Missouri Department of Natural Resources
Division of Energy

MISSOURI ENERGY BULLETIN

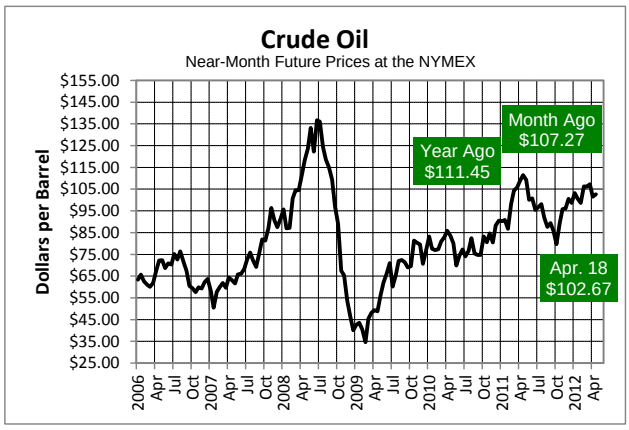
April 23, 2012

Crude Oil

U.S. crude oil prices decreased $4.60, or 4 percent, to $102.67 per barrel in the past month and stand 8 percent lower than at this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	04-18-12	03-21-12	change	04-20-11	change
NYMEX	$102.67	$107.27	down 4%	$111.45	down 8%

- At the New York Mercantile Exchange (NYMEX), crude oil futures for May delivery ended $1.53, or 1.5 percent, lower Apr. 18 to close at $102.67 per barrel, as the weekly federal fuel inventory report showed a larger-than-expected increase in domestic oil supplies. Crude prices are now 6.5 percent lower since settling at $109.77 on February 24. Crude prices are down 8 percent compared to the same period last year.



- U.S. oil inventories climbed to 369 million barrels (MMB), the most since the week ending May 27, 2011. The gain comes after the International Energy Agency reported that crude stockpiles among the 34 industrialized countries in the Organization for Economic Cooperation and Development rose 1.8 percent to 936.2 MMB in February from January. There is no need for the Organization of Petroleum Exporting Countries (OPEC) to change production quotas in June if demand remains at current levels, Iraq's deputy prime minister for energy said. OPEC ministers are scheduled to meet June 14, 2012, in Vienna.

- Oil also fell as more Americans than forecast filed applications for unemployment benefits and sales of previously owned homes fell, adding to concern that the recovery is stalling again. Futures dropped after the Labor Department said jobless claims decreased by 2,000 to 386,000 last week. Home purchases fell 2.6 percent to a 4.48 million annual rate from 4.6 million in February, the National Association of Realtors reported. Prices are down 5.4 percent from a year ago. The Labor Department revised the previous week's jobless claims figure to 388,000 from 380,000. Employers added 120,000 jobs in March, half as many as in February and the fewest in five months. The Standard & Poor's 500 Index and the Dow Jones Industrial Average were both down 0.6 percent.

- Compared to this time last year, the U.S. crude oil futures settlement price of $102.67 is $8.78, or 8 percent, lower.

- Total petroleum products supplied to market over the last four-week period ending Apr. 13 averaged 18.6 MMB/D, down 2.7 percent, compared to the similar period last year.

- According to the Apr. 18 Energy Information Administration (EIA) weekly fuels report, U.S. oil inventories increased 3.9 MMB at 369.0 MMB for the week ending Apr. 13. U.S. crude supplies are now 12.1 MMB higher than at this time last year.

- Crude imports for the week ending Apr. 13 were 8.7 MMB/D, up 0.2 MMB/D from the prior week. Imports at this time last year averaged nearly 8.0 MMB/D. Crude oil inventories represent 25.4 days of forward cover unchanged from this time last year.

- U.S. refinery crude runs were up 143,000 barrels per day with refiners processing 14.7 MMB/D of crude for the week ending Apr. 13. U.S. refinery capacity use was 84.6 percent, up 0.8 percent from the prior week and up 2.1 percent compared to this time last year.

