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Introduction

The crude cost and refined fuel products have spiraled upwards many times in recent years. This is a real cause of concern as it affects the very basic lifestyle of the people. It aggravates the inflation rate and affects buying power as basic needs in services, commodities and foodstuff have to increase prices due to dependency on energy resources. Worst of all, many world economies are now moving towards economic contraction.

This responsible Government has initiated the Fuel Watch Scheme in an effort to see stability, competition as well as minimizing disparity in the petrol retail prices in cities and rural areas. This scheme is scheduled for implementation towards the end of this year.

As usual, there are many schools of thought. There are numerous people supporting this idea but also many people objecting, citing it as an anti-competitive measure.

The writer fully supports the Fuel Watch Scheme and wish to put forward some proposals that may assist in the smooth implementation of the Scheme or serve as an extension to the proposed system.

Background information

The writer has more than 25 years of working experience in management positions in major oil companies. In Sydney he had personally managed two service stations. Among the daily chores, the worst was price changes, sometime 3/4 times a day.

Images show how some site change prices, the 'pole & sucker' method



The idea of a remote controlled Electronic Price Board was conceived 4 years ago. Thousands of dollars of personal fund has been spent in its development. After many failures and improvements, a final prototype is now ready for the market. The system is called:

Retail Electronics Priceboard System

REPS

REPS is capable of expanding its functionality to transmit price data to a website using GPRS

A 5 tier, 4 colors priceboard will be installed as a test site at Great Western Highway, near Parramatta, within 2 months.

(2)

With **REPS** price change is a **BREEZE** ≈

**REPS (Retail Electronic
Priceboard System)**

Features

- ✂ Change prices at a touch of a button
- ✂ 30 metres range with remote control
- ✂ Highly visible LED board which fits into existing signage frames
- ✂ Available in Red, Green, Orange, Yellow and Blue
- ✂ Colour could be customised to match corporate colours or identify product displayed, eg. green for ULP etc.
- ✂ Low voltage DC circuitry
- ✂ Low energy consumption
- ✂ Cost effective and affordable
- ✂ Easy to install, DIY possible
- ✂ Pin security
- ✂ Waterproof
- ✂ Strong construction of aluminium casing
- ✂ High impact, non-reflective polycarbonate plastic screen
- ✂ Low maintenance and durable.

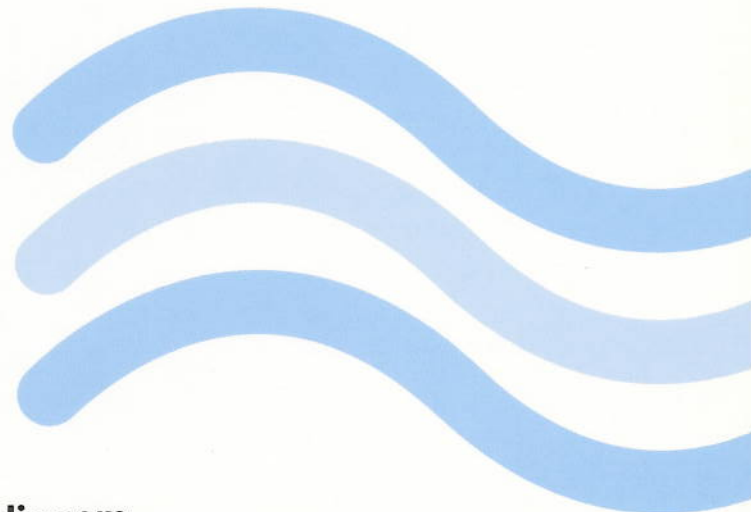
For more details:

www.flynxaustralia.com

For a demo, call Victor -

0414 460 812 / 02 9607 2666

fax: 02 9607 6418 or email victor@flynxaustralia.com



Key Advantages of REPS:

1) Complements the implementation of Fuel Watch Scheme

- a) Existing REPS is upgradeable with GPRS to transmit price data instantly to a designated website.
- b) Website contains up-to-date price information of unleaded petrol every time a site changes the price.
- c) Eliminates, phone calls, human error, data entry, omissions and non-compliance.
- d) Reduce Government administrative expenses.

2) Enhance competition.

- a) Motorist can log on the website to check for best retail price of unleaded fuel in any suburb,
- b) Oil companies can log on to assess competitiveness of their sites vs competitions.
- c) Fuel distributors can log on to assess gate prices of fuel products.
- d) Petrol Station operators can log on to check on its unleaded prices vs other sites
- e) Government agencies can log on to watch fuel price disparities in different States and between Suburbs.

3) Fuel Product color coding.

- a) There is currently no mandatory color coding for fuel products on petrol priceboards.
- b) This cause confusion as motorists could enter a station only to find the fuel is not what as advertised.
- c) Color coding can ensure distant motorists identify correctly the fuel product and price they want to dispense.
- d) Suggested color coding system for fuel products:

Unleaded E10	Green
Unleaded	Red
Premium ULP/Autogas	Blue
Diesel	Orange

4) Energy saving:

- a) Light Emitting Diodes (LED) is very energy efficient as very little energy is wasted as heat.
- b) Depending on number of segments lighted, the power consumption for each panel ranges from 20 watts to 60 watts.
- c) The system's brightness levels can be remote controlled from 1 (dim) to 9 (brightest). This helps save energy at night.

