

OIL AND GAS REGULATORY AUTHORITY

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

PRESS RELEASE

Islamabad February 28, 2010: 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 Federal Government, effective **March 01, 2010** as follows:-

Rs. Per Litre

Product	Existing Price	Revised w.e.f Mar 01, 2010	Difference inc/(dec)	%age
Motor Spirit	71.21	70.57	(0.64)	-1%
HOBC	86.84	86.06	(0.78)	-1%
Kerosene Oil	64.06	61.50	(2.56)	-4%
LDO	61.07	59.47	(1.60)	-3%

This revision in prices was necessitated due to decline in Arab Gulf petroleum product prices over the month of February 2010, which is evident from the following table;

Product		Unit	Effective February 01, 2010	Effective March 01, 2010	Difference inc/(dec)	%age
Motor Spirit 95 RON	C&F	\$/ BBL	86.39	85.32	(1.07)	-1%
Kerosene Oil	C&F	\$/ BBL	85.06	81.25	(3.81)	-4%
HSD	C&F	\$/ BBL	83.18	81.10	(2.08)	-3%
Furnace Oil	C&F	\$/ MT	496.19	473.20	(22.99)	-5%
Arab Light Crude Oil	FOB	\$/ BBL	77.64	73.66	(3.98)	-5%
Exchange Rate		Rs/US\$	84.69	85.06	0.37	0.4%

It is evident from above that the decline in local petroleum prices is in line with the international downward trend.

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

BRIEF ON POL PRODUCTS PRICING

1. Oil and Gas Regulatory Authority (OGRA) was mandated by the Federal Government vide Cabinet's decision No. 41/03/2006, dated March 02, 2006, to fix prices of petroleum products w.e.f. April 01, 2006, **in accordance with the Government's prescribed formula**, under Section 6(2)(r) (relating to function and powers of OGRA) and Section 21(2)(b) (relating to policy guidelines) of Oil and Gas Regulatory Authority Ordinance 2002.

2. Under the above mentioned **Cabinet decision**, OGRA is required to compute and notify the ex-depot sale prices of MS 87 RON, HOBC, Kerosene Oil, Light Diesel Oil, JP - 1, JP - 8 and JP - 4 **in accordance with the prescribed formula, given below:**

Ex-refinery import parity price, computed **per formula approved by ECC** on Dec 23, 2000 and subsequent modifications made from time to time.

Plus Inland Freight Equalization Margin (IFEM) **as determined by OGRA**

Plus 4% Distribution Margin and 5% Dealer Commission subject to minimum of USD 45 and maximum of USD 80 of Arab Light crude oil per barrel.

Plus Petroleum Levy, as **notified by Ministry of Petroleum & Natural Resources** (MPNR) from time to time.

Plus General Sales Tax @ 16% of depot price on the amount included all above elements **payable under the Sales Tax law.**

3. The Federal Government has linked the local prices with the developments in the international oil market and has been passing the impact to domestic prices accordingly.

4. The Arab Gulf petroleum product prices showed slight decline during the month of February 2010 as evident from the data placed at **Annex-I**. Accordingly, OGRA

notified the revised price of petrol, HOBC, kerosene oil and LDO which were declined by 1%, 1%, 4% and 3% respectively w.e.f March 01, 2010. Detailed computation for the month effective March 1, 2010 is placed at Annex-III.

5. The Arab Gulf petroleum product prices showed steep increase during the month of January 2010 as evident from the data placed at **Annex-I**. Accordingly, OGRA notified the revised price of petrol, HOBC, kerosene oil and LDO which were increased by 9%, 9%, 5% and 5% respectively w.e.f February 01, 2010.

6. Oil prices in the Arab Gulf market during the month of December 2009, showed declining trend as evident from the FoB price data reproduced at **Annex-I**. Accordingly, the prices for petrol, HOBC, kerosene oil and LDO were reduced by 1%, 1%, 3% and 4% respectively w.e.f January 01, 2010, as evident from the data provided at Annex-II.

