

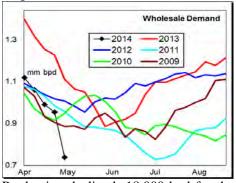
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

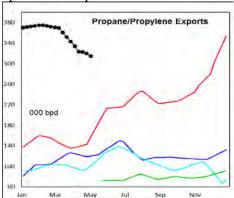
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Summary¹:

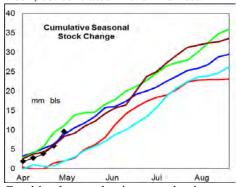
Wholesale demand fell -245,000 bpd last week, to a level well below the historic range.



Production declined -18,000 bpd for the week. Production was lower in all regions, except PADDs 4&5. Exports for the most recent week were -11,000 bpd below the prior month.



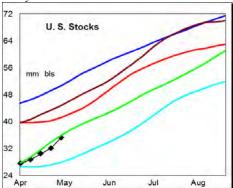
Imports increased +16,000 bpd on the week, concentrated in the Midwest.



Combined production and imports during the latest 4-wk period were +157,000 bpd above a year ago. Production was +182,000 bpd above last

year (+14%), while imports were -25,000 bpd lower. The latest 4-wk average demand was -260,000 bpd below last year.

Stocks increased +3.7 million barrels last week, and remain -14% below a year ago. The cumulative seasonal stock build of +9.6 million barrels, was +7.6 million barrels above last year.



Price and Spreads Mt Belvieu spot price decreased -4cpg for the week ending 07May14, while Conway decreased -4.5 cpg. An end to heating demand, increased supply and a near record rate of stock building contributed to the price weakness.



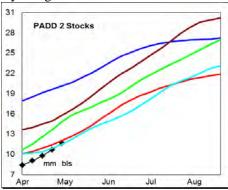
The Conway – Mt Belvieu price spread traded sideways last week, at a level above the 5-yr range, in favor of Conway.

The propane to natural gas price spread trended lower on the week, ending at a level below a year ago.

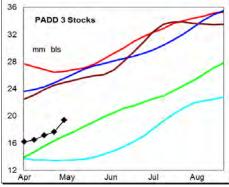
The propane / crude oil price spread trended lower last week ending at a level comparable to the last 2-yrs.

PADD 1 stocks increased +0.2 million barrels on the week, ending the week +0.9 million barrels above last year.

Supply for the latest 4-wk period was +40,000 bpd above last year; after a -21,000 bpd drop in production last week. PADD 2 stocks increased +1.1 million barrels on the week. The latest 4-wk supply was -7,000 bpd below a year ago. Stock levels ended the week -2% below a year ago.



PAD 3 stocks increased +2.2 million barrels on the week. Supplies for the latest 4-wk period were +71,000 bpd above a year ago. Stock levels ended the week above two of the last 5-yrs.



PADDs 4 & 5 stocks increased +0.2 million barrels last week, with the stock level above the 5-yr range.

Emerging Trends Wholesale prices extended the recent downtrend last week, on a near record rate of stock building. The rate of stock builds in the key Midwest and Gulf regions were each above the last 3-yrs. Political tension in Eastern Europe risk higher global energy prices. Otherwise, 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.

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¹ Source is latest EIA Weekly Statistics

May 8, 2014

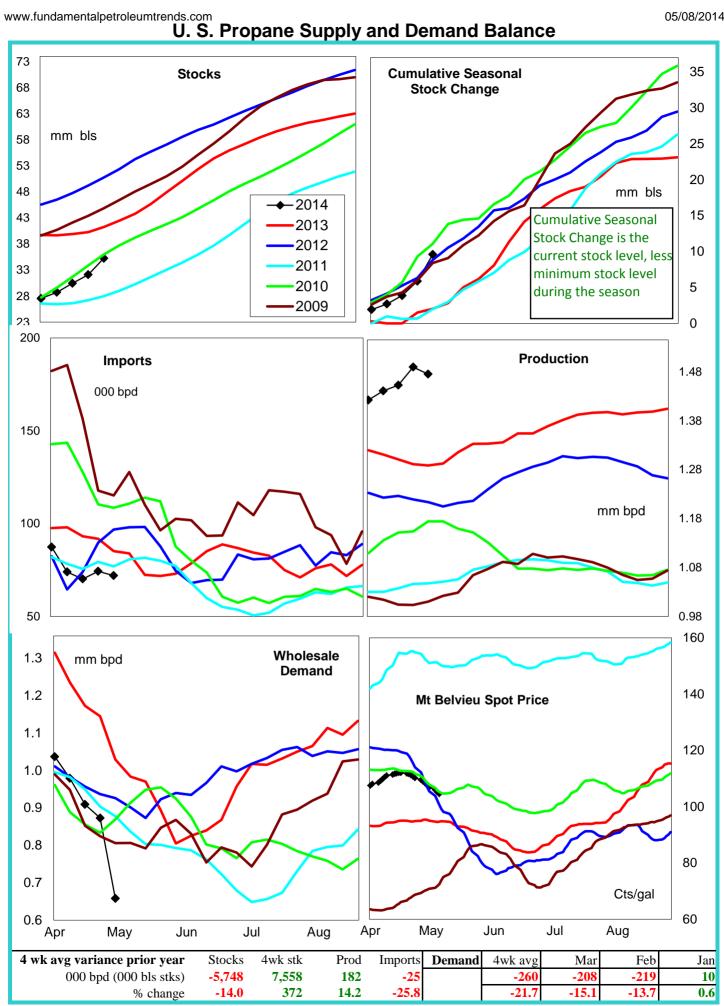
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PROPANE: Graph Link and Weekly Summary

