

OIL AND GAS REGULATORY AUTHORITY

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PRESS RELEASE

Islamabad, December 15, 2007: The Oil and Gas Regulatory Authority (OGRA) has notified that the maximum ex-depot sale prices, effective December 16, 2007, of the following products, will remain unchanged. In doing so, the government has maintained the policy of absorbing the impact of increasing international oil prices, for the present. The spokesman further said the government is providing a subsidy of Rs. **14.67** per litre on Kerosene oil and Rs. **13.11** per litre on light diesel oil for the benefit of the common man. The maximum ex-depot sale prices have been maintained at the following level:

	Rs. / Litre
Product	Price
Motor Spirit	53.70
HOBC	64.88
Kerosene Oil	35.23
Light Diesel Oil	32.57

The price determination 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).