

MEDIA STATEMENT - FOR RELEASE ON 26 JUNE 2009

RELEASED ON BEHALF OF THE DEPARTMENT OF MINERALS AND ENERGY

ENQUIRIES: MR B KHUMALO, DEPARTMENT OF MINERALS AND ENERGY

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1. ADJUSTMENT TO THE FUEL PRICE: WEDNESDAY, 01 JULY 2009

Product:

Petrol 93 ULP & LRP	37.000	cents per litre increase in retail price
Petrol 95 ULP & LRP	40.000	cents per litre increase in retail price
Diesel 0.05% Sulphur	40.000	cents per litre increase in wholesale price
Diesel 0.005% Sulphur	40.000	cents per litre increase in wholesale price
Illuminating Paraffin (Wholesale)	46.000	cents per litre increase in wholesale price
Illuminating Paraffin (SMNRP)	62.000	c/l increase in the Single Maximum National Retail price (SMNRP)

2. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD 29 MAY 2009 TO 25 JUNE 2009

During the period under review, the average international product prices of Petrol, Diesel and Illuminating Paraffin increased.

The average Rand/US Dollar exchange rate strengthened when compared to the previous period. The average Rand/US Dollar exchange rate for the period 29 May 2009 to 25 June 2009 was 8.1093 compared to 8.4371 during the previous period.

3. SINGLE MAXIMUM NATIONAL RETAIL PRICE FOR ILLUMINATING PARAFFIN (SMNRP)

The Minister of Minerals and Energy has approved the implementation of a Single Maximum National Retail Price for Illuminating Paraffin with effect from 2 April 2003. The Single Maximum National Retail Price for Illuminating Paraffin will change on a monthly basis from the first Wednesday of each month and will also be promulgated in the Government Gazette. The Single Maximum National Retail Price with effect from 1 July 2009 to 4 August 2009 will be 648,0 c/l compared to 586,0 c/l from 3 June 2009 to 30 June 2009, that is an increase of 62,00c/l.

4. MAXIMUM LPGAS REFINERY GATE PRICE

The maximum refinery gate price will be R 5 457.53 per metric ton (302.89 c/l) for the period 1 July 2009 to 4 August 2009.

5. PRICE ADJUSTMENT

In terms of the agreed mechanism:

- (a) Price changes are adjusted in such a manner that the over-or under-recovery during the prior month will be corrected in the following month; and
- (b) The unit over- or under-recoveries are rounded up or down to the nearest full cent so that the effect of rounding contributes to the clearing of the cumulative balance of the individual products on the slate.
- (c) In order to manage a negative balance in the Cumulative over/(under) recovery account (the Slate), a Self-Adjusting Slate Levy Mechanism (SLM) has been implemented with effect from 7 January 2009 (the SLM is available on the website of the Department of Minerals and Energy). A Slate levy will only be applicable on all petrol and diesel grades if the Slate balance is negative (cumulative under recovery) by more than R250.0 million

6. BREAKDOWN OF PRICE ADJUSTMENT

Petrol ULP	95	Diesel 0.05(%)	Diesel 0.005(%)	Illuminating Paraffin
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The price adjustments in (1) above are based on the following actual data:

Average product over/(under)-recovery, measured for the 20 days from 29/05/2009 to 25/06/2009 (cents / litre) as detailed below.

(40.663)	(40.981)	(40.518)	(45.991)
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Cumulative positive/(negative) slate balances end of May 2009 (R-million)

975.210	896.710	896.710	(76.240)
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The price adjustments consist of the following elements:

<u>c/l</u>	<u>c/l</u>	<u>c/l</u>	<u>c/l</u>
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Average product over/(under)-recovery rounded to the nearest full cent for price (increase) / decrease

(40.000)	(40.000)	(40.000)	(46.000)
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Total price (increase) / decrease

<u>(40.000)</u>	<u>(40.000)</u>	<u>(40.000)</u>	<u>(46.000)</u>
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7. REPORT OF THE INDEPENDENT AUDITORS

The report of the independent auditors is available on request.

8. ANALYSIS OF THE ELEMENTS THAT RESULTED IN THE OVER/(UNDER)-RECOVERIES

The over/(under)-recoveries for the period under review were affected by the factors set out below, which can be quantified as follows:

	Petrol c/l	** Diesel 0.05% c/l	** Diesel 0.005% c/l	lluminating Paraffin c/l
Movements in external factors				
Movement in International Product Prices	(57.726)	(57.738)	(57.441)	(62.624)
Movement in Exchange Rate	17.062	16.758	16.923	16.633
Over/(under)-recovery for the period 29/05/2009 to 25/06/2009	(40.663)	(40.981)	(40.518)	(45.991)

9. ANNEXURE

The annexure attached contains details of the composition of product prices as well as history of the price changes.