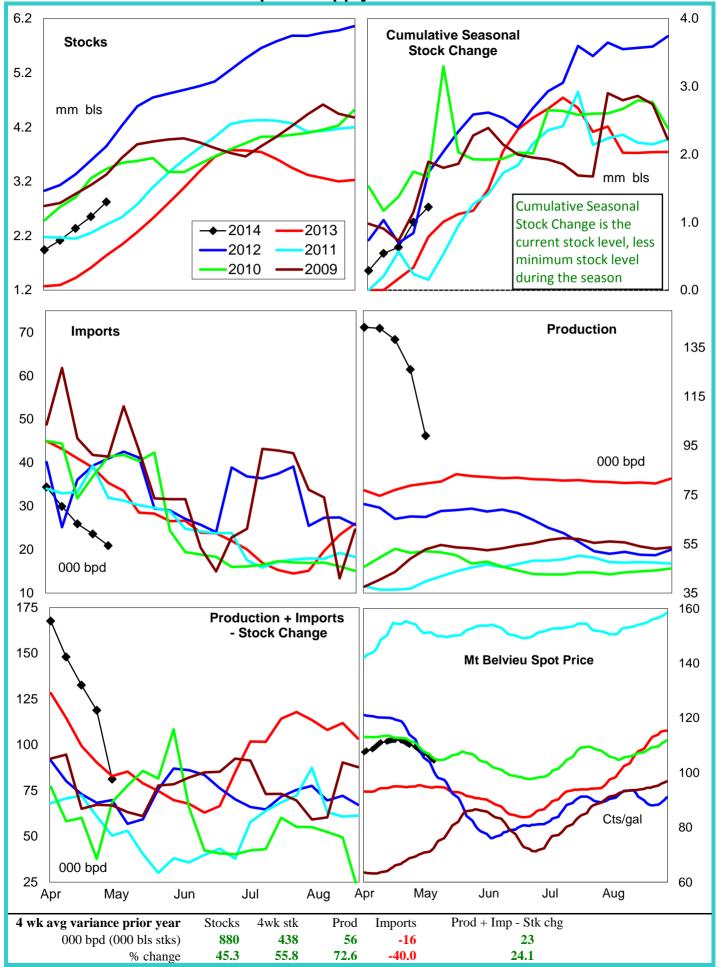
Fundamental Trends for the Week Ending: Friday, May 02, 2014 Weekly Supply-Demand Change from prior week: 000 bpd PADD U.S. U.S. **PADD** Stocks 000 bls Total 2 3 4&5 **Total** 1 2 4&5 35,249 3,712 159 2,823 11,689 19,370 1,367 221 1,115 2,217 Stocks **Propylene Stocks** 3,480 299 867 **Production** 1,470 99 280 224 -18 -21 -12 -6 21 **Imports** 21 37 0 14 13 0 7 16 Whsle Demand 698 -245

Price Trends for the Week Ending: Wednesday, April 16, 2014 Average for week ending: Change from: % change from: Cents/gal 4/16/14 4/9/14 3/19/14 4/19/13 4/9/14 3/19/14 4/19/13 4/9/14 3/19/14 4/19/13 Mont Belvieu Spot 105.9 110.1 108.6 96.0 -4.19 1.46 12.65 -3.8 1.3 13.2 105.0 108.2 108.7 90.4 -3.21 -0.50 18.32 -3.0 -0.5 Conway Spot 20.3

