

Summary

(average price in the month, annual % change)

Darwin	132.0 cpl	↑	2.6%
Eight Capitals	123.2 cpl	↑	2.9%

Monthly

In March 2007, the Australian Automobile Association reported increases in average retail unleaded petrol prices across all capital cities.

In Darwin, fuel prices increased by 9.0 cpl (7.3%) to 132.0 cpl, while nationally the eight capital cities weighted average price increased by 9.4 cpl (8.2%) to 123.2 cpl (see Chart 1).

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).

Crude oil is the major input cost in petroleum production. In A\$ terms, crude oil prices increased by 4.9% to A\$85.24 per barrel in March 2007. In US\$ terms, the average price of crude oil increased by 6.1% to US\$67.50 per barrel.

Annual

In annual terms, Darwin fuel prices increased by 3.4 cpl (2.6%) to 132.0 cpl, while nationally the eight capital cities weighted average price increased by 3.5 cpl (2.9%) to 123.2 cpl.

In A\$ terms, crude oil prices have decreased by 8.2% since March 2006, while increasing by 1.5% in US\$ terms (see Chart 3).

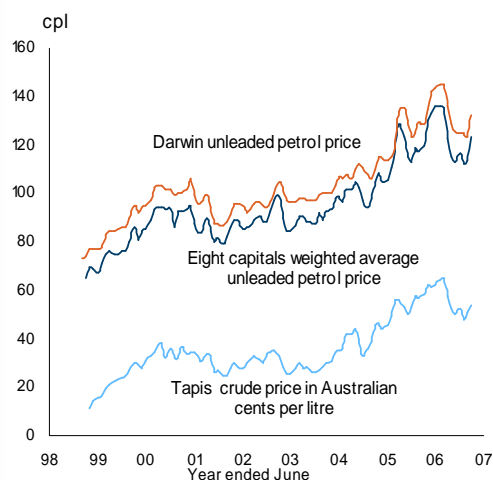
Context

Increasing demand for petrol and declining inventories in the US have resulted in crude oil prices rising since January 2007, although crude oil prices still remain below the peak reported in 2006. Prices are forecast to average about US\$60 per barrel over 2007. However continuing low spare production capacity means that global crude oil prices will remain sensitive to supply shocks in the short to medium term.

Fuel Tax Credit Scheme

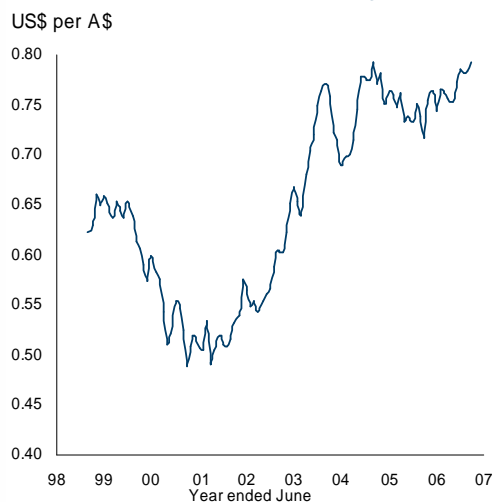
The Australian Government's Fuel Sales Grants Scheme ceased on 1 July 2006. A new fuel tax credit system was introduced on 1 July 2006 which is available to eligible individuals and businesses.

Chart 1: Average Unleaded Petrol Prices



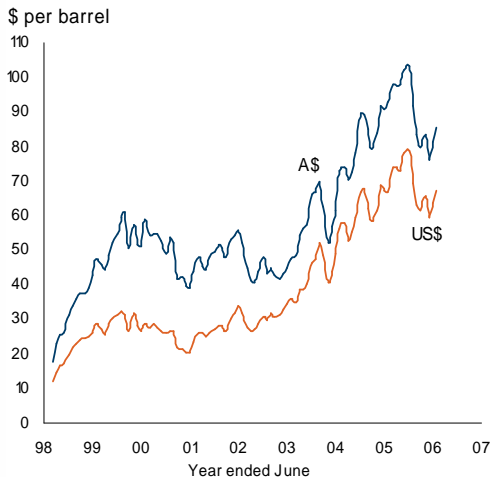
Source: Australian Automobile Association, Reserve Bank of Australia, Energy Information Administration

Chart 2: Australian Dollar Exchange Rate



Source: Reserve Bank of Australia

Chart 3: Tapis Crude Oil Prices



Source: Reserve Bank of Australia, Energy Information Administration

Unleaded Petrol Prices

	February month	March month	change monthly ¹	change annual ²	change year on year ³
Northern Territory					
retail petrol price (cpl)					
<i>Darwin</i>	123.0	132.0	7.3%	2.6%	8.3%
<i>Alice Springs</i>	128.1	136.0	6.2%	5.0%	6.8%
<i>Katherine</i>	119.0	126.2	6.1%	1.7%	9.4%
<i>Tennant Creek</i>	133.3	136.5	2.4%	-0.1%	7.6%
Australia					
retail petrol price (cpl)	113.9	123.2	8.2%	2.9%	7.4%
Tapis crude price in \$A per barrel	81.24	85.24	4.9%	-8.2%	8.3%

¹ compares the latest month with the previous month

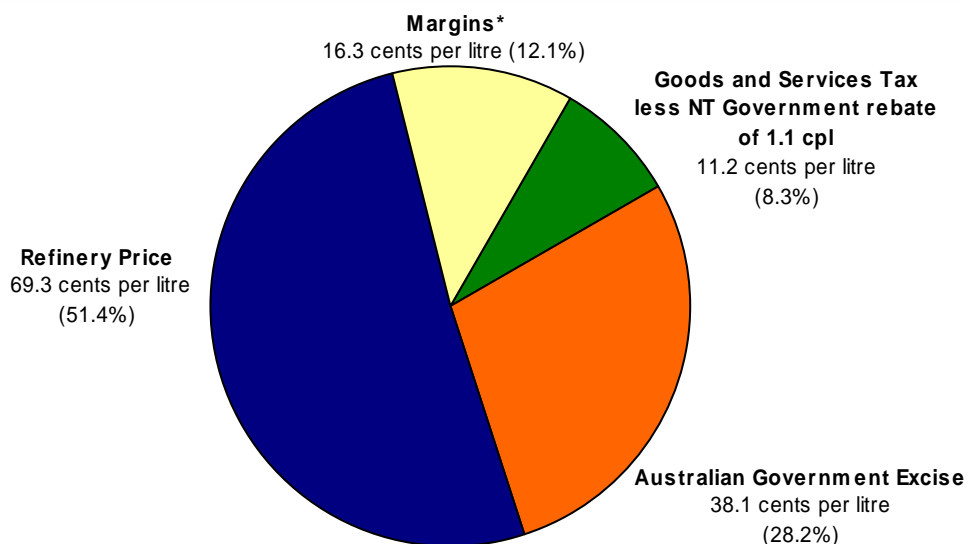
² compares the latest month with the same month last year

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

Chart 4: Cost Components of Darwin Shell Unleaded petrol at 13 April 2007
(based on retail price of 134.9 cents per litre)



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

Source: Shell Australia

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