

MEDIA RELEASE

Thursday, August 16, 2007

Maximum Prices Fall For Most Fuel Products

Effective 12:01 a.m. Thursday, Aug. 16, 2007, the Public Utilities Board, through its Petroleum Pricing Office, will set new maximum prices for all fuels under regulation in Newfoundland and Labrador (NL).

The following outlines the resulting changes in price for each of the fuel products:

- all types of gasoline will decrease by 3.0/3.1 cents per litre (cpl) – depending on the HST rounding impact in a particular pricing zone;
- ultra low sulphur diesel in Newfoundland will decrease by 1.6 cpl, while low sulphur diesel in Labrador will decrease 2.2 cpl;
- furnace/stove oil will decrease by 2.30 cpl; and.
- residential propane used for home heating purposes will increase by 0.6 cpl.

Since the last scheduled price adjustment on August 2, 2007 commodity markets for petroleum products have once again experienced significant volatility. Relatively high utilization of U.S. refinery capacity coupled with recovery of crude oil production in Iran and Nigeria and weak economic data out of the U.S. put downward pressure on prices during the beginning of this pricing period. On the negative side, however, the retreat and return of investors to the petroleum commodity markets following this weakening U.S. economic news resulted in a rebound in prices in recent days. Uncertainty surrounding the appearance of tropical storm Dean in the eastern Atlantic in the last 48 hours is also keeping markets on edge.

The regulatory system administered by the Board continues to operate as it should, shielding consumers from often dramatic short term fluctuations in market pricing while ensuring a continuous supply of petroleum products to all regions of the province. The Board notes that the height of the hurricane season in North America is fast approaching which, in recent years, has resulted in even greater uncertainty for petroleum prices. The Board will continue to monitor market conditions and other contributing events and will act in accordance with its established methodologies and guidelines while maintaining transparency and consistency regarding its regulatory obligations.

For more information on regulation of petroleum pricing products in NL and how it is applied visit the Board's website at www.pub.nl.ca or by contact the Board's Petroleum Pricing Office toll-free at 1-866-489-8800.

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