

Contact Energy – Your Company

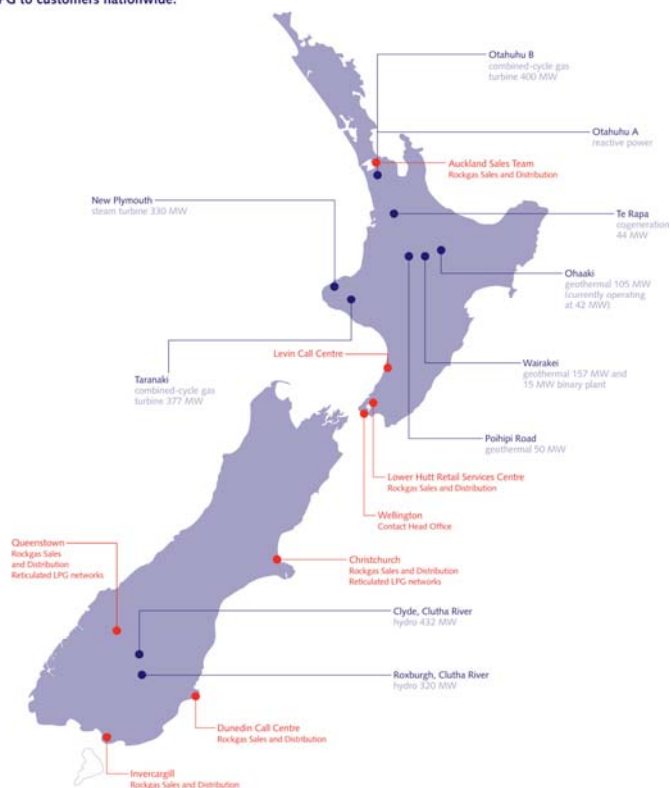
Domestic Road Show
September - October 2007



Your company in a snapshot

Contact Energy national overview

Contact can supply electricity and gas products across the country. Contact has reticulated natural gas customers across much of the North Island, reticulated LPG customers in Christchurch, Queenstown and Wanaka and can supply bottled LPG to customers nationwide.



- 513,000 electricity customers
- 75,000 reticulated gas customers
- 46,000 LPG customers
- Generates 28% of New Zealand's electricity
- 10 power stations
- Call centres and sales teams throughout New Zealand
- 1000 staff
- 85,000 New Zealand shareholders



The year ended 30 June 2007

- Total shareholder returns – dividends + growth in share price
 - 30% for year ended 30 June 2007
 - Average 24% over last 5 years
- Market capitalisation now over \$5 billion
- Profit (on adjusted basis) down 4% to \$231 million
- Announced a \$2 billion investment programme in renewable energy
- Bought Rockgas LPG business
- Secured new gas contracts of 170 PJ
- Secured long term year resource consents for our major geothermal and hydro stations

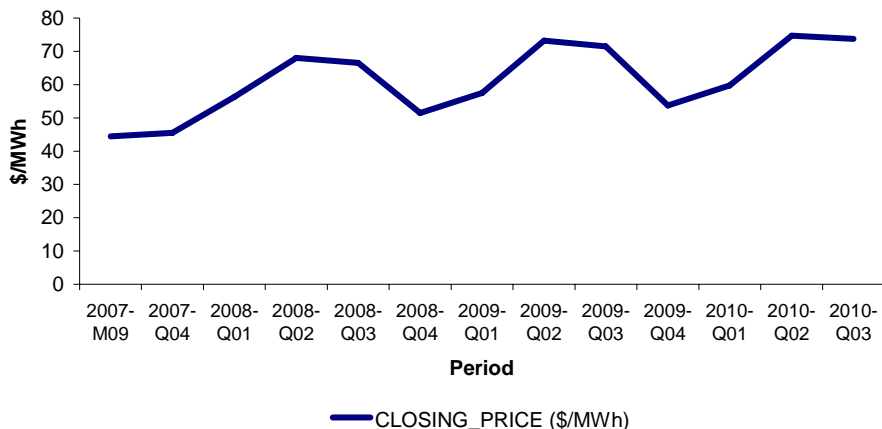
2006/07 was a good year given the increase in gas prices and drop in wholesale prices

