



POTEN & PARTNERS

ASPHALT WEEKLY MONITOR[®]

Vol. 28, No.6 Week of February 1 – 5, 2016

February 5, 2016

ASPHALT WEEKLY HIGHLIGHTS

- East Coast retail asphalt and retail flux pricing slipped lower in most locations.
- East Coast wholesale asphalt ranges are wider, with flux ranges declining.
- Midwest retail prices lowered by suppliers in parts of the region for the start of February.
- Midwest wholesale asphalt prices were mixed for barges and lower for February rail
- Gulf Coast retail asphalt and retail flux ranges slip in many areas.
- Asphalt and flux barge pricing on the Gulf Coast was steady.
- Rockies area selling prices slipped lower in some markets, but activity was very limited.
- West Coast selling ranges declined in California. Some other areas were unchanged.
- Western Canada retail prices are unchanged. Alberta wholesale lowered for February.
- Base grade asphalt prices in Eastern Canada are status quo.
- Oil markets went into retreat--March WTI ended at \$30.89 a bbl, off \$2.73 this week.
- April Brent fell to \$34.06 a bbl, down \$1.93 vs. last week's close. April WTI was \$32.72.
- March WCS ends the week below \$17 a bbl FOB Alberta (\$14.25 below WTI).
- Blueknight Energy Partners Acquires Asphalt Facilities in NC and VA. (see Industry News)

TABLE OF CONTENTS

US Asphalt Price Table	2
Canada Asphalt Price Table	2
Crude & Product Price Table	3
Asphalt Alternate Value Table	3
Canada vs. Foreign Crude Table.....	3
Commentary	
Crude Oil Highlights.....	4
East Coast.....	4
Midwest	10
Gulf Coast	14
Rocky Mountain.....	17
West Coast.....	19
Canada.....	21
Industry News	22

EDITORIAL STAFF

Don Wessel (212) 230-2082
 John Paul Detty (212) 230-2063
 Marissa Zeiting (212) 230-2074

Fax: (212) 355-0295
 Internet: www.poten.com
 Transmission problems: (212) 230-2063

NOTICE

Information contained in this report has been obtained from sources believed reliable. However, because of the possibility of human or mechanical error by sources, Poten & Partners, or others, Poten & Partners does not guarantee the accuracy, adequacy or completeness of any such information and is not responsible for any errors or omissions or for results obtained from use of such information. No part of this report issued by Poten may be reproduced in whole or in part, or stored in a retrieval system, or transmitted in any form or any means, electronic, mechanical, photocopying, recording or otherwise, without written permission of Poten. Copyright © 2016 by Poten & Partners, Inc.

ASPHALT PRICES

US	Posted Prices Asphalt Cement US\$/ST			Selling Prices Asphalt Cement US\$/ST			Selling Prices Roofing Flux US\$/ST		
East Coast/Northeast									
CT/MA/ME/NH/RI/VT	390	—	410	-360	—	400	235	—	250-
Inland NY/Cent. PA	370	—	450	315	—	375-	225	—	245-
NYC/NJ	-350	—	400-	-270	—	310-	205	—	230-
E. PA/MD	-350	—	400-	-270	—	310-	205	—	230-
VA/NC/SC	-350	—	400-	-290	—	365-	-205	—	230-
GA/FL	-350	—	400-	265	—	355	-210	—	235-
N.E. Barge FOB				130	—	170+			
New England Barge CIF				-185	—	210			
N.E. Barge CIF				-150	—	185	215	—	235
S.E. Barge CIF				-155	—	180	215	—	235
MidContinent/Midwest									
ND/SD/NE	400	—	500	325	—	400	-200	—	225
KS/OK/N. TX	325	—	400	-315	—	360	-180	—	210-
MN/WI	-300	—	400	-290	—	340	-200	—	225-
MO/IL/IA	-300	—	350	-290	—	350	-215	—	260
IN/OH/MI	-300	—	390	-290	—	370	-215	—	260
Area Barge				+135	—	145-	-200	—	245
Area Rail				-140	—	155-			
Gulf Coast/Mid-South									
S. TX/S. LA	-325	—	375-	300	—	355	180	—	230
AL/MS/N. LA	325	—	380-	-315	—	360-	-195	—	260-
TN/KY/AR	-360	—	390-	-335	—	380-	-225	—	280-
Area Barge				135	—	155	-160	—	210-
Rocky Mountain									
WY/MT				325	—	400			
CO/NM	420	—	500	310	—	440-			
AZ/UT	430	—	500	-300	—	450-			
Wholesale – Rail FOB				-150	—	160-			
West Coast/Northwest									
WA/OR	375	—	455	370	—	445	375	—	400
N. CA	-350	—	360-	-320	—	355-			
S. CA	-315	—	360-	-280	—	300-	-300	—	320-
CANADA									
	C\$/MT			C\$/MT					
British Columbia	660	—	685	600	—	645			
Alberta	610	—	660	600	—	625			
Saskatchewan/Manitoba	665	—	680	535	—	655			
Toronto, Ontario	710	—	730	610	—	640			
Montreal, Quebec	NA	—	NA	545	—	580			

“+” Denotes price increase from last issue’s price. “-” Denotes price decrease from last issue’s price.
 FOB prices are for domestic barrels, CIF prices are for both domestic and imported barrels. “NA” is not available or ceased posting.

CRUDE AND PRODUCTS PRICES

(\$/Bbl, Cts/Gal)	3-Feb-16	27-Jan-16	20-Jan-16
Crude Oils			
WTI Spot (\$/bbl)	32.30	32.30	26.55
ANS Spot (CAL) (\$/bbl)	31.55	30.80	24.05
Kern River FOB (\$/bbl)	26.25	27.05	19.50
WTS Spot (\$/bbl)	32.50	31.95	27.25
US Gulf Coast			
Unlead Gaso (¢Gal)	89.75	99.25	92.50
#2 Heating Oil (¢Gal)	93.75	85.25	74.00
#6 Oil 3% S \$/bbl	22.50	20.50	16.50
US West Coast			
Unlead Gaso (¢Gal)	106.25	119.75	104.75
Diesel - ULS (¢Gal)	106.50	104.75	87.50
#6 Oil 3% S / 380 CST \$/bbl	22.69	21.75	18.39
US East Coast			
Unlead Gaso (¢Gal)	104.50	108.00	104.50
#2 Heating Oil (¢Gal)	99.75	96.25	81.00
#6 Oil 3% S \$/bbl	22.75	21.75	17.25

ASPHALT ALTERNATE VALUES

(\$/Short Ton)	3-Feb-16	27-Jan-16	20-Jan-16
Asphalt to Cokers			
Gulf Coast	181	181	161
West Coast	204	212	184
East Coast	198	195	176
Asphalt to #6 Oil			
Gulf Coast	99	92	71
West Coast	92	87	75
East Coast	98	93	72
Basic Heavy Imported Crude Refinery Asphalt Breakeven			
Gulf Coast	120	103	70
East Coast	118	97	67

CANADIAN VS FOREIGN CRUDE

	3-Feb-16	27-Jan-16	Change From Last Week
FOB Edmonton, (US\$/Bbl)			
Alberta Par	28.20	27.80	0.40
Bow River	18.23	18.65	-0.42
CIF Chicago (US\$/Bbl)			
Bow River	19.55	19.97	-0.42
Oriente FOB Ecuador	28.45	25.80	2.65
CIF Montreal (US\$/Bbl)			
Maya	29.00	26.58	2.42
Brent	36.86	33.25	3.61
Light / Heavy Crude Differential, FOB (US\$/Bbl)			
Par - Bow River	9.97	9.15	0.82
WTI - Bow River	14.07	13.65	0.42

CRUDE OIL HIGHLIGHTS

The prices for crude oil softened this week, as potential OPEC action to reduce production appeared unlikely. US fundamental oil data was bearish for prices in the near term, but bullish looking further ahead. Oil inventories in the US climbed much higher for the week, while crude production eased lower and drilling activity for crude fell.

