U.S. oil prices climbed to $107.50 a barrel, near their intraday high for the year, on The Wall Street Journal’s report Tuesday that the U.S. government has allowed some exports of ultralight oil.

In separate rulings that haven’t been announced, the Commerce Department gave Pioneer Natural Resources Co. and Enterprise Products Partners LP permission to ship a type of ultralight oil known as condensate to foreign buyers. The buyers could turn the oil into gasoline, jet fuel and diesel.

The Commerce Department said in a statement that there has been "no change in policy on crude oil exports," leaving analysts and investors scrambling to decide what the rulings mean.

Oil-market and equity analysts weigh in on how the rulings could affect producers, refiners and oil prices.

**Citigroup:**

“The minor process that has been approved isn’t so minor and is something long expected – a ruling on how lease condensate can be transformed into a petroleum product, and thus exportable under general license. What is a notable step towards greater crude exports (though it would be classified as product exports) is that this is not through a condensate splitter or a distillation tower, but a simple stabilization unit.
“In the absence of an unconditional export ban, which is not the case here, we don’t expect meaningful impact on our expectations for refining profitability. We believe that coastal refiners in the US will continue to have an advantage as improving logistics allows for greater flexibility in crude procurement and product placement. This is also in line with our long-term estimate for Brent vs. US light sweet crude price differentials of $5-$7/Bbl.”

Morgan Stanley:
“The consensus view is that any change in the crude export policy is unlikely ahead of the US midterm elections, which made the timing of this decision particularly surprising. Given the unique nature of this permit, it appears that logic still holds. However, Pioneer’s success in arguing that a lightly processed condensate is a refined product shows the administration is being thoughtful about the crude export issue. Given this approval, we would expect other producers to be more aggressive/creative with export applications as well.”

FBR Capital Markets:
“In our view, this is not a policy change but an application of existing law. We believe the headlines indicate a willingness by the Administration to facilitate reasonable trade in energy rather than a stepping stone to export ban repeal, which would be politically controversial with little upside for the White House. We continue to see interim measures such as condensate reclassification and swaps as important intermediate steps to delay the saturation point at which policymakers would be forced to make a controversial decision.”

Tudor Pickering Holt & Co.:
“The first read here is positive for light oil producers and negative for US refiners. Since new interpretation falls under existing regulation, “lightly distilled” condy will not need specific waivers on go-forward basis. It is premature to apply EPD/PXD “private ruling” on condy exports to all condy producers, but we expect new units to cost low double-digit millions, take weeks/months to deliver vs. splitters/distillation towers, which cost hundreds of millions and take years.”

Ritterbusch & Associates:
“This development is expected to reduce some of the oversupply of crude in the Gulf coast region and is therefore receiving a bullish interpretation. We feel that this decision regarding condensate could ultimately morph into an approval for unprocessed crude exports by next year. A result of this decision is likely to be a closer alignment between WTI crude pricing and the rest of the world including Brent.”

Simmons & Co. International:
“The obvious loser would be refiners, even if there are limits to their condensate consumption. Investors will likely interpret this ruling as the Obama Administration becoming more open to crude oil exports. We believe the events of the past few weeks have likely raised the probability of the federal government allowing crude oil exports in some capacity, especially if violence in Iraq spreads south and significant oil production is negatively impacted. This would raise the call on US light crude oil to help allies like Japan and Korea. For winners, this ruling should benefit producers with heavier condensate weightings.”