- 2005/06 was a very dry year with very high wholesale prices
- 2006/07 saw wholesale electricity prices drop by 40%
- Gas prices increased by 20%
- Retail market share increased slightly
- The average retail electricity price increased by 5.6%

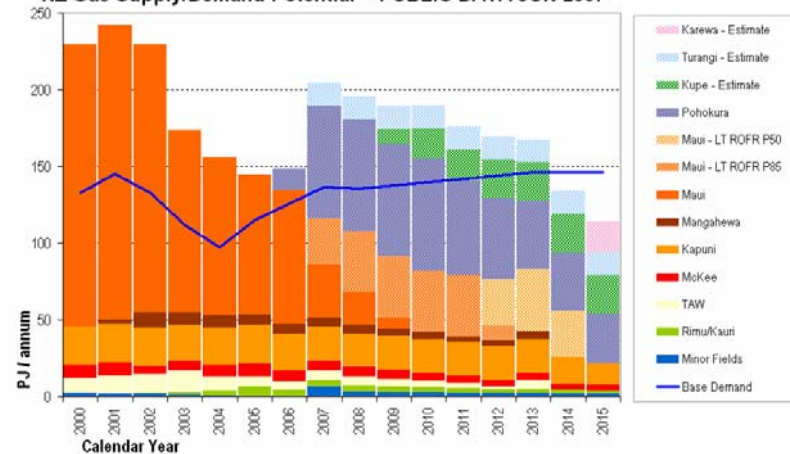
Contact's balance of hydro & thermal assets plus our strong retail position means we perform well in dry or wet years

