FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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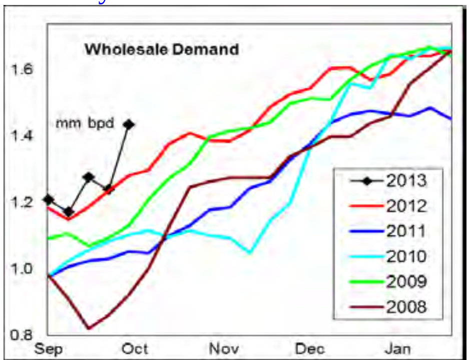
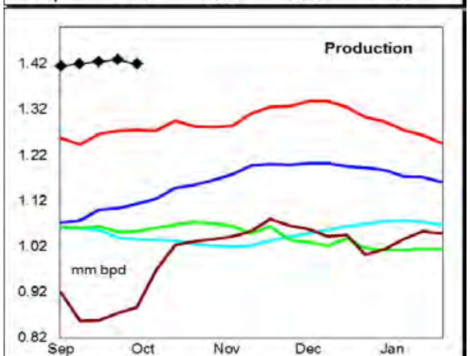
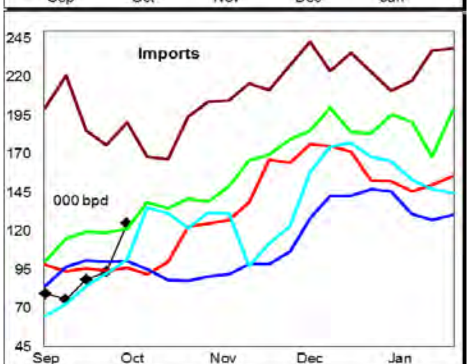
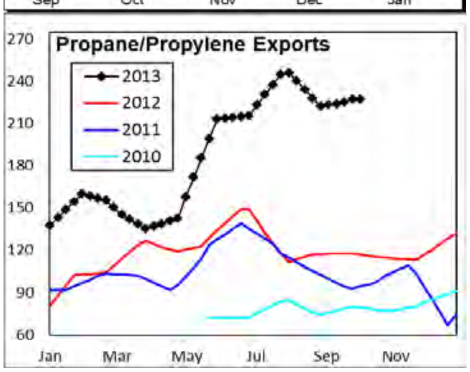






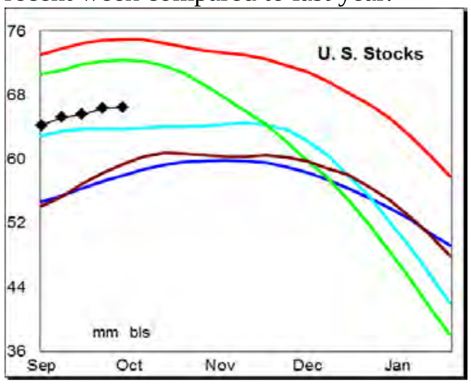


Wholesale demand jumped +345,000 bpd last week to a level above historic range. Production decreased -18,000 bpd on the week while imports were +61,000 bpd higher.

[1] Source is latest EIA Weekly Statistics

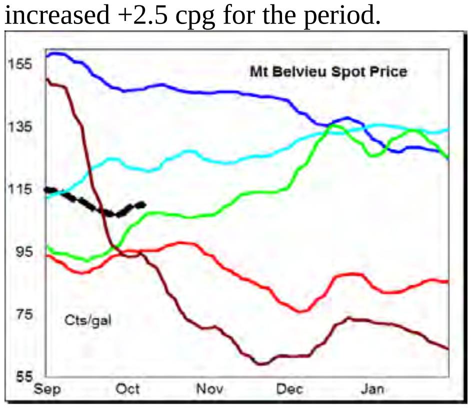
Combined production and imports during the latest 4-wk period were +148,000 bpd above a year ago. Production was +153,000 bpd above last year (+12%), while imports were -5,000 bpd lower.

The latest 4-wk average demand was +84,000 bpd above last year. Exports increased +108,000 bpd for the most recent week compared to last year.



Stocks increased -0.6 million barrels on the week, with the draw concentrated in the Gulf region. *The latest 4-wk stock build was +2.3 million barrels, slightly more than the 3-yr mid range.*

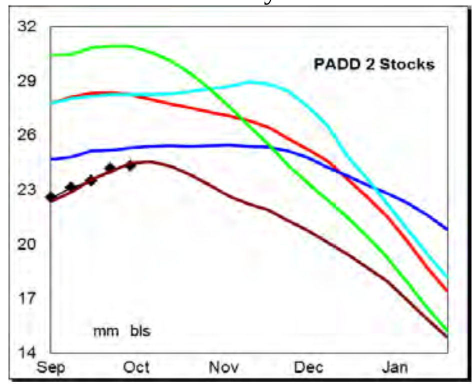
Price and Spreads Mt Belvieu spot price increased +2 cpg for the week ending 09Oct13 while Conway spot price increased +2.5 cpg for the period.



