



FUEL PRICE REPORT FOR OCTOBER 2026

In September 2026, Middle Eastern crude exports improved to nearly 13 million barrels per day (mb/d), up from 10.7 mb/d in August but still 36% below pre-conflict levels. The Strait of Hormuz saw an average of 21 daily crossings, with Very Large Crude Carrier traffic increasing to 105 vessels. The UAE reported oil output of 3.84 mb/d, while Venezuelan production averaged 1.213 mb/d in August, up slightly from July. In Brazil, Brava Energia began production from a new well, achieving 81,642 barrels of oil equivalent per day, though this marked an 11.6% decline year-on-year.

S&P Global Energy's outlook on global oil demand projected a contraction in 2026 with a partial recovery expected in 2027, driven by improvements in supply and prices. Total liquids demand and refined-product demand were both noted in the analysis.

Considering the current situation, the pump prices per litre for October 2026 were adjusted as follows: Petrol₉₃ increased by Three Maloti and Seventy Lisente (M3.70) per litre, Petrol₉₅ increased by Three Maloti and Eighty Lisente (M3.80) per litre, Diesel_{50ppm} increased by Three Maloti and Ninety-five Lisente (M3.95) per litre, and the Illuminating Paraffin increased by Three Maloti and Eighty Lisente (M3.80) per litre.



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1. Overview of Fuel Price Adjustments

Fuel prices increased between October 2026 and September 2026, with petrol₉₃, petrol₉₅, diesel_{50ppm}, and illuminating paraffin increasing by M3.70, M3.80, M3.95, and M3.80 per litre, respectively. Table 1 below shows the comparison for these months.

Table 1: Fuel Price Changes

	Product Price per litre (LSL)			
Months	Petrol ₉₃	Petrol ₉₅	Diesel _{50ppm}	IP
Oct-26	28.20	28.60	34.90	25.90
Sept-26	24.50	24.80	30.95	22.10
Difference	↑ 3.70	↑ 3.80	↑ 3.95	↑ 3.80

2. Oil Markets Updates

Renewed tanker attacks in the Strait of Hormuz during the final days of September 2026 heightened concerns about the security and reliability of global oil supplies. Although Middle Eastern crude exports recovered during the month, supply flows remained below pre-conflict levels. Tight availability of refined petroleum products continued to place pressure on fuel markets.

2.1. World Oil Supply

Middle Eastern export flows improved in September 2026 but remained materially below pre-conflict levels. Crude exports through the Strait of Hormuz and from Fujairah and Red Sea terminals averaged nearly 13 million barrels per day (mb/d), compared with 10.7 mb/d in August 2026. The September average was nevertheless 36% below the February 2026 pre-conflict level.

The average number of daily crossings through the Strait of Hormuz was 21 to date in September, compared with 19 in August 2026. Very Large Crude Carrier (VLCC) traffic



totalled 105 vessels in September, up from 100 in August. Taken together, these indicators show that crude and vessels continued to move through the affected routes, despite the reported attacks.

The United Arab Emirates (UAE) reported oil output of 3.84 mb/d, while Abu Dhabi National Oil Company (ADNOC) indicated production capacity of 4.85 mb/d and a target of 5 mb/d by 2027. In Venezuela, state-owned Petróleos de Venezuela, S.A (PDVSA) and its foreign partners averaged production of 1.213 mb/d in August 2026, an increase of 3,000 barrels per day compared with July 2026.

In Brazil, Brava Energia announced the start of production from a Papa Terra well, with output of 81,642 barrels of oil equivalent per day. This represented an 11.6% year-on-year decline. The company expects its ongoing four-well campaign to increase production to 100,000 barrels of oil equivalent per day in the first half of 2027.

2.2. World Oil Demand

S&P Global Energy's short-term outlook dated 30 September 2026 projected a contraction in global oil demand in 2026, followed by a partial recovery in 2027 and continued growth in 2028. The outlook distinguished between total liquids demand and refined-product demand. Total liquids demand refers to the overall demand for liquid hydrocarbons, while refined-product demand specifically refers to demand for finished fuels such as petrol, diesel and jet fuel.

