Channel acquires strategic position in Melbourne's Jet Fuel Supply Chain

26 November 2025

Acquisition highlights

- ~A$14.2 million investment for a 25% share in the Somerton jet fuel pipeline, funded through existing debt facilities
- A dedicated jet fuel pipeline serving Melbourne Airport that forms part of Australia's critical jet fuel supply chain infrastructure
- Aligns with Channel's strategic ambitions to enhance the overall quality of the business with measured step-outs in New Zealand and Australia
- Projected to be cash flow accretive in FY2026
- Organic growth anticipated from continued route development at Melbourne Airport, the construction of a third runway complemented by significant embedded opportunities for growth including jet supply chain expansion opportunities and the ability to commit capital as opportunities become available
- Operated by ExxonMobil, a proven, safe and reliable operator of critical infrastructure, enabling lower-risk entry into the market
- Opportunity to further support our existing customers across multiple supply chains, as well as introducing a new customer – Viva Energy

Transaction overview

Channel has acquired a 25% share in the Somerton Pipeline Joint Venture, the owner of the Somerton jet fuel pipeline for A$14.2m, a high-quality asset forming part of the only jet fuel pipeline supply route to Melbourne Airport

Transaction summary	• Acquisition price of A$14.2m[1] for 25% share in the Somerton Pipeline Joint Venture acquired from CVC DIF's CIF I fund • Implied transaction multiple is below Channel's current EV/EBITDA multiple
Regulatory approvals and timing	• Australian Foreign Investment Review Board approval to the transaction has been granted • Acquisition only conditional on completing warranty and indemnity insurance placement • Settlement scheduled for 28 November 2025
Enhanced shareholder value	• Cash flow accretive from FY2026 • Organic growth anticipated from Melbourne Airport growth • Significant embedded growth options • Channel's share of the Joint Venture will be proportionately consolidated into Channel's financial statements
Funding	• Funded through Channel's existing debt facilities. Following the acquisition, Channel will remain within its target credit metrics of between 3x and 4.5x Net Debt to EBITDA, consistent with a shadow BBB/BBB+ credit rating

1. Cash-free debt-free basis

Strategic rationale

- The Somerton Pipeline forms **part of the only jet fuel pipeline supply chain servicing Melbourne Airport**, Australia's second busiest airport
- **Solid jet fuel growth outlook at Melbourne Airport**, supported by international route expansion, domestic population growth, recovery in aviation activity, a planned third runway and Melbourne Airport being unconstrained by an operating curfew
- The pipeline operates below its maximum throughput capacity providing **headroom to accommodate organic growth**
- **Enhances the quality of Channel's overall business** with a complementary dedicated jet fuel asset in a high growth market
- The Somerton jet fuel pipeline is operated by ExxonMobil, a proven world-class, safe and reliable operator of critical infrastructure so there is **no requirement for Channel to establish an operational presence in Australia** at this stage
- Builds on relationships with **existing customers** and provides the **opportunity to support new customers**
- **Significant embedded growth opportunities** to further enhance the value of the asset either by upgrading the current infrastructure or through synergistic consolidation along the Melbourne Airport jet fuel supply chain

Delivers value to Channel's investors within established parameters

- ✓ Above WACC returns
- ✓ Stable inflation-linked revenues
- ✓ Cash flow accretive in FY2026
- ✓ Measured step-outs in New Zealand and Australia
- ✓ Supports Channel's existing customers
- ✓ Dedicated jet fuel asset in a growing market
- ✓ Significant embedded growth opportunities
- ✓ Funding within target leverage range of 3-4.5x consistent with BBB/BBB+ shadow credit metrics

Melbourne Airport Jet Fuel Supply Chain

Mobil Yarraville Terminal

Mobil Altona Terminal

Viva Newport Terminal

Viva Geelong Refinery

Other Terminals

Acquisition

Somerton Pipeline JV

~34km pipeline from terminals and refineries to Somerton Depot

Capacity of 16.3 million litres / day

Proven operator ExxonMobil

JV Owners:

- Channel Infrastructure 25%
- ExxonMobil 37.5%
- Viva Energy 18.75%
- bp 18.75%

Somerton Depot

Owners:

- ExxonMobil 50%
- Viva Energy 25%
- bp 25%

Tullamarine Pipeline

~10km pipeline from Somerton Depot to Melbourne Airport JUHI

Capacity of 4.4 million litres / day

Owners:

