6 November 2014

Australian Stock Exchange Centre
Level 6
20 Bridge Street
Sydney NSW 2000
Australia

Dear Sir/Madam

Z Energy Limited (ZNZ) half year results announcement
(for the six months ended 30 September 2014)

Please find attached the financial information required by ASX Listing Rule 4.2A together with a copy of Z Energy's half year results presentation and Half Year Report for the six months ended 30 September 2014.

Attached:

1. Media announcement in relation to the half year results;
2. Management discussion and analysis in relation to the half year results;
3. Half year results presentation;
4. Z Energy Half Year Report including group financial statements for the six months ended 30 September 2014, Directors' Declaration and the Auditor's Review Report;
5. ASX Appendix 4D;
6. NZX Appendix 1; and
7. NZX Appendix 7 detailing the dividend of 7.7 cents (New Zealand currency) per ordinary shares to be paid on 3 December 2014 to those shareholders on the company's share register as at 5pm on 21 November 2014.

The material released today should be read in conjunction with our most recent Annual Report.

Yours sincerely

John Conlan
Acting General Counsel and Company Secretary
Z Energy Limited

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6 November 2014

A first half of two quarters

Result and interim dividend

Z Energy Limited (Z) today said its half year result for the six months ended 30 September 2014 had been a half made up of two markedly different quarters, which highlighted the ability of the company to manage volatility in market conditions.

Z has delivered statutory Historical Cost Net Profit After Tax (HC NPAT)[1] for the six months ended 30 September 2014 of $22 million, down from $56 million in the prior corresponding period.

Z's RC Operating EBITDAF[2] - the company's preferred measure of evaluating business performance[3] - for the period was $91 million, down from $104 million for the prior corresponding period.

Negatively impacting this result was $10 million of unrealised foreign exchange losses. This is a non-cash, accounting-driven impact and was a result of the Kiwi dollar dropping from just under 84 cents against the US dollar at the beginning of September to just under 78 cents at the end of September.

The Z Board has decided to pay a fully imputed interim dividend to shareholders of 7.7 cents per share, which will be paid on 3 December 2014.

The interim dividend payment – the same as for the prior corresponding period – recognises the strength in performance of the underlying business and the company's unchanged full year guidance of RC Operating EBITDAF of $220 - $240 million.

Managing volatility as an integrated business

Z Chief Executive Mike Bennetts said while the first half of the 2015 financial year had been the most challenging in the company's history, operationally and at an underlying level the business had performed well.

1. Z's statutory NPAT earnings are prepared on an historic cost basis as required by NZ GAAP. Earnings prepared on this basis are subject to fluctuations in the value and volume of stock sold over the period due to changes in oil prices, exchange rates and deliveries.

2. Replacement Cost Operating Earnings Before Interest, Taxation, Depreciation (including gains and (losses) on the sale of fixed assets), Amortisation and Fair Value movements in interest rate derivatives.

3. Z's replacement cost earnings adjust the cost of sales as if inputs had been procured at the time of sale. For the first half of the 2015 financial year, the replacement cost approach to valuing stock sold has resulted in a reduction in cost of goods sold of $23 million. This is not reflected in Z's statutory earnings. Z's management focuses on (and Z provides guidance on) replacement cost operating earnings, which Z considers better reflect the underlying trading performance of the business. More information about replacement cost accounting and the difference between replacement cost and historic cost earnings is provided at the end of this announcement and in the accompanying presentation pack.

"The company has weathered the costs of a period of severely depressed domestic refining margins, has made top up fee floor payments to the refinery of a net $2 million and has managed the consequences of an extended refinery outage and its aftermath.

"The fall in the value of the Kiwi dollar which lead to the unrealised FX losses rounded out a series of one-off impacts which have collectively cost Z $14 million. In response, Z has operated the company in an integrated fashion and, while not hitting the targets we set, has gone a long way towards mitigating these unusual downsides."

Mike Bennetts said the first quarter of the financial year had been the worst in more than two decades for local refining in New Zealand, but the company had been able to secure a higher marketing margin to offset fee floor payments to the refinery and other refinery-related losses.

"For the first time since 1999 local refining margins were so low that Z, as a customer of Refining New Zealand, made payments to top up the Refining New Zealand processing fee floor."

For Z, this commitment to local refining peaked at $8 million of fee floor payments to the refinery. The fee floor payments have since reduced to a net $2 million by the end of the second quarter.

"Refining globally is going through a tough time and Refining NZ has faced a number of particularly acute difficulties which have dragged on Z's performance. While this has been disappointing, the two positives here are the demonstration that Z can manage its way through unexpected challenges and still deliver quality earnings as an integrated company.

"For example, with refining margins improving in the second quarter of the period, Z believes the fee floor impact it endured in the first quarter should be mitigated by the end of the 2014 calendar year."

Mike Bennetts said the other positive is the way in which Refining NZ is recovering from this period and the progress it is making across a range of initiatives to ensure its continued competitiveness.

Z's fuel margin over the half year was 16.7 cents per litre, up from 16.5 cents per litre in 2013. Z's refining margin was $7 million (including fee floor payments) compared to $16 million in 2013. Once all operating expenses have been met, Z's net profit was 3.0 cents per litre, down from 4.2 cents per litre in the prior corresponding period.

Competition

Mike Bennetts said the six months to the end of September 2014 was a continuation of intense retail competition.

"We continue to see heavy price discounting in parts of the country. In some places the level of price board discounting has been up to 25 cents per litre below Z's main port price.

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"Progressively during the second quarter, Z has implemented a more aggressive form of retail pricing that ensures the company is competitive on price, regardless of the level of discounting in the localised market.

"Frequently now, more than a quarter of Z's retail network is effectively price board discounting as we match some competitor sites head-on. While on the face of it this isn't always an economically sensible strategy, what we're seeing when we do this is volume flowing back through Z sites, reinforcing a clear preference for Z when we choose to match on price."

Strengthening the Core

In April 2014, Z launched the second phase of its strategy (strengthening the core), which is intended to deliver an additional $40 - $50 million of RC EBITDAF over the next three to five year period, on top of the company's underlying performance.

Delivering customer value is at the heart of this strategy which is focused around:

- leading the build of new-to-industry service stations
- ongoing development of the tier one retail offer, including new food and convenience offers and speed initiatives
- store upgrades and new convenience offers at up to 50 tier two stores
- continued active management of the commercial fuels portfolio
- ensuring benefits from two competing crude oil and refined fuel supply chains.

"We're now six months into this three to five year program and we are making good progress. We have completed two new to industry service stations during this half year period and five rebuilds.

"Our commitment to delivering speed for our customers is well on track with Pay at Pump at 109 retail sites, diesel at all lanes at 197 sites and a new breakfast and frozen yoghurt offer in the early stages of rollout," said Mike.

"We've just renewed the contract for refined fuel supply from a Korean refiner for the 2015 calendar year and, given favourable market conditions, have been able to secure additional annual savings of more than $1 million for the year.

"We also have confidence that a range of initiatives underway at Refining NZ, and between Z and other refinery customers, will deliver sustained benefits."

Mike Bennetts said the company remained focused on ensuring it was selling into commercial markets in a disciplined way.

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"Z has a strong position in the market due to its spread of infrastructure and we're committed to ensuring we use our infrastructure position to deliver value to our commercial customers."

Z also holds resource consents to build new bulk storage terminals at the ports of Lyttelton and Mount Maunganui, although no commitment has been made on construction. With available terminal storage contracting over the period, Mike said the opportunity still exists for any investment in these assets to be well remunerated.

Commitment to biofuels

In April, Z announced its commitment to a $21 million investment in a domestic biodiesel production facility at Wiri and associated blending infrastructure at Mount Maunganui and Wiri.

"This plant will produce 20 million litres of high-quality, sustainable biodiesel per annum. We've already had undertakings from a handful of large commercial customers to take half of these litres.

"Construction of the plant is underway, with first biodiesel production due in the second quarter of the 2016 financial year."

Outlook and guidance

Mike Bennetts said despite the significant challenges the company has managed in the first half of the year, the improvement in refining and marketing margins at the back end of the half, allowing for Z's hedging program to offset current unrealised losses, and continued progress against the company's strategy programme, has resulted in the company not changing its earnings guidance.

Z's guidance for the 2015 financial year remains for RC Operating EBITDAF between $220 million and $240 million.

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Reconciliation from statutory NPAT to RC Operating EBITDAF

Net Profit per the statutory accounts	**22**
Replacement cost of sales adjustment (COSA)	23
Taxation on COSA	(7)
RC net profit after tax	**38**
Depreciation and amortisation	21
Net financing expense	17
Other	2
Taxation (incl tax on COSA)	14
Share of earnings in associates (net of tax)	(1)
RC Operating EBITDAF	**91**

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Z Energy Limited Management Discussion and Analysis

Financial performance for the six months ended 30 September 2014

Overview

This is an analysis and commentary around the factors that have influenced Z Energy's (Z's) financial performance for the six months ended 30 September 2014. Statutory Historical Cost Net Profit After Tax (HC NPAT) was $22m, down $34m (61%) from the prior corresponding period (PCP).

Results below are presented on a replacement cost basis.[1]

NZD in millions	6 months ended 30 September 2014	6 months ended 30 September 2013 Pro forma	Var	Var %
Revenue[2]	1,646	1,658	(12)	(1%)
Replacement cost gross margin (RC gross margin)	245	245	-	-
Operating expenses (excluding primary distribution expenses)	(138)	(138)	-	-
Realised losses on foreign exchange and commodity transactions	(6)	(7)	1	14%
Unrealised gains / (losses) on foreign exchange and commodity transactions	(10)	4	(14)	<>
Replacement Cost Operating EBITDAF	**91**	**104**	**(13)**	**(13%)**
Share of earnings in associates	1	3	(2)	(67%)
Replacement Cost EBITDAF	**92**	**107**	**(15)**	**(14%)**
Depreciation and amortisation	(21)	(17)	(4)	(24%)
Net financing expense	(17)	(17)	-	-
Other	(2)	(2)	-	-
Taxation (incl. tax impact of COSA[1])	(14)	(20)	6	30%
Replacement Cost Net Profit After Tax	**38**	**51**	**(13)**	**(25%)**

[1] Information on the pro forma presentation and replacement cost (including the cost of sales adjustment – COSA) can be found in the appendices in the attached presentation pack.

[2] The results have been modified to show Revenue gross with a separate Excise and carbon expense. This change has no impact on reported profitability.

Profit for the period

Replacement Cost Operating EBITDAF (RC Operating EBITDAF) has decreased $13m to $91m from the PCP. The reduced profitability is largely due to a $14m increase in unrealised foreign exchange and commodity transaction losses due to the significant weakening of the New Zealand dollar in late September 2014. Despite a very challenging refining market, Z was able to offset a $9m decrease in refining margins (inclusive of fee floor expenses) through stronger fuel marketing margins.

Replacement Cost Net Profit After Tax (RC NPAT) was $38m, which is $13m or 25% down on the first half of FY14. This RC NPAT result reflects the lower RC EBITDAF contribution and higher depreciation costs, which are driven by Z's ongoing investment in retail sites, with these costs offset by lower taxation costs over the period.

Fuel volumes

Million litres (ml)	6 months ended 30 September 2014	6 months ended 30 September 2013	Var	Var %
Petrol	399	414	(15)	(4%)
Diesel	419	401	18	4%
Jet	178	183	(5)	(3%)
Marine	64	73	(9)	(12%)
Bitumen	29	31	(2)	(6%)
Chemicals	-	7	(7)	(100%)
Sub total	**1,089**	**1,109**	**(20)**	**(2%)**
Supply sales and exports	165	98	67	68%
Total	**1,254**	**1,207**	**47**	**4%**

Note: September 2013 volumes have been adjusted for our restatement post the half year result in September 2013 which saw the reclassification of diesel volumes to include diesel sales as a result of marine sales activity.

Petrol volumes have declined 4% relative to an industry increase of 1% for the six months ended 30 September 2014 in comparison to the PCP. The market remains competitive with competition for volumes being evident in discounting activity. In the latter part of the reporting period Z has been encouraged by the positive trending of petrol volumes YOY to industry as a result of changes in pricing where Z is more actively matching competitor offers.

Diesel volumes have increased by 4% whilst industry diesel volumes have grown 4% over the last six months. The industry continues to benefit from the positive economic climate and Z's performance is a reflection of its continued commitment to customer service (speed, simplicity and service).

Against the PCP, Jet volumes reduced by 5ml (3%) reflecting a major contract that Z chose not to compete in, Marine volumes were impacted by competitive activity and reduced 9ml (12%), Bitumen volumes declined by 2ml (6%) due to adverse weather conditions and the exit of the Chemicals business at the end of FY14 resulted in 7ml of lower volume.

Quarterly operational data for the last four quarters is included in Appendix 1.

