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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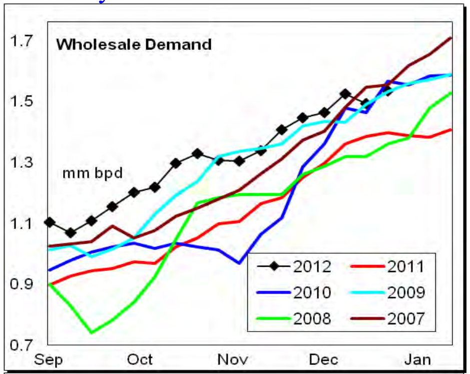
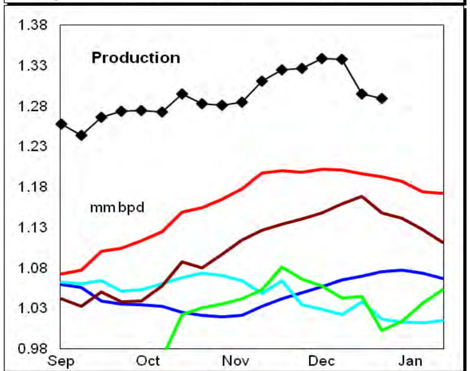
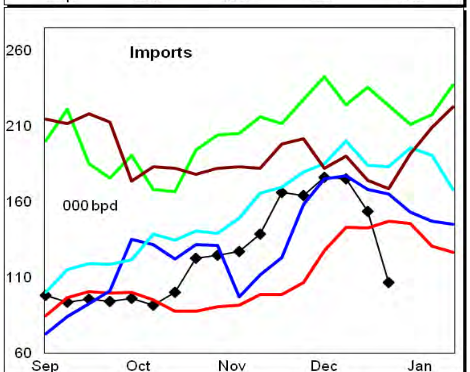
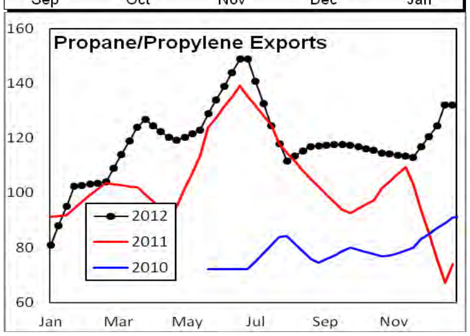


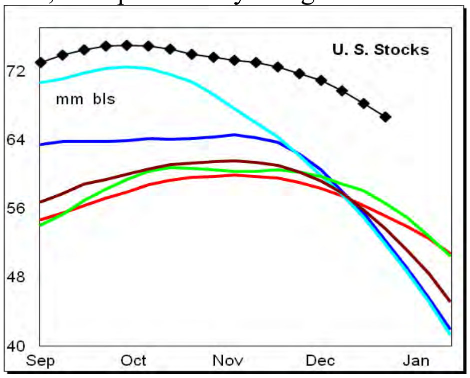






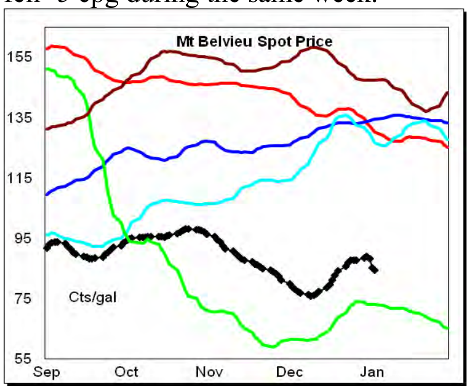
Wholesale demand increased +138,000 on the week, to a level near the 5-year mid range. Production decreased -47,000 bpd on the week while imports fell -73,000 bpd.

Combined production and imports during the latest 4-wk period were +166,000 bpd above a year ago. Production was +135,000 bpd above last year (+11%), while imports were +31,000 bpd higher. The latest 4-wk average demand was +153,000 bpd above last year, +11%. Exports for the most recent 4-wk were 127,000 bpd, up +60,000 bpd from a year ago.



Stocks decreased -2.2 million barrels last week, ending the week +11.5 million barrels above a year ago. The 4-wk stock change was a draw of -5.0 million barrels, a lower draw than two of the last 3-years.

Price and Spreads Mt Belvieu spot price decreased -6 cpg for the week ending 04Jan13, while the Conway spot price fell -5 cpg during the same week.



