FUNDAMENTAL PETROLEUM TRENDS

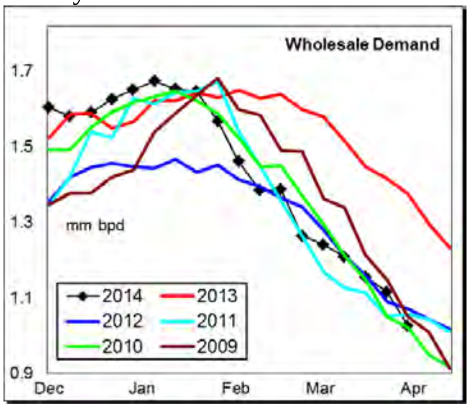
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

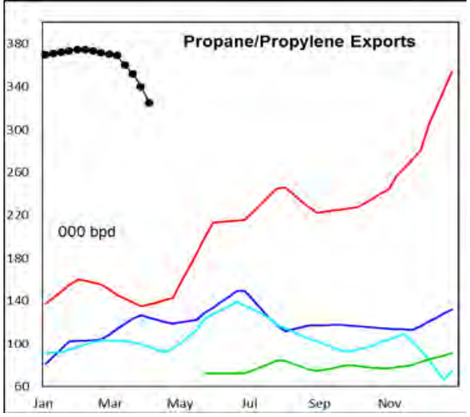
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Table of Contents

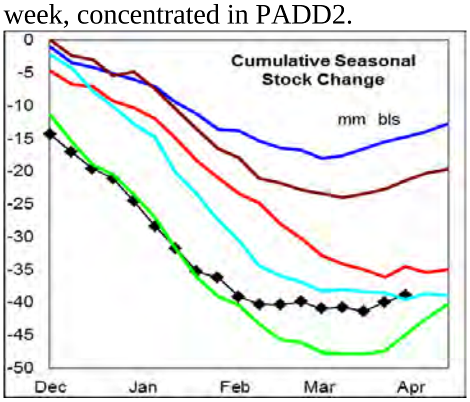
Summary[1]: Wholesale demand declined -43,000 bpd on the week, to a level slightly below the last 3-yrs.



Production decreased -6,000 bpd last week. Production in PADD 1 climbed +34,000 bpd to new record highs, offset by decreases in the Midwest and Gulf.



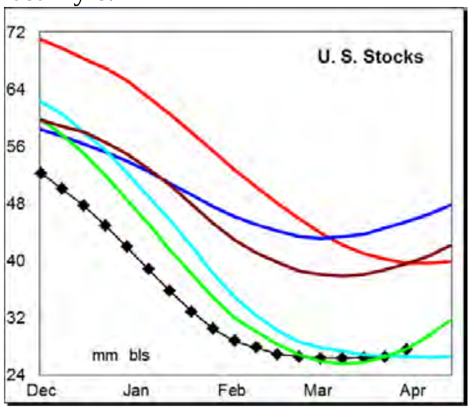
Imports declined -22,000 bpd on the week, concentrated in PADD2.



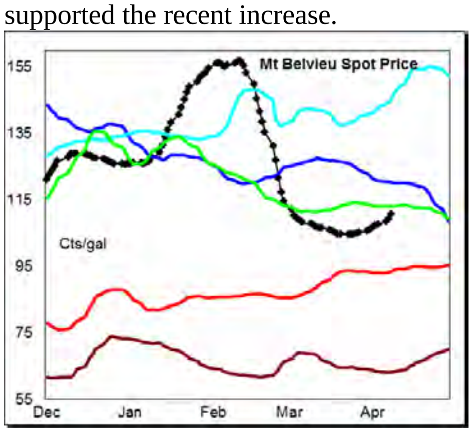
Combined production and imports during the latest 4-wk period were +80,000 bpd above a year ago.

Production was +88,000 bpd above last year (+7%), while imports were -8,000 bpd lower. The latest 4-wk average demand was -293,000 bpd below last year, -21%.

Stocks increased +1 million barrels last week, but remain -31% below a year ago. The cumulative seasonal stock draw of -40 million barrels matched 2011, and was larger than either of the last 2-yrs.



Price and Spreads Mt Belvieu spot prices increased +5.5 cpg for the week ending 09Apr14, while Conway climbed +9 cpg. Continued cold temperatures and an uptrend in global energy prices has supported the recent increase.



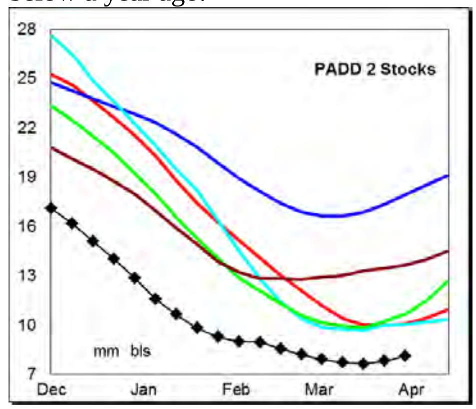
The Conway – Mt Belvieu price spread trended higher last week, in favor of Conway which ended the week +2 cpg over the Gulf.

The propane to natural gas price spread increased late in the week, ending at a level near last year.