Supply sales and exports volumes

Supply sales and exports includes the supply of fuels to other fuel companies and fuel distributors in New Zealand as well as the export (primarily of fuel oil) to Australia. Sales volumes have increased by 67ml (68%) as a result of the export of crude residues associated with the extended outage at Refining NZ and the sale of crude oil to BP through the establishment of the Refining NZ optimisation programme. Of this volume, 74% has been sold domestically and 26% exported. This compares to the PCP where 45% was sold domestically in New Zealand and the remaining 55% exported.

Replacement cost gross margin

NZD in millions	6 months ended 30 September 2014	6 months ended 30 September 2013	Var	Var %
Fuels[1]	209	199	10	5%
Non fuels	29	29	-	-
Refining	9	16	(7)	(44%)
Fee floor expense[2]	(2)	-	(2)	<>
Chemicals	-	1	(1)	<>
Total	**245**	**245**	-	-
Fuel volumes				
Fuel sales (ml)	1,254	1,207	47	4%
Refining production (million bbl)	5.6	6.4	(0.8)	(13%)
Margin				
Fuels cents per litre (cpl)	16.7	16.5	0.2	1%
GRM (USD/bbl)	$4.33[3]	$6.81	($2.48)	(36%)
GRM (NZD/bbl)	$5.36[3]	$8.42	($3.06)	(36%)

Note 1: Fuels gross margin is net of primary distribution expenses. Primary distribution covers fuels distribution from the refinery to terminals, including both the cost of coastal distribution operations and the Refinery to Auckland Pipeline (RAP)
Note 2: Under the current processing agreement with Refining NZ, there is a minimum annual amount of processing expenses payable in aggregate by all refinery users (the fee floor), which equates to approximately $3 per barrel.
Note 3: Excludes fee floor expense

Fuels margin

Fuels gross margin (replacement cost) has increased by $10m or 5%. This is a combination of both continued pricing discipline and the integrated nature of Z's approach to operating the business. Lower refining margins have seen Z work to recover this shortfall through increased fuels margin.

In comparison to the PCP, margin growth of 0.2 cents per litre (cpl) has been achieved and has been generated across the marketing portfolio (this compares to 0.9 cpl for PCP). Adjusting for supply sales and exports volumes, margins have grown to 19.2 cpl against the PCP of 17.9 cpl.

Management continues to seek to improve margins and is making deliberate choices around optimising the margin / volume mix.

Non fuels margin

Non fuels revenue flows directly through to gross margin, reflecting the business arrangement with the retailers of Z's retail service station network, under which retailers are independent business operators. The gross margin contribution for the six months ended 30 September 2014 is flat against the PCP. However, when 1H FY14 non fuels revenue is normalised to remove the impact of $2.1m of one-off Christchurch earthquake insurance payments, non fuels revenue grew $2m against PCP.

Refining margin

Gross Refining Margin (GRM) decreased in comparison to the PCP by 44%. Refining NZ has been subject to significant competitive pressures due to a global downturn in refining margins and an extended shutdown through March and April 2014 which impacted upon the refinery's ability to generate revenue. A planned shutdown in September of 10 days has further impacted processing volumes for the period when wind down and restart impacts are taken into account.

Refining margins are calculated based on the underlying processing fee paid during the reporting period i.e. they exclude expense Z has incurred in relation to its obligations under the fee floor which supported the refinery in adverse market conditions. At 30 September 2014, Z had incurred additional expense under the fee floor arrangement of $1.9m.

Lower refining volumes have also impacted this result. The build-up of residue relating to the refinery shutdown and required storage of this has resulted in the refinery not being able to operate at an optimal level.

The NZD:USD exchange rate has remained volatile through the period, trading between the ranges of 0.78 and 0.88 during the first six months of the financial year. At 30 September 2014, the rate was 0.78 compared to a rate of 0.81 at 30 September 2013.

Chemicals

Z discontinued its chemicals business, as previously announced to the market, at the end of March 2014.

Operating expenses

NZD in millions	6 months ended 30 September 2014	6 months ended 30 September 2013	Var	Var %
On site	23	22	(1)	(5%)
Selling commissions	29	28	(1)	(4%)
Secondary distribution	22	22	-	-
Employee benefits	20	23	3	13%
Storage and handling	8	10	2	20%
Insurance	3	4	1	25%
Marketing	10	9	(1)	(11%)
Professional fees	9	9	-	-
Administration and other	14	11	(3)	(27%)
Operating expenses	**138**	**138**	-	-
Realised losses on foreign exchange and commodity transactions	6	7	1	14%
Unrealised losses / (gains) on foreign exchange and commodity transactions	10	(4)	(14)	<>
Total operating expenses	**154**	**141**	**(13)**	**(9%)**

Excluding realised and unrealised foreign exchange and commodity losses, operating expenses are in line with the PCP.

Z manages its foreign exchange risk through creating an economic hedge by buying USD daily to cover the equivalent USD value of average fuel sales each day. Z uses these USD balances to settle inventory purchases. This results in realised foreign exchange gains or losses largely being matched by the equal and opposite impact in cost of goods sold.

At the end of any financial period, accounting rules require Z to revalue its outstanding USD net payables, which can create an unrealised foreign exchange gain or loss. Inventory balances are not revalued, which means that any unrealised foreign exchange gains or losses are not offset in changes to the cost of goods sold. Fluctuations in the unrealised foreign exchange gain or loss are driven by two factors – the net USD payable amount and the USD:NZD exchange rate.

At 30 September 2014, Z had a higher (compared to earlier months) level of net USD payables outstanding (USD112m) and the exchange rate weakened (by approximately 6c in September) to 0.7774. These combined impacts led to an accounting unrealised loss in the period of $10m.

This contrasts with a circa 3 cents strengthening of the New Zealand dollar in March 2014 which led to a $5m unrealised foreign exchange gain.

Share of earnings in associates (Refining NZ and Loyalty NZ)

The investment in Refining NZ is equity accounted. Associate company earnings were $1.1m compared to the PCP of $3.5m. The reduction is largely due to the reduced profitability of Refining NZ over the period.

Depreciation and amortisation

Depreciation and amortisation costs have increased by $4m over the PCP. This reflects the additional costs that are generated through the ongoing network and asset investment programme, along with additional investment in the retail site sales consolidation system.

Net financing expense

Net financing expense for the six months ended 30 September 2014 was $17m, compared to $17m for the PCP.

Taxation

Tax expense (including tax on Cost of Sales Adjustment – COSA) for the six months ended 30 September 2014 was $14m, compared to $20m for the PCP, principally due to the lower pre-tax earnings. In addition, 1H FY15 included the benefit of a $0.8m subvention payment made, which gave an effective tax rate of 27%, broadly in line with the statutory corporate tax rate.

Cashflows

Net cash outflow from operating activities was $13m for the six months ended 30 September 2014 compared to a net cash outflow of $134m in the PCP, as Z was building inventory levels in September 2013 in preparation for a planned Refining NZ shutdown.

Net cash outflow from investing activities was $29m compared to $169m in the PCP. The difference relates to lower spend on intangible assets this year and Z investing $100m to purchase the stake in Refining NZ in the PCP.

Net cash outflow from financing activities was $62m compared to an inflow of $209m in the PCP. In the PCP, Z received the net proceeds of the IPO ($260m) and paid dividends of $79m. In 1H FY15, the outflow was principally driven by the payment of dividends of $60m.

Balance sheet

Working capital

NZD in millions	As at 30 September 2014	As at 30 September 2013	Var	Var %
Inventory	482	593	(111)	(19%)
Accounts payable, accruals and other liabilities	345	313	32	10%
Accounts receivable and prepayments	188	195	(7)	(4%)

Inventory

The purchase and settlement of crude oil and refined product inventory is a significant driver of Z's net working capital position and can cause material changes in net working capital balances. The timing of crude purchases is influenced by the Refining NZ production schedule.

At 30 September 2014, Z's inventory balance was $482m, comprising $140m of crude oil and $289m of refined products, with the remainder being attributable to Excise and Carbon associated with the inventory on hand. At 30 September 2014 Z held 3.3m barrels on hand, compared to 3.8m at 30 September 2013. Inventory was higher than historical averages in September 2013 due to planning for the refinery shutdown in October 2013.

Average inventory days were 65 in 1H FY15 compared to 70 for the PCP.

Accounts payable, accruals and other liabilities

Accounts payable, accruals and other liabilities consist of hydrocarbon payables, government duties and tax payables, non-hydrocarbon and carbon payables.

Hydrocarbon payables relate to crude oil and refined product purchases including associated costs (i.e. shipping, wharfage and inspection fees). Government duties and tax payables arise when refined product is imported or leaves the refinery. Non-hydrocarbon payables include operating and capital structure payables, sundry creditors, Refining NZ processing fees, employee entitlements and convenience retail payables. Z accumulates ETS carbon units and subsequently surrenders these to the New Zealand Emission Unit Register (NZEUR) by May of the following year in respect of its previous calendar year compliance obligation.

Accounts payable, accruals and other liabilities at 30 September 2014 were $345m (PCP $313m), comprising product payables of $188m (PCP $177m), Excise accruals of $56m (PCP $47m) and other payables of $101m (PCP $89m).

Average payable days were 39 in 1H FY15 compared to 44 for the PCP.

Accounts receivable and prepayments

Z has a range of trade terms with its varying customer base. Commercial trade terms typically vary from seven days to the 21st of the month following for some customers. Retail fuel sales are effectively cash receipts credited two days following sale. Credit terms on convenience items provided to retail operators are 20 to 30 days following delivery.

At 30 September 2014, receivables and prepayments were $188m which is in line with Z's historical average receivable days sales. This is a $7m decrease from the PCP.

Average receivable days were 23 in 1H FY15 compared to 22 for the PCP.

Net debt

Net debt (long term debt less cash) was $356m. This compares to $439m for the PCP and is more reflective of average levels. Cash on hand was $74m compared to ($9m) for the PCP driven by the timing of working capital cash flows.

Appendix 1: Z Energy – Quarterly operational data

	September 2014	June 2014	March 2014	December 2013
HSSE				
Lost time injuries	4	5	1	6
Spills to ground	0	0	0	1
Robberies	0	1	1	2
Fuel quality incidents	0	0	0	0
Process safety incidents	0	0	0	0
Fuels – millions of litres (ml)				
Total industry volumes (all fuels)[3]	1,928	1,947	2,109	2,086
Z total fuel volumes	583	669	613	618
Petrol	198	201	205	214
Diesel	209	209	220	231
Other fuels	133	138	187	158
Supply/Export sales	43[4]	122[5]	1	15
Average MBIE retail importer margin (cpl)[6]				
Petrol	32.9	29.4	28.2	27.6
Diesel	36.5	34.4	32.0	30.8
Refining				
Refining NZ gross refining margin (GRM)				
USD GRM per barrel[7]	6.75	(2.72)	3.86	2.91
NZD GRM per barrel[8]	8.01	(3.16)	4.66	3.49

[3] Excludes supply/export sales

[4] 27.0 million litres for domestic supply, 16 million litres for export.

[5] Includes the export of crude residues associated with the extended outage at Refining NZ and the sale of crude to BP through the establishment of the Refining NZ optimisation programme

[6] MBIE provides public benchmark data around importer margins. More information is available at: http://www.med.govt.nz/sectors-industries/energy/liquid-fuel-market/weekly-oil-price-monitoring/Graphs.pdf

[7] This number is from Refining NZ published data for the relevant quarter. Note that the improved margin is partially a consequence of the processing of low value crude residues stockpiled during the extended April refinery outage. Z made fee floor payments to Refining NZ from April to June of $8.2 million. Once GRMs returned to suitable positive territory, Z reclaimed $6.3 million in the July to end of September period.

[8] The NZD conversion is calculated by Z and is based on an average exchange rate.

	September 2014	June 2014	March 2014	December 2013
Customer experience				
Commercial customer satisfaction[9]	84%	83%	83%	78%
Retail customer satisfaction[10]	75%	70%	79%	77%
Total Z transaction count	13.8 million	14.2 million	14.6 million	14.8 million
Retail: fuel-only transactions	7.5 million	7.6 million	7.7 million	7.8 million
Retail: fuel and shop transactions	1.9 million	2.0 million	2.2 million	2.3 million
Retail: shop only transactions	4.4 million	4.6 million	4.7 million	4.7 million
Number of service stations[11]	211	213	213	211
Average weekly shop sales	$23,889	$24,618	$27,240	$27,198
Number of truck stops	93	93	93	93

9 Customer satisfaction determined using on-going internal customer measurement.

10 From June 2014 the retail customer satisfaction measure is calculated based on feedback received from randomly generated, automated invitations from the point of sale system. Prior to this date customer responses were not sought on a random basis. The difference in the measure from prior quarters is largely accounted for by the change in methodology.