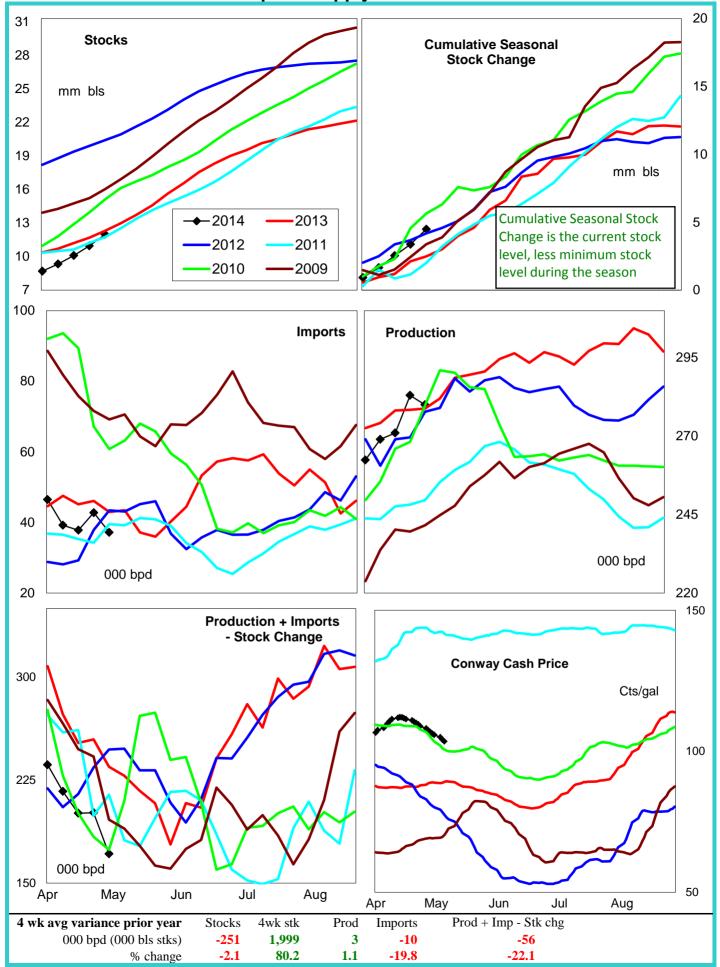
Key Price Spreads and Differentials 5 160 Conway - Mt Belvieu **Spread** 0 140 -5 Mt Belvieu Spot Price -10 120 2014 2013 -15 Cts/gal 2012 2011 2010 2009 100 -20 -25 Cts/gal 80 -30 -35 60 Mt Belvieu Propane % of Mt Belvieu Propane % of 620 75 **Nearby Crude Oil Futures Nearby Natural Gas Futures** 545 **Percent** 65 470 **Percent** 395 55 320 45 245 170 35 May Jun Jul Apr Aug Jun Jul Apr May Aug



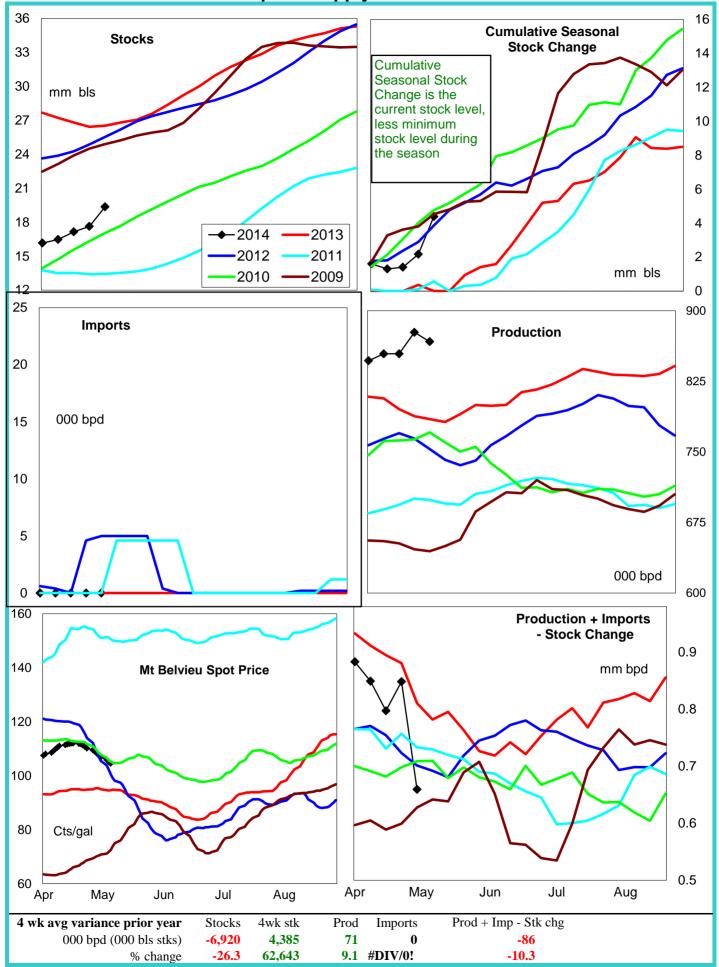
PADD 1 Propane Supply and Demand Balance



