WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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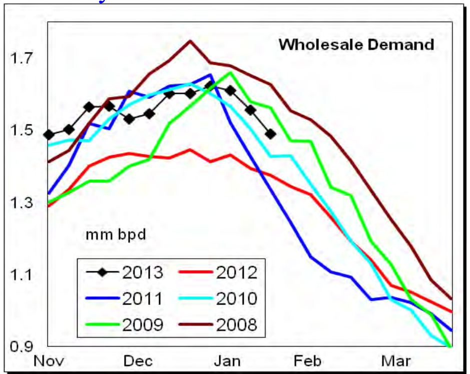
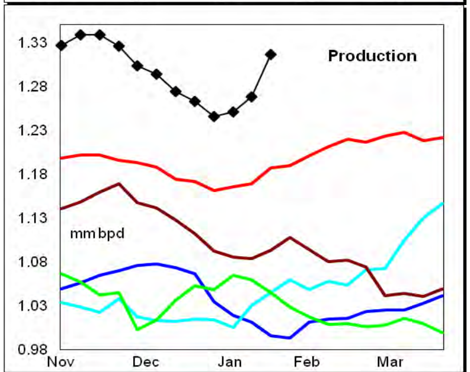
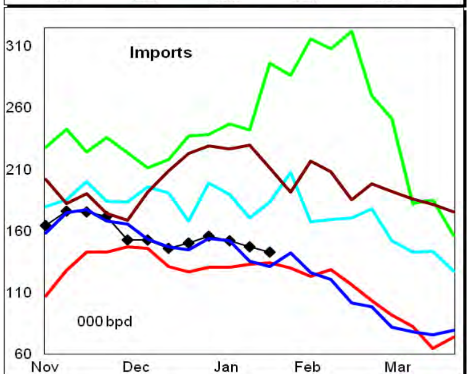
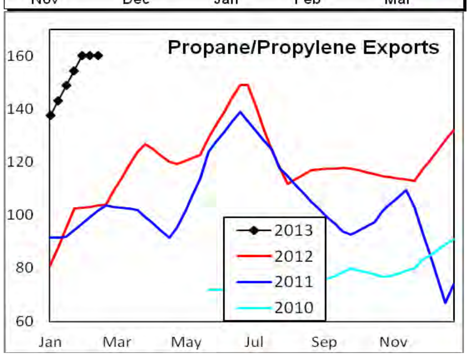


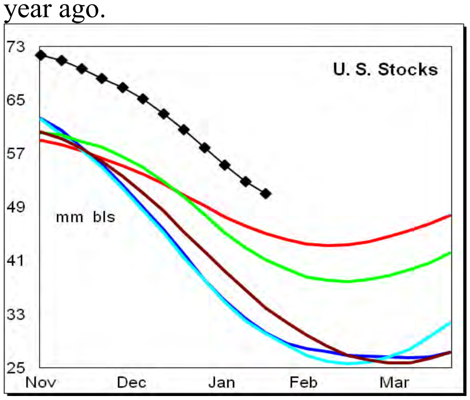






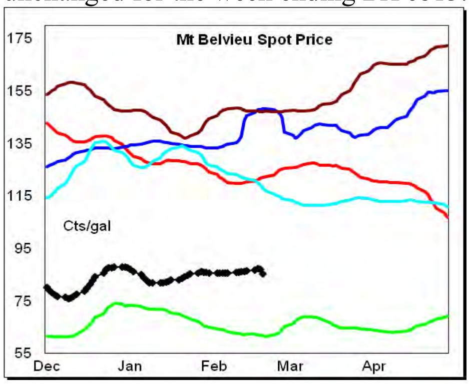
Wholesale demand declined -124,000 bpd on the week, to a level above the last 3-years. Production increased +63,000 bpd on the week, while imports declined -27,000 bpd.

Combined production and imports during the latest 4-wk period were +108,000 bpd above a year ago. Production was +93,000 bpd above last year (+7.9%), while imports were +15,000 bpd higher. The latest 4-wk average demand was +191,000 bpd above last year, +14%. Exports averaged +57,000 bpd (+55%) above a year ago.



Stocks decreased -1.3 million barrels last week, ending the week +6.2 million barrels above a year ago. The 4-wk stock change was a draw of -9.5 million barrels, less than the average of the last 3-years.

Price and Spreads Mt Belvieu and Conway spot prices were nearly unchanged for the week ending 21Feb13.