- ExxonMobil 50%
- Viva Energy 25%
- bp 25%

Melbourne Airport

Australia's second busiest airport

2024 Metrics[1]

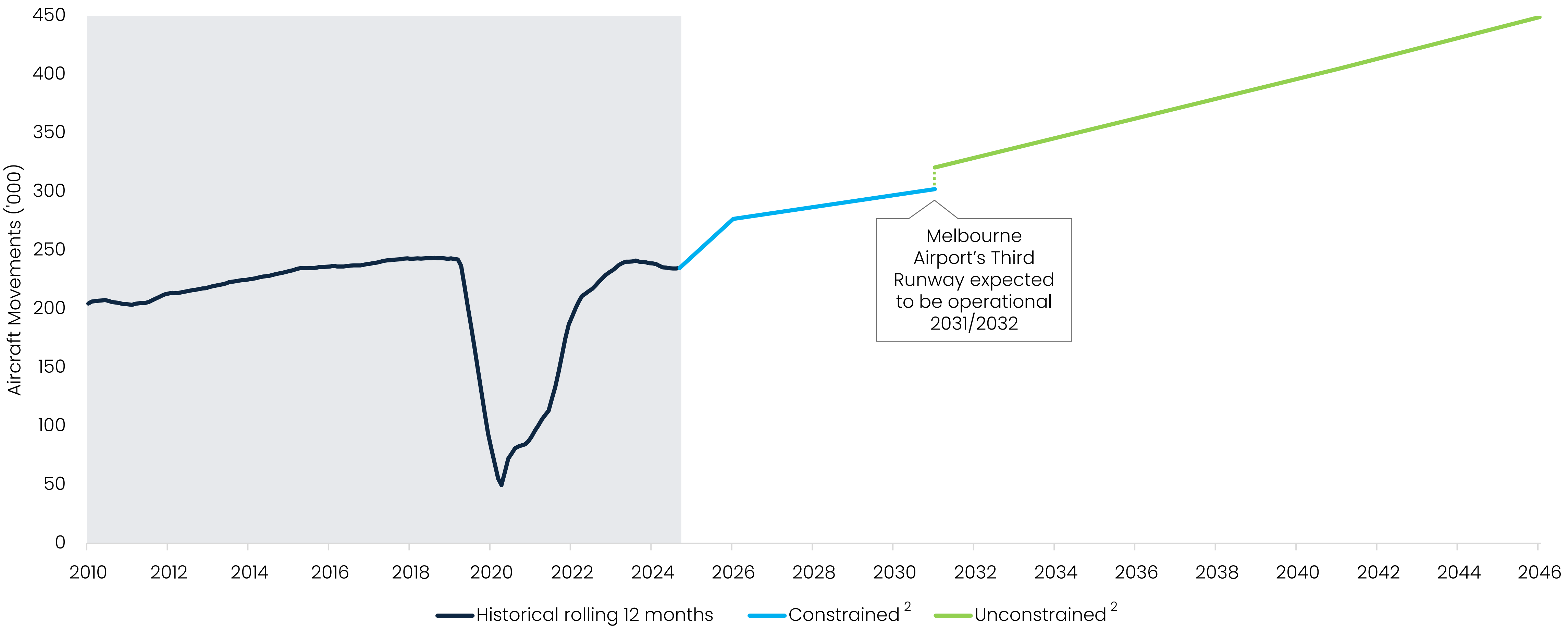
- ~2,500 million litre jet fuel demand
- 239k aircraft movements
- 36 million passengers

Trucking

1. Calendar year 2024

Melbourne Airport historical and forecast aircraft movements

Significant growth in aircraft movements forecast by Melbourne Airport[1], including a step change following completion of a third runway



1. *Forecasts from Melbourne Airport's Major Development Plan ("MDP"). Sources: BITRE, Australia Pacific Airports (Melbourne) Pty Ltd (APAM), Landrum & Brown 2019 (as cited by APAM)*
2. *Capacity constraints in Melbourne Airport's existing runway system limits its ability to accommodate forecast demand. Once operational, the third runway will increase capacity, allowing for a step-change and growth in aircraft movements. Melbourne Airport has published both constrained and unconstrained forecasts as part of MDP.*

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