

OIL AND GAS REGULATORY AUTHORITY

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PRESS RELEASE

Islamabad July 31, 2008: The Oil and Gas Regulatory Authority (OGRA) has notified on the advice of the Federal Government that the maximum ex-depot sale prices, effective **August 1, 2008**, of the following products, will remain unchanged, as under:-

Rs. / Liter

Product	Price
Motor Spirit	86.66
HOBC	96.08
Kerosene Oil	58.37
Light Diesel Oil	56.50

The spokesman further said the government is still providing a subsidy of **Rs. 29.41** Per liter on Kerosene Oil, and **Rs. 25.16** Per liter on Light Diesel Oil for the benefit of the common man. HSD price is deregulated and therefore the same is done by the individual Oil Marketing Companies (OMC).

The existing margins, however, of OMC's at **3.5%** and of dealers at **4.0%** have been capped with the international prices equivalent to the Arab Light crude oil price of US \$ 100 per barrel, by the Federal Government.

According to the Government sources, these changes will reduce the ex-refinery prices with a view to prevent windfall gains arising from unprecedented increase in International oil prices and to the same extent reduce the volume of subsidies being borne by the national exchequer.