



5 November 2015

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 2015)

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 2015.

The information in this announcement should be read in conjunction with Z Energy's most recent Annual Report.

Attached:

1. NZX Appendix 1;
2. ASX Appendix 4D;
3. Media announcement in relation to the half year results;
4. Management discussion and analysis in relation to the half year results;
5. Half year results presentation;
6. Z Energy's Half Year Report including group financial statements for the six months ended 30 September 2015, Directors' Declaration and the Auditor's Review Report; and
7. NZX Appendix 7 detailing the dividend of 8.5 cents (New Zealand currency) per ordinary shares to be paid on 2 December 2015 to those shareholders on the company's share register as at 5pm on 20 November 2015.

Yours sincerely

Debra Blackett



Company Secretary
Z Energy Limited

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PO Box 2091
Wellington 6140
New Zealand
0800 474 355
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Appendix 1

Full year reporting periods

Reporting period	six months to 30 September 2015
Previous reporting period	six months to 30 September 2014

Results for announcement to the market

	Six months to 30 September 2015 (NZ \$m)	Percentage change
Operational results		
Revenues from ordinary activities	1,309	(20)%
Profit (loss) from ordinary activities after tax attributable to security holders	67	205%
Net profit (loss) attributable to security holders	67	205%

	Amount per security (NZ cents)	Imputed amounts per security (NZ cents)
Dividends – Ordinary shares		
Interim dividend	8.5	3.3056
Record date		20 November 2015
Payment date		2 December 2015

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 2015 as contained in the Half Year Report and our most recent Annual Report.

Net tangible assets per security

	30 September 2015 (NZ cents)	30 September 2014 (NZ cents)
Net tangible assets per security	57	63

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%
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 2015.

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.



Appendix 4D

Full year reporting periods

Reporting period	six months to 30 September 2015
Previous reporting period	six months to 30 September 2014

Results for announcement to the market

	Six months to 30 September 2015 (NZ \$m)	Percentage change
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	Amount per security (NZ cents)	Franked amounts per security (AUD cents)
Dividends – Ordinary shares		
Interim dividend	8.5	0.0
Record date		20 November 2015
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5 November 2015

Organisational resilience enables continued growth

Result and dividend

Z Energy Limited (Z) today released its half year results for the six months ended 30 September 2015.

Z has delivered Historical Cost Net Profit After Tax (NPAT)¹ of \$67 million, up from \$22 million in the prior corresponding period.

This equates to Replacement Cost Operating EBITDAF² of \$105 million, up from \$91 million.

The Z Board has declared a fully imputed interim dividend of 8.5 cents per share, up 10 per cent. This will be paid on 2 December.

Growth in quality earnings – all parts of the business play their part

Z Chief Executive, Mike Bennetts, said Z had once again demonstrated the ability to safely deliver consistent growth and quality of earnings in line with strategy, while also executing a significant growth initiative. Both of these point to a distinctive level of organisational resilience.

“Over the period, each part of the business has played its part. Z has benefited from strong refining margins averaging \$13 per barrel, up from \$5 per barrel in the prior corresponding period, and expects further structural improvements in refining performance with the commissioning of the Te Mahi Hou project at Refining NZ in November.

“Z has continued to exercise discipline in its approach to optimising the balance between margin and volume and has been able to improve its bottom line performance, while maintaining the company’s economies of scale,” he said.

“Z continues to make very deliberate choices around how it delivers value to its customers and participates in the markets. Over the period we saw continued retail discounting, with up to 60 per cent of Z’s total network discounted at any point in time.”

Mike Bennetts said the impact of retail discounting in September was approximately 4.7 cents per litre across all retail litres, although not as extreme as in April when the impact reached 7.1 cents per litre.

“The level of competition across the retail and commercial markets continues to be very strong. In the retail markets Z continues with its tactical commitment to match price board discounting and in the commercial markets is continuing to be judicious around the business it retains and the acquisition of new customers.

¹ Z’s statutory NPAT earnings are prepared on an historical 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.



“For example, Z continues to win valuable commercial business from competitors because of what Z offers as a brand, a company and a business partner, while at the same time Z remains prepared to withdraw from uneconomic commercial volumes.

“The commercial markets remain challenging with a softer economy partly contributing to Z’s declining diesel volumes but Z has enjoyed considerable success in these markets over the period, retaining or winning a number of the most attractive accounts.”

Mike also pointed to the continued strong performance of the company’s convenience store and carwash offers as further evidence of Z’s strategy in action.

“Z’s non fuel margin has continued to grow, up seven per cent. In particular, we’ve seen Z selling 80,000 cups of coffee per month over the period, and continued strong performance from its other food and beverage offers.

“This result is particularly pleasing in that it shows the value that is generated by all parts of the business contributing towards a clear strategy and operating as an integrated company.”

Chevron acquisition

Mike Bennetts said he was particularly pleased that the result has been delivered with a strong health and safety performance, and while the company was also executing the Chevron acquisition pending regulatory clearance.

“The Chevron opportunity is potentially transformational for Z. Our ability to manage the clearance process, and run a critical transition programme while delivering earnings growth is a strong reflection of organisational resilience, and the quality and depth of the Z team,” he said.

“The regulatory clearance process has been thorough and robust,” said Mike. “While we remain confident that the transaction does not substantially lessen competition in New Zealand, we welcome the rigour of the process and look forward to updating the market when it is concluded.

“As we’ve worked through what is required to bring the two companies together we’ve become increasingly confident around the synergies that will exist and in September Z updated the market to increase the potential synergy range and to reduce what we expect the transition costs to be,” said Mike.

“Assuming clearance is secured, Z’s General Manager with responsibility for transition, Lindis Jones, will focus on the safe operation of the two businesses on ‘day one’ with no disruption for customers, before fully integrating the two companies into one combined New Zealand operation.



“It is in the integration phase that we expect to begin to fully understand the scope of opportunities before us and to start to realise the value in the transaction beyond what may have been generated from the actual purchase price.”

Funding

Z has paid a refundable \$79 million deposit for the transaction and, while the company planned an equity raise of around \$185 million, the underlying performance of the business gives Z sufficient confidence to reconsider the scale of the planned equity raise in the New Year, while funding any pre-Christmas settlement with debt facilities.

“We’ve taken this decision carefully and remain committed to bringing Z’s debt to RC EBITDAF gearing down to 2.0 times within two to three years of completing the transaction,” said Mike.

Diverse shareholder register

In October, Z’s founding cornerstone shareholders reduced their holdings in Z from 40 per cent to 10 per cent.

“We are pleased that NZ Super chose to retain a substantial 10 per cent holding in Z and we welcome the increased diversity and liquidity in our register,” said Mike.

Outlook and guidance

Mike Bennetts reaffirmed the guidance in the company’s September market update, of full year RC EBITDAF of \$245 - 265 million. This guidance includes the impact of the one-off Customs expense. Transition and acquisition costs associated with the Chevron acquisition are excluded.

Jonathan Hill: 021 440 090

Reconciliation from statutory NPAT to RC Operating EBITDAF

Net Profit per the statutory accounts	67
Replacement cost of sales adjustment (net of tax)	(11)
RC Net Profit After Tax	56
Depreciation and amortisation	20
Net financing expense	17
Other	(1)
Taxation (including tax on COSA)	24
Share of earnings in associates (net of tax)	(11)
RC Operating EBITDAF	105

Z Energy Limited Management Discussion and Analysis

Financial performance for the six months ended 30 September 2015

Overview

This is an analysis and commentary on the factors that have influenced Z Energy's (Z's) financial performance for the half year ended 30 September 2015. Statutory Historical Cost Net Profit After Tax (HC NPAT) was \$67m, up \$45m from the prior corresponding period (PCP). The increase in HC NPAT compared to the PCP was due to an increasing crude and product price environment throughout the majority of the first half of FY16.

Results below are presented on a replacement cost basis.¹

NZD in millions	6 months ended 30 September 2015	6 months ended 30 September 2014	Var	Var %
Revenue	1,309	1,646	(337)	(20%)
Replacement cost gross margin (RC gross margin)	280	245	35	14%
Operating expenses (excluding primary distribution expenses)	(135)	(138)	3	2%
Customs penalties and Chevron acquisition and transition expenses	(28)	-	(28)	<>
Realised and unrealised (losses) on foreign exchange and commodity transactions	(12)	(16)	4	25%
Replacement Cost Operating EBITDAF	105	91	14	15%
Share of earnings in associates	11	1	10	<>
Replacement Cost EBITDAF	116	92	24	26%
Depreciation and amortisation	(20)	(21)	1	5%
Net financing expense	(17)	(17)	-	-
Other	1	(2)	3	<>
Taxation (incl. tax impact of COSA ¹)	(24)	(14)	(10)	(71%)
Replacement Cost Net Profit After Tax	56	38	18	47%

¹ Information on replacement cost (including the cost of sales adjustment – COSA) can be found in the appendices in the attached presentation pack

Profit for the period

Replacement Cost Operating EBITDAF (RC Operating EBITDAF) has increased \$14m to \$105m from the PCP. The period can be summarised as a strong operational performance across both marketing and refining activities, impacted by one-off expenditure relating to the acquisition and transition of the Chevron New Zealand (CNZ) business in which Z has incurred expenses of \$10m relating to planning to date. A further impact has been the previously disclosed Customs expense of \$23m, including \$18m in penalties.

Replacement Cost Net Profit After Tax (RC NPAT) was \$56m, which is \$18m or 47% up on the PCP. This uplift in RC NPAT reflects the higher RC Operating EBITDAF contribution and the improvement in earnings from Z's shareholding in NZ Refining (NZR). The increased contribution from refining is due to strong refining margins and the benefit of a lower NZD:USD exchange rate. The gain from refining has been partially offset by the non-deductibility of Customs penalties for tax purposes.

Fuel volumes

Million litres (ml)	6 months ended 30 September 2015	6 months ended 30 September 2014	Var	Var %
Petrol	390	399	(9)	(2%)
Diesel	394	419	(25)	(6%)
Jet ²	174	177	(3)	(2%)
Marine	73	64	9	14%
Bitumen	25	29	(4)	(14%)
Other	1	1	-	-
Sub total	1,057	1,089	(32)	(3%)
Supply sales and exports	65	140	(75)	(54%)
Total	1,122	1,229	(107)	(9%)

Z Petrol volumes have reduced 2% in comparison to the PCP relative to an industry increase of 2%. This industry trend, when compared to the industry volume decrease of 1% over the last two years, is due to lower pump prices in Q1 which reversed in Q2. Over the period, Z has continued its commitment to tactical pricing of matching competitors' price board discounting in key markets. Z's market research continues to support customers preferring the Z brand and service offer once the final price the customer pays is more or less equivalent.

