REFINING NZ

ANNUAL SHAREHOLDERS MEETING

29 June 2021

REFINING NZ
Your Energy Hive

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- Each forward looking statement speaks only as of the date of this presentation.

BOARD OF DIRECTORS

Speakers

SIMON ALLEN
Independent Director

NAOMI JAMES
Chief Executive Officer

RICCARDO CAVALLO
Manager of Refining
ExxonMobil

LINDIS JONES
Chief Financial Officer
Z Energy

JAMES MILLAR
Independent Director

LUCY NATION
Vice President of Regions, Cities and Solutions for Asia Pacific
bp

VANESSA STODDART
Independent Director

PAUL ZEALAND
Independent Director

AGENDA

CHAIRMAN’S ADDRESS

CEO’S ADDRESS

RESOLUTIONS

GENERAL BUSINESS

CHAIRMAN'S ADDRESS

SIMON ALLEN

FY20 PERFORMANCE

Refining NZ has safely navigated the most challenging business environment in its 60-year history and established the pathway to future value creation for shareholders

Best safety performance on record	✓
Effective operational response to unprecedented COVID-19 demand impacts	✓
Reset the 2020 cost base to cash-breakeven at the Fee Floor	✓
Strengthened balance sheet and lowered net debt	✓
Strategic Review undertaken to assess refinery and infrastructure options	✓
Simplified operations to make refinery robust to extended period of low margins	✓
Long term plan to unlock unrealized infrastructure value	WIP

Optimal business model to maximise "through the cycle" returns to shareholders

STRATEGIC REVIEW CONTEXT

- Significant decline in GRM, exacerbated by COVID-19
- Refinery returns consistently below the cost of capital
- Highly consultative process, including customers, Government and other stakeholders

CASE FOR CHANGE

- Structural oversupply in refining capacity
- Refinery is globally subscale with energy costs impacting competitiveness
- Decarbonisation of the New Zealand economy
- Customer preference for import supply chain

STRATEGIC REVIEW OUTCOME

- Simplify refining operations, to maintain cash neutral operations at the Fee Floor in 2021
- Proposed conversion to import terminal operations in 2022, with substantial progress made with customers on commercial framework

IMPORT TERMINAL INVESTMENT HIGHLIGHTS [1]

Critical infrastructure delivering strong, stable earnings through long term customer agreements

- Critical and highly efficient infrastructure
- Long–term customer contracts
- Projected stable earnings and dividends
- Self-funded from existing balance sheet capacity
- Future opportunities to participate in energy infrastructure changes
- Supporting decarbonization of NZ economy

Refining NZ Board expects to issue Notice of Meeting and Explanatory Booklet shortly for shareholder vote in August 2021

[1] Potential import terminal conversion remains subject to shareholder and lender approvals, negotiation of Terminal Services Agreements with customers, completion of FEED and detailed planning and a final investment decision (FID) by the Refining NZ Board.

CEO ADDRESS

NAOMI JAMES

Safely navigated COVID-19 impacts and reset cost base

✓ Safe operations

			FY 19	FY 20	
Personal	TRCF [1]		0.27	0	▼
Process	Tier 1 [1]		0	0	▼
	Tier 2 [1]		0	0	▼
Releases outside of consent			1	5	▲

✓ Deliver to customer plan

Throughput	Mbbl	42.7	29.9	▼
RAP Throughput	Mbbl	20.8	14.7	▼
Operational availability	%	99.7	98.2	▼