- Gasoline output was up at 8.8 MMB/D on the week as some Gulf Coast refiners in the last stages of spring maintenance returned to service. Gasoline output was down 0.3 MMB/D compared to last year at this time. Distillate output increased slightly at 4.4 MMB/D for the week ending Apr. 13, and stands 264,000 barrels per day higher compared to the production level at this time last year.

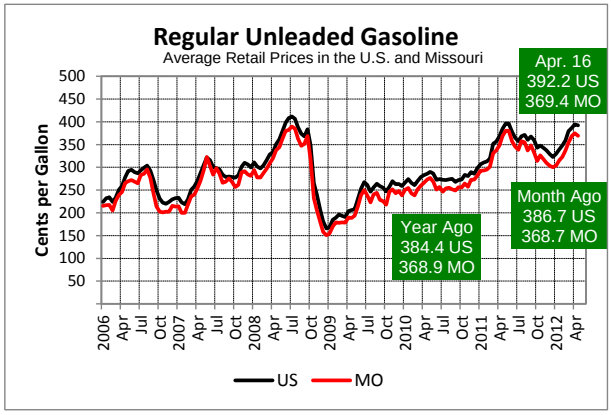
Transportation Fuels

On Apr. 16, Missouri's statewide average retail price for gasoline was $3.69 per gallon, up 0.7 cents or less than 1 percent in the past month.

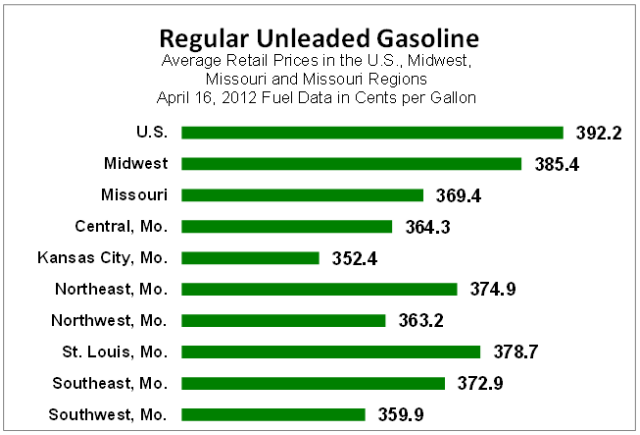
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	04-16-12	03-19-12	change	04-18-11	change
US	392.2	386.7	up 1%	384.4	up 2%
Missouri	369.4	368.7	up 0%	368.9	up 0%

Diesel Fuel - Retail Prices (cents per gallon)					
	04-16-12	03-19-12	change	04-18-11	change
US	412.7	414.2	down 0%	410.5	up 1%
Missouri	391.0	392.1	down 0%	395.3	down 1%

- On Apr. 16, Missouri's average retail price for gasoline was $3.69, an increase of less than 1.0 cent in the past month. The average price for diesel fuel was down by 1.1 cents in the past month. Missouri's average retail gasoline price is $0.05, or less than 1.0 percent, higher, while the average diesel fuel price is $0.043, or 1percent, lower for the comparable period in Apr. 2011.



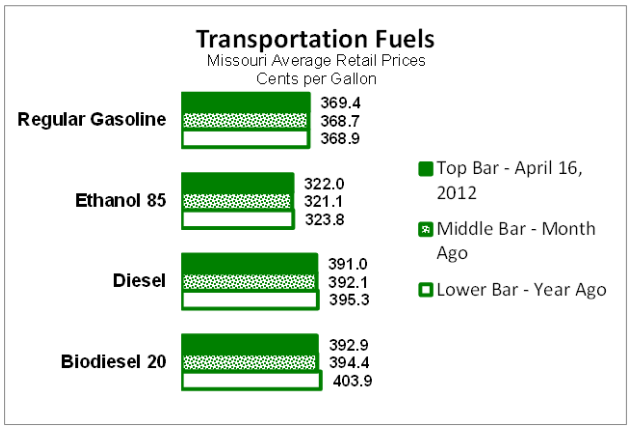
- The U.S. average price for regular gasoline was up by 5.5 cents per gallon, or 1 percent, compared to last month at $3.92 per gallon. The U.S. average was about



