



6 April 2017

TODD ENERGY TO ACQUIRE SHELL'S KAPUNI INTEREST

New Zealand company Todd Energy has strengthened its commitment to Taranaki natural gas production, after increasing its stake in the Kapuni onshore natural gas field from 50 to 100 per cent.

Todd Energy announced today it has entered into arrangements to acquire Shell's 50 per cent interest in Kapuni, a field first discovered by a Shell BP Todd joint venture in 1959.

"We are very pleased to increase our stake in the Kapuni natural gas field," said Todd Energy Chief Executive Dr Joanna Breare. "This transaction is consistent with Todd Energy's focus on the development of New Zealand's onshore natural gas resources and our commitment to the Taranaki region."

Under the transaction, Todd Energy will assume operatorship of the Kapuni field from Shell Todd Oil Services (STOS). About 50 Kapuni staff employed by both Shell and STOS, including those who operate the production station, will be offered positions with Todd.

"We look forward to bringing together their expertise with the knowledge Todd Energy has developed as a result of the successful expansion of the Mangahewa natural gas field," Dr Breare said.

Todd Energy's existing 50 per cent shareholding in STOS will be assigned to Shell.

The transaction is subject to certain conditions, including regulatory approvals, and is expected to be complete around mid-year 2017.

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