



11 September

## NZ first Bio-Fuel Supply Agreement Signed

Two New Zealand companies have lead the way, in what is seen as the first large scale commercial supply agreement for biofuel, announced today at a ceremony in the Bay of Islands.

Environ Fuels Ltd is to supply biodiesel to Explore NZ's marine fleet located in both Auckland and the Bay of Islands. The agreement between the two companies is valued at over \$3,000,000 and comes on the back of the recent National Party bio-fuel policy.

"This is the first commercial scale marine bio-fuel agreement in New Zealand" says Toby Littin, Director of Environ Fuels NZ.

Manufactured in New Zealand, the biodiesel supplied under the agreement will result in a significant reduction of carbon emissions from the Explore NZ vessel fleet in Auckland and the Bay of Islands.

"Even taking into account the carbon emissions required for collection, processing and transport of the biodiesel component of the biofuel blend, a carbon emission reduction of 85% is expected, compared to mineral diesel" continued Littin.

"We're aiming to provide biodiesel at the same price as regular diesel from the pump, the primary difference being it's better for the environment."

The biofuel being used by Explore NZ is what is described as B20 fuel, which means it is a 20% biodiesel blend with mineral diesel. After extensive testing the 20% blended fuel was the chosen mix for the Explore NZ fleet.

"We want to spread the biofuel message to the world in doing the right thing by the planet and the right thing by the economy – trying to improve the world one fuel tank at a time!"

William Goodfellow, Managing Director of Explore NZ says he is extremely excited about the new agreement and believes it is the way forward for tourism operators in New Zealand.

"One of the biggest things for us as a company is that we're embracing the new technology. We want to pitch it as a lead for the tourism industry and to further promote New Zealand's clean green image - and what's more, we are buying the fuel from a New Zealand company, it's a win for all involved," says Goodfellow.

Goodfellow also pointed out that the agreement had a beneficial flow down affect to other marine users.



"We haven't just done the agreement for our own supply; the fuelling facilities will allow the fuel to be made available to the general boating public at a later date."

For us, it's not about the cost as a whole; it's about doing the right thing. The big point is that we're not trialling it, we've done our own trials and now is the time where we are introducing it to our whole fleet - which is a big step for any operator."

"We believe in it, this is the way forward and are hoping other operators will follow our lead."

A grants scheme was set up by the government in July to encourage biodiesel production in New Zealand; Environ Fuels was one of the first companies to sign on to the scheme and is the first to make such a large scale supply arrangement.

Energy and Resources Minister Gerry Brownlee says Environ Fuels is one of the first businesses to participate in the Government's biodiesel grants scheme, and it is especially pleasing to see it develop into to a supply contract in a marine tourism venture.

"I congratulate Environ Fuels for signing this supply agreement and also Explore NZ for having its fleet convert to a biofuel blend," says Brownlee.

Brownlee says that the government grants scheme is only a stepping stone and is glad it has converted into a commercial reality for Environ Fuels, as well creating additional jobs.

Littin says that already the agreement has resulted in creating new employment opportunities for Environ Fuels Ltd with operations being established at both the Bay of Island & Auckland to accommodate the expected demand.

### **Ends**

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### **Notes to Editors:**

#### **Additional Quotes:**

Gerry Brownlee:

"I think Explore NZ is showing good leadership as well, I have no doubt that biofuel blends will become a significant fuel source for the marine industry in the relatively near future."

#### **About the Fuel**

Environ Fuels Ltd will be supplying a biodiesel blend, manufactured predominantly from waste vegetable oil products.

#### **The benefits of biodiesel**

In its manufactured form, biodiesel (B100) from Environ Fuels presents the following benefits:

- Non-Hazardous
- Non-Toxic (incl. not an aqua toxin)
- Biodegradable
- Significantly lowers carbon emissions
- Manufactured from sustainable and ethical raw materials
- Manufactured in NZ
- No Engine modifications required

#### **Environ Fuels Ltd**

Environ Fuels Ltd was founded in 2006 by Mr Warren Holden in Te Kuiti as one of NZ's first commercial producers of biodiesel. Environ is continually growing capacity to meet the increasing demand, with production capability being expanded at it's Te Kuiti site and additional sites planned for Auckland. Other industry users include earth moving, transport, mining and stationary power generation

Environ is continually investing in research and development including current work on 2<sup>nd</sup> generation fuel sources and the development of specialist fuels for applications including shipping and aviation.

#### **Explore NZ Ltd**

Explore NZ is a progressive tourism company operating in both Auckland and the Bay of Islands. Comprised of member companies, Sail NZ, Pride of Auckland, Auckland's Whale and Dolphin Safari, Dolphin Discoveries, Dune Rider and Otehei Bay. Explore NZ is a multi-award winning operator and was named in 2009, 'New Zealand's most exciting tourism business' by the National Business Review.