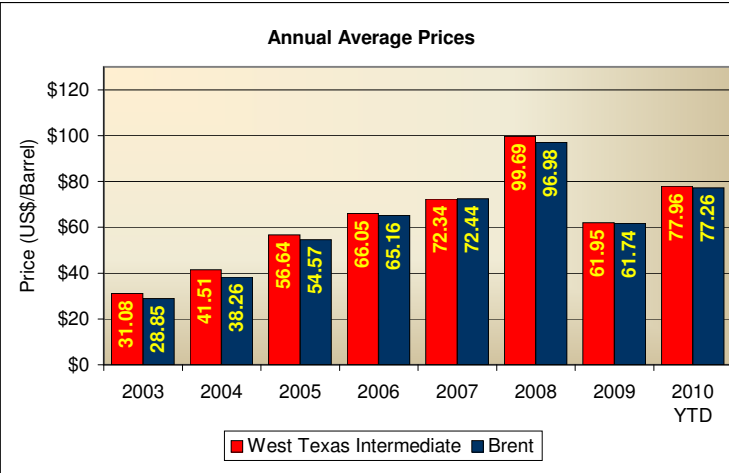
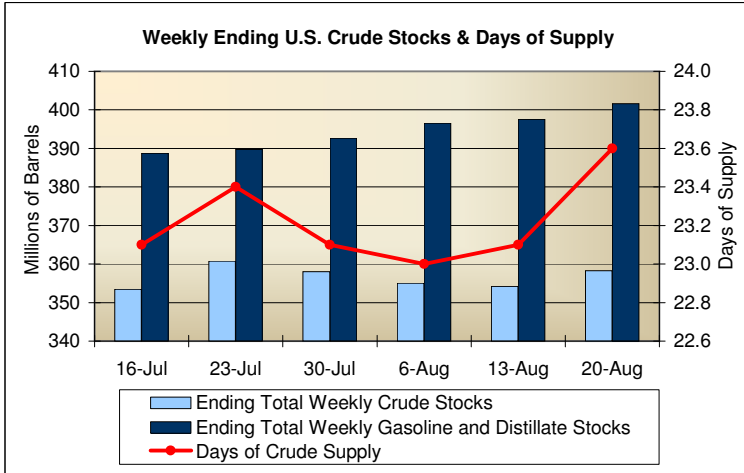
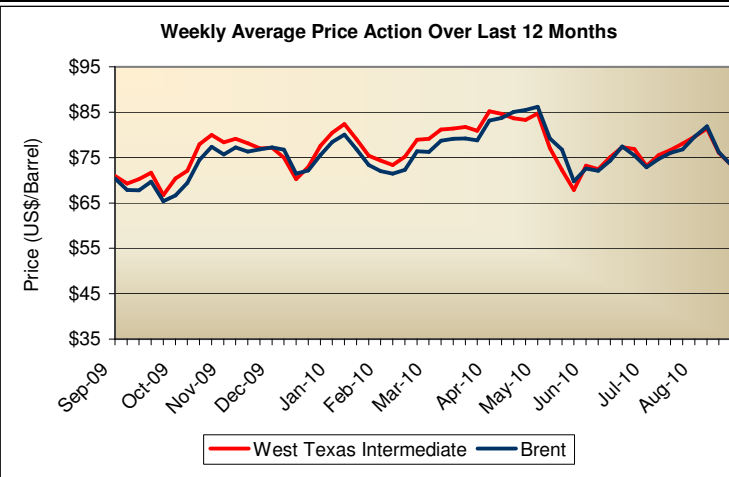
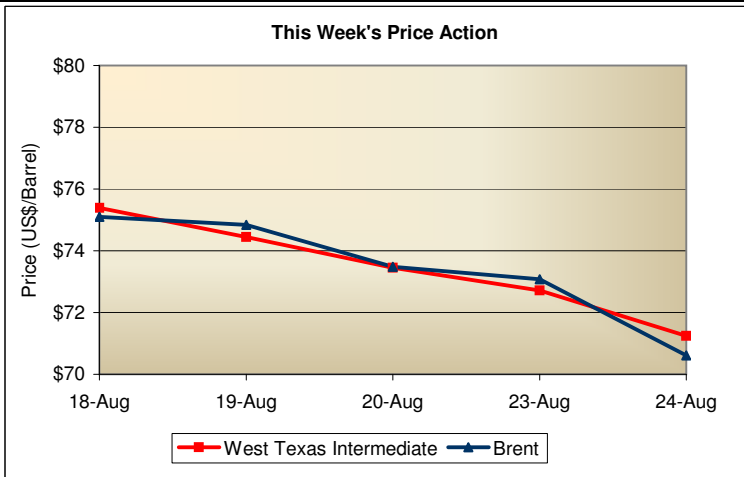


