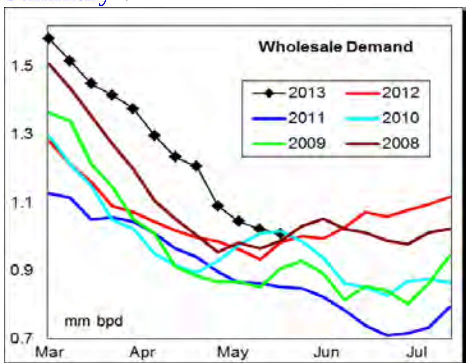
FUNDAMENTAL PETROLEUM TRENDS

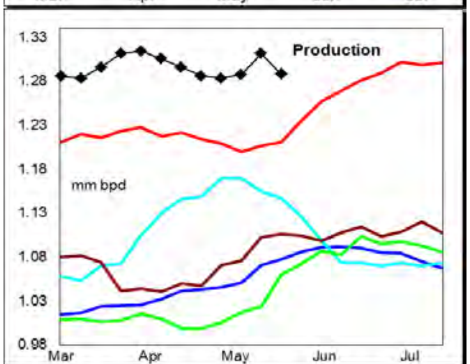
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

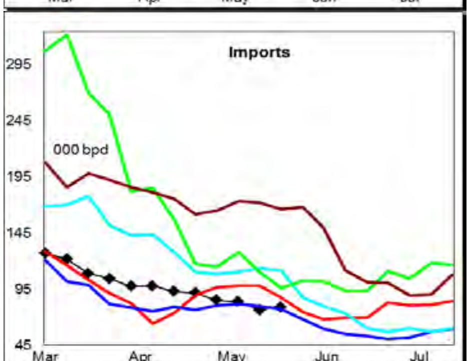
A Fundamental Petroleum Trends Weekly Report

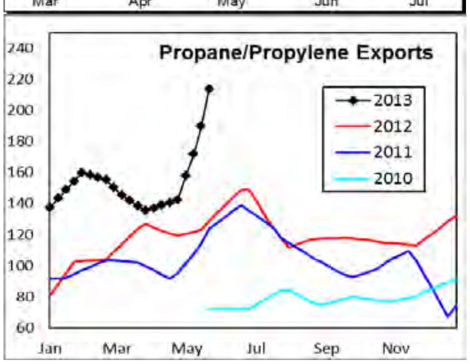
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary[1]: ? Table of Contents





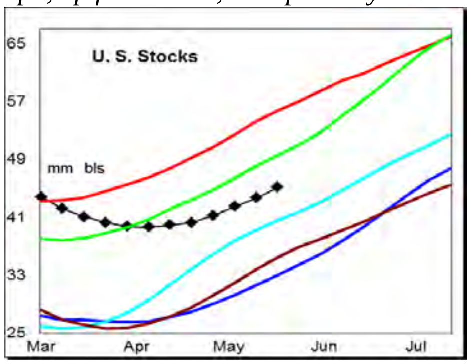




Wholesale demand increased +119,000 bpd on the week, a level near last year for the period. Production decreased -33,000 bpd on the week while imports were +7,000 bpd higher.

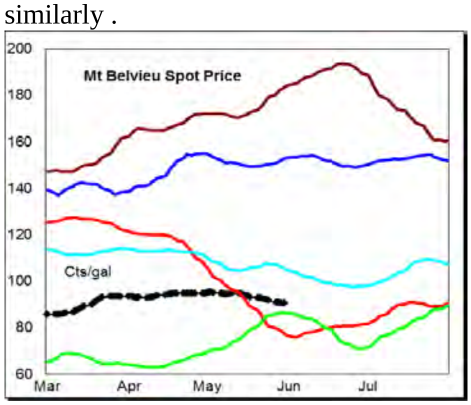
[1] Source is latest EIA Weekly Statistics

Combined production and imports during the latest 4-wk period were +70,000 bpd above a year ago. Production was +100,000 bpd above last year (+8%), while imports were -30,000 bpd lower. The latest 4-wk average demand was +103,000 bpd above last year, +9%. *Exports were over 200,000 bpd, up from +125,000 bpd last year.*



Stocks increased +1.2 million barrels on the week, ending at a level -19% below last years' record high. The 4-wk stock change was a build of +5.1 million barrels, compared to a build of +6.6 million barrels last year.

Price and Spreads Mt Belvieu price decreased -0.5 cpg for the week ending 30May13 while Conway prices declined similarly .



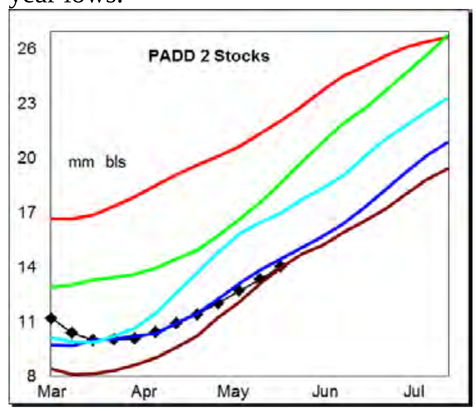
The Conway – Mt Belvieu price spread ended the week at -5 cpg, up slightly from a week ago.

The propane to natural gas price spread traded sideways last week, ending at a level well below the last 2-years.

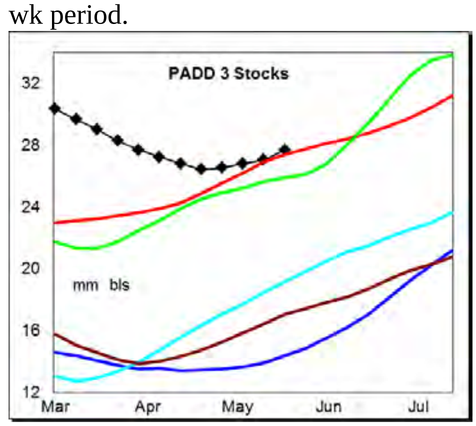
The propane / crude oil price spread extended the recent downtrend last week, ending at a level slightly above last years' record low.