KEY US OIL STATISTICS

US Oil Production and Inventories*	This week January 29	Change vs. Previous week
US Crude Oil Production, Million BPD	9.214	-0.007
US Crude Oil Inventories (Excl. SPR), Million Bbls	502.7	+7.8

*Based on US Government EIA weekly reports.

US oil production eased a bit lower, while crude oil inventories once again rose sharply. The latest weekly EIA report had crude oil production off by 7 thousand barrels a day, to 9.214 million barrels a day. US oil inventories climbed 7.8 million barrels, to 502.7 million barrels (excluding the Strategic Petroleum Reserve).

The number of oil drilling rigs operating in the US fell. The crude oil rig count was down thirty-one rigs this week, to 467, according to the February 5 Baker Hughes weekly report.

Prices for benchmark oil grades headed lower this week. All three benchmark crude oil grades, West Texas Intermediate, North Sea Brent and Western Canadian Select (WCS), declined in price. March West Texas Intermediate (WTI) ended the week at \$30.89 a barrel, down \$2.73 a barrel versus the previous week's closing prices. April WTI closed at \$32.72 a barrel, down \$2.56 a barrel versus the previous week. WTI and other crudes have prices in contango, wherein future month prices are at a premium to prompt month prices.

North Sea Brent crude oil prices also declined. April North Sea Brent crude prices ended this week at \$34.06 a barrel, down \$1.93 a barrel, versus the previous week's close. Brent oil was trading at more than a dollar above WTI this week.

Canadian crudes slipped lower as well. March Canadian Select crude (WCS) prices were about \$14.25 below WTI this week, or below \$17 a barrel FOB Alberta.

EAST COAST MARKETS

Summary: East Coast paving markets activity was sluggish this week. However, some southern areas had modest activity, as the weather allowed. Several states experienced rain during the week. Road projects have generally concluded until the spring throughout the region. Many terminals and plants in the northern and inland areas remain shuttered for winter. Rack liftings were seasonally scant in most areas. Retail price were lower in many the East Coast locations, as we started the new month. Roofing flux demand continues to be very lackluster, according to reports. There were some flux rack selling prices declines noted for February, and prices are assessed lower in many areas of the region consequently.

The East Coast barge markets noted several new wholesale barge deals this week. Prices were in a wider band for February and first half of March deliveries. Assessments are in wider ranges accordingly. Wholesale asphalt is reportedly available from East Coast refiners and from some foreign sources. Foreign sourced product arbitrages from Europe are continuing to

tighten, as crude prices strengthen and fuel oil prices increase. Flux barge markets along the coast were reportedly holding within the current selling range assessments. Barge assessments for flux are unchanged this week (see page 2).

Estimated values for alternative outlets for asphalt/VTB's increased again this week. The estimated alternative value of asphalt in a coker, asphalt's estimated value in fuel oil, and asphalt's estimated refinery breakeven all went up from the previous week. All calculations are based upon mid-week valuations (see page 3).

NEW ENGLAND

PG 64-28 paving grade US\$/ST	Selling Prices	
	This Week	Previous Week
Central Maine	390-400	390-400
Southern Maine / New Hampshire	390-400	390-400
Boston, Massachusetts area	390-400	390-400
PG 64-22 paving grade		
New Haven, Connecticut area	-360-370-	370-380

Connecticut prices do not include the State's gross receipts tax.

- Maine:** The market remains well in the doldrums of winter in Maine, with paving work done until the spring thaw. Only minimal repair work will occur until then. Asphalt prices in New England remain at year-end levels. Most terminals and plants are shut down for the winter in New England. Assessed selling prices in Central Maine are unmoved, having ended the season between \$390-400/ST for PG 64-28. Southern Maine prices are still in that same \$390-400/ST range for PG 64-28. Maine DOT held a State letting on February 3, and will hold its next State letting on February 17.
- New Hampshire:** The paving season has concluded until the spring, with only limited emergency repair work occurring through the winter in New Hampshire. Most plants and terminals remain closed until the spring restart. Selling prices are maintaining previous levels. The price range assessment for standard grade PG 64-28 remains between \$390-400/ST.
- Vermont:** Paving activity remains shuttered until the spring, except for occasional emergency repair work. Prices in Vermont are unchanged. The market assessment is still within the \$395-400/ST range for PG 64-28 delivered into the State. The State of Vermont Agency of Transportation posted price for asphalt cement for January is \$411/ST, which is down \$21/ST from the previous level. The Vermont Agency of Transportation will hold its next State letting on March 16.
- Massachusetts:** Paving activity is seasonally slow. Work will remain very constricted through the winter, with only emergency repairs occurring until spring. Asphalt prices for non-Index based sales were flat this week. The price assessment in the Boston, Massachusetts area remains at the \$390-400/ST level for PG 64-28. In western Massachusetts, the assessment is also status quo, at the \$390-400/ST level for PG 64-28 material. The Massachusetts DOT held a State letting on February 2, and will hold its next State lettings on February 9, 12, and 23. The Massachusetts Bay Transportation Authority held a letting on February 2.
- Connecticut:** Paving projects have ceased until the season starts back up in the spring. Most terminals and plants remain shuttered for the winter. Activity will be limited to only emergency repair work, until then. Selling prices in Connecticut were slightly lower for this week. The price range in the New Haven, Connecticut area slipped \$10/ST, moving to the

\$360-370/ST level for PG 64-22 grade material. Assessments do not include the State's gross receipts tax. The Connecticut DOT held a State letting on February 3, and will hold its next State lettings on February 10, 17, and 24.

- **Roofing Flux:** In New England, roofing flux demand continues to be very sluggish. Activity remains minimal in the northeast. There were some narrower price bands reported this week. Some pricing was noted at lower levels in the northeast. The assessed price range for Maine, New Hampshire, Massachusetts and Connecticut went to within a \$235-250/ST band, depending upon supplier and location. (See page 2).

MID-ATLANTIC

PG 64-22 paving grade US\$/ST	Selling Prices	
	This Week	Previous Week
Buffalo, New York area	-360-370-	365-375
Oswego, New York area	-360-375-	365-380
Albany, New York area	-360-375-	365-380
Western Pennsylvania	315-335	315-335
NY Harbor area	-290-305-	300-330
Philadelphia, Pennsylvania area	-270-310-	290-315
Southern New Jersey	-270-310-	290-315
Baltimore, Maryland area	-285-300-	295-320

