FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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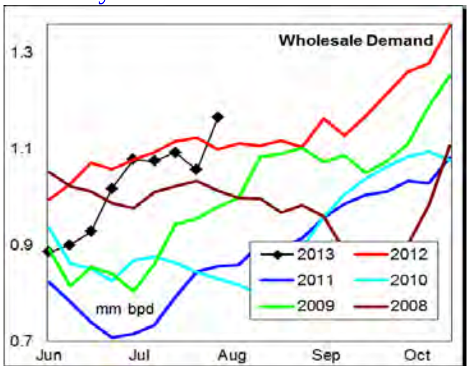
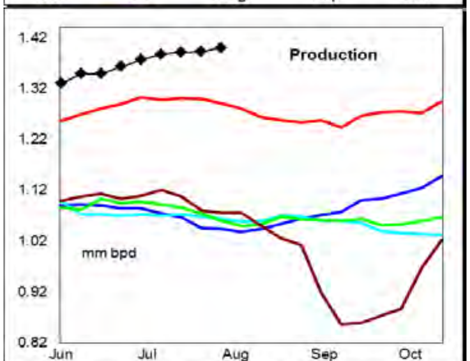
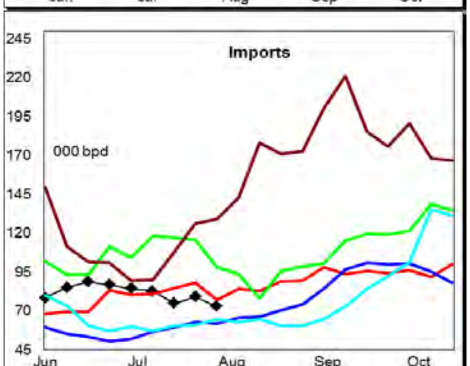
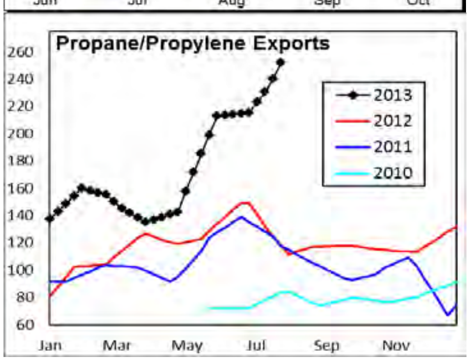


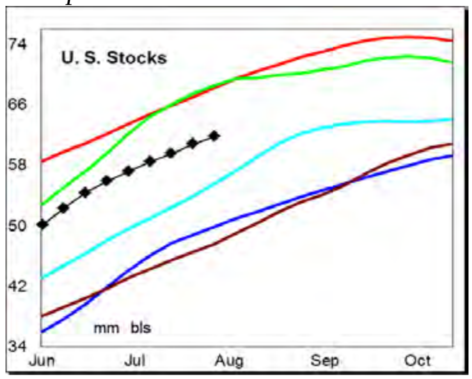






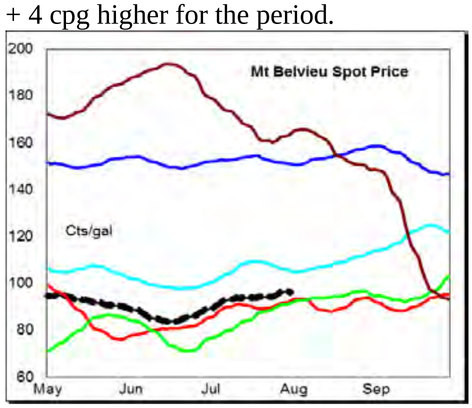
Wholesale demand jumped +185,000 bpd on the week, to a level above last years' record high. Production increased +12,000 bpd on the week while imports were -19,000 bpd lower.

Combined production and imports during the latest 4-wk period were +82,000 bpd above a year ago. Production was +97,000 bpd above last year (+7.5%), while imports were -15,000 bpd lower. The latest 4-wk average demand was -27,000 bpd below last year. *Exports increased +104,000 bpd over a year ago for the most recent 4-wk period.*



Stocks increased +0.5 million barrels on the week, ending at a level -9% below last year. The 4-wk stock change was a build of +4.6 million barrels, a level that matched the last 2-yrs.

Price and Spreads Mt Belvieu spot price increased +3 cpg for the week ending 06Aug13 while Conway spot price was + 4 cpg higher for the period.



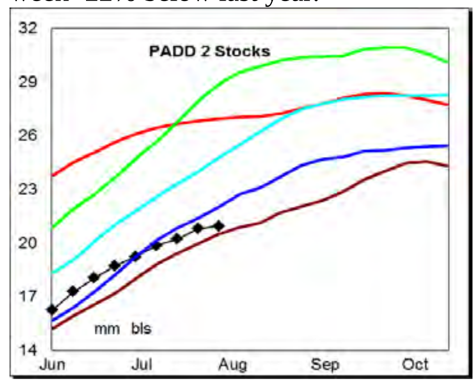
The Conway – Mt Belvieu price spread ended the week at -3 cpg, a differential less than the 5-year range for the week.