PADD 1 stocks were unchanged on the week, with the level -2.6 million barrels below last year. Supply increased +4,000 bpd last week. Supply for the latest 4-wk period was unchanged compared to a year ago.

PADD 2 stocks increased +0.6 million barrels on the week. Supply decreased -5,000 bpd on lower production. The latest 4-wk supply was -113,000 bpd below a year ago. Stock levels ended the week -36% below last year and near 5-year lows.



PAD 3 stocks increased +0.5 million barrels last week, to a level +1% above a year ago. Supplies were +47,000 bpd above a year ago for the most recent 4-wk period.



PADDs 4 & 5 stocks increased +0.1 million barrels on the week. The stock level ended the week well above the 5-year mid range.

Emerging Trends Sharply higher propane exports, below normal sock builds and low carry out stocks in the Midwest continue to support spot market prices. These trends should limit price weakness in the summer quarter.

PROPANE: Graph Link and Weekly Summary

May 31, 2013

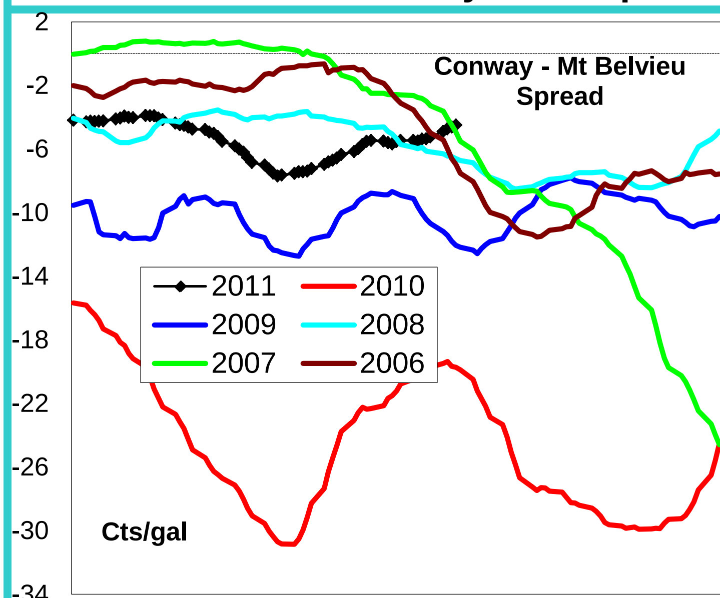
Fundamental Trends for the Week Ending: Friday, May 24, 2013

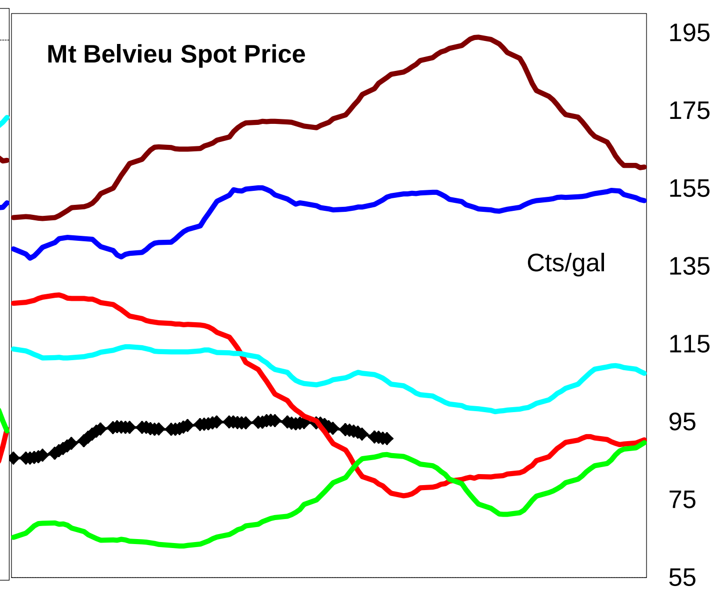
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	45,137	2,327	14,049	27,680	1,081	1,163	49	602	462	50
Propylene Stocks	3,414					-55				
Production	1,288	80	280	779	149	-33	-2	-8	-12	-11
Imports	79	33	41	0	5	7	6	3	0	-1
Whsle Demand	988					119				

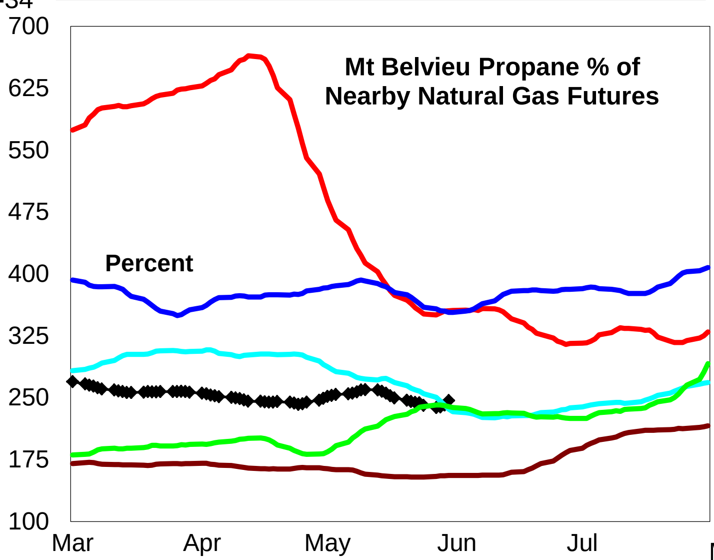
Price Trends for the Week Ending: Thursday, May 30, 2013

