7 November 2013

New Zealand Stock Exchange
Level 2, NZX Centre
11 Cable Street
Wellington 6011
New Zealand

Dear Sir/Madam

Z Energy Limited (ZEL) Half year results announcement
(for the six months ended 30 September 2013)

Please find attached the financial information required by NZX Listing Rule 10.4.2 together with a copy of Z Energy's half year results presentation and financial statements for the six months ended 30 September 2013.

Attached:

1. Media Announcement in relation to the half year results
2. Interim Group Financial Statements for the six months ended 30 September 2013, including the auditors' review report and management commentary
3. Directors' declaration
4. Half year results presentation
5. ASX Appendix 4D
6. NZX Appendix 1
7. NZX Appendix 7 detailing the dividend of 7.7 cents (NZD) per ordinary and restricted share to be paid on 4 December 2013 to those shareholders on the company's share register as at 5pm on 22 November 2013.

Yours sincerely

Meredith Ussher
General Counsel and Company Secretary
Z Energy Limited

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Half Year earnings consistent with IPO guidance

Result and dividend

Z Energy today posted its first result as a listed company, delivering earnings and net profit for the six months to 30 September 2013, slightly ahead of the company's plan.

On an historic cost (NZ IFRS) basis, Z's statutory reported Net Profit After Tax (NPAT) for the six months ended 30 September 2013 was $55.5 million, up from $24.9 million for the previous corresponding period.[1]

On a pro forma replacement cost basis, Z posted Earnings Before Interest, Taxation, Depreciation (including gains and losses on the disposal of fixed assets), Amortisation and Fair Value movements on interest rate derivatives (RC EBITDAF) of NZ$107 million, up from $100 million for the prior corresponding period.[2, 3]

As indicated at the time of the IPO, Z's policy is to pay dividends of 80 per cent of full year replacement cost NPAT (subject to performance and other relevant factors). As forecast at that time, the Z Energy Board has decided to pay a fully imputed cash interim dividend to shareholders of 7.7 cents per share, representing approximately 35 per cent of the total forecast full year dividend. The balance is expected to be paid in May or June 2014.

The record date for the interim dividend will be 22 November, with dividends paid on 4 December.

Consistency of earnings through volume / margin management

Chief Executive Mike Bennetts said this was a pleasing result, particularly in that Z had demonstrated the ability to respond to a range of market conditions and deliver consistency of replacement cost earnings.

"Over the period we saw crude oil prices range between US$103 and US$111 per barrel and in the month of September domestic pump prices hit the highest ever mark in New Zealand on the back of rising international prices."

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[1] Z's statutory earnings are prepared on an historic cost basis (as required by NZIFRS). Earnings prepared on this basis are subject to fluctuations in the value and volume of stock held over the period, due to changes in oil prices, exchange rates and deliveries. Z's replacement cost earnings do not reflect fluctuations to any material extent, as the cost of the stock sold is treated as its replacement cost at the time of its sale. For 1HFY14 the replacement cost approach to valuing stock has resulted in an increase in cost of stock of $3 million. This is not reflected in Z's statutory earnings.

[2] Z's management focuses on (and Z provides guidance on) replacement cost operating earnings, which Z considers better reflect the underlying trading performance of the business. More information about replacement cost accounting and the difference between replacement cost and historic cost earnings is provided at the end of this announcement and in the accompanying presentation pack.

[3] Pro forma results are presented on the same basis as the IPO prospectus – i.e. as if the listing and all of the associated transactions occurred on 1 April for each reporting period. See page 126 of the IPO Offer Document and the accompanying presentation pack for more information.

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"While volumes have been softer than expected at least partially as a result of record fuel prices, this has been balanced by a sustainable approach to margin management and maintaining the integrity of the company's supply chain through choosing where to place volume," he said.

"We have always said Z will target an optimal mix between volume and margin and that market share is not a target in itself. This result demonstrates why this approach is so fundamental to Z's consistency and quality of performance – market share only matters at the right margin."

On a replacement cost basis, Z's total gross margin[4] over the period was $245 million, up from $236 million for the prior comparable period. The growth was delivered by a combination of increased fuel margins, store margins growing through recent upgrades, and slightly higher refining margins above the prior comparable period. Once all operating expenses have been met, Z's pro forma replacement cost net profit after tax was 4.2 cents per litre, up from 3.7 cents per litre in the prior period.

"Over the last three years we have seen much needed improvement in fuel margins which are enabling the industry to begin to invest after years of continual cost cutting, while still delivering competitive prices and value to customers," said Mike.

"Z remains a high fixed cost, low margin business. Over the last 12 months we have made progress in terms of giving up particularly low margin or unprofitable commercial accounts, securing the optimal mix of retail volumes and we are focused on securing commercial accounts that deliver a fair return and cover the cost of capital tied up in supply."

Strategy update

Mike Bennetts said Z is coming to the end of the company's first three year strategy, which will soon be superseded by the next three to five year program.

"The choices we've made, the performance we've delivered and the way we have run the business have been driven by our strategy. Our first strategy program has established Z as a stand-alone local company and delivered sustained growth through strategic investment and focused operational management.

"Over the past few months Z's management and the Board have been developing the next phase of Z's strategy which will be squarely focused on delivering the next program to grow Z's earnings.

"Z's new strategy will take the company through the next three to five year period and the projects and initiatives contained within it will be reflected in guidance for the next full financial year."

[4] There has been a presentational change whereby realised and unrealised gains and losses are no longer included within purchases, instead they are shown as a separate line within operating costs.

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Growth initiatives

Within the existing strategy, Z remains committed to delivering growth through capital investment and focused operational management.

"Over the next six months we expect to build an additional five new-to-industry retail service stations, taking the total for the financial year to six. These will be followed by five more in the 2014 financial year and another seven to eight over the following three years."

Mike Bennetts said ideally the company would have liked to have been three months ahead on its new service station build programme as it has taken slightly longer than planned to build the in-house capability to manage the programme and secure the necessary council consents.

"These new sites will be strategically placed to deliver growth in earnings through increased fuel volume and store sales."

Mike said the refit of Z's top 100 retail service station stores was completed in August, with refitted stores showing 12 per cent year on year growth in sales. Decisions would be made for the next phase of the Z strategy as to the format and level of investment appropriate for the company's remaining retail sites.

"Additionally, we are currently working to deliver growth through Z's commercial channel and fuel supply chain. We're working to determine how greater efficiency in terms of our dual supply chain can deliver better financial results and operational efficiencies, as well as ways to improve Z's import freight and transport economics," said Mike.

"We have successfully completed a selective RFP process for the supply of refined fuels at terms that reflect further cost savings and are consistent with the forecasts contained in the IPO Prospectus. We are currently in the final stages of contracting and will soon make a full announcement on the completion of this contract."

Brand

Mike Bennetts said two and a half years after the launch of the Z brand, Z's monthly brand tracking has seen Z firmly establish its position as the most preferred retail brand in the downstream transport fuels market, which provides a strong platform upon which to continue to build customer loyalty.

Safety

Mike Bennetts said Z continued to focus on reducing operational risk and building towards becoming a Zero Harm organisation.

"Safety is the foundation upon which our business is built and we continue to invest time, resource and expertise right across the business into continually improving our health and safety performance. The six months to 30 September represented good performance on health and safety, with investment occurring in new systems and reporting processes to ensure continued visibility around ways to improve health and safety outcomes."

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Initial public offer

Mike Bennetts said Z had settled well into life as a listed company and, while the process had been a five month period of distraction for management, Z was squarely focused on delivering shareholder value.

"We were very pleased with investors' response to the Z listing both in terms of initial demand for the stock and in the secondary market. We now have a high quality register with a balance between two cornerstone shareholders, local retail investors and experienced long-term domestic and international shareholders."

Outlook and guidance

Mike Bennetts reaffirmed the guidance provided in the IPO prospectus, of full year replacement cost EBITDAF of $205 - 215 million. He said that given the current circumstances, Z expects the final dividend payment to be in accordance with the company's dividend policy and in-line with the IPO Prospectus forecasts.

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Reconciliation from statutory NPAT to Pro Forma EBITDAF (replacement cost)

Net Profit per the statutory accounts	**56**
Share of earnings in RNZ from 1 April to 18 August	4
Net financing expense from 1 April to 4 July	(8)
Replacement cost of sales adjustment (COSA), net of tax	(2)
Taxation	1
Pro Forma RC net profit after tax	**51**
Depreciation and amortisation	17
Net financing expense	17
Other	2
Taxation (including tax on COSA)	20
Pro Forma RC EBITDAF	**107**

Replacement cost (RC) earnings is a non GAAP measure used by the downstream fuel industry to measure and report earnings on a replacement cost basis. RC earnings adjust purchases of crude oil and refined fuel as if the product sold in a month had been purchased in that month, rather than the Historical Cost (HC) approach which reflects the prices at the time of purchase.

RC earnings exclude the impact of changes in crude oil and refined product prices on the value of inventory held by ZEL, thus it is a better measure of underlying performance.

The difference between Historic Cost earnings and Replacement Cost earnings is the Cost of Sales Adjustment (COSA).