11 Two service stations permanently closed during the September quarter. One knock-down rebuild opened in this period. As at the end of September one new-to-industry site and one knock-down rebuild were in construction.

2015 Interim Results Presentation

For the six months ended 30 September 2014

6 November 2014

Mike Bennetts, Chief Executive

Chris Day, Chief Financial Officer

Disclaimer

Please read this page before the rest of the presentation

Please do not read this presentation in isolation

This presentation supplements our half year results announcement dated 6 November 2014. It should be read subject to and in conjunction with the additional information in that release, other material which we have released to NZX and ASX and our combined Investment Statement and Prospectus dated 25 July 2013. That material is available on our website, www.z.co.nz. All references in $ are to New Zealand dollars unless otherwise stated

Forward looking statements are inherently fallible

This presentation contains forward-looking statements and projections. These reflect our current expectations, based on what we think are reasonable assumptions. But for any number of reasons the future could be different – potentially materially different. (For example, assumptions may be wrong, risks may crystallise, unexpected things may happen). We give no warranty or representation as to our future financial performance or any future matter. Except as required by law or NZX or ASX listing rules, we are not obliged to update this presentation after its release – even if things change materially

Understand our non-GAAP information

Some of the financial information in this presentation has not been prepared in accordance with generally accepted accounting practice ("GAAP"). In particular, we show Pro Forma results and results calculated on the basis of "replacement cost accounting". It is very important that you understand how this non-GAAP information relates to our GAAP results. So please read the explanation in the appendices

There is no offer or investment advice in this presentation

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Headline financials

Strong marketing performance offset by refining and FX volatility

Key Financials	1H FY15	1H FY14[1]	Var	PFI
Historical cost net profit after tax (HC NPAT)	$22m	$56m	(61%)	$50m
Replacement cost NPAT (RC NPAT)	$38m	$51m	(25%)	$51m
Replacement cost operating EBITDAF (RC Operating EBITDAF)	$91m	$104m	(13%)	$105m
Interim dividend declared	7.7 cents	7.7 cents		

- Foreign exchange volatility at the end of the period impacted upon reported results
- Earnings impacted by low refining margins and expenses incurred to top up the refinery processing fee floor
- Strong performance by the marketing businesses through margin expansion
- Strengthening the Core programme on track and yielding benefits

Note 1: 1H FY14 results are prepared on a pro forma basis

HC NPAT has been calculated in accordance with NZ GAAP. RC NPAT and RC Operating EBITDAF has been calculated on the basis of "replacement cost accounting". In this presentation we show results calculated in accordance with NZ GAAP, pro forma results and results calculated on the basis of "replacement cost accounting". It is very important that you understand how the pro forma results and "replacement costs" results relates to our NZ GAAP results, so please read the explanation and consider the reconciliation information in the appendices

Health, Safety, Security and Environment

Operational risk management is the driving focus

Operational Metrics	1H FY15	1H FY14
Total recordable case frequency (TRCF)	1.26	0.53[1]
Lost time injuries (LTI)	9	6
Number of spills (loss of containment)	0	0
Security incidents (robberies only)	1	2
Product quality incidents (red, i.e. high risk)	0	0
Process safety incidents (Tier 1 & 2)	0	0

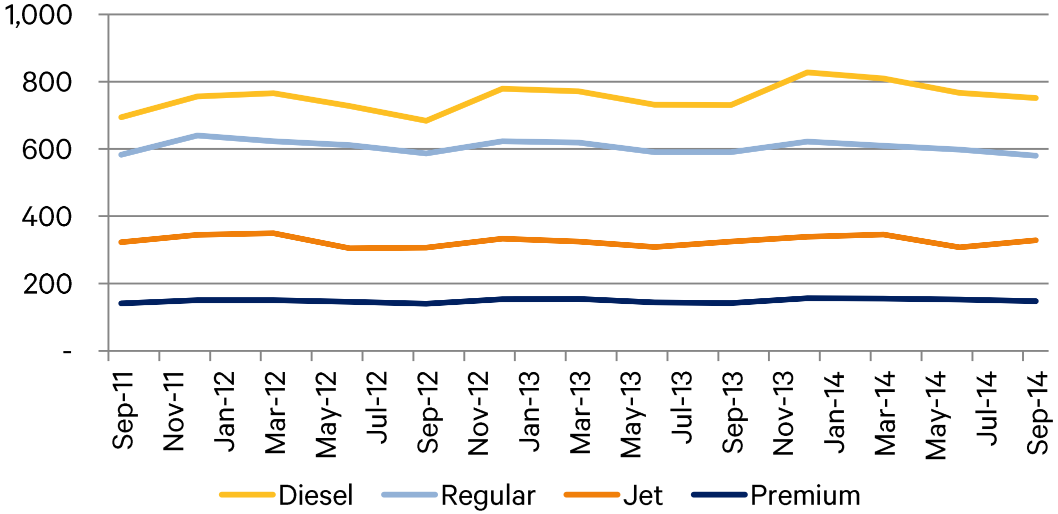
- Improved awareness and reporting behaviours have led to better quality of reporting
- Implementation of new operational risk management system progressing well
- Closer collaboration with Retailers in response to slips and trips that lead to LTIs
- Positive signs from investment in site deterrents to prevent robberies

Note 1: The reporting environment captures Z employees, Mini-tankers franchisees and Retailers' employees (206 sites) based on the new PCBU definition (persons conducting a business or undertaking). TRCF is based on total number of LTI, restricted work injuries and medically treated injuries per 200,000 work hours and so 1H FY14 has been restated based upon the revised metric

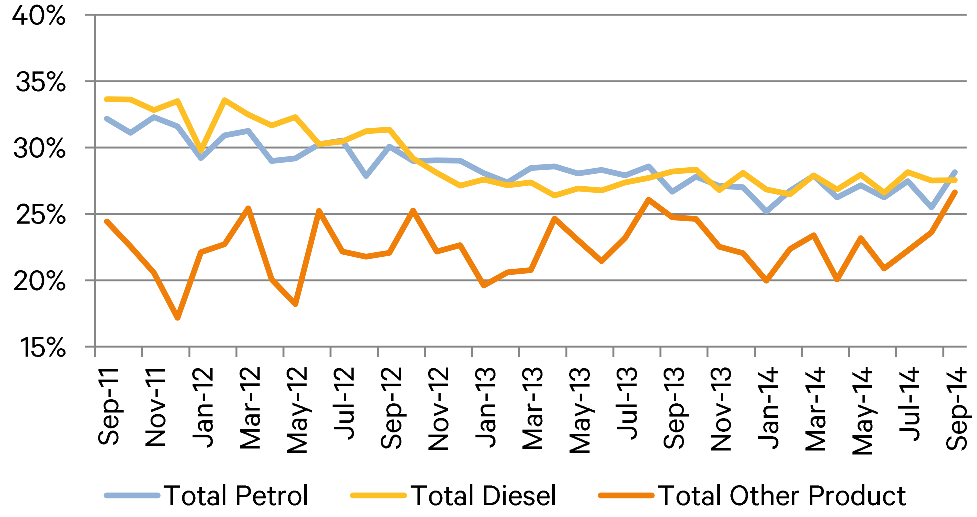
Trading conditions competitive

Market continues to trade at similar levels to PCP

Quarterly Industry Volumes - million litres



Z Market Share



- Industry petrol volumes for 1H FY15 are +0.8% on PCP
- Industry diesel volumes for 1H FY15 are +3.8% on PCP
- Business and consumer confidence declining from recent highs in back part of 2Q

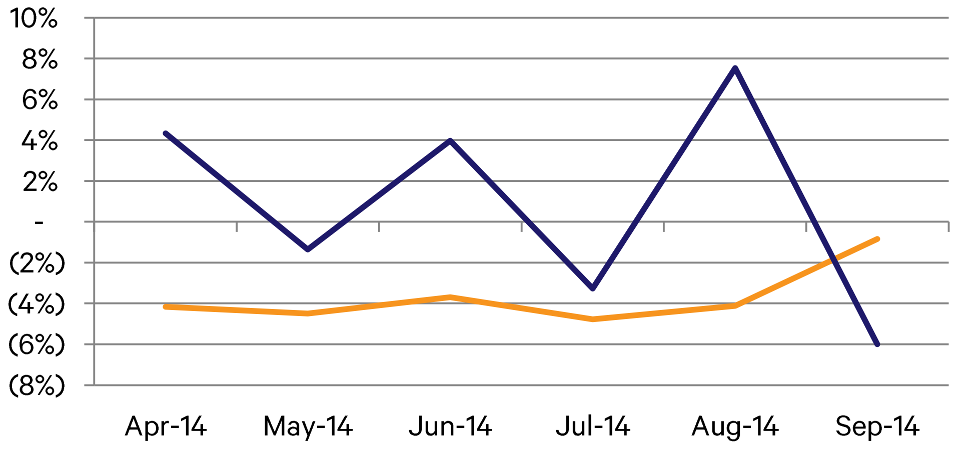
- Market share graph does not include supply sales and exports
- Competitor activity within retail channel remains, with a variety of targeted price promotions
- We continue to target an optimal mix between volume and margin in both retail and commercial channels with an increasing focus on volume

- Sources: Industry Exchange data as at September 2014

91 is the price fighting grade

Matching up on price positively impacting on September volumes

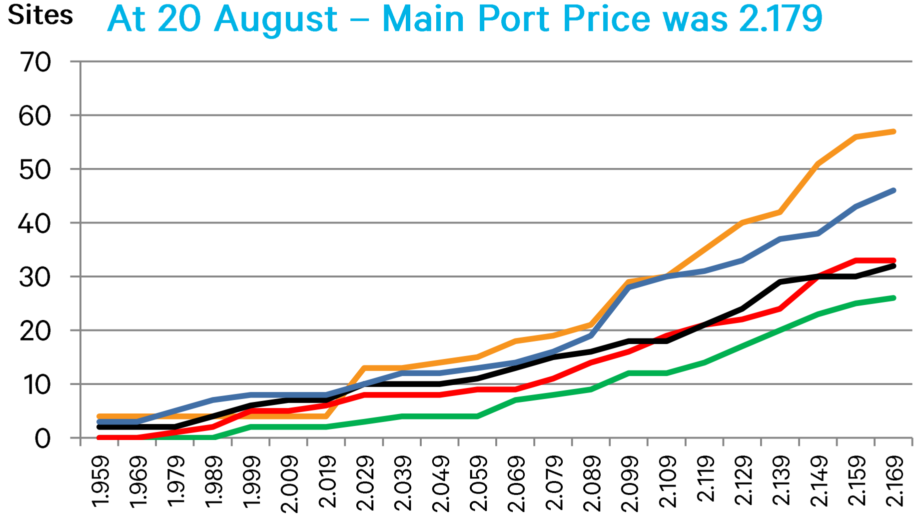
Petrol volume changes - Z vs Total Industry



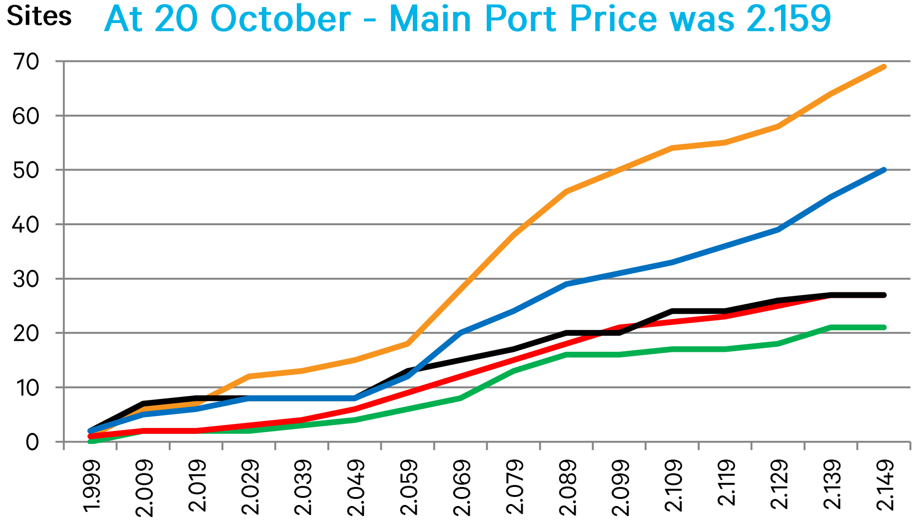
- Source: Industry Exchange data as at September 2014

- 91 has the highest price sensitivity
- Our tactical marketing (Zip thru Z) and pricing responses are impacting upon volumes
- New pricing system allows for faster decision making and improved optimisation
- Narrowing spread from main port pricing from 22 cpl to 16 cpl between August and October
- Falling input costs also at play

At 20 August – Main Port Price was 2.179



At 20 October - Main Port Price was 2.159



- Source: Z internal pricing analysis

Z — BP — Caltex — Gull — Mobil

RC Operating EBITDAF variances to 1H FY14

Solid underlying business performance impacted by GRM and FX volatility

Refining ($9m)