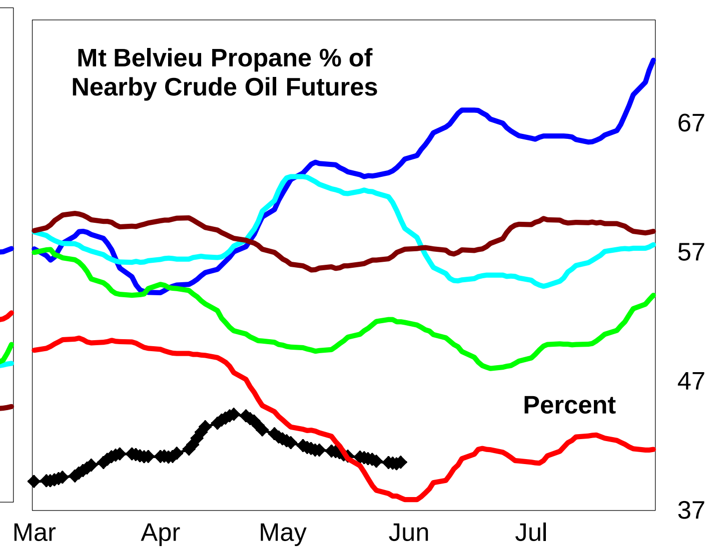
Cents/gal	Average for week ending:				Change from:			% change from:		
	5/30/13	5/23/13	5/2/13	5/28/12	5/23/13	5/2/13	5/28/12	5/23/13	5/2/13	5/28/12
Mont Belvieu Spot	91.0	93.5	94.7	76.7	-2.45	-1.23	18.03	-2.6	-1.3	23.5
Conway Spot	86.3	87.5	87.4	57.0	-1.26	0.16	30.38	-1.4	0.2	53.3

