2 May 2019

Z ENERGY LIMITED (ZEL) FULL YEAR RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2019

Please find **attached** the financial information required by NZX Listing Rule 10.3.2 together with a copy of ZEL's full year results presentation and Annual Report for the year ended 31 March 2019.

Attached:

1. market announcement in relation to the full year results;
2. full year results presentation;
3. ZEL's Annual Report including group financial statements for the year ended 31 March 2019;
4. NZX Appendix 1;
5. NZX Appendix 7 detailing the dividend of 30.5 cents (New Zealand currency) per ordinary share to be paid on 29 May 2019 to those shareholders on the company's share register as at 5.00pm on 17 May 2019; and
6. ASX Compliance Confirmation under ASX Listing Rule 1.15.3.

Yours faithfully

Debra Blackett
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2 May 2018

Strong second half performance delivers full year earnings at mid-point of restated guidance with dividends increased by 33%

Results reflect volatility in crude prices throughout the year

Z Energy Limited (Z) released its results for the year ended 31 March 2019 today.

Z has delivered Historical Cost Net Profit after Tax (HC NPAT) of $186 million, a decrease of $77 million from the prior corresponding period (PCP). The 29% decline reflects crude price movements in FY19, steadily rising in the first half then falling steeply during the third quarter to end the year largely flat. This contrasts with the PCP where crude prices consistently increased throughout the year and ended up 27% higher compared to the beginning of the year.

Replacement Cost[1] EBITDAF (RC EBITDAF) was $434 million for the year, at the mid-point of Z's restated guidance and represents a decrease of $15 million (3%) against the PCP.

Replacement Cost Net Profit After Tax (RC NPAT) was $178 million, down 13% due to lower refining margins from the unexpected and prolonged shutdown of Refining New Zealand in the first half of the year coupled with record high pump prices that affected retail fuel volumes and margin.

Net operating cash flow for the year was $269 million, a decrease of 32% or $126m over the PCP due to the timing of provisional tax payments at year end and lower crude product payables offset by a decrease in ETS units purchased. Debt coverage at the end of FY19 was 2.1x RC EBITDAF[2] down from 2.4x at 1H FY19 and flat versus the PCP.

Increased dividend declared and simplified dividend policy

The Board of Z has declared a fully imputed final dividend of 30.5 cents per share bringing total dividends for the year to 43.0 cents per share for a total cash dividend of $172 million, an increase of 33%. The dividend will be distributed to all holders on record at 17 May 2019 and will be paid on 29 May 2019.

In declaring the dividend for FY19 the Board took the opportunity to simplify the dividend policy and provide greater clarity for future dividends. This means the Board will seek to pay ordinary dividends of 70-85% of operating cashflow, where operating cashflow is defined as RC EBITDAF less RC tax, net financing costs and integrity capex[3].

[1] The changing value of inventory under NZ IFRS historic cost (HC) accounting can artificially distort profitability so Z also reports its results on a replacement cost (RC) basis, an industry standard, non-GAAP reporting measure.

[2] Debt coverage is calculated as gross debt divided by 12 months RC EBITDAF.

[3] Integrity capex is defined as stay in business capex including maintenance capex and IT expenditure. Long term Integrity capex is expected to range between $40 to 50 million a year.

A year of two halves

Speaking about the results Mike Bennetts, Z's Chief Executive Officer, said:

"It's a cliché, but it really was a year of two halves. The first half had some of the most difficult trading conditions in Z's history. The prolonged refinery shutdown, being a distressed purchaser of finished product and high pump prices, all adversely affected our margins."

"The sudden and dramatic fall in underlying commodity prices in the third quarter meant we regained some market position as more normal trading conditions returned during the second half of the year," he added.

Total industry petrol volume was down 1.5% for the year versus PCP as high retail pump prices altered customer behaviour. Rising commodity prices and a weaker New Zealand dollar led to 14 price increases and just two price decreases in the first half of the year.

"High retail pump prices meant that some customers sought alternatives to private transport, traded down from premium fuels, or simply reduced their fuel consumption. In the second half of the year some of this customer demand returned to the industry, but not all," said Mike.

The number of new to industry (NTI) sites continued to grow, signs of a healthy and vibrant retail fuel market. "Last year we saw 35 new sites built across the country adding around 2% to industry capacity. This is in addition to the 60 new sites built in the last two years. The retail fuel industry in New Zealand remains extremely competitive with differentiated service offers, pricing and loyalty schemes from 21 different brands," commented Mike.

During the year the Commerce Commission was given new powers to undertake market studies with retail fuels chosen as the first industry to be reviewed. The review is currently half way through the year-long process. Speaking about the market study, Mike said:

"Z believes that the retail fuel market is highly competitive, and we're pleased to be a part of the market study. We are looking forward to the clarity that the final paper will provide."

Z's Commercial business continued to grow both volumes and margins as the company pursued its strategy to review its portfolio and prioritise high-margin accounts. Total industry volumes for diesel grew 3%, in line with New Zealand's economy and GDP growth. The development of a common card platform across Z and Caltex networks for our commercial customers is nearing completion.

"Total industry volumes for diesel remained robust for the year which reflects New Zealand's healthy economic output. Bitumen volumes increased in response to more funding for roading projects and our jet fuel and marine fuel volumes increased during the year, highlighting New Zealand as a favoured tourist destination," Mike commented.

Z continued to simplify and streamline its supply chain during the year, completing the project work to bring all eleven terminals under one management system and optimising our secondary distribution with one preferred haulage supplier.

Health, safety, security and the environment (HSSE)

Z's HSSE stand remains more relevant than ever and the company continues to build the capability, leadership, and culture to operate a safe business.

During the year the decisions made previously to prevent robberies and keep employees safe began to show up in the data. While there were 14 robberies during the year, this was a 39% decline over the PCP and no employees were harmed, with almost all able to access safe rooms during any of the 'smash and grab' type incidents.

"From an operational perspective Z integrated all of our 11 terminals under our management, changed to a single fuel haulage partner and commissioned our biodiesel plant, *Te Kora Hou*, all without a major incident," said Mike.

"Our results highlight our relentless focus on safety, but we remain vigilant and continue to work on developing a generative culture of continuous improvement," he added.

Innovation, Digitisation and Customer Experience

FY19 was another successful year in pursuit of our enhanced customer experience strategy. During the year Z rolled out our Fastlane frictionless payment experience to 40 service stations in Auckland and Christchurch. We introduced pre-order and pre-pay coffee in over 100 stores. We refreshed the Z App which achieved 256,000 downloads and launched the Caltex App with a renewed focus on the ability to accumulate fuel discounts. The new Caltex app was downloaded over 117,000 times.

"This year we have made good progress towards our digitisation and CX goals," said Mike. "We scaled the Fastlane concept and analysing our consumer data we can see we have increased share of wallet, loyalty to the Z brand, enhanced our customer experience and delighted our customers."

"Our in-store innovation continues, and we received positive feedback on our new in-store experience with a focus on healthy food on the go. Like for like store sales have increased and our C-store margins have grown 7% year on year."

Z's plan for a more productive core business, Strategy 3.0 remains on track to deliver an aggregate $30 to $35 million of EBITDAF improvement by the end of FY20. At the end of FY19 there were $19 million of EBITDAF improvements net of costs. Commenting on the work that Z has delivered so far, Mike said:

"As a company, we are very focused on building a more productive and efficient core business. Two years into this three-year programme we've delivered on our promises and we're confident that we'll achieve our goals by the end of the current financial year."

Outlook for FY20, earnings and dividend guidance

For FY20 Z is forecasting RC EBITDAF of between $425-465 million before the impact of the NZ IFRS16 lease recognition change. The FY20 forecast is based on an average barrel price of US$70 per barrel and USD/NZD exchange rate of 0.68. The forecast is subject to changes in-line with underlying commodity or FX rate movements. Including the impact of NZ IFRS16 Z expects to deliver RC EBITDAF between $450-490 million. The changes to IFRS16 lease accounting will have no material impact on dividend levels.

Z expects to pay an ordinary dividend of between 48 - 54 cents per share for FY20.

A conference call for media and investors will be held at 10am, Thursday 2 May 2019 and will be live webcast at: https://investors.z.co.nz/announcements/webcasts-presentations A replay will be available later the same day.

