



STOCK STORY: AMPOL

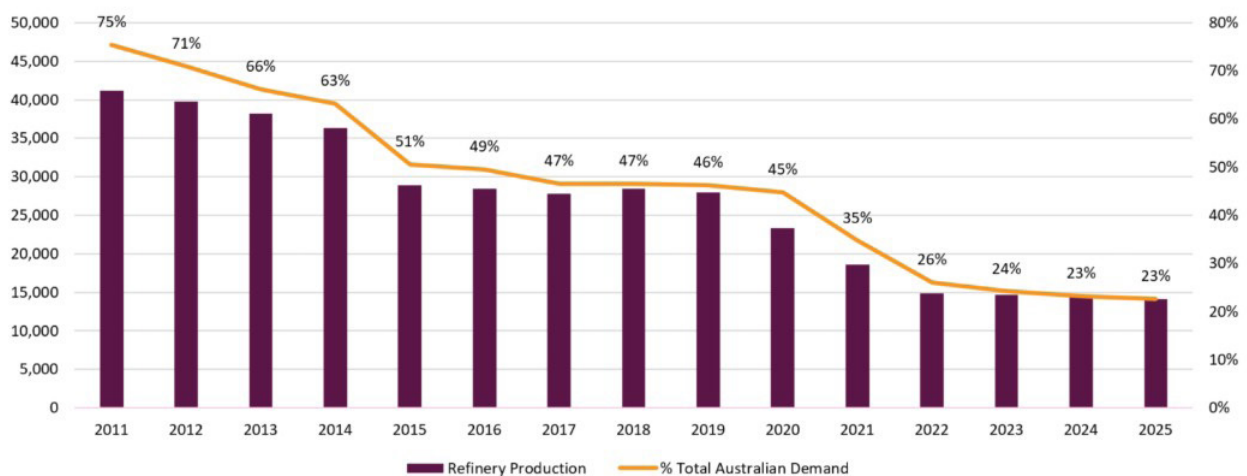
Pathway to unlocking value outside the headlines

STOCK STORY

Ampol is Australia's largest fuel refiner and distributor, playing a critical role in supplying fuel to Australian consumers and industries. While Ampol is widely recognised for its national convenience retail network, we believe the market underappreciates the strategic value of their Lytton refinery asset. Lytton is one of only two remaining refineries in Australia. While the recent Iran conflict has drawn attention to the importance of fuel security in Australia, we see the real catalyst for value realisation sitting not in the headlines themselves, but in the evolving policy discussions that underpin Lytton's long-term earnings.

Australia's refining capacity has deteriorated dramatically over the past 15 years. In 2011, the country operated seven refineries, supplying around 75% of domestic fuel demand. Today, only two refineries remain, these being Ampol's Lytton Refinery in Brisbane and Viva Energy's Geelong Refinery. Combined, these refineries meet just 20% of Australia's fuel needs. The balance of fuel is imported as refined product, predominantly from South Korea, Singapore, Malaysia, China and Japan. As Australia has shifted from refining self-sufficiency to import dependence, the strategic value of these last two refineries has grown considerably, given their role in national fuel security.

Australian Refinery Production (ML)