Key Price Spreads and Differentials

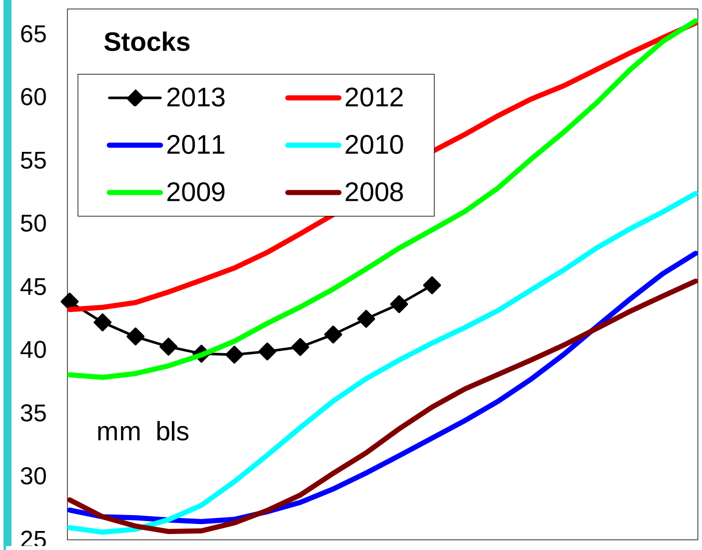


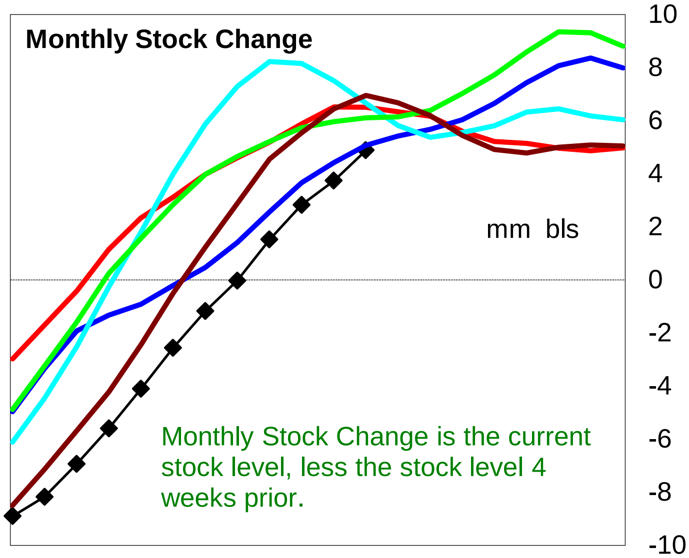


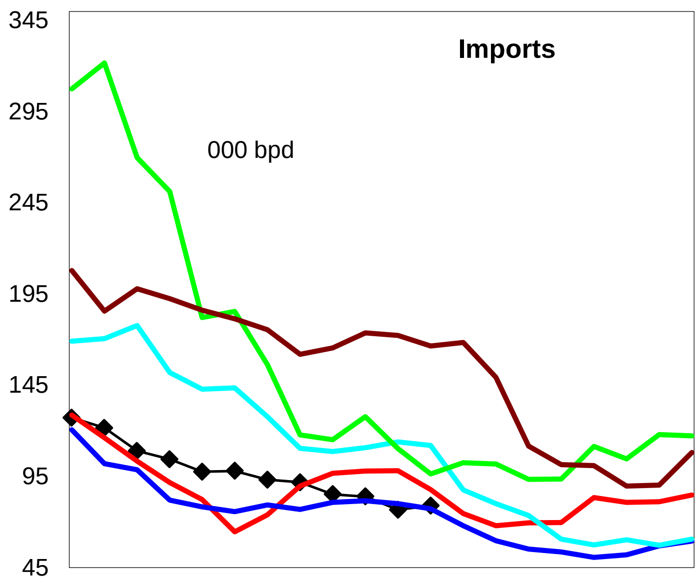


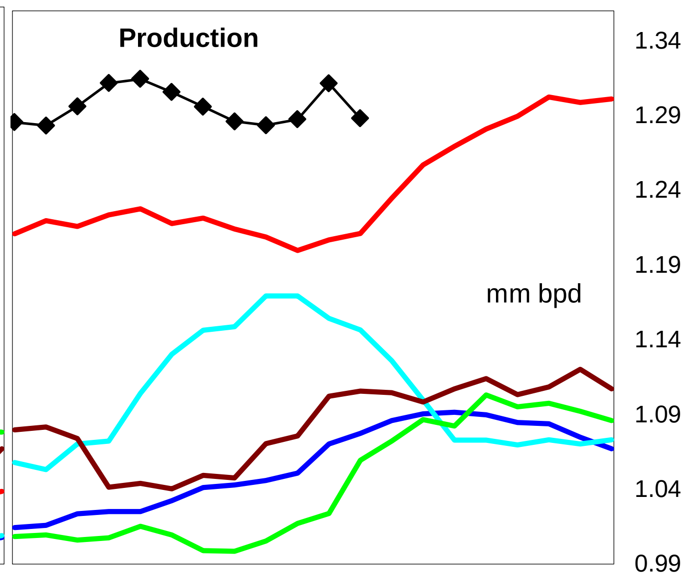


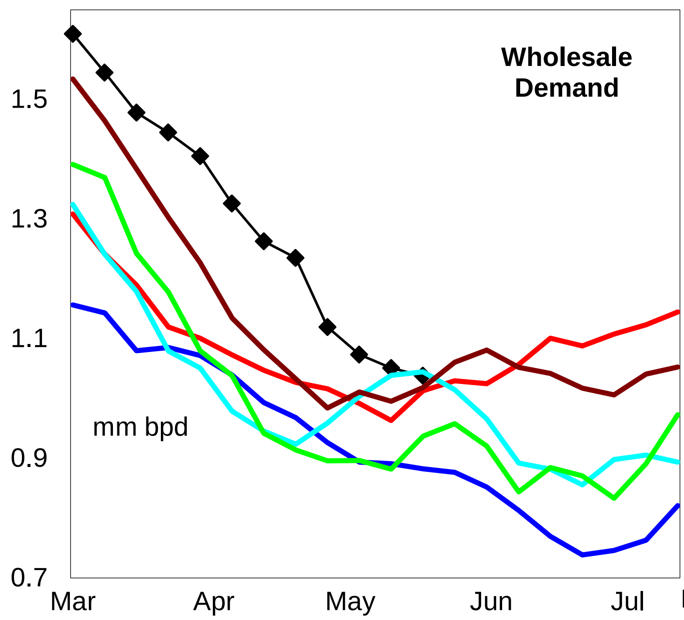
U. S. Propane Supply and Demand Balance