ANNEXURE 1

**COMPOSITION OF THE RETAIL PRICE OF PETROL AND THE
WHOLESALE PRICES FOR DIESEL AND IP IN GAUTENG
FOR THE PERIOD 01/07/2009 TO 04/08/2009 WILL BE AS FOLLOWS:**

	Petrol 95 ULP c/l	Petrol 93 ULP & LRP c/l	Diesel * 0.05% S c/l	Diesel * 0.005% S c/l	lluminatin g Paraffin c/l
Wholesale margin	44.887	44.668	44.660	44.660	44.872
Service cost recoveries	9.500	9.500	9.500	9.500	16.900
Storage, handling & delivery costs	9.500	9.500	9.500	9.500	9.500
Distribution cost	0	0	0	0	7.400
Dealers margin	67.300	67.300	0	0	0
Zone differential in Gauteng	14.000	14.000	14.000	14.000	29.800
IP Tracer levy	0	0	0.010	0.010	0
Fuel levy	150.000	150.000	135.000	135.000	0
Customs & excise duty	4.000	4.000	4.000	4.000	0
RAF levy	64.000	64.000	64.000	64.000	0
Petroleum Products levy	0.150	0.150	0.150	0.150	0
Slate levy	0.000	0.000	0.000	0.000	0.000
DSML	10.000	0.000	0.000	0.000	0.000
Equalisation Fund Levy	0.000	0.000	0.000	0.000	0.000
Incremental Inland Transport Recovery levy	3.000	3.000	3.000	3.000	
Sub-total	366.837	356.618	274.320	274.320	91.572
<u>Contribution to the Basic Fuel Price</u>	<u>423.163</u>	<u>416.382</u>	<u>411.630</u>	<u>416.030</u>	<u>410.128</u>
<u>Retail Price</u>	<u>790.00</u>	<u>773.00</u>			
<u>Wholesale price</u>			<u>685.95</u>	<u>690.35</u>	<u>501.70</u>

(*) The wholesale price of diesel is regulated, but not the retail price

Annexure A

STATISTICS OF PRICE CHANGES

	Petrol 95 ULP		Diesel		Illuminating Paraffin	
	Gauteng SA c/l	Coast SA c/l	Gauteng SA c/l	Coast SA c/l	Gauteng SA c/l	Coast SA c/l
<u>Effective from:</u>						
	From 4 January 2006 0,05% Sulphur					
3-Jan-07	598.00	574.00	551.10	537.50	447.20	424.20
7-Feb-07	575.00	551.00	542.10	528.50	421.20	398.20
7-Mar-07	599.00	575.00	552.10	538.50	431.20	408.20
4-Apr-07	667.00	643.00	590.10	576.50	462.10	438.20
2-May-07	701.00	677.00	620.30	606.50	480.10	456.20
6-Jun-07	724.00	700.00	625.30	611.50	482.10	458.20
4-Jul-07	716.00	692.00	636.30	622.50	499.10	475.20
1-Aug-07	701.00	677.00	651.30	637.50	506.10	482.20
5-Sep-07	691.00	667.00	656.30	642.50	506.10	482.20
3-Oct-07	701.00	677.00	679.30	665.50	519.10	495.20
7-Nov-07	704.00	680.00	673.30	659.50	529.10	505.20
5-Dec-07	747.00	723.00	724.30	710.50	587.10	563.20
2-Jan-08	747.00	723.00	725.30	711.50	578.10	554.20
6-Feb-08	764.00	740.00	732.30	718.50	580.10	556.20
5-Mar-08	825.00	801.00	810.30	796.50	656.10	632.20
2-Apr-08	891.00	867.00	938.30	924.50	774.10	750.20
7-May-08	946.00	922.00	1 009.30	995.50	829.60	805.70
4-Jun-08	996.00	972.00	1 080.30	1 066.50	900.60	876.70
2-Jul-08	1 070.00	1 040.00	1 143.30	1 129.50	949.60	925.70
6-Aug-08	1 040.00	1 010.00	1 127.30	1 113.50	953.00	929.10
3-Sep-08	966.00	942.00	983.30	969.50	807.00	783.10
1-Oct-08	941.00	917.00	927.30	913.50	742.00	718.10
5-Nov-08	896.00	872.00	903.30	889.50	703.00	679.10
3-Dec-08	735.00	711.00	822.30	808.50	628.00	604.10
7-Jan-09	601.00	576.00	654.35	639.65	496.70	467.60
4-Feb-09	662.00	637.00	649.35	634.65	482.70	453.60
4-Mar-09	707.00	682.00	611.35	596.65	456.70	427.60
1-Apr-09	738.00	713.00	650.85	636.15	451.70	422.60
6-May-09	735.00	710.00	658.85	644.15	464.70	435.60
3-Jun-09	750.00	727.00	645.95	632.65	455.70	426.60
1-Jul-09	790.00	767.00	685.95	672.65	501.70	472.60