

23 March 2010

Ports of Auckland Limited
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 Sunderland Street
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Dear Customer,

FUEL ADJUSTMENT FACTOR (FAF) – UPDATE

Ports of Auckland have in place a formula for calculating the Fuel Adjustment Factor (FAF) to compensate our business as and when the price of fuel fluctuates. This process has been in place since August 2006 and we have continued to keep customers informed of the trend to the changing purchase price of fuel.

Our original calculation to implement the Fuel Adjustment Factor was based on pricing as of 1 September 2006, working in bands of +/- 20%. If the six week average triggers a move up or down, the following formula applies with two week's notice of change.

As of today's date the six week average has increased to be in the first band of (-20% to +20%). As a consequence Ports of Auckland is absorbing an increased cost to its operations and therefore would be applying a surcharge as stated below.

Terminal handling rates:

Based on POAL purchase price in NZ\$ as of 1 September 2006.	Charge per container handling– Full containers (Imports, Exports and Tranships).	
Band	Full containers	Tranship per leg
Below - 20%	No charge	No charge
-20% to +20%	\$5.00	\$2.50 / \$2.50
+21% to +40%	\$7.50	\$3.75 / \$3.75
+41% to +60%	\$10.00	\$5.00 / \$5.00
+61% to +80%	\$12.50	\$6.25 / \$6.25

Marine Services rates:

Based on POAL purchase price in NZ\$ as of 1 September 2006.	Charge per ship call.	
Band	Under 10,000GRT	Over 10,000GRT
Below - 20%	No charge	No charge
-20% to +20%	\$75.00	\$150.00
+21% to +40%	\$115.00	\$225.00
+41% to +60%	\$170.00	\$300.00
+61% to +80%	\$230.00	\$380.00

The adjustment to include the FAF surcharge as per the first band in the above will take place on 6 April 2010.

For your information our buy prices of fuel is based on the MOPS (Mid of Platts Singapore) Gas/Oil Index adjusted for exchange rate movements and shipping. We continue to have the application of FAF audited by an external third party and examples of the audit letter can be found on our website. Please don't hesitate to contact the below for a copy if required.

Ports of Auckland would like to take this opportunity to thank you for your custom and should you have any query please do not hesitate to contact either of the following.

Yours sincerely,



Craig Sain
General Manager
Sales, Marketing & Logistics



Wayne Mills
General Manager
Port Services