

Summary

(average price in the month, annual % change)

Darwin	160.7 cpl	↑	18.1%
Eight Capitals	148.1 cpl	↑	19.2%

Monthly

In October 2008, the Australian Automobile Association reported a decrease in average retail unleaded petrol prices across all capital cities, except Perth.

In October 2008, Darwin fuel prices decreased by 1.5 cpl (0.9%) to 160.7 cpl, while nationally the eight capital cities weighted average price decreased by 2.5 cpl (1.7%) to 148.1 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 decreased by 25.6% to US\$79.91 per barrel in October 2008. In A\$ terms, Tapis crude oil prices decreased by 11.6% to A\$115.73 per barrel in October 2008.

Annual

In annual terms, Darwin fuel prices increased by 24.6 cpl (18.1%) to 160.7 cpl in October 2008, while nationally the eight capital cities weighted average price increased by 23.8 cpl (19.2%) to 148.1 cpl.

In A\$ terms, crude oil prices have increased by 19.4% since October 2007, while decreasing by 8.1% in US\$ terms (see Chart 2).

The Australian dollar depreciated against the US dollar in October 2008 averaging US\$0.69 (see Chart 3), down from an average of US\$0.82 in September 2008.

Context

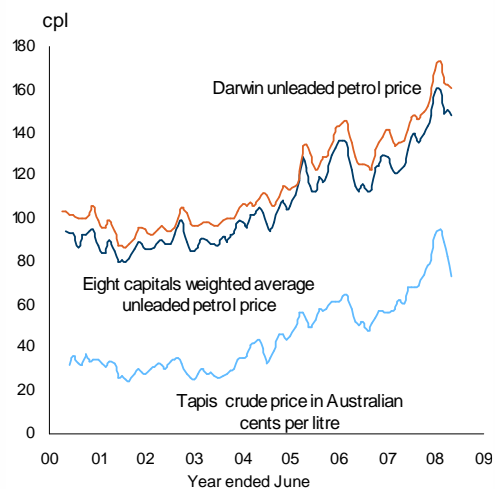
The main factors contributing to the increase in oil prices over the past year are; on the demand side, increased consumption particularly from non-OECD countries while on the supply side relatively weak supply growth from the non-OPEC oil producing countries.

According to the ABARE publication, Australian Commodities September quarter 2008, this trend is expected to reverse over the next 15 months. Weak economic growth is forecast for OECD countries with falling demand putting downward pressure on crude oil prices throughout 2009. Crude oil prices are forecast to continue to decline for the remainder of 2008, albeit moderately.

Released: 17 November 2008

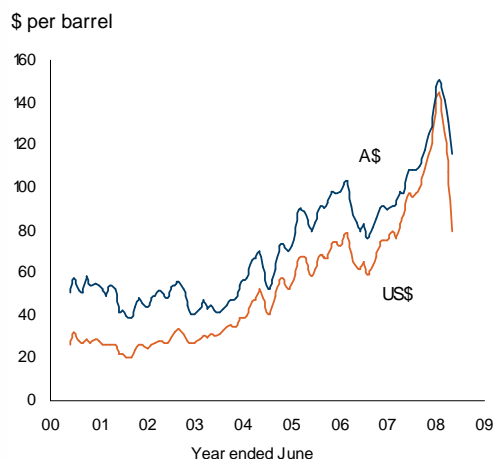
Next Release: Mid-December 2008

Chart 1: Average Unleaded Petrol Prices



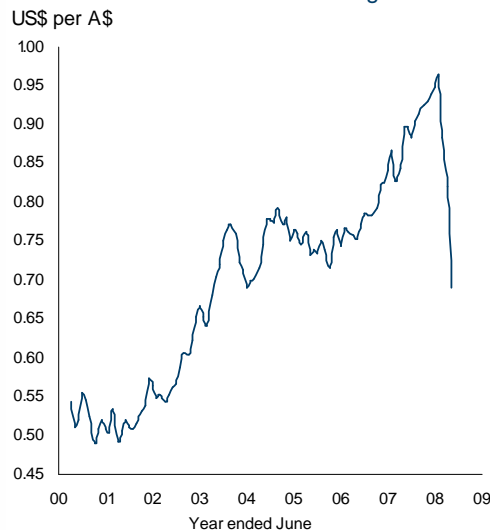
Source: Australian Automobile Association, Reserve Bank of Australia, Energy Information Administration

Chart 2: Tapis Crude Oil Prices



Source: Reserve Bank of Australia, Energy Information Administration

Chart 3: Australian Dollar Exchange Rate



Source: Reserve Bank of Australia



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>	162.2	160.7	-0.9%	18.1%	17.8%
<i>Alice Springs</i>	169.1	165.1	-2.4%	15.6%	18.0%
<i>Katherine</i>	162.1	160.5	-1.0%	22.1%	18.3%
<i>Tennant Creek</i>	173.4	172.1	-0.7%	21.8%	18.7%
Australia					
retail petrol price (cpl)	150.6	148.1	-1.7%	19.2%	19.8%
Tapis crude price in \$A per barrel	130.91	115.73	-11.6%	19.4%	41.3%

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

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.