FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

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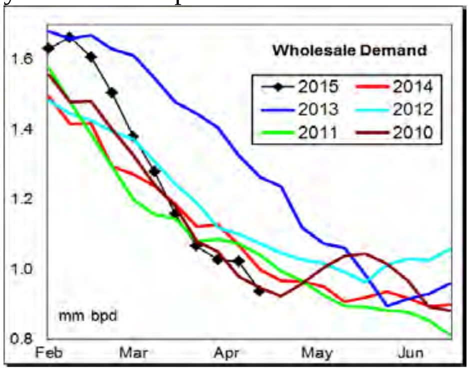
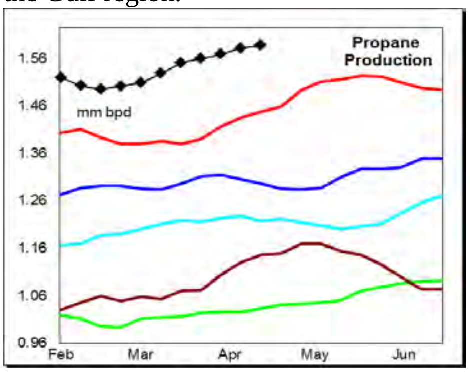
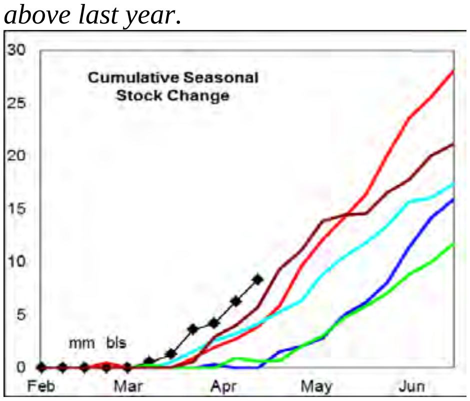
Summary[1]:
Wholesale demand increased +19,000 bpd last week, to a level that matched 5-yr lows for the period.



Production increased +37000 bpd last week, with the increase concentrated in the Gulf region.

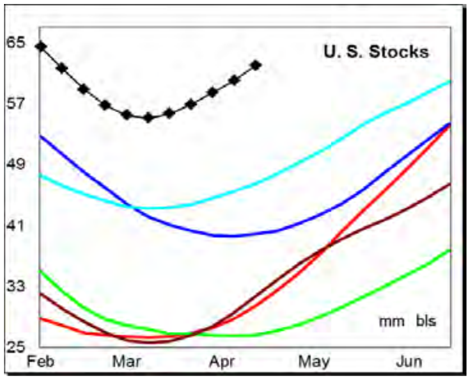


Exports for the week ending 20Mar15 were +477,000 bpd, +123,000 bpd above last year.

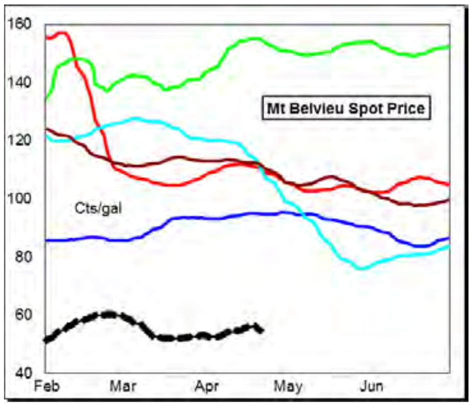


Stocks increased +2 million barrels on the week, lifting the cumulative seasonal stock build to +8.3 million barrels, a record high for this time of year.

Significant stock builds occurred in the Midwest and Gulf regions. Stock levels are just -2 million barrels below the level seen in the 1st week of February 2015.



Price and Spreads Mt Belvieu spot price decreased -1 cpg last week ending 22Apr15, while Conway saw a -3 cpg decline.



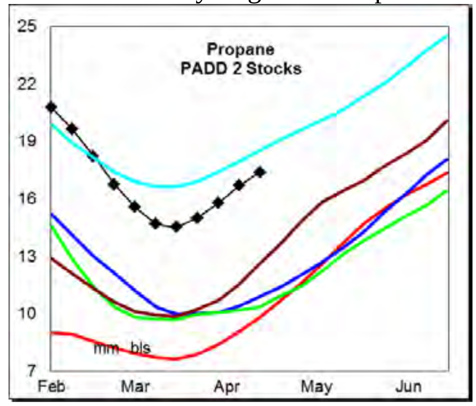
The Conway – Mt Belvieu price spread trended lower on the week, with the spread falling below each of the last 2-yrs.

The propane to natural gas price spread trended lower late in the week, ending at a level below each of the last 2-yrs.