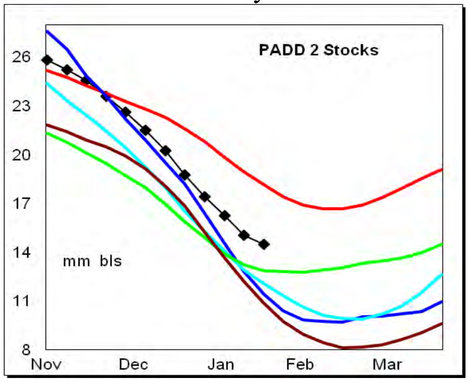
The Conway – Mt Belvieu price spread traded sideways last week, ending the week at -5 cpg.

The propane to natural gas price spread trended higher last week, ending at a level near to the 5-year mid range.

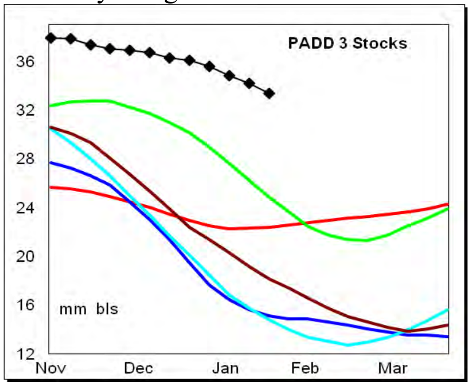
The propane / crude oil price spread trended higher on the week, ending a level slightly above the recent record low.

PADD 1 stocks decreased -0.3million barrels on the week. Supply decreased -14,000 bpd last week. Supply for the latest 4-wk period was +36,000 bpd above last year.

PADD 2 stocks declined -0.4 million barrels on the week. Supply increased +21,000 bpd on the week, due to higher production. The latest 4-wk supply was -3,000 bpd below a year ago. Stock levels ended the week at a level higher than four of the last 5-years.



PAD 3 stocks decreased -0.6 million barrels last week, with the level +49% above a year ago.



PADDs 4 & 5 stocks were unchanged on the week. The stock level ended the week near 5-year lows.

Emerging Trends Above normal heating degree days are forecast for the eastern ½ half of the country during the next 10-days. High heating demand should support prices in the near term, although above average carryout stocks and high production risk an end of season price pull back.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

February 23, 2013

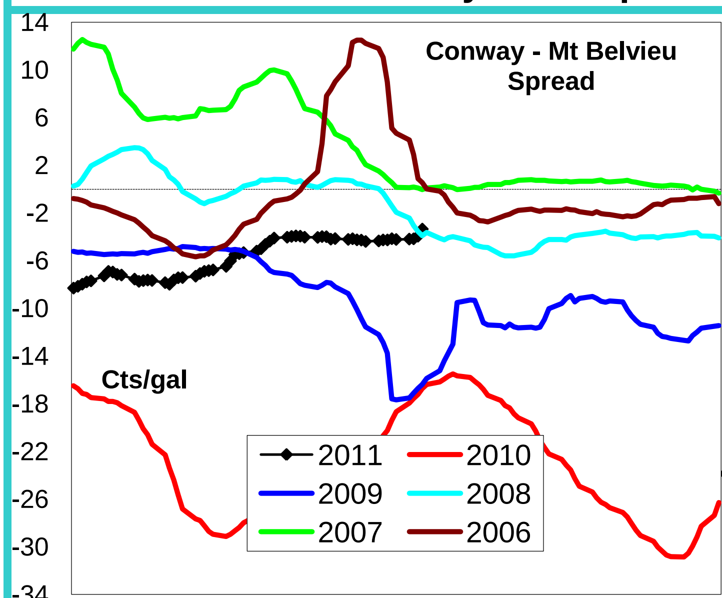
Fundamental Trends for the Week Ending: Friday, February 15, 2013

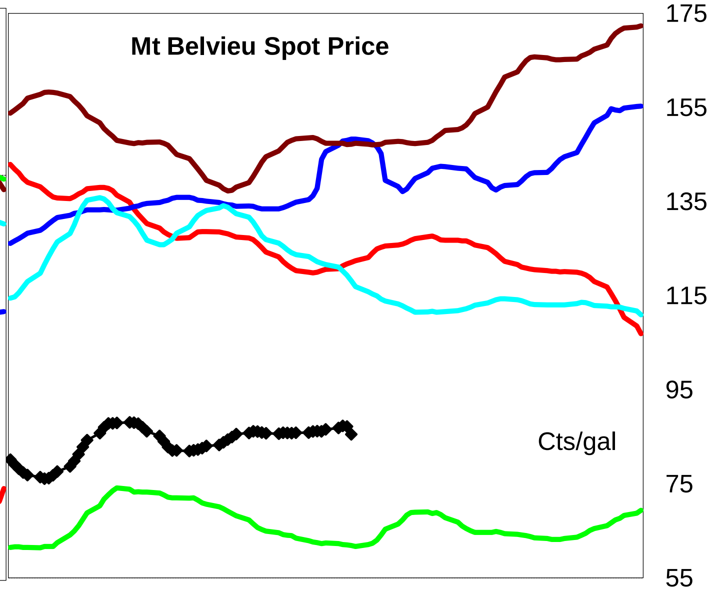
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	51,076	2,332	14,450	33,374	920	-1,335	-280	-419	-637	1
Propylene Stocks	2,917					-46				
Production	1,316	71	287	792	166	63	-2	42	24	-1
Imports	143	67	49	0	27	-27	-12	-21	0	6
Whsle Demand	1,490					-124				

