

2008 Fuel Surcharge

It is with regret that P&O Ferries has to announce the introduction of a fuel surcharge on its Dover-Calais route and make further adjustments to the existing surcharges on other routes with effect from 1 January 2008.

The surcharge rate applied will be reviewed quarterly, and will be calculated using average Brent Crude prices over the previous month. For quarter one of 2008 the rate applicable is based on \$88 per barrel and a currency exchange rate of \$2.05 to £1Stg. The surcharge rate for the second quarter of 2008 will be reviewed in the first half of March 2008.

We have attached a clear matrix showing the relationship between the price of crude oil and the fuel surcharge that P&O will have to add to its invoices. All figures shown are exclusive of the recently introduced Bunker Adjustment Supplement (Low Sulphur) on the North Sea routes and Portsmouth-Bilbao.

We trust you will appreciate that during the past few years we have managed through effective cost controls and business development to maintain annual price stability for all our customers. Unfortunately with the continuance of exceptionally high and fluid bunker prices it is regrettable that we can no longer maintain that policy.

We look forward to your continued support in the year ahead and should you have any queries please contact your Freight / Sales Manager.

Ronald Daelman
Freight Director

Fuel Surcharge Matrix GBP

December 2007

Brent Crude price per barrel	North Sea	Dover Calais	Tilbury	Portsmouth	Larne Cairnryan (*)	Larne Troon (*)	Liverpool Dublin (*)
\$66	£6.50	£0.00	£0.00	£0.00	-	-	-
\$68	£6.70	£0.10	£0.20	£0.70	£0.10	£0.10	£0.20
\$70	£7.90	£0.40	£1.00	£4.80	£0.70	£0.80	£1.20
\$72	£9.00	£0.80	£1.90	£8.90	£1.30	£1.50	£2.20
\$74	£10.20	£1.20	£2.70	£13.00	£1.90	£2.20	£3.20
\$76	£11.40	£1.60	£3.60	£17.05	£2.50	£2.90	£4.20
\$78	£12.60	£1.90	£4.40	£21.15	£3.10	£3.60	£5.30
\$80	£13.70	£2.30	£5.30	£25.25	£3.70	£4.30	£6.30
\$82	£14.90	£2.70	£6.20	£29.35	£4.30	£5.00	£7.30
\$84	£16.10	£3.10	£7.00	£33.45	£4.90	£5.70	£8.30
\$86	£17.20	£3.40	£7.90	£37.50	£5.50	£6.40	£9.30
\$88	£18.40	£3.80	£8.70	£41.60	£6.10	£7.10	£10.40
\$90	£19.60	£4.20	£9.60	£45.70	£6.70	£7.80	£11.40
\$92	£20.70	£4.60	£10.50	£49.80	£7.30	£8.60	£12.40
\$94	£21.90	£4.90	£11.30	£53.90	£7.90	£9.30	£13.40
\$96	£23.10	£5.30	£12.20	£57.95	£8.50	£10.00	£14.40
\$98	£24.30	£5.70	£13.00	£62.05	£9.10	£10.70	£15.40

Trade cars to be charged at 30% of above rates

(*) Short freight vehicles (<6m) to be charged at 50% of above rates

Fuel Surcharge Matrix EURO

December 2007

Brent Crude price per barrel	North Sea	Dover Calais	Tilbury	Portsmouth	Larne Cairnryan (*)	Larne Troon (*)	Liverpool Dublin (*)
\$66	€9.00	€0.00	€0.00	€0.00	-	-	-
\$68	€9.40	€0.10	€0.30	€1.00	€0.10	€0.10	€0.30
\$70	€11.10	€0.60	€1.40	€6.70	€1.00	€1.10	€1.70
\$72	€12.60	€1.10	€2.70	€12.50	€1.80	€2.10	€3.10
\$74	€14.30	€1.70	€3.80	€18.20	€2.70	€3.10	€4.50
\$76	€16.00	€2.20	€5.00	€23.90	€3.50	€4.10	€5.90
\$78	€17.60	€2.70	€6.20	€29.60	€4.30	€5.00	€7.40
\$80	€19.20	€3.20	€7.40	€35.40	€5.20	€6.00	€8.80
\$82	€20.90	€3.80	€8.70	€41.10	€6.00	€7.00	€10.20
\$84	€22.50	€4.30	€9.80	€46.80	€6.90	€8.00	€11.60
\$86	€24.10	€4.80	€11.10	€52.50	€7.70	€9.00	€13.00
\$88	€25.80	€5.30	€12.20	€58.20	€8.50	€9.90	€14.60
\$90	€27.40	€5.90	€13.40	€64.00	€9.40	€10.90	€16.00
\$92	€29.00	€6.40	€14.70	€69.70	€10.20	€12.00	€17.40
\$94	€30.70	€6.90	€15.80	€75.50	€11.10	€13.00	€18.80
\$96	€32.30	€7.40	€17.10	€81.10	€11.90	€14.00	€20.20
\$98	€34.00	€8.00	€18.20	€86.90	€12.70	€15.00	€21.60

Trade cars to be charged at 30% of above rates

(*) Short freight vehicles (<6m) to be charged at 50% of above rates