- **New York:** Paving activity has gone dormant, until the spring in the State, with projects done for the winter. Most terminals and plants have shut down for the season. Prices were at lower levels in many parts of New York this week. Assessments are accordingly adjusted down. The asphalt price assessment in the Buffalo area is modestly lower, at the \$360-370/ST level for PG 64-22. Asphalt selling prices in Oswego slipped, to within a \$360-375/ST range. In Albany, prices are also at that same \$360-375/ST level for base grade material. In the NY Harbor area, prices were \$10-25/ST lower, with prices there assessed within a \$290-305/ST range. The NYSDOT Average Posted Prices for Asphalt is \$411/ST for January, which is down \$21/ST from the previous Index level. The New York DOT held a State letting on February 4, and will hold its next State letting on March 2.
- **Pennsylvania:** Demand has been slowed by winter in Pennsylvania markets. Activity is expected to be limited to emergency repair work until the spring. Most plants in the State are shut down for the winter. Selling prices were reported at lower levels in some parts of Pennsylvania. In the Philadelphia area, prices are assessed \$5-20/ST lower, within a \$270-310/ST range for base grade material. Most sales were focused at the lower part of that range. Posted prices in the eastern part of the State were focused between \$350-370/ST for February. Selling prices in the western part of the State are unchanged, within a \$315-335/ST range. Posted/reference prices there for February are mostly between \$340-370/ST. The Pennsylvania Asphalt Cement Price Index for February is \$343/ST for Zone 1, \$355.50/ST for Zone 2 and \$368/ST for Zone 3. The Pennsylvania DOT held a State letting on February 4, and will hold its next State lettings on February 11 and 25.
- **New Jersey:** Demand in the State remains in the winter doldrums. Most work will not start back up until the spring. Asphalt prices in New Jersey were reported at lower levels this week. The southern New Jersey selling price range is down \$5-20/ST at the \$270-310/ST range for base grade PG 64-22. In northern New Jersey, asphalt prices are down \$20-30/ST, going to between \$290-305/ST for base grade asphalt. Posted prices in the State are mostly between \$290-315/ST for February. The New Jersey State asphalt index for February is \$303/ST for both the North and South regions, down \$57/ST from the previous

month. New Jersey DOT held its State letting on n February 4, and will hold its next State lettings on February 23 and 25. The New Jersey Turnpike Authority held a letting on February 2, and will hold its next letting on February 24 and March 1. NJ Transit held a letting on February 2, and will hold its next lettings on February 11, 16, and 25.

- Maryland:** Activity remained sluggish this week. Markets remain mostly shuttered for the winter. Most projects will remain shut down until the spring. There were lower prices reported to start February. Selling range assessments are accordingly down \$10-20/ST. In Baltimore, standard grade asphalt prices declined, and are assessed at the \$285-300/ST range. Prices in other parts of Maryland are lower as well, between \$290-310/ST for base grade material. Posted prices for February were in a very wide band, with most postings remaining well above current selling prices. Postings were between \$335-400/ST, with most postings focused at the \$335-365/ST level for base grade liquid. The State Index for Maryland for February is \$362.50/ST, down about \$34/ST from the previous month. The Maryland DOT held a State letting on January 28.
- Delaware:** Paving activity remains very scant, with winter gripping the State. Base grade asphalt selling prices are assessed slightly lower for the week, going to between \$310-320/ST for base grade material. Posted prices around Delaware ranged between \$335-400/ST for February, depending upon supplier and location. The State index for Delaware is \$365/ST for February, down about \$23/ST from the previous Index. The Delaware DOT had a State letting deadline date of January 26.
- Roofing Flux:** Flux demand remains lackluster in the Mid-Atlantic area. Prices for roofing flux there are in narrower bands this week. In the Inland NY/Cent. PA area, the roofing flux selling price range is in a tighter band, between \$225-245/ST for the week, depending upon supplier and location. Assessed prices in NYC/NJ are also narrowed, within a \$205-230/ST range. E. PA/MD prices are also within that same \$205-230/ST band. (See page 2).

VIRGINIA / THE CAROLINAS / GEORGIA

PG 64-22 paving grade US\$/ST	Selling Prices	
	This Week	Previous Week
Northern Virginia	-305-320-	-315-335
Central & Southern Virginia	-295-310-	-300-330
Wilmington, North Carolina area	-290-310-	300-320
Inland NC, SC	-295-365-	310-370
Charleston, South Carolina area	-315-335-	325-345
Atlanta, Georgia area	340-350	340-350
Savannah, Georgia area	320-355	320-355

- Virginia:** In Virginia, paving projects remain shut down until warmer spring weather arrives. Activity is expected to remain sluggish until warmer spring weather returns. Selling prices were reportedly lower across the State this week. Price assessments are accordingly down. In northern Virginia, standard grade selling prices are assessed \$10-15/ST lower, going to between \$305-320/ST for base grade material. Central and southern Virginia selling price assessments are also lower, by \$5-20/ST, moving to a \$295-310/ST band. At inland rail terminals in the State, prices were slightly lower as well, slipping to between \$300-320/ST for base grade. Posted prices in the State are in a \$335-370/ST range for February. The Virginia State asphalt index for PG 64-22 is \$351/ST for February, down about \$42/ST from the previous month, and the PG 76-22 index is at \$496.43/ST, down about \$62/ST from last month. The Virginia DOT will hold its next State letting on February 24.

- **West Virginia:** Paving activity remains very slow, as the winter continues. Projects remain shuttered until spring weather arrives. Price assessments are down modestly this week, slipping to within a \$325-345/ST band for PG 64-22 grade material. Posted prices in and around the State for January were mostly between \$365-385/ST, depending upon supplier and location. The State asphalt index for PG 64-22 is \$370/ST for February, down \$23/ST from the previous month Index level. The West Virginia DOT will hold its next State lettings on February 9 and March 16.
- **The Carolinas:** Many parts of the States received rain late in the week week, continuing to hinder roadwork. However, there was some activity the first part of the week in many areas. Nonetheless, there is limited work expected until warmer spring weather takes hold. There is still some repair and private work occurring as the weather allows. Pricing across the States were noted at lower levels to start February. In the Wilmington, North Carolina area, the assessed price range is down \$10/ST, going to between \$290-310/ST for base grade. In the Charlotte and Inland areas, the rack price assessment is down \$5-15/ST, in a wide band, between \$295-365/ST. Most posted prices in North Carolina were well above selling prices, with postings between \$330-380/ST for February, depending upon location and supplier. The North Carolina State asphalt index \$366.43/ST for February, down about \$45/ST from the previous Index level. The North Carolina DOT will hold its next State letting on February 16.

In South Carolina, retail demand was limited late this week by rainy weather. Most projects have concluded until the season restarts in the spring. Limited private and repair work will be occurring until then, mostly weather dependent. Price assessments are lower in the State to start February. Selling prices in the Charleston, South Carolina area are assessed \$10/ST lower, going to between \$315-335/ST for base grade asphalt. Asphalt prices at inland terminals supplied by rail slipped, but continue in a wide band, between \$295-365/ST for base grade, depending upon supplier and location. Posted prices in South Carolina were mostly between \$385-395/ST for February, above most actual selling prices. The South Carolina State asphalt index is \$392.14/ST for February for PG-64-22, down about \$26/ST from the previous month. The South Carolina DOT will hold its next State letting on February 9 and March 8.

- **Georgia:** In Georgia, demand continues to be sluggish as winter drags on, and is expected to remain weather dependent until warmer temperatures return in the spring. Most projects have concluded until then. Some private and repair work is still occurring, as the weather allows. Selling prices were reportedly status quo in the State to start February. Assessed ranges are accordingly unchanged. In Atlanta, prices are still between \$340-350/ST for base grade PG 64-22 material. In Savannah, asphalt prices are also unmoved this week, with the assessment at the \$320-355/ST level for base grade. Posted prices in Georgia are mostly between \$360-380/ST. The Georgia State asphalt index is \$369/ST for the month of February, down \$19/ST from the previous Index level. The Georgia DOT will hold its next State letting on February 19.
- **Roofing flux:** In the southeast East Coast, roofing flux demand remains slow. Demand has been very mediocre since mid-2015. Market price assessments are in tighter and lower bands for this week. In the VA/NC/SC assessed area, the prices are down \$5-10/ST within a \$205-230/ST range. Selling prices in the GA/FL area are also weaker, assessed down to between \$210-235/ST for February pricing. Prices varied, depending upon supplier, quality and location. (See page 2).

