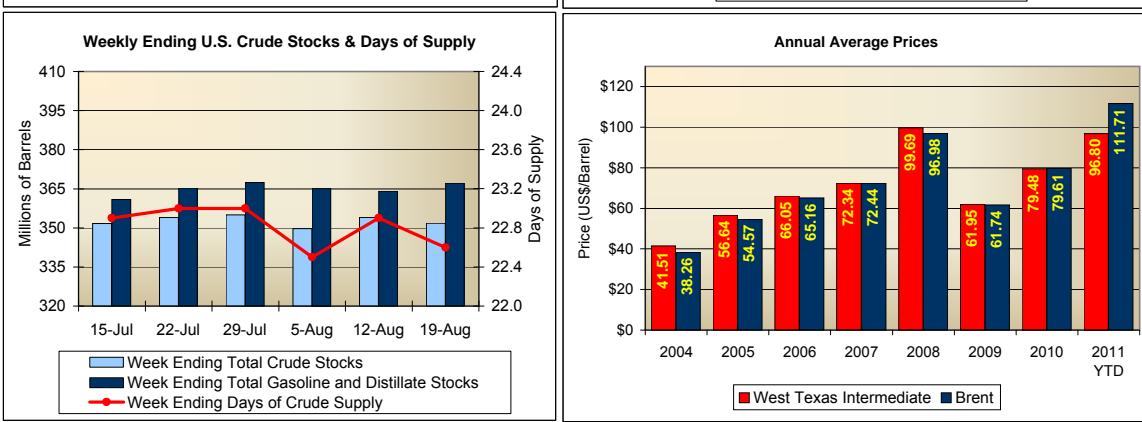
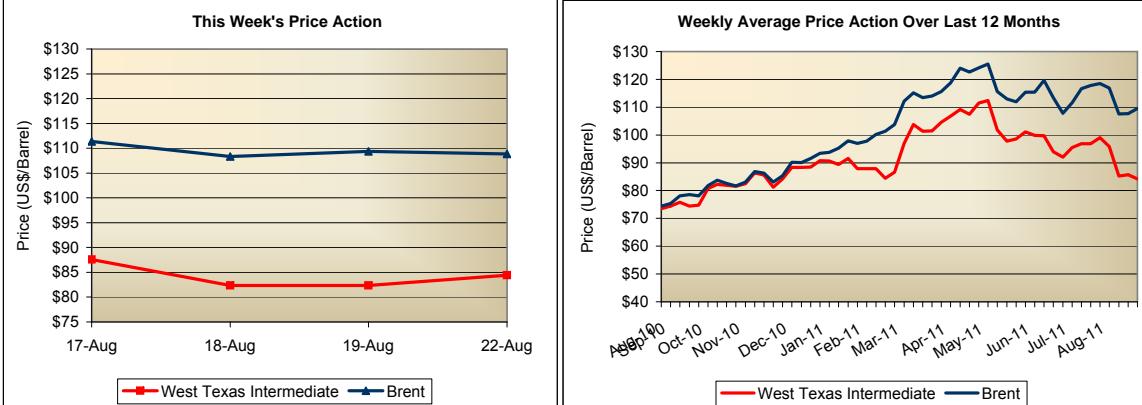


## Crude Price Report - For the Period August 17, 2011 to August 23, 2011

Benchmark Crudes (US\$/bbl)	August 10-August 16 Average	Current Period					August 17-August 23 Average	August Month-to-Date	2011 Year-to-Date
		17-Aug	18-Aug	19-Aug	22-Aug	23-Aug			
West Texas Intermediate	\$85.65	87.58	82.38	82.33	84.42	N/A	\$84.18	\$86.24	\$96.80
Brent	\$107.68	111.37	108.36	109.37	108.83	N/A	\$109.48	\$109.14	\$111.71



### 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 2004 to 2011 are simple averages calculated from daily prices as reported by EIA.