Dial in details can also be found at https://www.nzx.com/announcements/333445

Investor: Matt Hardwick 027 787 4688

Media: Sheena Thomas 027 551 2589

Income statement on RC basis

	2019 **$m**	2018 $m
Revenue	**5,450**	4,570
Expenses		
Purchases of crude, product and electricity	**3,471**	2,657
Excise, carbon and other taxes	**1,091**	1,011
Primary distribution	**48**	56
Operating	**405**	398
Total expenses	**5,015**	4,122
RC operating EBITDAF*	**435**	448
Share of (loss)/earnings of associate companies (net of tax)	**(1)**	1
RC EBITDAF	**434**	449
Below RC EBITDAF expenses		
Depreciation and amortisation	**122**	102
Net financing expense	**51**	52
Fair value movements in interest rate derivatives	**4**	9
(Gain) on sale of property, plant and equipment	**-**	(4)
Increase in decommissioning and restoration provision	**18**	3
Total below RC EBITDAF expenses	**195**	162
RC net profit before taxation	**239**	287
Taxation expense	**61**	82
RC net profit for the year	**178**	205

* Earnings, before interest, taxation, depreciation (including gains and (losses) on sale of fixed assets), amortisation, impairment, fair value movements in interest-rate derivatives and movements in decommissioning and restoration provision ('EBITDAF').

Reconciliation from statutory net profit after tax to RC net profit after tax

	2019 **$m**	2018 $m
Statutory net profit after tax	**186**	263
COSA	**(21)**	(78)
Net foreign exchange and commodity losses/(gains) on fuel purchases	**8**	(1)
Tax benefit on COSA	**5**	21
Replacement cost net profit after tax	**178**	205

2019 Results Presentation

For the year ended 31 March 2019

2 May 2019

Mike Bennetts
Chris Day
Lindis Jones

Disclaimer

Please read this page before the rest of the presentation

Please do not read this presentation in isolation

This presentation supplements our full year results announcement dated 2 May 2019. It should be read subject to and in conjunction with the additional information in that announcement and other material which we have released to NZX and ASX. This material is available on our website, https://investors.z.co.nz. All references in $ are to New Zealand dollars unless otherwise stated

Forward looking statements are inherently fallible

This presentation contains forward-looking statements and projections. These reflect our current expectations, based on what we think are reasonable assumptions. For any number of reasons the future could be different – potentially materially different. For example, assumptions may be wrong, risks may crystallise, unexpected things may happen. We give no warranty or representation as to our future financial performance or any future matter. Consistent with the NZX and ASX listing rules we will communicate with the market if there is a material change, however we will not update this presentation

Understand our non-GAAP information

Some of the financial information in this presentation has not been prepared in accordance with generally accepted accounting practice ("GAAP"). In particular, we show results calculated on the basis of "replacement cost accounting" a widely used and understood Industry measure. It is very important that you understand how this non-GAAP information relates to our GAAP results. So please read the explanation in the appendices

There is no offer or investment advice in this presentation

This presentation is for information purposes only. It is not an offer of securities, or a proposal or invitation to make any such offer. It is not investment advice or a securities recommendation, and does not take into account any person's individual circumstances or objectives. Every investor should make an independent assessment of Z Energy on the basis of expert financial advice

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Investment thesis – why invest in Z?

Formalising what was shared at Investor day on 28 September 2017

At 2017's Investor Day, Z described the intent to move from an Asset led strategy to a Capability led strategy. The combined Z/Caltex assets provided a competitively advantaged infrastructure. FY19 has been a necessary year of transition, that was further impacted by volatile crude prices and increased competition.

Investment Thesis*	Notable delivery across FY18-FY19
Optimising our market-leading position	• 11 terminals now under Z operational control, single haulier contract, new partner for refinery optimisation
Pursuing a differentiated strategy that generates long term customer loyalty	• Pumped program brought in house for FlyBuys and Air New Zealand Airpoints cardholders, plus App users • Data capability developed for marketing to a segment of one and emerging ability for predictive analytics
Delivering earnings growth in a changing industry	• $39m of synergy by end FY18, $19m from Strategy 3.0 by end FY19, with a further $22m in FY20
Allocating capital with discipline to maximise shareholder value	• Full year dividends for FY19 are +57% on FY17 (from 29.3 to 43.0cps) • Divestment proceeds of $59m deployed to fund $42m of Growth capex • Debt leverage reduced from 2.3x at end FY17 to 2.1x by end FY19
Remaining a people and values-based company	• Upper quartile levels of engagement despite FY19's tough operating environment and recent internal changes
Doing good in Aotearoa New Zealand by recognising our heritage and being committed to future generations	• Investment in Drylands Carbon LLP for forest based carbon sequestration, which also provides ETS credits • Operational carbon emissions reduced by 6%, with the balance of 58kt mitigated by voluntary offsets

* Further details are available at: https://investors.z.co.nz/

Headline financials

Earnings delivered within restated guidance

Key financials	FY19	FY18	Change
Historical cost net profit after tax (HC NPAT)	$186m	$263m	(29%)
Replacement cost EBITDAF (RC EBITDAF)	$434m	$449m	(3%)
Replacement cost Net Profit After Tax (RC NPAT)	$178m	$205m	(13%)
Net operating cashflow	$269m	$395m	(32%)
Final dividend declared	30.5 cents	21.9 cents	39%
Dividend for full year	**43.0 cents**	**32.3 cents**	**33%**

- RC EBITDAF down $15m YOY primarily due to impacts from the extended Refining NZ shutdown that were partially offset by benefits from Strategy 3.0
- RC NPAT decreased $27m due to a decline in RC EBITDAF as well as an increase in depreciation, amortisation and decommissioning and restoration
- Net operating cash flow decreased $126m from PCP due to the timing of provisional tax payments (standard uplift method), lower crude and product payables, offset by a decrease in ETS units purchased due to the ETS spot price being above the FPO (Fixed Price Option)
- Fully imputed final dividend record date 17 May 2019 with a payment date of 29 May 2019

Note 1: HC NPAT has been calculated in accordance with NZ GAAP. RC NPAT and RC BITDAF have been calculated on the basis of "replacement cost accounting". In this presentation we show results calculated in accordance with NZ GAAP and results calculated on the basis of "replacement cost accounting". It is very important that you understand how the "replacement cost" results relates to our NZ GAAP results. Please read the explanation and consider the reconciliation information in the appendices

HSSE

Focus on zero harm and creating a generative safety culture

- Successfully managed changes to supply chain, bringing under Z management 11 terminals and moved to a single logistics provider without major incident
- Achieved ISO 45001 operational risk management standard
- Robberies declined PCP with no employees harmed

People safety:

- 29 LTIs were a mixture of slips, trips and falls with no systemic or concentrated area of hazard management that could be easily improved
- 14 Robberies is a 39% drop over PCP (FY18: 23)
- 38 Life Saver breaches (FY18: 15)

Process safety:

- Tier 1 or Tier 2 process safety incidents: 0 (FY18: 1)
- Spills to Ground (loss of containment): 0 (FY18: 0)
- Executive safety “walk and talks”: 58 (FY18: 56)

Total Recordable Case Frequency (TRCF)

1.84

FY2018: 0.86

Z Employees: 0.49 (FY18: 0.26)

Retailers and Mini-Tankers: 2.19 (FY18:1.00)

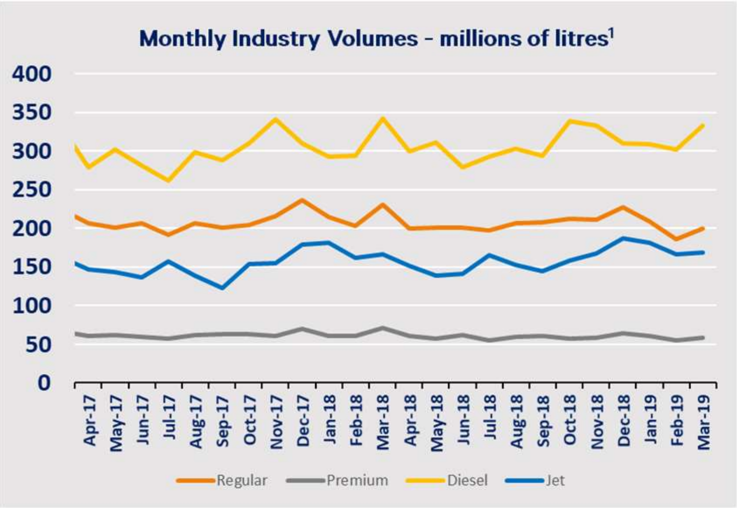
Tier 1 or Tier 2 process safety incidents