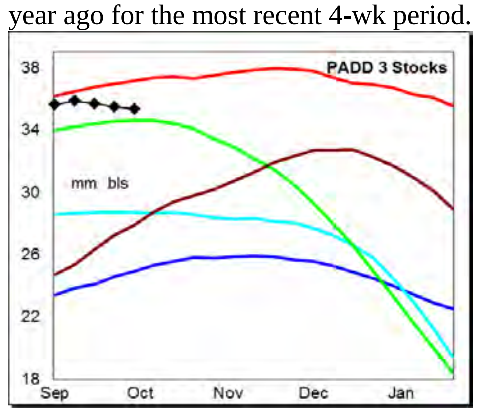
The Conway – Mt Belvieu price spread ended the week at -3 cpg, less than each of the last 3-yrs.

PADD 1 stocks were unchanged last week, with the level -2.4 million barrels below last year. Supply increased +14,000 bpd last week. Supply for the latest 4-wk period was +39,000 bpd above a year ago.

PADD 2 stocks increased +0.1 million barrels on the week. Supply jumped +52,000 bpd on a rebound in imports. The latest 4-wk supply was -3,000 bpd below a year ago. Stock levels ended the week -14% below last year.



PAD 3 stocks fell -0.5 million barrels last week, to a level -7% below a year ago. Supplies were +99,000 bpd above a year ago for the most recent 4-wk period.



PADDs 4 & 5 stocks decreased -0.1 million barrels last week. Stock levels were above four of the last 5-yrs.

Emerging Trends Wholesale demand continues to exceed year ago levels. Production is more than +150,000 bpd above a year ago while imports are nearly unchanged. However the increase in supply is offset by increased exports and domestic use, driving stocks to a -9 million barrel deficit compared to a year ago.

Stock levels remain particularly low in the Midwest following expansion of pipelines to deliver product to the Gulf.

Colder than normal temperatures across the central ½ of the country during the next 10-days should provide support to wholesale prices.

PROPANE: Graph Link and Weekly Summary

October 10, 2013

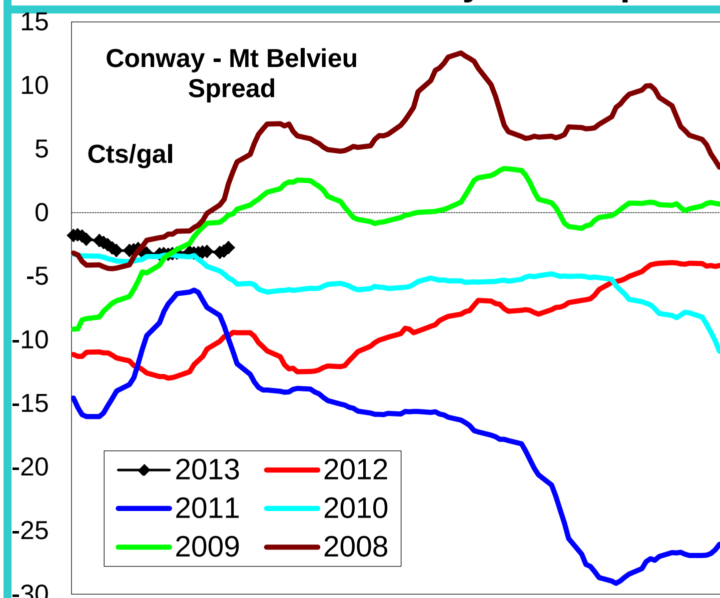
Fundamental Trends for the Week Ending: Friday, October 04, 2013

