

OIL AND GAS REGULATORY AUTHORITY

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PRESS RELEASE

Islamabad, April 30, 2008: The Oil and Gas Regulatory Authority (OGRA) has announced new maximum ex-depot sale prices for petroleum products, effective May 01, 2008, which are as follows:

Rs. / Litre

Product	Existing	Revised
Motor Spirit	65.81	68.81
HOBC	77.77	80.77
Kerosene Oil	41.44	41.44
Light Diesel Oil	41.59	44.59

The price of petroleum products in the international market showed a record surge during the last several months which has compelled the GoP to pass on partial increase to consumers.

The Petrol, HOBC and LDO prices have been raised by **Rs. 3.00** per litre. The price of Kerosene Oil will remain unchanged.

The spokesman further said the government will continue to provide a subsidy of **Rs. 26.76** per litre on Kerosene oil and **Rs. 19.70** per litre on Light Diesel Oil, after the price increase.

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).