WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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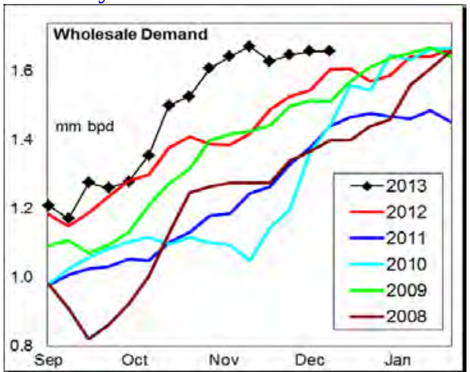
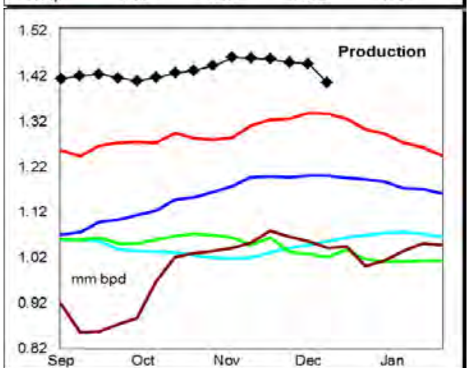
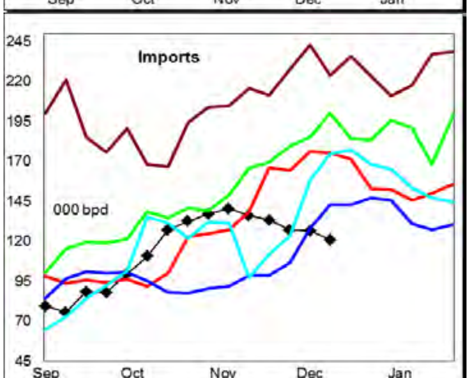
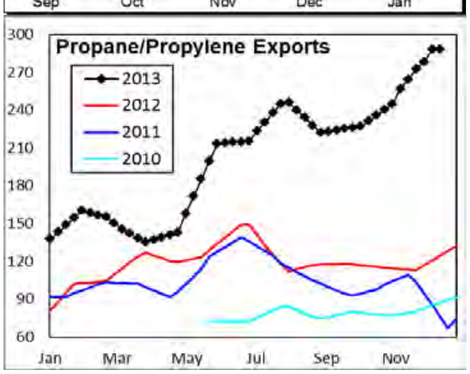




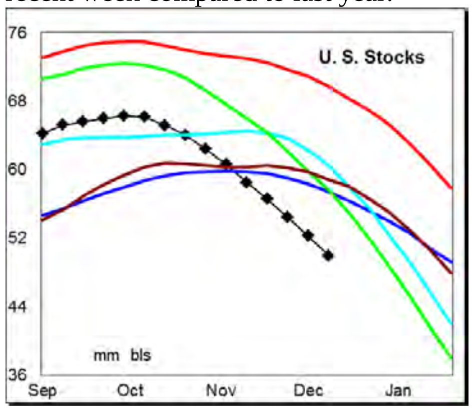




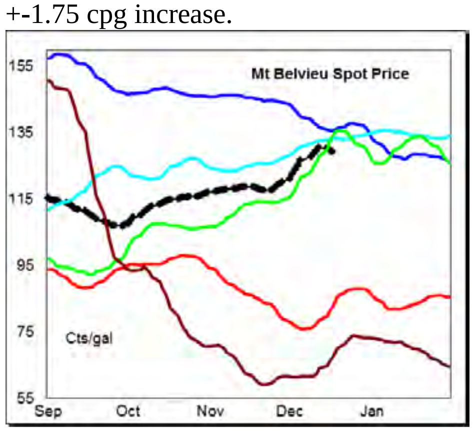
Wholesale demand increased +57,000 bpd last week, a level above the 5-yr range. Production fell -74,000 bpd on the week while imports declined -12,000 bpd.

Combined production and imports during the latest 4-wk period were +46,000 bpd above a year ago. Production was +113,000 bpd above last year (+8%), while imports were -47,000 bpd lower.

The latest 4-wk average demand was +74,000 bpd above last year. Exports increased +175,000 bpd for the most recent week compared to last year.

