



Media Release

Brisbane, Monday 17 May 2021

AMPOL TO CONTINUE REFINING OPERATIONS AT LYTTON

Ampol today announces the completion of its refinery review and an intention to continue refining operations at Lytton.

The decision, which is subject to the government's refining support package being successfully legislated as proposed, follows comprehensive management analysis and constructive engagement with the Government.

The Federal Government's proposed package will help underpin the viability of the refinery over the medium term, providing a variable support payment of up to \$108 million per annum that should protect refinery earnings during periods of low margins, and supporting investment in infrastructure upgrades that will deliver the manufacture of cleaner fuels.

"Ampol is pleased that today's outcome delivers value for shareholders and provides clarity and a path forward for our valued employees at Lytton, supporting the continued employment of 550 Australian manufacturing jobs and the indirect employment of hundreds more. The outcome will also allow Ampol to progress alternative future energy uses for this strategic site, preserving manufacturing skills that will be critical for success in the energy transition," said Matt Halliday, Ampol's Managing Director and CEO.

He continued, "Ampol is an Australian company with a long and proud history and our operations play an important role in the economy and in delivering national prosperity. Consistent with this, our discussions with the Federal and Queensland State Governments have been open and productive throughout our review, and Ampol is partnering with the Federal Government to meet the dual objectives of fuel security and energy transition."

The Federal government's Fuel Security package, as announced on 17 May 2021, will provide refiners with access to a variable Fuel Security Services Payment (FSSP) for six years up to mid-2027 (with Ampol having an option to extend another three years). It is structured to provide a high level of support when refining margins are low, and no support when refining margins are high, reducing volatility for refiners and ensuring Government support is targeted to the times it is most needed.

In addition to the FSSP, the Government also intends to contribute 50% of the capital expenditure, up to \$125 million, required to undertake infrastructure upgrades to accelerate the introduction of ultra-low sulfur petrol. The Government is also introducing Minimum Stockholding Obligations for Australian fuel importers and refiners from July 2022, with refiners benefiting from lower stockholding obligations.

Ampol retains the option to pursue conversion to an import terminal should the package not be successfully legislated or, in future, in the case of persistently low refinery margins or other adverse events, including potential changes to the FSSP by future governments.

Matt Halliday, concluded: "Ampol is a proud employer of Australians and our employees have played a critical role in our success over the long-term. We would like to thank our Lytton workforce for their ongoing support. We look forward to working with Government to continue to deliver safe, reliable and efficient refining operations, which will play an important role in enabling the opportunities in future energy that are ahead of us."

Authorised for release by: the Disclosure Officers of Ampol Limited.

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