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Z ENERGY LIMITED

INTERIM GROUP FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

Z ENERGY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

	Group		
	Unaudited 6 months ended 30 September 2013 $m	Unaudited 6 months ended 30 September 2012 $m	Audited 12 months ended 31 March 2013 $m
Total revenue	**1,393.0**	1,492.2	2,989.3
Purchases of crude and product	**(1,132.0)**	(1,286.5)	(2,510.9)
Primary distribution costs	**(12.9)**	(12.7)	(24.4)
Operating Expenses			
On-site costs	**(22.3)**	(18.7)	(40.3)
Selling commissions	**(27.6)**	(28.8)	(59.1)
Secondary distribution	**(21.6)**	(23.3)	(46.6)
Employee benefits	**(23.3)**	(18.4)	(38.5)
Storage and handling	**(10.5)**	(10.0)	(20.3)
Administration and other costs	**(29.2)**	(31.1)	(67.7)
Insurance	**(3.7)**	(4.0)	(7.6)
Realised/unrealised losses on foreign exchange and commodity transactions	**(2.7)**	(4.5)	(9.8)
Share of earnings of associate companies (net of tax)	**(0.6)**	(0.1)	0.2
Profit before interest, taxation, depreciation (including gains and (losses) on sale of fixed assets), amortisation and fair value movements in interest rate derivatives (EBITDAF)	**106.6**	54.1	164.3
Depreciation and Amortisation	**(17.4)**	(18.6)	(39.0)
(Loss)/gain on sale of fixed assets	**(0.2)**	(0.9)	41.4
Net financing (expense)/income	**(9.2)**	0.1	3.2
(Loss) on interest rate derivatives	**(0.7)**	-	-
Net profit before taxation	**79.1**	34.7	169.9
Taxation expense	**(23.6)**	(9.8)	(33.0)
Net profit for the period	**55.5**	24.9	136.9
Net profit attributable to owners of the company	**55.5**	24.9	136.9
Other comprehensive income, after tax			
Asset revaluation reserve	**149.2**	-	-
Total other comprehensive income for the period, net of income tax	**149.2**	-	-
Total comprehensive income for the period	**204.7**	24.9	136.9
Total comprehensive income attributable to owners of the company	**204.7**	24.9	136.9
Earnings per share			
Basic and undiluted per share (cents)	**13.9**	498.0	2,737.6

Z ENERGY LIMITED
BALANCE SHEET
AS AT 30 SEPTEMBER 2013

	Notes	Group		
		Unaudited 30 September 2013 $m	Unaudited 30 September 2012 $m	Audited 31 March 2013 $m
Shareholders' equity		**587.9**	516.9	596.4
Represented by:				
Current assets				
Cash and cash equivalents		**21.1**	18.7	114.5
Trade, accounts receivable and prepayments		**194.9**	223.2	241.2
Intercompany receivables		**-**	197.6	720.0
Derivative financial instruments		**1.7**	-	-
Inventories	5	**592.5**	454.7	481.5
Assets held for sale		**1.6**	28.6	1.6
Income tax receivable		**-**	4.3	-
Total current assets		**811.8**	927.1	1,558.8
Non current assets				
Property, plant and equipment	6	**493.7**	303.8	311.4
Intangible assets		**32.1**	21.5	27.1
Investments in Associates	3,4	**99.9**	0.7	1.0
Derivative financial instruments	7	**14.4**	-	-
Other non current assets		**1.5**	1.7	1.6
Other investments		**-**	2.3	1.0
Deferred tax		**-**	3.8	3.7
Total non current assets		**641.6**	333.8	345.8
Total assets		**1,453.4**	1,260.9	1,904.6
Current liabilities				
Accounts payable, accruals and other liabilities		**312.6**	285.5	509.3
Intercompany payables		**-**	-	314.7
Short term loan	8	**30.5**	-	-
Provisions		**5.6**	5.6	3.7
Derivative financial instruments		**2.7**	1.4	5.4
Income tax payable		**7.8**	-	3.7
Total current liabilities		**359.2**	292.5	836.8
Non current liabilities				
Other liabilities		**17.0**	-	17.5
Provisions		**21.7**	20.2	24.1
Derivative financial instruments	7	**11.6**	-	-
Bonds	9	**429.9**	431.3	429.8
Deferred tax		**26.1**	-	-
Total non current liabilities		**506.3**	451.5	471.4
Total liabilities		**865.5**	744.0	1,308.2
Net assets		**587.9**	516.9	596.4

Approved on behalf of the Board on 6 November 2013

Peter Griffiths
Chairman

Abigail Foote
Director

The accompanying notes form part of these financial statements.

Z ENERGY LIMITED

STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

	Group		
	Unaudited 30 September 2013 $m	Unaudited 30 September 2012 $m	Audited 31 March 2013 $m
Cash flows from operating activities			
Cash was provided from:			
Receipts from customers	**1,444.8**	1,513.2	2,995.4
Proceeds from insurance recoveries	**2.1**	-	2.9
Interest received	**10.9**	13.1	30.0
	1,457.8	1,526.3	3,028.3
Cash was disbursed to:			
Payments to suppliers and employees	**(1,556.4)**	(1,478.3)	(2,541.2)
Interest paid	**(19.9)**	(18.9)	(27.8)
Taxation paid	**(15.4)**	(19.8)	(27.8)
	(1,591.7)	(1,517.0)	(2,596.8)
Net cash (outflow)/inflow from operating activities	**(133.9)**	9.3	431.5
Cash flows from investing activities			
Cash was provided from:			
Proceeds from sale of investments	**1.0**	0.1	1.4
Proceeds from sale of property, plant and equipment	**1.2**	-	86.7
	2.2	0.1	88.1
Cash was disbursed to:			
Purchase of intangible assets	**(48.4)**	(63.8)	(69.4)
Purchase of investments	**(100.3)**	(2.3)	(2.3)
Purchase of property, plant and equipment	**(22.9)**	(41.5)	(67.5)
	(171.6)	(107.6)	(139.2)
Net cash (outflow) from investing activities	**(169.4)**	(107.5)	(51.1)
Cash flows from financing activities			
Issue of bonds	**-**	135.0	135.0
Issue of shares	**422.4**	-	-
Proceeds from debt	**30.5**	-	-
Cash from intercompany	**160.0**	-	-
	612.9	135.0	135.0
Cash was disbursed to:			
Cash to intercompany	**(322.1)**	-	(350.3)
Purchase of shares	**(1.8)**	-	-
Dividends paid to owners of the company	**(79.1)**	(34.6)	(67.1)
	(403.0)	(34.6)	(417.4)
Net cash inflow/(outflow) from financing activities	**209.9**	100.4	(282.4)
Net (decrease)/increase in cash	**(93.4)**	2.2	98.0
Cash balances at beginning of period	**114.5**	16.5	16.5
Cash at end of period	**21.1**	18.7	114.5

Reconciliation of net profit for the period to cash flows from operating activities	Group		
	Unaudited 30 September 2013 $m	Unaudited 30 September 2012 $m	Audited 31 March 2013 $m
Net profit for the period	**55.5**	24.9	136.9
Adjusted for items not involving cash flows:			
Depreciation and amortisation	**17.4**	18.6	39.0
Equity accounted earnings and income of associates	**0.6**	0.1	(0.2)
Movement in bad and doubtful debt provisions	**0.4**	1.8	1.4
Foreign exchange, interest and financing costs	**(1.4)**	(8.7)	(6.1)
Gain /(loss) on sale of fixed assets	**0.3**	-	(41.4)
Other	**0.4**	0.5	3.5
Movements in working capital			
Change in trade, accounts receivable and prepayments	**46.1**	(104.0)	3.6
Change in inventories	**(111.0)**	216.3	189.5
Change in accounts payable, accruals and other liabilities	**(150.4)**	(120.3)	100.1
Change in taxation	**8.2**	(19.9)	5.2
Net cash flow from operating activities	**(133.9)**	9.3	431.5

The accompanying notes form part of these financial statements.

Z ENERGY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

Group - for the six months ended 30 September 2013	**Capital**	**Retained earnings**	**Employee share reserve**	**Asset revaluation reserve**	**Total equity**
Unaudited	$m	$m	$m	$m	**$m**
Balance as at 1 April 2013	10.0	586.4	-	-	**596.4**
Total comprehensive income for the period	-	55.5	-	149.2	**204.7**
Transactions with owners recorded directly in equity:					
Change in share capital	422.4	-	-	-	**422.4**
Own shares acquired	-	-	(1.8)	-	**(1.8)**
Dividends to equity holders	-	(633.8)	-	-	**(633.8)**
Total transactions with owners recorded directly in equity:	422.4	(633.8)	(1.8)	-	**(213.2)**
Balance at 30 September 2013	432.4	8.1	(1.8)	149.2	**587.9**

Group- for the six months ended 30 September 2012	**Capital**	**Retained earnings**	**Employee share reserve**	**Asset revaluation reserve**	**Total equity**
Unaudited	$m	$m	$m	$m	$m
Balance as at 1 April 2012	10.0	516.6	-	-	526.6
Total comprehensive income for the period					
Net surplus for the period	-	24.9	-	-	24.9
Transactions with owners recorded directly in equity:					
Dividends to equity holders	-	(34.6)	-	-	(34.6)
Total transactions with owners recorded directly in equity:	-	(34.6)	-	-	(34.6)
Balance at 30 September 2012	10.0	506.9	-	-	516.9

Group - for the twelve months ended 31 March 2013	**Capital**	**Retained earnings**	**Employee share reserve**	**Asset revaluation reserve**	**Total equity**
Audited	$m	$m	$m	$m	$m
Balance as at 1 April 2012	10.0	516.6	-	-	526.6
Total comprehensive income for the year					
Net profit for the year	-	136.9	-	-	136.9
Transactions with owners recorded directly in equity:					
Dividends to equity holders	-	(67.1)	-	-	(67.1)
Total transactions with owners recorded directly in equity:	-	(67.1)	-	-	(67.1)
Balance at 31 March 2013	10.0	586.4	-	-	596.4

The accompanying notes form part of these financial statements.

Basis of accounting

(1) Reporting entity

Z Energy Limited, is registered in New Zealand under the Companies Act 1993 and is an issuer for the purposes of the Financial Reporting Act 1993. Z Energy Limited is party to listing agreements with NZX Limited (NZX) and ASX Limited (ASX), with its ordinary shares quoted on the NZX Main Board and ASX and three series of bonds quoted on the NZX Debt Market. The Group is primarily involved in the marketing of petroleum based products, is profit orientated and has its operations in New Zealand. The address of its registered office is 3 Queens Wharf, Wellington 6011, New Zealand.