Z Diesel volumes declined 6% in comparison to the PCP while industry diesel volumes were flat. Z's decline is primarily a result of decisions not to renew low margin contracts in the commercial portfolio in late FY15. These lost customers in the freight and forestry sectors represent 12ml of the 25ml reduction with the remainder mostly from reduced freight demand from the existing customer base. Recent customer wins are expected to reduce this gap to industry over 2H.

² The prior periods Jet volumes have been restated to exclude kerosene (1ml), included in 'Other'

Against the PCP, Z Jet volumes reduced by 3ml (2%) reflecting a contract that Z didn't renew; Marine volumes increased 9ml (14%) in the international market from higher spot sales out of Auckland; Bitumen volumes were down on the PCP from reduced customer demand.

Quarterly operational data 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 export (primarily of fuel oil) to Australia. Supply and export volumes have reduced by 75ml (54%) as a result of unusually high levels of sales in the PCP associated with the forced export of crude residues following the extended outage at NZR in March and April 2014. Of the period's volume, 46% has been sold domestically and 54% exported. This compares to the PCP where 58% was sold domestically and the remaining 42% exported.

Replacement cost gross margin

NZD in millions	6 months ended 30 September 2015	6 months ended 30 September 2014	Var	Var %
Fuels ³	225	209	16	8%
Non fuels	31	29	2	7%
Refining	24	9	15	167%
Fee floor expense ⁴	-	(2)	2	<>
Total	280	245	35	14%
Realised (losses) on foreign exchange and commodity transactions	(11)	(6)	(5)	(83%)
Fuel volumes				
Fuel sales excl. supply sales (ml)	1,057	1,089	(32)	(3%)
Refining production (million bbl)	6.0	5.6	0.4	7%
Margin				
Fuels cents per litre (cpl)	20.2	18.6	1.6	9%
GRM (USD/bbl)	\$9.28	\$4.33	\$4.95	114%
GRM (NZD/bbl)	\$13.42	\$5.36	\$8.06	150%

³ 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)

⁴ Under the current processing agreement with NZR, 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.

Fuels margin

Fuels gross margin (replacement cost) inclusive of an additional \$5m of Customs duties relating to prior periods has increased by \$16m or 8%. This increase is the result of continued discipline of Z's pricing response.

Z continues to capture the targeted benefits of its joint procurement and processing of crude oil with BP. This initiative has delivered a benefit of \$4m during the period. This benefit is captured in fuel margins.

Z has worked to maintain marketing volumes in an increasingly competitive market by actively price matching in key areas whilst growing the overall average margin by 1.6 cpl (compared to 0.2 cpl growth during the PCP) from trimming out marginal business. Adjusting for supply sales and export volumes, margins have grown to 20.2 cpl against the PCP of 18.6 cpl, reflecting Z's approach to pricing in a volatile market.

Non-fuels margin

Z's share of 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 period has increased by \$2m against PCP reflecting a full year of Tier 2 store upgrades and an extended store offer.

Refining margin

Refining margin increased in comparison to the PCP by 167% driven by higher unit margin and a lower NZD:USD exchange rate. Gross refining margins reflect both the strong regional conditions that are supporting refineries in the current market, noting that the PCP was impacted by the unplanned shutdown at NZR.

Operating expenses

NZD in millions	6 months ended 30 September 2015	6 months ended 30 September 2014	Var	Var %
On site	23	23	-	-
Selling commissions	30	29	(1)	(3%)
Secondary distribution	21	22	1	5%
Employee benefits	20	20	-	-
Storage and handling	7	8	1	13%
Insurance	3	3	-	-
Marketing	7	10	3	30%
Professional fees	8	9	1	11%
Administration and other	16	14	(2)	(14%)
Operating expenses	135	138	3	1%
Customs penalties	18	-	(18)	<>
CNZ acquisition and transition	10	-	(10)	<>
Losses on foreign exchange and commodity transactions	12	16	4	25%
Total operating expenses	175	154	(21)	(14%)

Underlying operating expenses were \$135m in the period, down \$3m from the PCP. While marketing costs have reduced by \$3m or 30% in comparison to the PCP this is mostly due to the timing of planned spend. Z continues to invest in its brand and maintains its advertising share of voice. Administration and other expenses have increased predominantly from additional community spend for the Good in the Hood programme.

One off operating expenses were \$28m in the period. Customs penalties of \$18m in the period bring total Customs expenses incurred in FY16, relating to prior periods, to \$23m (\$5m of duties are included in Fuels margin). CNZ acquisition and transition expenses for the period were \$10m with \$6m relating to transition and \$4m of acquisition expenses.

Over the first six months of FY16, Z had an average level of net USD payables outstanding of USD52m and the exchange rate weakened by approximately 11c to 0.64. This led to an accounting FX loss in the period of \$17m (all realised). Commodity gains of \$5m (including \$6m of realised gains) reduced the net losses to \$12m for the period. This compares to the six months to 30 September 2014 where commodity gains made up \$12m (with \$9m realised) of the \$16m of losses.

Share of earnings in associates (NZR and Loyalty NZ)

Associate company earnings were \$11m compared to the PCP of \$1m. The increase is due to the increased profitability of NZR as a result of higher refining margins, a lower NZD:USD exchange rate and increased volume.

Depreciation and amortisation

Depreciation and amortisation costs have decreased by \$1m over the PCP. This reflects a reduction in the amortisation of software.

Net financing expense

Net financing expense for the period was \$17m, unchanged from the PCP.

Taxation

Tax expense (including tax on Cost of Sales Adjustment – COSA) for the period was \$24m, compared to \$14m for the PCP, principally due to the higher RC Operating EBITDAF contribution and the non-deductibility of customs penalties.

Cashflows

Net cash outflow from operating activities was \$15m for the six months ended 30 September 2015 compared to a net cash outflow of \$13m in the PCP. This reflects the increased RC Operating EBITDAF performance offset by the timing of crude and product payments.

Net cash outflow from investing activities was \$112m compared to \$29m in the PCP. The difference relates primarily to the \$79m deposit paid in respect of the acquisition of CNZ.

Net cash outflow from financing activities was \$63m compared to an outflow of \$62m in the PCP.

Balance sheet

Working capital

NZD in millions	As at 30 September 2015	As at 30 September 2014	Var	Var %
Accounts receivable and prepayments	238	188	50	27%
Inventory	319	482	(163)	(34%)
Accounts payable, accruals and other liabilities	240	345	(105)	(30%)
Net working capital	317	325	(8)	(2%)

Accounts receivable and prepayments

Z has a range of trade terms with its diverse 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 2015, accounts receivable and prepayments were \$238m which includes a \$79m deposit for the CNZ acquisition. Allowing for this, the reduction from the PCP is in line with reduced revenue, itself a reflection of lower oil prices.

Excluding the CNZ acquisition deposit, average receivable days were 22 in the period FY16 compared to 23 for the PCP.

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 NZR production schedule.

At 30 September 2015, Z's inventory balance was \$319m (PCP \$482m), comprising \$101m of crude oil (PCP \$140m) and \$180m of refined products (PCP \$289m), with the remainder being attributable to Excise and Carbon associated with the inventory on hand. At 30 September 2015 Z held 3.1m barrels on hand, compared to 3.3m at 30 September 2014. This reduced volume, combined with the reduction in the price of crude oil and refined products resulted in a lower inventory value at 30 September 2015.

Average inventory days were 70 in the period compared to 65 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, NZR 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 2015 were \$240m (PCP \$345m), comprising product payables of \$32m (PCP \$188m), Excise accruals of \$43m (PCP \$56m) and other payables of \$165m (PCP \$101m).

Average payable days were 45 in the period compared to 39 for the PCP reflective of the volatile nature of payment timing.

Net debt

Net debt (debt less cash) was \$423m. This compares to \$356m for the PCP. Cash on hand was \$16m compared to \$74m for the PCP driven by the timing of working capital cash flows and the deposit of \$79m for the CNZ acquisition.

Allowing for the CNZ deposit, average net debt over the first six months of FY16 was \$350m, compared to \$375m in the PCP.

Appendix 1: Z Energy – Quarterly operational data

	September 2015	September 2014	June 2015	June 2014
Health, safety, security and environment (HSSE)				
Lost time injuries ⁵	3	4	1	5
Spills to ground	0	0	0	0
Robberies	2	0	0	1
Fuel quality incidents	0	0	0	0
Process safety incidents	0	0	0	0
Total recordable case frequency ⁵	1.8	1.5	1.1	0.9
Motor vehicle incident* frequency ⁵	6.0	1.3	10.0	2.0
*All four MVIs were general breakdowns or minor collisions with damage less than \$100k.				
Fuels⁶				
Total industry volumes (all fuels) ⁷	1,987	1,928	1,966	1,947
Z total fuel volumes (ml)	583	571	539	657
Petrol (ml)	194	198	196	201
Diesel (ml)	198	209	196	209
Other fuels (ml)	131	133	142	138
Supply/Export sales (ml)	60	31	5	109
Refining				
<i>Refining NZ gross refining margin (GRM)</i>				
USD GRM per barrel ⁸	7.66	6.75	8.77	(2.72)
NZD GRM per barrel ⁹	11.70	8.01	11.57	(3.16)

⁵ Current year LTIs, TRCs and MVIs (and consequently TRCFs and MVIFRs) only include Z employees, Retailers' employees and Mini-tankers franchisees. Previous years' data also included trucking contractors and maintenance staff.

⁶ MBIE provides public benchmark data around retail importer margins. In September 2015, MBIE changed their methodology and reporting. Z no longer includes MBIE benchmark data in this report but you can find more information at: <http://www.mbie.govt.nz/info-services/sectors-industries/energy/liquid-fuel-market/weekly-oil-price-monitoring>

⁷ Excludes supply/export sales

⁸ This number is from NZR published data for the relevant quarter.

⁹ The NZD conversion is calculated by Z.

	September 2015	September 2014	June 2015	June 2014
Customer experience				
Commercial customer satisfaction ¹⁰	83%	84%	85%	83%
Retail customer satisfaction	85%	75%	83%	70%
Total Z transaction count	13.8 million	13.9 million	14.1 million	14.3 million
Retail: fuel-only transactions	7.4 million	7.6 million	7.5 million	7.7 million
Retail: fuel and store transactions	1.8 million	1.9 million	1.8 million	2.1 million
Retail: store only transactions	4.6 million	4.4 million	4.8 million	4.5 million
Number of service stations	212	211	210	213
Average weekly store sales	\$29,358	\$27,302	\$30,140	\$27,788
Average weekly store sales – like for like	\$29,739	\$28,197	\$31,010	\$28,719
Number of truck stops	92	93	92	93

¹⁰ Customer satisfaction determined using on-going internal customer measurement.