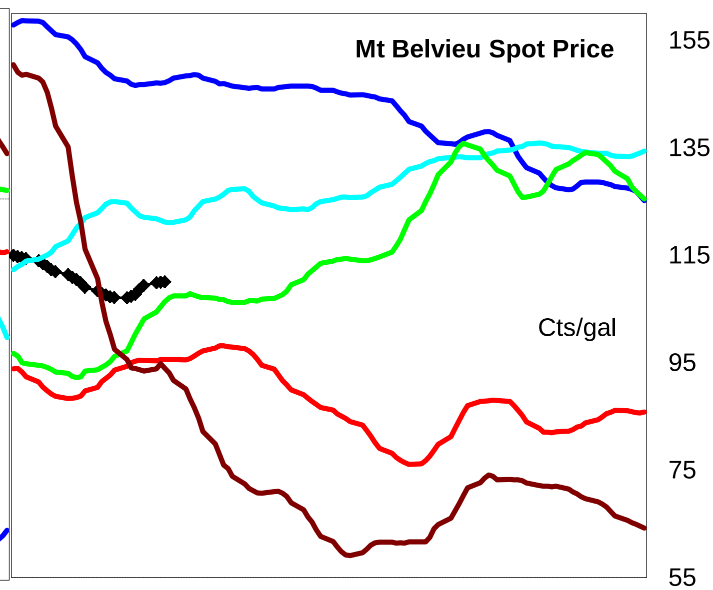
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	66,477	3,993	24,341	35,334	2,809	-548	-15	88	-538	-83
Propylene Stocks	2,979					-152				
Production	1,419	98	284	884	153	-18	9	-7	21	-41
Imports	125	39	77	0	10	61	5	59	0	-3
Whsle Demand	1,395					345				

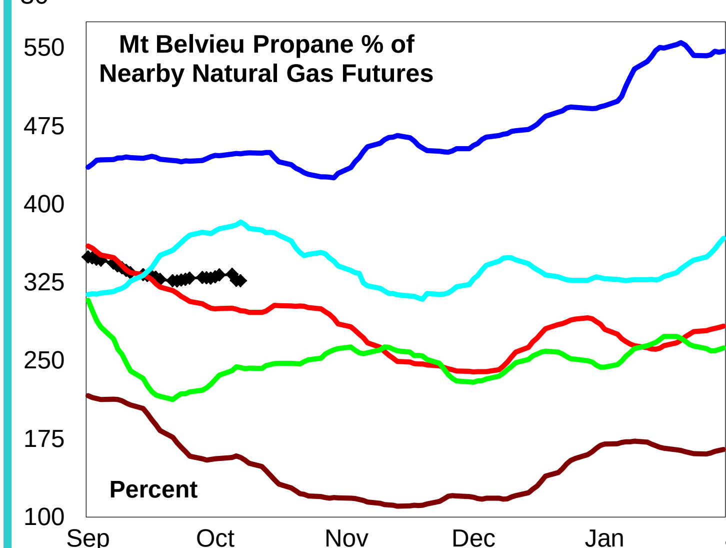
Price Trends for the Week Ending: Wednesday, October 09, 2013

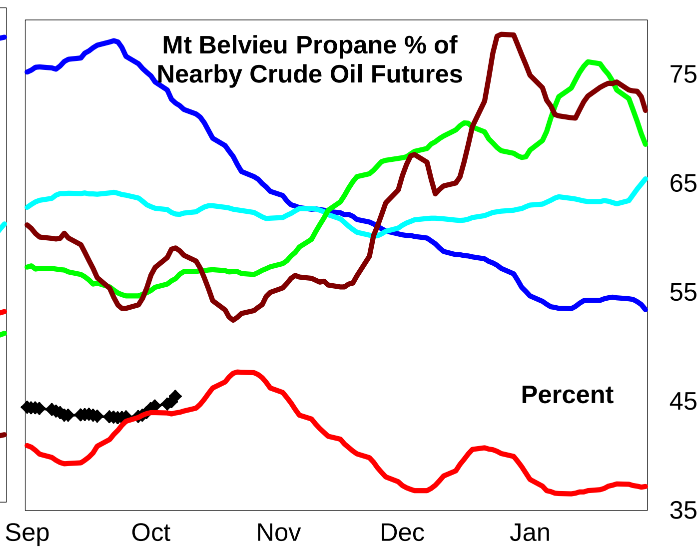
Cents/gal	Average for week ending:				Change from:			% change from:		
	10/9/13	10/2/13	9/11/13	10/12/12	10/2/13	9/11/13	10/12/12	10/2/13	9/11/13	10/12/12
Mont Belvieu Spot	66.3	108.5	111.7	94.7	-42.14	-3.22	16.98	-38.8	-2.9	17.9
Conway Spot	64.7	105.3	109.1	86.4	-40.63	-3.75	22.65	-38.6	-3.4	26.2

