

# Crude Price Report - For the Period December 29, 2010 to January 4, 2011

Benchmark Crudes (US\$/bbl)	December 22- December 28 Average	Current Period					December 29- January 4 Average	January Month-to-Date	2011 Year-to-Date
		29-Dec	30-Dec	31-Dec	3-Jan	4-Jan			
West Texas Intermediate	\$90.79	91.13	89.85	91.38	91.59	89.39	\$90.67	\$90.49	\$90.49
Brent	\$93.45	93.52	92.50	93.23	95.82	93.52	\$93.72	\$94.67	\$94.67

## COMMENTARY:

► For the December 29 - January 4 period, the average price of West Texas Intermediate was down by \$0.12 week-over-week, at \$90.67. The average price of Brent was up by \$0.27 week-over-week, at \$93.72.

► WTI began the period at \$91.13 and ended lower at \$89.39 on January 4. Brent began the period at \$93.52 peaking during the period at \$95.82 and ending at \$93.52 on January 4.

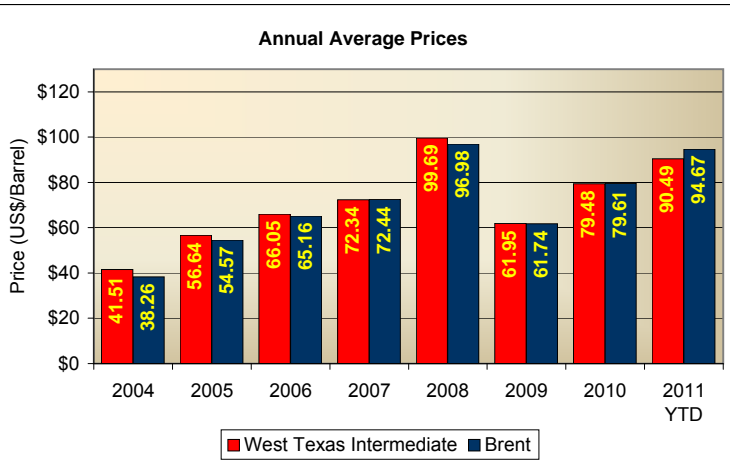
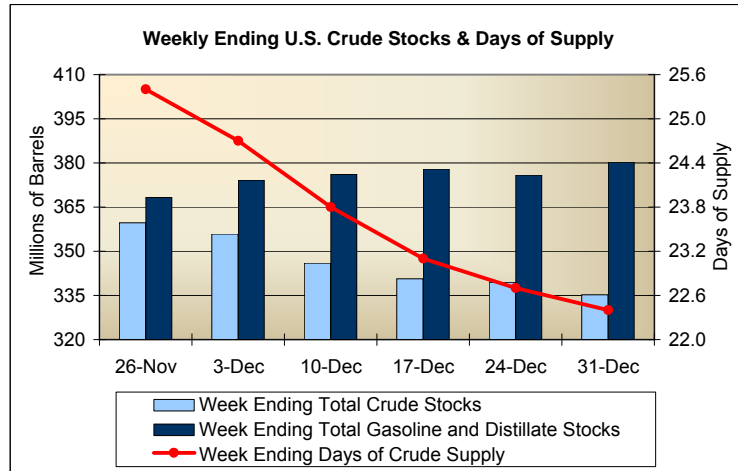
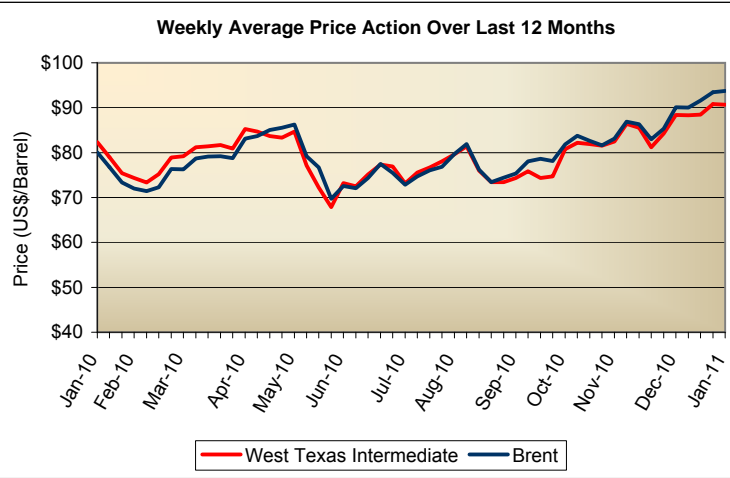
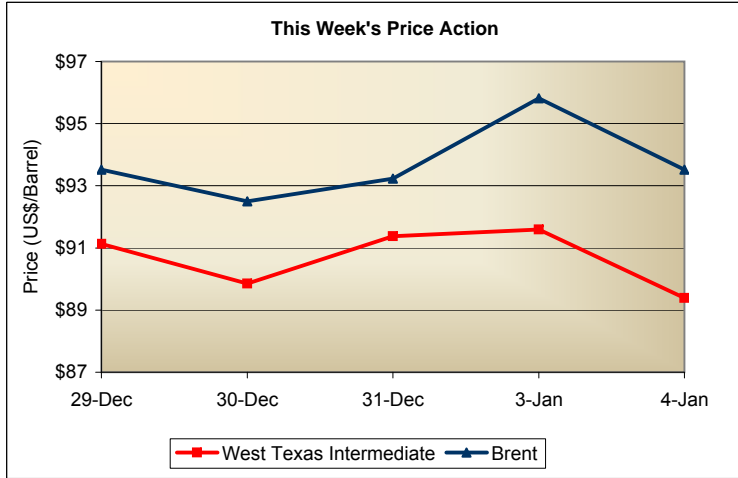
► The full year average crude prices for 2010 for WTI and Brent was \$79.48 and \$79.61, respectively.

