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• Forward looking statements are subject to the risks and uncertainties associated with the refining environment, including price and foreign currency fluctuations, regulatory changes, environmental factors, production results, demand for Refining NZ’s products or services and other conditions. Forward looking statements are based on management’s current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements.

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• Each forward looking statement speaks only as of the date of this announcement, 27 February 2020.
AGENDA

PERFORMANCE

LOOKING AHEAD
2019 Highlights:

- Outstanding health, safety and environmental performance
- Excellent operational performance
  - highest annual crude and condensate intake
  - highest annual refined product make & customer product offtakes
- Costs well managed despite higher electricity and gas prices
- Weaker market conditions resulted in lower refining margins and a fee floor processing income for the last two months of 2019
## HIGHLIGHTS

Excellent operational and safety performance

<table>
<thead>
<tr>
<th></th>
<th>FY 18</th>
<th>FY 19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Refining Margin</strong></td>
<td><strong>USD 5.34</strong></td>
<td><strong>6.31 per barrel in FY18</strong></td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td><strong>NZD 118M</strong></td>
<td><strong>NZD153m in FY18</strong></td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td><strong>NZD 39.4M</strong></td>
<td><strong>NZD(58)M in FY18</strong></td>
</tr>
<tr>
<td><strong>LTIF</strong></td>
<td><strong>0.13</strong></td>
<td><strong>0.48 in FY18</strong></td>
</tr>
<tr>
<td><strong>Personal TRCF</strong></td>
<td>[1,2] 0.76</td>
<td>0.27</td>
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<tr>
<td><strong>Process Tier 1 (&gt;US$25k)</strong></td>
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<tr>
<td><strong>Process Tier 2 (&gt;US$2.5k)</strong></td>
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<td><strong>Releases outside consent</strong></td>
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<td><strong>Throughput</strong></td>
<td>Mbbl</td>
<td>40.4</td>
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<td><strong>RAP Throughput</strong></td>
<td>Mbbl</td>
<td>21.0</td>
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<tr>
<td><strong>Operational availability</strong></td>
<td>%</td>
<td>90.7</td>
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<td><strong>Singapore complex margin</strong></td>
<td>US$/bbl</td>
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<td><strong>EBITDA</strong> [2]</td>
<td>NZ$M</td>
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<td><strong>NPAT</strong></td>
<td>NZ$M</td>
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<tr>
<td><strong>Exchange rate</strong></td>
<td>US$/NZ$</td>
<td>0.69</td>
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</table>

1. Per 200,000 hours, rolling 12-month
2. For a full definition please refer to Glossary in Appendix I
4. For a definition, please see slide 8.
The above chart excludes any movement in pass through costs such as natural gas, sulphur and carbon. See our Financial Statements for further detail, available at [http://www.refiningnz.com/investor-centre.aspx](http://www.refiningnz.com/investor-centre.aspx)
FACTORS IMPACTING REFINING MARGIN

Weaker petrol and diesel margins:
- Capacity additions
- Increased Chinese exports

IMO 2020 MARPOL impacts
- Prices moved contrary to market expectations

US sanctions on China
- Crude freight rates spiked

A slowing global economy
REFINERY ACHIEVED STRONG UPLIFT OVER LOW SINGAPORE MARGIN

Driven by optimised product make and strong operational performance

The Singapore Complex Margin is calculated using Platts Dubai crude and Singapore product prices, VLCC freight to Singapore, and the International Energy Agency’s Dubai complex refinery yields adjusted for fuel & loss.
“...a timely reminder of how important this fuel supply infrastructure is for Auckland and New Zealand”

Auckland Fuel Supply Disruption
- The Refinery to Auckland Pipeline was operated properly
- Refinery invests in new infrastructure ahead of demand

Retail Fuel Market Study
- Recognised the integrated nature of the refinery/pipeline system in supporting the New Zealand supply chain
CONTRIBUTING TO A LOW EMISSIONS ECONOMY

Strong record of emissions reduction

- Te Mahi Hou the largest carbon reduction by a single project in NZ*
  - Equivalent to taking 60,000 Corollas off the road**

- Pursuing further energy saving initiatives

- Energy conservation partnership with EECA

- Maranga Ra has potential to remove 18,000 tonnes of CO₂

* Source: EITE report, May 2019
** Using NZTA methodology

~ $750m invested 2005-2015
~ 20% reduction in carbon intensity since 2008
> 35,000 tonnes p.a. sulphur removed from fuels since 2005
FGE forecasts:

- Coronavirus to impact demand and supply in 2020
- Margins to recover based on
  - High sulphur fuel oil cracks
  - Crude freight rates
- Asian demand growth to outstrip refining capacity additions from 2021

RNZ ready to benefit from expected margin recovery
Forecasts point to high refinery utilisation (caveat: Chinese exports)

**ASIA CAPACITY AND DEMAND GROWTH**

**2020: margin pressure impacts demand growth**
- China exports
- New refineries operational early: China, Brunei
- Outbreak of coronavirus

**2021-2022: Expected rebound in demand growth**

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**Source:**
As at 10 February 2020. FGE is an independent global energy consultancy that provides research, analysis and advisory services on the up- and downstream oil and gas markets.
SINGAPORE PRODUCT CRACKS OUTLOOK

