



Daily Oil Market Comment

25/08/04

Crude oil prices closed lower for the third consecutive day as speculators locked in profits after recovering Iraqi oil exports helped unwind some of the supply concerns that have lifted the market to record highs. October WTI closed down 84 cents to \$45.21.

Gasoline closed up 0.28 cents to \$1.2603 after failing as low as \$123.80 U.S. gasoline stocks lagged normal levels most of the year, leaving the nation vulnerable to refinery breakdowns and other annual maintenance supply disruptions. Crude inventories are forecast to fall 250,000 barrels. Gasoline supplies probably fell by 2 million barrels.

Russian authorities have ordered security to be tightened after a passenger plane crashed and another went missing late on Tuesday.

Closing Prices Tuesday August 24, 2004:

| | | |
|------------|-------------|-------------------------|
| WTI | \$45.21/bbl | -\$0.84/bbl |
| Brent | \$42.32/bbl | -\$0.71/bbl |
| IPE Gasoil | \$384.25/t | -\$8.25/t = -\$1.10/bbl |

Asian Day Market Movement

Oil prices continues their decline today on a lack of any bullish news. Prices weakened following Iraq increasing their exports to 2 million barrels per day. However, the market is still nervous over Iraq and Yukos and with US Inventory data coming out tomorrow night, it is doubtful the market will fall much further. Technically the market remains in a strong uptrend.

Singapore Prices were also down in line with the oil futures movement from last night and today. Lower prices are bringing out some buyers but not on a fixed price basis. Singapore kero still remains well offered and is seen well supplied in the market due to strong refining margins. Expect Singapore prices to be down \$1.30/bbl today.

Prices As At 5:30PM Singapore Time Tuesday August 24, 2004:

| | | |
|----------------|-------------|-------------------------|
| WTI | \$45.72/bbl | -\$0.31/bbl |
| Brent | \$42.68/bbl | -\$0.35/bbl |
| IPE gasoil | \$385.50/t | -\$7.00/t = -\$0.94/bbl |
| Singapore Kero | \$53.55/bbl | -\$1.30/bbl |