



## Media Release

24 February 2016

### Reliable running key to refinery result

Refining NZ which owns and operates the Marsden Point refinery, today posted a Net Profit after Tax of \$151 million for the full year 2015, and is crediting the result to its highly reliable refinery.

The 2015 financial result is one of the best ever posted by the NZX50 listed company and an improvement on the 2014 result (NPAT \$10 million). Chief Executive Officer, Sjoerd Post said that running a highly reliable plant had allowed New Zealand's only refinery to "cash in" on a healthy business environment.

"Our team of 500 employees and contractors has worked hard to keep the refining kit running reliably and safely all year. That's meant we've been able to capitalise on high margins - which have been held up by the strong global demand for petrol, particularly in the US, China and India - while benefitting from a better USD/ NZD exchange rate."

"2015 was a record year in which we processed more crude oil than ever (42.6 million barrels), and earned record fees from processing (\$379 million) while helping to keep the country stocked with quality fuel."

Post said that 2015 was also a standout for the Te Mahi Hou team who after four years of engineering and construction, started the refinery's \$365 million petrol making unit in late November, on budget and three weeks early.

"Te Mahi Hou is significant. It allows our refinery to make an extra two million barrels of petrol a year, lifts our share of the New Zealand petrol market by around 10% and by improving energy efficiency, drops our CO<sub>2</sub> emissions by around 120,000 tonnes a year."

"The Company will continue to invest in lifting its performance and in the absence of another project the size of Te Mahi Hou, will focus on smaller growth projects with attractive pay back periods."

Refining NZ confirmed a return to dividends with a final dividend to shareholders of 20 cents per share. With an interim dividend of five cents paid in September, the Company's shareholders have received a total dividend of 25 cents per share for the 2015 financial year.

ENDS

Notes to editors

#### KEY PERFORMANCE HIGHLIGHTS

- NPAT of \$150.9m was up significantly on the prior year (2014: \$10m).
- Crude intake of 42.6m barrels, is an all-time record and 0.5m barrels better than the previous record set in 2012.
- Processing fee revenue increased to \$379.2m (2014: \$168.4m) around \$24m up on the record set in 2006.
- The Gross Refining Margin (GRM) for 2015 averaged USD 9.20 barrel, prior to cap or floor adjustment (2014: USD 4.96/barrel).
- Cash generation from operations at \$265m was significantly better than the previous year (2014:\$67m).

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