Comparison of Arab Gulf Prices and Exchange Rate

Annex-I

Product		Unit	Effective December 01, 2009	Effective January 01, 2010	Difference inc/(dec)	%age	Effective February 01, 2010	Difference inc/(dec)	%age	Effective March 01, 2010	Difference inc/(dec)	%age
			A	B	B-A		C	C-B		D	D-C	
Furnace Oil	C&F	\$ / MT	479.86	476.69	(3.17)	-1%	496.19	19.50	4%	473.20	(22.99)	-5%
Kerosene Oil	C&F	\$ / BBL	84.24	81.23	(3.00)	-4%	85.06	3.82	5%	81.25	(3.81)	-4%
HSD	C&F	\$ / BBL	83.26	79.28	(3.98)	-5%	83.18	3.90	5%	81.10	(2.08)	-3%
Motor Spirit 95 RON	C&F	\$ / BBL	81.13	79.57	(1.56)	-2%	86.39	6.82	9%	85.32	(1.07)	-1%
Arab Light Crude Oil	FOB	\$ / BBL	77.96	75.90	(2.06)	-3%	77.64	1.74	2%	73.66	(3.98)	-5%
Exchange Rate		Rs/US\$	83.66	84.16	0.50	0.6%	84.69	0.53	0.6%	85.06	0.36	0.4%

Comparison of Local POL product Prices

Annex-II

Product	Unit	Effective December 01, 2009	Effective January 01, 2010	Difference inc/(dec)	%age	Effective February 01, 2010	Difference inc/(dec)	%age	Effective March 01, 2010	Difference inc/(dec)	%age
		A	B	B-A		C	C-B		D	D-C	
Petrol	Rs/Litre	66.00	65.11	(0.89)	-1%	71.21	6.10	9%	70.57	(0.64)	-1%
HOBC	Rs/Litre	80.52	79.43	(1.09)	-1%	86.84	7.41	9%	86.06	(0.78)	-1%
Kero	Rs/Litre	62.63	60.75	(1.88)	-3%	64.06	3.31	5%	61.50	(2.56)	-4%
LDO	Rs/Litre	60.22	58.10	(2.12)	-4%	61.07	2.97	5%	59.47	(1.60)	-3%

OIL AND GAS REGULATORY AUTHORITY**Ex - Refinery Sale Price Calculation****With effect from March 1, 2010.**

