

Summary

(Average price in the month, annual % change)

Darwin	119.6 cpl	↓	19.4%
Eight Capitals	108.1 cpl	↓	22.3%

The Australian Automobile Association reports average retail unleaded petrol prices increased across all capital cities in Australia except Hobart and Darwin in January 2009 (see attached Unleaded Petrol Prices). In Darwin, prices declined by 0.6 cpl (0.5%), while nationally the eight capital cities weighted average price increased by 3.7 cpl (3.6%) to 108.1 cpl (see Chart 1).

In comparison to January 2008, Darwin prices are 28.8 cpl lower (19.4%), while the eight capital cities weighted average price decreased by 33.1 cpl (22.3%).

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. However, in the short term they can be highly volatile (primarily due to supply side factors and lags in the distribution chain).

In January 2009, average retail unleaded petrol prices for Territory regions were:

- Tennant Creek decreased by 16.1 cpl (11.3%) to 126.2 cpl;
- Katherine decreased by 2.7 cpl (2.2%) to 118.7 cpl; and
- Alice Springs increased by 2.3 cpl (1.9%) to 125.2 cpl (see Chart 2).

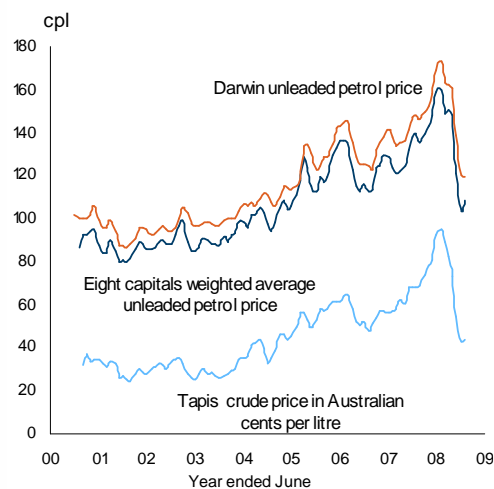
Crude oil is the major input cost in petroleum production. In US\$ terms, the average price of Tapis crude oil decreased by 52.1% to US\$46.80 per barrel in January 2009, compared to US\$97.69 in January 2008.

In January 2009, in A\$ terms, Tapis crude oil prices decreased by 35.4% to A\$69.86 per barrel, compared to A\$108.10 in January 2008 (see Chart 3). The depreciation of the A\$ has only partially offset the fall in crude oil in US\$ terms, as such the fall in Australian petrol prices has been less than the fall in crude oil in \$US terms.

Context

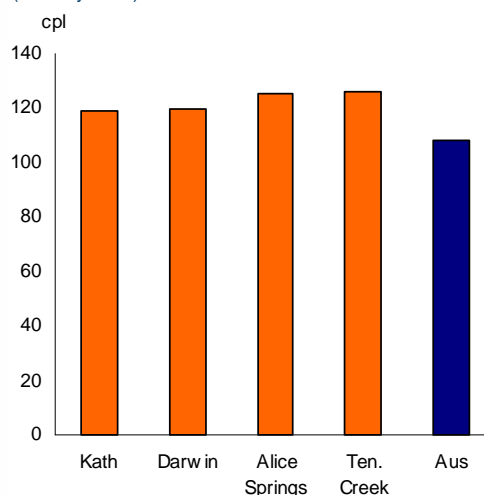
The main factor behind the rapid decline in crude oil prices over the second half of 2008 has been falling demand linked to consumers responding to record high petrol prices (which peaked in July 2008) and slower global economic growth in the wake of the global financial crisis. Slower global economic growth and increased supply from non-OPEC countries in 2009 are the main factors behind ABARE's latest average crude oil price forecast of \$US59 a barrel in 2009.

Chart 1: Average Unleaded Petrol Prices



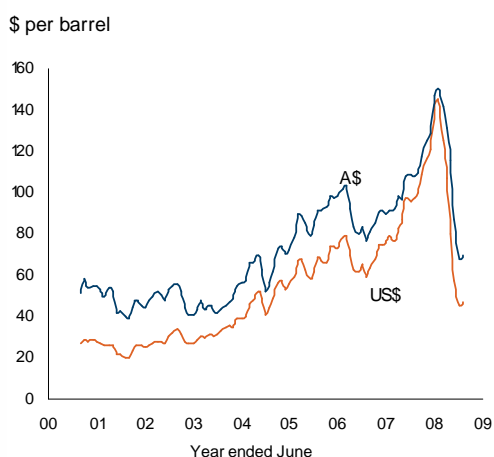
Source: Australian Automobile Association, Reserve Bank of Australia, Energy Information Administration

Chart 2: Territory Regional Fuel Prices (January 2009)



Source: Australian Automobile Association

Chart 3: Tapis Crude Oil Prices



Source: Reserve Bank of Australia, Energy Information Administration

Unleaded Petrol Prices

	December month	January month	monthly ¹	change annual ²	year on year ³
Northern Territory					
retail petrol price (cpl)					
<i>Darwin</i>	120.2	119.6	-0.5%	-19.4%	9.9%
<i>Alice Springs</i>	122.9	125.2	1.9%	-19.4%	9.5%
<i>Katherine</i>	121.4	118.7	-2.2%	-16.7%	12.6%
<i>Tennant Creek</i>	142.3	126.2	-11.3%	-19.6%	12.4%
Australia					
retail petrol price (cpl)	104.4	108.1	3.6%	-22.3%	9.6%
<i>Sydney</i>	105.2	109.2	3.8%	-22.4%	10.0%
<i>Melbourne</i>	106.3	109.4	2.9%	-22.1%	9.6%
<i>Brisbane</i>	98.4	102.8	4.5%	-22.0%	10.0%
<i>Adelaide</i>	104.2	109.3	4.9%	-21.3%	9.5%
<i>Perth</i>	101.7	105.7	3.9%	-23.9%	8.3%
<i>Hobart</i>	114.7	112.2	-2.2%	-22.6%	12.1%
<i>Canberra</i>	105.7	110.2	4.3%	-23.2%	8.0%
Tapis crude price in \$US per barrel	45.4	46.8	3.1%	-52.1%	22.6%
Tapis crude price in \$A per barrel	67.9	69.9	3.0%	-35.4%	22.0%

¹ compares the latest month with the previous month

² compares the latest month with the same month last year

³ compares the 12 months up to and including the latest month with the previous 12 month period

Caution is advised when using monthly data for the Territory, which is often derived from small samples and highly volatile.

Source: Australian Automobile Association, Energy Information Administration, Reserve Bank of Australia

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

Due to Shell Australia no longer publishing the data in regards to the Refinery, Margin and Tax components of petrol prices; Chart 4, previously known as Cost Components of Darwin Shell Unleaded Petrol will no longer be published in the Petrol Prices brief.