

## **MEDIA STATEMENT**

### **Oil Price Deregulation : the Impact on Aegis Logistics**

**Mumbai, June 25 2010:** The Government today freed petrol from administrative control and hiked the prices of diesel, kerosene and LPG in a major policy reform to make prices of auto fuels market driven at both refinery gate and retail level. This follows a recent hike in prices of CNG and PNG.

The pricing reforms will improve margins for companies operating in petroleum sector, will make them more competitive and private companies can look forward to a level playing field. Aegis looks forward to the opportunity in petroleum logistics arising on account of increased participation in the sector by private players.

In the Autogas business, Aegis can now expect marked increase in demand and improvement in average sales per station with the Gap between autogas and petrol widening and narrowing with respect to CNG. Also, with around Rs. 2.50 per kg increase in Cooking Gas the incentive for diversion of illegal cooking gas for use in vehicles stands reduced.

The reform has given an impetus to the companys strategic alliance with Essar Oil Limited to cross sell auto fuels.

With the recent acquisition of Shell's Commercial and Industrial Packed LPG business in India, the company launched its brand "puregas" packed cylinders. The above reforms will help in improving its margins in this business.

*Oils well that ends well – With the prices decontrolled, the petroleum sector is set to slide smoothly into a market driven regime.*