

MEDIA RELEASE

Gasoline prices decreased

Effective 12:01 a.m. Thursday, Sept. 8, 2005, the Public Utilities Board's Petroleum Pricing Office (PPO) will decrease the maximum price of gasoline by 15.9 cents per litre (cpl) in Newfoundland and Labrador (NL).

There will be no change at this time in the maximum price for other products.

Market prices rose over the past two weeks to record levels in the face of the devastation caused by Hurricane Katrina in the Gulf of Mexico, where oil production was reduced by power outages and concerns of fuel supply shortages led to extraordinary circumstances in the petroleum markets that elevated fuel prices. The situation also had the potential to impact consumers in this province in the form of critical supply shortages. Now that refineries in the Gulf are gradually coming back on-stream and concerns over fuel supply have started to ease, prices on the commodities exchange have moved downward.

"Prices are continuing to fluctuate in an extraordinary manner and while prices on world markets are currently receding, the situation remains far from settled," said David Toms, PPO director (acting). "We will be following the matter closely as it unfolds to see how production and refining capacity, in particular in the Gulf, is restored and what impact this will have on the pricing of refined petroleum products in the coming months."

The Board will continue to monitor these extraordinary events on a daily basis to ensure a ready supply of fuels to consumers of Newfoundland and Labrador at appropriate prices in accordance with its regulatory obligations.

- 30 -

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