To	Company Announcements Office	Facsimile	1300 300 021
Company	Australian Stock Exchange Limited	Date	27 March 2007
From	Bill Hundy	Pages	117
Subject	**CONTACT ENERGY INVESTOR PRESENTATIONS**		

Attached herewith is a copy of an announcement released to the New Zealand Stock Exchange by Contact Energy Limited.

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

Regards

Bill Hundy
Company Secretary

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27 March 2007

Investor presentation slides available

Slides from Contact Energy's investor presentations to be given today in Taupo are now available under the Investor section of the Contact website www.contactenergy.co.nz.

Jonathan Hill
Communications Manager
04 462 1285

Chief Executive Introduction

Presentation to Investors
Taupo
27 March 2007

CONTACT

Disclaimer

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Introduction

Agenda – Tuesday 27 March

Tues		
10.30am	Chief Executive Introduction	David Baldwin
11.00am	NZ Energy Strategy	Bruce Parkes
12.00pm	Fuels Update	Liz Kelly/Mark Trigg
1.00pm	Lunch	
2.00pm	Rockgas	Liz Kelly/ Mark Trigg
3.00pm	Break	
3.20pm	Geothermal	David Thomas, Ted Montague, Murray Stanley
5.00pm	Chief Executive wrap up	David Baldwin
5.20pm	Round table with the Hon David Parker	Hon. David Parker
7.00pm	Bus departs for dinner	Main foyer, Millennium Hotel
7.15pm	Dinner	The Terraces Hotel

Agenda – Wednesday 28 March

Wed		
7.15am	Check out of hotel and be ready to depart	All
7.45am	Bus departs for offsite and travels to Ohaaki and Tauhara	David Thomas, Murray Stanley, Ted Montague
9.15am	Wairakei steam field	David Thomas, Murray Stanley, Ted Montague
9.55am	Bus drives back to Wairakei for tour of binary plant and viewing platform	David Thomas, Murray Stanley, Ted Montague
11.15am	Walk to Huka Jet	All
12.15pm	Lunch at Prawn Park	All
1.15pm	Bus departs for activities	All
1.30pm	Drop off for golfers and fishers	All
4.15pm	Golfers collected and transported to airport	All
4.30pm	Bus collects fishing participants and transported to airport	All

Strategy Overview

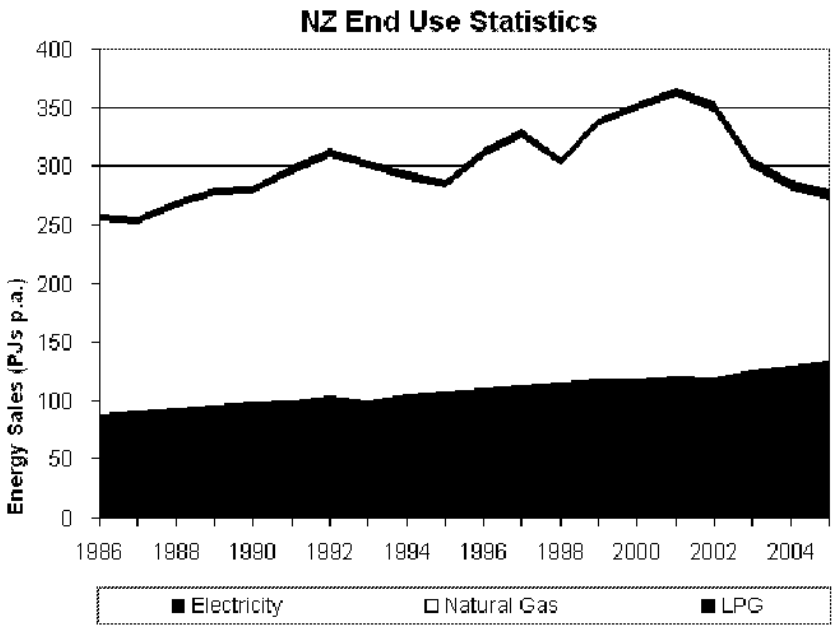
Overview of industry and Contact

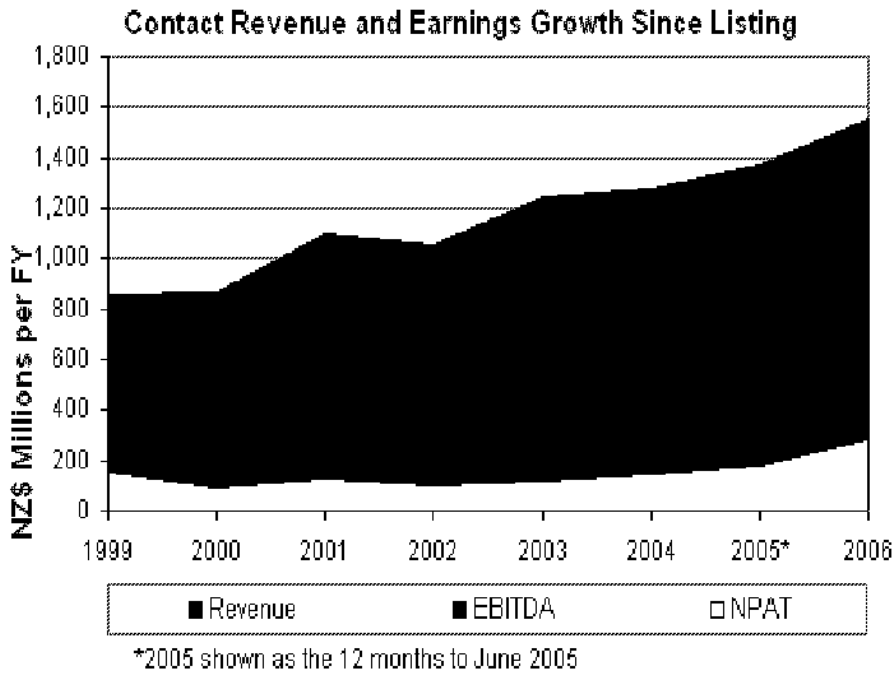
A Growing Market

- Demand for electricity and LPG has grown over 2% p.a. over the last 20 years
- Gas demand has fallen as larger industrial consumers face rising prices

A Growing Company

- Contact's earnings have grown around 10% p.a. since listing in 1999
- At listing, Contact had around 485,000 customers, today that number is around 590,000, an increase of 22%

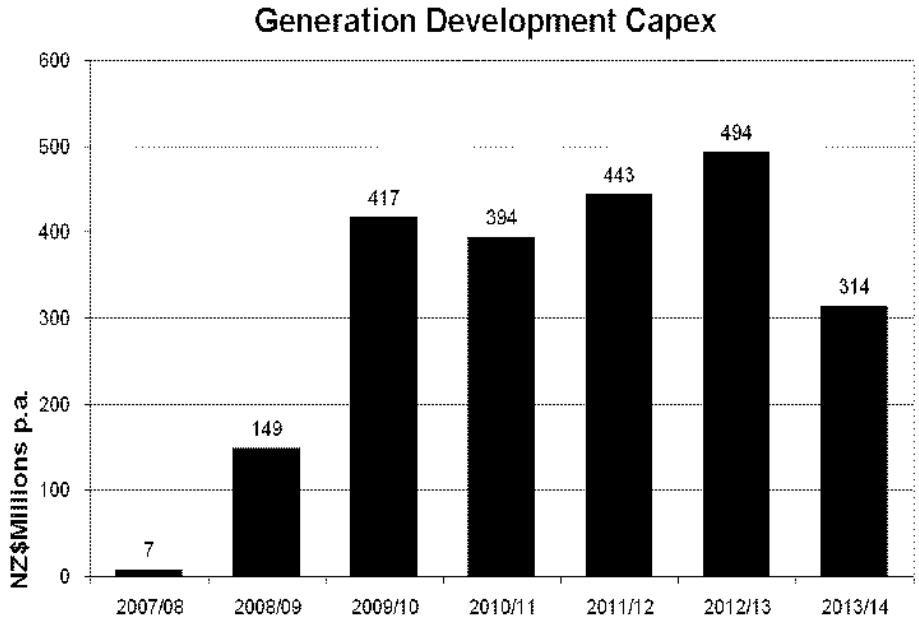




*2005 shown as the 12 months to June 2005

Business strategy

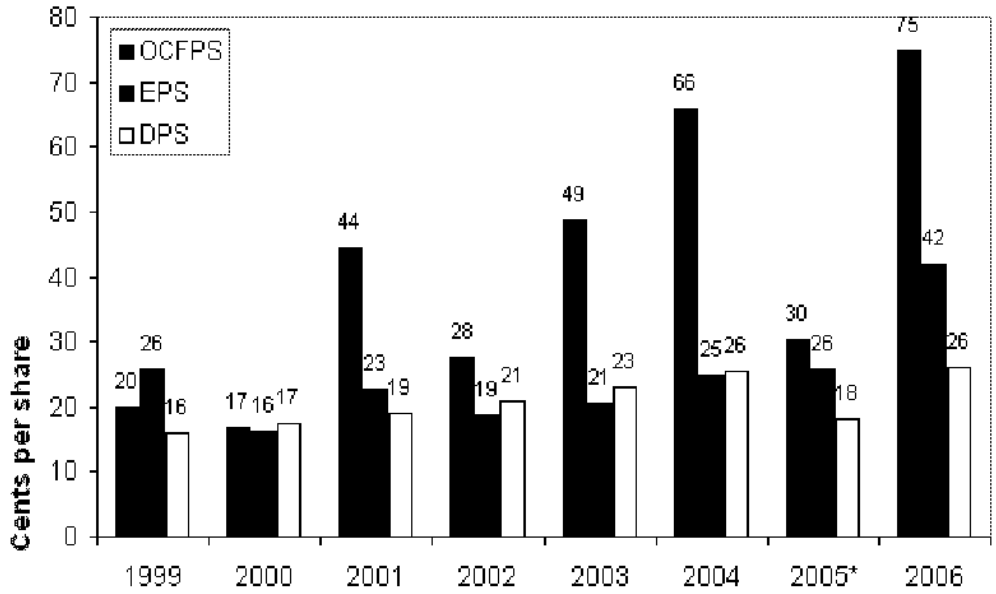
- Over the next 5 years Contact's primary opportunities lie in:
  - leveraging opportunities in a carbon constrained market
  - developing and executing renewable generation options
  - optimising the value of the integrated business model
  - maximising the value of the customer base
  - developing thermal options consistent with the changing shape of the generation base
  - leveraging value from the Rockgas acquisition
  - maximising the Contact-Origin relationship

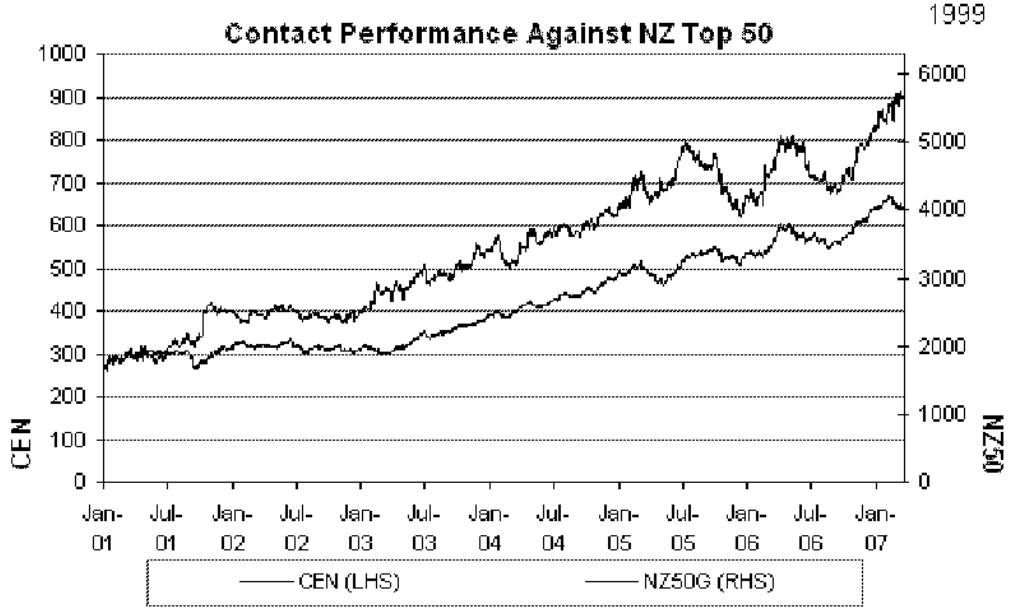


- The company's key challenge is to mitigate the impact of increasing gas costs and decreasing gas flexibility on earnings. Other challenges arise from:
  - increasing competition in both the generation and retail segments
  - regulatory intervention in the market design – particularly if NZ experiences another supply interruption

Benefits of the integrated energy strategy

- Operating cashflow per share has increased at a CAGR of over 20% p.a.
- EPS is 60% higher than at listing at 42cps
- Since listing Contact has delivered a total shareholder return of 19% per annum and significantly outperformed the NZX50 since 2001





NB: 2005 was a change in Financial Year End, data shown here is for the 9 month period

NZ Energy Strategy and Other Regulatory Issues

Presentation to Investors

Taupo

27 March 2007

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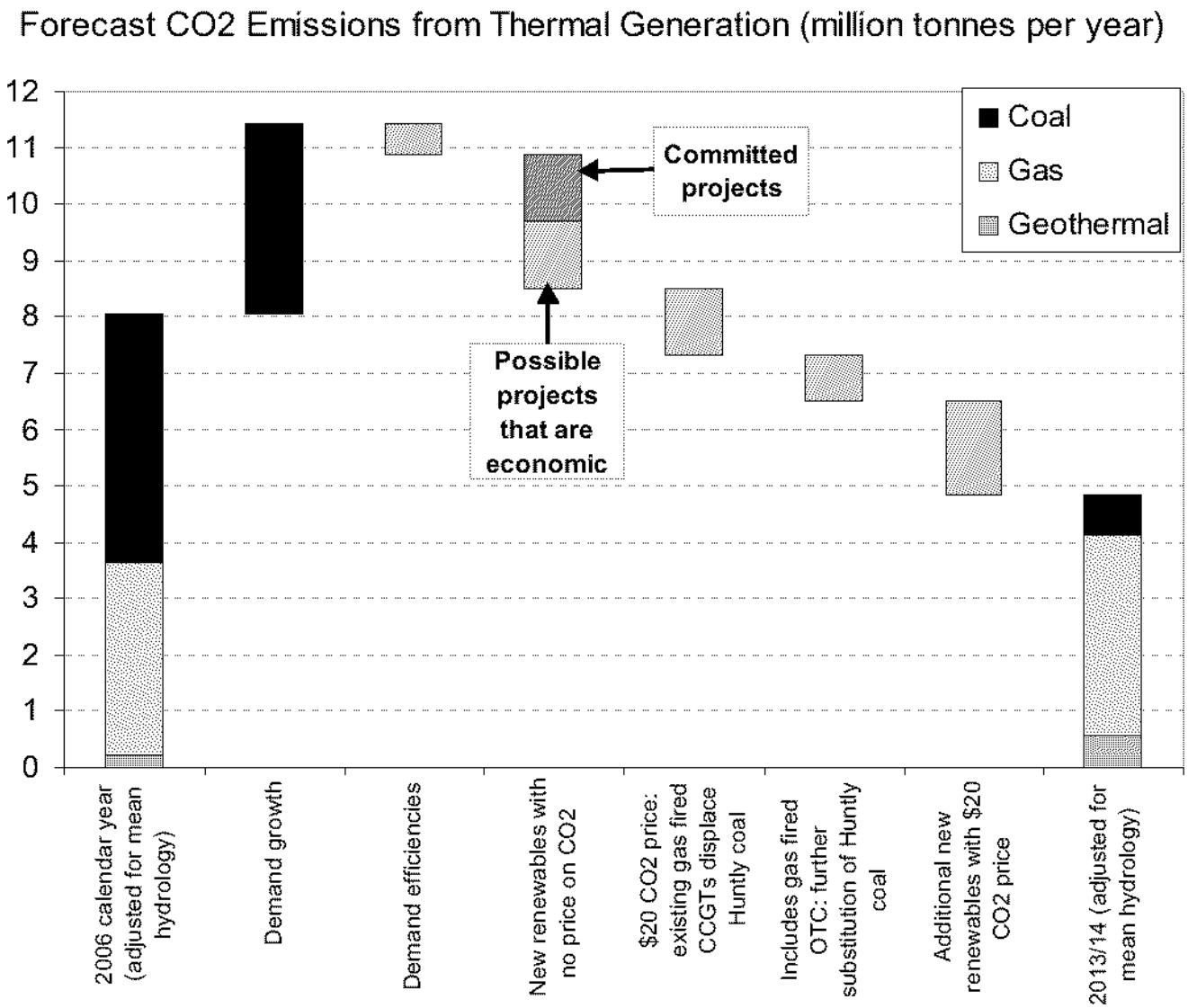
Contact's positioning on climate change

- Our belief - climate change is being driven by human activity - the cost of doing nothing is less than the cost of taking action
- Contact will take a leadership position on the issue – regarding climate change as a business opportunity not a threat
- Our diverse generation portfolio and development options position us well to play a key role in achieving the Government's energy strategy outcomes

The industry 40 per cent challenge – reduce electricity sector emissions by 40 per cent within seven years

- Our challenge to the sector – we hope other players will take it up as well
- This challenge is at the heart of our NZES submission and our positioning on climate change
- Can be achieved by
  - major investment in renewable energy
  - new gas fired plant to displace Huntly from its current base load role
- A $20-30/tonne carbon price will push the SRMC of CCGTs using gas below Huntly SRMC
- Current EU market price is $35/tonne for December 2008 emissions
- A 40 per cent reduction in emissions requires a 3.5m tonnes pa reduction from 2006 levels (adjusted for mean hydro conditions)
- The Contact target is to make the investment needed to achieve at least half if not more of this reduction
- Our $2 billion renewable programme and Otahuhu C would achieve this

How 40 per cent reduction in emissions can be achieved



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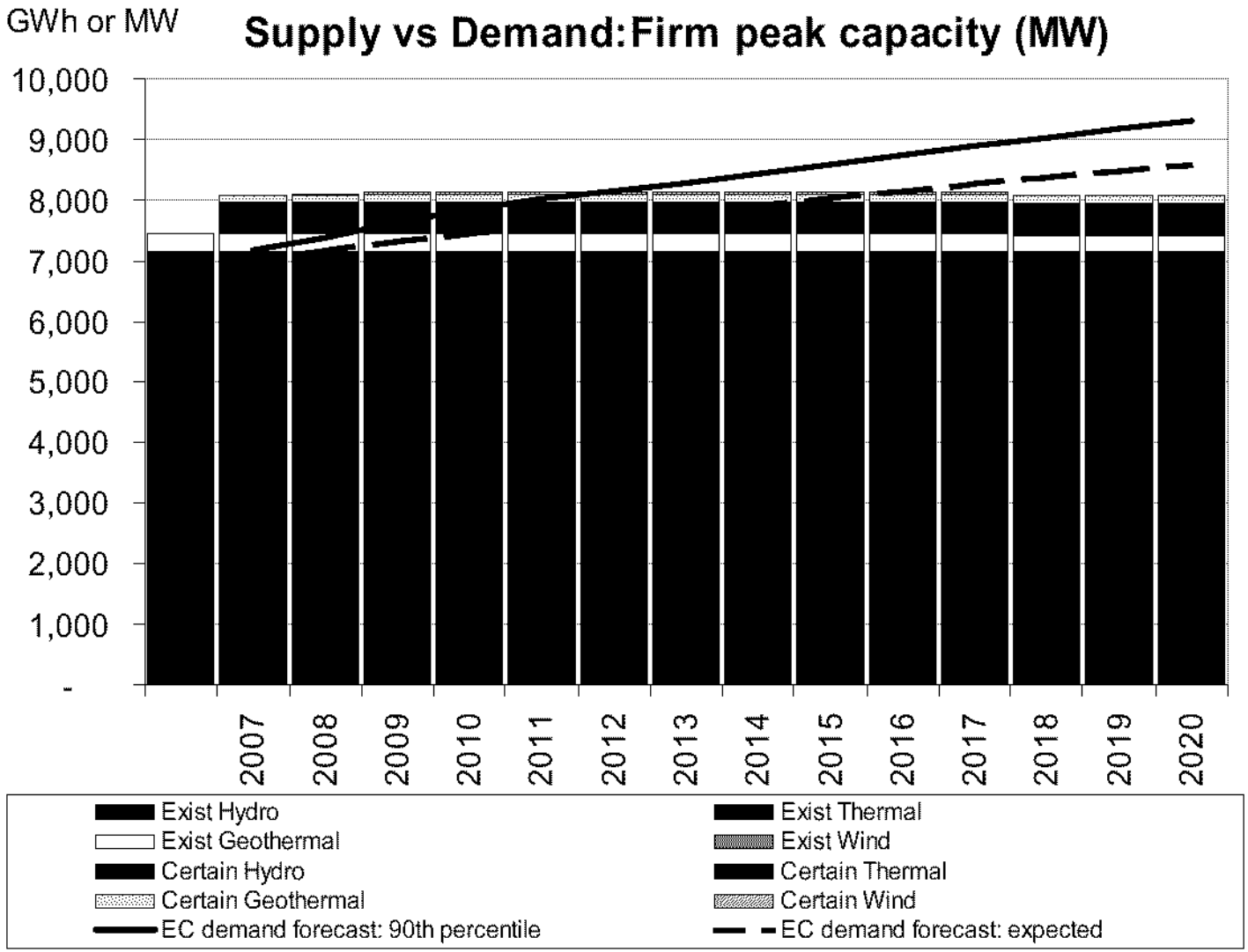
New capacity will be needed around 2012/13