2016 Interim Results Presentation

For the six months ended 30 September 2015

5 November 2015

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 5 November 2015. It should be read subject to and in conjunction with the additional information in that announcement and other material which we have released to NZX and ASX. 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 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

Positive performance despite one-off Customs and acquisition related expenses



Key Financials	1H FY16	1H FY15	Variance
Historical cost net profit after tax (HC NPAT)	\$67m	\$22m	204%
Replacement cost NPAT (RC NPAT)	\$56m	\$38m	47%
Replacement cost operating EBITDAF (RC Operating EBITDAF)	\$105m	\$91m	15%
Interim dividend declared	8.5 cents	7.7 cents	10%

- Marketing business delivers with continued focus on pricing discipline and operating on an integrated basis
- Refining margin growth from trifecta of production, exchange rate and unit margin
- YTD Acquisition related opex of \$10m
- \$23m one-off and unexpected Customs payment, \$7m expensed to fuel margin and \$16m to opex

Note 1: 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 and results calculated on the basis of “replacement cost accounting”. It is very important that you understand how the “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

Continuing with preparations for new legislation in 2016



Operational Metrics	1H FY16	1H FY15
Total recordable case frequency (TRCF)	1.4	1.3
Motor vehicle incident frequency rate (MVIFR)	8.8	1.1
Lost time injuries (LTIs)	4	9
Number of spills (loss of containment)	0	0
Security incidents (robberies only)	2	1
Product quality incidents (high risk)	0	0
Process safety incidents (Tier 1 & 2)	0	0

- Increase in MVIFR partially explained by change in reporting base, although twelve minor accidents YTD versus six for all of last year
- Board commissioned an independent review of HSSE governance ahead of change in legislation
- Review found no gaps to current legislation
- Minor gaps identified to comply with the new legislation, and these will be closed by April 2016 at the latest

Note 1: Current year LTIs, TRCs and MVIs (and consequently TRCFs and MVIFRs) only include Z employees, Retailers' employees and Mini-tankers franchisees. Previous years' data also included trucking contractors and maintenance staff.

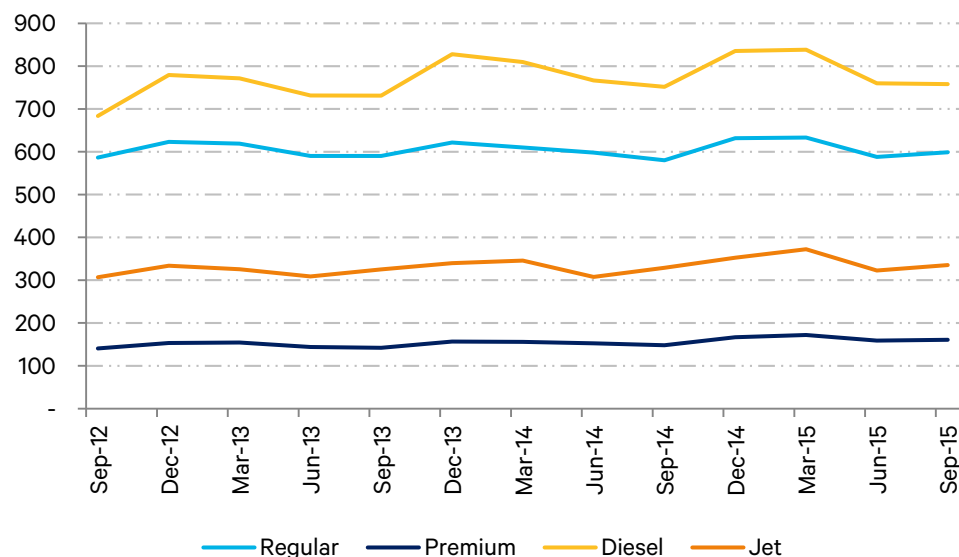
Note 2: Motor vehicle incident frequency rate is the number of motor vehicle incidents recorded per 1 million kilometres travelled.

Trading conditions

Slowing economic activity in 1H FY16

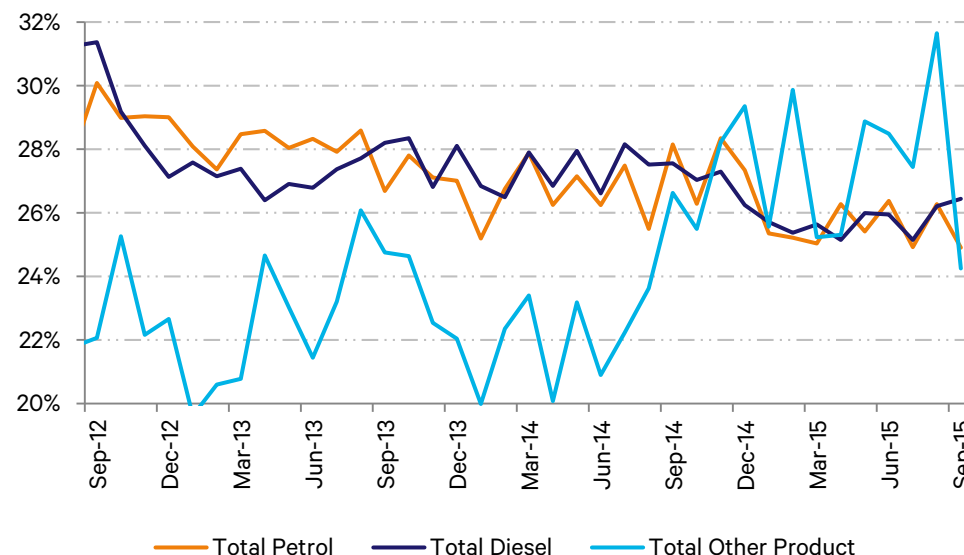


Quarterly Industry Volumes - million litres



- Industry petrol volumes for 1H are +1.9% to PCP, stronger growth compared to prior periods, likely as a result of lower prices in 1Q
- Industry diesel volumes for 1H are -0.1% to PCP, materially lower than prior periods, and across most sectors of the economy
- Consumer and Business confidence has fallen

Z Market Share



- Market share graph does not include supply/export sales
- Diesel market share decline due to decision to walk away from contracts with poor margin, with these progressively being replaced by new customers
- Continuation of localised price board discounting and national promotional offers in Retail

RC Operating EBITDAF variances to 1H FY15

Growth in earnings across the portfolio despite one-off expenses



Refining +\$17m

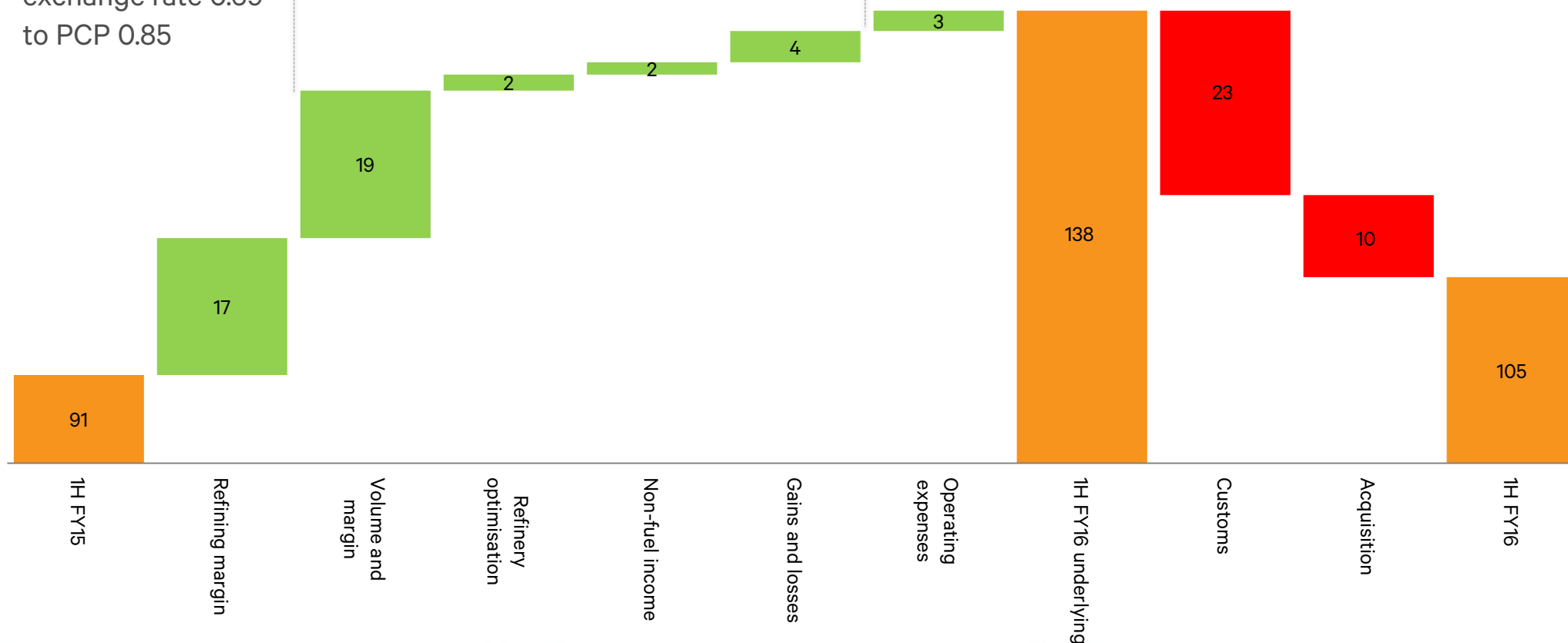
- Volume +0.4m bbl to PCP
- Unit margin +\$8.06 per barrel to PCP
- Average NZD/USD exchange rate 0.69 to PCP 0.85

Fuel and non fuel +\$27m

- Fuel margin +8% to PCP with continued investment in network and discipline with pricing
- Non fuel margin +7% to PCP through coffee and food offers

Operating expenses and one offs -\$30m

- Operating expenses \$3m less than PCP
- \$23m one off Customs payment still in dispute
- Acquisition costs \$10m YTD



