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## **New wells next step in Ahuroa gas storage development**

A new gas injection well was spudded last night at Contact Energy's Ahuroa underground natural gas storage facility near Stratford, marking another step forward in the project's development.

The new well will be the first of an additional three wells which, when completed, will enable sustained gas injection and extraction into and from the depleted gas field. The conversion of the depleted Ahuroa gas field into the country's first underground natural gas storage facility is being undertaken by Contact with drilling, design and operations managed by Origin Energy.

Contact Managing Director David Baldwin said the start of drilling marked the next phase of the \$250 million Ahuroa development.

Since a new compressor was installed and commissioned on the site in early October, Contact has been injecting gas into the field at the rate of around 40 terajoules per day.

When operational, the Ahuroa gas storage facility will enable Contact to take natural gas during periods when the market doesn't require it and store it underground for use during peak gas and electricity demand periods.

The project will restore valuable gas supply flexibility for Contact, enabling the company to shut down its gas-fired power stations when they are not required without being penalised by rigid take or pay gas supply contracts.

The Ahuroa gas storage facility will also provide flexible gas supplies for the company's \$250 million, 200 megawatt gas-fired peaking power station which is under construction at Stratford and which is expected to be commissioned mid-2010.

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