



**MEDIA RELEASE**

**For Immediate Release**

## **GULL SECURES MORE BIOFUEL**

*Deal sees 20% increase in supply of Fonterra bioethanol to Kiwi drivers*

**Auckland, May 11 2011** – Gull announced today it will be buying more bio-ethanol to use in its three bioethanol blend fuels.

Fonterra has been able to increase the supply of bioethanol from its Anchor dairy factory at Reporoa, where it is made from a by-product of the dairy process.

Gull General Manager Dave Bodger noted the deal would increase bioethanol supplies from Fonterra by 20% compared with the original production agreement for this year.

Bodger said: “This is great news for the biofuel industry and for reducing New Zealand’s carbon footprint in transport. Biofuel sales are growing, and that means we need more ethanol.”

“Getting additional bioethanol from a production schedule that revolves around when cows are milking is never easy, but it is great that Fonterra have delivered more of what we need.”

“We will continue to work closely with Fonterra to increase production of more sustainable fuels.”

Fonterra’s General Manager of Ethanol and Industrial Sales, Peter Motion, says Fonterra’s partnership with Gull is one of the ways the Co-operative can help tackle climate change issues.

“Every five million litres of ethanol used in biofuels saves more than 7,000 tonnes of carbon from entering the earth’s atmosphere. We’ve been working with Gull since 2007 and we are happy to see good sales growth and subsequent reductions in emissions each year.”

“Over the last four years, we’ve reduced the amount of ethanol we export so we can sell more to local customers like Gull. It’s great that we’re able to continue to grow this partnership.”

The biofuels industry is a key solution to reducing carbon emissions in the transport sector. Around 86% of New Zealand's oil consumption is used in the transport sector. As a result, transport is a significant contributor to greenhouse gas emissions and a focus for government climate change policies.

Bodger noted that technological solutions to help reduce emissions (for example biofuel blends) were more readily available in the transport sector than in other sectors of the economy (for example agriculture).

“This expansion shows that the Government’s policy of fostering biofuels by providing an excise exemption for bioethanol is delivering,” said Bodger.

“It makes sense for New Zealand to pursue biofuels. Not only are they delivering carbon savings but this increase in local production is good for the New Zealand economy as well. Developing local sources of biofuels also makes New Zealand more resilient to international oil price fluctuations and potentially strengthens local economies as alternative energy sources develop.”

Bodger noted that Fonterra had always been Gull’s key bioethanol supplier. “Fonterra’s product is ultra-high quality and the sustainability is great because it is all manufactured from New Zealand dairy by-products.”

Gull adds bioethanol to three of its fuels, reducing carbon dioxide emissions and helping to keep prices competitive. Gull Force 10 and Gull Regular Plus contain 10% bioethanol and are suitable for use in most vehicles, while Gull Force Pro contains 85% bioethanol and is suitable for use only in flexible-fuel vehicles.

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