

13 August 2018



«Reg_Line_1»
«Reg_Line_2»
«Reg_Line_3»
«Reg_Line_4»
«Reg_Line_5»
«Reg_Line_6»

CSN/Holder Number: «Holder_No»

Dear Bondholder

Z ENERGY LIMITED
Redemption of Fixed Rate Bonds

You currently hold Z Energy Limited (**Z**) bonds, which were issued by the company for a seven year term and have a maturity date of Wednesday, 15 August 2018 (**ZEL020 Bonds**).

This morning Z announced that it is considering an offer of six year, unsubordinated, secured, fixed rate bonds to New Zealand institutional and retail investors.

If an offer proceeds, it will be made pursuant to the Financial Markets Conduct Act 2013 as an offer of debt securities of the same class as existing quoted debt securities. The bonds are expected to be quoted on the NZX Debt Market.

It is expected that full details of the bond offer will be released when the offer opens, which is expected to be in the week beginning 20 August 2018.

Z has appointed Deutsche Craigs Limited, Forsyth Barr Limited and Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch) (**Westpac**) as Joint Lead Managers in relation to the proposed offer. Westpac has been appointed as the Organising Participant in relation to the proposed offer.

Investors can register their interest by contacting any of the Joint Lead Managers (details below). Indications of interest will not involve an obligation or commitment of any kind to acquire the bonds. No money is currently being sought and no bonds can be applied for or acquired until the offer opens and the investor has received a copy of the terms sheet in relation to the bonds.

Deutsche Craigs
0800 226 263

Forsyth Barr
0800 367 227

Westpac
0800 942 822

Thank you for your support of Z. If you have any questions relating to the redemption of the ZEL020 Bonds or any other matters related to the proposed new issue, you should contact your usual financial advisor or Link Market Services Limited.

Yours Sincerely,

Mike Bennetts
Chief Executive

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