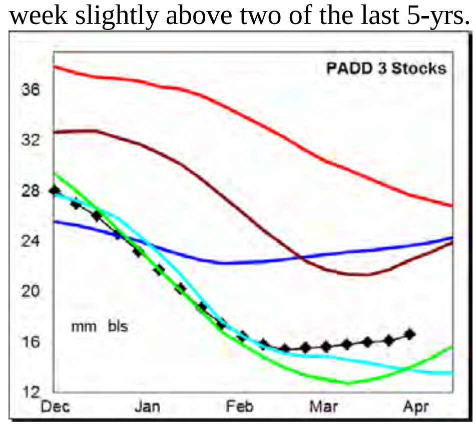
The propane / crude oil price spread trended higher last week ending at a level just above a year ago.

PADD 1 stocks increased +0.2 million barrels on the week, ending the week +0.7 million barrels above last year. Supply for the latest 4-wk period was +48,000 bpd above last year, on record production.

PADD 2 stocks increased +0.2 million barrels on the week. The latest 4-wk supply was -15,000 bpd below a year ago. Stock levels ended the week -19% below a year ago.



PAD 3 stocks increased +0.6 million barrels on the week. Supplies for the latest 4-wk period were +44,000 bpd above a year ago. Stock levels ended the week slightly above two of the last 5-yrs.



PADDs 4 & 5 stocks were unchanged on the week, with the level above the 5-yr range.

Emerging Trends Wholesale prices have trended higher from recent seasonal lows on continued cold temperatures in heating markets and political tensions in the Ukraine. Look for an above average stock build on startup of new gas processing plants in the shale fields during 2014 to restrain wholesale propane prices.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

April 10, 2014

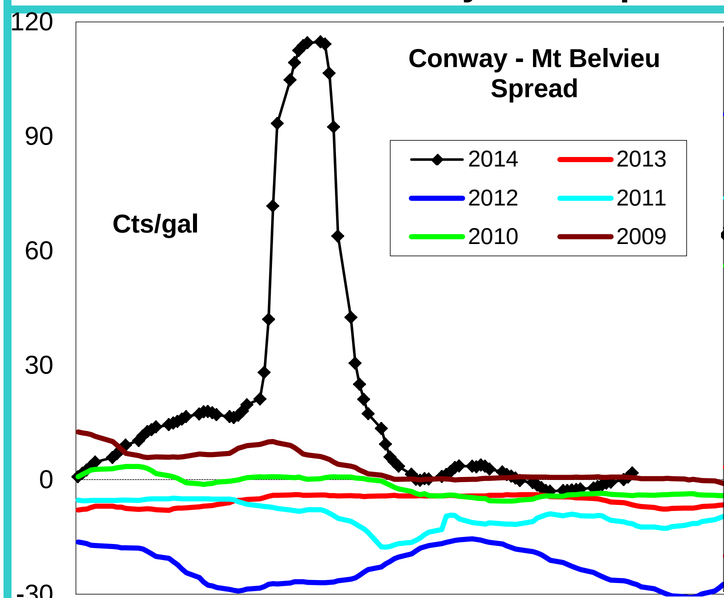
Fundamental Trends for the Week Ending: Friday, April 04, 2014

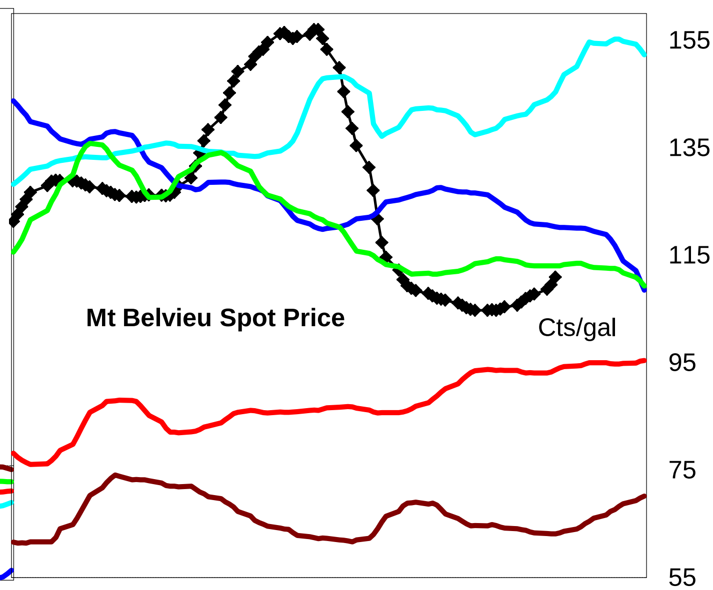
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	27,584	1,887	8,126	16,584	987	1,016	168	213	605	30
Propylene Stocks	3,344					22				
Production	1,406	156	239	844	167	-6	34	-31	-23	14
Imports	69	33	32	0	4	-22	-8	-12	0	-2
Whsle Demand	1,005					-43				