Key Price Spreads and Differentials









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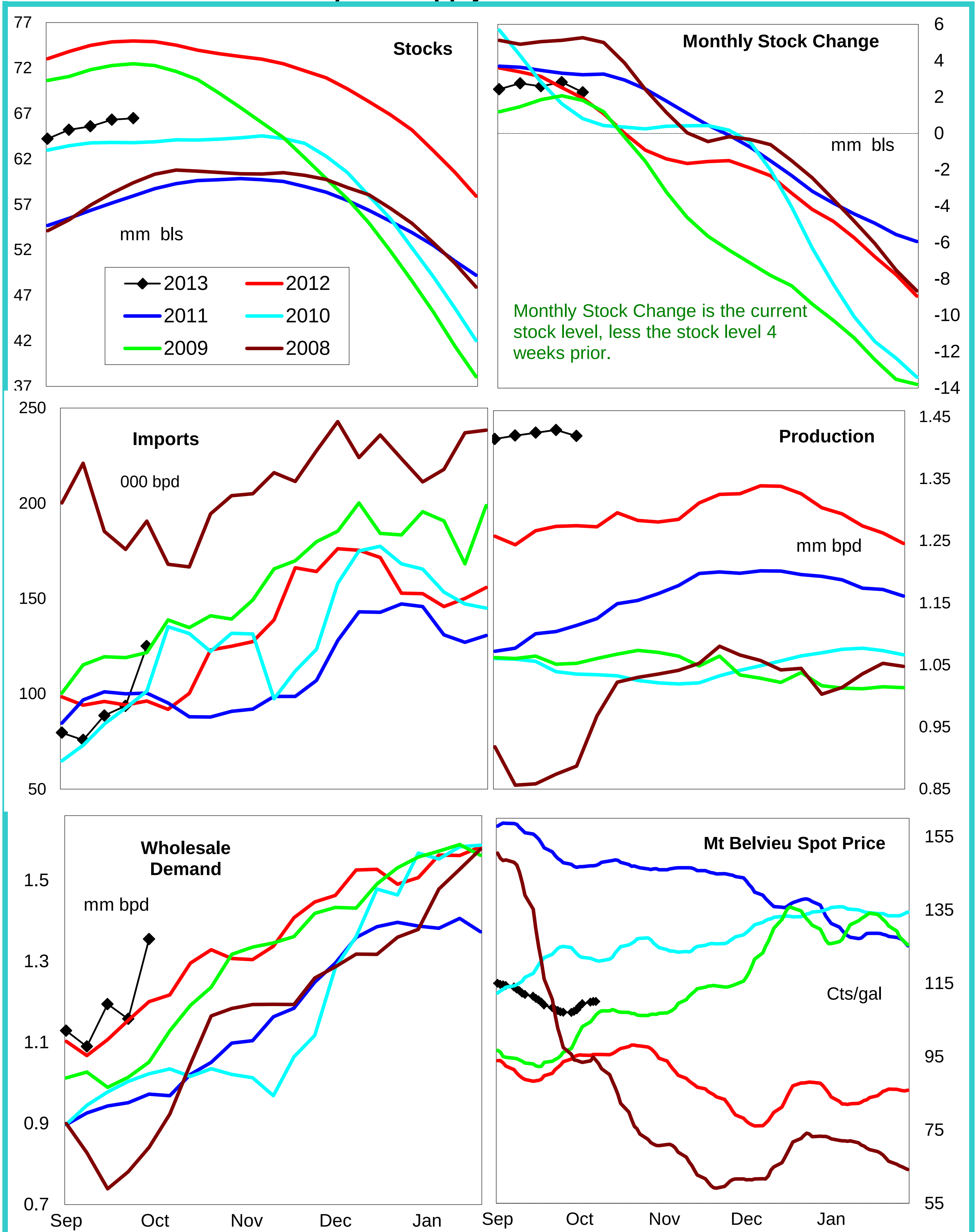
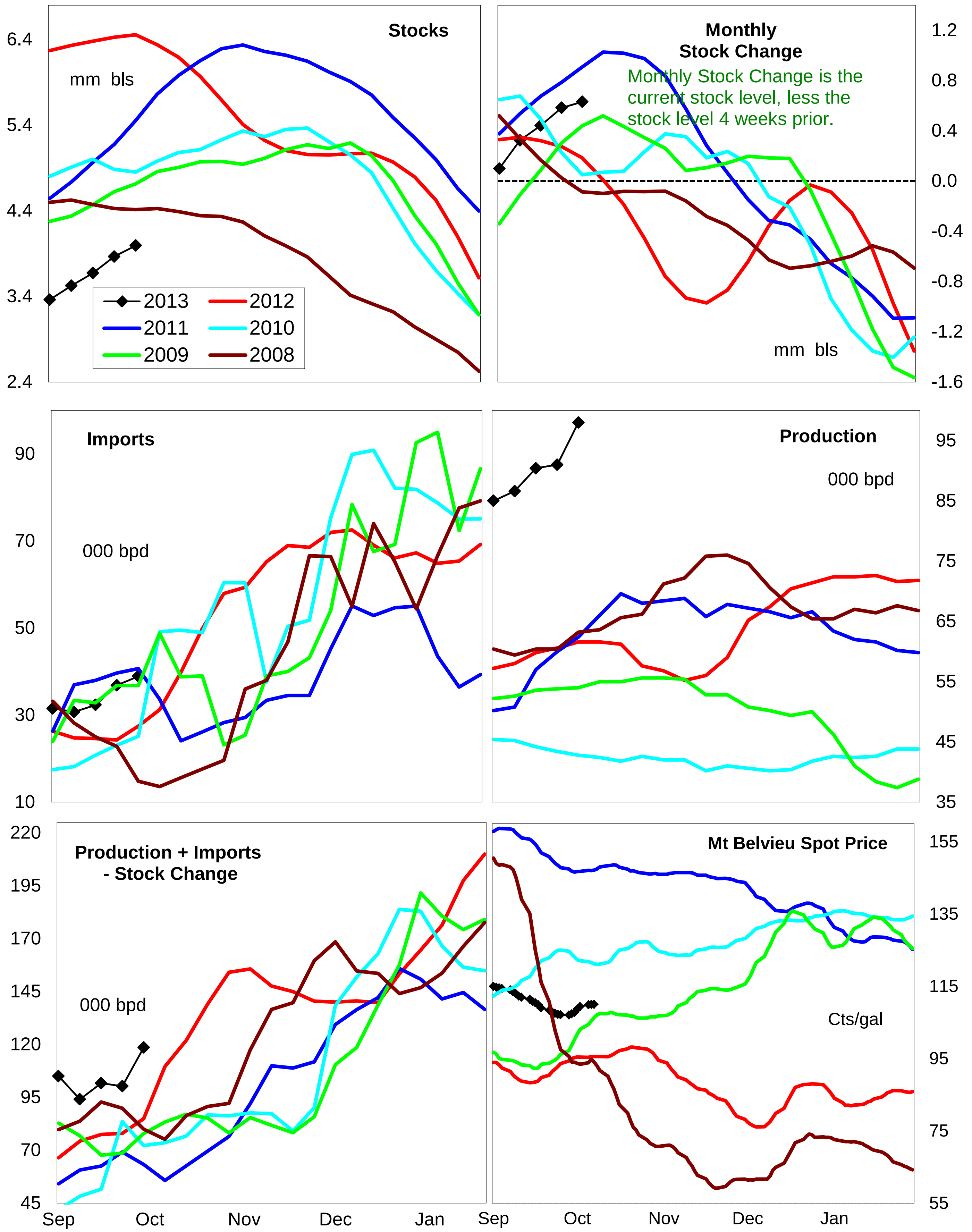
U. S. Propane Supply and Demand Balance



