

OIL AND GAS REGULATORY AUTHORITY

Plot #54, Fazal-e-Haq Road, Near PIA Building, Blue Area, Islamabad, Pakistan.

PRESS RELEASE

Islamabad, February 28, 2011. The Oil and Gas Regulatory Authority (OGRA) has announced new maximum ex-depot prices of petroleum products, based on import parity price formula approved by the Federal Government, effective **March 01, 2011** as follows:-

Rs/Litre

Product	Existing Price	Revised w.e.f March 01, 2011	Difference inc/(dec)	%age
Motor Spirit	72.96	80.19	7.23	9.9%
HOBC	86.67	95.25	8.58	9.9%
Kerosene Oil	70.95	77.95	7.00	9.9%
LDO	66.61	73.21	6.60	9.9%

The Arab Gulf petroleum product prices have increased upto 27 % from November 2010, onwards as evident from the following table;

Product		Unit	Effective November 01, 2010	Effective March 01, 2011	Difference inc/(dec)	%age
Motor Spirit 95 RON	C&F	\$ / BBL	88.55	109.31	20.76	23.4%
Kerosene Oil	C&F	\$ / BBL	93.60	117.76	24.16	25.8%
HSD	C&F	\$ / BBL	92.10	114.95	22.85	24.8%
Furnace Oil	C&F	\$ / MT	479.43	610.22	130.79	27.3%
Arab Light Crude Oil	FOB	\$ / BBL	79.71	100.21	20.50	25.7%
Exchange Rate		Rs/US\$	86.13	85.47	(0.66)	-0.8%

Federal Government, In order to provide relief to the public, had kept the prices at November 2010 level which has costed Rs. 13 billion to the government exchequer.

However, due to continuing increase in international market prices and financial constraints of the government, it has become necessary to pass on some impact to the consumers. Therefore, inspite of 27% increase in international market prices since November 2010, the domestic prices have been partially adjusted by 9.9% w.e.f. March 01, 2011. Government will, however, continue to loose Rs. 5 billion per month for not passing the full prices to the consumers.

Detailed computations are available at OGRA's website (www.ogra.org.pk).