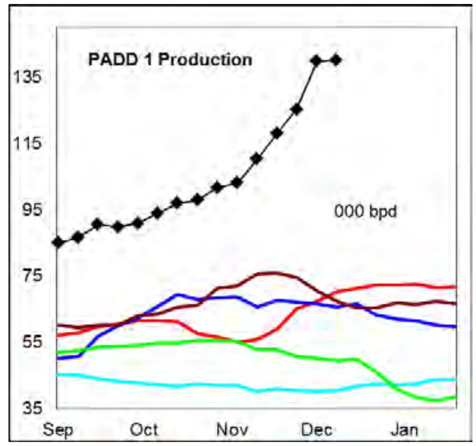


Stocks fell -2.7 million barrels on the week, with the latest 4-wk draw of -8.4 million barrels matching the prior record draw. U.S. stocks ended the week -28% below last year and below the 5-yr range. Price and Spreads Mt Belvieu spot price decreased -2 cpg for the week ending 18Dec13 while Conway spot price saw a +-1.75 cpg increase.

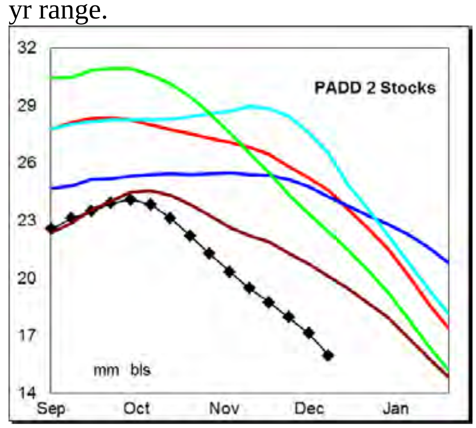


The Conway – Mt Belvieu price spread ended the week at a +10 cpg premium; evidence of the tightness of supply in the Midwest.

PADD 1 production was +2.1X times year ago output. Stocks ended the week at a level below the last 3-yrs.



PADD 2 stocks declined -1 million barrels on the week, to a level -34% below last year and well below the 5-yr range. Supply fell -56,000 bpd on lower imports and production. Imports were -35% below a year ago and below the 5-yr range.



PAD 3 stocks fell -1.2 million barrels last week, to a level -27% below a year ago. Supplies decreased -8,000 bpd last week, but were +76,000 bpd above a year ago for the most recent 4-wk period.

PADDs 4 & 5 stocks decreased -0.2 million barrels last week, with the level equal to 5-yr highs for the period.

Emerging Trends Well above normal heating degree days are forecast for the east central ½ of the country during the next 2-wks. Stock levels in the Midwest are extremely low, due in part to record low imports. Midwest markets should remain in an extreme supply squeeze through month end; providing support to record high Conway spot prices.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

December 18, 2013

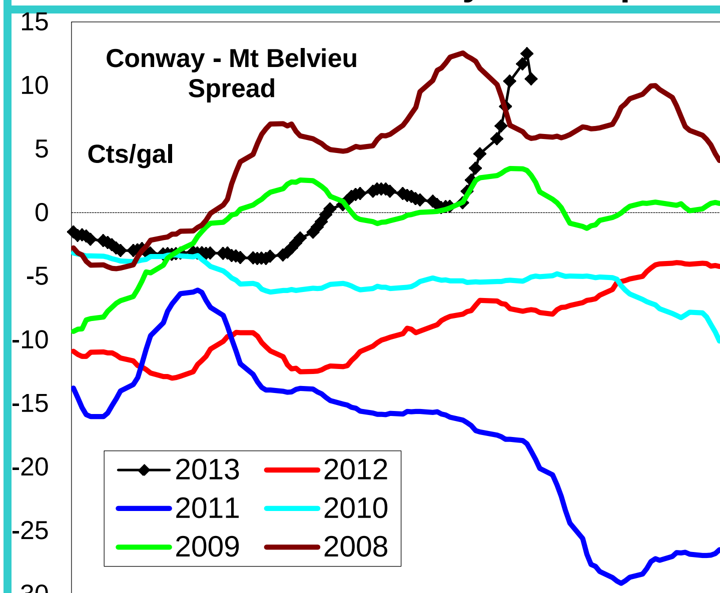
Fundamental Trends for the Week Ending: Friday, December 13, 2013

