

Petrol Prices

March 2006

Summary

Average Petrol Prices

Darwin	128.6 cpl	↓ 0.5 cpl (0.4%)
Eight Capitals	119.8 cpl	↑ 2.7 cpl (2.3%)

Analysis

In March 2006 the Australian Automobile Association reported an increase in average retail unleaded petrol prices across all capital cities except Darwin.

In Darwin, prices decreased by 0.5 cpl (0.4%) to 128.6 cpl, while nationally the eight capital cities weighted average price increased by 2.7 cpl (2.3%) to 119.8 cpl. Compared to March 2005, Darwin prices are 18.8 cpl higher (17.1%), while the eight capital cities weighted average price has increased by 15 cpl (14.3%) over the same period.

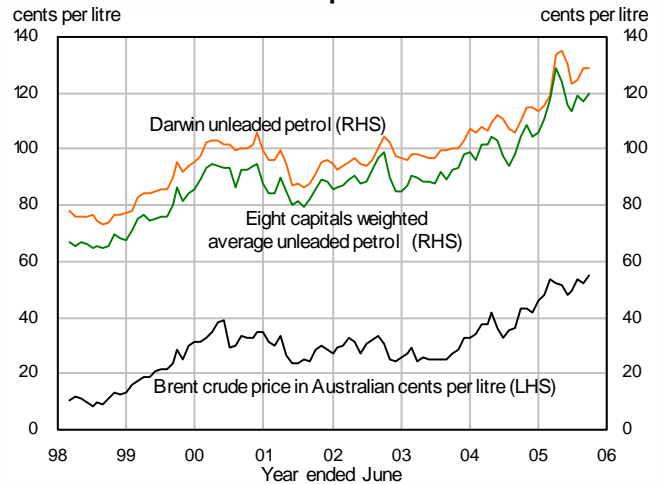
Crude oil is the major input cost in petroleum production. In A\$ terms, crude oil prices increased by 6.1% to A\$88.02 per barrel in the month to March 2006. Compared to March 2005, crude oil prices have increased by 27.2% in A\$ terms and by 18% in US\$ terms. The depreciation of the A\$ by 7.3% against the US\$ from March 2005 to March 2006 explains the difference in the rate of increase in oil prices in A\$ and US\$ terms.

In US\$ terms, the average price of crude oil increased by 2.9% to US \$63.01 a barrel in March 2006. Speculative pressures led to increased crude oil prices despite a recovery in US oil stocks.

Darwin retail fuel prices tend to be higher than other capital cities, due to distance from refineries and other competitive factors. Over the long term, movements in Darwin retail fuel prices closely mirror national trends but in the short term can be highly volatile (primarily due to supply side factors and lags in the distribution chain). In the larger cities, though not evident in Darwin, there can also be significant daily price fluctuations reflecting aggressive price competition between retail outlets.

The Australian Government's Fuel Sales Grants Scheme is scheduled to cease from 1 July 2006. The Scheme was introduced to compensate regional and remote motorists for fuel price increases associated with the introduction of the GST. The grant is 1 cpl in Darwin, 2 cpl elsewhere in the Territory and 3 cpl in exceptional circumstances. The Northern Territory Government continues to rebate retail fuel at 1.1 cpl. Shell data for March 2006 report that taxation on unleaded petrol in Darwin is the third lowest of the capital cities, behind Brisbane and Hobart.

Petrol and Crude Oil Prices in Australian Cents per Litre



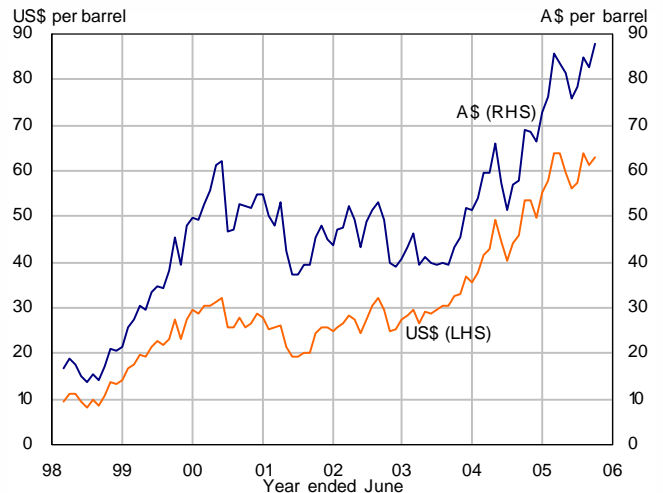
Source: Australian Automobile Association, Reserve Bank of Australia, Oilergy