The outlook attributes the weakness projected for 2026 primarily to constrained physical supply and elevated prices. The anticipated recovery depends on improvements in product availability and affordability. (*S&P Global – Oilgram News, Volume 104 / Issue 192*)



3. Motivation and Analysis of the Proposal

The recommendation for the October 2026 fuel price review is informed by a combination of developments in international oil prices, exchange-rate movements, product under-recoveries, and the prevailing cumulative slate balance. These factors have been assessed within the framework of the Fund's Pricing Manual, and the Slate Management Memorandum of Understanding (MoU) between the Petroleum Fund and the Oil Industry.

3.1. Crude Price Performance

As illustrated in Figure 1 below, Brent crude oil prices increased slightly by around 1% during September 2026, rising from USD 94.65 per barrel at the beginning of the month to USD 95.61 per barrel by the end of the month. The increase in crude oil prices reflects continued volatility in the international oil market, largely influenced by geopolitical developments, supply disruptions and uncertainty surrounding global oil supply.

The graph below depicts the movement of Brent crude prices for September 2026, accounting month as per the Intercontinental Exchange (ICE):

Figure 1: Daily Brent Crude Prices

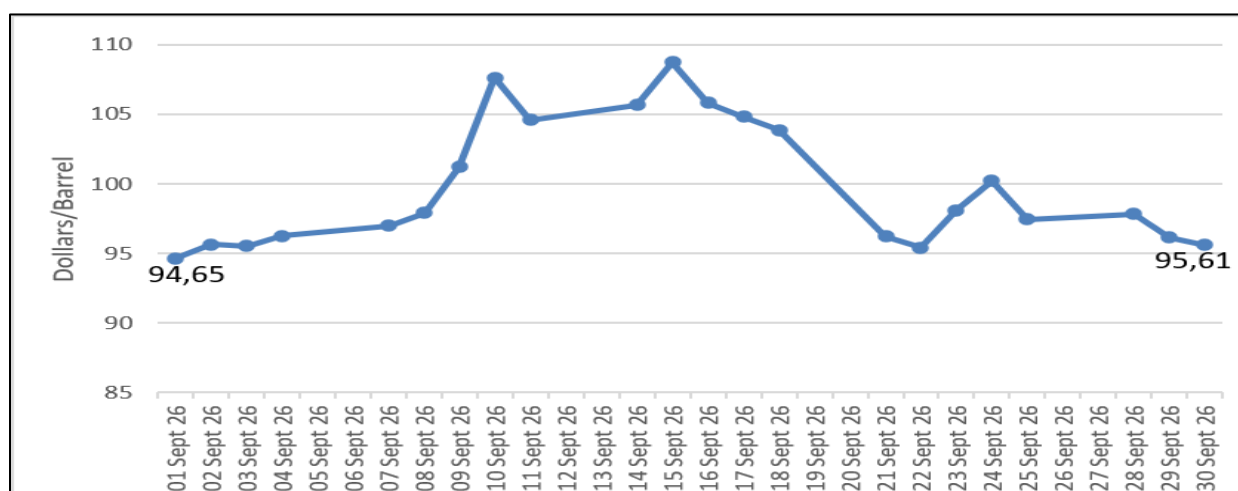
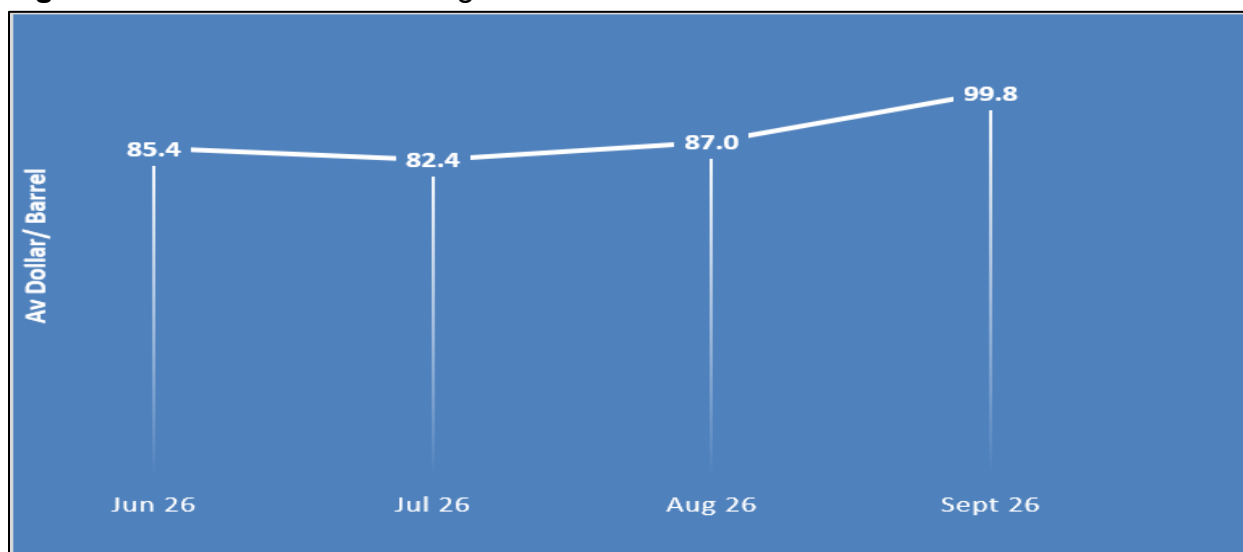