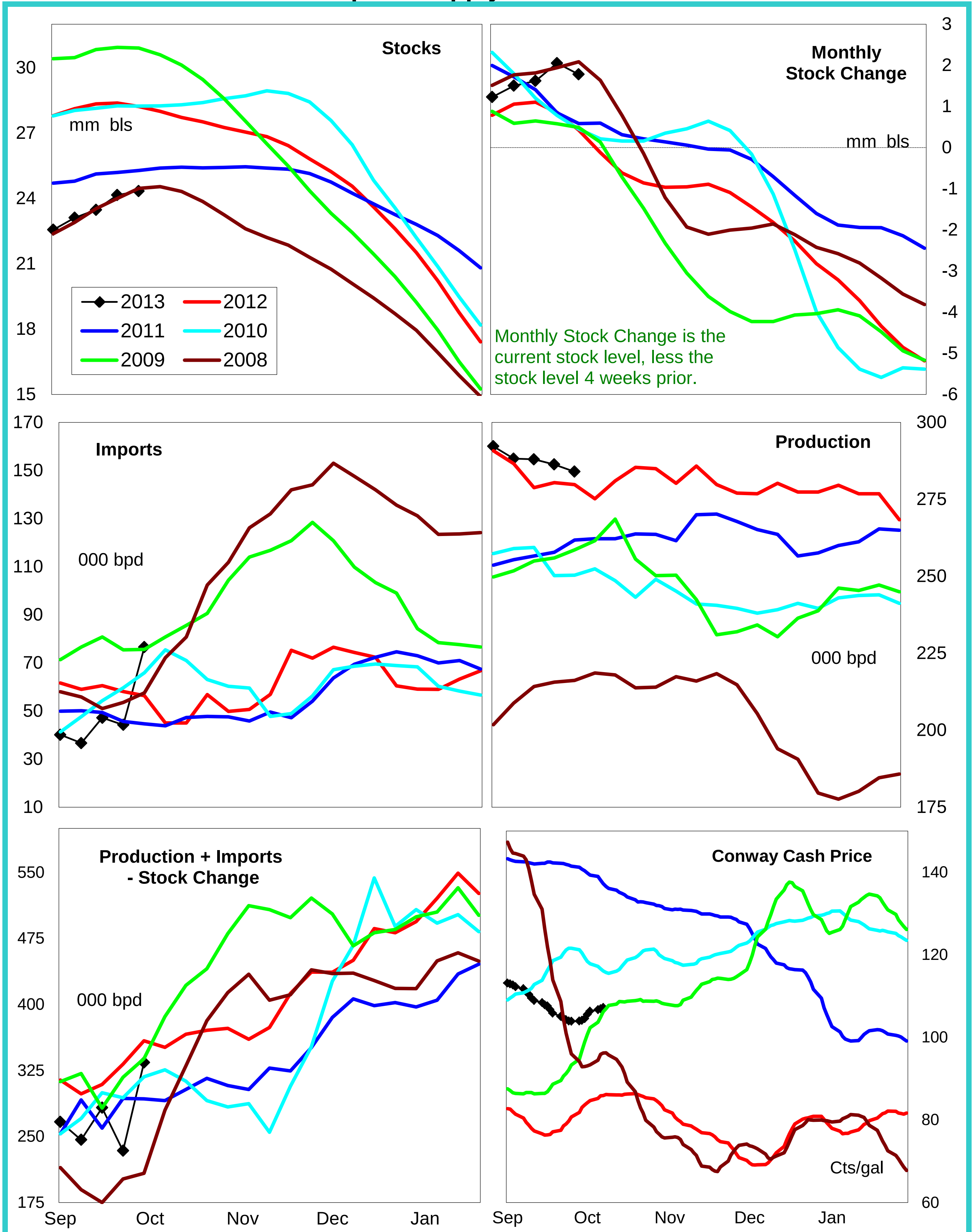
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Aug	Jul	Jun
000 bpd (000 bls stks)	-9,419	318	153	-5		84	24	64	-85
% change	-12.4	16	12.0	-5.8		7.4	2.2	6.3	-8.0