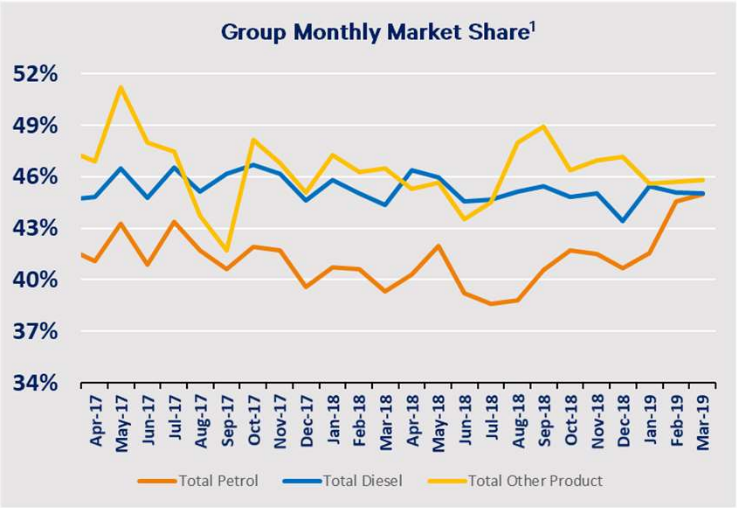
0

FY2018: 1

Trading conditions

Industry volumes for petrol down on PCP offset by other product increases





- Industry Petrol volumes for FY19 are down 3% on PCP driven by higher prices, although estimated to only be 1.5% when allowing for Gull's move to directly importing model from their parent company
- Industry Diesel volumes for FY19 are up 3% on PCP in line with YoY growth in GDP
- Industry Jet volumes for FY19 are up 4% on PCP due to continued growth in Jet, partially offset by flight consolidation by airlines

- Industry Marine Fuel Oil for FY19 are up 8% on PCP due to increased demand for volumes from local spot market and cruise ships
- 35 NTI (new to industry) sites built by industry this year, of which 32 sites are automated, growing capacity by 2% in a market where petrol sales declined by 1.5%

Note 1: Source is Industry Exchange data at March 2019. This does not include 'Supply – Industry and Export' sales

RC EBITDAF variances to FY18

Fuel margins impacted by commodity price movements and RNZ shutdown

Refining

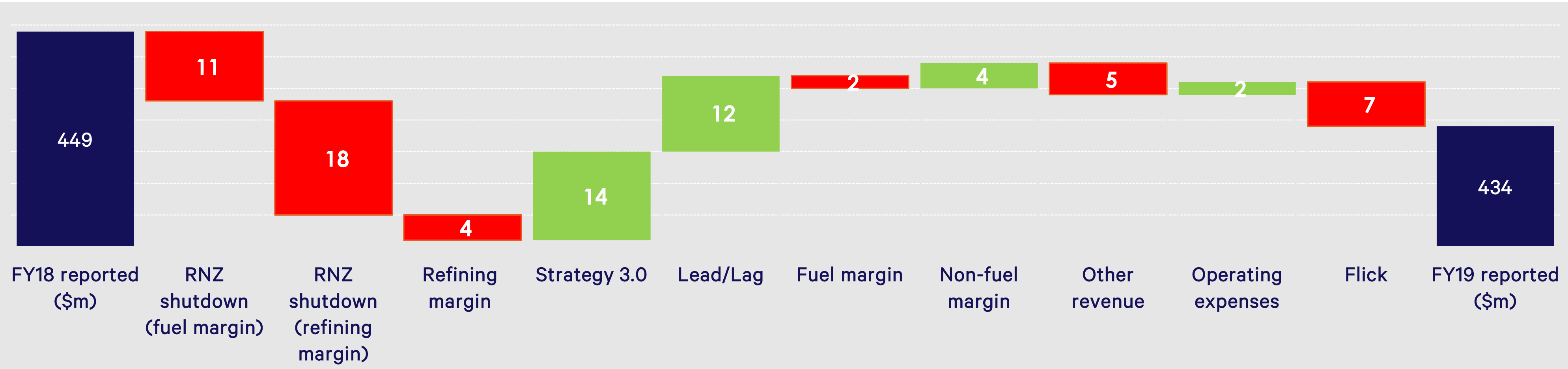
- Refining significantly impacted by extended planned and unplanned shutdown, and weaker regional refining margins, showing up as:
  - Lower refinery throughput, 2m bbl (8%) on PCP
  - NZD per barrel margin down 6.3% on PCP
  - Weaker NZD/USD exchange rate to PCP (0.72 to 0.68) insufficient to offset margin decline

Fuels and non fuel

- Fuel volumes relatively static, as growth in commercial volumes offsets the decline in retail volume
- Retail volumes impacted by continued investment in new sites by distributors
- Increased contribution from Strategy 3.0 initiatives following successful repricing of jet contracts
- Commercial lag has decreased from $14m to $2m as a result of commodity price movements

Operating expenses and one-offs

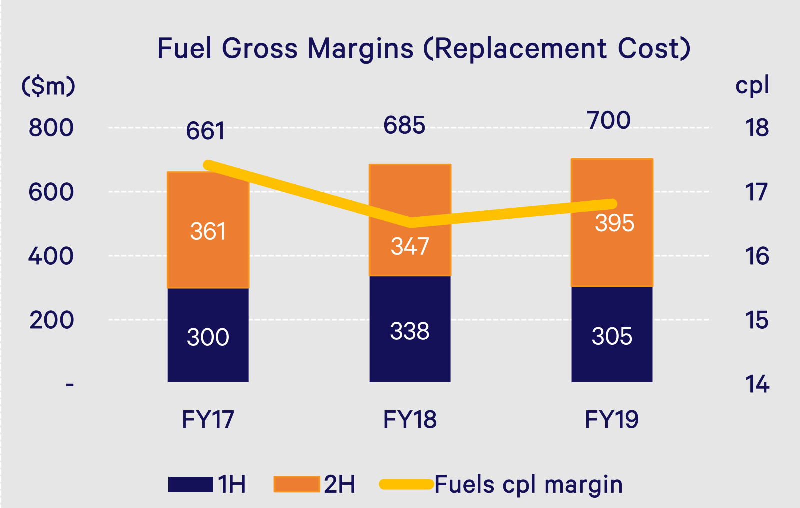
- Other revenue declined due to reduction in RNZ dividends
- YOY Opex increase as a result of Z's investment in capability and technology, which was mostly offset by a 25% reduction in Marketing spend
- Consolidation of Flick losses $7m consistent with target breakeven in FY21



Fuel contribution +3% to PCP

Z marketing volume +1% on a like for like basis

Sales Volumes (ml)	FY19	FY18	Change
Petrol	1,304	1,351	(3%)
Diesel	1,671	1,644	2%
Other	1,197	1,150	4%
Total marketing volume	4,172	4,145	1%
Supply sales and exports	280	178	57%
Total volume	4,452	4,323	3%

