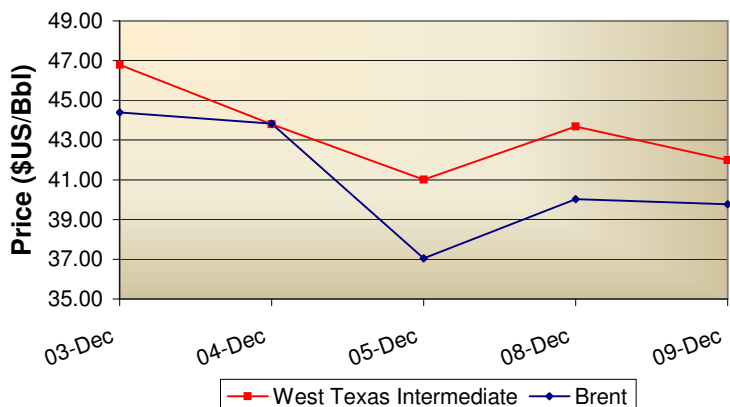


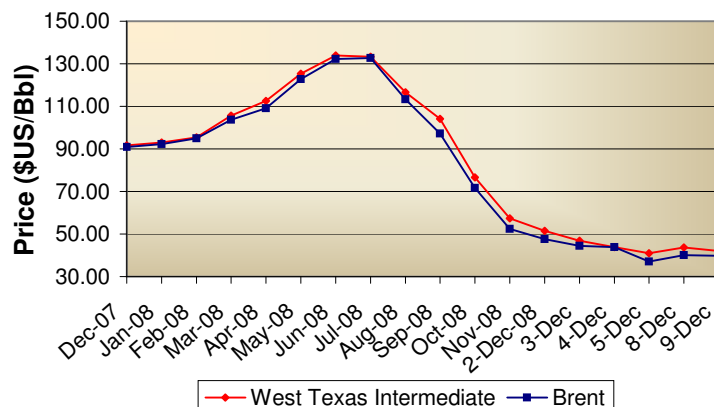
# Weekly Crude Price Report - For the Week Ending December 9, 2008

Benchmark Crudes (US\$/bbl)	November 26 - December 2 Average	Current Week					December 2 - December 9 Average	December Month-to-Date	2008 Year to-Date
		3-Dec	4-Dec	5-Dec	8-Dec	9-Dec			
- West Texas Intermediate	51.45	46.79	43.80	41.01	43.69	42.00	43.46	44.81	103.50
- Brent Crude	47.58	44.39	43.83	37.04	40.02	39.77	41.01	42.61	100.63

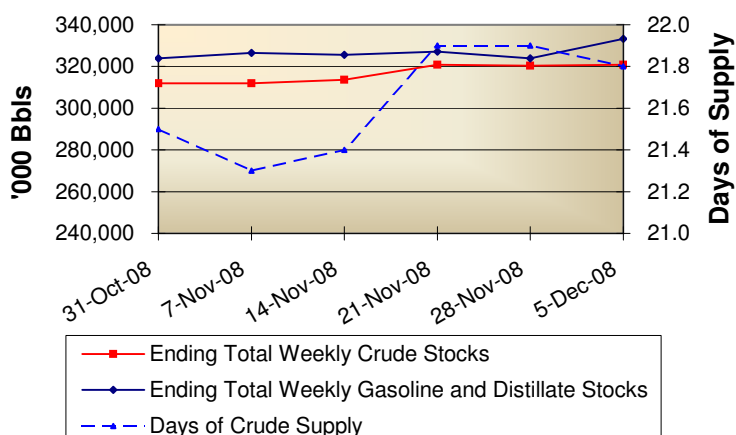
**This Week's Price Action**



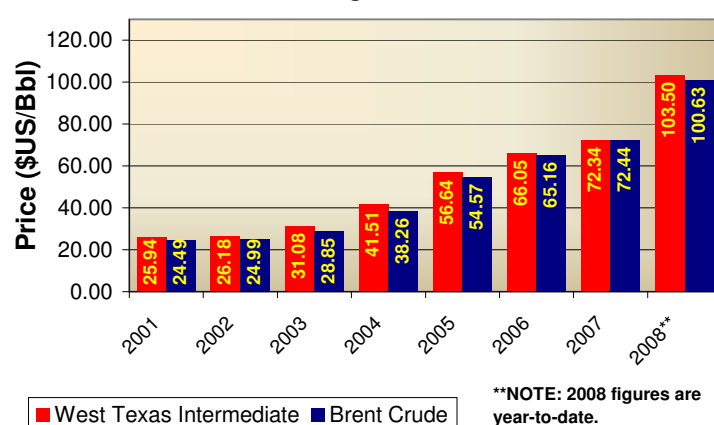
**Price Action Over Most Recent 12 Months**



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



**Annual Average Crude Prices**



\*\*NOTE: 2008 figures are year-to-date.

## COMMENTARY:

► For the December 2 - December 9 period, the average price for West Texas Intermediate was lower by \$7.99 week-over-week, at \$43.46. Brent prices decreased by \$6.57 week-over-week, averaging \$41.01.

► US Crude stocks increased by 0.39 million bbls this week. At the same time, days of crude supply decreased by 0.1 to 21.8 days of supply. US gasoline and distillate stocks increased by 9.34 million bbls.

► Prices continue to decline and WTI is now off some 69% since highs in July. Brent is down approximately 71% over the same time frame. Stocks in major markets such as the US and Europe continue to build as evidenced in the US, for example, by stocks being higher than both the year-ago level and the five year average level despite having been below both benchmarks just 8 weeks ago. Furthermore, weak demand (US demand in the past week was down by 1.83 MMB/D or 8.7% versus year-ago levels), declining economic activity, and media reports of poor OPEC compliance with production quotas all point to an increasing glut of crude and more stock builds in coming weeks. OPEC is meeting next week and has signalled that a major output cut of 1.5 to 2.0 MMB/D will be announced. Media reports indicate that Russia may also announce production cuts in the near term as well.

## 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 2008 are simple averages calculated from daily prices as reported by EIA.

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Energy Branch  
Energy Economics Division

Newfoundland  
Labrador