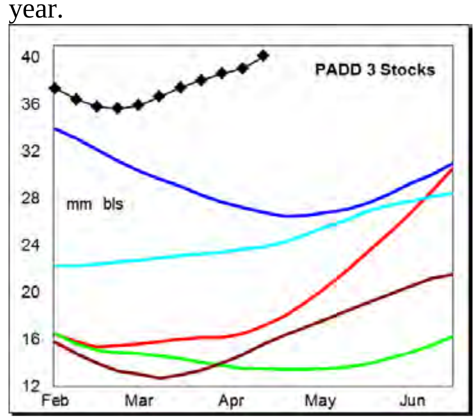
The propane / crude oil price spread extended the longer term downtrend, ending at a level below the 5-yr range.

PADD 1 stocks increased +0.1 million barrels last week. Stocks ended the week at a level equal to the 3-yr mid range. Supply for the latest 4-wk period was +60,000 bpd above last year on a +33% increase in production.

PADD 2 supply decreased -6,000 bpd on the week, driven by lower imports. Production for the latest 4-wk period was +76,000 bpd above last year (+29%). Stocks increased +0.6 million barrels on the week. Stock levels ended the week at a level near 5-yr highs for the period.



PAD 3 stocks increased +1.2 million barrels on the week, to a new record high. In the absence of very high exports, stock levels are so high that the region risk storage constraints during the next 2-quarters. Supplies for the latest 4-wk period were +2,000 bpd above last year.



PADDs 4 & 5 stocks increased +0.1 million barrels on the week, to a level +1.1 million barrels above last year, and a record high.

Emerging Trends Carry out stock levels are extremely high in the West, Midwest and Gulf regions. Production is extremely high in the East and Midwest regions, which are up a combined 125,000 bpd for the most recent 4-wk period. The result of very high production and weak demand is a record rate of stock build. These over supplied markets risk a sharp pull back when stocks reach storage capacity limits.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

April 22, 2015

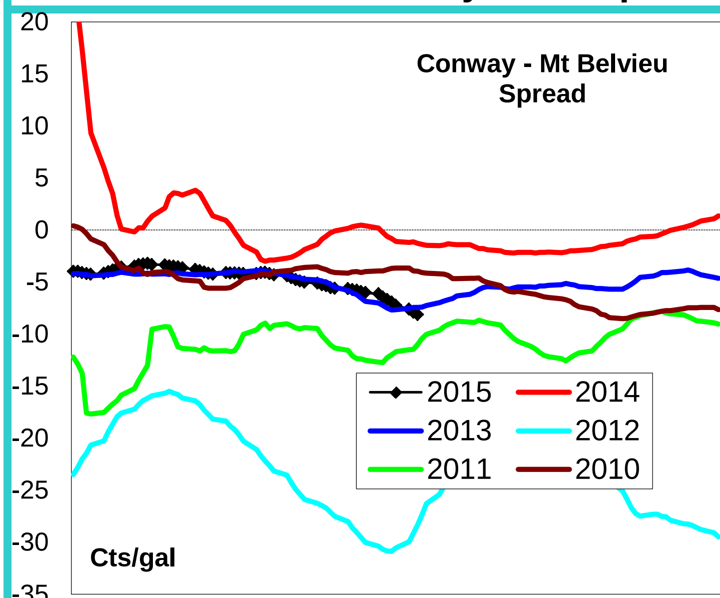
Fundamental Trends for the Week Ending: Friday, April 17, 2015

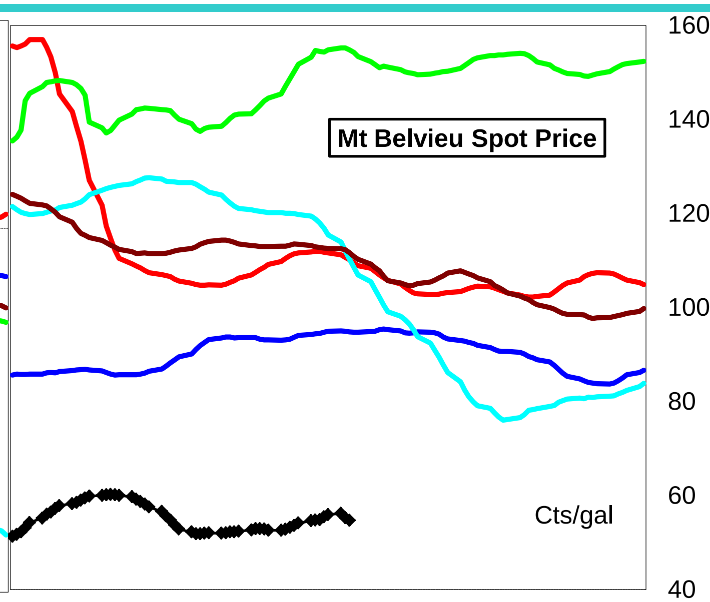
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	62,044	2,282	17,378	40,112	2,272	2,027	75	602	1,248	102
Propylene Stocks	4,593					37				
Production	1,588	200	333	869	186	37	-7	5	39	0
Imports	66	27	33	0	6	-22	-9	-11	0	-2
Whsle Demand	887					19				