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)	-2,418	446	31	8	25
% change	-37.7	240.8	51.7	32.1	31.8

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)	-4,063	1,354	10	-13	-50
% change	-14.3	317.4	3.7	-24.6	-15.5

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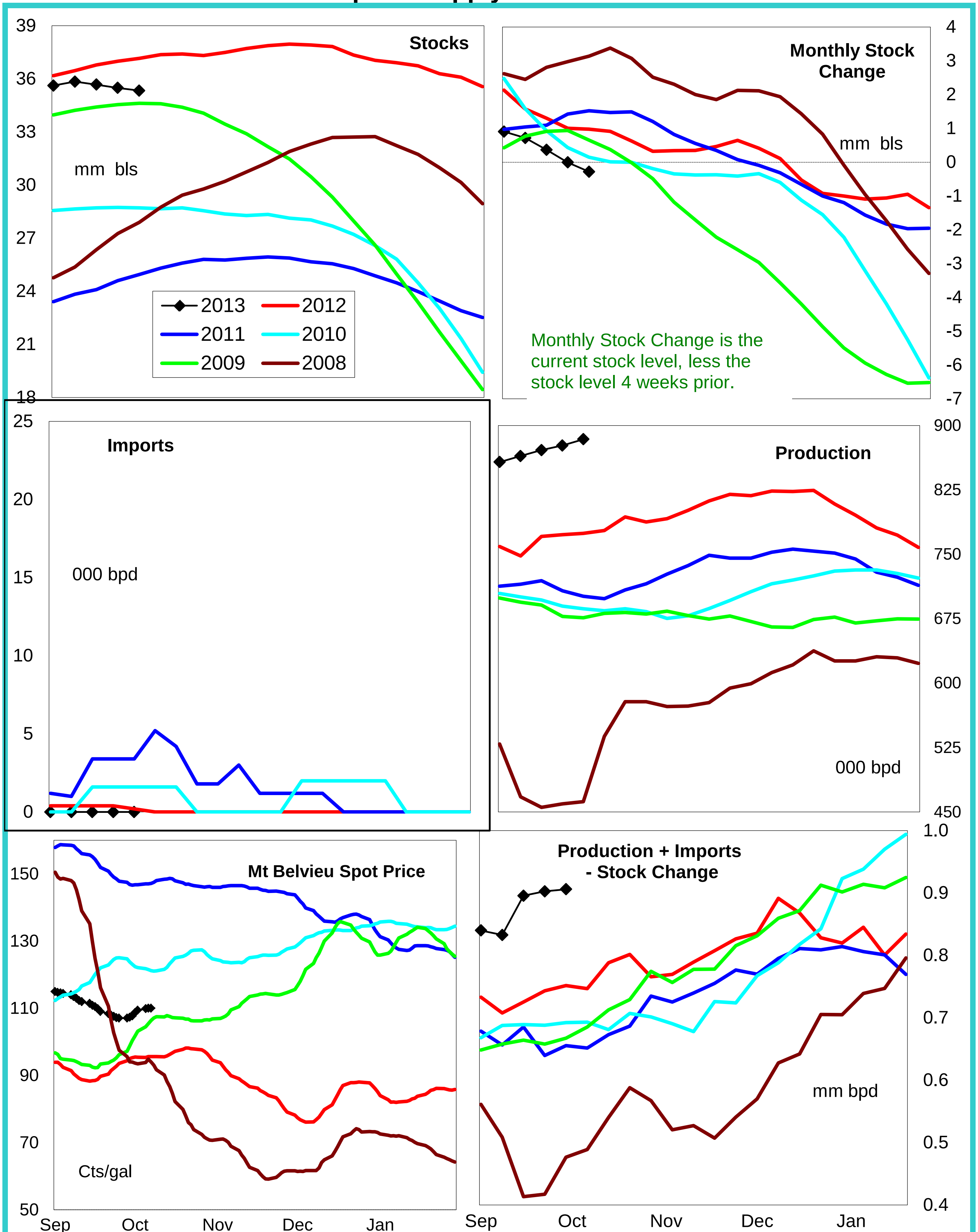
PADD 3 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-2,556	-1,261	100	-1	152
% change	-6.7	-129	13.0	-100.0	20.8

