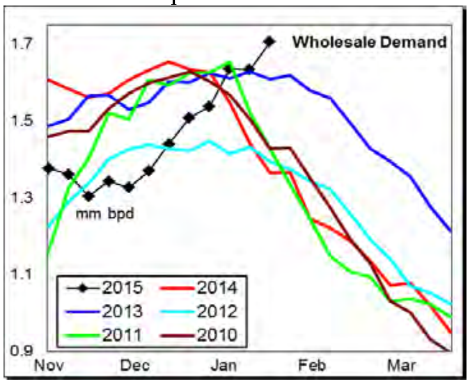
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

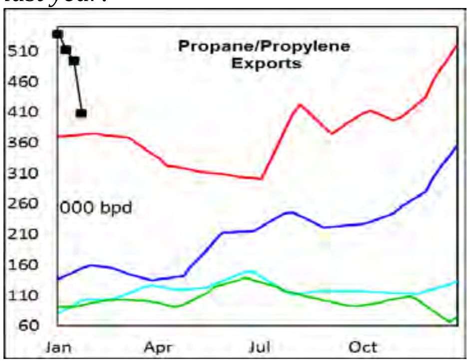
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Table of Contents

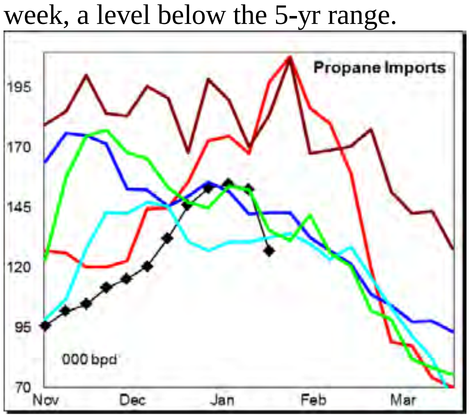
Summary[1]:
Wholesale demand increased +119,000 bpd last week, to a record weekly high for the winter quarter.



Production decreased -19,000 bpd on the week, concentrated in the west region. *Exports for the week ending 23Jan15 were 408,000 bpd, +34,000 bpd above last year*.

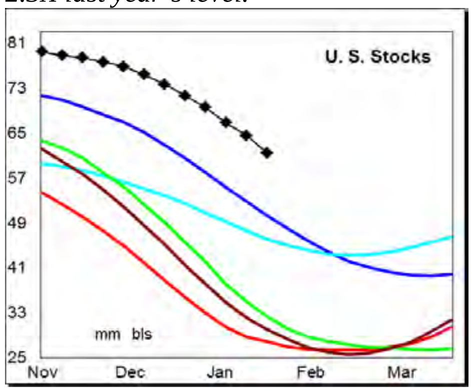


Imports decreased -35,000 bpd on the week, a level below the 5-yr range.

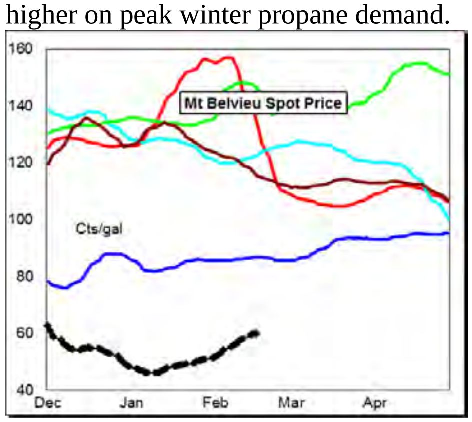


Combined production and imports during the latest 4-wk period were +117,000 bpd above a year ago. Production was +123,000 bpd above last year (+9%), while imports were -6,000 bpd lower. The latest 4-wk average demand was +129,000 bpd above last year.

Stocks declined -3.5 million barrels last week, including a -2.1 million barrel draw on the Gulf. *Stocks ended the week +35 million barrels above a year ago, 2.3X last year's level.*



Price and Spreads Mt Belvieu spot price increased +5 cpg last week ending 18Feb15, with Conway +6 cpg higher for the period. Spot prices trended higher on peak winter propane demand.



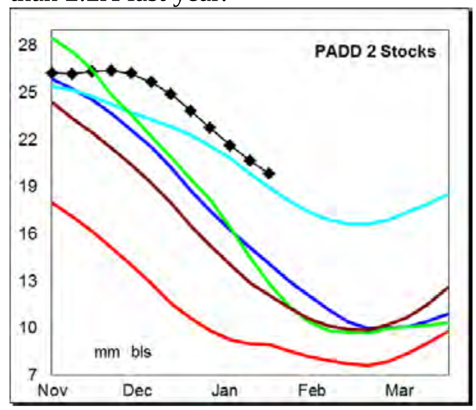
The Conway – Mt Belvieu price spread was nearly unchanged last week, with Conway slightly below Mt Belvieu.

The propane to natural gas price spread trended higher last week, ending at a level still below the 5-yr range.

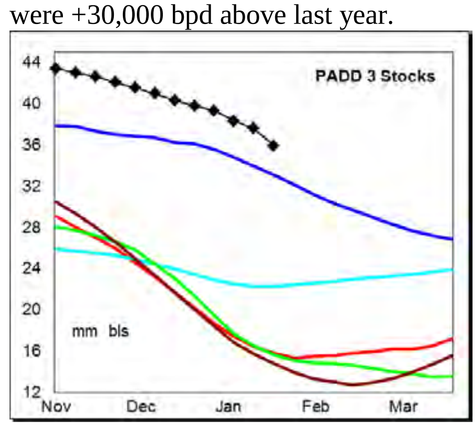
The propane / crude oil price spread trended higher last week, ending at a level equal to the 3-yr mid range.

PADD 1 stocks decreased -0.3 million barrels last week, driven by colder than normal temperatures in the region. Stocks ended the week at a level above four of the last 5-yrs. Supply for the latest 4-wk period was +28,000 bpd above last year.

PADD 2 supply decreased -23,000 bpd on the week, driven by lower imports. Production for the latest 4-wk period was +51,000 bpd above last year (+18%). Stocks declined -1 million barrels on the week. Stock levels ended the week more than 2.2X last year.



PAD 3 stocks decreased -2.1 million barrels on the week, to a level 2.4X last year. Supplies for the latest 4-wk period were +30,000 bpd above last year.



PADDs 4 & 5 stocks decreased -0.1 million barrels, with the level 2X the prior record high for the period.

Emerging Trends Temperatures are forecast to be sharply below normal in the eastern 3/4ths of the country for the next 10-days.

Much colder temperatures than normal should support record demand for propane through early March. This weather driven peak demand should support the current price uptrend. A likely record level of carry out stocks and very high production risk a price pull back on any warming trend.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

February 19, 2015

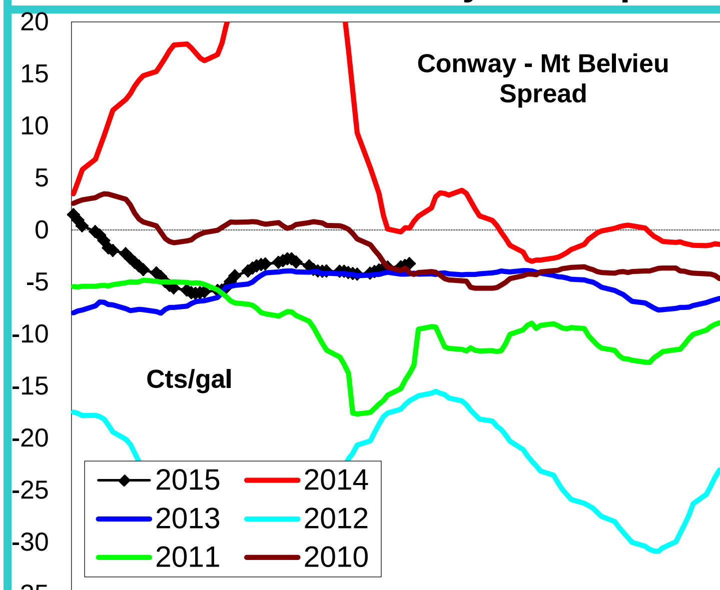
Fundamental Trends for the Week Ending: Friday, February 13, 2015

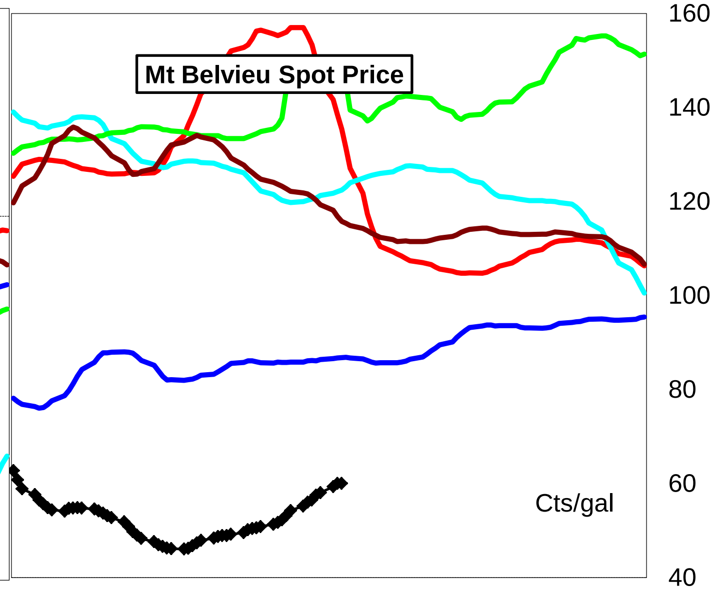
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	61,465	3,246	19,810	35,937	2,472	-3,490	-312	-966	-2,087	-125
Propylene Stocks	4,170					84				
Production	1,487	162	333	815	177	-19	18	0	-5	-32
Imports	127	59	44	10	14	-35	-6	-23	5	-11
Whsle Demand	1,705					119				

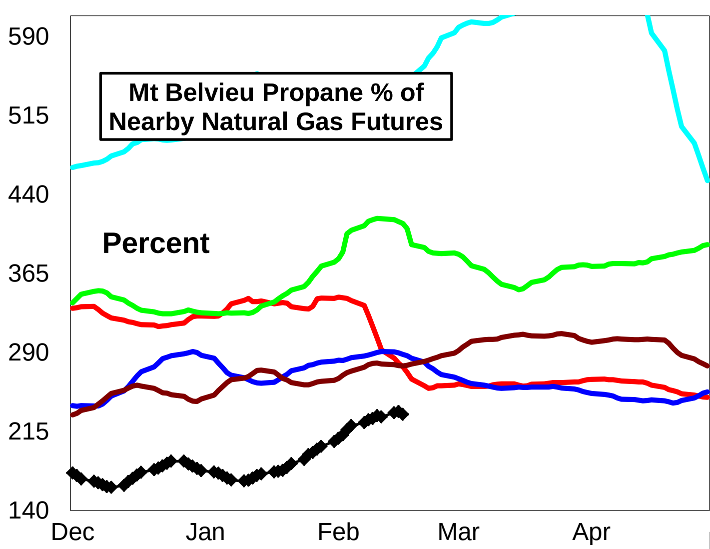
Price Trends for the Week Ending: Wednesday, February 18, 2015

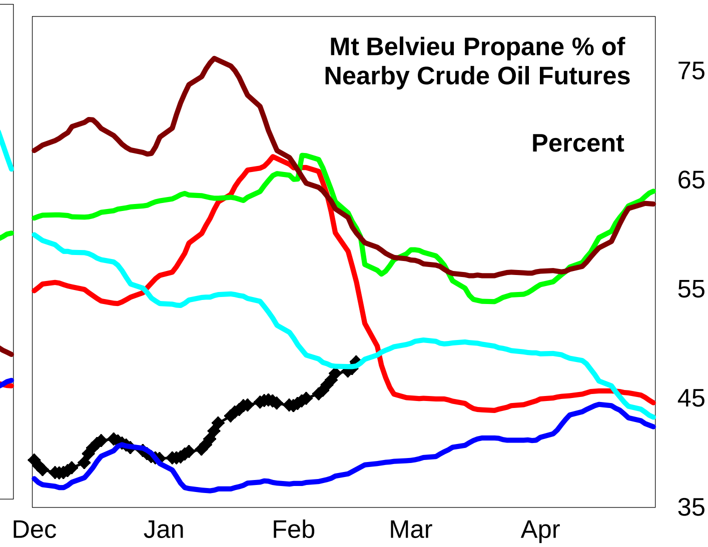
Cents/gal	Average for week ending:				Change from:			% change from:		
	2/18/15	2/11/15	1/21/15	2/21/14	2/11/15	1/21/15	2/21/14	2/11/15	1/21/15	2/21/14
Mont Belvieu Spot	59.4	54.7	48.3	149.6	4.63	6.48	-101.35	8.5	13.4	-67.7
Conway Spot	55.8	50.7	46.2	147.0	5.08	4.53	-100.75	10.0	9.8	-68.6

Key Price Spreads and Differentials

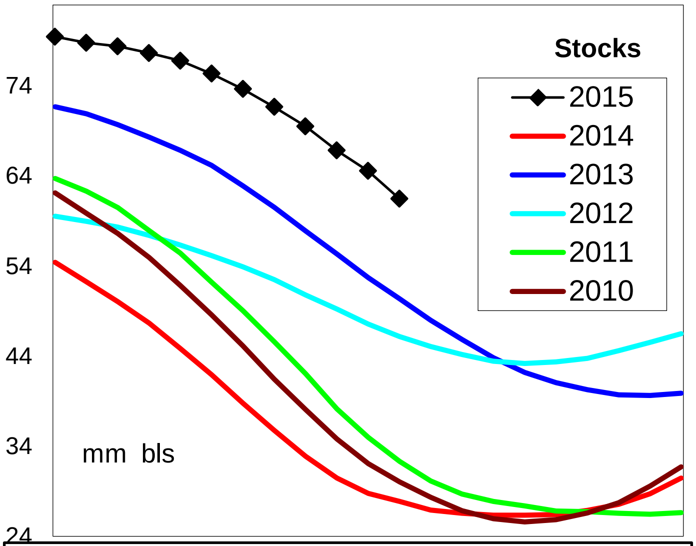


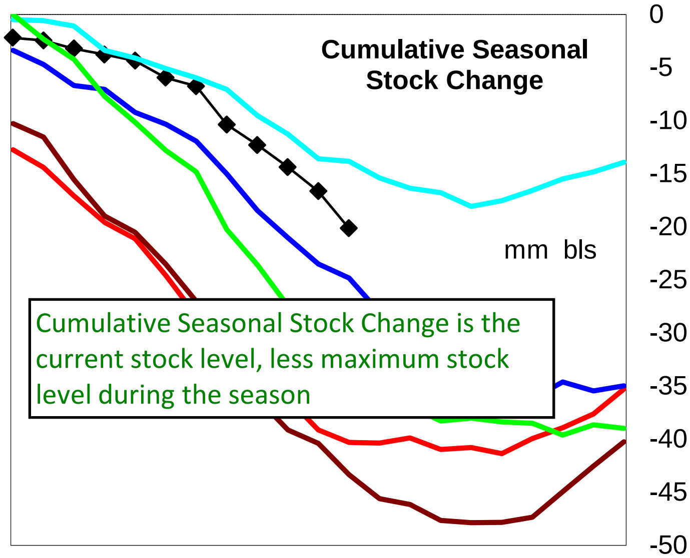


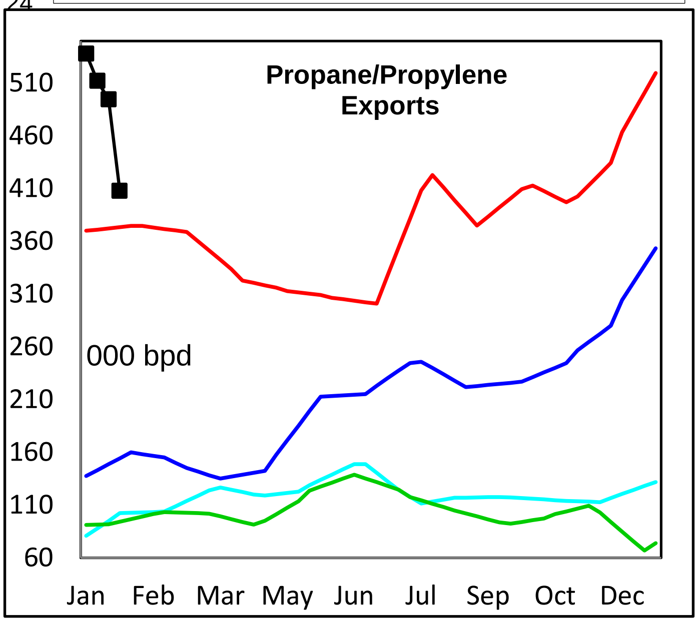


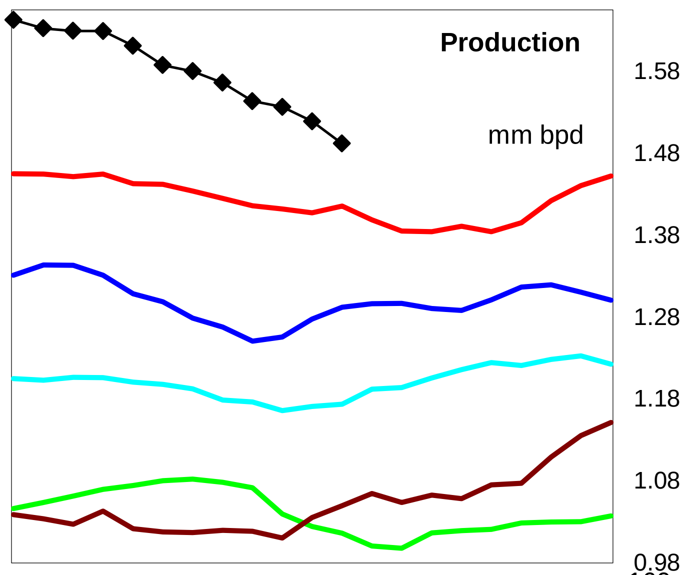


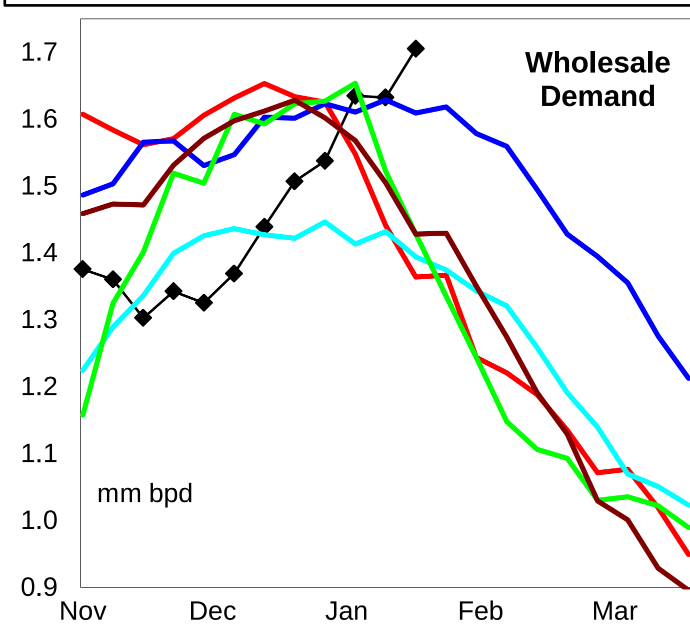
U. S. Propane Supply and Demand Balance

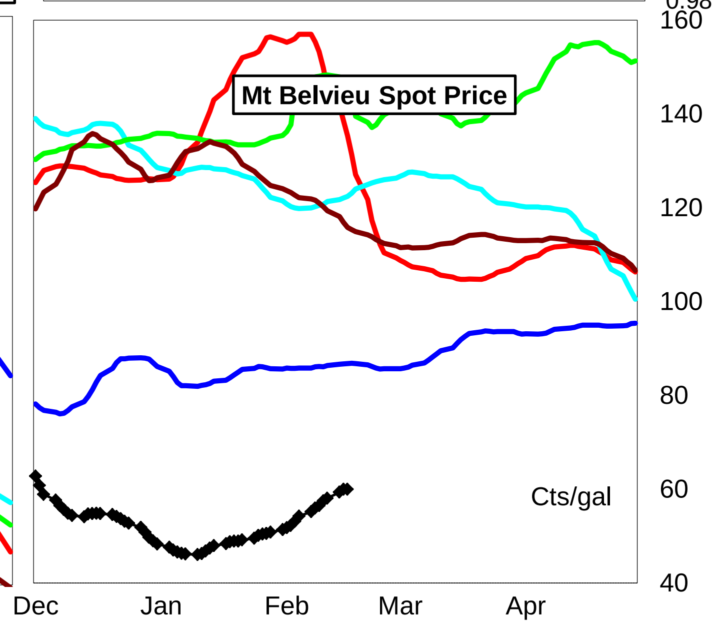








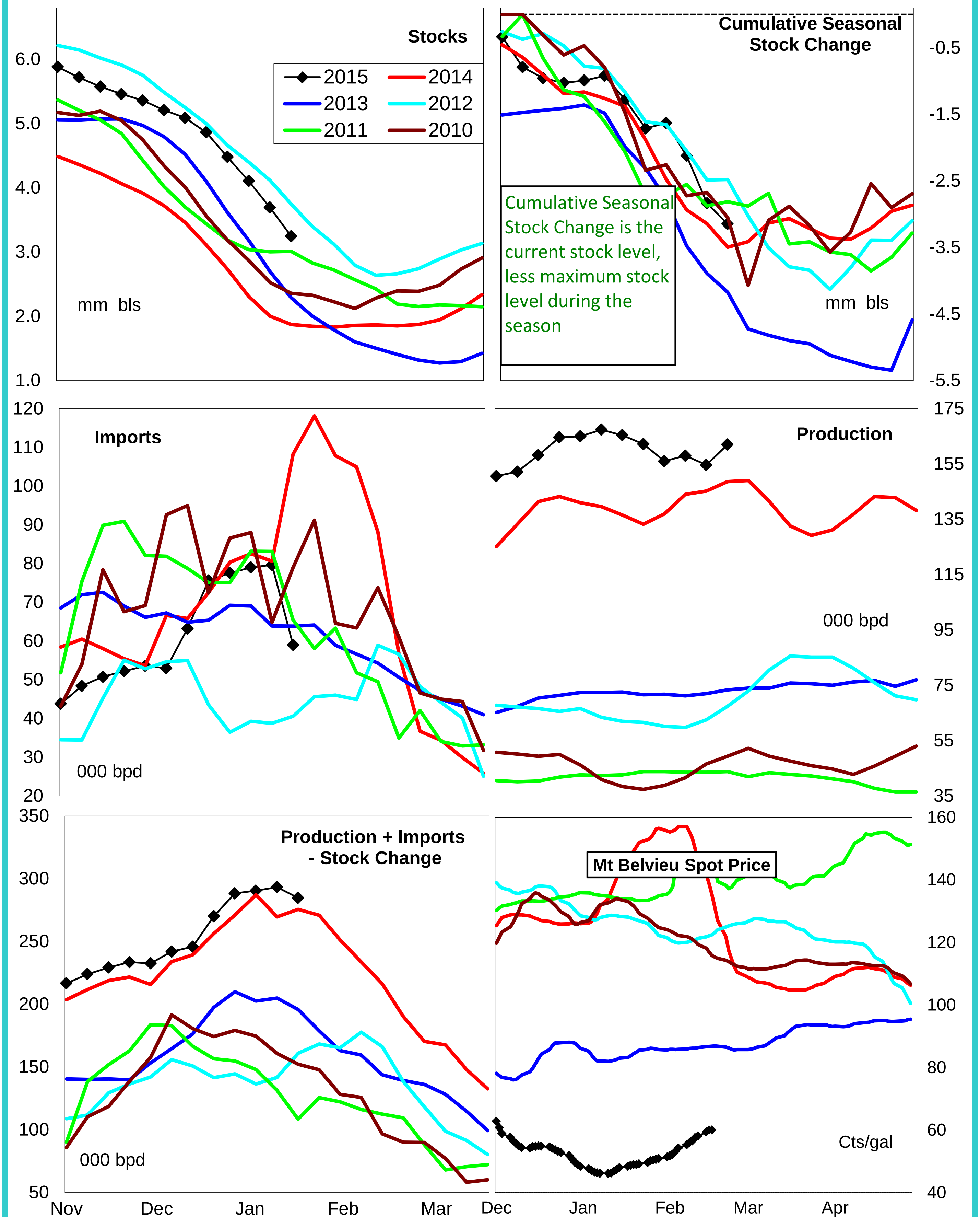




4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Jan	Dec	Nov
000 bpd (000 bls stks)	34,750	20,163	123	-6		129	-178	-182	-84
% change	130.1	-50	8.7	-3.6		8.6	-10.5	-11.9	-5.9

Lehi German Tel: 816.505.0980

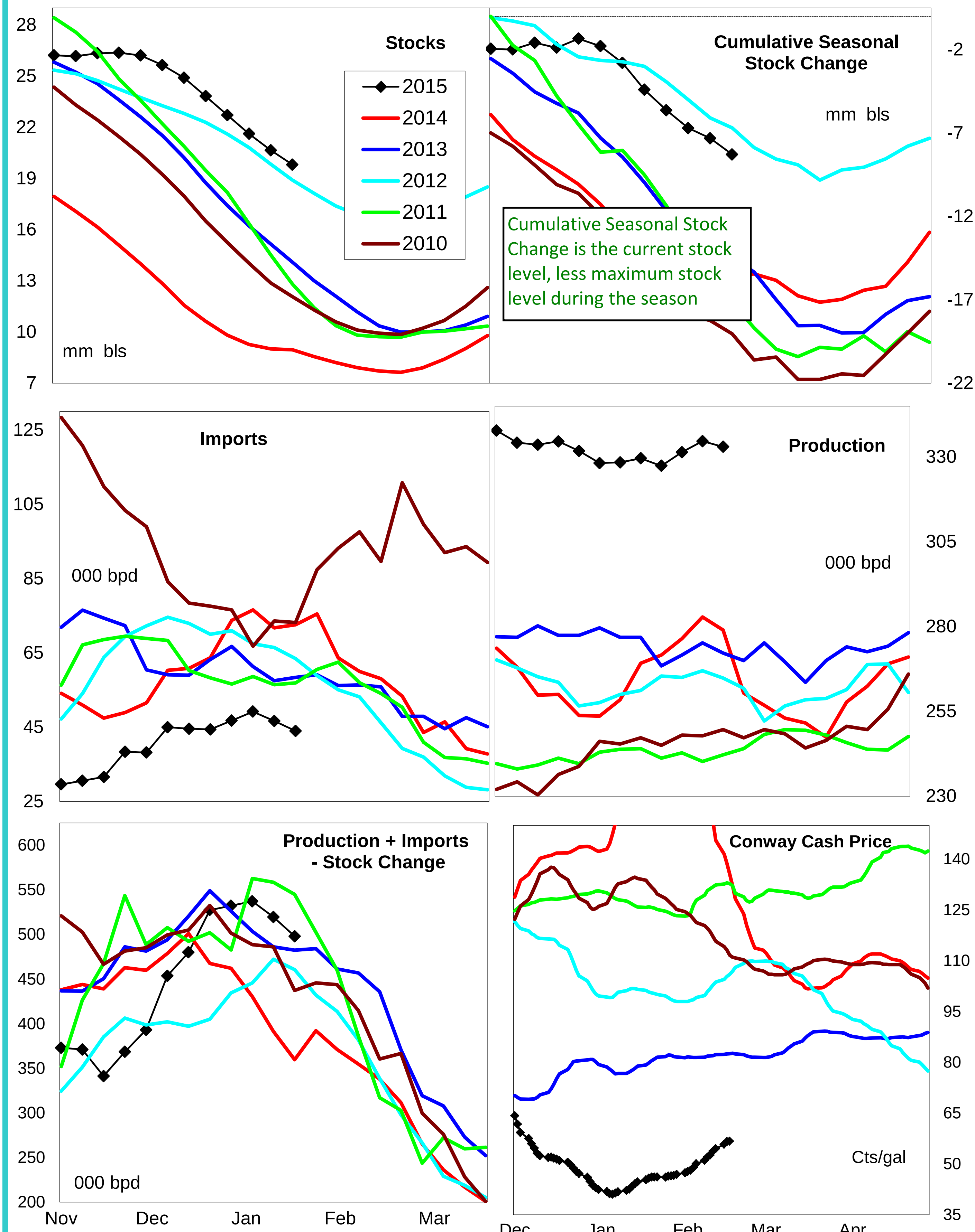
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	1,646	347	11	17	13
% change	102.9	-9.9	7.2	24.1	4.8

Lehi German Tel: 816.505.0980

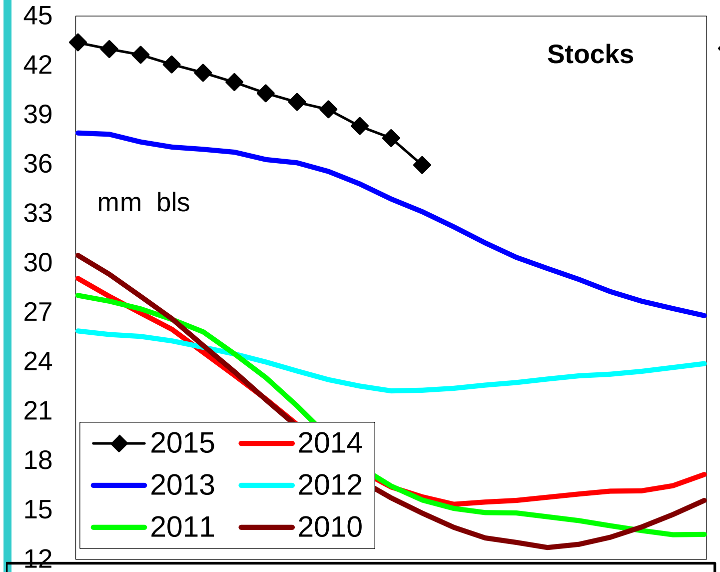
PADD 2 Propane Supply and Demand Balance

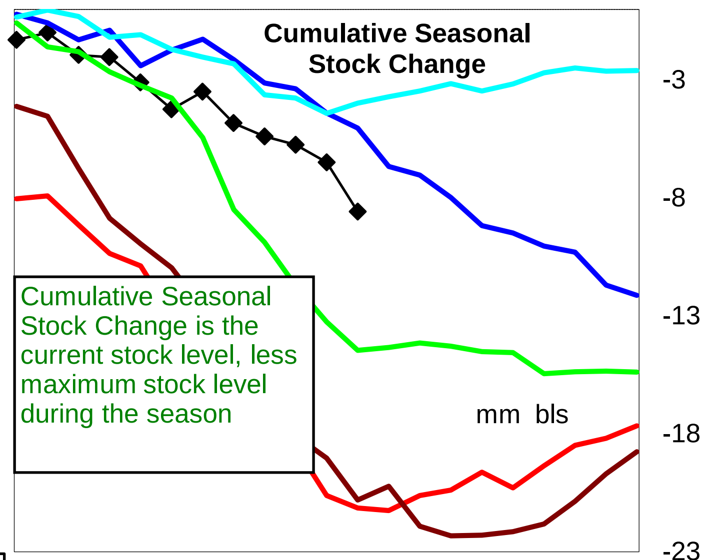


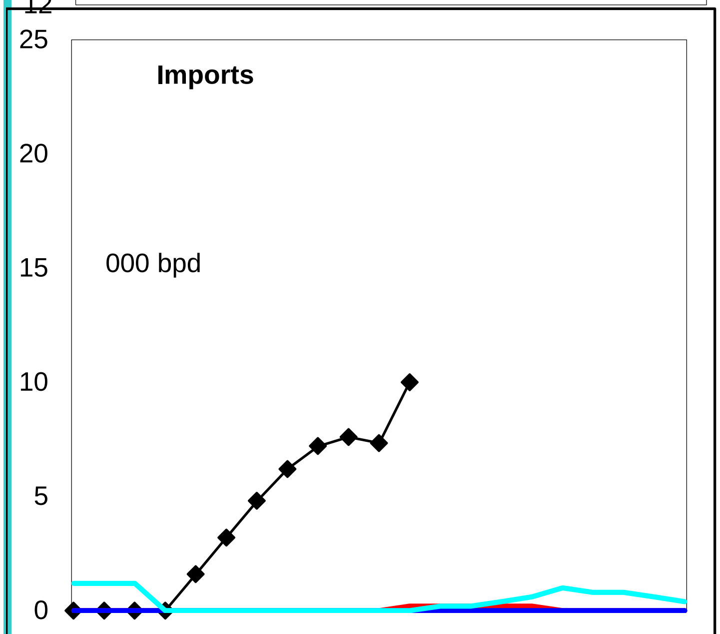
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	10,978	7,224	51	-34	111
% change	124.3	-46.6	17.9	-44.9	27.0

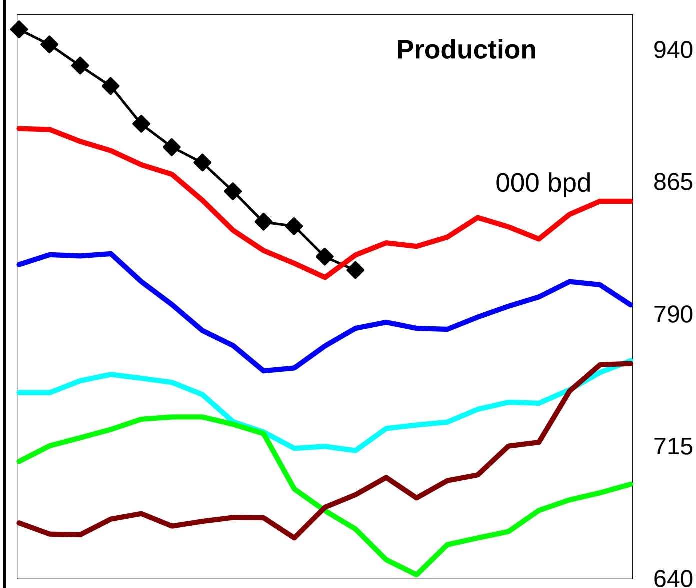
  Lehi German Tel: 816.505.0980

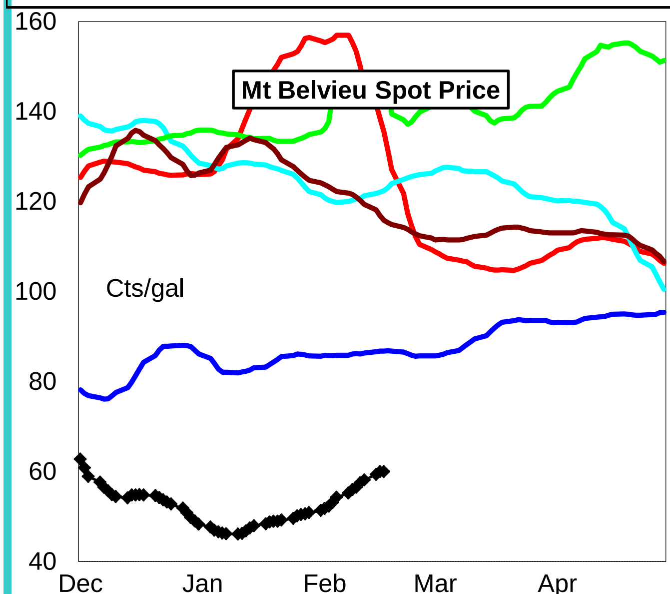
PADD 3 Propane Supply and Demand Balance

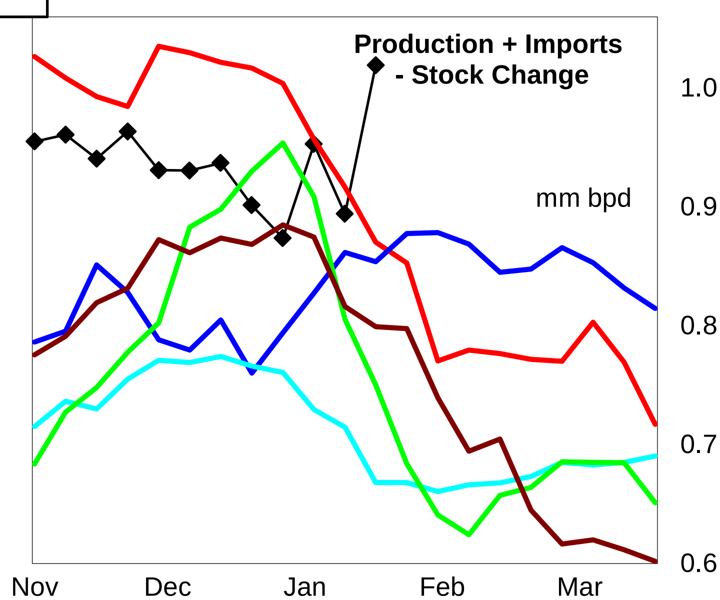








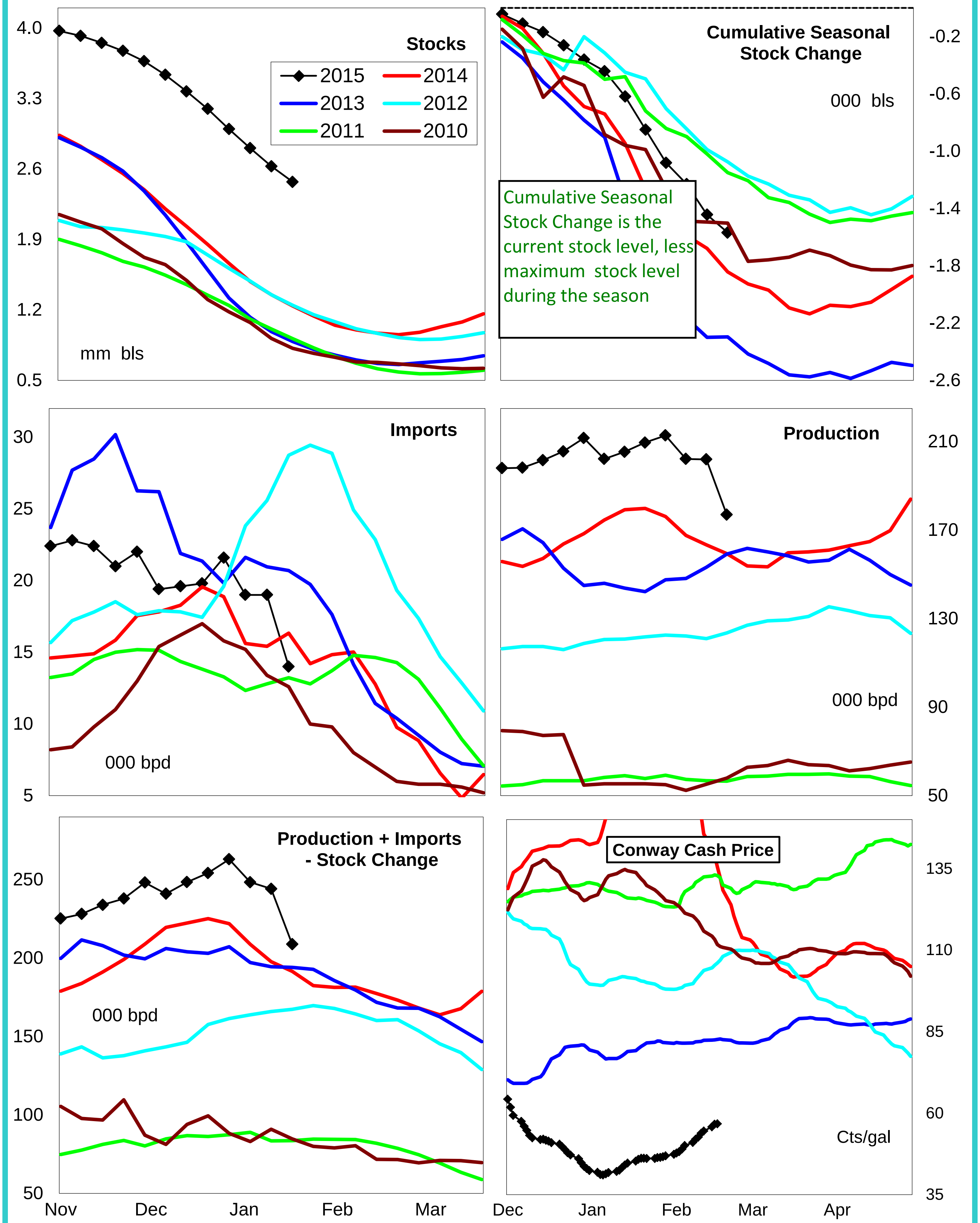




4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	20,854	12,569	22	8	-2
% change	138.3	-59	2.7	#DIV/0!	-0.2