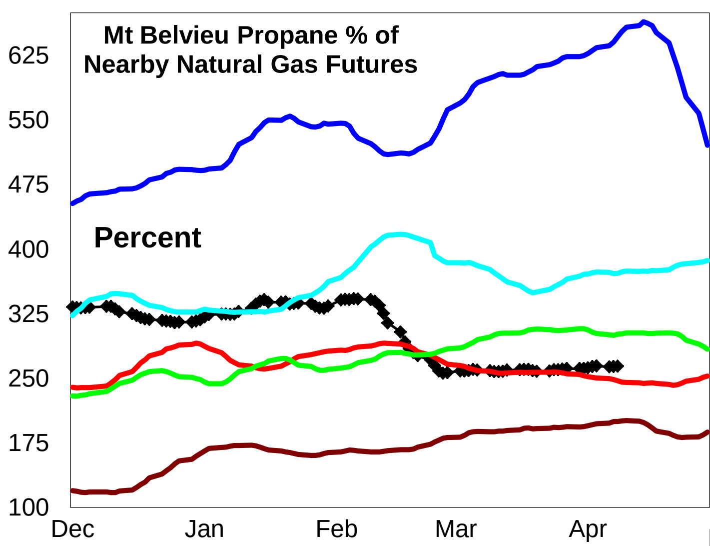
Price Trends for the Week Ending: Thursday, April 03, 2014

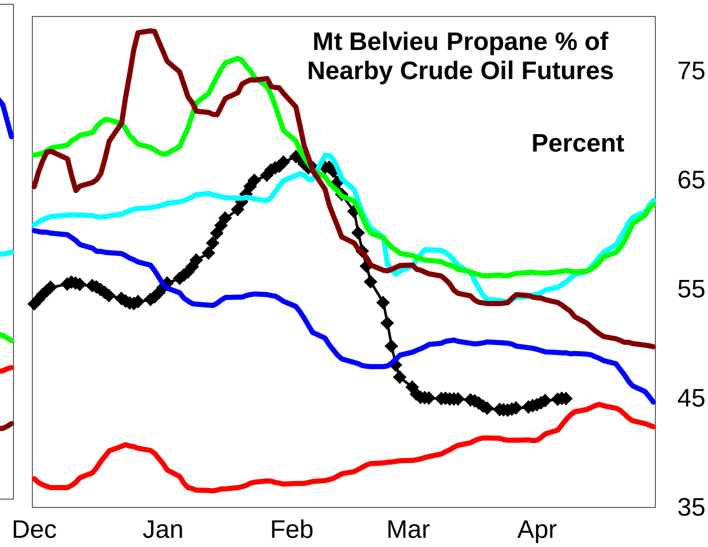
Cents/gal	Average for week ending:				Change from:			% change from:		
	4/3/14	3/27/14	3/6/14	4/8/13	3/27/14	3/6/14	4/8/13	3/27/14	3/6/14	4/8/13
Mont Belvieu Spot	108.6	105.8	108.3	93.1	2.88	-2.54	15.21	2.7	-2.3	16.3
Conway Spot	108.7	103.4	112.3	87.7	5.26	-8.84	24.55	5.1	-7.9	28.0