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There is a window until 2012/13 to develop new renewables

- To bring on renewables in this timeframe needs certainty and support on RMA consenting
- We can deliver Te Mihi in 2011 and Tauhara in 2012 with call-in of at least the Tauhara consent
- We have had positive discussions with Government on call-in possibilities
- We have deferred a decision on Otahuhu C for 12-18 months to allow policy development on pricing carbon to be clarified
- As the only consented thermal site Otahuhu C can be developed quickly if it becomes apparent renewable developments will not happen in time

Pricing carbon is the single most important policy area for the Government

- We support rapid development of a cap and trade system by 2009
- We advocate auctioning not grandfathering of consents for generators
- While the policy can start with electricity generation/stationary energy it must be broadened to other sectors
- We are supporting the NZX development of a NZ carbon market
- The NZ price for carbon should be linked to international markets, particularly Australia

Contact's customer challenge - help our customers reduce their emissions by one million tonnes by 2014

- We are starting with a 2007/08 target to reduce customer emissions by 50,000 tonnes
- Programme of customer offers around energy efficiency
- Part of an overall strategy to make joining or staying with Contact highly attractive to customers
- Launched our carbon calculator backed by Landcare (a Government Crown Research Institute)
- Will move to offer carbon abatement options to allow customers to become carbon neutral at home or become a carbon neutral business

Reviews of the Electricity Market

The Electricity Commission has announced a market design review

- Covers design of market arrangements – not the fundamental question of whether there should be a market or not
- Ministerial review leading up to the NZES canvassed alternatives to the market e.g. single purchaser.
- Conclusion reached was that the market was fundamentally sound but areas of potential improvement could be investigated
- EC review will cover 'spot trading, reserves, ancillary services and hedge markets' as well as arrangements applying to the retail market
- Further development of a hedge market is likely to be seen as a key area for facilitating retail competition
- The area of reserve pricing is an area where we see room for development
- Discussion paper in April and conclusions reached by December 2007

Commerce Commission Inquiry

- The Commerce Commission is undertaking a review of the electricity market to determine whether there is any evidence of breaches of the Commerce Act i.e. anti-competitive behaviour
- Our understanding is that the Commission instigated the review as a 'health check' rather than on the basis of any specific suspected breached of the Commerce Act
- The Commission has indicated to Contact that an update on progress could be expected mid-year

Fuels Update

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27 March 2007

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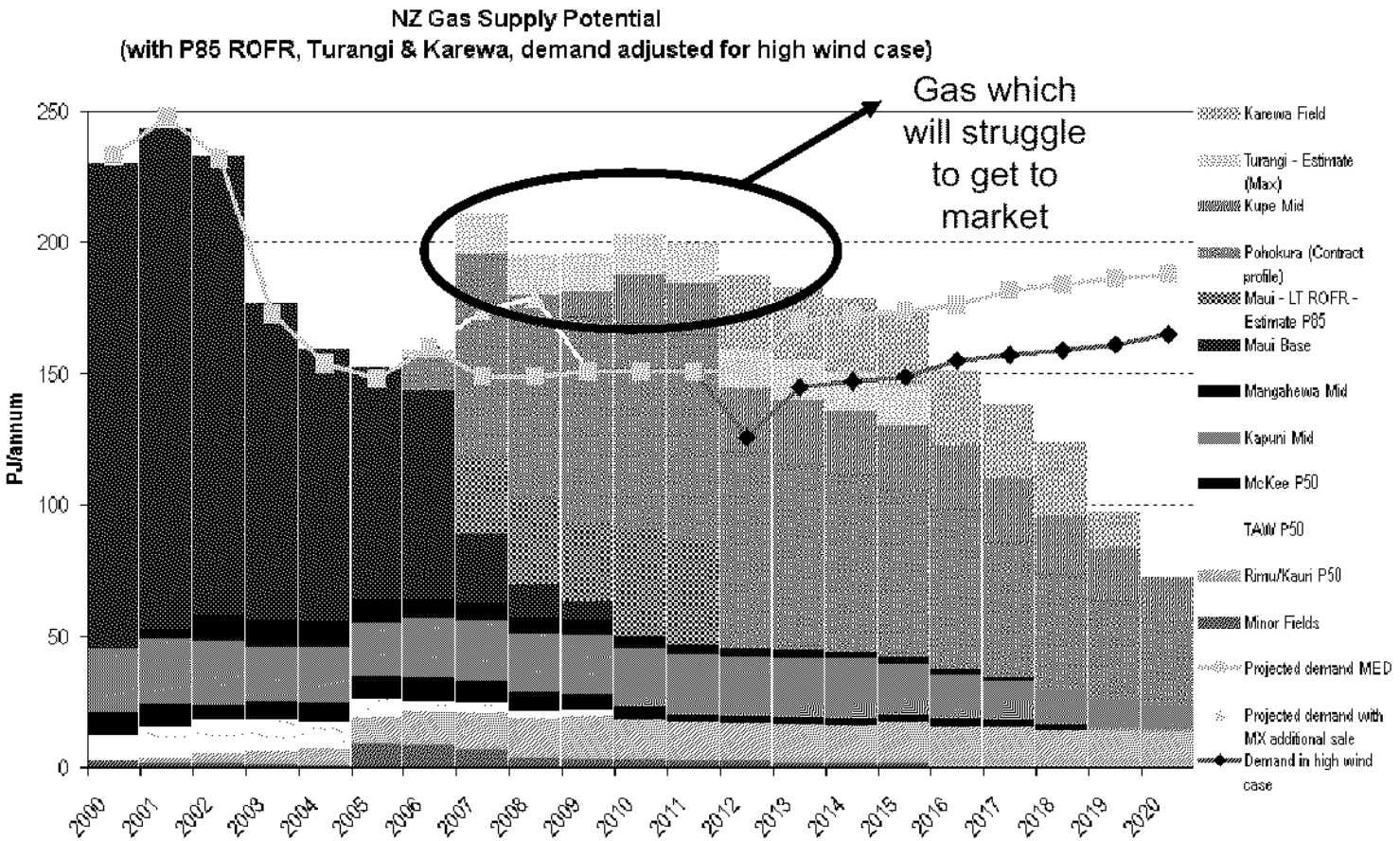
Introduction

- Presentation will cover:
  - Overview of current industry gas supply/demand
  - Current gas market issues
  - Overview of Contact's gas portfolio
  - Managing the complexity of the gas portfolio

Gas Supply and Demand

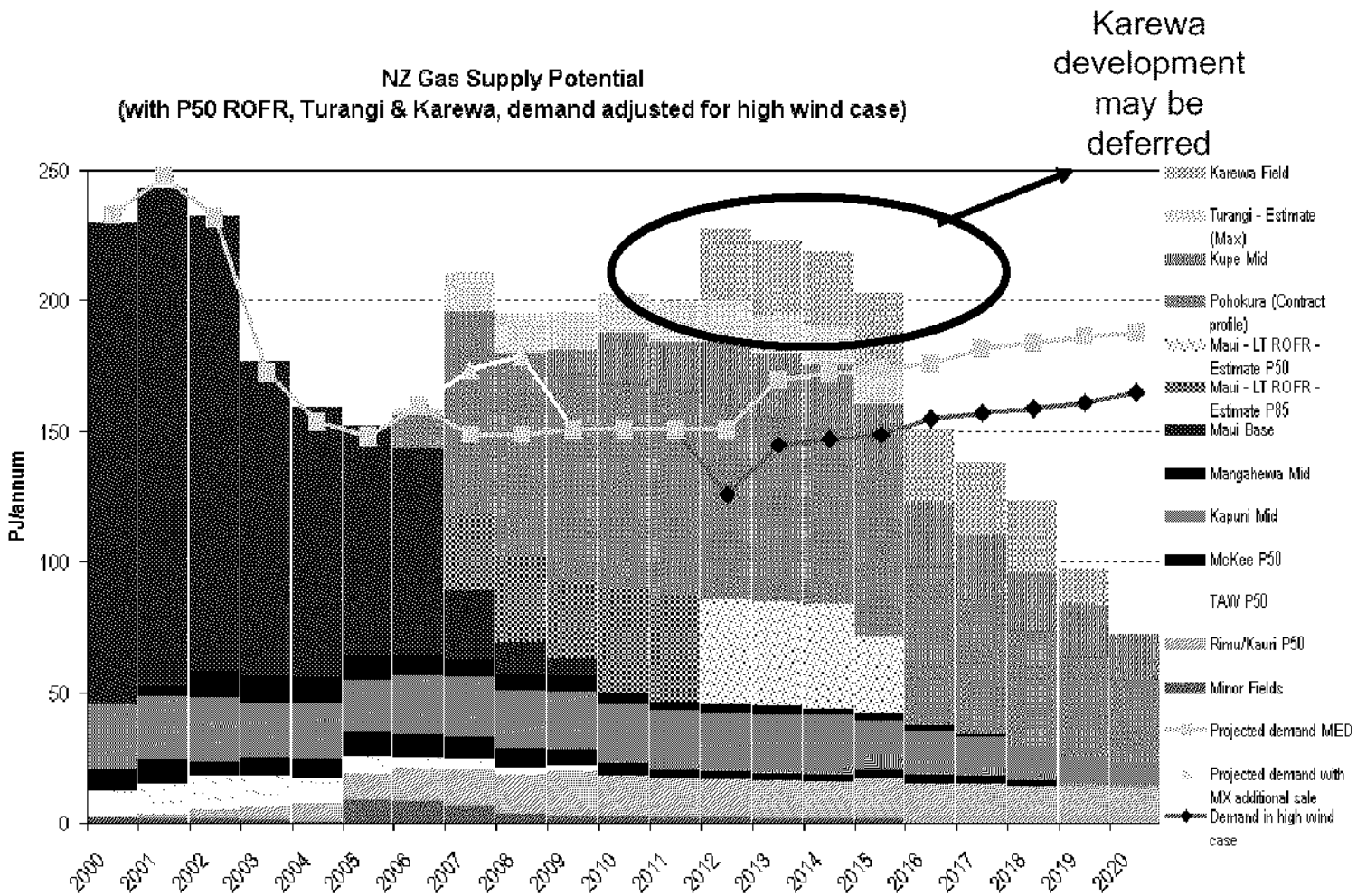
Industry gas supply and demand position

- Supply seems sufficient through to the middle of the next decade, with over supply in the short term
- The extent of renewable construction will be significant driver of demand



Industry gas supply and demand position

- If the Maui P50 gas is confirmed it is possible that the market may stay long into the next decade
- Key question remains the gap from about 2016 -18, depending on demand



Key Activities
(March 2007)

Northland
The area in red is closed to PIT Petroleum permit application until further notice.
Seismic programmes will be carried out on one permit area in 2007.

Onshore Taranaki
There are well commitments on eight permits in 2007
Seismic programmes will be undertaken in five areas.

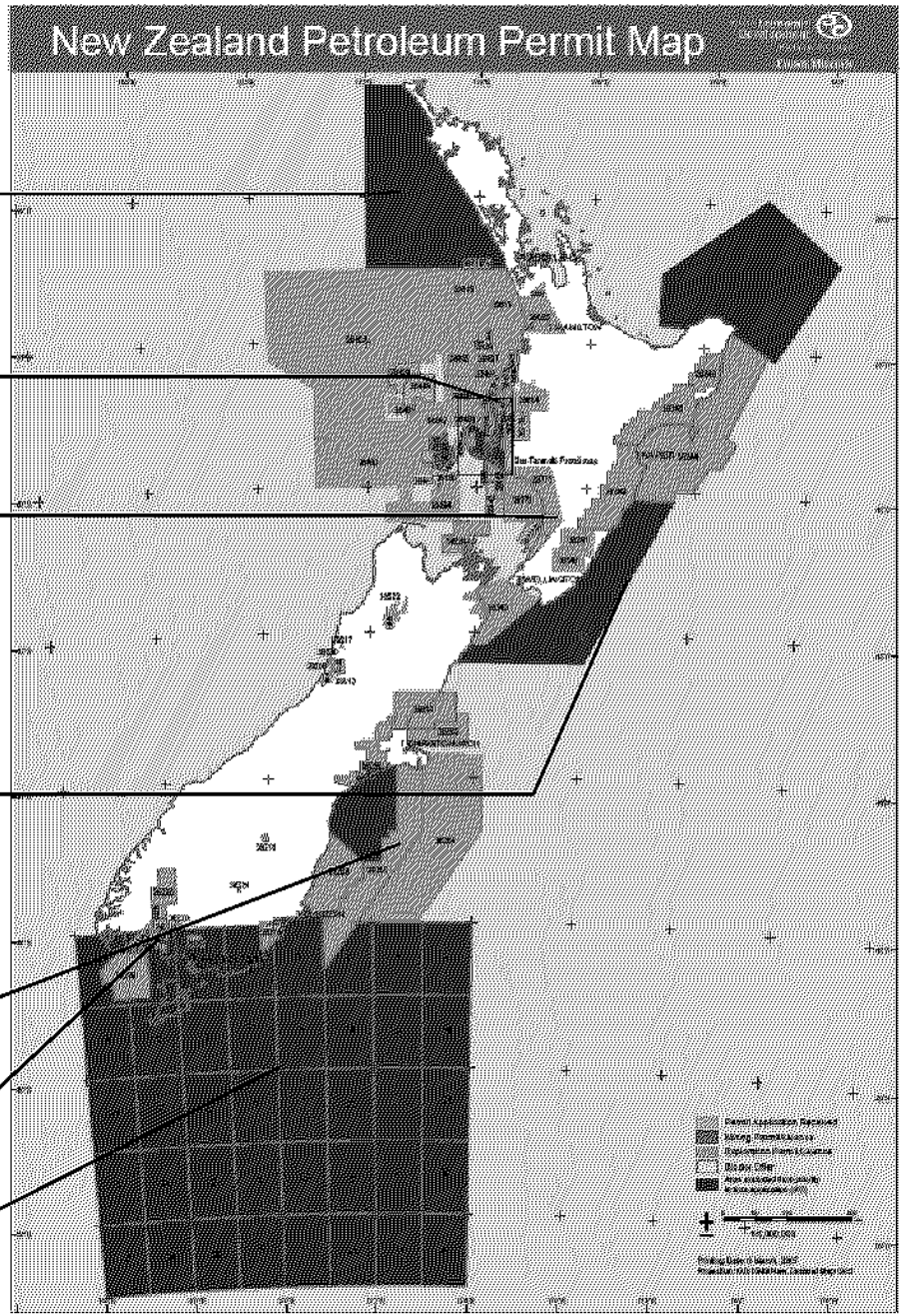
Offshore Taranaki
AWE's eight well drilling campaign commenced in late 2006.
Two other permits have well commitments in April 2007.
Remaining activity is 3D seismic acquisition in five permit areas.

East Coast
The area in red is closed to PIT Petroleum permit applications until further notice.
There are two well commitments in April 2007.
Pogo is undertaking a seismic programme.

Canterbury
A second large offshore block was awarded (Origin) and a seismic programme expected to be carried out soon.
Cutter-1 (AWE & Tap) well plugged.

Southland Basin
L&M plans to drill up to six wells in 2007.

Great South Basin
Licensing round underway, bidding closes March 2007.

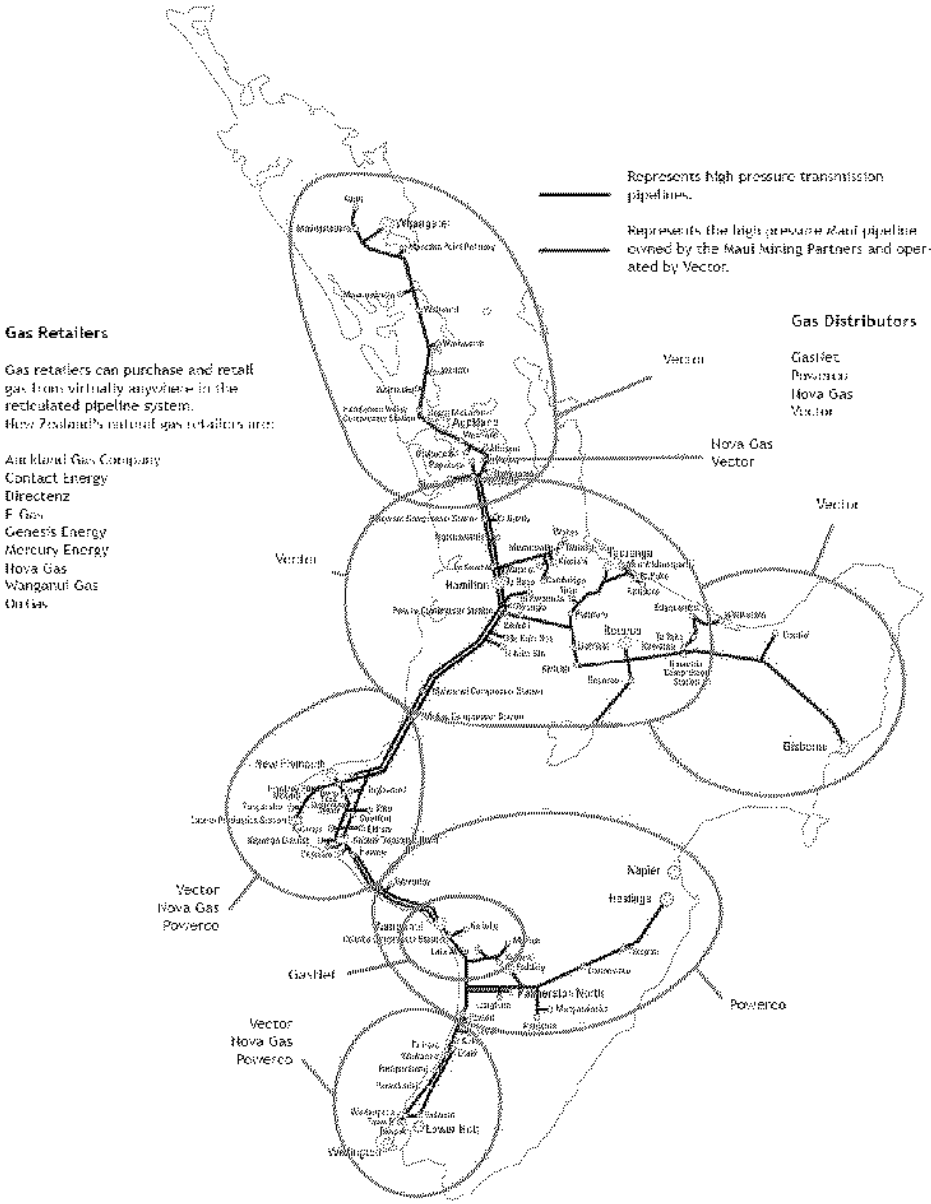


Current gas market issues

Current gas market issues

- The gas market is dominated by long term contracts and until recently there has been little drive for short term trading
- New gas fields and associated contracts have little flexibility and the transmission arrangements are more rigid
- Accordingly there is increasing need for short term trading to deal with periods of excess or shortage
- The Gas Industry Company is in the process of evaluating possible mechanisms to facilitate short term trading
  - Ranges from promoting standard contracts to development of a trading platform
  - Key issue is the cost benefit analysis associated with more sophisticated platform
  - Despite the need for short term trading there is little discretionary demand for gas
- Transmission arrangements are also creating pressure for more active short term trading
- The next few years will be challenging as the market is in a position of relative over supply

Gas transmission arrangements



- From Oct 2005, the Maui gas pipeline has been available for transmission of non Maui 367 gas (known as open access)
- Gas is transmitted from Oaonui along the Maui pipeline to welded points
- Two of these key points are Frankley Road and Rotowaro
- These are points of connection with the Vector transmission system for further delivery of gas south and north of the Maui pipeline
- While these are both high pressure transmission pipelines they have quite different arrangements and commercial terms of access

