



2 June 2015

## **Z Energy to acquire Chevron transport fuel business**

Z Energy has signed an agreement with a subsidiary of Chevron Corporation to acquire 100 per cent of Chevron New Zealand.

The acquisition is subject to clearance under the Commerce Act 1986 and consent of the Overseas Investment Office (OIO).

Z is paying NZ\$785 million for all of the shares of Chevron New Zealand, the owner of Chevron's downstream operations in New Zealand, including Chevron-owned service stations and lubricant interests. The proposed acquisition excludes Chevron's upstream interests and Chevron New Zealand recently sold its shareholding interest in Refining NZ.

Z Energy Chief Executive, Mike Bennetts, said the acquisition was a major opportunity in the company's development, with substantial advantages for the New Zealand market.

"Z is a Kiwi company, all of our people live here and we're all completely focused only on serving the New Zealand market and Kiwi customers. Over the past five years we have proven our commitment to New Zealand as demonstrated through our investment in local communities, new customer offers like pay at pump, and developing alternative renewable fuels through a \$25 million investment in the country's first commercial scale biodiesel plant.

"Customers can expect us to continue to provide service and choice by investing in new offers, there will be new jobs created as we bring back roles from offshore, and our many shareholders can expect to benefit from a more efficient company."

Mike Bennetts said Z is the best positioned and most logical buyer of the Caltex business both for the future of the industry and for New Zealand.

"Like the creation of Z five years ago, this acquisition bucks the trend of Kiwi companies being sold offshore. Instead, this transaction represents another example of bringing the New Zealand operations of a multinational company directly into the ownership and exclusive operation of a company that has recently been recognised as having one of the strongest and most trusted corporate reputations in New Zealand," he said.



"The New Zealand transport fuels market is and will remain highly competitive," he said. "As New Zealanders know, Z and Caltex are only two players in a very dynamic marketplace in which there are currently five importers of refined fuel and crude oil and where motorists have the choice of at least a dozen fuel retailers."

There will be benefits for the expanded company from procurement, operating cost and supply chain efficiencies achievable under common ownership and systems.

Mike Bennetts said Z will operate two brands throughout the combined service station network. Z will continue with its new build programme on prime sites around New Zealand, and on delivering choice and the best possible service to New Zealand motorists and transport operators.

"The acquisition is also a great fit with our longer term market growth strategy. Caltex is a successful and highly attractive business in New Zealand and the acquisition means we can use the scale of the combined operation for the expanded supply of biodiesel to a broader market."

Mike Bennetts said the Commerce Commission and Overseas Investment Office processes were expected to take some months. "It is very much business as usual for Z, with a continued focus on safety, people and operational excellence."

The transaction will be financed through a combination of existing cash, committed term debt and standby facilities together with an expected underwritten pro rata equity raising which will occur closer to settlement.

Z is advised by Goldman Sachs New Zealand Limited, together with Minter Ellison Rudd Watts, Chapman Tripp and PwC.

Jonathan Hill: 04 498 0212



2 June 2015

## **Changes in Z general managers**

Z Energy today announced three changes to the company's Executive team.

Lindis Jones, the General Manager of the Commercial business unit, will take up a new role as General Manager for Transition. This role is accountable for the safe and successful transition of the Chevron and Z businesses into one company.

Lindis will be replaced by Nicolas Williams as the General Manager of the Commercial business unit.

Z Chief Executive Mike Bennetts said the changes underlined the importance to Z of a smooth transition of the two companies into one and also the need for strong leadership of the Commercial operations.

"Lindis has been the General Manager of the Commercial business for four years now and has transformed Commercial into a more strategic, performance-driven and customer-focused operation. Lindis is a strong leader of people and his appointment to this new role is a reflection of the importance we place on a safe, successful transition that this transaction will require.

"Additionally, Nicolas Williams has been the head of strategy at Z for the last four years and has played a leading role in bringing the acquisition of the Chevron business to today's announcement.

"Nicolas is a highly strategic thinker and through his recent involvement with the Board of New Zealand Oil Services – the JV that manages Z's bulk fuel storage terminals around the country – he has demonstrated a strong commitment to safety leadership and operational excellence. His appointment will ensure the Commercial business remains focused on its customers, the safety of its operations and its strategic priorities."

Both appointments are effective immediately.



Additionally, the General Manager of Corporate, Rob Wiles, feels his work is done at Z and has given notice that he will step down from the company in September to seek another challenging career opportunity aligned to his interest and skills.

Mike Bennetts said Rob Wiles was bought into the company to help it move forward strategically, particularly in terms of taking the company to market and bringing industry consolidation to fruition.

"Rob should be very pleased with his important contribution to Z," said Mike Bennetts. "He has led the highly successful public listing of Z and been instrumental in bringing the transaction with Chevron to this stage.

"Rob has played an important role in Z's growth and will leave the company in an excellent position to continue to grow and deliver customer and shareholder value."

Jonathan Hill: 04 498 0212



2 June 2015

## **Media and investor briefing: Z Energy acquisition of Chevron New Zealand**

Z Energy will hold a media and investor briefing around the company's announcement of the acquisition of Chevron New Zealand at NZT 11.00am.

The briefing will be presented by CEO Mike Bennetts and CFO Chris Day at the company's Wellington offices at 3 Queens Wharf. Please RSVP to [jonathan.hill@z.co.nz](mailto:jonathan.hill@z.co.nz)

The briefing will also be webcast live from:

<http://edge.media-server.com/m/p/5jib6cbm>

A recording of the briefing will be posted on [www.z.co.nz/investor](http://www.z.co.nz/investor) after NZT 3.00pm.

The presentation will also be audio conferenced. To listen to the conference please call:

<b>New Zealand</b>	<b>Toll Free</b> 0800 450 585
<b>Australia</b>	<b>Toll Free</b> 1800 554 798
<b>Hong Kong</b>	<b>Toll Free</b> 800 901 587
<b>Singapore</b>	<b>Toll Free</b> 800 6163 105
<b>Japan</b>	<b>Toll Free</b> 0120 03 8800
<b>United Kingdom</b>	<b>Toll Free</b> 0808 234 8407
<b>United States</b>	<b>Toll Free</b> 1866 839 8029
<b>Conference ID</b>	7306168

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Disclosure of movement of 1% or more in substantial holding  
or change in nature of relevant interest, or both

*Sections 277 and 278, Financial Markets Conduct Act 2013*

**To** NZX Limited  
and

**To** The New Zealand Refining Company Limited (NZR)

Relevant event being disclosed: Movement of 1% or more in the substantial holding.

Date of relevant event: 1 June 2015

Date this disclosure made: 2 June 2015

Date last disclosure made: 21 August 2013

**Substantial product holder(s) giving disclosure**

Full name(s): Z Energy Limited (*Z Energy*)

**Summary of substantial holding**

Class of quoted voting products: Ordinary shares

Summary for Z Energy Limited

For **this** disclosure,—

- (a) total number held in class: 83,534,885
- (b) total in class: 312,576,453
- (c) total percentage held in class: 26.7246%

For **last** disclosure,—

- (a) total number held in class: 47,999,980
- (b) total in class: 280,000,000
- (c) total percentage held in class: 17.14285%

**Details of transactions and events giving rise to relevant event**

Details of the transactions or other events requiring disclosure: Late on 1 June 2015 Z Energy entered into an agreement for sale and purchase of shares with Chevron South East Asia Holding Pte Ltd (*Seller*) under which, subject to certain conditions, the Seller has agreed to sell, and Z Energy has agreed to buy, 100% of the shares in Chevron New Zealand Limited (*Chevron NZ*) in consideration for cash consideration of \$785,000,000 (*Relevant Agreement*). The Relevant Agreement is attached to this notice (31 pages).

Chevron NZ is currently the registered holder of 35,534,905 ordinary shares in The New Zealand Refining Company Limited (NZR), pending settlement on or about Wednesday 3 June 2015 of Chevron NZ's sale of those shares by way of underwritten block trade on Thursday 28 May 2015. Settlement of the Relevant Agreement is conditional on certain regulatory approvals, and will not take place for some time after this week's settlement of Chevron NZ's block trade of its NZR shares. And for the short period that Chevron NZ remains the registered holder of those shares, Z Energy will have no power to control any of the votes attached to them, or to control their disposition. Nonetheless, as a consequence of its entry into the Relevant Agreement before settlement of Chevron NZ's block trade, Z Energy may have technically acquired a relevant interest in Chevron NZ's shares in NZR, by virtue of section 237 of the Financial Markets Conduct Act 2013 (under which an entity which has the power to acquire more than 20% of the shares in a company which has a relevant interest in a financial product is deemed, itself, to have that relevant interest).

