FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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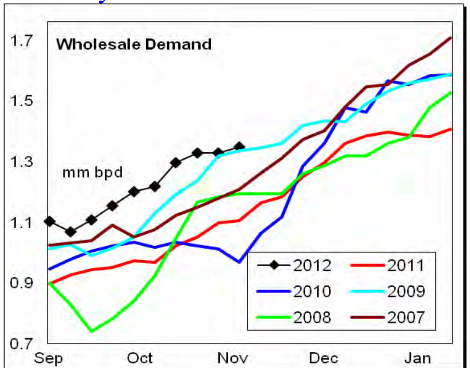
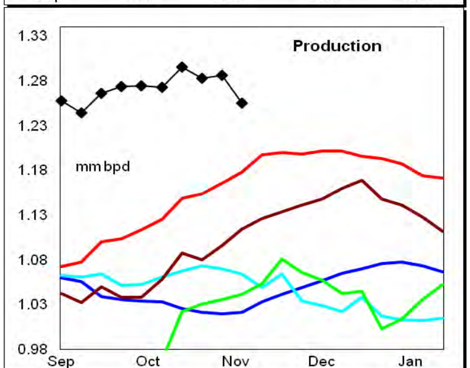
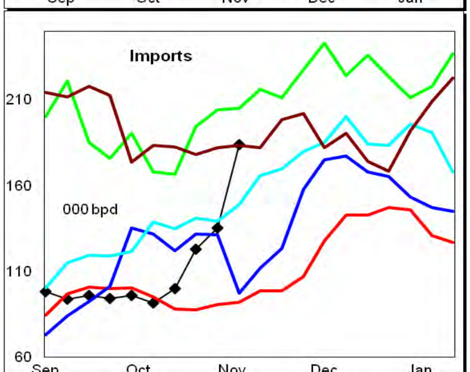
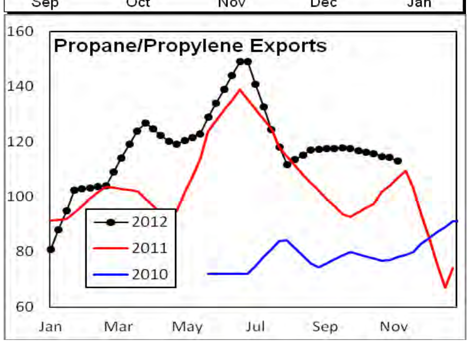
Summary[1]: Table of Contents



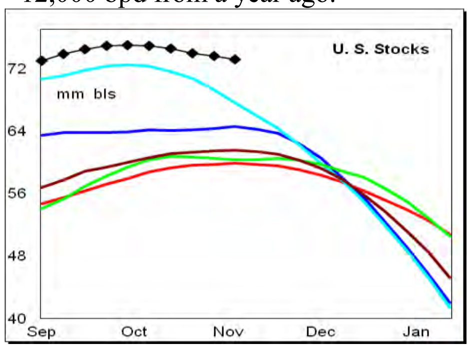






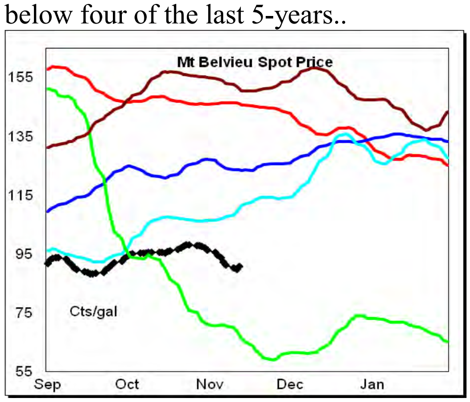
Wholesale demand was unchanged last week, with the level continuing above the 5-year range. Production fell -81,000 bpd last week, with decreases in all regions. Imports increased +65,000 bpd on the week, concentrated in the Midwest.

Combined production and imports during the latest 4-wk period were +153,000 bpd above a year ago. Production was +118,000 bpd above last year (+10%), while imports were +35,000 bpd higher. The latest 4-wk average demand was +217,000 bpd above last year, +19%. Exports for the most recent 4-wk were 115,000 bpd, up +12,000 bpd from a year ago.



Stocks decreased -0.4 million barrels last week, ending the week +13.6 million barrels above a year ago. The 4-wk stock change was a draw of -1.7 million barrels, a larger draw than four of the last 5-years.

Price and Spreads Mt Belvieu spot prices decreased -2 cpg for the week ending 14Nov12, while Conway declined -3.5 cpg during the same week. Mt Belvieu prices ended the week at a level well below four of the last 5-years..



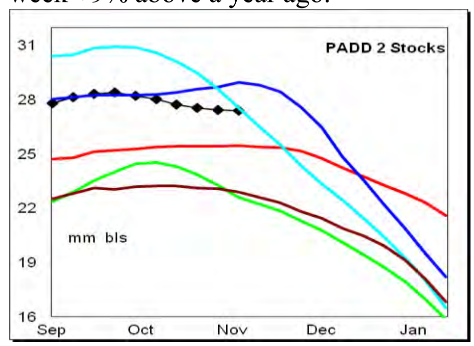
The Conway – Mt Belvieu price spread trended lower last week, ending the week at -11 cpg.

