

Crude Price Report - For the Period December 1, 2010 to December 7, 2010

Benchmark Crudes (US\$/bbl)	November 24 - November 30 Average	Current Period					December 1- December 7 Average	December Month-to-Date	2010 Year-to-Date
		1-Dec	2-Dec	3-Dec	6-Dec	7-Dec			
West Texas Intermediate	\$84.23	86.75	87.98	89.18	89.33	88.69	\$88.39	\$88.39	\$78.76
Brent	\$85.31	88.56	89.37	90.65	91.25	90.78	\$90.12	\$90.12	\$78.72

COMMENTARY:

► For the December 1 - December 7 period, the average price for West Texas Intermediate was up by \$4.16 week-over-week, at \$88.39. Brent prices were up by \$4.81 week-over-week, averaging \$90.12.

► WTI began the period at \$86.75, ending higher at \$88.69 on December 7. Brent prices began the period at \$88.56, ending higher at \$90.78 on December 7.

► The average crude prices for 2010 year-to-date for WTI increased from the previous period with WTI up \$0.21 to \$78.76. Brent increased from the previous period up \$0.24 to \$78.72.

► US crude oil stocks decreased by 3.819 million bbls this period. The days of crude supply decreased by 0.7 days from the previous period at 25.4 days. US gasoline and distillate stocks increased by 5.965 million bbls.

► On Dec. 7, the U.S. Energy Information Administration (EIA) released its latest Short-Term Energy Outlook forecasting WTI oil price to average about \$84/barrel this winter (Oct 1 to Mar 31), \$79 in 2010 and \$86 in 2011 rising to \$89 by the end of 2011.

