

14 December 2020

## Federal Government Interim Refinery Production Payment

Viva Energy (the **Company**) welcomes today's announcement by the Federal Government to provide an interim Refinery Production Payment for six months from 1 January 2021, until the long-term design for the Refinery Production Payment is implemented which is expected to be on or before 1 July 2021.

Under the grant, the Company will receive a minimum payment of 1 cent per litre for production of primary transport fuels (gasoline, diesel and jet) refined from crude oil at Geelong Refinery. To receive the payment, the Company must agree to maintain refinery operations for the duration of the interim program and commit to an open book process and long-term self-help measures to further inform the development of the long-term Refinery Production Payment.

The Refinery Production Payment forms part of the broader long-term Fuel Security Package previously announced by the Federal Government in September 2020, which is designed to enhance Australia's fuel security and improve the viability of the refining sector over the next ten years. The Company is pleased to announce that it will participate in this interim program and estimates that the Refinery Production Payment will contribute approximately \$30 million to Underlying Refining EBITDA (RC) for the six months from 1 January 2021 through to 30 June 2021 based on average historical refining output during the year ended 31 December 2019.

Scott Wyatt, the Company's CEO said, "The refining sector has been severely impacted by a significant decline in domestic and global demand for oil products this year, and this is expected to lead to ongoing weakness in refining margins which affects the longer-term viability of our refinery and has already led to a number of announced refinery closures in our region and around the world. The Refinery Production Payment announced today, together with other measures announced in September, provides material support which underscores the importance of domestic refining to the country's broader fuel security and to the local communities in which our domestic refineries operate.

Minister Taylor and his department have worked closely with the refining sector to maintain refinery operations during the pandemic and to develop the Fuel Security Package which aims to retain domestic refining capacity over the longer-term. Viva Energy is also committed to working towards this outcome and will continue to work with the Federal Government on the details and funding mechanisms of the long-term Fuel Security Package which we expect will provide the support that is necessary for Viva Energy to maintain refining operations beyond the conclusion of the interim Refining Production Payment.

COVID-19 has presented some extraordinary challenges for the refining sector and we are extremely grateful for the way in which Minister Taylor and the Morrison Government have acted with priority to support our domestic refining capacity. Viva Energy is proud of the role we play in supporting local jobs and contributing to the country's energy security and has a bold vision to transform our site at Geelong into a broader Energy Hub with refining remaining a key component of our operations. We look forward to delivering on this vision."

The Company will provide unaudited financial guidance for the financial year ending 31 December 2020 on 18 December 2020.

**Authorised for release by:** the Disclosure Committee of Viva Energy

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**About Viva Energy**

Viva Energy (ASX: VEA) is one of Australia's leading energy companies and supplies approximately a quarter of the country's liquid fuel requirements. It is the exclusive supplier of high quality Shell fuels and lubricants in Australia through an extensive network of more than 1,290 service stations across the country.

Viva Energy owns and operates the strategically located Geelong Refinery in Victoria, and operates bulk fuels, aviation, bitumen, marine, chemicals and lubricants businesses supported by more than 20 terminals and 50 airports and airfields across the country.

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