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

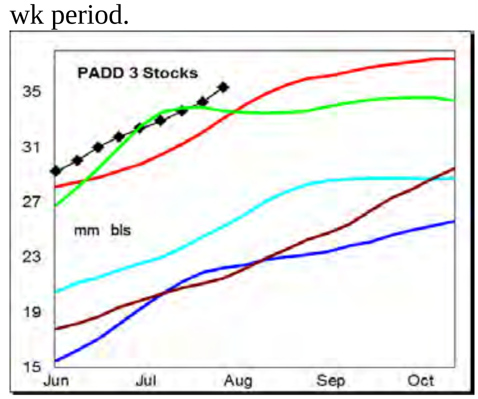
The propane / crude oil price spread traded slightly higher on the week, although the level remains below the 5-year range.

PADD 1 stocks fell -0.4 million barrels on the week, with the level -2.7 million barrels below last year, and a record low. Supply decreased -4,000 bpd last week. Supply for the latest 4-wk period was unchanged from a year ago.

PADD 2 stocks decreased -0.2 million barrels on the week. Supply increased +6,000 bpd on higher production. The latest 4-wk supply was +40,000 bpd above a year ago. Stock levels ended the week -22% below last year.



PAD 3 stocks increased +1.2 million barrels last week, to a level +7% above a year ago. Supplies were +26,000 bpd above a year ago for the most recent 4-wk period.



PADDs 4 & 5 stocks declined -0.1 million barrels last week. The stock level ended the week at a level that matched historic highs for the period.

Emerging Trends Propane supplies are excessive in the Gulf region with both stocks and production above the 5-year range. With higher exports and tight supplies in regions outside the Gulf, any price pull back will be driven by overall energy price trends.

[1] Source is latest EIA Weekly Statistics

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PROPANE: Graph Link and Weekly Summary

August 7, 2013

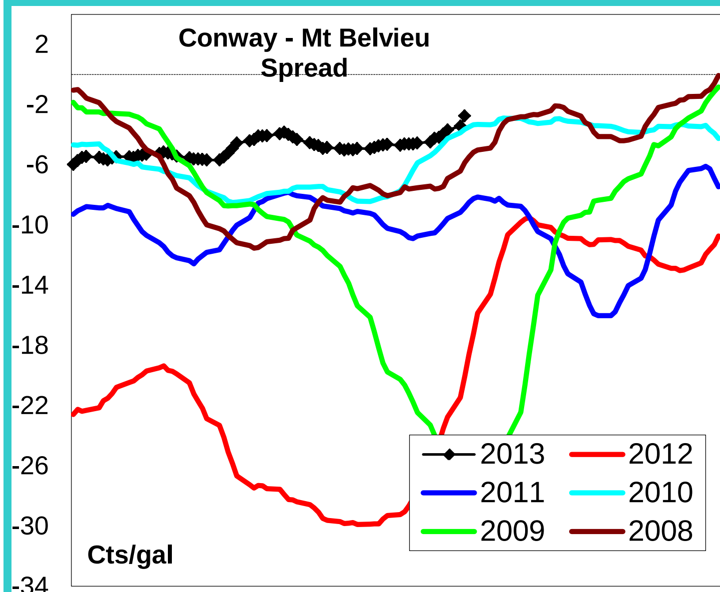
Fundamental Trends for the Week Ending: Friday, August 02, 2013

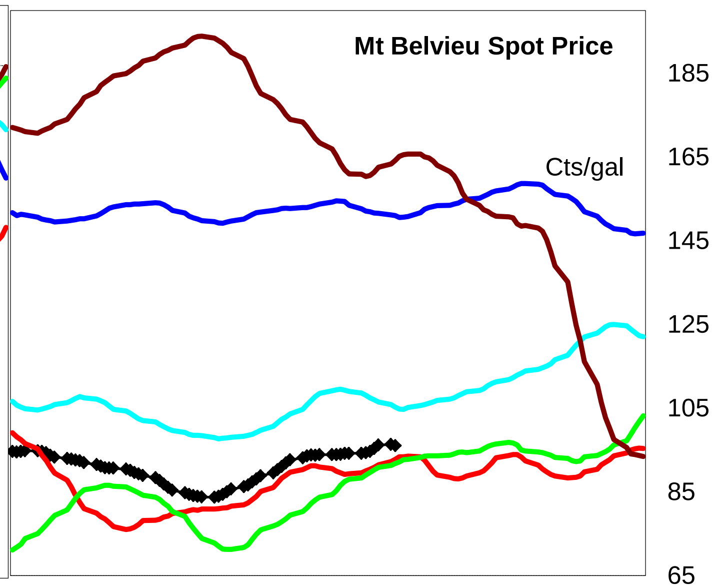
000 bpd / Stocks 000 bls	Weekly Supply-Demand: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	Change from prior week: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	61,826	3,181	20,938	35,322	2,385	530	-387	-196	1,188	-75
Propylene Stocks	3,141					218				
Production	1,400	78	311	831	180	12	-3	16	-7	6
Imports	73	11	58	0	4	-19	-1	-10	0	-8
Whsle Demand	1,145					185				

