

## PETROLEUM INDUSTRY HIGHLIGHTS - FY 2006/2007

During the 2006/07 Financial Year, the Petroleum Industry faced quite a number of challenges as well as positive developments. On the local market, the average costs (ex-refinery prices) for Petroleum, that is 87 and 90 octane and Auto Diesel were J\$47.99, J\$49.44 and J\$43.20 respectively, which represent a 14.24%, 13.74% and 8.92% increase in the average costs of petroleum over the 2005/2006 financial period.

Conversely, for the current financial period, the average prices paid at the pumps for 87 and 90 octane and Auto Diesel were J\$54.34, J\$57.22 and J\$50.15 respectively, which represent a 15.15%, 13.92% and 11.61% increase over the average prices paid at the pumps for petroleum for the 2005/2006 financial period.

Over the past four financial periods to date, i.e., 2003/04 – 2006/07, the cost of 87 and 90 octane and Auto Diesel has increased by 94.77%, 89.55% and 95.55% respectively, while the average price paid at the pumps has increased respectively by 89.33%, 85.97% and 93.24%.

The significant increases at the pumps have been attributed to the increase in the price of oil on the world market which has been affected by:

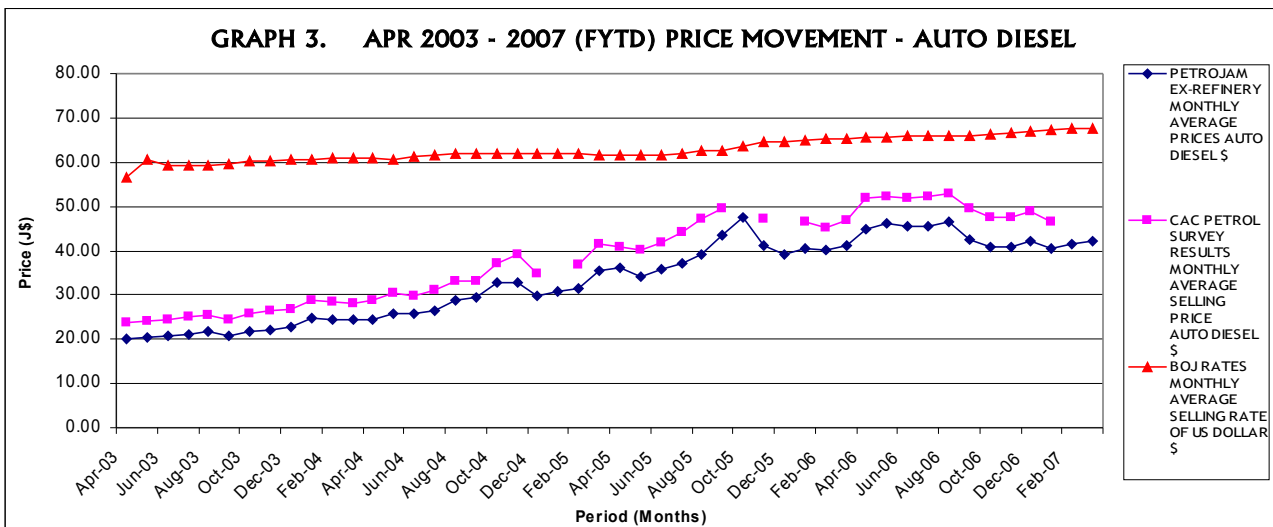
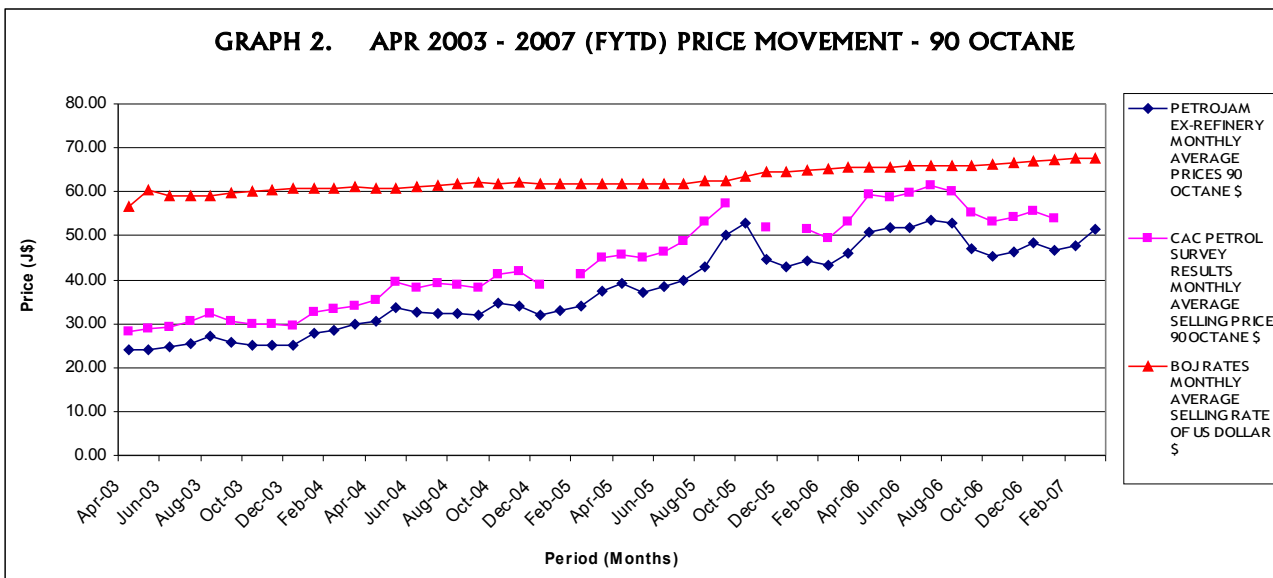
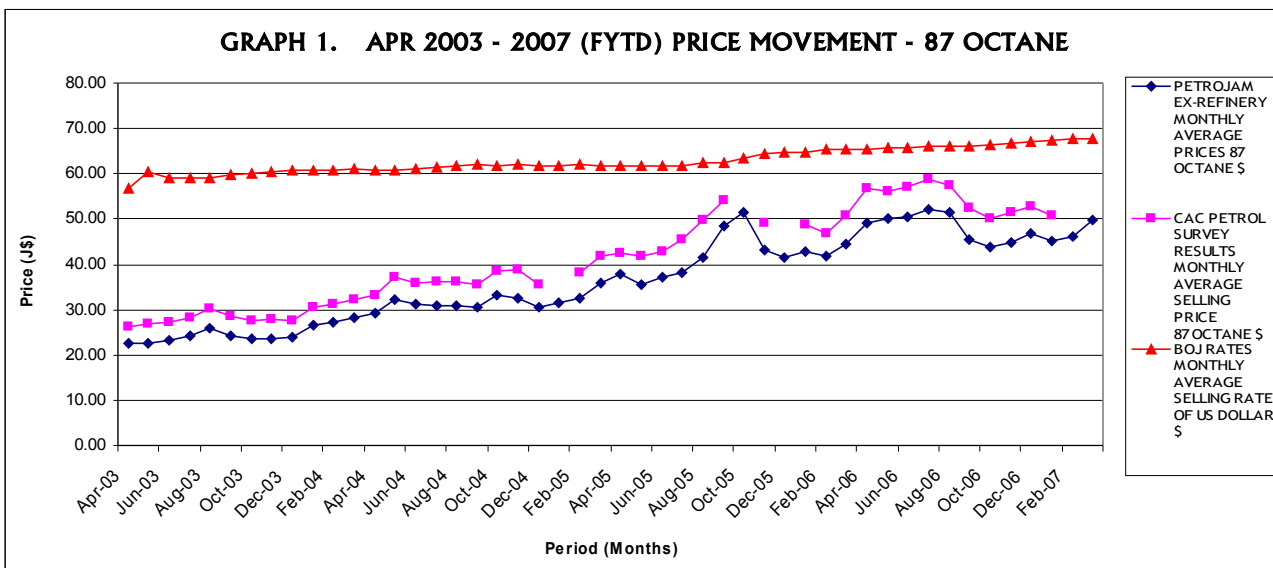
- speculation about Iran disrupting its oil exports in retaliation to the threat of economic sanctions levied by the international community if it continued to insist that it will not suspend its uranium enrichment programme,

- continual unrest in the oil producing countries such as Nigeria and Iraq,

- increase in the demand for oil by the US and China and

- reduced production by Organisation of Petroleum Exporting Countries (OPEC).