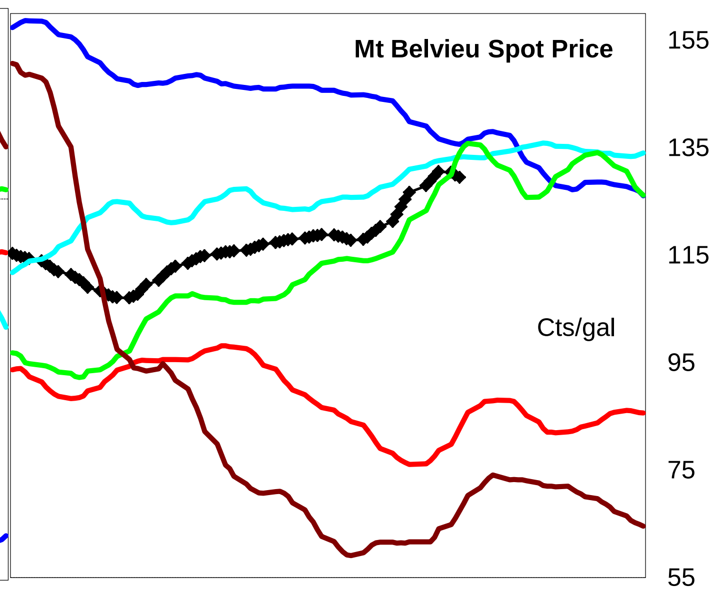
000 bpd / Stocks 000 bls	Weekly Supply-Demand U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	Change from prior week: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	49,958	4,187	15,958	27,090	2,723	-2,659	-266	-988	-1,228	-177
Propylene Stocks	3,267					208				
Production	1,405	140	246	878	141	-74	-2	-39	-8	-25
Imports	121	70	34	0	17	-12	11	-17	0	-6
Whsle Demand	1,618					57				

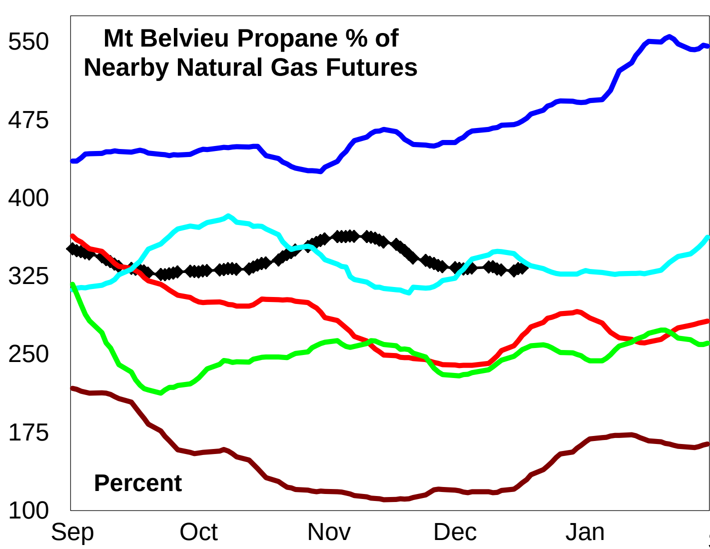
Price Trends for the Week Ending: Wednesday, December 18, 2013

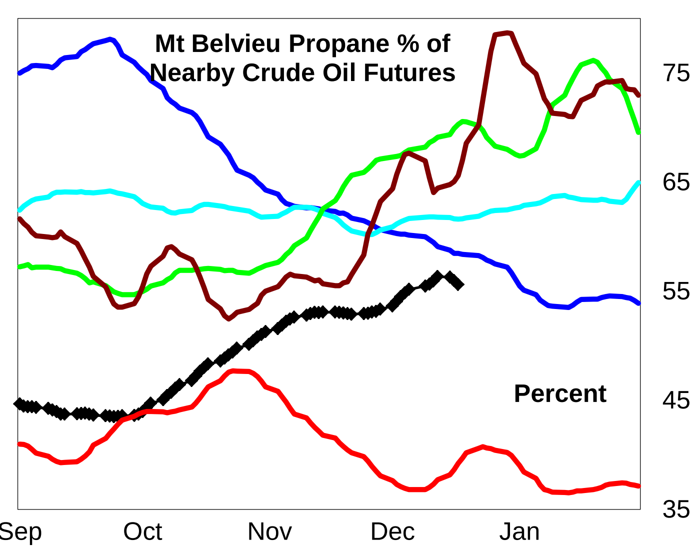
Cents/gal	Average for week ending: 12/18/13	12/11/13	11/20/13	12/21/12	Change from: 12/11/13	11/20/13	12/21/12	% change from: 12/11/13	11/20/13	12/21/12
Mont Belvieu Spot	130.5	128.2	118.8	80.4	2.22	9.40	38.44	1.7	7.9	47.8
Conway Spot	142.2	131.6	120.9	72.8	10.60	10.65	48.11	8.1	8.8	66.1

