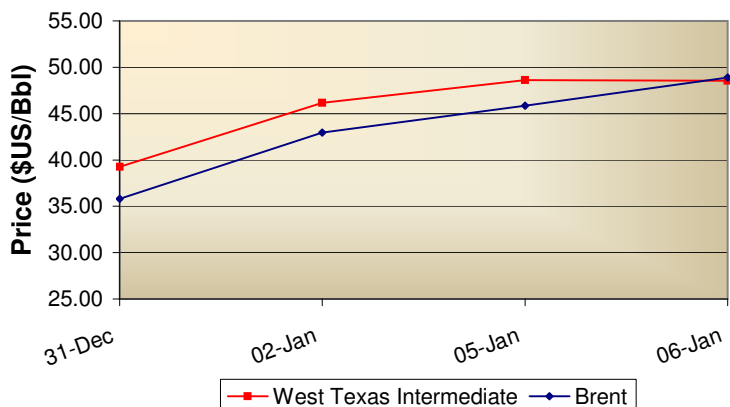


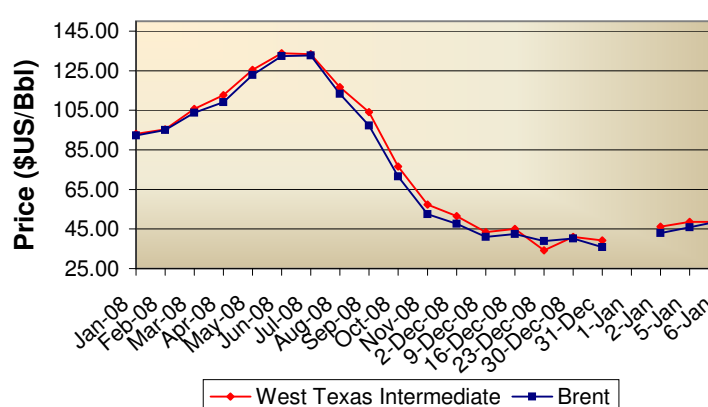
Weekly Crude Price Report - For the Week Ending January 6, 2009

Benchmark Crudes (US\$/bbl)	December 24 - December 30 Average	Current Week					December 31 - January 6 Average	January Month-to-Date	2009 Year to-Date
		31-Dec	1-Jan	2-Jan	5-Jan	6-Jan			
- West Texas Intermediate	37.34	39.25	N/A	46.17	48.61	48.56	45.65	47.78	47.78
- Brent Crude	34.39	35.82	N/A	42.94	45.84	48.89	43.37	45.89	45.89

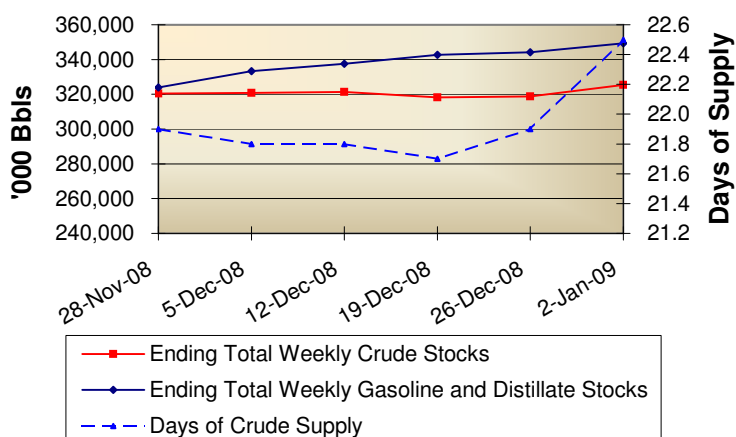
This Week's Price Action



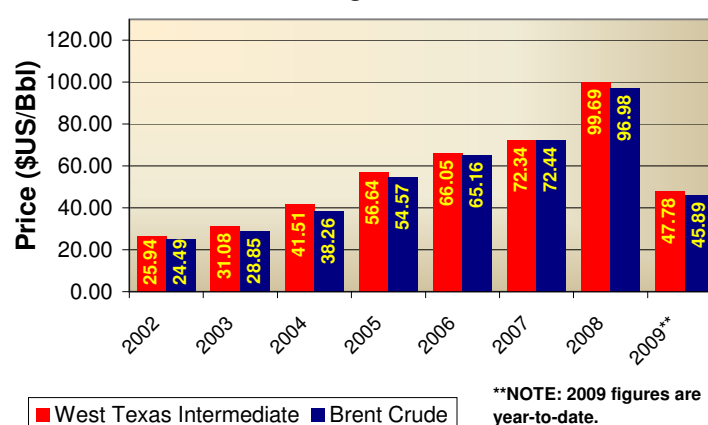
Price Action Over Most Recent 12 Months



Ending US Crude Stocks & Days of Supply



Annual Average Crude Prices



COMMENTARY:

► For the December 31 - January 6 period, the average price for West Texas Intermediate was higher by \$8.31 week-over-week, at \$45.65. Brent prices increased by \$8.98 week-over-week, averaging \$43.37.

► US crude stocks increased by 6.68 million bbls this week. At the same time, days of crude supply was higher by 0.6 at 22.5 days of supply. US gasoline and distillate stocks increased by 5.12 million bbls.

► Prices increased this period with both WTI and Brent ending the period just below the \$50 per barrel level. Media reports quote analysts as describing the trading as "thin", with relatively few trades (and traded volume) having a disproportionate impact on price. This may be due to the Christmas and New Year holiday period which stretched into this period. A primary focus of market participants is global demand data, which continues to be weak and is clearly contributing to the substantial build in US crude stocks, in particular. This ongoing build in stocks is demonstrated in the US days of crude supply data, which is now fully 4.1 days higher than it was a year ago. Similar scenarios are being played out in other major crude markets. Geopolitical tensions continue to run high in the Middle East with open conflict between Israel and Hamas forces in Gaza. Iran, a major oil producer, is widely held to be a major backer of Hamas raising questions as to whether the current conflict could widen and impact oil flows. This also may be contributing to the higher prices this week.

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 2009 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