#### **Details after relevant event**

Details for Z Energy

Nature of relevant interest(s):

Registered holder and beneficial owner of 47,999,980 ordinary shares. The relevant agreement relating to this holding was attached to a previous disclosure dated 25 July 2013.

For that relevant interest,—

- (a) number held in class: 47,999,980
- (b) percentage held in class: 15.36%
- (c) current registered holder(s): Z Energy Limited
- (d) registered holder(s) once transfers are registered: N/A

For a derivative relevant interest, also—

- (a) type of derivative: N/A
- (b) details of derivative: N/A
- (c) parties to the derivative: N/A
- (d) If the substantial product holder is not a party to the derivative, the nature of the relevant interest in the derivative: N/A

Conditional power to acquire 20% or more of the shares in Chevron NZ shares under the Relevant Agreement (attached to this notice - 31 pages), and accordingly a deemed relevant interest in all shares in NZR of which Chevron NZ is, at the date of this notice, the registered holder.



For that relevant interest,—

- (a) number held in class: 35,534,905
- (b) percentage held in class: 11.37%
- (c) current registered holder(s): Chevron New Zealand Limited
- (d) registered holder(s) once transfers are registered: N/A

For a derivative relevant interest, also—

- (a) type of derivative: N/A
- (b) details of derivative: N/A
- (c) parties to the derivative: N/A
- (d) if the substantial product holder is not a party to the derivative, the nature of the relevant interest in the derivative: N/A

**Additional information**

Address of substantial product holder: 3 Queens Wharf, Wellington, 6011

Contact details: John Conlan, +64 4 462 4669, john.conlan@z.co.nz

Name of any other person believed to have given, or believed to be required to give, a disclosure under the Financial Markets Conduct Act 2013 in relation to the financial products to which this disclosure relates: N/A

**Certification**

I, John Conlan, certify that, to the best of my knowledge and belief, the information contained in this disclosure is correct and that I am duly authorised to make this disclosure by all persons for whom it is made.

For and on behalf of Z Energy Limited,



John Conlan

Acting General Counsel and Company Secretary



**DATED 1 JUNE 2015**

**CHEVRON SOUTH ASIA HOLDINGS PTE. LTD.**

**AND**

**Z ENERGY LIMITED**

**SHARE SALE AND PURCHASE AGREEMENT  
IN RESPECT OF CHEVRON NEW ZEALAND**

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**This SHARE SALE AND PURCHASE AGREEMENT ("Agreement") dated 1 June 2015:**

**BETWEEN:**

- (1) **CHEVRON SOUTH ASIA HOLDINGS PTE. LTD.** (Co. Registration No. 200606334D), a company registered in Singapore with its principal offices at 30 Raffles Place, #21-01, Chevron House, Singapore, 048622 ("**Seller**"); and
- (2) **Z ENERGY LIMITED** (Co. Registration No. 12046) a limited liability company registered in New Zealand with its principal offices at 3 Queens Wharf, Wellington Central, Wellington, 6011, New Zealand ("**Purchaser**").

**BACKGROUND:**

- (A) Seller has agreed, upon and subject to the terms and conditions of this Agreement, to sell the Shares to Purchaser.
- (B) Purchaser has agreed, upon and subject to the terms and conditions of this Agreement, to purchase the Shares.

**THE PARTIES AGREE** as follows:

**1 DEFINITIONS AND INTERPRETATION**

**1.1 Definitions.** In this Agreement, unless the context otherwise requires:

**"Affiliates"** means in relation to any person, any other person that Controls, is Controlled by, or is under common Control with, that person.

**"Agreement"** means this Agreement, including the Background and Schedules to this Agreement (all as may be amended, varied or supplemented from time to time in accordance with Clause 11.8).

**"Assurance"** means any warranty, representation, statement, promise, arrangement, assurance, covenant, agreement, undertaking, indemnity, guarantee or commitment of any nature whatsoever and whether or not in writing, but excluding any Seller's Warranty.

**"Bid Price"** means NZ\$785,000,000.

**"Books and Records"** means all notices, correspondence, books of account and other documents, ledgers, financial statutory books, minute books, contracts, documents and information relating to employees, directors and pension arrangements and other material records of any kind, whether in paper or electronic form, in relation to the Company.

**"Business"** means the businesses carried on by the Company at the date of this Agreement.

**"Business Day"** means a day, other than a Saturday or a Sunday, on which banks in Auckland and New York are open for ordinary banking business.

**"Claim"** means any claim by Purchaser under or in connection with this Agreement, whether in contract, tort, under statute or otherwise.

**"Closing"** means the closing of the Transaction in accordance with Clause 6.

**"Closing Amount"** means the amount specified as such in the Closing Statement.

**"Closing Date"** means the date on which Closing takes place.

**"Closing Statement"** means the written statement prepared by Seller in the format set out in Schedule 5.

**"COLL"** means Coastal Oil Logistics Limited.

**"Commitment"** means any condition, obligation, undertaking and/or modification in respect of the Transaction required or imposed by the Competition Authority or the OIO.

**"Company"** means Chevron New Zealand details of which as at the date of this Agreement are set out in Part A of Schedule 1.

**"Competition Authority"** means the New Zealand Commerce Commission.

**"Competition Condition"** means the condition precedent to Closing set out in Paragraph 1.1 of Schedule 2.

**"Competitively Sensitive Information"** means such confidential information in respect of the Company or the Parties identified as commercially or competitively sensitive by the relevant Party.

**"Conditions"** means the Competition Condition, the OIO Condition, and the Consent Condition.

**"Confidentiality Agreement"** means the confidentiality agreement dated 23 January 2015 between the Parties.

**"Consent Condition"** means the condition precedent to Closing set out in Paragraph 1.7 of Schedule 2.

**"Control"** means one or more of the following:

- (A) The power (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise) to appoint and/or remove all or such of the members of the board of directors or other governing body of a person as are able to cast the majority of the votes capable of being cast by the members of that board or body on all, or substantially all, matters, or otherwise control or have the power to control the policies and affairs of that person.
- (B) The holding and/or possession of the beneficial interest in and/or the ability to exercise the voting rights applicable to shares or other securities in any person (whether directly or indirectly) which confer, in aggregate on the

holders thereof, 50% or more of the total voting rights exercisable at general meetings of that person on all, or substantially all, matters.

**"Data Room"** means the electronic data room hosted by Merrill Communications LLC (known as Merrill DataSite) containing documents and information relating to the Business, the Company, the Subsidiary and the JVs made available by Seller to Purchaser and its advisers (including the answers to the questions formulated by Purchaser and/or its advisers made available through the Q&A Forum in the electronic data room), and as recorded on the electronic media which has been initialled for the purpose of identification on behalf of, and has been delivered to Purchaser on the date of this Agreement by, Seller.

**"Default Rate"** means LIBOR plus 10%.

**"Deposit"** means an amount equal to 10% of the Bid Price.

**"Encumbrance"** means any option, right to acquire, mortgage, charge, pledge, lien or other form of security interest (other than those of public record or caused or created by Purchaser).

**"Escrow Agreement"** means the escrow agreement in the agreed form.

**"Estimated Intercompany Debt"** means Seller's estimate of Closing Intercompany Debt as set out in the Closing Statement.

**"Estimated Intercompany Loans"** means Seller's estimate of Closing Intercompany Loans as set out in the Closing Statement.

**"Final Consideration"** means the Closing Amount as adjusted in accordance with Clause 6.7.

**"Governmental Authority"** includes any nation or government, any state, municipality, locality or other political subdivision thereof and any entity, body, agent, commission or court, whether domestic, foreign, regional or multi-national, exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any executive official thereof and includes any environmental authority.

