

Petrol Prices

August 2006

Summary

Average Petrol Prices

Darwin	145.2 cpl	▲	0.4 cpl (0.3%)
Eight Capitals	135.6 cpl	▼	0.4 cpl (0.3%)

Analysis

In August 2006 the Australian Automobile Association reported a slight decrease in average retail unleaded petrol prices across all capital cities except Canberra, Brisbane and Darwin.

In Darwin, prices increased by 0.4 cpl (0.3%) to 145.2 cpl, while nationally the eight capital cities weighted average price decreased by 0.4 cpl (0.3%) to 135.6 cpl. Compared to August 2005, Darwin prices are 26.3 cpl higher (22.1%), while the eight capital cities weighted average price has increased by 18 cpl (15.3%) over the same period (see top chart).

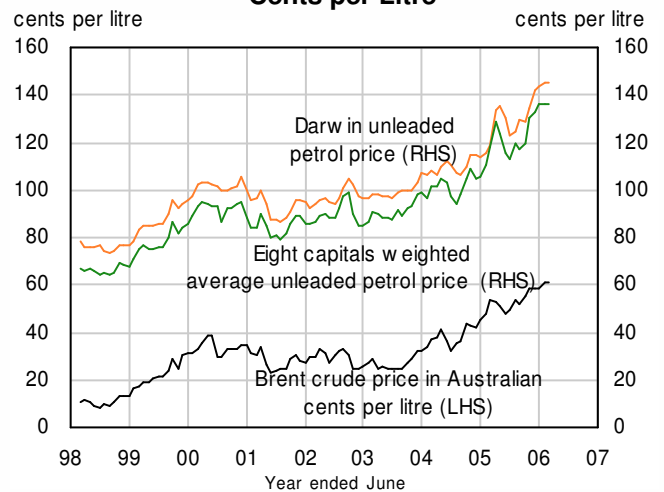
Crude oil is the major input cost in petroleum production. In A\$ terms, crude oil prices were unchanged at A\$97 per barrel in August 2006. Compared to August 2005, crude oil prices have increased by 13.3% in A\$ terms and by 15.7% in US\$ terms.

In US\$ terms, the average price of crude oil increased by 0.4% to US \$73.98 a barrel in August 2006 (see bottom chart). Despite higher inventories of crude oil, prices were supported by concerns about the increase in hostilities between Israel and Lebanon and the continued strength of global demand.

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.

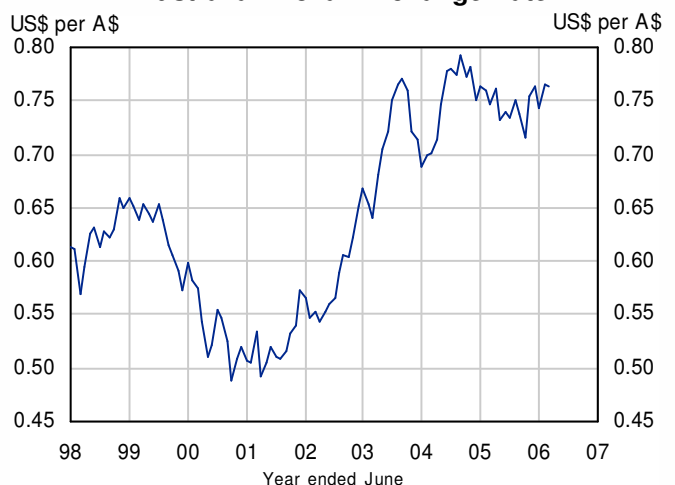
The Australian Government's Fuel Sales Grants Scheme ceased on 1 July 2006. This scheme reduced fuel prices by 1 cpl in Darwin, 2 cpl elsewhere in the Territory and 3 cpl in exceptional circumstances. A new fuel tax credit system was introduced on 1 July 2006 by the Australian Government, providing a tax credit to eligible businesses. The Northern Territory Government continues to rebate retail fuel at 1.1 cpl. Shell data for August 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



