

Summary of CEMARS® certification:



Contact Energy Limited

Contact Energy Limited meets the requirements of CEMARS® certification having measure its greenhouse gas emissions in compliance with the requirements of ISO 14064-1:2006 and committed to managing and reducing its emissions in respect of the operational activities of its New Zealand operations, including generation facilities.



Introduction¹ – Contact Energy Limited supplies energy to more than six hundred thousand customers. Contact Energy Limited operates ten power stations generating around 25 per cent of New Zealand's electricity and is one of the country's largest wholesalers and retailers of natural gas. Contact Energy Limited is one of the country's largest listed companies and one of New Zealand's most widely held stocks with over 81,000 shareholders. Contact Energy Limited employs about 1000 people throughout New Zealand. It has a number of offices around the country, within and outside of generation facilities and on 1 September 2007 acquired the Rockgas business with additional office accommodation and distribution sites, some of which are franchise operations.

Contact Energy Limited has been in operation since 1996, when it acquired a portfolio of electricity generation and gas assets from the state owned electricity generator, ECNZ (Electricity Corporation of New Zealand). The Company was listed on the New Zealand Stock Exchange in May 1999. In October 2004, Origin Energy became the major shareholder with a 51.4 per cent stake in the company.

Contact Energy Limited has been an active participant in the discussions around climate change and the introduction of an emissions trading scheme to price carbon emissions. During the period in review, Contact Energy Limited has made strong progress in advancing a \$3 billion investment development programme in renewable electricity generation projects and projects to support renewable investment. Contact Energy Limited has also undertaken a range of initiatives to ensure the environmental impacts of our own operations, such as our offices across the country, are minimised.

Boundary – the diagram below shows the organisational structure used for describing Contact Energy Limited's greenhouse gas (GHG) emissions inventory, and which business units were included in the CEMARS certification.

The parts of the structure (business units) in red have been identified as being excluded from the inventory. The percentage figures indicate the level of ownership by Contact Energy Limited.