### COMMENTARY:

- For the August 17 - August 23 period, the average price of West Texas Intermediate was down \$1.47 week-over-week, at \$84.18/bbl. The average price of Brent was up by \$1.80 week-over-week, at \$109.48/bbl. The U.S. Energy Information Administration did not report any price data on August 23 for WTI and Brent.
- WTI began the period at \$87.58/bbl and ended lower at \$84.42/bbl on August 22. Brent began the period at \$111.37/bbl and ended lower at \$108.83/bbl on August 22.
- The average crude price for 2011 year-to-date for WTI decreased from the previous period down \$0.33 to \$96.80/bbl. Brent decreased from the previous period down \$0.05 to \$111.71/bbl.
- U.S. crude oil stocks decreased by 2.213 million bbls this period. The days of crude supply decreased by 0.3 days to 22.6 days from 22.9 days in the previous period. U.S. gasoline and distillate stocks increased by 3.086 million bbls.
- On August 19, 2011, the U.S. Department of the Interior issued a press release announcing that the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) will hold the first oil and natural gas lease sale in the Gulf of Mexico since the Deepwater Horizon spill. The proposed Western Gulf of Mexico Lease Sale 218 is scheduled to be held in New Orleans on December 14, 2011 and will include all available un-leased areas in the Western Gulf Planning Area offshore Texas. The proposed lease sale encompasses about 3,900 un-leased blocks covering approximately 20.6 million acres. BOEMRE estimates the proposed lease sale could result in the production of 222 to 423 million barrels of oil and 1.49 to 2.65 trillion cubic feet of natural gas. As part of the Administration's commitment to provide incentives for diligent development and to ensure receipt of fair market value for the lease rights sold, BOEMRE proposes to increase the minimum bid amount for blocks in water depths of 1,312 feet (400 meters) and greater to \$100 per acre. The minimum bid for those water depths in previous sales was \$37.50 per acre. The change is based on a historical analysis of the last 15 years of lease sales in the Gulf of Mexico. The analysis, adjusted for energy prices at time of each sale, demonstrated that leases that received high bids of less than \$100 per acre have experienced virtually no exploration and development activities. Based on this analysis, BOEMRE has concluded that the increase will have little to no adverse impact on the timing or magnitude of production from tracts offered in this sale. In addition, raising the minimum bid will discourage companies from purchasing leases they are unlikely to explore in the near term. The minimum bid amount for leases in the much more heavily explored and produced shallower water depths will remain at \$25 per acre.
- On August 19, 2011, the American Petroleum Institute (API) reported that total petroleum deliveries (a measure of demand) fell in July 2011 by half a percent compared with July 2010—the first monthly decline in 2011. Motor gasoline demand in July 2011 was the lowest for any July over the past decade. Distillate deliveries were 10.9% higher in July 2011 compared to July 2010, led by a 15.1% increase in ultra low sulfur distillate deliveries. U.S. refinery gasoline production fell for the first time this year, down 2.3% from July 2010. However, gasoline production remained at a record high level on a year-to-date basis. Refinery inputs were down in July for the sixth month in a row. Total imports of petroleum products fell to a 14-year low in July 2011 and were down 14.7% in comparison to July 2010. U.S. crude imports decreased 9.1% to 9.0 million barrels per day (mmbbls/day) and product imports fell 35.3% to 1.8 mmbbls/day. In comparison, Canadian crude oil imports showed a 1.3% increase from last year to 2.1 mmbbls/day. U.S. crude oil production in July 2011 was at its lowest level any month thus far in 2011 and was the lowest July level in three years. Production in the lower-48 states was down slightly in July 2011 while Alaskan production decreased 13.2% due to a planned maintenance shutdown of the trans-Alaska pipeline in the middle of the month. With a decline in crude oil imports and an increase in crude oil refinery inputs, compared with the prior year, crude oil stocks showed year-over-year declines for the second time this year, falling 1.5% from June 2011 and 1.7% from July 2010. Despite the decline in comparison to 2010, July 2011 crude stock levels were still the second highest for any July since 1990. Gasoline, distillate fuel and jet fuel stocks decreased in comparison to last July. API chief economist noted that the numbers, though mixed, confirm continuing weakness in the economy.