

OIL AND GAS REGULATORY AUTHORITY

TARIQ CHAMBERS, CIVIC CENTER, ISLAMABAD. TEL:9221716-18, FAX:9221714

PRESS RELEASE

Islamabad, March 15, 2008,: The Oil and Gas Regulatory Authority (OGRA) has announced new maximum ex-depot sale prices for petroleum products, effective March 16, 2008, which are as follows:

Product	Existing	Revised
Motor Spirit	58.70	62.81
HOBC	69.88	74.77
Kerosene Oil	38.73	41.44
Light Diesel Oil	36.07	38.59

The prices of crude oil prices in the international market during the last fortnight touched \$ 100.5 per barrel in the Arab Gulf Market. The Federal Government, however, has only increased the domestic POL prices by **7%** to minimize the burden on local consumers, thereby continuing to provide them relief.

The Petrol and HOBC prices have been raised by **Rs. 4.11** and **Rs. 4.89** per litre respectively. The prices of Kerosene Oil and Light Diesel Oil have been raised by **Rs. 2.71** and **Rs. 2.52** per litre respectively.

The spokesman further said the government will continue to provide a subsidy of **Rs. 18.05** per litre on Kerosene oil and **Rs. 16.02** per litre on Light Diesel Oil, after the price increase. The cumulative PDC for the fortnight will be about **Rs. 10.5 billion**, which the Government will bear as subsidy.

The price computation is carried out by OGRA in accordance with the formula prescribed by the Federal Government. It requires that the price be based on average Arab Gulf prices for the last fortnight for Naphtha, Diesel, Kerosene and HSFO, to which Inland Freight Equalization Margin (IFEM) is added, which reflects estimated transportation cost of the products to the 29 depots in the country, for the purpose of price equalization. Government levies viz. Petroleum development levy and sales tax are added, to arrive at the notified prices.

Detailed computations for the above prices, based on the Federal Government formula, are placed at the OGRA website (www.ogra.org.pk).