



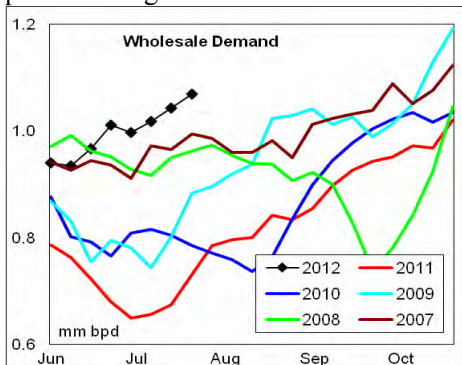
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

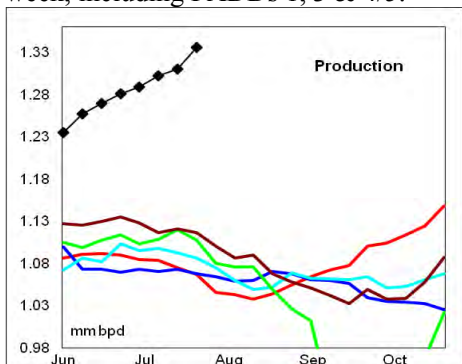
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary¹:

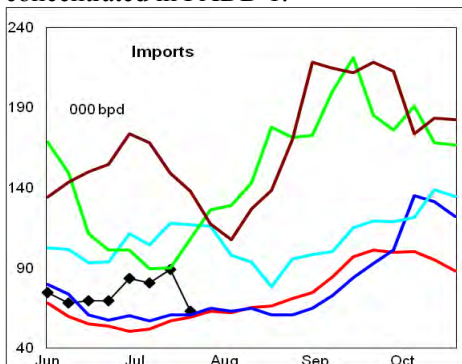
Wholesale demand increased +45,000 bpd on the week, with the level sharply above the 5-year range. Demand for the latest 4-wk period shows the increase is broad based across all regional markets. Fuel substitution and deliveries into private storage underlie the increase.



Production increased +36,000 bpd last week, including PADDs 1, 3 & 4/5.



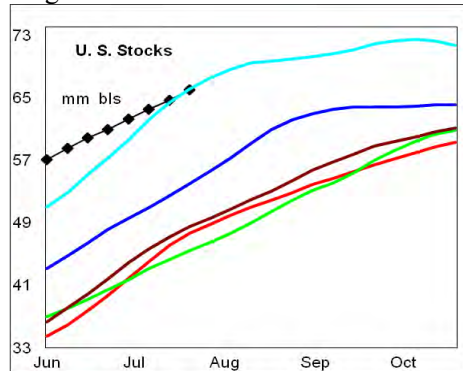
Imports fell -73,000 bpd on the week, concentrated in PADD 1.



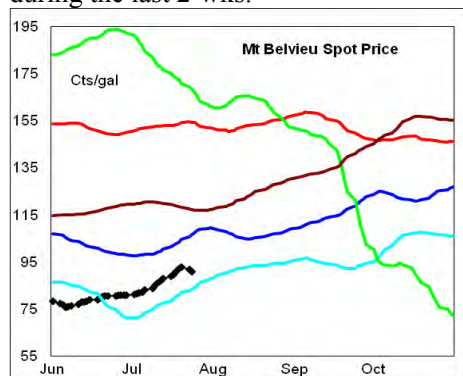
Combined production and imports during the latest 4-wk period were +243,000 bpd above a year ago. Production was +213,000 bpd above last

year (+20%), while imports were +30,000 bpd higher. The latest 4-wk average demand was +391,000 bpd above last year, +57%.

Stocks increased +1.3 million barrels last week, and are now +37% above a year ago. The 4-wk stock change was a build of +5 million barrels, a level at the low end of the historic range.



Price and Spreads Mt Belvieu spot prices decreased -1 cpg for the week ending 24Jul12, while Conway fell -3.5 cpg during the same week. Prices in each region have bounced off 5-year lows during the last 2-wks.



The Conway – Mt Belvieu price spread trended lower last week, ending the week at -31 cpg.