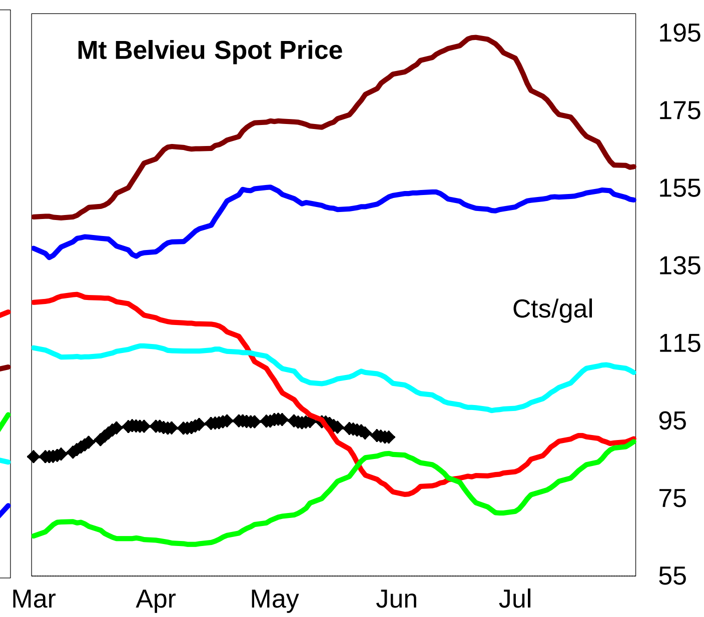








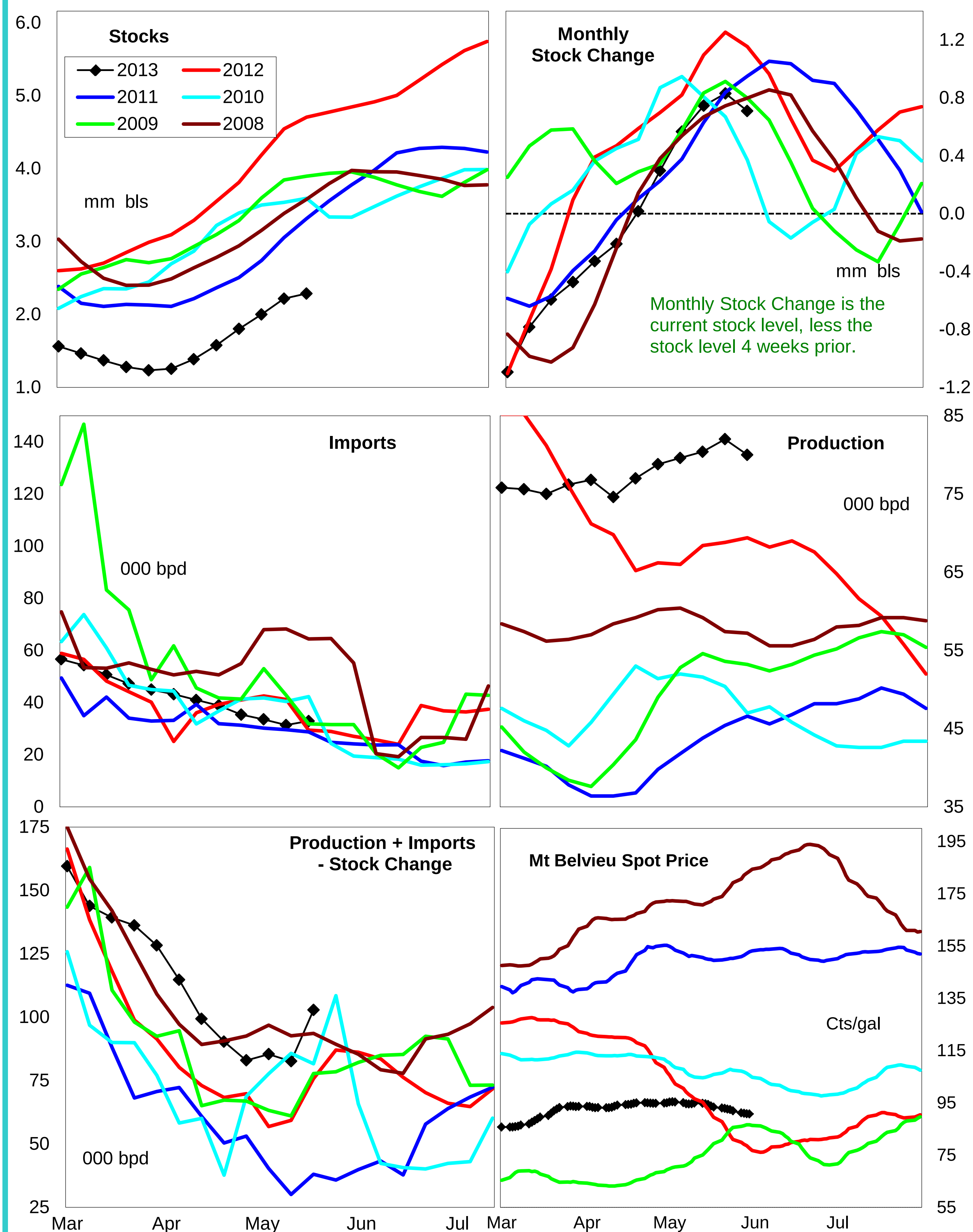




4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Apr	Mar	Feb
000 bpd (000 bls stks)	-10,510	-1,615	100	-30		103	251	330	254
% change	-18.9	-25	8.3	-28.5		11.1	25.5	29.1	18.9

