

New Zealand Refinery Achieves Record Profits

The only oil refinery in New Zealand, which supplies the four major oil companies BP, Mobil, Shell and Caltex, had the most profitable year in its history, with profits of NZ\$104MM in 2000, substantially up from NZ\$9MM the previous year.

The refinery had an intake of 5.1MM tonnes in 2000 - just below the record intake of 5.2MM tonnes in 1998.

The refinery, operated by New Zealand Refining Co Ltd at Marsden Point in Northland, produces a full range of petroleum products including petrol, diesel, jet fuel and fuel oil. About 93% of the feedstock requirements of the refinery is provided by imports, with the remaining amount from local crude and condensate supplies.

Dramatically improved refining margins in the region had a favourable impact on processing income for 2000 compared with 1999. The average cost to customers of processing product was just below 3 cents per litre in 2000 and still under the rate for 1996. The strength of the US dollar also favourably affected the refinery's income during 2000. However, in the middle of 2001 refiner margins dropped significantly.

The refinery is equipped with a two-stage hydrocracker making it one of the most versatile and sophisticated plants in the region. It can produce high value 'white products', particularly middle distillates, from cheaper grade imported feedstocks.

The refinery has kept up with growing diesel demand in New Zealand and produced over 90% of diesel sold in the country in the March 2001 year. It produced over 65% of domestically sold petrol in the same year.

A direct pipeline from the refinery transports about one third of the refinery's production to Auckland, New Zealand's major petroleum market. There is a further line carrying jet fuel to Auckland International Airport.

Coastal tankers take refined products to ports around the country. From there, petroleum products are distributed to all parts of the country.