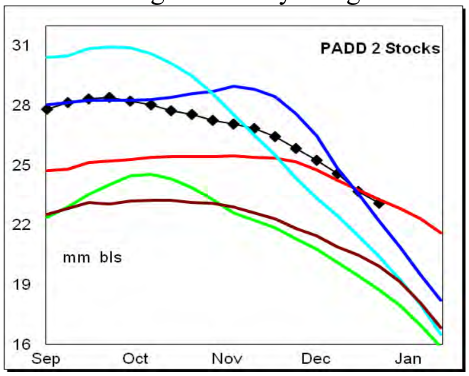
The Conway – Mt Belvieu price spread trended higher last week, ending the week at -7 cpg.

The propane to natural gas price spread extended the recent uptrend last week, ending at a level above the 5-year mid range.

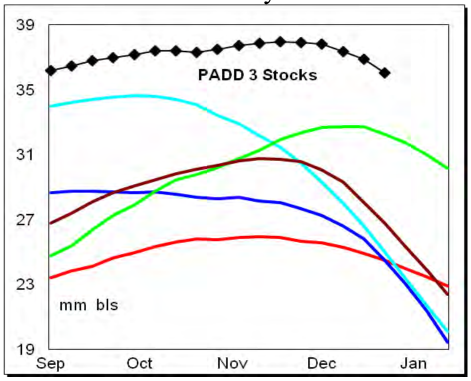
The propane / crude oil price spread extended the recent uptrend on the week, ending at a level near earlier record lows.

PADD 1 stocks increased +0.1 million barrels on the week. Supply fell -13,000 bpd on the week. Supply for the latest 4-wk period was +17,000 bpd above last year.

PADD 2 stocks declined -0.6 million barrels on the week. Supply fell -43,000 bpd on the week, due to lower imports. The latest 4-wk supply was +25,000 bpd above a year ago. Stock levels ended the week unchanged from a year ago.



PAD 3 stocks fell 01.5 million barrels last week, on a -24,000 bpd decline in production. Stock levels ended the week +47% above last year.



PADDs 4 & 5 stocks decreased -0.1 million barrels on the week. The stock level was +22% above a year ago.

Emerging Trends Temperatures are forecast to be colder than normal in the western 2/3rds of the country for the next 10-days, while much warmer than normal in the eastern 1/3rd of the country. Near normal heating demand and high stock levels risk further price weakness.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

January 6, 2013

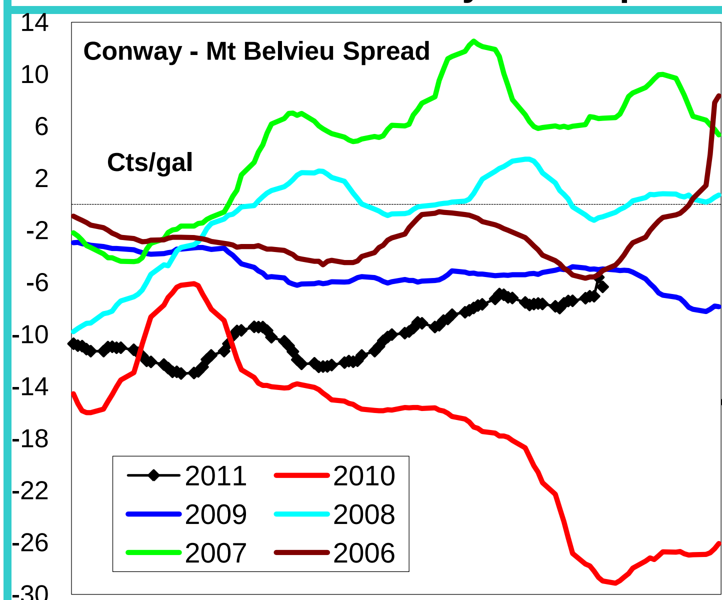
Fundamental Trends for the Week Ending: Friday, December 28, 2012

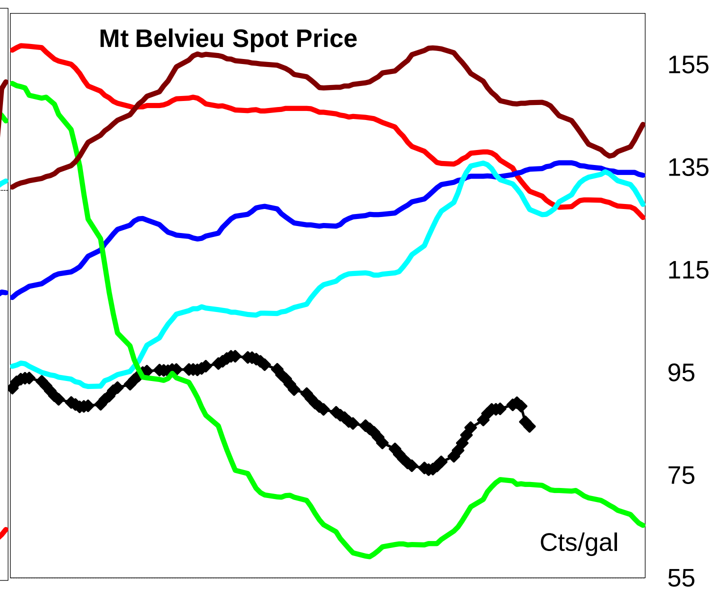
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	66,670	5,147	23,064	36,025	2,434	-2,180	51	-585	-1,506	-140
Propylene Stocks	3,745					-91				
Production	1,289	74	277	804	134	-47	4	-7	-24	-20
Imports	107	58	30	0	19	-73	-17	-36	0	-20
Whsle Demand	1,575					138				