**"GST"** means goods and services tax chargeable in accordance with the GST Act.

**"GST Act"** means the Goods and Services Tax Act 1985.

**"Inland Revenue"** means the New Zealand Inland Revenue Department, and includes the Commissioner of Inland Revenue.

**"JVs"** means the companies listed in Part C of Schedule 1.

**"Law"** means all applicable legislation, statutes, directives, regulations, judgments, decisions, licences, permits, consents, decrees, notices, directives, policies, orders, by-laws and other legislative measures or decisions, treaties, conventions and other agreements between states, or between states and supranational bodies, and rules of common or civil law, in each case, having the force of law and having effect in any jurisdiction.



**"LIBOR"** means the rate (expressed as a per annum rate) which appears on the Reuters Screen LIBOR01 page (or such other screen or page as may replace such screen for the purpose of displaying the rate for deposits in US\$ quoted by ICE Benchmark Administration Limited) for one Month US\$ deposits at 11:00 hours London time on the date on which the applicable payment was due and not paid and if any such Day is not a Day on which banks in London are normally open for business ("**London Banking Day**"), the rate shall be the rate appearing at approximately 11:00 hours London time for the immediately preceding London Banking Day. If no such rate is shown on the Reuter Monitor Rates Service screen on that Day, the rate will be the one month (USD) London Interbank Offered Rate as quoted by the Wall Street Journal ([http://online.wsj.com/mdc/public/page/2\\_3020-libor.html](http://online.wsj.com/mdc/public/page/2_3020-libor.html)) in respect of the Day in question or if such Day is not a London Banking Day, in respect of the rate published for the immediately preceding London Banking Day.

**"Long Stop Date"** means the later of each of the following:

- (A) Nine months from the date of this Agreement.
- (B) Such later date as Seller may, prior to the date in (A), notify to Purchaser (provided that any date so specified may not be later than 90 days after the date referred to in (A)).
- (C) Such other date as the Parties may agree.

**"Losses"** means all losses, liabilities (whether actual, contingent or prospective and including any liabilities arising from any actions or proceedings), costs and expenses (including legal costs and expenses of whatsoever nature or description and experts' and consultants' fees), charges (whether actual, contingent or prospective and including any liabilities arising from any actions or proceedings), fines, penalties, damages and demands.

**"NZ\$"** means the lawful currency of New Zealand.

**"OIO"** means the New Zealand Overseas Investment Office.

**"OIO Condition"** means the condition precedent to Closing set out in Paragraph 1.4 of Schedule 2.

**"Parties"** means Seller and Purchaser.

**"Purchaser's Counsel"** means Minter Ellison Rudd Watts (in respect of all matters pertaining to this Agreement with the exception of matters pertaining to the Competition Authority and the Competition Condition) and Chapman Tripp (in respect of those matters pertaining to the Competition Authority and the Competition Condition).

**"Purchaser's Group"** means Purchaser and its Affiliates from time to time (including, after Closing, the Company and the Subsidiary).

**"Refinery"** means The New Zealand Refining Company Limited.

**"Representatives"** has the meaning given in the Confidentiality Agreement.

**"Seller's Counsel"** means Buddle Findlay.

**"Seller's Group"** means Seller and its Affiliates from time to time, but excludes the Company, the Subsidiary and the JVs.

**"Seller's Insurance Policies"** means any insurance policies (including reinsurance, self-insurance programs, matching deductible policies, financial responsibility filings or the like) of the Company, the Subsidiary, Seller, or any Affiliate of Seller, through which insurance coverage is presently or has previously been provided, in any way relating to the Company, the Subsidiary or the Business and include all insurance policies (including self-insurance) issued by Seller, any Affiliate of Seller or any captive insurance companies PROVIDED that this definition will not extend to any insurance arrangement effected by the Company, and solely affecting the Company, that is issued or underwritten by persons that are not a member of Seller's Group.

**"Seller's Warranties"** means the warranties given by Seller pursuant to Clause 7 and Schedule 3.

**"Shares"** means 12,500,001 shares in the capital of the Company which together comprise the whole of the issued share capital of the Company.

**"Sites"** means the service station sites, truck stop sites, office premises and terminals owned by the Company.

**"Subsidiary"** means the company listed in Part B of Schedule 1.

**"Surviving Provisions"** means Clauses 9 to 14.

**"Tax"** means:

- (A) all forms of tax or taxation whether direct or indirect and whether levied by reference to income, profits, gains, net wealth, asset values, turnover, added value, volume, gross receipts, capital stock or other reference and includes statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions, excises, rates, charges, dues and levies (including social security contributions and any payroll tax), whenever and wherever imposed (whether imposed by way of a withholding or deduction for or on account of tax or otherwise) and in respect of any person;
- (B) the loss of any right to repayment of any form of taxation listed in (A); and
- (C) all penalties, charges, costs and interest relating to or arising in connection with the imposition of, or the non, late or under payment of, any such Tax.

**"Tax Authority"** means any authority competent to impose any liability in respect of Tax or responsible for the administration and/or collection of Tax or enforcement of any Law in relation to Tax, including the Inland Revenue.

**"Trade Mark Licence"** means the transitional trade mark licence in respect of Caltex, Techron, Starcard and such other marks approved by Seller on the terms of Seller's standard transitional trade mark licence provided to the Purchaser prior to execution of this Agreement or as otherwise agreed by the Parties.



**"Transaction"** means the sale and purchase of the Shares in accordance with the terms and conditions of this Agreement.

**"Transaction Documents"** means this Agreement, the Trade Mark Licence and the Confidentiality Agreement.

**"US\$" means the lawful currency of the United States of America.**

**"WOSL"** means Wiri Oil Services Limited.

**1.2 Interpretation.** In this Agreement, unless the context otherwise requires:

**(A) References to:**

- (1) one gender include all genders and references to the singular include the plural and vice versa;
- (2) a person includes any company, partnership or unincorporated association (whether or not having separate legal personality);
- (3) a company includes any company, corporation or any body corporate, wherever incorporated;
- (4) Clauses and Schedules are to clauses of, and schedules to, this Agreement each of which forms part of this Agreement;
- (5) Paragraphs and Parts are to paragraphs and parts of the Schedules in which they appear;
- (6) an enactment or statutory provision is to a New Zealand Law and includes any reference to any legislative instrument made under the relevant enactment or statutory provision and is a reference to that enactment, statutory provision or legislative instrument as from time to time amended, consolidated, modified, re-enacted or replaced;
- (7) a "day" (including within the expression "Business Day") means a period of 24 hours running from midnight to midnight;
- (8) time, unless otherwise stated is to the time in Auckland and events stated to or deemed to occur upon, or actions required to be performed by, any given date will be deemed to occur at, or must be performed before, 6:00pm on the specified date unless otherwise stated;
- (9) a document in the "agreed form" means a document in the form agreed between the Parties and initialled for identification by Purchaser's Counsel and Seller's Counsel with such alterations as may be agreed between the Parties from time to time; and
- (10) the words "include" and "including" are to be construed without limitation.

- (B) Unless otherwise specified, all references to currency in this Agreement are to US\$. In all cases where it is necessary to determine the amount of a claim or whether a monetary limit or threshold has been reached or exceeded and the value of the relevant claim or claims or underlying value is expressed in a currency other than US\$, the value of each such claim or underlying value will be converted into US\$ using the rate of exchange applicable to such other currency as published on The Wall Street Journal website with link [http://online.wsj.com/mdc/public/page/2\\_3021-forex.html?mod=topnav\\_2\\_3014](http://online.wsj.com/mdc/public/page/2_3021-forex.html?mod=topnav_2_3014) at the Closing Date, or if required to be determined prior to the Closing Date on the second last Business Day prior to the date on which it is necessary to determine such amount of a claim or whether such monetary limit or threshold has been reached or exceeded.
- (C) Headings are for convenience only and do not affect the interpretation of this Agreement.
- (D) Where provision is made for agreement or the giving of notice, approval or consent by any Party, unless otherwise specified, such agreement, notice, approval or consent must be in writing.
- (E) Any word or expression cognate with any word or expression defined in this Agreement will have the same meaning.
- (F) Nothing in this Agreement is to be interpreted against a Party solely on the ground that the Party put forward or proposed this Agreement or any part of it.

## **2 SALE AND PURCHASE OF THE SHARES**

- 2.1 On Closing, Seller agrees to sell, or procure the sale of, the Shares to Purchaser and Purchaser agrees to purchase the Shares from Seller, in each case free from Encumbrances, on the terms and conditions of this Agreement.
- 2.2 The Shares will be sold together with all rights attaching to them as at Closing (including the right to receive all dividends or distributions declared on or after Closing).

