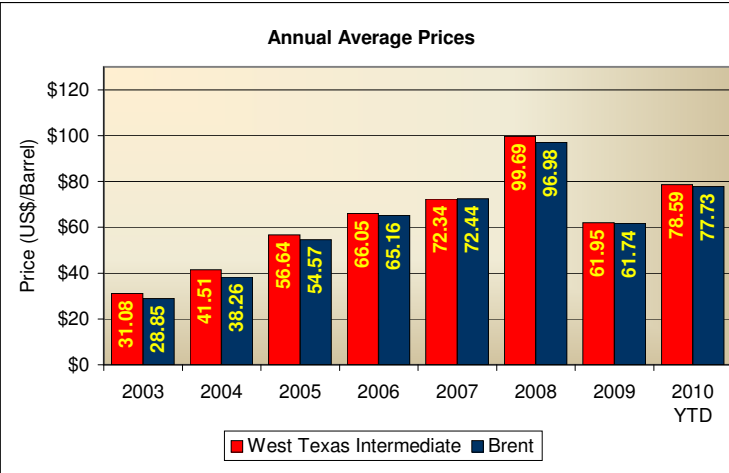
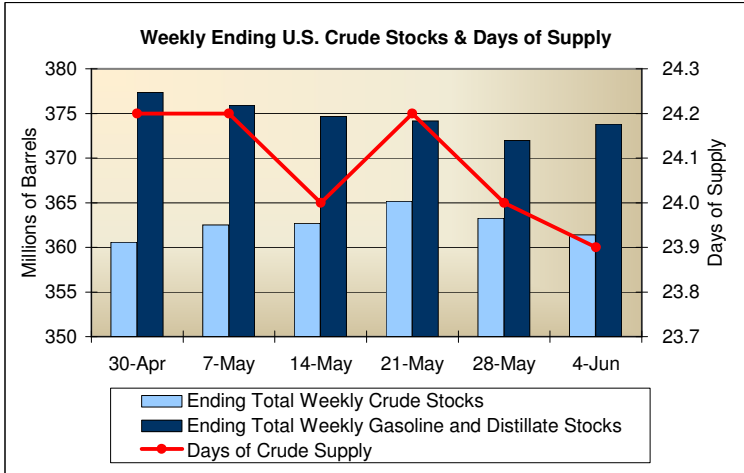
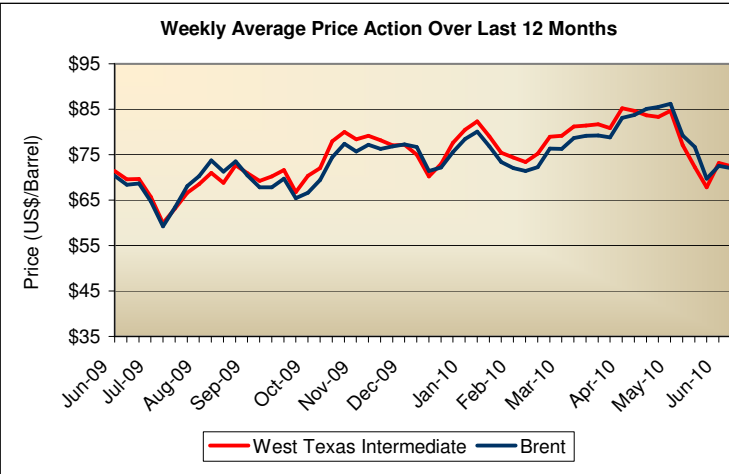
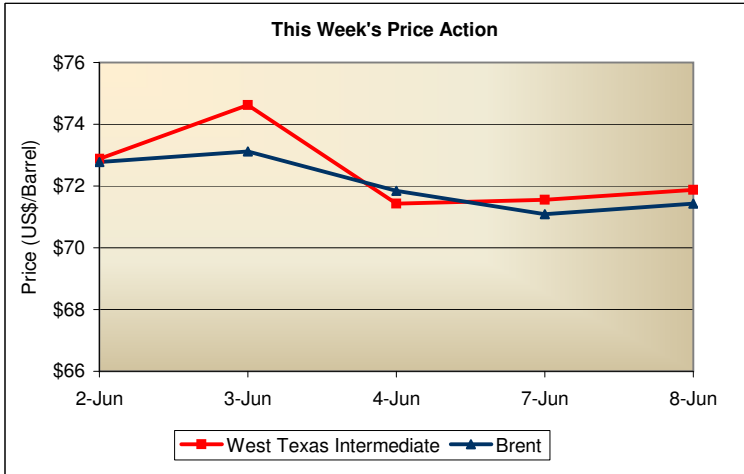


# Crude Price Report - For the Period June 2, 2010 to June 8, 2010

Benchmark Crudes (US\$/bbl)	May 26 - June 1 Average	Current Period					June 2 - June 8 Average	June Month-to-Date	2010 Year-to-Date
		2-Jun	3-Jun	4-Jun	7-Jun	8-Jun			
West Texas Intermediate	\$73.20	\$72.88	\$74.62	\$71.43	\$71.55	\$71.88	\$72.47	\$72.51	\$78.59
Brent	\$72.56	\$72.78	\$73.12	\$71.84	\$71.09	\$71.43	\$72.05	\$72.22	\$77.73



### COMMENTARY:

- ▶ For the June 2 - June 8 period, the average price for West Texas Intermediate was lower by \$0.72 week-over-week, at \$72.47. Brent prices were lower by \$0.51 week-over-week, averaging \$72.05.
- ▶ WTI began the period at \$72.88 ending at \$71.88 by June 8. Brent prices began the period at \$72.78, ending at \$71.43 on June 8.
- ▶ The average crude prices for 2010 year-to-date decreased from the previous period with WTI down \$0.30 to \$78.59 and Brent down \$0.28 to \$77.73.
- ▶ US crude stocks decreased by 1.829 million bbls this period. At the same time, days of crude supply decreased by 0.1 days of supply from the previous period of 24.0 days of supply. US gasoline and distillate stocks increased by 1.828 million bbls.
- ▶ On June 8, the EIA released its Short-Term Energy Outlook. The EIA expects WTI crude oil spot prices will average \$78.75 and \$82.50 per barrel in 2010 and 2011, respectively. EIA has lowered its projections for world oil prices slightly for 2010 due to uncertainty about economic growth in China and in the Euro zone and declines in equity markets. EIA projects that world oil consumption will grow by 1.5 and 1.6 million bbl/d in 2010 and 2011, respectively. The growth in oil consumption is expected to be largely in the Asia-Pacific and Middle East regions. EIA projects that OPEC will keep its crude oil production largely unchanged for the remainder of 2010. The countries that have the bulk of OPEC 's spare capacity – Saudi Arabia, Kuwait, and the United Arab Emirates – have maintained their quota discipline and are expected to continue barring significant changes in the world oil market. OPEC crude oil production is projected to increase by 0.5 million bbl/d in 2011 as new capacity is added in countries such as Angola.
- ▶ According to media reports, the International Energy Agency (IEA) may cut its estimates for Gulf of Mexico oil production for 2015 by 100,000 to 300,000 barrels per day due to potentially tighter US legislation on deepwater drilling following the BP oil spill. The Obama administration has put on hold new deepwater exploratory drilling in the U.S. for six months, pending the findings of a presidential commission investigating the causes of the BP oil 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.

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