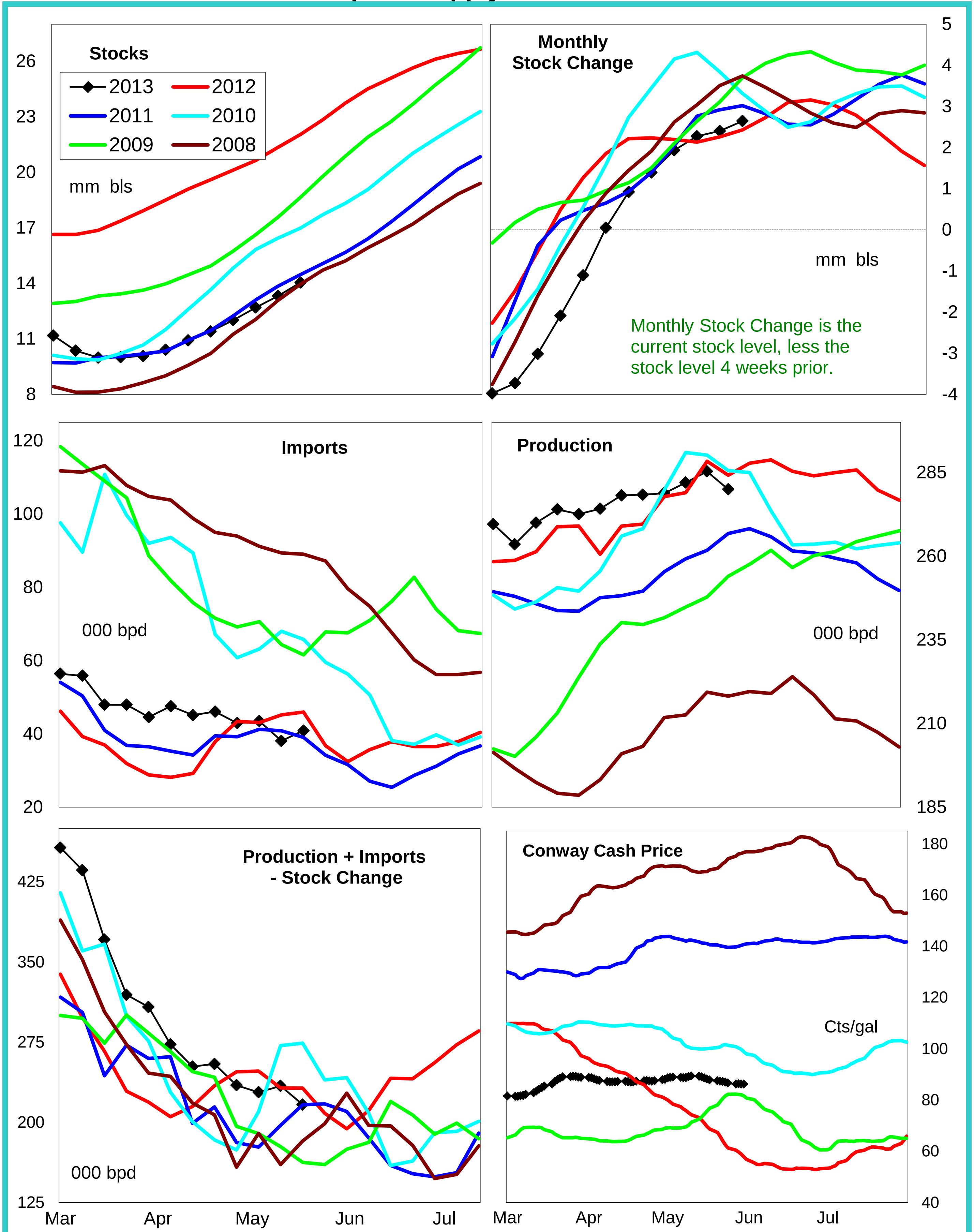
  Lehi German Tel: 816.505.0980

PADD 1 Propane Supply and Demand Balance



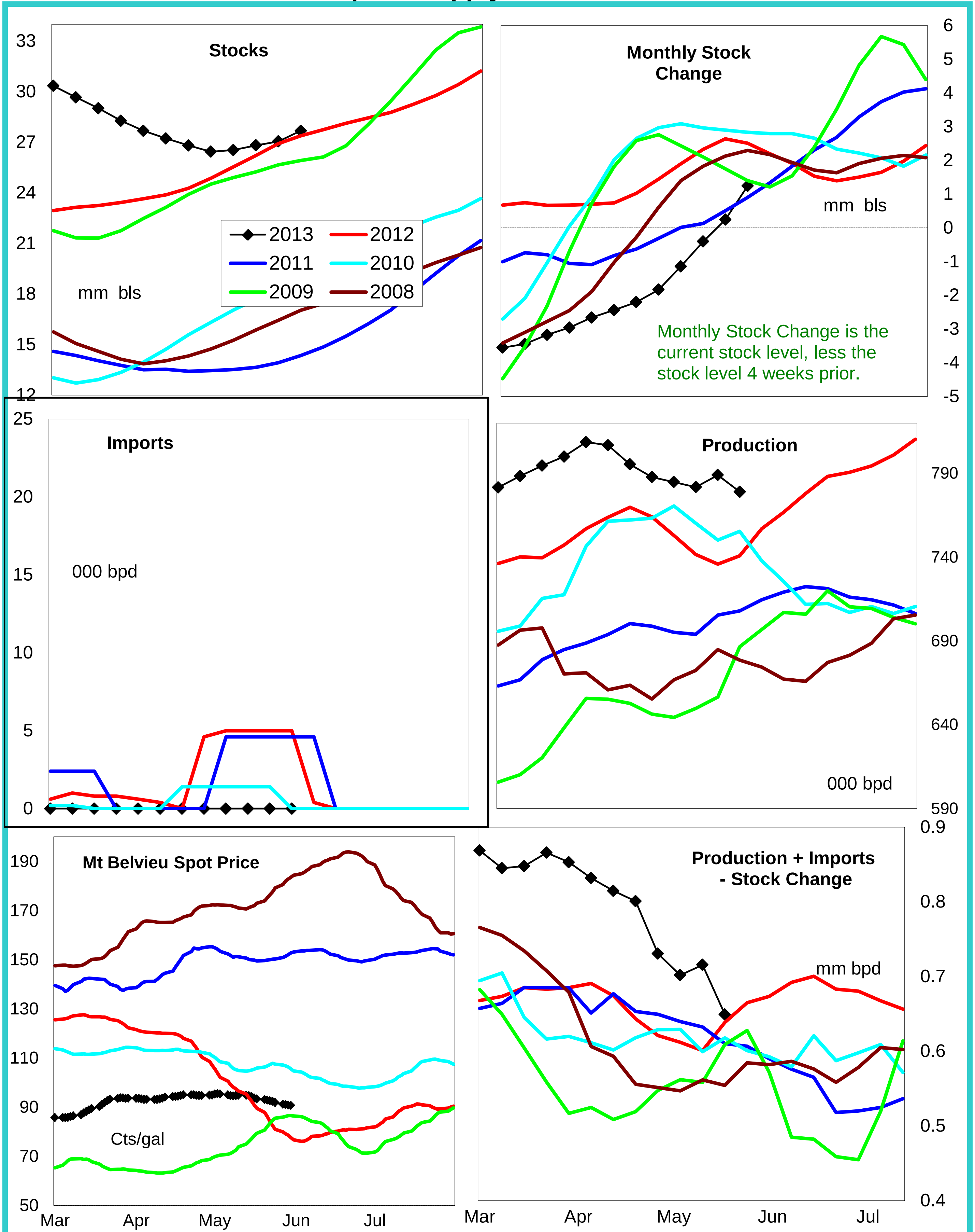
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-2,584	-445	15	-15	23
% change	-52.6	-38.5	21.5	-33.0	35.1