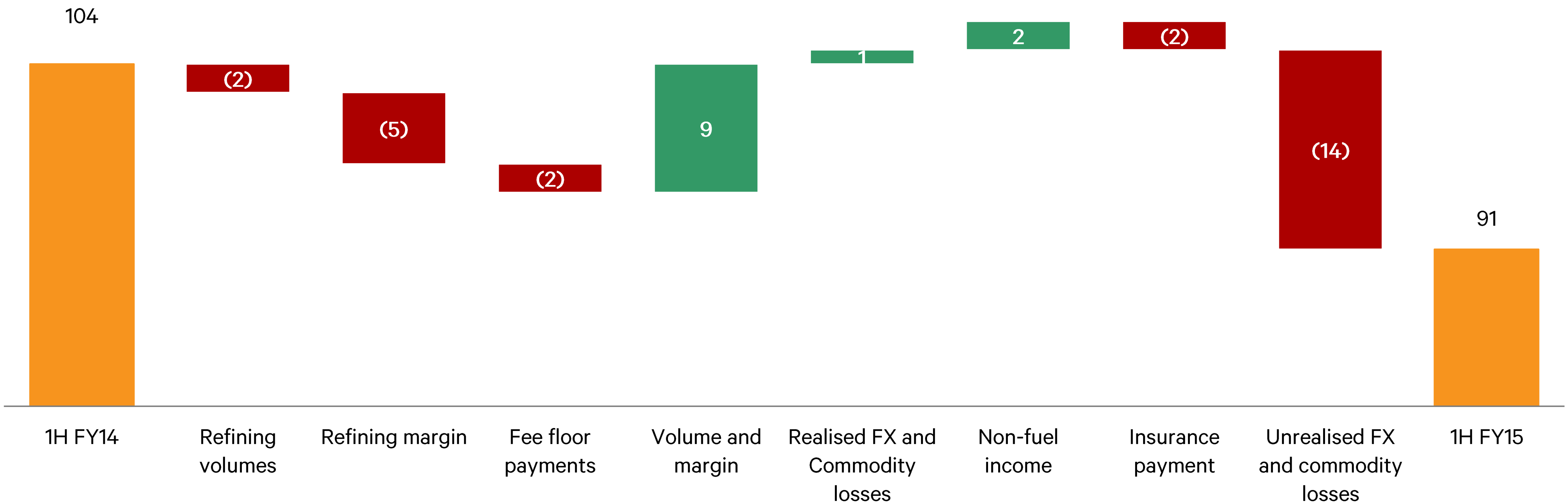
- Reduced processing volumes by 0.8m bbls due to refinery shutdown
- Weak refining margins and fee floor environment

Fuels and Non-Fuels $12m

- Fuel margin grew 5% PCP with continued volume / margin optimisation delivering tangible benefits
- Strong C-store performance +7% PCP (underlying)

Other ($16m)

- 1H FY14 result included $2m insurance proceeds
- Revaluation of USD denominated payables

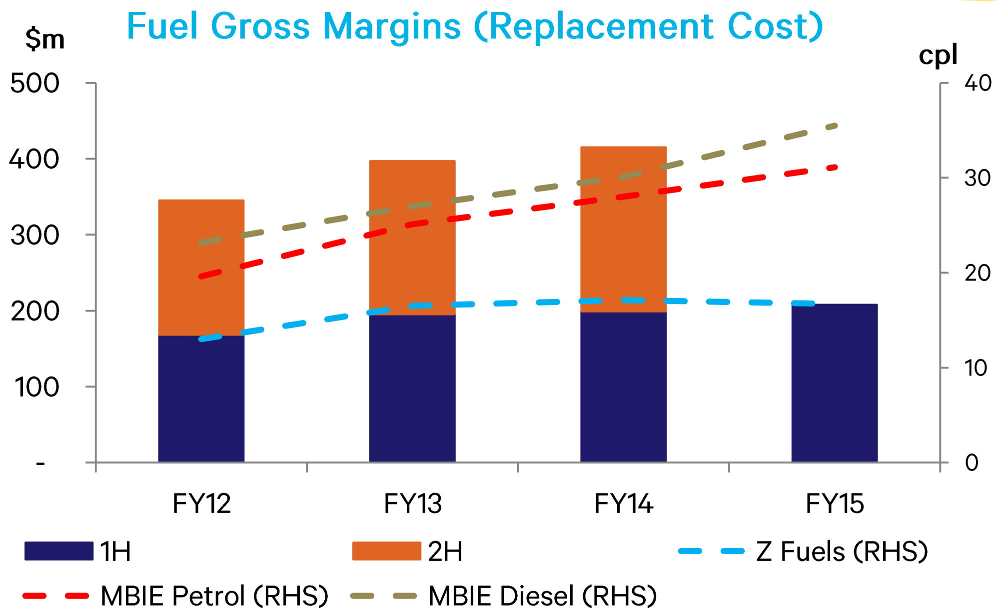


Fuel Margin up 5% over PCP

Volume / margin optimisation delivers

Sales Volumes (ml)	1H FY15	1H FY14	Var
Petrol	399	414	(4%)
Diesel	419	401	4%
Other	271	294	(8%)
Supply sales and exports	165	98	68%
Total Sales	**1,254**	**1,207**	**4%**

- Petrol volume decline reflective of competitive market, industry dynamics and focus on optimising volume and margin mix
- Diesel volume reflects continued portfolio management
- Other volume decline from marine (9ml), jet (5ml) and bitumen (2ml), alongside the discontinuation of the Chemicals business (7ml)
- Supply sales include the sale of 54ml crude to BP through the establishment of the Refining NZ optimisation programme



- Adjusted for supply sales and export volumes, unit margins at 19.2 cpl compared to 17.9 cpl PCP
- Adverse refining impacts have been partially recouped through fuels margin
- Growing disconnect between weekly Ministry of Business Innovation and Employment (MBIE) data and Z's actual margins

Non Fuel Margins up 7% (underlying) over PCP

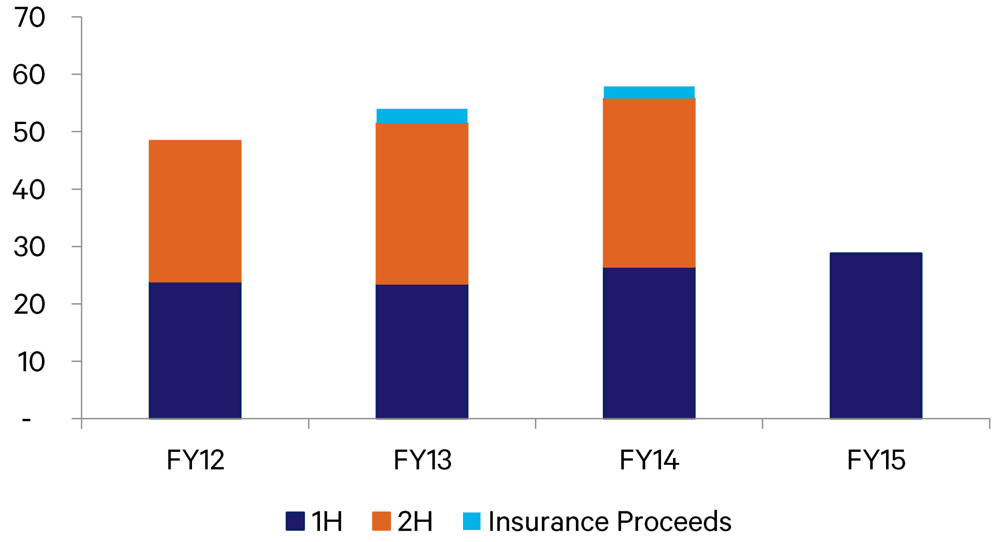
Continued investment delivering sales growth

Operational Metrics	Tier 1	Tier 2	Tier 3
Number of stores[1]	83	39	84
1H FY14	*78*	*21*	*105*
Average monthly shop sales	$150k	$86k	$75k
Like for like sales growth	7%	4%	3%
Total transaction count YoY	-1%	2%	2%
Store transaction count YoY	0%	7%	5%

- Completed 13 Tier 2 store upgrades
- Like for like sales growth reflects the increased range available despite lower transaction count
- Broadly flat total transactions reflective of market share shift as a result of fuel discounting and growing shop only transactions

Note 1: The number of stores shown excludes independents

Non Fuel Gross Margin ($m)



- Growing contribution to the business led by
  - Coffee sales of ~60k units per week, +20% to PCP
  - Carwash sales +21% to PCP
- Z's food and coffee offer was highest performing category (+32% PCP) while tobacco (+6% PCP) and beverages (+9% PCP) also performed strongly

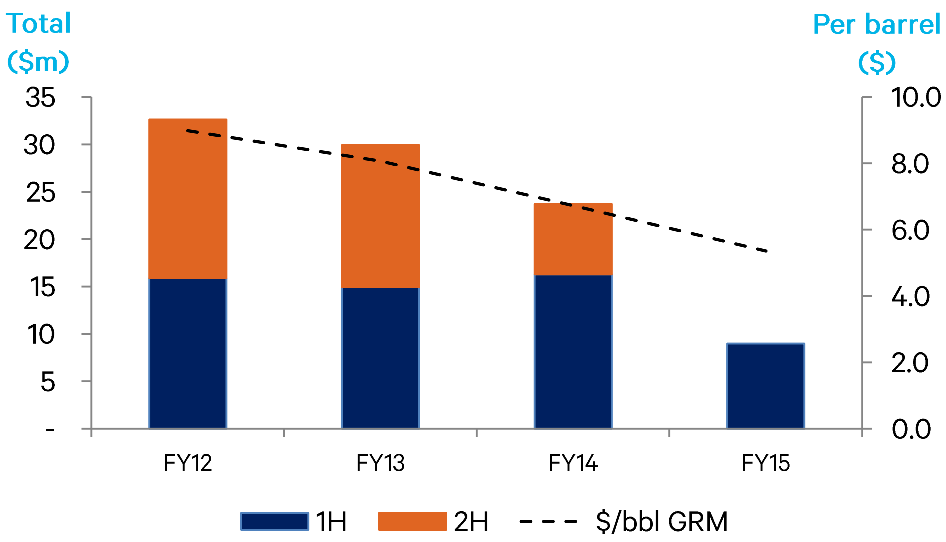
Refining margin down 44% over PCP

Margins in 1Q of $2m compared to 2Q of $7m

Local Conditions and Refinery Performance

- Impact of bottom of cycle global refining margins exacerbated by high Kiwi dollar and lost production
- 22 days lost production in April and 10 days lost production in September
- Fee floor expenses incurred for the first time since 1999

Gross Refining Margin



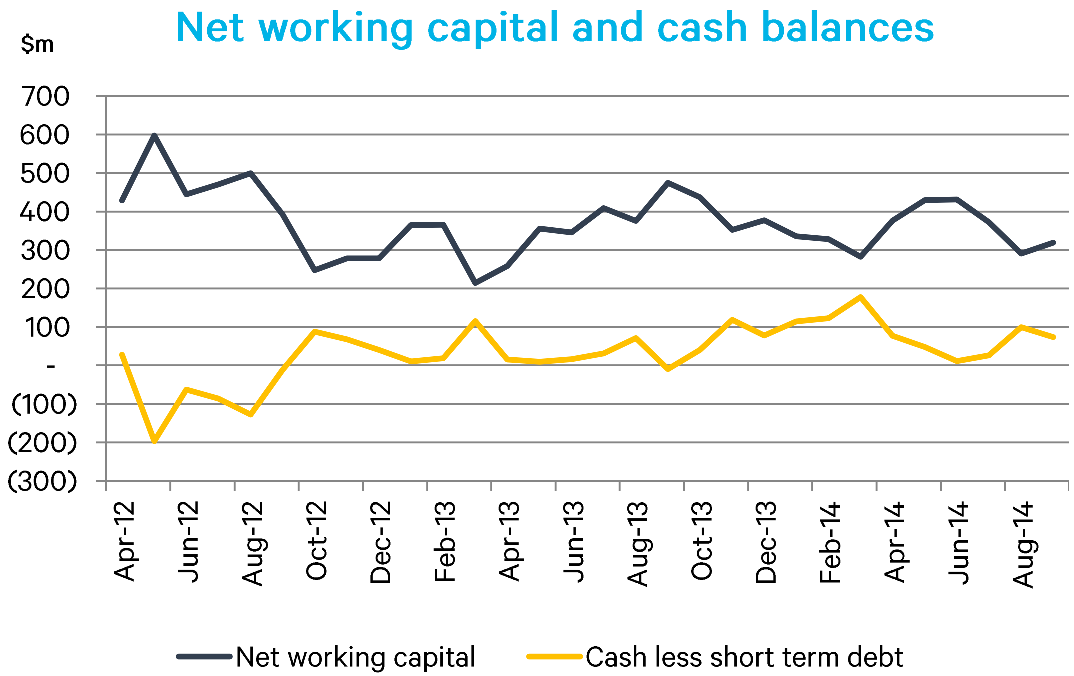
Z Performance

- Refining NZ shutdown saw processing volumes decrease to 5.6m barrels from 6.4m barrels PCP
- 1H FY15 refining margins 3.7% of total gross margin against 6.5% PCP
- Incurred additional expenses related to the refinery of $2m
- Optimisation programme involving BP, Refining NZ and Z started in May. Benefits have not been realised due to fee floor environment
- Finalised the negotiations on the 2015 refined product import programme with lower costs