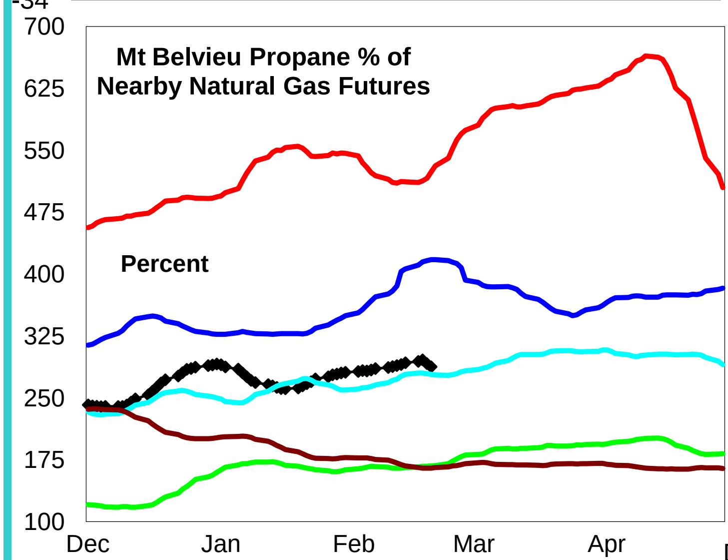
Price Trends for the Week Ending: Thursday, February 21, 2013

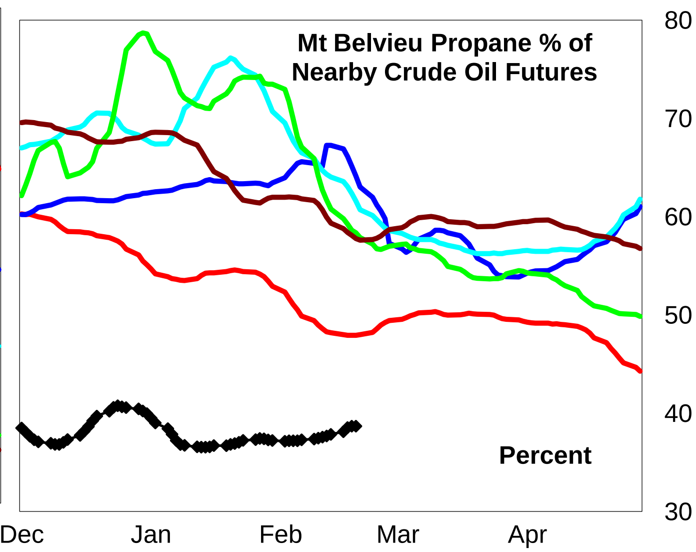
Cents/gal	Average for week ending:				Change from:			% change from:		
	2/21/13	2/14/13	1/24/13	2/20/12	2/14/13	1/24/13	2/20/12	2/14/13	1/24/13	2/20/12
Mont Belvieu Spot	87.3	85.4	85.0	122.4	1.90	0.37	-37.36	2.2	0.4	-30.5
Conway Spot	83.1	81.3	81.0	104.2	1.81	0.37	-23.23	2.2	0.5	-22.3

