

OIL AND GAS REGULATORY AUTHORITY

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

PRESS RELEASE

Islamabad, March 31, 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 **April 01, 2011** as follows:-

Rs/Litre

Product	Existing Price	Revised w.e.f April 01, 2011	Difference inc/(dec)	%age
Motor Spirit	76.58	83.56	6.98	9.1%
HOBC	90.96	98.12	7.16	7.9%
Kerosene Oil	74.45	84.10	9.65	13.0%
LDO	69.91	78.98	9.07	13.0%

This revision in prices was necessitated due to sharp increase in the Arab Gulf petroleum product prices during the month of March 2011, which is evident from the following table;

Product		Unit	Effective March 05, 2011	Effective April 01, 2011	Difference inc/(dec)	%age
Motor Spirit 95 RON	C&F	\$ / BBL	109.31	120.29	10.98	10.0%
Kerosene Oil	C&F	\$ / BBL	117.76	131.35	13.59	11.5%
HSD	C&F	\$ / BBL	114.95	129.56	14.61	12.7%
Furnace Oil	C&F	\$ / MT	610.22	656.60	46.38	7.6%
Arab Light Crude Oil	FOB	\$ / BBL	100.21	110.06	9.85	9.8%
Exchange Rate		Rs/US\$	85.47	85.52	0.05	0.1%

It is further highlighted that the international prices of MS during the last five months increased by 35% whereas the same was only increased by 15% in Pakistan. Also, the HSD international prices in the same period increased by 40% whereas the same was only increased by 18% in Pakistan. The Federal Government will incur a subsidy of Rs. 10 billion approximately on account of POL prices in the month of April 2011 only.

The Prime Minister of Pakistan has directed Ministry of Finance and MPNR to formulate a joint strategy to mitigate the effect of rising POL prices in the interest of the public at large.

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