Arab Gulf FOB Mean Prices																	
SR.N O	PRICES EFFECTIVE	N A P H T H A			H S F O 180 C S T			K E R O S E N E			G A S O I L			G A S O L I N E 95 R O N U N L E A D E D			Exchange
		\$/MT	\$/MT	\$/MT	\$/MT	\$/MT	\$/MT	\$/BBL	\$/BBL	\$/BBL	\$/BBL	\$/BBL	\$/BBL	\$/BBL	\$/BBL	\$/BBL	Rate
		LOW	HIGH	AVG	LOW	HIGH	AVG	LOW	HIGH	AVG	LOW	HIGH	AVG	LOW	HIGH	AVG	Selling
1	Friday, January 29, 2010	642.73000	648.23000	645.48000	448.95000	448.99000	448.97000	78.25000	78.29000	78.27000	76.83000	76.87000	76.85000	83.09000	83.13000	83.11000	84.8272
2	Monday, February 01, 2010	621.95000	625.45000	623.70000	442.25000	442.29000	442.27000	76.85000	76.89000	76.87000	76.15000	76.19000	76.17000	82.52000	82.56000	82.54000	85.1452
3	Tuesday, February 02, 2010	634.20000	637.45000	635.82500	448.44000	448.48000	448.46000	77.87000	77.91000	77.89000	77.36000	77.40000	77.38000	84.97000	85.01000	84.99000	85.0499
4	Wednesday, February 03, 2010	670.08000	674.08000	672.08000	461.63000	461.67000	461.65000	82.33000	82.37000	82.35000	81.51000	81.55000	81.53000	87.40000	87.44000	87.42000	85.0399
5	Thursday, February 04, 2010	672.99000	677.99000	675.49000	451.59000	451.63000	451.61000	80.68000	80.72000	80.70000	80.63000	80.67000	80.65000	85.80000	85.84000	85.82000	85.0480
6	Friday, February 05, 2010	642.43000	647.43000	644.93000	431.64000	431.68000	431.66000	76.81000	76.85000	76.83000	76.55000	76.59000	76.57000	81.49000	81.53000	81.51000	85.0480
7	Monday, February 08, 2010	632.86000	637.86000	635.36000	424.43000	424.47000	424.45000	76.00000	76.04000	76.02000	75.92000	75.96000	75.94000	79.50000	79.54000	79.52000	85.0815
8	Tuesday, February 09, 2010	630.02000	635.52000	632.77000	431.01000	431.05000	431.03000	76.46000	76.50000	76.48000	76.72000	76.76000	76.74000	80.27000	80.31000	80.29000	85.0347
9	Wednesday, February 10, 2010	637.46000	642.96000	640.21000	437.50000	437.54000	437.52000	77.25000	77.29000	77.27000	77.67000	77.71000	77.69000	81.95000	81.99000	81.97000	85.0482
10	Thursday, February 11, 2010	637.12000	642.12000	639.62000	444.08000	444.12000	444.10000	78.69000	78.73000	78.71000	79.12000	79.16000	79.14000	81.90000	81.94000	81.92000	85.0285
11	Friday, February 12, 2010	637.72000	642.72000	640.22000	447.01000	447.05000	447.03000	79.06000	79.10000	79.08000	79.34000	79.38000	79.36000	81.80000	81.84000	81.82000	84.9497
12	Wednesday, February 17, 2010	653.88000	657.38000	655.63000	458.80000	458.84000	458.82000	81.60000	81.64000	81.62000	81.58000	81.62000	81.60000	84.50000	84.54000	84.52000	85.0778
13	Thursday, February 18, 2010	645.10000	648.60000	646.85000	450.65000	450.69000	450.67000	80.54000	80.58000	80.56000	80.45000	80.49000	80.47000	83.58000	83.62000	83.60000	85.0415
14	Friday, February 19, 2010	662.82000	666.32000	664.57000	454.48000	454.52000	454.50000	81.67000	81.71000	81.69000	81.48000	81.52000	81.50000	85.39000	85.43000	85.41000	85.0360
15	Monday, February 22, 2010	683.32000	686.82000	685.07000	466.69000	466.73000	466.71000	84.24000	84.28000	84.26000	84.12000	84.16000	84.14000	87.53000	87.57000	87.55000	85.1024
16	Tuesday, February 23, 2010	695.32000	699.32000	697.32000	470.03000	470.07000	470.05000	84.35000	84.39000	84.37000	84.32000	84.36000	84.34000	86.98000	87.02000	87.00000	85.1379
17	Wednesday, February 24, 2010	684.53000	689.53000	687.03000	463.66000	463.70000	463.68000	82.87000	82.91000	82.89000	82.86000	82.90000	82.88000	86.13000	86.17000	86.15000	85.1469
18	Thursday, February 25, 2010	687.53000	694.03000	690.78000	463.52000	463.56000	463.54000	83.32000	83.36000	83.34000	83.60000	83.64000	83.62000	87.34000	87.38000	87.36000	85.1639
				656.27417			449.81778			79.95556			79.80944			84.02778	85.05596
IMPORT PARITY PRICES:																	
PRODUCTS	FOB PRICE	PREMIUM incl.	C & F	C & F	MARINE INSUR.	L/C COMM.	BANK CH.	HANDLING CH	Tariff	WHARFAGE	TOTAL COST	CONV.FACT	TOTAL PRICE	PDC	IMPORT PARITY	PRICE	
		FREIGHT			0.108%	0.15%	0.10%	0.65%	7.50%				Ex-Ref. before PDC				
	\$/MTON	\$/MTON	\$/MTON	RS/MTON	RS/MTON	RS/MTON	RS/MTON	RS/MTON	RS/MTON	RS/MTON	RS/MTON	RS/MTON	LITERS/MT	RS/LITERS	RS/LITERS	RS/LITERS	RS/LITERS
NAPHTHA	656.27417		656.27417	55.820.02955									1,415.10				
MOGAS	657.78592	11.03157	668.81749	56.886.91382	61.43787	85.33037	56.88691	369.76494		135.90	57,596.23391	1,359.00	42.38				42.38
HOBC	721.95278	10.85949	732.81227	62.330.05080	67.31645	93.49508	62.33005	405.14533		133.78	63,092.11771	1,337.80	47.16				47.16
KERO	637.89836	10.29614	648.19450	55.132.80546	59.54343	82.69921	55.13281	358.36324		38.05	55,726.59415	1,268.40	43.93				43.93
JP-1	649.74255	10.43251	660.17506	56.151.82350	60.64397	84.22774	56.15182	364.98685		38.56	56,756.39388	1,285.20	44.16				44.16
JP-4	647.08627	10.71581	657.80208	55.949.98698	60.42599	83.92498	55.94999	363.67492		39.60	56,553.56286	1,320.10	42.84				42.84
JP-8	637.89836	10.29614	648.19450	55.132.80546	59.54343	82.69921	55.13281	358.36324		38.05	55,726.59415	1,268.40	43.93				43.93
HSD	599.83583	9.69951	609.53534	51.844.61350	55.99218	77.76692	51.84461	336.98999	3,966.50219	35.85	56,369.55939	1,194.90	47.18				47.18
LDO	569.83222	23.38118	593.21340	50.456.33522	45.41070	75.68450	50.45634	327.96618		34.52	50,990.37294	1,150.80	44.31				44.31
PREMIUM (Including freight)																	
WHITE PRODUCTS : \$/BBL																	
1.29054 (1 BBL = 158.984 LITERS)																	
BLACK PRODUCTS : \$/MTON																	
23.38118 (FUEL OIL) - 180 CST																	