Key Price Spreads and Differentials

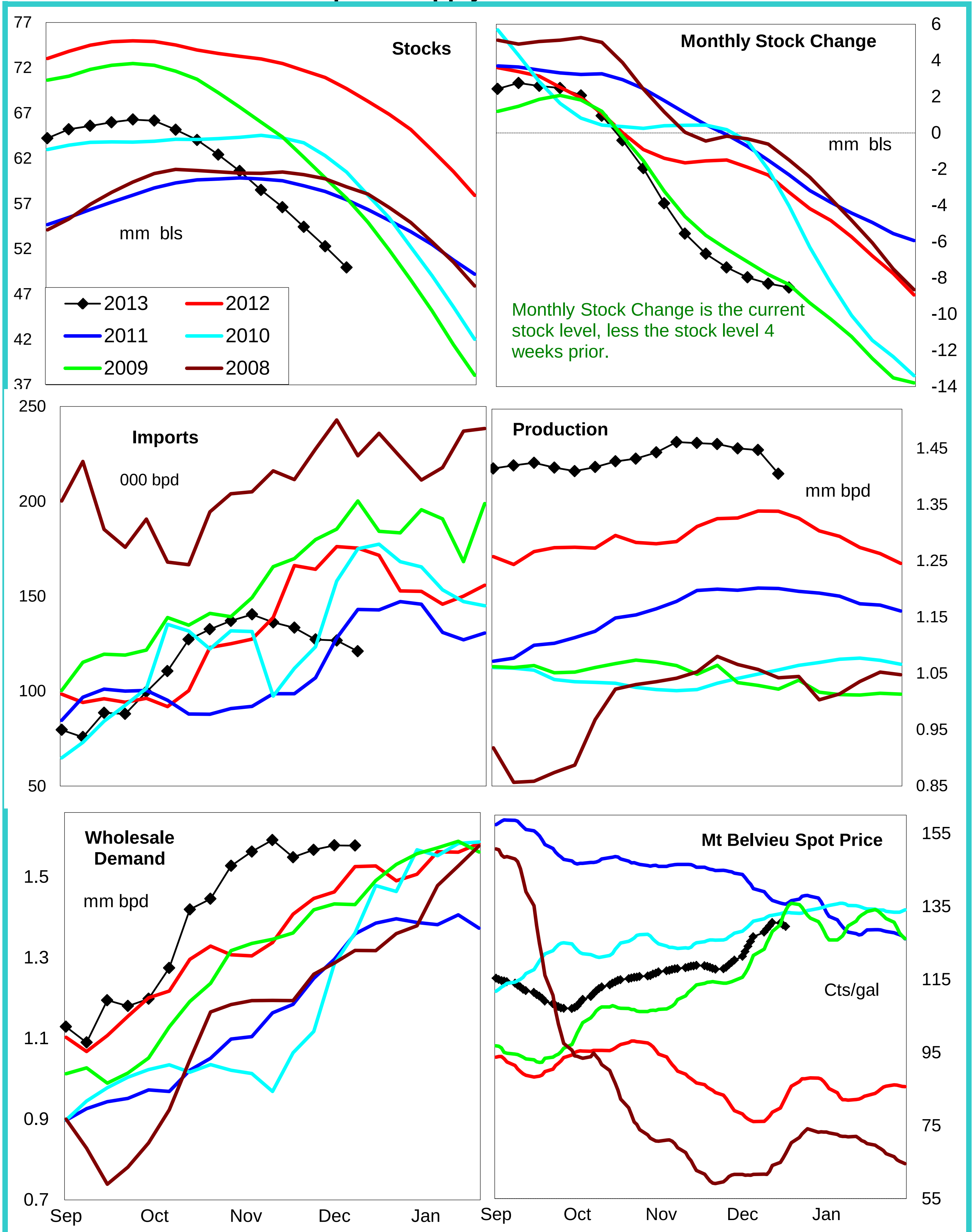






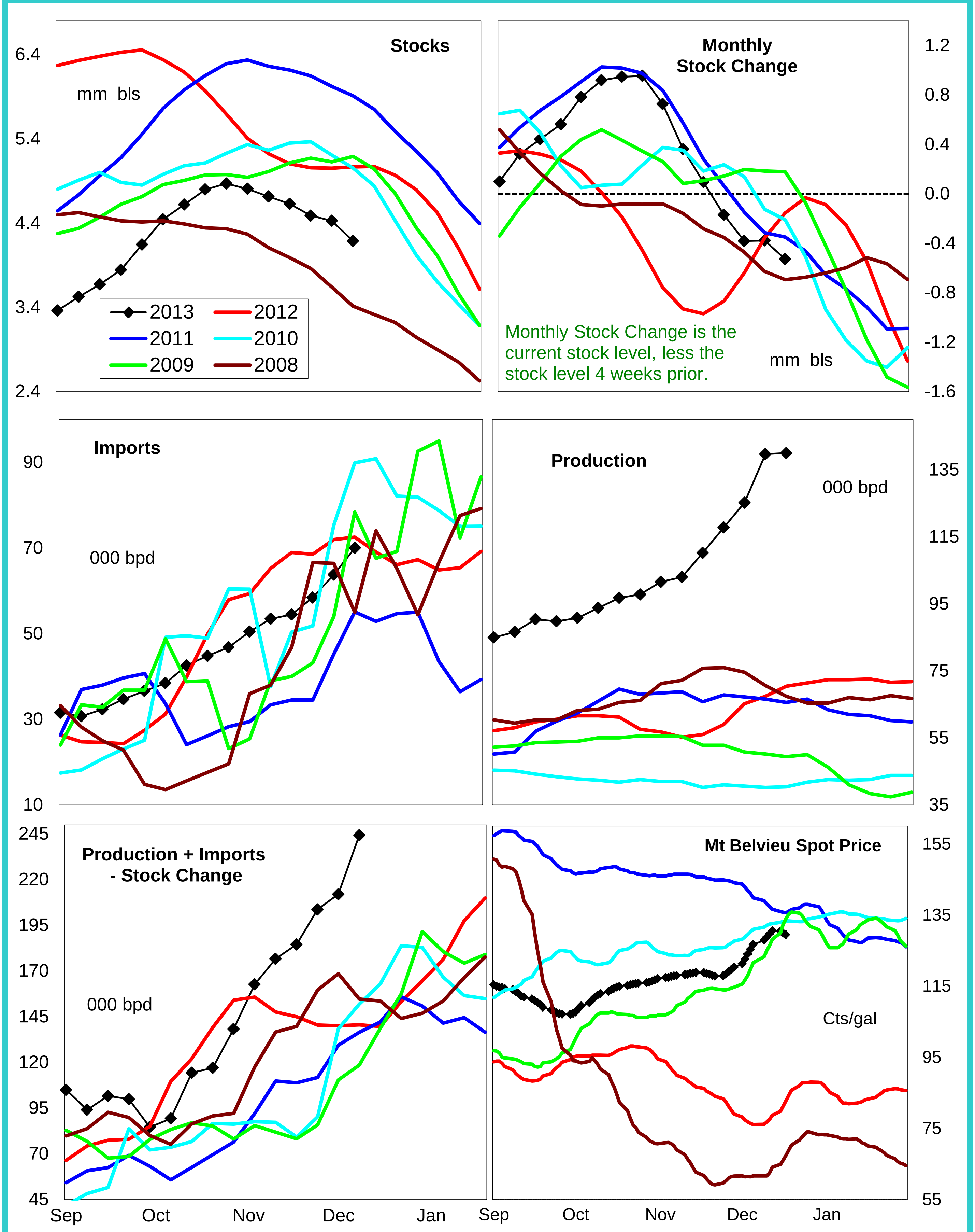


U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Nov	Oct	Sep
000 bpd (000 bls stks)	-19,265	-5,258	113	-47		74	338	203	-64
% change	-27.8	160	8.4	-26.7		4.8	26.9	15.9	-5.5

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)	-880	-373	64	-10	70
% change	-17.4	241.9	95.5	-13.6	49.2

