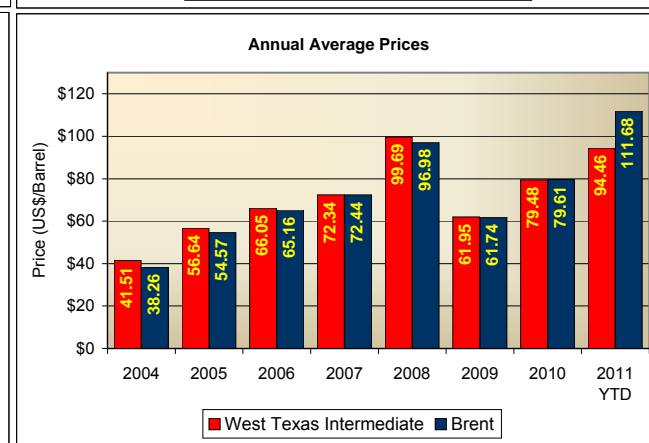
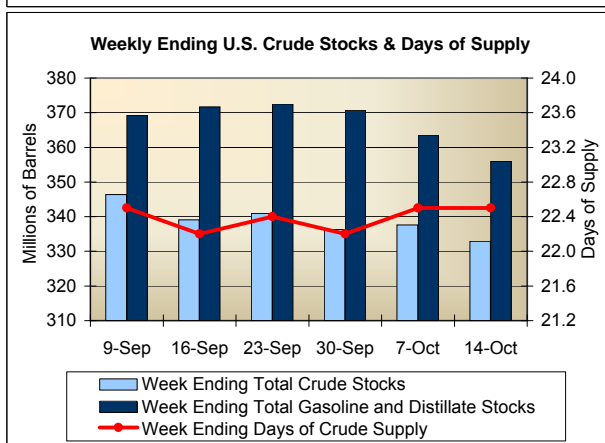
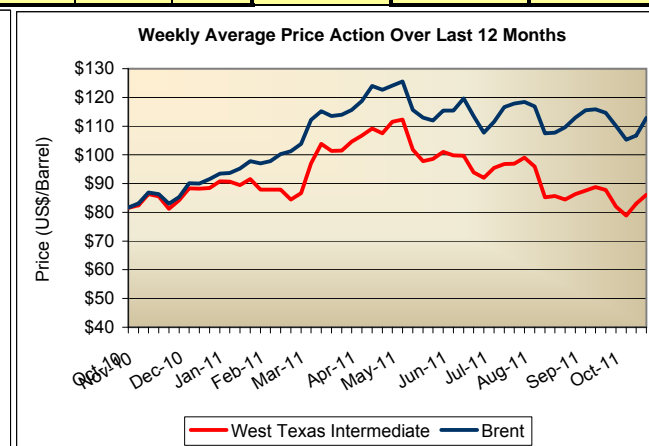
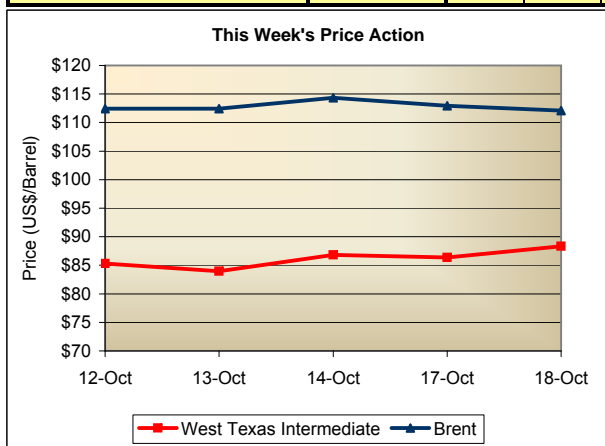


Crude Price Report - For the Period October 12, 2011 to October 18, 2011

Benchmark Crudes (US\$/bbl)	October 5-October 11 Average	Current Period					October 12-October 18 Average	October Month-to-Date	2011 Year-to-Date
		12-Oct	13-Oct	14-Oct	17-Oct	18-Oct			
West Texas Intermediate	\$83.02	85.30	83.96	86.80	86.38	88.34	\$86.16	\$83.22	\$94.46
Brent	\$106.68	112.44	112.45	114.33	112.92	112.08	\$112.84	\$108.59	\$111.68



COMMENTARY:

► For the October 12 - October 18 period, the average price of West Texas Intermediate was up \$3.14 week-over-week, at \$86.16/bbl. The average price of Brent was up by \$6.16 week-over-week, at \$112.84/bbl.

► WTI began the period at \$85.30/bbl and ended higher at \$88.34/bbl on October 18. Brent began the period at \$112.44/bbl and ended lower at \$112.08/bbl on October 18.

► The average crude price for 2011 year-to-date for WTI decreased from the previous period by \$0.21 to \$94.46/bbl. Brent increased from the previous period by \$0.03 to \$111.68/bbl.

► U.S. crude oil stocks decreased by 4.729 million bbls this period to 332.9 million bbls. The days of crude supply remained unchanged from the previous period at 22.5 days. U.S. gasoline and distillate stocks decreased by 7.590 million bbls to 356.0 million bbls.

► On October 12, 2011, the U.S. Energy Information Administration (EIA) released its latest Short-Term Energy Outlook forecasting WTI oil price to average \$92.36/bbl in 2011 and \$88.00 in 2012.

- EIA forecasts world oil consumption to grow in 2011 and 2012. Consumption in OECD countries is projected to decline in both 2011 and 2012, while China and other emerging economies account for all projected oil consumption growth through 2012. World oil consumption is forecast at:

2011 88.40 million barrels per day (mmbbls/day)
2012 89.84 mmbbls/day

- EIA expects world oil supply to grow in 2011 due to increases in non-OPEC supply and OPEC non-crude production and in 2012 due to increases in OPEC and non-OPEC supply. In 2011, the EIA does not forecast as large a decline in OPEC crude oil production compared to the previous outlook due to increased production in Saudi Arabia. The largest sources of expected growth in non-OPEC oil production over the forecast period are Brazil, Canada, China, Colombia, Kazakhstan and the U.S.. By the end of 2012, the EIA assumes that about one-half of Libya's pre-disruption production will resume. Non-OPEC and OPEC supply (excluding changes in inventories) are forecast at:

Non-OPEC • 2011 52.27 mmbbls/day
• 2012 53.11 mmbbls/day
OPEC • 2011 35.57 mmbbls/day
• 2012 36.30 mmbbls/day

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.

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