Key Price Spreads and Differentials

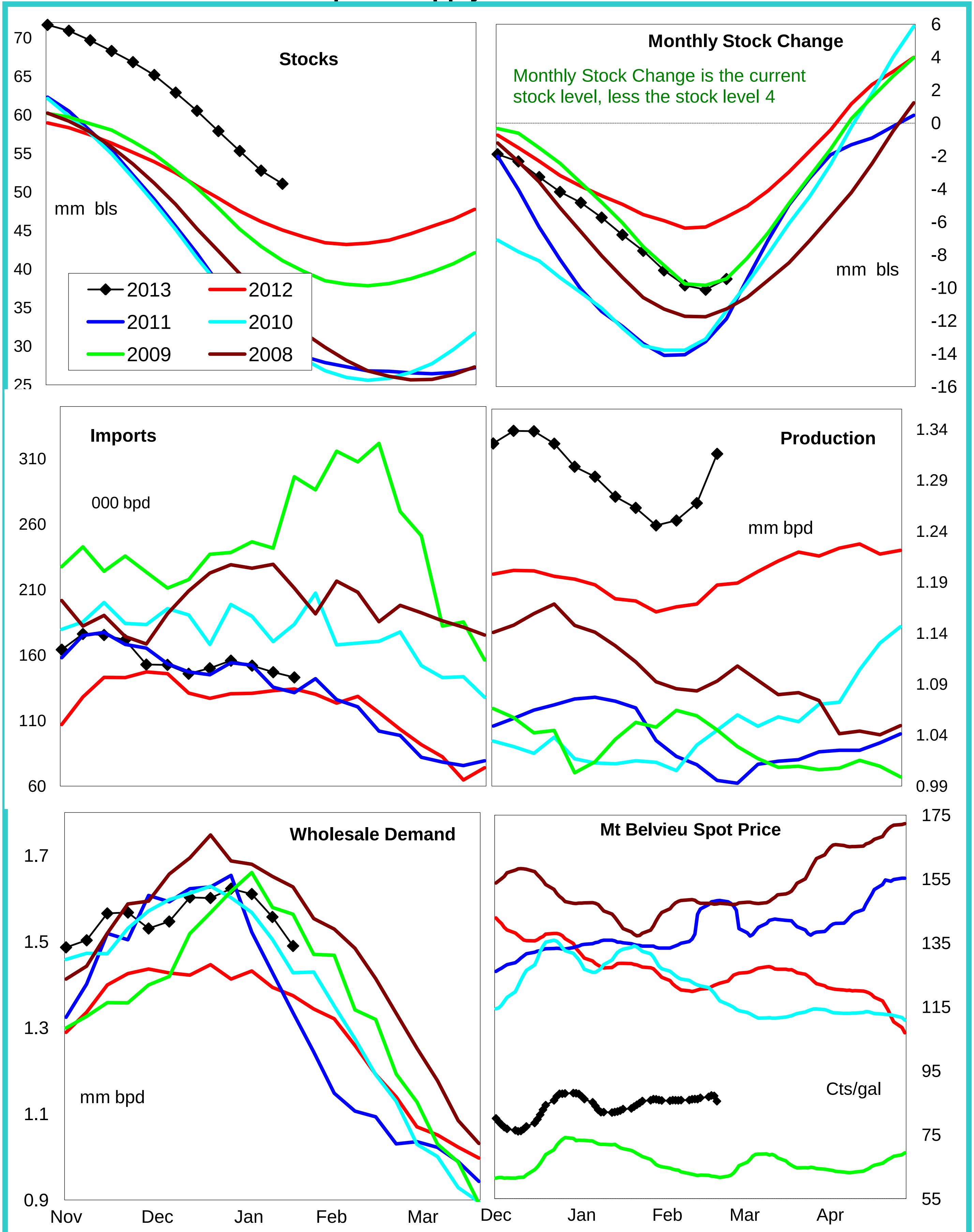








U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Jan	Dec	Nov
000 bpd (000 bls stks)	6,192	-3,761	93	15		191	220	67	-34
% change	13.8	66	7.9	11.0		13.6	15.6	4.6	-2.6

