



NZX RELEASE

19 October 2023

Channel Infrastructure considers unsecured, unsubordinated, fixed rate bond offer

Channel Infrastructure NZ Limited (**Channel Infrastructure**) is considering an offer of up to \$75,000,000 (with the ability to accept oversubscriptions of up to an additional \$25,000,000 at Channel Infrastructure's discretion) of 6 year, unsecured, unsubordinated, fixed rate bonds (**Bonds**) to investors resident in New Zealand and institutional investors.

If the offer is made, it is expected to open in the week beginning 30 October 2023, subject to market conditions.

Channel Infrastructure has the right to redeem its subordinated notes which are quoted on the NZX Debt Market under the ticker code CHI010 (**Subordinated Notes**) on 1 March 2024 (being the first scheduled election date).

If the offer is made and the bookbuild is successful:

- (a) subordinated noteholders that hold Subordinated Notes through a custodial account (and who wish to apply for the Bonds) (**Custodial Subordinated Noteholders**) may be able to exchange all or some of their Subordinated Notes for an equal number of Bonds on the issue date of the Bonds (**Issue Date**) (on a one-for-one basis at a face value of \$1.00); and
- (b) Channel Infrastructure intends to issue a redemption notice in respect of the Subordinated Notes on or before 16 January 2024 in order to redeem any Subordinated Notes on 1 March 2024 that are not otherwise purchased under the exchange mechanism described above.

The exchange mechanism will only be available to a Custodial Subordinated Noteholder if:

- (a) the Custodial Subordinated Noteholder receives an allocation of Bonds from a participant in the bookbuild for the offer; and
- (b) Channel Infrastructure and the relevant participant (acting on the authorisation of the Custodial Subordinated Noteholder) have agreed to the exchange in respect of an agreed number of Subordinated Notes.

If the offer proceeds, it is expected that a trading halt in respect of the Subordinated Notes would occur from pre-market trading on the first trading day following the rate set date to close of trading on the Issue Date. Channel Infrastructure will communicate with subordinated noteholders directly to notify them of the potential offer and exchange mechanism (a template letter has been provided with this announcement).

Any Subordinated Notes purchased by Channel Infrastructure under the exchange mechanism will be cancelled. This will reduce the total amount of Subordinated Notes outstanding which may impact trading of the Subordinated Notes on the secondary NZX Debt Market.

Channel Infrastructure has appointed Forsyth Barr Limited as Arranger, and ANZ Bank New Zealand Limited, Craigs Investment Partners Limited, Forsyth Barr Limited and Jarden Securities Limited as Joint Lead Managers in relation to the proposed offer of Bonds.



There is not expected to be any public pool for the offer, with all of the Bonds being reserved for clients of the Joint Lead Managers, NZX Participants and other approved financial intermediaries.

Any such offer will be made pursuant to the Financial Markets Conduct Act 2013 as an offer of debt securities of the same class as Channel Infrastructure's existing quoted debt securities which are quoted on the NZX Debt Market under the ticker code CHI020. The Bonds are expected to be quoted on the NZX Debt Market.

Investors can register their interest by contacting a Joint Lead Manager (details below) or their usual financial advice provider. Indications of interest will not constitute an obligation or commitment of any kind. 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.

For further information please contact:

Joint Lead Managers



0800 269 476



0800 226 263



0800 367 227



0800 005 678

-ENDS-

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About Channel Infrastructure

Channel Infrastructure's vision is to be a world-class infrastructure company, delivering resilient infrastructure solutions to meet changing fuel and energy needs.

Channel Infrastructure's assets are a critical part of the Northland and Auckland fuel supply chain, supplying around 40% of New Zealand's transport fuel demand and all of the jet fuel to the Auckland International Airport. Utilising the deep-water harbour and jetty infrastructure at Marsden Point, as well as 280 million litres of storage tanks, and the 170-kilometre pipeline from Marsden Point to Auckland we receive, store, test and distribute fuel owned by our customers. Channel Infrastructure's wholly-owned subsidiary, Independent Petroleum Laboratory Limited, provides fuel quality testing services at Marsden Point and around New Zealand.

Channel Infrastructure will seek to support New Zealand's decarbonisation ambitions, by utilising our strategically-located assets and our expertise in supply chain infrastructure. The Company remains focused on its future growth opportunities at the Marsden Point site and beyond, including additional fuel storage to support fuel security and studies underway with partners on hydrogen and sustainable aviation fuel opportunities.