FLORIDA

Primarily PG 67-22 paving grade US\$/ST	Selling Prices	
	This Week	Previous Week
Jacksonville, Florida area	-280-300	285-300
Cape Canaveral, Florida area	-285-300-	295-305
Ft. Lauderdale, Florida area	-340-355	345-355
Tampa, Florida area	265-280-	265-300
Florida Panhandle area (Including Mobile, AL)	-315-325-	325-340

- Florida:** In Florida, demand remains seasonal, with activity still not back into the full throes of construction in most areas. Activity is expected to be sluggish until the spring in northern locations. However, many southern parts of the State are working through the winter. The State reported some price declines this week, with assessments adjusted accordingly for February. In Jacksonville, selling prices for base grade material were noted in a wider band this week, with some suppliers reportedly lowering prices for February. The assessment there is between \$280-300/ST for base grade, with most sales focused at the lower-end of that range by week’s close. In Cape Canaveral, sales prices are lower for the new month, the assessment moved down \$5-10/ST, to between \$285-300/ST. In the Ft. Lauderdale and southern Florida area, prices were noted as in a modestly wider band. The selling assessment there is now between \$340-355/ST. The Tampa asphalt market was in a narrower range this week, with the assessment going to the \$265-280/ST level. Some pricing outside of those band have also been noted.

In the Florida Panhandle Area, activity remains in the winter doldrums, and is expected to pick back up as the weather warms. Pricing was noted at slightly lower levels to start February. Area ranges are assessed \$10-15/ST lower. In the Panama City area, prices are down to within a \$315-325/ST band. Asphalt prices in the Mobile, Alabama area are also down to that same range for base grades. The assessed range for the Florida Panhandle area (Including Mobile, AL) is within the \$315-325/ST band. The Florida State Bituminous Materials index for unmodified binders was \$1.5616/Gal for January (about \$367/ST, down about \$41/ST from the previous month). The Florida DOT held State lettings February 2 and 5.

EAST COAST BARGES

PG base paving grade* US\$/ST	Selling Prices	
	This Week	Previous Week
N.E. Barge FOB	130-170+	130-160
New England Barge CIF	-185-210	190-210
N.E. Barge CIF	-150-185	160-185
S.E. Barge CIF	-155-180	160-180

*N.E. Barge FOB is PG 64-22, New England Barge CIF is PG 64-28, N.E. Barge CIF is PG 64-22, and S.E. Barge CIF is PG 64-22 and/or PG 67-22.

East Coast Barge: There were several barge deals reported on the East Coast this week. Sales were reportedly executed in a wide band this week. Deals were reportedly both above and at the bottom of last week’s range for FOB pricing. Accordingly, price assessments are in wider bands. The arbitrages for some foreign sourced material are reportedly continuing to narrow, according to reports. Nonetheless, there has been some foreign material recently moving at competitive delivered prices to the East Coast market locations. Rail supply into the region is available, but railed product from other regions continues to be less competitive, with narrow arbitrages, versus locally-produced and waterborne sourced supply.

The N.E. Barge FOB price for PG 64-22 is in a wider band this week. Prices for locally produced material were noted above and at the bottom of last week's range, with the assessment widening to between \$130-170/ST FOB, depending upon supplier. The New England Barge CIF range is modestly wider for this week, with the assessment in a \$185-210/ST band for PG 64-28. The N.E. Barge CIF price assessment for PG 64-22 widened to between \$150-185/ST. The S.E. Barge CIF assessment is modestly broader, within the range of \$155-180/ST for PG 64-22. There were some unconfirmed reports of pricing available below some of those ranges as well.

Roofing Flux Barge: No specific East Coast flux barge sales were reported this week. However, pricing was noted within the current selling range levels. Price ranges are accordingly status quo along the East Coast this week. Assessments for N.E. Barge CIF flux are holding between \$215-235/ST. S.E. Barge CIF selling prices are also steadfast, within that same \$215-235/ST range (See page 2). Prices varied by supplier, quality, and location.

Asphalt Alternate Values: Asphalt alternate value calculations are higher from last week. Asphalt's alternate value in a coker increased slightly, by about \$3/ST, going to approximately \$198/ST. Asphalt's alternative value in fuel oil also rose, by about \$4/ST, to approximately \$97/ST. The estimated breakeven production cost for asphalt at an East Coast refinery climbed, by about \$21/ST, to about \$118/ST. All calculations were based on mid-week valuations (see page 3).

MIDWEST / MID-CONTINENT MARKETS

Summary: The start of February brought with it reports of some price reductions for retail asphalt, as well as changes in prices for wholesale barges and rail volumes. Markets are assessed lower in some locations and steady in others, with some not reporting changes this week. Most areas were cold, with very little rack activity. Reports had roofing flux prices that were mostly similar to January prices.

NORTH AND SOUTH DAKOTA

Primarily PG 58-28 paving grade US\$/ST	Selling Prices	
	This Week	Previous Week
Eastern Dakotas	325-350	325-350
Western Dakotas	375-400	375-400

- **The Dakotas:** The Dakotas were cold and quiet for the winter season. Racks were mostly closed. The eastern areas of the Dakotas remain assessed between \$325-350/ST for base grade asphalt. Western areas stayed assessed between \$375-400/ST this week.

NEBRASKA & IOWA

Primarily PG 58-28 & PG 64-22 paving grades US\$/ST	Selling Prices	
	This Week	Previous Week
Nebraska		
Eastern markets	325-350	325-350
Western markets	325-350	325-350
Iowa		
Eastern markets	325-350	325-350
Western markets	325-350	325-350

- **Nebraska:** There were no reported changes for Nebraska this week. It remained mostly cold and quiet there. Eastern Nebraska is assessed in a \$325-350/ST range for base grade asphalt. Western Nebraska also is assessed in a \$325-350/ST range for base grade.
- **Iowa:** The Iowa market was quiet, with no reported price changes. Base grade asphalt is still assessed between \$325-350/ST for eastern and western areas, pending further news.

MINNESOTA & WISCONSIN

Primarily PG 58-28 & PG 64-22 paving grades US\$/ST	Selling Prices	
	This Week	Previous Week
Minnesota		
Twin Cities, Minnesota area	300-325	300-325
Other Minnesota areas	310-340	310-340
Wisconsin		
Northern markets	315-340	315-340
Southern markets	-290-300-	300-320

- **Minnesota:** No price moves were reported for Minnesota, where racks were mostly closed or inactive. The Twin Cities area is assessed between \$300-325/ST for base grade asphalt, pending further news. Other Minnesota locations remain assessed between \$310-340/ST.
- **Wisconsin:** There was little rack activity in Wisconsin this week, with winter conditions prevailing. As to prices, there were no reported changes for northern Wisconsin area this week, where markets are still assessed in a \$315-340/ST range for base grade. However, southern Wisconsin had some suppliers reducing prices by about \$20/ST for the start of February. The market there is assessed \$10-20/ST lower this week, between \$290-300/ST.

