

MEDIA RELEASE

Gasoline prices further decreased

Effective 12:01 a.m. Tuesday, September 13, 2005, the Public Utilities Board's Petroleum Pricing Office (PPO) will decrease the maximum price of gasoline by 10.4 cents per litre (cpl) in Newfoundland and Labrador.

Because of the continuing downward volatility in world markets, the PPO is applying an early adjustment to maximum prices for gasoline that would normally be adjusted on the 15th of the month.

There will be no change at this time in the maximum prices of the other petroleum products, which include diesel, furnace/stove oil and residential propane for home heating purposes. These adjustments will be made as per the regular schedule on Thursday, September 15.

The reason for this early adjustment is to provide consumers with immediate reduced maximum prices for gasoline consistent with the recent extraordinary drop in New York Mercantile Exchange (NYMEX) market prices following a spike some two weeks ago when oil and fuel supplies were disrupted by Hurricane Katrina. The decrease in the maximum price of gasoline of 10.4 cents per litre (cpl) now brings prices down to a level where pricing regulation in Newfoundland and Labrador may be in a position to return to its normal adjustment pattern.

David Toms, PPO director (acting), noted the Board is now responding in the same immediate fashion to extraordinary price decreases on behalf of consumers as it did to price increases in the wake of Hurricane Katrina, which threatened fuel shortages and continuity of oil supplies for the industry. One of the principles of sound regulation is to balance the interests of all stakeholders in a fair, equitable and responsive manner.

The price for gasoline throughout North America and European markets still remains higher than those prices in effect prior to the hurricane. The price of gasoline and other fuels in the immediate to long term remains unclear and the market situation continues to be somewhat unsettled.

The Board will monitor all events impacting prices for petroleum products in Newfoundland and Labrador and take whatever action is necessary in the interests of its stakeholders. The Board is intent, however, at its earliest opportunity, to return to its normal process of adjusting prices on the 15th of each month and using its interruption formula for interim adjustments as justified.

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