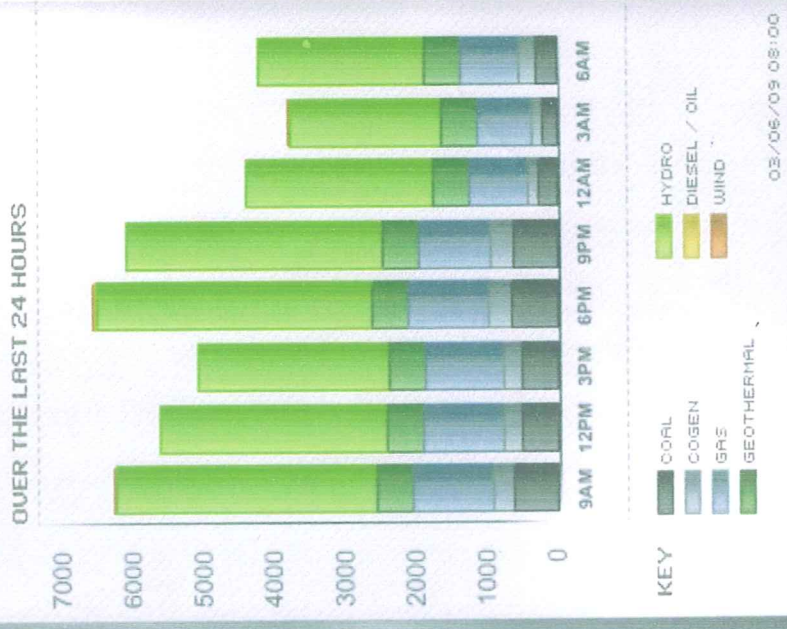


LAST UPDATED

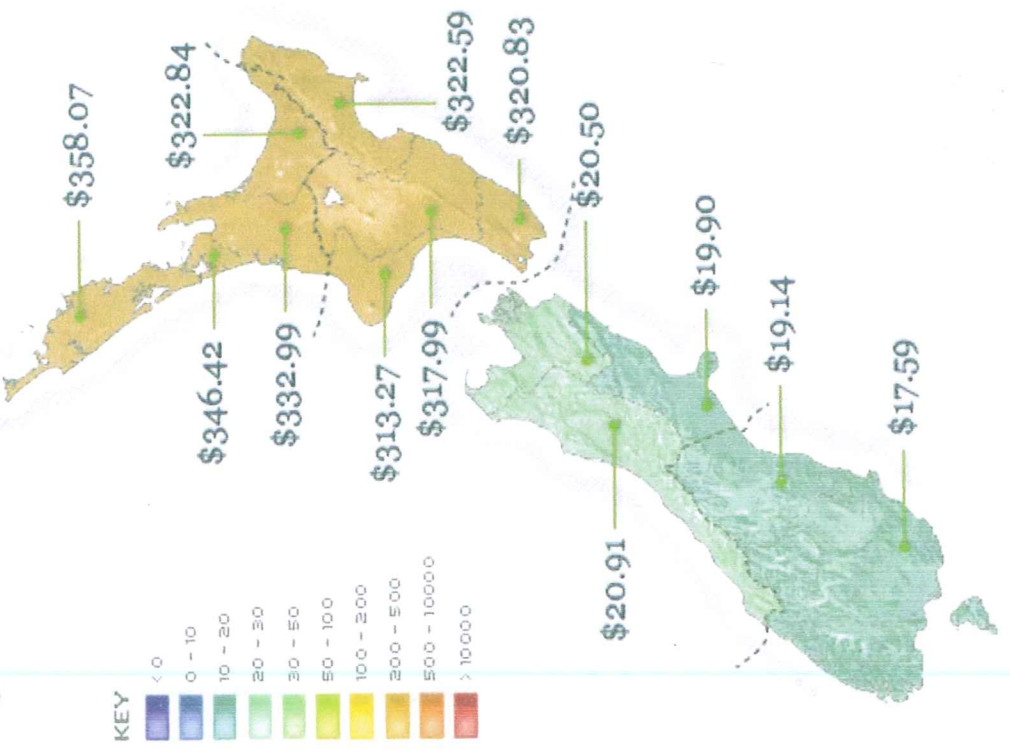
Electricity Market Overview | 08.45am WED 3 JUN 2009

