



25 September 2017

Refinery to Auckland pipeline update

Z Energy today said the Refinery to Auckland Pipeline (RAP) had been pumping continuously since Sunday morning and the first parcel of jet fuel will be pumped to Auckland Airport late this evening.

This parcel of jet fuel will be followed by more over the course of the week and petrol and diesel stocks will start to build, taking pressure off the truck bridging task.

Z Chief Executive Mike Bennetts said Z was pleased with the recommissioning of the RAP and was now focused on the safe delivery of all fuels to customers and the rebuilding of stock positions.

"The RAP outage was outside of our control, but regardless I want to acknowledge the inconvenience this caused to our airline customers and to apologise to them for this.

"The industry will be reviewing airline allocations on a daily basis now and looks forward to resuming normal supply."

Mike Bennetts said the way the industry and government came together to manage the outage and minimise disruption to Auckland motorists was pleasing.

"I want to acknowledge and thank our truck drivers and haulier, Pacific Fuel Haul, for ensuring we could meet demand in Auckland with a major boost to truck bridging from Whangarei and Mount Maunganui, despite three days of significantly higher-than-usual demand for petrol and diesel," he said.

"Over the course of this outage the only inconvenience to Auckland motorists has been a deliberate removal of 95 octane fuel from a handful of low volume Z sites which we will now be replenishing.

"We had one temporary truckstop outage for a matter of hours, one equally short outage of 91 supply and 12 customer complaints on our Facebook page.

"Out of Z's network of 70 sites and the industry's more than 300 sites across Auckland, this is a good result."

Mike Bennetts said Z was working to understand the potential impact on Z's financial performance given the uncertainty of how quickly the RAP will get back to full capacity and would further update the market with half year results on 9 November. However, he said it remained unlikely that Z's full year earnings guidance would change.

"While I believe this outage was generally well handled and disruption to motorists minimised, Z will welcome and participate fully in whatever inquiry follows. This outage has highlighted how large parts of the New Zealand economy rely on critical pieces of infrastructure and there is an important national conversation to be had around the cost / benefit of contingency investment."

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