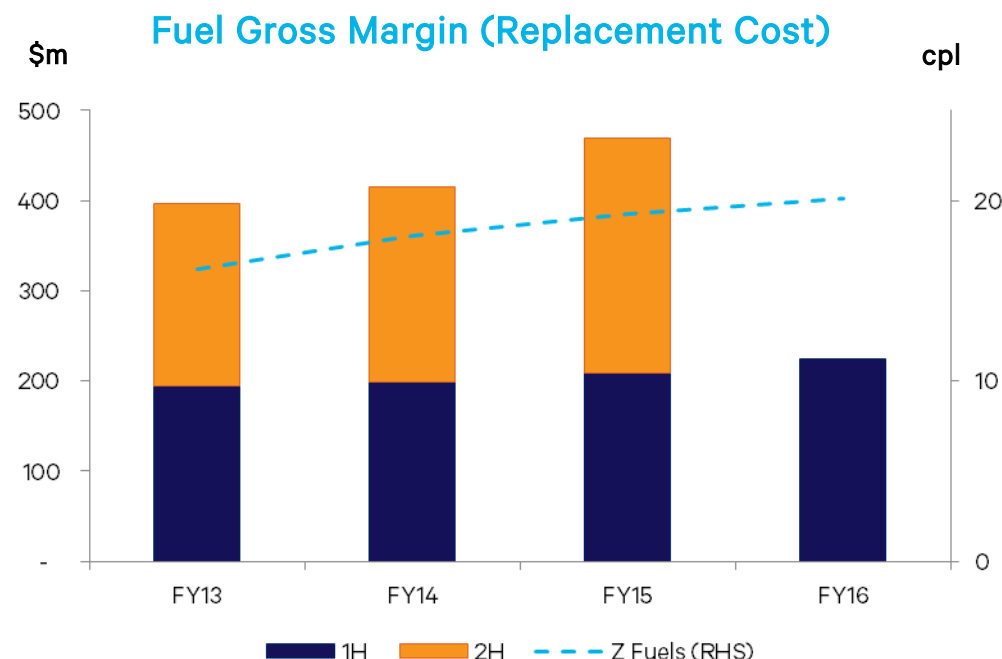
Fuel margin +8% to PCP

Decline in volumes driven by choices around portfolio management



Sales Volumes (ml)	1H FY16	1H FY15	Var
Petrol	390	399	(2%)
Diesel	394	419	(6%)
Other	273	271	1%
Total marketing volume	1,057	1,089	(3%)
Supply sales and exports	65	140	<>
Total Volume	1,122	1,229	(9%)

- Petrol volume decline reflects a continued highly competitive market and fewer operational sites compared to PCP due to rebuild and retanking activity
- Diesel volume softening reflects continued portfolio management in an overall flat market
- Other volume includes marine (+9ml), bitumen (-4ml) and jet (-3ml)



- Unit margin of 20.2cpl compared to PCP of 18.6cpl
- Actively price responsive at Retail sites
- Average margin growing through trimming out marginal Commercial business
- Benefits from refinery optimisation of \$4m, +\$2m to PCP

Retail discounting continues

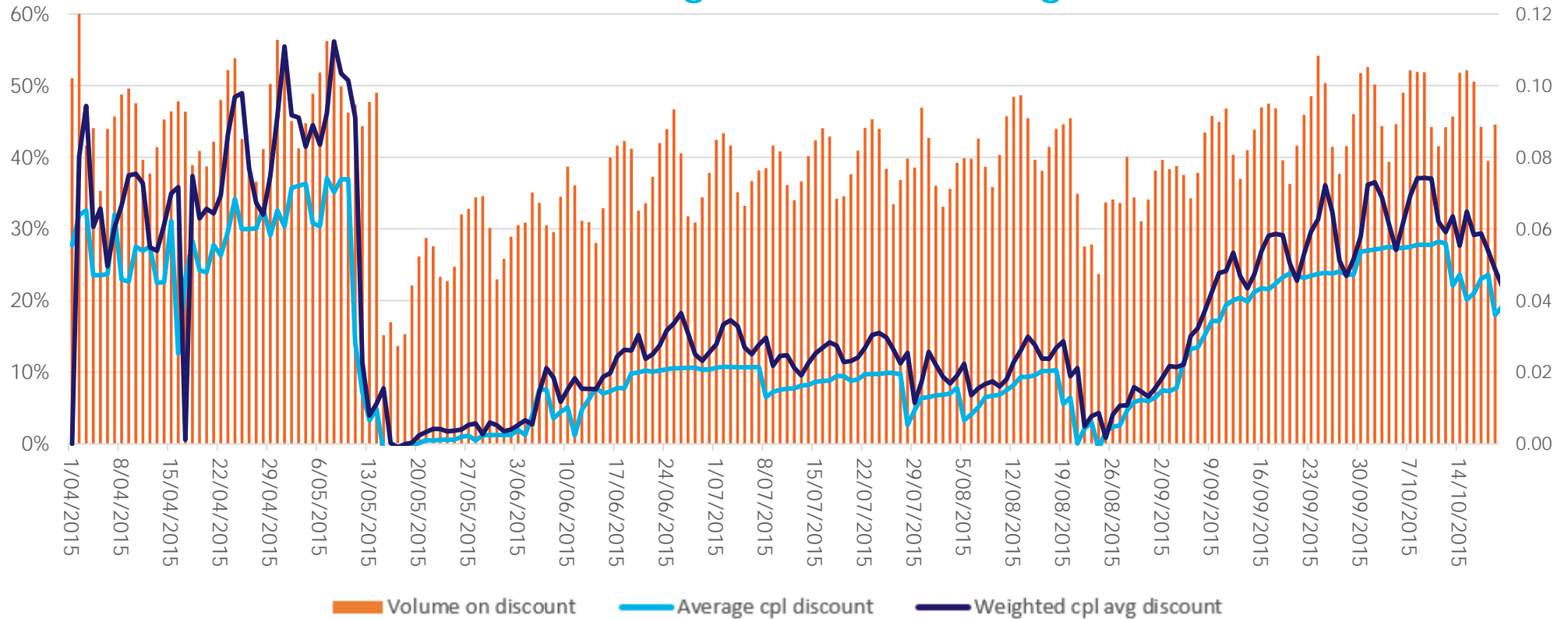
Up to 60% of Z's network has been discounted from main port price



% Volume Discounted

Discounting to Main Port Pricing

\$/litre



- In late May, discounting significantly reduced as competitors temporarily ceased “unsustainable” levels of price discounting
- Continued offers around discount days – Gull @ 10cpl, AA Smartfuels @ 8-10cpl, and Mobil @10cpl
- Mobil active with 4+4cpl for supermarket docket redemption
- Z continued with its tactical pricing, matching on price boards and through store activities

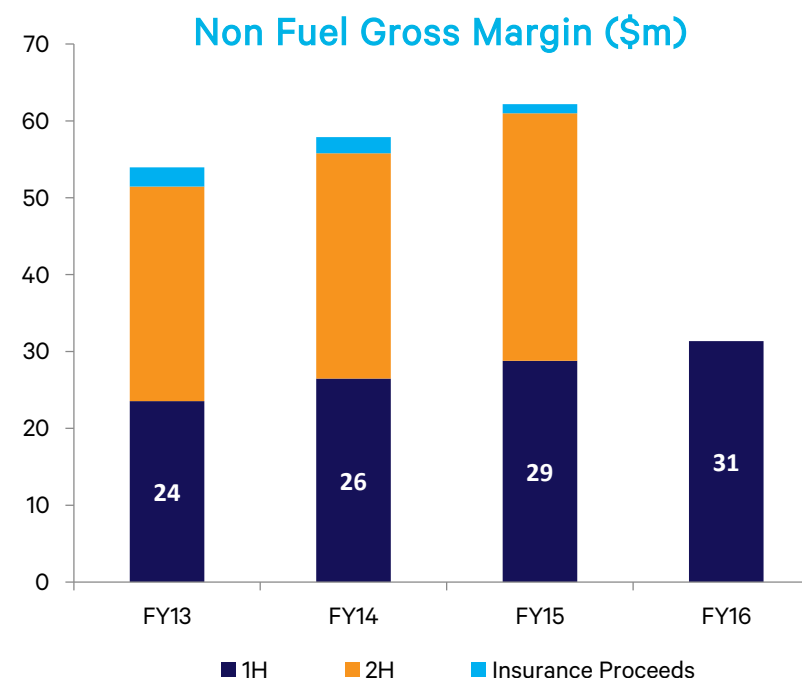
Non fuel margin +7% to PCP

Focus on food and drink delivers growth in both Tier 1 and Tier 2



Operational Metrics	Tier 1	Tier 2	Tier 3
Number of stores	87	61	58
1H FY15	83	39	84
Average weekly shop sales	\$42k	\$25k	\$17k
Sales growth	11%	9%	-3%
Total transaction count YoY	2%	0%	-12%
Store transaction count YoY	7%	8%	-7%

- Four Tier 2 store upgrades completed in 1H with no plan to continue the program further into the network in FY16
- Improved execution on site underpins sales growth which is greater than convenience industry average
- Pay at pump offer not compromising store sales to any material level



- Coffee sales +35% to PCP
- Food +28% to PCP
- Leisure +24% to PCP
- Strong promotional activity drives underlying growth, e.g. pie month

Refining margin +167% to PCP

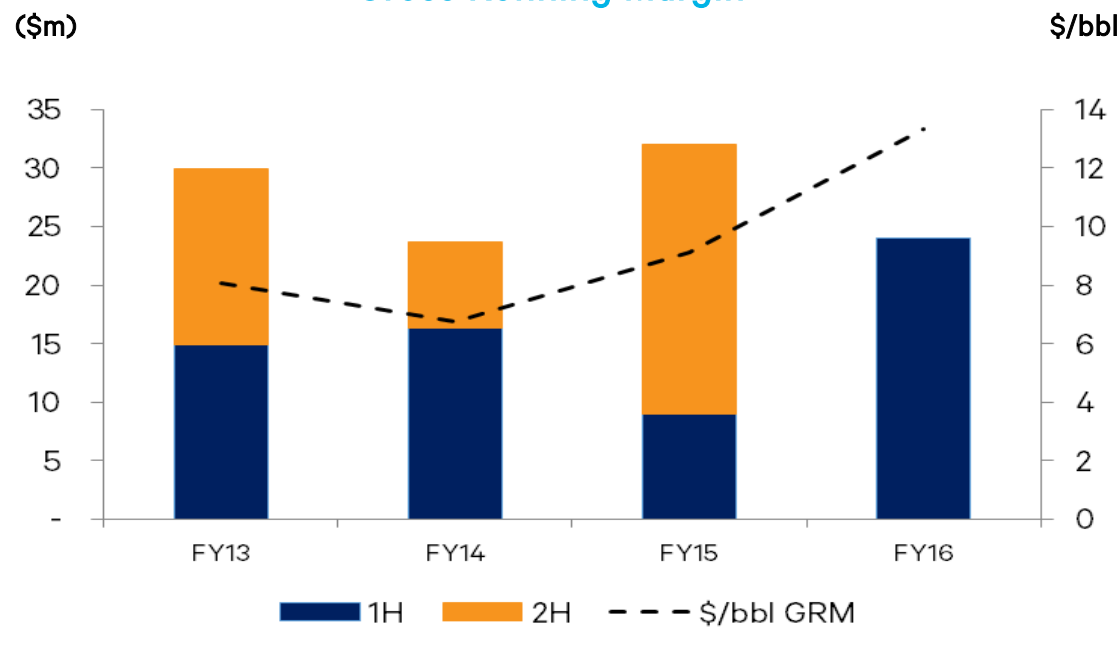
Benefitting from a favourable refining environment