Overview of Maui open access arrangements

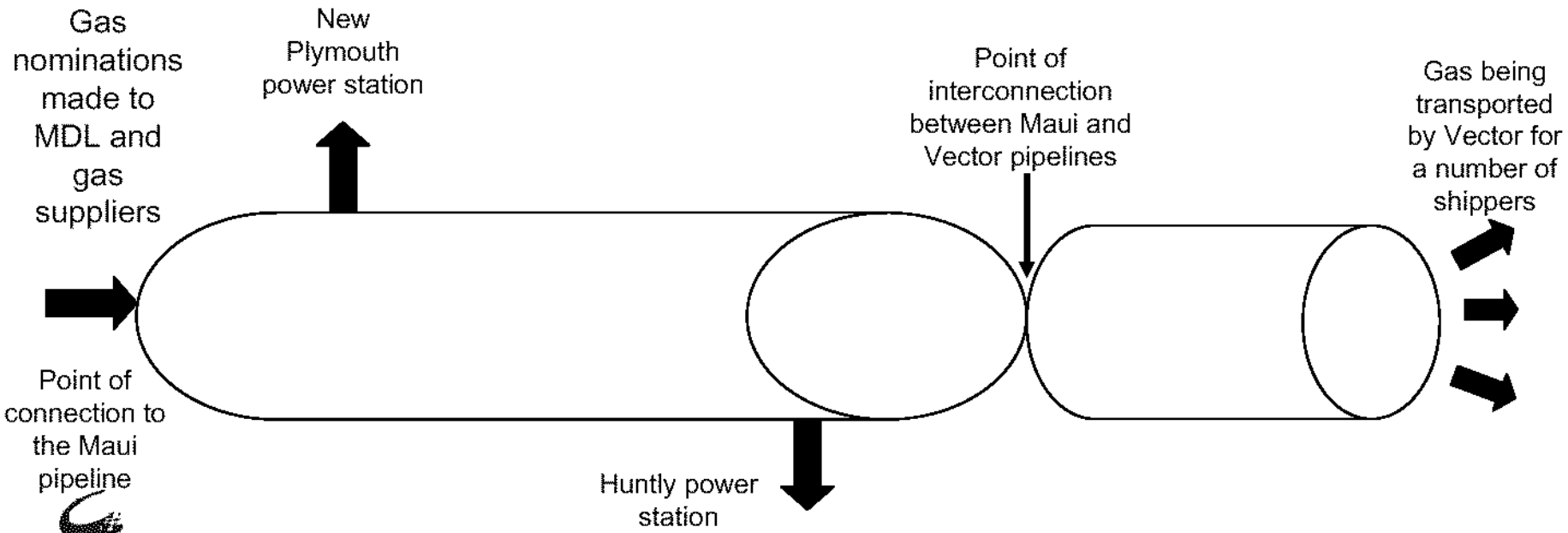
- Open access is the opening up of the Maui pipeline to allow non Maui 367 gas to be transported
  - Maui 367 gas is "delivered" – it therefore does not attract transportation charges
  - Maui 367 gas has priority rights to the available capacity in the Maui pipeline each day – transportation charges consist of two tariffs (9.6c/GJ and .1149c/GJ/km)
- Open access has been implemented through a code which applies to all users of the pipeline
- Apart from the Maui 367 gas the code does not confer capacity rights on users – available capacity is provided on a daily basis based on nomination
- The regime requires daily balancing of gas receipts and deliveries, and charges can be incurred if shippers exceed certain tolerances. Current mismatch prices are $3.50/GJ (positive mismatch) and $15/GJ (negative mismatch)
- Imbalance is determined by the difference between gas flows and nominations at welded points (ie the points at which the pipeline is connected to offtake points)
- This is relatively simple for certain points on the pipeline (power stations such as New Plymouth and Huntly)
- Imbalance at the Vector welded points is much more complicated since the gas flows at those points represent gas being flowed on behalf of all Vector's transmission customers. Accordingly any charges allocated to Vector must then be passed through to Vector's customers under Vector's transmission arrangements

Overview of Vector gas transmission arrangements

- Unlike the Maui system Vector's transmission arrangements are based on capacity rights
  - Contact has long term fixed price transmission contracts for each of the power stations – these were recently amended to allow for the consequences of open access such as the pass through of charges incurred by Vector at the welded points with the Maui system
  - A separate arrangement with Vector applies to retail gas customers which enables Contact to book capacity on an annual basis
- Essentially the users of the Vector pipeline have rights to use the capacity they have booked and generally pay a fixed payment (and for certain contracts, a variable charge based on throughput)
- Unlike the Maui open access system there is currently no nomination regime for daily gas flows which makes it difficult to allocate gas flows on a daily basis - however, nominations are being introduced for the power stations from the beginning of April and expect to be introduced for retail arrangements from 1 October
- Further, the Vector arrangements are not codified so there is no assurance that all users have the same terms and conditions
- Given the lack of nominations on the Vector regime and an inability to measure quantities downstream, at present Vector is not able to identify on a daily basis which party or parties is responsible for the daily imbalances which arise on the Maui system; instead they use month end reconciliations to try and allocate the costs of imbalance
- This makes it relatively challenging for shippers to manage mismatches on the Vector pipeline

The nomination regime

- Contact makes nominations each day for gas to be injected into the Maui pipeline
- These nominations also address which point on the pipeline the gas is to be shipped to
- If the gas taken at the points nominated is different from that actually taken an imbalance arises
- Gas which flows through the point of interconnection with the Vector system represents the aggregate nominations of a number of shippers
- Currently there is no means to know which party is responsible for imbalance which arises at the Vector points of connection at the time the imbalance arises



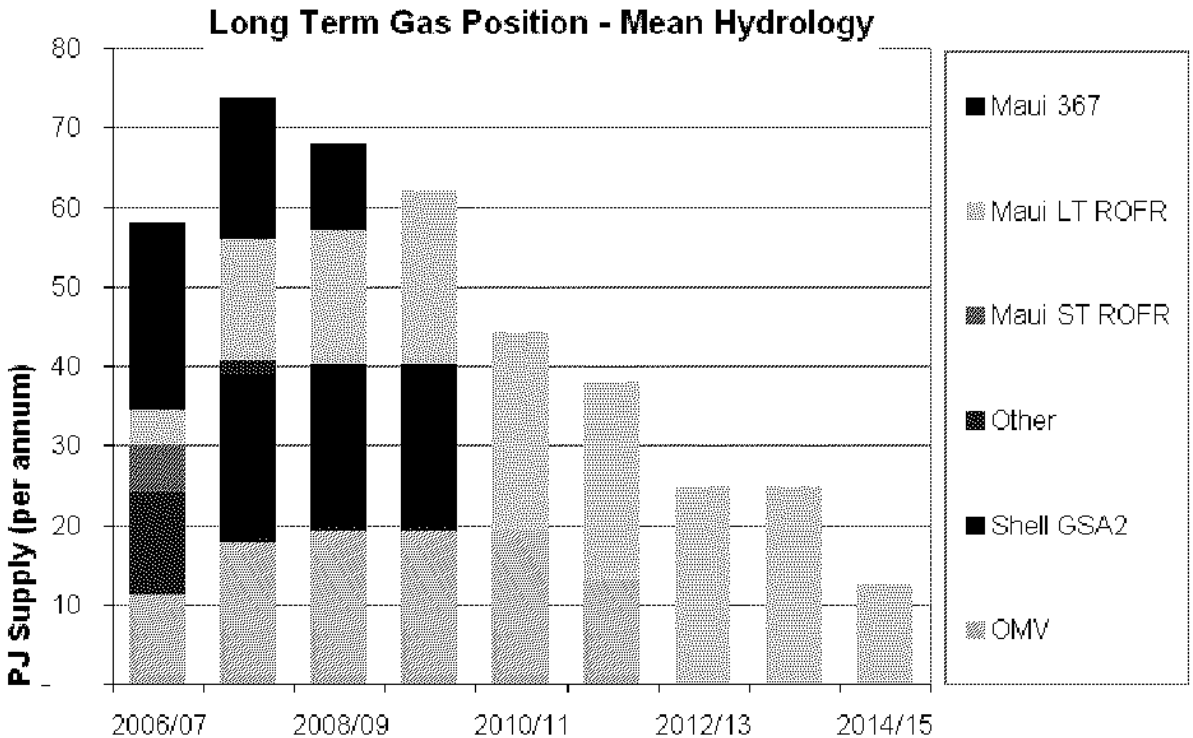
Implications of the transmission regime for Contact

- The market is still adapting to the new regimes but the implications of the move toward daily balancing allied with the lack of field and contract flexibility are already being experienced
- Contact has spent considerable effort in ensuring that our nominations are accurate and we can manage deviations from nominations
- Nevertheless, gas users are facing not only the increase in cost associated with the introduction of transmission charges on the Maui pipeline, but also emerging costs associated with imbalance charges based on daily balancing
- This requires increased focus on the accuracy of nominations, not only under gas contracts but also transmission (both in terms of the aggregate of gas to be transported and to which points on the pipeline)

Overview of gas portfolio

Overview of gas portfolio

- This is high level view of the gas portfolio
- Demand is based on a mean year view for hydrology and therefore actual takes can vary
- It illustrates the process of transition from the relative dominance of Maui 367 to increasing utilisation of Maui ROFR and Pohokura gas from OMV and Shell (GSA2)
- The demand includes a contract beginning 1 October 2007 with a large user which was essentially a sale to move some excess gas acquired in the short term under the ROFR arrangements

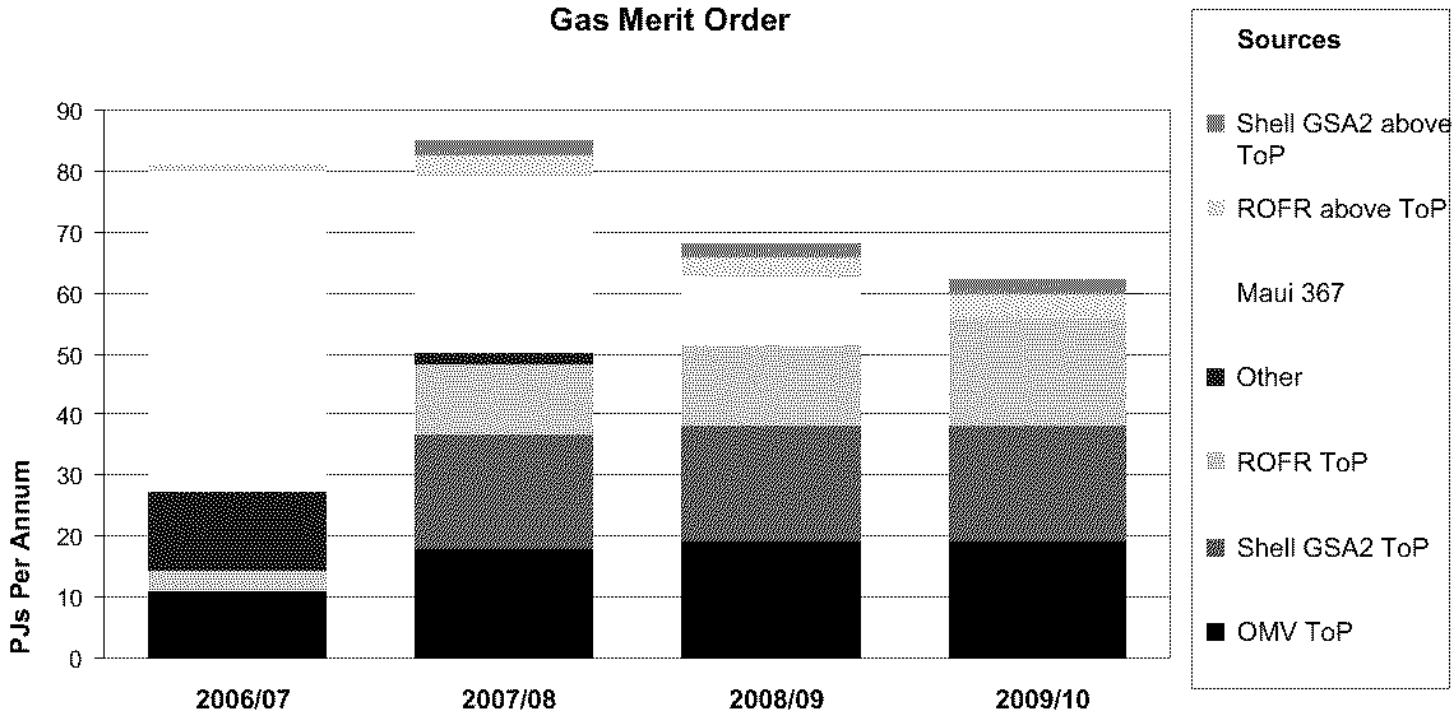


Future gas requirements

- Contact is beginning the process of contracting for gas to fill the gap beyond 2010
- The Pohokura joint venture participants have been keen to get the field operational and the offshore wells tied in before seriously engaging in follow on discussions
- A key element in the contracting strategy is the role of Otahuhu C and the likely investment programme for renewables in the New Zealand market
- Wind and geothermal will inevitably be base load generation and assumptions about the extent of investment will have an effect on the future role of thermal generation
- If thermal generation is required to become more flexible to provide back up for renewable sources the role of gas will have to change
- These factors will need to be taken into account in approaching any future contracting
- Based on the current supply/demand picture Contact feels confident that the market has sufficient gas to around 2015

Characteristics of core gas contracts

- The utilisation of gas is increasingly complex as each contract has different constraints and value
- This graph illustrates total gas available in each year (not all of this must be used) and represents the least flexible to the most flexible sources. As Maui 367 is used less is available to be taken in the remaining period to June 2009
- Some of this gas can be viewed as discretionary and therefore may not be used
- Maui gas is assumed to be available to take in any year and therefore available gas reduces as it is used



Note: this is not indicative of expected actual gas takes but reflects annual available gas

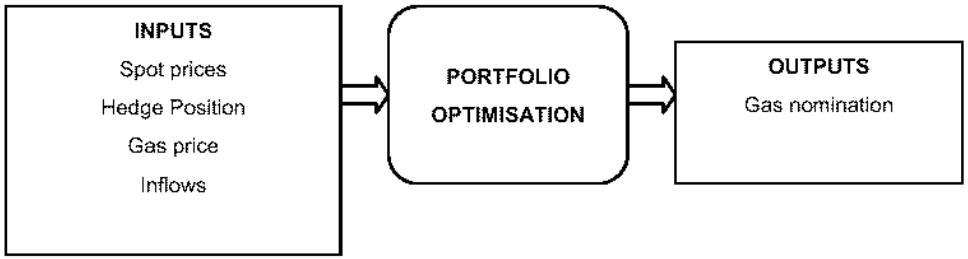
Managing the Complexity of the Fuel Portfolio

Changes to portfolio optimisation

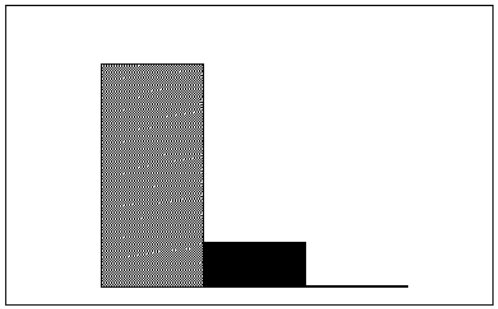
- The historical Maui flexibility enabled Contact to adopt an optimisation strategy where thermal operation was unconstrained (in either direction) by fuel supply
- Moving forward that flexibility reduces, producing a range of possible thermal operation
- In the short term the constraining factor will be the minimum contractual quantities which must be paid for, and in some circumstances, taken delivery of
- That change in operating strategy requires the following
  - a means of valuing the opportunity cost of gas
  - a portfolio that can manage the reduced flexibility
  - incorporation of that added complexity into earnings volatility measures

The role of generation in managing flexibility

Optimised for Electricity Market Only

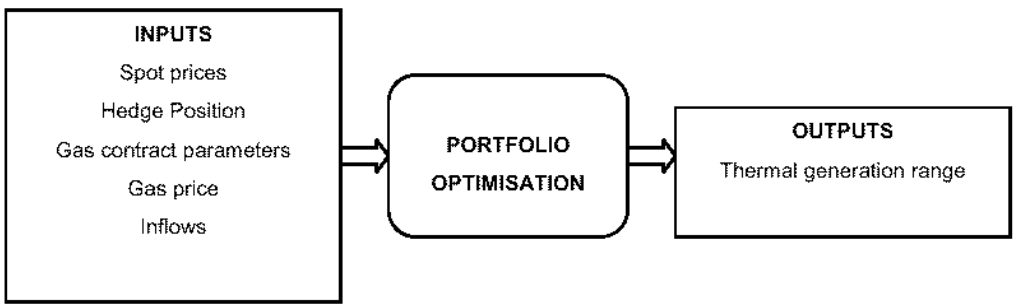


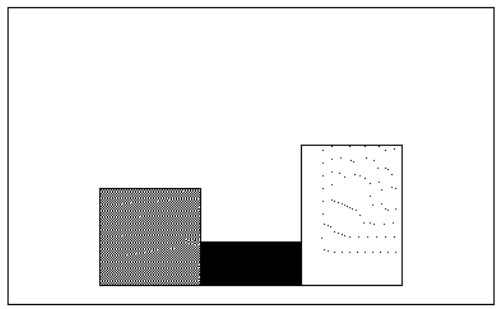
flexibility source



Gas Nomination ■ Stored Water □ Thermal Range

Optimised for Energy Portfolio

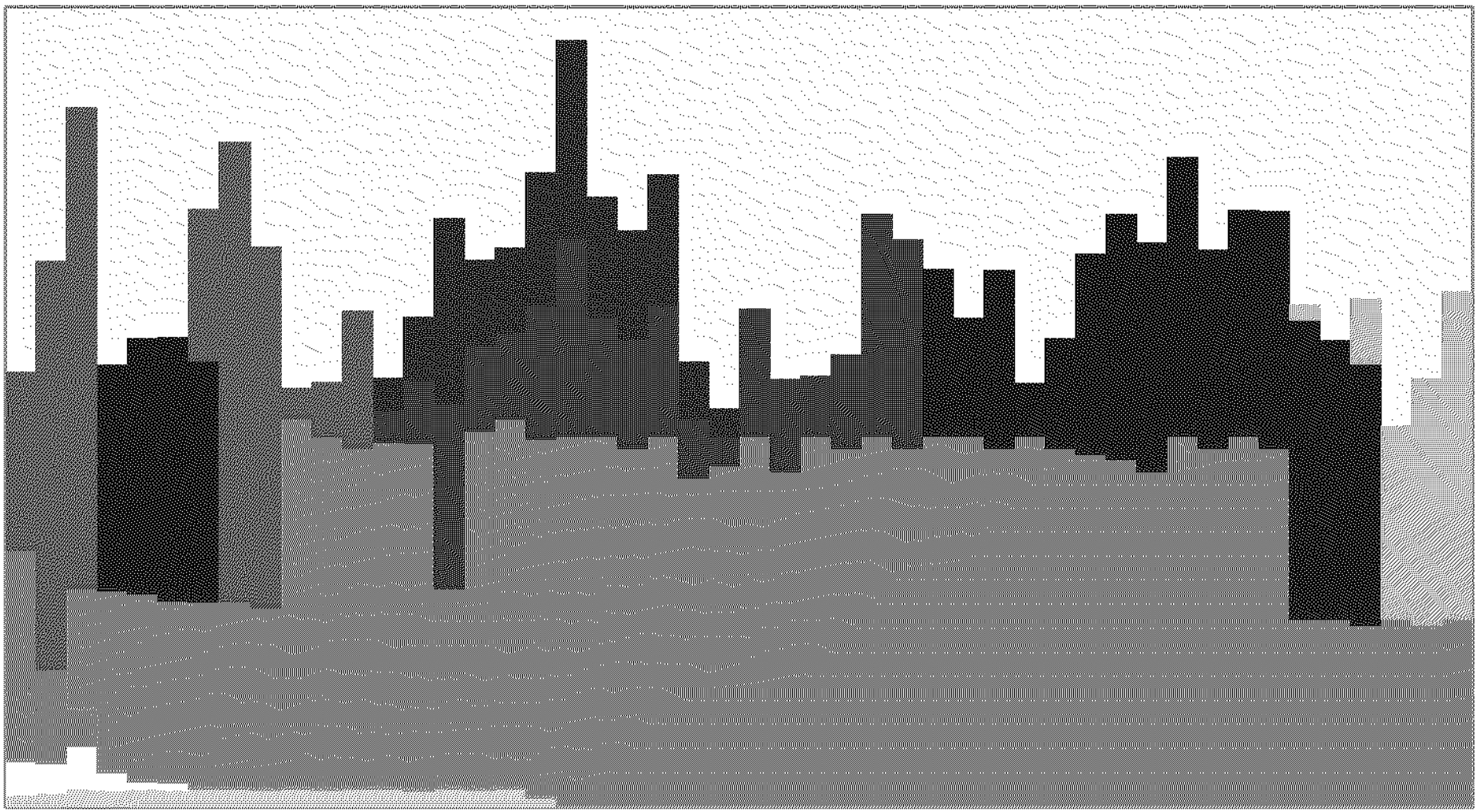




Optimisation techniques

- Like any storage modelling, the objective is to derive the opportunity cost of gas, by calculating the option value of gas retained in the reservoir for future use
- This modelling is already being used by Contact with national hydro storage to derive fundamental short term forward electricity prices
- Further complexity derives from the fact that each gas contract has different contractual terms, so the reservoir, for optimisation purposes, is not a homogeneous product
- The aim is to develop an opportunity cost for each contract
- Using those values, we derive optimal combinations of various contracts against historical hydrological sequences