ILLINOIS / MICHIGAN / OHIO / INDIANA / KENTUCKY

Primarily PG 64-22 paving grade US\$/ST	Selling Prices	
	This Week	Previous Week
Chicago, Illinois area	-290-300-	300-320
Detroit, Michigan area	-340-360	-350-360-
Cleveland, Ohio area	350-360	-350-360-
Cincinnati, Ohio area	-350-360-	360-380-
Toledo, Ohio / Ft. Wayne, Indiana area	-330-370	-340-370-
Northwest Indiana area	-290-300-	300-320
Indianapolis, Indiana area	340-350	-340-350-
Southern Indiana area	-340-360-	-350-370-
Kentucky	350-360-	-350-390

- Illinois:** Some supplier price reductions were noted for the start of February, despite mostly quiet racks. The start of February brought with it more price reductions in Illinois. In the Chicagoland area, posted prices were reported lower, between \$300-340/ST this week for January PG 64-22. Selling prices are assessed in a \$290-300/ST range, down \$10-20/ST for the week. (PG 58-28 prices are still mostly \$30/ST above PG 64-22.) Elsewhere in northern Illinois, posted/reference prices were as high as \$350/ST. Selling prices there are assessed \$10-20/ST lower, between \$290-300/ST. Central Illinois posted/reference prices held at \$350/ST this week for base grade, but the selling range assessment declined by \$10/ST, to a \$330-340/ST range. Southern Illinois posted prices continued to be reported at \$310/ST for PG 64-22. The selling price range is mostly between \$300-310/ST.
- Michigan:** No specific posted/reference price moves were noted for this week. Detroit posted/reference prices were still reported at \$370/ST for PG 64-22. However, selling prices are assessed in a wider range, between \$340-360/ST. Other Michigan locations are assessed unchanged, between \$350-360/ST for base grade.
- Ohio:** Asphalt markets were assessed steady in some areas and somewhat lower in others this week for the start of February. In the Cleveland and northeast Ohio area, posted/reference prices were reported at \$360/ST for base grade, with the selling range assessed steady, in a \$350-360/ST range. Northwest Ohio selling prices are assessed in a wider range for the start of February, between \$340-370/ST. In southern Ohio, posted/reference prices fell by \$30/ST this week, going to \$360/ST for PG 64-22. Selling prices there (including Cincinnati) are assessed \$10-20/ST lower, between \$350-360/ST for base grade material.
- Indiana:** Some Indiana markets moved lower to start February. Prices were reduced in the northern part of the State, according to reports. Rack activity remains limited, given the time of year and colder temperatures. Many terminals are closed for the winter season. In northwest Indiana, posted prices for PG 64-22 are between \$300-350/ST for the first week of February. Selling prices there are assessed \$10-20/ST lower this week, between \$290-300/ST. (PG 58-28 grade is \$30/ST over PG 64-22.) Northeast Indiana selling prices are assessed in a broader range this week, between \$330-360/ST for base grade asphalt. Indianapolis posted/reference prices stayed at \$350/ST for base grade asphalt, while the selling price range is assessed steady, between \$340-350/ST. In southern Indiana, the posted/reference prices were at \$360/ST for PG 64-22, with the selling range assessed in a lower range, between \$340-360/ST.
- Kentucky:** More posted/reference price reductions were reported this week for supply in the State. The price cuts were for the start of February. Selling range assessments declined as well. Western Kentucky some posted and reference prices dropped by \$25/ST,

going to \$370/ST for PG 64-22 grade. Selling prices there are assessed in a narrower and lower range, between \$350-370/ST. In central Kentucky, more suppliers reduced prices this week for the start of February. Posted/reference prices ranged between \$355-360/ST for the area this week, with some prices lowered by \$30/ST there. Selling prices are assessed in a wider and lower range, between \$350-360/ST for base grade asphalt, with prices mostly in the lower part of that range by weeks end. In eastern Kentucky, posted and reference prices fell by \$30/ST this week. They were reported at \$360/ST for base grade. Eastern Kentucky selling prices are assessed \$20-30/ST lower, going to a \$350-360/ST band for the week.

MISSOURI / KANSAS / OKLAHOMA

Primarily PG 64-22 paving grade US\$/ST	Selling Prices	
	This Week	Previous Week
St. Louis, Missouri area	300-310	300-310
Kansas City area	-315-325	320-325
Tulsa, Oklahoma / Southern Kansas	340-360	340-360
So. Oklahoma [including Dallas, TX]	-340-360	345-360

- Missouri:** The markets were mostly steady and quiet this week, with no posted price changes reported. St. Louis area posted prices remained at \$310/ST for PG 64-22, while selling prices continue assessed between \$300-310/ST for non-indexed sales. The Kansas City area market had posted prices still reported at \$325/ST, with the selling range in a slightly wider range, between \$315-325/ST for base grade asphalt liquid.
- Kansas:** Kansas markets were mostly quiet, with prices unmoved. Kansas City posted prices remained at \$325/ST for PG 64-22. The selling range there is widened slightly, between \$315-325/ST. (PG 58-28 is \$20/ST above PG 64-22.) In southern Kansas, posted prices were last reported as high as \$400/ST for PG 64-22. The selling prices there remain assessed between \$340-360/ST. (PG 58-28 is \$20-25/ST above PG 64-22 grade.)
- Oklahoma:** The Oklahoma market was mostly steady, with little activity reported. Posted prices in the Tulsa area were last reported as high as \$400/ST. However, selling prices for Tulsa area and southern Kansas are still assessed in a \$340-360/ST range, with unconfirmed reports of prices below the range. Southern Oklahoma/Dallas area selling prices are assessed in a slightly wider, lower range, between \$340-360/ST.
- Roofing Flux:** In Kansas and Oklahoma, roofing flux prices were noted \$20/ST lower for the start of February, mostly between \$180-210/ST FOB. (See page 2)

MIDWEST BARGES

Typical unmodified paving grades US\$/ST	Selling Prices	
	This Week	Previous Week
Area barge	+135-145-	125-150-
Area rail	-140-155-	-145-165-

Wholesale Barge: The market was active for February barge volumes. Several barge deals were reported, with a total of 90 thousand barrels of base grades selling for \$135/ST FOB for late-February delivery. Wholesale supply was readily available in the St. Louis/Chicago area. Base grade prices for barge-size lots are assessed in a narrower range for most February activity, between \$135-145/ST FOB in the reference St. Louis/Chicago geographical area.

Some modest activity was noted at prices outside of the range as well. PG 58-28 is mostly priced \$20-30/ST above PG 64-22 grade.

Area Rail: Midwest rail supply was available, with prices declining modestly for February volumes. In the St. Louis/Chicago reference area, wholesale rail supply is assessed \$5-10/ST lower this week, between \$140-155/ST FOB for most February PG 64-22 supply. Some sales were noted outside of that range as well.

In the upper Midwest, February wholesale prices were noted mostly between \$150-160/ST FOB, which is \$15-25/ST below prices in January. The Ohio River area prices were noted \$10/ST lower this week, going to \$155/ST FOB. Railed supply was available from a number of refiners in the Midwest, according to most reports.

Wholesale Roofing flux: February flux prices were noted mostly in a \$200-245/ST FOB range this week, which is similar to end-January prices. In the upper Midwest, prices were mostly in a \$200-225/ST FOB range. (See page 2).

GULF COAST / MID-SOUTH MARKETS

Summary: Gulf Coast paving markets remained seasonal this week. Asphalt demand is weather dependent, with winter deterring activity in much of the region. Most projects have wrapped up for the winter, with limited work expected in most states until the spring. Area rack prices were lower in many locations to start February. Retail assessments in the Gulf Coast/Mid-South markets declined in many areas. Roofing flux demand remains very limited, with many roofing plants operating at low rates, according to reports. Retail flux prices had some lower prices as well, with assessments adjusted down some Gulf Coast / Mid-South locations.

