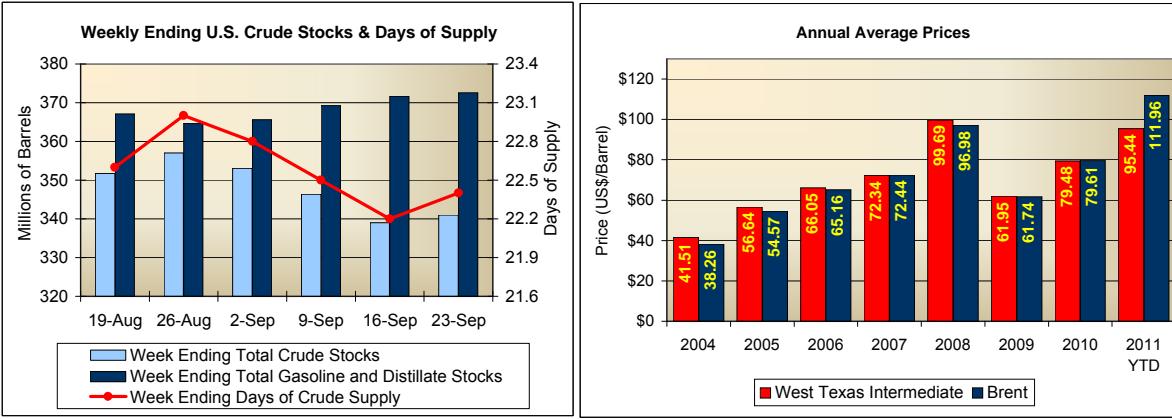
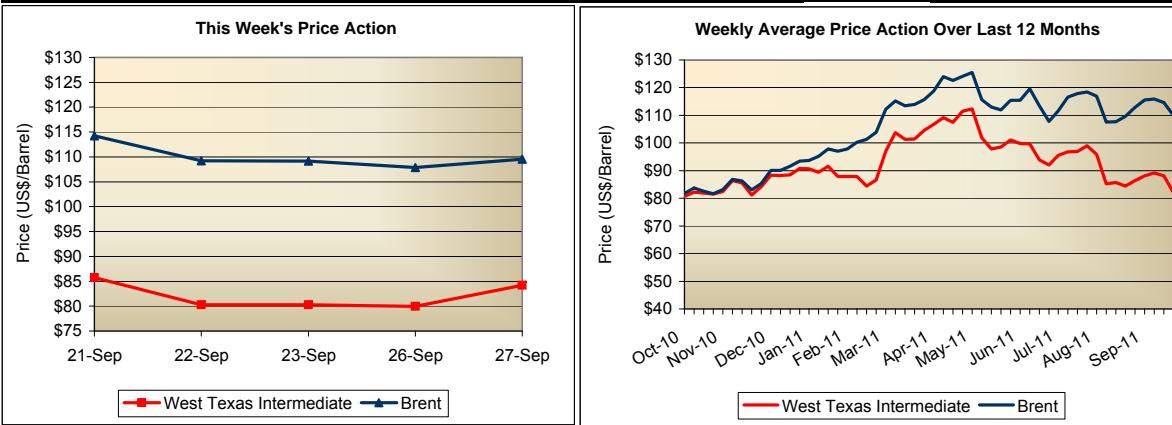


Crude Price Report - For the Period September 21, 2011 to September 27, 2011

Benchmark Crudes (US\$/bbl)	September 14-September 20 Average	Current Period					September 21-September 27 Average	September Month-to-Date	2011 Year-to-Date
		21-Sep	22-Sep	23-Sep	26-Sep	27-Sep			
West Texas Intermediate	\$88.07	85.77	80.29	80.29	79.97	84.18	\$82.10	\$86.70	\$95.44
Brent	\$114.67	114.26	109.21	109.17	107.90	109.54	\$110.02	\$113.81	\$111.96



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 September 21 - September 27 period, the average price of West Texas Intermediate was down \$5.97 week-over-week, at \$82.10/bbl. The average price of Brent was down by \$4.65 week-over-week, at \$110.02/bbl.
- WTI began the period at \$85.77/bbl and ended lower at \$84.18/bbl on September 27. Brent began the period at \$114.26/bbl and ended lower at \$109.54/bbl on September 27.
- The average crude price for 2011 year-to-date for WTI decreased from the previous period by \$0.37 to \$95.44/bbl. Brent decreased from the previous period by \$0.05 to \$111.96/bbl.
- U.S. crude oil stocks increased by 1.915 million bbls this period to 341.0 million bbls. The days of crude supply increased by 0.2 days to 22.4 days from 22.2 days in the previous period. U.S. gasoline and distillate stocks increased by 0.863 million bbls to 372.5 million bbls.
- On September 23, 2011, the American Petroleum Institute (API) reported that total petroleum deliveries (a measure of demand) rose slightly in August 2011 compared with August 2010. Gasoline demand decreased by 1.3% in August 2011 compared to August 2010, a 10-year low for the month while distillate demand rose by 10.8%. U.S. refinery production of gasoline was up 0.6% over August 2010 and was higher for the first eight months of the year than any previous January-through-August period. Production of distillate fuel and jet fuel were also up, with distillate fuel production set a record for any August and for any year to date. Total imports of petroleum products were down from last year by 11.0% to a 14-year low for August. Total U.S. crude imports fell by 1.8% to 9.4 million barrels per day (mmbbls/day) in August 2011 compared to August 2010. Canadian imports of crude oil increased by 7.0% from August 2010 to average 2.1 mmbbls/day. Crude oil production fell to its lowest level in 2011 to 5.1 mmbbls/day, although year to date crude production was higher by 1.1% compared with 2010. Production in the lower-48 states was down by 6.3%. For the third time this year, crude oil stocks showed year-over-year declines, although this stock level was still the second highest for any August since 1990, after August 2010. Total stocks of oil and products were down 6.5% from August 2010 and down 0.7% from June 2011 levels. Motor gasoline stocks fell on a monthly and yearly basis to 210.0 million barrels, but still were the second-highest for the month of August since 1998. Distillate fuel stocks increased from July 2011 levels, although were down from August 2010 by 8.0%. The API chief economist noted that the U.S. economy is still struggling with gasoline demand numbers reflecting weak retail sales, although the rise in distillate demand numbers suggest modest growth in manufacturing but consumers remain cautious.
- On September 27, 2011, Reuters reported that Venezuela plans to boost its oil output by more than a third to 4.03 mmbbls/day by 2014, as it plans to develop the Orinoco extra heavy crude belt. Venezuela's Energy Minister stated that the country would only boost production in coordination with OPEC. The Energy Minister noted that the target for next year was 3.24 mmbbls/day, up from current production of 3 mmbbls/day (higher than the latest official figures of 2.77 mmbbls/day pumped in June). The Energy Minister said Venezuela's state owned oil company has increased oil sales to the Caribbean and Asia, and was now sending more than 460,000 bbls/day to China, which has provided billions of dollars of loans in return for oil supplies. Venezuela recently bought 38 oil drilling rigs from China. The Venezuelan government is seeking to revitalize the declining oil sector through a program of boosting production at mature fields and a series of projects with foreign companies to develop the Orinoco belt. OPEC stated in July that Venezuela pulled ahead of Saudi Arabia in 2010 to become the world's No. 1 holder of reserves with 296.5 billion barrels, mostly located in the Orinoco belt.

Government of Newfoundland and Labrador

Department of Natural Resources

Energy Branch

Energy Economics Division