PADD 2 Propane Supply and Demand Balance



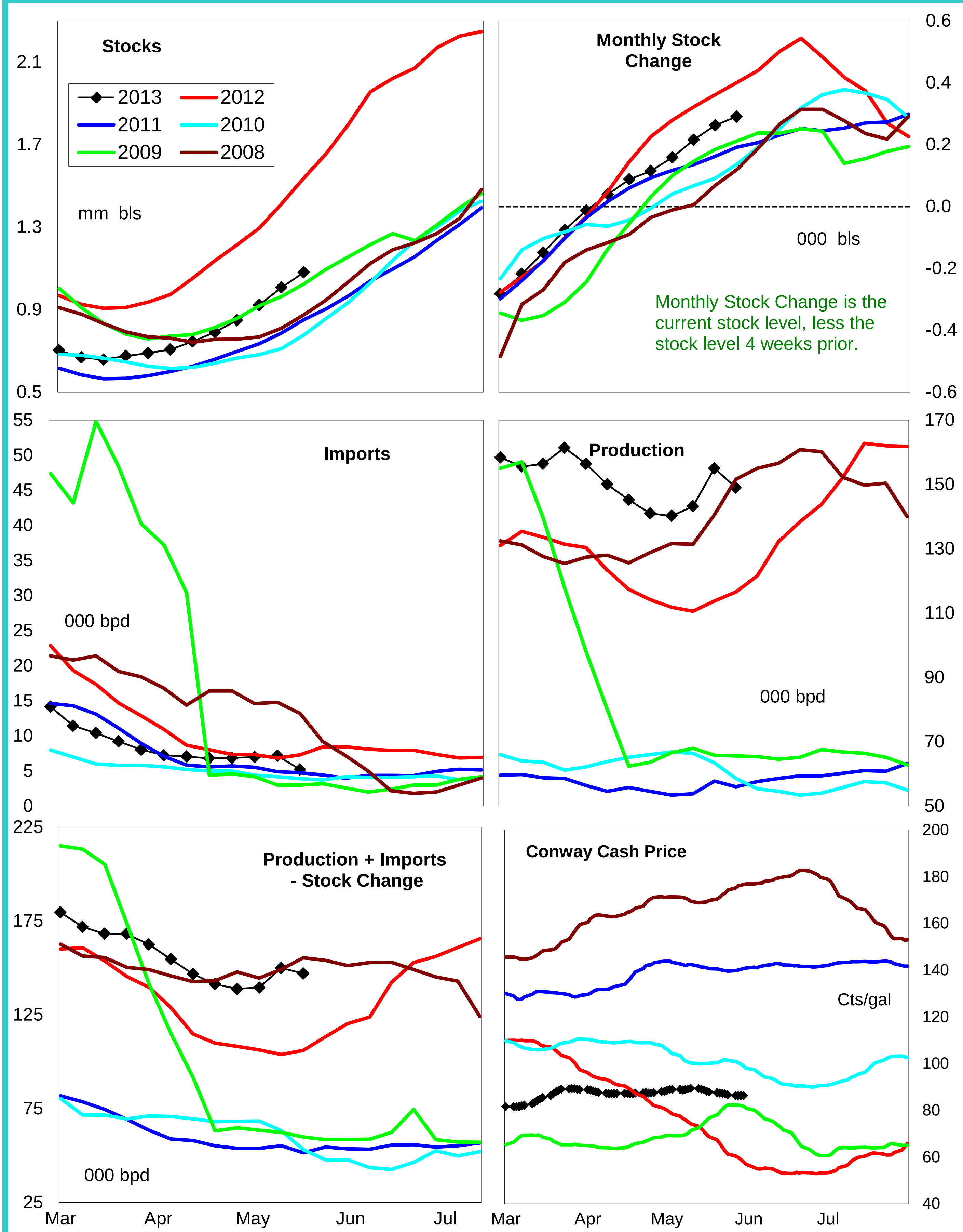
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-7,860	211	-2	-9	-11
% change	-35.9	8.7	-0.8	-19.5	-4.8

PADD 3 Propane Supply and Demand Balance



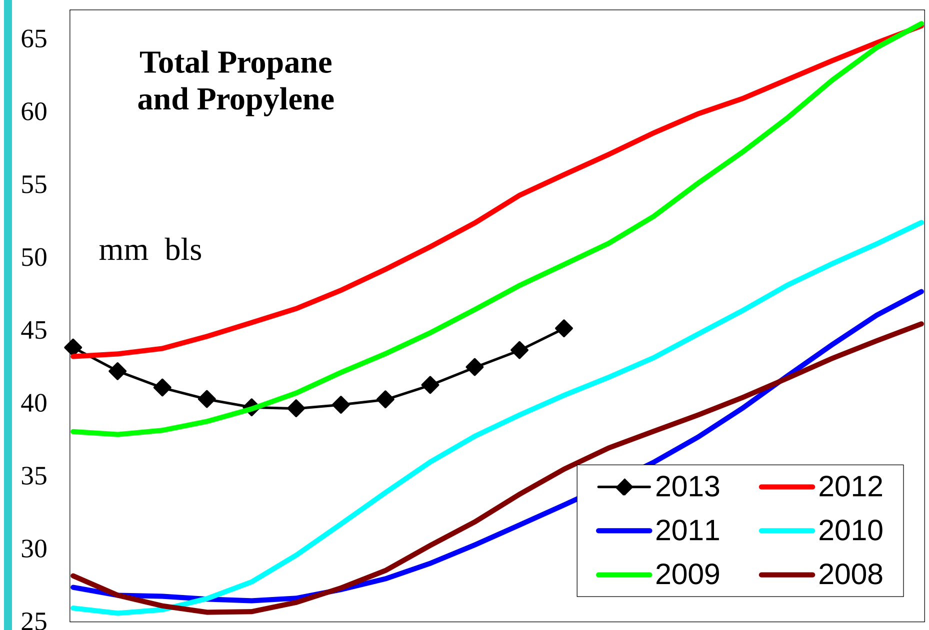
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	261	-1,271	53	-6	81
% change	1.0	-51	7.3	-100.0	12.3