Figure 2 illustrates the monthly average movement of Brent crude oil prices from June 2026 to September 2026. The average crude oil price rose to USD 99.80 per barrel in September 2026, from USD 87.00 per barrel in August 2026, representing an increase of approximately 14.7%.

The increase in the monthly average is particularly relevant to the October 2026 pricing review because international crude prices constitute a significant component of the import-parity pricing methodology.

Figure 2: Crude Oil Price Averages



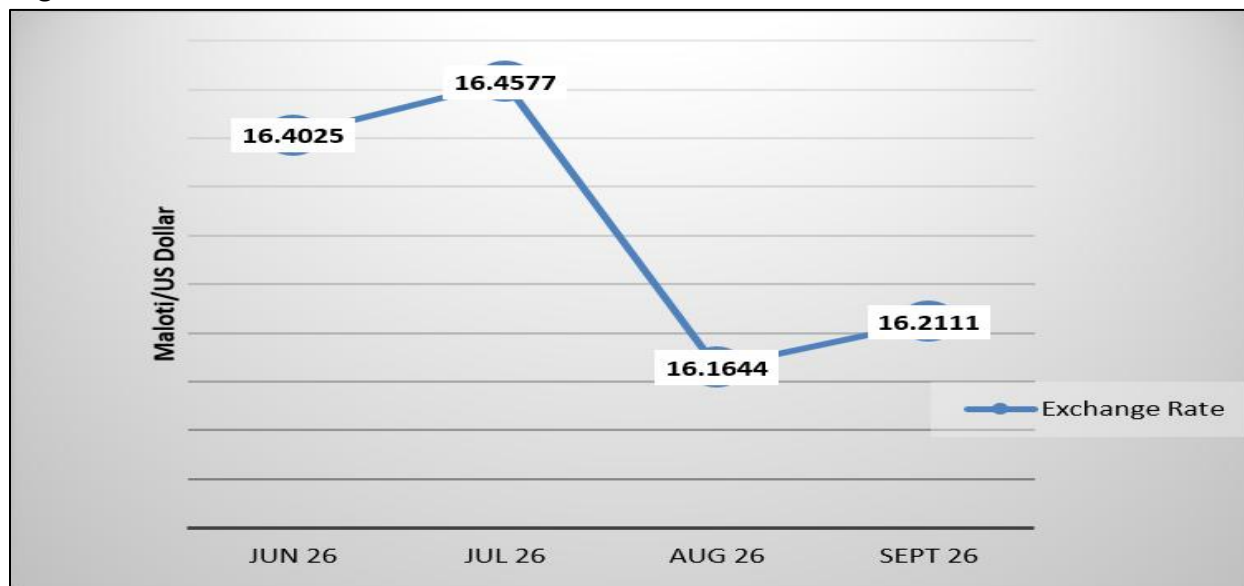
3.2. Exchange Rate

The Lesotho Loti (LSL), which is pegged to the South African Rand (ZAR), weakened slightly against the United States Dollar (USD) during September 2026. The average exchange rate increased from LSL 16.1644 per USD in August to LSL 16.2111 per USD in September, representing a depreciation of approximately 0.29%. A weaker loti increases the local-currency cost of petroleum imports priced in United States dollars, all else equal.



