

MEDIA RELEASE

Thursday, June 5, 2008

Mixed results for maximum regulated fuel prices

Effective 12:01 a.m. Thursday, June 5, 2008, the Public Utilities Board, through its Petroleum Pricing Office, will set new maximum prices for regulated fuel products as per its scheduled biweekly pricing adjustments.

Maximum prices, except in areas under a price freeze, will move as follows:

- all types of gasoline will increase by 3.8 or 3.9 cents per litre (cpl) – depending on the HST rounding effect;
- automotive diesel will decrease 0.1 or 0.2 cpl – also due to HST rounding;
- furnace and stove oil will decrease 4.29 cpl; and,
- residential propane used for home heating purposes will decrease 0.1 cpl.

Recent pricing movements on the commodity markets were mainly related to issues of global demand versus available supplies. This resulted in numerous fluctuations, occurring at times daily, for the prices of refined petroleum products.

Gasoline demand has reportedly eased slightly in the U.S., the lead energy consumer. Other factors, however, have precipitated an overall average increase based on two weeks of market data, including declining gasoline inventories, a surge in crude oil prices and the increased costs associated with producing a summer grade product. Furnace and stove oil inventories recovered slightly and warmer temperatures have curbed the need for heating fuels in North America, contributing to a decrease in maximum prices for these products.

Overall, U.S. demand for all types of fuel is reported to have dropped in the short term because of persistent high prices, while demand growth in developing regions (where fuel is often subsidized), such as Asia and India, showed little signs of slowing. Mixed pricing pressures have also resulted from: fears the U.S. economic slump will worsen; the start of hurricane season – prices swung wildly as Tropical Storm Arthur approached and missed oil infrastructure in the Gulf of Mexico; and, ongoing protests in France over high fuel prices that have blocked or slowed down deliveries from refineries since this past weekend.

-30-

Media contact: Michelle Hicks, Communications. Tel: 1-866-489-8800 or (709) 489-8837.

E-mail: mhicks@pub.nl.ca, or visit the Board's website: www.pub.nl.ca.