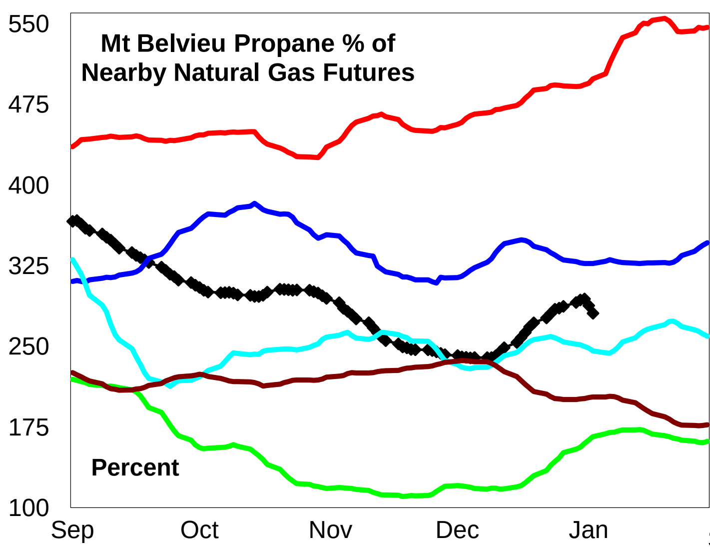
Price Trends for the Week Ending: Friday, January 04, 2013

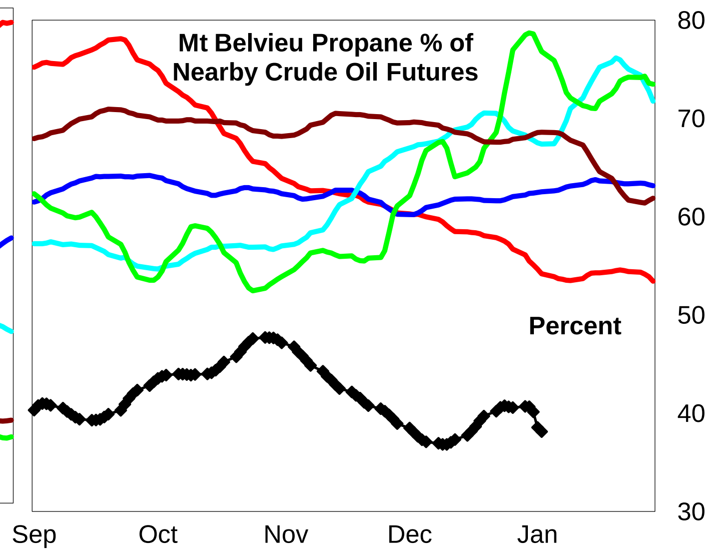
Cents/gal	Average for week ending:				Change from:			% change from:		
	1/4/13	12/28/12	12/7/12	1/3/12	12/28/12	12/7/12	1/3/12	12/28/12	12/7/12	1/3/12
Mont Belvieu Spot	88.4	88.3	78.0	132.3	0.16	10.30	-54.28	0.2	13.2	-41.0
Conway Spot	81.4	80.6	70.6	102.5	0.77	9.96	-31.86	1.0	14.1	-31.1