Cash and capital funding

Financial capacity remains strong for future growth initiatives

Metrics	Sep 14	Mar 14	Sep 13
Gearing – book value	39%	30%	43%
Gearing – market capitalisation	18%	13%	22%
Market capitalisation	$1.58b	$1.56b	$1.54b
Total debt coverage	2.13x	2.05x	2.20x



- Net debt of $356m, made up of $430m domestic retail bonds and $74m of cash on hand
- Gearing and debt coverage measures stronger than 1H FY14
- Headroom on all covenants and strong cashflows in evidence
- Capex spend of $28m for 1H FY15, +$5m against PCP.
- Capex less than expected as chosen not to proceed with projects brought forward from FY14 ($3m) given changed commercial returns. Re-phasing of planned build costs to also impact full year spend

Note: Total debt coverage applied in the ratio is calculated as Total Debt / rolling 12 months RC EBITDAF. Total Debt being defined as the sum of Bonds plus mark to market derivatives and excludes working capital funding

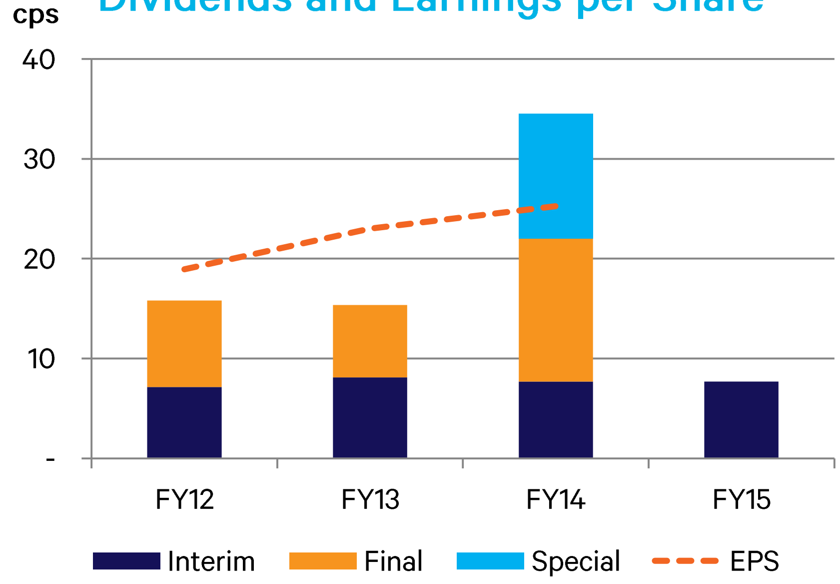
Net working capital is defined as Inventories plus Receivables and Prepayments less Payables, Accruals and Other liabilities

Dividend

Cashflow and underlying performance supports stable dividend

- Consistent with the prior year, Z Directors have declared a fully imputed interim dividend of 7.7 cents per share ($30.8m)
  - Record date: 21 November 2014
  - Payment date: 3 December 2014
- This dividend reflects strong underlying RC Operating EBITDAF performance, with foreign exchange volatility and refining downsides a timing impact
- Holding dividend because of confidence in cashflows

Dividends and Earnings per Share



- Earnings per share (EPS) has been adjusted in FY13 for one off gain relating to retail sale and leaseback program ($46m)
- Dividends paid over the FY12-FY14 period also include interest paid (pre IPO) relating to the reset preference shares and shareholder loans
- Dividends per share and EPS calculation assumes issued shares of 400 million across the FY12-FY14 period

Strategy projects support momentum

FY15 is the first year of "Strengthening the Core"

Strategic initiative	Progress in 1H FY15
New sites and rebuilds • Invest to strengthen the network	• 2 new sites and 5 rebuilds complete • 3 closures, 2 of which were planned rebuilds • A further 1 new site and 1 rebuild by year end with another 2 (1 new and 1 rebuild) opening in April 2015 • Build costs will not meet expectations
Evolution of Tier 1 store offer • Develop food on the go offer and further "hero" categories	• Breakfast day part launched with 9 products • Frozen yoghurt pilot at 1 site with 4 more in November
Extend Tier 2 store offer • Push current food and coffee offer further into the network	• 13 sites completed with sales +33% PCP • 18 sites planned for 2H
Inland diesel portfolio management • Refocus diesel volume by region, channel and then customer segment	• 83 mlpa secured with existing customers • 39 mlpa declined as margins insufficient • 35 mlpa currently under offer
Competing supply chains • Leverage improved refined product pricing across manufactured volume	• Refinery optimisation not yet yielding given fee floor environment • Finalised new agreement for product imports in 2015

Momentum regained after challenging 1Q

A first half of two quarters

- RC Operating EBITDAF in 1Q of $39m and 2Q of $52m
- Most challenging half year in the company's history
- Entered refinery fee floor arrangements for first time since 1999
- Z has managed the business in an integrated fashion through unexpected challenges to deliver quality earnings

Leading to a full year of two halves

- Expected volume uplift from the seasonal aspects of the summer months
- Further growth expected from new and rebuilt retail sites in 2H FY15
- Operational recovery of Refining NZ and improved margin environment
- Momentum from Strengthening the Core will yield more in 2H
- Upside from reduced Retail price variability, holding Retail margin expansion and growing demand from falling prices

Guidance	FY15 Forecast
RC Operating EBITDAF	$220 - $240m
Capex	$75 – $85m

Appendix

1. Financial results
2. Statutory profit and loss
3. Replacement cost profit and loss
4. Reconciliation
5. Comparison to PFI

Financial results

Basis of presentation

Non-GAAP Accounting Measure - Replacement cost (RC) earnings:

- Is a non-GAAP measure used by the downstream fuel industry to measure and report earnings on a replacement cost basis
- RC earnings adjusts purchases of crude and product as if the product sold in a month had been purchased in that month, rather than the Historical Cost (HC) which reflects the prices at the time of purchase
- RC earnings exclude the impact of changes in crude oil and refined product prices on the value of inventory held by Z, thus it is a better measure of underlying performance
- The difference between HC earnings and RC earnings is the Cost of Sales Adjustment (COSA). Refer to the reconciliation between HC NPAT and RC NPAT in these appendices

Statutory profit and loss

$m	1H FY15	1H FY14	Var
Revenue[1]	1,646	1,658	(1%)
HC gross margin	222	248	(10%)
Operating expenses (excluding primary distribution expenses)	(138)	(138)	-
Realised (losses) on foreign exchange and commodity transactions[2]	(6)	(7)	14%
Unrealised (losses) / gains on foreign exchange and commodity transactions[2]	(10)	4	<>
HC Operating EBITDAF	**68**	**107**	**(36%)**
Share of earnings in associates	1	(1)	200%
HC EBITDAF	**69**	**106**	**(35%)**
Depreciation and amortisation	(21)	(17)	(24%)
Net financing expense	(17)	(9)	(89%)
Other	(2)	(1)	(100%)
Taxation	(7)	(23)	70%
HC NPAT	**22**	**56**	**(61%)**

Note 1: The results have been reclassified to show Revenue gross with a separate Excise and carbon expense. This change has no impact on reported profitability
Note 2: Consistent with half year reporting there has been a presentational change whereby realised and unrealised gains and losses are no longer included within purchases, instead they are shown as a separate line within operating costs

Replacement cost profit and loss

$m	1H FY15	1H FY14	Var
Revenue[1]	1,646	1,658	(1%)
RC gross margin	245	245	-
Operating expenses (excluding primary distribution expenses)	(138)	(138)	-
Realised (losses) on foreign exchange and commodity transactions[2]	(6)	(7)	14%
Unrealised (losses) / gains on foreign exchange and commodity transactions[2]	(10)	4	<>
RC Operating EBITDAF	**91**	**104**	**(13%)**
Share of earnings in associates	1	3	(67%)
RC EBITDAF	**92**	**107**	**(14%)**
Depreciation and amortisation	(21)	(17)	(24%)
Net financing expense	(17)	(17)	-
Other	(2)	(2)	-
Taxation	(7)	(21)	67%
Tax on COSA	(7)	1	-
RC NPAT	**38**	**51**	**(25%)**

Note 1: The results have been reclassified to show Revenue gross with a separate Excise and carbon expense. This change has no impact on reported profitability
Note 2: Consistent with half year reporting there has been a presentational change whereby realised and unrealised gains and losses are no longer included within purchases, instead they are shown as a separate line within operating costs

Reconciliation

Reconciliation from statutory NPAT to RC NPAT	$m
Net profit per the statutory accounts	22
Replacement cost of sales adjustment	23
Tax on COSA	(7)
RC NPAT	**38**

Comparison to PFI

Solid underlying business impacted by GRM and FX volatility

$m	1H FY15	PFI	Var
Revenue[1]	1,646	1,763	(7%)
RC gross margin	245	249	(2%)
Operating expenses (excluding primary distribution expenses)	(138)	(144)	4%
Realised (losses) on foreign exchange and commodity transactions[2]	(6)	-	<>
Unrealised (losses) on foreign exchange and commodity transactions[2]	(10)	-	<>
RC Operating EBITDAF	**91**	**105**	**(13%)**
Share of earnings in associates	1	3	(67%)
RC EBITDAF	**92**	**108**	**(15%)**
Depreciation and amortisation	(21)	(22)	5%
Net financing expense	(17)	(16)	(6%)
Other	(2)	-	<>
Taxation (including tax on COSA)	(14)	(19)	26%
RC NPAT	**38**	**51**	**(25%)**

Note 1: The results have been reclassified to show Revenue gross with a separate Excise and carbon expense. This change has no impact on reported profitability

Note 2: Consistent with full year reporting there has been a presentational change whereby realised and unrealised gains and losses are no longer included within purchases, instead they are shown as a separate line within operating costs

Half Year Report

For the six months ended
30 September 2014

Z Energy Limited

Half way thru

Contents

A quick Z

Z performance snapshot

$91m

Replacement Cost[1] Operating EBITDAF[2]

$22m

Historical Cost Net Profit After Tax

[1] Z's replacement cost earnings adjust the cost of sales as if inputs had been procured at the time of sale. For the first half of the 2015 financial year the replacement cost approach to valuing stock sold has resulted in a reduction in cost of goods sold of $23 million. This is not reflected in Z's statutory earnings. Z's management focuses on (and Z provides guidance on) replacement cost operating earnings, which Z considers better reflect the underlying trading performance of the business.

[2] Replacement Cost Operating Earnings Before Interest, Taxation, Depreciation (including gains and losses on the sale of fixed assets), Amortisation and Fair Value movements in interest rate derivatives (RC Operating EBITDAF).

IP thru

for the six months to 30 September 2014

7.7¢ Dividends per share

$38m
Replacement Cost Net Profit After Tax


Coffee
MADE FOR YOU
ESPRESS
awesome roast

Mike Bennetts

CEO's report

A half of two quarters

Tēnā koutou katoa te whanau o Z Energy.

The results

One of the marks of a successful and sustainable company is its ability to consistently deliver quality earnings regardless of changing conditions and market volatility.

The six months ended 30 September 2014 was the most challenging period in Z's four and a half year history as a standalone local company. Local fuel refining experienced the most adverse set of market conditions in more than two decades, which further compounded unplanned operational production outages at Refining New Zealand.

The impact on our business was significant. While I am proud of the Z team for the way in which we are recovering from those impacts as an integrated company, we didn't meet our financial targets.

For the six months ended 30 September 2014 on a Historic Cost basis, Z Energy's earnings after taxation were $22 million, a decrease of 61 per cent. Z recorded Replacement Cost Operating EBITDAF of $91 million, less than the $105 million that we forecast in the Prospective Financial Information in our July 2013 Investment Statement and $13 million less than the comparable period last year.

This result was compounded by a $10 million negative impact from a rapidly depreciating dollar in late September. This non-cash loss resulted from a depreciation in the dollar, increasing net payables in relation to crude and finished product purchases.

The Z Board has determined that Z will pay an interim dividend of 7.7 cents per share, consistent with our policy of paying dividends based on approximately 80 per cent of net profit after tax. The dividend will be paid to shareholders on 3 December 2014.

