

ASX/NZX Release



20 February 2023

SETTLEMENT REACHED BETWEEN AMPOL AND THE AUSTRALIAN TAXATION OFFICE (ATO)

Ampol Limited (ASX/NZX:ALD) (Ampol) today announces it has reached a final settlement with the ATO in relation to the Australian corporate tax treatment of earnings by Ampol's Singaporean entities (Ampol Singapore) from transactions with Ampol's Australian entities (Ampol Australia).

The settlement relates to financial years ended 31 December 2014 to 2022, as well as agreement on the treatment of future earnings.

As a result of the settlement:

- Ampol will pay a further \$5.6 million in Australian tax on earnings between 2014 and 2021, and \$0.1m in interest. This is in addition to the \$104.1m of tax already paid on Ampol Singapore earnings, in relation to these matters, on lodgement of the tax returns for the affected years;
- In June 2023 Ampol will pay \$48.2 million in Australian tax on Ampol Singapore earnings in the 2022 financial year, reflecting the agreed position on these matters, in line with normal tax payment dates;
- Ampol has written back excess current tax liabilities and deferred tax assets recognised between 2014 and 2022 in accounting for the full amount in dispute, with this write-back resulting in a one-off benefit to corporate tax expense in 2022 of \$110.2 million, recognised as a significant item; and
- No penalties have been imposed on Ampol, and the ATO has not applied any anti-avoidance provisions.

With effect from 1 January 2023, Ampol has reorganised the functions performed by each of its Singaporean entities, resulting in the majority of earnings by Ampol Singapore from transactions with Ampol Australia being subject to corporate income tax in Australia at an overall rate of 30%. This is consistent with how the earnings have been treated historically for accounting purposes and therefore will not have a material impact on Ampol's effective tax rate.

Greg Barnes, Group Chief Financial Officer, said: "Ampol approached the ATO in 2014 in relation to its operations in Singapore. We are pleased to have reached an agreement with the ATO and to have certainty over the future tax treatment of Ampol Singapore earnings. The changes minimise operational disruption, while ensuring we fairly meet our tax obligations in Australia."

Further information

Ampol Singapore is the trading and shipping arm of the Ampol Group. Established in late 2013, Ampol Singapore plays a critical role in Ampol's integrated value chain. Its international market knowledge and strong trading, shipping and operational capability allows Ampol to access opportunities more rapidly as market conditions change. Sourcing refined products and crude oil from outside Australia is required to support the supply security of Australia while providing competitively priced fuel to our customers. The wholly-owned Ampol Singapore group of entities are incorporated in, and each entity is tax resident in, Singapore. As at 31 December 2022, Ampol Singapore employed over 100 staff.

The settlement with the ATO covers the transfer pricing outcomes of refined products and crude oil between Ampol Singapore and Ampol Australia from 2014 to 2022, and the future period to 2033. It also covers how the profits of Ampol Singapore are subject to further tax in Australia under Australia's Controlled Foreign Companies regime, across the same period.

Authorised for release by: the Board of Ampol Limited.

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