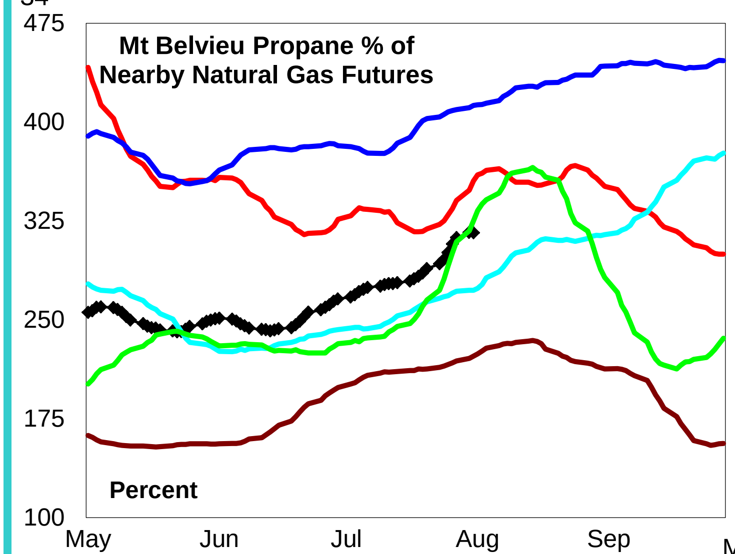
Price Trends for the Week Ending: Tuesday, July 30, 2013

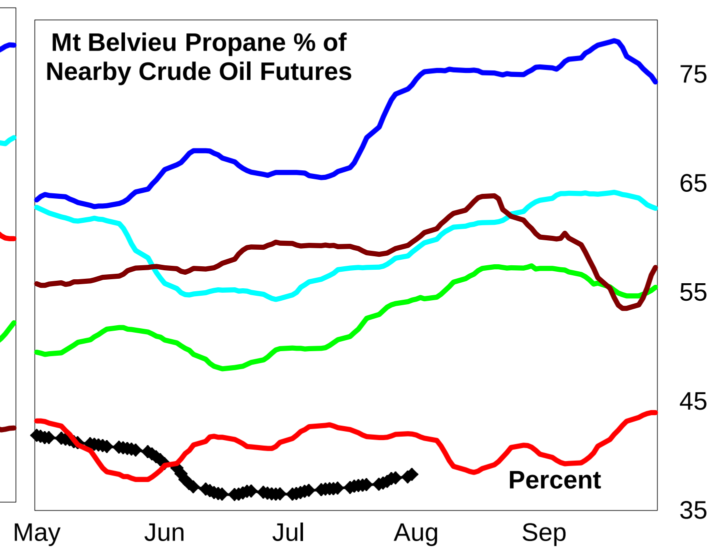
Cents/gal	Average for week ending: 7/30/13	7/23/13	7/2/13	7/26/12	Change from: 7/23/13	7/2/13	7/26/12	% change from: 7/23/13	7/2/13	7/26/12
Mont Belvieu Spot	96.2	92.8	88.6	92.3	3.43	4.11	-3.63	3.7	4.6	-3.9
Conway Spot	92.5	88.0	83.5	69.5	4.53	4.52	13.91	5.1	5.4	20.0