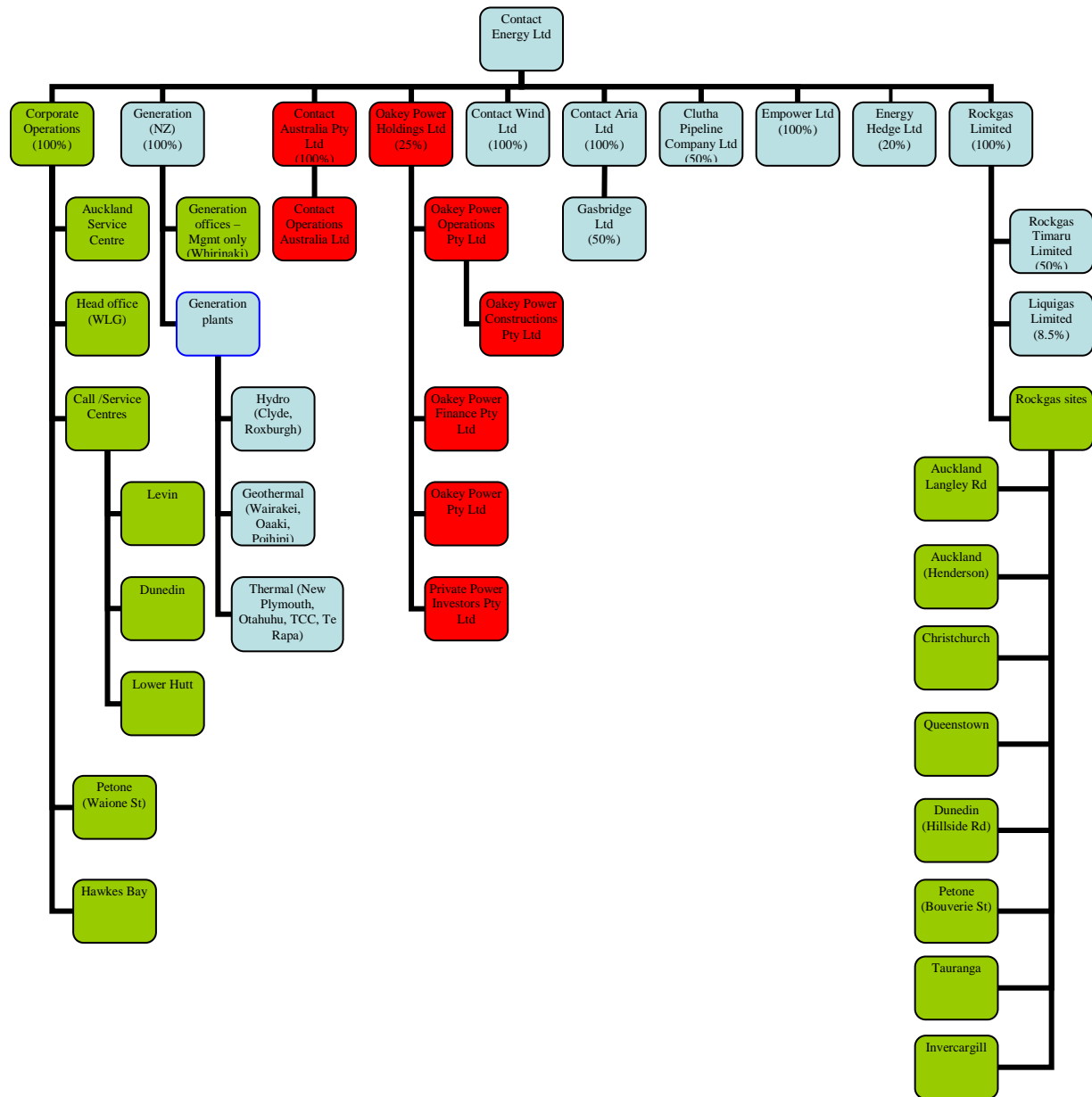
The parts of the structure (business units) in green or blue have been identified as being within this emissions inventory and together form part of the company included in CEMARS certification.

¹ **Disclaimer:** This Disclosure Statement is a summary of the verified information considered for certification and the certification decision. It should not be taken to represent the full submission for certification. While every effort has been made to ensure that the information in this Disclosure Statement is accurate and complete, Landcare Research does not, to the maximum extent permitted by law, give any warranty or guarantee relating to the accuracy or reliability of the information.

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All activities associated with the supply and customer consumption of energy are excluded from the application CEMARS certification.

Some of the business units in the figure above are holding companies and therefore do not have any emissions

Operations outside of New Zealand are also not included in the inventory as the boundary has been set for New Zealand operations only.

Rockgas franchises where the operational control sits with the franchisee are not included.

Rockgas filling stations for LPG (not including gas sold) and electricity generation activities have been quantified and reported for CEMARS certification.

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Consolidation approach – operational control