Gas profile for one hydrological sequence



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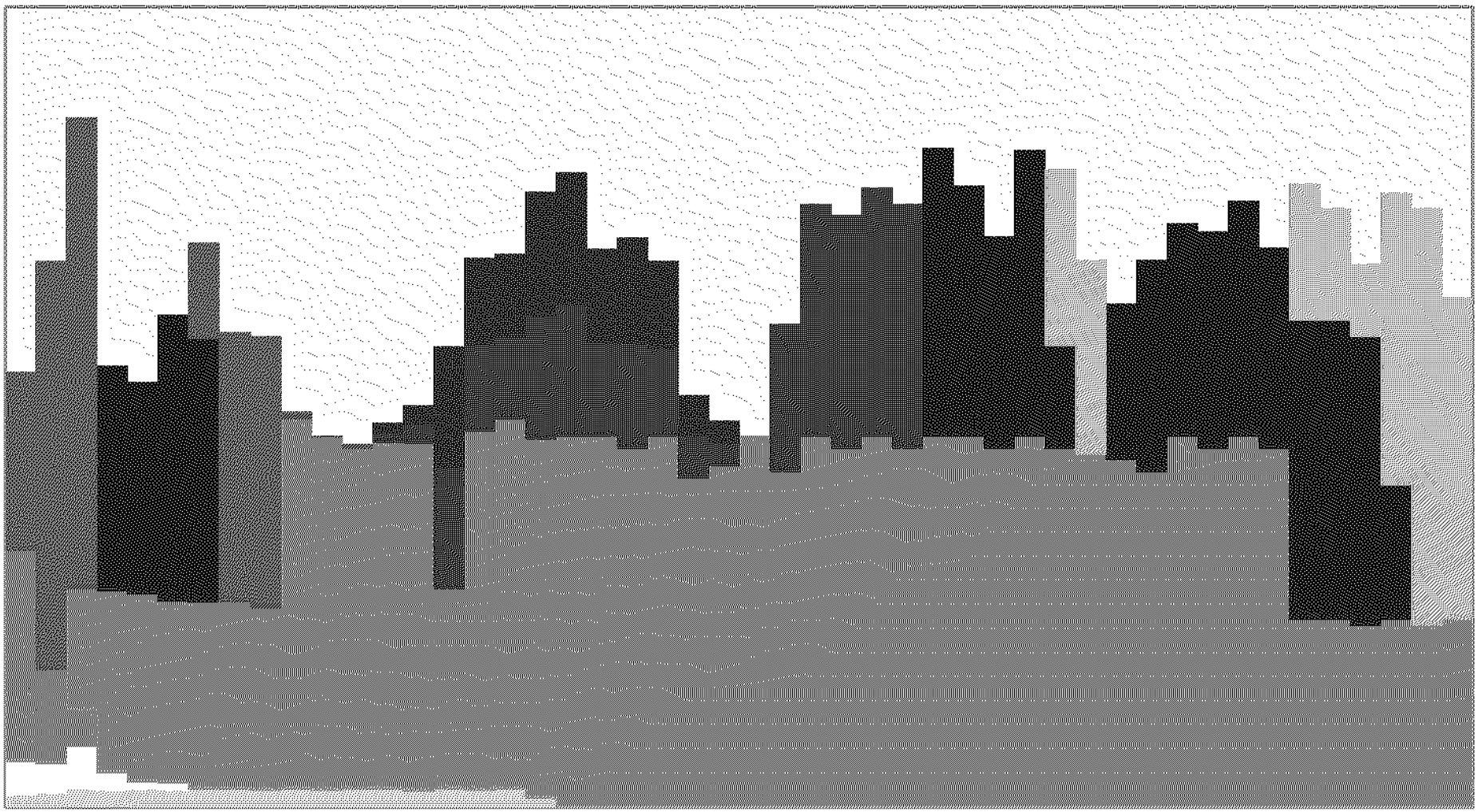
Gas profile for a different hydrological sequence



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Consequences for Portfolio Management

- In order to manage the transfer of flexibility from fuel supply to thermal generation, the portfolio needs to be at higher hedge levels than previously targeted over the next 3 years
- Ideally this is achieved through further gas sales, however that market remains well supplied and at margins below the netback achieved in electricity contracts
- Higher electricity hedging levels provide greater flexibility around running thermal plant at lower electricity market prices when the opportunity cost of gas is very low
- This is being achieved by maintaining high levels of financial contracts and by extending the size and duration of the commercial contract (TOU) portfolio.
  - note this is partly responsible for Contact's retail volumes increasing despite slightly lower customer numbers
- The New Plymouth Power Station, as a physical option for the portfolio, plays an important role in allowing higher hedge targets without significant increase in risk
  - during the next 2 years whilst significant flexible MDQ (367 gas) remains
  - as an alternative gas sink for CCGT outages and opportunistic running of cheap spot gas
  - as a fuel oil generator

Earnings Volatility

- The increase in hedge levels and the constraints on fuel do however have some consequences for earnings volatility
- The indications are that we will perform strongly through a large range of hydrological conditions but may now be adversely affected by extreme events at either end of the spectrum
  - The first half year results for 06/07 were similar to 05/06 although hydrological circumstances were significantly different
  - Very wet years will drive the opportunity cost of gas below the financial cost
  - Once access to incremental daily delivery (MDQ) becomes more limited the ability to take advantage in very dry years lessens
- Earnings distribution has changed through time from
  - asymmetric with a long right hand tail that was consistent with Contact performing well in dry year scenarios

    to
  - more symmetrical as hedge levels increased towards the 85% level but where dry years were still the main drivers of outperformance

    to
  - still symmetrical but where extreme hydrological events at either end of the spectrum are potential drivers of lower performance

Conclusion

- The gas market is in a period of transition as new gas fields come on line and the industry beds down new transmission regimes
- The market is relatively long gas in the next few years but still faces some uncertainty about the extent of reserves beyond the middle of the next decade
- The extent of renewable generation construction will have a significant impact on the role gas will play in the longer term
- In the shorter term Contact will face some challenging periods as inflexible gas contracts conflict with other generation options

Rockgas Acquisition

Presentation to Investors
Taupo
27 March 2007

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Although management may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realised.

Furthermore, while all reasonable care has been taken in compiling this presentation, Contact accepts no responsibility for any errors or omissions.

Introduction

- Presentation will cover:
  - Overview of acquisition and the Rockgas business
  - Synergies and Opportunities

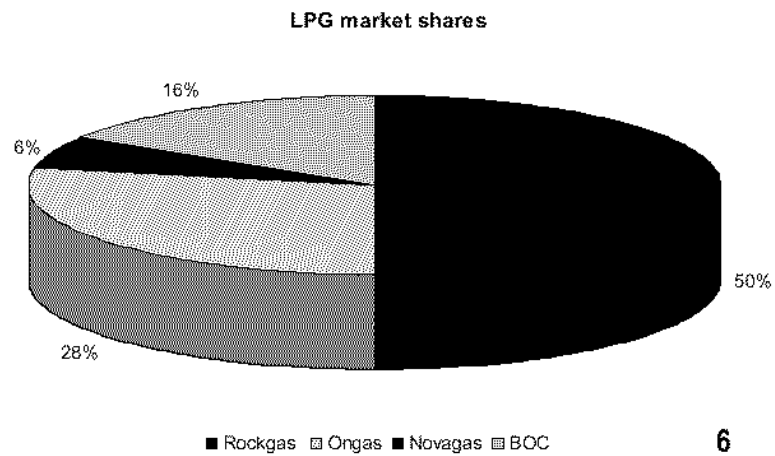
Overview of the Acquisition and Rockgas Business

Overview of Rockgas acquisition

- Contact has announced that it will purchase the Rockgas business from Origin Energy. The acquisition is subject to Overseas Investment Office approval
- The price to be paid by Contact will be $156m (assuming a 1 July 2007 transaction date)
- Rockgas is New Zealand's largest supplier of LPG and adds a significant new product into Contact's energy offering
- Contact has been independently investigating the possibility of entering the LPG market for some time and concluded that the acquisition of Rockgas represents the best opportunity to achieve this
- The acquisition by Contact represents a value enhancing opportunity for both Contact and Origin. Contact can deliver upside which Origin cannot extract itself directly, and Origin will benefit from the upside through its ownership of Contact
- An independent report concluded that the acquisition cost is fair

Overview of Rockgas

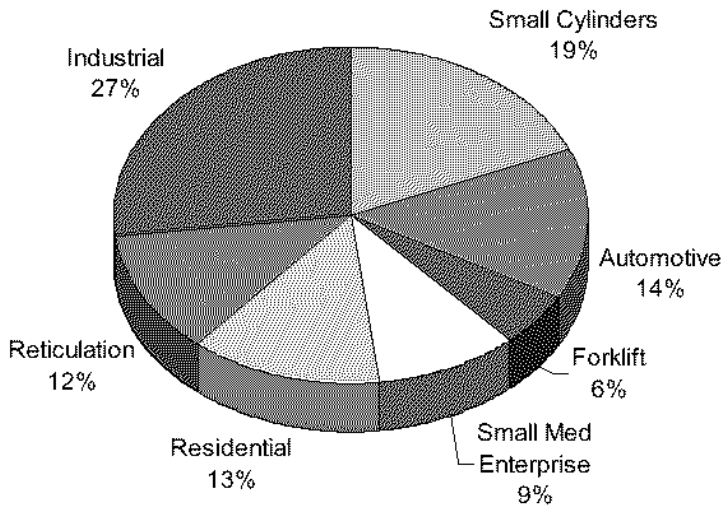
- Rockgas is an LPG specialist which has been operating since 1934
- Supplies over 50% of the New Zealand market
- Supplies over 300 bulk industrial customers, 7,000 commercial customers, and 17,000 residential customers
- Distributes to a further 15,000 customers through an extensive franchise network
- Distributes to over 300 automotive LPG refuelling outlets around New Zealand via the Caltex, Mobil and Challenge networks
- Significant development in reticulation networks, particularly in the South Island with underground networks in Queenstown and Christchurch
- About 150 staff located throughout New Zealand
- Supported by shipping and transportation arrangements with Origin for imported product and for supply of Kupe product once the field is producing



The New Zealand LPG Industry

- Liquefied Petroleum Gas (LPG) is the generic name for a mixture of two hydrocarbons, propane and butane
- The most common LPG supplied to the New Zealand customer is general product, which is 60/40 mix of propane and butane
- The major uses of LPG include automotive, industrial, domestic heating and commercial use. The cylinder market encompasses small cylinders that are typically filled at service stations, and larger 45kg cylinders that are delivered to residences and small to medium enterprises
- LPG can also be supplied via reticulated pipelines. The largest reticulated networks are in Christchurch, Dunedin and Queenstown

LPG Market Segments



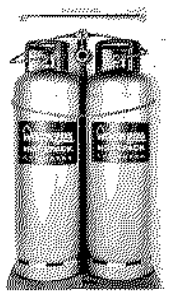
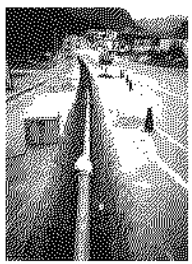
Process heating	3 PJ
Space and water heating	4 PJ
Motive fuels	1.7 PJ
Industry	8.77 PJ
Industry Total	175 kT

Source: Rockgas and LPGA

The New Zealand LPG Industry (continued)

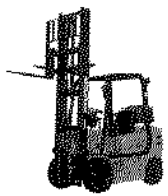
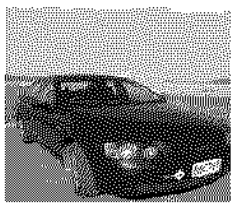
- The total New Zealand market for LPG is estimated at 175,000 tonnes in 2007 and has shown steady growth since 1999
- The LPG business in New Zealand is strongly influenced by seasonality, with demand peaking during the cooler winter months
- All of New Zealand's indigenous LPG is produced from the Taranaki region. While production from some existing domestic producers is diminishing, additional supply is coming to market from new fields and developments. During periods of demand in excess of production, the balance is covered by imports from regional trading markets
- LPG has a reduced environmental impact compared with other fuels:
  - Compared to petrol and diesel for vehicles LPG produces less aromatic hydrocarbons, less carbon monoxide, less nitrous oxides and less greenhouse gases than petrol and less particulates and nitrous oxides then diesel
  - For use in heaters, water heaters and boilers, LPG produces less greenhouse gases, less sulphur and less particulates than coal, wood or oil

Overview of industry - segment characteristics

	Market Environment	Competitive Profile	Segment Dimensions	Future Drivers
	Immediate value benefits and suitability for application	Natural gas, electricity, industry competitors. Ease of meeting high demand loadings.	23,600 Tonnes	Strong growth drivers
	Increasing energy consumption, investment in lifestyle	Competes with electricity, value proposition is unique to gas	23,000 Tonnes	Strong growth drivers
	Area of significant growth, particularly in the SI	Competes with electricity, other non has sources of heating	21,000 Tonnes	Strong growth drivers
	Sustained mature demand, significant latent heating demand	Instantaneous, portability, value	33,000 Tonnes	Growth from new applications

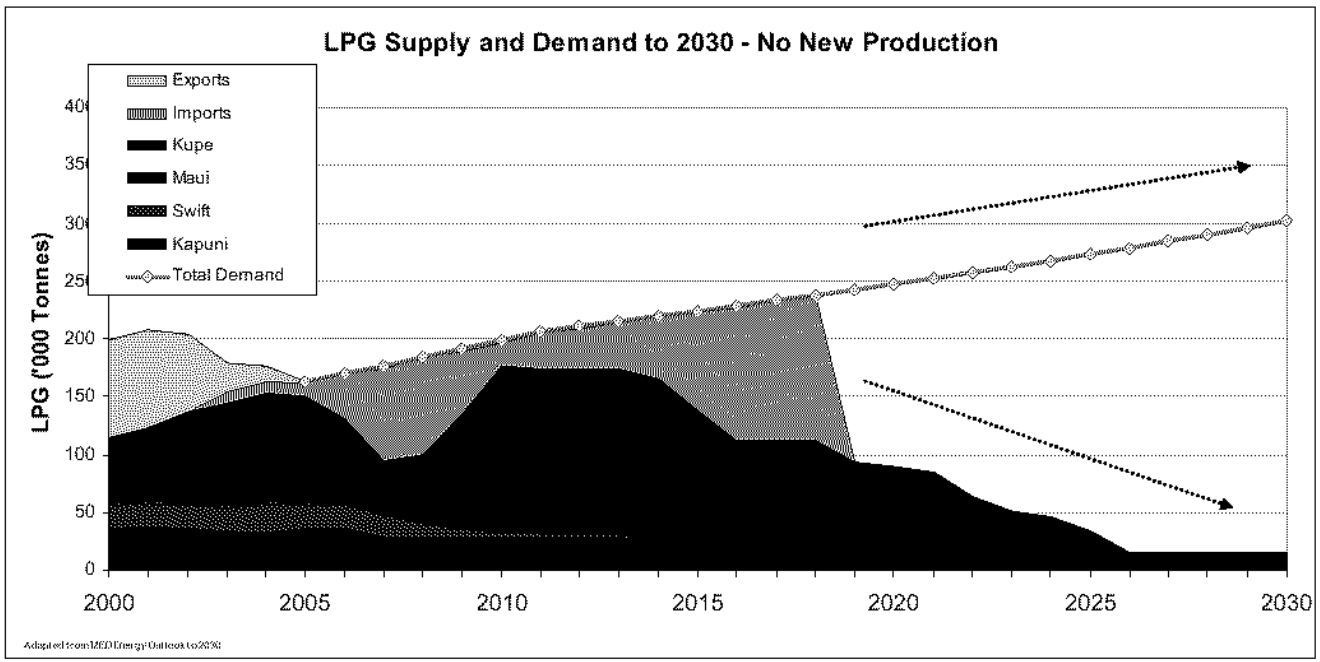
CONT...

Overview of industry - segment characteristics

	Market Environment	Competitive Profile	Segment Dimensions	Future Drivers
	Environmental and long term economic benefits	Competes with oil distillates, natural gas, electricity	40,000 Tonnes	Growth with new applications, some attrition
	High level of acceptance	Intra industry competition, some diesel	10,500 Tonnes Some bulk, mostly cylinders	Growth indexed to economy
	Strong uptake during recent period of oil price uncertainty	Economic drivers must be strong to overcome resistance	24,500 Tonnes	Sustained interest from fleet users

Overview of industry – sources of LPG

- Maui and Kapuni LPG have historically dominated supply
- Imports will play an increasing role until the development of the Kupe gas field
- Rockgas has access to Rimu and Waihapa LPG as well as Maui LPG from Liquigas
- Rockgas has negotiated rights to Origin's share of the Kupe LPG
- Rockgas' current and future import requirements are met by Origin
- There are legacy arrangements in place under which the Maui and Kapuni LPG is sold at a significant cost advantage to import cost
- These arrangements last until the end of the Maui Blue Book (December 2009)
- LPGs are currently not being stripped from the Pohokura gas field



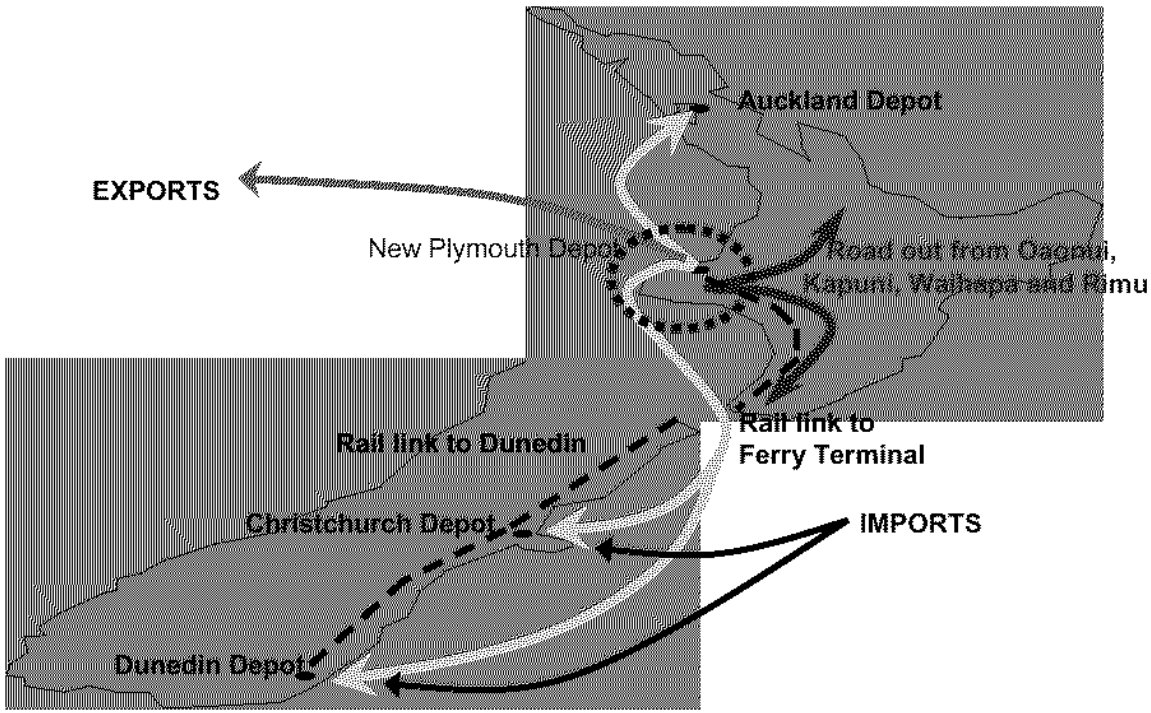
Source Liquigas

Overview of Liquigas

- Liquigas is owned by four shareholders:
  - Vector: 60.3%
  - BOC: 18.7%
  - Todd: 12.5%
  - Rockgas: 8.5%
- Liquigas sources LPG from the Maui field at a fixed price. Liquigas determines its own wholesale price based on market conditions
- Liquigas also acts in a supply management capacity by ensuring that domestic supply is augmented by imported product when required. Sale and transport is coordinated by Liquigas on behalf of it shareholders
- The future role of Liquigas once the Maui fixed price rights expire is uncertain