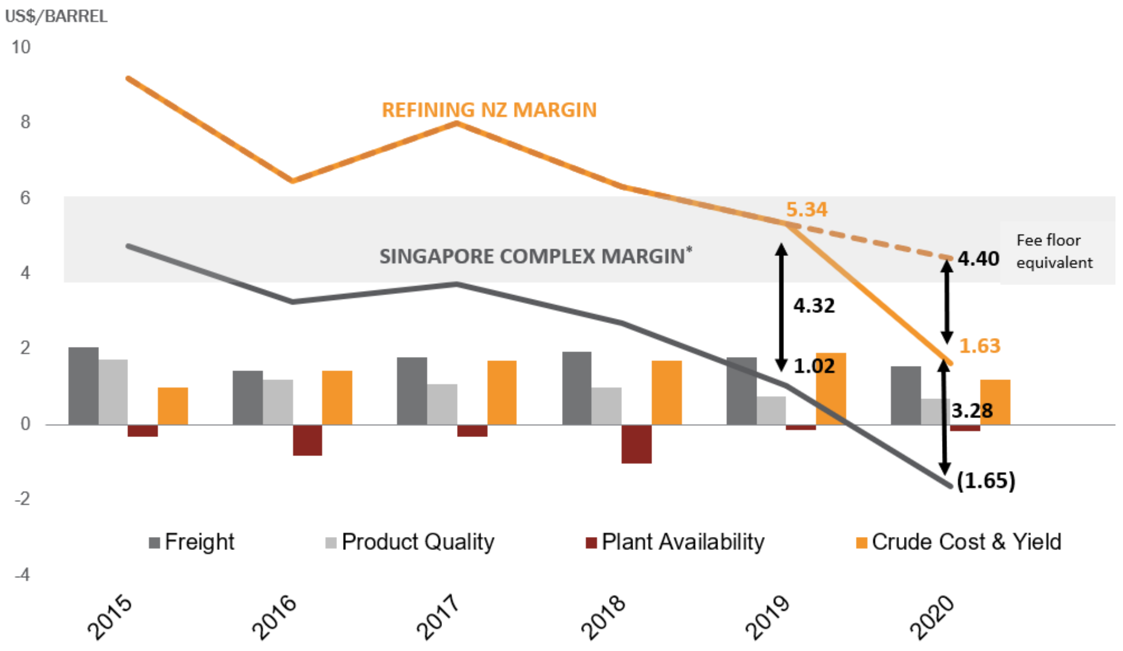
✓ Reset cost base to Fee Floor levels

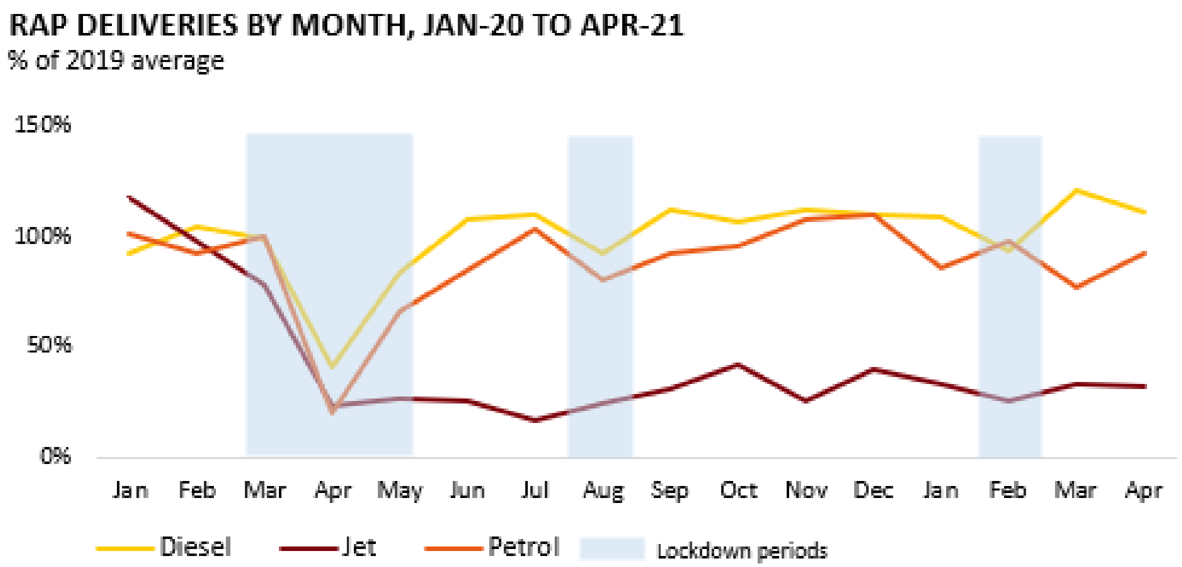
Cashflow from operations	NZ$M	117	32	▼
Net debt	NZ$M	241	231	▼
Operating costs [2]	NZ$M	184	161	▼
Capital Expenditure[3]	NZ$M	78	34	▼

1. For a full definition please refer to the Glossary in Appendix 1
2. Excludes natural gas & other passthrough costs, but includes strategic review, restructuring costs and non-cash inventory write off of c.$11 million
3. Payments for property, plant and equipment (cashflow basis)