See Charts 1 – 3 below:

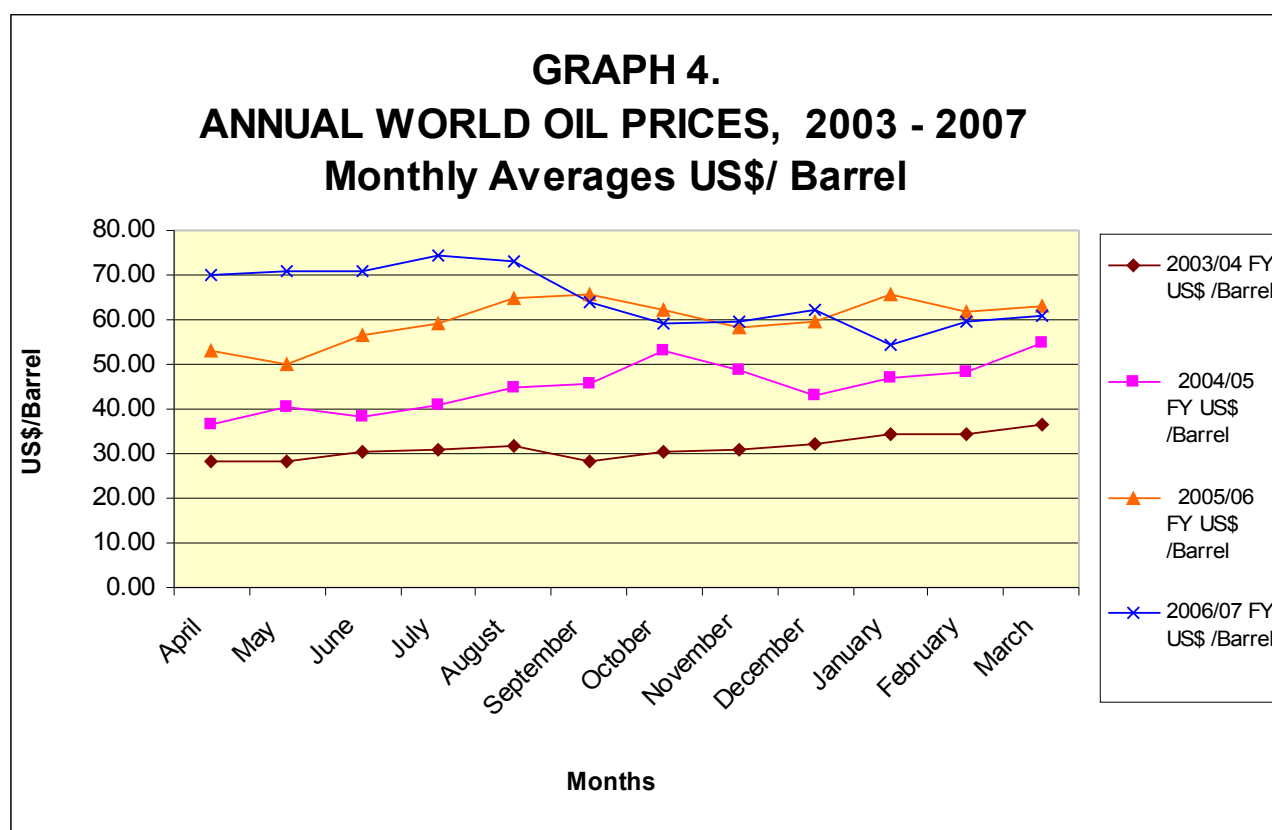


Source: CAC April 2007 Monthly Summary of Activities

**Note:-** The sample of petrol stations surveyed was increased by 83%, from 76 to 139 beginning in October 2006. The sample size was revised to extend survey coverage to the entire island, by including outlets in Westmorland and St. Elizabeth. Current data available indicates that there were in excess of two hundred and sixty-five service stations in Jamaica. The previous sample size was 29% of that number, while the current number represents 52%. The increase in the sample size therefore lowers the margin of error and raises the level of confidence in the data, as the current sample is more representative of the population.