OIL AND GAS REGULATORY AUTHORITY																		
Ex - Depot Sale Price Calculation																		
With effect from March 1, 2010.																		
	MOTOR GASOLINE			H. O. B. C.			KEROSENE		L. D. O.		JP. - 4	JP. - 8		J. P. - 1				
	Retail	Rail/Def	Direct	Retail	Rail/Def	Direct	Direct	Rail/Def	Direct	Rail/Def	Defense	Defense		Domestic	Foreign	Technical		
											Ex-Parco	Other refineries						
Ex-refinery	42.38	42.38	42.38	47.16	47.16	47.16	43.93	43.93	44.31	44.31	42.84	43.93	43.93	44.16	44.16	44.16		
IFEM*	4.26	-	4.26	8.06	-	8.06	1.28	-	2.10	-	-	2.59	-	-	-	-		
	46.64	42.38	46.64	55.22	47.16	55.22	45.21	43.93	46.41	44.31	42.84	46.52	43.93	44.16	44.16	44.16		
Distributor margin	1.87	-	1.87	2.21	-	2.21	1.81	-	1.86	-	-	-	-	0.02	0.02	0.02		
Dealers margin	2.33	-	-	2.76	-	-	-	-	-	-	-	-	-	-	-	-		
Petroleum Levy	10.00	12.33	12.33	14.00	16.76	16.76	6.00	6.00	3.00	3.00	-	-	-	-	-	-		
Price before Sales Tax	60.84	54.71	60.84	74.19	63.92	74.19	53.02	49.93	51.27	47.31	42.84	46.52	43.93	44.18	44.18	44.18		
Sales tax	9.73	8.75	9.73	11.87	10.23	11.87	8.48	7.99	8.20	7.57	6.85	7.44	7.03	7.07	-	-		
Max. ex-depot sale price	70.57	63.46	70.57	86.06	74.15	86.06	61.50	57.92	59.47	54.88	49.69	53.96	50.96	51.25	44.18	44.18		
Max. ex-depot sale price	70.57		70.57	86.06		86.06	61.50		59.47		49.69	53.96	50.96	51.25	44.18	44.18		
Price Build-up for JP-1:																		
Domestic																		
IPP price	44.16																	
Foreign																		
	\$/gallon	Per bbl	Per ton	Per liter	Technical landing					\$/gallon	Per bbl	Per ton	Per liter					
Ex Refinery	1.96513				Ex Refinery					1.96513								
Ex Refinery	1.96513				Ex Refinery					1.96513								
Distributor margin	0.12000				Distributor margin					0.10000								
Into plane price	in US \$	2.08513	87.575	707.942	0.551	Into plane price					in US \$	2.06513	86.735	701.151	0.546			
	US cents	208.51									US cents	206.51						
Into plane price	in Pak Rs.	177.35	7,448.78	60,214.69	46.85	Into plane price					in Pak Rs.	175.651	7,377.33	59,637.07	46.40			
Exchange rate	85.06																	
* IFEM as determined by OGRA subject to adjustment on the basis of actual monthly freight computation. In case of JP-8 Ex-PARCO, inland freight cost has been included per MPNR's advice.																		