# Crude Price Report - For the Period August 18, 2010 to August 24, 2010

Benchmark Crudes (US\$/bbl)	August 11 - August 17 Average	Current Period					August 18 - August 24 Average	August Month-to-Date	2010 Year-to-Date
		18-Aug	19-Aug	20-Aug	23-Aug	24-Aug			
West Texas Intermediate	\$76.02	\$75.39	\$74.45	\$73.45	\$72.71	\$71.24	\$73.45	\$77.53	\$77.96
Brent	\$76.18	\$75.10	\$74.84	\$73.48	\$73.08	\$70.61	\$73.42	\$77.82	\$77.26



## COMMENTARY:

► For the August 18 - August 24 period, the average price for West Texas Intermediate was down by \$2.57 week-over-week, at \$73.45. Brent prices were down by \$2.79 week-over-week, averaging \$73.42.

► WTI began the period at \$75.39, ending lower at \$71.24 on August 24. Brent prices began the period at \$75.10, ending lower at \$70.61 on August 24.

► The average crude prices for 2010 year-to-date decreased from the previous period with WTI down \$0.14 to \$77.96 and Brent down \$0.12 to \$77.26.

► US crude stocks increased by 4.108 million bbls this period. The days of crude supply increased by 0.5 days from 23.1 days in the previous period. US gasoline and distillate stocks increased by 4.036 million bbls.

► According to the American Petroleum Institute (API), U.S. gasoline deliveries fell slightly last month compared with July 2009 reflecting the struggling U.S. economy. Total petroleum demand rose 3.8% in July over a year ago. API Chief Economist John Felmy stated that with high unemployment and regular gasoline prices above those a year ago, consumers likely trimmed their gasoline purchases. The API Chief Economist went on to comment that the increase in distillate fuel demand from last July continued the stronger distillate demand observed over the first half of 2010 and suggests some growth in industrial and commercial activity. However, the API Economist emphasized that this does not prove a recovery and need to be cautious about implementing policies.

► According a news release by the Senate Committee on Energy, the Environment and Natural Resources, the committee concluded there is no justification for a ban or moratorium on current Canadian offshore operations. The Committee conducted 6 weeks of hearings to determine the status of Canada's offshore drilling operations. The goal was to establish whether there is an imminent risk to Canada's environment from subsea oil and gas exploration activities off Canada's coasts. The committee concluded that future offshore drilling operations authorized in Canadian waters will need to be carefully regulated and controlled, taking into consideration lessons learned from the BP incident and the pending National Energy Board Regulatory Review. Recommendations by the Senate Committee include: 1. No ban on current drilling, 2. Review structure & role of offshore boards to determine whether there is material conflict between regulatory roles, 3. Discussion by regulators and industry whether and under what circumstances relief wells should be prescribed, 4. Greater collaboration between all oil spill response parties in developing, preparing and practicing in advance, 5. All offshore operators be required to organize Tier Three spill response tabletop drills at regular intervals and 6. A review of liability issues and whether thresholds should be adjusted to reflect current economic realities.

## 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 2003 to 2010 are simple averages calculated from daily prices as reported by EIA.