

Summary

(average price in the month, annual % change)

Darwin	141.2 cpl	↑	12.4%
Eight Capitals	131.7 cpl	↑	16.7%

Monthly

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

In November 2007, Darwin fuel prices increased by 5.1 cpl (3.7%) to 141.2 cpl, while nationally the eight capital cities weighted average price increased by 7.5 cpl (6.0%) to 131.7 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 US\$ terms, the average price of Tapis crude oil increased by 11.6% to a record US\$97.05 per barrel in November 2007. However, in A\$ terms, Tapis crude oil prices increased by 11.5% to A\$108.07 per barrel in November 2007. This is due to the current strength of the Australian currency, which in November 2007 had the highest monthly average against the US\$ since May 1984.

Annual

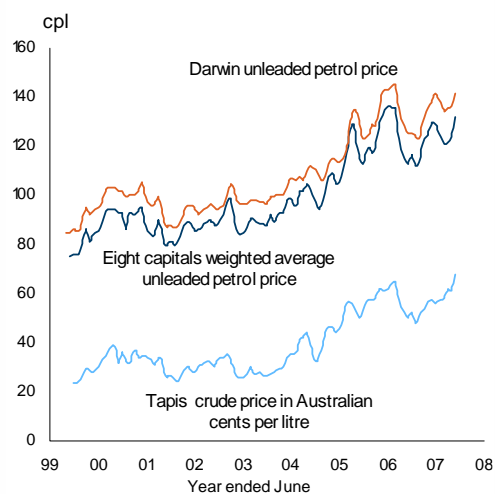
In annual terms, Darwin fuel prices increased by 15.6 cpl (12.4%) to 141.2 cpl, while nationally the eight capital cities weighted average price increased by 18.8 cpl (16.7%) to 131.7 cpl.

In A\$ terms, crude oil prices have increased by 35.4% since November 2006, while increasing by 57.5% in US\$ terms (see Chart 3).

Context

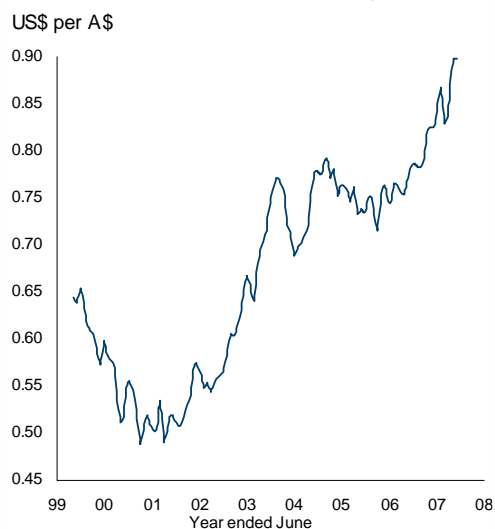
Over the past year the main drivers of the strong increases in oil prices have been: strong global economic growth, particularly in China, moderate supply growth by non-Organization of the Petroleum Exporting Countries, tightness in global refining inventories and worldwide refining bottlenecks. In addition, ongoing geopolitical tensions in the Middle East have put pressure on crude oil supplies in recent months. The strong value of the Australian dollar against the US\$ has mitigated some of the effects of rising oil prices. However, the US economy is showing signs of recovery and this should see the US\$ start to rebound, putting further upward pressure on Australian petrol prices.

Chart 1: Average Unleaded Petrol Prices



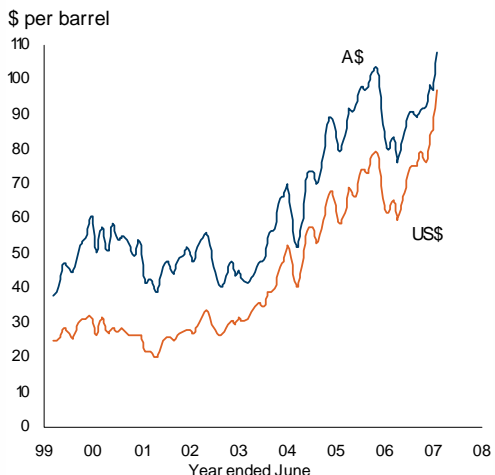
Source: Australian Automobile Association, Reserve Bank of Australia, Energy Information Administration

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

	October month	November month	change monthly ¹	change annual ²	change year on year ³
Northern Territory					
retail petrol price (cpl)					
<i>Darwin</i>	136.1	141.2	3.7%	12.4%	-0.1%
<i>Alice Springs</i>	142.8	147.1	3.0%	14.1%	0.9%
<i>Katherine</i>	131.5	135.6	3.1%	6.7%	-2.2%
<i>Tennant Creek</i>	141.3	146.5	3.7%	10.2%	-1.0%
Australia					
retail petrol price (cpl)	124.2	131.7	6.0%	16.7%	-1.3%
Tapis crude price in \$A per barrel	96.95	108.07	11.5%	35.4%	-2.6%

¹ compares the latest month with the previous month

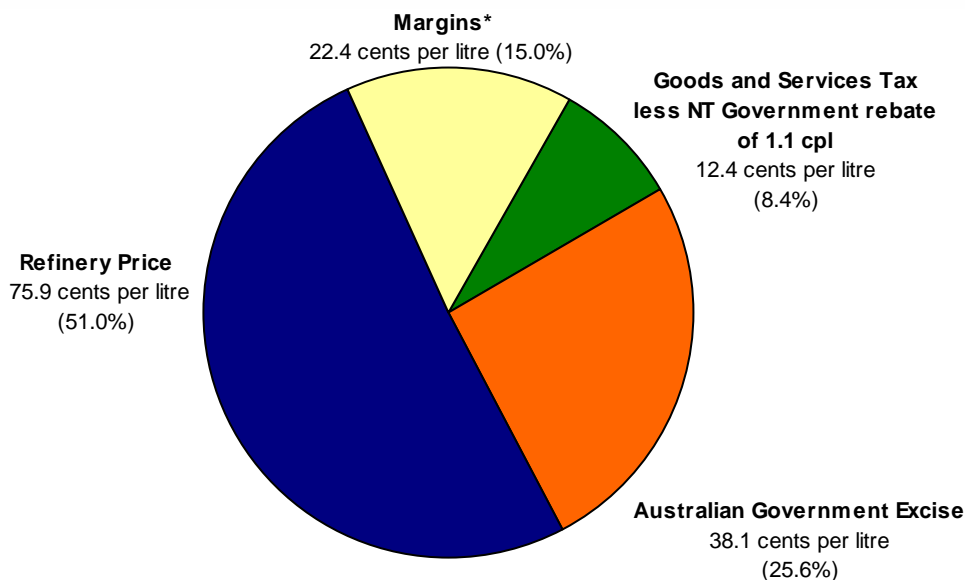
² compares the latest month with the same month last year

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 14 December 2007
(based on retail price of 148.9 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.