Below is a graph indicating the movement of the Maloti against the US Dollar from June 2026:

Figure 3: Maloti vs US Dollar Rate



4. Financial Impacts

The cumulative slate balance for September 2026 was projected to decline due to under-recoveries experienced by all controlled petroleum products during the period. Petrol₉₃ registered an under-recovery of 316.873 Lisente per litre, while Petrol₉₅ experienced a similar trend with an under-recovery of 328.264 Lisente per litre. Diesel_{50ppm} recorded an under-recovery of 340.655 Lisente per litre, and illuminating paraffin (IP) experienced an under-recovery of 347.265 Lisente per litre.

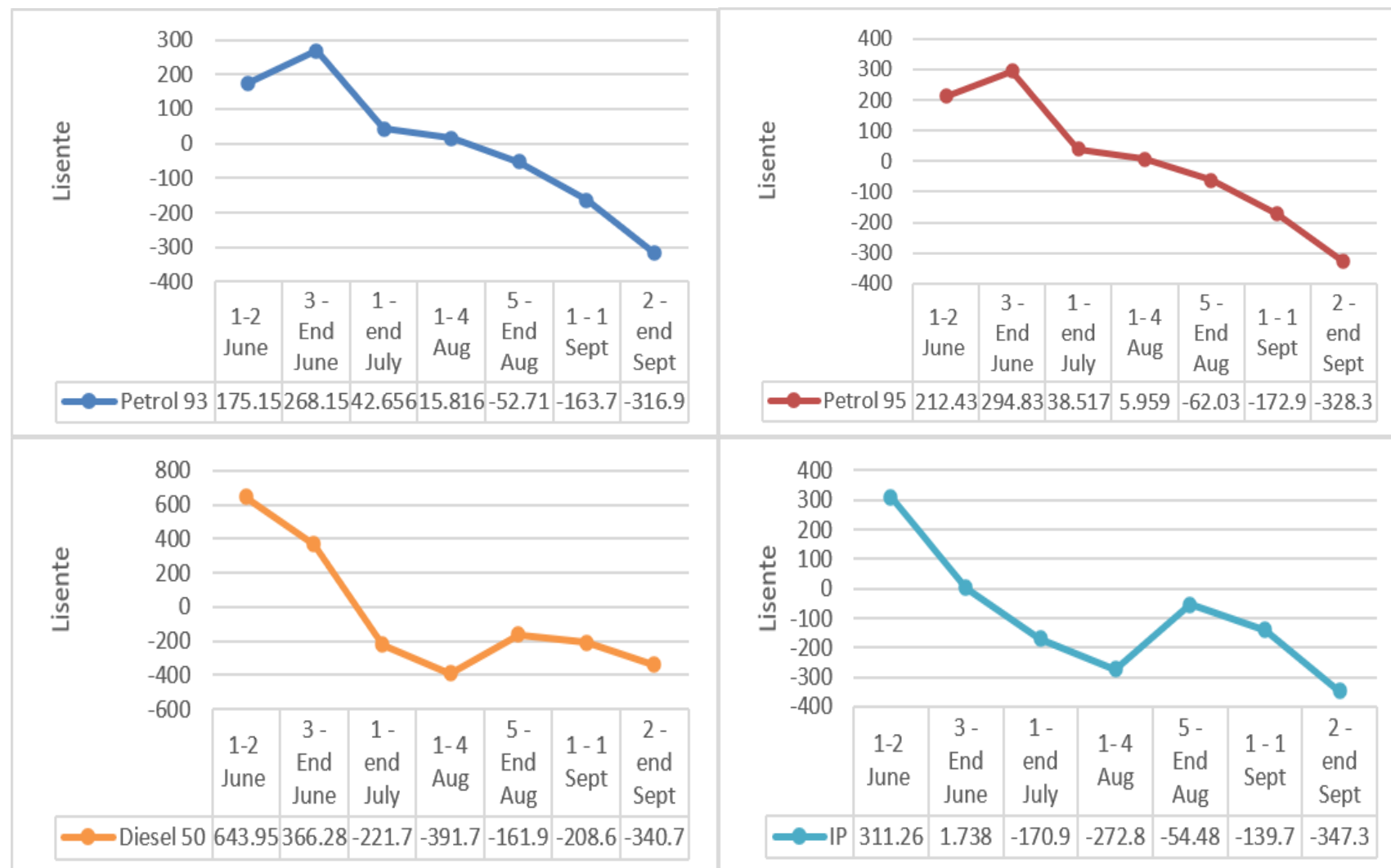
These under-recoveries indicate that the prevailing pump prices have not fully compensated the Oil Industry for the applicable import and associated costs during the reporting period.