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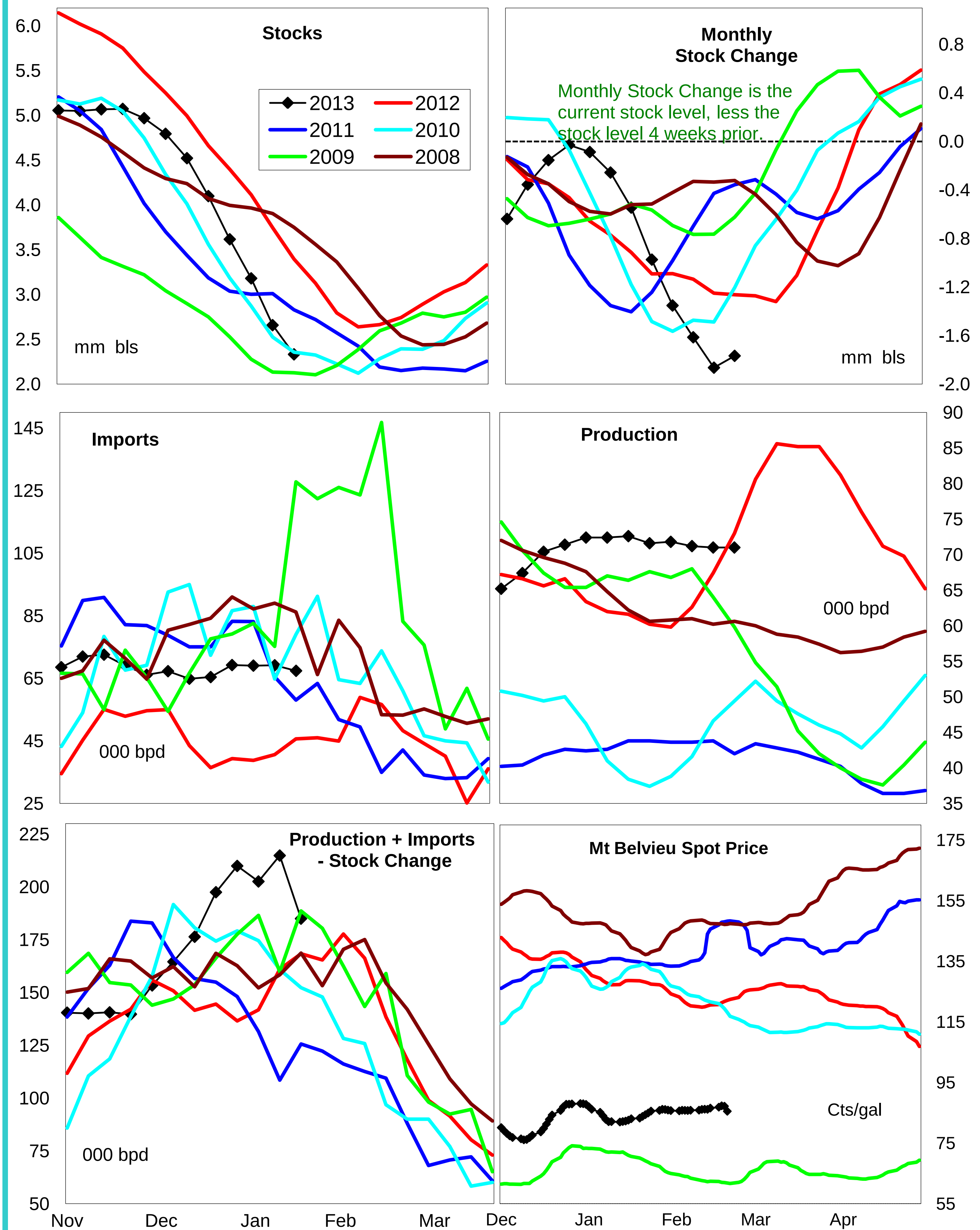
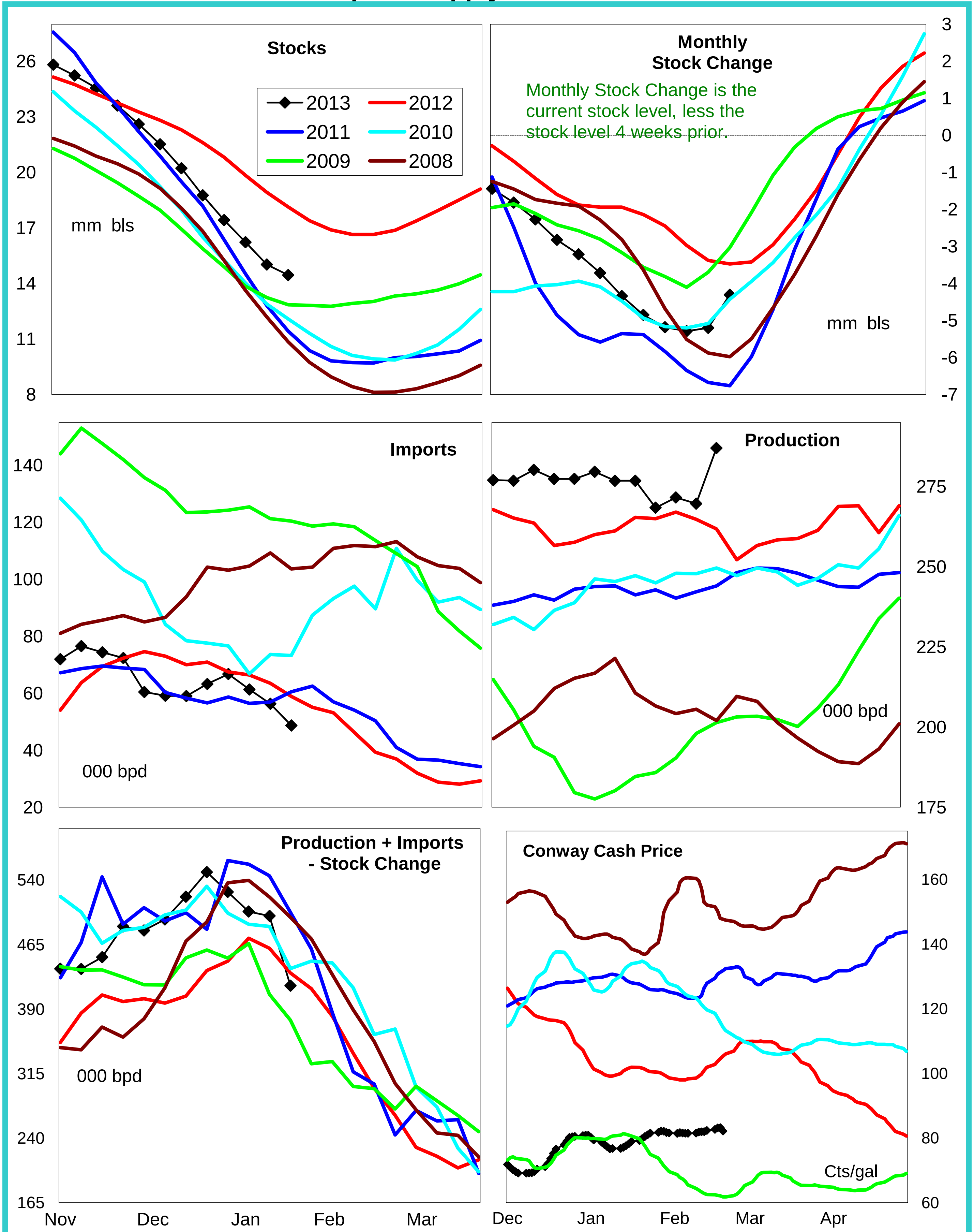
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-1,096	-503	8	28	51
% change	-32.0	39.8	11.8	68.5	33.7

