



## Media release

10 March 2016

### **\$365 million project a success for Northland and New Zealand**

**Auckland, 10 March 2016** – Refining NZ unveiled the \$365 million Te Mahi Hou project at a special ceremony attended by Prime Minister John Key at Marsden Point today, and praised the strength of Northland and New Zealand manufacturing that had made its success possible.

Four years in the making, the new plant will lift production, cut CO<sub>2</sub> emissions and increase the security of supply to New Zealanders who currently rely heavily on the refinery for much of their energy needs, Sjoerd Post, Chief Executive Officer of Refining NZ said.

“We believe Te Mahi Hou is not only a major step for Refining NZ, but also for New Zealand and Northland.

“Globally, projects on this scale typically import specialist contractors, but this has been completed successfully drawing on the substantial Northland and New Zealand expertise available to the refinery at home.”

The new CCR (Continuous Catalyst Regeneration) plant will bring benefits for the business and the environment.

“Te Mahi Hou is a “sweet spot” for the refinery where we can be more profitable, while using less energy and reducing our CO<sub>2</sub> footprint. We will continue to explore such beneficial growth opportunities for our refinery.

“Te Mahi Hou was a major commitment that we entered into four years ago. We are delighted to see it brought to such a successful outcome. It will continue to contribute to the Northland and national economies, and we are grateful for the huge input of energy and skill we have had from the Northland engineering community in making it possible,” Mr Post said.

The refinery employs 500 people and produces about 50% of the petrol New Zealand motorists use, 80% of the country’s diesel and 100% of its jet fuel and shipping oils.

**ENDS**

**For information:**

Greg McNeill, Communications and External Affairs Manager

M: 021873623; E [greg.mcneill@refiningnz.com](mailto:greg.mcneill@refiningnz.com).

## Backgrounder: Te Mahi Hou

---

### Overview

- To be formally opened on March 10, Te Mahi Hou (The New Venture) is a \$365 million four-year investment, making it one New Zealand's largest recent private sector projects
- Its new CCR (Continuous Catalyst Regeneration) technology delivers higher production, cuts downtime and reduces CO<sub>2</sub> emissions
- Completed on budget and ahead of time by NZ contractors, enabling the refinery to compete with Asia Pacific rivals twice its size

### Project purpose and benefits

- Approved in April 2012 to replace an ageing platformer unit built in 1964
- Allows more effective regeneration of catalyst process that breaks hydrocarbons into the precursors to petroleum, needing maintenance shut down for this unit every six years instead of every 18 months
- The CCR will:
  - Lift production by two million barrels to around 13 million each year
  - Reduce CO<sub>2</sub> emissions by around 120,000 tonnes a year
  - Increase gross refining margins, and lift cash flow \$50 - \$55 million a year
  - Flexibility to process more light crudes

### Impact on Northland and NZ economy

- At its peak the project employed around 440 people, most from Northland
- \$128 million spent in Northland
- Analysis by North Tec estimates the benefits of project activity at \$247 million for Northland and a further \$67.5 million for New Zealand, and forecasts:
  - Ongoing income for Northland of \$159 million annually, plus
  - Ongoing income for New Zealand of \$223 million annually
- Contracting engineers report new staff they hired and trained for the project remain in the industry

### Scale of the project

- 1.75 million man hours
- 650 contractors, working on and off site
- 6574 tonnes of sophisticated new plant and structural steel fabricated and assembled

### Refining NZ's place in NZ economy

- Current workforce is 500
- The refinery produces:
  - About 50% of NZ's petrol (expected to rise to 65% after Te Mahi Hou)
  - 80% of NZ's diesel
  - 100% of NZ jet fuel
  - 100% of NZ fuel oil used for shipping