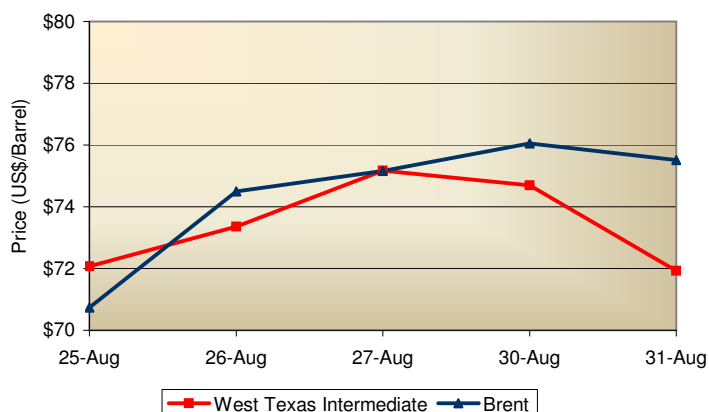


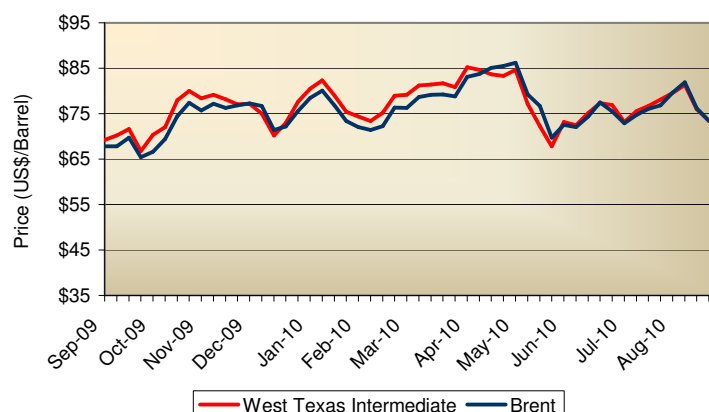
Crude Price Report - For the Period August 25, 2010 to August 31, 2010

Benchmark Crudes (US\$/bbl)	August 18 - August 24 Average	Current Period					August 25 - August 31 Average	August Month-to-Date	2010 Year-to-Date
		25-Aug	26-Aug	27-Aug	30-Aug	31-Aug			
West Texas Intermediate	\$73.45	\$72.07	\$73.36	\$75.17	\$74.69	\$71.93	\$73.44	\$76.60	\$77.83
Brent	\$73.42	\$70.74	\$74.50	\$75.16	\$76.05	\$75.51	\$74.39	\$77.04	\$77.18

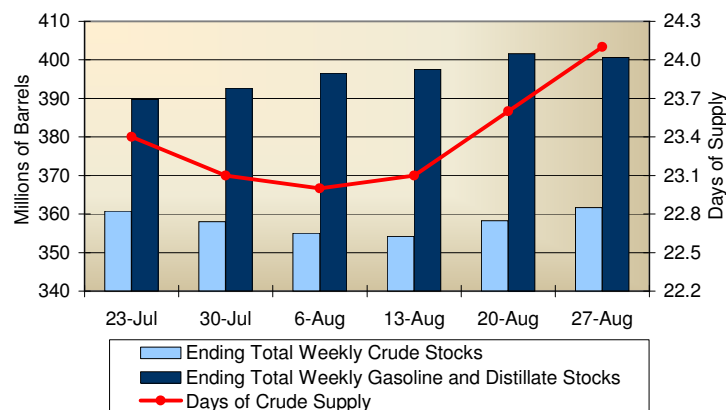
This Week's Price Action



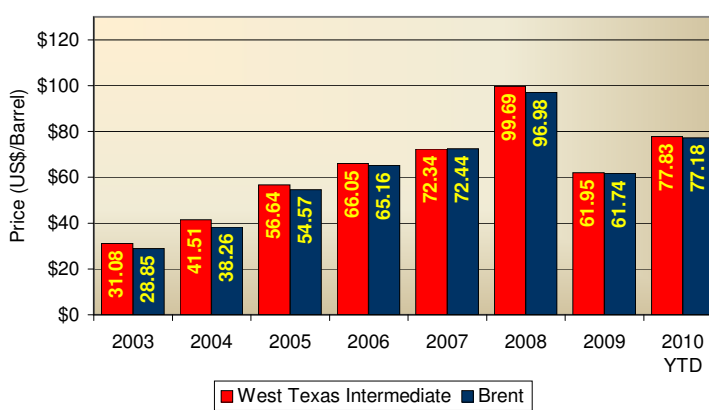
Weekly Average Price Action Over Last 12 Months



Weekly Ending U.S. Crude Stocks & Days of Supply



Annual Average Prices



COMMENTARY:

► For the August 25 - August 31 period, the average price for West Texas Intermediate was down by \$0.01 week-over-week, at \$73.44. Brent prices were up by \$0.97 week-over-week, averaging \$74.39.

► WTI began the period at \$72.07, ending lower at \$71.93 on August 31. Brent prices began the period at \$70.74, ending higher at \$75.16 on August 31.

► The average crude prices for 2010 year-to-date decreased from the previous period with WTI down \$0.13 to \$77.83 and Brent down \$0.08 to \$77.18.

► US crude stocks increased by 3.425 million bbls this period. The days of crude supply increased by 0.5 days from 23.6 days in the previous period. US gasoline and distillate stocks decreased by 0.951 million bbls.

► According to Bloomberg, the Organization of Petroleum Exporting Countries (OPEC) crude oil output fell in August to a seven month low, led by Iraq. Production slipped 75,000 barrels to an average 29.15 million barrels a day (mbbls/day). Output by members with quotas, dropped 5,000 barrels to 26.805 mbbls/day. Iraqi output dropped 70,000 barrels to 2.345 mbbls/day, the biggest decrease in OPEC. It was the lowest level since April. Iraqi oil exports by pipeline from the northern Kirkuk fields to the Turkish port of Ceyhan were halted from August 20 to August 26 after a bombing stopped the flow of crude.

► According to Reuters, Japan's trade ministry data showed Japan's total oil product sales rose 4.6% in July from a year earlier, rising for the first time in three months as an unusually hot summer boosted gasoline sales. The rise in oil sales in July, which exceeded a projection of a 3% increase based on calculations from industry data, was fuelled in large part by a 7.6% jump in gasoline sales. As well, a heat wave in eastern and northern Japan last month helped to reverse the recent decline in consumption by boosting air conditioner use, pushing up electric power demand, the use of kerosene and gas oil in factory air conditioning systems, and gasoline use by cars fitted with air conditioners. Gasoline sales have been supported by the abolition in June of highway tolls for 18% of the highway network in rural Japan, encouraging long-distance driving.

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.

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

