

Summary

(average price in the month, annual % change)

Darwin	136.1 cpl	↑	6.1%
Eight Capitals	124.2 cpl	↑	8.1%

Monthly

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

In October 2007, Darwin fuel prices increased by 0.5 cpl (0.4%) to 136.1 cpl, while nationally the eight capital cities weighted average price increased by 2.3 cpl (1.9%) to 124.2 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 US\$ terms, the average price of Tapis crude oil increased by 4.9% to a record US\$87 per barrel in October 2007.

However, in A\$ terms, Tapis crude oil prices decreased by 1.5% to A\$96.95 per barrel in October 2007. This is due to the current strength of the Australian currency, which reached a 23.5 year high against the US\$ in October 2007.

Annual

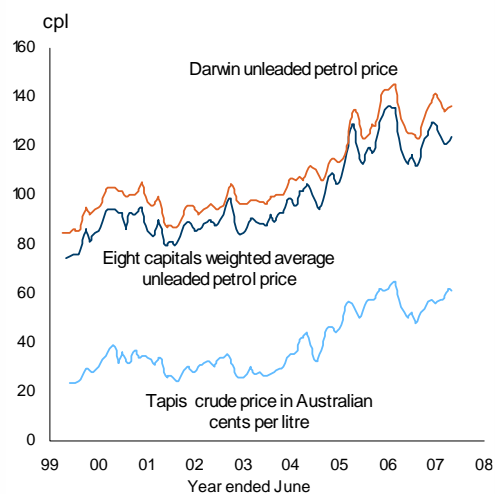
In annual terms, Darwin fuel prices increased by 7.8 cpl (6.1%) to 136.1 cpl, while nationally the eight capital cities weighted average price increased by 9.3 cpl (8.1%) to 124.2 cpl.

In A\$ terms, crude oil prices have increased by 16.2% since October 2006, while increasing by 38.4% in US\$ terms (see Chart 3).

Context

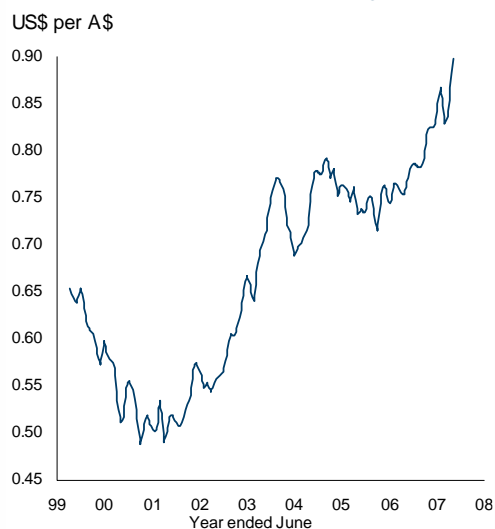
Increasing tensions in the Middle East, notably between Turkey and Kurds in Northern Iraq, led to rising concerns over crude oil supplies in October which in turn saw prices increase markedly. Over the past year, the main drivers of the strong increases in prices have been: strong global economic growth, particularly in China, moderate non-Organization of the Petroleum Exporting Countries (OPEC) supply growth, low OPEC spare production capacity, tightness in global refining inventories and worldwide refining bottlenecks. These and ongoing geopolitical concerns over supply risks are expected to support crude oil prices near historical levels over the remainder of 2007.

Chart 1: Average Unleaded Petrol Prices



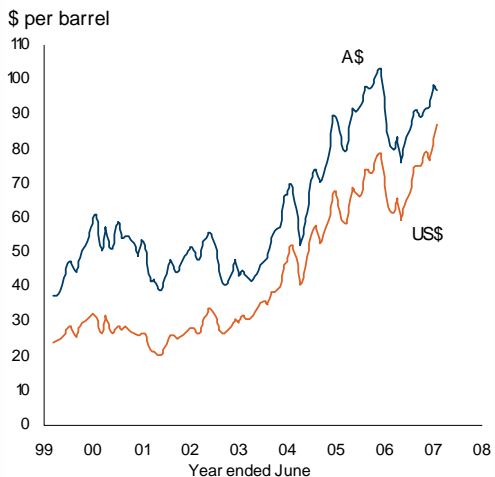
Source: Australian Automobile Association, Reserve Bank of Australia, Energy Information Administration

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

	September month	October month	change monthly ¹	change annual ²	change year on year ³
Northern Territory					
retail petrol price (cpl)					
<i>Darwin</i>	135.6	136.1	0.4%	6.1%	-1.3%
<i>Alice Springs</i>	142.2	142.8	0.4%	6.8%	-0.7%
<i>Katherine</i>	132.4	131.5	-0.7%	2.2%	-2.7%
<i>Tennant Creek</i>	141.2	141.3	0.1%	2.6%	-1.9%
Australia					
retail petrol price (cpl)	121.9	124.2	1.9%	8.1%	-2.7%
Tapis crude price in \$A per barrel	98.44	96.95	-1.5%	16.2%	-5.1%

¹ compares the latest month with the previous month

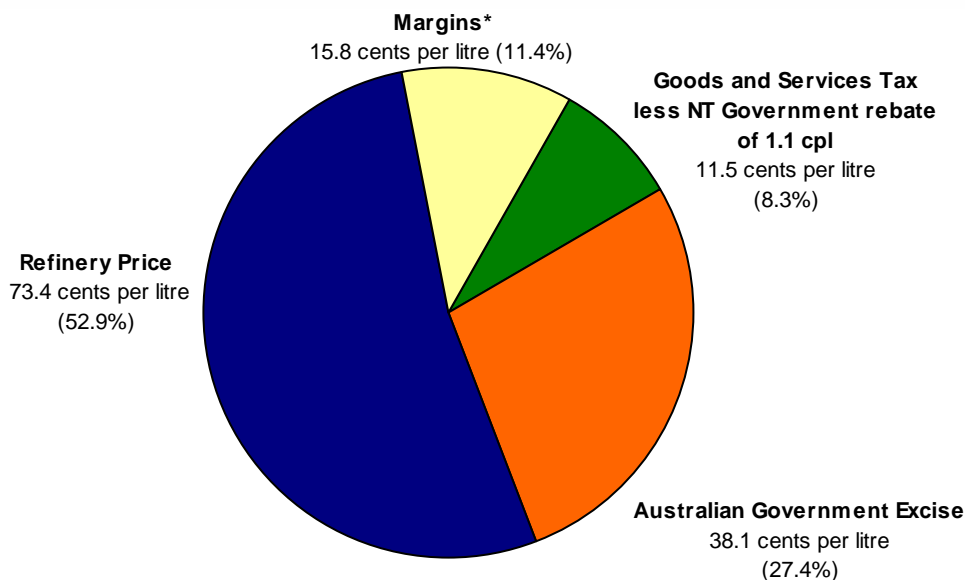
² compares the latest month with the same month last year

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 November 2007
(based on retail price of 138.9 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.