

Contact Energy Limited

Contact Energy Limited meets the requirements of carboNZero^{Cert™} certification having measured its greenhouse gas emissions in compliance with ISO14064-1, committed to managing and reducing its emissions and neutralised the remaining unavoidable emissions in respect of its New Zealand Corporate Office operations including head office, call/service centres and Rockgas offices.



Introduction¹ – Contact Energy supplies energy to more than 600,000 customers. It operates nine 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 is one of the country's largest listed companies and one of New Zealand's most widely held stocks with over 82,000 shareholders. It employs around 1,000 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 Rockgas LPG with additional office accommodation and distribution sites, some of which are franchised.

Contact 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 and holds a 51.4 per cent stake in the company.

Contact 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 has made strong progress in advancing its development programme in electricity generation projects and projects to support renewable investment. Contact has also undertaken a range of initiatives to ensure the environmental impacts of its operations, such as offices across the country, are minimised.

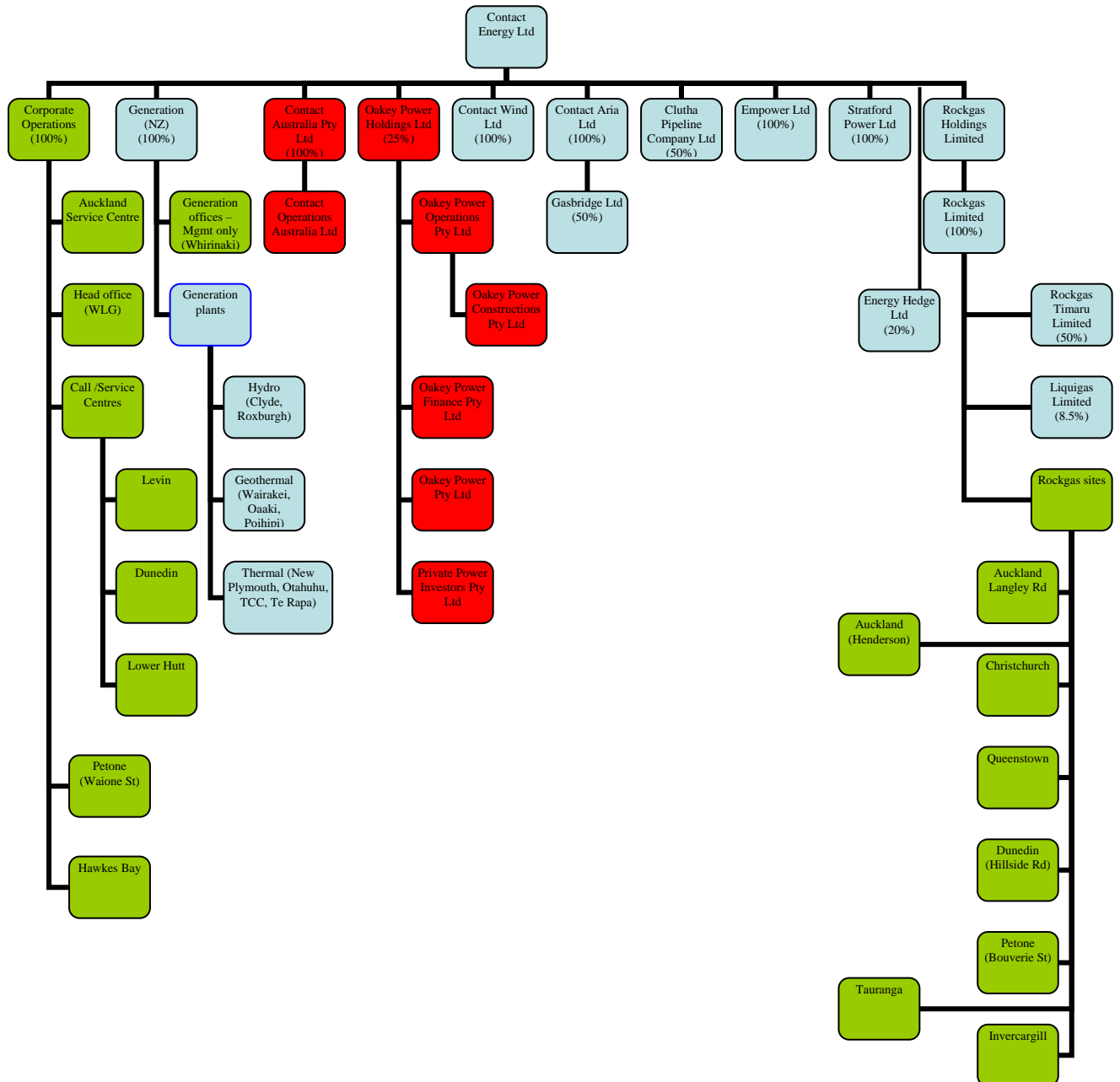
Boundary – The diagram below shows the organisational structure used for describing Contact's greenhouse gas (GHG) emissions inventory, and which business units were included in the carboNZero certification.

