

Practical experience in retailing a biofuel blend to New Zealand motorists

April 2008



Today

- Who Gull is
- Where we are at with Gull Force 10
- Lessons for the industry and regulators

- We will keep the family secrets
- Sorry I cannot answer questions relating to price in this forum
- Questions at the end



Who is Gull ?



Gull Group of Companies

- Family owned, Western Australia based
- Operating for thirty years in Perth
- Own and operate a biodiesel plant in Queensland
- Among the first to retail biodiesel blends in Australia



Gull In New Zealand



Gull in New Zealand

- Tenth year of operation
- Retail outlets from Whangarei to Masterton in North Island
- Key terminal facility in Mount Maunganui
- First to retail low sulfur diesel in New Zealand
- First to retail a biofuel in New Zealand





HI OCTANE-CLEANER POWER



Where we are at with Gull Force 10 ?

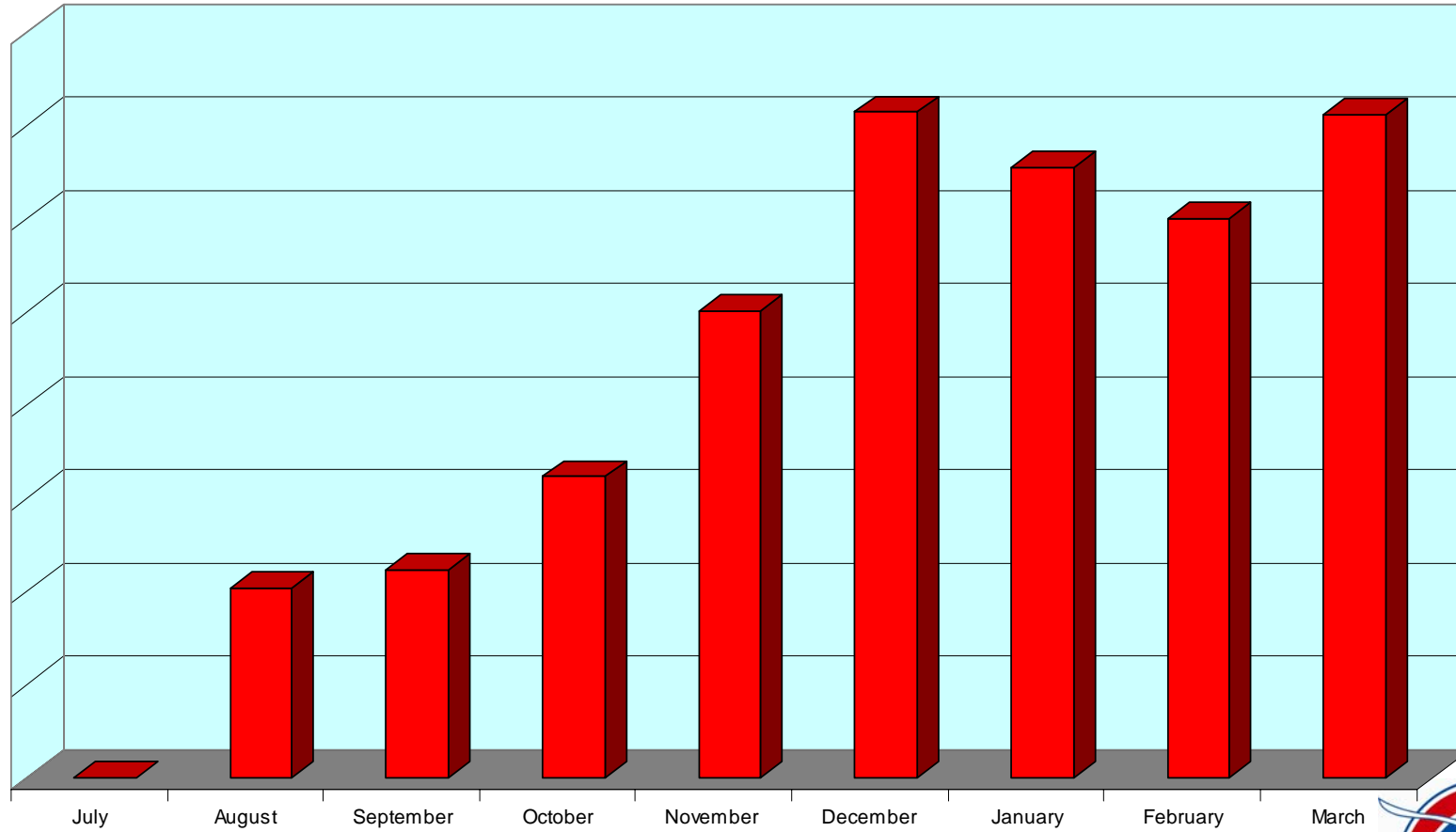


Gull Force 10

- E10 blend
- Ethanol fermented from whey at Anchor Ethanol Reporoa
- Blended at Mount Maunganui
- 98 Octane
- Replaces 95 octane
- At mid March available at 12 Outlets



Customers by month



Management of the Change

- Hygiene, get it right and customers stay
 - NO WATER
 - Water history at site, remote and with paste
 - Tank history at site
 - Process “on the day”
 - Approval from Pump manufacturer
 - Calibration of the Pumps
 - Monitoring following day