On 19 August 2013, Z Energy Limited issued $422.4 million of new shares on the NZX Main Board and ASX. The cash proceeds from the initial public offer were not retained by Z Energy Limited and were used to pay intercompany debt and to settle the transfer of shares in The New Zealand Refining Company Limited (Refining NZ). Aotea Energy Investments Limited (AEIL) (formally Z Energy Holdings Limited) has retained 40% of the shares on offer, or 160 million shares of the total number of shares on issue by Z Energy Limited of 400 million.

The interim group financial statements of Z Energy Limited (the Group financial statements) at, and for the six months ended 30 September 2013 comprise the Parent and its subsidiaries and interests in associates (together referred to as Z, or the Group).

(2) Basis of preparation

The Group financial statements have been prepared in accordance with New Zealand equivalent to International Accounting Standard 34: Interim Financial Reporting (NZ IAS 34) and include condensed notes to the Group financial statements. The Group financial statements also comply with International Accounting Standard IAS 34: Interim Financial Reporting.
The functional and reporting currency used in the preparation of the Group financial statements is New Zealand dollars, rounded to the nearest million ($m).
These Group financial statements do not include all the information required for full financial statements and consequently should be read in conjunction with the financial statements and related notes included in Z Energy Limited financial statements for the year ended 31 March 2013 (2013 financial statements).

Changes in accounting policies

On 1 April 2013 Z Energy adopted a fair value policy for its property, plant and equipment. At this date all relevant assets have been valued by an independent valuer in accordance with NZ IAS 16 Property, Plant and Equipment. An assessment of fair value will be performed annually to assess the drivers of each asset class to determine whether a further revaluation is required. At a minimum, a full revaluation will be performed every five years. All other accounting policies set out in the 2013 financial statements have been applied consistently to all periods presented in these financial statements.

Presentational changes

Certain amounts in the comparative information have been reclassified to ensure consistency with the current period's presentation.

Critical accounting estimates and judgements

The preparation of the Group financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The Group's significant areas of estimation and critical judgements in these Group financial statements are the same as those contained in the 2013 financial statements except for the Group's property, plant and equipment assets are stated at fair value as determined by an independent valuer. The basis of the valuation depends on the type of asset, with the two main approaches being utilised being the direct capitalisation (investment) approach or the depreciated replacement cost approach.

(3) Investments in associates

During the period Z acquired 47,999,980 shares in Refining NZ at $2.09 per share for a total of $100.3m.

(4) Investments in subsidiaries and associates

During the period Z acquired the following subsidiaries and associates:

Subsidiaries

	Holding	Principal activity	Country of incorporation
Z Energy ESPP Trustee Limited	100%	Trustee	New Zealand
Z Energy LTI Trustee Limited	100%	Trustee	New Zealand

Associates

	Holding	Principal activity	Country of incorporation
Listed			
Refining NZ	17%	Refinery	New Zealand

(5) Inventories

	Group		
	Unaudited 30 September 2013 $m	Unaudited 30 September 2012 $m	Audited 31 March 2013 $m
Raw materials and consumables	**204.9**	89.2	101.6
Finished goods/trading products	**387.6**	365.5	379.9
Total	**592.5**	454.7	481.5

During the period there was no write down of inventories to net realisable value (30 September 2012: $nil; 31 March 2013 $1.4m). The write down is included in 'purchase of crude and product'.

(6) Property, Plant and Equipment

On 1 April 2013 Z adopted a fair value policy for its property, plant and equipment. At this date all relevant assets have been valued by an independent valuer in accordance with NZ IAS 16 Property, Plant and Equipment. An assessment of fair value will be performed annually to assess the drivers of each asset class to determine whether a further revaluation is required. At a minimum, a full revaluation will be performed every five years.

The total uplift was $179.8m split across land and land improvements $77.4m, plant and equipment $82.3m and buildings $20.1m.

(7) Financial Risk Management

During the period the Group acquired Interest Rate Swaps to manage exposure to interest rate risk. This is achieved through a portfolio of interest rate swaps (both receive fixed and pay fixed) overlaid against current fixed rate debt (retail bonds) in line with treasury policy. At 30 September the swaps have a notional value of $590.0m and a fair value of $2.8m (non current asset $14.4m, non current liability $11.6m).

(8) Interest-bearing loans and borrowings

Financing arrangements

On 4 July 2013 the banking facilities, which were undrawn, were novated from another entity in the historic group structure to Z Energy Limited.

Z's debt includes bank facilities secured against certain assets of the Group. The facilities require the borrower to maintain certain levels of shareholder funds and operate within defined performance, gearing ratios and security. The arrangements also include restrictions over the sale or disposal of certain assets without bank agreement.

Throughout the period the Group has complied with all debt covenant requirements as required by lenders.

At 30 September 2013 the Group had secured bank debt facilities of $400m (30 September 2012: $0m, 31 March 2013: $0m). $350m supports working capital and was drawn to $30.5m. No amounts were drawn on the revolving term debt facility. The revolving term debt facility and the working capital facility mature in June 2016.

(9) Bonds

	Group		
	Unaudited 30 September 2013 $m	Unaudited 30 September 2012 $m	Audited 31 March 2013 $m
Repayment terms and interest rates:			
Maturing on 15 October 2016, 7.35% per annum fixed coupon rate	**149.0**	151.1	149.3
Maturing on 15 August 2018, 7.25% per annum fixed coupon rate	**148.0**	147.7	147.8
Maturing on 15 November 2019, 6.50% per annum fixed coupon rate	**132.9**	132.5	132.7
Balance at the end of the period	**429.9**	431.3	429.8

(10) Share capital

Ordinary shares (fully paid)	Group		
	Unaudited 30 September 2013 $m	Unaudited 30 September 2012 $m	Audited 31 March 2013 $m
Total issued capital at the beginning of the period	**10.0**	10.0	10.0
Movements in issued and fully paid ordinary shares during the period			
Shares Issued	**422.4**	-	-
Total issued capital at the end of the period	**432.4**	10.0	10.0

Ordinary shares (fully paid) *in millions of shares*	Group		
	Unaudited 30 September 2013	Unaudited 30 September 2012	Audited 31 March 2013
Total issued capital at the beginning of the period	**5.0**	5.0	5.0
Movements in issued and fully paid ordinary shares during the period			
Shares Issued on NZX and ASX	**240.0**	-	-
Shares retained by Aotea Energy Investments Limited	**155.0**	-	-
Total issued capital at the end of the period	**400.0**	5.0	5.0

All fully paid ordinary shares have equal voting rights and share equally in dividends and equity. All authorised shares are issued.

498,030 shares at a cost of $1.8m are held by Z Energy LTI Trustee Limited for Z's restricted share long-term incentive plan.

(11) Commitments

Capital commitments relate to property, plant and equipment and contracts for the purchase of emissions units. At 30 September 2013 the Group has $47.1m contracted but not provided for (30 September 2012 $65.1m; 31 March 2013 $64.1m).

(12) Contingent liabilities

The Group has guaranteed an exposure of up to $5.1m to a financier of one of the Group's associate companies.

(13) Related parties

Ultimate parent entities

The majority shareholder of Z Energy Limited is Aotea Energy Investments Limited (AEIL), with a 40% shareholding at 30 September 2013. The ultimate parent company of AEIL is Aotea Energy Holdings Limited (AEHL).

Other related party transactions

Included in profit or loss are sales, costs and expenses which arise from transactions between group and associated companies. Such transactions mainly comprise sales and purchases of goods and services in the ordinary course of business on normal trading terms, but also include dividends and interest.

During the period Z purchased the investment in Refining NZ from an AEHL Group company (refer to Note 3), settled related party balances with companies within the AEHL Group (as shown in the Statement of Cash Flows) and received interest of $7.9m from AEHL Group companies.

The following transactions occurred with related parties:

	Group		
	Unaudited 30 September 2013 $m	Unaudited 30 September 2012 $m	Audited 31 March 2013 $m
Sales of goods and services			
Associates	**1.2**	-	2.8
Infratil Group	**0.5**	0.6	1.1
Company with common ownership	**-**	1.9	-
	1.7	2.5	3.9
Purchases of goods and services			
Associates	**270.5**	25.1	48.1
Infratil Group	**0.4**	0.8	1.0
Company with common ownership	**-**	221.5	440.9
	270.9	247.4	490.0

The following other balances are outstanding at the reporting date in relation to transactions with related parties:

	Group		
	Unaudited 30 September 2013 $m	Unaudited 30 September 2012 $m	Audited 31 March 2013 $m
Current receivables			
Associates	**0.2**	-	0.2
Infratil Group	**0.2**	0.1	0.1
Companies within AEHL Group	**0.0**	197.6	720.0
Company with common ownership	**-**	0.2	-
	0.4	197.9	720.3
Current Payables			
Associates	**41.6**	3.1	3.4
Companies within AEHL Group	**-**	-	314.7
Company with common ownership	**-**	32.7	37.9
	41.6	35.8	356.0

(14) Events after balance date

Dividend

Subsequent to 30 September 2013 the Directors approved a fully imputed dividend of $0.077 per share, which is equal to $30.8m to be paid on 4 December 2013 (30 September 2012: $32.4m, $6.48 per share ; 31 March 2013: $29.1m, $5.82 per share).

Directory

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Peter Ward Griffiths (Chairman)
Marko Bogoievski
Alan Michael Dunn
Abigail Kate Foote
Paul Lightle Fowler
Justine Mary Munro
Liberato Petagna

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Wellington

Westpac Banking Corporation
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Auckland

Australia Registered Business Number
164438448

Auditors' review report

To the shareholders of Z Energy Limited

We have completed a review of the interim financial statements on pages 2 to 9 in accordance with the Review Engagement Standard RS-1 issued by the External Reporting Board. The financial statements provide information about the past financial performance of Z Energy Limited ("the Company") and its financial position as at 30 September 2013.