## **3 DEPOSIT AND CONSIDERATION**

- 3.1 The consideration for the sale of the Shares will be the payment by Purchaser to Seller of an amount equal to the Final Consideration, which will be subject to adjustment in accordance with Clause 3.6.
- 3.2 On the date of this Agreement, the Parties will enter into the Escrow Agreement and on the Business Day immediately after the date of this Agreement ("**Payment Date**") Purchaser shall pay the Deposit to Seller's Counsel as escrow agent to be held in an interest bearing NZ\$ account with ANZ Bank New Zealand Limited on the terms of the Escrow Agreement. If such Deposit is not received by Seller's Counsel by 4:00pm on the Payment Date, Seller may in its sole discretion by notice to Purchaser immediately terminate this Agreement without liability on its part.



3.3 If Closing fails to occur as a result of any of the following:

- (A) Purchaser terminating this Agreement pursuant to Clause 6.6;
- (B) this Agreement terminating pursuant to Clause 4.3 or 4.5, provided that Purchaser has fulfilled its obligations under Schedule 2; or
- (C) this Agreement terminating as provided in Clause 5.3,

then the Parties shall provide joint written instructions to Seller's Counsel to repay the Deposit to Purchaser together with interest thereon (net of any withholding tax, bank fees and escrow agent fees) and such payment is without prejudice to any other rights or remedies that Purchaser might have against Seller including the right to claim damages.

3.4 At Closing, the Parties shall provide joint written instructions to Seller's Counsel as escrow agent to:

- (A) pay the Deposit to Seller; and
- (B) pay to Purchaser (or as directed by it) any interest earned on the Deposit (net of any withholding tax, bank fees and escrow agent fees).

3.5 If this Agreement is terminated, or Closing does not occur, for any reason other than as specified in Clause 3.3, then the Deposit will be forfeited by Purchaser and retained by Seller, and the Parties shall provide joint written instructions to Seller's Counsel as escrow agent to:

- (A) pay the Deposit to Seller; and
- (B) pay to Purchaser any interest earned on the Deposit (net of any withholding tax, bank fees and escrow agent fees).

3.6 Unless otherwise required by Law, all payments due from one Party to another under this Agreement (other than payment of the Closing Amount), including payments in respect of Claims, will be treated for all Tax purposes as adjustments to the Final Consideration, however such payment obligations are satisfied.

#### **4 CONDITIONS**

4.1 The sale and purchase of the Shares is subject to the satisfaction or permitted waiver (in accordance with Clause 4.4) of the Conditions on or before the Long Stop Date.

4.2 Each Party shall perform its obligations under Schedule 2.

4.3 If any fact which would prevent any of the Conditions from being satisfied on or before the Long Stop Date comes to the knowledge of Seller at any time, Seller may terminate this Agreement immediately upon notice to Purchaser.

4.4 The Competition Condition and the OIO Condition are for the benefit of both Parties jointly and cannot be waived. The Consent Condition may be waived in whole or in part by Purchaser by notice to Seller.

- 4.5 If any Condition is not satisfied by the Long Stop Date, this Agreement will terminate at 11:59pm on the Long Stop Date.
- 4.6 If this Agreement terminates in accordance with Clauses 3.2, 4.3, 4.5, 6.6 or 13.3 all obligations of the Parties under this Agreement will end, except for the Surviving Provisions, provided that all rights and liabilities of the Parties which have accrued before termination will continue to exist.

## **5 CONDUCT BEFORE CLOSING**

- 5.1 Seller shall not, between the date of this Agreement and Closing, except with the prior consent of Purchaser, do any of the following:
- (A) Create, grant or issue, or agree to create, grant or issue, any Encumbrance over the Shares.
  - (B) Sell or agree to sell the Shares (in whole or in part) to a third party or accept any offer from a third party to purchase the Shares (in whole or in part).
  - (C) Make any amendment to the constitution of the Company.
- 5.2 Subject to applicable Law, Seller shall use reasonable endeavours to procure that, between the date of this Agreement and Closing, the Company will carry on the Business in the ordinary course and substantially consistent with past practice over the 12 months preceding the date of this Agreement, but this will not, in any circumstances, oblige Seller to incur any particular capital expenditure (other than as already provided in the Company's approved budget).
- 5.3 If at Closing any of the physical assets of the Company at the Sites are lost, destroyed or damaged ("**Loss Event**") and such Loss Event has not been made good by repair or replacement by Closing and the outstanding costs to do so ("**Remedial Costs**"), would exceed US\$2,000,000 then the following provisions shall apply:
- (A) Seller will notify Purchaser of the Loss Event as soon as reasonably practicable after becoming aware of the Loss Event.
  - (B) If the Remedial Costs at Closing are in excess of US\$50,000,000, then either Party may terminate this Agreement by notice to the other Party and neither Party shall have any right or claim against the other Party arising under or in connection with this Agreement other than for return of the Deposit or a breach of this Agreement, occurring before termination.
  - (C) If the Remedial Costs at Closing are US\$50,000,000 or less, Purchaser shall proceed to Closing at the Bid Price less a sum equal to the Remedial Costs.

## **6 CLOSING**

- 6.1 No less than five Business Days prior to the anticipated Closing Date each of the following must occur:
- (A) Seller shall provide the Closing Statement to Purchaser.

- (B) Purchaser shall notify Seller of the information referred to in Paragraph 1.1(B) of Schedule 6 as being "nominated by Purchaser" for the purposes of the meetings of the board of directors of the Company to be held at Closing.

6.2 Subject to the Conditions being satisfied or waived (in accordance with Clause 4), Closing will take place at the Auckland offices of Seller's Counsel (or at such other location or date as may be agreed between the Parties) at 10:00am on the date that is the earlier of:

- (A) the date agreed by the Parties; and

- (B) 31 March 2016.

6.3 At Closing, each Party shall comply with its respective obligations specified in Schedule 6. Each Party may waive some or all of the obligations of the other Party, as set out in Schedule 6.

6.4 No Party is obliged to complete this Agreement unless the other Party complies with Clause 6.3.

6.5 If Purchaser fails to pay the Closing Amount, or if a Party fails to comply with any obligation in Schedule 6, then the non-defaulting Party may (in addition to and without prejudice to all other rights or remedies available, including the right to claim damages) by notice to the defaulting Party fix a new date for Closing, being more than five Business Days but less than ten Business Days after the agreed date for Closing.

6.6 If, on the deferred Closing Date fixed pursuant to Clause 6.5, Purchaser fails to pay the Closing Amount, or if a Party fails to comply with any obligation in Schedule 6, then the non-defaulting Party may (in addition to and without prejudice to all other rights or remedies available, including the right to claim damages) by notice to the defaulting Party do one of the following:

- (A) Immediately terminate this Agreement without liability on its part.

- (B) Effect Closing so far as practicable having regard to the defaults which have occurred (the defaulting Party being obliged to remedy its default despite Closing having occurred).

6.7 Within 90 Days after the date of this Agreement, the Parties shall, acting reasonably, agree a fair mechanism for adjusting the Closing Amount to determine the Final Consideration.

## **7 WARRANTIES**

7.1 Seller warrants to Purchaser that Seller's Warranties are true and accurate as of the date of this Agreement. Seller further warrants to Purchaser that the Seller Warranties in Paragraphs 1.1 to 1.3 of Schedule 3 will be true and accurate in all respects at Closing.

7.2 Each of Seller's Warranties will be construed as a separate warranty and will not be expanded or limited by reference to any other Seller's Warranty.



- 7.3 Purchaser has received independent legal advice relating to all the matters provided for in this Agreement.
- 7.4 Purchaser's rights arising in relation to Seller's Warranties will cease and terminate upon any person obtaining Control of Purchaser who is not a person that has Control of Purchaser at the date of this Agreement.
- 7.5 Purchaser warrants to Seller that the statements set out in Schedule 4 are true and accurate as of the date of this Agreement. Purchaser further warrants to Seller that the statements set out in Paragraphs 1.1 to 1.13 of Schedule 4 will be true and accurate in all respects at Closing.