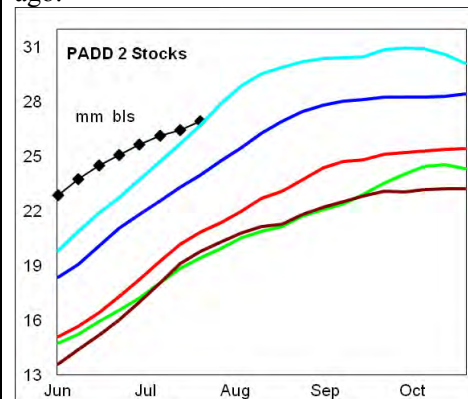
The propane to natural gas price spread trended lower last week, ending at a level midway between the last 3-years.

The propane / crude oil price spread trended higher last week ending at a level well below the last 5-years.

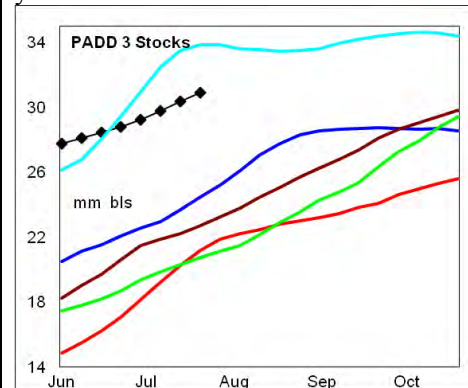
PADD 1 stocks decreased -0.1 million barrels last week, ending the week +39% above a year ago. Supply fell -71,000 bpd due to a drop in imports. Supply for

the latest 4-wk period was +31,000 bpd above last year, on higher imports.

PADD 2 stocks increased +0.5 million barrels on the week. Supply increased +7,000 bpd on the week, due to higher imports. The latest 4-wk supply was +28,000 bpd above a year ago. Stock levels ended the week 27% above a year ago.



PADD 3 stocks increased +0.6 million barrels on the week, with the 4-wk stock change a build of +2.1 million barrels, at the low end of the 5-year range. Stock levels ended the week +44% above last year.



PADDs 4 & 5 stocks increased +0.3 million barrels on the week, a level well above the historic range. The stock level was +70% above a year ago.

Emerging Trends Wholesale demand remains robust, on fuel substitution, increased use for irrigation, chemical plants and transfers to private storage. Rising global energy prices have lifted propane prices, with the trend likely to continue on unrest in the Middle East.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

July 25, 2012

Fundamental Trends for the Week Ending:

Friday, July 20, 2012

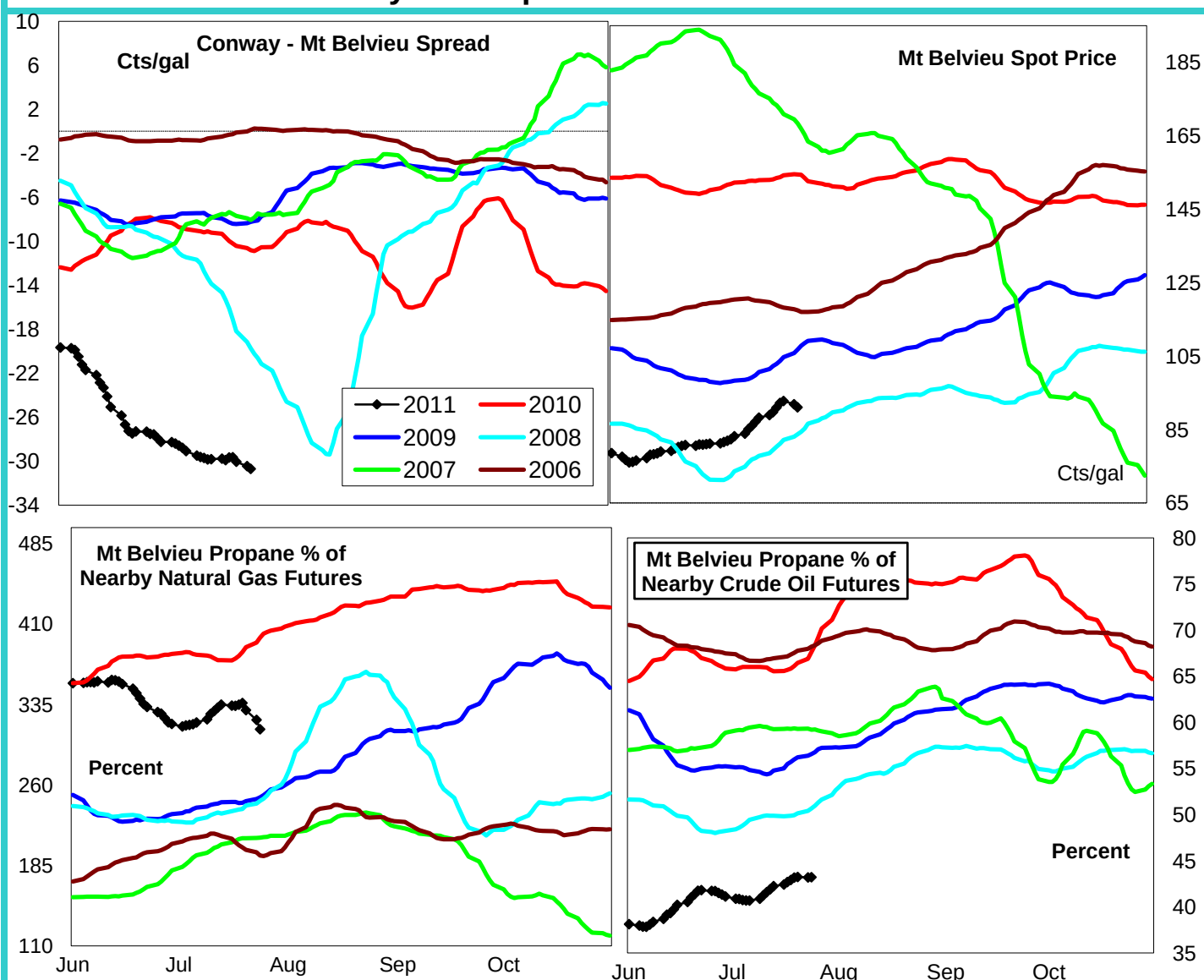
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	66,018	5,772	26,917	30,920	2,409	1,273	-148	533	614	274
Propylene Stocks	4,647					251				
Production	1,336	58	284	808	186	36	11	0	10	15
Imports	63	20	33	0	10	-73	-82	7	0	2
Whsle Demand	1,109					45				