While there are plenty of reasons why we did not deliver our financial targets, we are not satisfied with our results.

However, we are now at the half-way mark in the financial year. There is operational momentum within our business as evidenced by our customer satisfaction scores, brand metrics and increasing store sales. We are also into action with our 'Strengthening The Core' strategy. The refining-related difficulties, which were most acute in the first quarter of the financial year, are behind us and we retain a weighting towards the second half's financial performance. As such, we are not changing our original guidance of Replacement Cost Operating EBITDAF of $220 – $240 million for the full year.

A half of two quarters

One of our commitments to you as investors, and one of Z's founding organisational values, is simply to 'be straight up'. Half of all Z staff are also shareholders in our company and I know that investors appreciate receiving straight, accurate and clear information all of the time. The result of the remarkable confluence of events in local refining during this period, and leading into it, was that Z earned a lower refining margin. In fact during the first quarter Z paid Refining NZ fee floor payments totalling $8 million to enable the refinery to meet its fixed costs – a situation not seen since the late 1990s. $6 million of the floor expense reversed within the period as the refining market recovered resulting in a net expense of $2 million.

In July, Refining NZ's margins recovered to enable Z to cease making fee floor payments to the refinery and for the payments to begin to be repaid to Z. Refining NZ operates in a calendar financial year and Z expects to continue to recover these payments up until the end of December 2014.

The best way to demonstrate the way in which the six month period was divided into two very distinct quarters, lies in the company's performance. Of Z's $91 million Replacement Cost Operating EBITDAF, the first quarter was $39 million and in the second finished strongly with $52 million. This was also shown where refining margins were $2 million in the first quarter compared to $7 million in the second.

So while the first quarter saw Z's performance dragged down by the legacy of a 22 day extended unplanned refinery outage and extraordinarily low refining margins requiring fee floor payments, the second quarter saw a strong recovery and conditions that are flowing through into the current operating environment. It was disappointing to close out what was otherwise a good second quarter with unrealised foreign exchange and commodity losses of $10 million resulting from a rapidly depreciating dollar.

> **"Integration at Z means our participation across the entire downstream value chain enables us to manage volatility and changing market conditions."**

The benefits of integration

You expect to come across words like 'integration' in corporate reports like these and I'm afraid you're hearing it again. But for Z, the success of the business depends on this concept, so please allow me to explain what it means and why it matters.

Integration at Z means our participation across the entire downstream value chain enables us to manage volatility and changing market conditions. It also reflects the way the Z team works together such that different parts of the business can support others to enable a strong company-wide result.

While we didn't hit the profit targets, the fact that we came as close as we did, while managing the challenges we faced, comes back to our level of integration.

This means we looked at all of our input costs and ensured whatever pricing decisions we made reflected our total end-to-end costs.

While fuel margins did reach elevated levels over the period, commensurate with the size of the refining downside, Z remains a high fixed cost, low margin business with a total net profit after tax over the period of 3 cents per litre.


Forecourt
Concierge
SINA
thru

> **Z has always been very clear that the success of the business lies in equilibrium between fuel volume, margin and economies of scale.**

Competition remains strong

Z has always been very clear that the success of the business lies in equilibrium between fuel volume, margin and economies of scale. Historically we have been prepared to give up some volume in exchange for a higher unit margin, and this strategy had delivered double digit earnings growth year on year while preserving the company's economies of scale and leading market position.

In a higher margin environment, or perhaps because of, we have seen more localised Retail pockets of discounting, sometimes as much as 25 cents per litre off Z's national price. Towards the end of the period, Z has taken the decision to match up to our competitors who are discounting in this manner. What this has meant is that in some parts of the country localised competition is seeing up to a third of Z's sites selling fuel at a discounted price. While we don't like selling fuel at less than what we believe it is worth, the fuel volume that returns to Z's sites when we do match the competition clearly demonstrates the customers' preference for our offer.

Everything to play for – strategy and growth

While there were obvious challenges in the first half of the financial year, it was also a period in which Z made good progress towards strengthening its core strategy. We forecast this strategy will deliver $40 – $50 million of Replacement Cost EBITDAF over the next three to five years, on top of whatever Z's underlying financial performance is.

This strategy is focused around:

- building new-to-industry service stations at a rate of around five per year and rebuilding outdated existing service stations at a rate of around three per year
- ongoing development of the tier one retail offer, including new food and convenience offers and speed initiatives like Pay at Pump
- store upgrades and new convenience offers at up to 50 tier two sites
- continued active management of the commercial fuels portfolio
- growing the benefits from two competing liquid fuel supply chains – crude oil through the refinery and refined fuel imports.

We're making solid progress against each of these. We have completed two new-to-industry service stations during this half year period and five rebuilds, as well as upgrading 13 tier two stores. We are also in the early stages of rolling out our new breakfast range and frozen yoghurt offer. In the commercial channel, our unit margins have improved by reviewing our commercial volume and margin mix to ensure we are working to preserve the integrity of the supply chain. Often this is where Z excels with its infrastructure assets that are able to meet the needs of our commercial customers.

Biofuels

Right at the beginning of Z, we said we would be New Zealand's largest biofuel supplier. I'm pleased to be able to let you know that construction of the $21 million biodiesel production facility and associated blending infrastructure has commenced. The facility will transform inedible tallow into high-quality, sustainable biodiesel starting from the second quarter of the 2016 financial year.

To start with, this plant will produce 20 million litres per annum, with the outlook and ability to double production for an additional $3 million. We've already had undertakings from a handful of large commercial customers to take half of this 20 million litres as these companies make progress towards their own sustainability targets.

We think our customers will reward us for taking this leadership in an industry where nobody expects it. It makes Z more distinctive, it strengthens our brand and, at the end of the day, each year it will displace 20 million litres of mineral diesel with a sustainable alternative. It also sets us up to expand production and make this high-quality biofuel available to more consumers over time.

A good game is a safe game

To take the game metaphor one step further, our results are only as good as our health and safety performance. As a company importing 2.5 billion litres of crude oil and refined fuel per annum and then shipping and trucking that to customers right across the country, nothing has the potential to destroy shareholder value more quickly than failing to get health and safety right.

We're working hard to continually improve our performance across each strand of what we refer to as Health, Safety, Security and the Environment (HSSE) and to ensure we are as transparent as possible in this area. Right now New Zealand is going through the biggest reform of health and safety legislation and regulation in more than 20 years and Z is participating fully in this process while reviewing its own systems and processes to ensure we can implement changes ahead of the new law being passed.

Ultimately, and regardless of the law, I don't believe we will be genuinely world class on HSSE unless we continue to evolve the safety culture within Z. This is the challenge my leadership team and I are committed to advancing every single day, and I invite Z's shareholders to challenge and hold us to account in this area.

What to expect from Z for the second half of this year

So we had a tough first half year, with refining margins through the floor, strong competition, and a result less than we forecasted. Despite the challenges the company has managed in the first half of the year, the recent improvement in refining and marketing margins at the back end of the half, and continued progress against the company's strategy programme, has resulted in the company not changing its earnings guidance.

You will continue to see us performing marketing activities that sustain our brand and distinctive position in the market and I look forward to reporting back to you in half a year's time if I don't have the opportunity to meet with you before then.

Nō reira, tēnā koutou tēnā koutou tēnā tātou katoa.

Mike Bennetts
Chief Executive

How you can Z

A good game is a fast game

As part of delivering more value for our customers, we're very focused on speed and service at Z. After convenience and price, customers tell us they value speed and we're in action to deliver it through our 'Zip thru Z' initiatives. This takes the form of pay at the pump options, having diesel at all lanes at more service stations, and enabling customers to fill up with longer hoses regardless of what side their fuel flap is on!

To put 'Zip thru Z' simply, we want our customers to have a fast, friendly and hassle-free experience. We believe that speed with our service will ultimately lead to greater customer satisfaction and loyalty. To date, we've installed Pay at Pump at 109 retail sites and diesel at all lanes at 197 sites. You can find more out about 'Zip thru Z' below.

Pay at pump

If it's one of those days when you really need to fill up and get on your way as quickly as possible, you might like to try Pay at Pump – we've got it at over 100 Z stations nationwide. All you'll need is your EFTPOS, credit or fuel card and your PIN. And, you can even use your supermarket discount voucher and Fly Buys or Airpoints card to earn points too.

Diesel in more lanes

Schedule slipping? Can't afford to wait for a diesel lane to become available? Don't worry, you won't need to wait at Z because we've got diesel in more lanes at 197 Z stations nationwide so you can park up, fill up and get on with your day.

Super long hoses

Not sure which side your petrol flap is on? No worries – at Z, park on either side and our super lo-o-o-ong hoses will reach. So spend less time waiting or driving around and Zip thru Z. We have super long hoses at all Z stations nationwide.

Forecourt Concierges

Your time matters to us. That's why between 10am and 5pm every day at every Z station across New Zealand, you'll find a Forecourt Concierge on hand to help keep you moving.

Financial statements

Z Energy Limited ("Company") Directors' declaration in respect of the Group Financial Statements for the six months ended 30 September 2014

Introduction

It is a requirement of the Australian Securities Exchange Listing Rule 4.2A.2A that a declaration be given by the directors of the Company in respect of the financial statements for the Company and its subsidiaries (**Z Group**) for the six months ended 30 September 2014. This declaration must be filed with the Australian Securities Exchange.

Declaration

The directors of the Company hereby declare that in the directors' opinion:

1. the Z Group financial statements for the six months ended 30 September 2014 and the notes to those financial statements comply with generally accepted accounting practice (GAAP) in New Zealand as it relates to the half year financial statements
2. the Z Group financial statements for the six months ended 30 September 2014 and the notes to those financial statements give a true and fair view of the financial position and performance of the Z Group, and
3. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors dated 5 November 2014 and is signed for and on behalf of the directors by the Board Chairman.

Signed

Peter Griffiths
Chairman

5 November 2014

Statement of comprehensive income

for the six months ended 30 September 2014

	Unaudited 6 months ended 30 September 2014 $ m	Unaudited 6 months ended 30 September 2013 $ m	Audited 12 months ended 31 March 2014 $ m
Revenue	1,646	1,658	3,371
Excise and carbon expense	(266)	(265)	(546)
Purchases of crude and product	(1,145)	(1,132)	(2,311)
Primary distribution expenses	(13)	(13)	(25)
Operating expenses	(154)	(141)	(281)
Share of earnings of associate companies (net of tax)	1	(1)	(5)
Earnings before interest, taxation, depreciation (including gains and (losses) on sale of fixed assets), amortisation and fair value movements in interest rate derivatives (EBITDAF)	**69**	**106**	**203**
Depreciation and amortisation	(21)	(17)	(39)
Impairment	-	-	1
Loss on sale of fixed assets	-	-	(4)
Net financing expense	(17)	(9)	(25)
Loss on interest rate derivatives	(2)	(1)	(2)
Net profit before taxation	**29**	**79**	**134**
Taxation expense	(7)	(23)	(39)
Net profit for the period	**22**	**56**	**95**
Net profit attributable to owners of the company	**22**	**56**	**95**
Other comprehensive income that will not be reclassified to profit or loss			
Asset revaluation reserve after tax	-	149	143
Share of associate other comprehensive income after tax	-	-	1
Other comprehensive income net of tax	**-**	**149**	**144**
Total comprehensive income for the period	**22**	**205**	**239**
Total comprehensive income attributable to owners of the company	**22**	**205**	**239**
Earnings per share			
Basic and undiluted earnings per share (cents)	6	14	39

The accompanying notes form part of the financial statements.

Statement of financial position

as at 30 September 2014

	Notes	Unaudited 30 September 2014 $ m	Unaudited 30 September 2013 $ m	Audited 31 March 2014 $ m
Shareholders' equity		**554**	**588**	**591**
Represented by:				
Current assets				
Cash and cash equivalents		74	21	178
Accounts receivable and prepayments		188	195	227
Inventories	3	482	593	479
Derivative financial instruments		2	2	1
Assets held for sale		2	1	-
Income tax receivable		6	-	-
Total current assets		**754**	**812**	**885**
Non current assets				
Property, plant and equipment		516	494	511
Intangible assets		31	32	35
Investments in associates	4	97	100	96
Derivative financial instruments		8	14	12
Other non current assets		1	2	1
Total non current assets		**653**	**642**	**655**
Total assets		**1,407**	**1,454**	**1,540**
Current liabilities				
Accounts payable, accruals and other liabilities	2	345	313	424
Income tax payable		-	8	12
Provisions		11	5	11
Derivative financial instruments		3	3	2
Short term loan		-	31	-
Total current liabilities		**359**	**360**	**449**
Non current liabilities				
Other liabilities		17	17	17
Provisions		18	22	21
Derivative financial instruments		8	11	10
Bonds		430	430	430
Deferred tax		21	26	22
Total non current liabilities		**494**	**506**	**500**
Total liabilities		**853**	**866**	**949**
Net assets		**554**	**588**	**591**

Approved on behalf of the Board on 5 November 2014

Peter Griffiths
Chairman

Abigail Foote
Director

The accompanying notes form part of the financial statements.