**TABLE 1. WORLD OIL PRICES FY 2003 – 2007**

MONTH	WTI CRUDE OIL AVERAGE PRICES* MONTHLY AVERAGE PRICE PER BARREL	WTI CRUDE OIL AVERAGE PRICES* MONTHLY AVERAGE PRICE PER BARREL	WTI CRUDE OIL AVERAGE PRICES* MONTHLY AVERAGE PRICE PER BARREL	WTI CRUDE OIL AVERAGE PRICES* MONTHLY AVERAGE PRICE PER BARREL
DATE Months	2003/04 FY US\$ /Barrel	2004/05 FY US\$ /Barrel	2005/06 FY US\$ /Barrel	2006/07 FY US\$ /Barrel
April	28.14	36.62	53.22	70.16
May	28.07	40.28	49.87	70.95
June	30.52	38.05	56.42	70.97
July	30.70	40.81	59.03	74.46
August	31.60	44.88	64.99	73.08
September	28.31	45.64	65.55	63.90
October	30.35	53.09	62.27	59.14
November	31.06	48.48	58.34	59.40
December	32.14	43.26	59.45	62.09
January	34.23	46.85	65.54	54.35
February	34.50	48.05	61.93	59.39
March	36.72	54.63	62.97	60.74
<b>YEARLY AVERAGE (US\$)</b>	<b>31.36</b>	<b>45.05</b>	<b>59.96</b>	<b>64.89</b>



**Notes:**

Information compliments of GASearch Energy Intelligence at <http://www.gasearch.com>

\* Prices used are WTI (West Texas Intermediate) NYMEX CM, i.e., 1st to 31st of month

**Key:**

BBL - is the abbreviation for barrel. 'Barrels of Oil' refers to units of 42 gallons or approximately 158 litres

**TABLE 2. PETROL PRICE TRACKING: APRIL 2006 - MARCH 2007  
(PetroJam Ex- Refinery, CAC Price Survey vs. Forex Adjustment Composite)**

