

News Release

New Fuel Prices Reflects Continued High World Oil Price

IQALUIT, Nunavut (October 22, 2007) – Community and Government Services Minister Levinia Brown announced today a retail price increase of 10 cents per litre (excluding GST) on gasoline and a 20 cents per litre (excluding GST) on aviation fuels effective November 1, 2007. The retail price increase is the effect of higher world oil prices.

"It is never easy to increase the price of a basic necessity," said Brown. "We have done everything we can to keep the retail price of fuels low but the government is not able to avoid the ongoing reality of high world oil prices."

The government has decided not to increase the price of diesel products, which are mainly used for heating of Nunavummiut homes and businesses.

The aviation fuel increase brings the price into line with those charged in other Canadian jurisdictions. Although our gasoline prices have risen, Nunavut continues to benefit from lower gasoline prices compared to other northern communities.

The new prices will not enable the government's Petroleum Products Stabilization Fund to maintain its legislative limits with the cost of this year's fuel re-supply. The government had built an energy contingency into its fiscal plan, which will allow it to absorb the difference between the new prices and the full cost of the fuel re-supply in its budget.

Full cost recovery of this years re-supply would have meant a 25 cent per litre increase for all fuel products.

-30-

For More Information Contact:

Darrin Nichol Community and Government Services Government of Nunavut 867- 645-8417