LATEST NEWS of the St Supply total 281.7GWh (-5.4). || For the week, the New Zealand half hour peak was 5545MW (43.9), the North Island peak 4524.5MW (31.4)

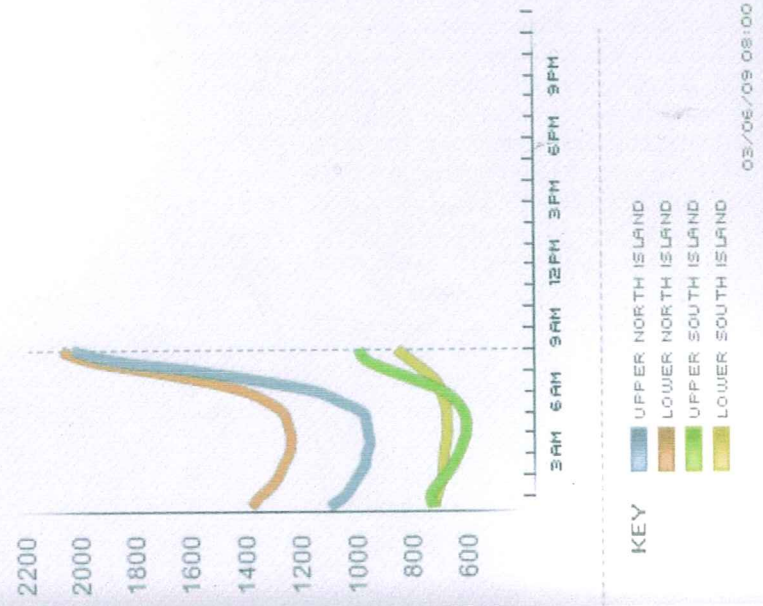
Generation (MW)

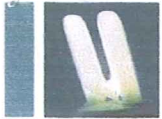


Regional Price (\$/MWh)



Demand (MW)





Electricity Generation

Geothermal generation continued at near record levels this quarter contributing 11% of New Zealand's total generation. This was a result of the commissioning of the new 100 MW Kawerau plant and the 15 MW upgrade to Top Energy's Ngawha plant. The December quarter also saw electricity generation from wind set a new quarterly record of 304 GWh.

The new geothermal plants, high levels of wind generation and a return to normal hydro-lake levels led to a large increase in electricity generated from renewable sources this quarter. At 74% this was the highest quarterly level of renewable generation since the September quarter 2004. Over the whole of 2008, around 65% of total electricity generation was from renewable sources.

In the December quarter 2008 generation from gas was down to its lowest levels since the March quarter 2005. This was in large part due to a planned outage at the Otahuhu B combined cycle gas plant.

In total, 2,596 GWh of generation came from non renewable sources this quarter, down 22% compared with the December quarter 2007.

Total generation in 2008 was slightly below 2007. This is the first time since 2001 that total generation has not exceeded that in the preceding year. The cause of this was primarily the unusually low electricity demand at the Tiwai Point aluminium smelter which had the effect of offsetting growth in the residential, commercial and other industrial sectors.

