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இலங்கை பெற்றோலியக் கூட்டுத்தாபனம்
CEYLON PETROLEUM CORPORATION



Our Ref: FD/DGM/2024/02/PUSL

18/12/2024

Damith Kumarasinghe
Director General
Public Utility Commission of Sri Lanka
Colombo 03

Dear Sir,

Information Request under section 15 of the Public Utility Commission of Sri Lanka

Further to your letter dated December 13, 2024, regarding the above subject, we would like to bring the following points to your attention concerning the analysis of refinery production costs:

- Production Output Timing: The production output for a given month is based on crude oil stock imported in previous months, as it is not practical to base production on crude oil stock imported during the same month.
- Exchange Rate Application: The exchange rate applied should correspond to the actual import date of the crude oil.
- Output Volume Consideration: The output volume for the specific month must be factored in, as it can vary.
- Variability in Production Percentages: Each batch of crude oil and crude type has a unique production percentage of finished products. Therefore, refinery production costs are determined by actual processing costs, which vary due to differing chemical, physical, and process factors.

However, when considering the actual exchange rate and crude oil price, there is minimal deviation between the costs of June 2022 and November 2024. In fact, the data indicates improved efficiency. For further details, please refer to the table below.

	Unit	Jun-22	Nov-24	Variation
Fuel Oil Production Cost	Rs/Ltr.	150.36	192.15	28%
Nhaphtha Production Cost	Rs/Ltr.	137.60	184.35	34%
Crude Oil Cost	USD/BBL	97.82	87.66	-10%
Ex.Rate applied for CRD shipment	Rs	202.99	300.87	48%
Crude Oil Cost	RS/BBL	19,856	26,374	33%

We trust this explanation addresses your concerns. CPC remains available to provide any additional assistance or clarification as needed.

Yours faithfully,


Dr. Mayura Neththikumarage
Managing Director