## **8 RELEASE OF ASSURANCES/INSURANCE**

- 8.1 At any time on or after Closing, Purchaser shall execute and deliver or procure the execution and delivery of all such instruments of assumption and acknowledgements and take such other action as Seller may request in order to effect the release and discharge in full of any Assurance given by any member of Seller's Group to any person (including the Company) in respect of any obligation or liability of the Company and Purchaser's assumption of, and the substitution of Purchaser as the primary obligor in respect of, each such Assurance, in each case on a non-recourse basis to Seller's Group. Pending such release and discharge, Purchaser shall assume and pay and discharge when due, and indemnify, defend and hold harmless each member of Seller's Group from and against any and all Losses incurred or suffered by Seller or any member of Seller's Group as a result of or relating to all such Assurances.
- 8.2 Seller has the right to and intends to terminate with effect from immediately prior to Closing all Seller's Insurance Policies to the extent they relate to the Company or the Business. The Parties acknowledge and agree to all of the following:
- (A) After Closing, no insurance coverage is provided with respect to the Company, the Subsidiary or the Business under any of Seller's Insurance Policies, and no member of Purchaser's Group is entitled to the benefit of any insurance held by Seller's Group.
  - (B) After Closing and except as otherwise expressly provided in this Agreement, all rights or Claims, whether or not known, which may arise under or with respect to Seller's Insurance Policies, will be deemed assigned to Seller and Purchaser shall not and shall procure that no member of Purchaser's Group (or any of their respective successors, assigns or any persons or entities subrogated to the rights thereof) shall make any Claim against, under or in relation to Seller's Insurance Policies regarding any matter whatsoever, whether arising from events occurring prior to, at or after Closing or make any claims in respect of any unearned premium in respect of such policies.
  - (C) As of Closing, all insurance policies (including Seller's Insurance Policies), letters of credit, surety bonds, and related indemnity and premium agreements arranged and maintained by Seller or any of its Affiliates with respect to the Company, the Subsidiary and the Business will be cancelled or terminated.

Each of the obligations and undertakings set out in this Clause 8.2 will continue in force after Closing.

## **9 PAYMENTS**

- 9.1 Except as otherwise expressly provided in this Agreement, where any payment under this Agreement is to be made to a Party it will be made in US\$ in immediately available funds to such account as the receiving Party has notified to the paying Party at least five Business Days prior to the date of payment.
- 9.2 If any payment due under this Agreement is not made on its due date for payment it will be made together with interest thereon at the Default Rate in respect of the period from (and including) the due date for payment to (but excluding) the date of payment, both before and after judgment (calculated on the basis of a 360 day year and actual days elapsed).
- 9.3 All payments to Seller or any member of Seller's Group under this Agreement will be made in full without any set-off, counterclaim, restriction or condition and without any deduction or withholding of or on account of Tax, value-added Tax, GST or any other Tax, charge or fee. If as a result of this Agreement, any Tax charge or fee is owed to any Tax Authority this will be borne by Purchaser. Consequently the amount owed to Seller or any member of Seller's Group will be increased such that the net after Tax amount received by Seller or any member of Seller's Group is equal to the amount it would have received had such deduction or withholding of or on account of Tax, value-added Tax, GST or any other Tax, charge or fee not been required. If as a result of this Agreement, any Tax, charge or fee becomes payable in the future, such amounts will be borne by Purchaser. If Seller or any member of Seller's Group is required to pay any of said Tax, charge or fee (including related interest and penalties), Purchaser shall reimburse these costs and shall hold Seller and each member of Seller's Group harmless from any such claims and collection of unpaid Tax, charge or fee.

## **10 ANNOUNCEMENTS AND CONFIDENTIALITY**

- 10.1 No announcement or circular in connection with the Transaction or the existence or the subject matter of this Agreement will be made or issued by or on behalf of a Party or any member of Seller's Group or Purchaser's Group without the prior approval of each Party. This prohibition will not affect any announcement or circular required by Law or any Governmental Authority or the rules of any recognised stock exchange on which the shares of any Party (or their respective Affiliates) are listed, but the Party with an obligation to make an announcement or issue a circular shall consult with the other Party insofar as is reasonably practicable before complying with such an obligation.
- 10.2 The Confidentiality Agreement shall cease to have any force or effect from the date of this Agreement, without prejudice to each of the following:
- (A) Rights or remedies in respect of any breach or failure to perform obligations under the Confidentiality Agreement occurring prior to the date of this Agreement.



- (B) Any additional procedures agreed under the Confidentiality Agreement relating to Competitively Sensitive Information, which procedures will remain in force and effect.

10.3 Subject to Clause 10.4:

- (A) Each Party shall treat as strictly confidential and not disclose or use any information received or obtained pursuant to the Confidentiality Agreement or as a result of entering into this Agreement (or any agreement entered into pursuant to this Agreement) which relates to any of the following:
  - (1) The provisions of this Agreement (and any other Transaction Document).
  - (2) Negotiations relating to this Agreement (and any other Transaction Document).
- (B) Seller shall treat as strictly confidential and not disclose or use any information relating to the Company following Closing and any other information relating to the business, financial or other affairs (including future plans and targets) of Purchaser's Group.
- (C) Purchaser shall treat as strictly confidential and not disclose or use any information relating to the business, financial or other affairs (including future plans and targets) of Seller's Group including, prior to Closing, the Company, whether received or obtained as a result of entering into this Agreement or received or obtained pursuant to the Confidentiality Agreement.

10.4 Clause 10.3 will not prohibit disclosure or use of any information if and to the extent that any of the following applies:

- (A) Disclosure or use is required by Law, any Governmental Authority or any recognised stock exchange on which the shares of a Party (or its respective Affiliates) are listed.
- (B) Disclosure or use is required to vest the full benefit of this Agreement in a Party.
- (C) Disclosure or use is required for the purpose of any judicial or arbitral proceedings arising out of this Agreement or any other agreement entered into under or pursuant to this Agreement or the disclosure is made to a Tax Authority in connection with the Tax affairs of the disclosing Party.
- (D) Disclosure is made to professional advisers of any Party on a need to know basis and on terms that such professional advisers undertake to comply with Clause 10.3 in respect of such information as if they were a party to this Agreement.
- (E) Information is or becomes publicly available (other than by breach of the Confidentiality Agreement or of this Agreement).
- (F) The disclosing Party has obtained prior approval from the other Party with regard to the specified disclosure or use.

(G) Information is independently developed after Closing.

Prior to disclosure or use of any information pursuant to Clauses 10.4(A), 10.4(B) or 10.4(C) the Party concerned shall promptly notify the other Party of such requirement with a view to providing the other Party with the opportunity to contest such disclosure or use or otherwise to agree the timing and content of such disclosure or use.

- 10.5 Each Party shall procure that its respective Representatives comply with the obligations set out in Clause 10.3 and will be responsible for any breach by its Representatives and shall, at its sole expense, use all reasonable efforts in a timely manner (including commencing court proceedings) to prevent and restrain its Representatives from breaching such provisions.
- 10.6 Nothing in this Clause 10 will require Seller to disclose any Competitively Sensitive Information to Purchaser. To the extent that Seller chooses to disclose such information to Purchaser regarding Seller's Group including, prior to Closing, the Company, it will do so only in compliance with all applicable antitrust and competition laws and subject to agreeing with Purchaser appropriate additional procedures to ensure such compliance.

## **11 OTHER PROVISIONS**

- 11.1 Except in the case of fraudulent misrepresentation, no Party will have any liability or right of action in respect of misrepresentation or untrue statement unless and to the extent that such claim lies as a breach of the warranties in Schedules 3 and 4.
- 11.2 Subject to Clauses 4.5, 5.3, 6.4 and 6.6 Purchaser will have no right (including any right under common law or any right in respect of any Claim, other than in the case of fraud) to delay or defer Closing or either before or after Closing to rescind or terminate or fail to perform this Agreement and will not be entitled to treat Seller as having repudiated this Agreement. For the purposes of this Clause 11.2, rescind means rescind for breach, that is the right of one party to terminate performance of this Agreement because of the breach by another party. Subject to Clauses 4.5, 5.3, 6.4 and 6.6, the sole remedy of Purchaser in relation to any delay, default, breach or failure on the part of Seller under, or in relation to, this Agreement (other than in the case of fraud) will be in damages and Purchaser hereby expressly and unconditionally waives all other rights and remedies (whether statutory, at common law, in equity or otherwise).
- 11.3 This Agreement may only be terminated pursuant to and in accordance with Clauses 3.2, 4.3, 4.5, 5.3, 6.6 and 13.3.
- 11.4 If this Agreement is terminated, then Purchaser shall do each of the following:
- (A) Return to Seller all records and documents (including any document obtained from the Data Room) provided by Seller or its Affiliates in connection with the Transaction and all copies of such records and documents.
  - (B) Delete from all electronic devices all information derived from the records and documents referred to in Clause 11.4(A).