REFINING MARGINS

Second lowest GRM on record





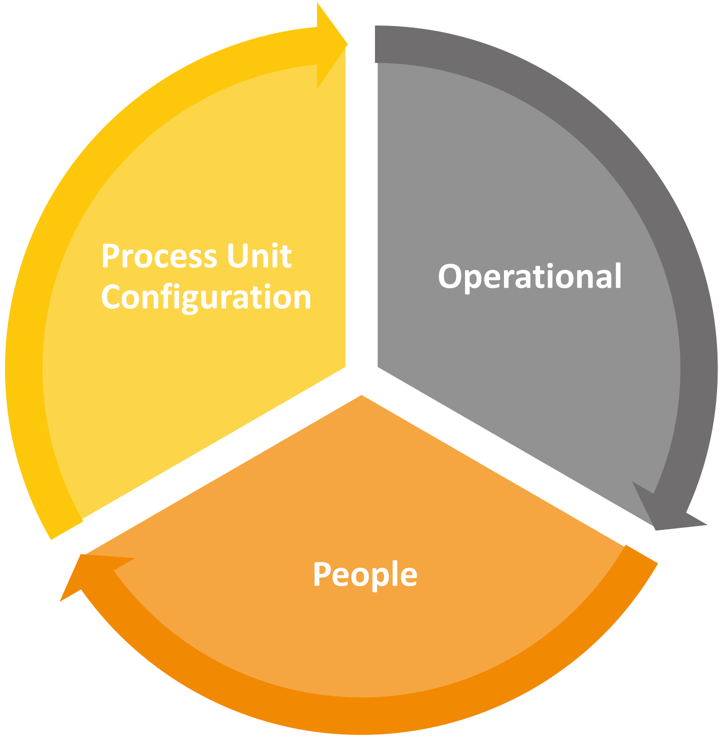
- Low Asian refining margins due to excess capacity exacerbated by COVID-19 demand impacts
- Refining NZ uplift impacted by volatility in shipping costs, yield impacts of cyclic mode and “hot stand-by”
- Petrol and diesel recovered to pre-COVID levels by year end, jet demand continues to be impacted by border restrictions

[1] The Singapore Complex Margin is calculated using Platts Dubai crude and Singapore product prices, VLCC freight to Singapore, and the International Energy Agency’s Dubai complex refinery yields adjusted for fuel & loss.

REFINERY SIMPLIFICATION

Refinery simplified to enable cash neutral operations at the Fee Floor in 2021

- 18% reduction in primary crude intake
- Bitumen production ceased
- Strong focus on risk and management of change through the transition



- Asset maintenance strategy - campaign approach, predictive maintenance
- Asset Life Cycle - repair versus replace, 2-yearly turnaround cycle
- Operating expenses c.$50m lower than in 2019
- Capital expenditure guidance of c.$50m for 2021

- Organisation-wide restructure (c.25% reduction in staff)
- Significant transitional support for impacted employees to find work or retraining within 6 months (skills workshops, jobs expo, well-being initiatives)

IMPORT TERMINAL OVERVIEW

Safe, reliable and efficient fuel supply to Auckland and Northland markets (c.40% of total New Zealand market)

Import Terminal System (ITS)

Jetty — 2 jetties with multi-product capability

↓

Storage tanks[1] — Combined c.180m litres of pumpable volume → **Truck Loading Facility**[3]

↓

RAP[2] — Multi-product pipeline from Marsden Point to Wiri terminal in Auckland (c.170km)