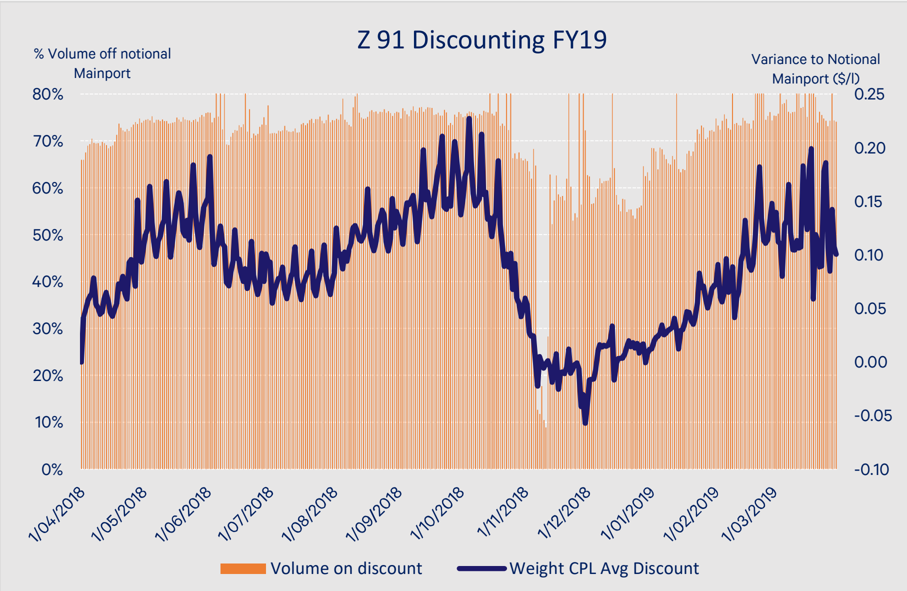


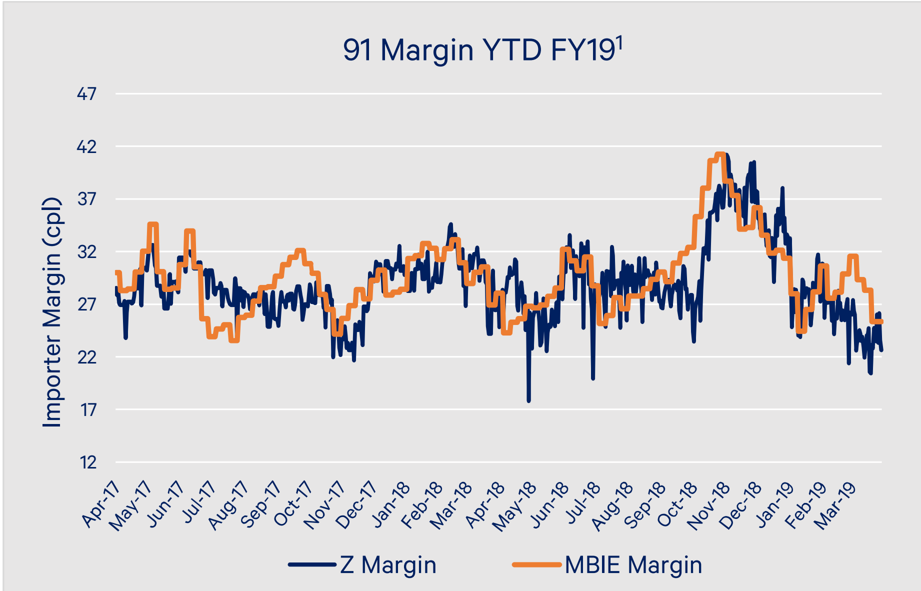
- Petrol volumes impacted by aggressive competitor pricing and new to industry activity of Distributors.
- Increase in Other driven by:
  - Arrangement to sell Fuel Oil locally into Marine accounts. Also increased volumes from spot market and cruise ships
  - Increased new road activity driving demand for Bitumen

- Supply sales and exports up 102ml compared to PCP due to extended planned and unplanned shutdown of Refinery NZ in 1H
- Fuel unit margin of 16.8cpl up from 16.5cpl driven by commercial pricing lag due to increasing commodity prices in FY18
- Loyalty costs increased by 1cpl on retail volume due to increased Flybuys Pumped! and AA Smartfuel promotional activities across both networks

Retail fuel pricing

Highly competitive market evidenced by variability of volume sold which is not priced at the notional main port price





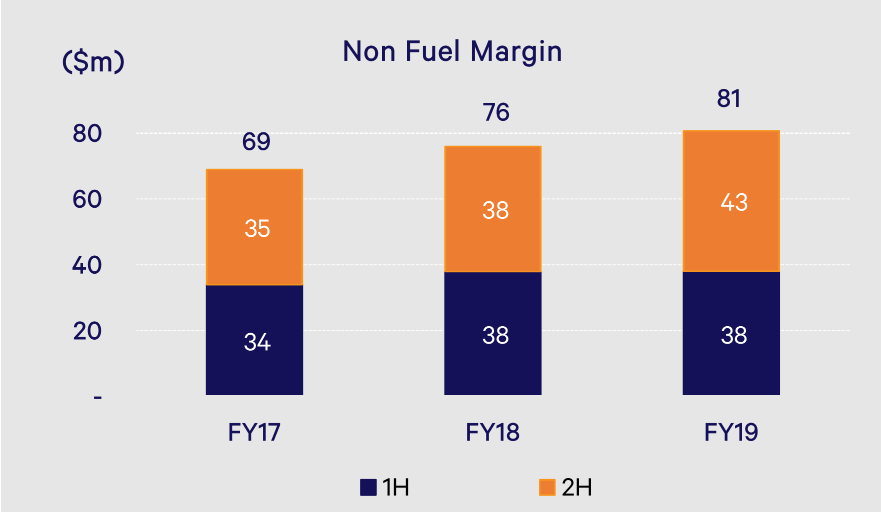
- Commodity prices increased during the first six months of the year resulting in the pump price hitting an all time high of close to $2.50 per litre
- Retail markets continue to be highly competitive through continued investment in price and loyalty offers
- Z retail fuel margins are experiencing a lead/lag effect with margins being more sensitive to commodity price movements given high prices

Note 1: Source is https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-statistics-and-modelling/energy-statistics/weekly-fuel-price-monitoring

Z brand convenience margin +7% to PCP

C-store growth driven by increased bakery and coffee sales

Operational Metrics		Tier 1	Tier 2	Tier 3
Number of stores	FY19	95	77	31
	FY18	93	67	44
Average weekly shop sales		$48k	$30k	$18k
Sales growth		2%	2%	1%
Total transaction count YoY		(2%)	(2%)	(2%)
Store transaction count YoY		(1%)	(1%)	(4%)



- Average weekly shop sales growth driven by bakery sales, particularly gourmet pie range, and beverage sales through increased coffee sales
- Successful Pie Capital campaign exceeding prior year sales by 9%
- New healthier snack range offering better choices to customers
- Learnings from successful new innovative trial stores to be applied to the wider network in FY20
- Pre-order coffee rolled out to all tier 1 and 2 sites

Refining margin -29% to PCP

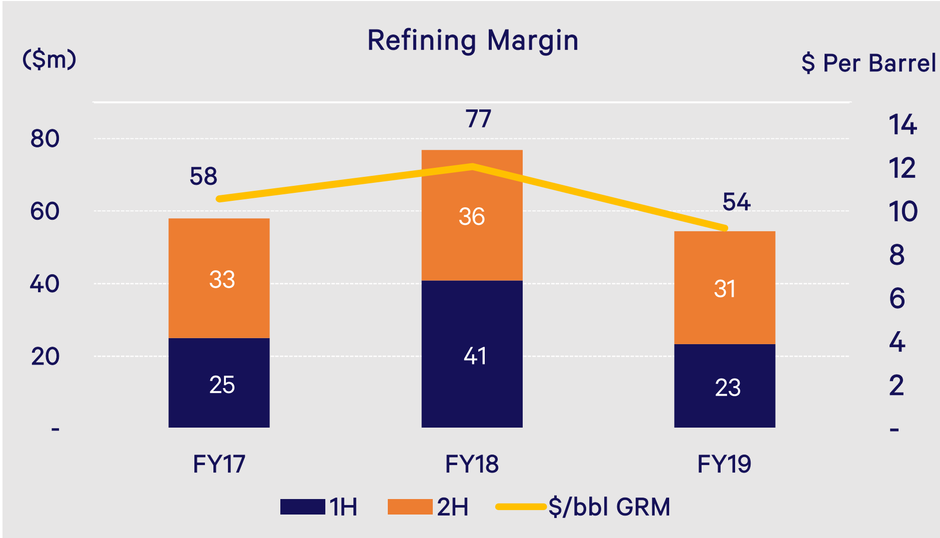
Impacted by refinery shutdown and weakening regional refining margins

Regional markets and Refining NZ

- FY19 impacted by a full refinery extended shutdown in 1H compounded by a weakening of regional refining margins in 2H, partially offset by RNZ's strong operational performance
- Regional refining margins were lower than the PCP by $1.80 per barrel, primarily driven by weak gasoline margins
- The new refinery optimisation agreement with Mobil generated efficiencies over and above the previous agreement

Z Performance

- Processing volumes decreased to 19.7m barrels from 21.3m in PCP due to the shutdown in 1H
- Refining margin makes up 6% of total gross margin, down from 9% in PCP
- Average refining margins down $2.83 per barrel compared to PCP due to both weaker refining margins and deoptimisation of refinery in 1H as a result of the shutdown



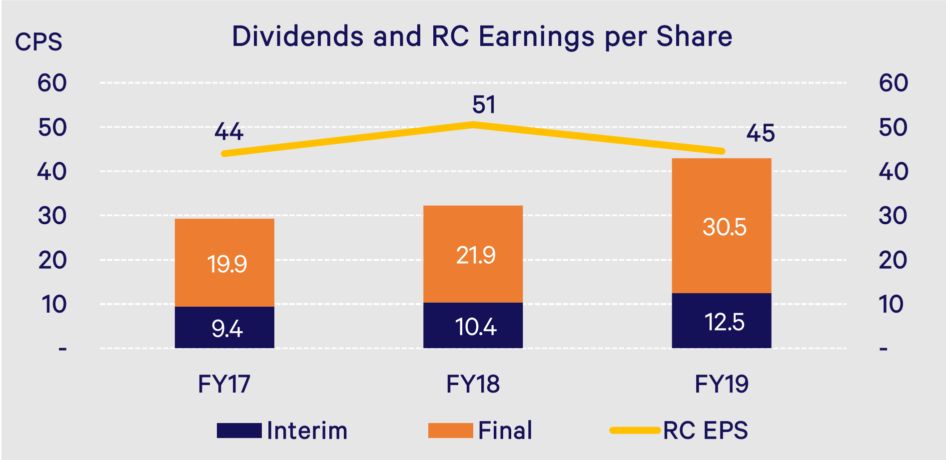
Capital management

Dividend up 33%, with investment in capability funded through divestment proceeds