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)	-3,439	-836	3	-6	34
% change	-19.2	24.1	1.0	-9.9	7.4

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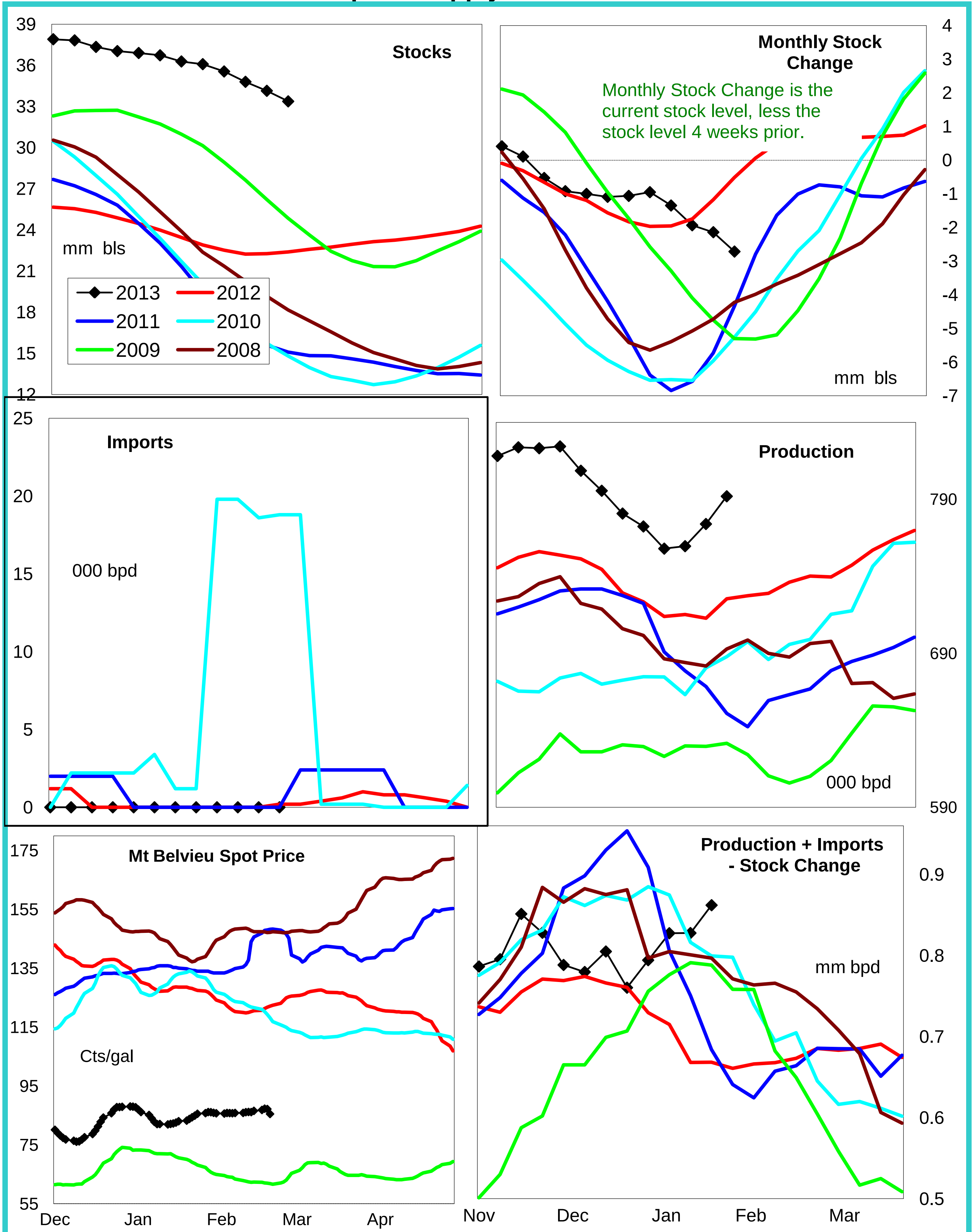
PADD 3 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	10,941	-2,203	56	0	133
% change	48.8	430	7.8	#DIV/0!	18.0