Regional markets and Refining NZ

- Margin near to cap in 1H, exaggerated by lower NZD/USD exchange rate and record processing volumes
- Te Mahi Hou expected to be commissioned in November 2015 with uplift in refining margin of USD 0.90/bbl
- RNZ self-help initiatives continue to flow with three process unit initiatives improving margins by USD 0.13/bbl in 2015

Gross Refining Margin



Z Performance

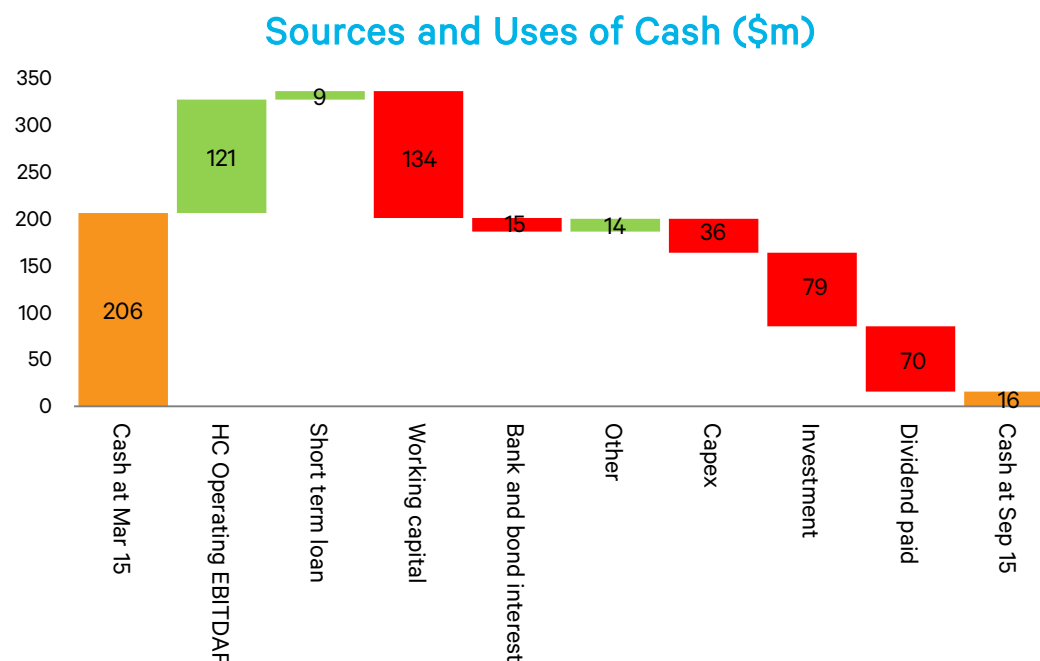
- Processing volumes increased to 6 million barrels from 5.6 million barrels in 1H FY15
- Refining margins 8.6% of Z's total gross margin against 3.7% in 1H FY15
- Optimisation programme involving BP, Refining NZ and Z realised a \$4m benefit (reported in fuel margin), +\$2m to PCP

Cash and capital funding

Balance sheet strength and capacity remains strong



Metrics	Sep 15	Mar 15	Sep 14
Gearing – book value	40%	31%	39%
Gearing – market capitalisation	12%	10%	18%
Market capitalisation	\$2.7b	\$2.1b	\$1.6b
Debt coverage (Total debt/12 months RC EBITDAF)	1.8x	1.9x	2.1x



- Net debt of \$423m, made up of \$430m domestic retail bonds and \$9m bank debt less \$16m of cash on hand
- Average net debt of \$402m (excluding Chevron acquisition deposit) compared to \$374m PCP
- \$79m Chevron acquisition refundable deposit, \$28m one off Customs payment and working capital impacted by timing of crude and product shipments
- New capex spend of \$29m, +\$1m to PCP
- Biodiesel plant construction on track for total spend of \$26m, full production expected June 2016

Note 1: In calculating gearing ratios, acquisition deposit has been treated as cash

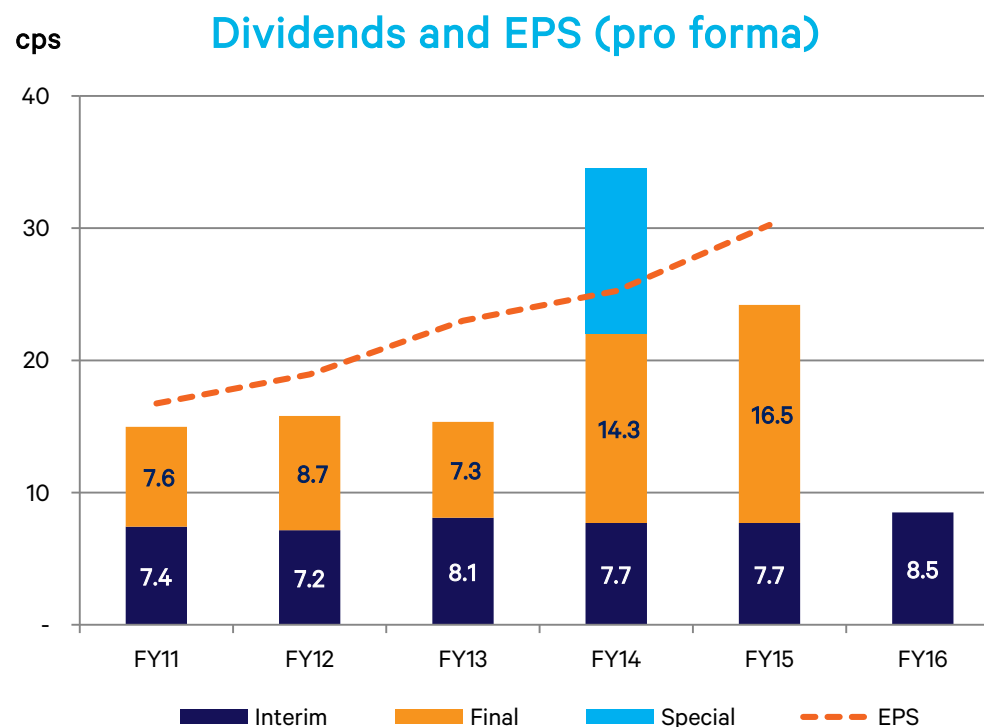
Note 2: Total Debt being defined as the sum of bonds plus mark-to-market derivatives and excludes working capital funding

Equity and distributions

10% Increase in Interim dividend



- Z Directors have declared a fully imputed interim dividend of 8.5 cents per share (\$34m)
 - Record date: 20 November 2015
 - Payment date: 2 December 2015
- Interim dividend consistent with Z's existing distribution policy
- Anticipated DPS track will reflect growth in EPS and have regard for the objectives of the medium-term capital structure
- Stronger operating performance allows for reconsideration of the previously announced equity raising



- Dividends paid over the FY11-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 FY11-FY14 period

Strengthen the Core to end FY18

Forecasting \$18m cumulative earnings by end FY16 to target range of \$40-50m



Strategic initiative	Progress in 1H FY16	FY16 Forecast	FY15 Actual
New sites and rebuilds Invest to strengthen the network	<ul style="list-style-type: none">Two new sites and one rebuild completed, bringing the total to six new sites and eight rebuilds during the strategy period	\$4.5m	\$0.7m
Evolution of Tier 1 store offer Develop food on the go offer and further “hero” categories	<ul style="list-style-type: none">New Breakfast products will be pilotedFurther product development currently under way	\$2.1m	\$0.3m
Extend Tier 2 store offer Push current food and coffee offer further into the network	<ul style="list-style-type: none">Four sites completed and FY16 rollout plan haltedProject close out phase initiated	\$1.1m	\$0.3m
Inland diesel portfolio management Refocus diesel volume by region, channel and then customer segment	<ul style="list-style-type: none">9 mlpa secured with existing customers19 mlpa declined as margins insufficient42 mlpa currently under offer	\$1.1m	\$0.5m
Competing supply chains Leverage improved refined product pricing across manufactured volume	<ul style="list-style-type: none">Refinery optimisation and refined product benefits are on track and continue as plannedProduct contract for 2016 being negotiated	\$9.0m	\$6.3m

Acquisition of Chevron New Zealand (CNZ)

Agreement announced on 2 June to acquire 100% of CNZ



Significant progress has been made with a Transition team of 100 employees and contractors

- Built and tested ERP modifications and extranet, with the small number of fixes being remediated
- Crude and product contracts agreed for day one, which assure continuity of supply
- Developed joint transition plans with Chevron where CNZ has historically relied on support from the corporate parent
- Consultation nearing completion for CNZ's employees for the day one organisational structure
- Business Readiness thresholds agreed with two assessment cycles completed

Risk Management

- The Commerce Commission has not changed its 18 December decision date
- Four distinct phases and stage gates for the Transition program to end 2016
- For Cutover, Plan Bs exist for all key operational processes
- Stabilisation Plan close to being finalised
- Estimated acquisition and transition costs of \$55m for 30 November cutover, down from original estimate of \$64m, with the run rate approximately \$2m per month post 30 November



Organisational resilience to the fore

The talents and engagement of Z's employees are being tested



Summarising 1H FY16

- RC Operating EBITDAF +15%, RC NPAT +47%, interim dividend +10%, despite one-off expenses
- Operational focus and delivery remains within agreed strategic boundaries
- Strengthening the Core initiatives yielding further value and momentum continues
- CNZ transaction and transition progressing as expected



Looking forward to 2H FY16

- Te Mahi Hou commissioned, partially offsetting an expected lower refining margin environment
- Marketing volume uplift expected given the seasonal bias in the portfolio
- Settlement of the CNZ transaction, completing cutover, and then stabilisation
- Guidance for RC Operating EBITDAF remains \$245m to \$265m (excluding acquisition related costs), with capex being \$70m to \$90m



BLOKHEDZ

Appendix

1. Financial results
2. Statutory profit and loss
3. Replacement cost profit and loss
4. Reconciliation



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 actually paid
- 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 FY16	1H FY15	Variance
Revenue	1,309	1,646	(20%)
HC gross margin	296	222	33%
Operating expenses (excluding primary distribution expenses)	(163)	(138)	(18%)
Foreign exchange and commodity (losses)	(12)	(16)	25%
HC Operating EBITDAF	121	68	78 %
Share of earnings in associates	11	1	<>
HC EBITDAF	132	69	91%
Depreciation and amortisation	(20)	(21)	5%
Net financing expense	(17)	(17)	-
Other	1	(2)	<>
Taxation	(29)	(7)	<>
HC NPAT	67	22	<>

Replacement cost profit and loss



\$m	1H FY16	1H FY15	Variance
Revenue	1,309	1,646	(20%)
RC gross margin	280	245	14%
Operating expenses (excluding primary distribution expenses)	(163)	(138)	(18%)
Foreign exchange and commodity (losses)	(12)	(16)	25%
RC Operating EBITDAF	105	91	15%
Share of earnings in associates	11	1	<>
RC EBITDAF	116	92	26%
Depreciation and amortisation	(20)	(21)	5%
Net financing expense	(17)	(17)	-
Other	1	(2)	<>
Taxation	(29)	(7)	<>
Tax on COSA	5	(7)	<>
RC NPAT	56	38	47%

Reconciliation from (statutory) HC NPAT to RC NPAT (\$m)	1H FY16
Net profit per the statutory accounts	67
Replacement cost of sales adjustment	(16)
Tax on COSA	5
RC NPAT	56

Note: for full reconciliation from NPAT to RC Operating EBITDAF, please refer to the associated media release



Half Year Report

For the six months ended 30 September 2015



Here's what's coming up

2 A handful of Z highlights

5 CEO's report

8 Sustainable solutions

10 Financial statements

19 Auditor's review report

20 Supplementary financial information

21 Directory

A handful of

for the six months to

\$105m

Replacement Cost¹ Operating EBITDAF²

\$67m

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 FY16 the replacement cost approach to valuing stock sold has resulted in an increase in cost of goods sold of \$16 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).

