



Z Energy welcomes Government's biofuels policy announcement

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Z Energy (NZX:ZEL, ASX:ZEL) welcomes today's announcement by the government that a biofuels mandate is to be implemented to help the country make a start on the carbon reduction in transport that is so urgently required.

Accompanying Prime Minister Jacinda Ardern, Transport Minister Michael Wood and Climate Change Minister James Shaw at the Z Energy biodiesel plant in Wiri, South Auckland today, Z Energy CEO Mike Bennetts said that climate change action requires policy certainty and industry investment, and that Z is committed to playing its part to transition New Zealand off fossil fuels.

"We've long said that we want to be at the heart of the climate change solution – working on that commitment is what gets the Z team up in the morning and will play a significant role in creating value for Z in the long term. The policy certainty created by today's announcement gives us confidence to review our investment in a safe and reliable biodiesel supply chain. We believe that our local production capability is a good news story for New Zealand and an example of the potential of the New Zealand circular economy.

"We will continue to work on Z's strategic opportunities for other fuel alternatives such as electric and hydrogen as we know that there is no silver bullet - the best fuel for the best use case will be the foundation of a successful energy transition.

"We want to work with all our customers and all New Zealanders wherever they are at in their low carbon journey with solutions that work for their business and household needs," said Mike.

Z has been producing Z Bio D at its Wiri plant, Te Kora Hou out of inedible tallow, a local waste agriculture product, as well as importing a biodiesel from Australia to supplement its stocks while the plant has paused production. Z currently supplies a number of key commercial customers directly and has a biodiesel-only truck stop at Highbrook, East Tamaki.

Z General Manager Supply, David Binnie said that one of the key benefits of biodiesel is its compatibility with existing diesel engines.

"New Zealand has a lot of diesel trucks and utes and many of our customers who drive them have been seeking lower-carbon options. Z Bio D meets this need, as it complies with New Zealand's strict diesel as well as biodiesel specifications, meaning customers

can use it with confidence right now. The best part is, each tank of Z Bio D at a 5 per cent blend rate has around four per cent less greenhouse gas emissions than a tank of regular diesel. In the bigger picture, the Te Kora Hou plant running at its 20 million litres per year capacity would provide biodiesel that is the equivalent of taking 17,000 diesel vehicles off the road, and it is just one plant."

Addressing the inclusion of aviation fuels in the policy announcement, Dave said that Z and Air New Zealand have a long-standing partnership when it comes to the Sustainable Aviation Fuel, or Biojet, opportunity for New Zealand.

"We look forward to continuing our five- year partnership with Air New Zealand and others developing a road map for Sustainable Aviation Fuel to become the norm in New Zealand," said Dave.

Further information

- Z Bio D is currently 'B5' blend, meaning it is 5% biodiesel to 95% regular diesel. We chose this blend to ensure compatibility with current diesel specifications and the broadest range of diesel engines. This blend can be scaled up to provide even more low carbon benefit depending on policy settings and engine specifications.
- Biodiesel is also a cleaner burning alternative to regular diesel, helping to address the matter of air pollution from diesel vehicles.
- For more information about Z biodiesel visit - <https://z.co.nz/keeping-business-on-the-move/fuels/z-biodiesel/>
- For the New Zealand Biojet Consortium submission to the Interim Climate Change Commission visit - <https://z.co.nz/assets/Uploads/Submission-to-ICCC-on-Reducing-GHG-Emissions-through-Sustainable-Aviation-Fuel-SAF2.pdf>

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