	PETROJAM EX-REFINERY PRICES <sup>1</sup>	CAC PETROL SURVEY RESULTS	PETROJAM EX-REFINERY PRICES <sup>1</sup>	CAC PETROL SURVEY RESULTS	PETROJAM EX-REFINERY PRICES <sup>1</sup>	CAC PETROL SURVEY RESULTS	BOJ RATES <sup>2</sup>
DATE	87 OCTANE J\$/ Litre	AVERAGE SELLING PRICE 87 OCTANE J\$/ Litre	90 OCTANE J\$/ Litre	AVERAGE SELLING PRICE 90 OCTANE J\$/ Litre	AUTO DIESEL J\$/ Litre	AVERAGE SELLING PRICE DIESEL J\$/ Litre	AVERAGE SELLING RATE OF US DOLLAR J\$/ Litre
06-Apr-06	46.78		48.22		42.92		65.53
13-Apr-06	48.68		50.12		43.92		65.56
<b>20-Apr-06</b>	<b>50.63</b>	<b>56.70</b>	<b>52.07</b>	<b>59.44</b>	<b>45.82</b>	<b>52.03</b>	<b>65.52</b>
27-Apr-06	50.88		52.32		46.67		65.60
04-May-06	50.88		52.32		46.67		65.64
<b>11-May-06</b>	<b>49.93</b>	<b>56.20</b>	<b>51.37</b>	<b>58.88</b>	<b>45.77</b>	<b>52.15</b>	<b>65.64</b>
18-May-06	50.73		52.17		46.37		65.70
25-May-06	49.53		50.97		45.32		65.72
01-Jun-06	49.93		51.37		45.92		65.74
08-Jun-06	51.03		52.47		45.92		65.79
<b>15-Jun-06</b>	<b>50.78</b>	<b>57.14</b>	<b>52.22</b>	<b>59.88</b>	<b>45.42</b>	<b>52.03</b>	<b>65.89</b>
22-Jun-06	49.68		51.12		44.37		65.90
29-Jun-06	50.63		52.07		45.27		66.01
06-Jul-06	51.58		53.02		45.27		65.99
13-Jul-06	51.58		53.02		45.27		66.04
<b>20-Jul-06</b>	<b>52.53</b>	<b>58.62</b>	<b>53.97</b>	<b>61.34</b>	<b>45.87</b>	<b>52.19</b>	<b>66.04</b>
27-Jul-06	53.23		54.67		45.37		66.00
03-Aug-06	53.23		54.67		46.17		66.00
10-Aug-06	53.63		55.07		47.12		65.97
<b>17-Aug-06</b>	<b>51.13</b>	<b>57.36</b>	<b>52.57</b>	<b>60.19</b>	<b>46.42</b>	<b>52.76</b>	<b>66.05</b>
24-Aug-06	49.93		51.37		46.42		66.01
31-Aug-06	48.53		49.97		45.92		65.96
07-Sep-06	47.48		48.92		44.52		65.95
<b>14-Sep-06</b>	<b>45.93</b>	<b>52.49</b>	<b>47.37</b>	<b>55.40</b>	<b>42.72</b>	<b>49.43</b>	<b>65.95</b>
21-Sep-06	45.13		46.57		41.62		66.06
28-Sep-06	44.03		45.47		41.02		66.04
05-Oct-06	44.33		45.77		41.22		66.16
12-Oct-06	43.83		45.27		40.62		66.23
<b>19-Oct-06</b>	<b>43.63</b>	<b>50.11</b>	<b>45.07</b>	<b>53.05</b>	<b>41.12</b>	<b>47.69</b>	<b>66.24</b>
26-Oct-06	43.63		45.07		40.82		66.33
02-Nov-06	43.98		45.42		40.92		66.61
09-Nov-06	44.33		45.77		40.47		66.54
<b>16-Nov-06</b>	<b>45.03</b>	<b>51.39</b>	<b>46.47</b>	<b>54.42</b>	<b>40.82</b>	<b>47.63</b>	<b>66.66</b>
23-Nov-06	45.03		46.47		40.82		66.86
30-Nov-06	45.73		47.17		41.57		66.92
07-Dec-06	46.83		48.27		42.52		67.00
<b>14-Dec-06</b>	<b>46.23</b>	<b>52.65</b>	<b>47.67</b>	<b>55.76</b>	<b>42.02</b>	<b>48.87</b>	<b>67.00</b>
21-Dec-06	47.13		48.57		42.02		67.02
28-Dec-06	47.13		48.57		42.02		67.13
04-Jan-07	46.63		48.07		41.42		67.17
11-Jan-07	45.53		46.97		40.42		67.29
<b>18-Jan-07</b>	<b>44.33</b>	<b>50.72</b>	<b>45.77</b>	<b>53.87</b>	<b>39.82</b>	<b>46.68</b>	<b>67.39</b>
25-Jan-07	44.13		45.57		39.82		67.55
01-Feb-07	45.08		46.52		40.82		67.55
08-Feb-07	45.88		47.32		41.92		67.63
<b>15-Feb-07</b>	<b>46.68</b>		<b>48.12</b>		<b>41.72</b>		<b>67.64</b>
22-Feb-07	47.58		49.02		41.22		67.63
01-Mar-07	48.68		50.12		41.87		67.58
08-Mar-07	49.83		51.27		42.62		67.72
<b>15-Mar-07</b>	<b>50.03</b>		<b>51.47</b>		<b>41.97</b>		<b>67.71</b>
22-Mar-07	50.03		51.47		41.37		67.73
29-Mar-07	50.93		52.37		42.22		67.76

SOURCES: 1. MITEC Website - Weekly Oil Prices; 2. BOJ Monthly Release: Weighted Average Buying & Selling Rates, April 2006 - March 2007