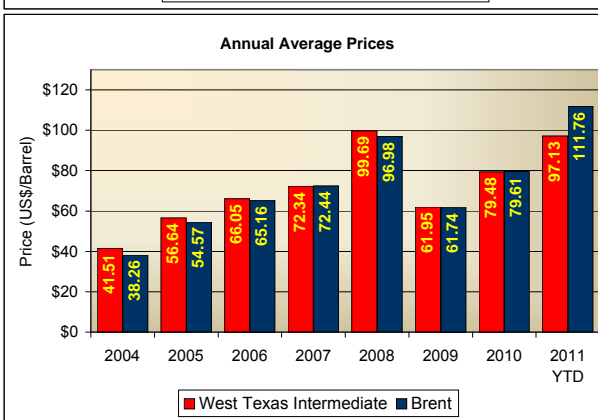
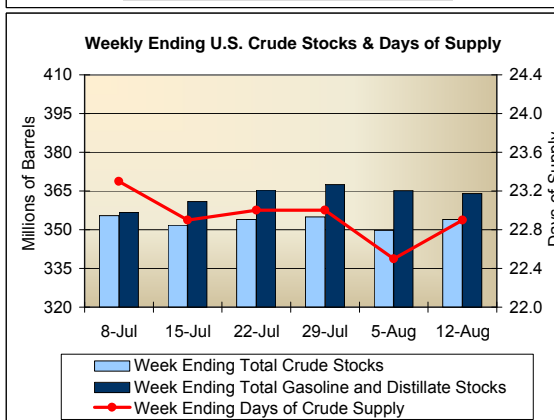
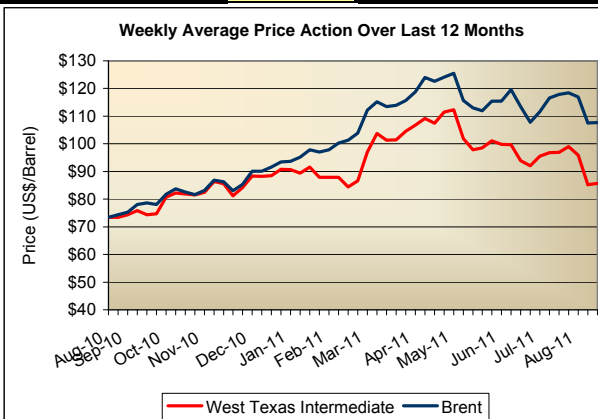
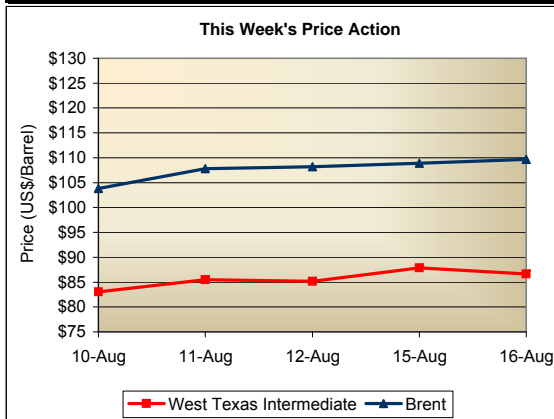


## Crude Price Report - For the Period August 10, 2011 to August 16, 2011

Benchmark Crudes (US\$/bbl)	August 3- August 9 Average	Current Period					August 10- August 16 Average	August Month-to-Date	2011 Year-to-Date
		10-Aug	11-Aug	12-Aug	15-Aug	16-Aug			
West Texas Intermediate	\$85.22	83.05	85.48	85.19	87.88	86.65	\$85.65	\$86.93	\$97.13
Brent	\$107.51	103.84	107.82	108.17	108.89	109.69	\$107.68	\$109.03	\$111.76



### Sources/Notes:

- 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.
- 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).
- Annual and monthly average prices for spot WTI and Brent crude from 2004 to 2011 are simple averages calculated from daily prices as reported by EIA.

### COMMENTARY:

► For the August 10 - August 16 period, the average price of West Texas Intermediate was up \$0.43 week-over-week, at \$85.65/bbl. The average price of Brent was up by \$0.17 week-over-week, at \$107.68/bbl.

► WTI began the period at \$83.05/bbl and ended higher at \$86.65/bbl on August 16. Brent began the period at \$103.84/bbl and ended higher at \$109.69/bbl on August 16.

► The average crude price for 2011 year-to-date for WTI decreased from the previous period down \$0.37 to \$97.13/bbl. Brent decreased from the previous period down \$0.14 to \$111.76/bbl.

► U.S. crude oil stocks increased by 4.233 million bbls this period. The days of crude supply increased by 0.4 days to 22.9 days from 22.5 days in the previous period. U.S. gasoline and distillate stocks decreased by 1.061 million bbls.

► On August 15, 2011, the New York Times reported that a federal judge threw out Obama administration rules on August 12 to increase environmental oversight of oil and gas development on federal land. U.S. District Judge Nancy Freudenthal ruled that the Bureau of Land Management (BLM) and Forest Service had failed to follow the correct procedures in issuing a new interpretation of federal law that limited the use of categorical exclusions, which exempt certain actions from full environmental oversight. The federal law at issue is Section 390 of the 2005 Energy Policy Act, which contains a provision that generally encourages the government to use categorical exclusions in certain onshore oil and gas developments in an effort to speed up the process. The Obama administration sought to ease the impact of the law by issuing a new interpretation of how to implement it. BLM adopted the new procedure in a May 2010 memorandum, and the Forest Service largely followed suit in a June 2010 letter. The administration has the opportunity to try again as U.S. District Judge Nancy Freudenthal declined to reach other legal issues raised by the Western Energy Alliance, the industry group that challenged the guidance. An Interior Department spokesman said officials are reviewing the ruling, but declined to comment further.

► On August 16, 2011, Reuters reported that a recent North Sea oil discovery made by Statoil may be the world's biggest so far this year. On August 8, Statoil stated that it had struck oil in the Aldous Major South prospect in the North Sea, estimated at between 200 and 400 million barrels of oil equivalent (boe) and that it might be connected to the Avaldsnes discovery made by Sweden's Lundin Petroleum. On August 16, Statoil confirmed the two prospects were connected and estimated their combined size between 500 million and 1.2 billion of recoverable boe. Statoil has struggled with declining oil production in recent years and has often revised downwards its future production estimates. Norway's two biggest oil discoveries, Ekofisk and Statfjord, were made in the 1970's and contained approximately more than 3 billion boe each. Norway's oil production, the world's eighth-largest oil exporter and the second-largest for gas, has been on the decline for the last decade. Major oil companies, such as ConocoPhillips, BP and ExxonMobil have largely left Norway and instead are focused on areas such as the Gulf of Mexico, Brazil or Angola. The Norwegian Petroleum Directorate (NPD), the state agency in charge of the country's oil and gas resources, said that the potential is important and added that the find, were it to be in the upper end of the range indicated, could help slow Norway's production decline, which had been expected to accelerate rapidly after 2020. The NPD estimates oil production off Norway will drop to 98.3 million cubic metres in 2011, down 5.8% year-on-year, and to 88.9 million cubic metres by 2015. Statoil said it could take six to eight years before production starts at the new discovery, adding the recovery rate could be at least 50%.

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Department of Natural Resources  
Energy Branch  
Energy Economics Division