- 11.5 Except in the case of Seller to an Affiliate, neither rights nor obligations under this Agreement may be assigned, transferred or otherwise disposed of by any Party without the consent of the other Party.
- 11.6 The Parties do not intend that any provision of this Agreement should be enforceable by virtue of the Contracts (Privity) Act 1982 by any person who is not a Party.
- 11.7 This Agreement may be rescinded or terminated or varied or supplemented in any way and at any time by agreement of the Parties (in accordance with Clause 11.8) without the consent of any third party.
- 11.8 No amendment, variation of, or supplement to this Agreement will be effective unless in writing and signed by or on behalf of each Party.
- 11.9 Seller shall bear all costs incurred by it (but not costs incurred by the Company) in connection with the preparation, negotiation, entry into and performance of this Agreement and the sale of the Shares, including in relation to satisfaction of the Conditions. Purchaser shall bear all costs incurred by it in connection with the preparation, negotiation, entry into and performance of this Agreement and the sale of the Shares, including in relation to satisfaction of the Conditions.
- 11.10 Except as otherwise provided in this Agreement, no delay or omission by a Party in exercising any right, power or remedy provided by Law or under this Agreement will affect that right, power or remedy or operate as a waiver of it.
- 11.11 The single or partial exercise of any right, power or remedy provided by Law or under this Agreement will not preclude any other or further exercise of it or the exercise of any other right, power or remedy.
- 11.12 No waiver of any right, power or remedy provided by Law or under this Agreement will take effect unless it is in writing and signed by authorised representatives of the Party giving the waiver.
- 11.13 If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the Law of any relevant jurisdiction, that will not affect or impair the legality, validity or enforceability: (i) in that jurisdiction of any other provision of this Agreement; or (ii) under the Law of any other jurisdiction of that or any other provision of this Agreement.
- 11.14 This Agreement may be entered into in any number of counterparts, all of which taken together will constitute one and the same instrument. The Parties may enter into this Agreement by signing any such counterpart.
- 11.15 The Parties have participated jointly in the drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties and no presumption or burden of proof will arise favouring or disfavours any Party by virtue of the authorship of any provisions of this Agreement.

## **12 NOTICES**

- 12.1 Any notice, consent or other communication in connection with this Agreement (each, a "**Notice**") will be in writing in English and be delivered by hand, registered

post or by courier using an internationally recognised courier company to the following address (or such other person or address as the relevant Party may notify):

Seller		Purchaser	
<b>Attn:</b>	Senior Managing Counsel	<b>Attn:</b>	Legal Counsel
<b>Address:</b>	Chevron South Asia Holdings Pte. Ltd.	<b>Address:</b>	Z Energy Limited
	30 Raffles Place 21-01, Chevron House Singapore, 048622		3 Queens Wharf Wellington 6011 New Zealand

- 12.2 A Notice will be effective upon receipt and will be deemed to have been received at the time of delivery, or if sent by email, on the date and time at which it enters the addressee's email system.

### 13 ETHICS

- 13.1 Each Party warrants that in connection with this Agreement, neither it, nor any of its Representatives, have done any of the following:

- (A) Made or will make any offer, payment, gift or promise to pay or give or authorised or will authorise the offer, payment or gift of, any money, consideration, benefit, inducement or anything of value, directly or indirectly, to or for the use or benefit of any officials, employees or agents of any Governmental Authority or Public International Organisation, any political party, any candidate for political office or other Person, for the purpose of influencing any action or failure to act, or decision by such official, employee, agent, political party, candidate or other Person or any Governmental Authority or Public International Organisation or to gain any other advantage.
- (B) Taken action which would violate the provisions of the *Foreign Corrupt Practices Act* (United States of America), *the Bribery Act 2010* (United Kingdom) or any other applicable national legislation that implements the principles contained in the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.
- (C) Given to or received from, or will give to or receive from, another Party or any Representative of another Party, any gift, entertainment, other benefit of significant cost or value, commission, fee, rebate, or inducement.
- (D) Entered in, or will enter into any business arrangement with any Representative of another Party other than as a Representative of such Party or its Affiliate, without prior consent from the other Parties.

- 13.2 Party shall promptly notify the other Party if any:

- (A) Party or its Representatives is in violation of any part of Clause 13.1; or



- (B) event occurs prior to the execution of this Agreement which, if it had occurred after the execution of this Agreement, would constitute a violation of any part of this Clause 13.

- 13.3 Prior to Closing, Seller may terminate this Agreement with immediate effect if it establishes that Purchaser is in material breach of Clause 13.1 or 13.2.
- 13.4 If a Party ("**Auditing Party**") believes another Party or another Party's Representative is in violation of Clause 13.1 or 13.2, then the Auditing Party may audit, at its own cost and upon reasonable prior notice to the other Party, any and all records of each other Party for the sole purpose of determining whether there has been compliance with Clause 13.1 or 13.2 for up to two years following the end of year in which Closing occurs. The Auditing Party shall undertake such audit so as not to unreasonably interfere with or materially disrupt the operation of the other Party.
- 13.5 Each Party shall comply with all reasonable requests of another Party with respect to protecting personal data of the requesting Party's employees, customers, and suppliers it receives in connection with this Agreement, including the following of the requesting Party's instructions in connection with processing such personal data; implementing adequate security measures to protect such personal data; not disclosing such personal data to any third party without the requesting Party's consent; and complying with all Laws regarding data privacy.

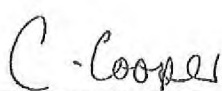

#### **14 GOVERNING LAW AND ARBITRATION**

- 14.1 This Agreement shall be governed by and construed in accordance with the laws of New Zealand.
- 14.2 Other than as otherwise agreed by the Parties, any dispute, controversy or claim (including any Claim) arising out of or in connection with this Agreement, including any dispute relating to its subject matter, existence, negotiation, validity, termination, enforceability or breach of this Agreement (including any non-contractual disputes or claims) will be finally settled under the Rules of Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with the said Rules.
- 14.3 The seat of the arbitration will be Singapore. The language of the arbitration will be English.
- 14.4 Nothing in this Clause 14 will be construed as preventing any Party from seeking conservatory or similar interim relief from any court of competent jurisdiction.
- 14.5 Any Dispute and any negotiations, mediation and arbitration proceedings between the Parties in relation to any Dispute will be confidential and will not be disclosed to any third party.
- 14.6 Any information, documents or materials produced for the purposes of, or used in, negotiations, mediation or arbitration of any Dispute will be confidential and will not be disclosed to any third party.

14.7 Without prejudice to the foregoing, disclosure may be made in any of the following circumstances:

- (A) In order to enforce any provision of this Agreement, including each Party's agreement to arbitrate, any arbitration order or award and any court judgment.
- (B) To the auditors, legal advisers, insurers and Affiliates of that Party to whom the confidentiality obligations set out in this Agreement will extend.
- (C) Where that Party is under a legal or regulatory obligation to make such disclosure, but limited to the extent of that legal obligation.
- (D) With the prior consent of the other Party.

In witness of which the Parties have executed this Agreement on the date first mentioned above:

Executed for and on behalf of <b>CHEVRON SOUTH ASIA HOLDINGS PTE. LTD.</b> by its Authorised Attorney	<b>Z ENERGY LIMITED</b>
 _____ Signature of authorised signatory	_____ Signature of authorised signatory
<u>CATHERINE COOPER.</u> Name of authorised signatory	_____ Name of authorised signatory
 _____ Signature of witness	_____ Signature of authorised signatory
<u>MICHAEL JEFFS</u> Name of witness	_____ Name of authorised signatory
<u>DANVILLE, CA, USA</u> Address of witness	
<u>MANAGING COUNSEL</u> Occupation of witness	





## SCHEDULE 1

### THE COMPANY, SUBSIDIARY AND THE JVS

#### PART A: PARTICULARS OF THE COMPANY

<b>Company Name:</b>	Chevron New Zealand	
<b>Registered Number:</b>	4482	
<b>Date of Incorporation:</b>	12 January 1945	
<b>Place of Incorporation:</b>	New Zealand	
<b>Address of Registered Office:</b>	Level 3, 604 Great South Road, Greenlane, Auckland 1051, New Zealand	
<b>Share Capital:</b>	12,500,001	
<b>Shareholder:</b>	<b>Name</b>	<b>Number of Shares</b>
	Chevron South Asia Holdings Pte. Ltd.	12,500,001
<b>Directors:</b>	Dean Gilbert Allister Jennings	

#### PART B: PARTICULARS OF THE SUBSIDIARY

<b>Company Name:</b>	Challenge Petroleum	
<b>Registration Number:</b>	7616	
<b>Date of Incorporation:</b>	19 March 1952	
<b>Place of Incorporation:</b>	New Zealand	
<b>Address of Registered Office:</b>	Level 3, 604 Great South Road, Greenlane, Auckland 1051, New Zealand	
<b>Share Capital:</b>	5000	
<b>Shareholder:</b>	<b>Name</b>	<b>Number of Shares</b>
	Chevron New Zealand	5000
<b>Directors:</b>	Dean Gilbert Allister Jennings	

## PART C: PARTICULARS OF THE JVS

<b>Company Name:</b>	Coastal Oil Logistics Limited	
<b>Registration Number:</b>	972809	
<b>Date of Incorporation:</b>	13 August 1999	
<b>Place of Incorporation:</b>	New Zealand	
<b>Address of Registered Office:</b>	Level 10, The Bayleys Building, Cnr Brandon Street & Lambton Quay, Wellington 6011, New Zealand	
<b>Share Capital:</b>	100	
<b>Shareholders:</b>	<b>Name</b>	<b>Number of Shares</b>
	BP Oil New Zealand Limited	25
	Chevron New Zealand	25
	Mobil Oil New Zealand Limited	25
	Z Energy Limited	25
<b>Directors:</b>	David Binnie Allister Jennings (Chevron appointee) Adrian McClellan Seow Heng Wee Kim Woodgate (Chevron appointee) Mark Newton Peter Reale	

<b>Company Name:</b>	Wiri Oil Services Limited	
<b>Registration Number:</b>	243680	
<b>Date of Incorporation:</b>	29 October 1984	
<b>Place of Incorporation:</b>	New Zealand	
<b>Address of Registered Office:</b>	Ross Pauling & Partners Limited, 27-29 William Pickering Drive, Albany, Auckland 0632, New Zealand	
<b>Share Capital:</b>	1080	
<b>Shareholders:</b>	<b>Name</b>	<b>Number of Shares</b>
	BP Oil New Zealand Limited	300
	Chevron New Zealand	180
	Mobil Oil New Zealand Limited	300
	Z Energy Limited	300
<b>Directors:</b>	David Binnie Deborah Boffa Justin Johnston (as alternative for John Riddler) John Riddler (Chevron appointee) Cameron Taylor	

## **SCHEDULE 2**

### **CONDITIONS**

- 1.1 The Competition Condition is receipt by Purchaser of a clearance under part 5 of the Commerce Act 1986 from the Competition Authority for the acquisition of the Shares by Purchaser under this Agreement.
- 1.2 Purchaser shall use its best endeavours, in a timely manner, to secure the satisfaction of the Competition Condition, including doing all of the following:
- (A) Taking all steps necessary or desirable for that purpose, including making the necessary filings as soon as is practicable after the date of execution of this Agreement and in accordance with any relevant time limit.
  - (B) Promptly dealing with all requests and enquiries from the Competition Authority in consultation with Seller, and in any event in accordance with any relevant time limit.
  - (C) Providing to Seller in draft form, in a timely manner so as to allow Seller sufficient time to review and make comments prior to submission and for such comments to be taken into account, copies of all notifications, submissions and communications proposed to be made to the Competition Authority by or on behalf of Purchaser.
  - (D) Providing to Seller copies of all communications between Purchaser (or on behalf of Purchaser) and the Competition Authority promptly after being sent or received (as the case may be).
  - (E) Attending such meetings or calls with the Competition Authority as may be necessary and procuring the consent of the Competition Authority to the attendance of Seller and its representatives at such meetings or calls wherever possible, should Seller so request.

Nothing in this Paragraph will require any Party to disclose to the other Party any Competitively Sensitive Information or business secrets which have not been previously disclosed to the other Party, in which case this information is to be communicated between Seller's Counsel and Purchaser's Counsel on an "external counsel only" basis (a non-confidential version of the relevant filing, submission or communication being provided to the other Party) or pursuant to additional procedures agreed between the Parties to ensure compliance with all applicable competition and antitrust laws.

- 1.3 Purchaser shall keep Seller informed, in a timely and effective manner, as to the progress towards the satisfaction of the Competition Condition and promptly notify Seller of any matter which would, or which Purchaser reasonably expects may, prevent the Competition Condition from being satisfied.
- 1.4 The OIO Condition is receipt by Purchaser, on terms acceptable to Purchaser (acting reasonably and without delay), of all consents required under the Overseas Investment Act 2005 and Overseas Investment Regulations 2005 for the implementation of this Agreement.



- 1.5 Purchaser shall use its best endeavours, in a timely manner, to secure the satisfaction of the OIO Condition, including doing all of the following:
- (A) Taking all steps necessary or desirable for that purpose, including making the necessary OIO application as soon as is practicable after the date of execution of this Agreement and in accordance with any relevant time limit.
  - (B) Providing to Seller in draft form, in a timely manner so as to allow Seller sufficient time to review and make comments prior to submission and for such comments to be taken into account, the draft OIO application, copies of all notifications, submissions and communications proposed to be made to the OIO by or on behalf of Purchaser and considering in good faith any reasonable input or comments given by Seller to Purchaser in relation to such application.
  - (C) Promptly dealing with all requests and enquiries from the OIO in consultation with Seller, and in any event in accordance with any relevant time limit.
  - (D) Providing to Seller copies of all communications between Purchaser (or on behalf of Purchaser) and the OIO promptly after being sent or received (as the case may be) provided that in the case of any commercially sensitive information that Purchaser provides to the OIO Purchaser may elect to:
    - (1) Instruct Purchaser's Counsel to provide the relevant information to Seller's Counsel on a confidential "counsel only" basis; or
    - (2) Provide Seller with a sufficient precis of the relevant information that would enable Seller to appreciate the nature of any request from the OIO and the reply.
  - (E) Attending such meetings or calls with the OIO as may be necessary and procuring the consent of the OIO to the attendance of Seller and its representatives at such meetings or calls wherever possible, should Seller so request (but subject to the same considerations of commercial sensitivity provided in Paragraph 1.5(D)).
- 1.6 Seller will provide all reasonable assistance to Purchaser as is necessary to satisfy the OIO Condition, including the provision of a complete and sufficient dossier of information on all freehold and leasehold properties held by the Company.
- 1.7 The Consent Condition is the Refinery having provided written confirmation to the Company consenting to the deemed assignment of the Company's rights and obligations under the Processing Agreement dated 12 December 1996 between the Company and the Refinery.
- 1.8 Each Party shall do each of the following:
- (A) To the extent required, diligently pursue and do all acts, matters and things within that Party's respective power and control and supply all information reasonably necessary or convenient to satisfy the Consent Condition on or before the Long Stop Date.
  - (B) Provide all reasonable assistance to each other as is necessary to satisfy the Consent Condition.

(C) Keep the other informed as to progress in procuring satisfaction of the Consent Condition.

1.9 The obligations under Paragraph 1.8 do not require any Party to pay any money, other than lawful and customary fees and charges, provide any other consideration or incur any liability, actual or contingent in order to satisfy the Consent Condition.

**SCHEDULE 3**  
**SELLER'S WARRANTIES**

**1.1 Corporate.**

- (A) The Company is duly incorporated and validly existing under the laws of New Zealand.
- (B) The Shares constitute the whole of the issued share capital of the Company.
- (C) The Shares are fully paid up and validly issued.
- (D) The Shares are free from Encumbrances and there is no commitment or agreement to give or create any Encumbrance over the Shares.
- (E) At Closing, Seller will be the registered holder of the Shares.
- (F) As at the date of this Agreement, the Company has a relevant interest in 35,534,905 shares in the Refinery which the Company has sold and expects to transfer title to third parties on 3 June 2015.