Key Price Spreads and Differentials









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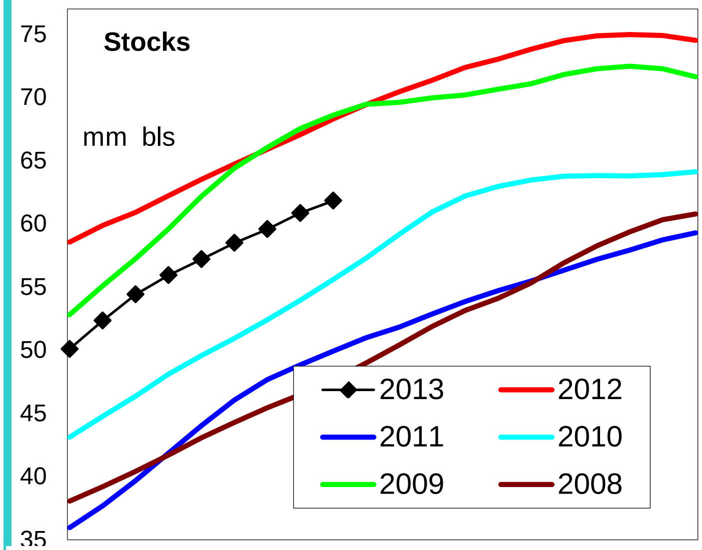
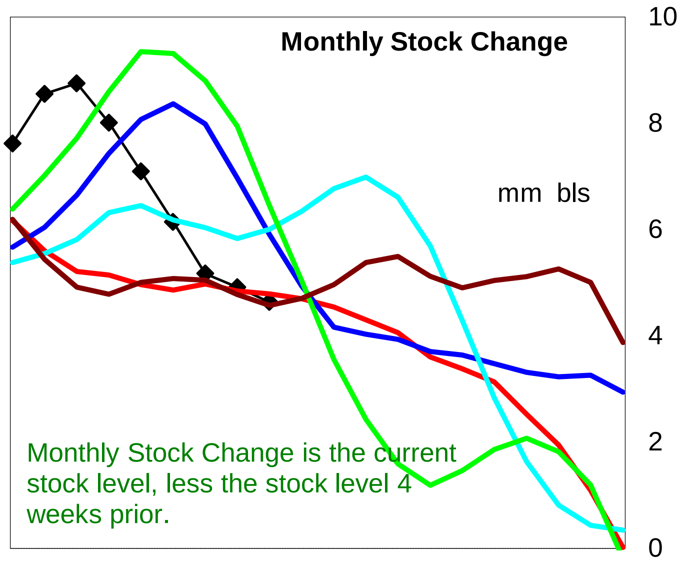
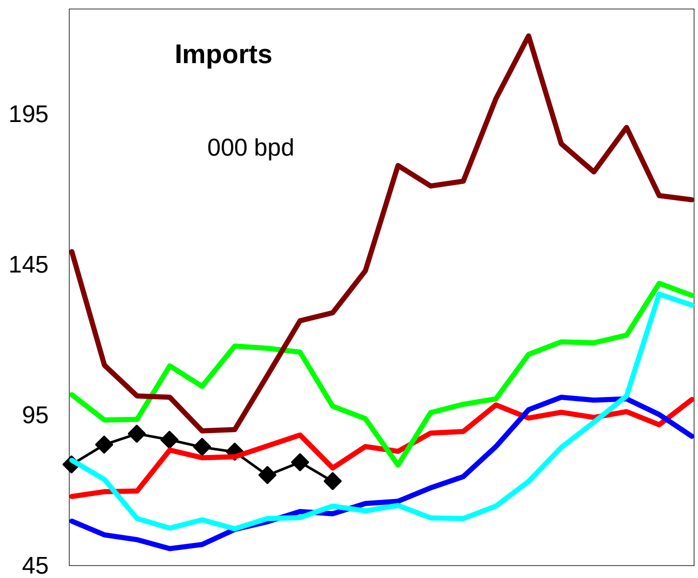
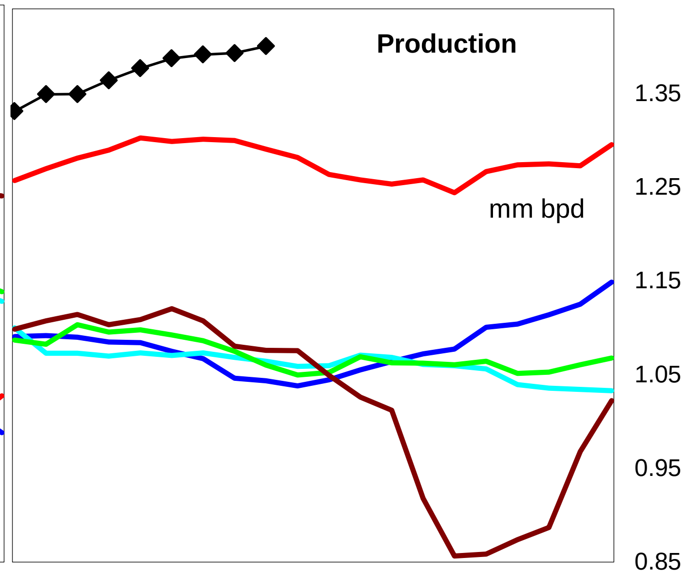
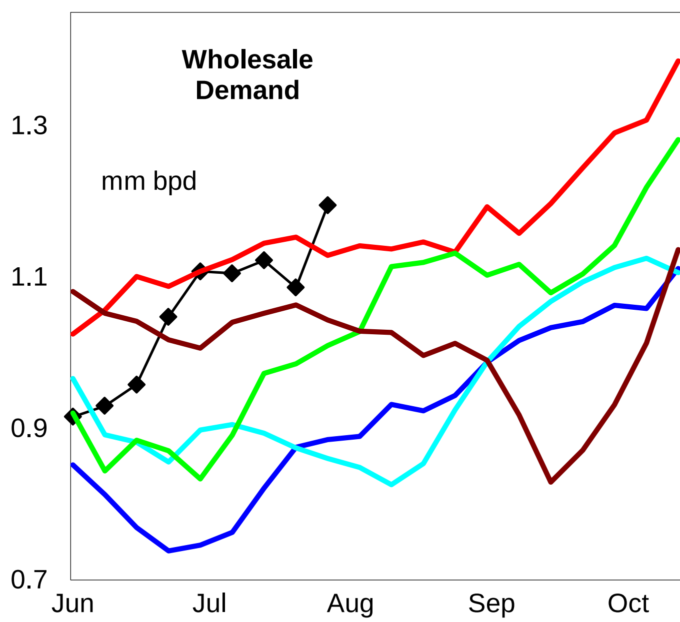
U. S. Propane Supply and Demand Balance

