



NZX RELEASE

6 June 2024

Government announcement regarding diesel reserves and prioritisation of fuel resilience

Channel Infrastructure NZ Limited (NZX:CHI) acknowledges today's announcement by Associate Energy Minister Hon. Shane Jones that the Government will halt work on directly procuring its own 70 million litre reserve diesel stock, as announced by the previous Government in November 2022, but will begin work on investigating further changes to the minimum fuel stockholding (MSO) regime to improve resilience.

As confirmed by Minister Jones again today, the Minimum Stockholding Obligation legislation introduced in 2023 will require fuel importers to hold 28 days' worth of petrol, 24 days of jet fuel, and 21 days of diesel from 1 January 2025. Today's announcement notes that the Government will also investigate other options to increase New Zealand's diesel reserves from 21 to 28 days cover, which is equivalent to an additional 70 million litres. The Government will consult on options later this year.

Commenting, Rob Buchanan said:

"Channel is a proven operator of the largest fuel import terminal in New Zealand, with around 40% of New Zealand's total liquid fuel demand passing through our facilities. With our significant storage capacity, we are already supporting customers with improved fuel resilience in New Zealand, and we will continue to support our customers, who own the fuel imported into Marsden Point, as they look to meet the incoming Minimum Stockholding Obligations."

Channel's Marsden Point facility is strategically positioned to accommodate additional storage capacity, with 400 million litres of former crude tank capacity that can be converted as it is needed. In addition, Channel's proximity and access to Auckland, New Zealand's largest fuel demand market, facilitates efficient turnover of fuel stocks to uphold product quality.

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About Channel Infrastructure NZ

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

Channel Infrastructure's assets are a critical part of the Northland and Auckland fuel supply chain, supporting the delivery of 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.

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