



NZX RELEASE

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Channel signs new bitumen import terminal contract with Higgins

Channel Infrastructure NZ Limited (**Channel Infrastructure**) (NZX:CHI) announces today that it has entered into a 15-year contract with Higgins Contractors Limited, a subsidiary of Fletcher Building Limited (NZX: FBU) to develop a bitumen import terminal for Higgins at Marsden Point. This represents a significant milestone in Channel Infrastructure's growth strategy by diversifying the Company's customer base and expanding its product handling set.

The contract is expected to generate total revenue over the term of the contract of ~\$45 million (prior to PPI indexation) commencing in the second half of 2026 and is expected to require growth capital expenditure of between \$17 – 21 million across FY25 and FY26 to deliver the required infrastructure, and incremental opex of ~\$0.2 million per annum. The initial term of the contract is 15 years from commissioning (expected through to 2041), plus two five-year rights of renewal exercisable by Higgins. The bitumen terminal will consist of jetty linework to facilitate the import of bitumen, bitumen storage facilities and a truck loading facility.

Commenting, Channel Infrastructure CEO Rob Buchanan said: "It is pleasing to see our vision for Marsden Point start to take shape. We are making significant progress with the nearer-term opportunities to infill our existing site and repurpose and further utilise our existing infrastructure. We welcome Higgins, one of New Zealand's leading roading, civil and road construction companies, as a new customer of Channel Infrastructure. This new contract with Higgins grows and further diversifies Channel's contracted revenue that is not dependent on fuel volume and is another important step in the delivery of Channel's Marsden Point Energy Precinct for New Zealand."

Fletcher Construction Chief Executive Phil Boylen commented "This long-term bitumen terminal partnership with Channel Infrastructure supports our business strategy to provide critical infrastructure services and products to the New Zealand market and supplements our existing bitumen import terminal at Port of Napier. We are well placed to support the Government's Land Transport investment agenda including the State highway network and local road maintenance through our integrated delivery platform of bitumen, asphalt manufacture and construction services."

Over the course of 2024, Channel Infrastructure has entered into three new storage contracts, being the transmix contract announced in May 2024, Z Energy jet storage contract announced in August 2024 and the new contract with Higgins announced today. Channel expects to deliver from these three contracts an estimated ~\$120 million (before PPI indexation) in incremental revenue over a 15 year period for an investment of between \$55 – 66 million of incremental growth capital expenditure.

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About Channel Infrastructure NZ

Channel Infrastructure is New Zealand's largest fuel import terminal, storing and distributing 40% of New Zealand's transport fuel, including 80% of New Zealand's jet fuel. We receive, store, test and distribute petrol, diesel, and jet fuel that our customers import and supply to Auckland and Northland.

Fuel is imported via our deep-water harbour and jetty infrastructure at Marsden Point and stored in more than 290 million litres of contracted storage tanks on site. The fuel is then distributed via our 170-kilometre pipeline to Auckland, or by our customers (bp, Mobil, and Z Energy) via truck into Northland. We underpin the resilience of New Zealand's fuel supply chain with our tank capacity, which enables increased storage of fuel in New Zealand, and through efficient, low-emission distribution of the fuel into the Auckland market. Given our proximity to Auckland, and critical role in the jet fuel supply chain, Channel is well positioned to support the renewable fuel transition in New Zealand.

Our plan for growth includes supporting fuel resilience for New Zealand through additional fuel storage on our site, unlocking the strategic value of the Marsden Point Energy Precinct Concept which reflects the significant role Channel could play in supporting New Zealand's energy transition – through potential opportunities including supporting the manufacture of lower-carbon future fuels, as well as a range of potential energy security opportunities, and exploring expansion beyond Marsden Point through the acquisition of other terminals infrastructure in New Zealand.

Channel Infrastructure's wholly-owned subsidiary, Independent Petroleum Laboratory Limited, provides fuel quality testing services throughout New Zealand.

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

About Higgins

Higgins is a dynamic and trusted New Zealand civil construction business. Their purpose is to make places better for generations to come. With a 1800-strong team, they have broad capabilities and resources to deliver a fully-integrated complement of civil construction and maintenance services across New Zealand and the Pacific.

Higgins is part of Fletcher Construction, a division of the Fletcher Building Group.

Higgins was purchased by Fletcher Construction in 2016. They work alongside specialist ground engineering and civil construction company Brian Perry Civil (BPC) which was purchased in 1986.

For more information on Higgins, please visit: www.higgins.co.nz