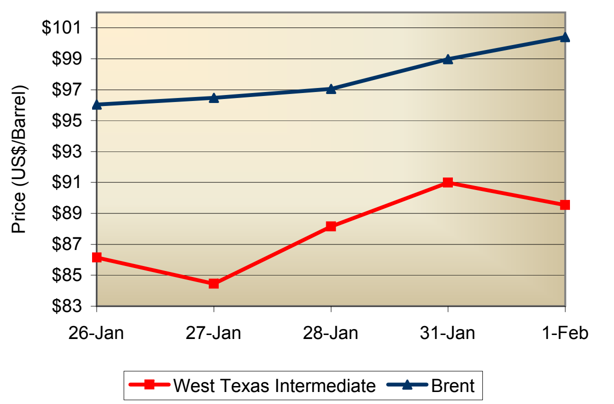
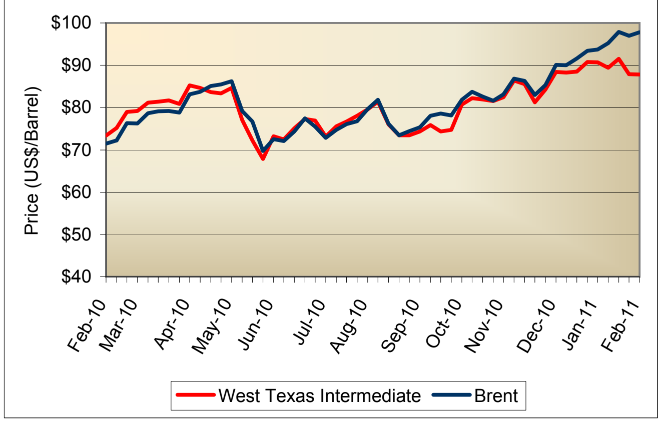
# Crude Price Report - For the Period January 26, 2011 to February 1, 2011

| Benchmark Crudes (US$/bbl) | January 19-January 25 Average | Current Period | | | | | January 26-February 1 Average | February Month-to-Date | 2011 Year-to-Date |
|---|---|---|---|---|---|---|---|---|---|
| | | *26-Jan* | *27-Jan* | *28-Jan* | *31-Jan* | *1-Feb* | | | |
| **West Texas Intermediate** | **$87.89** | *86.15* | *84.45* | *88.15* | *90.99* | *89.54* | **$87.86** | **$89.54** | **$89.19** |
| **Brent** | **$97.01** | *96.04* | *96.48* | *97.06* | *98.97* | *100.40* | **$97.79** | **$100.40** | **$96.71** |

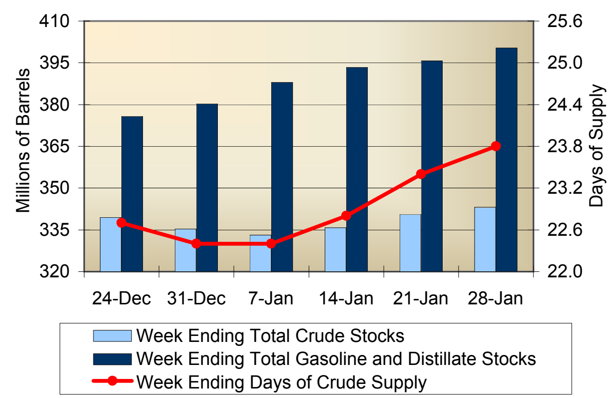
**This Week's Price Action**



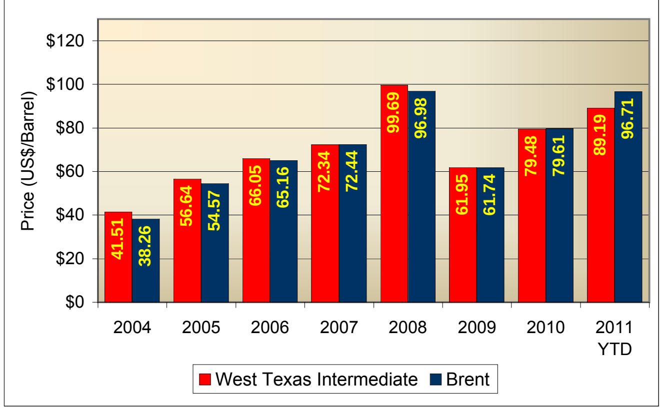

**Weekly Average Price Action Over Last 12 Months**




**Weekly Ending U.S. Crude Stocks & Days of Supply**




**Annual Average Prices**




**COMMENTARY:**

► For the January 26 - February 1 period, the average price of West Texas Intermediate was down by $0.03 week-over-week, at $87.86/bbl. The average price of Brent was up by $0.78 week-over-week, at $97.79/bbl.

► WTI began the period at $86.15/bbl and ended higher at $85.54/bbl on Feb.1. Brent began the period at $96.04/bbl and ended higher at $100.49/bbl on Feb. 1.

► The average crude prices for 2011 year-to-date for WTI decreased from the previous period with WTI down $0.41 to $89.19/bbl. Brent increased from the previous period up $0.34 to $96.71/bbl.

► US crude oil stocks increased by 2.594 million bbls this period. The days of crude supply increased by 0.4 days from the previous period at 23.4 days. US gasoline and distillate stocks increased by 4.575 million bbls.

►On January 27, 2011, Reuters reported Noble Corp, the world's second-largest offshore rig contractor, is moving one of its deepwater rigs out of the Gulf of Mexico, and said it expected more would follow. Noble has a letter of intent with Royal Dutch Shell to move the Clyde Boudreaux to Brazil in April for a year at a rate of $290,000 per day, according to Mr. Roger Hunt, Noble's senior vice president for marketing and contracts. Mr. Roger Hunt commented that they expect to see additional units leave the Gulf region, which may impact the broader deepwater market. Noble is the last major Gulf of Mexico drilling contractor to move out a rig because of the shortage of well permits following the U.S. regulatory overhaul in response to the BP oil spill disaster last year. Previously, Noble had negotiated with clients to keep rigs in the region at cut rates in the hopes of quickly returning them to work.

►On January 26, 2011, Bloomberg reported that Russia may require oil producers tapping offshore deposits to set aside cash to cover damages from possible spills as OAO Rosneft and BP seek to explore for Arctic resources. According to Denis Khramov, a Natural Resources Ministry official, the figures will depend on the scale of activity at offshore fields. According to Mr. Denis Khramov the ministry has submitted draft legislation to the government for review. BP has set aside $40 billion to pay for damage after its Macondo well leaked crude into the Gulf of Mexico. State-run Rosneft plans to explore in the Kara Sea with BP and the Black Sea with Chevron Corp. as traditional onshore fields age.

**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 unrefinec 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 2004 to 2011 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**

Newfoundland Labrador