

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

Benchmark Crudes (US\$/bbl)	August 25 - August 31 Average	Current Period					September 1 - September 7 Average	September Month-to-Date	2010 Year-to-Date
		1-Sep	2-Sep	3-Sep	6-Sep	7-Sep			
West Texas Intermediate	\$73.44	\$73.97	\$74.99	\$74.52	Holiday	\$73.98	\$74.37	\$74.37	\$77.75
Brent	\$74.39	\$75.53	\$74.93	\$75.03	Holiday	\$75.78	\$75.32	\$75.32	\$77.13

COMMENTARY:

► For the September 1 - September 7 period, the average price for West Texas Intermediate and Brent was up by \$0.93 week-over-week, at \$74.37 and \$75.32, respectively. There was no data entry for September 6 due to the observation of Labour Day in the United States.

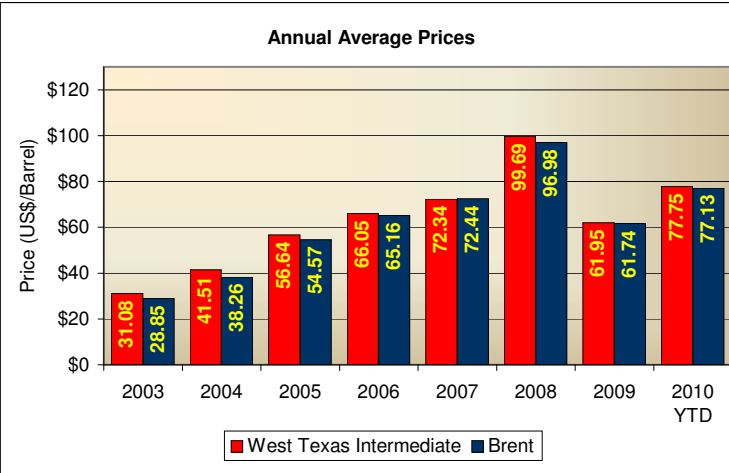
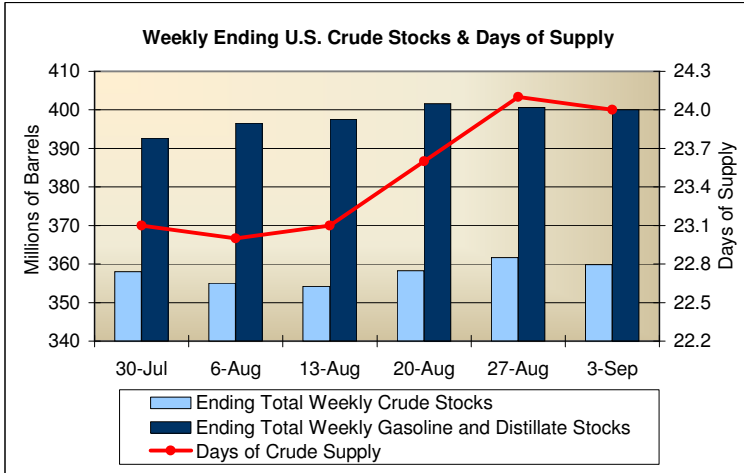
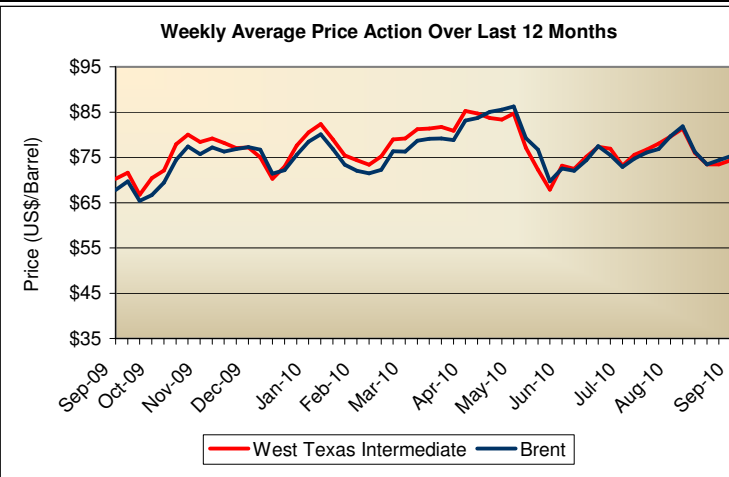
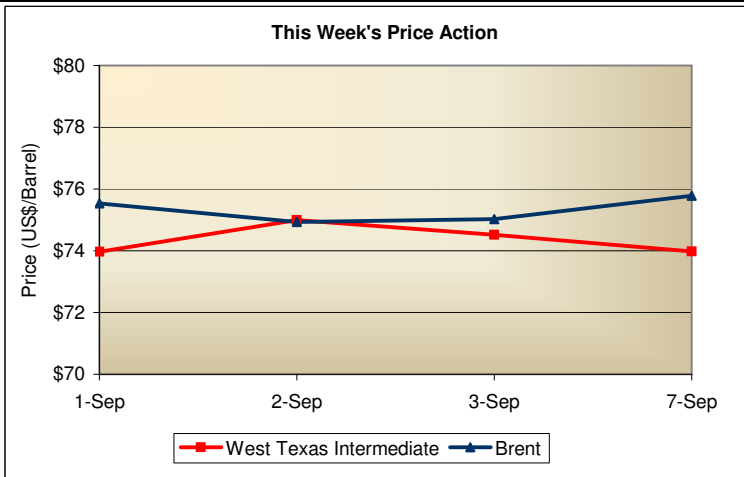
► WTI began the period at \$73.97, ending slightly higher at \$73.98 on September 7. Brent prices began the period at \$75.53, ending higher at \$75.78 on September 7.

