

To	Company Announcements Office	Facsimile	1900 999 279
Company	Australian Stock Exchange Limited	Date	21 May 2007
From	Bill Hundy	Pages	2
Subject	CONTACT ENERGY WELCOMES RESOLUTION OF GEOTHERMAL RESOURCE CONSENTS		

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

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 stylized flourish at the end.

Bill Hundy
Company Secretary

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21 May 2007

Contact welcomes resolution of geothermal resource consents

Contact Energy today welcomed the Environment Court's decision confirming the company's resource consents for the operation of its Wairakei and Poihipi geothermal power stations at Taupo.

Contact Energy filed applications for the renewal of its Wairakei and Poihipi resource consents in 2001, and was granted these consents in 2004. The consents were appealed to the Environment Court, with the Court's decision ending a six year process.

Contact Energy Chief Executive, David Baldwin, said Contact is very pleased with the Environment Court's decision.

"The Wairakei and Poihipi power stations are a vital part of New Zealand's energy infrastructure and play an important role in providing a secure supply of base-load renewable energy," he said.

"The granting of these consents will enable Contact's geothermal operations to continue until 2026 and will also permit the production of an additional 20 megawatts (MW) of renewable generation annually.

"Production of the additional 20 MW will be increased in stages following the consents becoming operative – expected to be the end of July - with full production expected in January 2008."

Mr Baldwin said the resolution of the Wairakei consents gave the company increased confidence in relation to its development plans for a new geothermal power station at Tauhara, and another at Te Mihi to replace the existing Wairakei power station.

Mr Baldwin said the Court's decision adopts Contact and Environment Waikato's recommendation of a flexible discharge management plan in order to govern the company's geothermal operations.

"The Environment Court's decision provides comfort that the national benefits associated with geothermal electricity generation are being properly balanced with the need to protect the interests of local communities.

"The decision clears the way for Contact to work in partnership with the Taupo community to address the effects of its current and future operations, which will include a comprehensive process of consultation in relation to the proposed new power stations," said Mr Baldwin.

The Environment Court's decision provides parties with one month to address minor issues, after which time it is expected that Contact's renewed consents will come into effect.

For more information:
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