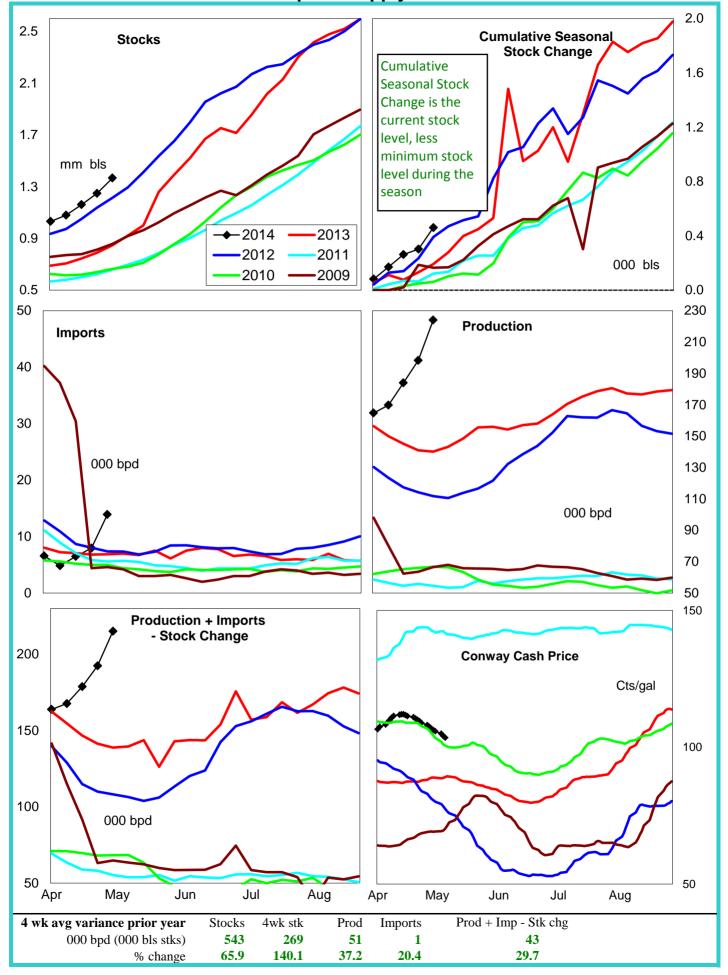
PADD 2 Propane Supply and Demand Balance



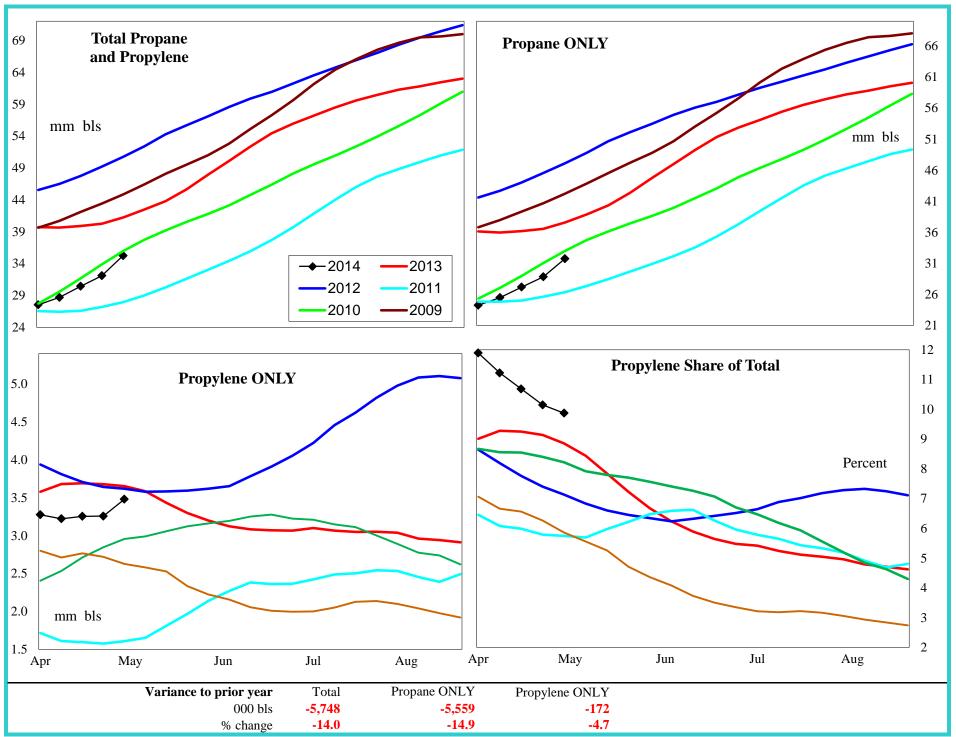
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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