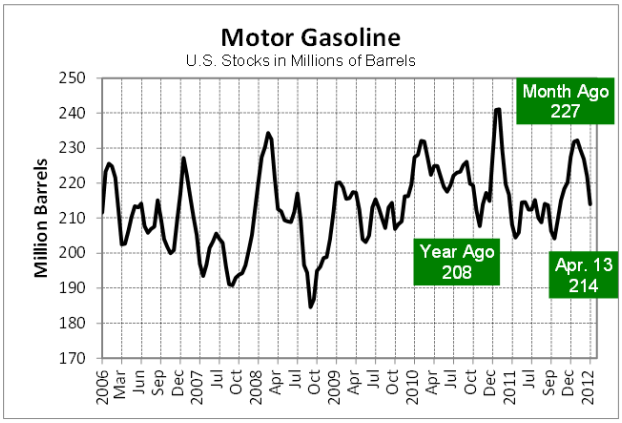
$0.08, or 2 percent, higher compared to this time last year. In the past week, the U.S. average decreased by about 2 cents per gallon.

- Gasoline imports decreased to 0.4 MMB/D for the week ending Apr. 13; about 277,000 barrels per day lower compared to the prior week, and 425,000 barrels per day lower than last year at this time.

- Implied demand for gasoline increased slightly the week ending Apr. 13 at 8.8 MMB/D, up by 94,000 barrels per day from the prior week and about 287,000 barrels per day lower compared to this same period last year. In the past 4 weeks, U.S. gasoline demand has averaged about 8.7 MMB/D, 254,000 barrels per day, or 2.9 percent, lower compared to the same 4-week period last year.



- U.S. gasoline supplies decreased 3.7 MMB at 214.0 MMB for the week ending Apr. 13. Gasoline inventories represent 24.5 days of supply for the U.S. based on implied demand during the past 4-week average. U.S. gasoline inventories are up 5.9 MMB compared to this time last year and trend at the upper end of the five-year average for this time of year.



- Distillate stocks increased at 129.0 MMB and stand 19.4 MMB lower compared to the same period last year. Distillate demand was up at 4.0 MMB/D for the week ending Apr. 13 and down 96,000 barrels per day compared to the same period last year. On the week, distillate demand, which includes diesel fuel, kerosene and home heating oil, was up about 84,000 barrels per day. On a four-week average, distillate demand was down 20,000 barrels per day compared to the same period last year at 3.7 MMB/D.

- On Apr. 16, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about $3.22 per gallon, 47 cents or about 15 percent lower than the average price for conventional motor gasoline.

- On Apr. 16, the average retail price for B20, diesel fuel containing 20 percent biofuel, was $3.93 per gallon, or about 2.0 cents or less than 1 percent, higher than the statewide average retail price for conventional diesel fuel.

- According to EIA's Apr. 10, 2012, *Short Term Energy Outlook*, regular-grade motor gasoline retail prices are estimated to average $3.81 per gallon in 2012, compared with $3.53 per gallon last year. During the April through September peak driving season, prices are forecast to average about $3.95 per gallon and peak at $4.01 in May.

Natural Gas

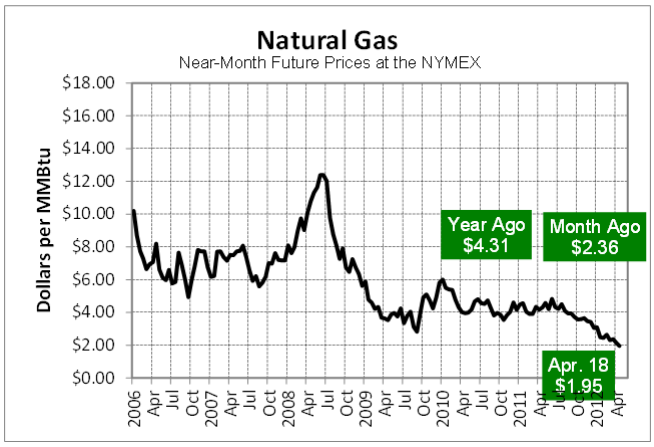
Approximately 58 percent (1,261,397) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity.