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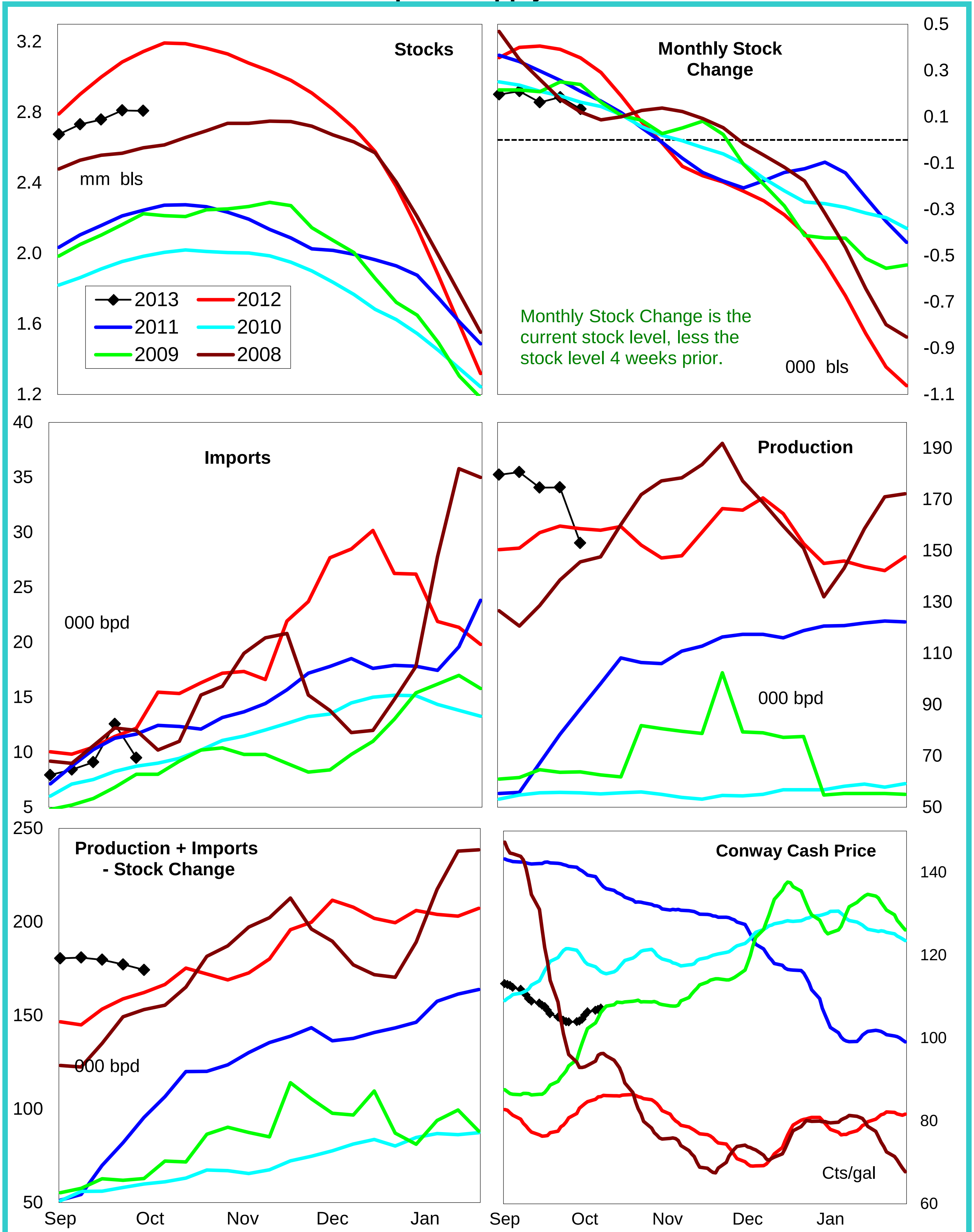
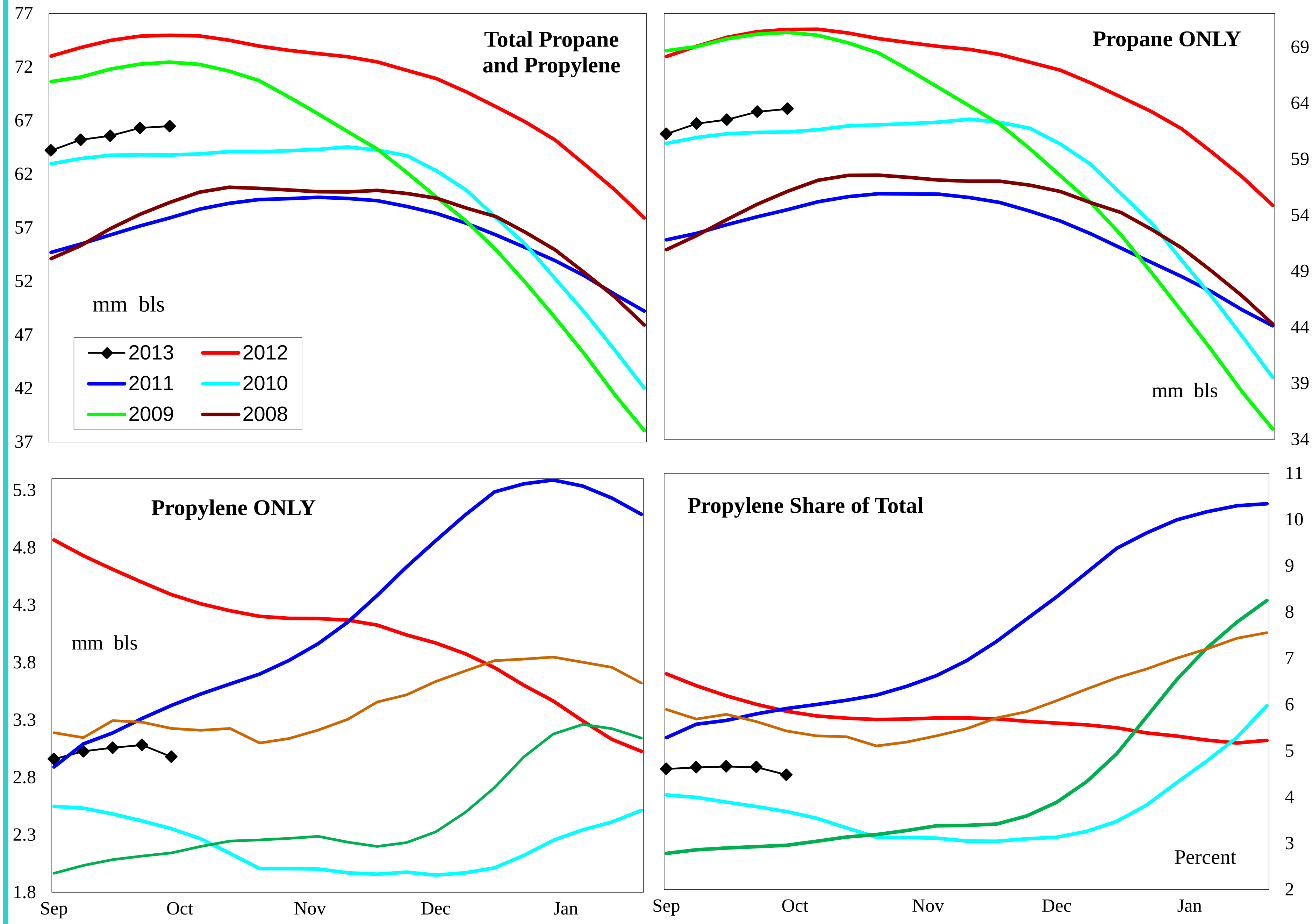
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-382	-221	11	0	23
% change	-12.0	-62.3	7.0	-0.2	15.0

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-9,419	-7,992	-1,412
% change	-12.4	-11.2	-32.2

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