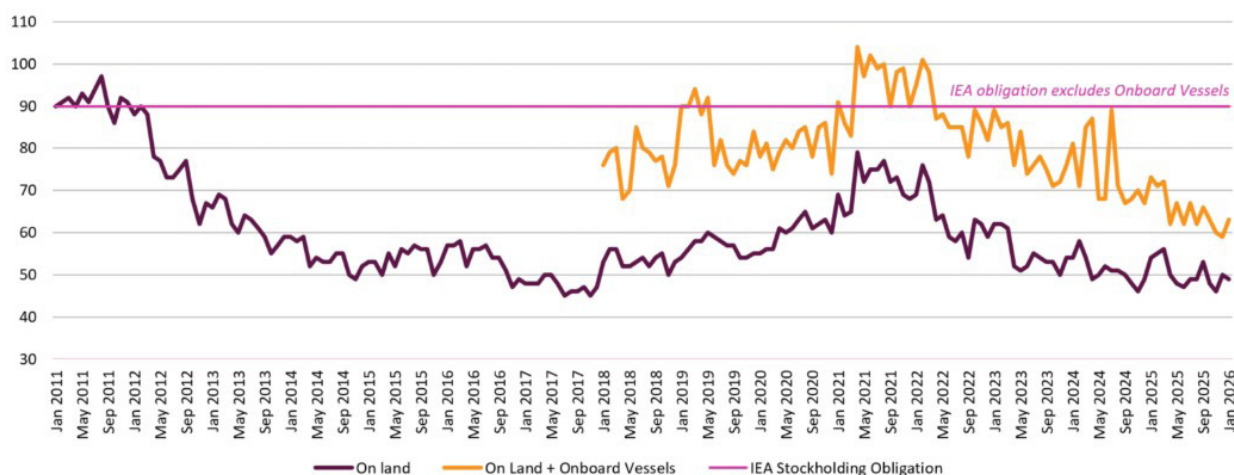
Source: Australian Petroleum Statistics

Refinery	Location	Closed	Operator	Production Capacity (bpd)	Production Capacity (ML p.a.)
Clyde	NSW	2012	Shell	75,000	4,353
Kurnell	NSW	2014	Ampol	135,000	7,835
Bulwer Island	QLD	2015	BP	102,000	5,920
Altona	VIC	2021	ExxonMobil	80,000	4,643
Kwinana	WA	2021	BP	138,000	8,009
Total Closed Refineries				530,000	30,759
Lytton	QLD	Operating	Ampol	109,000	6,326
Geelong	VIC	Operating	Viva Energy	140,000	8,125
Total Operating Refineries				249,000	14,451

Source: Australian Petroleum Statistics

The outbreak of the war against Iran and subsequent closure of the Strait of Hormuz triggered a major global supply disruption. Notably, Ampol does not use Middle Eastern crude oil, yet the cascading effects on Asian refining production and product flows still materially affected supply chains into Australia. With Australia's fuel stockholdings well below the IEA's 90-day requirement, concerns around supply security were heightened.

Australian Days of Net Import Coverage



Source: Australian Petroleum Statistics

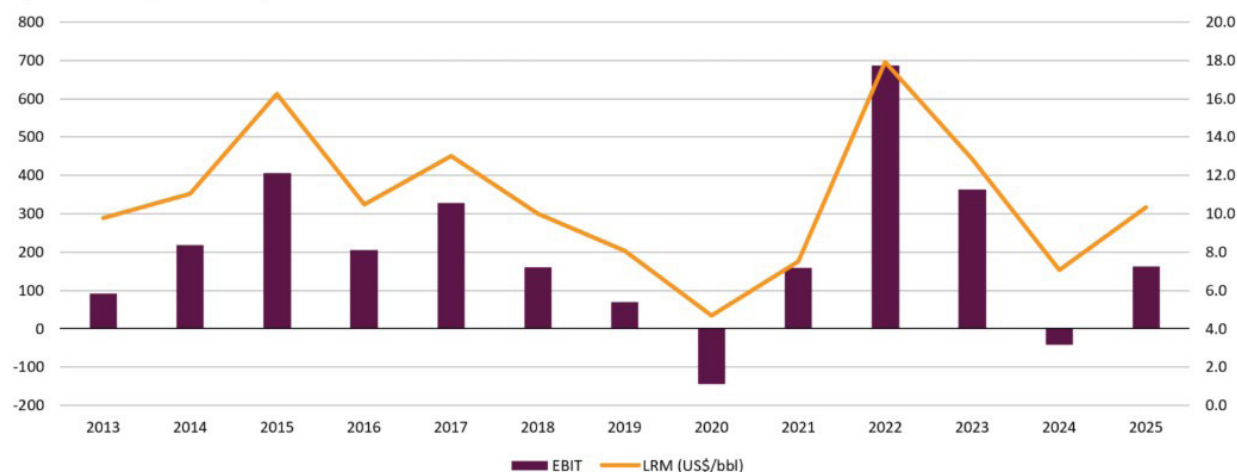
While the Iran crisis was drawing headlines, a key policy change occurred that saw the government extend and enhance the Fuel Security Services Payment (FSSP), raising the support collar to reflect elevated inflation and providing both a higher earnings floor and lower volatility for domestic refiners[3]. We estimate the revised FSSP now underpins at least \$120 million in annual EBIT for the Lytton refinery.

Phase 2 of the FSSP, expected to conclude by the end of 2026, will address Australia's long-term ambitions for fuel supply resilience and domestic refining. Given the constructive engagement between Ampol and the government in Phase 1, we expect this collaboration to continue into Phase 2, with the policy direction pointing towards a more durable, regulated-style framework for Lytton that reflects the asset's role in national fuel security.

In our view, the market currently values Lytton on a low multiple, reflecting its cyclical earnings history[4] rather than its emerging strategic importance. Should Phase 2 deliver a long-term regulated return structure, Lytton transitions from a volatile, commodity-exposed asset to a more predictable, infrastructure-like earnings stream, presenting a meaningful re-rating catalyst.

On a regulated basis, we estimate Lytton's value at \$1.5–2.0 billion, compared to our estimate of the market's current implied valuation of less than \$1.0 billion. This gap implies \$3–\$5 per share of incremental value to Ampol's current share price from the Lytton re-rate alone, before considering further upside from the EG Group acquisition and the rollout of U-GO conversions across the convenience retail network.

Lytton Earnings Volatility



Source: Ampol Annual Reports

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