³ The record date for the payment of the interim dividend is 20 November 2015 and the payment date is 2 December 2015.

Z highlights

30 September 2015

8.5c

Dividends per Share³

\$56m

Replacement Cost Net Profit After Tax





Mike Bennetts

CEO's report

Organisational resilience enables continued growth.

**Tēnā koutou katoa te
whānau o Z Energy.**

The results

Z has a lot to be satisfied about in the first half of this year. It takes a distinctive level of organisational resilience to be able to deliver earnings growth safely, while also executing a significant growth initiative. I am particularly pleased with the high level of integration we have demonstrated in the past six months, as we could not have delivered great financial and operational results without every part of the business playing its part.

For the six months ended 30 September 2015, on an Historical Cost basis Z's Net Profit After Tax (NPAT) was \$67 million, an increase of \$45 million from the comparable period last year. Z recorded Replacement Cost Operating EBITDAF of \$105 million, an increase of 15 per cent.

Z's performance was underpinned by growth in earnings across all parts of the business. Fuel and non-fuel margins increased by eight and seven per cent respectively and it's great to continue the momentum in our 'strengthening the core' strategy

initiatives. After a tough first half last year, it was also pleasing to see such a marked and welcomed improvement in the refining environment, with refining margins increasing by 167 per cent.

The Z Board has determined that Z will pay an interim dividend of 8.5 cents per share, consistent with our policy of paying dividends based on approximately 80 per cent of Replacement Cost NPAT.

This represents a 10 per cent increase on last year's interim dividend and will be paid to shareholders on 2 December 2015.

We've reached the half-way mark in a year that is potentially transformational for Z given the acquisition we announced on 2 June. In September, we reaffirmed our guidance of full year Replacement Cost Operating EBITDAF of \$245 million to \$265 million, including the impact of the one-off and unexpected Customs expense of \$23 million and excluding transition and acquisition costs associated with the Chevron acquisition. Guidance does not include any assumptions on what may be contributed from the Chevron acquisition, assuming regulatory clearance is granted.

Most importantly, we have delivered first half results with a strong health and safety performance and I am confident we can deliver on our objectives for the full year.

Growth in quality earnings – all parts of the business play their part

While there were challenges and one-off expenses to manage in the first half of the financial year, Z once again demonstrated consistent growth and quality of earnings in line with strategy and commitments to our investors. The result highlights the value that is generated by all parts of the business executing strategy as an integrated company.

The level of competition in the retail and commercial markets continued to be very strong and Z's response was consistent. Z exercised discipline in optimising the balance between margin and volume and, as a result, we were able to increase margin across all of the litres we sold, in all markets, while comfortably maintaining the company's economies of scale in the supply chain.

We make very deliberate choices around how we deliver value to our customers. During the period we saw continued retail discounting and Z continued with its tactical commitment to pricing responsiveness in all areas. The impact of retail discounting in September was approximately 4.7 cents per litre across all retail litres, although not as extreme as in April when the impact reached 7.1 cents per litre across all retail litres. Up to 60 per cent of Z's total network was discounted at any point in time during the first half. Against this intense competitive backdrop, we managed to increase our fuel margin by eight per cent against the comparable period last year.

“ It takes a distinctive level of organisational resilience to be able to deliver earnings growth safely, while also executing a significant growth initiative. ”

The commercial markets were impacted by a softer economy during the period, which partly contributed to Z's declining diesel volumes. In this environment Z's success lies in retaining existing customers and acquiring new customers. Z continues to win valuable commercial business from competitors because of market-

leading customer service, while at the same time we remain prepared to walk away from or decline uneconomical commercial volumes.

The continued strong performance of the company's convenience store and carwash offers is further evidence of Z's strategy in action. Z's non-fuel margin continued to grow, up seven per cent on the first half last year, reflecting a full year of Tier 2 store upgrades and the launch of new products. In particular we saw coffee sales increase by 35 per cent from the comparable period last year, and the continued strong performance of our other food and beverage offers.

Z benefited from strong refining margins, averaging \$13 per barrel up from \$5 per barrel in the prior corresponding period. Our results in the first half of last year were heavily impacted by the unplanned shutdown at Refining NZ (RNZ) and a particularly adverse set of market conditions. It was pleasing for Z to benefit from a more favourable refining environment this year, with gross refining margins performing at or around the 'cap' level, a lower exchange rate and record processing volumes at RNZ. We expect further structural improvements in refining performance with the commissioning of the Te Mahi Hou project at RNZ in November. We are grateful to the team at RNZ for their great operational performance, as well as those who have spent the past few years building Te Mahi Hou.

Chevron acquisition

One of our commitments to you as investors and one of Z's founding organisational values is to 'be bold'. The Chevron acquisition is potentially transformational for Z and our ability to negotiate and announce the acquisition, manage the clearance process to date and run a strategically critical transition programme while delivering earnings growth from 'business as usual' is a strong reflection of organisational resilience,

essentially the quality and depth of the Z team.

On 2 June Z announced that it had signed a Sale and Purchase Agreement to purchase the shares of Chevron New Zealand for \$785 million. Z then applied for clearance from the Commerce Commission and the Overseas Investment Office, and the process is heading towards its conclusion. While we remain confident that the transaction does not substantially lessen competition in New Zealand, we are pleased with the rigour of the process and look forward to updating you when the process is concluded.

Assuming clearance is secured, Z's General Manager with responsibility for transition, Lindis Jones, will focus on the safe operation of the two businesses on 'day one' with no disruption for customers, before fully integrating the two companies into one combined New Zealand operation.

As we've worked through what is required to bring the two companies together we've become increasingly confident of the synergies that will exist. In September Z updated the market to increase the potential synergy range to \$25 million to \$30 million (previously \$15 million to \$25 million) and we also reduced our expected transition costs by \$9 million. However, it is in the integration phase that we expect to begin to understand fully the scope of the opportunities and possible risks before us and to start to realise the value in the transaction beyond what may have been generated from the actual purchase price.

While Z initially planned an equity raise of around \$185 million, the underlying performance of the business may cause us to reconsider the scale of any equity raise that may be required. We will update you on this in the new calendar year when we better understand the performance of the combined business and whatever market context we are in at that time.

Diverse shareholder register

Z continues to evolve on its journey as a publicly listed company.

On 6 October, Z's cornerstone shareholders reduced their holdings in Z from 40 per cent to 10 per cent, with Infratil selling all 20 per cent of its stock and the New Zealand Superannuation Fund (NZ Super) approximately 10 per cent.

Infratil and NZ Super have been strong, supportive shareholders that have backed Z's growth and innovation as a Kiwi company ever since they bought the business in April 2010. On behalf of everyone at Z, I would like to take this opportunity to thank Infratil and NZ Super for their support in this time.

Having said that, the sale is a positive development for Z and our investors. As a result of the sell-down Z becomes even more visible as one of New Zealand's top companies and now sits at number eight on the NZX Index. While we welcome NZ Super choosing to retain a substantial holding in Z, we're also pleased that almost 30 per cent of the company has been unlocked for a range of other investors, which has generated greater liquidity in our stock and diversity in the register.

Sustainable solutions

Right at the beginning of Z, we set some ambitious goals around sustainability and I'm pleased to let you know that we've made good progress against these. We are working hard to reduce our environmental impacts and we have a strong focus on social and economic sustainability as well.

To give you one example, we've taken our commitment to sharing everything to the next level. For the first time, in May this year, Z published its annual report in accordance with an international sustainability reporting framework called the Global Reporting Initiative (GRI). By using the GRI, we

Firms that are winning, both in New Zealand and globally, are firms that recognise sustainability is a fundamental business philosophy for the future.

can show you how our performance stacks up against external environmental, social and economic standards. Doing this forms part of our commitment to sustainability, to transparency, and to best-practice reporting.

Firms that are winning, both in New Zealand and globally, are firms that recognise sustainability is a fundamental business philosophy for the future; that sustainability is simply good business. To operate with integrity, a sustainability programme must align with a company's purpose and values. We are taking a strategic approach to incorporating sustainability into our business and we have a heap of things on the go – but you'll hear about this in more detail in our FY16 annual report.

Z as a Zero Harm organisation

Health, Safety, Security and the Environment (HSSE) is the bedrock upon which our business has been built and we continue to invest time, resources and expertise right across the business into continually improving our performance.

All of Z remain committed to being the best we can be when it comes to HSSE by continually evolving the health and safety culture within Z. We continue to focus on reducing operational risk and building towards becoming a Zero Harm organisation.

The six months to 30 September 2015 represented good performance in

HSSE, with investment occurring in new systems and reporting processes to ensure continued visibility around ways to improve health and safety outcomes.

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

We are off to a positive start but this is no time to be complacent. We have set out to achieve a huge amount in the second half and it will take a continued level of resilience from everyone in the Z team to deliver on our strategy, particularly if the Chevron acquisition is approved and settled prior to the end of the financial year.

The market is not without its challenges and we expect volatility to continue. However, we anticipate that the contribution from refining will remain significantly positive through the second half and Z should stand to benefit from volume uplift in the summer months, especially as we roll out further promotional activity and continue to deliver market-leading customer service. We will continue to invest in our network and look forward to our biodiesel plant being commissioned in early 2016.

Most importantly, we will work hard to keep our people safe and deliver earnings per share growth to you, our investors, in a way that is sustainable and supports our communities. I look forward to updating you in six months' time and have no doubt there will be plenty to report.

Nō reira, tēnā koutou tēnā koutou tēnā tātou katoa.