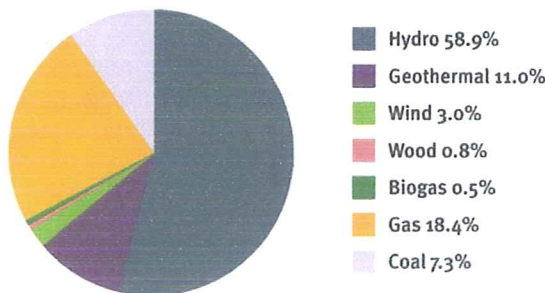
Net Quarterly Electricity Generation*

Units: Gigawatt-hours (GWh)		Mar 07	Jun 07	Sep 07	Dec 07	Mar 08	Jun 08	Sep 08	Dec 08
Renewable Generation	Hydro	6,058	5,332	6,214	5,801	5,270	4,764	6,132	5,926
	Geothermal	784	799	876	895	849	878	1,127	1,109
	Wind	146	200	283	291	258	221	264	304
	Wood	78	79	74	83	84	78	74	82
	Biogas	52	51	52	53	49	50	52	51
	Total	7,119	6,460	7,499	7,122	6,509	5,991	7,648	7,471
Thermal Generation	Gas	1,970	3,178	3,273	2,706	2,449	3,072	2,640	1,849
	Coal	733	978	595	590	1,020	1,611	1,081	735
	Oil	0	0	0	0	26	96	0	1
	Waste Heat	18	12	12	12	12	12	12	12
	Total	2,721	4,168	3,881	3,308	3,506	4,791	3,733	2,596
Total Generation		9,840	10,628	11,380	10,430	10,015	10,782	11,381	10,067
Renewable %		72%	61%	66%	68%	65%	56%	67%	74%

* Excludes generation used on-site for auxiliary services (e.g. lighting, coal grinders) and internal losses.

Revisions: The time series of electricity generation information has been revised this quarter. This has resulted from collaboration with Statistics New Zealand and the Electricity Commission, and has greatly improved the historical accuracy of the published data. These revisions also mean quarterly data is now available back to 1974.

Electricity Generation December Quarter 2008





ELECTRICITY GENERATION

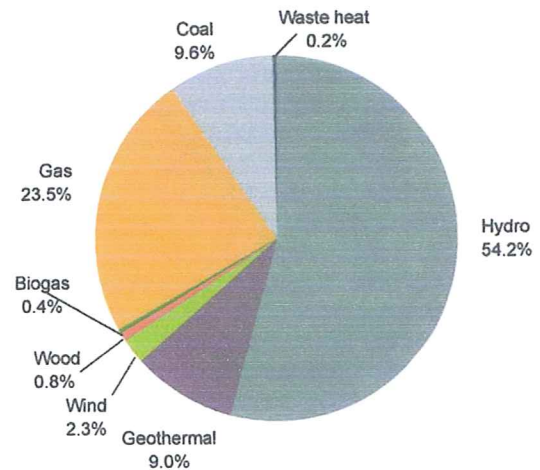
With lake storage levels stabilising this quarter, hydro generation increased by nearly 30% compared with the previous quarter. As a result, non-renewable generation eased significantly. This quarter's level of hydro generation is typical for recent September quarters, being within 1% of the generation seen in the September quarters of 2006 and 2007.

Also noteworthy is that the Crown-owned, diesel-oil fired Whirinaki reserve generator hardly ran during the September quarter 2008, in contrast to its record high generation in the previous quarter.

The September quarter 2008 saw a significant milestone reached in geothermal electricity generation in New Zealand. With the commissioning of Mighty River Power's 100 MW Kawerau plant, quarterly generation from geothermal sources topped 1000 GWh for the first time in New Zealand's history, representing a 26% increase over the previous quarter.

Geothermal energy is expected to continue to increase its contribution with a number of large scale projects announced. These include Mighty River Power's 132 MW Nga Awa Purua plant, which is in the early stages of construction, and Contact Energy's consented 220 MW Te Mihi project to replace the ageing 180 MW Wairakei plant.

ELECTRICITY GENERATION SEPTEMBER QUARTER 2008



Non-renewable sources of generation contributed 3,701 GWh in the September quarter 2008, down 6% from the same quarter last year. Coal-fired generation represented a larger than usual share of total non-renewable generation, up 75% compared with the September quarter 2007, while gas generation dropped by some 22%. This shift reflects fuel use at the Huntly power station over the 2008 winter period.

NET QUARTERLY ELECTRICITY GENERATION⁴

Units: Gigawatt-hours (GWh)	Dec06	Mar07	Jun07	Sep07	Dec07	Mar08	Jun08	Sep08
Renewable Generation	Hydro	6,193	6,035	5,314	6,167	5,767	5,275	6,151
	Geothermal	802	784	809	812	866	830	1,027
	Wind	194	148	201	285	294	260	220
	Wood	137	133	135	120	140	148	92
	Biogas	51	55	50	48	45	50	52
	Total	7,376	7,155	6,509	7,432	7,113	6,564	5,995
Non Renewable Generation	Gas	1,722	1,983	3,203	3,311	2,703	2,510	2,667
	Coal	1,099	727	985	620	589	1,020	1,617
	Oil	0.2	0.2	0.2	0.1	0.0	25.8	96.0
	Waste Heat	11	10	11	12	11	10	18
	Total	2,832	2,720	4,198	3,944	3,303	3,566	4,812
Total Generation	10,208	9,876	10,707	11,375	10,416	10,130	10,807	11,352

⁴ Excludes generation used on-site for auxiliary services (e.g. lighting, coal grinders) and internal losses.



