



Media Statement  
Friday, 30 January 2009

### **TrustPower Limited Third Quarter Operating Results for the Nine Months Ending 31 December 2008**

TrustPower's operating statistics for the nine months ending 31 December 2008 together with prior period comparatives are provided at the end of this announcement.

Total electricity sales were 3,219 GWh for the current reporting period which was a reduction of 7.4% on the prior period. While mass market sales increased by 3%, the overall decrease is primarily due to the renegotiation of an industrial customer contract at lower volume in mid 2008. This customer pays a fee to TrustPower to purchase electricity at spot prices on its behalf. Moving forward it is likely to purchase around 750 GWh per annum less from TrustPower than under previous arrangements. This will not have a material impact on future earnings.

Recently TrustPower reached agreement with Top Energy to purchase all the electricity generated from its 25 MW geothermal plant at Ngawha in Northland for a three year period. This contract will enable TrustPower to establish itself as an electricity retailer in Northland and enhance competition in this region.

TrustPower's total New Zealand generation production for the reporting period was 1,720 GWh up 7.5% on prior period but 7% below expected long term average. North Island hydro production was well up for the third quarter due to good inflows into hydro catchments while South Island hydro production was in line with the third quarter of the prior period.

Wind generation was up around 6% for the third quarter compared with prior period but is down around 2% on a year-to-date basis.

TrustPower's main hydro storage catchments are currently at above average levels for this time of year following good inflows during the third quarter.

Wind generation from TrustPower's Australian wind farm at Snowtown in South Australia was 160 GWh for the nine month period during progressive commissioning which is a little below expectation following lower than expected wind speeds during November and December 2008. Annual long term generation production from the wind farm is expected to be 389 GWh.

TrustPower expects that its electricity customer base adjusted for recent acquisitions to be close to 225,000. The quarterly statistics attached do not reflect this due to processing delays in recording customer switching.

In late 2008 TrustPower entered into a contract with Oracle New Zealand Limited to replace its primary customer care and billing system. The implementation project is expected to take around 18 months to complete at an all up cost of \$18 million including internal charges and contingency.

TrustPower is making steady progress with resource consenting for its New Zealand generation development projects.

A final resource consent has been granted by the Environment Court for the 200MW Mahinerangi Wind Farm permitting 100 turbines. TrustPower and the two regional councils involved in the resource consent process have been awarded costs by the High Court against the one appellant and TrustPower is also seeking further costs with respect to the Environment Court appeal.

Resource consents have been granted for the 240MW Kaiwera Downs Wind Farm, the 46MW Arnold hydro project and the 72MW Wairau hydro project. These consents are under appeal and TrustPower is working through separate appeal processes for each project with the objective of avoiding Environment Court hearings where possible.

Once appeal processes have been completed, TrustPower will be able to undertake further analysis of project viability.

The Government has appointed a Ministerial Steering Committee to review the Emissions Trading Scheme Legislation introduced in 2008 and the Committee is expected to provide its recommendations by the end of March 2009. The Government is also looking at improvements to the existing Resource Management Act Legislation. Hopefully the outcomes of these two reviews will provide market participants with greater certainty and a more efficient process for completing generation development opportunities.

The Directors consider that given the performance to date and current market conditions a satisfactory financial result for the year is expected.

**BJ HARKER  
CHAIRMAN**

<b>Operating Statistics</b>	<b>9 Months December 2008</b>	<b>9 Months December 2007</b>	<b>12 Months March 2008</b>
Electricity customer numbers (000's)	220	221	222
Telecommunication services provided (000's)	30	22	26
Mass market sales (GWh)	1,632	1,582	2,029
Time of use sales (GWh)	1,587	1,893	2,511
<b>Total customer sales (GWh)</b>	<b>3,219</b>	<b>3,475</b>	<b>4,540</b>
Weighted average spot price of electricity purchased (\$/MWh)	143	58	73
North Island hydro generation production (GWh)	628	462	546
South Island hydro generation production (GWh)	681	720	926
Total hydro generation production (GWh)	1,310	1,182	1,472
Wind generation production (GWh)	410	418	546
<b>Total New Zealand generation production (GWh)</b>	<b>1,720</b>	<b>1,600</b>	<b>2,018</b>
Weighted average spot price of electricity generated (\$/MWh)	130	56	68
Australian wind production GWh	160	-	-
Resource consent non-compliance events	4	7	8
Staff numbers (full time equivalents)	383	385	393