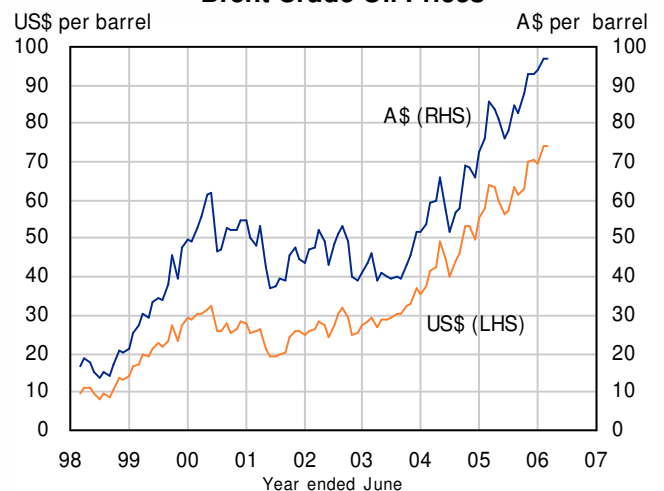
Source: Australian Automobile Association, Reserve Bank of Australia, Oilergy

Australian Dollar Exchange Rate



Source: Reserve Bank of Australia

Brent Crude Oil Prices



Source: Reserve Bank of Australia, Oilergy

Released: 13 September 2006
Next Release: Mid-October 2006

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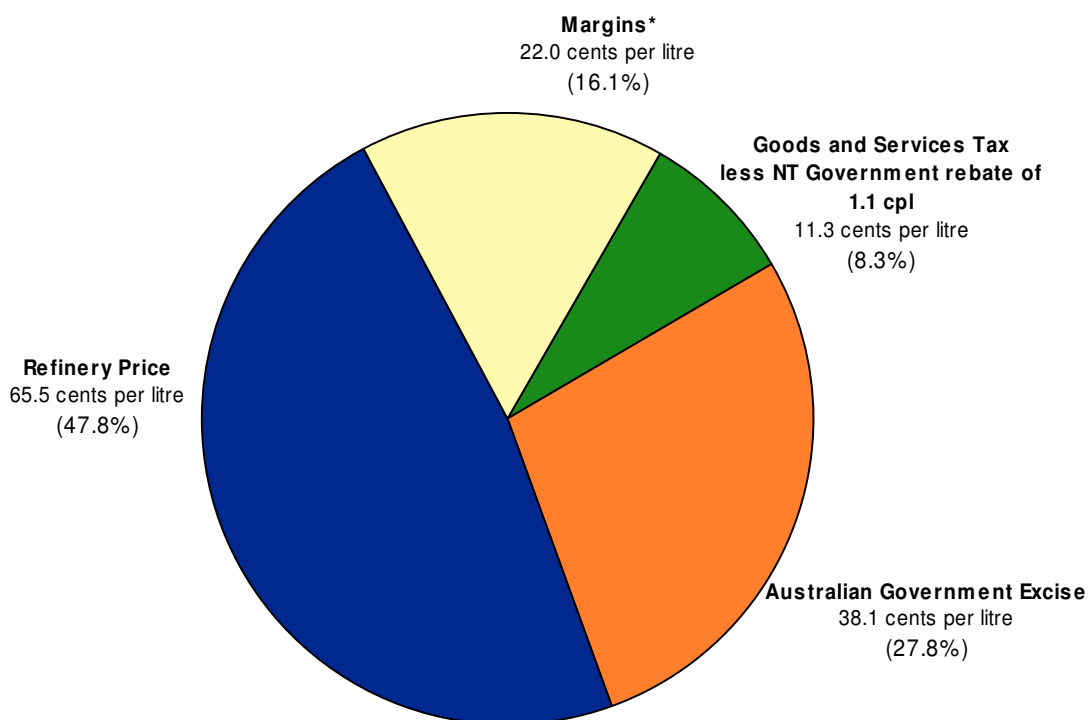
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Unleaded Petrol Prices August 2006

	Aug 05	Jul 06	Aug 06	% Change	
				Month	Year
Retail petrol price (cpl)					
Darwin	118.9	144.8	145.2	0.3%	22.1%
Alice Springs	125.9	149.6	150.7	0.7%	19.7%
Katherine	117.4	145.5	143.1	-1.6%	21.9%
Tennant Creek	129.2	152.5	152.6	0.1%	18.1%
8 Capitals weighted average	117.6	136.0	135.6	-0.3%	15.3%
Brent Crude price in A\$ per barrel					
	85.58	96.98	97.00	0.0%	13.3%

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

Cost Components of Darwin Shell Unleaded Petrol at 13 September 2006 (based on retail price of 136.9 cents per litre)



Source: Shell Australia

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

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