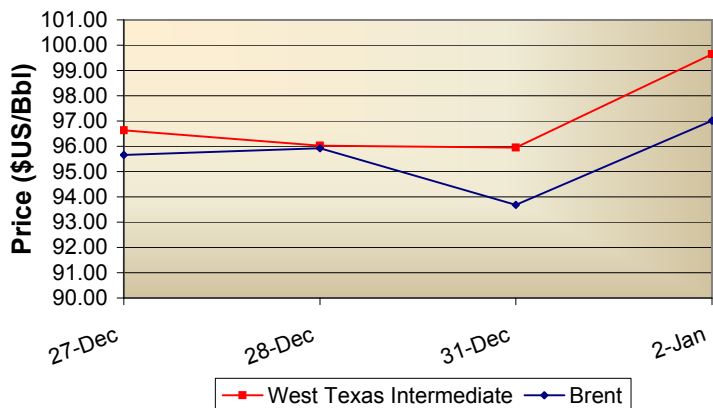


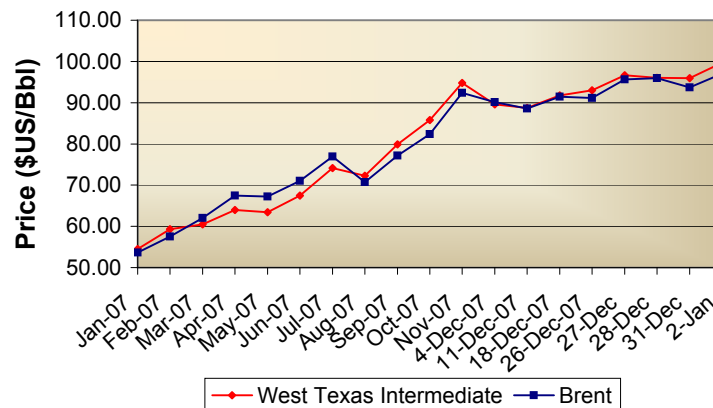
Weekly Crude Price Report - For the Week Ending January 2, 2008

	Week Ended	Current Week					December 27 January 2 Average	January Month-to- Date	2008 Year- to-Date
Benchmark Crudes (US\$/bbl)	26-Dec-07	27-Dec	28-Dec	31-Dec	1-Jan	2-Jan			
- West Texas Intermediate	93.01	96.63	96.03	95.95	N/A	99.64	97.06	99.64	99.64
- Brent Crude	91.17	95.66	95.92	93.68	N/A	97.01	95.57	97.01	97.01

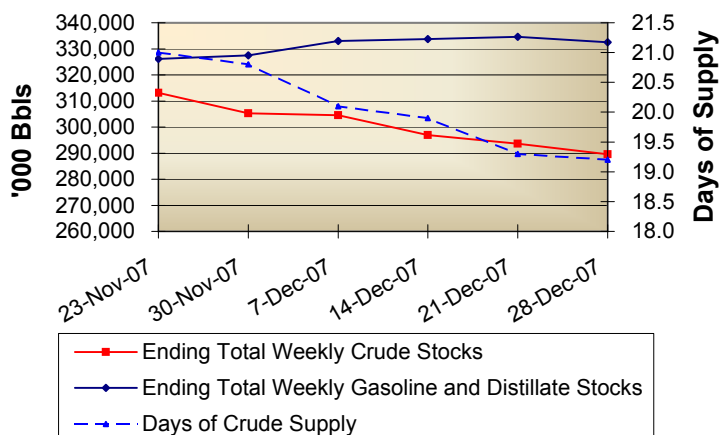
This Week's Price Action



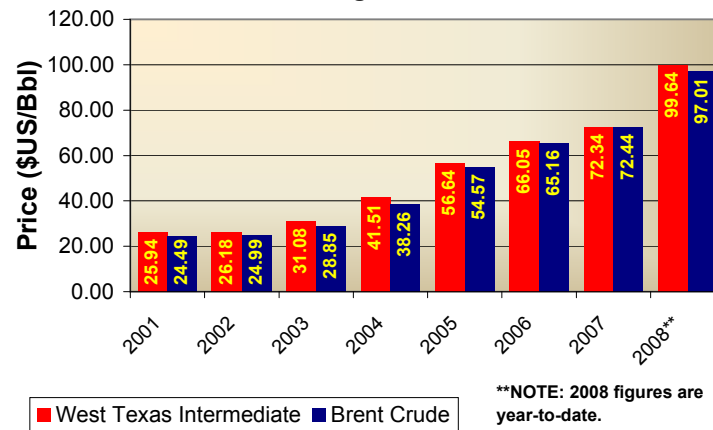
Price Action Over Most Recent 12 Months



Ending US Crude Stocks & Days of Supply



Annual Average Crude Prices



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

COMMENTARY:

► For the December 27 - January 2 period, West Texas Intermediate closed higher by \$3.75 week-over-week, ending at \$99.64. Brent gained \$5.42 week-over-week to close at \$97.01.

► US Crude stocks decreased by 4.1 million bbls. At the same time, days of crude supply declined by 0.2 to 19.0 days of supply. Gasoline and distillate stocks increased by 2.6 million bbls.

► Easing prices have not materialized to start 2008, as many analysts have been predicting. Forecasts of lower prices have been largely based on reduced outlooks for economic growth in the US and, by extension, other major economies. Some analysts are forecasting actual recession in the US economy, a prospect that would certainly lead to slower growth in crude demand and resultant looser supply-demand balances. Other factors appear to be keeping prices high, however - namely extremely low levels of US (and other OECD) crude stocks, as well as geopolitical tension in Nigeria. Analysts have also tended to overestimate growth in non-OPEC supply in recent years. These factors taken together with the heavy buying influence of speculators as the US dollar remains weak has led to stubbornly high prices that seem reluctant to move either down or to break through the \$100 ceiling.

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