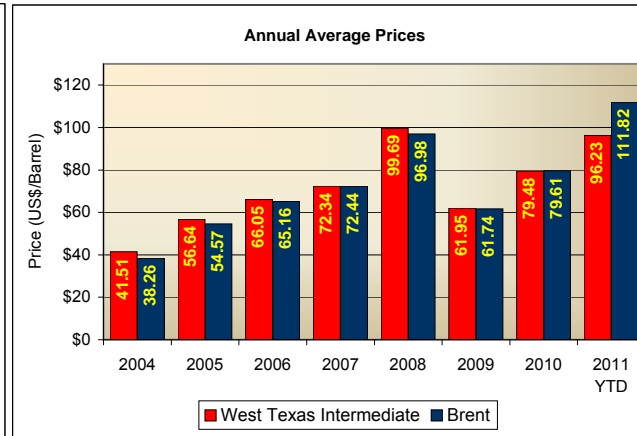
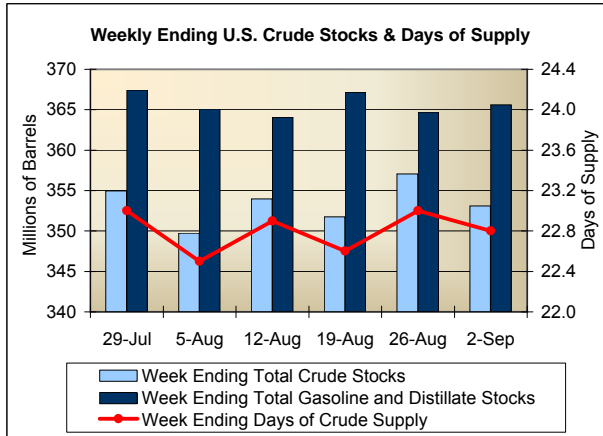
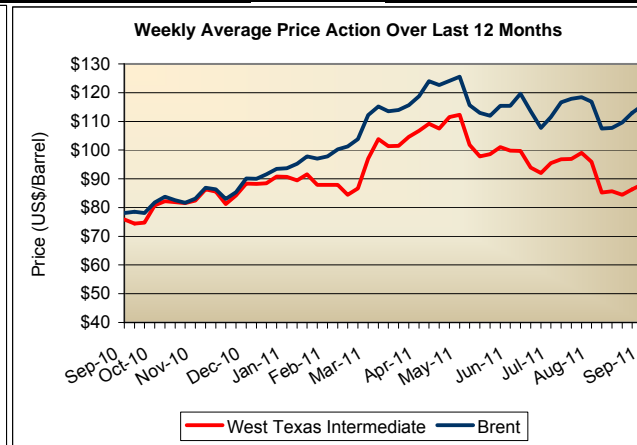
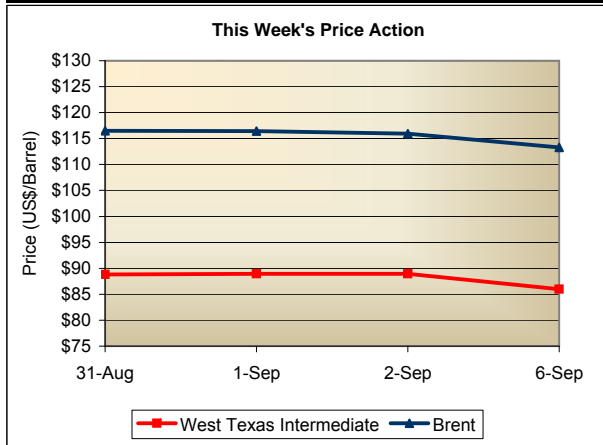


Crude Price Report - For the Period August 31, 2011 to September 6, 2011

Benchmark Crudes (US\$/bbl)	August 24- August 30 Average	Current Period					August 31- September 6 Average	September Month-to-Date	2011 Year-to-Date
		31-Aug	1-Sep	2-Sep	5-Sep	6-Sep			
West Texas Intermediate	\$86.34	88.81	88.93	88.93	N/A	85.99	\$88.17	\$87.95	\$96.23
Brent	\$112.93	116.48	116.43	115.92	N/A	113.29	\$115.53	\$115.21	\$111.82



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 August 31 - September 6 period, the average price of West Texas Intermediate was up \$1.83 week-over-week, at \$88.17/bbl. The average price of Brent was up by \$2.60 week-over-week, at \$115.53/bbl. The U.S. Energy Information Administration did not report any price data on September 5 for WTI and Brent due to the observation of the Labour day holiday.

► WTI began the period at \$88.81/bbl and ended lower at \$85.99/bbl on September 6. Brent began the period at \$116.48/bbl and ended lower at \$113.29/bbl on September 6.

► The average crude price for 2011 year-to-date for WTI decreased from the previous period down \$0.19 to \$96.23/bbl. Brent increased from the previous period up \$0.09 to \$111.82/bbl.

► U.S. crude oil stocks decreased by 3.963 million bbls this period. The days of crude supply decreased by 0.2 days to 22.8 days from 23.0 days in the previous period. U.S. gasoline and distillate stocks increased by 0.908 million bbls.

► On September 2, 2011, The New York Times reported that the European Union (EU) banned all imports of Syrian oil in response to its suppression of the nearly six-month-old uprising. Syria produces approximately 400,000 barrels of oil per day (bbls/day), less than 1% of global production, and exports about 150,000 bbls/day to Europe. Under the new prohibition, no member of the 27-member EU can buy, import or transport oil and other petroleum products from Syria, or enter into financial or insurance services for such transactions, although existing contracts can be fulfilled until November 15. The exports provide about 25% of the Syria's income. Of the EU members, Austria was the most reliant on Syrian oil, importing about 8% of its total needs from that country. Brussels, Italy and Germany import about 3% of their total crude oil from Syria according to EU officials.

► On September 2, 2011, Reuters reported that oil output in Russia established a new post-Soviet high of 10.28 million barrels per day (mmbbls/day) in August due to production ramp-ups at TNK-BP and Gazprom. Overall crude production in August increased by 0.2% from 10.26 mmbbls/day in July. Oil production in Russia increased in August by 2.1%, compared to August 2010. The Russian Energy Ministry stated in a presentation on September 2 that it expects output to be approximately 10.23 mmbbls/day in 2011, up from 10.145 mmbbls/day in 2010 and expects further growth in September to 10.29 mmbbls/day. Natural gas production fell 6.1% to 45.42 billion cubic metres (bcm) in August from 48.40 bcm in July following seasonal cuts in demand. Gas output at Russia's top gas producer, Gazprom, declined 8.2% last month to 32.83 bcm. Analysts expect Russia's gas production to fall further as consumers in Europe stockpiled volumes in the spring in anticipation of price rises.

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

