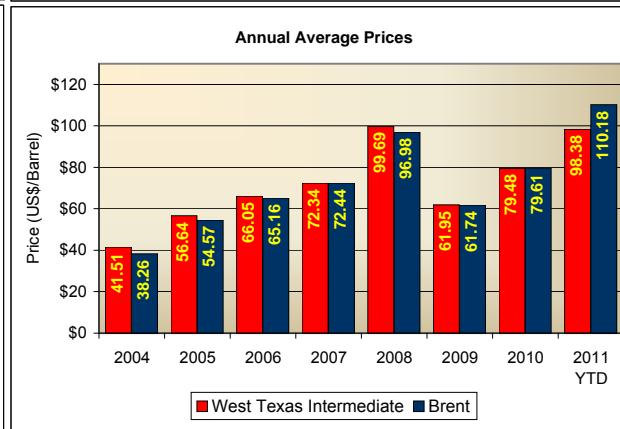
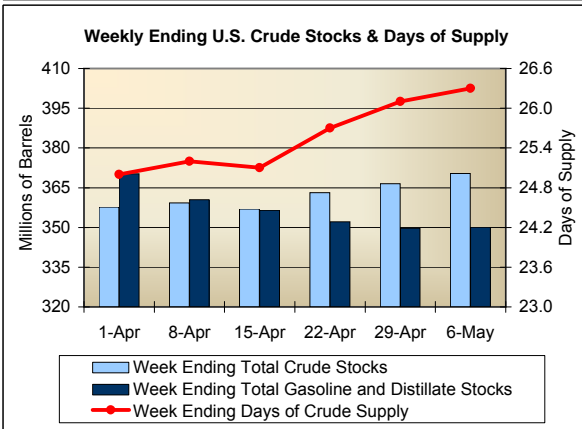
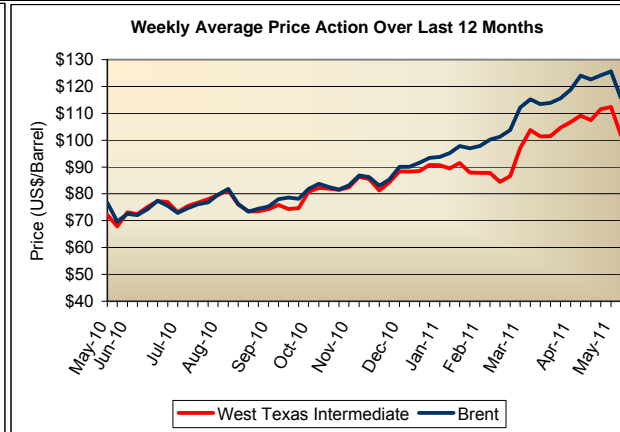
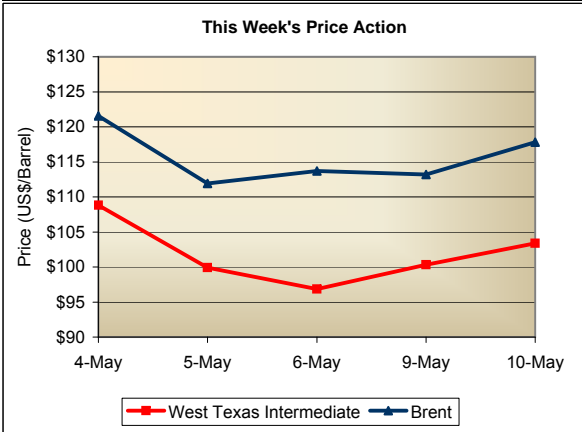


Crude Price Report - For the Period May 4, 2011 to May 10, 2011

Benchmark Crudes (US\$/bbl)	April 27- May 3 Average	Current Period					May 4- May 10 Average	May Month-to-Date	2011 Year-to-Date
		4-May	5-May	6-May	9-May	10-May			
West Texas Intermediate	\$112.34	108.79	99.89	96.87	100.32	103.39	\$101.85	\$104.70	\$98.38
Brent	\$125.55	121.55	111.93	113.69	113.21	117.82	\$115.64	\$118.41	\$110.18



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 May 4 - May 10 period, the average price of West Texas Intermediate was down by \$10.49 week-over-week, at \$101.85/bbl. The average price of Brent was down by \$9.91 week-over-week, at \$115.64/bbl.

► WTI began the period at \$108.79/bbl and ended lower at \$103.39/bbl on May 10. Brent began the period at \$121.55/bbl and ended lower at \$117.82/bbl on May 10.

► The average crude price for 2011 year-to-date for WTI increased from the previous period up \$0.21 to \$98.38/bbl. Brent increased from the previous period up \$0.34 to \$110.18/bbl.

► U.S. crude oil stocks increased by 3.781 million bbls this period. The days of crude supply increased by 0.2 days to 26.3 days from 26.1 days in the previous period. U.S. gasoline and distillate stocks increased by 0.432 million bbls.

► On May 5, 2011, the New York Times reported that the U.S. House approved a bill to accelerate oil lease sales in the Gulf of Mexico and off the coast of Virginia. The bill would reinstate auctions for the right to drill offshore, which have been pushed back by the administration to allow more time for environmental and safety reviews. The House bill set specific deadlines for lease sales in the Gulf and off the Virginia coast and deems existing environmental reviews for the tracts to be adequate. The Obama administration has said it would make those areas available for drilling only after new environmental impact statements are prepared and certain safety measures adopted by the industry. The chairman of the House Natural Resources Committee said the bill would send a signal that Congress was determined to do all it could to speed production of domestic oil and gas.

There are two other measures pending to force the Interior Department to move more quickly on Gulf drilling permits and to open new areas of the Atlantic, Pacific and Arctic Oceans to oil exploration. Democrats introduced legislation to repeal a number of oil industry tax breaks although Republicans have consistently opposed such measures. Senate Democrats are planning to bring a similar tax repeal bill to a vote.

► On May 10, 2011, the U.S. Energy Information Administration (EIA) released its latest Short-Term Energy Outlook forecasting WTI oil price to average \$102.67/bbl in 2011 and \$107.00 in 2012.

- EIA forecasts world oil consumption to grow in 2011 and 2012 mainly due to Non-OECD countries. The largest increases are expected to come from China, Brazil, and the Middle East. Among the OECD nations, only the U.S. and Canada will show growth, offsetting declines in OECD Europe and Japan. World oil consumption is forecast at:

2011 88.08 million barrels per day (mmbbls/day)
2012 89.66 mmbbls/day

- EIA expects world oil supply to grow in 2011 and 2012 due to increases in OPEC and Non-OPEC supply. The greatest increases in Non-OPEC oil production are expected to occur in Brazil, Canada, China, and former Soviet Union countries. The EIA assumes that about one-half of Libya's pre-disruption production will resume by the end of 2012. Non-OPEC and OPEC supply (excluding changes in inventories) are forecast at:

Non-OPEC • 2011 52.34 mmbbls/day
 • 2012 52.76 mmbbls/day
OPEC • 2011 35.47 mmbbls/day
 • 2012 36.54 mmbbls/day

Government of Newfoundland and Labrador
Department of Natural Resources
Energy Branch
Energy Economics Division