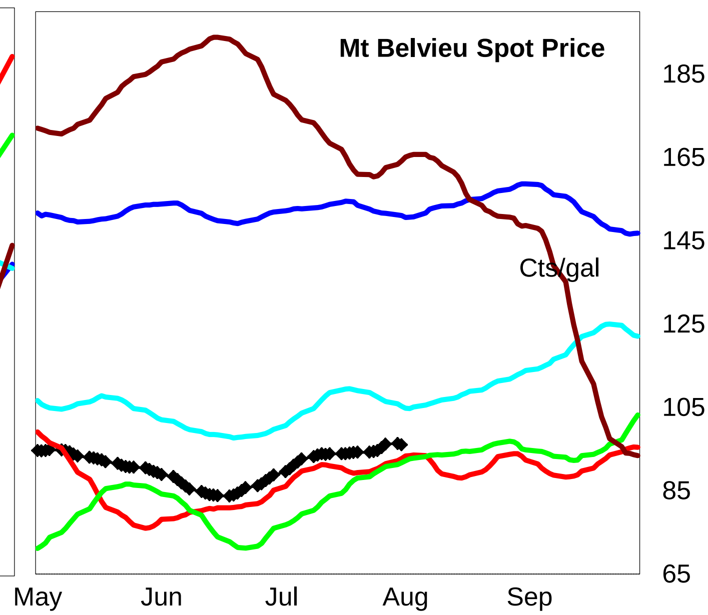












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Jun	May	Apr
000 bpd (000 bls stks)	-6,230	-156	97	-15		-27	-172	-111	162
% change	-9.2	-3	7.5	-16.3		-2.5	-16.2	-10.1	16.4

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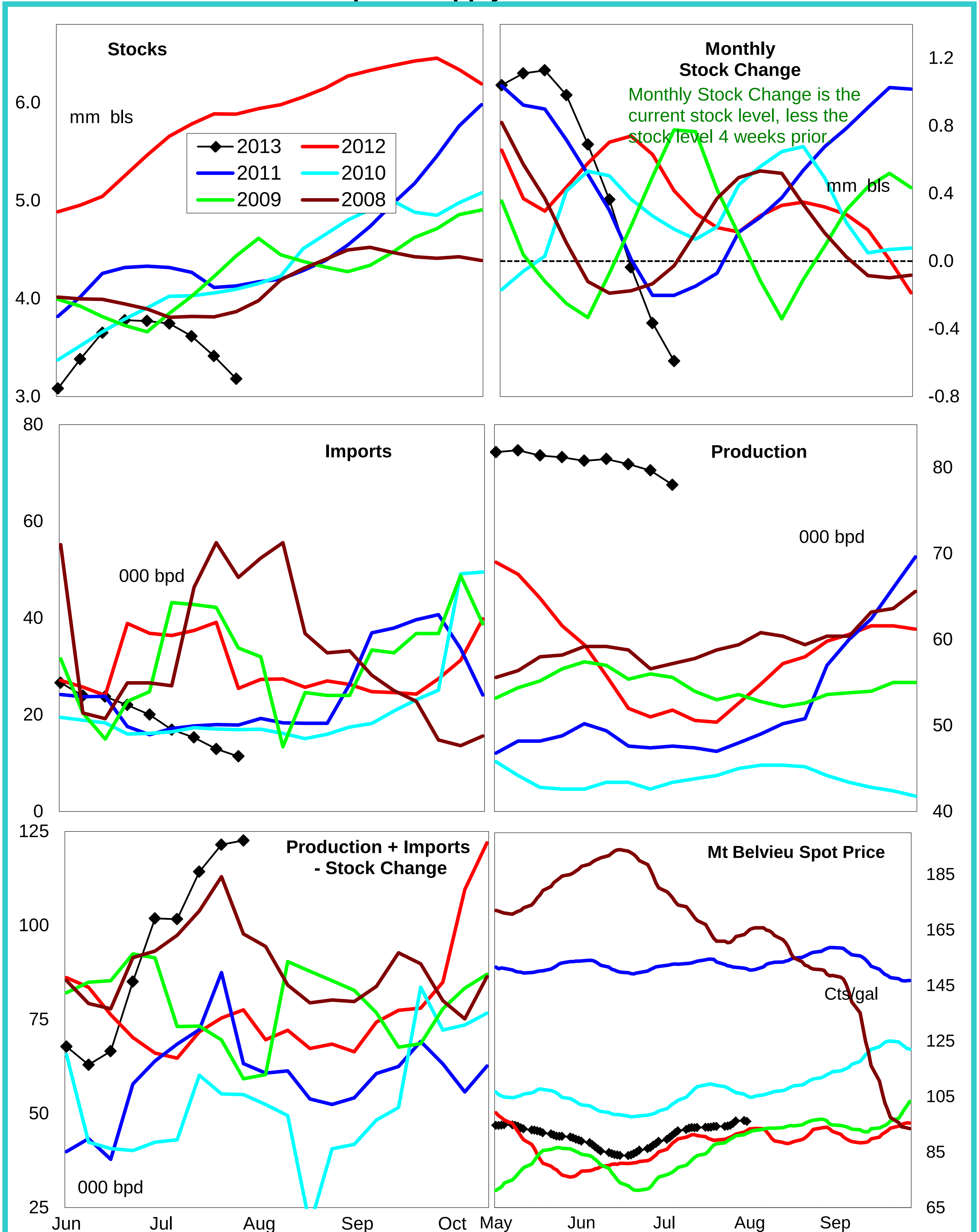
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-2,692	-1,008	29	-29	43
% change	-45.8	-241.5	57.4	-67.3	58.9

