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Press Release
Fuel Price Adjustments

For Immediate Release

Monday, December 13, 1999

Maseru—The Ministry of Natural Resources (Water, Lesotho Highlands Water Project, Energy, Mining, Technology and Environment) announces that the prices of Petrol, Diesel and Illuminating Paraffin will be increased with effect from the midnight of 14th December, 1999. The retail price of petrol and diesel will be increased by 10 lisente per litre and the wholesale price of paraffin by 20 lisente per litre.

The new Retail Prices should not exceed the following prices in the Lowlands (including Qacha's Nek):

Petrol, 93 Octane (Super/Premium)	240 L/l
Diesel	235 L/l
Domestic Paraffin (Wholesale \pm GST)	151 L/l

For Quthing District, the 5 L/l transport differential still applies and hence the new Retail Prices should not exceed the following:

Petrol, 93 Octane (Super/Premium)	245 L/l
Diesel	240 L/l
Domestic Paraffin (Wholesale + GST)	156 L/l

For Thaba-tseka, the Transport Differential of 13 L/l still applies. Therefore, the new prices for this District should not exceed the following prices:

Petrol, 93 Octane (Super/Premium)	253 L/l
Diesel	248 L/l
Domestic Paraffin (Wholesale + GST)	164 L/l



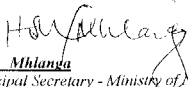
For the Mopung District, the Transport Differential of 21 L/A still applies. As a result the new Pump Prices should not be above the following:

Petrol, 93 Octane (Super/Premium)	261 L/A
Diesel	256 L/A
Domestic Paraffin (Wholesale + GST)	172 L/A

The main reason for these increases is the current increases in postings (costs) for these products in the International markets. These have resulted in all our controlled products (petrol diesel and illuminating paraffin) experiencing under-recoveries and this has resulted in our slate balance (price cushion) being negative.

The Ministry also wishes to appeal to all retailers to pass the proper prices to the consumers because it is illegal to charge prices above those set by the Ministry. There have been tendencies in the past by some retailers of charging prices that are above those set and this should not happen. Any retailer who will be found selling at prices above those set by the Ministry shall be prosecuted accordingly.

Copies of this "Press Release" can be obtained from the Department of Energy, Ministry of Information and Broadcasting and the Ministry of Trade Representatives in the Districts.



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