The movement in the recovery levels of the respective products since June 2026 is presented in Figure 4.

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Figure 4: Recovery Levels Movements



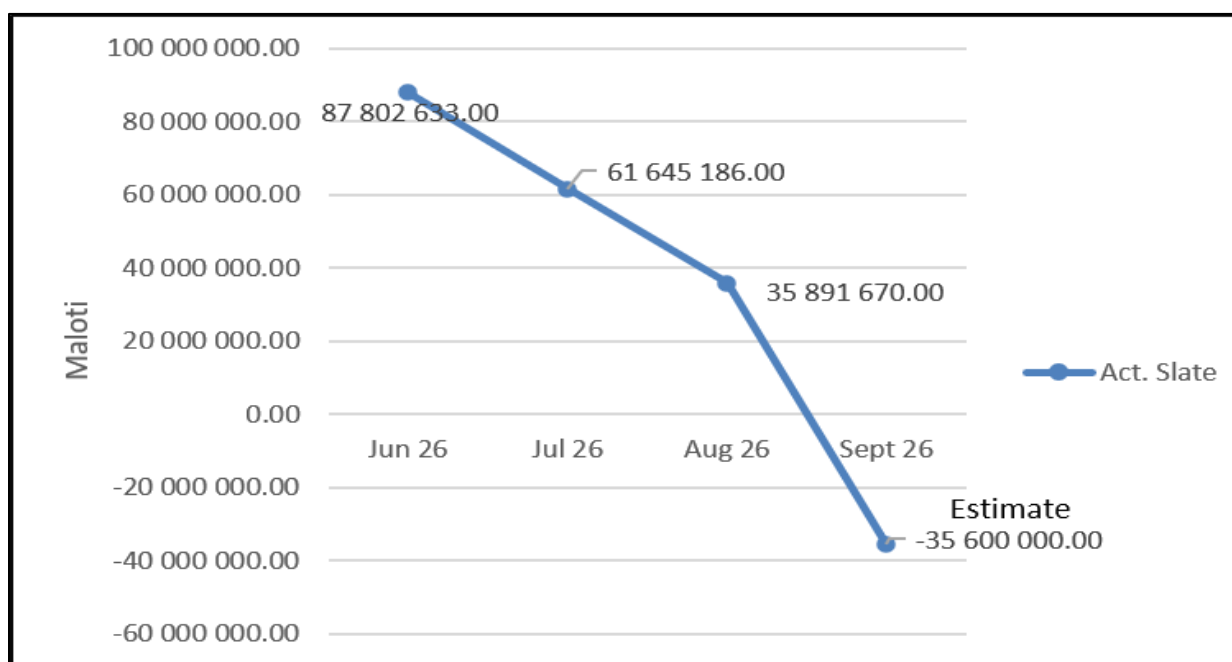


4.1. Slate Balance Movement

The actual cumulative slate balance for August 2026 stood at positive M 35, 891, 670.00. This balance is a sum of positive M 21, 535, 991.00 for petrol₉₅, negative M 37 412.00 for petrol₉₃, positive M 38, 006, 967.00 for diesel_{50ppm}, and negative M 23, 613, 876.00 for illuminating paraffin. Due to under-recoveries experienced during this period, the accumulated slate balance is expected to move into the red to approximately negative M35.6 million in September 2026.

The movement of the accumulated slate balance from June 2026 to date is illustrated in the figure below.