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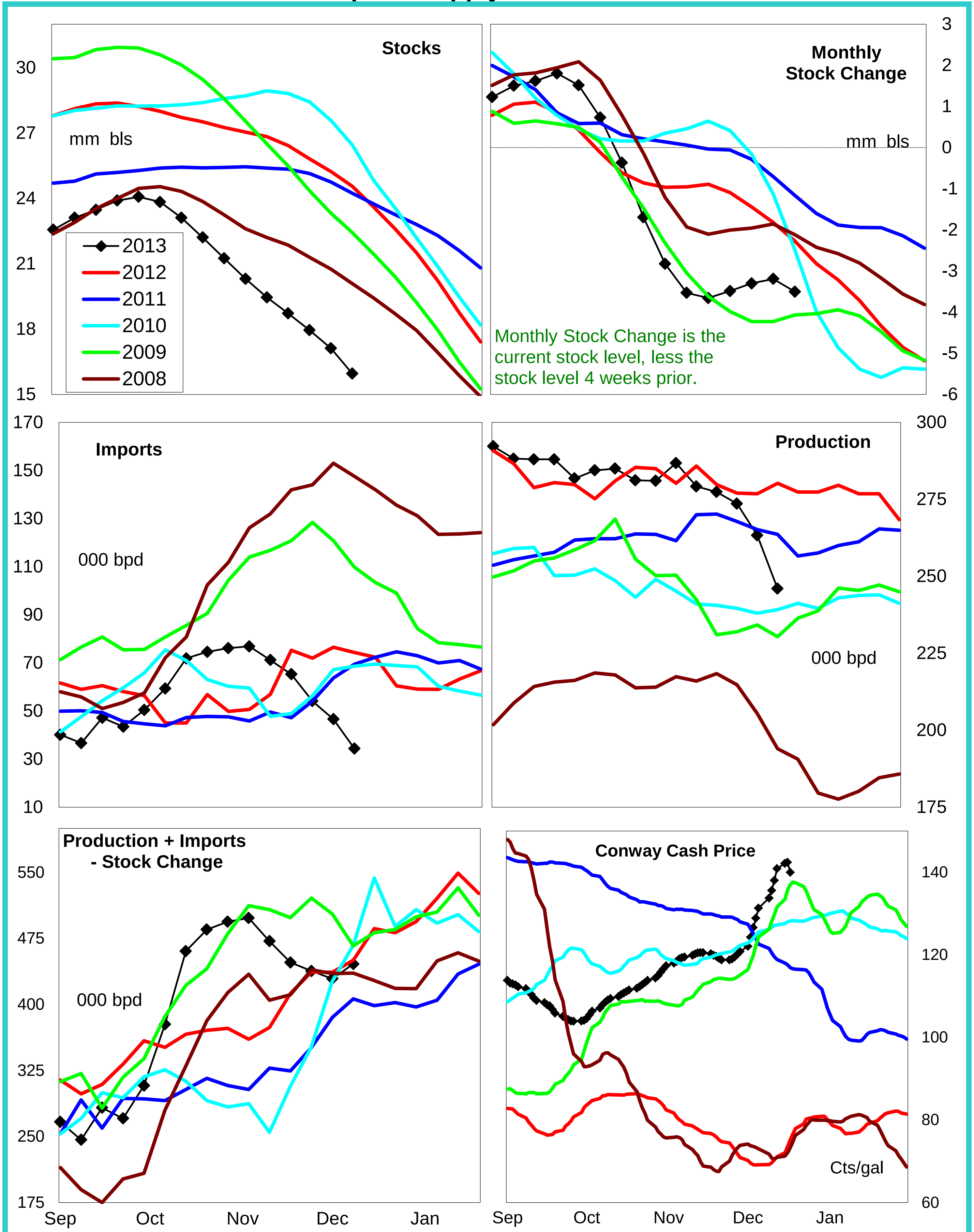
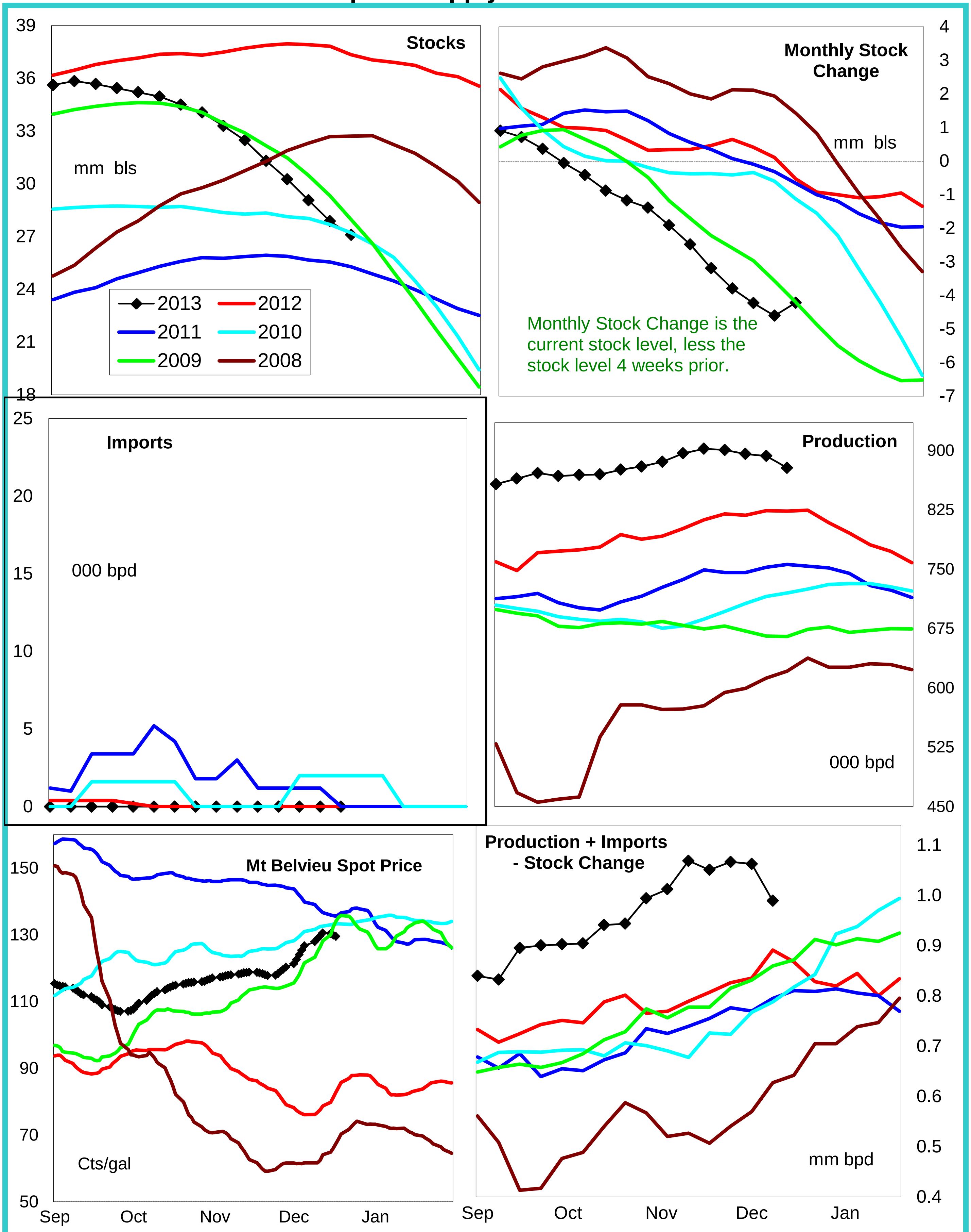
PADD 2 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-8,374	-1,230	-4	-28	6
% change	-34.4	54.2	-1.4	-35.0	1.4

