

Crude Price Report - For the Period March 16, 2011 to March 22, 2011

Benchmark Crudes (US\$/bbl)	March 9- March 15 Average	Current Period					March 16- March 22 Average	March Month-to-Date	2011 Year-to-Date
		16-Mar	17-Mar	18-Mar	21-Mar	22-Mar			
West Texas Intermediate	\$101.34	97.99	101.47	101.06	102.36	104.53	\$101.48	\$102.04	\$92.71
Brent	\$113.48	110.96	114.18	114.13	114.92	115.63	\$113.96	\$114.15	\$104.14

COMMENTARY:

► For the March 16 - March 22 period, the average price of West Texas Intermediate was up by \$0.14 week-over-week, at \$101.48/bbl. The average price of Brent was up by \$0.48 week-over-week, at \$113.96/bbl.

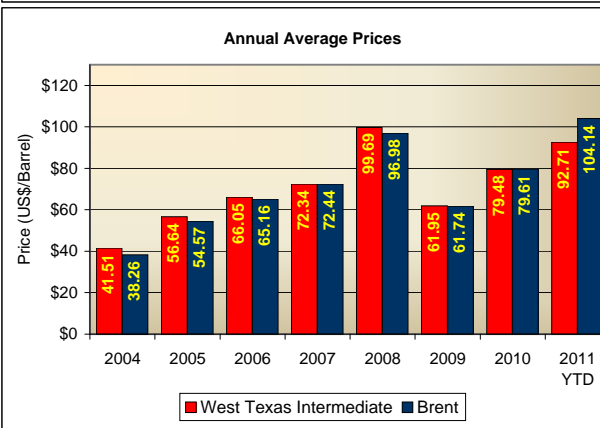
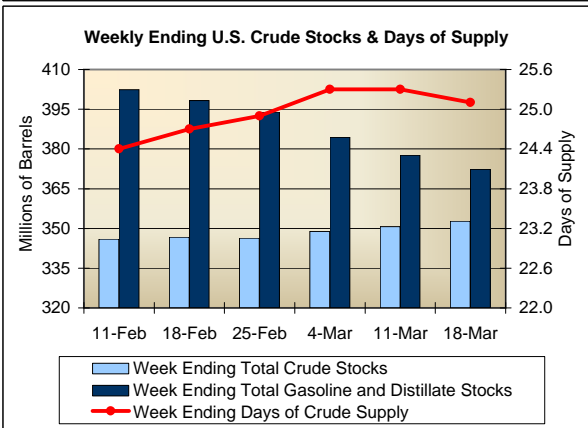
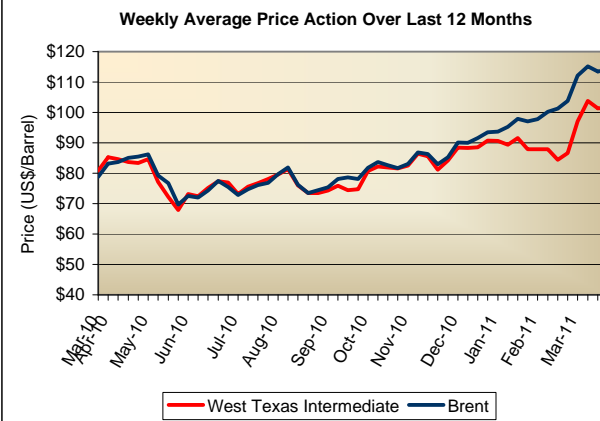
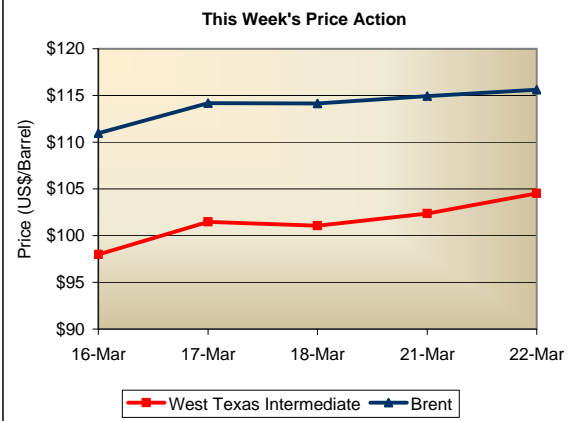
► WTI began the period at \$97.99/bbl and ended higher at \$104.53/bbl on March 22. Brent began the period at \$110.96/bbl and ended higher at \$115.63/bbl on March 22.

► The average crude price for 2011 year-to-date for WTI increased from the previous period up \$0.88 to \$92.71/bbl. Brent increased from the previous period up \$0.99 to \$104.14/bbl.

► US crude oil stocks increased by 2.131 million bbls this period. The days of crude supply decreased by 0.2 days to 25.1 days from 25.3 days in the previous period. US gasoline and distillate stocks decreased by 5.313 million bbls.

► On March 18, 2011, the American Petroleum Institute (API) reported that total U.S. petroleum deliveries (a measure of demand) recorded a 4.4% increase in February 2011 over February a year ago, despite rising fuel costs. Gasoline deliveries, at 9.0 million barrels per day (mmbbls/d), were higher by 4.2% from year-ago levels. Deliveries of ultra-low sulfur distillates increased by 17.6%, and high-sulfur distillates were up by 30.6% from February 2010, reflecting increased demand for truck fuel and home heating oil. Jet fuel deliveries rose by 7.1% from the prior February. Refinery maintenance and turnarounds reduced total inputs to crude distillation units. Gasoline and distillate production achieved record highs for any February. Gasoline production averaged 9.2 mmbbls/d; distillate production averaged 4.3 mmbbls/d. Imports of crude oil and refined products decreased a combined 5.2% in February compared with February a year ago, with product imports falling by 22.6%. Domestic crude oil production fell by 1.6% to 5.4 mmbbls/d from February 2010. Crude stocks were at the second-highest February level in the past ten years, just behind 2009. Inventories of motor gasoline fell from January 2011 and were also less than February 2010. API noted that the boost in deliveries reflects an economy gaining strength.

► On March 22, 2011, the New York Times reported the recent economic disruption to Japan's economy, has at least temporarily offset some of the Libyan uprising's impact on oil prices. However, experts cautioned that a reduction in Japanese demand was only one of many global factors that were now affecting oil prices. Japanese demand for oil has been reduced by an estimated 1 mmbbls/d, nearly one-quarter of what Japan imports, and approximately the same amount of oil that has been withdrawn from world markets by the unrest in Libya. According to experts, the slowdown in Japanese imports (majority of oil imported from the Middle East) is allowing Saudi Arabia time as it tries to ramp up production to make up for lost Libyan oil. Some experts expect that Japan's oil demand will continue to be depressed due to Japanese refinery capacity that may be off line for months and possibly until the end of the year. Although, some energy analysts predict that there will be a steady increase in Japanese oil demand due to oil needed to replace lost nuclear and other power capacity.



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.