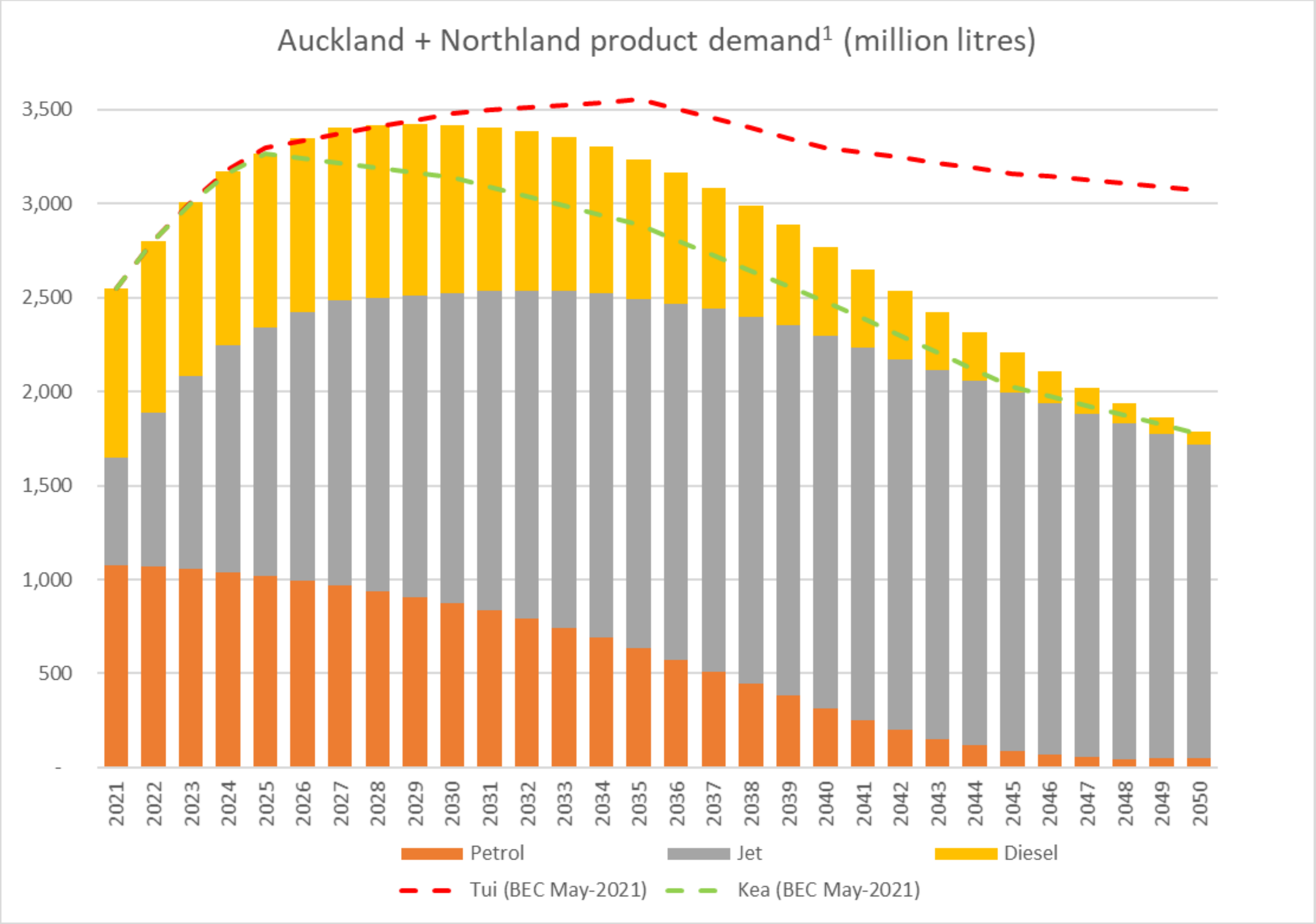
↓

Wiri terminal[4]

Yellow shaded area is an illustrative overlay of the import terminal on the existing Marsden Point site

1. Under the current refinery model, Marsden Point typically holds large inventories of crude oil and intermediate product components, making up around 18 days' cover for New Zealand's fuel demand.
2. Refinery to Auckland pipeline.
3. Truck Loading Facility (TLF) adjacent to Marsden Point is not owned by Refining NZ.
4. Refining NZ leases land from the oil companies (bp, Mobil and Z Energy) and owns most of the Wiri terminal plant located on this land. The land and plant is in turn leased to Wiri Oil Services Limited (WOSL). The leases expire in February 2025 with no right of renewal. At the end of the lease term ownership of the Wiri terminal plant currently owned by Refining NZ reverts to the oil companies.