On Apr. 18, natural gas futures closed at $1.95 per million British thermal units (MMBtu), down 41 cents from a month ago and down $2.36 compared to last year at this time.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	04-18-12	03-21-12	change	04-21-11	change
NYMEX	$1.95	$2.36	down 17%	$4.31	down 55%

- Natural gas futures for May delivery decreased $0.41 in the past month to a final closing price of $1.95 per MMBtu on Apr. 18.

- At the NYMEX, the May 2012 contract during the trading week decreased 3.3 cents to close at $1.95 per MMBtu on Apr. 18.



- With the exception of April 16, when it reached $2.016 per MMBtu, the May 2012 contract remained under the $2.00 per MMBtu level throughout the trading week. Domestic natural gas consumption fell by 4.5 percent from the prior week. The residential/commercial sector led the decline with a 17.4 percent loss, while the industrial sector posted a 3.0 percent loss. In contrast, the power generation sector registered a 7.8 percent increase over the report week

- Working gas in storage as of Apr. 13 totaled 2,512 billion cubic feet (Bcf), 57.5 percent above the 5-year average inventory level for the week according to EIA's *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 871 Bcf, or 53.1 percent, higher than last year at this time.

Propane

Approximately 13 percent (293,603) of Missouri households heat with propane, which is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

*(**Note**: Beginning April 2012, residential retail propane prices will be reported only for the first full week of each month through September 2012.)*

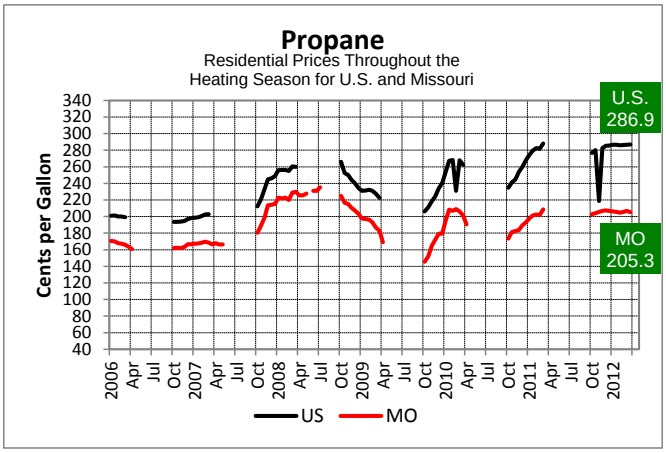
On Apr. 2, the average Missouri retail price for residential propane was about $2.03 per gallon, down 4 cents in the past month.

Propane - Retail Prices (cents per gallon)					
	04-02-12	03-06-12	change	04-04-11	change
Missouri	202.9	206.7	down 2%	203.5	down 0%

- According to the Division of Energy's statewide propane price survey conducted Apr. 2, Missouri retail residential propane prices were down 4 cents, or 2 percent, in the past month.

- According to the survey, the highest Missouri retail residential price for propane was nearly $3.00 per gallon, while the lowest retail price was about $1.70 per gallon.

- For the week ending Apr. 13, U.S. inventories of propane increased 0.9 MMB to end at 46.3 MMB. Propane inventories are now 20 MMB higher compared to the same period last year. Implied demand for propane increased 17,000 barrels per day at 1.05 MMB/D for the week ending Apr. 13, and down 10,000 barrels per day compared to the demand level for this time last year.



- For the week ending Apr. 13, Midwest propane inventories increased about 0.5 MMB. At 18.4 MMB, Midwest inventories are 8.4 MMB, or about 84 percent, higher than the 10.0 MMB reported at this time last year.

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources' Division of Energy. The Division of Energy collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the division's Web address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; and Missouri's energy retailers. For more information, contact: MO Dept. of Natural Resources, Division of Energy, P.O. Box 176, Jefferson City, MO 65102-0176; Phone: (573) 751-3443 or (800) 361-4827; Fax: (573) 751-6860; E-mail: energy@dnr.mo.gov; Web Address: www.dnr.mo.gov/energy/transportation/fb.htm