Price Trends for the Week Ending:

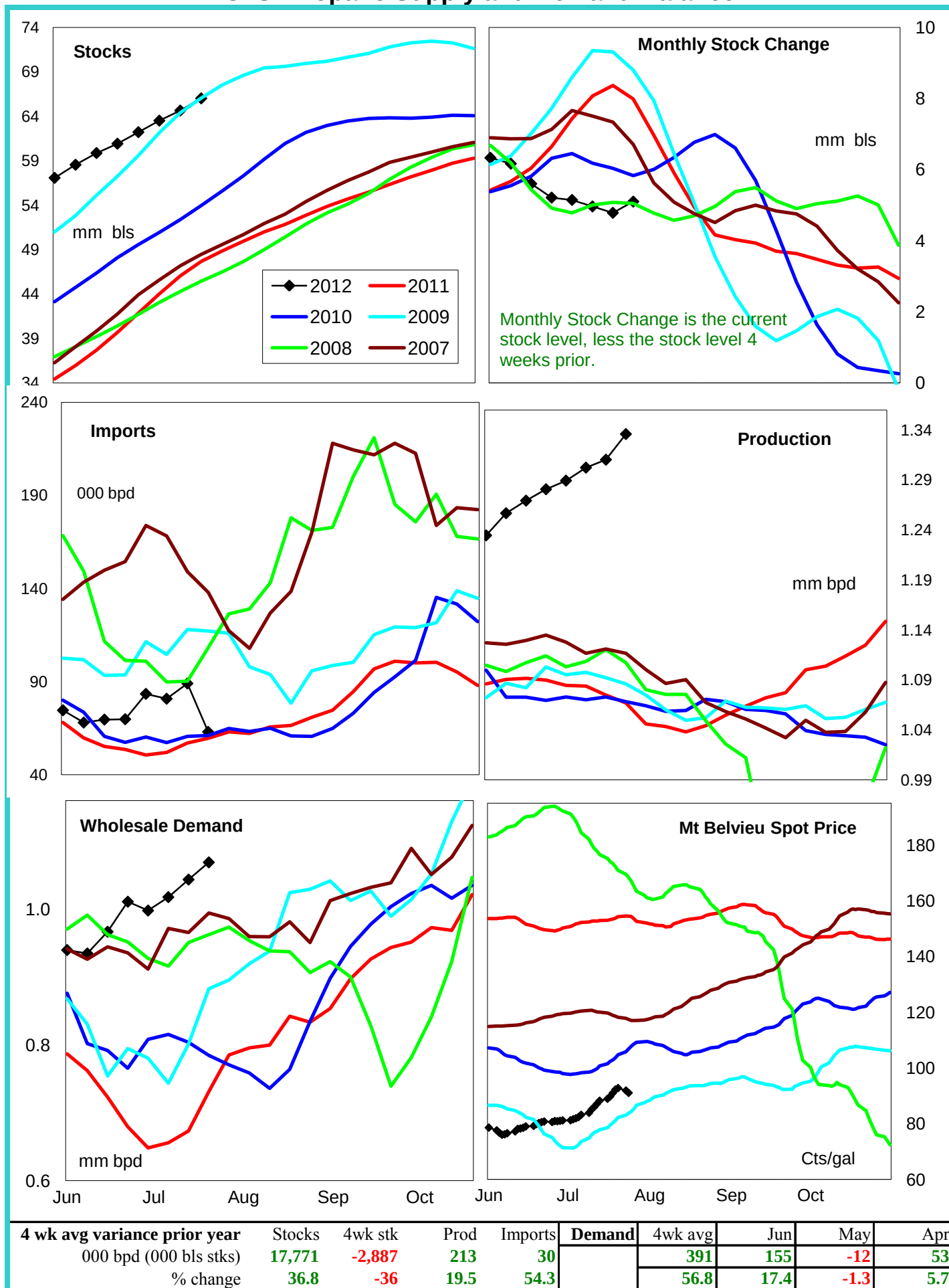
Tuesday, July 24, 2012

Cents/gal	Average for week ending:				Change from:			% change from:		
	7/24/12	7/17/12	6/26/12	7/27/11	7/17/12	6/26/12	7/27/11	7/17/12	6/26/12	7/27/11
Mont Belvieu Spot	92.8	88.0	80.7	153.8	4.76	7.27	-73.01	5.4	9.0	-47.5
Conway Spot	62.7	58.5	52.5	143.6	4.27	6.00	-91.18	7.3	11.4	-63.5

