



19 February 2018

Z enters new refinery optimisation and procurement arrangement

Z Energy has entered into a new refinery optimisation and procurement arrangement with Refining NZ and Mobil Oil New Zealand. This replaces the arrangement that Z and Refining NZ entered into with BP in 2014. The arrangement enables the refinery to operate at improved efficiency levels through the joint procurement of the most suitable crude oils for the refinery's production schedule.

"This project enables improved processing efficiency at the refinery which all parties to the agreement benefit from," said Z's General Manager of Supply and Distribution, David Binnie.

"With almost four years of experience in the operation of optimisation arrangements and now better understanding their potential, Z has taken the decision to change its optimisation and procurement partner. Z has signed an arrangement to partner with Mobil Oil New Zealand and the first crude oil imports under this new arrangement will be processed in July 2018.

"This decision is part of Z's continued execution of its strategy commitments to ensure the supply chain operates as efficiently as possible. The decision activates one of Z's Strategy 3.0 projects within the supply chain, where we have committed to \$4-5 million of incremental earnings in FY19 from terminals, logistics and improved industry agreements."

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