

13 September 2017

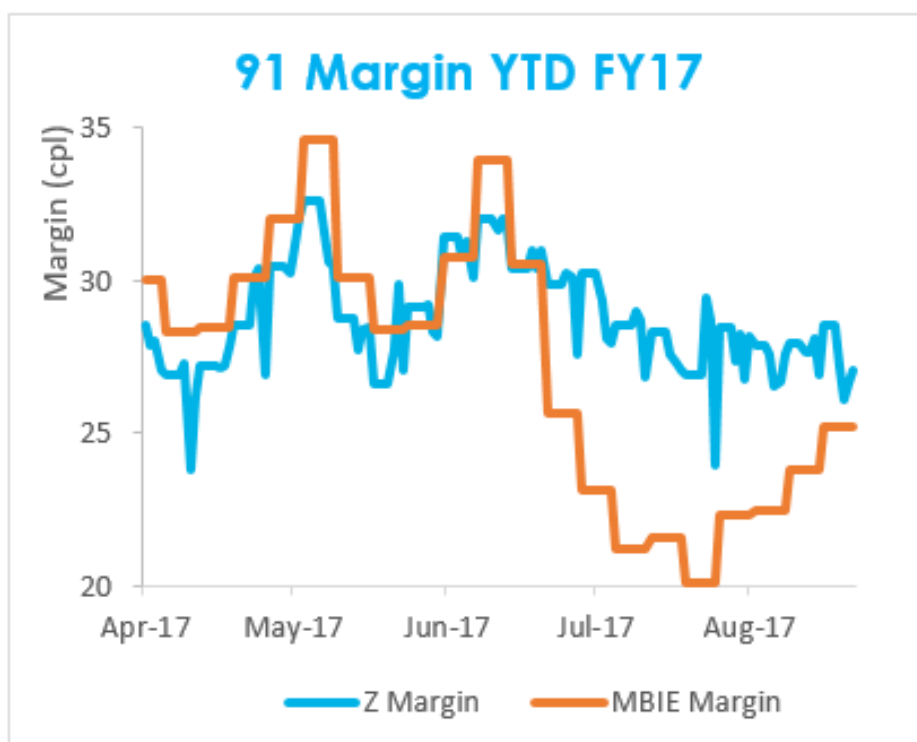
## MBIE fuel margin monitoring

Z has received multiple queries from media and shareholders regarding commentary around retail fuel margins and alleged changes in Z's pricing behaviour, some of which have resulted in questions regarding Z's reputation and approach to competition.

The basis for these enquiries has been the changes in the fuel importer margins as calculated and reported weekly by MBIE over the period from June to September this year.

On July 25, Z raised with MBIE officials its concerns regarding the inaccuracy of the MBIE fuel margin data, albeit mostly provisional, based on Z's actual pricing and margins. This was followed with a meeting on 31 August at which Z provided MBIE officials with data as evidence of its concerns.

Z confirms that its approach to pricing has not changed over the period and that the concerns that have caused the enquiries are not reflected in the actual fuel margin received by Z. The chart below outlines the difference in the margin reported by MBIE and that received by Z.



Z said the pricing dynamic in the market over the past two months is typical of what happens in a rapidly changing crude oil price environment in a highly competitive market.

Given that the outcomes from the MBIE study are yet to be determined, Z does not intend to make any other public comment.

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