Short term outlook

Energy Hedge Closing Price (\$/MWh) - 24 August 2007

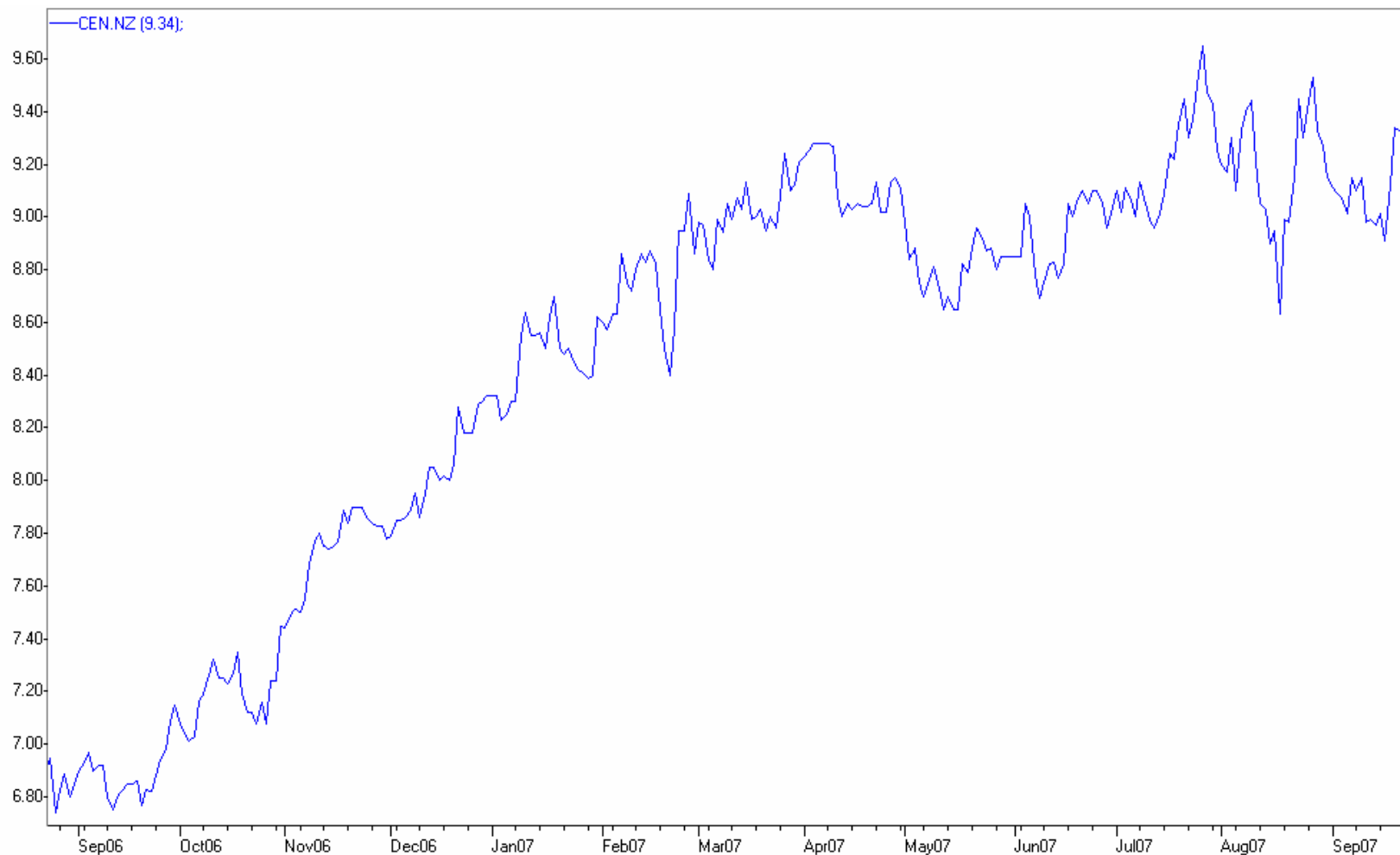


NZ Gas Supply/Demand Potential - PUBLIC DATA JUN 2007



- Prices on energyhedge range between approx.\$50/MWh and \$70/MWh over the next few years
- There is expected to be excess gas available at least for the period to 2010 and possibly beyond that once Kupe is on stream

Share price



Climate Change

- A global issue and one we take very seriously
- 11% of New Zealand's carbon emissions come from electricity generation
- Contact is already 50% renewable and 50% gas generation
- We have no coal-fired generation
- Gas produces only 40% of the emissions of coal per unit of electricity

Contact is committed to being a leader in taking action on climate change...



Government announcements on emissions trading

- A target of 90% of electricity to be renewable by 2025
- Thermal generators of electricity to purchase emission permits for each tonne of carbon emitted
- Acknowledgement by Government that electricity prices will rise
- Starts on 1 January 2010 for electricity

Positive news for owners of renewable energy assets or companies with development options for renewables

What does the future hold for electricity generation?

Geothermal	Great reliable renewable resource. Strategic priority for NZ	5-6¢ kwh
Wind	Lots of wind sites. Consenting challenges. Still relatively expensive	8.5-10¢ kwh
Hydro	Still untapped opportunities	8.5-10¢ kwh
Gas-fired (with domestic gas)	Very efficient and reliable. Uncertain fuel supply. Uncertain cost of carbon	8-9¢ kwh
Gas-fired (with imported LNG)	Future LNG costs hard to predict	9-11¢ kwh
Tidal and wave	Emerging technology. Costs will come down	≈20¢ kwh

Contact's climate change action plan

- A 40% reduction in emissions from the country's electricity generation sector
- \$2 billion investment programme in renewable energy
- Deferral of new base load thermal plant at Otahuhu
- Renewable investment programme - \$1 billion on geothermal - \$1 billion on wind

Contact has unmatched options for renewable energy development...



