



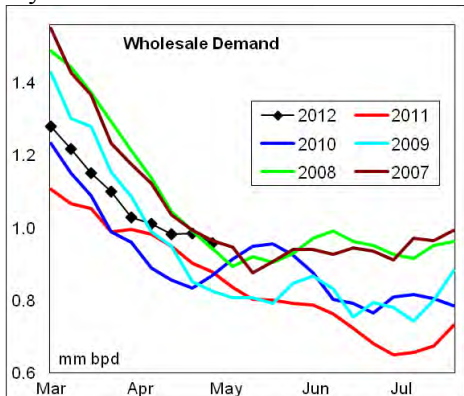
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

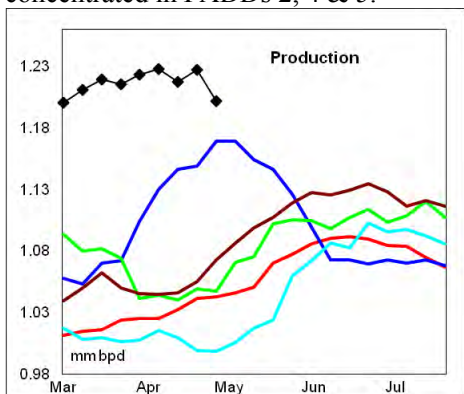
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary¹:

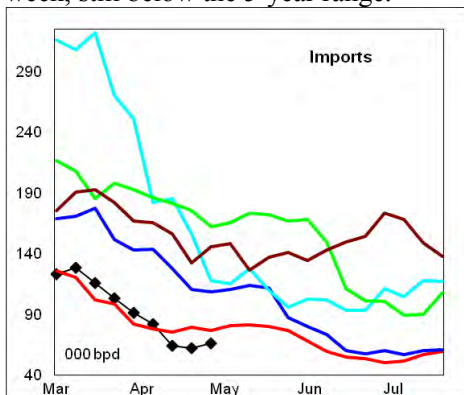
Wholesale demand decreased -34,000 bpd on the week, to a level above the last 3-years.



Production fell -49,000 bpd last week, concentrated in PADDs 2, 4 & 5.



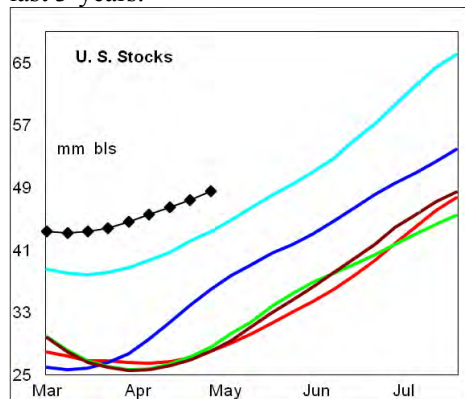
Imports increased +9,000 bpd on the week, still below the 5-year range.



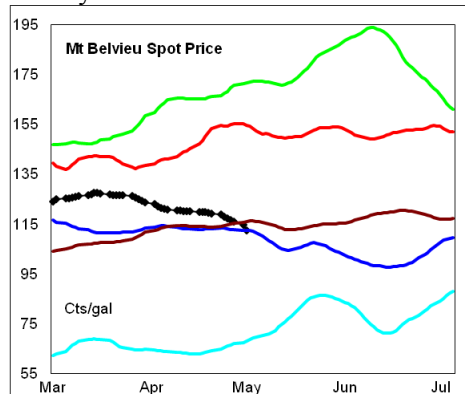
Combined production and imports during the latest 4-wk period were +169,000 bpd above a year ago. Production was +182,000 bpd above last year (+18%), while imports were -

13,000 bpd lower. The latest 4-wk average demand was +79,000 bpd above last year.

Stocks increased +1.1 million barrels last week, and are now +75% above a year ago. The 4-wk stock change was a build of +4.6 million barrels, comparable to the average of the last 3-years.



Price and Spreads Mt Belvieu spot prices fell -6.5 cpg on the week ending 01May12, while Conway decreased -4 cpg during the same week. Conway price levels are well below four of the last 5-years.



The Conway – Mt Belvieu price spread reversed the recent downtrend, with the spread ending the week at -28 cpg.