► The average crude prices for 2010 year-to-date decreased from the previous period with WTI down \$0.08 to \$77.75 and Brent down \$0.05 to \$77.13.

► US crude stocks decreased by 1.853 million bbls this period. The days of crude supply decreased by 0.1 days from 24.1 days in the previous period. US gasoline and distillate stocks decreased by 0.631 million bbls.

► On September 8, the U.S. Energy Information Administration (EIA) released its latest Short-Term Energy Outlook. The EIA projects that WTI will average \$77 per barrel in 4Q 2010 and \$82 per barrel in 2011, slightly below the forecasts in last month's Outlook. EIA expects world oil prices to rise slowly as global economic growth leads to higher global oil demand, growth in non-OPEC oil supply slows in 2011, and members of OPEC continue to support world oil prices. EIA projects world oil consumption growth of 1.6 million barrels per day (mmb/d) in 2010 and 1.4 mmb/d in 2011 with growth coming from countries outside of the OECD, especially China, the Middle East countries, and Brazil. EIA projects non-OPEC oil supply will increase by 0.7 mmb/d in 2010 with growth coming mainly from the United States, Brazil, and the former Soviet Union. Forecasted non-OPEC supply is expected to fall by 160,000 barrels per day in 2011, primarily because of declining North Sea production and lower supply in the former Soviet Union, particularly Russia. EIA projects OPEC crude oil production to increase by 0.3 and 0.5 mmb/d in 2010 and 2011, respectively, in order to accommodate increasing world oil demand and to maintain OPEC market objectives.

► According to Reuters, a federal judge on September 1 rejected the U.S. government's request to dismiss a lawsuit challenging its deepwater drilling moratorium. U.S. District Court Judge Martin Feldman said the administration's new moratorium offered "no substantial changes" from the first one. Drilling companies sued the U.S. government on June 7 after it ordered a halt to deepwater drilling in the Gulf of Mexico. As a result of the lawsuit, Judge Feldman blocked implementation of the drilling ban on June 22. The U.S. government then issued a reworked second drilling moratorium and asked that the lawsuit be thrown out because the first ban was no longer relevant.



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.