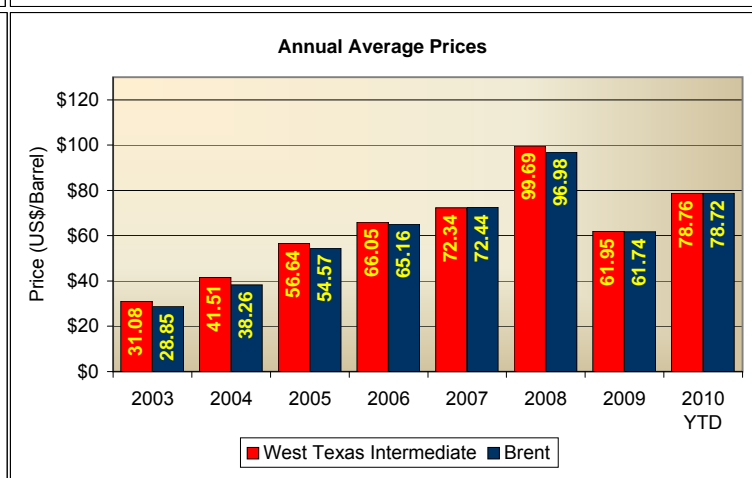
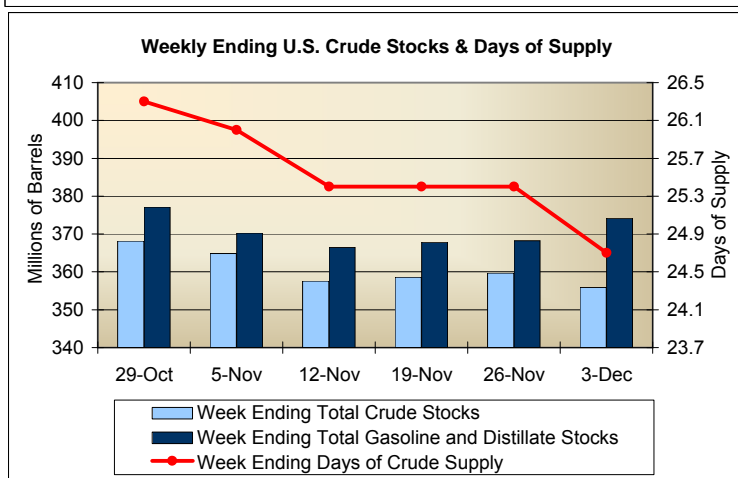
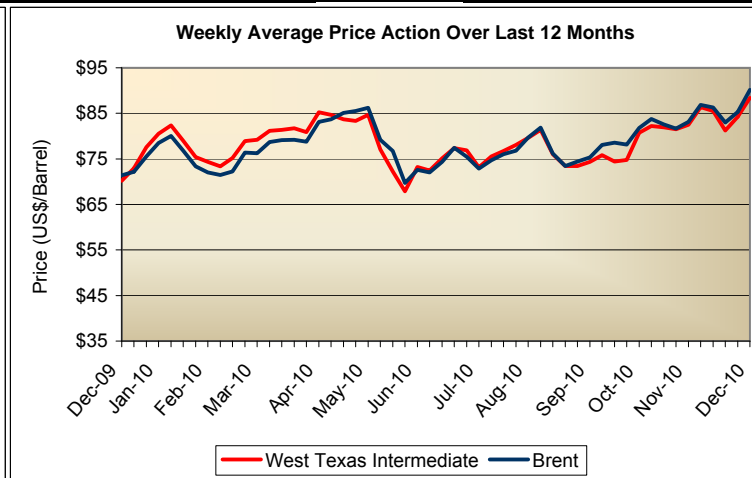
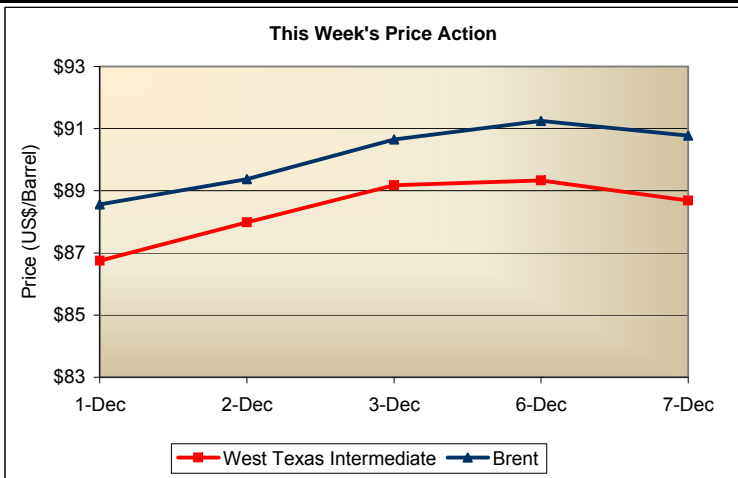
- EIA forecasts world oil consumption to increase in 2010 and 2011 mainly from Non-OECD regions countries. World oil consumption is forecast at:

2010 86.35 million barrels per day (mbbls/day)
2011 87.78 mbbls/day

- EIA expects world oil supply to increase in 2010 and 2011 primarily due to an increase in OPEC supply to accommodate increasing consumption. Non-OPEC and OPEC supply (excluding changes in inventories) is forecast at:

Non-OPEC • 2010 51.52 mbbls/day
• 2011 51.24 mbbls/day
OPEC • 2010 34.84 mbbls/day
• 2011 35.91 mbbls/day

► On December 1, the New York Times reported that the Obama administration had rescinded its decision to expand offshore oil exploration into the eastern Gulf of Mexico and along the Atlantic Coast because of weaknesses in federal regulation revealed by the BP oil spill. Interior Secretary Ken Salazar said that a moratorium on drilling would be in force in those areas for at least seven years, until stronger safety and environmental standards were in place. The government estimates that the eastern Gulf contains 3.7 billion barrels of oil (bbls) and 21.5 trillion cubic feet of gas (tcf), while the Atlantic coast has 3.8 billion bbls and 37 tcf. Industry executives complained that the government was overreacting to the BP spill and called the new safeguards more than adequate to prevent another major spill.



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.