Directors' responsibilities

The Directors of the Company are responsible for the preparation of interim financial statements which give a true and fair view of the financial position of the Company as at 30 September 2013 and the results of its operations for the six month period ended on that date.

Reviewers' responsibilities

It is our responsibility to express an independent opinion on the interim financial statements presented by the Directors and report our opinion to you.

Basis of opinion

A review is limited primarily to enquiries of the Company personnel and analytical review procedures applied to the financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Our firm has also provided other services to the Company in relation to taxation and general accounting services. Partners and employees of our firm may also deal with the Company on normal terms within the ordinary course of trading activities of the business of the Company. These matters have not impaired our independence as auditors of the Company. The firm has no other relationship with, or interest in, the Company.

Review opinion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements on pages 2 to 9 do not give a true and fair view of the financial position of the Company as at 30 September 2013 and the results of its operations and cash flows for the six month period ended on that date in accordance with NZ IAS 34 *Interim Financial Reporting.*

Our review was completed on 6 November 2013 and our opinion is expressed as at that date.

KPMG

Wellington

Z Energy Limited Management Discussion and Analysis

Financial performance for the six months ended 30 September 2013

Overview

This document provides an analysis of the factors that have influenced Z Energy Limited's (Z's) financial performance for the six months ended 30 September 2013. Statutory historical cost net profit after tax was $56m, up $31m (124%) on the corresponding half in FY13.

Results below are presented on a pro forma replacement cost basis.[1]

NZD in millions	6 months ended 30 September 2013 Pro forma	6 months ended 30 September 2012 Pro forma	Var $m	Var
Revenue (excluding levies, tax)	1,393	1,492	(99)	(7%)
Replacement cost gross margin[2]	245	236	9	4%
Operating costs (excluding primary distribution costs)	(141)	(139)	(2)	(1%)
Replacement cost Operating EBITDAF	**104**	**97**	**7**	**7%**
Share of earnings in associates	3	3	0	-
Replacement cost EBITDAF	**107**	**100**	**7**	**7%**
Depreciation and amortisation	(17)	(19)	2	11%
Net financing expense	(17)	(23)	6	26%
Other	(2)	4	(6)	-
Taxation (incl. tax on COSA[1])	(20)	(16)	(4)	(25%)
Replacement cost net profit after tax	**51**	**46**	**5**	**11%**

Profit for the period

Z has delivered a strong first half performance. Replacement cost net profit after tax was $51m, up $5m (11%) on the corresponding half in FY13.

[1] Information on the pro forma presentation and replacement cost (including the cost of sales adjustment – COSA) can be found in the appendices in the attached presentation pack.

[2] There has been a presentational change whereby realised and unrealised gains and losses are no longer included within purchases, instead they are shown as a separate line within operating costs.

Fuel Volumes

Million litres (ml)	6 months ended 30 September 2013 Actual	6 months ended 30 September 2012 Actual	Var	Var
Petrol	414	440	(26)	(6%)
Diesel	401	443	(42)	(10%)
Other Fuels	294	313	(19)	(6%)
Sub total	**1,109**	**1,196**	**(87)**	**(7%)**
Supply and Export	98	58	40	69%
Total	**1,207**	**1,254**	**(47)**	**(4%)**

Some data relating to the six month period to September 30 2013 has been revised since quarterly operational data was released on 16 October 2013. Total volumes are unchanged, but there has been a reclassification of 26ml from 'other fuels' to diesel and petrol relating to marine and other commercial activity. Quarterly operational data is included in the appendices at the end of this document.

Z's petrol volumes have declined 6% relative to an industry decline of 1.2% for the six month period. This is a reflection of the highly competitive market place where the recovery of petrol margins to more sustainable levels over recent years has brought increased focus on the securing of additional volumes through discounting.

Diesel volumes have declined 10% on face value, yet when this is adjusted for the impact of the loss of two large customer contracts in the commercial business this underlying decline is 1.6%. Industry diesel volumes have grown 3.6% for the same period. We expect this trend to turn around as we benefit from initiatives in retail (diesel at all pumps) and the securing of new commercial customer volumes over the second half of the financial year.

Supply and Export Volumes

Supply and Export includes the supply of fuels to other major oil companies and other fuel distributors in New Zealand as well as the export (primarily of fuel oil) to Australia. Sales volumes have increased by 40ml (69%) being predominantly sales associated with tactical supply chain management. Of this volume 45% has been sold domestically and 55% exported.

This sales mix compares to FY13 being 40% sold domestically in New Zealand and the remaining 60% exported.

Replacement Cost Gross Margin

NZD in millions	6 months ended 30 September 2013 Actual	6 months ended 30 September 2012 Actual	Var $m	Var
Fuels	199	195	4	2%
Non fuels	29	24	5	21%
Refining	16	15	1	7%
Other	1	2	(1)	(50%)
Total	**245**	**236**	**9**	**4%**
Fuel Volumes				
Fuel Sales (ml)	1,207	1,254	(47)	(4%)
Refining production (million bbl)	6.4	6.0	0.4	7%
Margin				
Fuels cents per litre(cpl)	16.5	15.6	0.9	6%
GRM (USD/bbl)	$6.81	$7.14	($0.33)	(5%)
GRM (NZD/bbl)	$8.42	$8.92	($0.50)	(6%)

Note: Fuels Gross margin is net of primary distribution costs. Primary distribution covers fuels distribution from the refinery to terminals including both the cost of coastal distribution operations and the Refinery to Auckland Pipeline (RAP).

Fuels Margin

Despite declining fuel volumes, the contribution of Z's Fuels gross margin (replacement cost) has increased by $4m or 2%. This is reflective of Z's commitment to continuing to secure a sustainable margin that reflects the costs of increased working capital due to higher crude prices and increased operating costs. During the period margin growth of 0.9 cents per litre (cpl) has been achieved; this growth has come from both retail and commercial portfolios.

Management continues to seek to improve margins and is making deliberate choices around optimising the margin / volume mix.

Non Fuels Margin

Z Energy's Non Fuel revenues flow directly through to gross margin, reflecting the business arrangement with the retailers of Z's service station network, under which retailers are independent business operators.

Refining Margin

Gross Refining Margin (GRM) in US dollars decreased across the period by 5%. The NZD:USD exchange rate was broadly in line across the six month period, being 0.81 for 1HFY14 compared to 0.80 for the 1HFY13. The GRM continues to be volatile between months as it is driven by global oil prices and regional supply and demand variables across the Asia Pacific region.

Other Margins

Other margins capture the margins generated from Z's chemicals business. Z has previously stated its intention to discontinue this business at the end of the 2014 financial year.

Operating Costs

NZD in millions	6 months ended 30 September 2013 Actual	6 months ended 30 September 2012 Actual	Var $m	Var
On site costs	22	19	(3)	(16%)
Selling commissions	28	29	1	3%
Secondary distribution	22	23	1	4%
Employee costs	23	18	(5)	(27%)
Storage and handling	10	10	0	-
Insurance	4	4	0	-
Administration and other	29	31	2	6%
Realised/unrealised (gains) losses on foreign exchange and commodity transactions	3	5	2	40%
Operating costs	**141**	**139**	**(2)**	**(1%)**

Operating costs increased by 1% over the six month period compared to the prior comparable period. This was a result of:

- On-site costs reflect the additional lease costs incurred relating to the sale and leaseback of 47 retail sites in FY13 (~ $5m annual increase)
- Selling commissions have fallen in line with lower fuel volumes. During the period Z also chose to pay electricity costs instead of the retailers, this has reduced the level of commissions paid
- A reduction in secondary distribution costs which is volume related
- Employee costs have increased during the period. This relates to additional investment in people capability to deliver on stated strategies (~$1.5m), the first payment of the Executive LTI (long term incentive program) ($~0.6m) and finally there have been a number of one off restructuring costs incurred in the half as Z aligns the business for future growth (~$1m)
- Administration and other costs capture marketing, information technology and professional fees. The reduction is mostly due to a reduction in professional fees due to management's focus on the listing.

Share of earnings in associates (Refining NZ and Loyalty NZ)

At the start of the period, Z Energy Holdings Limited (ZEHL) - Z Energy's then parent - held the investment in Refining NZ. This was transferred to Z in August 2013.

The investment is equity accounted. On a pro forma basis, earnings for 1HFY14 were $2.8m. This compares to $3.3m for the prior comparable period.

Other earnings from associates related to Z's investment in Loyalty NZ of $0.4m. There was no contribution in the prior comparable period last year.

Net financing expense

Financing expenses reflect the financing of long term obligations, largely funded through the retail bond offerings in FY11 ($147 million at 7.35%); FY12 ($150 million at 7.25%) and FY13 ($135m at 6.50%). Financing expenses also include commitment fees for Z's bank facilities and interest on any working capital drawings, offset by interest income on cash balances.

On a pro forma basis a net interest expense in 1HFY14 of $17m was incurred, which compares to $23m for the prior comparable period (pro forma adjusted). 1HFY14 includes the additional cost of the third bond issued in August 2012.

1HFY13 included $4m of amortisation costs relating to finance costs associated with the bond issue; in addition interest costs associated with working capital were $5m higher during the prior comparable period.

Taxation

Z's tax expense (excluding tax on Cost of Sales Adjustment – COSA) for the six month period to 30 September 2013 was $21m. This was an increase of $16m on the prior comparable period and reflects an effective tax rate of 28.5%, broadly in line with the corporate tax rate.

Overview of Cashflows

Net cashflow from operating activities was an outflow of $134m for the six month period ended 30 September 2013. This represents a combination of lower revenues and changes to working capital associated with higher inventory as Z built stock inventory in preparation for the planned October refinery shut down. Lower trade and product payables also contributed.

Net cashflow from investing activities saw an outflow of $169m. This was due to the purchase by Z of the 17.14% stake in Refining NZ ($100m), purchase of intangible assets ($48m) (which includes Emissions Trading Scheme (ETS) units to meet future commitments ($33m)) and planned capital expenditure of ($23m).