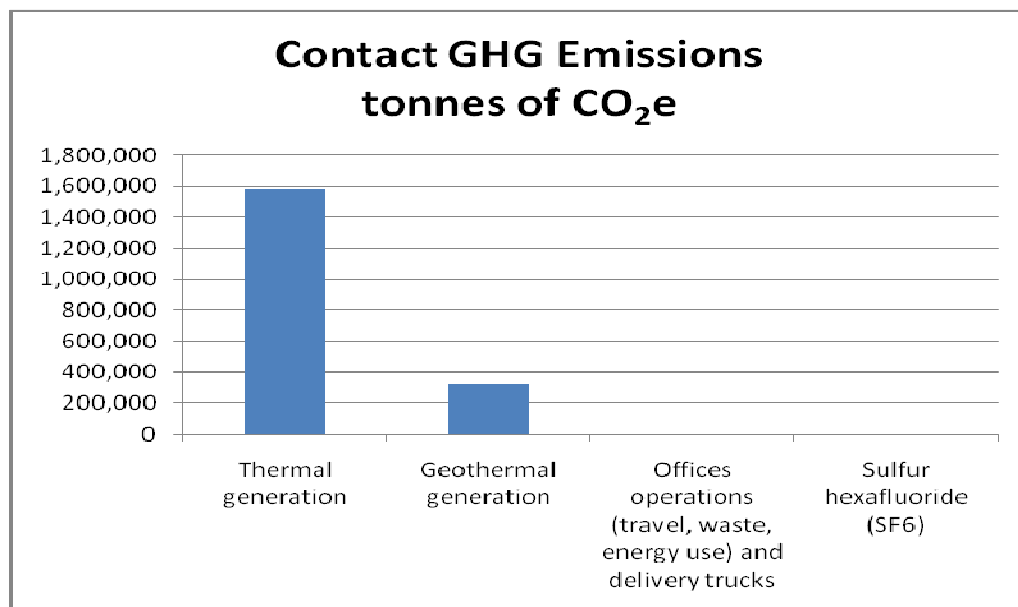
Base year – 01/07/2008 – 30/06/2009

Measurement period – 01/07/2009 – 30/06/2010

GHG emissions source inclusions – the diagram below shows the operational GHG emissions for Contact's operations by emissions source.

Emissions from activities associated with the generation of electricity are included in the inventory for CEMARS certification.

Contact Energy Limited's total emissions for this period were 1,910,437.93 tonnes carbon dioxide equivalents (CO₂e) comprising 1,905,200.31 tonnes CO₂e Scope 1, 593.97 tonnes CO₂e Scope 2 and 4,643.65 tonnes CO₂e Scope 3 emissions



GHG emissions source exclusions– All activities associated with transmission of electricity and/or natural gas is excluded from the application as Contact does not have control over these emissions.

All emissions resulting from customer use of Contact Energy / Rockgas derived electricity or gas are excluded, including those associated with burning of LPG and natural gas sold to Rockgas and Contact Energy Limited customers, as Contact Energy Limited does not have control how customers use the products.

No emissions associated with the Ahuroa reservoir have been included. This underground depleted gas field near Stratford is being refilled with natural gas to act as a storage facility for the gas so it is available in times of high demand. Once gas is extracted from the field it will then be counted as part of the emissions for Contact Energy Limited. Any fugitive emissions from this reservoir are considered to be de minimus.

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Emissions from diesel used in the Whirinaki thermal plant have not been included as these emissions are *de minimis* in terms of the organisational emissions.

Emissions created by use of couriers has also be omitted from both inventories as considered to be *de minimis* and has been estimated at less than 0.2% of Contact Energy Limited's Corporate Office emissions.

GHG emissions reduction commitments – Contact Energy Limited has developed a GHG emissions reduction plan for its Corporate Office Operations. Some projects in this plan include:

- Reduce land transport emissions from fleet vehicles per FTE by 1% by 30 June 2011
- Reduce air transport emissions per FTE by 2% by 30 June 2011

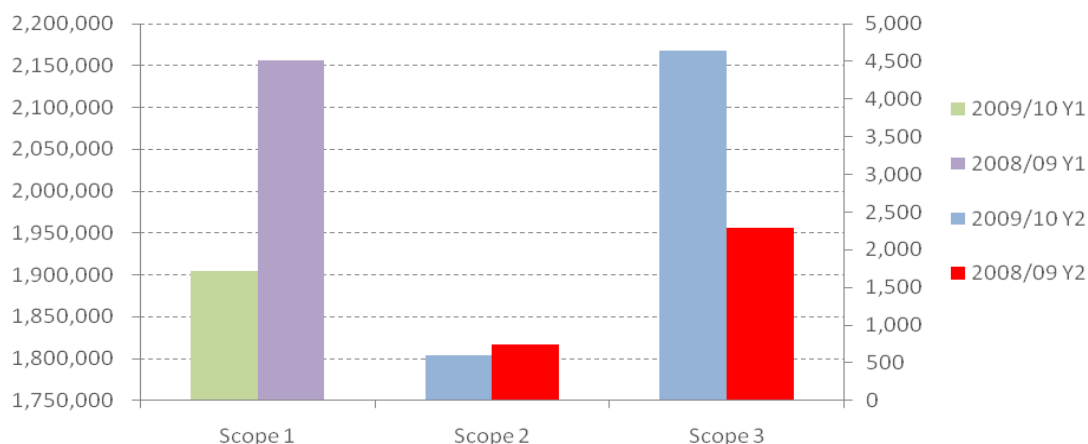
Contact Energy Limited is committed to investigating possible targets for the reduction of GHGs emitted through generation of electricity by 31/12/11, and as part of that, to assessing the impact on the business of any such targets, and conversely the impact on the targets of various business decisions and market forces.

