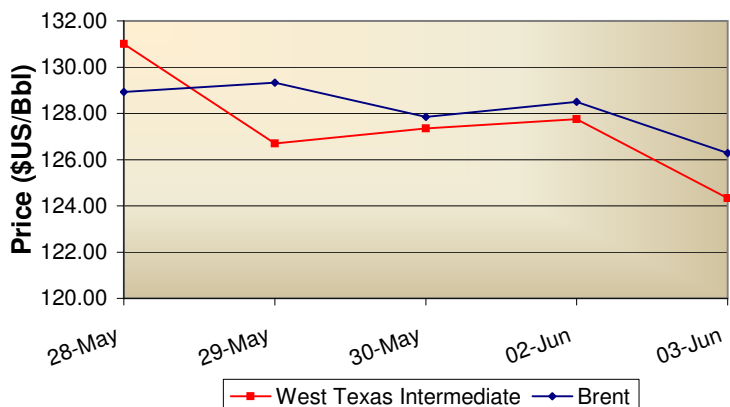


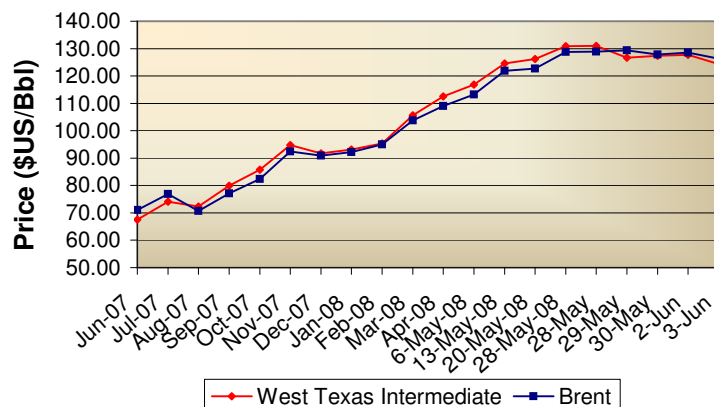
# Weekly Crude Price Report - For the Week Ending June 3, 2008

Benchmark Crudes (US\$/bbl)	May 21 - May 28 Average	Current Week					May 28 - June 3 Average	May Month- to-Date	2008 Year to-Date
		28-May	29-May	30-May	2-Jun	3-Jun			
- West Texas Intermediate	130.88	131.00	126.70	127.35	127.75	124.33	127.43	125.40	106.92
- Brent Crude	128.78	128.93	129.33	127.85	128.50	126.28	128.18	122.80	105.11

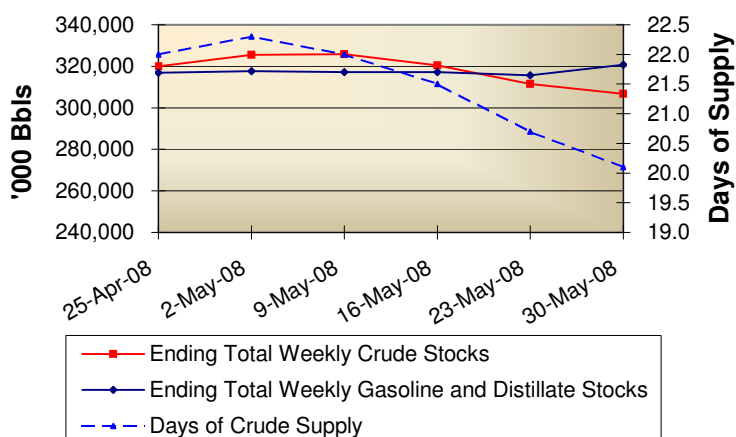
**This Week's Price Action**



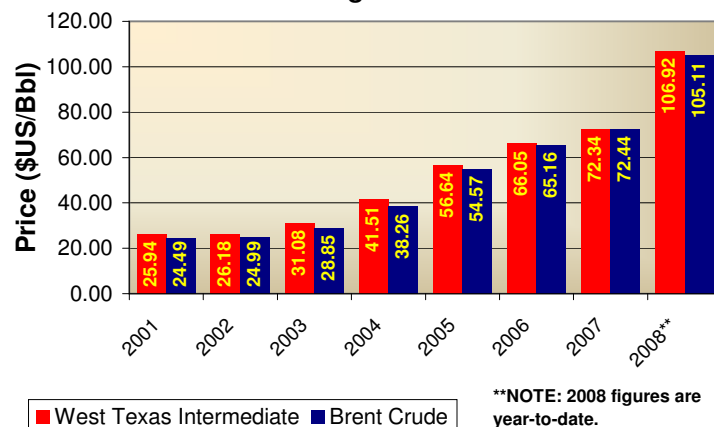
**Price Action Over Most Recent 12 Months**



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



**Annual Average Crude Prices**



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

## COMMENTARY:

► For the May 28 - June 3 period, the average price for West Texas Intermediate was lower by \$3.46 week-over-week, at \$127.43. Brent prices lost \$0.60 week-over-week, averaging \$128.16.

► US Crude stocks decreased by 4.80 million bbls this week. At the same time, days of crude supply decreased by 0.6 to 20.1 days of supply. Gasoline and distillate stocks increased by 5.21 million bbls.

► WTI traded lower this week, giving up most of last week's gains while Brent was essentially unchanged. US Federal Reserve Chairman Ben Bernanke made an important speech this week in which he clearly signaled that the Fed was concerned about inflation in the US economy and that as a result there are unlikely to be further interest rate cuts. This seems to have spurred the US dollar to recover somewhat against other major currencies, and caused crude to pause in the price run-up that has occurred in the last many months. With the prospect of stable or even increasing interest rates to combat inflation (and a resultant halt in the free-fall of the US dollar), speculative investors may reconsider their investments in crude which have largely been entered as a hedge against currency erosion and inflation. The potential for reduced speculative funds coupled with the widely held belief that prices are out of line with supply-demand fundamentals, makes a case for falling prices in the near term. Nevertheless, prices have been stubbornly high for months in spite of any number of developments - it is unclear if that will stop now.

## 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.

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