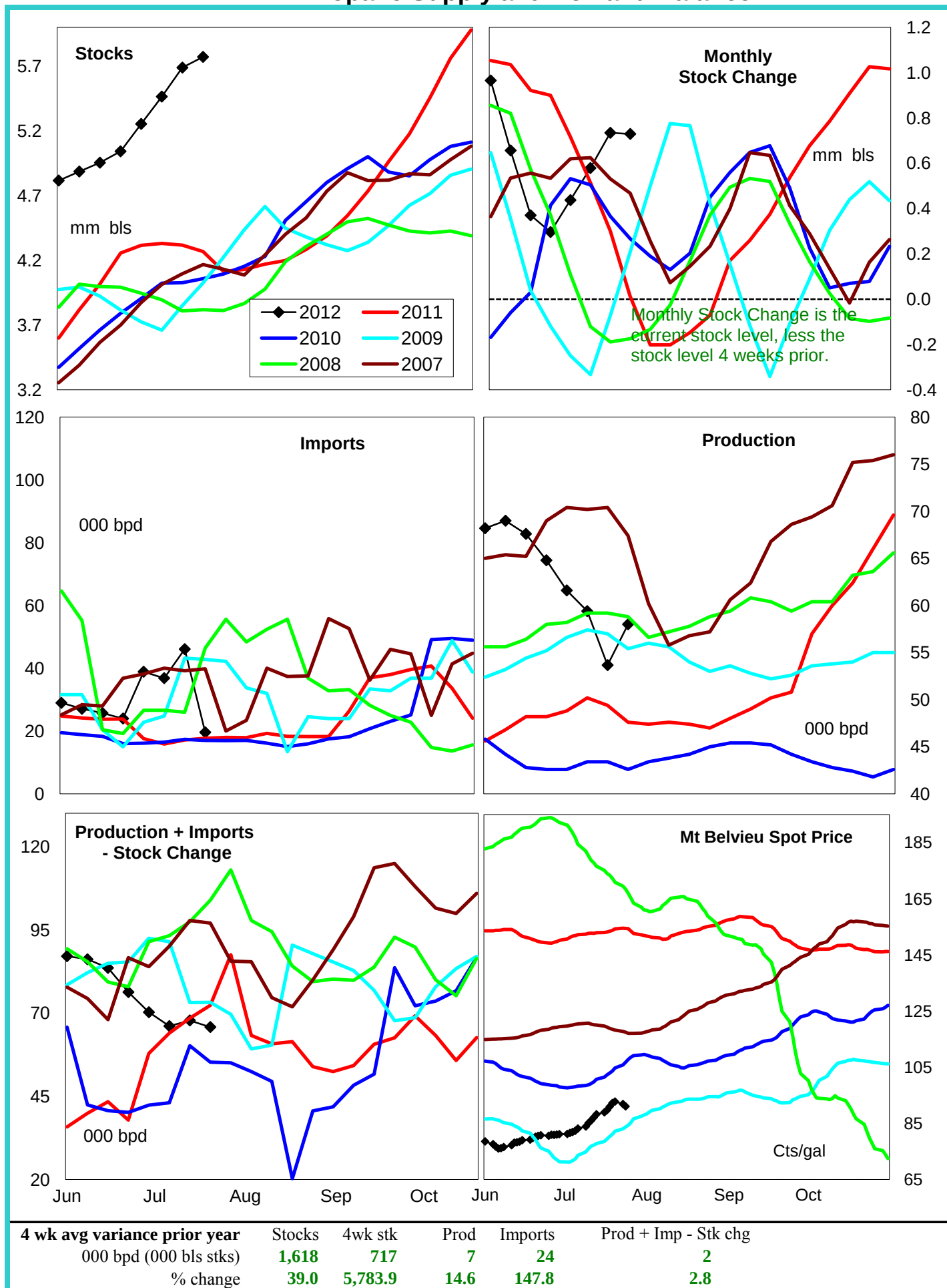
Key Price Spreads and Differentials