GHG emissions reduction report against last year's plan – Total GHG emissions for Contact's NZ Operations were 1,910,438 tonnes of CO₂e for the period 1/7/09 to 30/6/10, whilst there were 2,183,155 tonnes of CO₂e for the period 1/7/08 to 30/6/09. This is a decrease of 272,717 tonnes CO₂e.

Scope 1 emissions have reduced mainly due to emissions from thermal and geothermal generation decreasing by approximately 11% and 13% respectively. This is primarily because 2009/10 was a wet year with higher than normal rainfall resulting in increased availability of hydro generation. Consequently less thermal and geothermal production was required.

Scope 3 emissions have almost doubled however this is not a real result, but rather due to the inclusion of emissions from the transportation of LPG in 2009/10 whereas this was not included in the 2008/09 inventory.

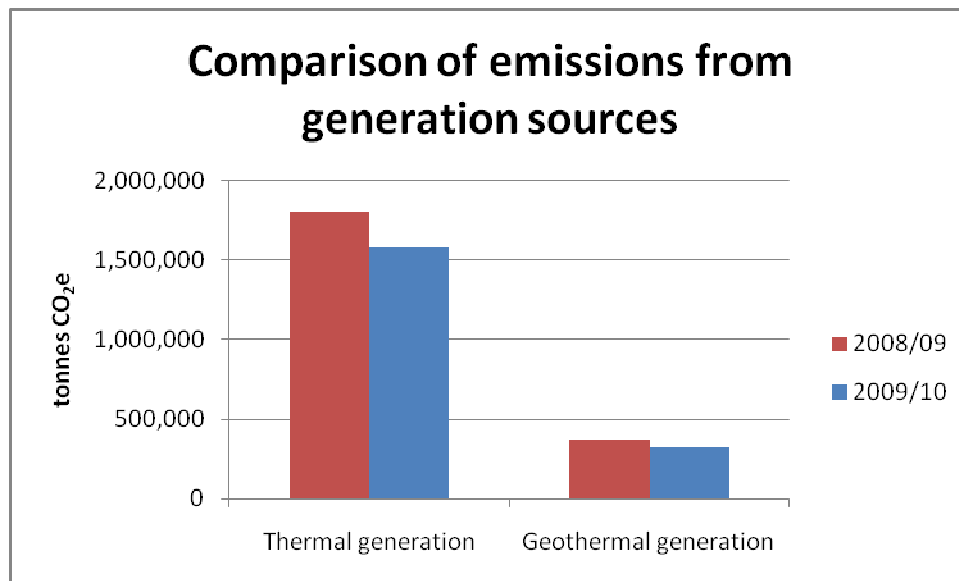
Comparison Of Emissions By Scope



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Verified by – Deloitte

Threshold of materiality – Excluded emissions do not exceed 5% of the total footprint for organisation stated.

Level of assurance – Reasonable assurance

Certification status – CEMARS certified “organisation” covering Contact’s New Zealand operations.

Certificate number – 2011004J

Valid until – 30 October 2013