Figure 5: Accumulated Slate Balance Movement, June to September 2026

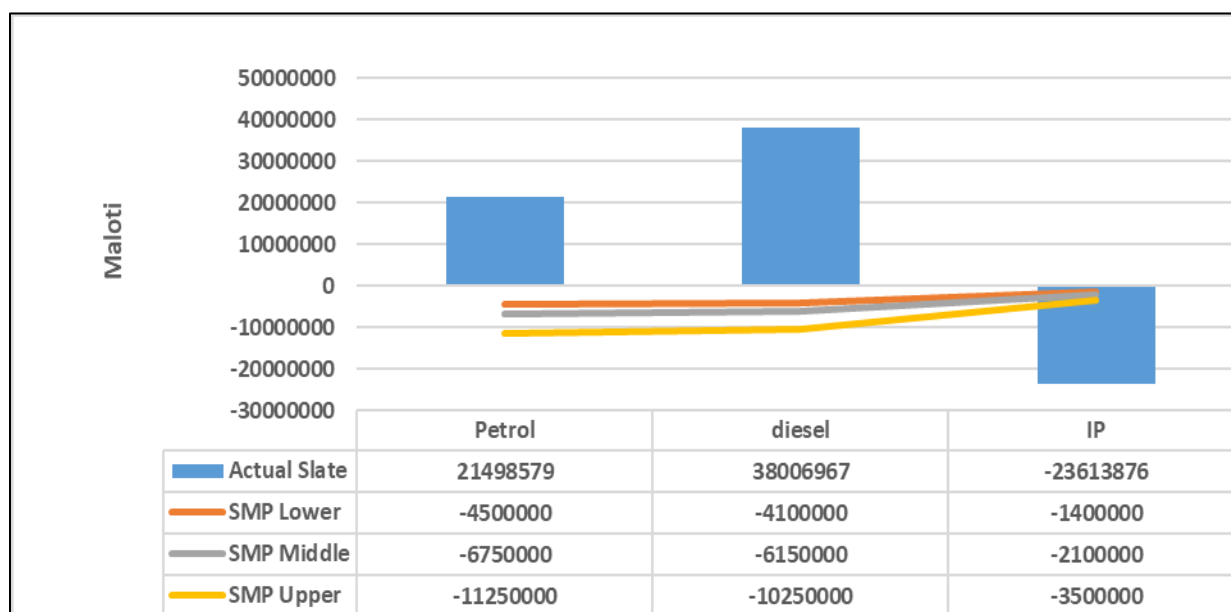




4.2. Actual Slate vs Slate Management Thresholds

In accordance with the Slate MoU, Figure 6 illustrates the slate balances of individual products relative to their applicable negative Slate Management thresholds. These thresholds serve as trigger points for applying surcharges when the accumulated liability for a particular product exceeds the level prescribed under the MOU.

Figure 6: Product Slate Balance Against Negative Slate-Management Thresholds



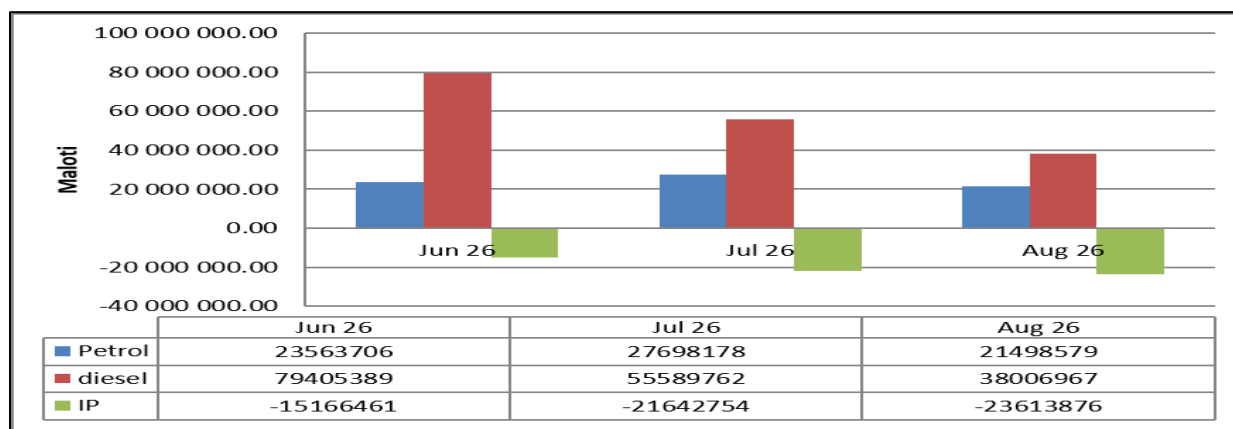
4.3. Controlled Products Slate Balance and Slate Volumes Performance

The following figures present a comparative analysis of the historical data, providing insights into the realised trends. They also illustrate the individual performance of controlled petroleum products' slate balances and the comparison between actual sales volumes and estimated sales volumes.

