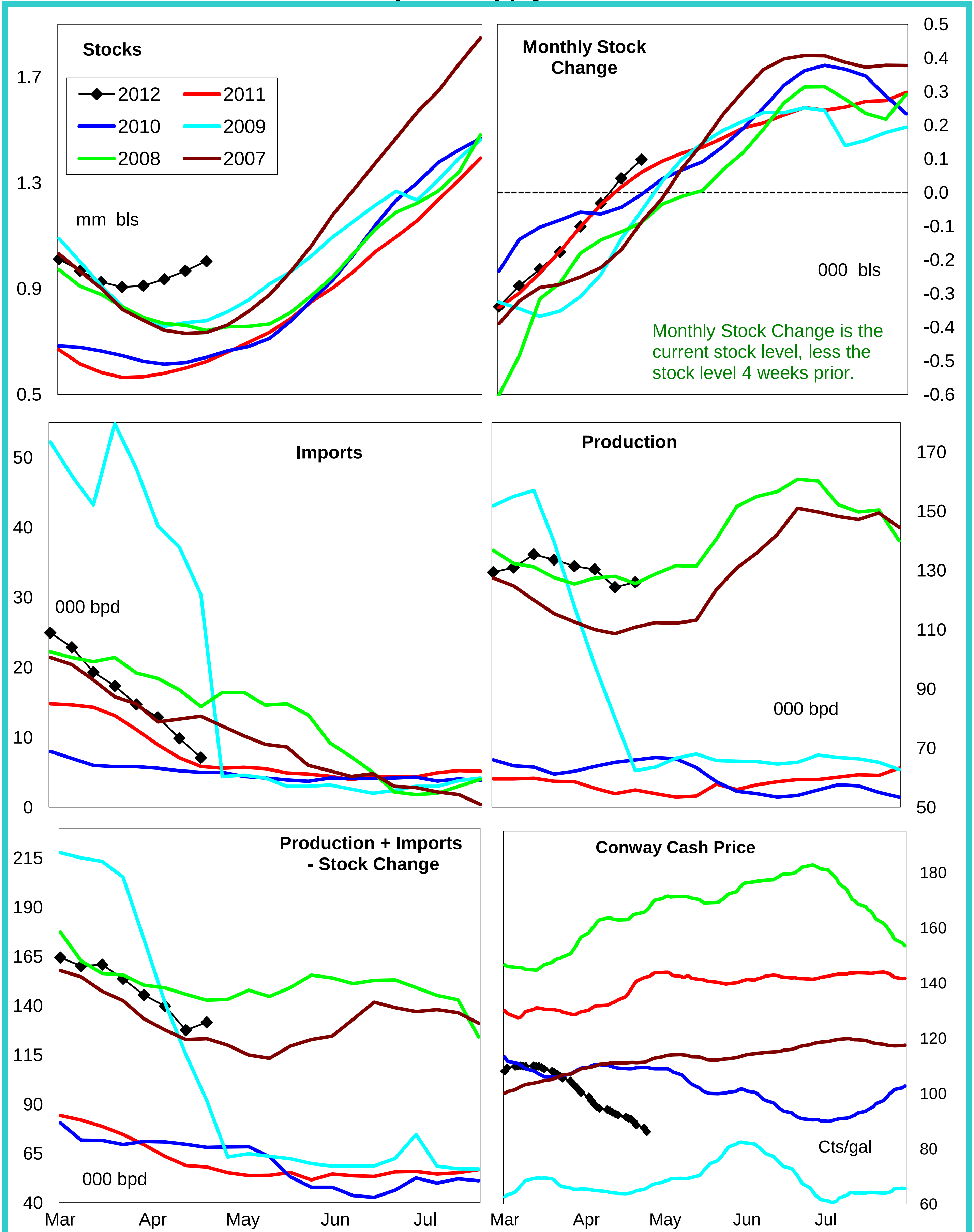
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	401	38	74	4	74
% change	66.5	62.5	131.3	58.1	117.9