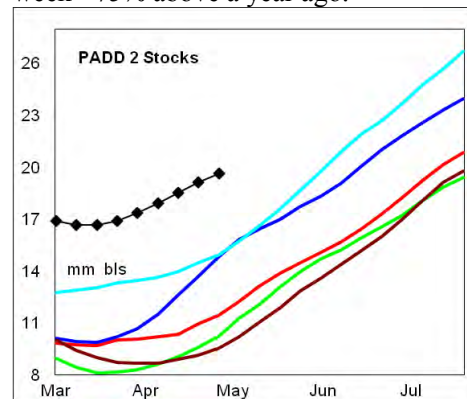
The propane to natural gas price spread trended sharply lower on strength in gas prices and weak propane prices.

The propane / crude oil price spread fell last week, on strength in crude oil prices and lower propane prices.

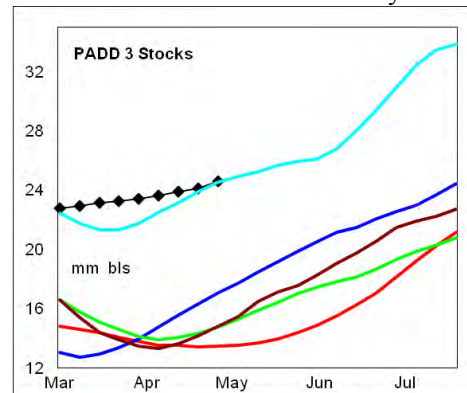
PADD 1 stocks increased +0.1 million barrels last week. Supply increased +18,000 bpd due to higher imports and production. Stock levels ended the week

above the 5-year mid range. Supply for the latest 4-wk period was +18,000 bpd above last year, on increased production.

PADD 2 stocks increased +0.3 million barrels on the week. Supply fell -44,000 bpd on lower production. The latest 4-wk average supply was +8,000 bpd above a year ago. Stock levels ended the week +75% above a year ago.



PAD 3 stocks increased +0.5 million barrels on the week, with the 4-wk stock change a build of +1.3 million barrels, near the 5-year average. Stock levels ended the week +78% above last year.



PADDs 4 & 5 stocks increased +0.1 million barrels on the week. The stock level was +67% above a year ago.

Emerging Trends Wholesale prices are seeing a sharp decline as pre-buying by distributors is more than offset by record stock levels, high production and seasonally low demand. Curtailment of natural gas production may reduce liquids processing, including propane production, over the next several months. Look for continued price weakness.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

May 3, 2012

Fundamental Trends for the Week Ending:

Friday, April 27, 2012

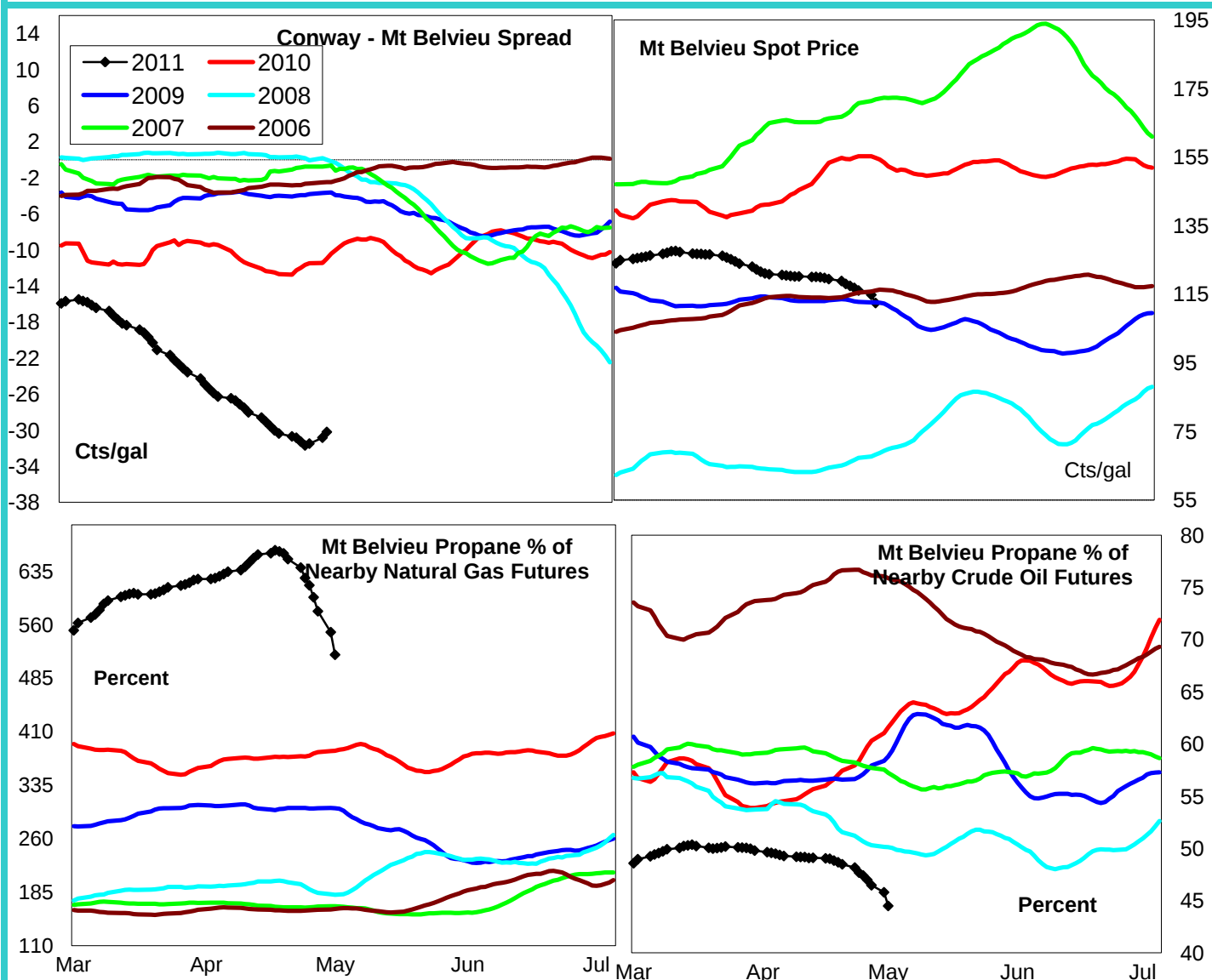
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	48,507	3,165	19,621	24,621	1,100	1,067	146	310	515	96
Propylene Stocks	3,539					-149				
Production	1,202	68	243	792	99	-49	6	-41	13	-27
Imports	66	33	26	0	8	9	12	-3	0	1
Whsle Demand	998					-34				

Price Trends for the Week Ending:

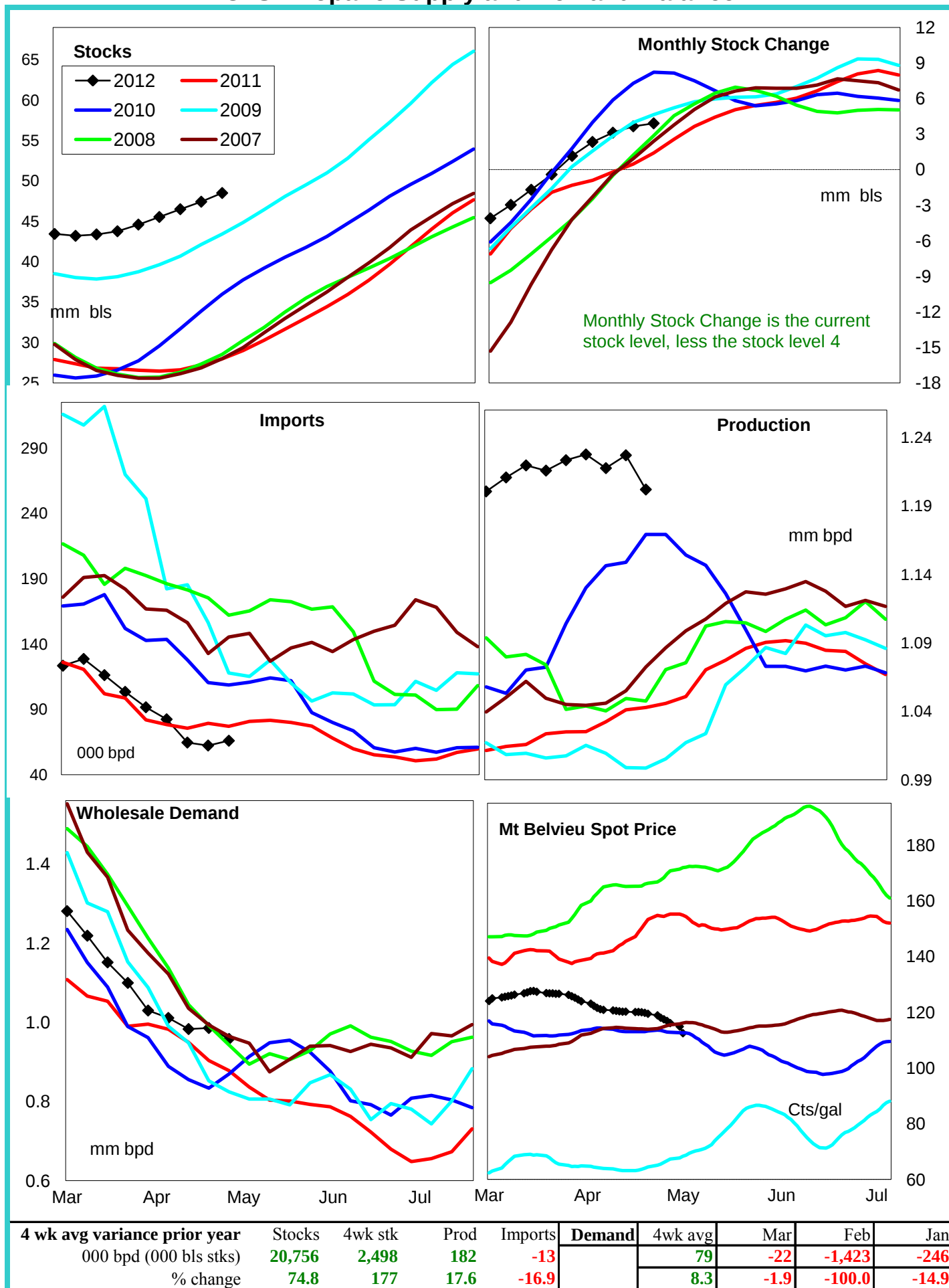
Tuesday, May 01, 2012

Cents/gal	Average for week ending:				Change from:			% change from:		
	5/1/12	4/24/12	4/3/12	5/4/11	4/24/12	4/3/12	5/4/11	4/24/12	4/3/12	5/4/11
Mont Belvieu Spot	116.1	119.3	123.7	156.9	-3.18	-4.44	-33.14	-2.7	-3.6	-21.1
Conway Spot	84.6	88.6	99.2	145.3	-3.98	-10.62	-46.10	-4.5	-10.7	-31.7

