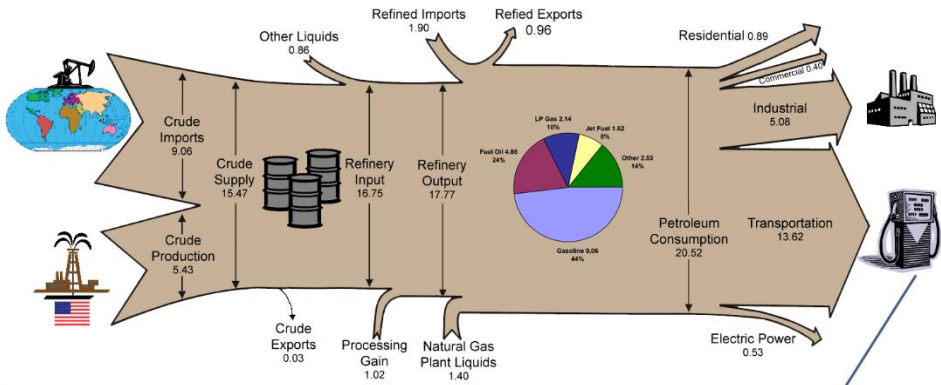


For Your Information...

Oil Production Flow and Prices

A Schematic Diagram of the Circulatory System for the U.S. Economy



2009 U.S. Oil Sourcing, Refining, & Usage

- Figures are *millions of barrels per day, average*
- Most small flows omitted
- Estimation and rounding errors apply
- Source: U.S. Department of Energy, Energy Information Administration

Average U.S. Gasoline Price



Distribution & Marketing	\$ 0.40
Refining Costs & Profits	0.42
Federal & State Taxes	0.40
Crude Oil	<u>2.45</u>
Total per Gallon (2011)	\$ 3.68



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It comes as no surprise that oil is extremely important to our economic performance; what may surprise you is how complex the sourcing and refining processes are, and how significantly post-sourcing factors like refining and taxes can affect prices at the pump. For example, refinery capacity is often the most limiting production factor, particularly during the summer peak consumption months.

We keep a close eye on the drivers of petroleum prices, mindful of the potential impact on market performance. For more expansive commentary on oil, pay a visit to our website and check out the back issues of our *Market Recap* newsletter.

Bellwether Consulting is an independent investment advisor serving the needs of retirement plan sponsors and other institutional investors.

For more information please have a look at our website at www.bellwetherconsulting.net, or call us at (646) 205-9346.