Key Price Spreads and Differentials



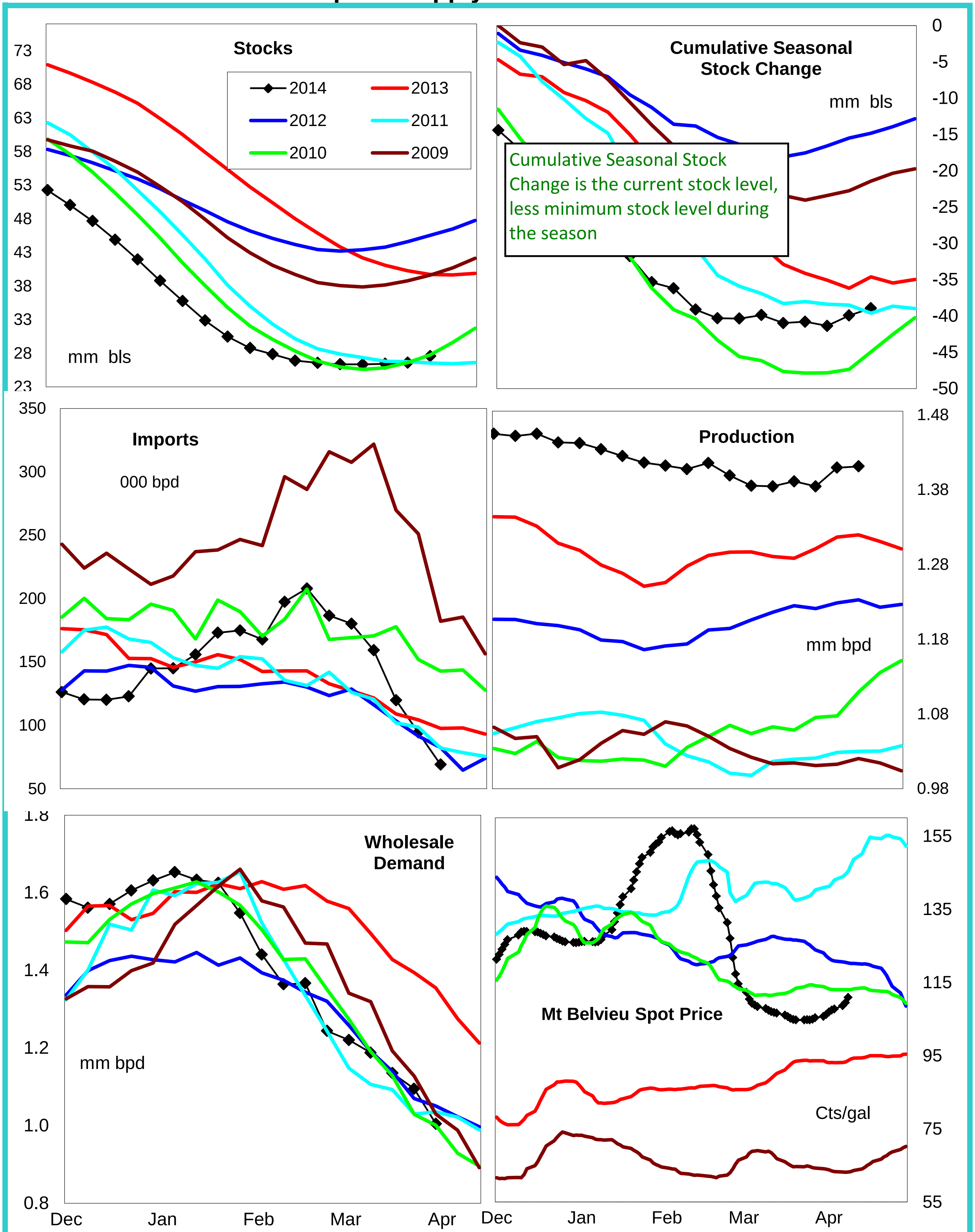






  Lehi German Tel: 816.505.0980

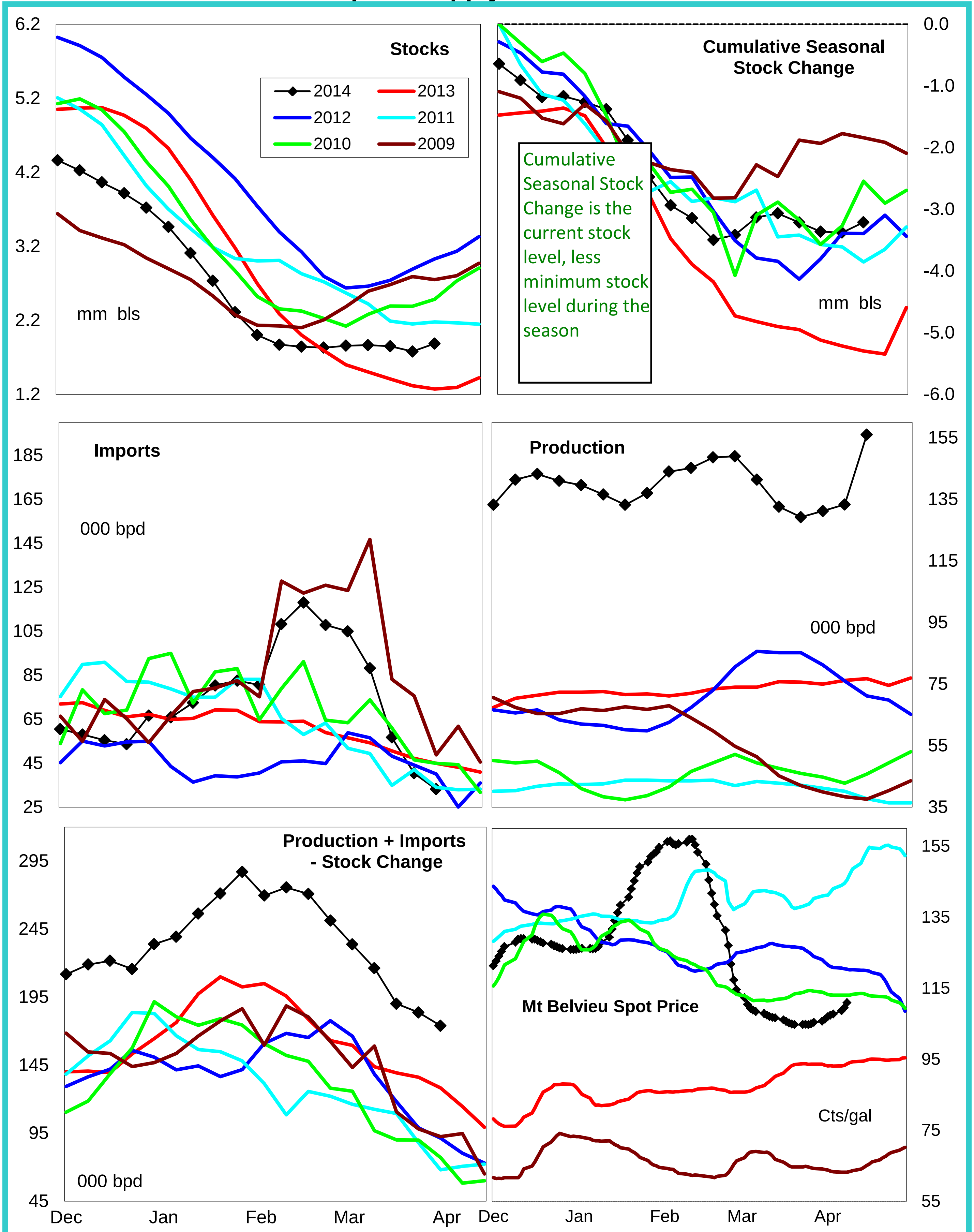
U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Feb	Jan	Dec
000 bpd (000 bls stks)	-12,441	-4,316	88	-8		-293	-219	-82	83
% change	-31.1	12	6.7	-7.2		-21.2	-13.7	-4.8	5.7