Net cashflow from financing activities was an inflow of $210m. During the period funds of $160m that were on call via an intercompany balance at 31 March 2013 were returned. In addition Z drew down on its working capital facility of ($30m) and funds were also applied to the payment of the final dividend for the FY13 period, being $79m. During the period proceeds from the IPO of $422m were received and applied to intercompany borrowings or used to fund new investments (i.e. the acquisition of the shareholding in Refining NZ).

Overview of Balance Sheet

Working Capital

NZD in millions	As at 30 September 2013	As at 30 September 2012	Variance $m	Variance
Inventory	593	455	138	30%
Accounts payable, accruals and other liabilities (including ETS)	312	285	27	9%
Trade, accounts receivable and prepayments	195	223	(28)	(13%)

Inventory

The purchase and settlement of crude oil and refined product inventory is a significant driver of Z's net working capital position and can cause material changes in net working capital balances. The timing of crude purchases is influenced by the Refining NZ production schedule.

At 30 September 2013, Z's inventory balance was $593m, recorded at lower of historic cost and net realisable value on a First in, First Out (FIFO) basis, which comprised $204m of crude oil and $347m of refined products, with the remainder being attributable to excise and ETS costs associated with the stock on hand.

Inventory levels at 30 September 2013 have increased when compared to the prior comparable period. As at September 2013 Z held 3.8m barrels on hand, this being higher than historical average levels of 3.3m barrels due to planning for the refinery shut-down in October.

Accounts payable, accruals and other liabilities

Accounts payable, accruals and other liabilities consists of hydrocarbon payables, government duties and tax payables, non-hydrocarbon payables and ETS payables.

Hydrocarbon payables relate to crude oil and refined product purchases including associated costs (i.e. shipping, wharfage and inspection fees). Government duties and tax payables arise when refined product is imported or leaves the refinery. Non-hydrocarbon payables include operating and capital structure payables, sundry creditors, Refining NZ processing fees, employee entitlements and convenience retail payables. Z accumulates ETS carbon units and subsequently surrenders these to the New Zealand Emission Unit Register (NZEUR) by May of the following year in respect of its previous calendar year compliance obligation.

Accounts payable, accruals and other liabilities at 30 September 2013 were $312m, comprising an accrual of excise of $47m, and other payables including product of $265m.

Receivables

Z has a range of trade terms with its varying customer base. Commercial trade terms vary from seven days to the 21st of the month following for some customers. Retail fuel sales are effectively cash receipts credited two days following sale. Credit terms on convenience items provided to retail operators are 20 to 30 days following delivery.

At 30 September 2013, receivables were $195m which is in line with Z's historical average receivable days. This is a decrease from the prior comparable period of $28m.

Net Debt

Net debt (long term debt less cash) was $439m. This was in line with the prior comparable period. This is higher than annual average levels which Z referred to in its IPO prospectus of $284m, predominantly due to impacts of working capital changes.

Appendix 1: Z Energy – Quarterly operational data

	September 2013	September 2012	June 2013	June 2012
HSSE				
Lost time injuries	1	4	5	1
Spills to ground	0	1	0	4
Robberies	2	4	0	0
Fuel quality incidents	0	0	0	0
Process safety incidents	0	0	0	0
Fuels				
Total industry volumes (all fuels)[3]	1,929	1,837	1,920	1,941
Z total fuel volumes (millions of litres (ml))	607	612	600	641
Petrol (ml)	204	216	209	225
Diesel (ml)	204	213	197	230
Other fuels (ml)	143	152	152	160
Supply/Export sales (ml)	56	32	42	27
Average MBIE retail importer margin (cpl)[4]				
Petrol	29.1	24.3	27.2	26.1
Diesel	28.6	25.7	29.0	27.3
Refining				
Brent crude oil/bbl: average (PLATTS)				
USD	$111	$113	$103	$95
NZD	$136	$138	$131	$123
Refining NZ gross refining margin (GRM)				
USD GRM per barrel	6.05[5]	7.56	6.84	4.84
NZD GRM barrel[6]	7.64	9.25	8.65	6.22

3. Excludes supply/export sales

4. MBIE provides public benchmark data around importer margins. More information is available at: http://www.med.govt.nz/sectors-industries/energy/liquid-fuel-market/weekly-oil-price-monitoring/Graphs.pdf

5. This number is from Refining NZ published data for the months of July – August

6. The NZD conversion is calculated by Z.

	September 2013	September 2012	June 2013	June 2012
Customer experience				
Commercial customer satisfaction*	79%	78%	83%	84%
Retail customer satisfaction*	79%	76%	82%	73%
Total Z transaction count	14.1 million	13.9 million	14.0 million	14.5 million
Retail: fuel-only transactions	7.8 million	8.0 million	7.8 million	8.4 million
Retail: fuel and shop transactions	2.1 million	2.0 million	2.0 million	2.2 million
Retail: shop only transactions	4.2 million	3.8 million	4.2 million	4.0 million
Number of service stations	212	213	213	213
Average weekly shop sales	$24,622	$22,595	$24,870	$23,971
Number of truck stops	93	95	94	95

** Customer satisfaction determined using ongoing internal customer measurement.*

Z Energy Limited

("Company")

Directors' declaration in respect of the Group Financial Statements for the six months ended 30 September 2013

Introduction

It is a requirement of the Australian Securities Exchange Listing Rule 4.2A.2A that a declaration be given by the directors of the Company in respect of the financial statements for the Company and its subsidiaries (**Z Group**) for the six months ended 30 September 2013. This declaration must be filed with the Australian Securities Exchange.

Declaration

The directors of the Company hereby declare that in the directors' opinion:

1. the Z Group financial statements for the six months ended 30 September 2013 and the notes to those financial statements comply with generally accepted accounting practice in New Zealand as it relates to the half year financial statements;

2. the Z Group financial statements for the six months ended 30 September 2013 and the notes to those financial statements give a true and fair view of the financial position and performance of the Z Group; and

3. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors dated 6th November 2013 and is signed for and on behalf of the directors by the Board Chairman.

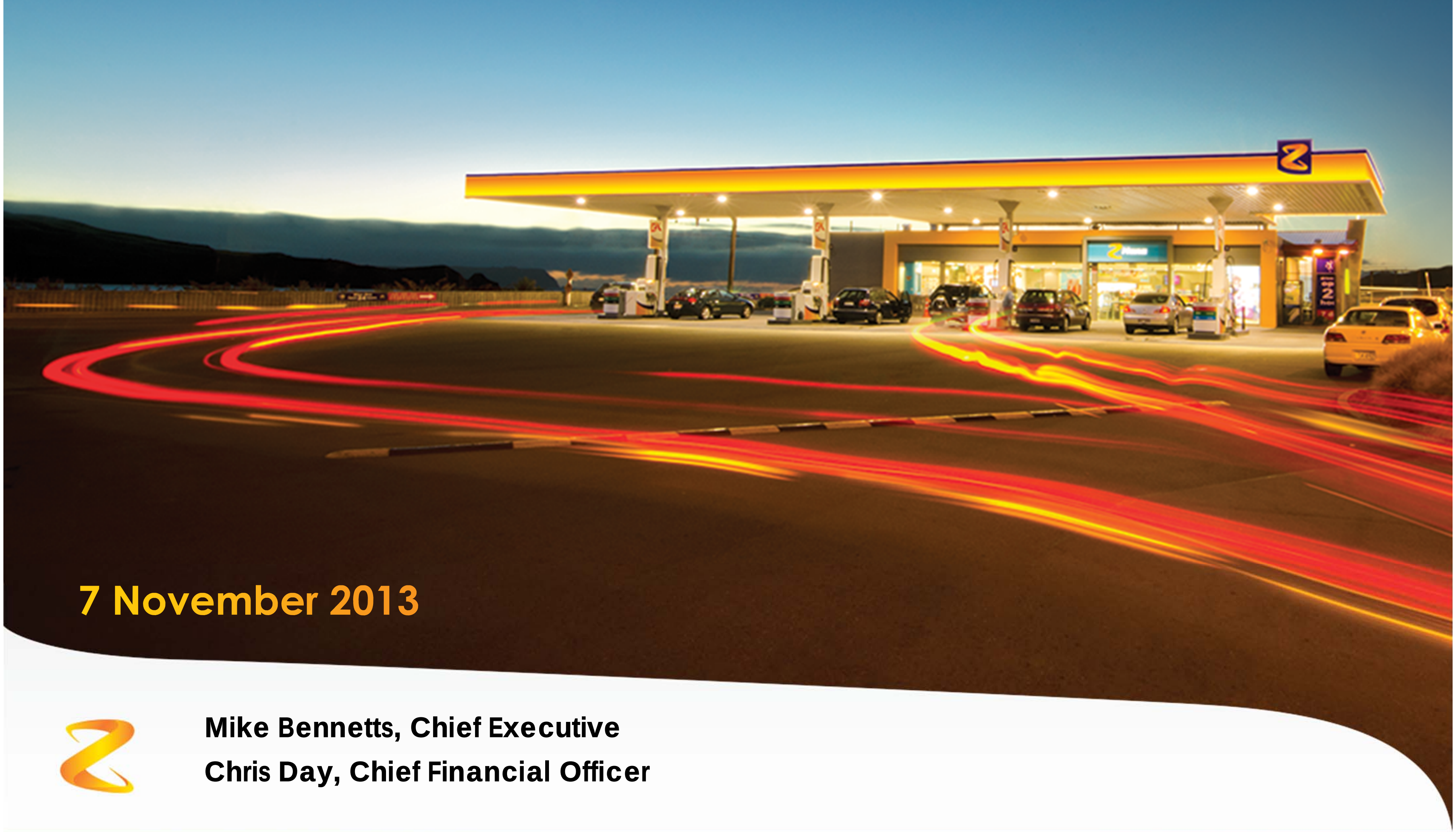
Signed

Peter Griffiths
Chairman

6th November 2013

2014 Interim Results Presentation

For the six months ended 30 September 2013



7 November 2013

Mike Bennetts, Chief Executive
Chris Day, Chief Financial Officer

Disclaimer

Please read this page before the rest of the presentation

Please do not read this presentation in isolation
This presentation supplements our half year results announcement dated 7 November 2013. It should be read subject to and in conjunction with the additional information in that release, other material which we have released to NZX and ASX and our combined Investment Statement and Prospectus dated 25 July 2013. That material is available on our website, www.z.co.nz.