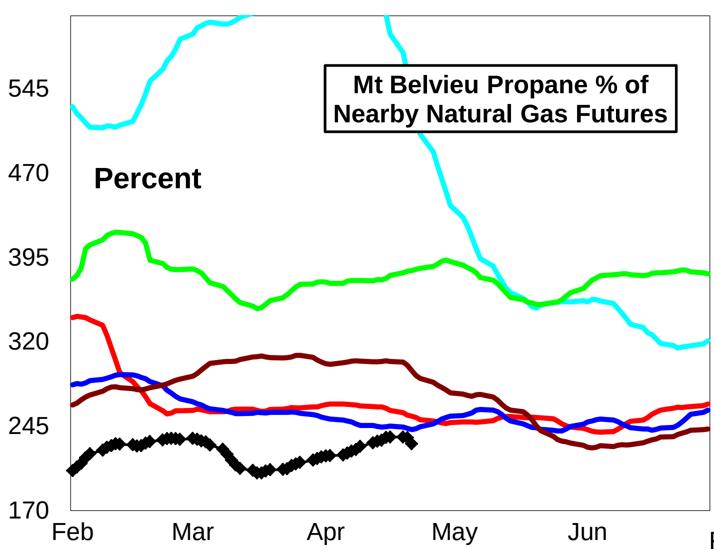
Price Trends for the Week Ending: Wednesday, April 22, 2015

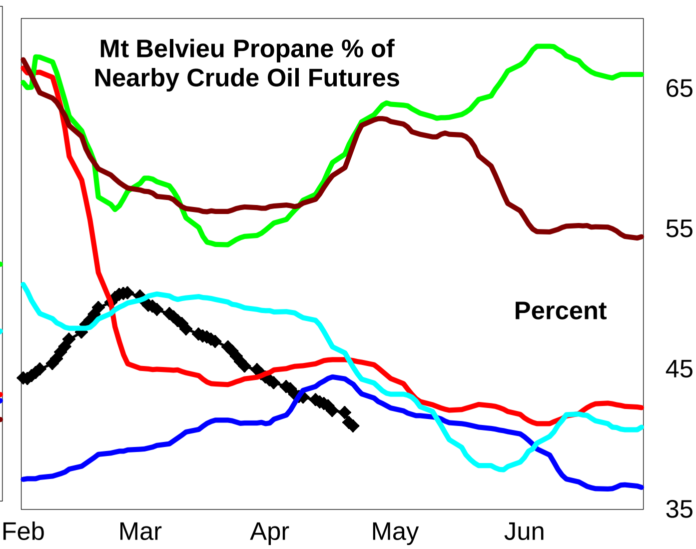
Cents/gal	Average for week ending:				Change from:			% change from:		
	4/22/15	4/14/15	3/24/15	4/24/14	4/14/15	3/24/15	4/24/14	4/14/15	3/24/15	4/24/14
Mont Belvieu Spot	56.2	54.2	51.2	111.5	2.05	2.95	-60.32	3.8	5.8	-54.1
Conway Spot	48.6	48.1	47.1	109.9	0.50	0.98	-62.80	1.0	2.1	-57.1