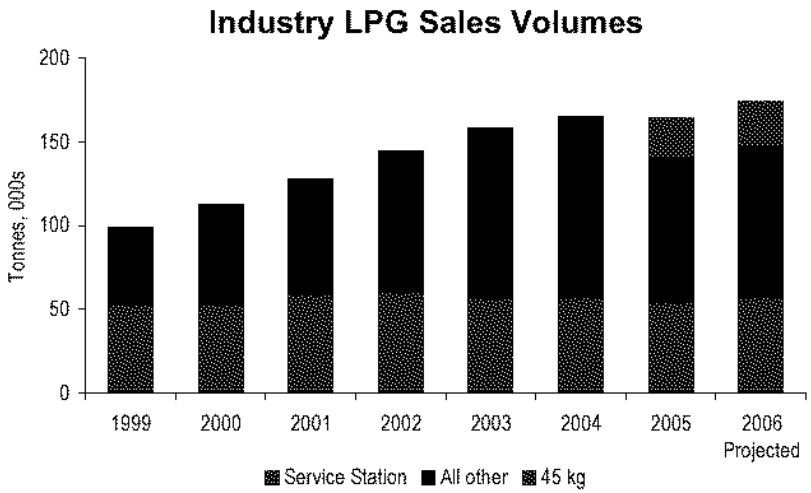
LPG supply infrastructure

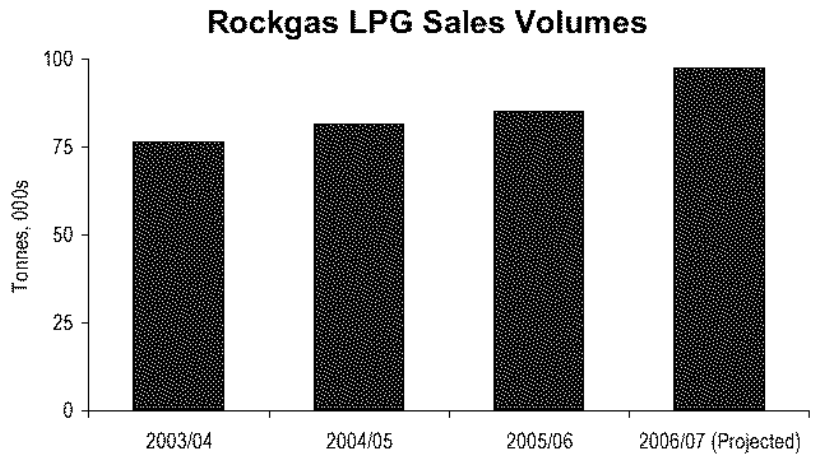
- The bulk of North Island demand is supplied by Maui and other local fields (Kapuni, TAWN)
- Liquigas acts as a distributor through its purchase of the Maui LPG and ownership of the key infrastructure.
- Once processed at Oaonui the LPG is then transferred to Liquigas facilities in Taranaki and then transported to Auckland and the South Island
- Product is transported by truck within the North Island
- South Island demand is met from shipments from the North Island or though direct imports
- Liquigas has several storage facilities at Christchurch and Dunedin to receive Maui or imported product



Growth in LPG use in New Zealand and historic Rockgas growth

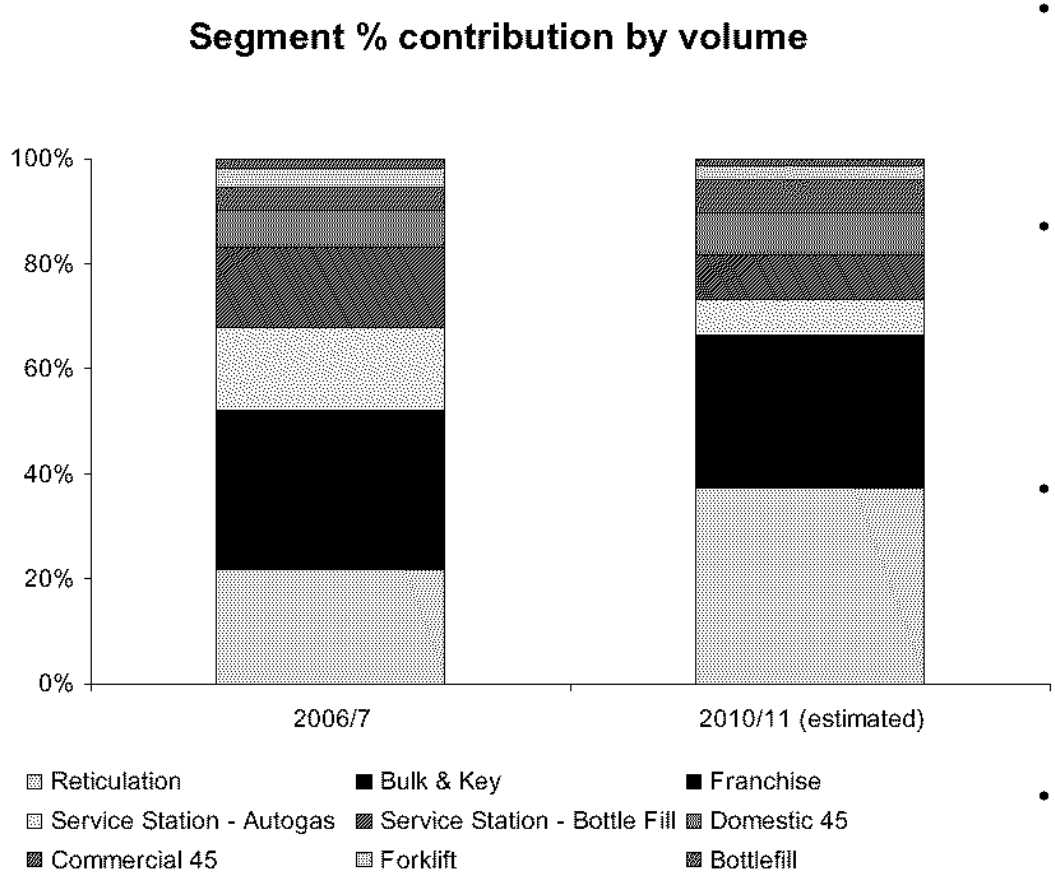
- The LPG market has grown significantly in the past few years, primarily in the non-automotive market
- Rockgas volumes have grown in line with that underlying sector growth





Source: LPG Association

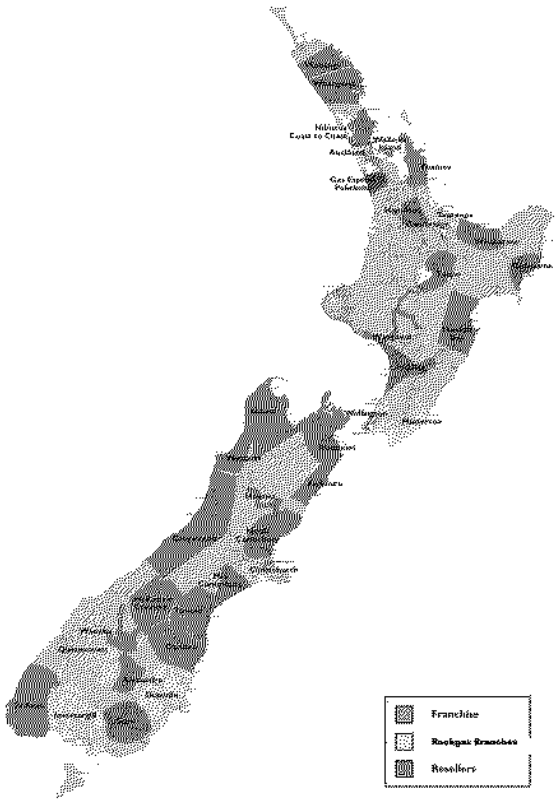
Breakdown of Rockgas sales volume by segment

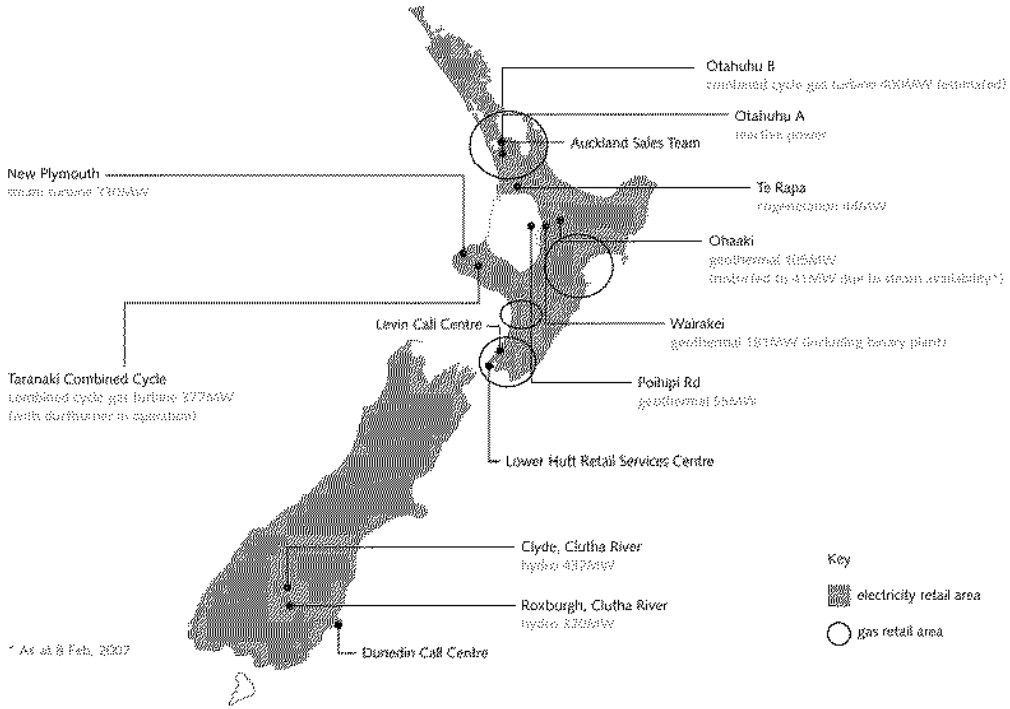


- This provides an indicative view of breakdown of Rockgas sales by segment and estimated transition over time
- The 2010/11 estimate is based on current views of the potential growth in the market and relative competitiveness against alternatives
- Illustrates the expectation of relative decline in automative segment but continuing growth in reticulation, franchise, and residential and commercial cylinders
- These segments are also the main source of opportunity for a bundled product with electricity and/or natural gas

Rockgas distribution network

- Rockgas has a significant presence in the South Island where Contact also has 40% of its customers





Overview of franchise arrangements

- Rockgas has a series of franchise arrangements with parties in various locations throughout New Zealand
- These provide the franchisee with the right to operate the franchise and use Rockgas' trademark in a defined area. Rockgas retains the right to operate wholesale, service station and 9.5kg cylinder operations in the same area
- These are relatively long term arrangements and follow a standard form under which Rockgas
  - Owns and maintains bulk storage facilities and undertakes delivery of the LPG
  - Provides ongoing training to the franchisees
  - Provides opportunities for the franchisees to participate in national cylinder agreements, channel partner arrangements and the Rockgas 0800 number
  - Contributes to the total advertising requirements of the franchise
- The franchisee must purchase LPG from Rockgas but can independently set retail prices

Proposed Structure post acquisition

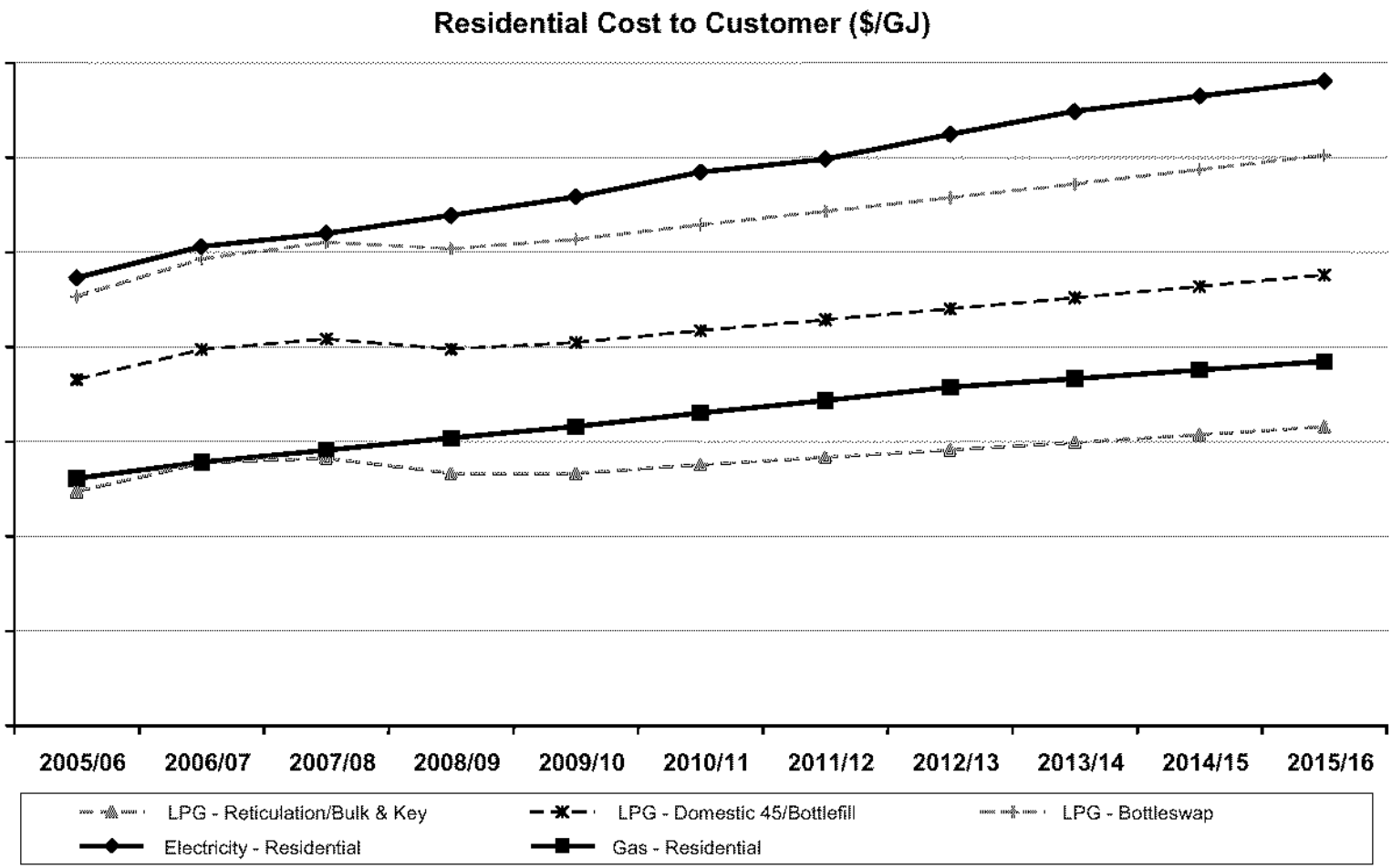
- It is proposed that Rockgas will become an operational division of Contact Energy with the GM Rockgas becoming a member of the senior management team
- The operational aspects of Rockgas will remain intact in this group for the immediate future. As sales and marketing initiatives and synergies unfold over the short term, the structure will be reviewed to ensure optimal functioning
- Corporate functions and responsibilities - finance, human resources, communications and IT will be consolidated within the Contact groups

Synergies and Opportunities

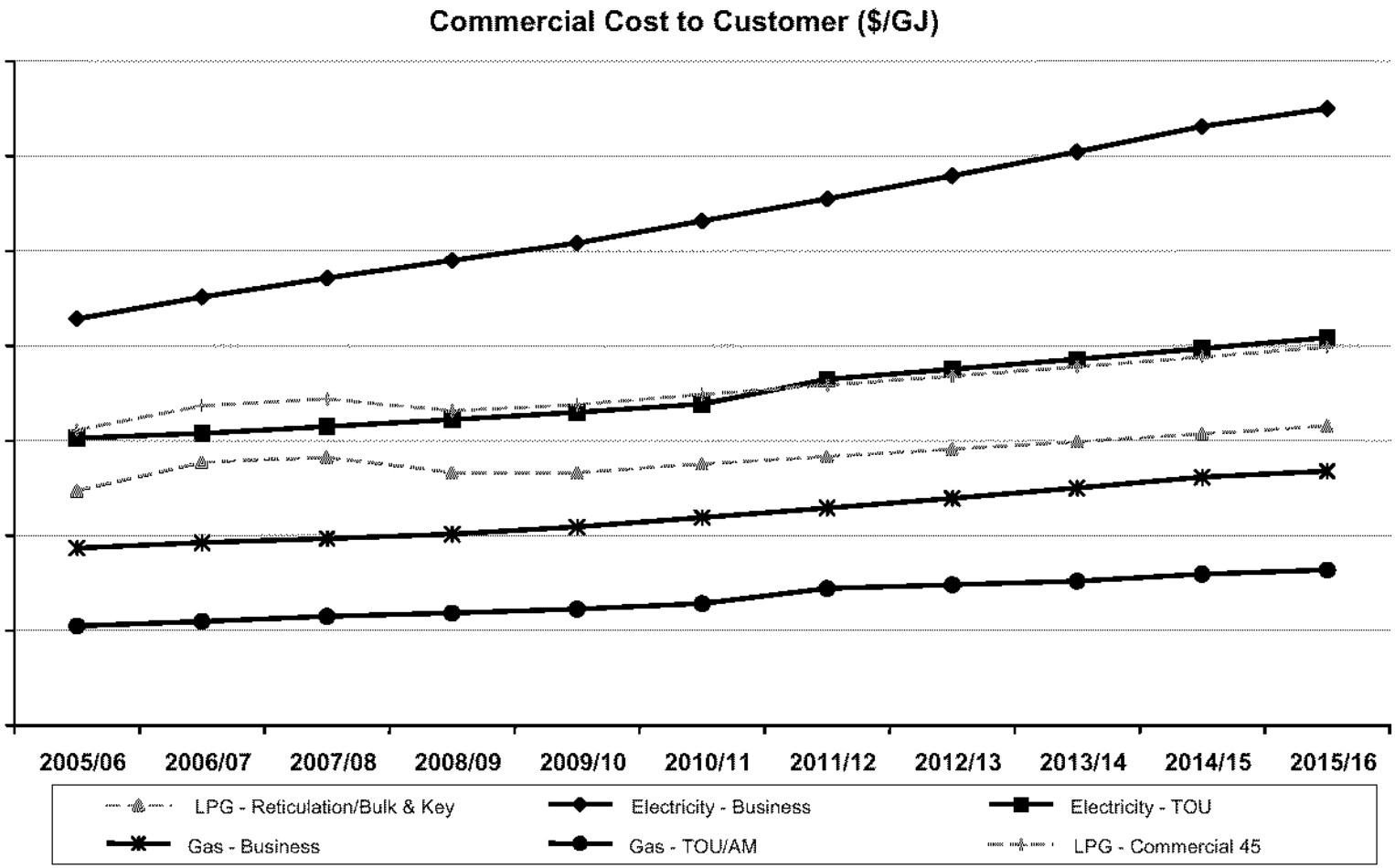
Rationale for purchase by Contact

- There are a number of benefits for Contact in the purchase of Rockgas
  - Key element in positioning Contact as an "energy solutions" company
  - LPG is the major alternative energy source in the South Island where there is no domestic gas reticulation – 40% of Contact's customer base is in the South Island
  - Experience of Contact's existing dual fuel offering has confirmed that retention of customers is higher with a joint product
  - A number of gas customers can be better served with an LPG solution and this enables Contact to provide more appropriate solutions for those customers
  - The existing customer bases of both companies represent significant cross selling opportunities
  - The LPG market is growing at a high rate, particularly in new connections, which provides opportunities for both electricity and LPG offerings
  - Potential rationalisation of administration, systems and sales functions
- The synergy analysis which underpins the acquisition does not depend on operating cost cuttings to any great extent. While there are clear opportunities for some efficiencies no personnel cuts are assumed
- There are a range of other opportunities which have not been quantified as part of the valuation exercise

Illustration of relative fuel cost forecasts



Fuel Cost Comparison - Commercial Customers



Retail Markets

Auckland

- There are approximately 250,000 homes in Auckland that front a natural gas main pipeline
- Of those only 28% are connected, leaving some 180,000 homes without gas currently
- Some causes are:
  - houses some distance from pipeline making connection uneconomic
  - volcanic rock preventing connection pipeline
  - consumption profile making gas use uneconomic
- In addition it is calculated that the number of customers that do not have access to the network is in the order of 250,000

Christchurch

- The network company has a critical peak pricing element to its charging which is designed to incentivise flattening of load in peak periods
- LPG, accompanied by new metering technology, provides opportunities to capatilise on that pricing structure

Peak Shaving

- Contact continues to develop as an energy solutions provider to the commercial and industrial market
- Adding LPG to its stable of products creates a wider range of potential solutions
- In essence it provides a small scale storage option that can be economic in certain industrial processes
- A good example is peak shaving
  - Where customer gas profile is very peaky, there are opportunities for LPG to be used to cater for those peaks
  - Provides either an alternative or a complementary product to natural gas
  - Capacity constraints (and hence costs) in natural gas are changing the economics of this fuel for many applications
- An added benefit to the customer would be strengthening security of supply to deal with force majeure events in natural gas supply

Infrastructure Synergies

- The combination of the business infrastructure assets presents some potential future opportunities that require significant further analysis
- Those synergies are likely to revolve around using existing sites from one business line for development of infrastructure assets of the other business line
- Potential opportunities include
  - siting of small scale peaking plants
  - siting of additional LPG storage

Channels to Market

- Rockgas has a very different market channel strategy to Contact through its branch and franchise network
- This opens up a broader range of opportunity for Contact in getting its product to market
- The franchise channel in particular we expect to embrace the opportunity to diversify their product range