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. But 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. Except as required by law or NZX or ASX listing rules, we are not obliged to update this presentation after its release – even if things change materially.

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 Pro Forma results and results calculated on the basis of "replacement cost accounting". 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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To the maximum extent permitted by law, we will not be liable (whether in tort (including negligence) or otherwise) to you or any other person in relation to this presentation, including any error in it.

Operational and financial momentum

$NZD	1HFY14	1HFY13	Variance
Historical cost net profit after tax (NPAT)	$56m	$25m	124%
Pro Forma replacement cost NPAT	$51m	$46m	11%
Pro Forma replacement cost Operating EBITDAF	$104m	$97m	7%
Interim dividend declared	7.7 cents		

- Operational performance and profit growth throughout the period of the IPO process
- Tactically we deliberately optimised the volume/margin mix across the entire supply chain and sales portfolio
- Implementing the final year of our three year strategy program although there are some delays in roll out of new sites
- Interim dividend as per Prospective Financial Information (PFI) forecast

Note: Historic cost net profit after tax has been calculated in accordance with GAAP. Replacement cost operating EBITDAF has been calculated on the basis of "replacement cost accounting". In this presentation we show results calculated in accordance with GAAP, pro forma results and results calculated on the basis of "replacement cost accounting". It is very important that you understand how the pro forma results and "replacement costs" results relates to our GAAP results, so please read the explanation and consider the reconciliation information in the appendices.



Heath, Safety, Security and Environment

Starting to see the effects of increased investment in both people and systems

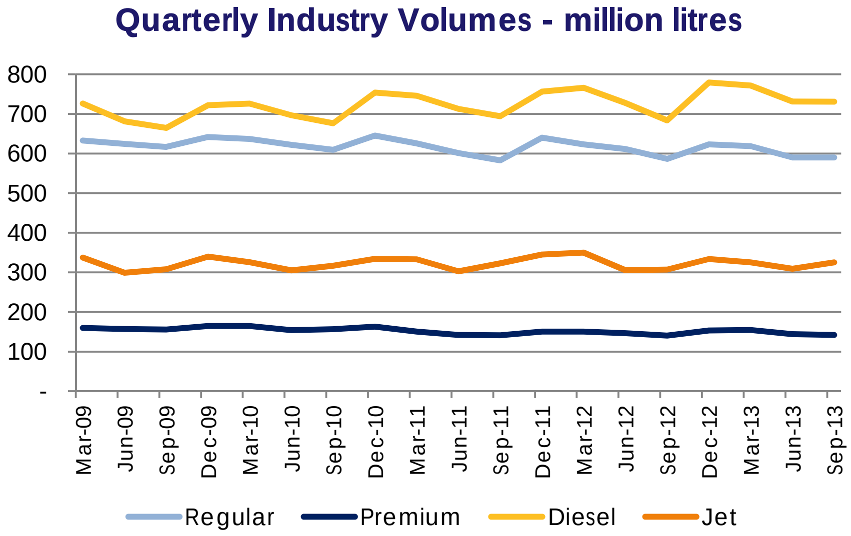
Operational metrics	1H FY14	1H FY13
Total recordable case frequency (TRCF)	1.06	1.57
Lost time injuries (LTI)	6	5
Number of spills (loss of containment)	0	5
Security incidents (robberies only)	2	4
Product quality incidents (red, i.e. high risk)	0	0
Process safety incidents (Tier 1 & 2)	0	0

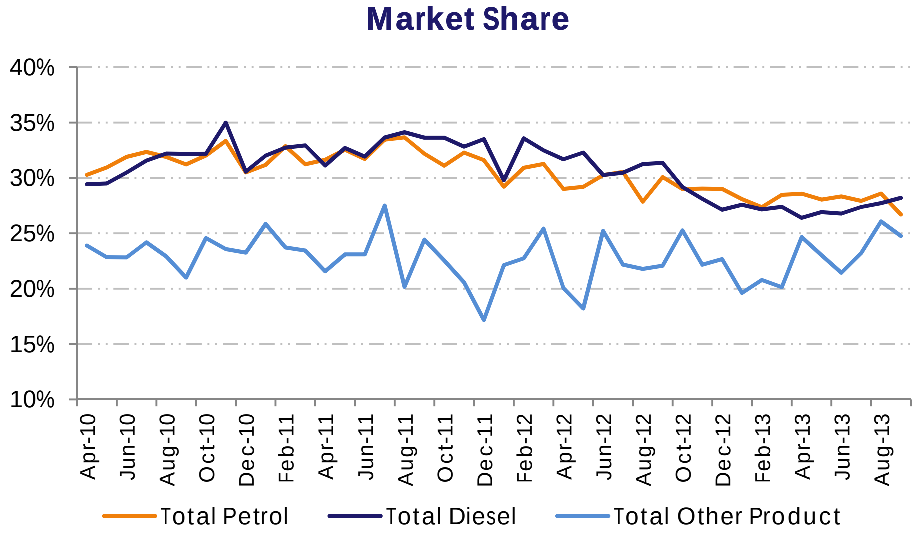
- A new, easier to access reporting system is driving improved safety outcomes through incident capture, investigation and response
- Increased incident investigation and learning capability through staff trained in Incident Cause Analysis Method (ICAM)
- Working proactively ahead of impending legislative changes:
  - through a review of our HSSE management system
  - generating a targeted improvement plan

- The reporting environment captures Z employees, Mini Fuel franchisees, Retailers' employees (205 sites) and tanker drivers from Hookers Pacific, contractors from City Care, Gilbarco, Chemicals, Aviation, and the Awanuia.
- Total recordable case frequency is based on total number of LTI (loss time injuries), RWI (restricted work injuries) and MTI (medically treated injuries) per 200,000 work hours.

Trading conditions highly competitive

Continue to target an optimal mix between volume and margin





- Industry petrol volumes for 1H are -1.2% on the prior corresponding period (pcp) compared to full year PFI of -2%
- Industry diesel volumes for 1H are +3.6% pcp compared to full year PFI of +2%
- Business and consumer confidence is steadily improving however higher price points dampened consumer demand in some weeks

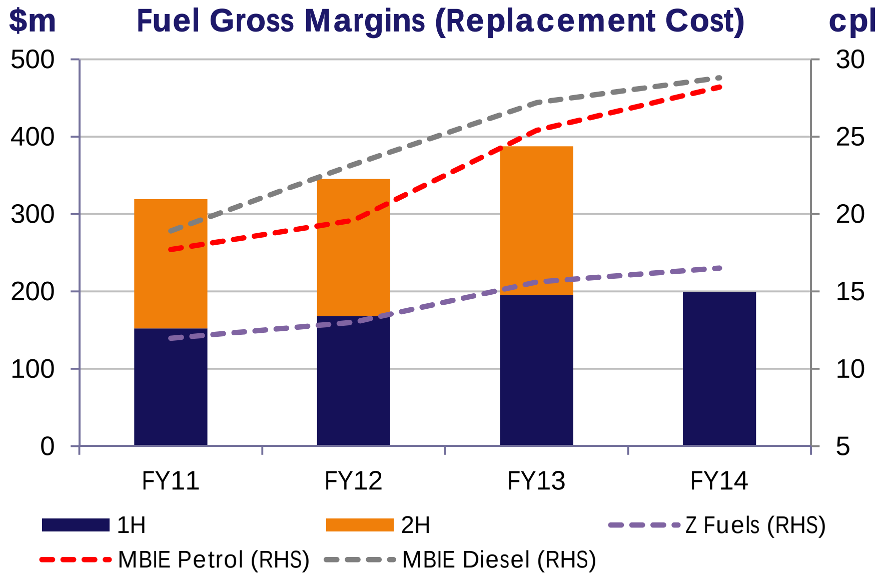
- Market share graph does not include Supply/Export sales
- Diesel growing through selective commercial customer acquisition
- Competitor activity within retail channel remains very high with a variety of targeted price promotions increasing the pool of price sensitive “switchers”
- We continue to target an optimal mix between volume and margin in both Retail and Commercial channels

Sources: Industry Exchange data as at September 2013

Fuel margin grows 2% over pcp

Portfolio optimisation delivering benefits

Sales Volumes (ml)	1H FY14	1H FY13	Variance
Petrol	414	440	(6%)
Diesel	401	443	(10%)
Other	294	313	(6%)
Supply sales and exports	98	58	69%
Total Sales	**1,207**	**1,254**	**(4%)**



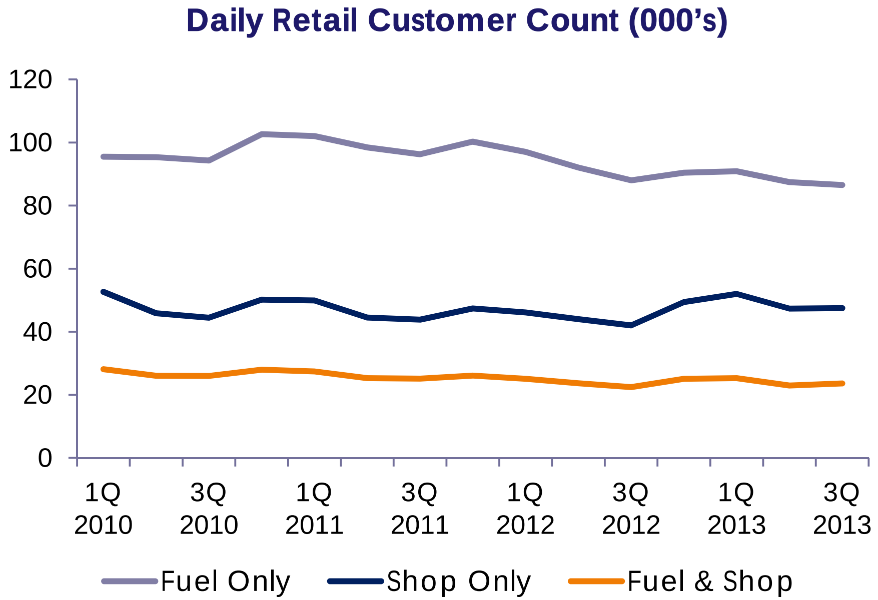
- Petrol decline reflective of competitive market and focus on optimising total dollar gross margins
- Diesel impacted by loss of two key contracts (~100ml) in 2012, so underlying is -1.6%
- Supply sales capture both non discretionary fuel oil exports and tactical supply chain decisions

