PRESS RELEASE

Pursuant to EWURA Order No. 07-010 dated 8th October 2007, EWURA hereby publishes the first table of Indicative Import Parity Prices. A brief explanation of the EWURA's rational in developing this table can be found in the explanatory notes that follow. Accompanying the Indicative Import Parity Prices table is a list of pump prices from selected locations around the country. The publication of indicative prices is not a new experience in the country. The Bank of Tanzania for example, periodically publishes indicative currency rates, but the actual exchange rates are determined by the market.

Table 1: Indicative Import Parity Prices (15th – 30th October 2007)

DESCRIPTION	Unit	Petrol	Diesel	Kerosene
Average Platt's FOB	USD/MT	693.36	686.87	724.52
CIF Dar Es Salaam	USD/MT	711.07	720.72	744.96
Local costs	USD/MT	44.93	41.52	42.99
Landed costs	USD/MT	756.00	762.24	787.95
Landed cost	TZS/Ltr	687.40	784.90	765.45
Taxes & Levies	TZS/Ltr	545.10	520.80	59.10
Margins	TZS/Ltr	87.21	85.33	83.20
Ex DSM Depot Prices	TZS/Ltr	1319.71	1391.03	907.75
Town delivery charge (30 km)	TZS/Ltr	7.20	7.20	7.20
Indicative Pump Prices in Selected Regional Locations				
Arusha	TZS/Ltr	1422.63	1493.95	1010.67
Dar es Salaam	TZS/Ltr	1326.91	1398.23	914.95
Dodoma	TZS/Ltr	1380.97	1452.29	969.01
Mbeya	TZS/Ltr	1422.63	1493.95	1010.67
Mwanza	TZS/Ltr	1475.56	1546.88	1063.60

Table 2: Random Survey of Pump Prices in Selected Locations (TZS/Ltr) – on 29 - 30th October

S/N	Region	Station	Petrol	Diesel	Kerosene
1	Arusha	TOTAL	1495	1445	1000
		Mt. Meru	1489	1439	969
2	Dar Es Salaam	OILCOM - Chang'ombe	1480	1400	1000
		Mt. Meru-Mandela Rd.	1399	1365	
		BP Mandela Rd	1495	1435	
		Oryx Swahili	1500	1450	1000
		BP (Fire)	1495	1435	
		Oilcom Kisutu	1480	1400	1000
		Oilcom TMJ	1480	1400	1000
		BP Fiveways	1495	1435	
		BP Upanga	1495	1435	
		BP Ocean Road	1495	1435	
		Gapco Ujenzi	1450	1400	950
		Gapco Dar SIS	1450	1400	950
		Engen Mbezi	1480	1380	1000
		Big Bon Temeke	1430	1370	950
		Total Morocco	1480	1395	990
		Total Kariakoo/Uhuru Road	1480	1395	990
		Total Morogoro Road(NSSF)	1480	1395	990
		Total Mandela Road	1495	1395	
		Total Kwa Sokota	1480	1395	990
		Oilcom Veta Chang'ombe	1480	1400	1000
3	Dodoma	Oryx Budwell	1540	1475	1000
		BP New Capital	1540	1440	1000
4	Mbeya	All stations	1580	1500	1120
5	Mwanza	Mt. Meru	1499	1450	1000
		Oryx	1550	1490	1070
		MOIL	1500		1020

Explanatory Notes

In its Order of 8th October 2007, EWURA identified several defects in Tanzania's downstream petroleum sector supply chain. It also observed a general lack of knowledge among the public at large regarding the various elements that go into the build up of the petroleum price and matters that cause changes in prices.

In its capacity as the economic and technical regulator for Tanzania's downstream petroleum sector, and as a first step to improve public awareness of petroleum product pricing components and ultimately competition, EWURA undertook that, commencing on 1st November 2007 and on a regular basis thereafter, it would publish import parity prices together with the results of random market surveys of pump prices. The information that these representative prices are based on was collected by EWURA from relevant authorities, including some oil companies.

Table One is called the **Table of Indicative Import Parity Prices.** In order for that table to be fully comprehensible, EWURA believes that some explanation of the terms and the modalities of data collection would be helpful.

"Indicative Import Parity Prices" The term "indicative price" does not mean the actual price incurred or charged. Rather, it represents the price that is incurred or charged by many companies involved in downstream petroleum commerce. Ideally, the indicative price should be an average of all of the prices incurred or charged by all companies providing these products. In the near future, when EWURA's downstream petroleum licensing regime goes into effect, it will be. Then, information received from each regulated petroleum provider will be public information and be comprised in EWURA's periodic publication of petroleum pricing information.

"Average Platt's FOB" is an average FOB world market price quoted from Platt.

"CIF Dar Es Salaam" includes FOB, insurance and freight to the port of destination (Dar Es Salaam).

"Local costs" includes port charges and other authorities' levies.

"Landed costs" includes all costs to the port of destination (Dar Es Salaam) plus local costs.

"Taxes & Levies" includes all taxes payable to the Government and levies payable to EWURA.

"Margins" includes Oil Marketing Companies' and Dealers' operational costs, investment costs and profits. The number corresponding to "margins" is the average of two numbers. The first number is an average of the margins realized in August of 2007 by those oil marketing companies that submitted data to EWURA. The second number is the margin set by the Government of Tanzania in 1999 (discounted to present value). EWURA selected that number for two reasons. First, because 1999 was the last time that the government "set" the margins that oil marketing companies were lawfully permitted to realize. Second, because it is the last reported "fair" margin that was "agreed" by all marketing companies, and is therefore useful when making comparisons.

"Ex DSM Depot prices" includes CIF, local costs, taxes and levies.

"Town delivery charge (30 km)" is composed of transportation costs from depot to retail petrol stations located within a 30 km distance from the depot.

EWURA pledges to work closely with all oil marketing companies to ensure that the information that EWURA collects and publishes in these tables from time to time related to petroleum product prices, will be accurate and fair.

In Table 2, the **Survey of Pump Prices in Selected Locations**, it should be noted that because the downstream petroleum sector is fully competitive, EWURA does not set prices for Petroleum products. EWURA believes that it is in the public interest to monitor and publish current prices in selected locations, and hopes that this will assist the consuming public to make informed decisions on the matter of price when making its petroleum product purchases. Some of the price differences reflected in these tables can be attributed to cross subsidization, either by product or by region and reflect commercial intervention based on market response.

EWURA will also periodically be making public statements about the quality of products sold in various locations and about EWURA's continuing efforts to sample, test and penalize regulated suppliers who sell products that do not conform to the Government's legally established standards.

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EWURA