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)	-10,034	-3,690	76	0	202
% change	-27.0	698	9.2	#DIV/0!	24.1

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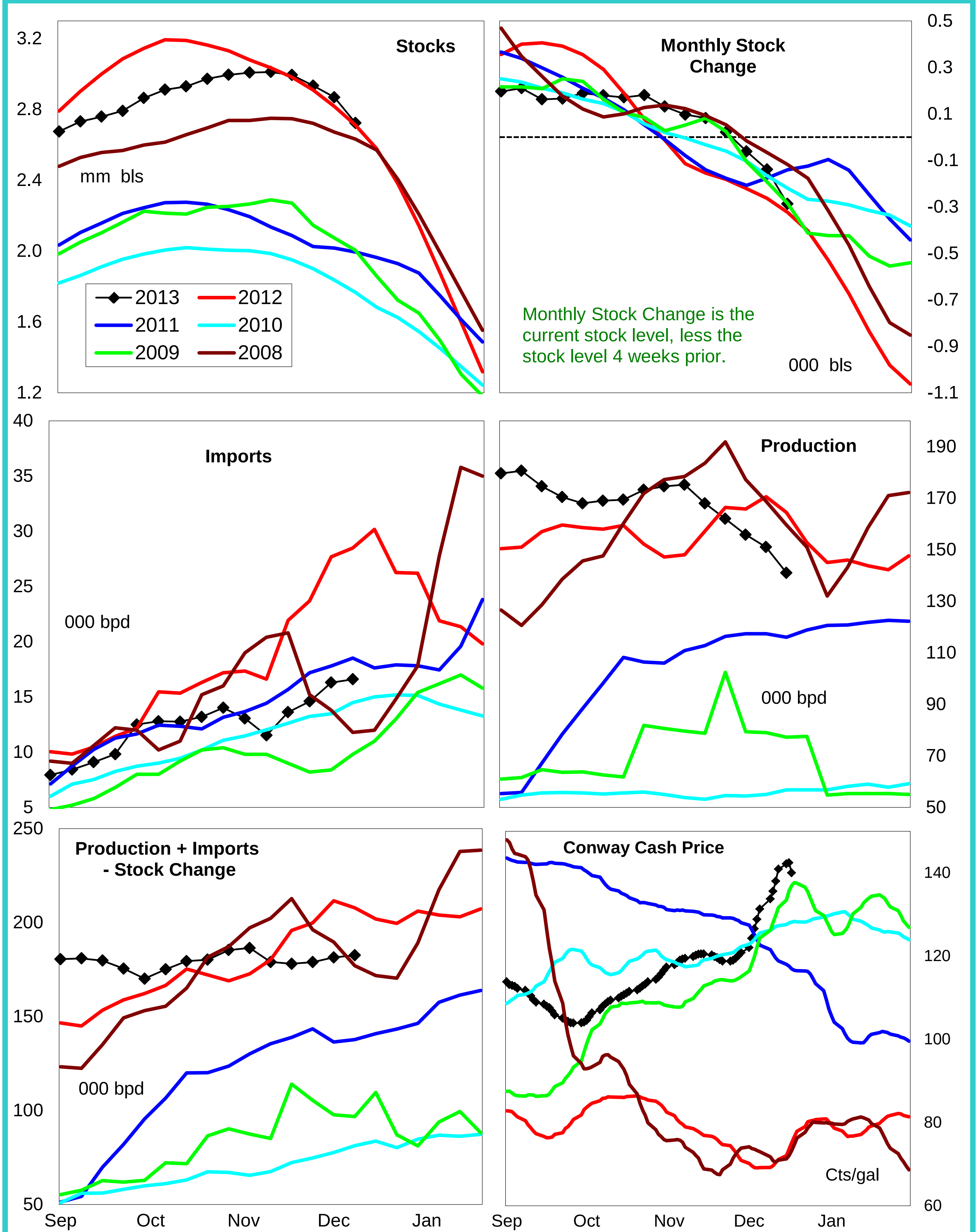
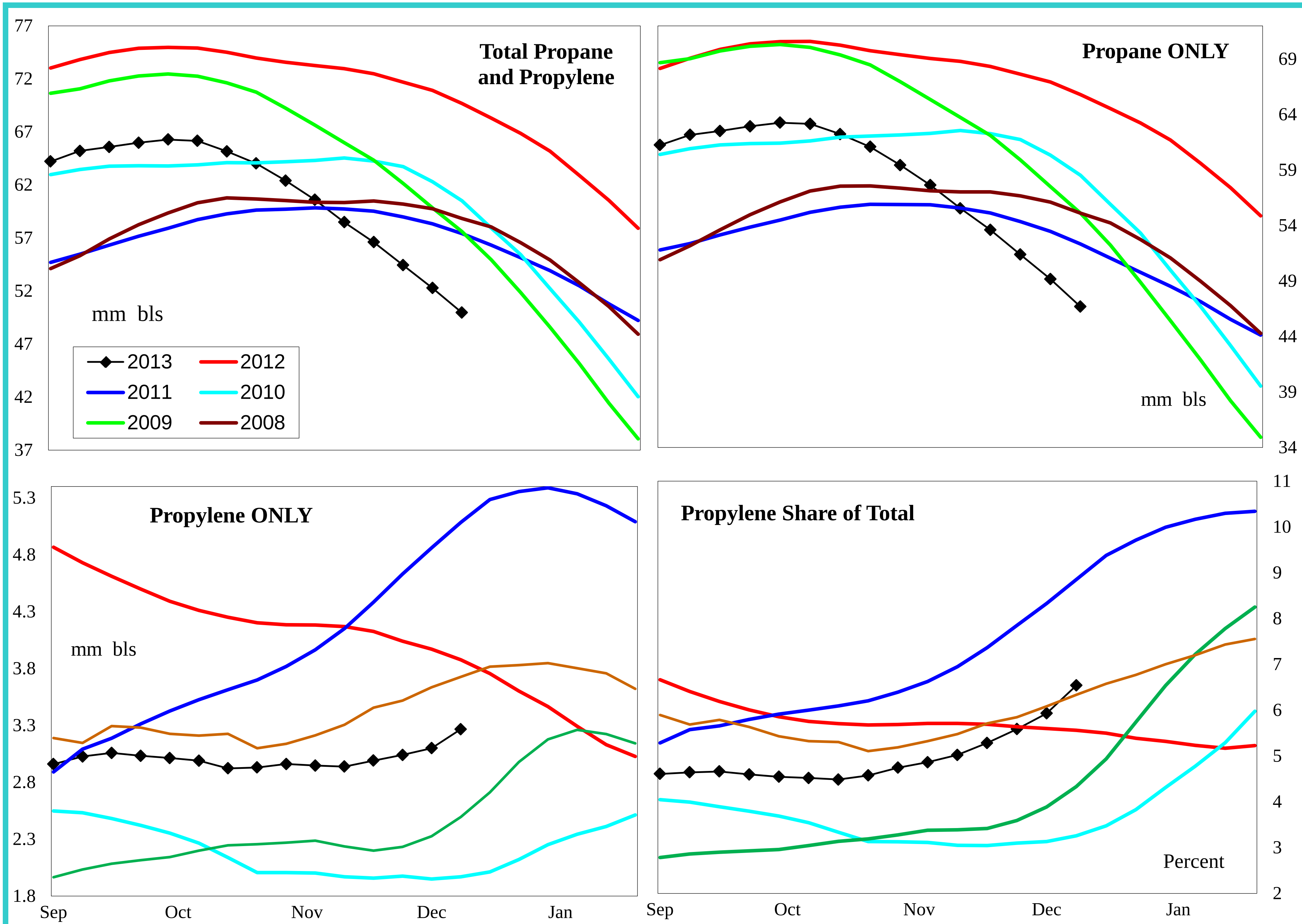
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	23	36	-23	-9	-24
% change	0.9	-11.1	-13.0	-37.5	-11.5

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-19,265	-18,805	-610
% change	-27.8	-28.7	-15.7

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