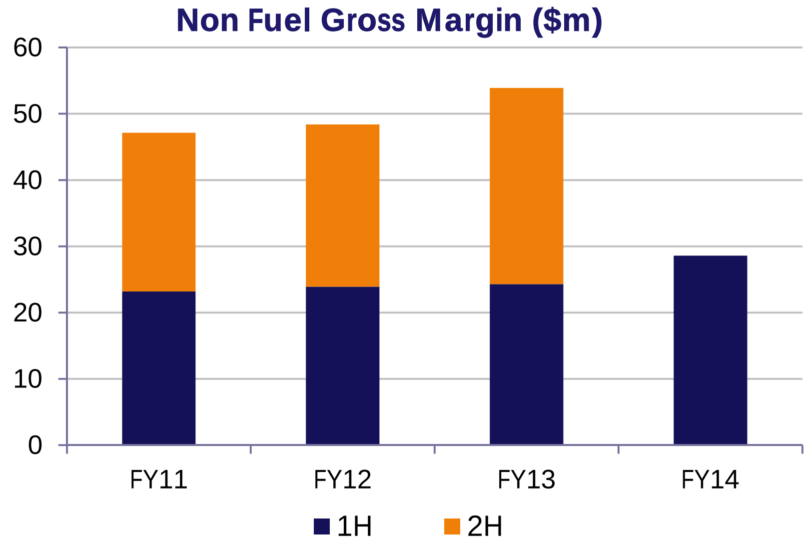
- Unit margins at 16.5 cents per litre (cpl) in line with the full year PFI at 16.5cpl with more higher value seasonal products to be sold in 2H
- Weekly Ministry of Business Innovation and Employment (MBIE) data does not capture impact of "off price board" discounting and promotions
- Repricing of commercial diesel portfolio continues with no further loss of major accounts

Note: sales volumes have been adjusted since the release of operational quarterly data on October 16th. Total volumes remain the same, however, there has been a reclassification of 26 million litres (ml) from other fuels to diesel and petrol for marine and other commercial activity

Non fuels margin grows 9% over pcp (underlying)

Growth from past and in year investments coupled with improving execution



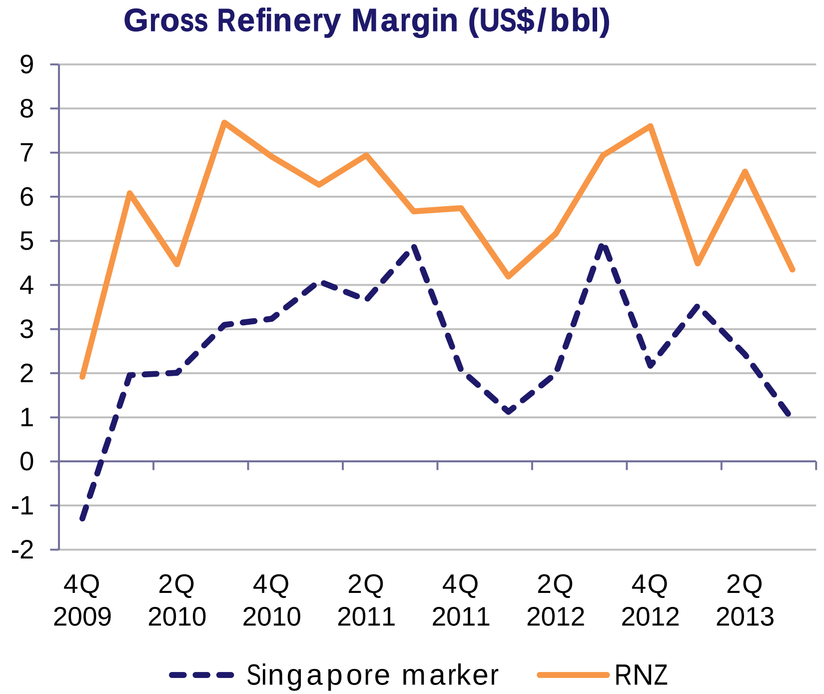


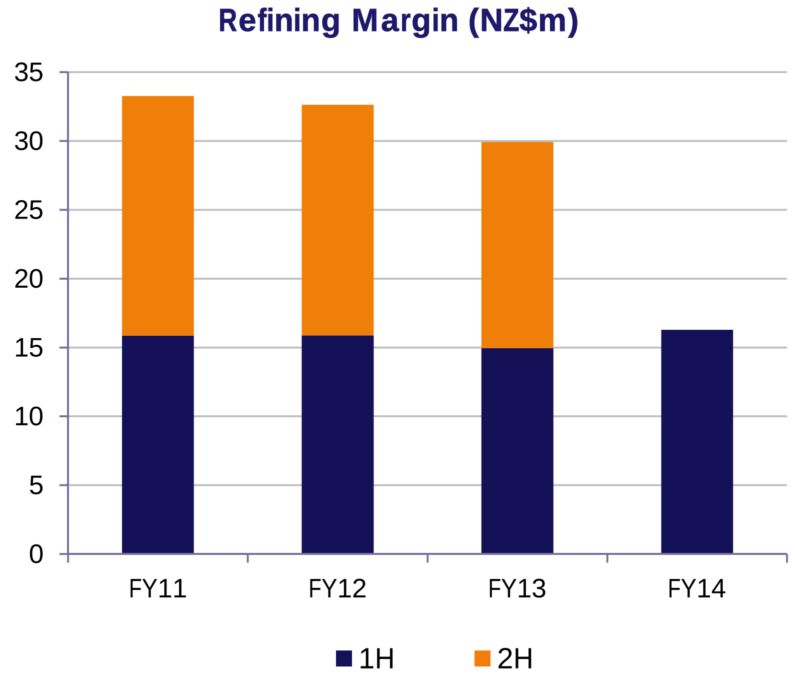
- Decline in Fuel Only transactions a consequence of reaction to competitive conditions
- Average fill size dropped from 27 litres to 26 litres
- Growth in Shop Only transactions in line with strategy expectations

- 1HFY14 gross margin includes one-off insurance refund relating to Christchurch earthquake of $2.1m
- Store income +9% pcp
- Tier 1 at +12%, tier 2 at +5% and tier 3 at -1%
- Coffee sales of ~55k units per week
- Further improvements to be made in executing the food and beverage offer as well as overall category management
- Carwash sales +16% pcp

Refining margin grows 7% over pcp

US dollar unit margins down 11% pcp but offset by increased processing volumes





- Volatility in Refining NZ margin consistent with wider regional market fundamentals
- Refining NZ has announced margin improvement projects for delivery over the next two years ahead of Te Mahi Hou

- 1H refining margins only 6.5% of total gross margin
- Processing volumes increased from 6.0 to 6.4 million barrels over pcp
- Lower US dollar margins partially offset by lower NZD/USD exchange rate

Note: Singapore marker based on Z management

Strategy projects support earnings momentum

FY14 is the final year of a three year program approved in November 2010

Delivered as expected in 1H

- RFP complete for supply of imported products, delivering procurement benefits in line with PFI – in final stages of contracting
- Tier 2 store refits completed in July with sales tracking at +5.0% pcp
- Retail customer satisfaction metrics continue to lead market
- Momentum on projects that address Commercial customer dissatisfaction

On track for the full year FY14

- Six new to industry (NTI) retail sites, one less than planned
- Speed offers in Retail – stretchy hoses, pay @ pump, diesel on all lanes
- Truck delivery optimisation benefits realised through further IT investments
- Closure of Gracefield plant and exit from the Chemicals business

On track to deliver IPO forecasts

Pro Forma Results are stated as follows:

$m	1HFY14 Pro Forma Actual	FY14 Pro Forma Prospective	YTD Progress
Revenue	1,393	2,968	47%
Replacement cost gross margin[1]	245	498	49%
Operating costs (excluding primary distribution costs)	(141)	(291)	48%
Share of earnings in associates	3	9	33%
Replacement cost EBITDAF	**107**	**216**	**50%**
Depreciation and amortisation	(17)	(36)	47%
Net financing expense	(17)	(34)	50%
Other	(2)	(2)	100%
Taxation (including tax on COSA)	(20)	(38)	53%
Replacement cost net profit after tax	**51**	**106**	**48%**

1. There has been a presentational change whereby realised and unrealised gains and losses are no longer included within purchases, instead they are shown as a separate line within operating costs.

Operating cashflow, funding and gearing

Strong Balance Sheet to support future growth

- Operating cashflow
  - 1H FY14 net cash outflow of $134m due to working capital impacts of higher inventory and lower trade payables as at period end
  - 1H FY13 operating cashflows were $9.3m
- Full compliance with debt obligations: Total Debt coverage ratio 2.20x (<3.00), 1H FY13 was 2.23x
- Strong balance sheet
  - Gearing 43% (equity book value $588m)
  - Gearing 22% (market capitalisation of $1.54b as at 30 September)
- Net debt $439m
  - $430m domestic retail bonds, working capital facility – $30m drawn, cash on hand - $21m
- Capex
  - $23m in spend for the half, 1H FY13 was $39m (which included brand spend of $21m)
  - 1H FY14 mix of growth $11m and integrity $12m

Note: Total debt coverage applied in the ratio is calculated as rolling 12 EBITDAF / Total Debt. Total Debt being defined as the sum of Bonds plus MTM derivatives and excludes working capital funding.