Jet demand expected to underpin long-term import terminal utilisation

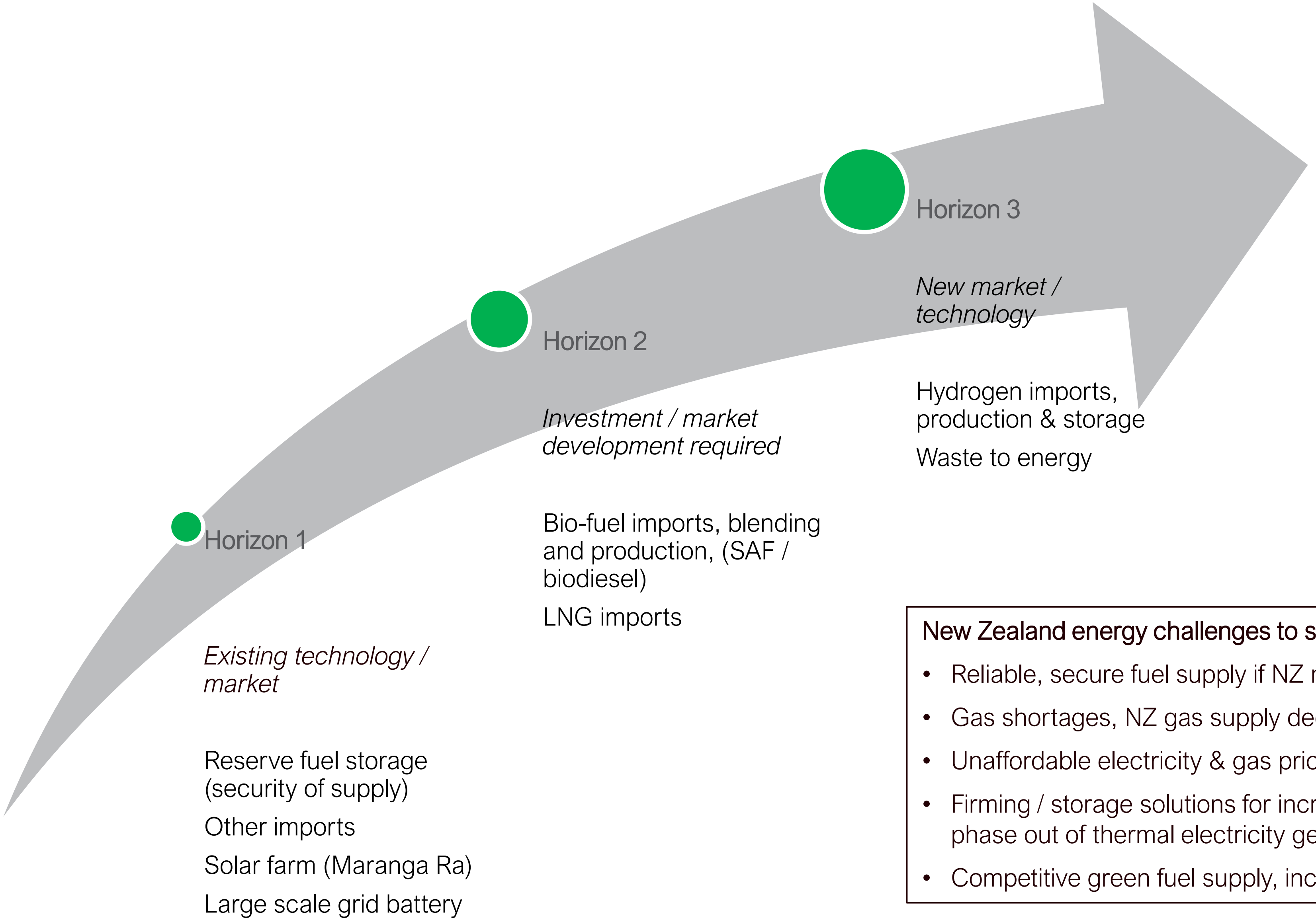


- Petrol and diesel demand expected to begin to decline in the next decade with transition from internal combustion engines to electric vehicles
- Jet fuel demand growth rates forecast to return to historical trends
- Potential to import, blend and produce biofuels[1] at Marsden Point

[1] Based on Hale & Twomey's forecast, issued in January 2021, which reflects a faster transition away from fossil fuels than previously expected, now factoring in New Zealand's commitment to zero net greenhouse gas emissions by 2050. The Hale & Twomey forecast reflects a change in consumer sentiment and actions attributable to COVID-19. Further growth and sustained demand for jet fuel is expected to underpin long-term ITS utilisation, in contrast to a long-term decline, initially in petrol and then diesel. The Hale & Twomey forecasts are for fossil fuels only and make no assumptions on bio-fuel substitution. The Business New Zealand Energy Council (BEC) Tui and Kea scenario implied year on year growth rates have been applied to anticipated Auckland+Northland petrol and diesel volumes from 2023 (Hale & Twomey) and to jet from 2026 (to accommodate Covid-19 jet demand recovery).

