

To	Company Announcements Office	Facsimile	1300 300 021
Company	Australian Stock Exchange Limited	Date	31 August 2005
From	Bill Hundy	Pages	2
Subject	CONTACT ENERGY - SALE OF VALLEY POWER STAKE		

Attached herewith is a copy of an announcement released to the New Zealand Stock Exchange by Contact Energy Limited in relation to the sale of its stake in the Valley Power project.

Origin Energy has a 51.36% interest in Contact Energy Limited.

Regards

A handwritten signature in black ink, appearing to read "Bill Hundy", with a long horizontal flourish extending to the right.

Bill Hundy
Company Secretary

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31 August 2005

CONTACT ENERGY ANNOUNCES SALE OF VALLEY POWER STAKE

Contact Energy Ltd announced today the sale of its 40 per cent shareholding in the Valley Power project, in Victoria, Australia, in conjunction with Valley Power's co-owner, International Power and Mitsui & Co Ltd (IPM).

The sale is to Snowy Hydro, a New South Wales-based generator and retailer of electricity, for a total consideration of \$A243 million.

Contact took the opportunity to realise the value of its investment in Valley Power in October 2001 by offering its 40 per cent stake for sale at the same time as IPM's majority shareholding was placed on the market as a result of an undertaking to the Australian Competition and Consumer Commission.

"Contact is pleased with the outcome of the eight week sales process, conducted in conjunction with International Power and Mitsui & Co," said Contact's chief executive, Mr Steve Barrett. "This is consistent with Contact's decision to refocus on its opportunities in the New Zealand market."

Valley Power is a 300 megawatt fast-start power station located in the LaTrobe Valley and services peak demand in the state of Victoria. The station comprises six 50 megawatt Open Cycle Gas Turbines, running primarily on natural gas.

For further information:

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