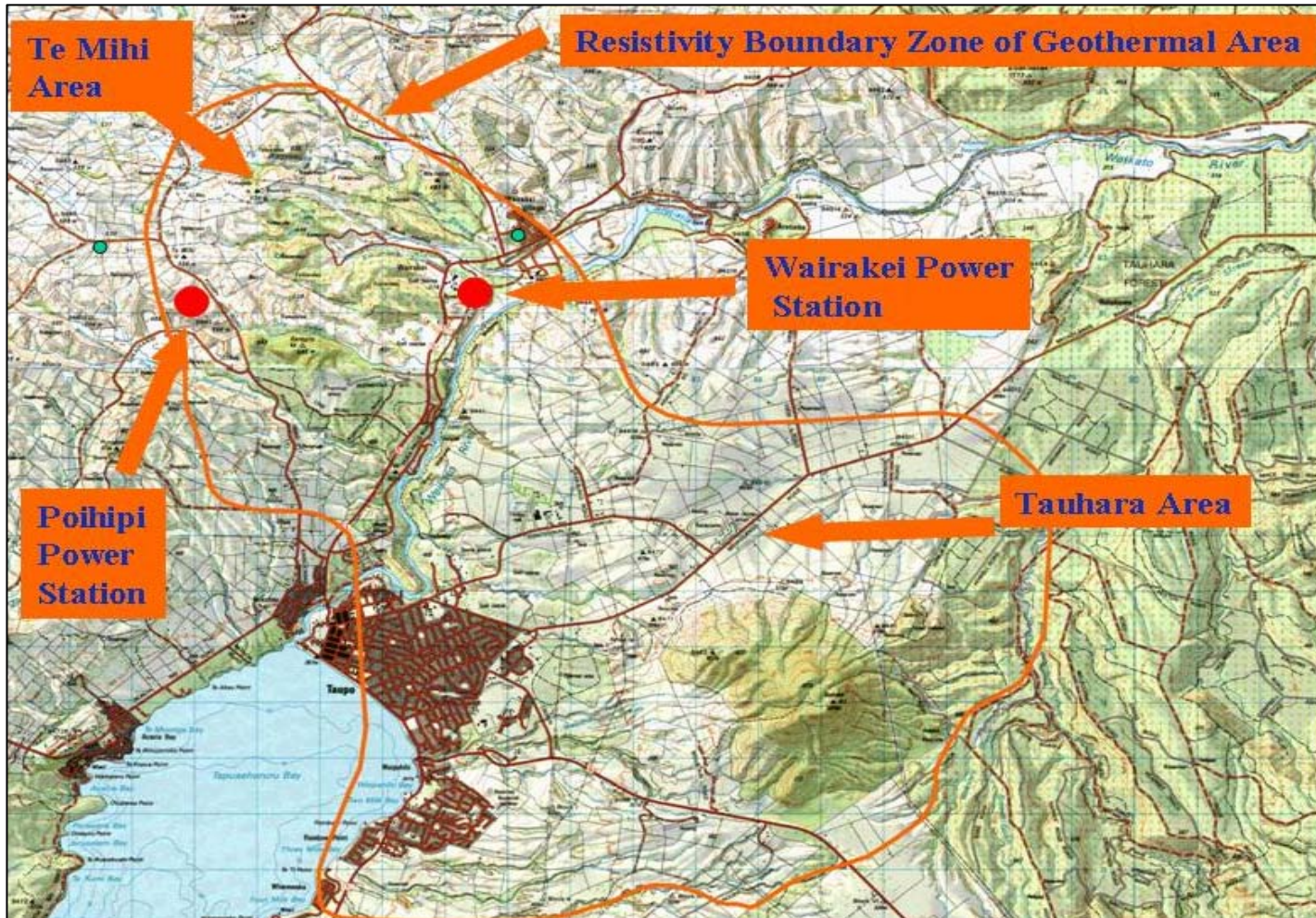
Geothermal

- The ideal fuel – renewable energy that runs 24 hours a day
- Drill wells up to 3 km deep
- Geothermal steam of up to 300 degrees
- Two new stations near Taupo of 225 MW each – Te Mihi and Tauhara
- Replace the existing 50 year old Wairakei station

Geothermal is a critical renewable fuel for New Zealand – Contact is the largest geothermal player in the country with great expansion options...