REPURPOSING OPPORTUNITIES

Marsden Point as an Energy Hub



New Zealand energy challenges to solve:

- Reliable, secure fuel supply if NZ no longer has a local refinery
- Gas shortages, NZ gas supply declining
- Unaffordable electricity & gas prices – supply, transmission, distribution
- Firming / storage solutions for increasingly renewable electricity supply and phase out of thermal electricity generation
- Competitive green fuel supply, including for heavy transport and aviation

COMMERCIAL ARRANGEMENTS

Stable earnings supported by take-or-pay agreements and relatively fixed operating and capital costs

- Non-binding, in principle agreements with bp and Z Energy. Negotiations continuing with Mobil.

- Proposed commercial terms include:
  - Long-term (10 year+) agreements
  - Combination of fixed and volume based fees, escalated over time, averaging $95 million p.a. across the initial 10 year term (on a real basis)
  - Take-or-pay commitments deliver minimum revenue, to support debt funding of conversion costs
  - Provision for third party access to utilised infrastructure capacity

- Front End Engineering & Design (FEED) and detailed planning underway to confirm costs estimates – no material changes to previous guidance

- Significant tax losses from decommissioning mean there is unlikely to be tax payable for many years

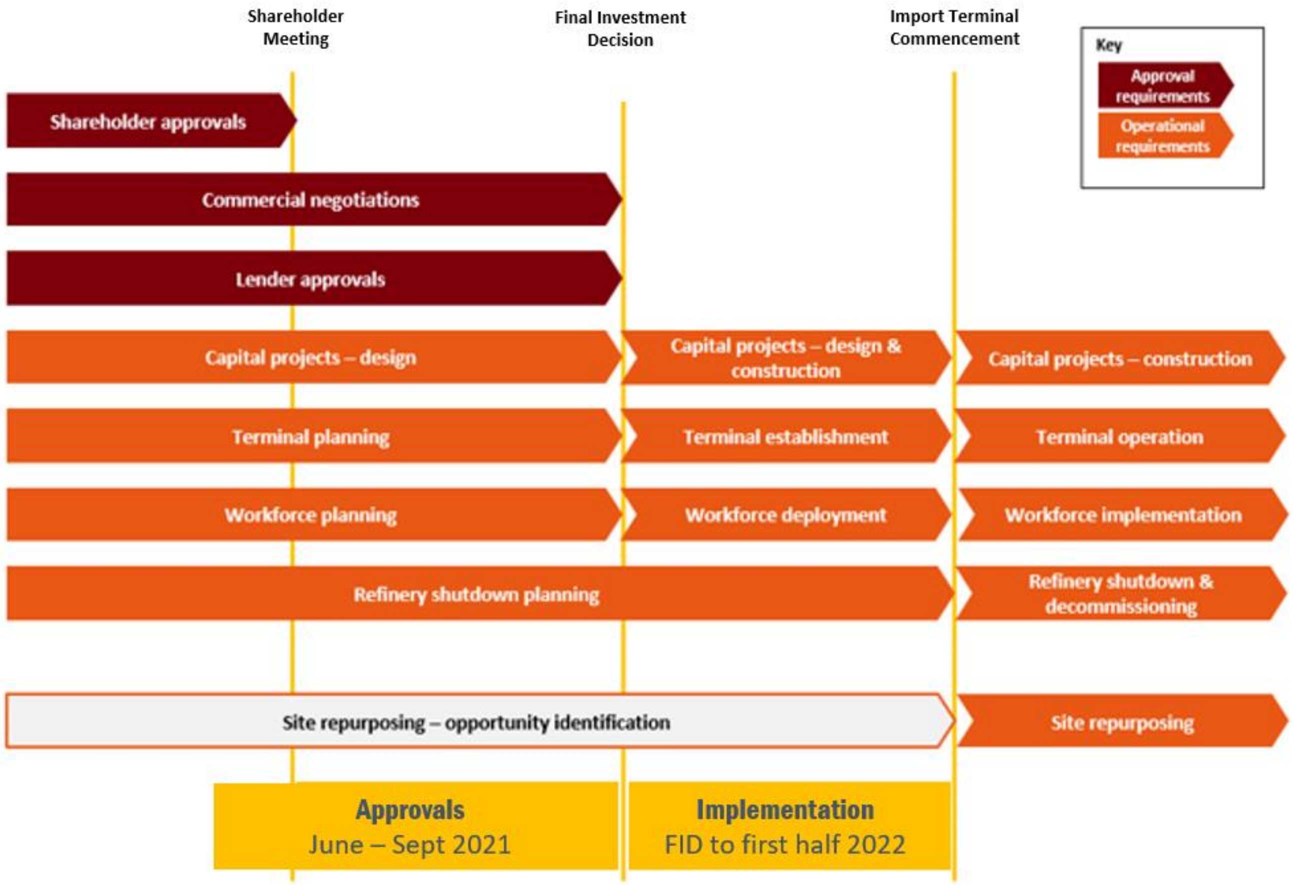
Conversion target date by mid-2022

Complete customer negotiations

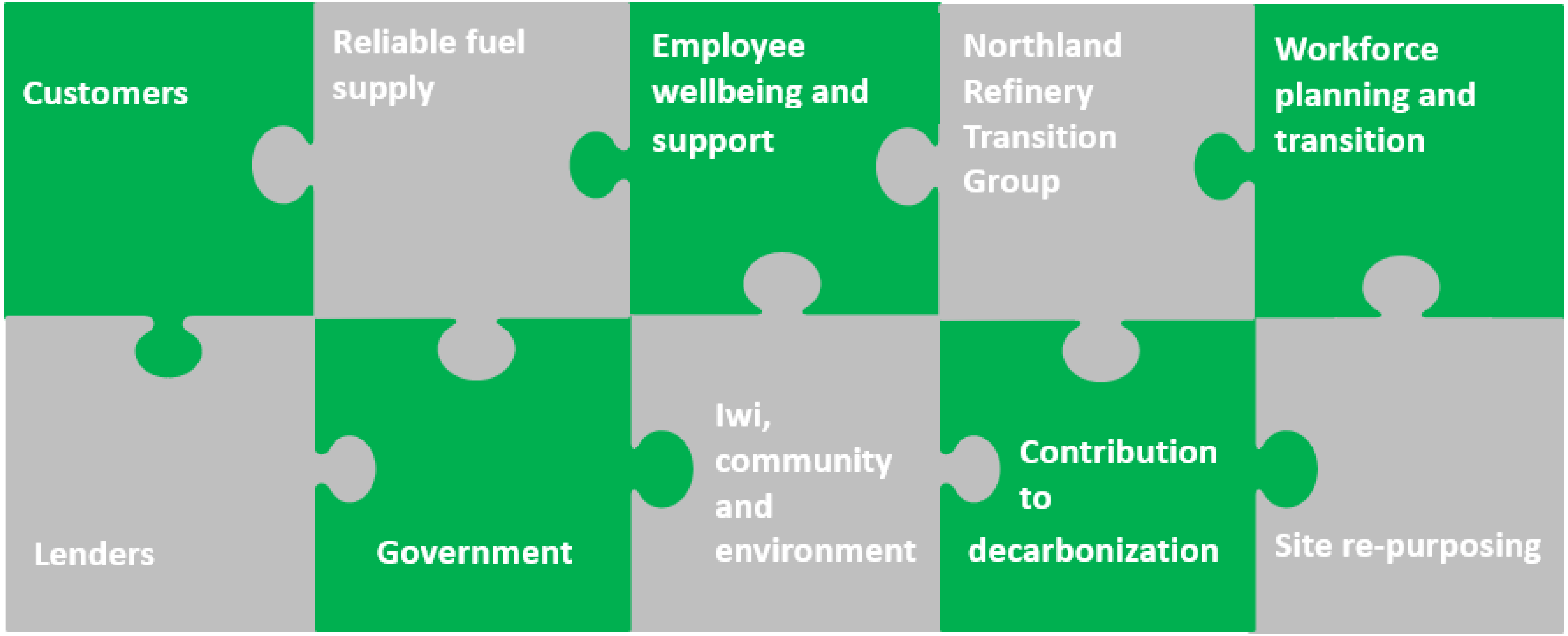
Shareholder & lender approvals and funding

Completion of FEED and detailed planning

Final investment decision targeted by end Q3, which would enable conversion by mid-2022



A PLANNED TRANSITION



SIMON ALLEN

CHAIRMAN

RESOLUTIONS

ANNUAL MEETING

RESOLUTIONS 1 - 3

ELECTION AND RE-ELECTION OF DIRECTORS

RESOLUTION 1

"That Mr Lindis Jones, who retires by rotation in accordance with clause 8.9 of the Constitution, be re-elected as a Director of the Company."

RESOLUTION 1

RESOLUTION 1	FOR	AGAINST	DISCRETIONARY	TOTAL	ABSTAIN
Proxies and Postal votes	177,016,094	1,561,759	1,927,760	180,505,613	1,173,814

RESOLUTION 2

"That Ms Vanessa Stoddart, who retires by rotation in accordance with clause 8.9 of the Constitution, be re-elected as a Director of the Company."

RESOLUTION 2

RESOLUTION 2	FOR	AGAINST	DISCRETIONARY	TOTAL	ABSTAIN
Proxies and Postal votes	177,696,156	829,307	1,993,810	180,519,273	1,160,154

RESOLUTION 3

"That Ms Lucy Nation, who retires by rotation in accordance with clause 8.8 of the Constitution, be elected as a Director of the Company."

RESOLUTION 3

RESOLUTION 3	FOR	AGAINST	DISCRETIONARY	TOTAL	ABSTAIN
Proxies and Postal votes	177,507,728	988,272	1,993,810	180,489,810	1,189,617

RESOLUTION 4

AUDITOR

FEES AND EXPENSES

RESOLUTION 4

"That Directors be authorised to fix the fees and expenses of Ernst & Young as auditor to the Company for the financial year ending 31 December 2021."

RESOLUTION 4

RESOLUTION 4	FOR	AGAINST	DISCRETIONARY	TOTAL	ABSTAIN
Proxies and Postal votes	178,353,451	248,817	1,921,810	180,524,078	1,155,349

GENERAL BUSINESS

OUR SHAREHOLDERS ARE KEY STAKEHOLDERS

We welcome your further feedback on our Strategic Review

Please email us at corporate@refiningnz.com

APPENDIX 1

Glossary

LTIF - Lost time injury frequency (rolling 12 month per 200,000 hours)

TRCF - Total recordable case frequency (rolling 12 month per 200,000 hours)

Tier 1 Process Safety Event (API 754) - A tier 1 Process Safety Event (PSE) is an unplanned or uncontrolled release of any material, including non-toxic and non-flammable, from a process which results in one or more of the following: A LTI and/or fatality; A fire or explosion resulting in greater than or equal to $25,000 of direct cost to the company; A release of material greater than the threshold quantities given in Table 1 of API 754 in any one-hour period; A officially declared community evacuation or community shelter-in-place.

Tier 2 Process Safety Event (API 754) - A tier 2 Process Safety Event (PSE) is an unplanned or uncontrolled release of any material, including non-toxic and non-flammable, from a process which results in one or more of the following: A recordable injury; A fire or explosion resulting in greater than or equal to $2,500 of direct cost to the company; A release of material greater than the threshold quantities given in Table 2 of API 754 in any one-hour period.

EBITDA – Net Profit Before Finance Costs and added back Depreciation and disposal costs

Gross Refining Margin (excluding Fee Floor/Margin Cap) / Singapore Complex Margin - The Gross Refining Margin is calculated in USD as the difference between the value of products and the cost of feedstock for each refining customer. The value of products use Singapore quoted prices adjusted for New Zealand quality and the cost of importing those products to New Zealand. Feedstocks are valued using the notional market values adjusted for the cost of getting the feedstock to the refinery. The Gross Refining Margin incorporates the cost of hydrocarbon used as fuel and incurred as process losses.

Typically, Refining NZ has an uplift over the Singapore complex margins of around USD 3.00 to 4.00 per barrel. The value of the uplift varies due to fluctuations in freight rates, product quality premium, crude market premium and operational performance. Product quality premium are the cost differentials between products made to New Zealand quality and products made to the quality that applies to quoted prices in Singapore. Crude market premium are the cost differences between the crude types actually processed at Refining NZ and Dubai (used as basis for the Singapore complex margins). Refining NZ’s crude diet comprises of crudes that price off Dubai as well as crudes that price off different markers such as Brent. The fluctuations of these price markers relative to each other impact the uplift.

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