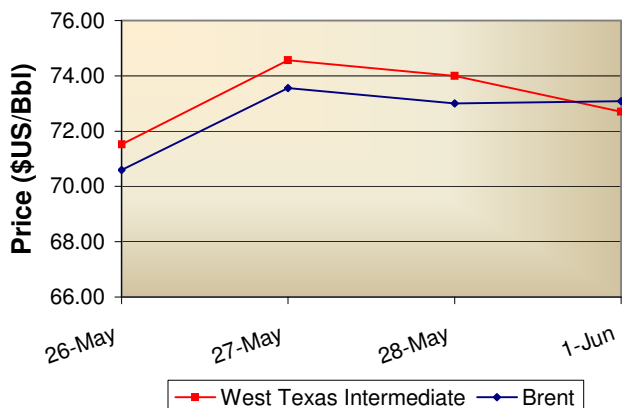


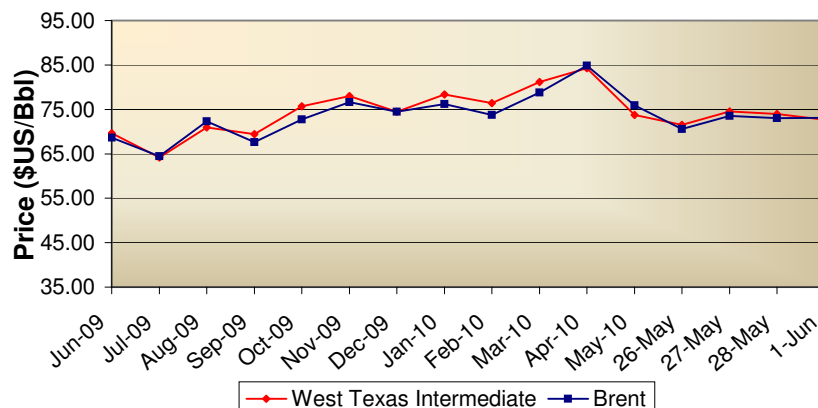
# Weekly Crude Price Report - For the Week Ending June 1, 2010

Benchmark Crudes (US\$/bbl)	May 19 - May 25 Average	Current Period					May 26 - June 1 Average	June Month- to-Date	2010 Year to-Date
		26-May	27-May	28-May	31-May	1-Jun			
- West Texas Intermediate	67.85	71.52	74.56	74.00	N/A	72.70	73.20	72.70	78.88
- Brent Crude	69.73	70.59	73.56	73.00	N/A	73.08	72.56	73.08	78.01

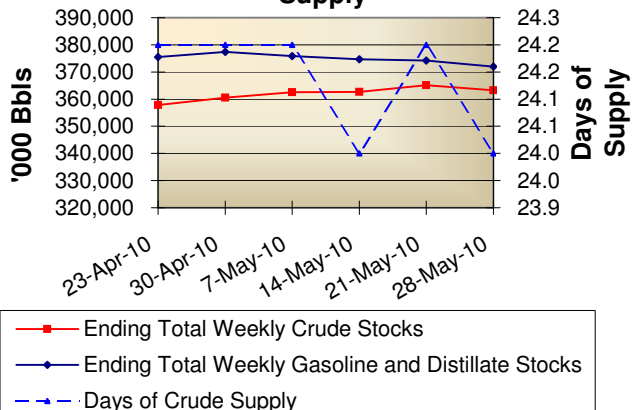
**This Week's Price Action**



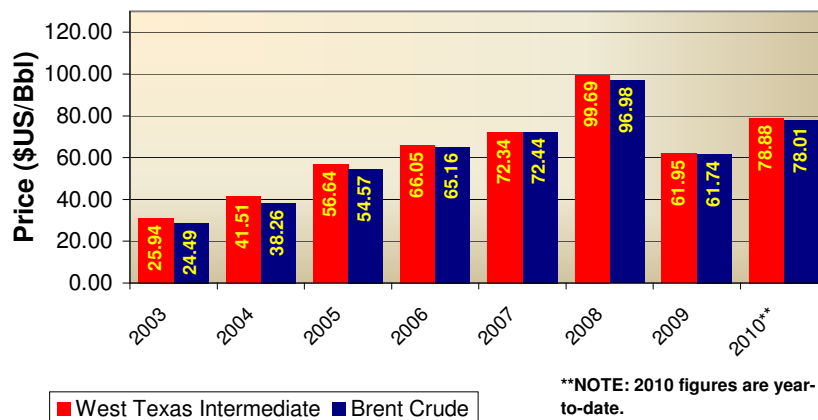
**Price Action Over Most Recent 12 Months**



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



**Annual Average Crude Prices**



\*\*NOTE: 2010 figures are year-to-date.

## COMMENTARY:

► For the May 26 - June 1 period, the average price for West Texas Intermediate was higher by \$5.35 week-over-week, at \$73.20. Brent prices were higher by \$2.82 week-over-week, averaging \$72.56. Note there is no data entry for May 31 due to the Memorial day holiday in the United States.

► WTI began the period at \$71.52 ending at \$72.70 by June 1. Brent prices began the period at \$70.59, ending at \$73.08 on June 1.

► The average crude prices for 2010 year-to-date decreased from the previous period with WTI down \$0.23 to \$78.88 and Brent down \$0.22 to \$78.01.

► US crude stocks decreased by 1.902 million bbls this period. At the same time, days of crude supply decreased by 0.2 days of supply from the previous period of 24.2 days of supply. US gasoline and distillate stocks decreased by 2.202 million bbls.

► According to media reports, Bernstein Research said in a note to clients that a one-year delay on new deepwater projects stemming from the Gulf of Mexico well rupture could cut world oil supply by 500,000 barrels per day between 2013 to 2017. On May 27, the U.S. government extended a moratorium on new deepwater drilling permits to six months and announced a safety crackdown that includes the temporary suspension of exploratory drilling on 33 rigs in the Gulf of Mexico. Delays and new regulatory costs could boost the marginal costs of new deepwater production by about 10% according to Bernstein Research. Bernstein reported new deepwater regulations are likely and the hit from the U.S. drilling moratorium will affect drilling worldwide, although it is highly likely that deepwater rigs will have to adopt global standards to work in basins around the world.

► According to media reports, OPEC members are talking informally about the drop in oil prices this month, and are urging each other to comply more closely with agreed supply targets. Compliance has been declining since last year because higher prices have encouraged some members to pump more barrels. In April, OPEC was meeting about half of its promised supply curbs.

## 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