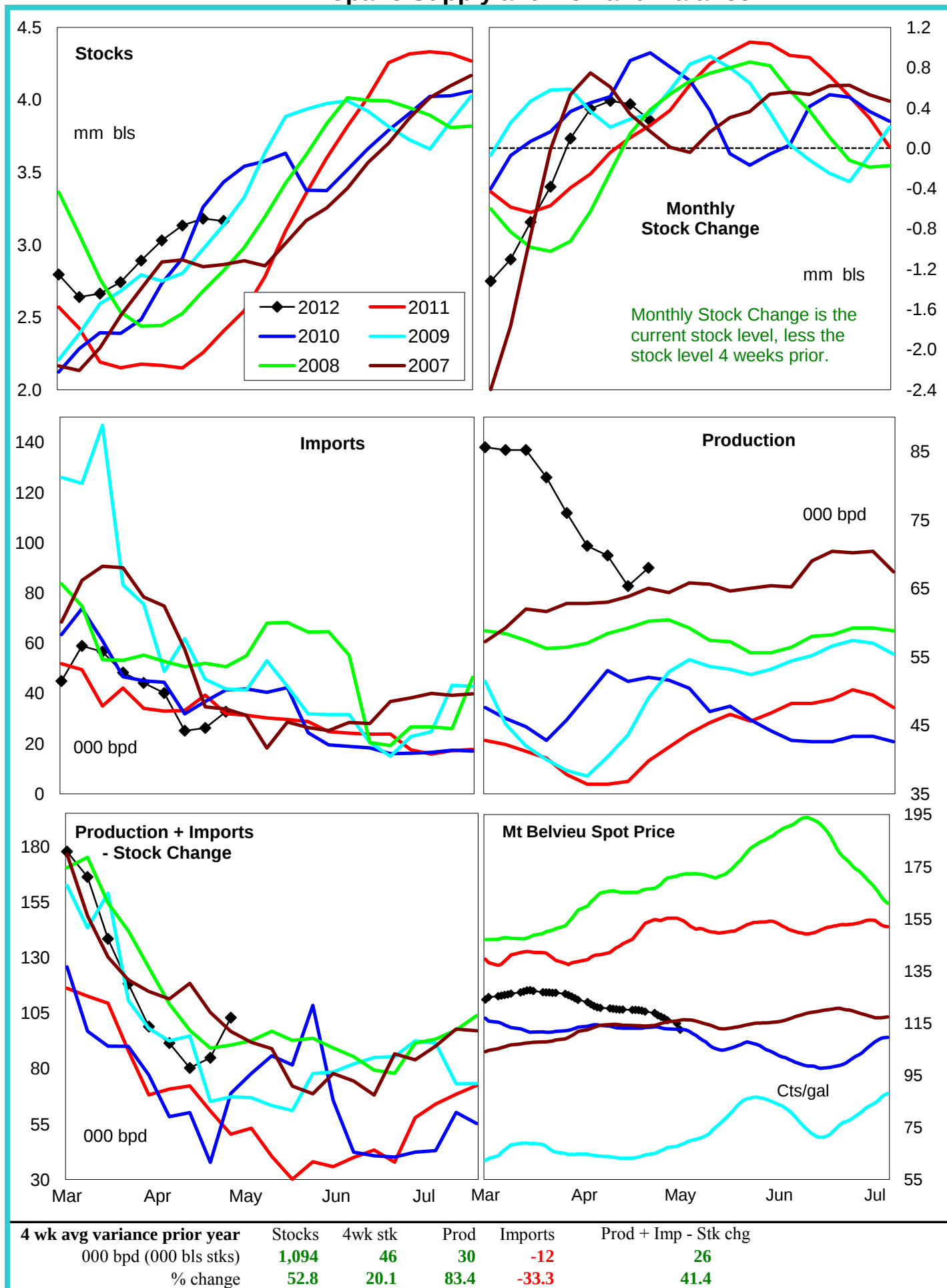
Key Price Spreads and Differentials



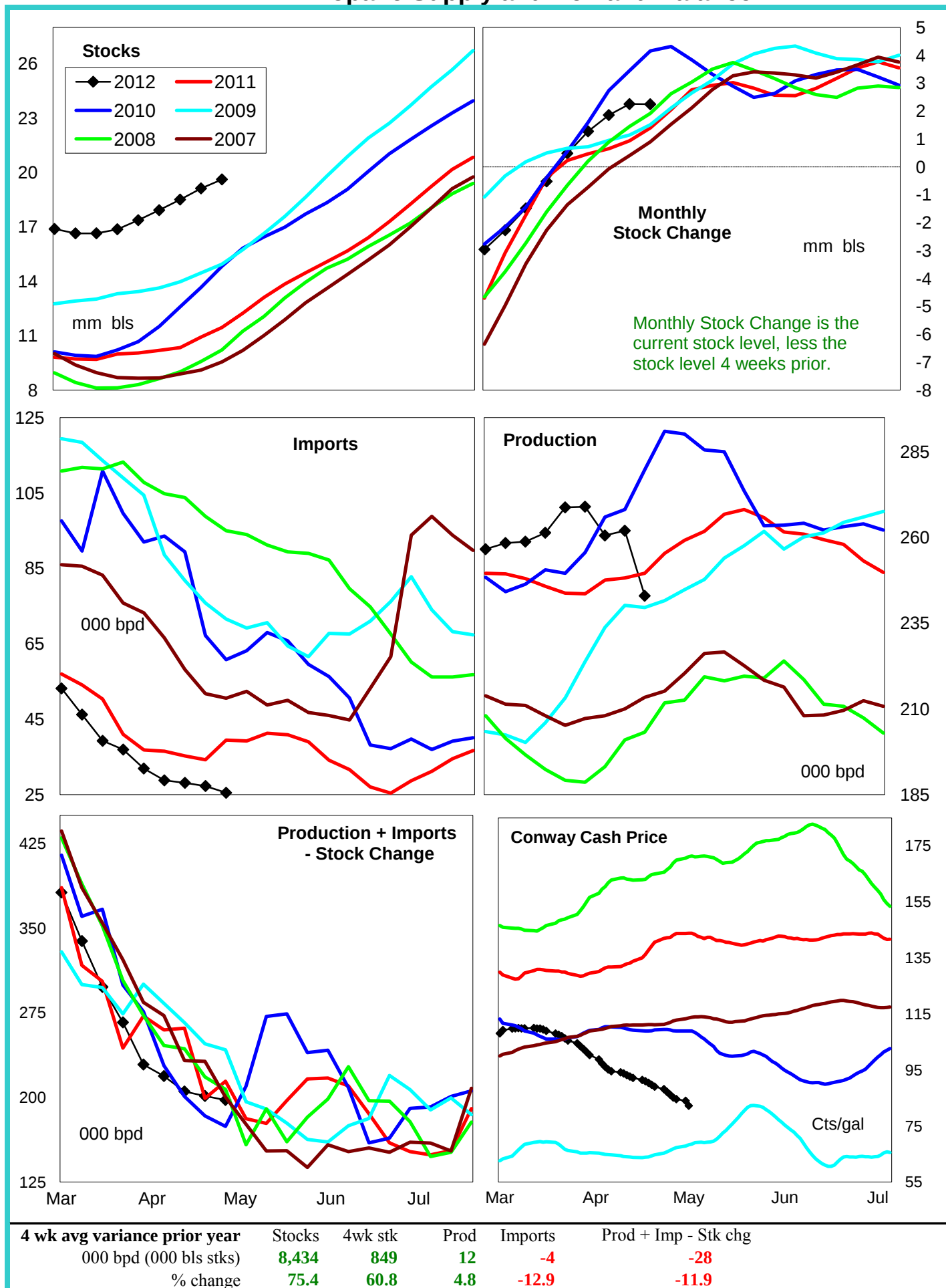