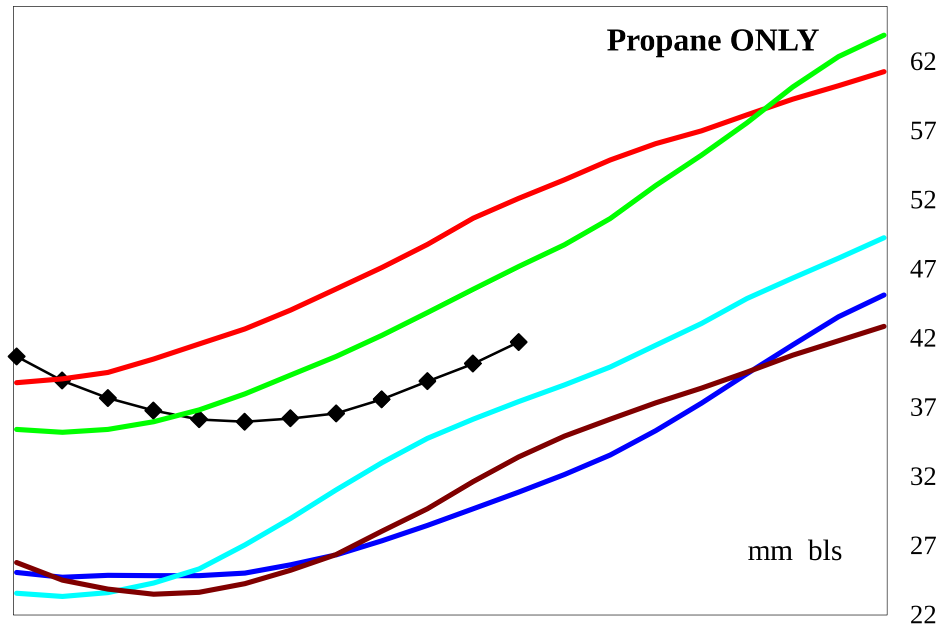
PADDs 4 and 5 Propane Supply and Demand Balance

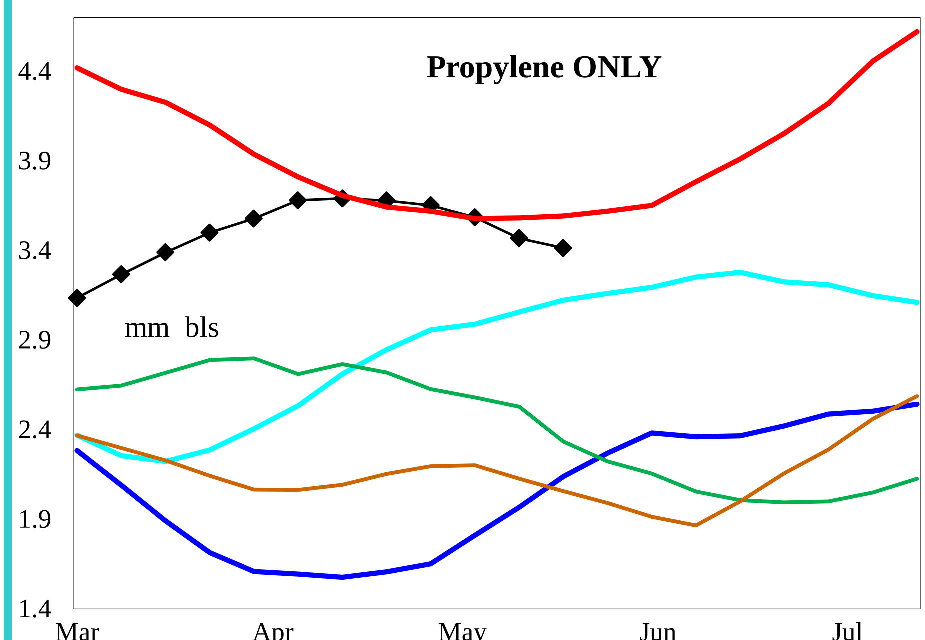


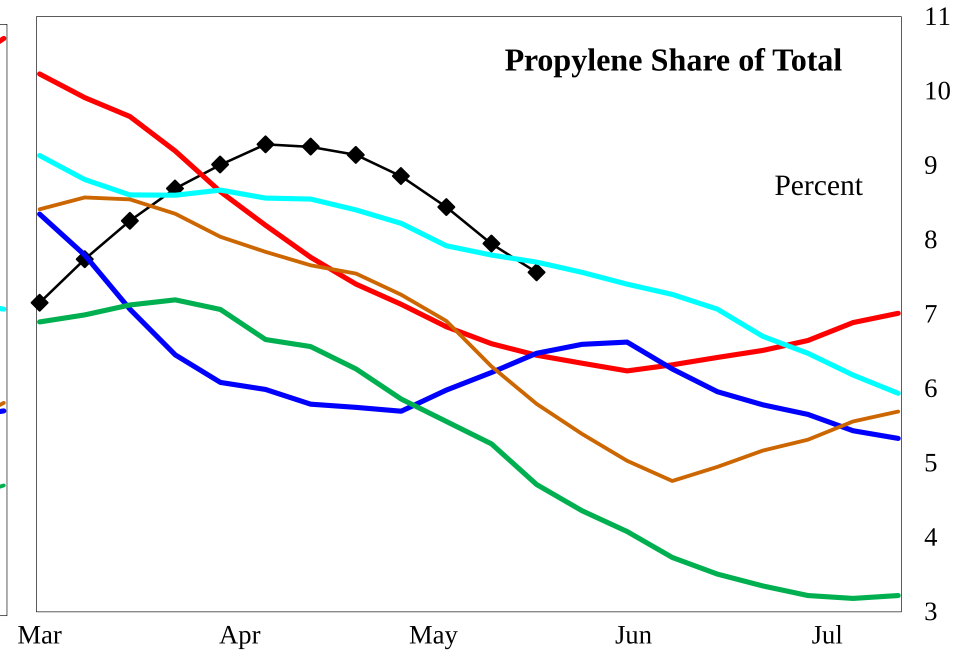
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-327	-110	34	0	38
% change	-23.2	-27.5	30.2	1.7	35.6

U. S. Propane and Propylene Stocks









Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	**-10,510**	**-10,434**	**-179**
% change	**-18.9**	**-20.0**	**-5.0**

Lehi German Tel: 816.505.0980

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