Lehi German Tel: 816.505.0980

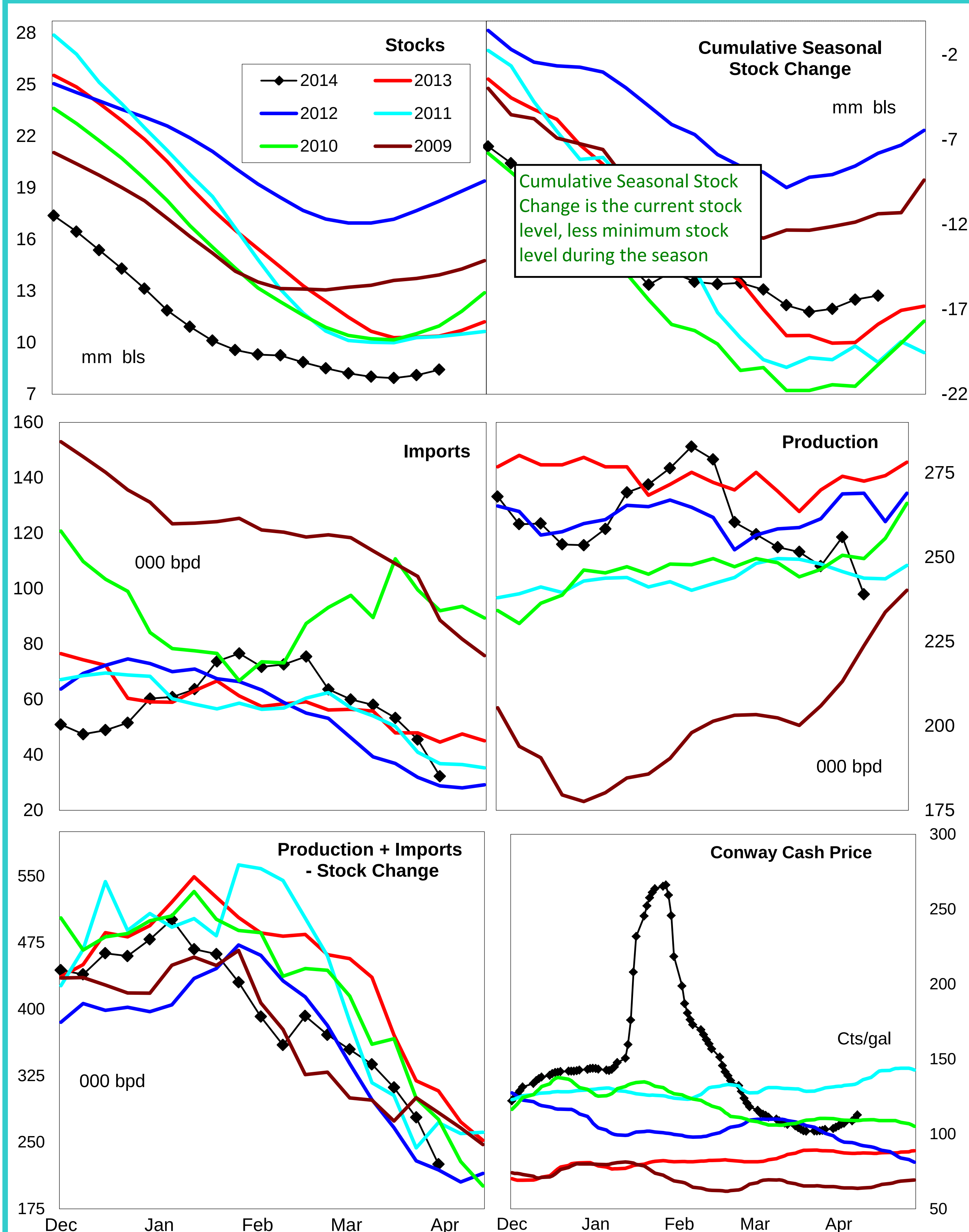
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	680	2,088	56	-8	54
% change	56.3	-39.4	73.9	-17.3	39.5