Expected to support our GRM

FGE OUTLOOK:

- Petrol expected to improve
- Diesel expected to remain supported
- High sulphur fuel oil expected to recover quickly with increased scrubbers on ships
  - Recovery since December: -27 USD/bbl to -10 today

Coronavirus expected to increase market volatility

Source: As at 10 February 2020. FGE is an independent global energy consultancy that provides research, analysis and advisory services on the up- and downstream oil and gas markets.
RESPONDING TO CYCLICAL HEADWINDS

Refining NZ taking action

Safety-critical maintenance progressing to plan

Significant reduction in cash costs:
- Capital programmes
- Operating costs

Broadening crude slate to accept cheaper crudes

Optimising refinery yields & Turnaround cycles to lift GRM

Secured 3-year gas contract
Operating costs under review

A sustainable cost base is expected going forward

- Non-energy costs under control
- Long term trend forecast to be reversed
- 2019 one offs have rolled off
- Solar farm expected to partially mitigate the longer term energy price risk once online

Pass-through costs include natural gas, sulphur and carbon
Optimising planned maintenance

2020
- Crude Distillation Unit (CDU1)
- Hydrocracker Unit Top Bed Skim
- CCR Platformer
- Gasoil Hydrodesulphuriser (HDS3)

2021*
- Hydrocracker unit
- Crude Distillation Unit (CDU2)

2022
- Hydrocracker Unit Top Bed Skim**

* Timing of Turnaround under review

** No longer required
Optimisation continues

Overall spend driven by Turnaround cycles

First CCR Platformer inspection and catalyst replacement in 2020

2020 forecast down from previous guidance of $99m to $70m

Forecast 10-year average $70m, still expect to maintain a long-term average of $65m

Review of phasing supported by long-term asset management plan

Capex minimised in 2020 without compromising safety

The above chart excludes growth projects such as Dredging and Maranga Ra, where the investment decision will be economically justified, with alternative financing explored.
Optimising key infrastructure for NZ’s biggest region

- Working to further increase pipeline capacity
- RAP provides >90% of Auckland’s fuel (100% of jet fuel)
- Safest, most environmentally-friendly, cost-effective distribution method
- Refined fuels expected to be part of NZ’s energy mix for decades
- Distribution option for lower carbon fuels
Ready to benefit from expected market recovery

Continue to deliver safely, on time and in specification

Minimise cash costs in response to market challenges

Maximise revenue by broadening crude slate, further optimising refinery yields & optimising Turnaround cycles

Planning for successful Turnarounds (March & May) – safely, quality, time and cost

Submit Refinery resource consents application

Looking at all tactical & strategic options to stay core to NZ’s fuel supply
FUNDING POSITION

Debt structure extended

Facilities renewal in 2019:
- Senior debt tenor extended from 1 to 3 years
- Overall debt tenor 7+ years (including subordinated notes)

Undrawn facilities of $103m

$100m of interest rate swaps mature in December 2020

Lenders’ debt to debt and shareholder funds: 19%

Debt to EBITDA: 9.1x
### 2020 PROFIT MATRIX

#### US$ Exchange Rate

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<th>GRM US$/BBL</th>
<th>0.50</th>
<th>0.55</th>
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</table>

41.7 Production (million barrels)
65 Non processing fee revenue excluding pass through income ($m)
107 Depreciation ($m)

- Net profit after tax
- Borrowings
RENewed LEADERSHIP

Andrew Brewer, Chief Operating Officer
- Refinery leadership
- Responsible for safe execution and maximising cash generation from refining operations
- Extensive experience in refining leadership roles with Caltex Australia and Chevron Canada
- On seat March 2020

Naomi James, Chief Executive Officer
- Overall business leadership
- Develop and execute strategy to maximise shareholder value
- Formerly Executive Vice President, Santos Ltd, responsible for midstream infrastructure assets including oil and gas processing facilities
- On seat April 2020
Glossary

- **LTIF** – Lost time injury frequency (rolling 12 month per 200,000 hours)
- **TRCF** – Total recordable case frequency (rolling 12 month per 200,000 hours)
- **Tier 1 Process Safety Event (API 754)** – A tier 1 Process Safety Event (PSE) is an unplanned or uncontrolled release of any material, including non-toxic and non-flammable, from a process which results in one or more of the following: A LTI and/or fatality; A fire or explosion resulting in greater than or equal to $25,000 of direct cost to the company; A release of material greater than the threshold quantities given in Table 1 of API 754 in any one-hour period; A officially declared community evacuation or community shelter-in-place.
- **Tier 2 Process Safety Event (API 754)** – A tier 2 Process Safety Event (PSE) is an unplanned or uncontrolled release of any material, including non-toxic and non-flammable, from a process which results in one or more of the following: A recordable injury; A fire or explosion resulting in greater than or equal to $2,500 of direct cost to the company; A release of material greater than the threshold quantities given in Table 2 of API 754 in any one-hour period.
- **EBITDA** – Net Profit Before Finance Costs and added back Depreciation and disposal costs
- **CAGR** – compound annual growth rate