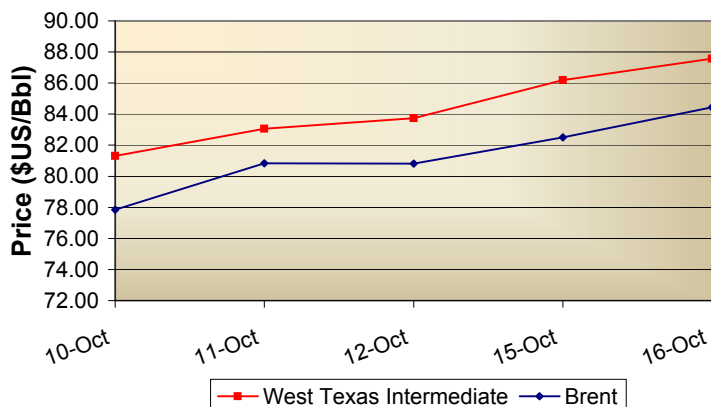


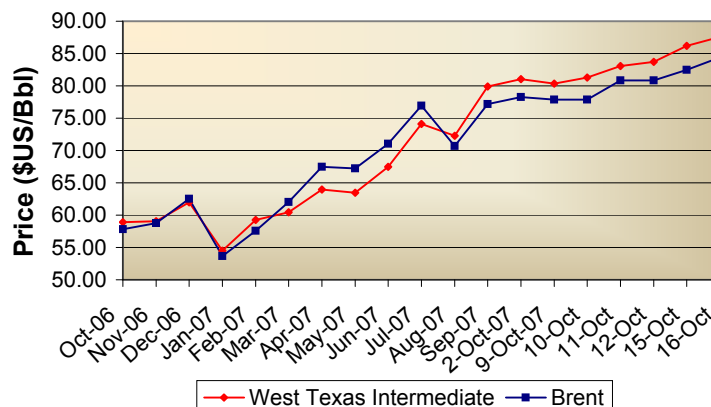
# Weekly Crude Price Report - For the Week Ending October 16, 2007

	Week Ended	Current Week					October 10 - October 16 Average	October Month-to-Date	2007 Year-to-Date
Benchmark Crudes (US\$/bbl)	9-Oct-07	10-Oct	11-Oct	12-Oct	15-Oct	16-Oct			
- West Texas Intermediate	80.37	81.30	83.05	83.73	86.19	87.58	84.37	82.00	67.08
- Brent Crude	77.89	77.85	80.83	80.82	82.50	84.43	81.29	79.26	67.84

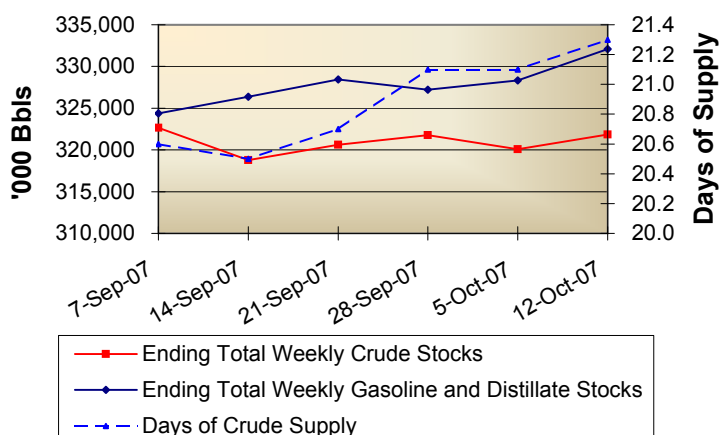
**This Week's Price Action**



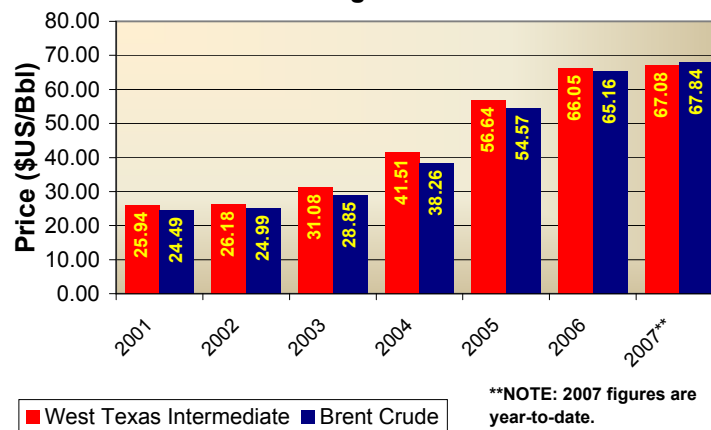
**Price Action Over Most Recent 12 Months**



**Ending US Crude Stocks & Days of Supply**



**Annual Average Crude Prices**



\*\*NOTE: 2007 figures are year-to-date.

## COMMENTARY:

► For the October 10 - October 16 period, West Texas Intermediate closed higher by \$7.35 week-over-week, ending the week at \$87.58. Brent gained \$6.61 week-over-week to close at \$84.43.

► US Crude stocks increased by 1.8 million bbls. At the same time, days of crude supply increased by 0.2 to 21.3 days of supply. Gasoline and distillate stocks increased by 3.8 million bbls.

► Markets resumed their steady upward climb this week, with WTI and Brent up by 9.2% and 8.5% respectively. In spite of higher inventories this week and news that OPEC is contemplating an additional 500,000 bbls per day of supply in addition to the 500,000 scheduled for November 1, markets seemed most focused on geopolitical concerns. Turkey has said it will take military action against Kurdish rebels in northern Iraq if it deems such action necessary, a revelation which has raised the possibility of a supply disruption in Iraq and even has some analysts actively modelling scenarios involving wider mid-east conflict. These geopolitical considerations, coupled with fundamentals that continue to indicate tight supply and demand balances globally, have driven prices sharply upwards. Some analysts and traders are now expecting crude in the mid-90's within weeks, however this will depend on how geopolitics plays out.

## 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