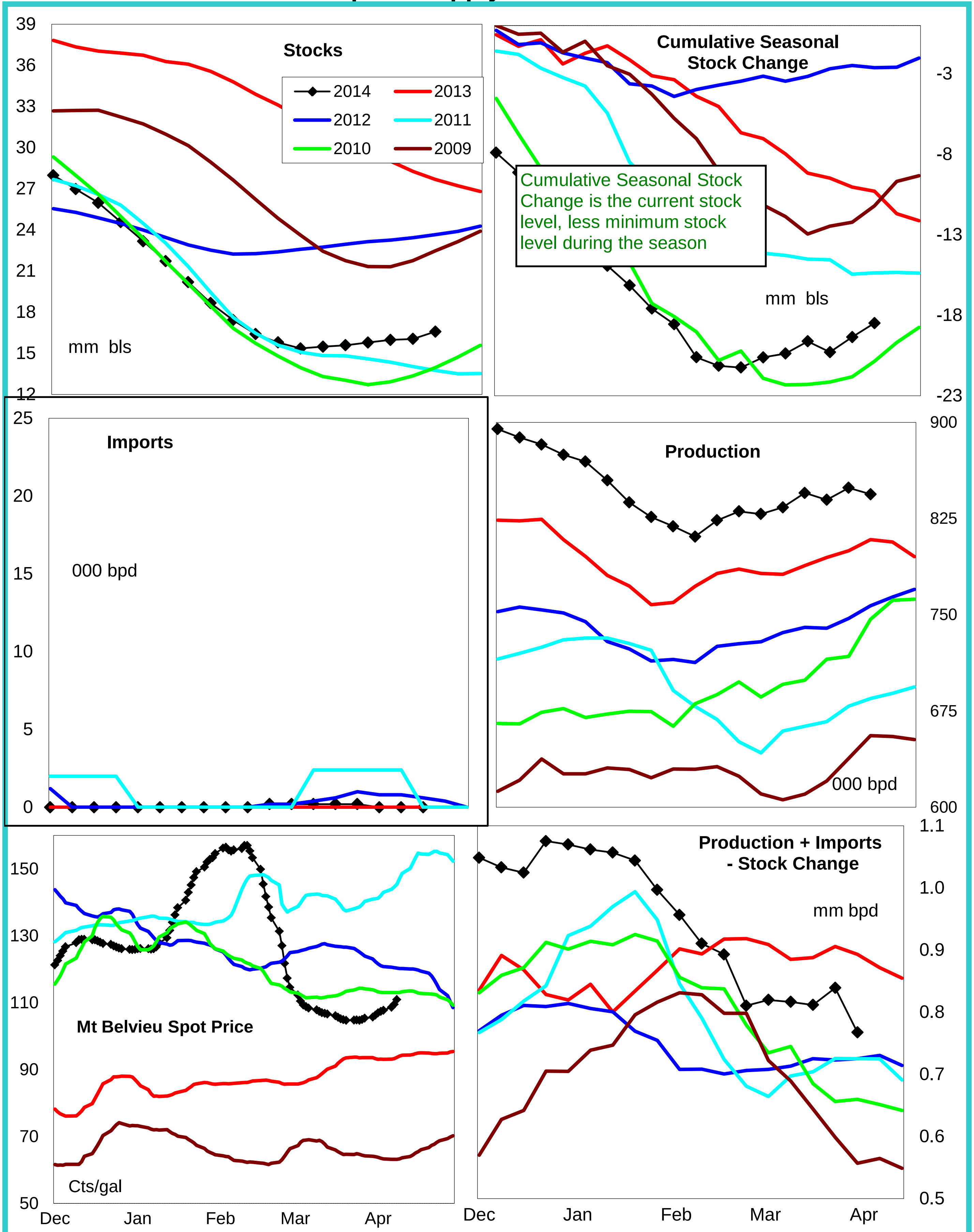
Lehi German Tel: 816.505.0980

PADD 2 Propane Supply and Demand Balance



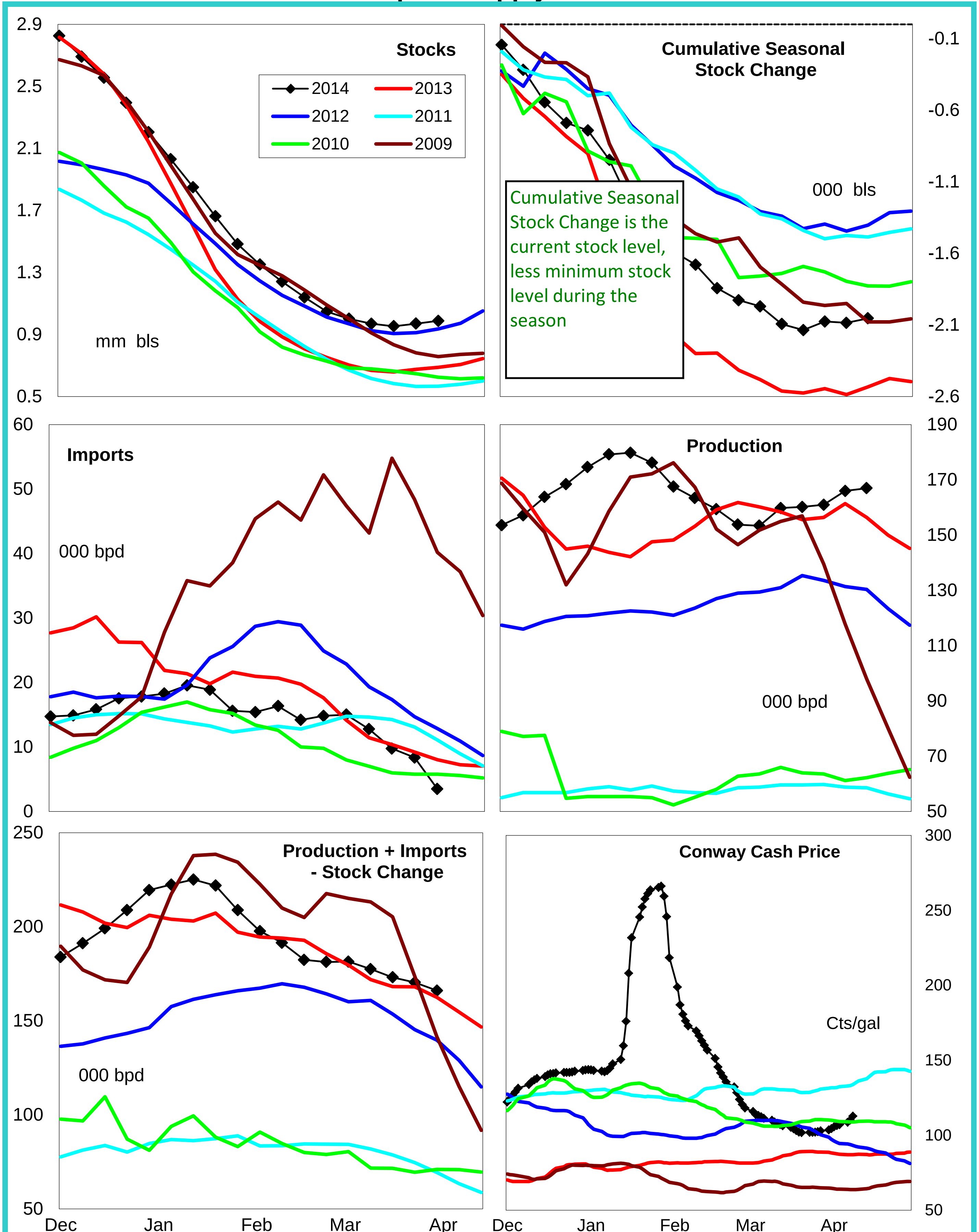
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-1,891	1,687	-16	1	-70
% change	-18.9	-9.4	-5.7	2.1	-19.6