Key Price Spreads and Differentials

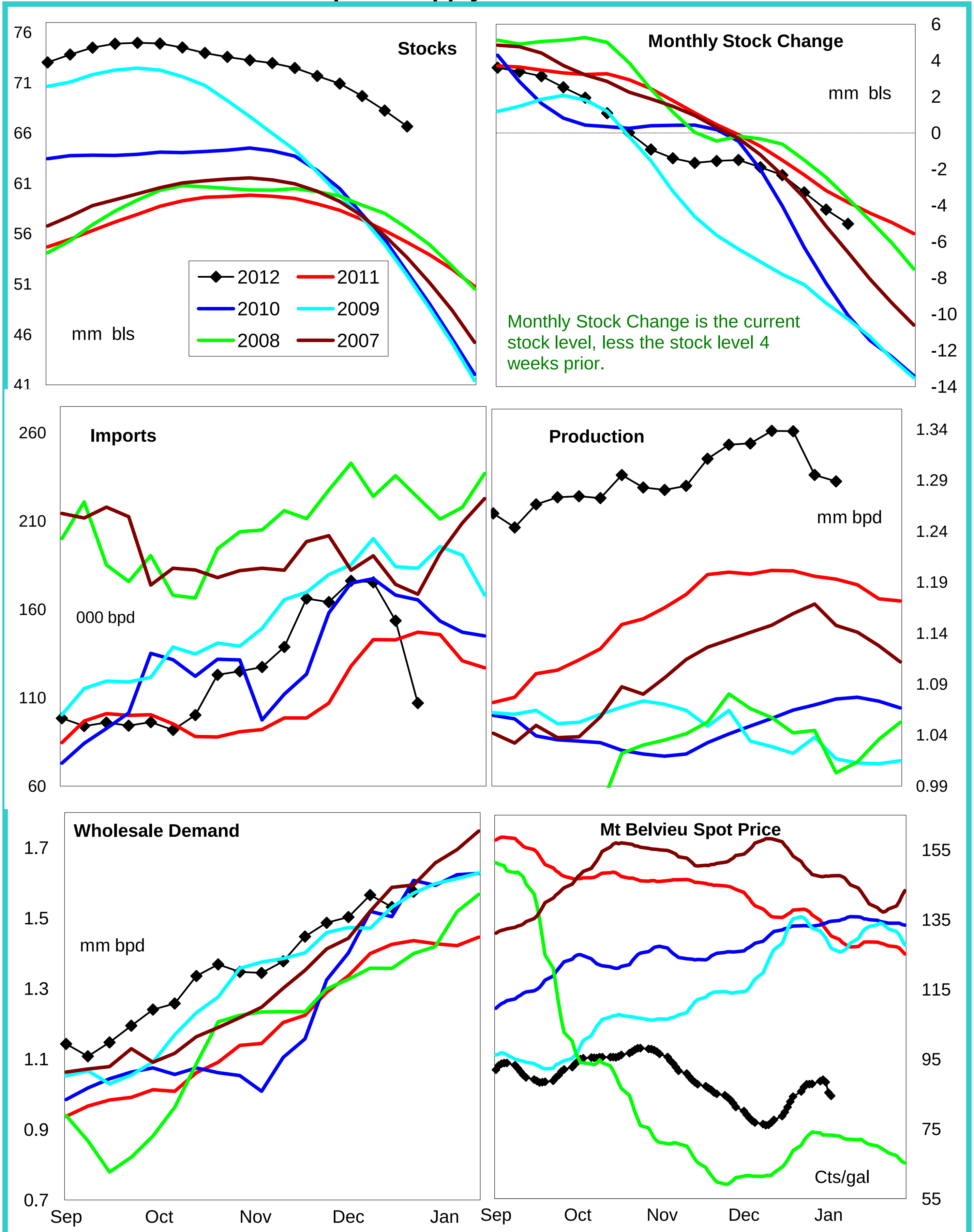






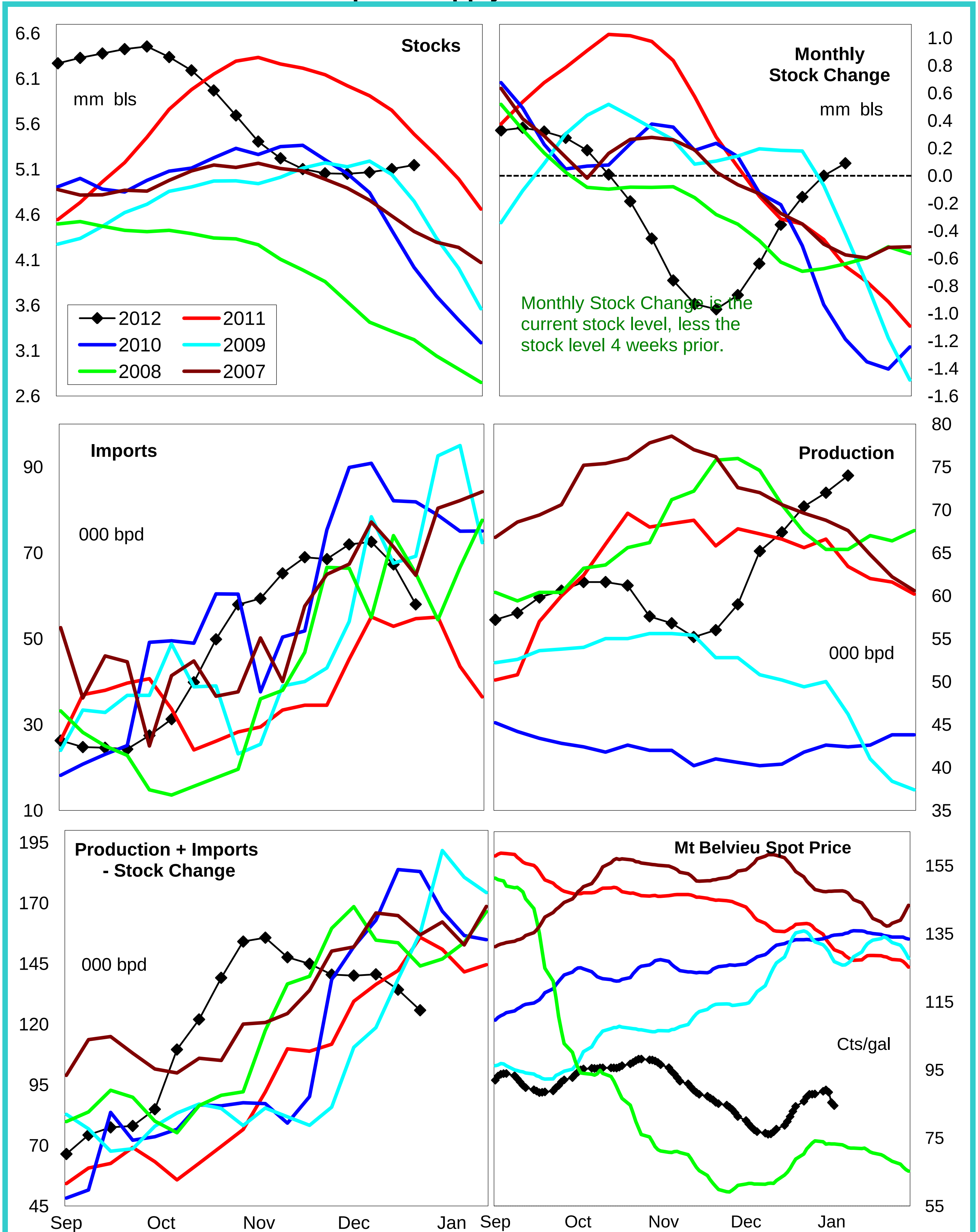


U. S. Propane Supply and Demand Balance



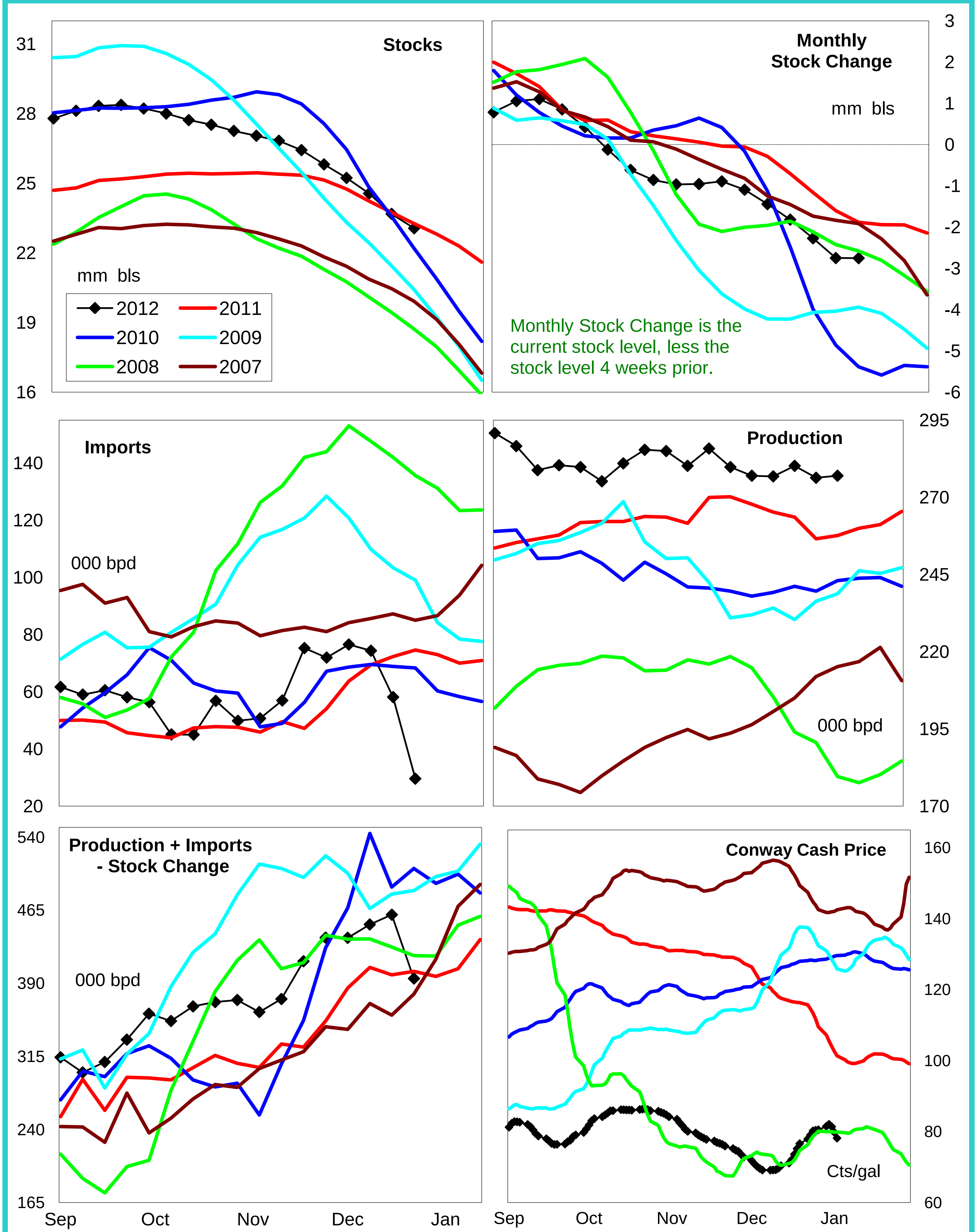
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Nov	Oct	Sep
000 bpd (000 bls stks)	11,494	-1,185	135	31		153	83	169	108
% change	20.8	31	11.3	20.5		10.7	6.4	14.1	10.6