Summary

- The acquisition of Rockgas presents an exciting opportunity for Contact
- The transaction represents a value enhancing proposition to both Contact and Origin given Contact's ability to derive more value through cross selling and other synergies
- This positions Contact as the only energy retailer with national capability to provide electricity and gas solutions to any customer
- Provides firm foundation to support Contact's vision to provide complete a range of energy solutions for customers

Geothermal Contact Investor Site visit

Presentation to Investors

Taupo

27 March 2007

CONTACT

Disclaimer

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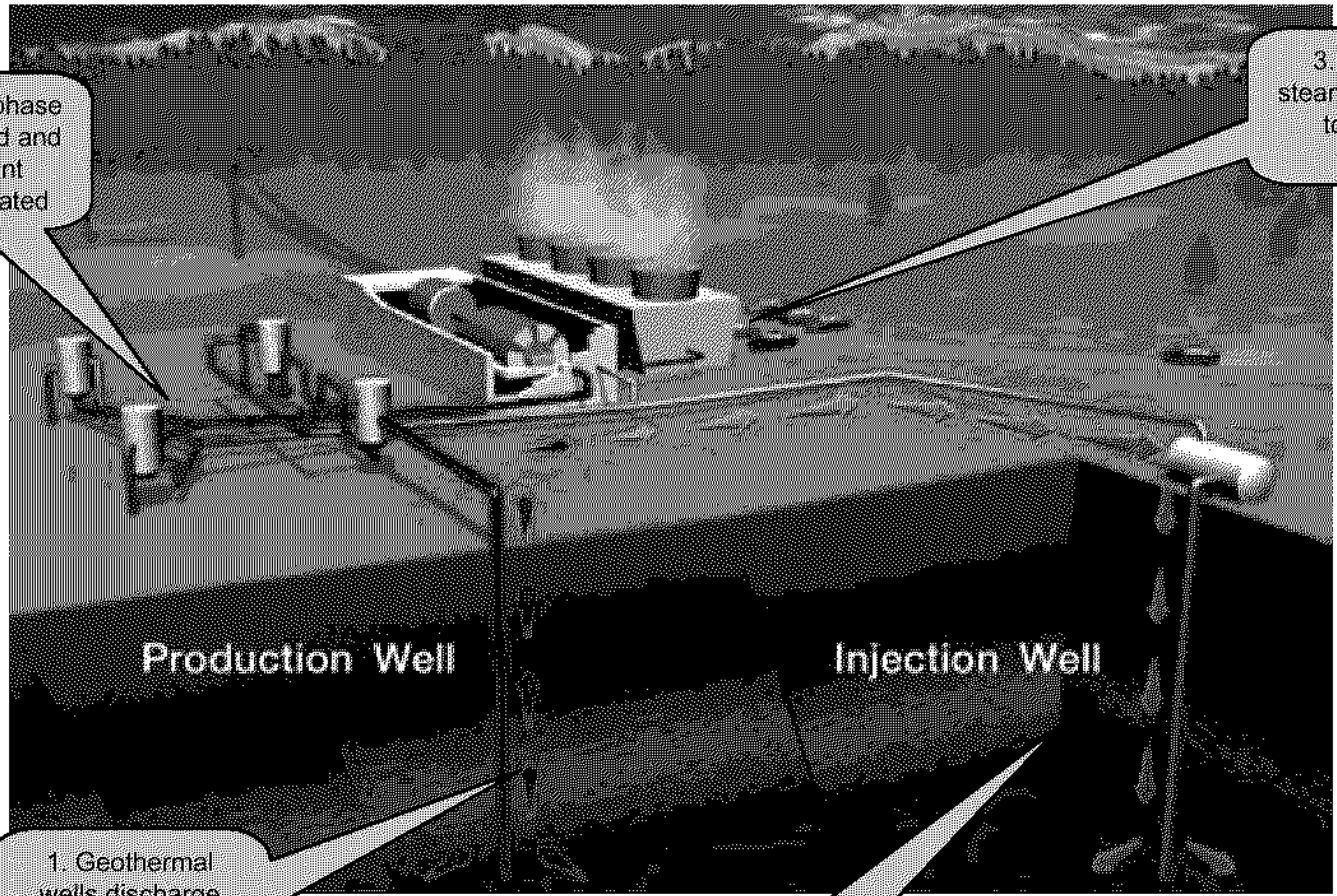
Topics covered

- **Introduction**
  - Geothermal Fields
  - Geothermal 101
  - Geothermal Strategy
- **Wairakei**
  - Wairakei/Tauhara Lands - rights and issues
  - Resources Consents – status and subsidence
  - Steam Winning - drilling results and reinjection requirements
  - Wairakei Redevelopment - Proposed Te Mihi Power Station
- **Tauhara**
  - Resources Consents – existing consents and Call-in process
  - Steam Winning - drilling results and reinjection requirements
  - Plant Development - Direct heat projects & potential powerstation
- **Ohaaki**
  - Steam Winning - drilling results and production outcomes
- **Mokai**
  - Lands - rights and development options
- **Projections**
  - Production outcomes

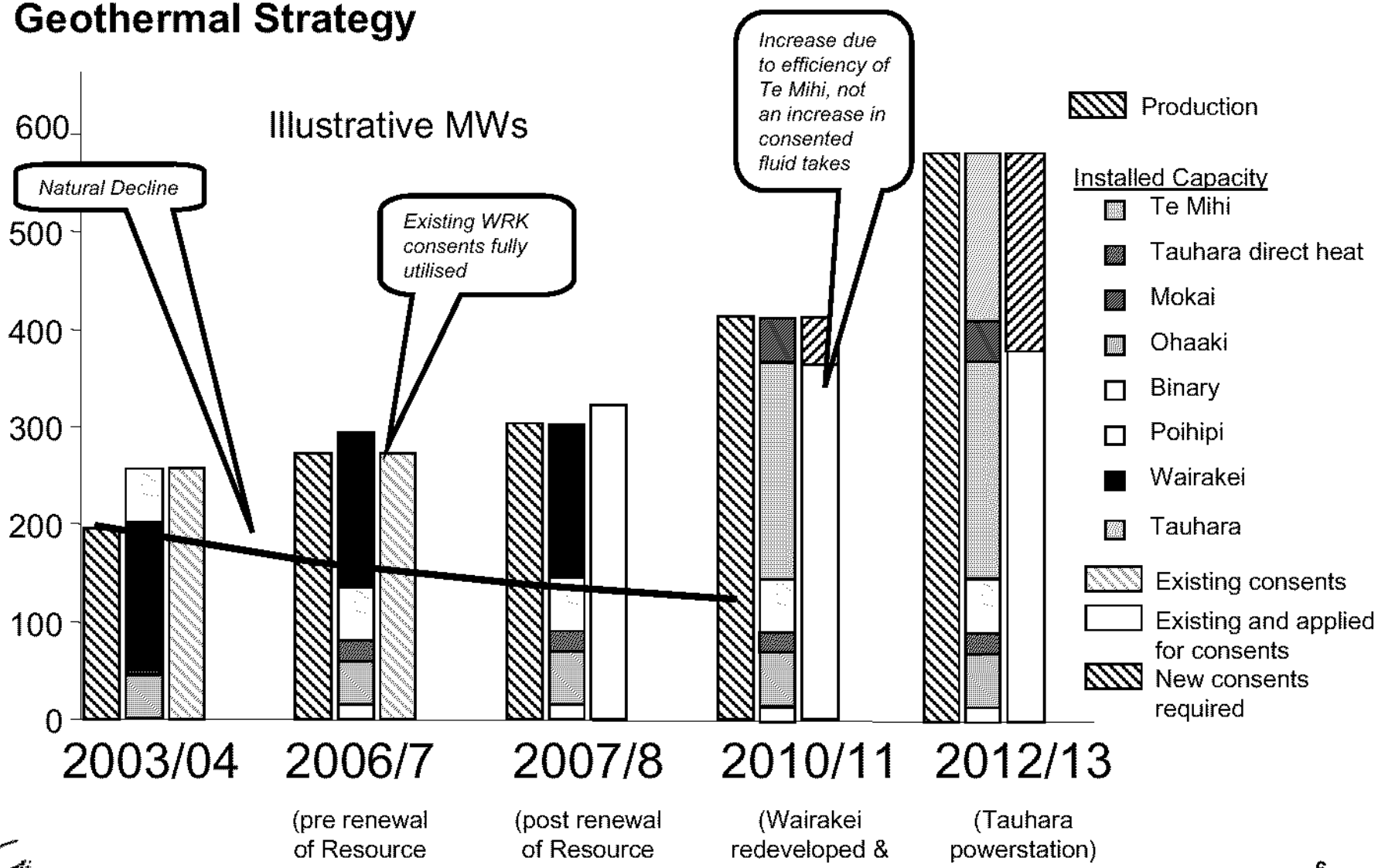

Reporoa
Mokai
Ngatamariki
Ohaaki
Wairakei - Tauhara
Taupo
Acacia Bay
0 km
10
20
30
40

Geothermal 101



Contact's geothermal strategy has been to increase steam production to maximise take under existing consents, increase consented takes and then pursue green-field opportunities

Geothermal Strategy



Note: direct heat projects included as MW equivalent

Wairakei

Contact has extensive easements over Landcorp and Crown lands with rights to extract and re-inject geothermal fluid

Wairakei - Lands

- Geothermal easement
  - The sole right to access the land to extract geothermal fluid.
- Surface rights
  - The right to occupy and place structures on the surface for the purpose of Geothermal extraction.
- Pre-emptive right
  - The right to step into any sale of the Landcorp lands that are offered for sale from time to time
  - Must exercise on the entirety of any sale.
- Option to purchase
  - The right to buy Landcorp lands nominated by Contact from time to time at market rates.

Refer slide 29 WRK Land Map

The resource consent renewal process for Wairakei commenced in 2001, was subject to continued delays and has been interrupted by Environment Waikato (EW) changing its geothermal policy mid-process

Wairakei - Resource Consents - Status

- Resource consents applied for in 2001 and announced in Oct 04 (subject to appeal) permit Contact to extract sufficient geothermal fluid to allow full load operation of Wairakei and Poihipi stations through to 2026.
  - Steamfield modelling suggests the resource can sustain this level of fluid extraction to beyond 2050.
- The current form of EW Regional Plan & Policy provides a stable framework for geothermal development.
- Contact and the consenting authority (Environment Waikato) are totally in accord on all matters.
- Environment Court hearing concluded in Feb 2007.
- Expect final decision in April 2007 and consents to come into effect in the first quarter of Financial Year 2008.
- Taupo District Council (TDC) is the only substantive appellant.

Taupo District Council (TDC) has expressed concerns at subsidence caused by the extraction of geothermal fluid

Wairakei - Resource Consents - Subsidence

- Natural land movement is a feature of geothermally active areas and ground movement can be exacerbated by extraction of fluid.
- TDC has strongly pushed for a 100% reinjection regime.
  - This involves putting the same quantity of fluid back into the field that was taken.
  - The hypothesis being that it will increase pressure and therefore prevent or reverse subsidence.
  - Currently condensed steam and some separated geothermal water is discharged to the river.
- EW and Contact have agreed a reinjection regime which requires Contact to maintain pressures at the date of consent.
- New plants at Te Mihi and Tauhara will involve increased reinjection of condensate.

The focus of Contact's steam winning activities has now moved to Te Mihi

Wairakei - Steam Winning

- The eastern borefield closest to the Wairakei station where the original bores were drilled now contributes little to station output.
- The western borefield was developed later and is now also in decline.
- Steam winning is now focused on the Te Mihi area to the north west.
- The Poihipi power station was brought by Contact in January 2000.
    - In 2006 a pipeline was commissioned to connect Te Mihi to Poihipi allowing Poihipi production to be increased up to capacity using Te Mihi steam.
- A second large pipe line was also constructed from the Western borefield to Wairakei to increase the delivery of low pressure steam to Wairakei.
- 6 new production wells have been drilled since April 2005 with results better than expectation.

Drilling Results

	Production test (MWe) IP flash		Depth	Status
	Budget	Actual		
WRK243	4.5	12	1363	On-line Dec-05
WRK244	4.5	8	1056	On-line Dec-05
WRK245	4.5	10	1175	Shut-in
WRK246	4.5	0	644	Monitor well
WRK247 (deep)	4.0	5	2768	On production test
WRK248 (deep)	4.0	?	1822	Damaged casing
Scope change				
	28	35		

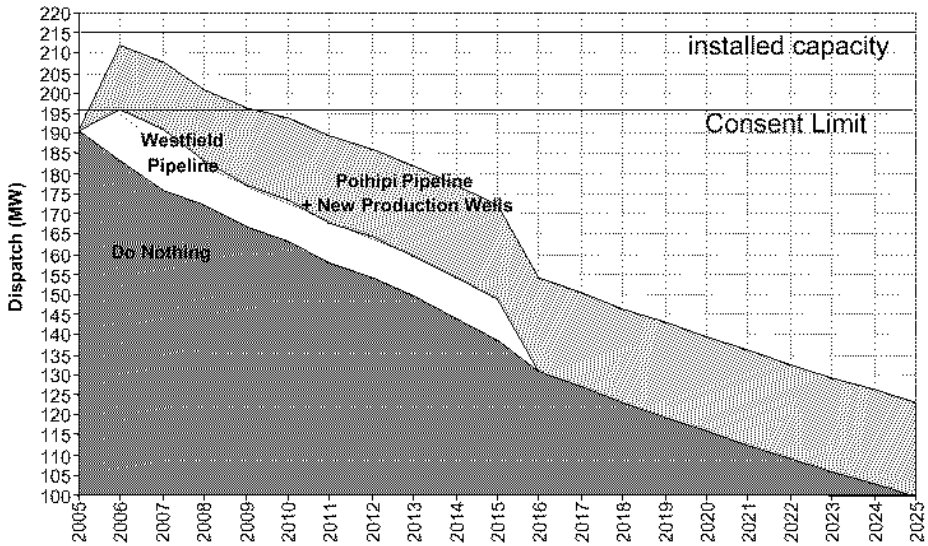
Refer slide 30 WRK Steamfield Maps

The combined output of Wairakei and Poihipi power is now maximised within the existing consents

Wairakei - Steam Winning - Results

- This outcome was achieved with only 2 of the 6 wells drilled being in service and despite faster than expected decline of the western borefield.
- The renewal of resource consents (assuming the 2004 decision is upheld) will increase production by about 20-25MW.
- However to fully load the stations under the new resource consents, Contact will need to add flash plant (brine/steam separation) and reinjection capacity.
- Ongoing drilling programme is needed to maintain output.

Combined Wairakei & Poihipi Production (illustrative)



Refer slide 31 WRK Steamfield Maps

A replacement of Wairakei with a new station at Te Mihi gives the highest NPV when considered against operating Wairakei Station until 2026

Wairakei - Te Mihi Redevelopment

- The results of the test of the deep appraisal well WRK247 (5-6MWe) increases confidence in the productivity of the resource.
- Te Mihi will increase output, reduce compliance expenditure and the technical risks from ongoing operation of the existing plant.
- Projected MW approximately 220MW versus 157MW currently.
- Increasing re-injection will reduce the environmental impact on the river and reduce local concerns over subsidence,

Refer slide 32 Te Mihi PS picture

The Te Mihi power station could be operational by 2011.

Wairakei - Te Mihi Redevelopment - Actions required

- Secure renewed Wairakei resource consents.
- Independent assessment of resource reserves.
- Confirm power station process configuration and steam conditions.
- Prepare Assessment of Environmental Effects and consent applications.
  - develop and implement strategy for public consultation.
- Seek additional consents and amendments to the renewed consents.
  - Additional reinjection consents of 17,000 tonnes per day as a result of condensate no longer being discharged to the river.
  - Air discharge consents.
  - Building consents.
  - Extension of the deadline to decrease H2S discharge to the river because Te Mihi power station will not be commissioned in time to meet this deadline.
- Definition of design criteria and preparation of Engineering Procurement Construction contract scope.

Tauhara

Tauhara – Consents - Existing

- In 2001 Contact was successful in securing resource consents to take and reinject 20,000 tonnes per day of geothermal fluid from the Tauhara area (expected at the time to yield 15MW).
- These consents were exercised by the supply of heat to Tenon (5,000 tonnes per day).
- The resource consentability of a large development at Tauhara will largely depend on the ability to design a system that can take and reinject fluid within the geothermal field.

Refer Slide 33
Tauhara Land Map

Using the Call-in process with the Resource Management Act (RMA) should give an early development decision

Tauhara – Consents – Call-in process

- Call-in is an existing process under the RMA. The Call-in procedures were boosted in a 2005 amendment to the Act.
- Call-in allows the Government to send a consent of national significance to either a Board of Inquiry set-up for the sole purpose of hearing the consent or brought to the Environment Court.
- Call-in decisions are subject to the same RMA factors but avoid the local decision making process which is invariably appealed – one hearing not two.
- Decisions are subject only to judicial (and not merits) review.
- Contact has had positive preliminary meetings with both David Parker and David Benson-Pope (Minister for the Environment responsible for instigating the call-in process).
- The target dates to lodge consent applications for Te Mihi is 1st quarter Financial Year 2008 and 4th quarter Financial Year 2008.

Tauhara Field has the potential capacity to approach Wairakei in generation capacity

Tauhara - Steam Winning

Drilling Results

	Production Test MWe		Depth	Status
	Budget	Actual IP flash		
TH-6	5	20	1012	In service (Tenon)
TH-7 (re-injection)			290	In service (Tenon)
TH-8 (re-injection)			580	In service (Tenon)
TH-11	5	11	2006	Shut in
TH-12	5	13	1900	Shut in
Total	15	44		

- Well TH-6, drilled for the Tenon project, reveals the potential high grade of the deposit.
- Well TH-12, a 4 km step out from TH6, encountered temperatures of 294 C (60 C above forecast) with good indications of permeability.
- Results suggest the resource may be capable of supporting up to 200 MW of generation capacity.
- Well productivity is high and drilling conditions have been relatively benign.

Refer Slide 34
TH6 discharge

The Te Mihi powerstation could be operational by 2011

Tauhara - Plant Options

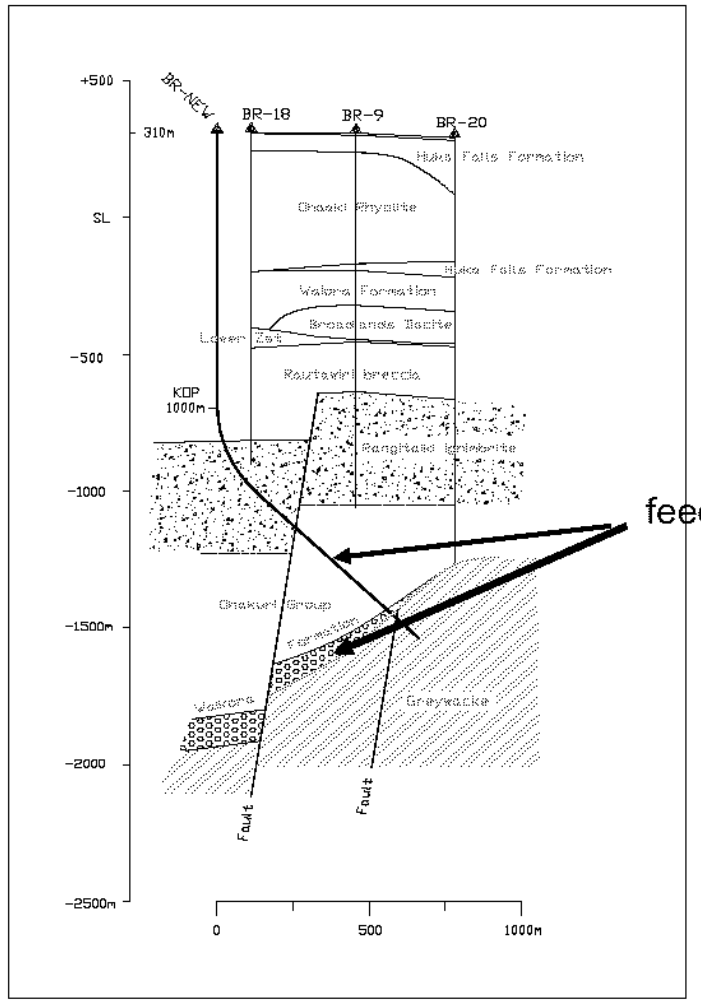
- Power Station Development:
  - Slim hole programme to prove suitable re-injection areas to begin in 4th quarter Financial Year 2007.
  - Consents to drill in South Tauhara are being finalised and the intention is to drill appraisal wells in calendar 2007.
  - Scoping of power plant development concept and resource consent requirements.
- Further Industrial Supply:
  - Investigating the feasibility of supplying up to 40 MW of heat to industrial users.