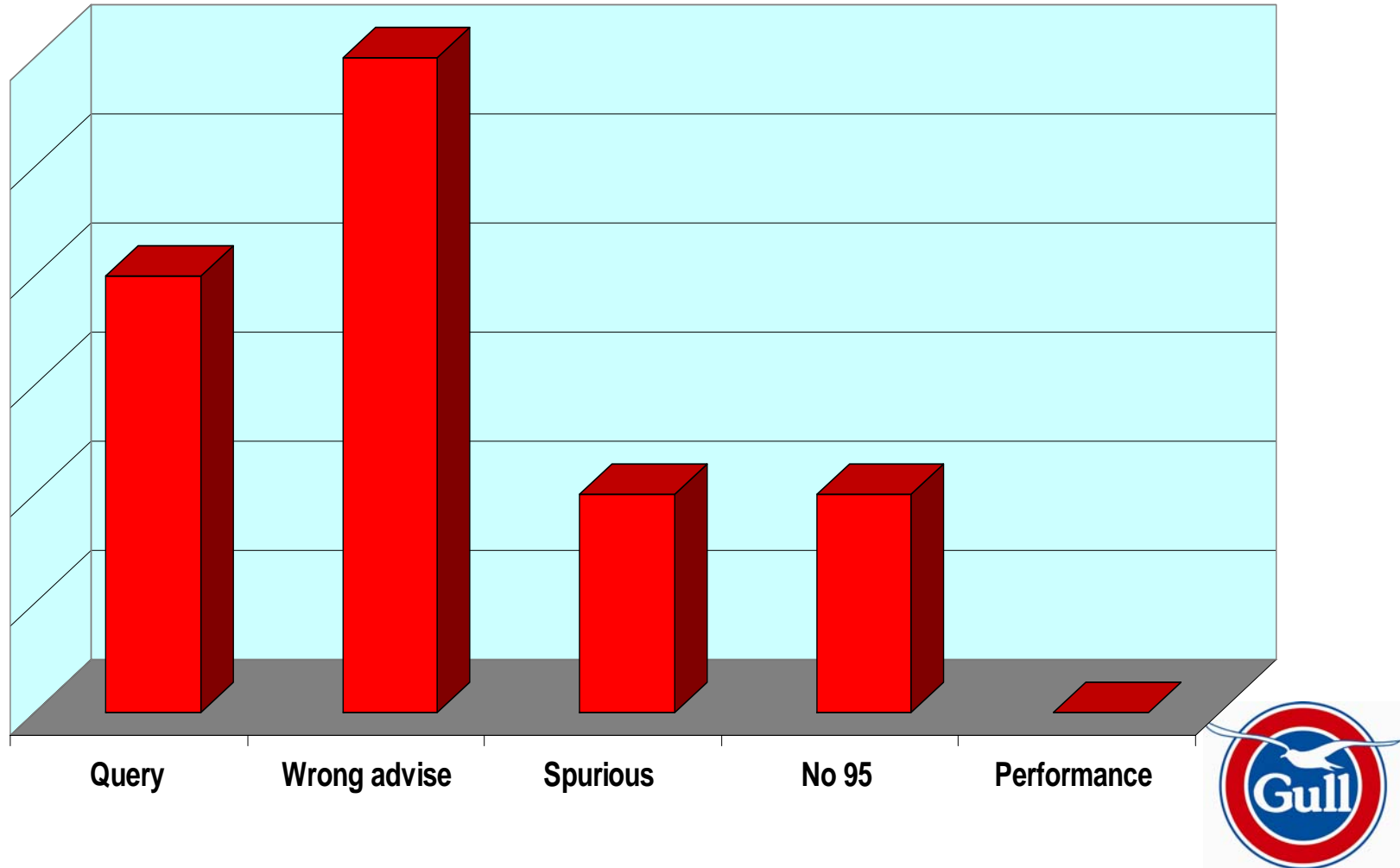


Management of the Change

- Communication
- Get it right, customers care for their car
 - Cashiers have no time to “sell” fuel
 - Advocate used on Forecourt
 - People want the information “to go”
 - Staff know what is going on
 - People want the basic chart for their car
- Staffing correct ?
 - “Sustainability Manager” for Gull



Phone Calls Received Total



Other

- AA Fuel Testing
 - “Unlikely You will notice any difference in performance or economy”
- Gull Dynamometer Testing
- Motorsport Dynamometer Testing
 - Unprecedented telephone enquiries for drummed fuel
- At least the equal of competitor fuel



What does all this tell us

- The product is popular
 - Octane or Green ? Or Both ?
- Our product is damn good
- Not a single issue with phase separation
- Customer Communication is the Key
 - We changed our brochure
 - We introduced an advocate



Lessons for the Industry



Quality

- There is beginnings of a quality industry
- Lets not stuff it up
- No Complaints
 - No phase separation E10
 - We did not add water
 - Use of the corrosion inhibitor
- Site Change Over
 - Rigorous and starts well before D Day



Communication

- Customers love their car and how it works
- They will change fuels but communication is very important
- Several channels needed



Biodiesel no different

- It's all “biofuel”
- The public will tar all fuels with the same brush if we mess up
- Quality Tag applies to the Industry
 - Wholesale
 - Retail
 - Manufacturer
 - Importer



Lessons for the Regulators



Overall

- It can happen
- It's not unreasonable
- “Thank you” for the Vapour Pressure regulations
- Research on engine compatibility is key to ongoing confidence
- If Gull can there is scope for all



Summary

- E10 is a great product, it works
- Site Hygiene is imperative
- Customer communication equally so
- Biofuels can have a quality stance. Let's not distract from that
- It can happen and its not that hard