Statement of cash flows

for the six months ended 30 September 2014

	Notes	Unaudited 6 months ended 30 September 2014 $ m	Unaudited 6 months ended 30 September 2013 $ m	Audited 12 months ended 31 March 2014 $ m
Cash flows from operating activities				
Cash was provided from:				
Receipts from customers		1,675	1,445	3,387
Dividends received		-	-	1
Proceeds from insurance recoveries		-	2	2
Interest received		11	11	24
		1,686	**1,458**	**3,414**
Cash was disbursed to:				
Payments to suppliers and employees		(1,395)	(1,256)	(2,714)
Excise and carbon paid		(257)	(300)	(546)
Interest paid		(25)	(20)	(44)
Taxation paid		(22)	(16)	(29)
		(1,699)	**(1,592)**	**(3,333)**
Net cash (outflow)/inflow from operating activities		**(13)**	**(134)**	**81**
Cash flows from investing activities				
Cash was provided from:				
Proceeds from sale of investments		-	1	1
Proceeds from sale of property, plant and equipment		5	1	7
		5	**2**	**8**
Cash was disbursed to:				
Purchase of intangible assets		(1)	(48)	(10)
Purchase of Refining NZ		-	(100)	(100)
Purchase of property, plant and equipment		(33)	(23)	(63)
		(34)	**(171)**	**(173)**
Net cash (outflow) from investing activities		**(29)**	**(169)**	**(165)**
Cash flows from financing activities				
Cash was provided from:				
Issue of shares		-	422	422
Cash from intercompany		-	160	162
Proceeds from debt		-	30	-
		-	**612**	**584**
Cash was disbursed to:				
Cash to intercompany		-	(322)	(324)
Purchase of shares	5	(2)	(2)	(2)
Dividends paid to owners of the company	5	(60)	(79)	(111)
		(62)	**(403)**	**(437)**
Net cash (outflow)/inflow from financing activities		**(62)**	**209**	**147**
Net (decrease)/increase in cash		(104)	(94)	63
Cash balances at beginning of period		178	115	115
Cash at end of period		**74**	**21**	**178**

The accompanying notes form part of the financial statements.

Reconciliation of net profit for the period to cash flows from operating activities

	Unaudited 6 months ended 30 September 2014 $ m	Unaudited 6 months ended 30 September 2013 $ m	Audited 12 months ended 31 March 2014 $ m
Net profit for the period	22	56	95
Adjusted for items not involving cash flows:			
Depreciation and amortisation	21	17	39
Impairment	-	-	(1)
Equity accounted earnings and income of associates	(1)	1	5
Movement in bad and doubtful debt provisions	1	-	1
Fair value of interest rate derivatives	2	(1)	2
Loss on sale of fixed assets	-	-	4
Other	3	-	(1)
Movements in working capital			
Change in accounts receivable and prepayments	39	46	14
Change in inventories	(3)	(111)	3
Change in accounts payable, accruals and other liabilities	(79)	(150)	(90)
Change in taxation	(18)	8	10
Net cash (outflow)/inflow from operating activities	**(13)**	**(134)**	**81**

The accompanying notes form part of the financial statements.

Statement of changes in equity

for the six months ended 30 September 2014

	Capital	Retained earnings	Employee share reserve	Asset revaluation reserve	Total equity
	$ m	$ m	$ m	$ m	$ m
Balance at 1 April 2013	10	587	-	-	597
Net profit for the period	-	56	-	-	56
Other comprehensive income	-	-	-	149	149
Total comprehensive income	**-**	**56**	**-**	**149**	**205**
Transactions with owners recorded directly in equity:					
Change in share capital	422	-	-	-	422
Own shares acquired	-	-	(2)	-	(2)
Dividends to equity holders	-	(634)	-	-	(634)
Total transactions with owners recorded directly in equity	**422**	**(634)**	**(2)**	**-**	**(214)**
Unaudited closing balance at 30 September 2013	**432**	**9**	**(2)**	**149**	**588**
Balance at 1 October 2013	432	9	(2)	149	588
Net profit for the period	-	39	-	-	39
Other comprehensive income	-	1	-	(6)	(5)
Disposal of revalued assets	-	2	-	(2)	-
Total comprehensive income	**-**	**42**	**-**	**(8)**	**34**
Transactions with owners recorded directly in equity:					
Dividends to equity holders	-	(31)	-	-	(31)
Supplementary dividends to equity holders	-	(1)	-	-	(1)
Tax credit on supplementary dividends	-	1	-	-	1
Total transactions with owners recorded directly in equity	**-**	**(31)**	**-**	**-**	**(31)**
Audited closing balance at 31 March 2014	**432**	**20**	**(2)**	**141**	**591**
Balance at 1 April 2014	432	20	(2)	141	591
Net profit for the period	-	22	-	-	22
Total comprehensive income	**-**	**22**	**-**	**-**	**22**
Transactions with owners recorded directly in equity:					
Own shares acquired	-	-	(2)	-	(2)
Dividends to equity holders	-	(57)	-	-	(57)
Supplementary dividends to equity holders	-	(3)	-	-	(3)
Tax credit on supplementary dividends	-	3	-	-	3
Total transactions with owners recorded directly in equity	**-**	**(57)**	**(2)**	**-**	**(59)**
Unaudited closing balance at 30 September 2014	**432**	**(15)**	**(4)**	**141**	**554**

The accompanying notes form part of the financial statements.

Notes to the financial statements

for the six months ended 30 September 2014

(1) Basis of accounting

Reporting entity

Z Energy Limited is registered in New Zealand under the Companies Act 1993 and is an issuer for the purposes of the Financial Reporting Act 2013 and Financial Markets Conduct Act 2013. Z Energy Limited is party to listing agreements with NZX Limited (NZX) and ASX Limited (ASX), with its ordinary shares quoted on the NZX Main Board, ASX and three series of bonds quoted on the NZX Debt Market.

The interim group financial statements (Group financial statements) are for the six months ended 30 September 2014 and are presented for Z Energy Limited, its subsidiaries and interests in associates and jointly controlled operations (together referred to as Z, Z Energy, or the Group).

Basis of preparation

The Group financial statements comply with NZ IAS 34: Interim Financial Reporting (NZ IAS 34) and IAS 34: Interim Financial Reporting. They do not include all the information required in annual financial statements and should be read in conjunction with the Group financial statements for the year ended 31 March 2014.

The functional and reporting currency used in the preparation of the financial statements is New Zealand dollars, rounded to the nearest million ($m).

Accounting policies and standards

The accounting policies set out in the 31 March 2014 financial statements have been applied consistently to all periods presented in these Group financial statements.

Presentational changes

Certain amounts in the comparative information have been reclassified to ensure consistency with the current period's presentation.

Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The Group's significant areas of estimation and critical judgements in these Group financial statements are the same as those contained in the Group financial statements for the year ended 31 March 2014.

(2) Accounts payable, accruals and other liabilities

	Unaudited 30 September 2014 $ m	Unaudited 30 September 2013 $ m	Audited 31 March 2014 $ m
Accounts payable	314	293	397
Accruals and other liabilities	22	12	13
Employee benefits payable	9	8	14
	345	**313**	**424**

(3) Inventories

Inventory is stated at the lower of cost or net realisable value. The cost of inventories is based on the first-in-first-out principle. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

	Unaudited 30 September 2014 $ m	Unaudited 30 September 2013 $ m	Audited 31 March 2014 $ m
Raw materials and consumables	140	205	147
Finished goods/trading products	342	388	332
	482	**593**	**479**

During the period the write-down of inventories to net realisable value amounted to $0.3m (30 September 2013: $nil, 31 March 2014: $4m). The write-down is included in 'purchases of crude and product'.

(4) Investments in associates

The Group holds an investment in The New Zealand Refining Company Limited (Refining NZ) and based on its closing share price of $1.66 the fair value of the Group's investment in Refining NZ is $79m (30 September 2013: $100m, 31 March 2014: $84m) compared to a carrying value of $95m (30 September 2013: $99m, 31 March 2014: $95m). The Group also holds $2m of investments in associates and subsidiaries outside of Refining NZ (30 September 2013: $1m, 31 March 2014: $1m).

(5) Share capital and distributions

During the period 444,555 shares at a cost of $2m (30 September 2013: $2m, 31 March 2014: $2m) were purchased and held by Z Energy LTI Trustee Limited for Z's restricted share long-term incentive plan.

Dividend	Cents per share	**Unaudited 6 months ended 30 September 2014 $ m**	Unaudited 6 months ended 30 September 2013 $ m	Audited 12 months ended 31 March 2014 $ m
2013 Final dividend (paid June 13)	580		29	29
2014 Special dividend (paid June 13)	1,000		50	50
2014 Non-cash dividend to settle intercompany balances	11,100		555	555
2014 Interim dividend (paid December 13)	8			31
2014 Final dividend (paid June 14)	**14**	**57**		
Total distribution		**57**	**634**	**665**

(6) Related parties

Transactions with related parties Received/(paid)	**Unaudited 6 months ended 30 September 2014 $ m**	Unaudited 6 months ended 30 September 2013 $ m	Audited 12 months ended 31 March 2014 $ m
Associates – sale of goods and services	**1**	**1**	**2**
Associates – purchase of goods and services			
Refining NZ – processing fees, customs and excise duties	(223)	(242)	(429)
Coastal Oil Logistics Limited – distribution	(12)	(9)	(19)
Other	(17)	(20)	(34)
Companies with common directorship – sale of goods and services	2	-	4
Infratil Group			
Sale of goods and services	1	1	1
Tax subvention payment	(1)	-	-
Purchase of goods and services	-	-	(1)
Key management personnel			
Short-term employee benefits	3	2	4
Other long-term benefits	2	1	2
Termination benefits	-	-	1
Balances at end of period			
Associates – payable			
Refining NZ – processing fees, customs and excise duties	(37)	(38)	(40)
Other	(1)	(4)	(3)
Companies with common directorship – receivable	-	-	1

(7) Comparison against prospectus forecast

The forecast numbers for the six months ended 30 September 2014 formed part of the Investment Statement and Prospectus dated 25 July 2013. An adjusted forecast has been included, where appropriate, to incorporate presentational changes for revenue, excise and carbon expense. In addition, forecast commodity and foreign exchange gains and losses have been reclassified.

Statement of Comprehensive Income vs. Prospectus Forecast

	Unaudited 6 months ended 30 September 2014	Adjusted Forecast 6 months ended 30 September 2014	Forecast 6 months ended 30 September 2014
	$ m	$ m	$ m
Revenue	1,646	1,763	1,457
Excise and carbon expense	(266)	(306)	-
Purchases of crude and product	(1,145)	(1,196)	(1,196)
Primary distribution expenses	(13)	(13)	(13)
Operating expenses	(154)	(144)	(144)
Share of earnings of associate companies (net of tax)	1	3	3
EBITDAF	**69**	**107**	**107**
Depreciation and amortisation	(21)	(22)	(22)
Net financing expense	(17)	(16)	(16)
Loss on interest rate derivatives	(2)	-	-
Net profit before taxation	**29**	**69**	**69**
Taxation expense	(7)	(19)	(19)
Net profit for the period	**22**	**50**	**50**
Net profit attributable to owners of the company	**22**	**50**	**50**
Other comprehensive income net of tax	-	-	-
Total comprehensive income for the period	**22**	**50**	**50**

Against the Prospective Financial Information (PFI), lower revenues were driven from lower volumes in the period. These lower revenues, low refining margins, expenses incurred through the refining fee floor arrangements and the extended refinery shutdown all resulted in lower EBITDAF than forecast. On top of these, the volatility in the USD:NZD foreign exchange rate over the period adversely impacted the result by $10m.

The Group's primary basis of evaluating business performance is Replacement Cost Operating EBITDAF. Replacement Cost Operating EBITDAF was $91m for the period against PFI of $105m. This is a non GAAP measure. Refer to the Investment Statement and Prospectus dated 25 July 2013 for more detail on this measure. In addition, refer to the Group's management discussion and analysis material.