U. S. Propane Supply and Demand Balance



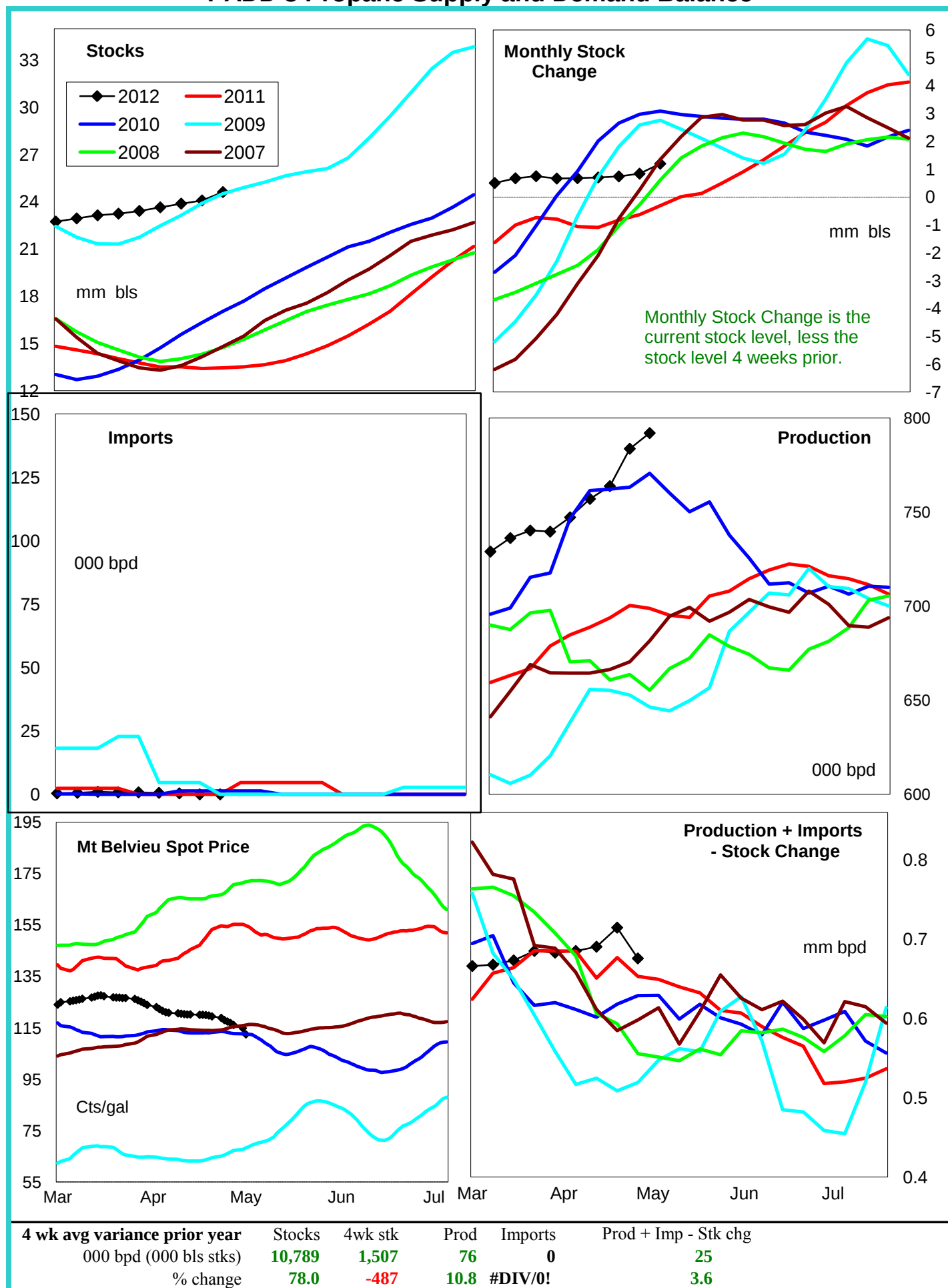
PADD 1 Propane Supply and Demand Balance