Metrics	FY19	FY18	Change
Gross debt[1]	$926m	$920m	($6m)
Gross Debt/EBITDAF[2]	2.1x	2.1x	-
Gross Debt/EBITDAF (NZ IFRS16 adjusted)[3]	2.6x	n/a	-
Cost of debt	5.4%	5.2%	(0.2%)

Capex ($m)	FY19	FY18	Change
Growth[4]	34	14	(20)
Integrity	52	77	25
Divestment Proceeds	(17)	(19)	(2)
Net capex	69	72	3

- Gross debt made up of $480m domestic retail bonds, $378m USPP and $68m bank term debt, $135m of retail bonds maturing November 2019 to be refinanced
- In addition to the $17m of divestment proceeds, $30m of sales is unconditional and to be settled in 1H FY20
- 33% increase in the annual dividend to 43.0 cps ($172m) compared to FY18 32.3 cps ($129m)
- Increased growth capex spend on technology to improve customer experience. Decrease in integrity spend due to capitalisation of new ERP system in FY18

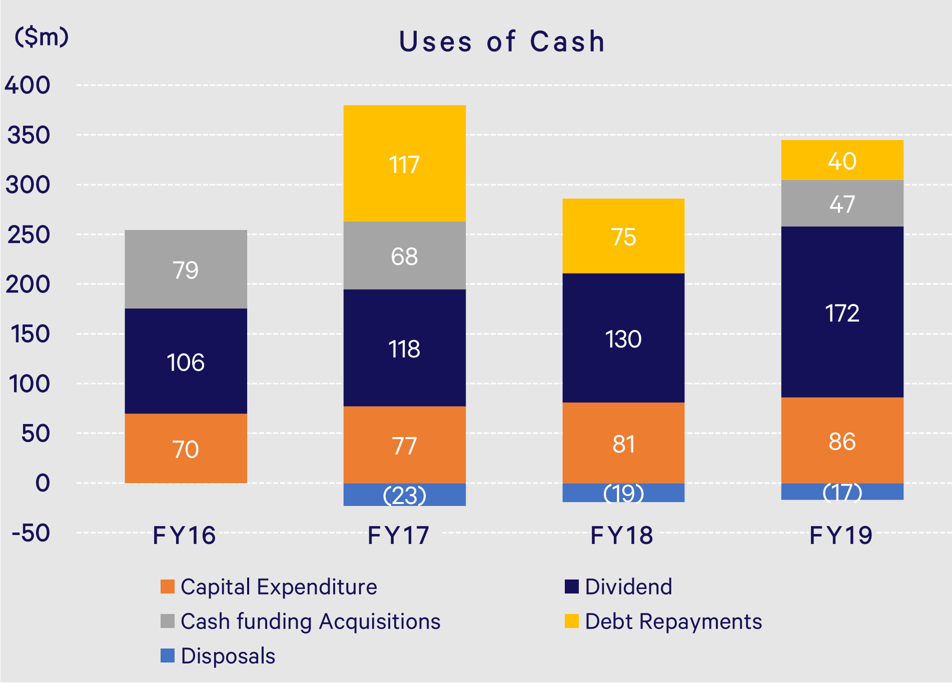


Note 1: Gross is defined as the sum of gross domestic retail bonds, gross USPP issuance, bank debt and excludes working capital funding and cash on hand
Note 2: Debt coverage is calculated as gross debt divided by 12 months RC EBITDAF. Covenants calculated under the frozen GAAP method
Note 3: Debt coverage adjusted for impact of NZ IFRS 16 –Leases accounting standard.
Note 4: Growth Capex excludes investment in Flick Energy Limited $47m

Capital management

Reflects a strategy that enables both dividend sustainability and prudent balance sheet management

- Optimise our market leading position and pursue a differentiated, capability led strategy
- Deliver growth in earnings and free cash flow from a more productive core business
- Allocate capital with discipline to maximise shareholder value
  - Organic opportunities in the core business that require Growth capex exist and will be funded by divestments
  - $42m of divestment proceeds have been redeployed during FY17-19
- Continue to deleverage to the lower end of our preferred business as usual range of 1.5 to 2.0x gross debt to RC EBITDAF



Dividend policy

Simplification and using our balance sheet capacity with a focus on delivering sustainable dividends

- Our intention remains to pay a sustainable ordinary dividend each year in line with earnings growth
- A simplified cashflow definition provides clarity and reflects the use of Replacement Cost (RC) in managing the business and assessing performance, and is intended to facilitate predictability of dividends

Pay ordinary dividends of 70-85% of Operating Cashflow less Integrity Capex.
Operating Cashflow is defined as RC EBITDAF less RC tax and net financing costs.

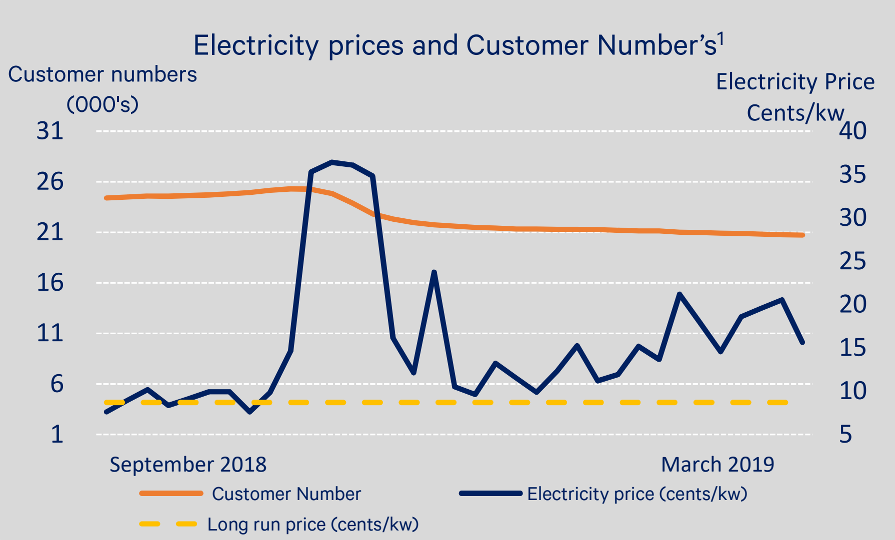
- This 70-85% range results in the same DPS outcomes as the 80-100% range for the previous expression of the policy, i.e. included items like debt principal repayments
- Integrity capex is expected to range between $40-50m p.a
- Our expectation in FY20 is to pay a full year dividend of 48cps to 54cps
- In years of outperformance or enhanced cashflow, the Board may use structures such as special dividends and share buybacks to manage the capital structure with a view to maximising returns to shareholders

Electricity and Mobility

Very challenging market conditions in 3Q for Electricity

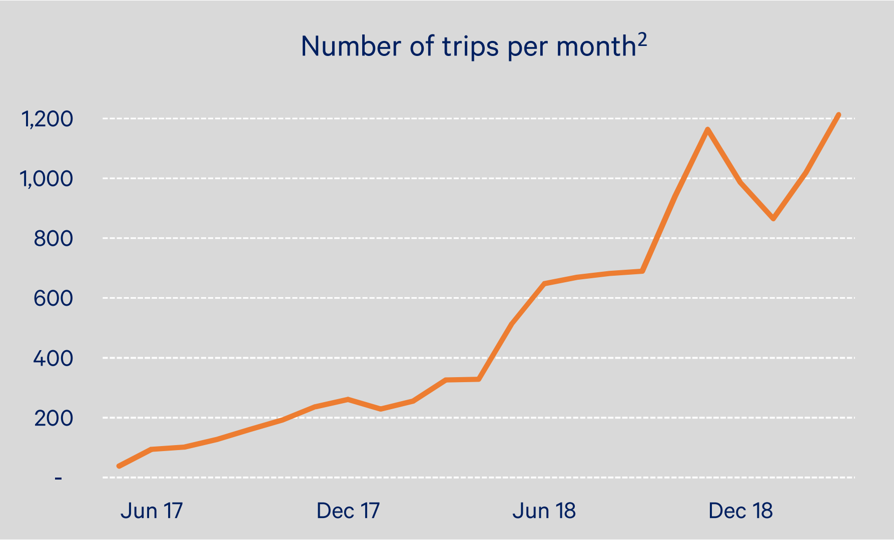
Flick: A reorganised and refocussed business