The propane to natural gas price spread extended the recent downtrend last week, ending at a level equal to the 5-year average.

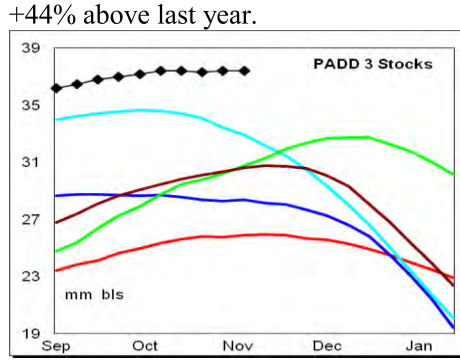
The propane / crude oil price spread trended lower last week ending at level near highs of the last 4-months.

PADD 1 stocks declined -0.3 million barrels as retailers & end users increased use in the wake of Hurricane Sandy. Supply decreased -6,000 bpd on the week. Supply for the latest 4-wk period was +19,000 bpd above last year.

PADD 2 stocks were unchanged on the week. Supply increased +33,000 bpd on the week, due to higher imports. The latest 4-wk supply was +24,000 bpd above a year ago. Stock levels ended the week +9% above a year ago.



PAD 3 stocks were unchanged on the week, with the 4-wk stock change a build of +0.1 million barrels. The build was above the average of the last 3-years. Stock levels ended the week +44% above last year.



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

Emerging Trends Well above normal temperatures are forecast for nearly the entire country during the next 10-days. Stock levels remain high, particularly in the Gulf. There is risk of continued price weakness ahead of the start of winter heating.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

November 15, 2012

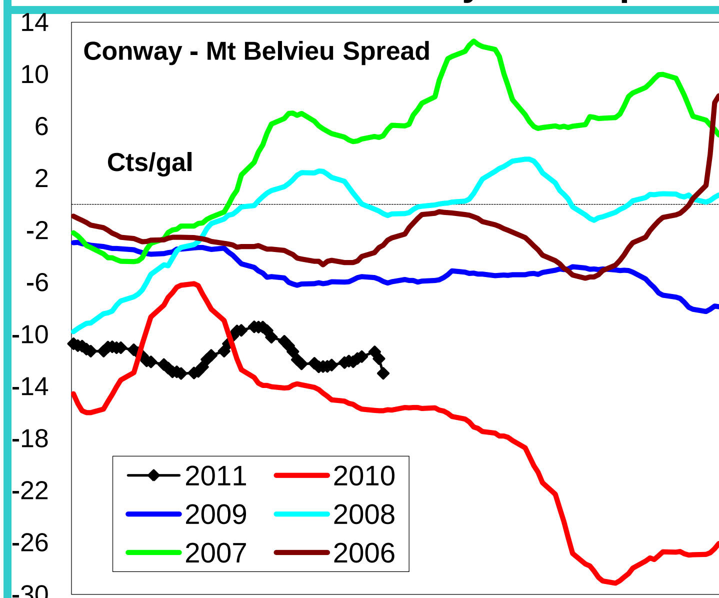
Fundamental Trends for the Week Ending: Friday, November 09, 2012

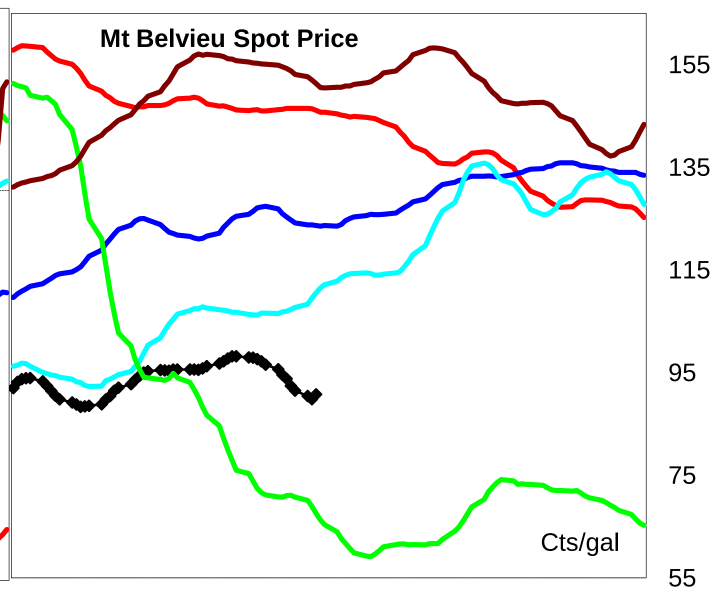
000 bpd / Stocks 000 bls	Weekly Supply-Demand: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	Change from prior week: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	73,183	5,302	27,406	37,412	3,063	-437	-325	-47	6	-71
Propylene Stocks	4,153					-58				
Production	1,255	41	282	795	137	-81	-13	-19	-30	-19
Imports	184	71	96	0	17	65	7	52	0	6
Whsle Demand	1,388					1				

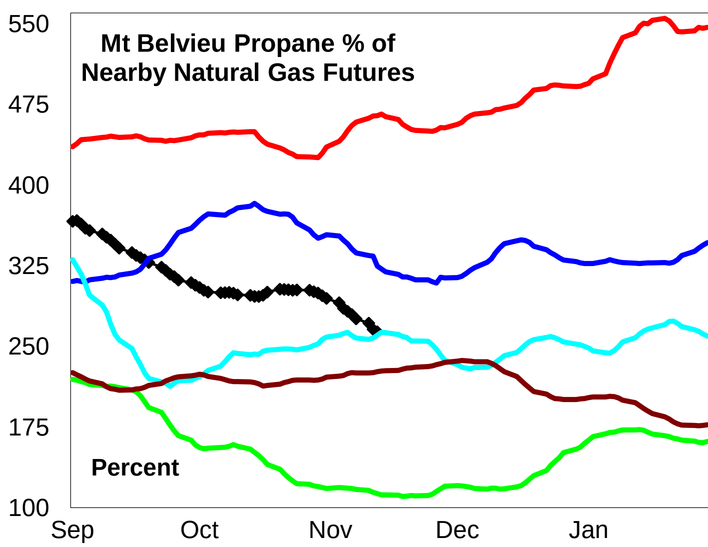
Price Trends for the Week Ending: Wednesday, November 14, 2012

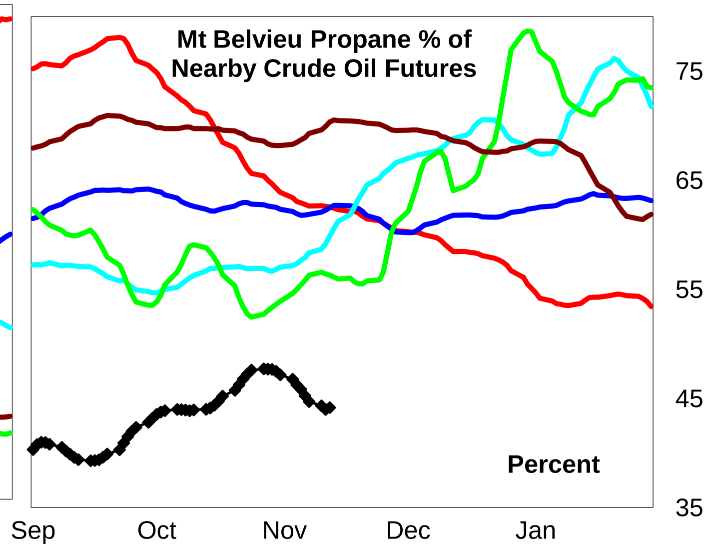
Cents/gal	Average for week ending: 11/14/12	11/7/12	10/17/12	11/11/11	Change from: 11/7/12	10/17/12	11/11/11	% change from: 11/7/12	10/17/12	11/11/11
Mont Belvieu Spot	90.4	95.9	94.8	146.5	-5.47	1.15	-51.76	-5.7	1.2	-35.3
Conway Spot	79.1	83.1	86.7	131.0	-4.02	-3.60	-44.34	-4.8	-4.2	-33.8