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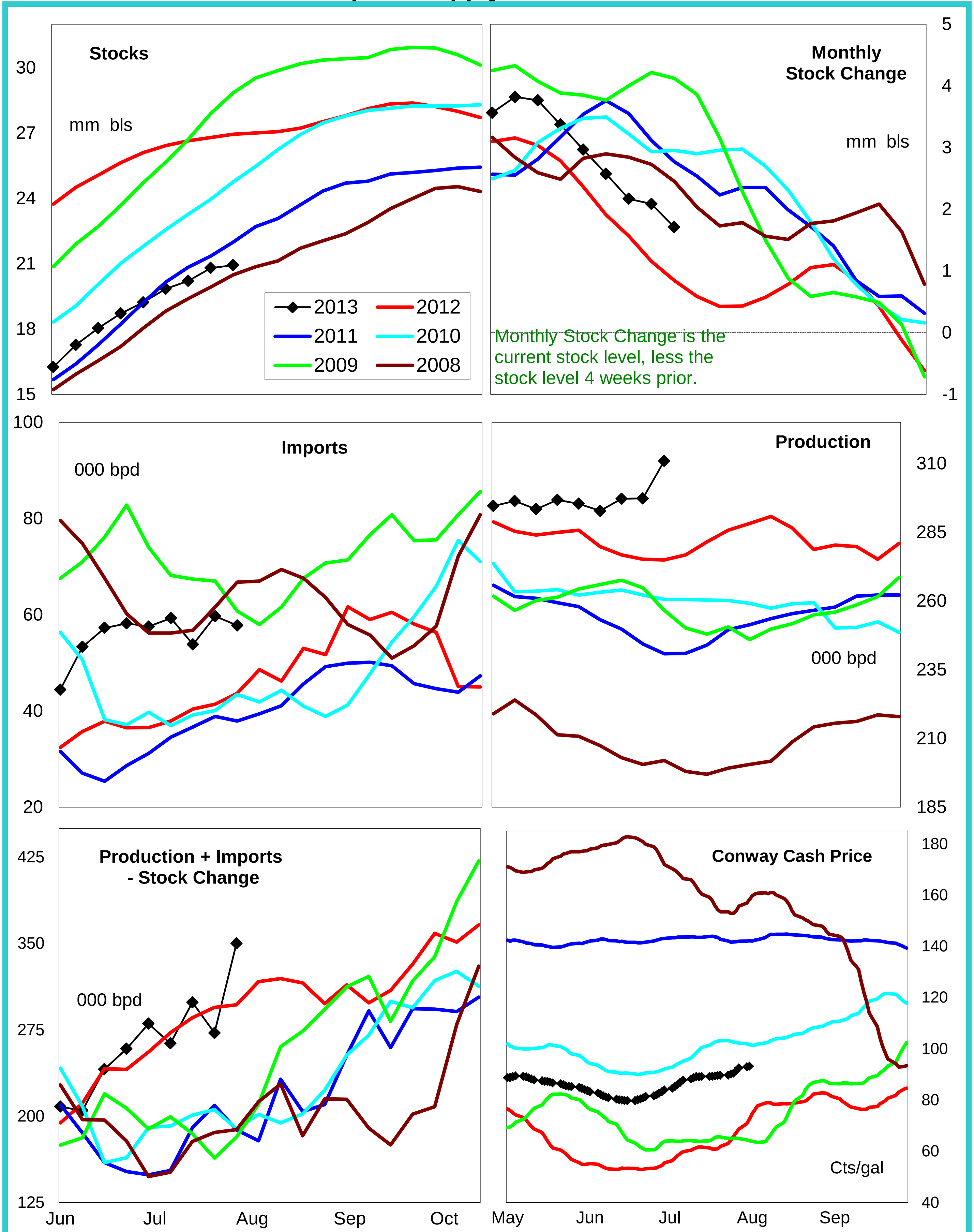
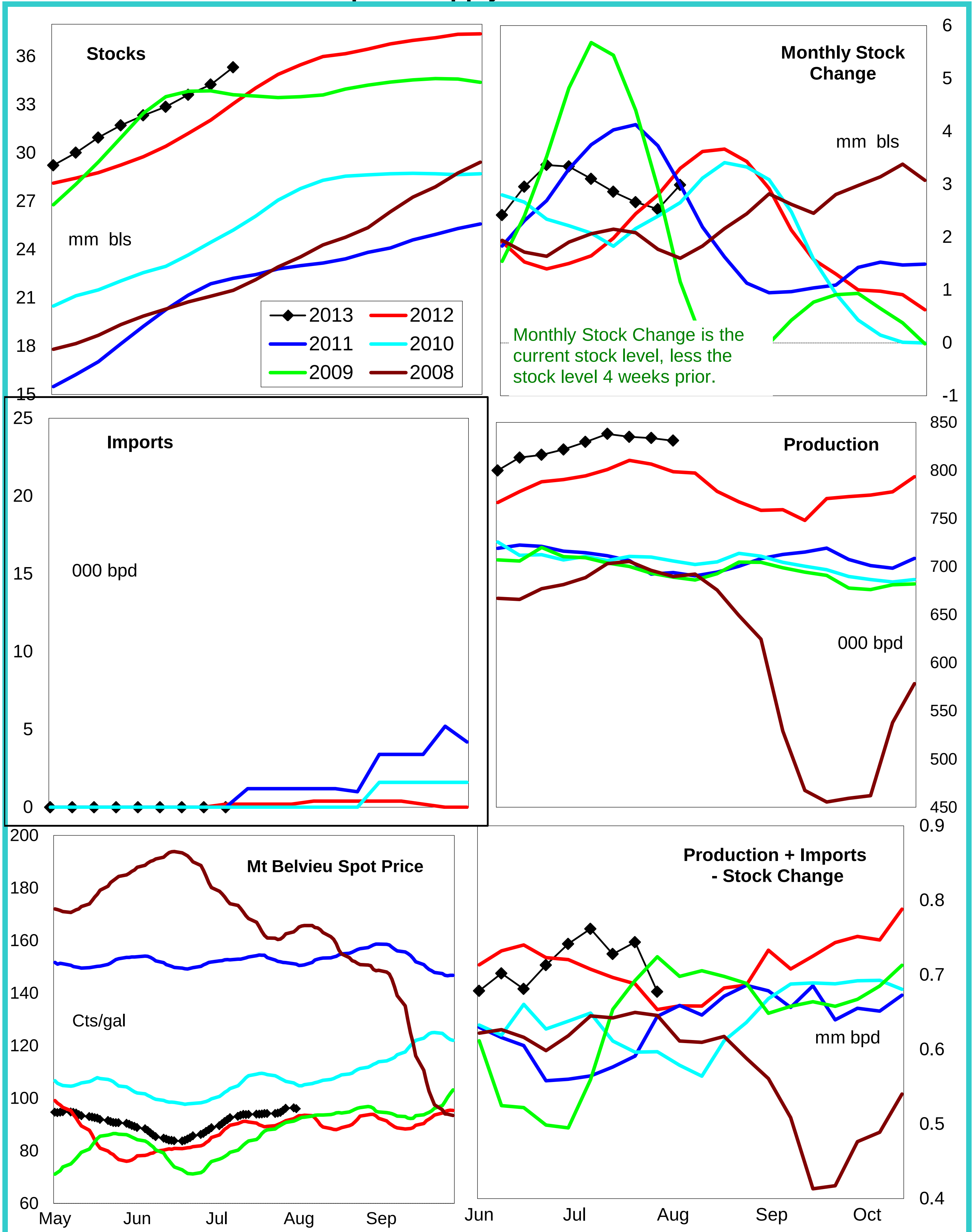
PADD 2 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-5,926	865	25	15	9
% change	-22.1	102.3	9.1	39.2	3.1