Geothermal



Wind

- New Zealand has excellent wind resources
- Contact has access to 4 high quality wind sites across the country
- We are focussed on 2 priority sites and expect to make detailed announcements this year

Contact is targeting to spend \$1 billion on wind energy...



Thermal generation

- Contact has consents to build a new base load gas fired station
- We have put this option on hold to concentrate on renewables



Rockgas

- In May 2007 Contact acquired Rockgas
- Rockgas has 50% of the LPG market in New Zealand
- Rockgas sells bottled gas to households, businesses and for transport
- Reticulation networks are being rolled out in targeted South Island areas such as Christchurch and Central Otago

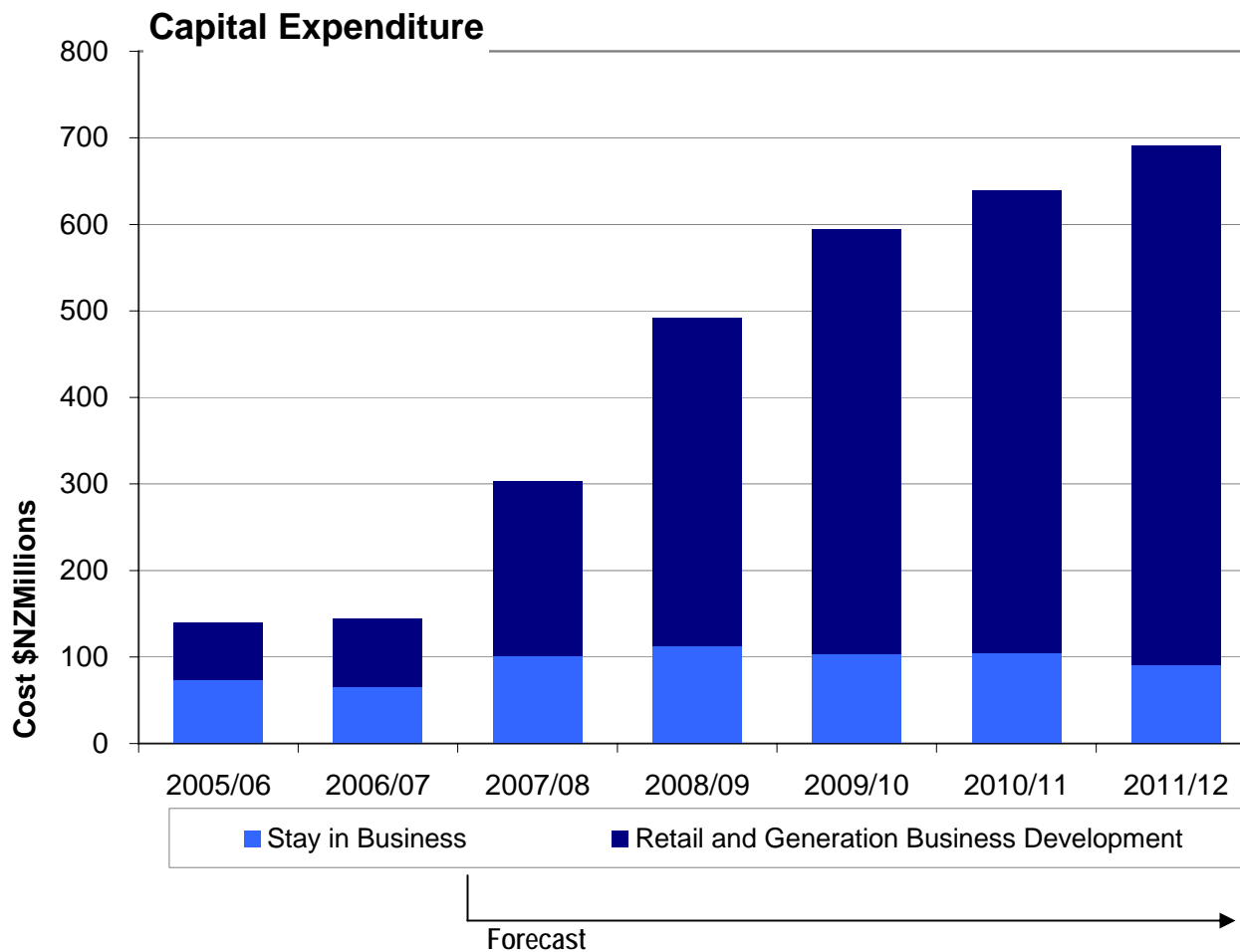
Contact is the only energy supplier which can offer integrated gas and electricity solutions across New Zealand...