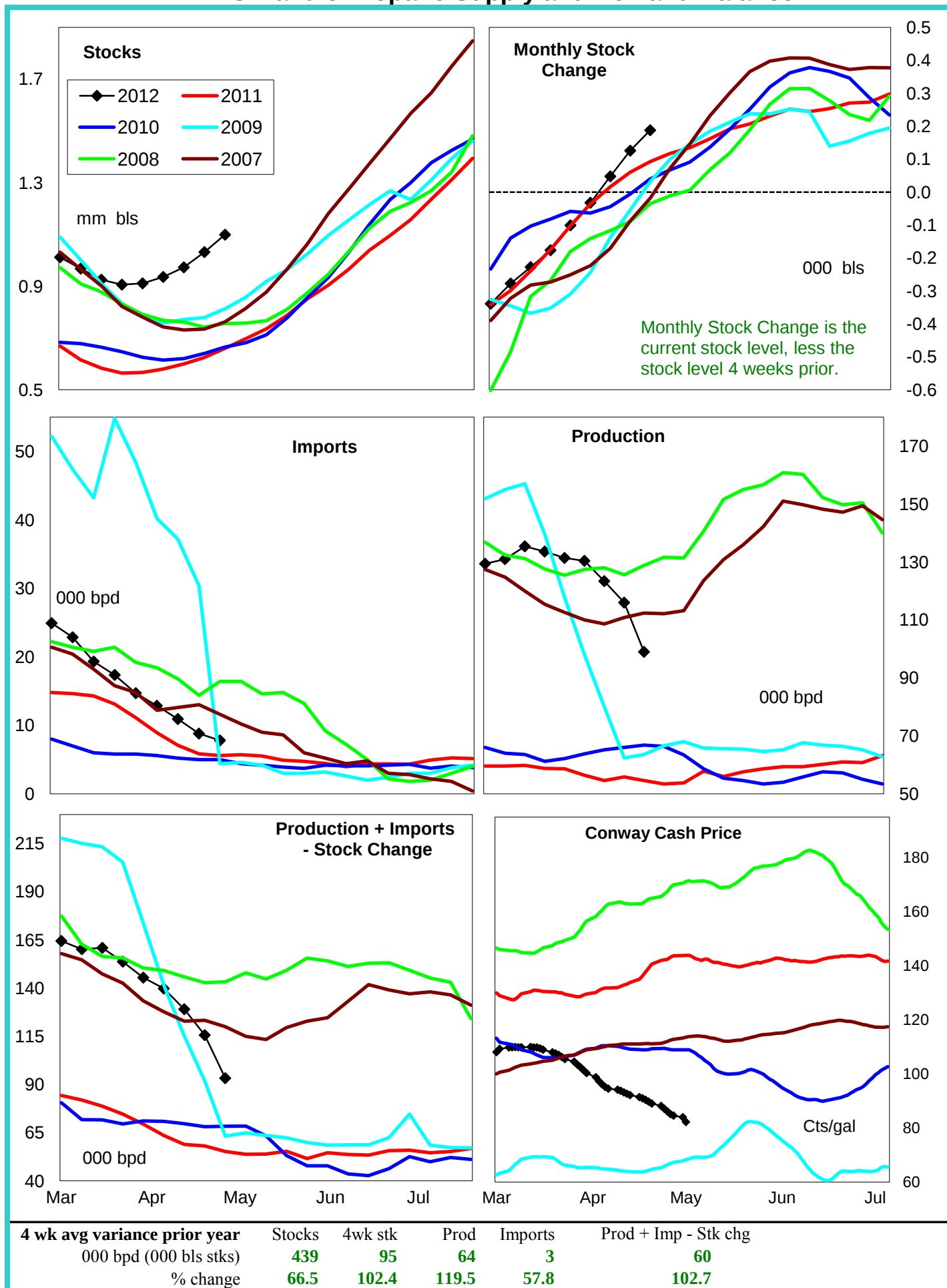
PADD 2 Propane Supply and Demand Balance