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)	2,314	-314	26	0	41
% change	7.0	-10	3.2	#DIV/0!	6.0

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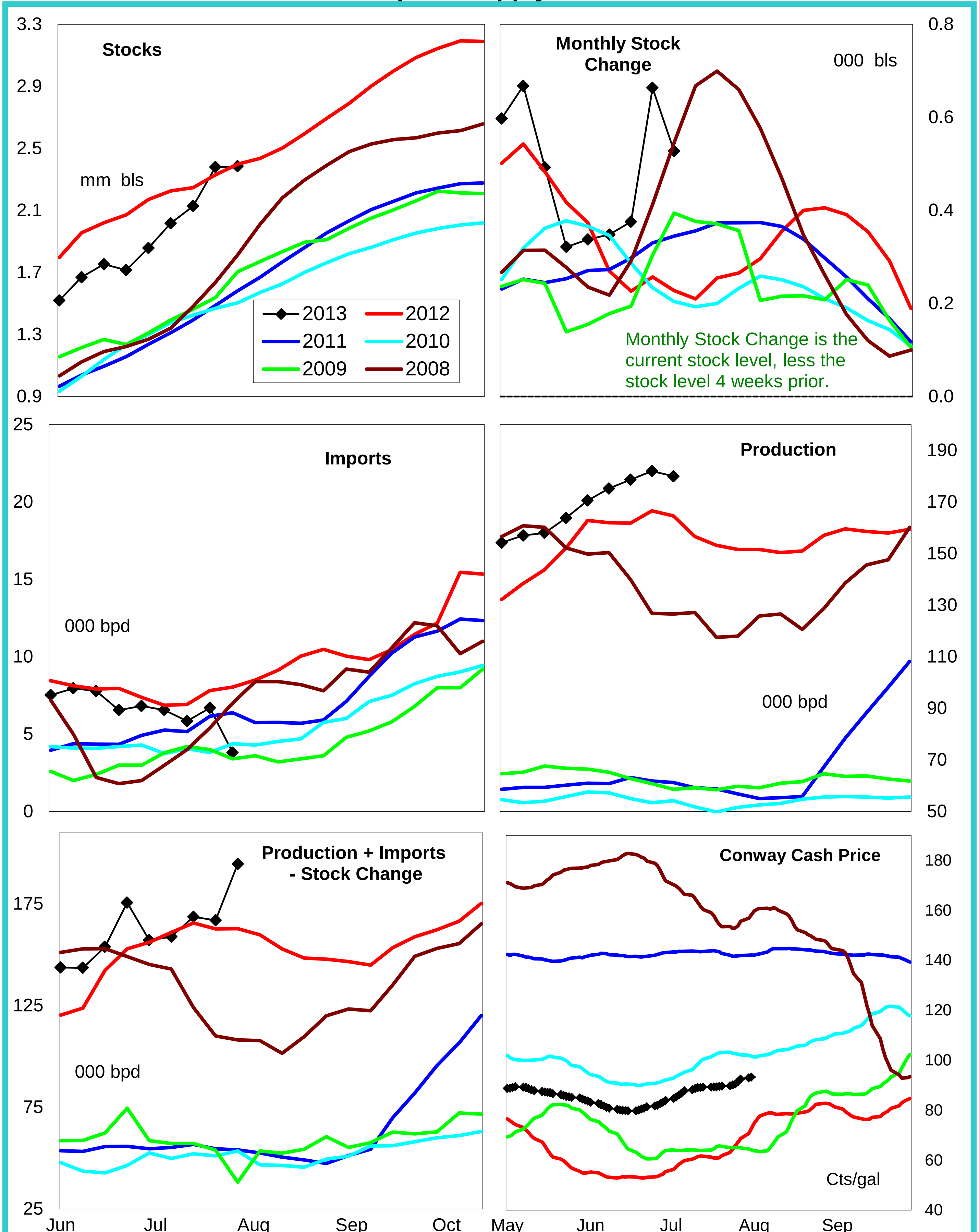
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	73	300	18	-1	9
% change	3.2	131.6	10.5	-14.5	5.7