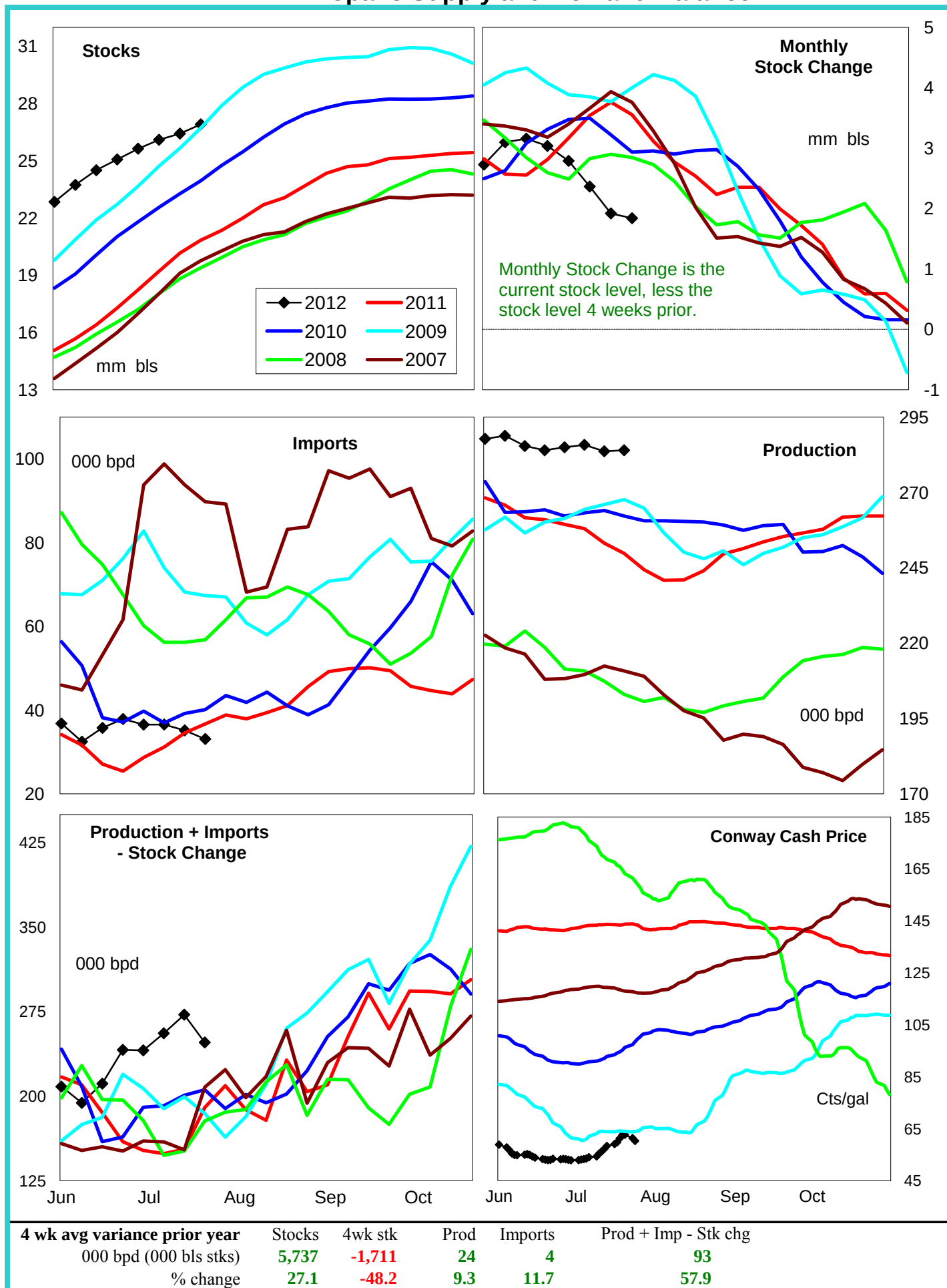
U. S. Propane Supply and Demand Balance



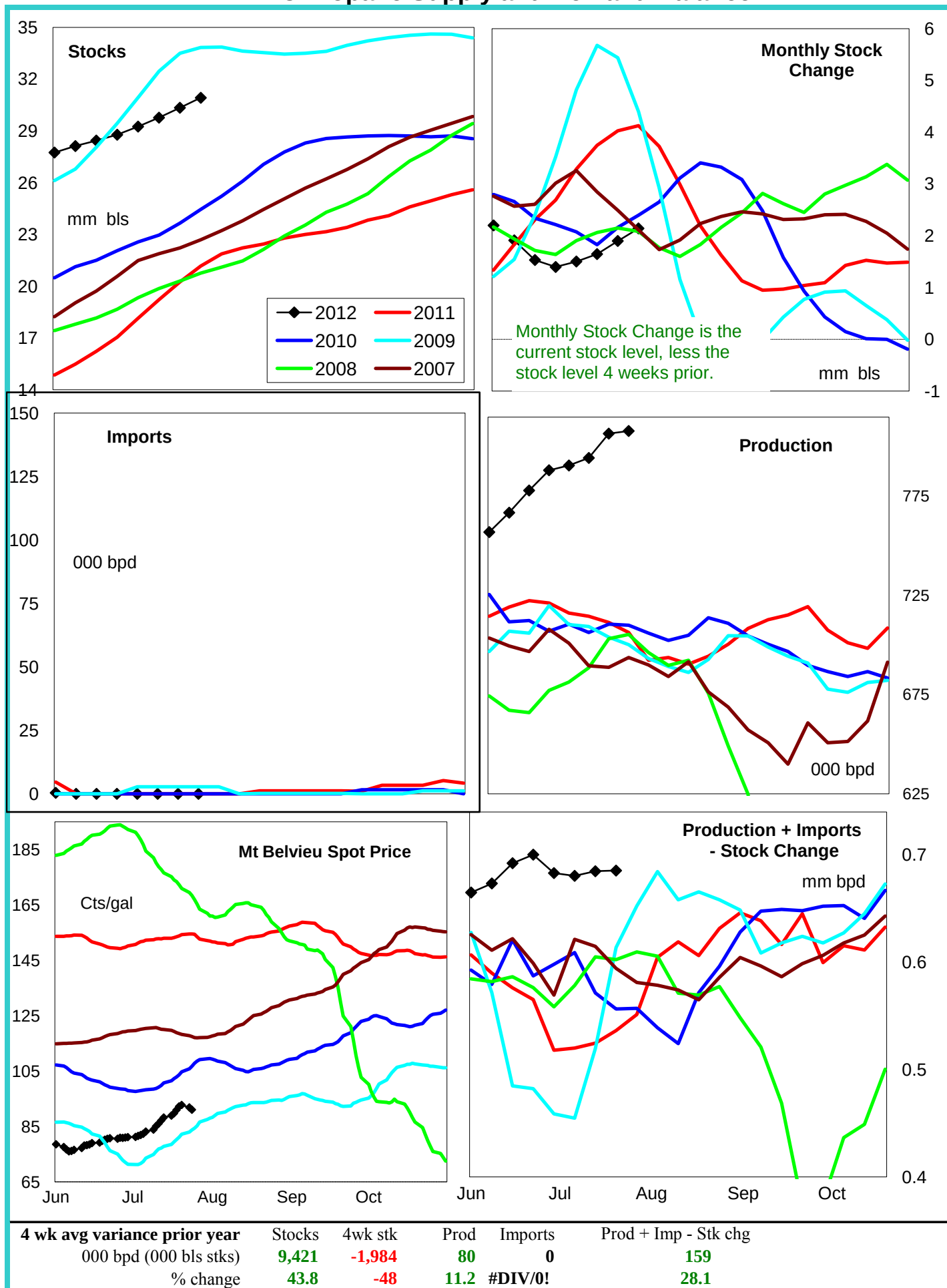
PADD 1 Propane Supply and Demand Balance



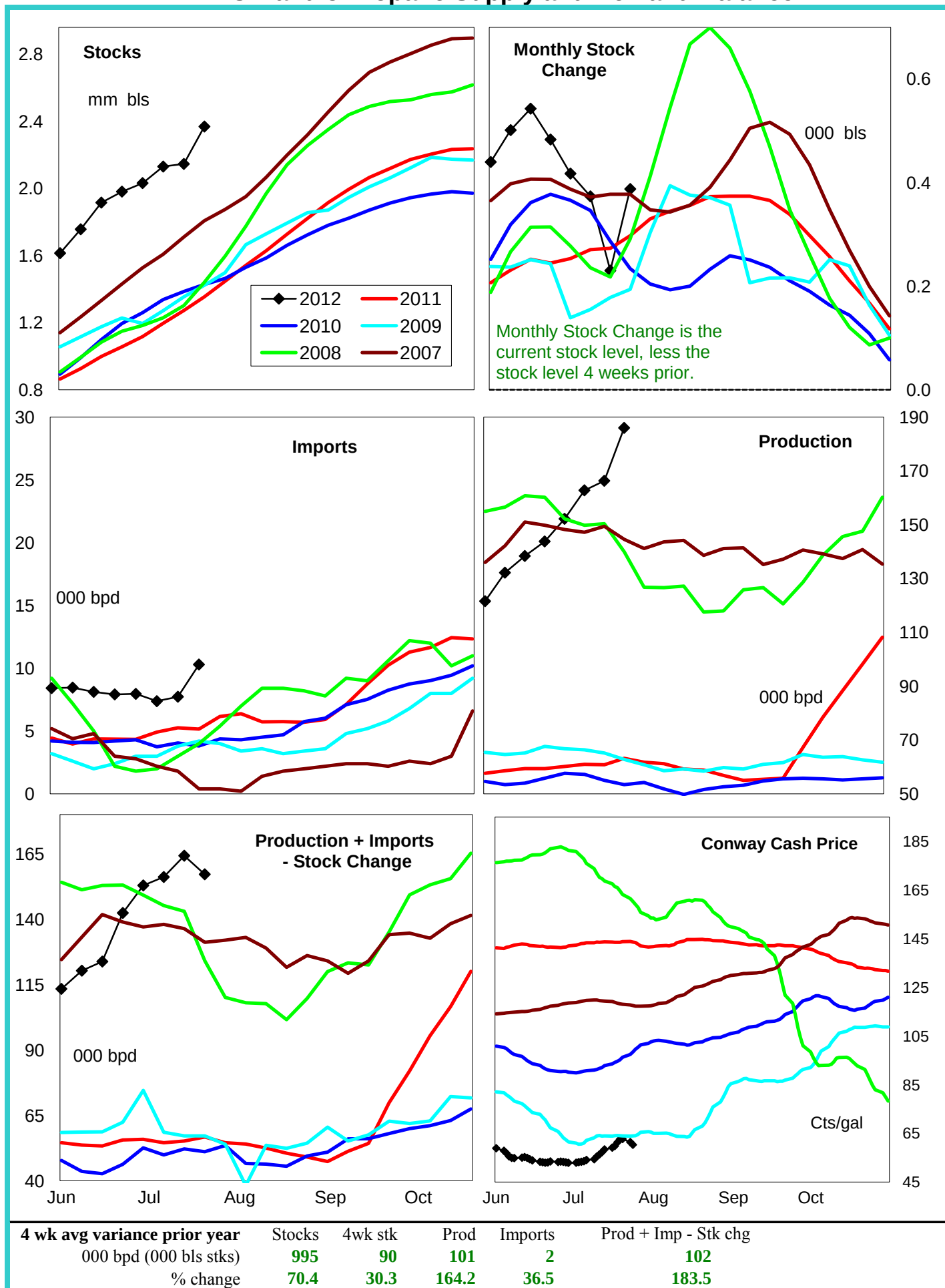
PADD 2 Propane Supply and Demand Balance



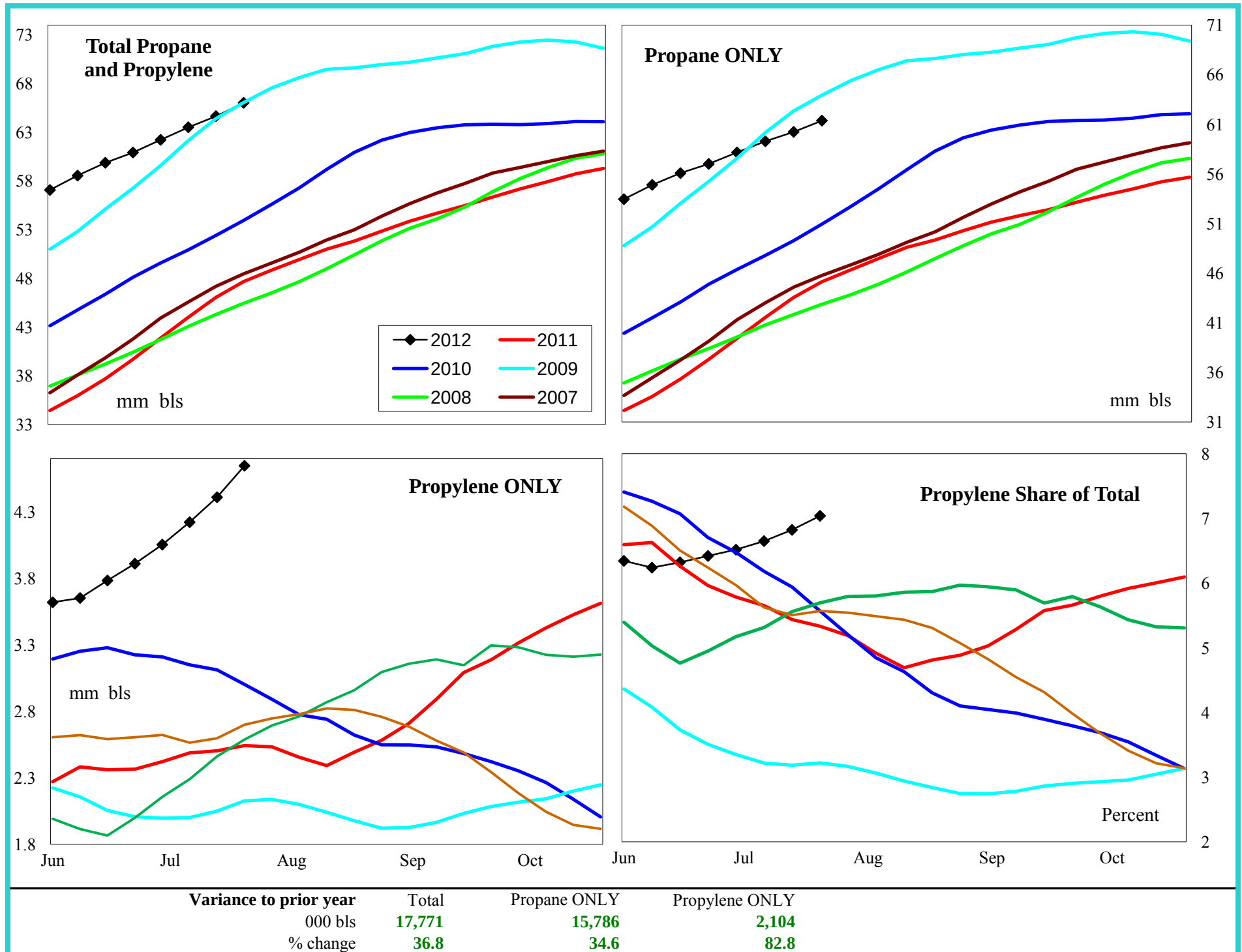
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