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)	-498	748	4	13	-6
% change	-8.8	-113.8	5.6	23.0	-4.1

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)	-43	-868	20	5	37
% change	-0.2	46.0	7.8	6.8	9.4

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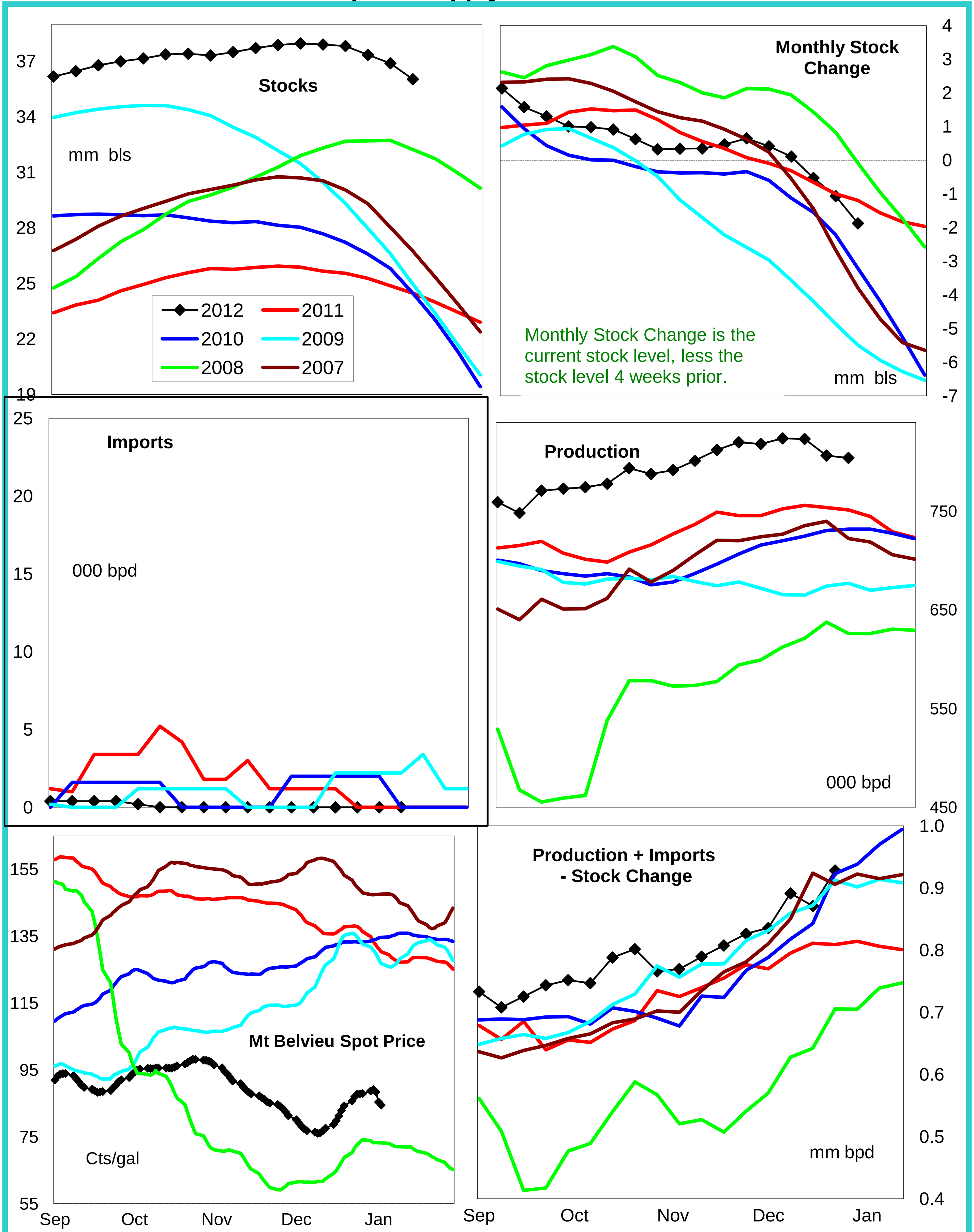
PADD 3 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	11,596	-686	71	0	85
% change	47.5	58	9.4	#DIV/0!	10.7

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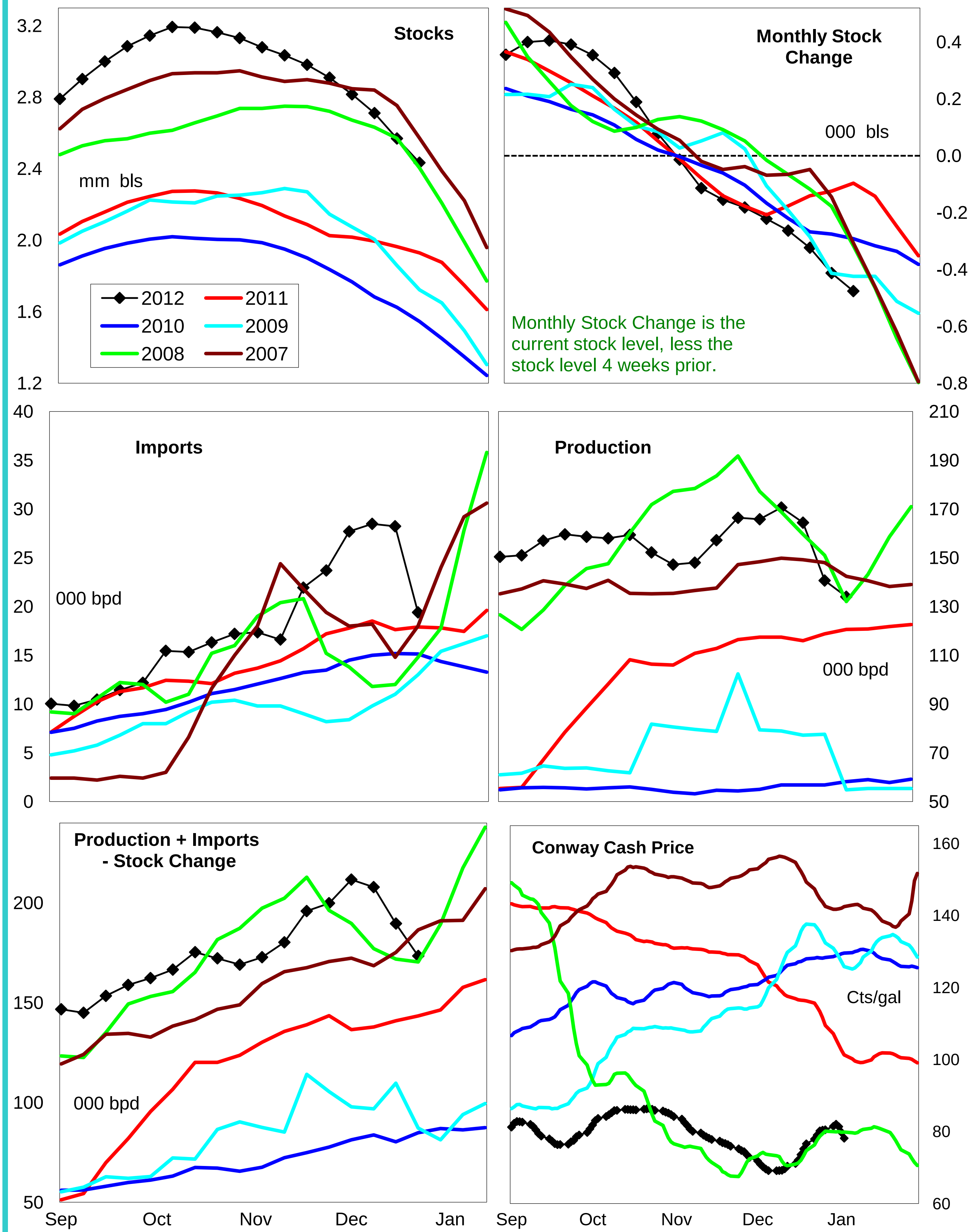
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	440	-379	40	12	56
% change	22.1	392.8	34.8	67.2	40.1