Key Price Spreads and Differentials

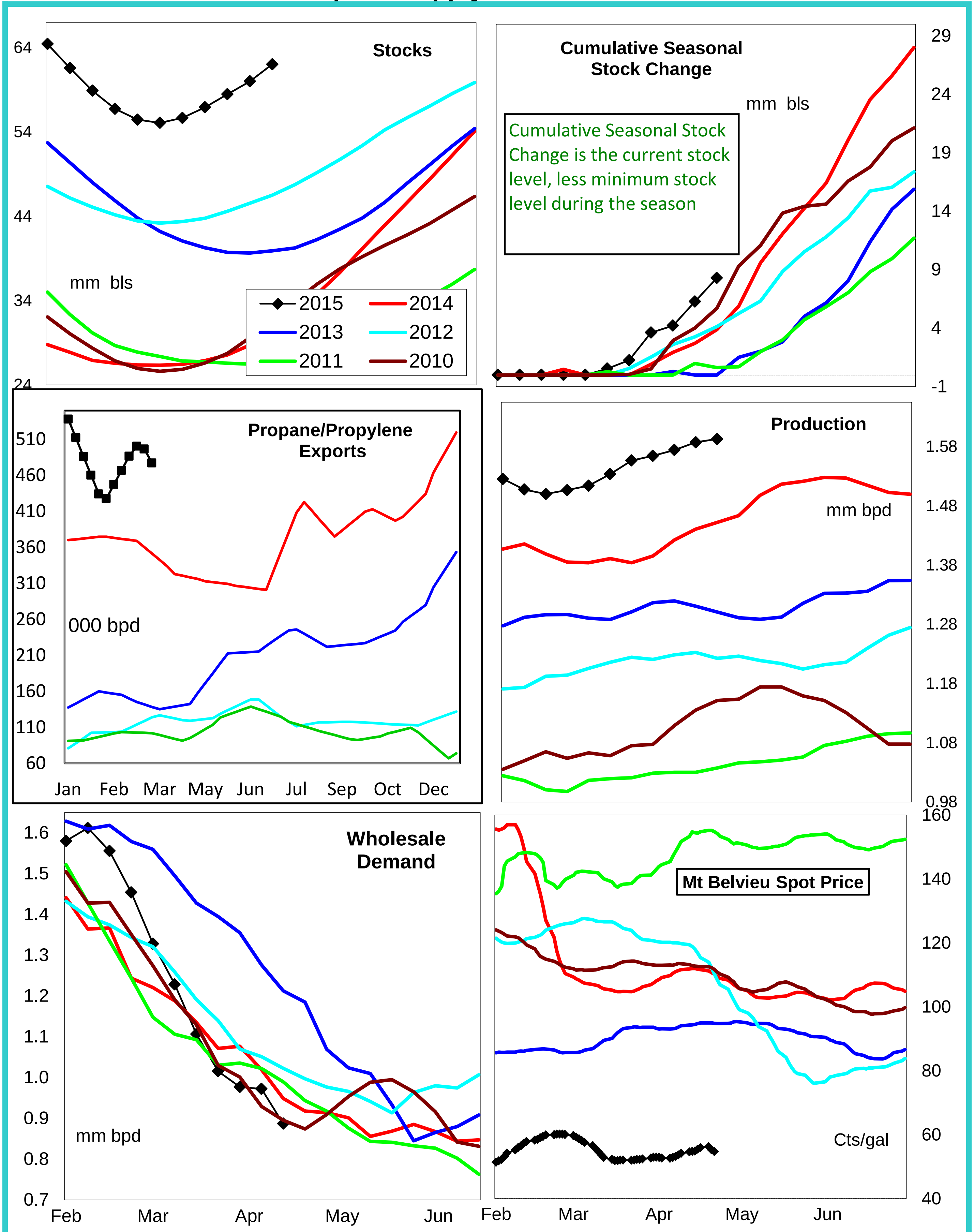








U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Feb	Jan	Dec
000 bpd (000 bls stks)	32,517	4,431	158	22		-86	171	-178	-148
% change	110.1	115	11.1	27.7		-8.3	11.9	-10.5	-9.6

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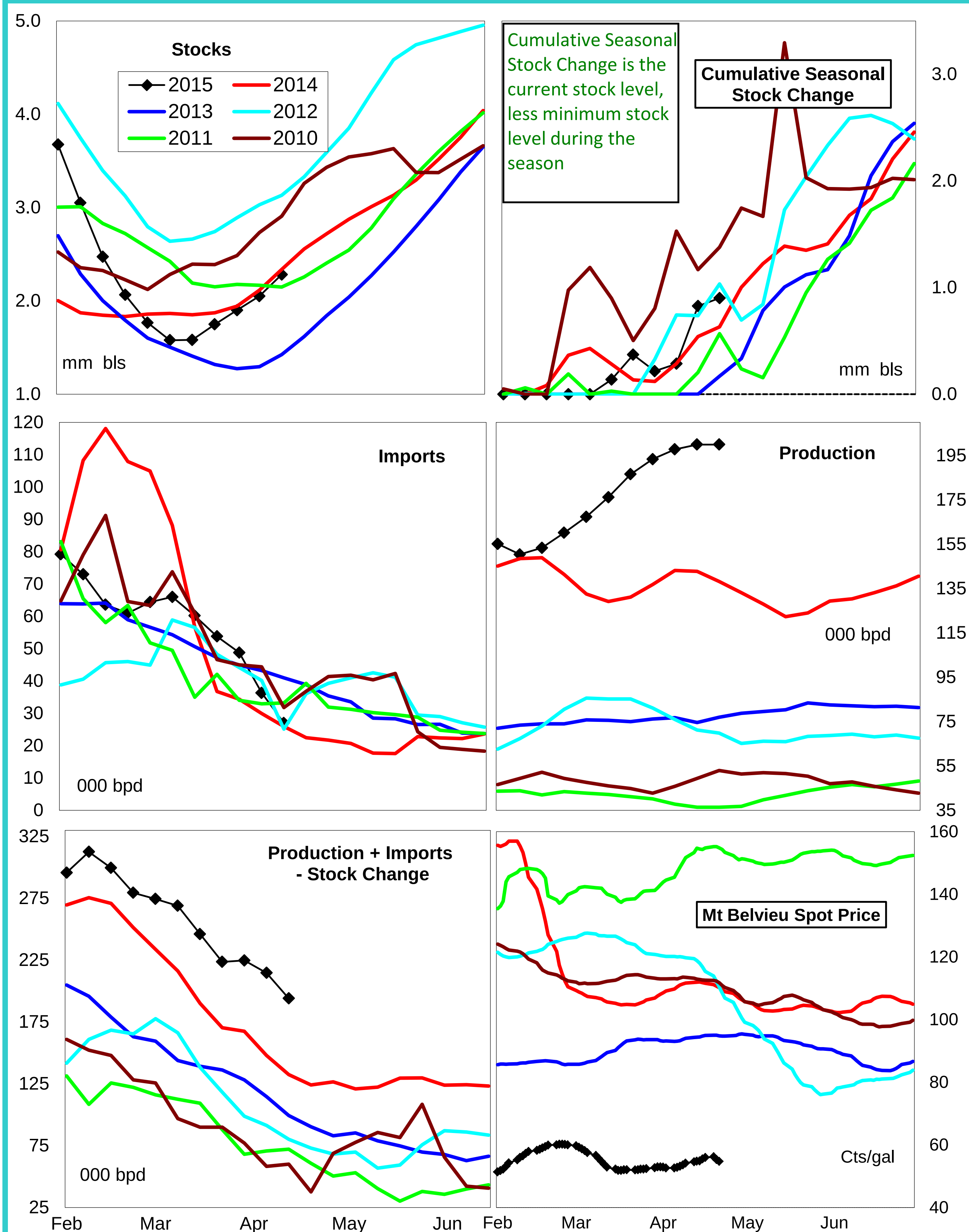
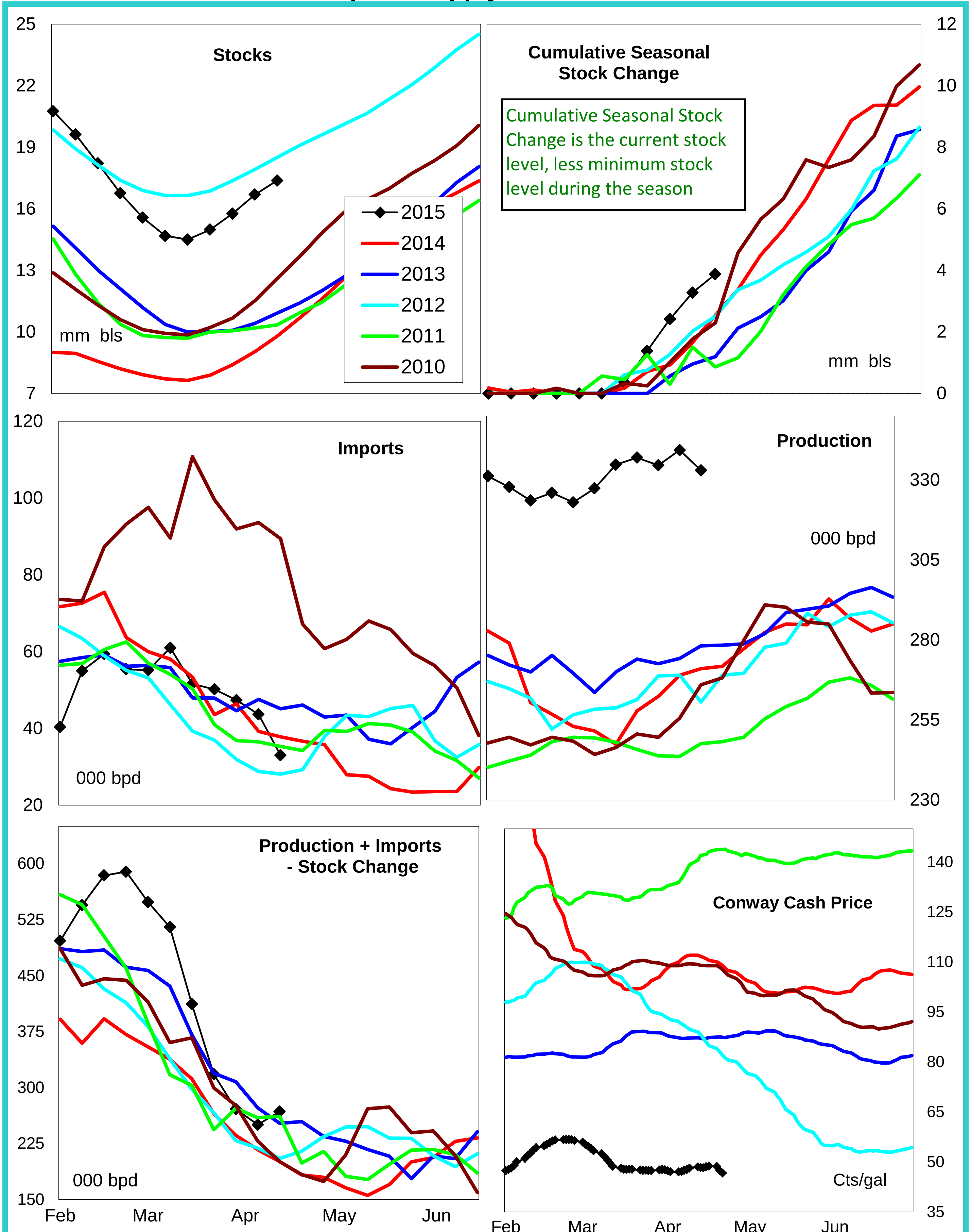
PADD 1 Propane Supply and Demand Balance



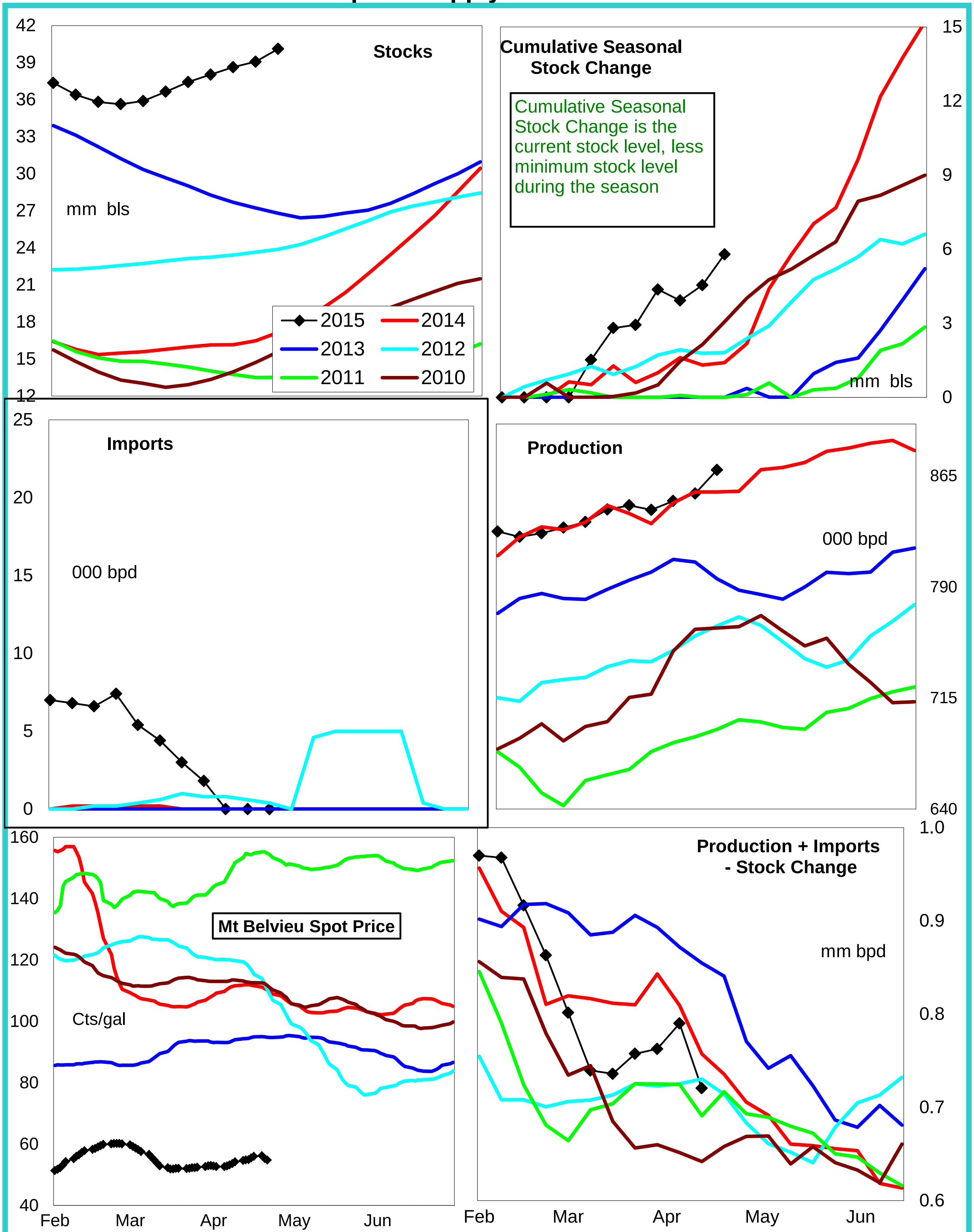
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	50	269	49	11	60
% change	2.2	42.6	33.2	34.6	38.6

PADD 2 Propane Supply and Demand Balance



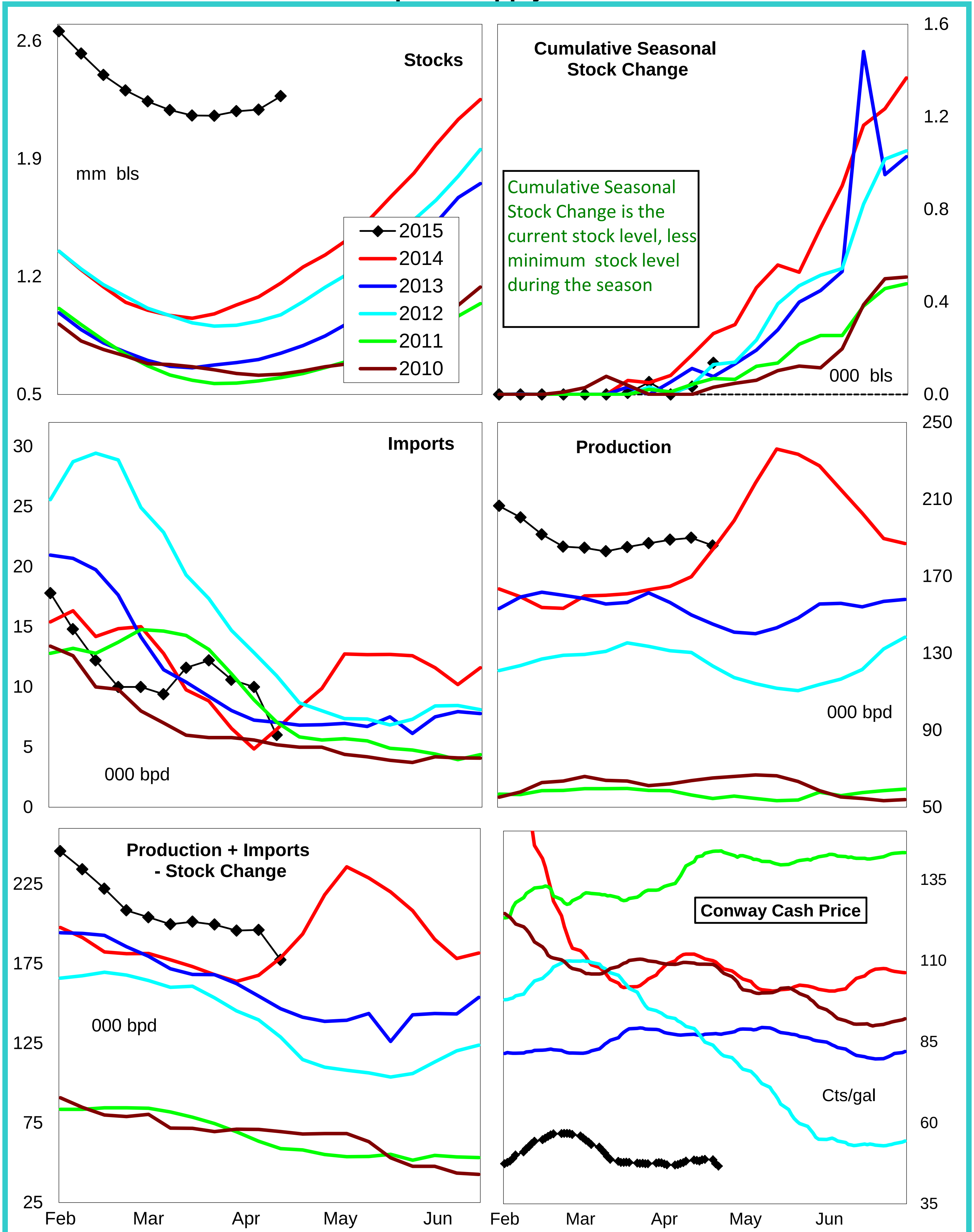
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	**7,638**	**1,335**	**76**	**5**	**47**
% change	**78.4**	**52.5**	**28.7**	**12.6**	**20.4**