Australian Dollar Exchange Rate



Source: Reserve Bank of Australia

Brent Crude Oil Prices



Source: Reserve Bank of Australia, Oilergy

Released: 10 April 2006
Next Release: Mid-May 2006

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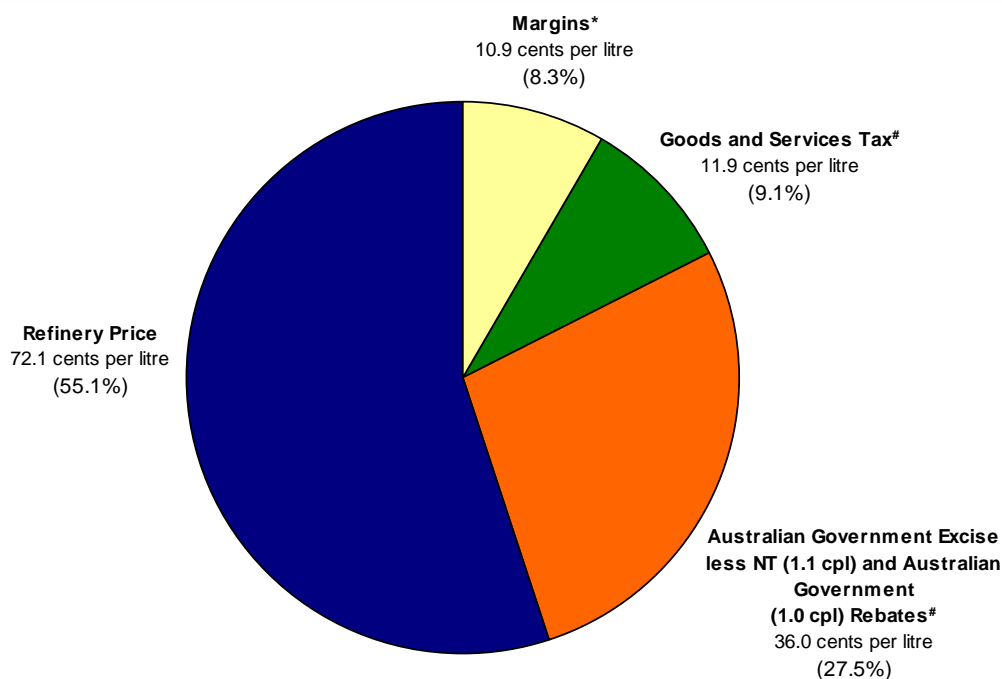
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Unleaded Petrol Prices March 2006

	Mar 05	Feb 06	Mar 06	% Change	
				Month	Year
Retail petrol price (cpl)					
Darwin	109.8	129.1	128.6	-0.4%	17.1%
Alice Springs	115.9	130.7	129.5	-0.9%	11.7%
Katherine	100.4	124.0	124.1	0.1%	23.6%
Tennant Creek	122.4	136.6	136.6	0.0%	11.6%
8 Capitals weighted average	104.8	117.1	119.8	2.3%	14.3%
Brent Crude price in A\$ per barrel	69.18	82.92	88.02	6.1%	27.2%
Brent Crude price (A\$ cpl)	43.51	52.15	55.36		

Source: Australian Automobile Association, Oilnergy, Reserve Bank of Australia

Cost Components of Darwin Shell Unleaded Petrol at 7 April 2006 (based on retail price of 130.9 cents per litre)



Source: Shell Australia

* Margins includes transport / distribution costs and wholesale and retail margins.

The tax component is not the same as that listed on the Shell website. Shell calculations exclude the 1.0cpl Commonwealth rebate.

Although all due care has been exercised in the preparation of this material, no responsibility is accepted for any errors or omission.

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Northern Territory Government
Northern Territory Treasury