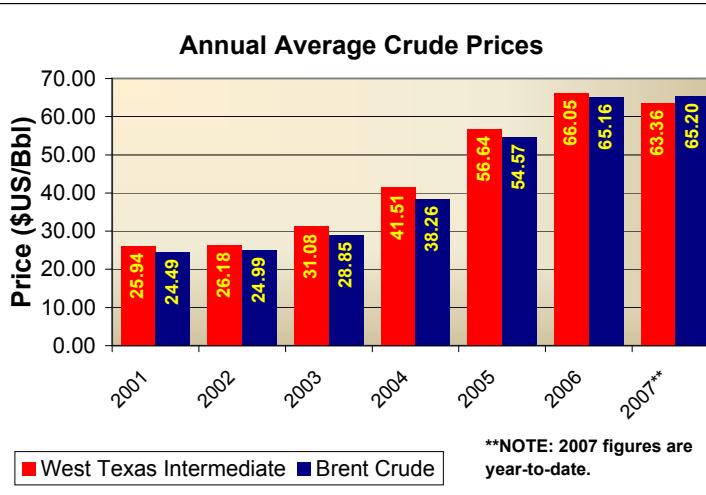
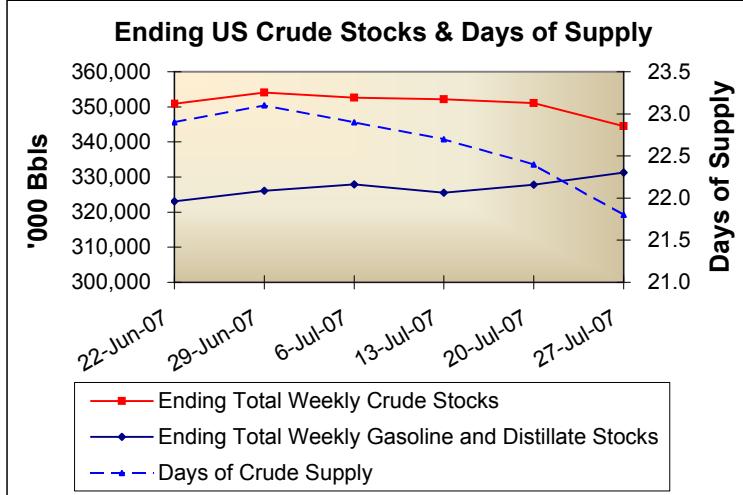
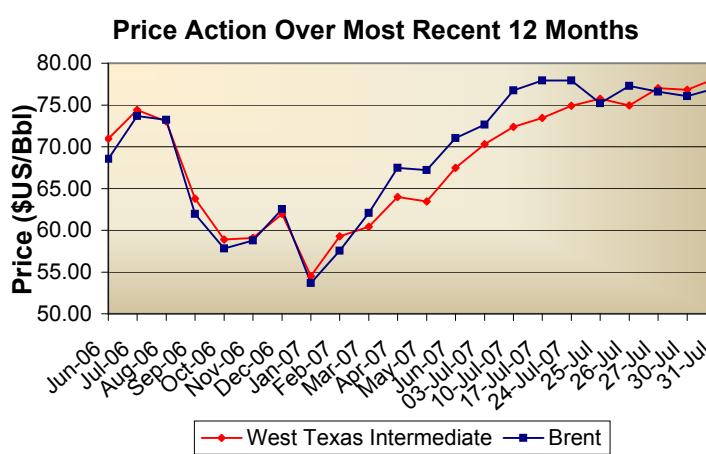
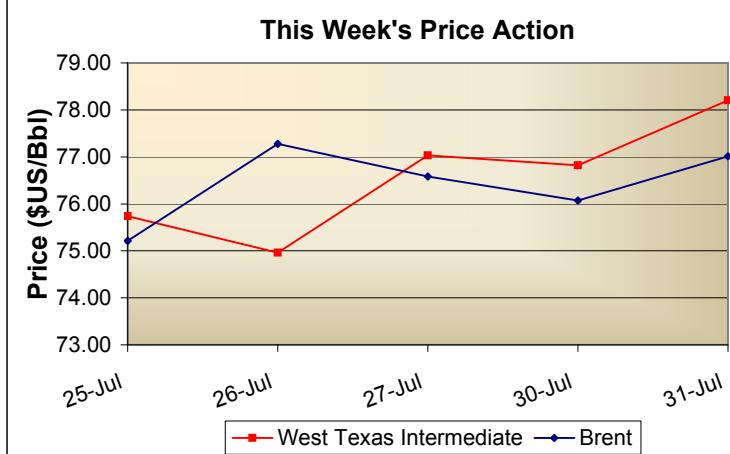


## Weekly Crude Price Report - For the Week Ending July 31, 2007

Benchmark Crudes (US\$/bbl)	Week Ended	Current Week					July 25 - July 31 Average	July Month-to-Date	2007 Year-to-Date
	24-Jul-07	25-Jul	26-Jul	27-Jul	30-Jul	31-Jul			
- West Texas Intermediate	74.90	75.74	74.96	77.03	76.82	78.20	76.55	74.12	63.36
- Brent Crude	77.94	75.21	77.28	76.58	76.07	77.01	76.43	76.93	65.20



### COMMENTARY:

► For the July 25 - July 31 period, West Texas Intermediate closed higher by \$4.82 week-over-week, ending the week at \$78.20. Brent gained \$1.13 week-over-week to close at \$77.01.

► US Crude stocks decreased by 6.5 million bbls. At the same time, days of crude supply decreased by 0.6 to 21.8 days of supply. Gasoline and distillate stocks increased by 3.5 million bbls.

► Crude prices resumed their sharp upward climb this week, with WTI gaining over 6.5% on the week. Brent gains were more restrained as it added just 1.5%. This marked difference in price action had the effect of reversing the Brent-WTI spread, and for the first time since February, WTI ended the week actually trading at a price premium to Brent. This is probably a local supply/storage issue at the Cushing, Oklahoma distribution point for WTI.

Meanwhile, US ending crude stocks were down sharply and gasoline stocks were relatively flat for the week. Most of the 3.5 million bbl build in the gasoline and distillates total can be attributed directly to increases in distillates (such as home heating fuel and diesel fuel) so while demand runs high for gasoline there is no indication that refinery output is doing much more than barely keeping up. This adds to vulnerability to supply shocks and likely introduces an increased risk premium to crude prices.

### Sources/Notes:

1. 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.
2. 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).
3. Annual and monthly average prices for spot WTI and Brent crude from 2001 to 2007 are simple averages calculated from daily prices as reported by EIA.

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Energy Branch  
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