



REFINING NZ
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NZX announcement

4 August 2020

Refining NZ announces non-cash impairment

Refining NZ today announced that it expects to recognise a non-cash impairment charge in the order of \$220 million before tax (\$158 million after tax) in the 2020 half-year results.

The impairment charge is primarily due to revised refining margin assumptions, reflecting the excess refining capacity in the Asia-Pacific region and the effects of the COVID-19 pandemic on transport fuel demand, particularly jet demand. Refining NZ sets its long-term refining margin assumptions based on independent energy analyst forecasts.

The company remains comfortably within the 45% senior debt gearing covenant under its Facility Agreements at 27% following the impairment, which will also not impact on interest cover ratios that the company continues to meet in the current low margin fee floor environment.

The impairment charge is a non-cash item and is subject to finalisation and Board approval of the half-year financial statements.

Refining NZ will release its 2020 half-year results on 17 August 2020.

Ends.

For further information:

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