► The average crude prices for 2011 year-to-date for WTI was \$90.49 and Brent was \$94.67. This includes price data for two days January 3 and 4.

► US crude oil stocks decreased by 4.161 million bbls this period. The days of crude supply decreased by 0.3 days from the previous period at 22.7 days. US gasoline and distillate stocks increased by 4.437 million bbls.

► On December 30, 2010, Bloomberg reported that the Organization of Petroleum Exporting Countries (OPEC) oil output climbed to a four-month high in December, led by increases in Nigeria and Iraq, as rising oil prices encouraged production. Production by all members increased in December compared to November to average 29.185 million barrels a day. Production by members with quotas rose to 26.8 million, approximately 2 million barrels above their target. Compliance was 53% in December, down from 56% in November. Nigeria exceeded its quota by 547,000 barrels, the largest of any member. Other countries that produced over their quota in December compared to November included Iran with 364,000 barrels over its quota, Angola 183,000 barrels and Saudi Arabia 199,000 barrels.

► On January 4, 2011, the Wall Street Journal reported that deep-water drilling in the Gulf of Mexico could resume within weeks under a policy announced January 3, 2011 by the Obama administration. Oil and gas exploration in the Gulf had been stopped since May, when President Barack Obama announced a six-month drilling moratorium due to the Deepwater Horizon disaster. The administration lifted the ban a month ahead of schedule in October, but has not issued any permits for new deep water oil wells. The administration said it would clear the path for 13 companies to resume work on wells that were already approved and under way when the moratorium took effect. The 16 projects must still comply with strict new safety rules announced, but in most cases won't be subjected to new environmental reviews. The announcement means that some drilling could resume in a matter of weeks, although the exact timing remains unclear. The policy does not affect permit requests that were pending when the moratorium took effect or have been filed since. Those must still undergo enhanced environmental reviews.



## 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 2004 to 2011 are simple averages calculated from daily prices as reported by EIA.