Wholesale asphalt barge markets had one new reported barge sale this week. Activity was within last week’s range. Accordingly, the Gulf Coast barge price assessment is unchanged this week. Wholesale flux barge markets remain very sluggish, with the price assessment for roofing flux barges also holding steady this week.

Asphalt’s estimated alternate value calculations were mixed. The estimated alternative value in a coker was steadfast from the previous week. Meanwhile, asphalt’s estimated value in fuel oil and asphalt’s estimated breakeven production cost were higher. All breakeven and alternate value estimates are based on mid-week valuations (See page 3).

TENNESSEE / MISSISSIPPI / ALABAMA

Primarily PG 64-22 / PG 67-22 paving grades US\$/ST	Selling Prices	
	This Week	Previous Week
Eastern Tennessee	-365-380-	370-390
Central Tennessee	-360-370-	365-375
Western Tennessee	-355-370-	365-380
Northern Mississippi	-320-330-	325-345
South / Central Mississippi	-315-330-	325-345
North / Central Alabama	-320-330-	325-345
Southern Alabama	-315-325-	325-340

- Tennessee:** Paving markets continued to be very quiet, with poor paving conditions this week. Most paving projects remain shuttered across the State for the winter. Many area racks and plants have closed until the spring. Selling prices were reportedly lower across the State to start February. Area assessments are accordingly adjusted down. Posted/reference prices were mostly between \$375-390/ST in the State, depending upon supplier and location. The Tennessee State Asphalt Index for AC PG 64-22 is \$366.82/ST for February, down about \$22/ST from the previous Index level.

In eastern Tennessee, asphalt retail selling prices slipped from last week's levels according to reports. Market assessments are down \$5-10/ST, between \$365-380/ST for PG 64-22 grade material. Posted/reference prices are mostly between \$380-390/ST for standard grade PG 64-22. In Chattanooga, selling prices were down modestly, to between \$365-380/ST. In Knoxville, selling prices were also lower, in a \$370-380/ST range. In central Tennessee, in the Nashville area, selling prices slipped modestly this week. The assessment there is within a \$360-370/ST band. In western Tennessee, in the Memphis area, the selling price assessment is down \$10/ST, going to between \$355-370/ST for PG 64-22.

- Mississippi:** Paving activity is expected to remain lackluster through the winter, with paving work weather dependent. Some private and repair work will continue throughout the winter season. There were some lower selling prices noted in the State to start February. Assessed ranges are accordingly lower throughout Mississippi. Prices in northern Mississippi are assessed \$5-15/ST lower, going to between \$320-330/ST for standard grade asphalt liquid. In southern and central Mississippi, selling prices are also weaker, within a \$315-330/ST range. The Mississippi DOT base price for contracts for PG 67-22, as of January 7, was \$375.57/ST (down about \$44/ST from the previous month), with PG 64-22 at \$365/ST (down about \$33/ST from the previous month).
- Alabama:** Demand continues to be seasonal, with paving activity limited by weather. Some private and repair jobs are still occurring, weather dependent. Activity is expected to remain seasonal and slow until the spring. Asphalt selling prices were noted at lower levels to start February in Alabama. Assessed ranges are accordingly down. The selling price assessment for northern and central Alabama slipped \$5-15/ST, going to between \$320-330/ST for base grade material. In Southern Alabama, the base grade asphalt selling price range is also lower, by \$10-15/ST, with the assessed range between \$315-325/ST for base grade material. The Alabama State Index price for January is \$1.51/Gal (about \$355/ST, down about \$7/ST from the previous month).
- Roofing Flux:** Area roofing flux activity reportedly remains very slow. Tennessee and Arkansas roofing flux selling prices are slightly lower this week. Assessed prices there slipped \$10/ST, and are in a wide band of \$225-280/ST, depending upon supplier, location and quality. In Alabama and Mississippi, roofing flux prices were also down \$10/ST, within a \$225-260/ST range. Some prices outside of those ranges also been noted recently.

LOUISIANA / TEXAS / ARKANSAS

Primarily PG 64-22 / PG 67-22 paving grades US\$/ST	Selling Prices	
	This Week	Previous Week
Southern Louisiana	330-355	330-355
Northern Louisiana & Southern Arkansas	-335-360-	355-375
Dallas, Texas area	-340-360	345-360
Corpus Christi / Houston, Texas areas	300-325	300-325

- Louisiana:** In Louisiana, activity was noted as seasonal, with limited paving occurring in most areas. Road projects have mostly shut down for the winter, with mitigated activity expected until warmer dry weather returns. Some southern locations continue to pave throughout the winter, as the weather allows. Racks were lower in some parts of the State this week, with others unchanged. In southern Louisiana, the base grade selling price range is still within a \$330-355/ST band. In northern Louisiana, selling prices are \$15-20/ST lower, going to between \$335-360/ST. Posted/reference prices in the State remain mostly between \$375-385/ST. Louisiana State DOT's asphalt price index for PG 64-22 is \$364/ST for February, down \$21/ST from the previous month. The Index price for February for PG 70-22M is \$451/ST, with PG 76-22M at \$496/ST. The Louisiana DOT will hold its next State lettings on February 10 and 24.
- Arkansas:** Markets were seasonal this week, with poor paving weather stunting activity. Assessed ranges are somewhat lower across Arkansas to start February. In Southern Arkansas, prices declined \$15-20/ST, going to between \$335-360/ST. Prices in other areas of the State are lower as well, going to that same \$335-360/ST band for base grade. The combined Northern Louisiana & Southern Arkansas selling price assessment is also lower, within the \$335-360/ST band for PG 64-22 grade material. The Arkansas State Highway and Transportation Dept. will hold its next State letting on February 10.
- Texas:** Texas markets were noted as mostly unchanged this week, with some price weakening in some locations. Paving activity is weather dependent in most areas, with modest work ongoing. There were no specific reported price movements in Texas markets this week. Some selling prices were adjusted this week. Dallas area posted prices were mostly at the \$350-375/ST level. The selling range in that area is in a modestly wider band, between \$340-360/ST for base grade product. In Corpus Christi and Houston, standard grade asphalt price ranges are status quo, with the price assessment there at the \$300-325/ST level. Base grade asphalt-selling prices in the Brownsville area are assessed unchanged, between \$325-335/ST. In the West Texas/Panhandle area, the selling price assessment is in a modestly wider band of \$370-420/ST for base grade material, depending upon supplier and location. There have also recently been prices outside that band as well. The Texas DOT will hold its next State lettings on February 9 & 10.
- Roofing Flux:** In southern Texas and southern Louisiana, flux demand remains very scant. Roofing flux markets were noted at lower levels to start February. Price assessments are adjusted down \$20/ST, going to the \$160-210/ST range, depending upon supplier, quality and location. In northern Texas, northern Louisiana, prices were also lower this week. Prices declined \$10/ST, with the assessment between \$195-235/ST. Some limited pricing was noted outside those levels as well. Prices varied depending upon supplier, location and quality. In western Texas, the flux price assessment is down \$10/ST, going to within the \$240-280/ST range.

GULF COAST BARGES

Typical unmodified paving grades US\$/ST	Selling Prices	
	This Week	Previous Week
Area Barge	135-155	-135-155-

Area Barge: There was one specific new sales reported this week on the Gulf Coast. Barge activity was noted as scarce, with little interest from buyers at the moment. The asphalt range assessment is unchanged this week. Demand remains slow on the Gulf Coast, for both export

and domestic destinations. The Area Barge range is between \$135-155/ST FOB this week for base grade asphalt. There were also some unconfirmed reports of material available at prices below that range, but that material's quality is not known.