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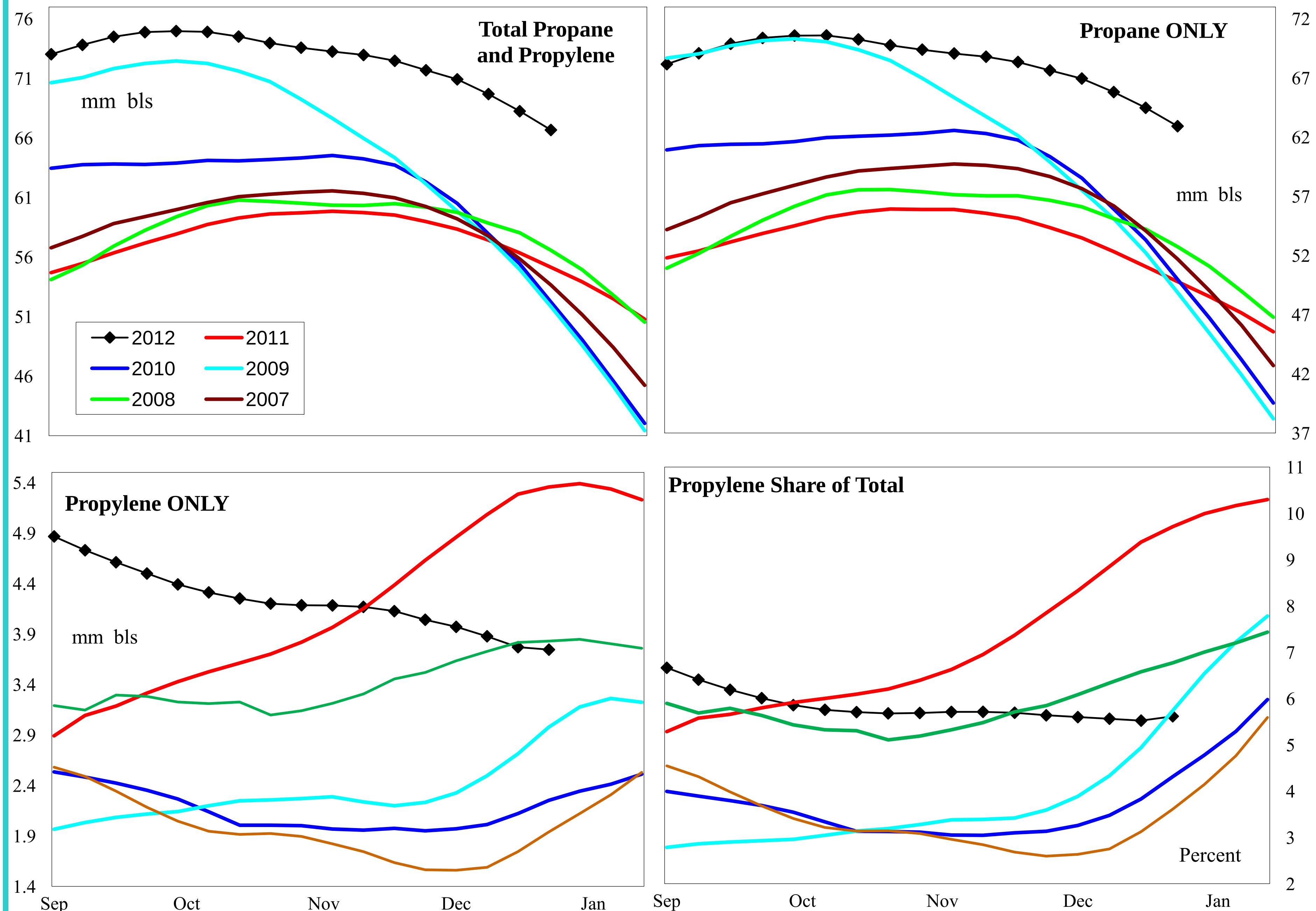
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	11,494	13,230	-1,611
% change	20.8	26.6	-30.1

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

Lehi German Tel: 816-505-0980