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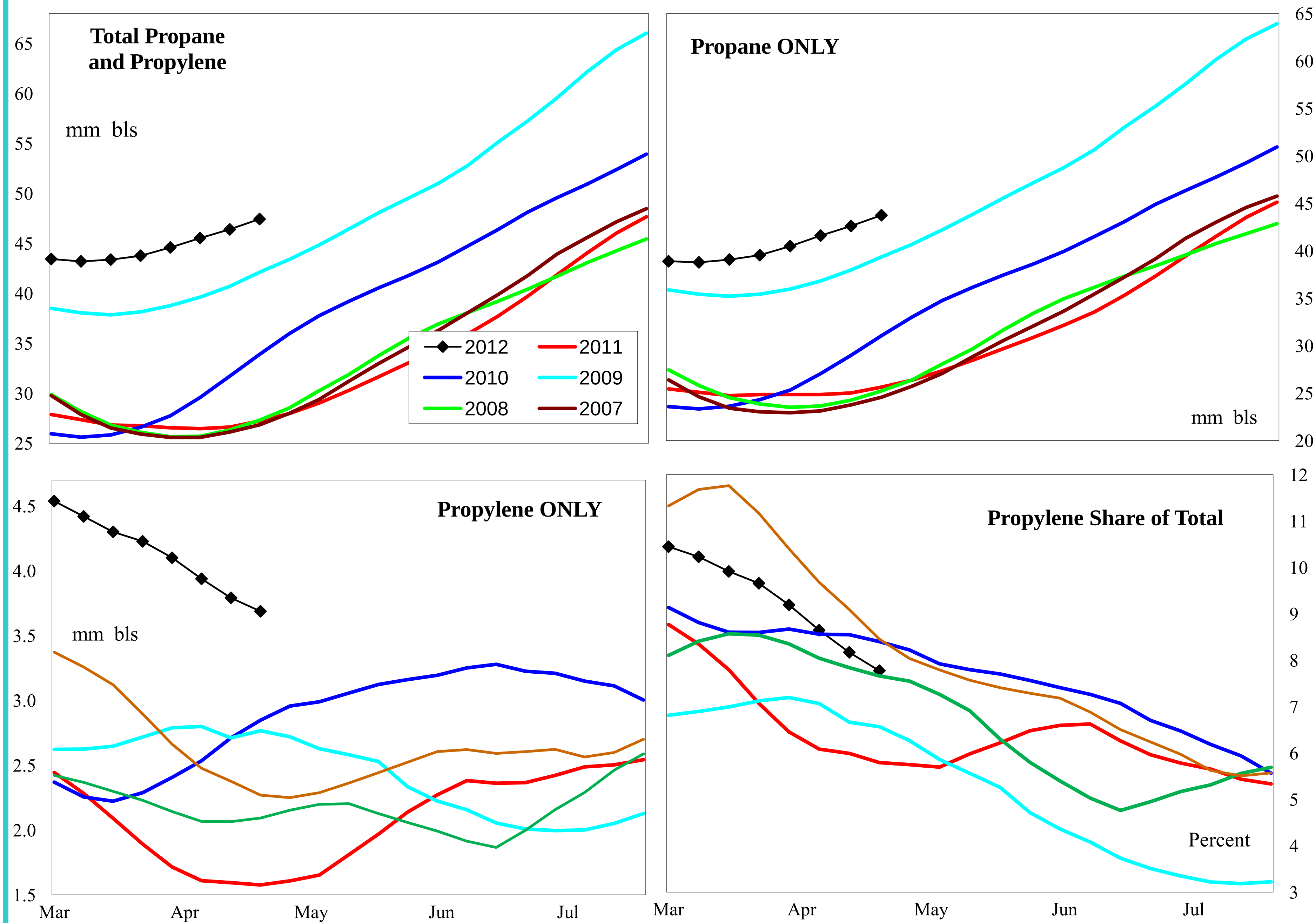
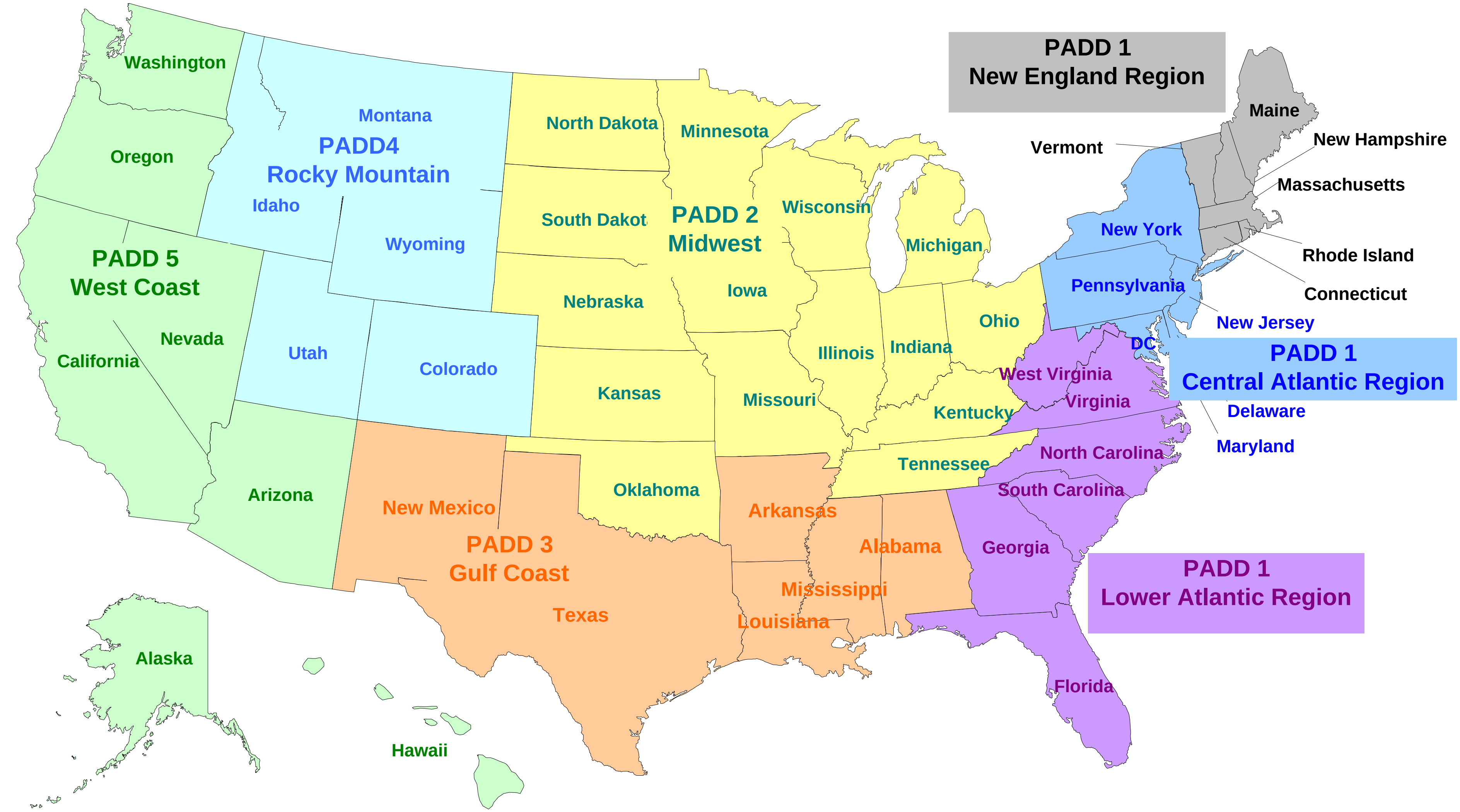
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	**20,975**	**18,860**	**2,111**
% change	**79.3**	**75.8**	**133.9**

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



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