Mike Bennetts
Chief Executive

Sustainable solutions

At Z we've set some ambitious goals around sustainability. We're working hard to reduce our environmental impacts and we have a strong focus on social and economic sustainability as well. You'll hear about this in more detail in our FY16 annual report – but in the meantime, let us give you a taste of some of the great progress we've made in the past six months.

For the first time, in May this year, Z published its annual report in accordance with an international sustainability reporting framework called the **Global Reporting Initiative (GRI)**. By using the GRI, we can show you how our performance stacks up against external environmental, social and economic standards. You can find our FY15 annual report here: <http://z.co.nz/assets/investor-centre/Annual-Report-2015-INTERACTIVE-new.pdf>

We've just launched Z's **Sustainability Code of Conduct for Suppliers**. The Code of Conduct sets clear expectations and provides a framework for collaborative partnerships so we can work side by side with our suppliers to achieve sustainability outcomes together.





We are currently underway with the third round of **Waste Warriors** – an annual competition among our retail sites to see who can recycle the most waste. Last year's winner, Ashleigh from Z Rangiora, led her team to recycle 87 per cent of all waste on their site – an outstanding result.

Z's \$26 million **biodiesel** project is currently under construction and due for completion in early 2016. Located in Wiri, South Auckland, it is New Zealand's first large-scale biodiesel production facility and the only commercial-scale biofuel plant that we know of in the world to have been built without government incentives or mandates. The sustainable biodiesel we manufacture converts inedible animal fats into diesel and will meet New Zealand's diesel specifications as well as the stringent European biodiesel specifications.

This December, countries will meet in Paris to establish a new international **climate change** agreement under the United Nations Framework Convention on Climate Change. In anticipation of this, earlier this year, the New Zealand government called for submissions on the country's post-2020 climate change target. Z's submission argues for aspirational carbon-reduction targets, which you can read about here: <http://z.co.nz/assets/PDFs/Z-Energys-climate-change-submission.pdf>

This year, for the first time, we ran a competition to find out **what sustainability means to our retail staff.**

We received 77 ideas for new sustainability initiatives and most of these will be implemented as a joint effort between frontline and corporate teams. The winning idea came from Z Queenstown, who suggested putting degradable bags for recyclable waste into rental vehicles. We have kicked this off already; now tourists leaving Queenstown Airport can collect their recycling and drop it into forecourt bins at Z service stations throughout the region.



Financial statements

**Z Energy Limited
("Company") directors'
declaration in respect
of the Group financial
statements for the
six months ended
30 September 2015**

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 2015. 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 2015 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 2015 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 4 November 2015 and is signed for and on behalf of the directors by the Board Chairman.

Signed



Peter Griffiths
Chairman



Abigail Foote
Audit and Risk Committee Chair

4 November 2015

Statement of comprehensive income

for the six months ended 30 September 2015

	Unaudited 6 months ended 30 September 2015 \$m	Unaudited 6 months ended 30 September 2014 \$m	Audited 12 months ended 31 March 2015 \$m
Revenue	1,309	1,646	3,064
Excise and carbon expense	(275)	(266)	(562)
Purchases of crude and product	(726)	(1,145)	(2,073)
Primary distribution expenses	(12)	(13)	(25)
Operating expenses	(175)	(154)	(321)
Share of earnings of associate companies (net of tax)	11	1	10
Earnings before interest, taxation, depreciation (including gains and (losses) on sale of fixed assets), amortisation and fair value movements in interest rate derivatives (EBITDAF)	132	69	93
Depreciation and amortisation	(20)	(21)	(43)
Net financing expense	(17)	(17)	(37)
Gain/(loss) on interest rate derivatives	1	(2)	(7)
Net profit before taxation	96	29	6
Taxation (expense)/benefit	(29)	(7)	1
Net profit for the period	67	22	7
Net profit attributable to owners of the company	67	22	7
Other comprehensive income that will not be reclassified to profit or loss			
Asset revaluation reserve after tax	-	-	(3)
Share of associate other comprehensive income after tax	1	-	(1)
Other comprehensive income/(loss) net of tax	1	-	(4)
Total comprehensive income for the period	68	22	3
Total comprehensive income attributable to owners of the company	68	22	3
Basic and diluted earnings per share (cents)	17	6	2

The accompanying notes form part of these financial statements.

Statement of changes in equity

for the six months ended 30 September 2015

	Capital \$m	Retained earnings \$m	Employee share reserve \$m	Asset revaluation reserve \$m	Total equity \$m
Balance at 1 April 2015	432	(59)	(3)	135	505
Net profit for the period	-	67	-	-	67
Other comprehensive income	-	1	-	-	1
Total comprehensive income for the period	-	68	-	-	68
Transactions with owners recorded directly in equity:					
Own shares acquired	-	-	(2)	-	(2)
Dividends to equity holders	-	(66)	-	-	(66)
Supplementary dividends to equity holders	-	(4)	-	-	(4)
Tax credit on supplementary dividends	-	4	-	-	4
Total transactions with owners recorded directly in equity	-	(66)	(2)	-	(68)
Unaudited closing balance at 30 September 2015	432	(57)	(5)	135	505
Balance at 1 April 2014	432	20	(2)	141	591
Net profit for the period	-	22	-	-	22
Total comprehensive income for the period	-	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
Balance at 1 April 2014	432	20	(2)	141	591
Net profit for the year	-	7	-	-	7
Other comprehensive income	-	(1)	-	(3)	(4)
Disposal of revalued assets	-	3	-	(3)	-
Total comprehensive income/(loss) for the year	-	9	-	(6)	3
Transactions with owners recorded directly in equity:					
Own shares acquired	-	-	(1)	-	(1)
Dividends to equity holders	-	(88)	-	-	(88)
Supplementary dividends to equity holders	-	(4)	-	-	(4)
Tax credit on supplementary dividends	-	4	-	-	4
Total transactions with owners recorded directly in equity	-	(88)	(1)	-	(89)
Audited closing balance at 31 March 2015	432	(59)	(3)	135	505

The accompanying notes form part of these financial statements.

Statement of financial position

as at 30 September 2015

	Notes	Unaudited 30 September 2015 \$m	Unaudited 30 September 2014 \$m	Audited 31 March 2015 \$m
Shareholders' equity		505	554	505
Represented by:				
Current assets				
Cash and cash equivalents		16	74	206
Accounts receivable and prepayments		238	188	163
Inventories	3	319	482	304
Derivative financial instruments		15	2	4
Assets held for sale		-	2	-
Income tax receivable		-	6	16
Total current assets		588	754	693
Non current assets				
Property, plant and equipment		547	516	536
Intangible assets		31	31	32
Investments in associates and subsidiaries	4	114	97	105
Derivative financial instruments		10	8	6
Other non current assets		1	1	1
Total non current assets		703	653	680
Total assets		1,291	1,407	1,373
Current liabilities				
Accounts payable, accruals and other liabilities	2	240	345	351
Income tax payable		5	-	-
Provisions		6	11	10
Short term loan		9	-	-
Derivative financial instruments		18	3	6
Total current liabilities		278	359	367
Non current liabilities				
Other liabilities		16	17	17
Provisions		28	18	27
Derivative financial instruments		13	8	9
Bonds		430	430	430
Deferred tax		21	21	18
Total non current liabilities		508	494	501
Total liabilities		786	853	868
Net assets		505	554	505

Approved on behalf of the Board
on 4 November 2015


Peter Griffiths
Chairman


Abigail Foote
Director

The accompanying notes form part of these financial statements.

Statement of cash flows

for the six months ended 30 September 2015

	Notes	Unaudited 6 months ended 30 September 2015 \$m	Unaudited 6 months ended 30 September 2014 \$m	Audited 12 months ended 31 March 2015 \$m
Cash flows from operating activities				
Receipts from customers		1,325	1,675	3,113
Dividends received		3	-	-
Proceeds from insurance recoveries		-	-	1
Interest received		11	11	22
Payments to suppliers and employees		(1,027)	(1,395)	(2,328)
Excise and carbon paid		(299)	(257)	(550)
Interest paid		(26)	(25)	(51)
Taxation paid		(2)	(22)	(25)
Net cash (outflow)/inflow from operating activities		(15)	(13)	182
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		2	5	7
Purchase of intangible assets		(1)	(1)	(4)
Deposit for potential Chevron acquisition	8	(79)	-	-
Purchase of property, plant and equipment		(34)	(33)	(63)
Net cash outflow from investing activities		(112)	(29)	(60)
Cash flows from financing activities				
Proceeds from bank loan		9	-	-
Purchase of shares	5	(2)	(2)	(2)
Dividends paid to owners of the company	5	(70)	(60)	(92)
Net cash outflow from financing activities		(63)	(62)	(94)
Net (decrease)/increase in cash		(190)	(104)	28
Cash balances at beginning of period		206	178	178
Cash at end of period		16	74	206

The accompanying notes form part of these financial statements.

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

	Unaudited 6 months ended 30 September 2015 \$m	Unaudited 6 months ended 30 September 2014 \$m	Audited 12 months ended 31 March 2015 \$m
Net profit for the period	67	22	7
Adjustments to reconcile profit to net cash (outflow) / inflow from operating activities			
Depreciation and amortisation	20	21	43
Equity accounted earnings and income of associates	(8)	(1)	(10)
Bad debts expense	-	1	4
Net financing expense	2	-	-
Fair value of derivatives	(1)	2	9
Other	6	3	(3)
Changes in asset and liabilities, net of non-cash, investing and financing activities			
Change in accounts receivable and prepayments	3	39	63
Change in inventories	(15)	(3)	175
Change in accounts payable, accruals and other liabilities	(109)	(79)	(78)
Change in taxation	20	(18)	(28)
Net cash (outflow)/inflow from operating activities	(15)	(13)	182

The accompanying notes form part of these financial statements.

Notes to the financial statements

for the six months ended 30 September 2015

(1) Basis of accounting

Reporting entity

Z Energy Limited is registered in New Zealand under the Companies Act 1993 and is a FMC Reporting Entity in terms of the Financial Markets Conduct Act 2013 and the financial statements have been prepared in accordance with the requirements of that Act and the Financial Reporting Act 2013. Z Energy Limited is party to listing agreements with NZX Limited and ASX Limited with its ordinary shares, and three series of bonds quoted on the NZX Debt Market.

The interim Group financial statements (referred to as “Z Energy” or “the Group”) for the six months ended 30 September 2015 comprise the Parent for Z, its subsidiaries and interests in associates and jointly controlled operations.

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 2015.

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 2015 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 2015.