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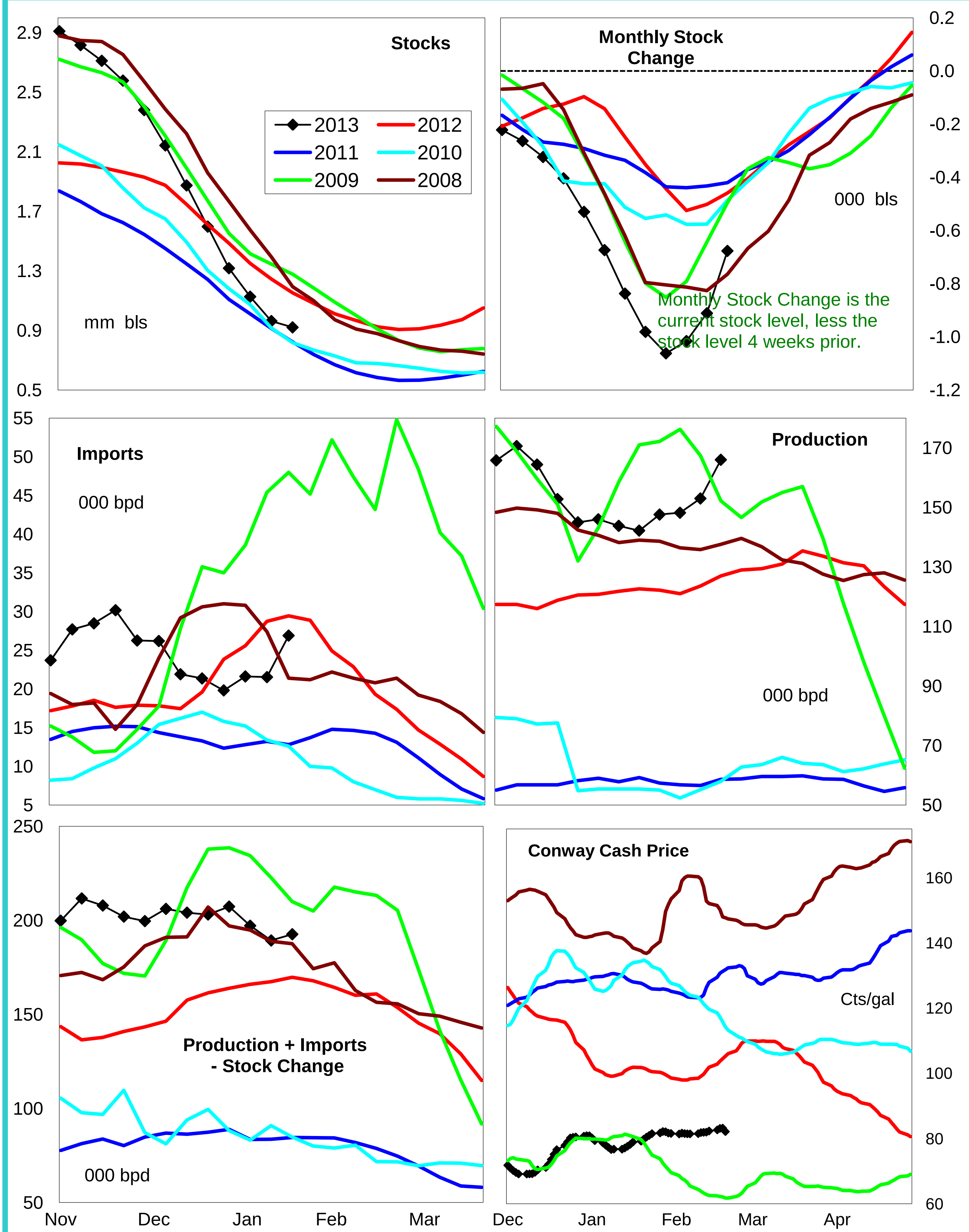
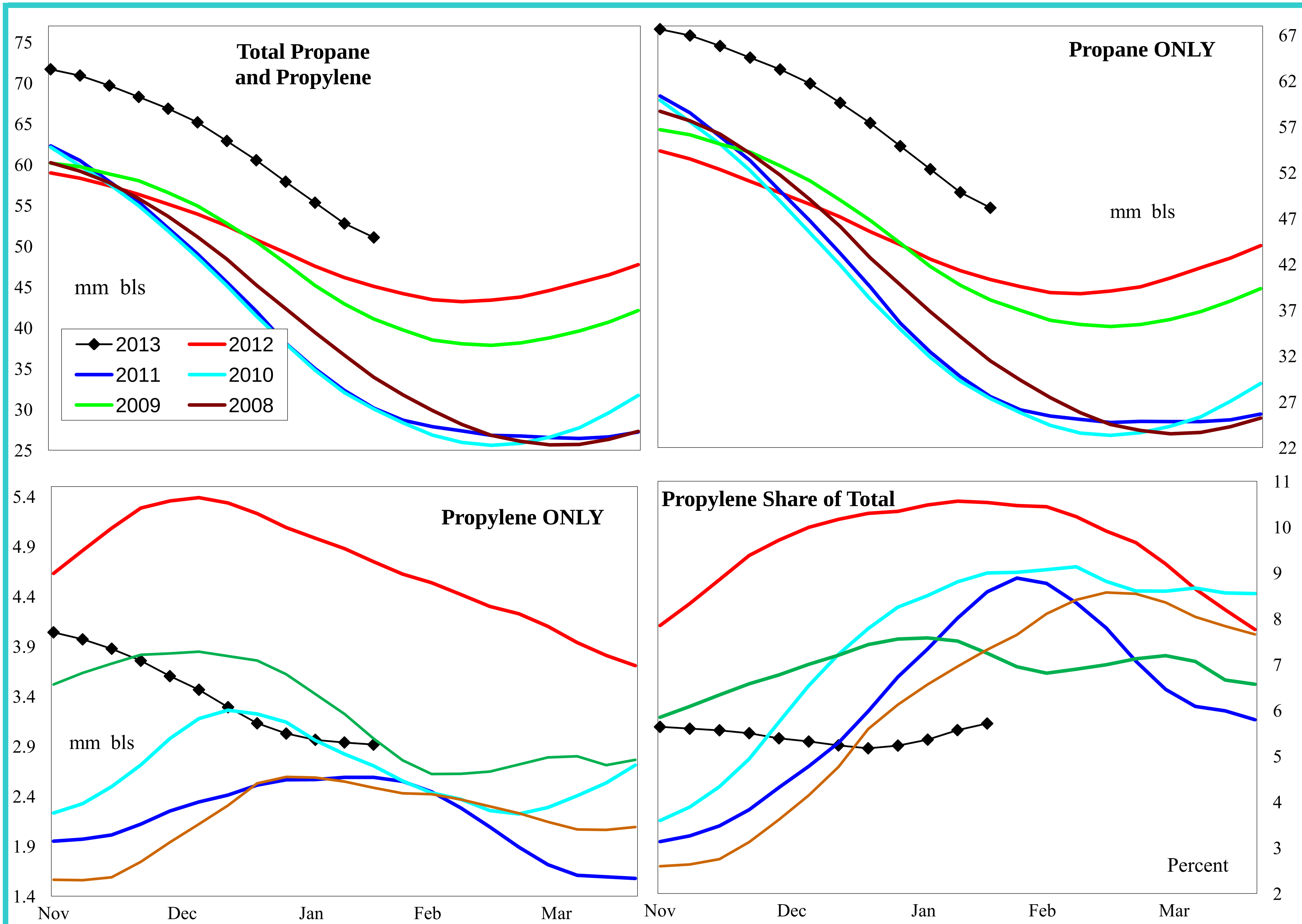
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-212	-218	27	-7	30
% change	-18.7	47.4	21.6	-24.3	17.9

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	6,192	8,043	-1,832
% change	13.8	20.0	-38.6

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