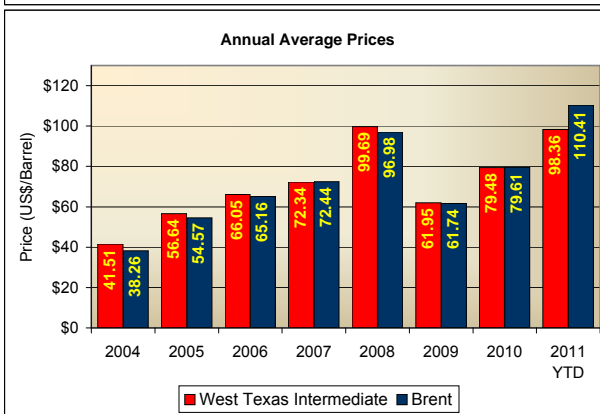
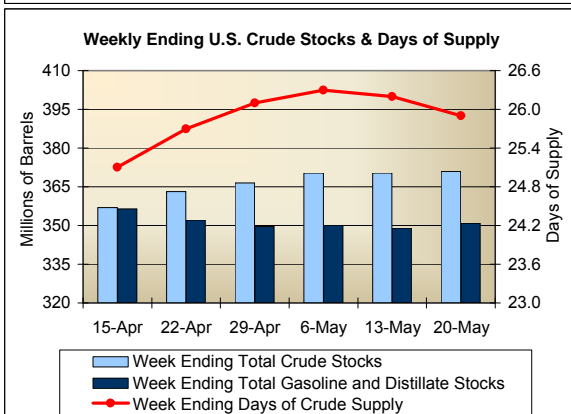
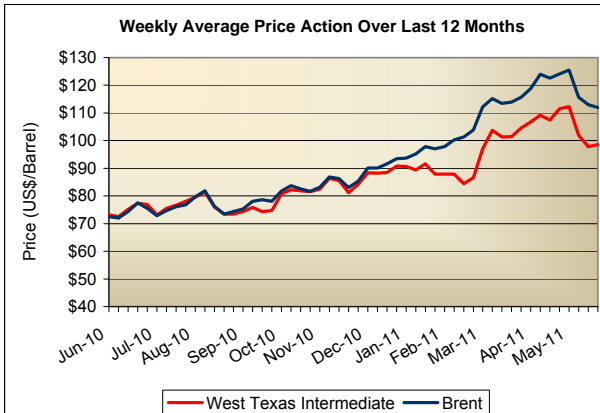
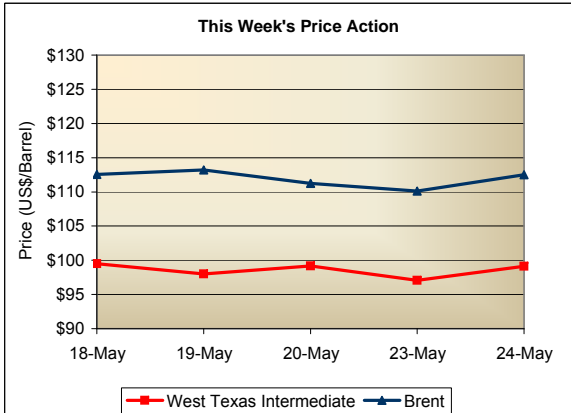


## Crude Price Report - For the Period May 18, 2011 to May 24, 2011

Benchmark Crudes (US\$/bbl)	May 11- May 17 Average	Current Period					May 18- May 24 Average	May Month-to-Date	2011 Year-to-Date
		18-May	19-May	20-May	23-May	24-May			
West Texas Intermediate	\$97.79	99.52	97.99	99.15	97.06	99.13	\$98.57	\$100.86	\$98.36
Brent	\$112.94	112.54	113.20	111.25	110.13	112.52	\$111.93	\$114.89	\$110.41



### 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 18 - May 24 period, the average price of West Texas Intermediate was up by \$0.78 week-over-week, at \$98.57/bbl. The average price of Brent was down by \$1.01 week-over-week, at \$111.93/bbl.

► WTI began the period at \$99.52/bbl and ended lower at \$99.13/bbl on May 24. Brent began the period at \$112.54/bbl and ended slightly lower at \$112.52/bbl on May 24.

► The average crude price for 2011 year-to-date for WTI increased from the previous period up \$0.01 to \$98.36/bbl. Brent increased from the previous period up \$0.08 to \$110.41/bbl.

► U.S. crude oil stocks increased by 0.616 million bbls this period. The days of crude supply decreased by 0.3 days to 25.9 days from 26.2 days in the previous period. U.S. gasoline and distillate stocks increased by 1.754 million bbls.

► On May 18, 2011, Bloomberg reported that a Republican proposal to expand offshore drilling was blocked in the U.S. Senate, a day after Democrats failed to advance legislation that would repeal \$21 billion in tax breaks for five multinational oil companies. Supporters of the legislation fell 18 votes short of the 60 needed to advance, with five Republicans joining Democrats in opposition. The tax repeal measure was eight votes short of the required threshold. Democrats said the Republican-backed offshore bill, which sought to expand lease sales and speed approval of drilling permits, ignored lessons from the BP oil spill in the Gulf of Mexico and would not provide drivers relief at the pump. The measure sought to require lease sales in the Gulf of Mexico and off the coasts of Virginia and Alaska, and set a permit deadline with applications automatically approved if no action was taken within 60 days. The measure also would have extended leases for one year to compensate for delays from the deep-water drilling moratorium imposed by President Barack Obama after BP's spill. That ban was lifted in October. The Interior Department on May 17 said 10 oil leases in the Gulf were extended to make up for delays.

► On May 20, 2011, the American Petroleum Institute (API) reported that a strong increase in distillate fuel demand in April 2011 over a year ago drove an overall rise in petroleum product demand in the U.S.. Distillate demand was up 15.2% while overall petroleum product demand was up 5.2%. Gasoline demand faltered, falling 2.2% compared with April 2010 and declining for the first time in three months. Gasoline production at U.S. refineries fell in April for the first time this year, however, volumes were still the second highest for any April over the past ten years. On a year-to-date basis, gasoline production, like distillate production, remained at a record high. U.S. crude oil production in April fell 0.5% to 5.5 million barrels a day, reversing small production volume gains in March over the year before. The decline was led by a 0.6% drop in the lower 48 states. Year-to-date crude oil production was still up slightly by 0.5%. Total U.S. imports of crude oil and petroleum products were down by 9.9% in April compared with last year, a trend seen through the first four months of 2011. The U.S. continued to be a net exporter of refined products. Inventories of crude oil, at 365.1 million barrels, were 2.7% higher than in March and 1.2% higher than in April 2010. Gasoline stocks at 210.8 million barrels were lower than in March and lower than in April 2010, by 4.5% and 4% respectively. API chief economist stated that the growth in product demand was mixed as the U.S. economy struggled to gain momentum.

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Department of Natural Resources  
Energy Branch  
Energy Economics Division