Ohaaki

Ohaaki power station has an installed capacity of 105MW, production had declined to 21MW. With new wells completed in 2006, production is now at 41MW

Ohaaki - Steam Winning

- Historically production has come from the shallow resource (<1,500m)
  - Shallow resource was prematurely cooled by reinjection fluid and ingress cold aquifiers
- Target is now the deep resource (1,500 to 2,500m)
- Early attempts (1995/96) at targeting the deep resource have had limited success
  - 3 of 5 wells drilled in 1995/6 were completed as producers
  - Targeted potential porous zones in basement rock
  - Some permeable zones may have been harmed by the ingress of drilling mud and cuttings
- Attempts in 2002 and 2003 failed due to drilling difficulties in the shallow zones (460m)
- 5 of 5 wells drilled in 2006 have been completed as good producers



Refer Slides 35 Ohaaki map

A change in target formations, drilling rig and technique has created successful drilling campaign at Ohaaki

Ohaaki - Steam Winning

- Utilises data from previous attempts
- Now targeting permeable zones within the volcanic sequence above basement rock
- Engaged a larger rig
- Engage rig for extended period to develop crew experience, team cohesion, and communication
- The use of under-balance drilling (using aerated water) to manage partial losses and protect reservoir from damage

Refer Slides 36,37 & 38
Rig pictures

Drilling success increases our confidence that output can be increased to 60MW (gross) and that the resource can support this level for several years

Ohaaki - Steam Winning

	Production Test (MWe)		Depth	Status
	Budget	Actual IP flash		
BR-51	5	6		In service
BR-52	5	4	2101	In service
BR-53	5	8	2000	In service
BR-54	5	6	2031	In service
BR-55 (reinjection)				To be drilled 4th quarter Full Year 2007
BR-56	4.5		2495	Completed
BR-57	4.5			Spudded
SP-2 connections				
Total	20	24 +		

- The future works program will include the drilling of 4 additional producing wells and at least one reinjection well, plus associated connection pipes and flash plant expansion
- The intention is to bring back into operation the spare intermediate pressure turbine and one high pressure turbine.

Mokai

Contact has freehold title to 1200 hectares of land covering the western part of the Mokai field

Mokai – Lands Rights & Development Options

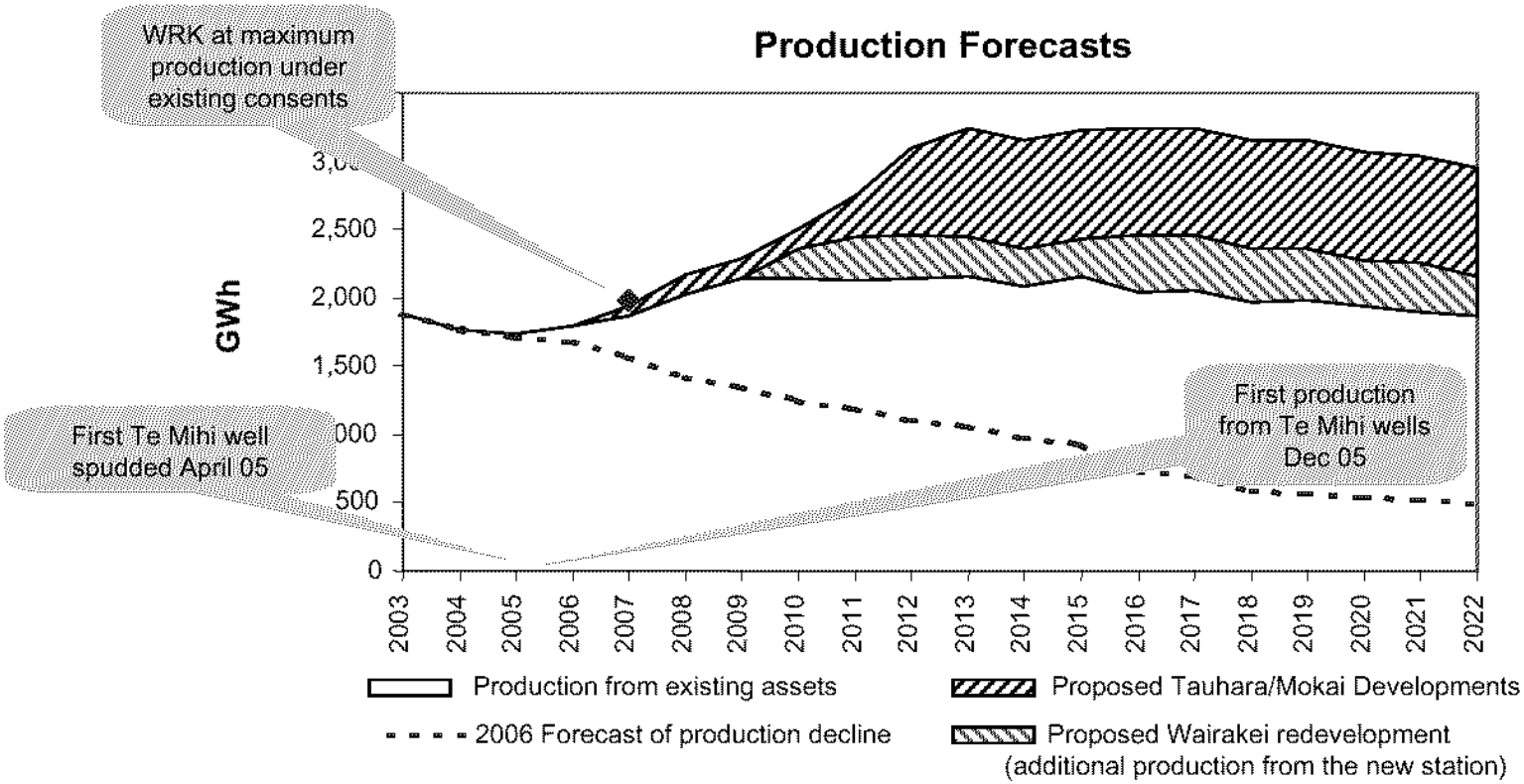
- The eastern half of Mokai Field is owned by the Tuaropaki Trust
- Contact and the Tauropaki Trust have agreed, without prejudice, the division of the resource (2/3,1/3) in their favour.
  - The split is based on geophysical and reservoir data
  - Contact's share is expected to support an estimated 40MW
- The Tuaropaki Trust owns 75% of the Tuaropaki Power Company which has installed capacity of 94 MW (currently being expanded to 106 MW). The 25% partner and operator is Mighty River Power
- Contact's fee simple land is subject to a 999 year forestry right held by Hancock Resources
  - Provisions under the forestry right allow Contact to reduce the forestry right area for the purpose of geothermal development
- Once the forestry right issues are resolved, Contact can negotiate with the Tuaropaki Trust to define our future relationship with them on the field.

Refer slide 40
Mokai Land Map

Projections

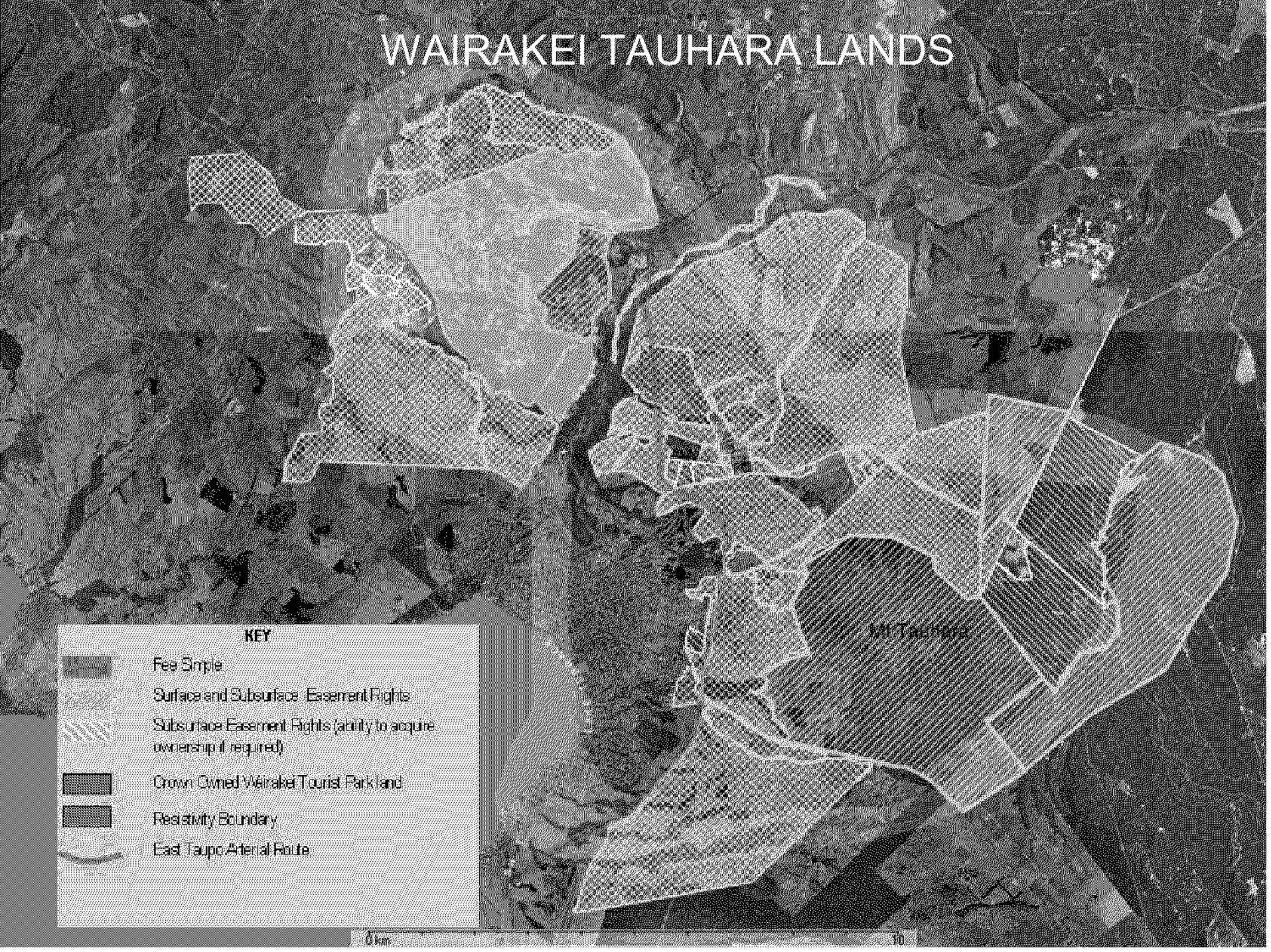
The activities completed to date have meet their objectives as well as reversing the greater than expected decline of Wairakei and Ohaaki production

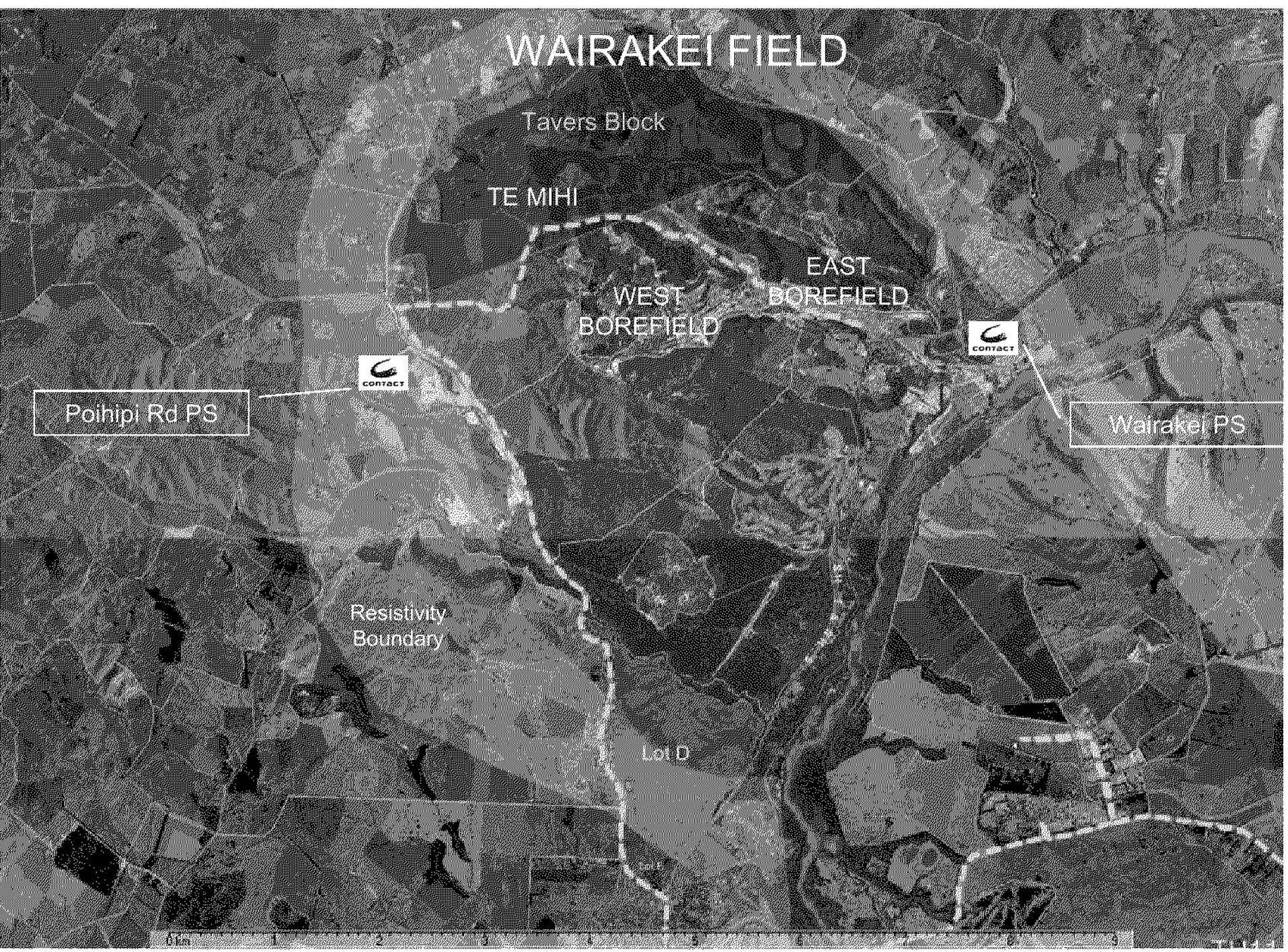
Production Projections

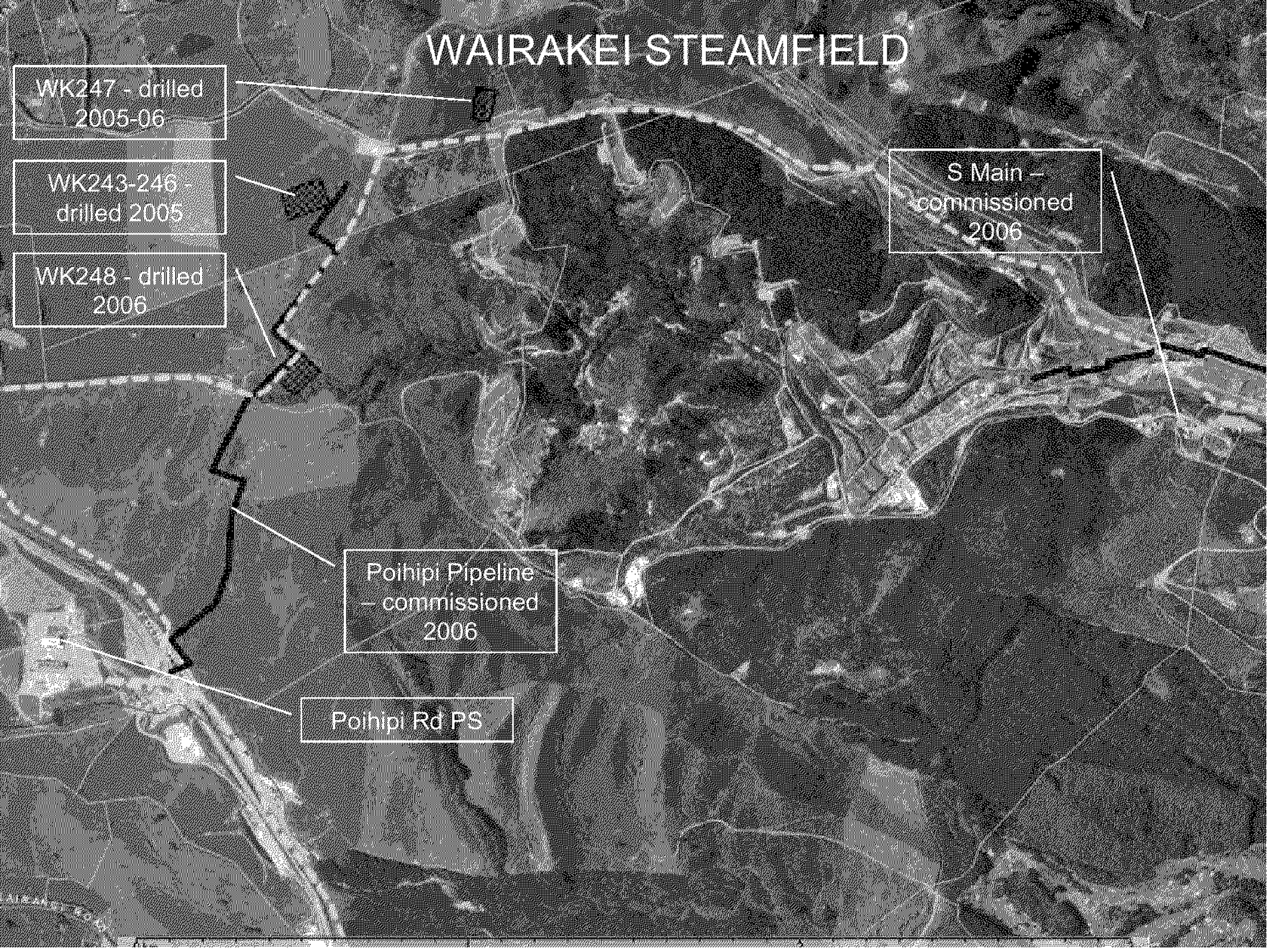


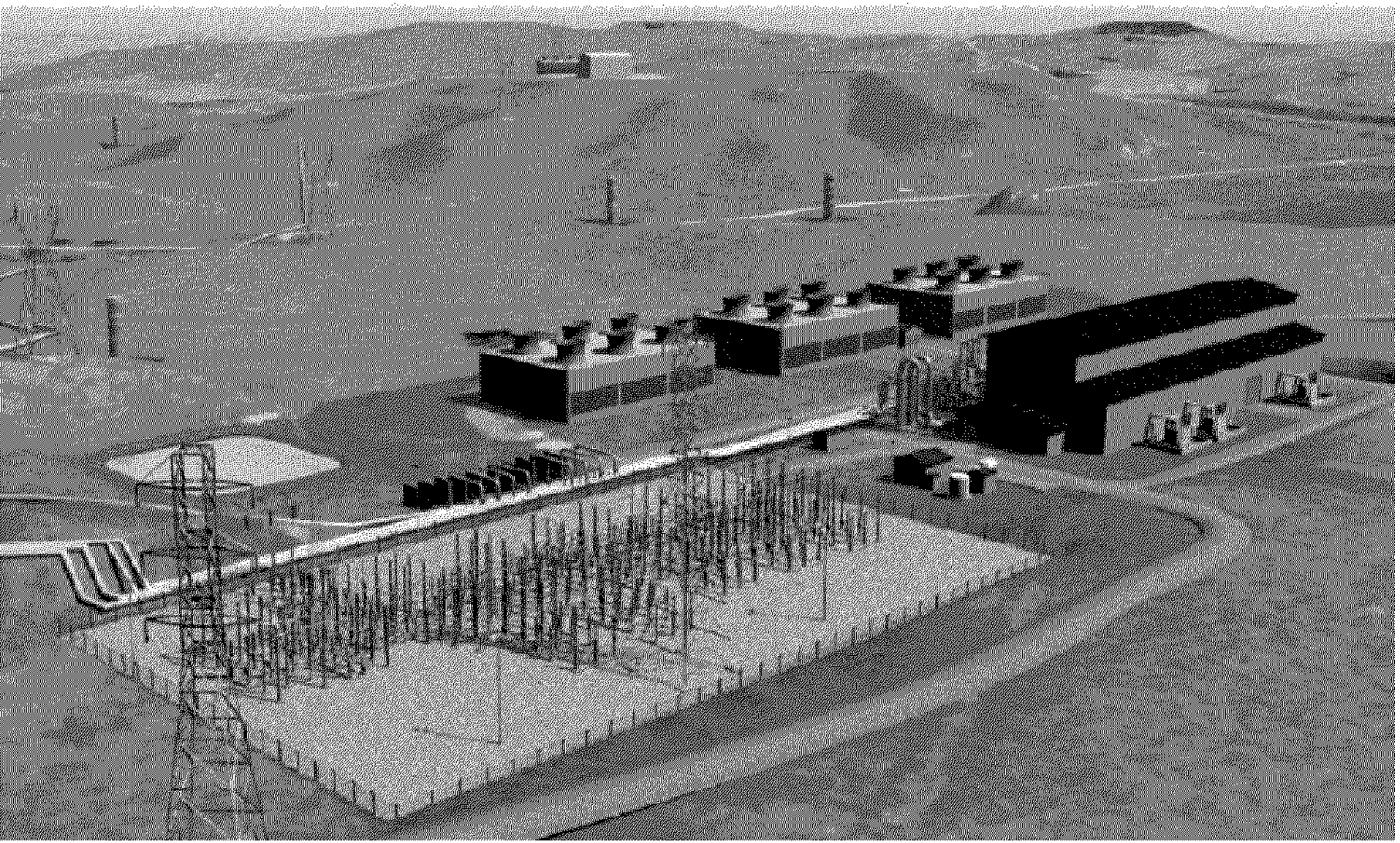
Geothermal Maps
(Second Screen)