ELECTRICITY GENERATION

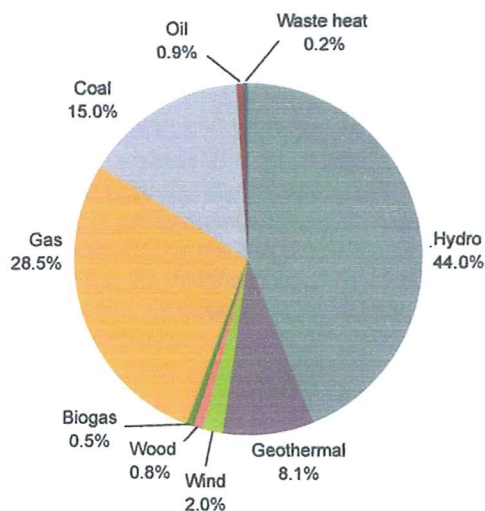
Drought conditions led to very low hydrological inflows during the June quarter 2008. As a result, electricity spot prices increased dramatically, promoting industrial users to make voluntary demand reductions and the launch of the industry-backed "Powersavers" campaign to promote electricity savings by residential and commercial consumers. As a result of the dry conditions, hydro generation for the quarter was down by 11% to 4,751 GWh compared with 5,314 GWh in the June quarter 2007.

Geothermal energy continued to provide a steady source of baseload generation in the June quarter 2008, supplying 8% of the total generation, or 880 GWh. The construction of Mighty River Power's 100 MW Kawerau geothermal plant and the 15 MW expansion of Top Energy's Ngawha geothermal plant continued and both are in the final phases of commissioning.

Wind generation in the June quarter 2008 was down 16% from the March quarter, but up slightly from the June quarter 2007 due to a large increase in wind capacity in the latter half of 2007. Wind generation is expected to increase further this year as the Te Rere Hau wind farm expansion continues. Once commissioned this will add a further 46 MW to the NZ Windfarms-owned site. Also, Meridian Energy's 198 MW West Wind site is due for completion by the end of next year.

Non-renewable sources generated 4,812 GWh in the June quarter 2008, up 15% compared with the same quarter last year. Of note is the very high level of coal-fired generation, which

ELECTRICITY GENERATION JUNE QUARTER 2008



contrasts with the recent trend of increasing gas-fired generation at the Huntly site.

The Crown-owned Whirinaki reserve generator also ran hard during the June quarter. The diesel-fired plant achieved its largest generation output of 96 GWh since its commissioning in 2004, providing just under 1% of total generation for the quarter. Also in response to the dry conditions, Contact Energy recommissioned 100 MW of the old gas-fired New Plymouth power station in early June.

NET QUARTERLY ELECTRICITY GENERATION⁴

Units: Gigawatt-hours (GWh)	Sep06	Dec06	Mar07	Jun07	Sep07	Dec07	Mar08	Jun08	
Renewable Generation	Hydro	6,115	6,193	6,035	5,314	6,167	5,767	5,275	4,751
	Geothermal	888	802	784	809	812	866	830	880
	Wind	161	194	148	201	285	294	260	220
	Wood	102	137	133	135	120	140	148	92
	Biogas	50	51	55	50	48	45	50	52
Total	7,317	7,376	7,155	6,509	7,432	7,113	6,564	5,994	
Thermal Generation	Gas	2,442	1,722	1,983	3,203	3,311	2,703	2,510	3,081
	Coal	1,510	1,099	727	985	620	589	1,020	1,617
	Oil	0	0	0	0	0	0	26	96
	Waste Heat	11	11	10	11	12	11	10	18
Total	3,962	2,832	2,720	4,198	3,944	3,303	3,566	4,812	
Total Generation	11,280	10,208	9,876	10,707	11,375	10,416	10,130	10,807	

⁴ Excludes generation used on-site for auxiliary services (e.g. lighting, coal grinders) and internal losses.