- Exceptionally challenging market conditions for three months
- Accelerated a refocus of the business away from costly acquisition channels
- Experiments on bundled offers underway
- Still committed to EBITDA break-even in FY21



Mevo: Increased utilisation and Customer numbers

- Registered users up 340% and trips up 240% YOY
- Growth from consumers and businesses
- On track for a sustainable business in Wellington, with options for further growth



Note 1: Information sourced from Flick Energy Limited
Note 2: Information sourced from Mevo Limited

A more productive core business

Strategy 3.0 remains on track for delivery of $30-35m of EBITDAF improvement

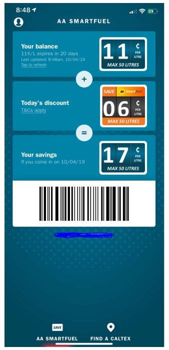
Business Unit	Work Streams disclosed to date	FY19 Actual	FY19 Guidance
Supply Optimising scale	• Z terminals managed internally • Consolidated logistics provision • Change to Mobil for refinery optimisation	$5m	$3m
Commercial Integrating offers while moving to common platforms	• Repricing of jet fuel at Auckland Airport reflecting structural change in supply costs • Leveraging Distributor partnerships • Common card platform development underway	$18m	$17-$19m
Retail Differing brand positions and segmenting customers for 'true' loyalty	• Tier 3 stores upgraded to Tier 2 offer • Data and loyalty capability build • Convenience retail offer evolution through two trial sites	$1m	~$1m
Underlying EBITDAF impact		$24m	$21-23m
Project delivery expenses		($5m)	($5m)
EBITDAF contribution		$19m	$16-$18m

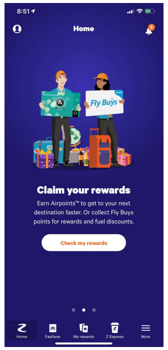
Customer experience (CX)

Regular cadence of CX improvement and innovations in market

CX

- Z wide capability plan in action
- Roadmap to address gaps in customer experience agreed
- Caltex App launched with 117k downloads
- Z App 265k downloads



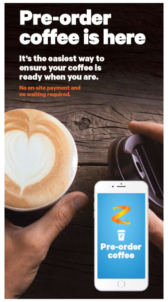


In-Store Innovation

- Trialling at pace with multiple experiments
- Positive feedback and results (Food +9% Drink +4% YoY)
- New In-Store experience pilot to additional 10 sites in FY20

Mobility

- Fastlane scaled to 40 sites in Auckland and Christchurch
- Positive shift in share of wallet; awareness and usage growing
- Testing technology to shift to scale or pivot to multiple lane solution
- Pre-order and pre-pay coffee in 100+ sites
- Pumped now available to Air NZ Airpoints cardholders from April 2019



Data

- Data technology platform stood up and progressively integrated across systems
- Data analytics capability delivering key insights – increasing accuracy of marketing spend
- Data and marketing automation enabling loyalty and fuel card customer engagement increasingly in FY20

Government relations

Engagement with Government across multiple areas

Market study

- Half way through the twelve month retail fuel market study
- Feedback and interactions have been consistent with Z's expectations
- Data has been provided to the Commerce Commission in multiple tranches
- Final paper due 5 December 2019

"Z believes that the retail fuel market is highly competitive and is pleased to be a part of the market study, we are looking forward to the clarity that the final paper will provide."

RAP Inquiry

- Z is one of twelve Core Participants in RAP Inquiry
- Conclusion expected in June 2019

"Z believes that industry needs to be aligned to improve resilience in the jet fuel supply chain and eagerly anticipate the conclusion of the Inquiry."

Other

Z has continued to work proactively with government on issues of shared importance, particularly around transitioning to a low carbon economy:

- Z is involved in various government low carbon workstreams
- Z has submitted on Zero Carbon Bill, Productivity Commission report
- Constructive engagement at all levels on fuel industry and supply chain resilience

Implications arising from MARPOL

Markets are not (yet) pricing in any severe dislocations

Market Context

- Sets limits on sulphur oxide and nitrogen oxide emissions from ship exhausts and prohibits deliberate emissions of ozone depleting substances
- Comes into effect internationally on 1 January 2020. Yet to be ratified by NZ, and could be delayed up to 2022
- 3.5mbbls of high sulphur fuel oil becomes non compliant, unless scrubbers are installed
- In the absence of scrubbers, most likely alternative shipping fuel become gas oil
- Scrubbers likely to account for ~25% of global demand, with refinery options for ~50%, and the balance from new vessels and alternative uses for fuel oil, e.g. power production
- Neither crude or product forward price curves indicate any expectation of market dislocation

Z's exposure and response

- Z's production at RNZ is 7% fuel oil and 38% gas oil
- 175ml of fuel oil production forecasted for FY20
- 75% is usually sold into the domestic market
- Guidance assumes up to 60% exported in 4Q
- Term contracts under consideration
- Stress tested working capital facility against crude price dislocation
- Review of hedging options for specific exposures arising from potential dislocations in refinery cracks and underlying crude price
- Like other refiners, Refining NZ are into action on their own range of self-help options

Ongoing monitoring of the long term future

Battery cost reduction yet to fully flow to NZ electric vehicle (EV) showroom pricing

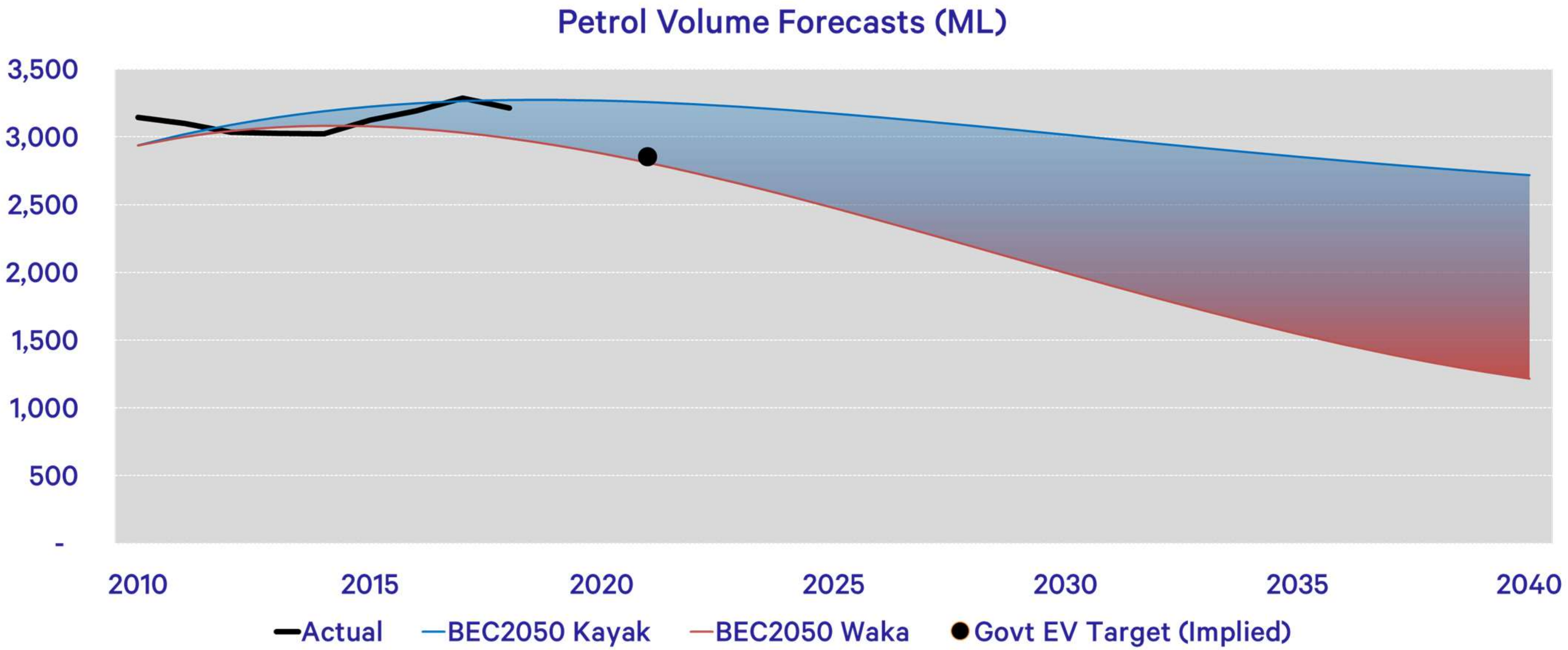
Signposts	1Q FY17	4Q FY18	4Q FY19	Change from FY17 baseline
EV Purchase Price Premium (%)	39	42	44	+5
Plug-in Hybrid EV Purchase Price Premium (%)	25	23	19	-6
BNEF Battery Pack Cost USD $/KWh	288	209	176	-112
EV Light Vehicle Fleet Size (No) *	1,518	7,233	13,052	+11,534
Waka Scenario EV Fleet size (implied)	32,000	34,000	37,000	
EV % of NZ Light Vehicle Fleet (%)	0.04	0.19	0.33	+0.29
Carbon Price ($/T of CO2)	15	21	25	+10
Vehicle Use (Vehicle Km Travelled)	11,772	11,425	11,620	-152
Industry Volumes	8,723	9,155	~ 9,370	+647

- The growth in EV uptake has plateaued for now as the market awaits possible additional government support and new model additions and supply
- Battery pack costs continue to decline however vehicle and availability versus internal combustion engine options remains challenging
- The price of NZU's has risen during the year in response to the escalation in emissions reduction requirements, environmental concerns and growing certainty around the strength and importance of the NZ ETS as the mechanism to price carbon emissions and contribute toward slowing climate change

* Source: https://www.transport.govt.nz/mot-resources/vehicle-fleet-statistics/monthly-electric-and-hybrid-light-vehicle-registrations/

Long term demand scenarios

Industry petrol demand tracking to the upper range of the Kayak scenario



Note - Business Energy Council scenarios are being updated and due for completion in 2Q

Looking forward

Forecasting slight growth in earnings for FY20, with a material (12-26%) increase in dividend

- Forecasts assume a Brent crude price of US$70/bbl and FX rate of 0.68
- Guidance of $425-465m of RC EBITDAF (on a like for like basis) includes adjustment for FY19's extended refinery shutdown (+$20m) and one off cost levers (-$15m); final year of Strategy 3.0 delivery (+$22m); a one off investment for bringing Pumped in house (-$10m); and Retail network activity (-$5m)
- Guidance of $450-490m will be referenced following the adoption of IFRS16 as this impacts EBITDAF by +$26m, although this has no material impact on dividend
- Simplified expression of Dividend Policy reaffirms the intent to pay sustainable dividends in line with earnings growth
- First year of Dividend Policy has delivered a 33% increase in DPS, with another increase expected for the full FY20 year, at 48-54 cents per share pre and post IFRS16
- Integrity capex of $45-50m (including $7m for last year of Commercial's ICT project), with $40-45m growth capex funded by FY19 and some of FY20's divestment proceeds
- Capability foundations developed in FY19 will yield competitive and financial benefits in FY20, while further strengthening of Z's five core capabilities continues through investment in both systems and people
- Downside earnings risks outside of guidance primarily from market dislocations arising from Marpol or any unexpected changes to ETS
- Lessons have been learned from FY19, some management practices have been changed, and a renewed senior team is in place
- Investor Day provisionally scheduled for 1 August 2019 in Auckland

Appendices

1. Financial results
2. Profit and loss
3. Operating Expenses
4. Items below RC EBITDAF
5. Balance sheet
6. Working capital

Financial Results

Basis of preparation

- On 1 September 2018 Z acquired a 70% share in Flick Energy Limited ("Flick"). Z consolidates 100% of Flick's results and presents the portion of profit/(loss) and other comprehensive income attributable to non-controlling interest

Non-GAAP Accounting Measure - Replacement Cost (RC) earnings:

- Is a non-GAAP measure used by the downstream fuel industry to measure and report business performance
- RC earnings adjusts purchases of crude and product as if the product sold in a month had been purchased in that month, rather than the Historical Cost (HC) which reflects the prices actually paid
- RC earnings exclude the impact of changes in crude oil and refined product prices on the value of inventory held by Z, thus it is a better measure of underlying performance
- The difference between HC earnings and RC earnings is the Cost of Sales Adjustment (COSA) and the foreign exchange and commodity gains and losses. Refer to the reconciliation between HC NPAT and RC NPAT in these appendices
- From FY20 onwards commercial pricing lead/lags on product sales will be removed from RC results. Pricing lead/lags occur on product sales when product cost movements are not correlated with contracted customer contracts. If implemented in FY19 the impact on RC results would have been less than $1m

Profit and Loss

$(m)	FY19	FY18	Change
Revenue	5,450	4,570	19%
- Fuel margin	700	685	2%
- Non Fuel margin	81	76	7%
- Refining margin	54	77	(29%)
- RNZ Dividend and other	5	8	(38%)
RC gross margin	**840**	**846**	**(1%)**
Operating expenses	405	398	(2%)
RC Operating EBITDAF	**435**	**448**	**(3%)**
Share of (loss)/earnings of associate companies (net of tax)	(1)	1	<>
RC EBITDAF	**434**	**449**	**3%**
Depreciation and amortisation	122	102	(20%)
Net financing expense	51	52	2%
Other	22	8	<>
Taxation	61	82	26%
RC NPAT	**178**	**205**	**(13%)**
Reconciliation from RC NPAT to statutory NPAT			
Tax on COSA	(5)	(21)	<>
COSA (difference between RC and HC Gross Margin and EBITDAF)	21	78	<>
Foreign exchange and commodity gains	(8)	1	<>
Net profit per the statutory financial statements	**186**	**263**	(29%)
HC gross margin	**861**	**925**	**(7%)**
HC EBITDAF	**447**	**528**	**(15%)**

Operating expenses

$(m)	FY19	FY18	Change
Employee benefits	73	69	6%
Secondary distribution	72	71	1%
Selling commissions	60	59	2%
On-site	58	59	(2%)
Professional fees	28	22	27%
Terminal and plant costs	23	19	21%
Technology and Communication	23	21	10%
Administration and other	24	22	9%
Marketing costs	21	28	(25%)
Storage and handling	17	22	(23%)
Insurance	6	6	<>
Total operating expenses (excluding FX on fuel purchases)	405	398	2%

- Employee benefits increased $4m due to investment in CX capability
- Professional fees increased $6m to PCP due to software support, integration of Foodstuffs and customer experience (CX) initiatives
- Terminal and plant costs increased $4m to PCP due to increased lease costs and Aviation fuel maintenance costs
- Marketing costs decreased $7m to PCP due to changes in tactical marketing focus from marketing spend to cents per litre discounts
- Storage and handling decreased $5m to PCP due to additional costs incurred in FY18 from the RAP outage and synergy delivery from bringing NZOSL terminals back in house

Items below RC EBITDAF

$(m)	FY19	FY18	Change
Depreciation	65	62	5%
Taxation (incl. tax impact of COSA)	61	82	(26%)
Amortisation	57	40	43%
Net financing expenses	51	52	(2%)
Increase in decommissioning and restoration provision	18	3	<>
Fair value movements on interest rate derivatives	4	9	(56%)
Total items below RC EBITDAF	256	244	5%

- Amortisation increased by $17m to PCP due to acquired Flick intangibles and increase in capitalised software in the year
- Decommissioning and restoration increased by $15m to PCP due to triennial independent revaluation of tank removal costs
- Fair value movements on interest rate derivatives have decreased compared to PCP due to a fall in the interest rate curves

Balance sheet

$(m)	FY19	FY18	Change
Shareholders equity	920	857	7%
Total current assets	1,224	1,064	15%
Total non current assets	1,623	1,741	(7%)
Total assets	**2,847**	**2,805**	1%
Total current liabilities	867	950	9%
Total non current liabilities	1,060	998	(6%)
Total liabilities	**1,927**	**1,948**	1%
Net assets	**920**	**857**	7%

- Net asset movement explained by:
  - Current assets have increased due to higher cash on hand attributable to lower inventory levels and recognition of ETS units receivable. The ETS units receivable relate to a lease transaction with a counterparty which reduced Z's working capital funding costs, the units will be returned in time for surrender for Z's CY18 ETS obligations in May 2019
  - Non current assets have decreased due to asset additions not offsetting the depreciation and amortisation of PP&E and intangibles and disposal and assets and those transferred to held for sale and a decrease in ETS units on hand following the ETS lease transaction
  - Decrease in total current liabilities has been driven by Z's lower inventory levels at 31 March 2019 and the repayment of the $150m Bond that matured on August 2018 offset by $135m bond that matures in November 2019