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)	-11,531	-8,194	44	0	-84
% change	-41.0	80	5.4	#DIV/0!	-9.4

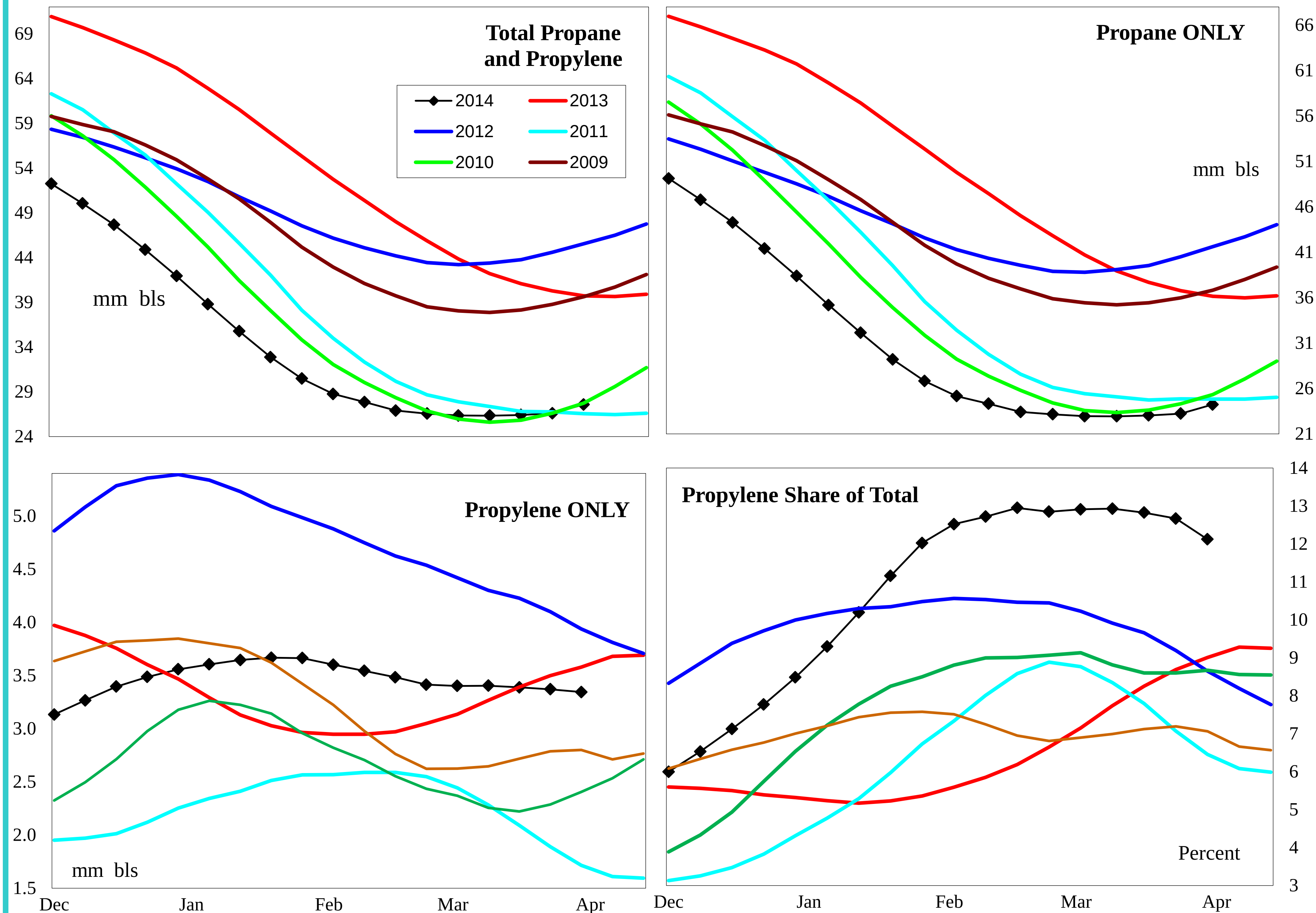
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	302	478	4	0	4
% change	44.0	-18.9	2.2	-2.2	2.4