Statement of Financial Position vs. Prospectus Forecast

	Unaudited 30 September 2014 $ m	Forecast 30 September 2014 $ m
Shareholders' equity	**554**	**605**
Represented by:		
Current assets		
Cash and cash equivalents	74	148
Accounts receivable and prepayments	188	189
Inventories	482	480
Derivative financial instruments	2	-
Other assets	2	3
Income tax receivable	6	-
Total current assets	**754**	**820**
Non current assets		
Property, plant and equipment	516	557
Intangible assets	31	24
Investments in associates	97	109
Derivative financial instruments	8	-
Other non current assets	1	2
Total non current assets	**653**	**692**
Total assets	**1,407**	**1,512**
Current liabilities		
Accounts payable, accruals and other liabilities	345	401
Income tax payable	-	5
Provisions	11	-
Derivative financial instruments	3	1
Total current liabilities	**359**	**407**
Non current liabilities		
Other liabilities	17	14
Provisions	18	29
Derivative financial instruments	8	-
Bonds	430	431
Deferred tax	21	26
Total non current liabilities	**494**	**500**
Total liabilities	**853**	**907**
Net assets	**554**	**605**

Net assets were $51m below the PFI, reflecting lower profitability. Property, plant and equipment is lower than forecast mainly due to the postponement of spend to later periods or in some cases projects put on hold. Refer to cash flows analysis for movements of cash on hand and accounts payable, accruals, and other liabilities.

Statement of Cash Flows vs. Prospectus Forecast

	Unaudited 6 months ended 30 September 2014 $ m	Adjusted Forecast 6 months ended 30 September 2014 $ m	Forecast 6 months ended 30 September 2014 $ m
Cash flow from operating activities			
Cash was provided from:			
Receipts from customers	1,675	1,789	1,789
Dividends received	-	1	1
Cash was disbursed to:			
Payments to suppliers and employees	(1,395)	(1,351)	(1,657)
Excise and carbon paid	(257)	(306)	-
Net interest paid	(14)	(16)	(16)
Taxation paid	(22)	(28)	(28)
Net cash (outflow)/inflow from operating activities	**(13)**	**89**	**89**
Cash flow from investing activities			
Cash was provided from:			
Sale of property, plant and equipment	5	-	-
Cash was disbursed to:			
Purchase of intangible assets	(1)	-	-
Purchase of property, plant and equipment	(33)	(30)	(30)
Net cash (outflow) from investing activities	**(29)**	**(30)**	**(30)**
Cash flows from financing activities			
Cash was disbursed to:			
Repay financial instruments	-	1	1
Finance lease	-	(1)	(1)
Dividends paid	(60)	(57)	(57)
Purchase of shares	(2)	-	-
Net cash (outflow) from financing activities	**(62)**	**(57)**	**(57)**
Net (decrease)/increase in cash	(104)	2	2
Cash balances at beginning of period	178	146	146
Cash at end of period	**74**	**148**	**148**

Net cash flows were $74m below PFI due to lower receipts in line with lower volumes sold and additional expenses incurred through the refining fee floor arrangements and the extended refinery shutdown that were not expected in the forecast. The timing of payments to suppliers also impacted upon cashflows against forecast.

Statement of Changes in Equity vs. Prospectus Forecast

	Unaudited 30 September 2014 $ m	Forecast 30 September 2014 $ m
Equity at 1 April 2014	**591**	**612**
Net profit for the period	22	50
Other comprehensive income	-	-
Changes in share capital	-	-
Own shares acquired	(2)	-
Distributions to new and existing equity owners	(57)	(57)
Total equity at 30 September 2014	**554**	**605**

Total equity was $51m below the PFI due to lower profitability resulting from the items explained previously.

(8) Events after balance date

Dividend

On 5 November 2014, the directors approved a fully imputed dividend of $0.077 per share, which is equal to $31m to be paid on 3 December 2014 (30 September 2013: $31m, $0.077 per share; 31 March 2014: $57m, $0.143 per share).

Auditors' review report

KPMG

Independent review report

To the shareholders of Z Energy Limited

We have completed a review of the interim financial statements of Z Energy Limited and its subsidiaries ("the Group") on pages 13 to 23 which comprise the statement of financial position as at 30 September 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the six month period ended on that date, and a summary of significant accounting policies and other explanatory information.

Directors' responsibilities

The directors of the Group are responsible for the preparation and fair presentation of interim financial statements in accordance with NZ IAS 34 *Interim Financial Reporting* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibilities

Our responsibility is to express a conclusion on the interim financial statements based on our review. We conducted our review in accordance with the Review Engagement Standard RS-1 issued by the External Reporting Board.

A review is limited primarily to enquiries of company personnel and analytical review procedures applied to the financial data and thus provides less assurance than an audit.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly we do not express an audit opinion on those financial statements.

Other than in our capacity as assurance practitioners we have no relationship with or interests in the Group.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements of the Group do not give a true and fair view of the financial position of the Group as at 30 September 2014, and of its financial performance and its cash flows for the six month period ended on that date, in accordance with NZ IAS 34 *Interim Financial Reporting*.

Our review was completed on 5 November 2014 and our opinion is expressed as at that date.

KPMG

Wellington

Directory

Directors

Peter Ward Griffiths (Chairman)
Marko Bogoievski
Alan Michael Dunn
Abigail Kate Foote
Paul Lightle Fowler
Bruce Harker
Justine Mary Munro

Senior Management

Michael Bennetts
Chief Executive

Chris Day
Chief Financial Officer

David Binnie
General Manager Supply and Distribution

Mark Forsyth
General Manager Retail

Lindis Jones
General Manager Commercial

Huma Faruqui
General Manager Capability and Organisational Development

Rob Wiles
General Manager Corporate

John Conlan
Acting General Counsel and Company Secretary

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Hong Kong and Shanghai Banking Corporation

HSBC Tower
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Wellington

Westpac Banking Corporation

188 Quay Street
Auckland

Australia Registered Business Number

164438448

z.co.nz

ARBN 164 438 448

Appendix 4D

Half year reporting periods

Reporting period	six months to 30 September 2014
Previous reporting period	six months to 30 September 2013

Results for announcement to the market

	Six months to 30 September 2014 (NZ $m)	Percentage change
Operational results		
Revenues from ordinary activities	1,646	(1)%
Profit (loss) from ordinary activities after tax attributable to security holders	22	(61)%
Net profit (loss) attributable to security holders	22	(61)%

	Amount per security (NZ cents)	Franked amounts per security (AUD cents)
Dividends – Ordinary shares		
Interim dividend	7.7	0.0
Record date		21 November 2014
Payment date		3 December 2014

There are currently no dividend or distribution reinvestment plans in operation.

Financial information and commentary

For commentary on the results please refer to the media announcement and management commentary. Appendix 4D should be read in conjunction with the interim Group financial statements for the six months ended 30 September 2014 as contained in the Half Year Report and our most recent Annual Report.

Net tangible assets per security

	30 September 2014 (NZ cents)	30 September 2013 (NZ cents)
Net tangible assets per security	63	67

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Subsidiaries, associates and joint operations

	Percentage holding
Subsidiaries	
Harbour City Property Investments Limited	100%
Z Energy ESPP Trustee Limited	100%
Z Energy LTI Trustee Limited	100%
Associates	
The New Zealand Refining Company Limited	15%
Loyalty New Zealand Limited	25%
New Zealand Oil Services Limited	50%
Wiri Oil Services Limited	28%
Penagree Limited	25%
Coastal Oil Logistics Limited	25%
Joint operations	
The Group has participating interests in three unincorporated jointly controlled operations relating to the storage and distribution of petroleum products	
Joint User Hydrant Installation (JUHI)	25%
Joint Interplane Fuelling Services (JIFS)	50%
Jointly Owned Storage Facility (JOSF)	50%

There have been no entities which control has been gained or lost during the period.

Accounting standards

The Group financial statements comply with NZ IAS 34: Interim Financial Reporting and IAS 34: Interim Financial Reporting. They do not include all the information required in the annual financial statements and should be read in conjunction with the Group financial statements for the year ended 31 March 2014.

Audit

This report is based on the unaudited interim Group financial statements. KPMG has provided a review report on the financial statements which is attached.

3 Queens Wharf
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Wellington 6140
New Zealand

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Appendix 1

Half year reporting periods

Reporting period	six months to 30 September 2014
Previous reporting period	six months to 30 September 2013

Results for announcement to the market

	Six months to 30 September 2014 (NZ $m)	Percentage change
Operational results		
Revenues from ordinary activities	1,646	(1)%
Profit (loss) from ordinary activities after tax attributable to security holders	22	(61)%
Net profit (loss) attributable to security holders	22	(61)%

	Amount per security (NZ cents)	Imputed amounts per security (NZ cents)
Dividends – Ordinary shares		
Interim dividend	7.7	2.9944
Record date		21 November 2014
Payment date		3 December 2014

There are currently no dividend or distribution reinvestment plans in operation.

Financial information and commentary

For commentary on the results please refer to the media announcement and management commentary. Appendix 1 should be read in conjunction with the interim Group financial statements for the six months ended 30 September 2014 as contained in the Half Year Report and our most recent Annual Report.

Net tangible assets per security

	30 September 2014 (NZ cents)	30 September 2013 (NZ cents)
Net tangible assets per security	63	67

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Subsidiaries, associates and joint operations

	Percentage holding
Subsidiaries	
Harbour City Property Investments Limited	100%
Z Energy ESPP Trustee Limited	100%
Z Energy LTI Trustee Limited	100%
Associates	
The New Zealand Refining Company Limited	15%
Loyalty New Zealand Limited	25%
New Zealand Oil Services Limited	50%
Wiri Oil Services Limited	28%
Penagree Limited	25%
Coastal Oil Logistics Limited	25%
Joint operations	
The Group has participating interests in three unincorporated jointly controlled operations relating to the storage and distribution of petroleum products	
Joint User Hydrant Installation (JUHI)	25%
Joint Interplane Fuelling Services (JIFS)	50%
Jointly Owned Storage Facility (JOSF)	50%

There have been no entities which control has been gained or lost during the period.

Accounting standards

The Group financial statements comply with NZ IAS 34: Interim Financial Reporting and IAS 34: Interim Financial Reporting. They do not include all the information required in the annual financial statements and should be read in conjunction with the Group financial statements for the year ended 31 March 2014.

Audit

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APPENDIX 7 – NZSX Listing Rules

EMAIL: announce@nzx.com

Notice of event affecting securities

NZSX Listing Rule 7.12.2. For rights, NZSX Listing Rules 7.10.9 and 7.10.10.
For change to allotment, NZSX Listing Rule 7.12.1, a separate advice is required.

Number of pages including this one (Please provide any other relevant details on additional pages): 1

Full name of Issuer	Z Energy Limited
Name of officer authorised to make this notice	Chris Day
Authority for event, e.g. Directors' resolution	Directors' resolution
Contact phone number	+64 4 462 4620
Contact fax number	
Date	6 / 11 / 2014

Nature of event
Tick as appropriate

Bonus Issue	☐
If ticked, state whether: Taxable	☐
/ Non Taxable	☐
Conversion	☐
Interest	☐
Rights Issue Renouncable	☐
Rights Issue non-renouncable	☐
Capital change	☐
Call	☐
Dividend	☑
If ticked, state whether: Interim	☑
Full Year	☐
Special	☐
DRP Applies	☐

EXISTING securities affected by this

If more than one security is affected by the event, use a separate form.

Description of the class of securities	Ordinary Shares
ISIN	NZZELE0001S1

If unknown, contact NZX

Details of securities issued pursuant to this event

If more than one class of security is to be issued, use a separate form for each class.

Description of the class of securities	
ISIN	

If unknown, contact NZX

Number of Securities to be issued following event	
Minimum Entitlement	
Ratio, e.g 1 for 2	for
Conversion, Maturity, Call Payable or Exercise Date	
Treatment of Fractions	
Tick if pari passu	☐
OR provide an explanation of the ranking	
Strike price per security for any issue in lieu or date Strike Price available.	

Enter N/A if not applicable

Monies Associated with Event

Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.

In dollars and cents

Amount per security (does not include any excluded income)	$0.077
Source of Payment	Retained Earnings
Excluded income per security (only applicable to listed PIEs)	
Currency	NZ Dollars
Total monies	$30,800,000

Supplementary dividend details - NZSX Listing Rule 7.12.7

Amount per security in dollars and cents	$0.013588
Date Payable	3 December, 2014

Taxation

Amount per Security in Dollars and cents to six decimal places

In the case of a taxable bonus issue state strike price	$
Resident Withholding Tax	$0.005347
Imputation Credits (Give details)	$0.029944
Foreign Withholding Tax	$
FDP Credits (Give details)	

Timing (Refer Appendix 8 in the NZSX Listing Rules)

Record Date 5pm *For calculation of entitlements -*	21 November, 2014
Application Date *Also, Call Payable, Dividend / Interest Payable, Exercise Date, Conversion Date. In the case of applications this must be the last business day of the week.*	3 December, 2014
Notice Date *Entitlement letters, call notices, conversion notices mailed*	
Allotment Date *For the issue of new securities. Must be within 5 business days of application closing date.*	

OFFICE USE ONLY
Ex Date:
Commence Quoting Rights:
Cease Quoting Rights 5pm:
Commence Quoting New Securities:
Cease Quoting Old Security 5pm:

Security Code:

Security Code:

NZX