The performance of the individual products' slate balance since June 2026 is shown below:

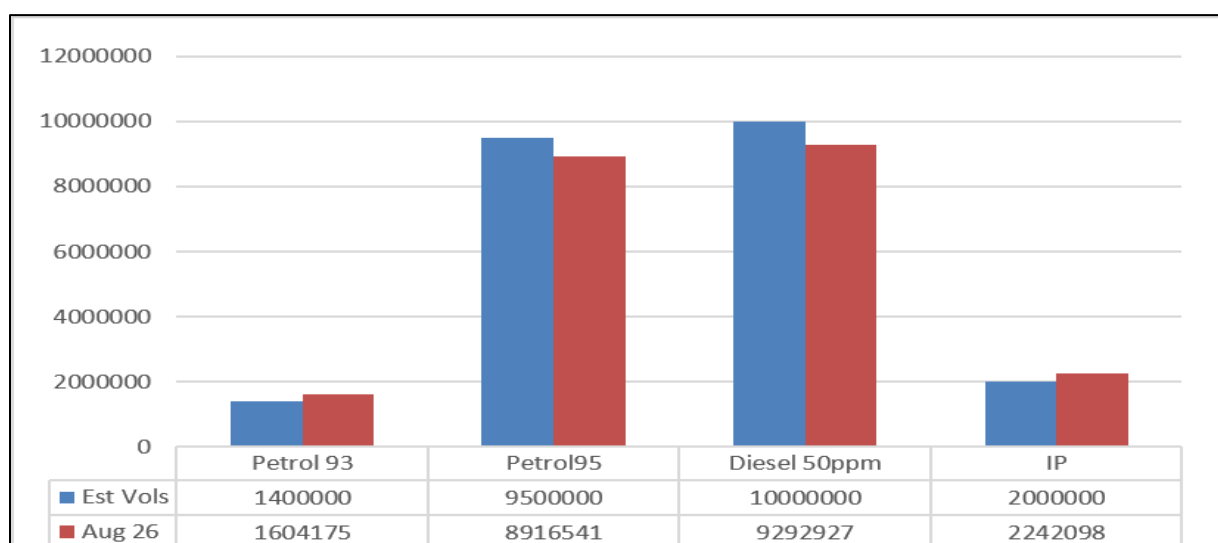


Figure 7: Slate Balance per Product



4.4. Actual Sales Volumes vs Estimated Sales Volumes

Figure 8: Actual vs Estimated Sales Volumes



5. Fuel Price Adjustments

The pump price of Petrol₉₃ increased by Three Maloti and Seventy Lisente (M3.70) per litre, and Petrol₉₅ increased by Three Maloti and Eighty Lisente (M3.80) per litre. The pump price of Diesel_{50ppm} increased by Three Maloti and Ninety-five Lisente (M3.95) per litre, and the pump price of Illuminating Paraffin increased by Three Maloti and Eighty Lisente (M3.80) per litre. These adjustments took effect on Wednesday, 7th October 2026.



5.1. Public Prices

Recommended prices were as follows:

Table 2: Public Prices

PUBLIC PRICES - OCTOBER 2026				
ALL ZONES	Petrol	Petrol	Diesel	IP
	93	95	50ppm	
Pump Price including 15% VAT	2820	2860	3490	2590
15% VAT payable	367.8	373.0	455.2	0.0
Dealers Margin	148.8	148.8	148.8	148.8
Wholesale Selling Price, Excl VAT	2303.381	2338.166	2885.992	2441.424
- Depot Storage Handling	18.992	18.992	18.992	18.992
- Road Delivery, Zone 1	26.251	26.251	26.251	26.251
- Road Maintenance Levy	64.000	64.000	74.000	0.000
- Oil Levy	200.000	200.000	200.000	0.000
- Petroleum Fund Levy	51.000	51.000	51.000	9.700
- MVA	20.000	20.000	20.000	0.000
- Duty	4.000	4.000	4.000	0.000
- Industry Margin	96.933	96.933	96.001	96.933
- Import Parity Maseru	1817.343	1854.821	2392.925	2256.601
Slate Contribution over/(Under)	4.862	2.169	2.823	32.947