Lehi German Tel: 816.505.0980

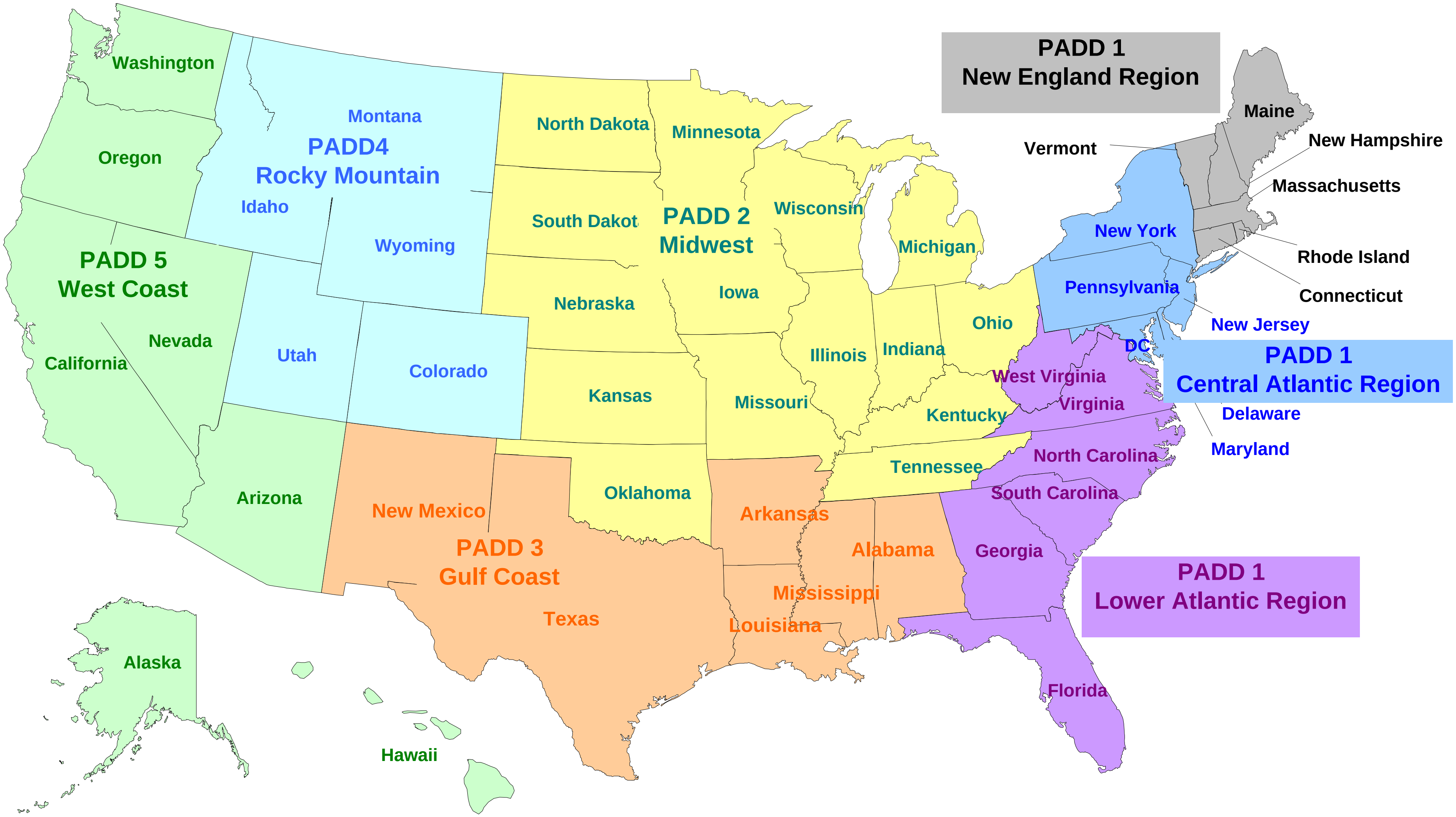
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-12,441	-12,203	-235
% change	-31.1	-33.5	-6.6

Lehi German Tel: 816.505.0980

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



Lehi German Tel: 816.505.0980