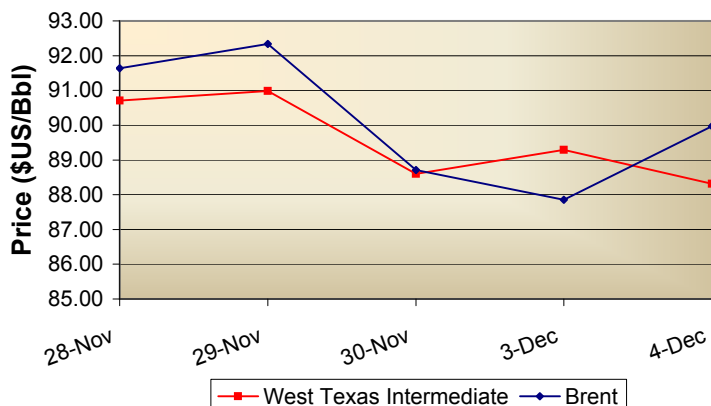


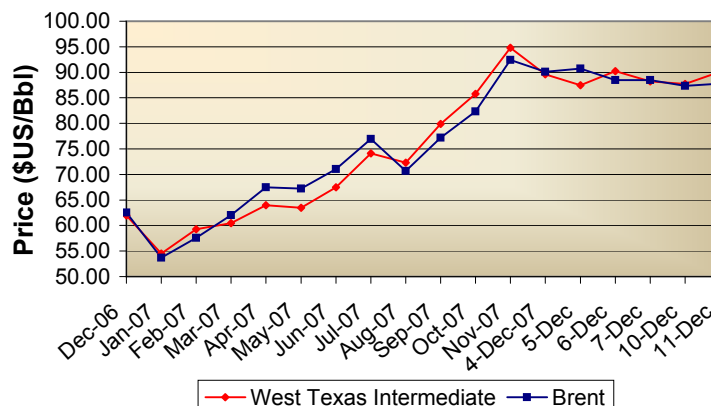
Weekly Crude Price Report - For the Week Ending December 11, 2007

	Week Ended	Current Week					December 5 - December 11 Average	December Month-to-Date	2007 Year-to-Date
Benchmark Crudes (US\$/bbl)	4-Dec-07	5-Dec	6-Dec	7-Dec	10-Dec	11-Dec			
- West Texas Intermediate	89.58	87.45	90.25	88.23	87.72	90.12	88.75	88.77	71.20
- Brent Crude	90.10	90.70	88.46	88.46	87.33	87.77	88.54	88.65	71.44

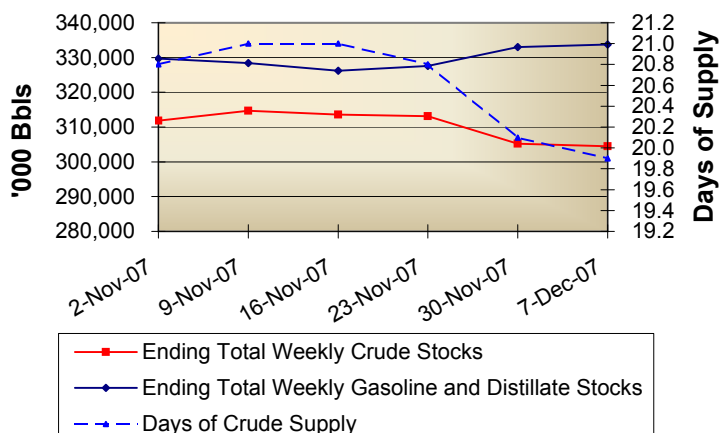
This Week's Price Action



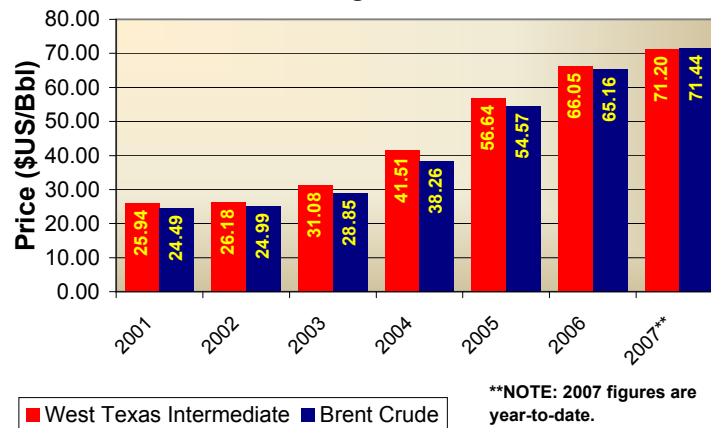
Price Action Over Most Recent 12 Months



Ending US Crude Stocks & Days of Supply



Annual Average Crude Prices



COMMENTARY:

► For the December 5 - December 11 period, West Texas Intermediate closed higher by \$1.81 week-over-week, ending at \$90.12. Brent lost \$2.20 week-over-week to close at \$87.77.

► US Crude stocks decreased by 0.7 million bbls. At the same time, days of crude supply declined by 0.2 to 19.9 days of supply. Gasoline and distillate stocks increased by 0.8 million bbls.

► A number of factors appear to be working in concert to keep prices below the extreme highs seen in November: first, growth in global crude demand is weak with some forecasters predicting the possibility of global economic recession; second, impacts of OPEC's decision this fall to raise production as of November 1 are starting to be felt in the market; third, recent increases in global refinery activity after protracted maintenance programs are keeping downward pressure on product (and hence, crude) prices; fourth, geopolitical tensions appear reduced of late; and fifth, warm weather in the US to start the winter. These factors are expected by most forecasters to continue for a few months so barring a long bout of very cold weather or some other change in underlying conditions, prices may ease through the winter. Nevertheless, low inventories and little surplus production capacity should keep prices from slipping too far.

Sources/Notes:

1. West Texas Intermediate and Brent Crude prices are spot prices as reported weekly by the Energy Information Administration (EIA) of the Department of Energy (DOE) in the United States.
2. Inventory stocks are reported weekly by the EIA and include all inventories held with "primary" enterprises such as refiners and wholesalers of crude. Secondary and tertiary inventories held by retailers or end users are not included. Crude stocks include all unrefined crude; gasoline stocks include all grades of gasoline; and distillate stocks include all grades of distillates (including home heating fuel and diesel fuel).
3. Annual and monthly average prices for spot WTI and Brent crude from 2001 to 2007 are simple averages calculated from daily prices as reported by EIA.

Government of Newfoundland and Labrador
Department of Natural Resources
Energy Branch
Energy Economics Division

Newfoundland
Labrador