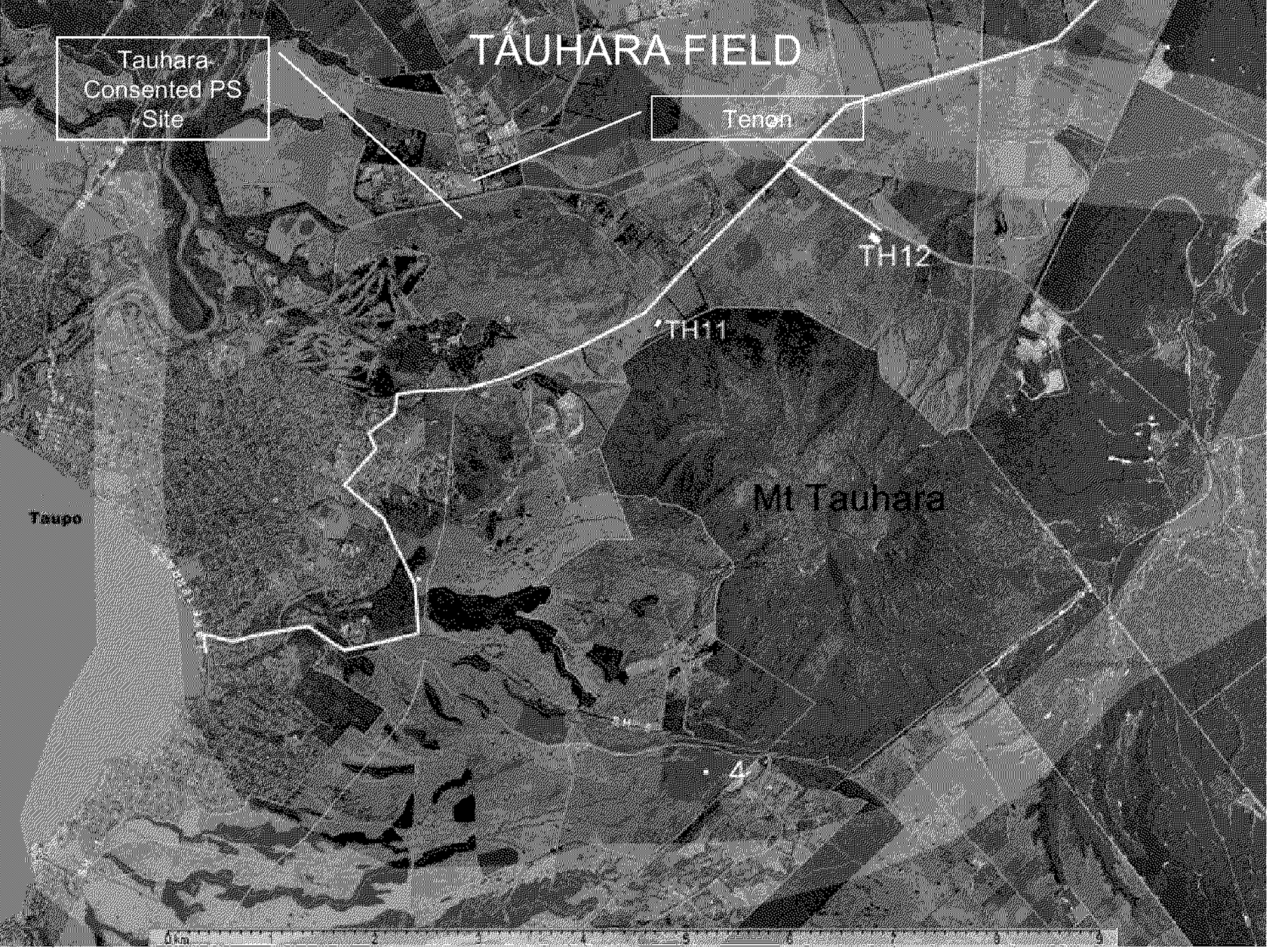
WAIRAKEI TAUHARA LANDS

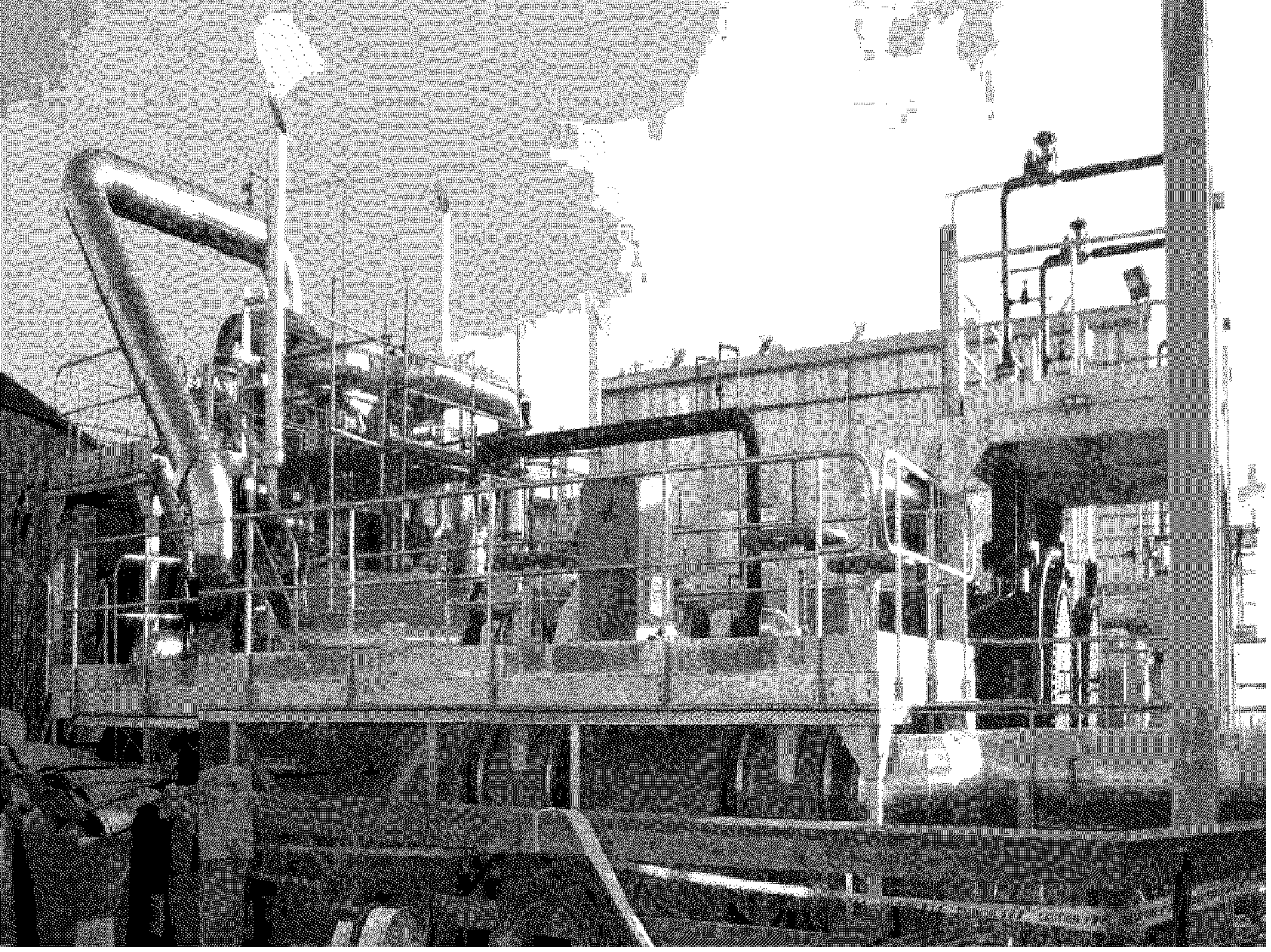


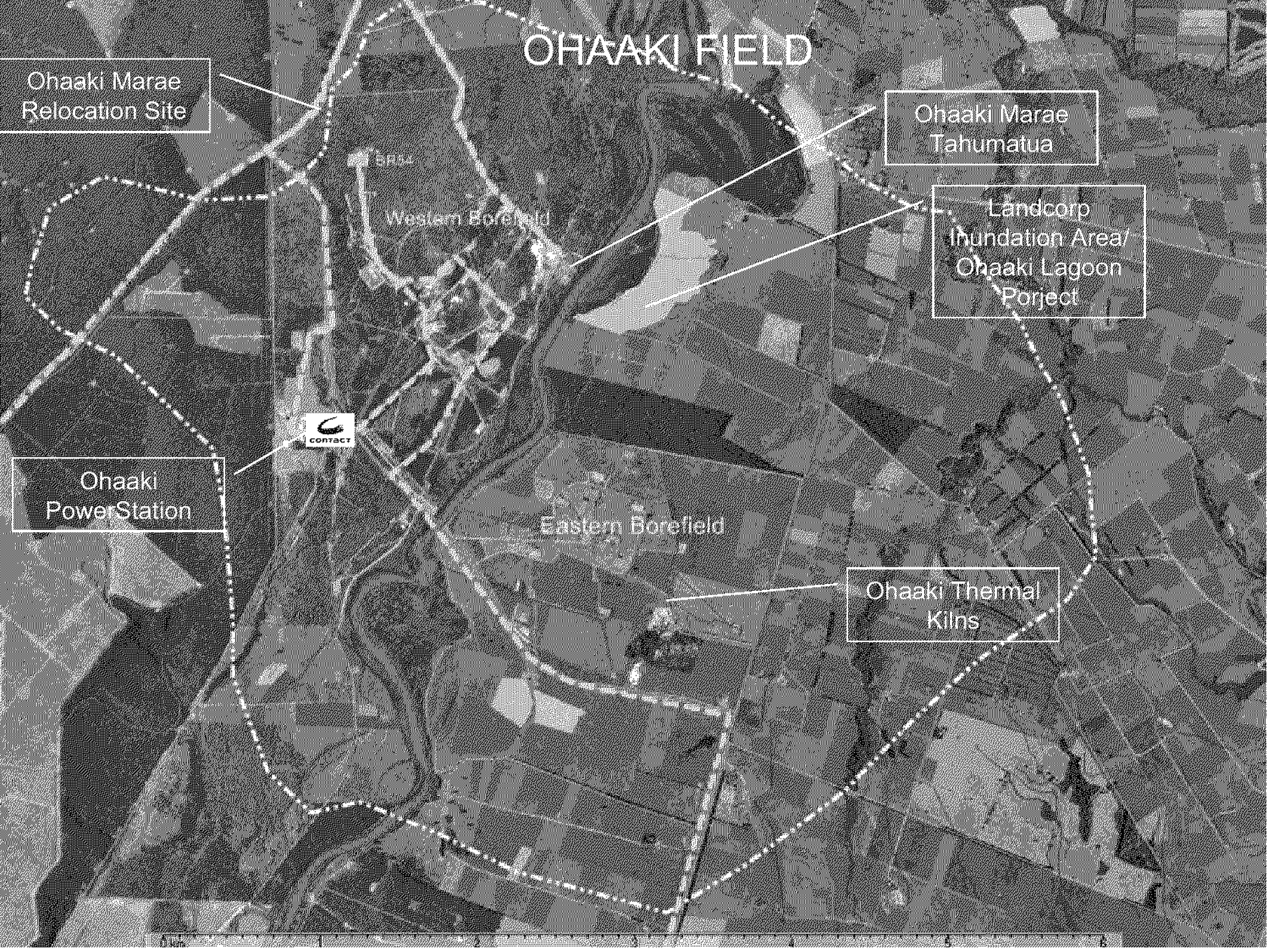

WAIRAKEI FIELD
Tavers Block
TE MIHI
EAST
BOREFIELD
WEST
BOREFIELD
Poihipi Rd PS
Wairakei PS
Resistivity
Boundary
Lot D
0 1 2 3 4 5 6 km

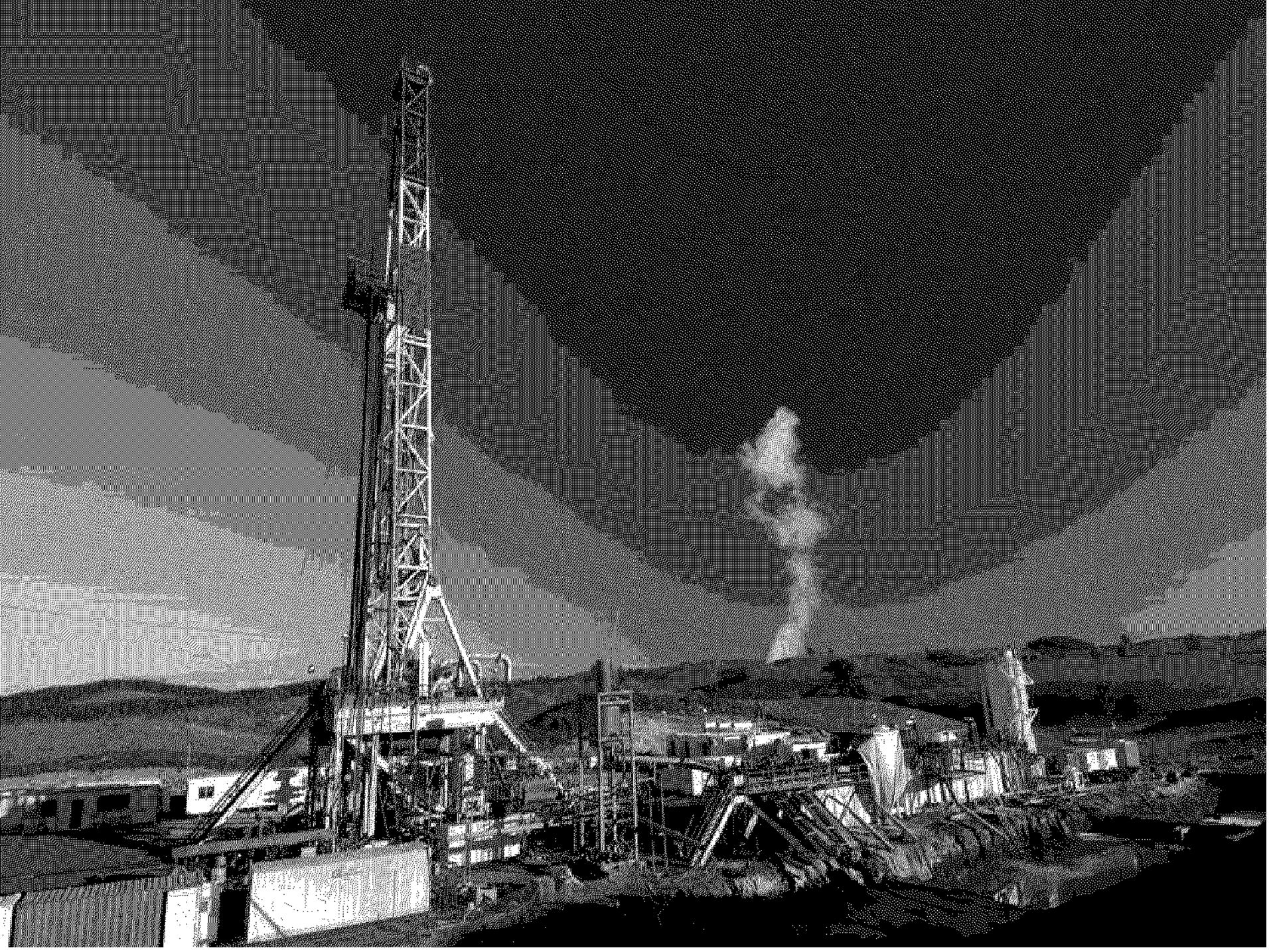

WAIRAKEI STEAMFIELD
WK247 - drilled 2005-06
WK243-246 - drilled 2005
WK248 - drilled 2006
S Main – commissioned 2006
Poihipi Pipeline – commissioned 2006
Poihipi Rd PS

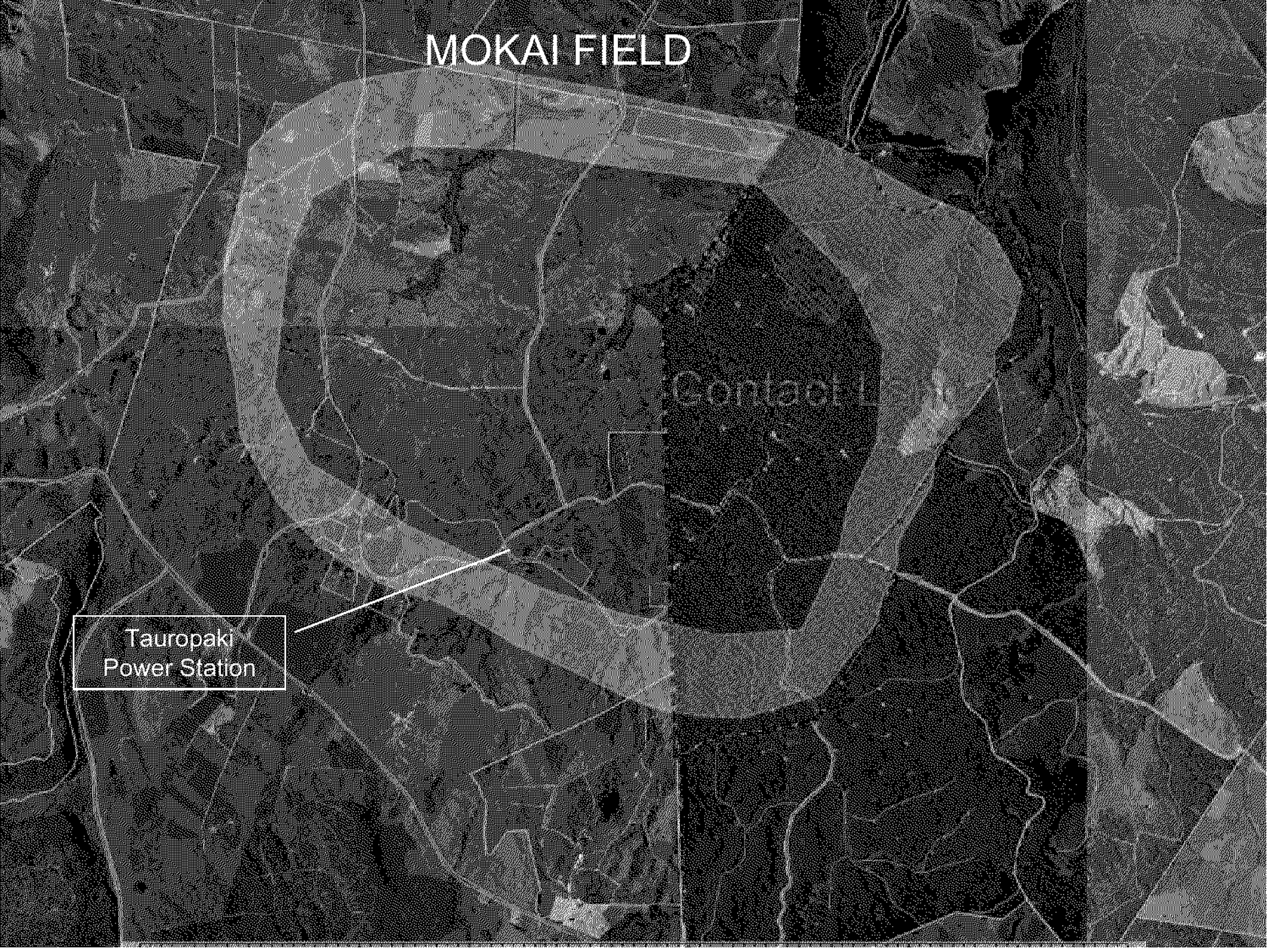



TAUHARA FIELD
Tauhara Consented PS Site
Tenon
TH12
TH11
Mt Tauhara
Taupo




OHAAKI FIELD
Ohaaki Marae
Relocation Site
Ohaaki Marae
Tahumatua
Western Borefield
Landcorp
Inundation Area/
Ohaaki Lagoon
Porject
CONTACT
Ohaaki
PowerStation
Eastern Borefield
Ohaaki Thermal
Kilns
0 Km
1
2
3
4
5
6




MOKAI FIELD
Contact
Tauropaki
Power Station