(2) Accounts payable, accruals and other liabilities

	Unaudited 30 September 2015 \$m	Unaudited 30 September 2014 \$m	Audited 31 March 2015 \$m
Accounts payable	210	314	308
Accruals and other liabilities	23	22	27
Employee benefits payable	7	9	16
	240	345	351

(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 2015 \$m	Unaudited 30 September 2014 \$m	Audited 31 March 2015 \$m
Raw materials and consumables	101	140	96
Finished goods/trading products	218	342	208
	319	482	304

During the period the write-down of inventories to net realisable value amounted to \$12.1m (30 September 2014: \$0.3m 31 March 2015: \$9m). The write-down is included in 'purchases of crude and product' in the Statement of Comprehensive Income.

(4) Investments in associates and subsidiaries

The Group is considered to have significant influence over its investment in The New Zealand Refining Company Limited (Refining NZ) due to the fact that it has representation on the Board of Directors and therefore has equity accounted this investment. Based on its closing share price of \$3.40 the fair value of the Group's investment in Refining NZ is \$163m (30 September 2014: \$1.66, \$79m, 31 March 2015: \$2.60, \$125m) compared to a carrying value of \$112m (30 September 2014: \$95m, 31 March 2015: \$103m). The Group also holds \$2m of investments in associates and subsidiaries outside of Refining NZ (30 September 2014: \$2m, 31 March 2015: \$2m).

(5) Share capital and distributions

During the period 330,889 shares at a cost of \$2m (30 September 2014: 444,555 shares, \$2m; 31 March 2015: 944,235 shares, \$3.6m) 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 2015 \$m	Unaudited 6 months ended 30 September 2014 \$m	Audited 12 months ended 31 March 2015 \$m
2014 Final dividend (paid June 14)	14	-	57	57
2015 Interim dividend (paid December 14)	8	-	-	31
2015 Final Dividend (paid June 15)	17	66	-	-

(6) Related parties

From 6 October 2015, Infratil Group has ceased to be a related party.

Transactions with related parties Received/(paid)	Unaudited 6 months ended 30 September 2015 \$m	Unaudited 6 months ended 30 September 2014 \$m	Audited 12 months ended 31 March 2015 \$m
Associates – sale of goods and services	1	1	2
Associates – purchase of goods and services			
Refining NZ – processing fees, customs and excise duties	(268)	(223)	(465)
Coastal Oil Logistics Limited - distribution	(8)	(12)	(19)
Other	(39)	(17)	(29)
Companies with common directorship – sale of goods and services	-	2	-
Infratil Group			
Sales of goods and services	1	1	1
Tax subvention payment	-	(1)	(1)
Key management personnel			
Short-term employee benefits	3	3	5
Other long-term benefits	2	2	2
Balances at the end of the period			
Associates – payable			
Refining NZ – processing fees, customs and excise duties	(37)	(37)	(41)
Other	(1)	(1)	(1)

(7) Back dated excise duty and contingent liabilities

The Group has received claims in respect of back dated excise duty by the New Zealand Customs Service ("Customs") in respect of a number of Terminals around New Zealand where the Group has an ownership interest. The claims relate to duty arising on the volume of motor spirit manufactured as a result of the common industry practice of blending motor spirit in small volumes with other substances that do not attract excise duty.

The Group has made payments to Customs either directly, or indirectly through Wiri Oil Services Limited (WOSL) an associate of the Group, based on its share of assessments received from Customs in May and June 2015. The total gross payments were \$28m and cover excise and additional duty dating back to 2007. \$23m of these gross payments have been recorded as an expense in the current period (a provision of \$5m was recorded for back dated excise duty claims at 31 March 2015).

Following these payments additional correspondence has been received from Customs which could ultimately result in total payments differing to the \$28m incurred to date. No provision has been recorded at 30 September 2015.

There are no contingent liabilities at 30 September 2015 (30 September 2014: \$5m, 31 March 2015: \$20m).

(8) The Group to acquire Chevron New Zealand (Chevron NZ)

On 2 June 2015, the Group signed an agreement with a subsidiary of the Chevron Corporation to acquire 100 per cent of Chevron NZ. The Group is paying \$785 million plus an adjustment for movement in working capital for all of the shares of Chevron NZ, 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. The acquisition is subject to clearance under the Commerce Act 1986 and consent of the Overseas Investment Office. The Group has made a \$78.5 million deposit for the potential acquisition of Chevron.

(9) Events after balance date

Dividend

On 4 November 2015, the Directors approved a fully imputed dividend of \$0.085 per share, which is equal to \$34m to be paid on 2 December 2015 (30 September 2014: \$31m, \$0.077 per share, 31 March 2015: \$66.0m, \$0.165 per share).

Auditor's 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 11 to 18 which comprise the statement of financial position as at 30 September 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the six months ended on that date, and a summary of significant accounting policies and other explanatory information.

Directors' responsibilities

The directors of Z Energy Limited are responsible for the preparation 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 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 NZ SRE 2410 Review of Financial Statements Performed by the Independent Auditor of the Z Energy Limited. NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared, in all material respects, in accordance with NZ IAS 34 Interim Financial Reporting. As the auditor of the Group, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of interim financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

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.

Our firm has also provided other assurance services to the Group. Subject to certain restrictions, partners and employees of our firm also deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. These matters have not impaired our independence as auditors of the Group. The firm has no other relationship with, or interest in, the Group.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 30 September 2015, and of its financial performance and its cash flows for the six months ended on that date, in accordance with NZ IAS 34 Interim Financial Reporting.

A stylized, handwritten-style signature of the KPMG firm, rendered in a dark blue or black ink.

4 November 2015
Wellington

Supplementary financial information

for the six months ended 30 September 2015

The supplementary financial information does not form part of the financial statements. To assist in understanding the Group's performance, the directors have provided additional disclosure of the Group's results for the 6 months on a replacement cost basis.

	Unaudited 6 months ended 30 September 2015 \$m	Unaudited 6 months ended 30 September 2014 \$m	Audited 12 months ended 31 March 2015 \$m
Income statement on replacement cost basis¹			
Revenue	1,309	1,646	3,064
Excise and carbon expense	(275)	(266)	(562)
Purchases of crude and product	(726)	(1,145)	(2,073)
Primary distribution expenses	(12)	(13)	(25)
Cost of sales adjustment (COSA)	(16)	23	158
Operating expenses	(175)	(154)	(321)
Replacement Cost Operating EBITDAF	105	91	241
Share of earnings/(losses) of associate companies (net of tax)	11	1	10
Replacement Cost EBITDAF	116	92	251
Depreciation and amortisation	(20)	(21)	(43)
Net financing expense	(17)	(17)	(37)
Gain/(loss) on interest rate derivatives	1	(2)	(7)
Replacement Cost Net profit before taxation	80	52	164
Taxation (expense)/benefit	(29)	(7)	1
Tax on COSA	5	(7)	(44)
Replacement Cost Net profit for the period	56	38	121

	Unaudited 6 months ended 30 September 2015 \$m	Unaudited 6 months ended 30 September 2014 \$m	Audited 12 months ended 31 March 2015 \$m
Reconciliation from Statutory Net Profit After Tax to RC Operating EBITDAF			
Statutory Net profit after tax	67	22	7
Replacement cost of sales adjustment (net of tax)	(11)	16	114
Replacement Cost net profit after tax	56	38	121
Depreciation and amortisation	20	21	43
Net financing expense	17	17	37
Other	(1)	2	7
Taxation (including tax on COSA)	24	14	43
Share of earnings in associates	(11)	(1)	(10)
Replacement Cost Operating EBITDAF	105	91	241

¹ Replacement cost is a non-GAAP measure used by the downstream fuel industry to report earnings on a replacement cost basis. The difference between HC earnings and RC earnings is the Cost of Sales Adjustment (COSA). Full reconciliation from Statutory Net Profit After Tax to RC operating EBITDAF is provided.

Directory

Directors

Peter Ward Griffiths (Chairman)
Marko Bogoevski
Andrew Mark Cross
(Appointed 1 September 2015)
Alan Michael Dunn
Abigail Kate Foote
Paul Lightle Fowler
Bruce James Harker
(Resigned 6 October 2015)
Justine Mary Munro

Senior management

Michael Bennetts

Chief Executive

Christopher Day

Chief Financial Officer

David Binnie

General Manager Supply and Distribution

Debra Blackett

Company Secretary

Mark Forsyth

General Manager Retail

Nicolas Williams

General Manager Commercial

Julian Hughes

General Manager Health, Safety, Security and Environment

Robert Wiles

General Manager Corporate
(Resigned 30 September 2015)

Meredith Ussher

General Counsel

Lindis Jones

General Manager Transition

Jane Anthony

General Manager Marketing

Sharlene Taylor

General Manager People and Culture

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Auditor

KPMG

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Bankers

ANZ Bank New Zealand Limited

215–229 Lambton Quay
Wellington

Bank of New Zealand

80 Queen Street
Auckland

Hong Kong and Shanghai Banking Corporation

HSBC Tower
195 Lambton Quay
Wellington

Westpac Banking Corporation

188 Quay Street
Auckland

Australia Registered Business Number

164 438 448



z.co.nz

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	4 / 11 / 2015

Nature of event Tick as appropriate	Bonus Issue	<input type="checkbox"/>	If ticked, state whether:	Taxable	<input type="checkbox"/>	/ Non Taxable	<input type="checkbox"/>	Conversion	<input type="checkbox"/>	Interest	<input type="checkbox"/>	Rights Issue Renounceable				
	Rights Issue non-renounceable	<input type="checkbox"/>	Capital change	<input type="checkbox"/>	Call	<input type="checkbox"/>	Dividend	<input checked="" type="checkbox"/>	If ticked, state whether:	Interim	<input checked="" type="checkbox"/>	Full Year	<input type="checkbox"/>	Special	<input type="checkbox"/>	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	
Conversion, Maturity, Call Payable or Exercise Date		Treatment of Fractions	
	Enter N/A if not applicable	Tick if pari passu	<input type="checkbox"/> OR provide an explanation of the ranking
Strike price per security for any issue in lieu or date Strike Price available.			

Monies Associated with Event		Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.	
In dollars and cents		Source of Payment	Retained Earnings
Amount per security (does not include any excluded income)	\$0.085		
Excluded income per security (only applicable to listed PIEs)			
Currency	NZ Dollars	Supplementary dividend details - NZSX Listing Rule 7.12.7	Amount per security in dollars and cents
Total monies	\$34,000,000		\$0.015000
		Date Payable	2 December, 2015

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	\$0.005903
		Imputation Credits (Give details)	\$0.033056
		Foreign Withholding Tax	\$
		FDP Credits (Give details)	

Timing		(Refer Appendix 8 in the NZSX Listing Rules)	
Record Date 5pm		Application Date	
For calculation of entitlements -	20 November, 2015	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.	2 December, 2015
Notice Date		Allotment Date	
Entitlement letters, call notices, conversion notices mailed		For the issue of new securities. Must be within 5 business days of application closing date.	