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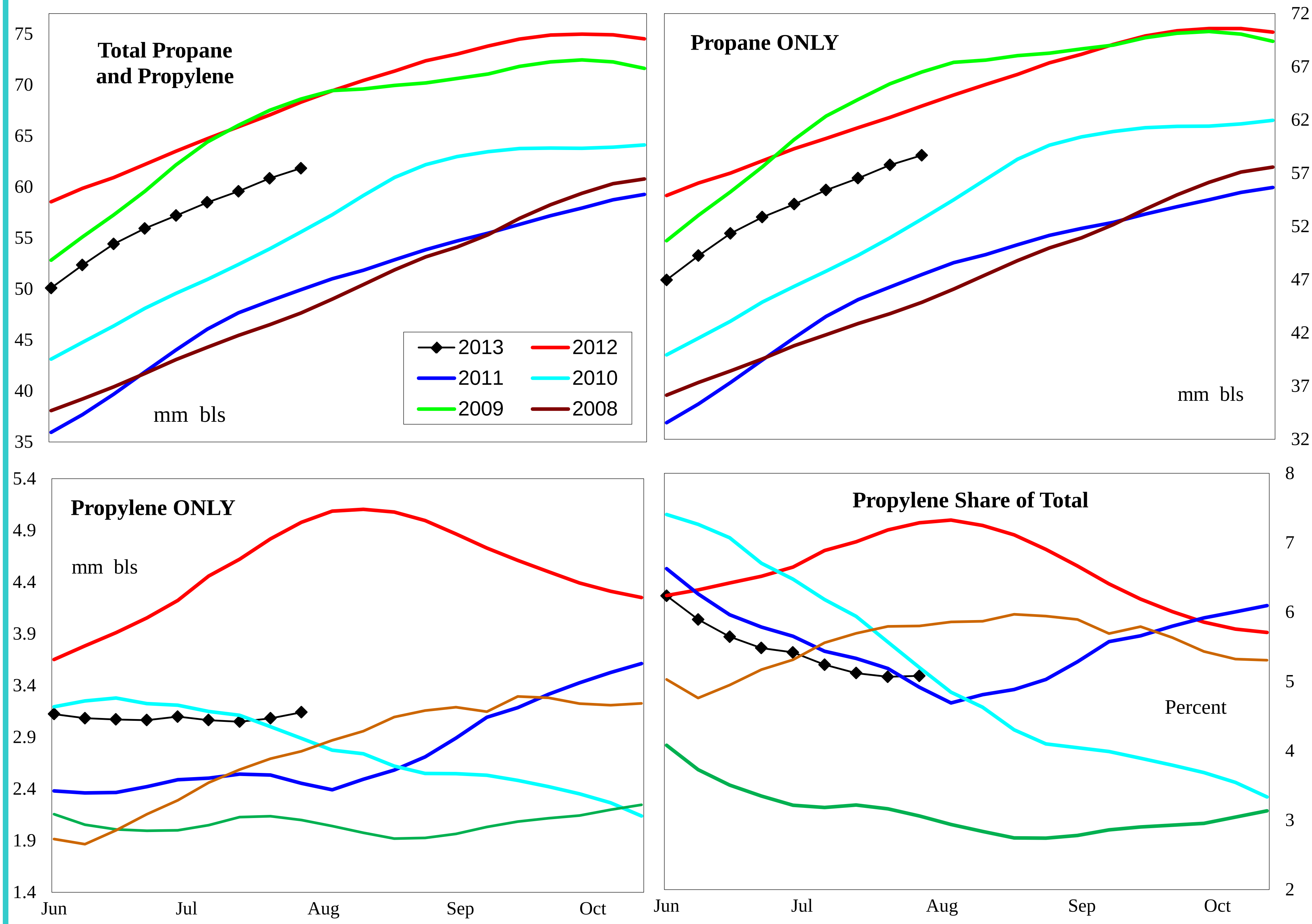
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-6,230	-4,404	-1,837
% change	-9.2	-7.0	-36.9

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