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"world's smallest oil company"

Kelowna 250-869-8487 or Vernon 250- 275-4956
March 2011 Energy Update

The March Red Hot Lube Special

It may not feel like spring now, but it *is* just around the corner! You know you'll need Motor Oil!



ConocoPhillips

Fleet Supreme 15W40

Case of 12 Litres:	\$35.50*
Case of 4 Jugs:	\$46.50*
18.9 Litre Pails:	\$56.50*
208 Litre Drum:	\$526.50*

This price is Cash and Carry from our Carion Rd. warehouse. Stock up now and make sure you have enough for spring!

* plus EHC, Deposits, and taxes

Did You Know?

You *never* pay street price at our Cardlock on Carion Road. We don't have any of those fancy points programs you find at the mainstream stations, we just give you the savings right off the top of the bill. Which would you rather have?

We carry Regular Gasoline, Premium Marked Gasoline, and Diesel (Clear and Marked) for your fuelling pleasure. Drop in soon to discuss the possibilities with Kevin and Lynn.

Heating Fuel

Right about this time of year, we bid adieu to our Heating customers for another season. While Heating Fuel is not the fuel of choice for new homes in the valley, Heating Fuel veterans know there is no better warmth that really wraps itself around you on a cold winter's night. Thank you for placing your trust in us again this year, and we look forward to seeing you again next season!

Price trends on back...

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Price Trends

Okanagan residents recently awoke to find that overnight, gasoline prices jumped 9 cents, and that amazingly all this was blamed on Gaddafi and the troubles in Libya. So what does Libya have to do with Canada and the Okanagan? Plenty, it seems, at least as far as pricing of the final product goes. We really do have a global market, and here's an example:

Libya produces 41% of all the crude oil in Africa and exports one-third of its production to energy poor Italy. Other nations are eager to step in and restore Italy's supply, but only at a higher price to make it worthwhile diverting sales from their present customers. In this way, crude prices are forced upwards on a regional basis. Unfortunately, the region then needs to look elsewhere to replenish local inventories. Other regions are then forced to raise their prices to prevent their supplies from being pillaged from abroad. The higher prices in turn encourage further development of known reserves (Fort McMurray), as well as exploration for new reserves.

The same process can be applied to local price activity. We often hear suspicion that local service stations are in "cahoots" together. How else could they all raise their prices at the same time? The answer is simpler than one might imagine. When one service station has a lower price than its nearby competitors, it won't take long for word to spread among motorists. Canadians love a deal, and the station's tanks would soon be emptied as it draws customers from other stations. The same equilibrium that follows the global market is at play locally.

Once again, we remind you take advantage of our lube special this month. As always, thank you for being with us!

Lynn, Sean, Peter, Kevin, and Ross

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