A MEMBER OF THE CONTACT ENERGY GROUP

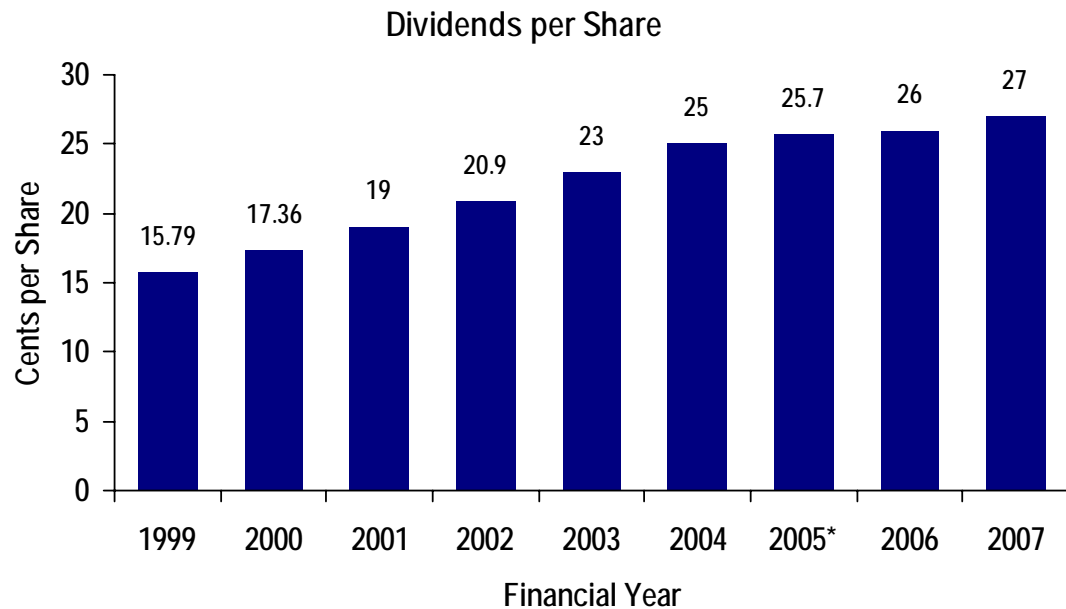


Capital expenditure will rise as we invest in our renewable growth programme



Dividends have increased every year

- Total dividend for 2006/07 – 27 cents per share (fully imputed)
- \$156 million dividend paid out in 2006/07
- An increase of 3.8% from 2005/06
- The dividend level reflects the Board's desire to maintain future flexibility



A very strong balance sheet

- Low levels of debt
- Gearing - 23%
- Aim to maintain our Standard and Poors BBB credit rating

Our strong balance sheet gives us significant capacity to fund our renewable energy growth programme

Conclusion

- Contact is in good heart
- Very well positioned for a world in which climate change will be a critical issue
- Unmatched growth options in renewable energy
- Very strong balance sheet



Will you join us?

- You're a shareholder – **why not become a customer?**
- For current shareholders who are customers – there is a draw for two prizes of a weekend for two at the luxury Huka Lodge near Lake Taupo and a tour of our geothermal facilities
- For shareholders who join as customers by 30 November there will be a separate draw for two prizes of weekends for two at Huka Lodge

Will you join us?

We'd love you on board...



Questions?