Key Price Spreads and Differentials

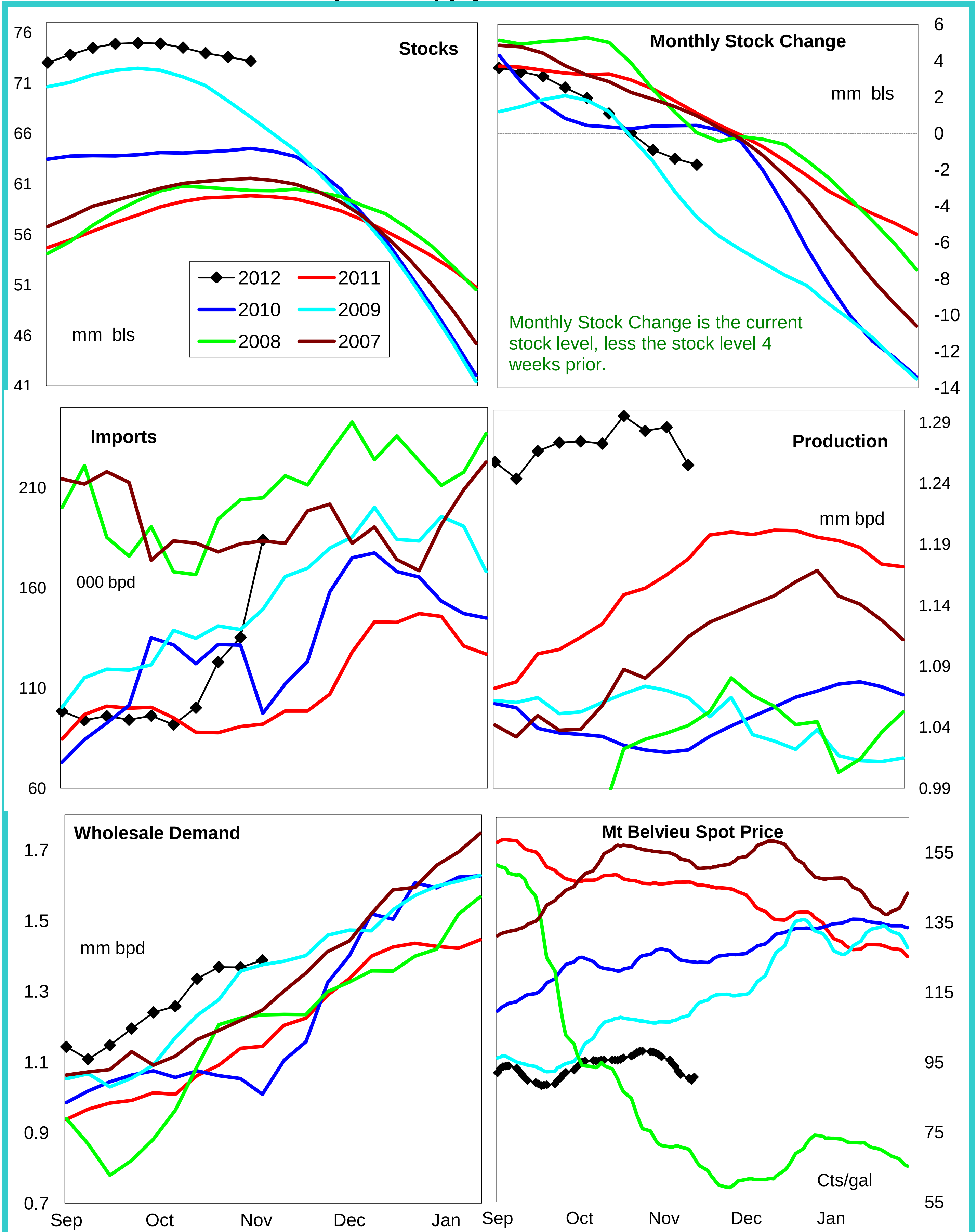








U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Oct	Sep	Aug
000 bpd (000 bls stks)	13,563	-2,835	118	35		217	169	108	-16
% change	22.7	-255	10.1	38.4		19.2	14.1	10.6	-1.5

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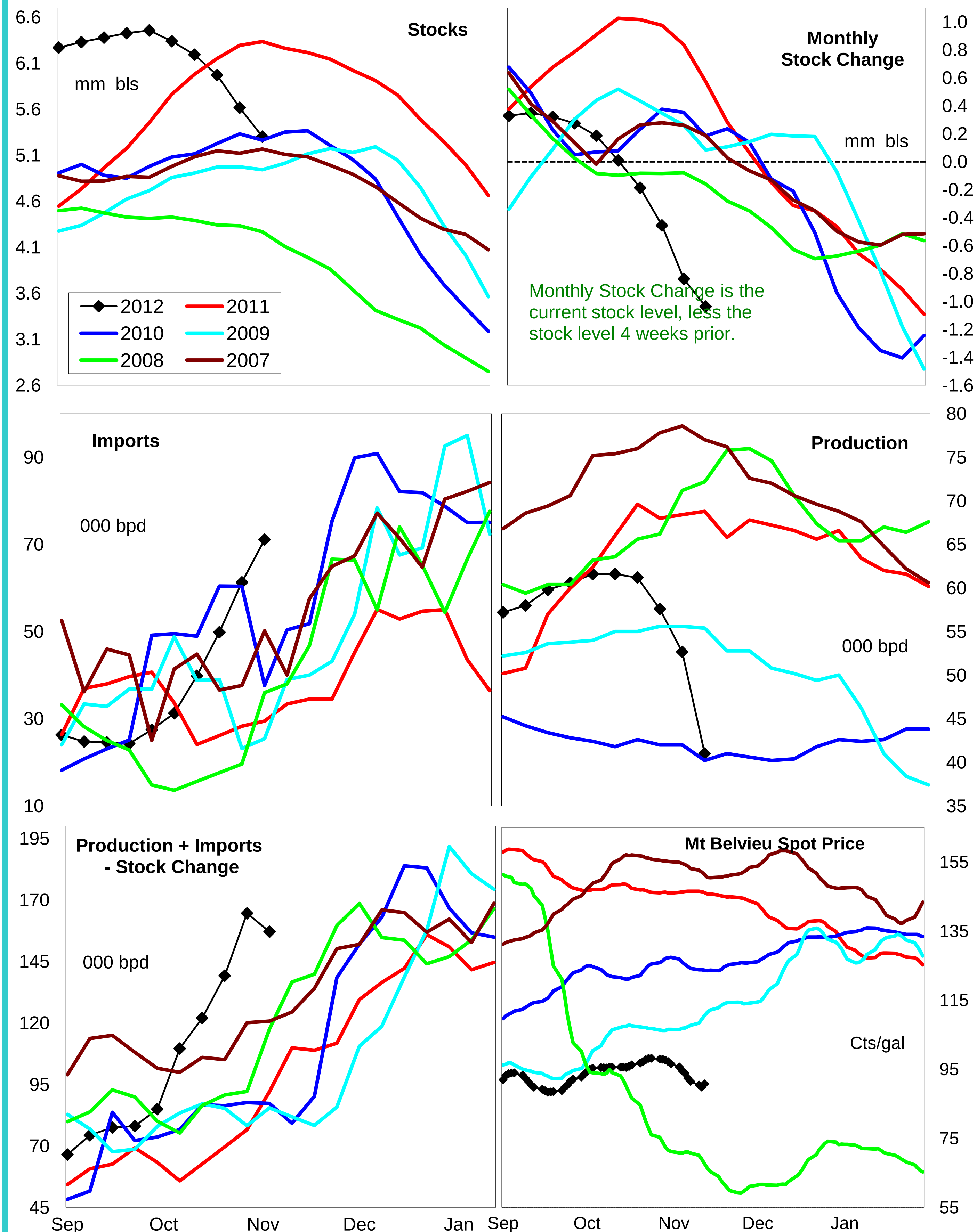
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-1,037	-1,611	-13	32	70
% change	-16.4	-280.6	-18.2	119.8	93.7

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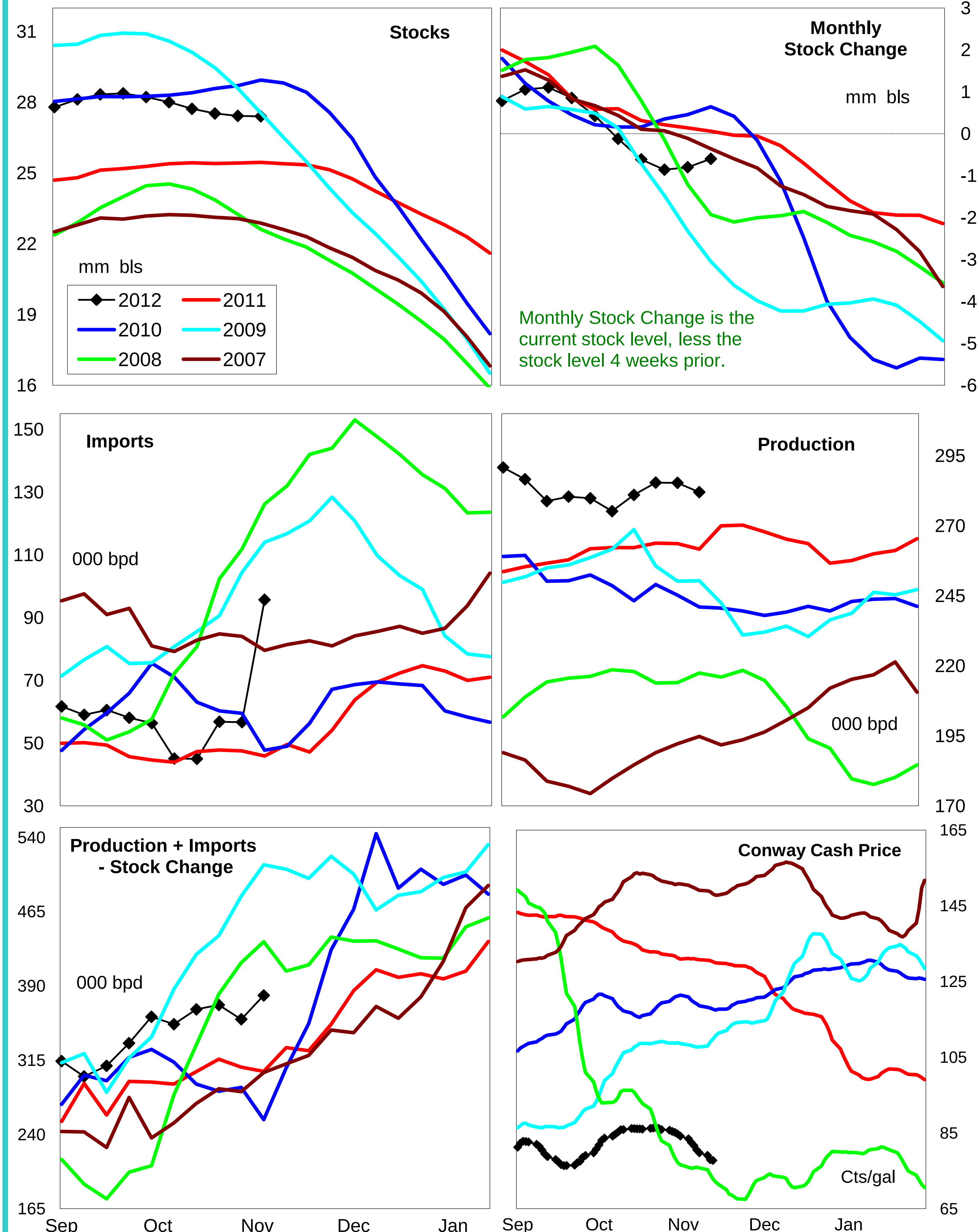
PADD 2 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	2,303	-661	23	1	61
% change	9.2	-1,072.7	8.6	2.7	19.7

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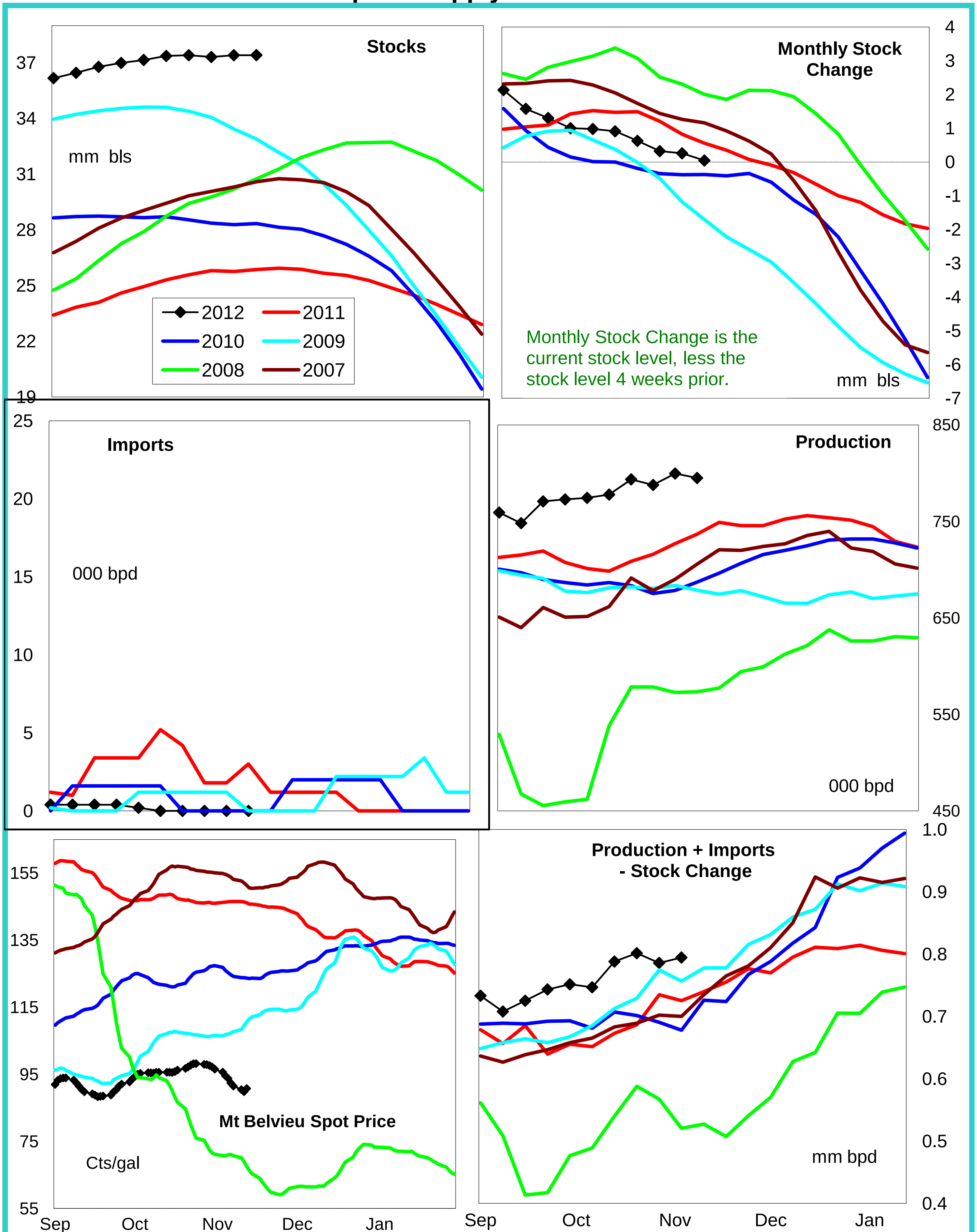
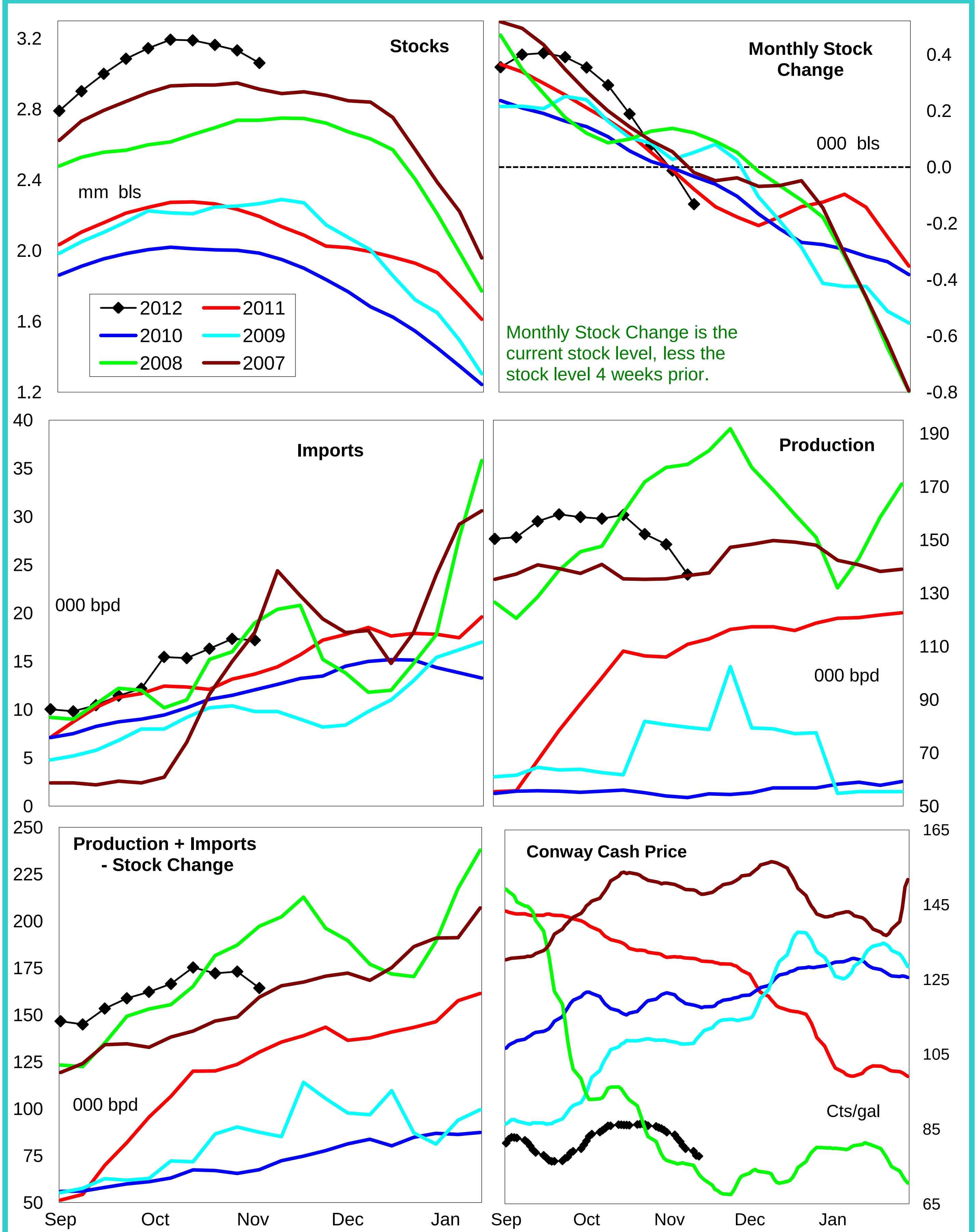
PADD 3 Propane Supply and Demand Balance



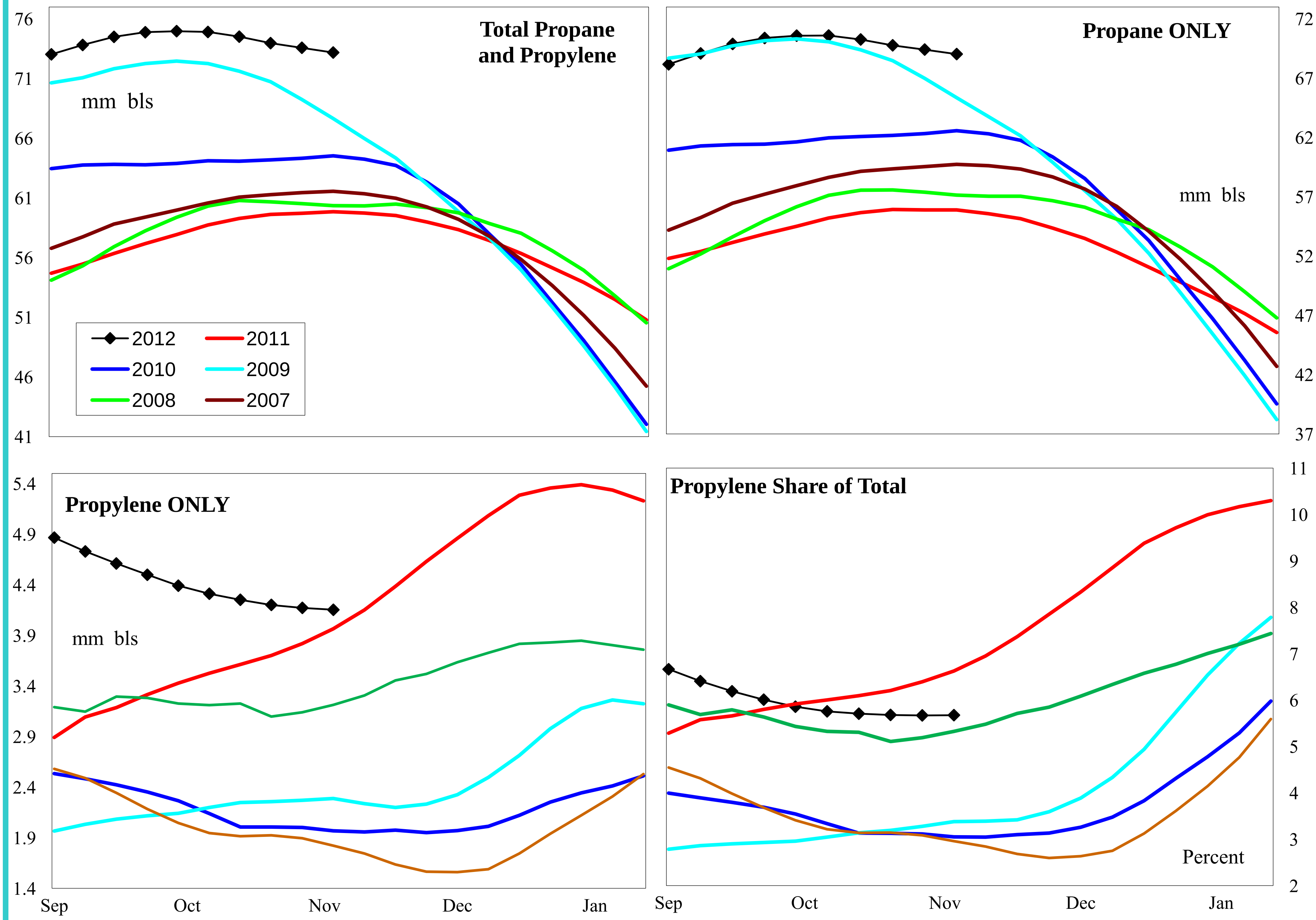
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	11,419	-512	61	-2	88
% change	43.9	-92	8.3	-100.0	12.4