Roofing Flux Barge: No specific new flux barge deals were reported this week. Barge activity remains very sluggish in the Gulf Coast. Barge prices for flux are assessed unchanged, with the wholesale price assessment still between \$180-225/ST FOB, depending upon supplier, destination, and quality (See page 2).

Asphalt Alternate Values: Estimated calculated alternative outlets for asphalt/VTB's are mixed from the previous week's calculations. Asphalt's alternative value in a coker is flat, at about \$181/ST. Asphalt's alternative value in fuel oil is higher, by about \$7/ST, going to approximately \$99/ST. The estimated breakeven production cost of asphalt at a Gulf Coast refinery rose, by about \$17/ST, to approximately \$120/ST. (See page 2). All calculations are based on mid-week valuations (See page 3).

ROCKY MOUNTAIN MARKETS

Summary: In the Rockies, most areas were cold and quiet, with winter conditions prevailing. There was little, if any, current activity in most retail markets. However, retail price assessments were lower for some areas where reports were available. Wholesale markets moved lower for February, with refinery supply reported within lower price ranges. Interest in wholesale supply was good.

MONTANA / WYOMING / COLORADO

Primarily PG 58-28 & PG 64-22 paving grades US\$/ST	Selling Prices	
	This Week	Previous Week
Montana		
Eastern markets	-360-400	380-400
Western markets	-350-390	370-390
Wyoming		
Northern markets	340-370	340-370
Southern markets	325-360	325-360
Colorado		
Colorado Springs Area	310-340	310-340

- **Montana:** Asphalt prices are assessed in a lower range this week, but there is little current activity at any open racks. In eastern Montana, base grade is assessed in a wider range, between \$360-400/ST, with western Montana also lowered, between \$350-390/ST.
- **Wyoming:** It was cold and quiet in Wyoming. No new price reports were noted. Northern Wyoming is still assessed between \$340-370/ST for base grade. Southern Wyoming remains between \$325-360/ST, awaiting further developments and reports.
- **Colorado:** In Colorado, base grade asphalt is assessed between \$310-340/ST for non-indexed material, unchanged from the week before. Bids on future work were not reported this week, but recent projects have involved considerable asphalt volumes.

ROCKY MOUNTAIN WHOLESALE

Primarily PG 64-22 paving grades US\$/ST	Selling Prices	
	This Week	Previous Week
Wholesale - Rail FOB	-150-160-	165-180

Wholesale Rail: Price reductions were noted for February supply from regional refineries. The drop in prices was between \$15-20/ST. February wholesale material is reported mostly in a \$150-160/ST FOB range for base grade asphalt. PG 58-28 is \$15-20/ST lower, going to a \$155-165/ST FOB range for most material. Supply is readily available, with keen buying interest noted.

UTAH / IDAHO / NEVADA

Prices for typical non-modified paving grades US\$/ST	Selling Prices	
	This Week	Previous Week
Utah		
Salt Lake City area	-300-340-	340-370
Idaho		
Boise area	400-420	400-420
Eastern markets	390-400	390-400
Northern markets [includes E. WA]	400-410	400-410
Nevada		
Las Vegas area	-360-390-	-375-400
Reno area	380-390-	-380-400-

- **Utah:** Asphalt prices in Utah are assessed in a lower range for the start of February. The Salt Lake City area is assessed \$30-40/ST lower, between \$300-340/ST for base grade this week.
- **Idaho:** Limited price reports had the market mostly steady in Idaho this week. Markets there were mostly quiet. Boise area selling prices remain assessed between \$400-420/ST for base grade. Eastern Idaho is still within a \$390-400/ST range, while northern Idaho stayed between \$400-410/ST.
- **Nevada:** Asphalt markets are assessed lower in the State this week. The Las Vegas area is assessed \$10-15/ST lower, between \$360-390/ST for base grade. The Reno area posted prices were reported at \$420/ST for base grade asphalt. Selling prices in that area are assessed in a narrower, lower range, between \$380-390/ST for base grade.

ARIZONA & NEW MEXICO

Typical non-modified paving grades US\$/ST	Selling Prices	
	This Week	Previous Week
Arizona (typically PG 64-22 / PG 76-10)		
Phoenix area	-380-440-	400-450
Flagstaff area	-400-450-	420-460
Tucson area	-400-445-	415-455
New Mexico (typically PG 64-22)		
Northern	-380-430-	400-440
Southern [including West Texas]	-370-440-	380-450

- **Arizona:** The Arizona asphalt price assessments were lowered modestly this week, but not all reports were received. The Phoenix area is assessed \$10-20/ST lower, between \$380-440/ST for non-indexed base grade. Flagstaff area is assessed between \$400-450/ST, with the local rack closed. Prices are assessed \$10-15/ST lower for the Tucson area, going to between \$400-445/ST. The Arizona State DOT Bituminous Materials Index is \$367.00/ST for February. That is down by \$12/ST, from the \$379.00/ST Index level for January.
- **New Mexico:** The market was mostly quiet this week, with no price moves reported. Northern areas of the State are assessed \$10-20/ST lower, between \$380-430/ST for base grade. Southern New Mexico (as well as West Texas) is assessed \$10/ST lower, between \$370-440/ST for base grade asphalt.

WEST COAST MARKETS

Summary: Asphalt markets were quiet, with little rack activity in most West Coast areas this week, with the exception of southern California. February prices were lower in California, with the State Index dropping for the new month. Asphalt selling price assessments were lowered in some areas, with others static, awaiting further developments. Some suppliers had not yet reported February prices. Asphalt selling range assessments were adjusted for Alaska and Hawaii. February roofing flux prices moved lower in some West Coast markets. However, material was also coming in from other parts of the US at competitive prices.

PACIFIC NORTHWEST

Primarily PG 64-22 paving grades US\$/ST	Selling Prices	
	This Week	Previous Week
Seattle, Washington area	370-375	370-375
Eastern Washington [includes Northern Idaho]	400-410	400-410
Portland, Oregon area	440-445	440-445-

- **Washington:** The Washington State market was mostly wet and cold, with little rack activity at open facilities. In the coastal areas, posted prices were still reported at \$375/ST for PG 64-22 grade material. The selling price range there remains assessed between \$370-375/ST. Eastern Washington selling prices are assessed between \$400-410/ST for base grade, with little activity noted there.
- **Oregon:** There were no reports of price changes this week. There was little current activity. The Portland area selling prices remain assessed between \$440-445/ST for non-indexed base grade asphalt liquid, which is well above adjacent market levels.
- **Roofing flux:** Pacific Northwest area flux material prices are assessed between \$375-400/ST. Local supply is priced significantly above material delivered in from other US regions.

CALIFORNIA

Primarily PG 64-10, PG 64-16, PG 70-10 paving grades US\$/ST	Selling Prices	
	This Week	Previous Week
Northern California		
San Francisco area	-320-355-	350-360-
Southern California		
Los Angeles area	-280-300-	300-320-
Bakersfield area	-280-300-	300-320-

The February Caltrans Statewide Crude Oil Price Index is 156.5 for February, down sharply from the previous month. The January Caltrans Statewide Crude Oil Price Index was 190.5. The Crude Oil Price Index is calculated based upon the previous month’s average of local California crude oil posted prices.