**1.2 Insolvency.**

- (A) The Company is not insolvent or unable to pay its debts as and when they fall due.
- (B) No order has been made, petition presented, resolution passed or meeting convened for the winding up of the Company.
- (C) No petition has been presented or other proceedings commenced for any administration order to be made in relation to the Company, nor has any such order been made.
- (D) No receiver (including an administrative receiver), liquidator, trustee, administrator, custodian or similar official has been appointed in any jurisdiction in respect of the whole or any part of the Business.

**1.3 The Subsidiary and JVs.**

- (A) Subject to Paragraph 1.1(F), the only corporate entities in which the Company directly or indirectly holds an equity interest are the Subsidiary and the JVs.

**1.4 Seller Authority.**

- (A) Seller is duly incorporated with limited liability and validly exists under the laws of its place of incorporation.
- (B) Seller has the corporate power and has taken all necessary corporate and all other action, including the passing of all necessary directors' and members'



resolutions, to enter into and complete this Agreement, which Agreement constitutes legally binding obligations on Seller.

- (C) Neither the signing of this Agreement nor the performance of the Transaction will contravene or constitute a default under any provision contained in any agreement, instrument, law, judgment, order, permit or consent by which Seller or any of its assets is affected or cause any limitation on Seller or the powers of its directors, whether imposed by or contained in any document which contains or establishes its constitution or in any law, order, judgment, agreement, instrument or otherwise, to be exceeded.
- (D) No order has been made and no resolution has been passed for the winding up or liquidation of Seller or for a provisional liquidator to be appointed and no petition has been presented and no meeting has been convened for the purpose of the winding up or liquidation of Seller.
- (E) No administration order has been made and no petition for such an order has been presented in respect of Seller.
- (F) No receiver (which expression will include an administrative receiver) has been appointed in respect of Seller.
- (G) No voluntary arrangement has been made by Seller with its creditors.
- (H) Seller is not unable to pay its debts and has not stopped paying its debts as they fall due.
- (I) Seller is not otherwise insolvent or technically bankrupt under the applicable Law and no event has occurred in any jurisdiction which is analogous or equivalent to the events referred to in Paragraphs 1.4(D) to 1.4(G).

## **SCHEDULE 4**

### **PURCHASER'S WARRANTIES**

- 1.1 Purchaser is duly incorporated with limited liability and validly exists under the laws of New Zealand.
- 1.2 Purchaser has the corporate power and has taken all necessary corporate and all other action, including the passing of all necessary directors' and shareholders' resolutions, to enter into and complete this Agreement, which Agreement constitutes legally binding obligations on Purchaser.
- 1.3 Neither the signing of this Agreement nor performance of the Transaction will do either of the following:
  - (A) Contravene or constitute a default under any provision contained in any agreement, instrument, law, judgment, order, permit or consent by which Purchaser or its assets are affected.
  - (B) Cause any limitation on Purchaser or the powers of its directors, whether imposed by or contained in any document which contains or establishes its constitution or in any law, order, judgment, agreement, instrument or otherwise, to be exceeded.
- 1.4 No member of Purchaser's Group is in breach of any of its obligations to any member of Seller's Group in respect of the Transaction, including obligations under the Confidentiality Agreement.
- 1.5 No order has been made and no resolution has been passed for the winding up or liquidation of Purchaser or any of its Affiliates or for a provisional liquidator to be appointed in respect of it or any of its Affiliates and no petition has been presented and no meeting has been convened for the purpose of the winding up or liquidation of Purchaser or any of its Affiliates.
- 1.6 No administration order has been made and no petition for such an order has been presented in respect of Purchaser or any of its Affiliates.
- 1.7 No receiver (which expression will include an administrative receiver) has been appointed in respect of Purchaser or any of its Affiliates.
- 1.8 No voluntary arrangement has been made by Purchaser or any of its Affiliates with their respective creditors.
- 1.9 Neither Purchaser nor any of its Affiliates: (i) is unable to pay their respective debts; (ii) has stopped paying their respective debts as they fall due; or (iii) is otherwise insolvent or technically bankrupt under the applicable Law and no event has occurred in any jurisdiction which is analogous or equivalent to the events referred to in Paragraphs 1.6 to 1.9.
- 1.10 Neither Purchaser nor any of its Affiliates is aware of any matter which is inconsistent with, or could give rise to a breach of, Seller's Warranties.

- 1.11 Purchaser shall have at Closing sufficient available cash to meet its obligations under this Agreement including the payment in full of the Closing Amount.
- 1.12 There are no outstanding proceedings pending or, to the knowledge of Purchaser, threatened against or affecting Purchaser challenging or seeking to restrain or prohibit any of the matters contemplated by this Agreement.
- 1.13 Purchaser has such knowledge and experience and has taken such advice as is necessary as to be capable of evaluating the merits and risks of purchasing the Shares on the terms and conditions (including price) of this Agreement.

## SCHEDULE 5

### CLOSING STATEMENT

Item	NZ\$
Bid Price	[•]
Remedial Costs	(X)
Estimated Cash	X
Estimated Intercompany Loans	X
Deposit	(X)
Estimated Intercompany Debt	(X)
Estimated External Debt	(X)
CLOSING AMOUNT	X



**SCHEDULE 6**  
**CLOSING OBLIGATIONS**

**1. SELLER'S OBLIGATIONS**

1.1 At Closing, Seller shall do each of the following:

- (A) Deliver, or cause the Company to deliver, to Purchaser each of the following:
  - (1) A share transfer form in respect of the Shares executed by Seller in favour of Purchaser.
  - (2) The Share certificate for the Shares identifying Seller as the registered holder.
  - (3) Executed written resignations of each of the directors of the Company to take effect on the Closing Date with a written acknowledgement from each that such person has no claim whatsoever against the Company whether in respect of compensation for loss of office, damages, pensions, loans or otherwise.
  - (4) Updated register of shareholders of the Company recording the transfer of the Shares from Seller to Purchaser, together with all statutory books.
  - (5) Those Books and Records (other than those required by law to be retained by Seller) that are in the possession or control of Seller provided that Books and Records located at the premises of the Company shall be deemed to be delivered to Purchaser at Closing.
  - (6) A certified copy of the minutes of the meeting of the board of directors of the Company referred to in Paragraph 1.1(B).
  - (7) A certified copy of the minutes of the meeting of the board of directors and/or shareholders' meeting authorising the transactions contemplated in this Agreement and the transfer of the Shares.
  - (8) Evidence of the transfer of ownership of the "CHALLENGE!" brand to the Company or the Subsidiary.
- (B) Procure that the following business is conducted at a meeting of the board of directors of the Company:
  - (1) The registered office of the Company is changed to that nominated by Purchaser.
  - (2) There will be submitted and accepted the resignations of the directors referred to in Paragraph 1.1(A)(3).
  - (3) Any person nominated by Purchaser for appointment as a director of the Company will be so appointed with effect from Closing.

- (4) The corporate name of the Company is changed to a name not incorporating the words "Texaco", "Chevron" or "Caltex" or any words resembling the same.
- (5) All existing mandates for the operation of the bank accounts of the Company will be revoked and new mandates issued giving authority to any person nominated by Purchaser.
- (C) Pay to Purchaser, on behalf of Seller's Group, the amount of the Estimated Intercompany Loans (and Purchaser will receive such amount for itself or on behalf of the company to whom all or part of such amount is owed).
- (D) Execute the Trade Mark Licence.

## **2. PURCHASER'S OBLIGATIONS**

2.1 At Closing, Purchaser shall do each of the following:

- (A) Deliver to Seller each of the following:
  - (1) Evidence to Seller's reasonable satisfaction that the Conditions have been satisfied.
  - (2) A certified copy of the resolution of the board of directors of Purchaser authorising the Transaction and the execution and delivery by the officers specified in the resolution of this Agreement and any other documents referred to in this Agreement.
- (B) Pay to Seller an amount equal to the Closing Amount.
- (C) Pay to Seller, on behalf of the Company, the amount of the Estimated Intercompany Debt (and Seller will receive such amount for itself or on behalf of any member of Seller's Group to whom all or part of such amount is owed).
- (D) Execute the Trade Mark Licence.