



4 December 2016

Financial Markets Conduct Act 2013 - Transition of ordinary shares, ZEL020 and ZEL030 bonds

Dear investor

Firstly, thank you for your support as an investor in Z Energy Limited (Z).

As you may know, the law governing how financial products like shares and bonds are created, promoted, governed and sold in New Zealand has been extensively reformed over the last few years. This has led to the replacement of the Securities Act 1978 (under which your shares and/or bonds were sold) with the Financial Markets Conduct Act 2013 (FMCA).

Issuers like Z have had two years to transition from the Securities Act to the FMCA.

I'm pleased to let you know that the effective date for the transition of Z's ordinary shares, ZEL020 bonds and ZEL030 bonds to the FMCA regime was 30 November 2016. From 1 December 2016, the requirements of the FMCA have applied in respect of Z's ordinary shares, ZEL020 bonds, and ZEL030 bonds.

While I have an obligation to communicate this change to you, the transition to the FMCA does not require you to do anything with respect to your Z shares and/or bonds, and it does not affect your ability to buy or sell Z shares or bonds.

Additional information applicable to ZEL020 and ZEL030 bondholders

In a similar vein, in July 2016 Z amended the Master Trust Deed dated 11 August 2010 between it and Trustees Executors Limited (Supervisor) to comply with and reflect the FMCA. You may obtain a copy of the amended Master Trust Deed and the Supplemental Trust Deed for your bonds by visiting <https://investor-centre.z.co.nz/investor-centre/home/bonds/>

You are also entitled to receive, free of charge, a copy of the amended Master Trust Deed and/or the Supplemental Trust Deed for your bonds by making a request within 15 working days of receiving this notice. If you wish to receive a copy of the Master Trust Deed and/or the Supplemental Trust Deed for your bonds, please email Z's Treasurer, Richard Norris at Richard.Norris@z.co.nz.

The addresses of Z and the Supervisor are as follows:

Z
3 Queens Wharf
Wellington
New Zealand

Supervisor

Trustees Executors Limited
Level 5, 10 Customhouse Quay
Wellington
New Zealand

Again, thank you for your support. It's something we really appreciate and certainly never take for granted.

For further information, please contact:

Richard Norris, Treasurer: 04 462 4611

Jonathan Hill, Corporate Communications and Investor Relations: 04 498 0212

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Mike Bennetts', with a stylized flourish at the end.

Mike Bennetts

Chief Executive