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)	23,726	4,384	2	0	-47
% change	144.8	311	0.2	#DIV/0!	-5.9

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)	1,103	-127	31	6	23
% change	94.4	-48.3	19.3	130.8	13.3

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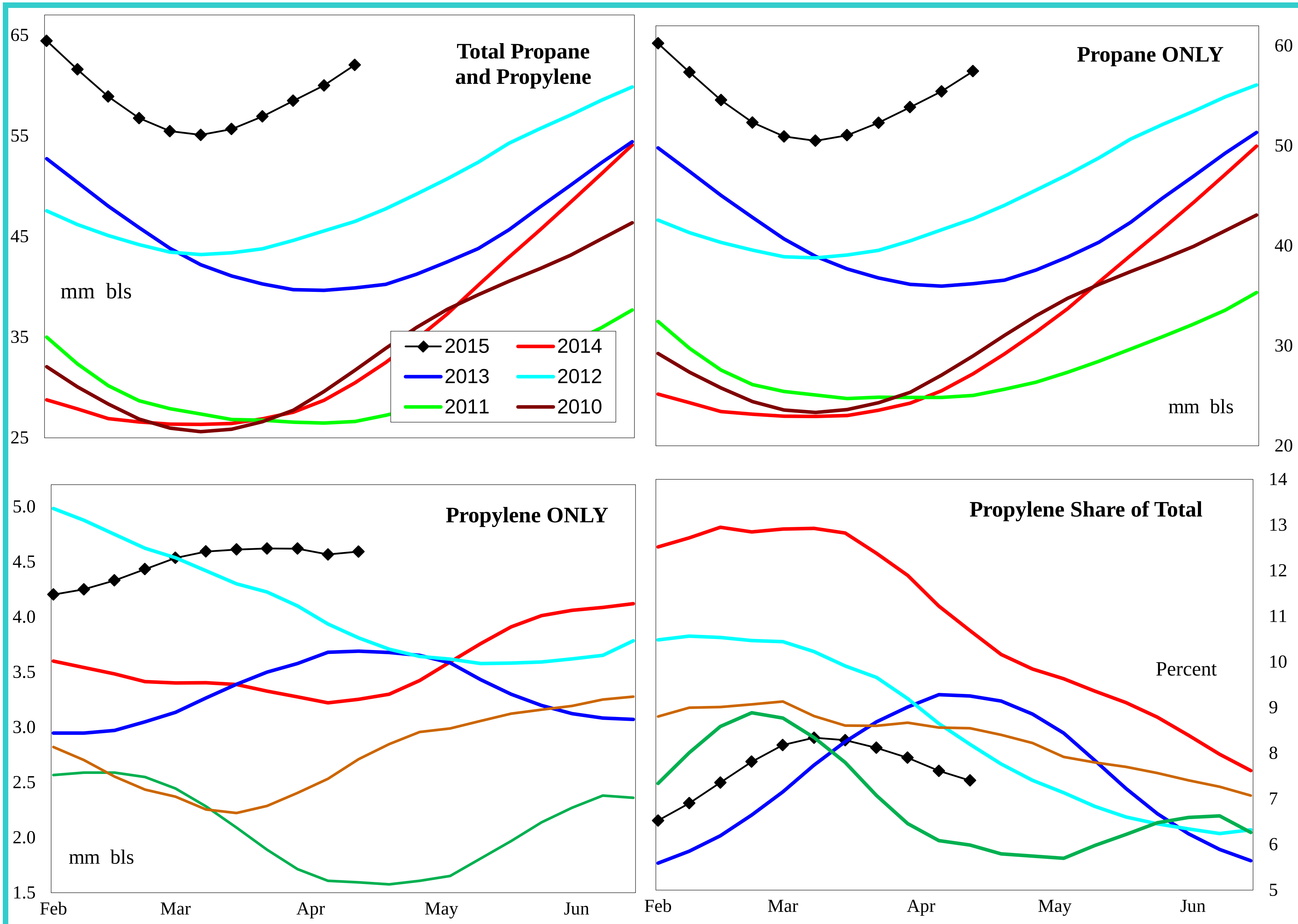
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	**32,517**	**31,038**	**1,338**
% change	**110.1**	**117.5**	**41.1**

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