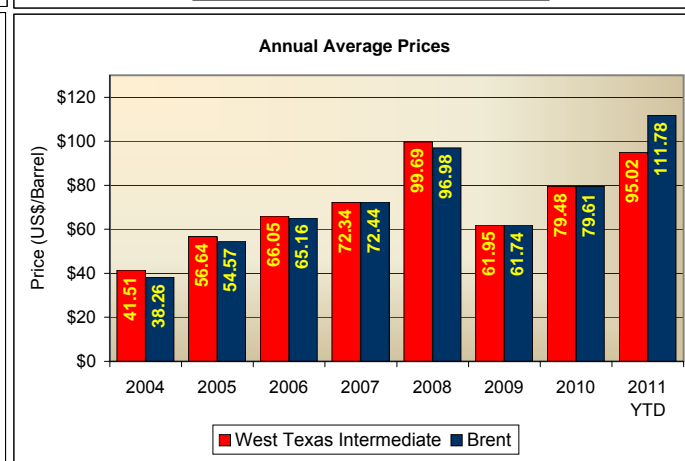
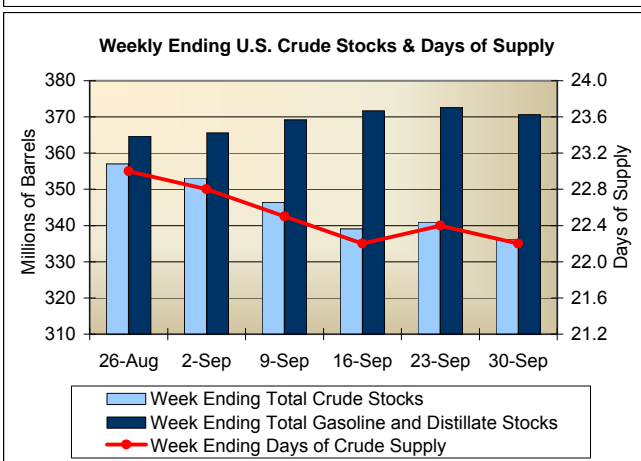
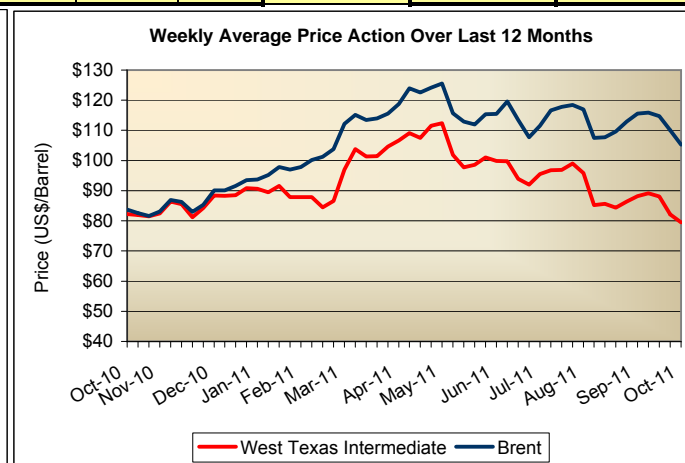
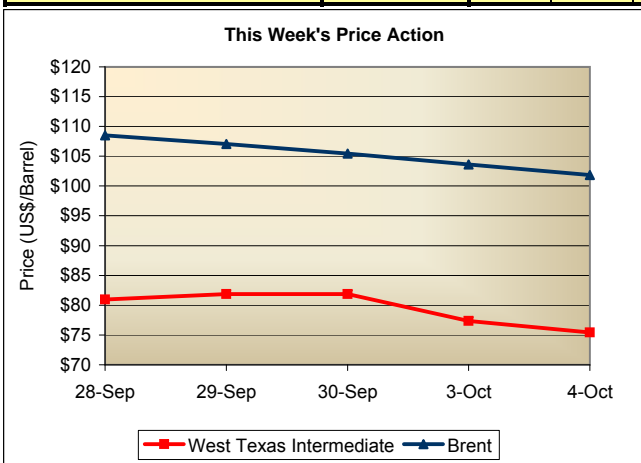


Crude Price Report - For the Period September 28, 2011 to October 4, 2011

Benchmark Crudes (US\$/bbl)	September 21-September 27 Average	Current Period					September 28-October 4 Average	October Month-to-Date	2011 Year-to-Date
		28-Sep	29-Sep	30-Sep	3-Oct	4-Oct			
West Texas Intermediate	\$82.10	80.94	81.87	81.87	77.34	75.40	\$79.48	\$76.37	\$95.02
Brent	\$110.02	108.52	107.08	105.42	103.61	101.84	\$105.29	\$102.73	\$111.78



COMMENTARY:

► For the September 28 - October 4 period, the average price of West Texas Intermediate was down \$2.62 week-over-week, at \$79.48/bbl. The average price of Brent was down by \$4.73 week-over-week, at \$105.29/bbl.

► WTI began the period at \$80.94/bbl and ended lower at \$75.40/bbl on October 4. Brent began the period at \$108.52/bbl and ended lower at \$101.84/bbl on October 4.

► The average crude price for 2011 year-to-date for WTI decreased from the previous period by \$0.42 to \$95.02/bbl. Brent decreased from the previous period by \$0.18 to \$111.78/bbl.

► U.S. crude oil stocks decreased by 4.679 million bbls this period to 336.3 million bbls. The days of crude supply decreased by 0.2 days to 22.2 days from 22.4 days in the previous period. U.S. gasoline and distillate stocks decreased by 1.881 million bbls to 370.7 million bbls.

► On September 29, 2011, Reuters reported that UK oil production fell 15.9% year-on-year in the second quarter, its biggest drop since quarterly records began in 1995. UK oil output dropped below 1 million barrels per day (mmbbls/day) for the second time in more than 30 years this summer as maintenance worsened a steep decline in output from depleted North Sea oilfields. The British sector of the North Sea pumped 984,000 barrels per day (bbls/day) of oil in June, down from over 1 mmbbls/day in May and a peak of more than 2.7 mmbbls/day in 1999. Britain's Department of Energy and Climate Change said in a statement that maintenance and other production issues, alongside the long-term reduction, were the main causes for the decrease.

► On September 30, 2011, Bloomberg reported that OPEC's September crude output reached its highest level since November 2008, led by Iraq. Production increased by 75,000 bbls/day to average 30.06 mmbbls/day, according to a Bloomberg survey. Daily output by the 11 members with quotas decreased by 15,000 bbls/day to 27.29 mmbbls/day, 2.44 million barrels above their target. Iraq production rose 90,000 bbls/day to 2.77 mmbbls/day in September, the highest amount since October 2001. Saudi Arabia, OPEC's biggest producer, reduced output by 90,000 bbls/day to 9.76 mmbbls/day, exceeding its quota by 1.709 million barrels. Libyan output rose 55,000 bbls/day to 100,000 bbls/day in September from 1.585 mmbbls/day in January.

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