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Table 3: Commercial Customer Prices

COMMERCIAL CUSTOMER PRICES - OCTOBER 2026				
	Petrol 93	Petrol 95	Diesel 50ppm	IP
<u>Lowlands (Zone 1)</u>				
Wholesale price Excl. VAT	2303.381	2338.166	2885.992	2441.424
VAT payable @ 15%	345.50	350.70	432.90	N/A
Wholesale price Incl. VAT	2648.881	2688.866	3318.892	2441.424
<u>Zone 2</u>				
Zone 1 Wholesale price Excl. VAT	2303.381	2338.166	2885.992	2441.424
Zone additional delivery differential	9.986	9.986	9.986	9.986
Zone 2 Wholesale Excl. VAT	2313.367	2348.152	2895.978	2451.410
VAT payable	347.0	352.2	434.4	N/A
Wholesale incl. VAT	2660.372	2700.375	3330.375	2451.410
<u>Zone 3</u>				
Zone 1 Wholesale price Excl. VAT	2303.381	2338.166	2885.992	2441.424
Zone 3 additional delivery differential	40.707	40.707	40.707	40.707
Zone 3 Wholesale Excl. VAT	2344.088	2378.873	2926.699	2482.131
VAT payable	351.6	356.8	439.0	N/A
Wholesale incl. VAT	2 695.701	2 735.704	3 365.704	2 482.131
<u>Zone 4</u>				
Zone 1 Wholesale price Excl. VAT	2303.381	2338.166	2885.992	2441.424
Zone 4 additional delivery differential	58.479	58.479	58.479	58.479
Zone 4 Wholesale Excl. VAT	2361.860	2396.645	2944.471	2499.903
VAT payable	354.3	359.5	441.7	N/A
Wholesale Price Incl. VAT	2716.139	2756.142	3386.142	2499.903

The situation will be closely monitored until the following fuel price review in November 2026, when new developments may arise.



6. Comparison with RSA Prices

It is worth noting that prices in RSA were adjusted effective from the 7th of October, 2026.

The comparison of Lesotho fuel prices with those in Ladybrand, RSA, is shown below.

Table 4: Comparison between Lesotho and Ladybrand (8C) RSA Prices

Product	Lesotho Adjustment (lisente/litre)	Lesotho Fuel Prices	RSA Adjustment (cents/litre)	RSA Fuel Prices (Ladybrand)	Price Difference
Petrol ₉₃	↑ 3.70	28.20	↑ 3.12	29.95	1.75
Petrol ₉₅	↑ 3.80	28.60	↑ 3.33	30.32	1.72
Diesel _{50ppm (wholesale)}	↑ 3.43	28.86	↑ 3.24	32.86	4.00
IP _(wholesale)	↑ 3.80	24.41	↑ 3.58	24.55	0.14

The table above indicates that fuel prices in Lesotho are lower than in Ladybrand, RSA.



7. Glossary

- a) **Crude Oil**: Unrefined petroleum extracted from the ground, which is processed to produce fuels like gasoline, diesel, and kerosene.
- b) **Brent Crude Oil**: A major benchmark for oil prices globally, derived from the North Sea and commonly used to measure the global price of oil.
- c) **Slate Balance**: A financial accounting mechanism that tracks the over-recoveries and under-recoveries in fuel pricing to ensure that adjustments align with actual market costs.
- d) **Over-Recovery**: When fuel prices charged to consumers exceed the actual cost of importing and distributing the fuel, resulting in a surplus.
- e) **Under-Recovery**: When fuel prices charged to consumers are lower than the actual cost of importing and distributing the fuel, resulting in a deficit.
- f) **Pump Price**: The retail price consumers pay for fuel at service stations, including taxes and margins.
- g) **Import Parity Price**: The cost of importing fuel, which includes the international price of crude oil, shipping costs, and other associated fees.
- h) **Recovery Levels**: The financial balance of fuel pricing mechanisms that determine whether costs are adequately recovered through consumer pricing.