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Sent: 07 February 2005 19:14
To: TTabone (E-mail)
Subject: fuel purchases

Categories: Red Category

Further to last weeks fuel procurement meeting I am submitting a report in which I am highlighting the price improvements being made in fuel purchases.

We negotiated a better price in fuel oil, unleaded and jet and only fared worse in LPG. As regards LPG we had secured some considerable improvements in the previous meeting that however could not be repeated this time (indications are that the previous LPG contractor lost money on the contract to the extent that he declined to supply the full contract value).

To summarise we are saving \$283,000 when compared to the previous contract and \$963,800 when compared to the contract before that. These figures are for 6 month contracts not a full year.

Also note that the considerable savings on fuel security stocks are also not included (I value these at about \$432,000 on fuel oil alone).

Pippo



purchases.xls

Comparison of Oil Purchases (all figures in USD)

<u>Product</u>			<u>Current</u>		<u>Previous</u>		<u>Previous - 1</u>
Fuel oil	Margin		(2.25)		(1.50)		(0.50)
	High / Mean /Low	Mean	(0.50)	Mean	(0.50)	Mean	(0.50)
	Credit	60 days	(1.02)	30 days	(0.51)	30 days	(0.51)
	Total		<u>(3.77)</u>		<u>(2.51)</u>		<u>(1.51)</u>
LPG	Margin		49.50		29.50		45.00
	High / Mean /Low	Mean	-	Mean	-	Mean	-
	Credit	30 days	(1.08)	30 days	(1.08)	30 days	(1.08)
	Total		<u>48.42</u>		<u>28.42</u>		<u>43.92</u>
Unleaded	Margin		13.00		15.00		15.00
	High / Mean /Low	High	-	Mean	(0.50)	High	-
	Credit	30 days	(1.03)	30 days	(1.03)	30 days	(1.03)
	Total		<u>11.97</u>		<u>13.47</u>		<u>13.97</u>
Jet	Margin		14.00		14.75		16.00
	High / Mean /Low	Mean	(0.50)	High	-	High	-
	Credit	30 days	(1.05)	60 days	(2.10)	30 days	(1.05)
	Total		<u>12.45</u>		<u>12.65</u>		<u>14.95</u>

Fuel oil		
Volume for 6 months contract		360,000
Difference Current less Previous	(1.26)	(453,600)
Difference Current less Previous - 1	(2.26)	(813,600)

LPG		
Volume		12,000
Difference Current less Previous	20.00	240,000
Difference Current less Previous - 1	4.50	54,000

Unleaded		
Volume		39,600
Difference Current less Previous	(1.50)	(59,400)
Difference Current less Previous - 1	(2.00)	(79,200)

Jet		
Volume		50,000
Difference Current less Previous	(0.20)	(10,000)
Difference Current less Previous - 1	(2.50)	(125,000)

Total		
Difference Current less Previous		(283,000)
Difference Current less Previous - 1		(963,800)

Negative signs denote savings