Dividend

- As signalled, Z directors have declared a fully imputed interim dividend of **7.7 cents per share** ($30.8m)
  - Record date: 22 November 2013
  - Payment date: 4 December 2013
- Interim dividend is consistent with prospectus PFI representing a payment of 35% of FY14 forecast full year dividend (65% forecast final dividend)
- Full year forecast dividend (interim plus final) equates to a payout ratio of 80% of forecast Replacement cost NPAT as per the IPO prospectus

On track for PFI financial outcomes

Key Variables	Updated Guidance	FY14 PFI	FY13 Actual
RNZ Processing Volume (mbbls)	12.4	12.6	12.4
Sales Volume (ml)	2,350 - 2,420	2,476	2,506
Gross refining margin (USD/bbl)	$6.20	$6.95	$6.57
Operating Costs	$285 - $290m	$291m	$276m
RC Operating EBITDAF	$205 - $215m	$207m	$196m
Capex	$80 - 90m	$99m	$71m

- Bringing forward of the refinery shutdown from April 2014 to March 2014 has impacted processing volumes and income
- Sales volumes assumes retail price promotions continue across industry for remainder of the year and reflect delays in timing of NTI volumes in 2H
- Fuel margins assumed to remain at current levels albeit adjusted for seasonal variances
- Some underspend in capex from delays in building in house capability for NTI's and rebuilds

Summary

Satisfactory first half performance

- Operational performance and profit growth throughout despite the commitment to the IPO process
- Tactically we deliberately optimised the volume/margin mix across the entire supply chain and sales portfolio
- Implementing the final year of our three year strategy program although there are some delays in roll out of new sites
- Interim dividend as per PFI forecast

Confirmation that 2H is on track for delivery of EBITDAF and NPAT as per PFI

- Our shortfalls in capability and execution during 1H will be remediated in 2H
- Expected uplift from the seasonal aspects of the summer months
- We are clear about our options for delivery and how we can exercise choice to balance our tactical and strategic outcomes

Appendices

Financial results – presentation basis

Presentation basis – understanding Pro Forma versus statutory

- Financial results in this presentation are presented on the same basis[1] as the prospectus (on a Pro Forma basis). This differs slightly from the statutory financial statements
- The difference relates to the Pro Forma information being prepared as if the listing and all the associated transactions had occurred on 1 April for each reporting period
- The differences relate to:
  - debt funding previously held by related companies being transferred to us in July 2013
  - The 17.14% shareholding in Refining NZ previously held by a related company transferred to us in August 2013
  - The tax effect of the above two transactions
- See page 126 of the prospectus for more details and the additional material in these appendices for a reconciliation to the statutory accounts

[1] *There has been a presentational change whereby realised and unrealised gains and losses are no longer included within purchases, instead they are shown as a separate line within operating costs.*

Non GAAP accounting measure

- Replacement cost (RC) earnings:
  - Is a non GAAP measure used by the downstream fuel industry to measure and report earnings on a replacement cost basis
  - 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 Historic Cost (HC) which reflects the prices at the time of purchase
  - RC earnings exclude the impact of changes in crude oil and refined product prices on the value of inventory held by ZEL, thus it is a better measure of underlying performance
  - The difference between Historic Cost earnings and Replacement Cost earnings is the Cost of Sales Adjustment (COSA)
  - Refer to the reconciliation between HC profit and RC profit in these appendices

Statutory Profit or Loss

$m	1HFY14	1HFY13	Variance
Revenue	1,393	1,492	-7%
Historic cost gross margin[1]	248	193	28%
Operating costs (excluding primary distribution costs)	(141)	(139)	1%
Share of earnings in associates	(1)	(0)	-
Historic cost EBITDAF	**107**	**54**	**98%**
Depreciation and amortisation	(17)	(18)	-6%
Net financing expense	(9)	0	-
Other	(1)	(1)	-
Taxation	(24)	(10)	-
Historic cost net profit after tax	**56**	**25**	**-**

1. There has been a presentational change whereby realised and unrealised gains and losses are no longer included within purchases, instead they are shown as a separate line within operating costs.

Pro Forma Profit or Loss – replacement cost

$m	1HFY14	1HFY13	Variance
Revenue	1,393	1,492	-7%
Replacement cost gross margin	245	236	4%
Operating costs (excluding primary distribution costs)	(141)	(139)	1%
Share of earnings in associates	3	3	-
Replacement cost EBITDAF	**107**	**100**	**7%**
Depreciation and amortisation	(17)	(19)	11%
Net financing expense	(17)	(23)	26%
Other	(2)	4	-
Taxation	(21)	(5)	-
Tax on COSA	1	(11)	-
Replacement cost net profit after tax	**51**	**46**	**11%**

Reconciliation from statutory NPAT to Pro Forma NPAT (Replacement cost)	
Net Profit per the statutory accounts	56
Share of earnings in RNZ from 1 April to 18 August	4
Net financing expense from 1 April to 4 July	(8)
Replacement cost of sales adjustment (net of tax)	(2)
Taxation	1
Pro Forma RC net profit after tax	**51**

Appendix 4D

1. Half year reporting periods

Reporting period:	six months to 30 September 2013
Previous reporting period:	six months to 30 September 2012

2. Results for announcement to the market

	Six months to 30 September 2013 (NZ $m)	Percentage change
Operational results		
Revenues from ordinary activities	1,393	(7)%
Profit (loss) from ordinary activities after tax attributable to members	56	123%
Net profit (loss) attributable to members	56	123%

	Amount per security (NZ cents)	Franked amounts per security (NZ cents)
Dividends – Ordinary shares		
Interim dividend	7.70	2.9944

Record date	22 November 2013
Payment date	4 December 2013

Financial information and commentary

For commentary on the results please refer to the media announcement and management commentary. Appendix 4D should be read in conjunction with the interim group financial statements for the 6 months ended 30 September 2013 attached.

3. Net tangible assets per security

	30 September 2013 (NZ cents)	30 September 2012 (NZ cents)
Net tangible assets per security	67	113

3 Queens Wharf
PO Box 2091
Wellington 6140
New Zealand

0800 474 355
z.co.nz

4. Control of Entities gained or lost during the period

On 1 April 2013 Mini Fuels & Oils Limited amalgamated into Z Energy Limited. Mini Fuels and Oils Limited was previous a 100% owned subsidiary and since amalgamation it is now a division of Z Energy Limited.

5. Dividends

As per point 2 and Appendix 7 attached.

6. Dividend or distribution reinvestment plans

Nil

7. Associates and joint venture

During the period Z Energy Limited acquired a 17.14% shareholding in Refining New Zealand. This was transferred from Z Energy Holdings Limited to Z Energy Limited.

8. Accounting standards

The Group financial statements have been prepared in accordance with New Zealand equivalent to International Accounting Standard 34: Interim Financial Reporting (NZ IAS 34) and include condensed notes to the Group financial statements. The Group financial statements also comply with International Accounting Standard IAS 34: Interim Financial Reporting.

The functional and reporting currency used in the preparation of the Group financial statements is New Zealand dollars, rounded to the nearest million ($m).
These Group financial statements do not include all the information required for full financial statements and consequently should be read in conjunction with the financial statements and related notes included in Z Energy Limited financial statements for the year ended 31 March 2013 (2013 financial statements).

9. Audit

This report is based on the unaudited interim group financial statements. KPMG has provided a review report on the financial statements which is attached.

Appendix 1

1. Half year reporting periods

Reporting period:	six months to 30 September 2013
Previous reporting period:	six months to 30 September 2012

2. Results for announcement to the market

	Six months to 30 September 2013 (NZ $m)	Percentage change
Operational results		
Revenues from ordinary activities	1,393	(7)%
Profit (loss) from ordinary activities after tax attributable to security holders	56	123%
Net profit (loss) attributable to security holders	56	123%

	Amount per security (NZ cents)	Imputed amounts per security (NZ cents)
Dividends – Ordinary shares		
Interim dividend	7.70	2.9944

Record date	22 November 2013
Payment date	4 December 2013

Financial information and commentary

For commentary on the results please refer to the media announcement and management commentary. Appendix 1 should be read in conjunction with the interim group financial statements for the 6 months ended 30 September 2013 attached.

3. Net tangible assets per security

	30 September 2013 (NZ cents)	30 September 2012 (NZ cents)
Net tangible assets per security	67	113

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APPENDIX 7 – NZSX Listing Rules

EMAIL: announce@nzx.com

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.

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

Full name of Issuer	Z Energy Limited
Name of officer authorised to make this notice	Chris Day
Authority for event, e.g. Directors' resolution	Directors' resolution
Contact phone number	+64 4 462 4620
Contact fax number	
Date	7 / 11 / 2013

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	
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.	

Enter N/A if not applicable

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)	$0.077
Source of Payment	Retained Earnings
Excluded income per security (only applicable to listed PIEs)	
Currency	NZ Dollars
Total monies	$30,800,000

Supplementary dividend details - NZSX Listing Rule 7.12.7

Amount per security in dollars and cents	$0.013588
Date Payable	4 December, 2013

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	$0.005347
Imputation Credits (Give details)	$0.029944
Foreign Withholding Tax	$
FDP Credits (Give details)	

Timing (Refer Appendix 8 in the NZSX Listing Rules)

Record Date 5pm *For calculation of entitlements -*	22 November, 2013
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.*	4 December, 2013
Notice Date *Entitlement letters, call notices, conversion notices mailed*	
Allotment Date *For the issue of new securities. Must be within 5 business days of application closing date.*	

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: