

19 July 2023

Q2 2023 Conversion Project and Operational Update

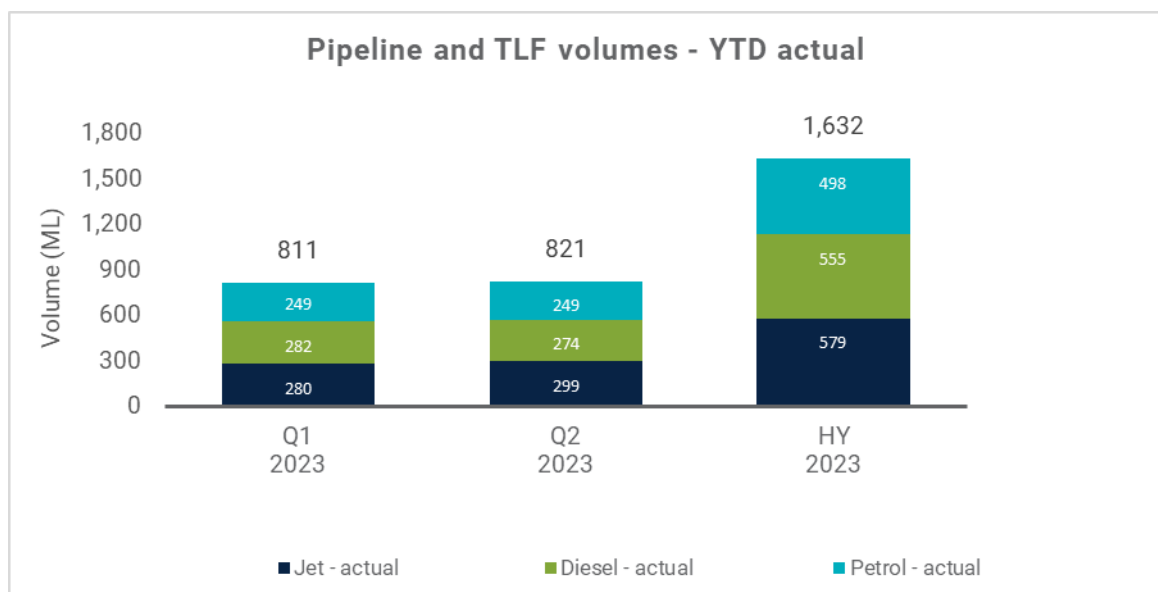
Channel Infrastructure (CHI), New Zealand's largest fuel import terminal business based at Marsden Point in Northland, has today released its quarterly conversion project update for the three months ended 30 June 2023 (Q2 2023), combined with a new business operational update.

With the permanent decommissioning of the refinery completed during the quarter, this new hybrid report format now includes additional information relating to the operational performance of the business over the reporting period.

HIGHLIGHTS

Terminal and pipeline throughput

- Eighteen import shipments received and discharged during the quarter (2023 YTD: 36).
- Terminal and pipeline throughputs were strong at c.821 million litres in Q2 2023, up 10 million litres on the previous quarter and 25% higher than Q2 2022 reflecting the post-COVID recovery.
- The increased throughput continues to be driven by a strong aviation demand recovery, with jet throughput double the previous corresponding period (Q2 2023: 299 million litres; Q2 2022: 146 million litres).
- For the six months ended 30 June 2023, total throughput was 1,630 million litres, tracking in line with the Envisory (formerly Hale & Twomey)¹ fuel demand outlook for 2023.



¹ Refer to page 26 of FY22 Investor Presentation available at: [CHI FY22 Investor Presentation](#)



- A summary of Quarterly Terminal and Pipeline Throughputs by fuel type since commencement of import terminal operations on 1 April 2022 is included as **Appendix I**.

Conversion project

- Permanent decommissioning of the refinery process plant completed during the quarter.
- The terminal upgrade and private storage tank conversion works are ongoing and progressing well, despite the impacts of adverse weather events.
- Conversion costs remain within budget, with c.\$170 million² spent to 30 June 2023 (31 March 2023: \$145 million), including c.\$30 million of private storage costs (31 March 2023: \$21 million).
- The remaining c.45 million litres of jet private storage capacity is expected to be commissioned during Q3 2023, increasing the total Marsden Point terminal capacity to 280ML.
- Net borrowings increased to \$295 million as at 30 June 2023 (31 March 2023: \$286 million).

Channel Infrastructure will release its HY23 financial results on Wednesday 23 August 2023.

- ENDS -

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About Channel Infrastructure NZ

Channel Infrastructure is New Zealand's leading fuel infrastructure company.

Channel Infrastructure owns critical infrastructure, supplying the Northland and Auckland markets, which make up 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 is well positioned to support New Zealand's changing future fuel needs, with growth opportunities at the Marsden Point site including additional fuel storage to support fuel security and studies underway with partners on hydrogen and sustainable aviation fuel opportunities.

For more information on Channel Infrastructure, please visit: www.channelnz.com

² Subject to the finalization of the HY23 financial results



Appendix I – Terminal and Pipeline Throughputs (since 1 April 2022)

Terminal and Pipeline Throughputs by quarter	2022 ML ³	2023 ML
Quarter 1		
Jet		280
Diesel		282
Petrol		249
Total		811
Quarter 2		
Jet	146	299
Diesel	275	274
Petrol	257	249
Total	679	821
Quarter 3		
Jet	200	
Diesel	264	
Petrol	258	
Total	721	
Quarter 4		
Jet	244	
Diesel	275	
Petrol	280	
Total	799	

³ ML – million litres