5) Others:

- a) Good visibility, distant motorists can see advertised products and prices. This helps reduce risky traffic maneuvers.
- b) Price change is a 'breeze' by remote control from a distance of 30m radius, within the office/forecourt, rain or shine.
- c) No more ladders, pole suckers and messy plastic numbers.
- d) The remote controller is 'pin' coded and each is tailored to work on a specific site.
- e) Easy installation, the REPS modular panels are made to fit onto existing advertising frames.
- f) Almost maintenance free, as there is no moving part.
- g) Durable, the LEDs are reputed to last for 10 years.
- h) Water and moisture proof.
- i) Workcover will endorse its use, view potential risks to workers when using a ladder or a sucker pole during price changes.

Instant price data transfer to nominated website:

This is accomplished by:

a) Incorporating a GPRS (general packet radio service) module into the remote controller or the LED panel.

b) A mobile phone SIM card is required.

c) The SIM card shall contain information of

Name of service Station

Address

State and Suburb

Post code.

Phone numbers

Fuel details

d) In a specific retail site when the price on the remote control is programmed, the operator then press 'send', the price boards will reflect immediate change and simultaneously a radio signal is sent to the website and updates the price of unleaded fuel.

e) This helps to eliminate phone calls, data entry, omission, error, non-compliance and other possible issues.

f) Fuel pricings of retail network country wide will be at the finger tip. This makes sending Gov. 'inspectors' to verify the prices or check on non-compliance and defaulters unnecessary.

Proposed Fuel Watch Website

Looking for best fuel prices?

Enter post code

Or Enter Suburb/State

Post code 9999
Suburb abcd
State NSW

<u>Name</u>	<u>Street Address</u>	<u>Phone</u>	<u>ULP</u>	<u>Updated</u>
BP	111 bbbbbb	xxxxxxx	yyyy	hhmm/ddmm
Shell	222 ssssssss	kkkkkkkk	uuuu	hhmm/ddmm
Caltex	333 ccccccc	hhhhhhh	aaaa	hhmm/ddmm
Mobil	444 klsfgeg	ffffff	hhhh	hhmm/ddmm
Ind	555 fuisfwfw	ggggggg	vvvv	hhmm/ddmm

End of search

To find other areas enter another post code

Management and scope of the website:

- The website will be privately owned.
- Managed by qualified IT, Technical and Management professionals.
- Free public access to the website.
- Incorporates latest worldwide petroleum news.
- Benchmark prices for petroleum crude and refined products.
- A section for Blog and commentary.
- Service Station Franchisor and Franchisee news.
- Products, trends and statistical data.
- A motorist column.
- Attract advertising revenues for self sufficiency.
- Be completely independent of Gov support in 3 years.

Implementation Time Frame

2008		2009				2010			
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3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
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Website Dev.
& Testing

Introduction & Installation of REPS in NSW

Introduction and installation of REPS in Vic/Tas

Introduction and installation of REPS in Qld

Introduction & installation of REPS in SA

Introduction and installation of REPs on WA / NT

Covers at least 80% of the retail network

Seeking financial assistance from Government for implementation

\$500K	\$500K	\$500K
Gov Funding	Gov funding in adv. support	Gov funding in adv. support

Generate advertising revenues from public and private sector

Fuel watch privatized

Undertake Fuel
Watch Scheme

Price of REPS with GPRS

1) A Master Panel with GPRS (incl 1 remote controller)

Red or Orange	\$1750.00
Green or Blue	\$1900.00 (higher LED cost)

A Slave Panel (only accepts command from master panel)

Red or Orange	\$ 750.00
Green or Blue	\$ 900.00

a) A most basic system (1 way LED display) comprises 1 master panel (red) with GPRS

\$1750.00

b) A basic system comprises 1 master & 1 slave panel (2 ways LED display)

\$2500.00

c) A 2 tier price system (2 fuel prices) comprises 1+1 red & 2 orange

\$3250.00

d) A 3 tier price system (3 fuel prices) comprises 1+1 red, 2 green & 2 orange

\$5050.00

System comes complete with cables & attachments and is reasonably priced to meet the budget of most retail operators.

12 months replacement warranty.

How the Government and Fuel Watch Committee can help in the implementation and success of this project:

- 1) Educate and emphasize the benefits of the REPS via Media & leaflets to retail outlets
- 2) Hold dialogue and communication sessions with
 - Oil Co.
 - Service Station Association
 - Retail Franchisee Association
 - RTA
 - Motorist Associations
 - Workcover and Insurance Co.
 - Media
- 3) Government consider to subsidize financially weak independent retail operators
- 4) Government to make REPS mandatory to attain optimum benefits from the Fuel Watch scheme.
- 5) We need assistance from the Government to evaluate and consider a short term funding for long term savings in Gov. coffer.
- 6) Proposed funding structure:

First 6 months \$500K, required for:

- Website/Server development
- GPRS inclusion into LED board
- Hardware and software interfacing
- Commissioning

2009 \$500K in the form of advertising support.

2010 \$500K in the form of advertising support.