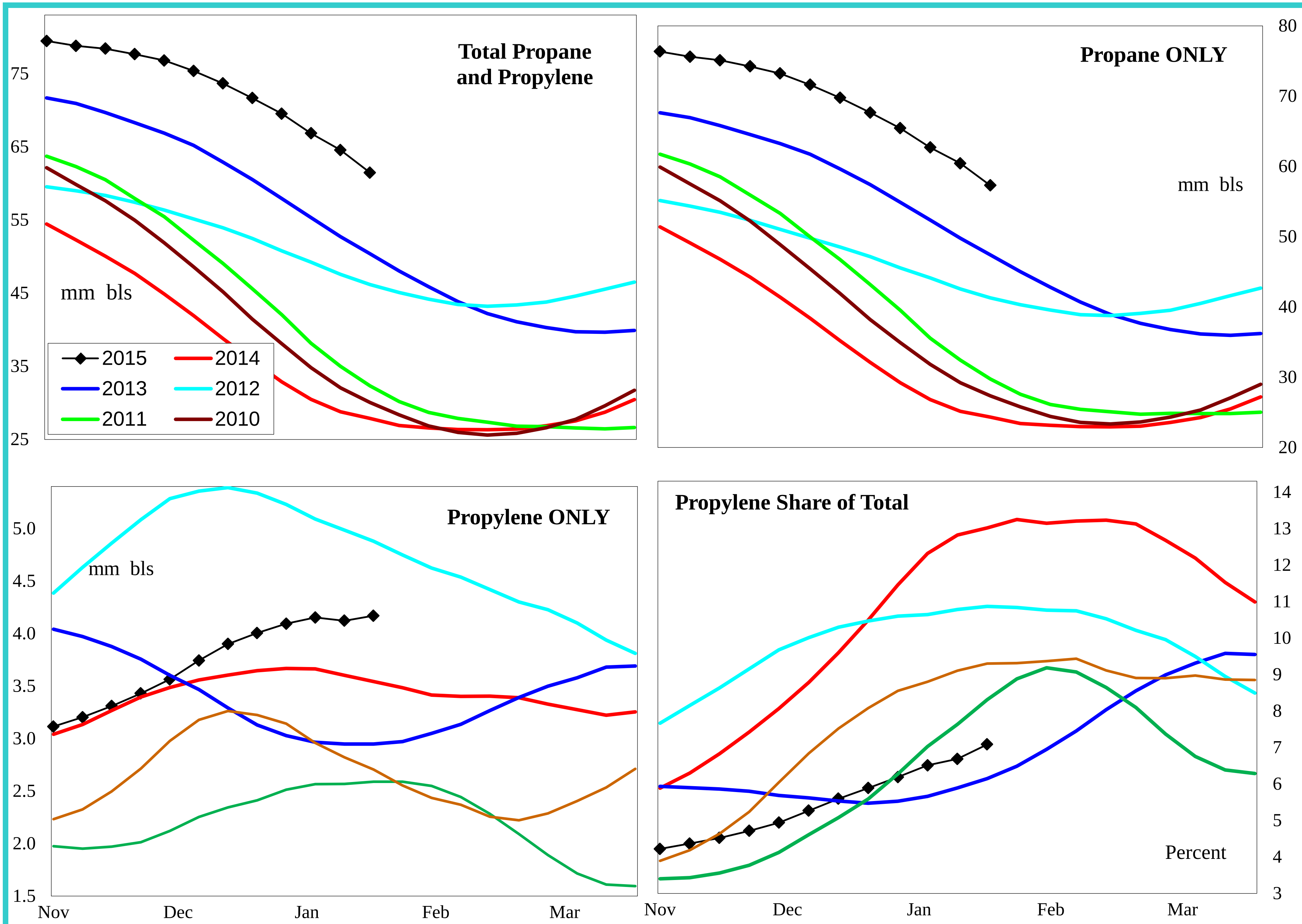
Lehi German Tel: 816.505.0980

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)	1,273	274	39	4	36
% change	106.2	-14.9	23.6	27.9	17.6

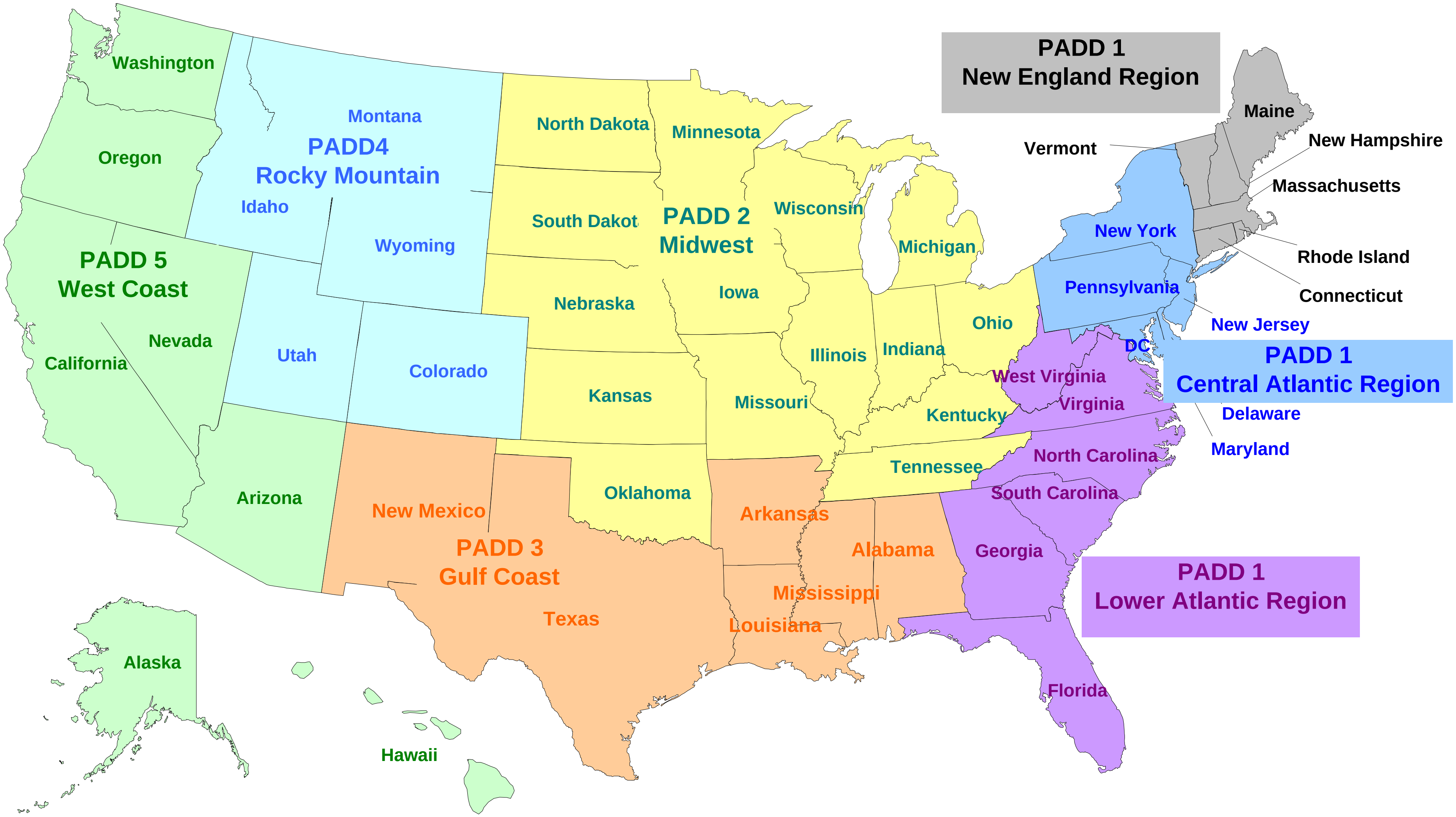
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	34,750	34,079	627
% change	130.1	146.8	17.7

Lehi German Tel: 816.505.0980

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



Lehi German Tel: 816.505.0980