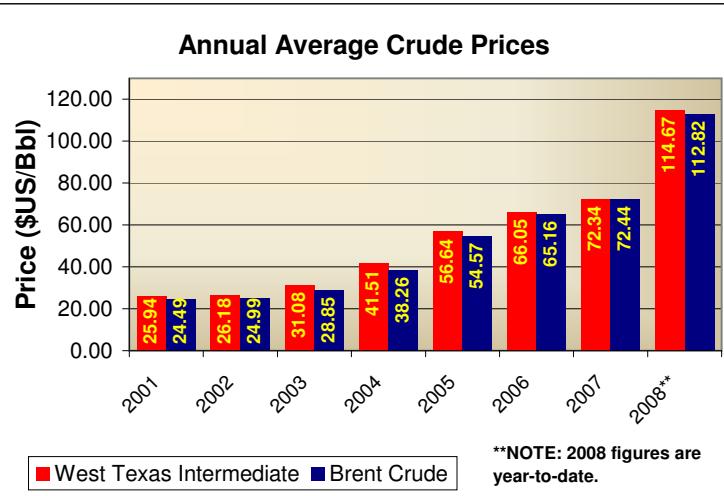
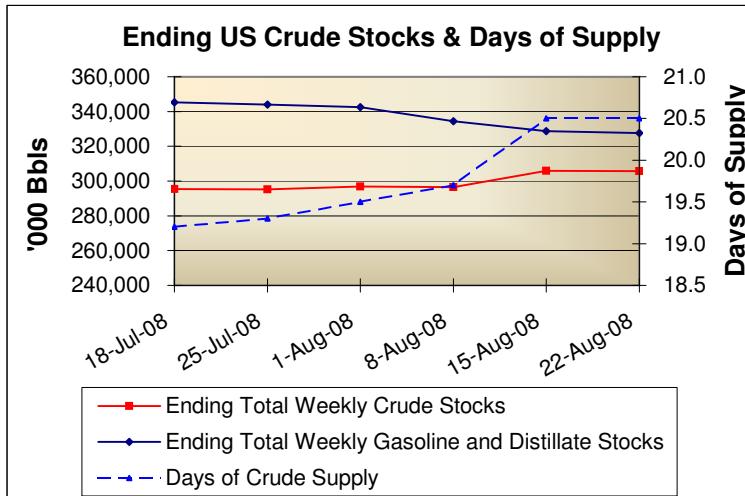
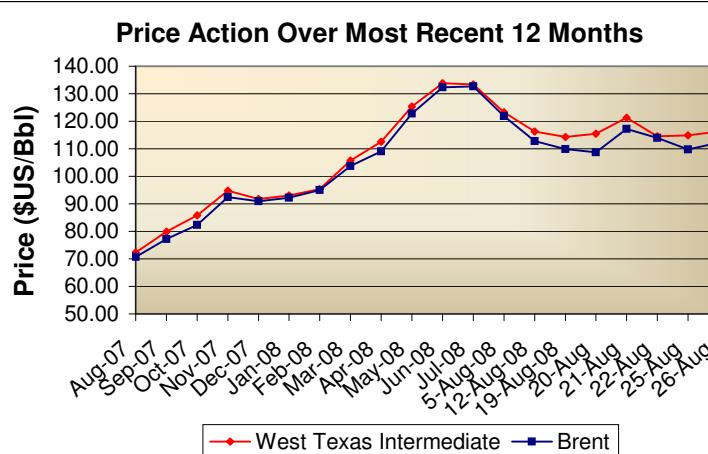
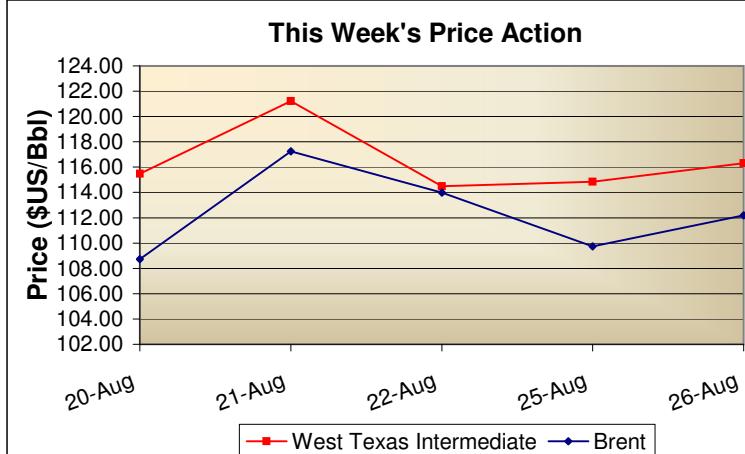


Weekly Crude Price Report - For the Week Ending August 26, 2008

Benchmark Crudes (US\$/bbl)	August 13 - August 19 Average	Current Week					August 20 - August 26 Average	August Month-to- Date	2008 Year to-Date
		20-Aug	21-Aug	22-Aug	25-Aug	26-Aug			
- West Texas Intermediate	114.36	115.48	121.23	114.48	114.85	116.31	116.47	116.71	114.67
- Brent Crude	109.93	108.72	117.24	113.99	109.74	112.20	112.38	113.22	112.82



COMMENTARY:

- For the August 20 - August 26 period, the average price for West Texas Intermediate was higher by \$2.11 week-over-week, at \$116.47. Brent prices gained \$2.45 week-over-week, averaging \$112.38.
- US Crude stocks decreased by 0.18 million bbls this week. At the same time, days of crude supply was unchanged at 20.5 days of supply. US gasoline and distillate stocks decreased by 1.12 million bbls.
- Price averages stabilized and moved up this period, ending a string of six consecutive weeks of declines during which both WTI and Brent lost approximately 20% in value. Crude demand continues to be weak, due not only to high prices causing consumers to alter consumption patterns but also to the strengthening US dollar which has the dual effect of making crude more expensive to foreign consumers and reducing the incentive for investors to buy commodities as hedges against currency losses and inflation. The recent reduced prices are making feedstock prices cheaper and refining margins more attractive to refiners, which does draw more crude into refineries and has a mitigating effect on price declines. This week a tropical storm has developed in the Gulf of Mexico which has raised the possibility of supply disruptions. So far, the storm has not materialized into any substantial threat but it is expected to reach hurricane status and is being watched closely for any potential impact on production and refining facilities in the US Gulf Coast area.

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 2008 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