Working capital

	FY19	FY18	Change
Accounts receivable and prepayments	$499m	$337m	48%
Average receivable days	22 days	21 days	1 day
Closing Inventory balance	$578m	$642m	(10%)
Closing barrels on hand	4.9m	5.9m	1.0m
Average inventory days	46 days	50 days	4 days
Accounts payables, accruals and other liabilities	$677m	$696m	(3%)
Average payable days	44 days	42 days	2 days

- Average receivable days are up 1 day due to a change in due date on invoices showing the next business day
- Inventory on hand is lower than Z's target of 5.6m bbls due to the timing of crude required at RNZ Refinery and Z's product import schedule
- Average payable days are up 2 days due to increase in ETS obligation rate change from 83% to 100%, ETS price hitting cap of $25 per unit and timing of crude and product payables

Adoption of NZ IFRS 16 Leases

Balance sheet	FY20 opening balance change
Assets	
Sublease receivable	$12m
Right of use assets	$278m
Total Assets	**$290m**
Liabilities	
Lease liabilities	$289m
Total liabilities	**$289m**
Net assets	**$1m**
Equity adjustment	**$1m**

Income statement	FY20 change
Revenue	($2m)
Operating expenses	($28m)
RC EBITDAF	**$26m**
Depreciation	$18m
Interest	$13m
RC net profit before tax	**($5m)**

- From 1 April 2019, NZ IFRS 16 – Leases is mandatory for Z to adopt. The above tables display the impact on Z's financial statements
- Right of use asset and lease liability are initially recognised for all leases affected by NZ IFRS 16, representing the present value of future cash flows
- Rental expense is no longer recognised for these leases, instead these are replaced by an interest charge on the lease liabilities and deprecation on the right of use assets. This will have the impact of increasing Z's EBITDAF and also Z's free cash flow (FCF) under the revised definition used for dividend purposes by $11m in FY20
- Portfolio of approximately 250 leases with 23 of the sites having subleases that are accounted for in the same manner

Appendix 1

Full year reporting periods

Reporting period	Twelve months to 31 March 2019
Previous reporting period	Twelve months to 31 March 2018

Results for announcement to the market

	Twelve months to 31 March 2019 (NZ $m)	Percentage change
Operational results		
Revenues from ordinary activities	5,450	19%
Net Profit from ordinary activities after tax	186	(29)%
Net Profit from ordinary activities after tax attributable to security holders	188	(29)%
Net profit attributable to security holders	188	(29)%

	Amount per security (NZ cents)	Imputed amounts per security (NZ cents)
Dividends – Ordinary shares		
Final dividend	30.5	11.8611
Record date	17 May 2019	
Payment date	29 May 2019	

There are currently no dividend or distribution reinvestment plans in operation.

Financial information and commentary

For commentary on the results please refer to the media announcement. Appendix 1 should be read in conjunction with the Group financial statements for the twelve months ended 31 March 2019 contained in the Annual Report.

Net tangible assets per security

	31 March 2019 (NZ cents)	31 March 2018 (NZ cents)
Net tangible assets per security	22	9

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PO Box 2091
Wellington 6140
New Zealand

0800 474 355
z.co.nz

Subsidiaries, associates and joint operations

	Percentage holding
Subsidiaries	
Z Energy 2015 Limited	100%
Z Energy ESPP Trustee Limited	100%
Z Energy LTI Trustee Limited	100%
Flick Energy Limited[1]	70%
Associates	
Loyalty New Zealand Limited	25%
New Zealand Oil Services Limited[2]	0%
Wiri Oil Services Limited	44%
Coastal Oil Logistics Limited	50%
DrylandCarbon One Limited Partnership[3]	37%
Joint operations	
The Group has participating interests in five unincorporated jointly controlled operations relating to the storage and distribution of petroleum products	
Joint User Hydrant Installation (JUHI)	33%
Joint Interplane Fuelling Services (JIFS) (Z & BP)	50%
Joint Ramp Service Operations Agreement (Z Energy 2015 & Mobil)	50%
Jointly Owned Storage Facility (JOSF) (Z & BP)	50%
Wiri to Auckland Airport Pipeline (WAP)	40%

1 On 1 September 2018, Z acquired 70% of the share capital in Flick

2 On 7 November 2018, Z transferred its shares in NZOSL to BP

3 In March 2019, Z and three other partners formed the DrylandCarbon One Limited Partnership.

Accounting standards

These financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP) and part 7 of the Financial Markets Conduct Act 2013. They comply with the New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS') as appropriate for profit-oriented entities, and with International Financial Reporting Standards ('IFRS'). Z has reported as a Tier 1 entity under the External Reporting Board ('XRB') Accounting Standards Framework, as a listed entity.

Audit

This report is based on the audited financial statements. KPMG has provided an Audit report on the financial statements which is attached.

APPENDIX 7 – NZSX Listing Rules

EMAIL: announce@nzx.com

Number of pages including this one (Please provide any other relevant details on additional pages) 1

Notice of event affecting securities

NZSX Listing Rule 7.12.2. For rights, NZSX Listing Rules 7.10.9 and 7.10.10.
For change to allotment, NZSX Listing Rule 7.12.1, a separate advice is required.

Full name of Issuer: Z Energy Limited

Name of officer authorised to make this notice: Lindis Jones

Authority for event, e.g. Directors' resolution: Directors' resolution

Contact phone number: +64 4 498 0323

Contact fax number:

Date: 2 / 5 / 2019

Nature of event
Tick as appropriate

Bonus Issue ☐	*If ticked, state whether:* *Taxable* ☐	*/ Non Taxable* ☐	*Conversion* ☐
Interest ☐	*Rights Issue Renouncable* ☐		
Rights Issue non-renouncable ☐	Capital change ☐	Call ☐	Dividend ☑
If ticked, state whether: Interim ☐	Full Year ☑	Special ☐	DRP Applies ☐

EXISTING securities affected by this

If more than one security is affected by the event, use a separate form.

Description of the class of securities: Ordinary Shares

ISIN: NZZELE0001S1
If unknown, contact NZX

Details of securities issued pursuant to this event

If more than one class of security is to be issued, use a separate form for each class.

Description of the class of securities:

ISIN:
If unknown, contact NZX

Number of Securities to be issued following event:

Minimum Entitlement:

Ratio, e.g 1 for 2: for

Conversion, Maturity, Call Payable or Exercise Date:
Enter N/A if not applicable

Treatment of Fractions:

Tick if pari passu ☐ *OR* *provide an explanation of the ranking*:

Strike price per security for any issue in lieu or date Strike Price available.

Monies Associated with Event

Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.

In dollars and cents

Amount per security (does not include any excluded income): $0.305000

Source of Payment: Retained Earnings

Excluded income per security (only applicable to listed PIEs):

Currency: NZ Dollars

Supplementary dividend details - NZSX Listing Rule 7.12.7
Amount per security in dollars and cents: $0.053824
Date Payable: 29 May, 2019

Total monies: $122,000,000

Taxation

Amount per Security in Dollars and cents to six decimal places

In the case of a taxable bonus issue state strike price: $

Resident Withholding Tax: $0.021181

Imputation Credits (Give details): $0.118611

Foreign Withholding Tax:

FDP Credits (Give details):

Timing (Refer Appendix 8 in the NZSX Listing Rules)

Record Date 5pm
For calculation of entitlements -: 17 May, 2019

Application Date
Also, Call Payable, Dividend / Interest Payable, Exercise Date, Conversion Date. In the case of applications this must be the last business day of the week.: 29 May, 2019

Notice Date
Entitlement letters, call notices, conversion notices mailed: Not applicable

Allotment Date
For the issue of new securities. Must be within 5 business days of application closing date.: Not applicable

OFFICE USE ONLY
Ex Date:
Commence Quoting Rights:
Cease Quoting Rights 5pm:
Commence Quoting New Securities:
Cease Quoting Old Security 5pm:

Security Code:

Security Code:

NZX

2 May 2019

Company Announcements Office
Exchange Centre
Level 6
20 Bridge Street
Sydney NSW 2000
AUSTRALIA

Z ENERGY LIMITED – COMPLIANCE CONFIRMATION UNDER LISTING RULE 1.15.3

For the purposes of ASX Listing Rules 1.15.3, Z Energy Limited confirms that it continues to comply with the NZX Main Board / Debt Market Listing Rules.

Yours faithfully

Debra Blackett
General Counsel and Chief Governance Officer
Z Energy Limited

3 Queens Wharf
PO Box 2091
Wellington 6140
New Zealand

0800 474 355
z.co.nz