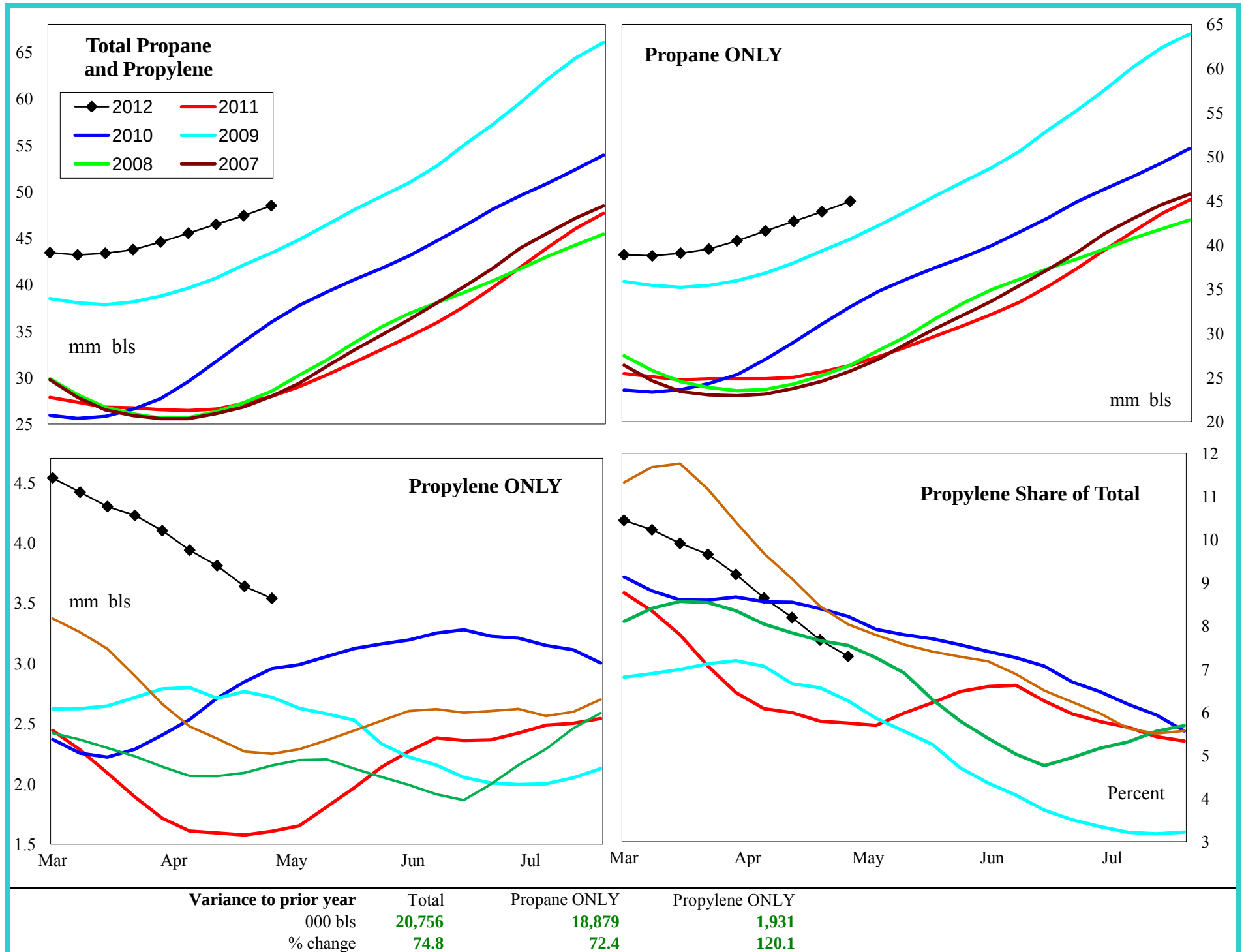
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