- Northern California:** In the San Francisco Bay area, posted prices fell by about \$30-40/ST for the start of February. Prices ranged between \$350-360/ST for base grade asphalt this week. Selling prices in northern California are assessed in a lower and wider range, between \$320-355/ST for most non-indexed sales, with some reports of lower prices. Future project work with asphalt prices related to the Caltrans Index was priced well below current assessed selling ranges, given the sub-\$200 Caltrans Index level for February.
- Southern California:** Thirty dollar posted price reductions were reported this week for base grade supply for the start of February. Posted prices for February in the Los Angeles area were between \$315-360/ST for PG 64-10, PG 64-16, and PG 70-10. Selling prices there are assessed \$20/ST lower, going to a \$280-300/ST range for most non-indexed sales. In the Bakersfield area, posted prices were cut by \$30/ST, going to \$340/ST for the start of February for base grade asphalt. Selling prices there are assessed \$20/ST lower, between \$280-300/ST for most non-indexed sales. Some reports had prices below that range. State-index related sales for future work were generally priced below the assessed selling ranges for southern California, given the sub-\$200 level of the February Index.
- Roofing Flux:** In southern California, roofing flux is assessed \$10/ST lower this week for February material, between \$300-320/ST, awaiting further price reports. Some competitively priced material is also entering the region from other US areas.

HAWAII & ALASKA

Typical non-modified paving grades US\$/ST	Selling Prices	
	This Week	Previous Week
Hawaii (typically PG 64-16)		
Hawaii (Oahu area)	-525-600	550-600
Alaska (typically PG 52-28)		
Alaska	-440-510	450-510

- Hawaii:** The asphalt market is assessed in a wider range this week, between \$525-600/ST for PG 64-16 in the Oahu area.
- Alaska:** It remained mostly quiet in Alaska this week. Base grade asphalt is assessed in a slightly wider range, between \$440-510/ST. Locally produced asphalt is mostly in the upper part of that range. The Alaska State Asphalt Materials Index is \$442.50/ST for the January 15-February 4 period.

CANADIAN MARKETS

Summary: Paving activity has concluded across most of Canada, until the spring. Western Canada participants reported no changes in asphalt selling or posted prices. Alberta wholesale prices dropped, for February material. Demand across eastern Canada is quiet. Selling prices in both Quebec and Ontario remain at last week’s level. Quebec suppliers have ceased posted price reports for the winter.

Western Canada: There are few changes to report for the western Canada markets. Conditions remain cold and quiet in most areas. Asphalt prices were steady. Alberta wholesale prices are lower, for February material.

BRITISH COLUMBIA / ALBERTA / SASKATCHEWAN & MANITOBA

Primarily Grade A paving grade C\$/MT netback to nearest refiner	Selling Prices	
	This Week	Previous Week
British Columbia		
Vancouver area	600-625	600-625
Kamloops area	610-645	610-645
Alberta		
Northern Alberta area	600-625	600-625
Southern Alberta area	600-625	600-625
Saskatchewan & Manitoba		
Saskatchewan	535-580	535-580
Manitoba	600-655	600-655

- British Columbia:** Markets in British Columbia were quiet, during the week. Selling prices in Vancouver are assessed status quo, between C\$600-625/MT (about US\$395-412/ST). Base grade posted prices were last reported at C\$685/MT (about US\$451/ST), effective September 10. Selling price assessments in Kamloops range between C\$610-645/MT (about US\$402-425/ST). The posted price for Kamloops was last reported at C\$680/MT (about US\$448/ST), effective September 10. The reported posted price for Prince George was last at C\$660/MT (about US\$435/ST), effective September 10. Posted prices across British Columbia range between C\$660-685/MT (about US\$435-451/ST).
- Alberta:** asphalt prices in Alberta remain at previously reported levels. The price assessment in northern Alberta is between C\$600-625/MT (about US\$395-412/ST). The southern Alberta selling price assessment also ranges between C\$600-625/MT (about US\$395-412/ST). Base grade posted prices are between C\$610-660/MT (about US\$402-435/ST), effective September 10.
- Saskatchewan:** Saskatchewan markets were inactive. Selling prices continue to range between C\$535-580/MT (about US\$352-382/ST).
- Manitoba:** No changes were reported for Manitoba markets. Selling prices remain assessed between C\$600-655/MT (about US\$395-431/ST). Posted prices were last reported at C\$665-680/MT (about US\$438-448/ST), effective September 10.
- Wholesale prices:** Alberta wholesale asphalt prices fell from last week. Base grade material is assessed between US\$150-170/ST (about C\$228-258/MT) FOB Alberta for February material.

Eastern Canada: Demand in eastern Canada was slow to start February. Asphalt selling prices in both Quebec and Ontario are steadfast from last week. Quebec suppliers have ceased their posted prices in the Province until the spring.

ONTARIO & QUEBEC

Primarily PG 58-28 paving grade C\$/MT	Selling Prices	
	This Week	Previous Week
Montreal, Quebec area	545-580	545-580
Toronto, Ontario area	610-640	610-640

- **Quebec:** Roadwork in Quebec is scant, and will remain quiet until the spring. The assessment for PG 58-28 is flat, ranging between C\$545-580/MT (about US\$359-382/ST). The Quebec price index for PG 58-28 grade asphalt for November was C\$590.15/MT (about US\$389/ST).
- **Ontario:** Activity in Ontario is quiet, this week. Base grade asphalt selling prices is holding between C\$610-640/MT (about US\$402-421/ST). The Ontario AC price index for January is C\$648.75/MT (about US\$427/ST).

QUEBEC ASPHALT POSTED PRICES -- CANADIAN DOLLARS/METRIC TON

Supplier	PG 58-28	PG 64-28	PG 58-34	PG 64-34	PG 70-28
Kildair, Sorel-Tracy*	NA	NA	NA	NA	NA
Suncor Energy, Montreal**	NA	NA	NA	NA	NA

Prices exclude applicable taxes.

* Prices effective since December 1, 2015.

** Prices effective since December 1, 2015.

- **Quebec Postings:** Quebec suppliers have ceased reporting posted prices for the season, effective December 1, and are expected to resume in the spring.

INDUSTRY NEWS

Blueknight Energy Partners Acquires Asphalt Facilities in NC and VA

On February 2, 2016, Blueknight Energy Partners, L.P. ("BKEP" or the "Partnership") (NASDAQ: BKEP) (NASDAQ:BKEPP), announced, "that a wholly-owned subsidiary of BKEP has acquired two asphalt terminalling facilities from Axeon Specialty Products, located in Wilmington, N.C. and Dumfries, Va. In addition, BKEP has entered into a long-term storage, throughput and handling agreement with Axeon Marketing LLC ("Axeon").

Axeon, or its predecessor, has been a customer of BKEP since 2009 and currently leases other BKEP-owned facilities in the region. Axeon will continue supplying various products and services to its existing customer base out of the North Carolina and Virginia facilities. The Wilmington, N.C., facility includes approximately 260,000 barrels of asphalt storage and 70,000 barrels of light fuel storage with water access. The Dumfries, Va., facility includes approximately 87,000 barrels of asphalt storage and 468,000 barrels of light fuel storage with water access along with connections to Plantation Pipeline.

The transaction will be financed by borrowings under BKEP's existing credit facility and brings BKEP's existing asphalt and residual oil storage network to a total of 45 terminals located in 23 states.

"We highly value our relationship with Axeon and are pleased that we can continue helping them service their customers by adding the Wilmington and Dumfries locations to our existing asphalt terminal network. In addition, we have entered into a new long term storage agreement which also includes our existing terminals in Gloucester City, N.J., and Newport News, Va.," stated Mark Hurley, BKEP's Chief Executive Officer. "This transaction continues to build on BKEP's strength of operating product terminals and the new facilities will be incorporated into our coast to coast terminal network. Business will continue as usual and we expect to retain the current terminal employees. This transaction is also expected to be immediately accretive to our unitholders" added Hurley."