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)	877	-53	47	4	48
% change	40.1	67.0	44.6	34.5	38.7

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	13,563	13,267	188
% change	22.7	23.8	4.7

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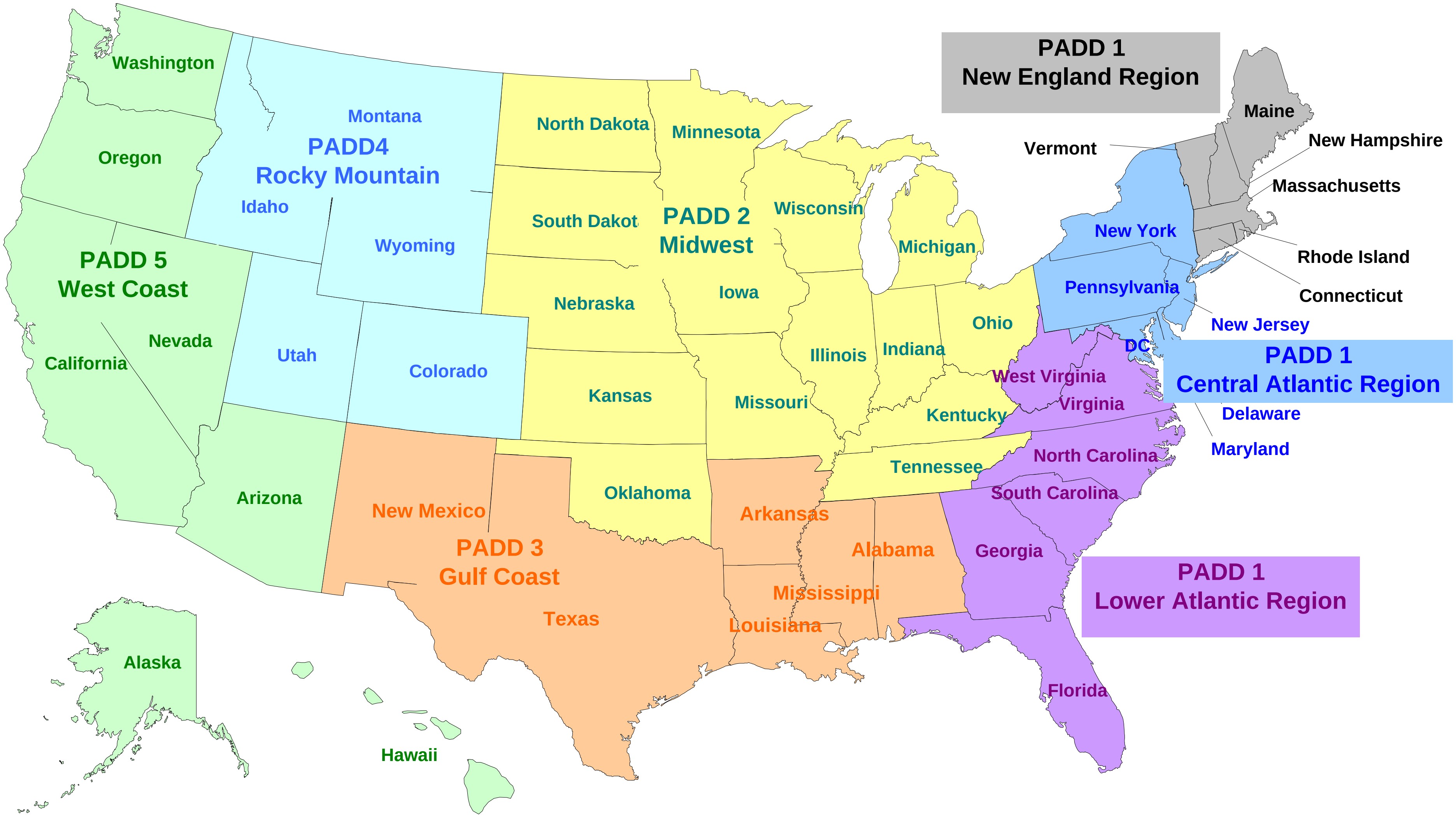
U. S. Petroleum Administrative for Defense Districts (PADDs)



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