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.

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.

Contact Energy Limited

The parts of the structure (business units) in green have been identified as being within the emissions inventory considered as part of the carboNZero certification for New Zealand Corporate Office Operations. Certification from the carboNZero programme relates only to emissions from corporate office activities, including those corporate activities associated with the generation sites.



All activities associated with the supply and customer consumption of energy are excluded from the application for carboNZero certification. Certification therefore only to emissions from corporate office activities, including those corporate activities associated with the generation sites.

Contact Energy Limited

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 either 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 where there is no office function are excluded from corporate office operations and these emissions will not be included in the number of credits sought to offset unavoidable emissions through the carboNZero programme.

Consolidation approach – Operational control

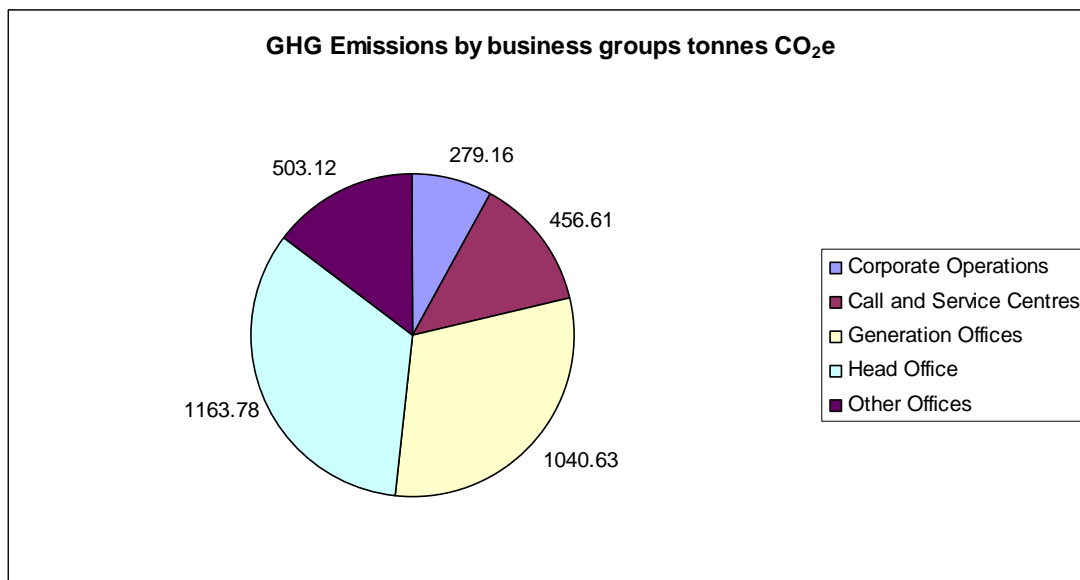
Base year – 01/7/2007 – 30/06/2008.

Measurement period – 01/07/2008 – 30/6/2009.

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

Staff and office emissions from the Whirinaki station have been included as Contact holds the management contract to run the plant on behalf of the owner.

Contact's Corporate office operations total emissions for this period were 3443.31 tonnes carbon dioxide equivalents (CO₂e), shown in the diagram below. This comprised 652.09 tonnes CO₂e Scope 1, 495.14 tonnes CO₂e Scope 2 and 2296.08 tonnes CO₂e Scope 3 emissions.



Summary of carboNZero certification:

Contact Energy Limited

GHG emissions source exclusions – Refrigerants are not included in the carboNZero certification boundary as these are only used in staff fridges and therefore do not reach the reporting threshold under the programme rules.

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's Corporate Office emissions.

Emissions associated with burning of LPG and natural gas sold to Rockgas and Contact customers have not been included in either inventory as Contact does not burn the gas, it just supplies it to customers for their use.

Certification from the carboNZero programme relates only to emissions from corporate office activities, including those corporate activities associated with the generation sites. Emissions from activities associated with the generation and distribution of electricity and Rockgas are not included in the carboNZero inventory.

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

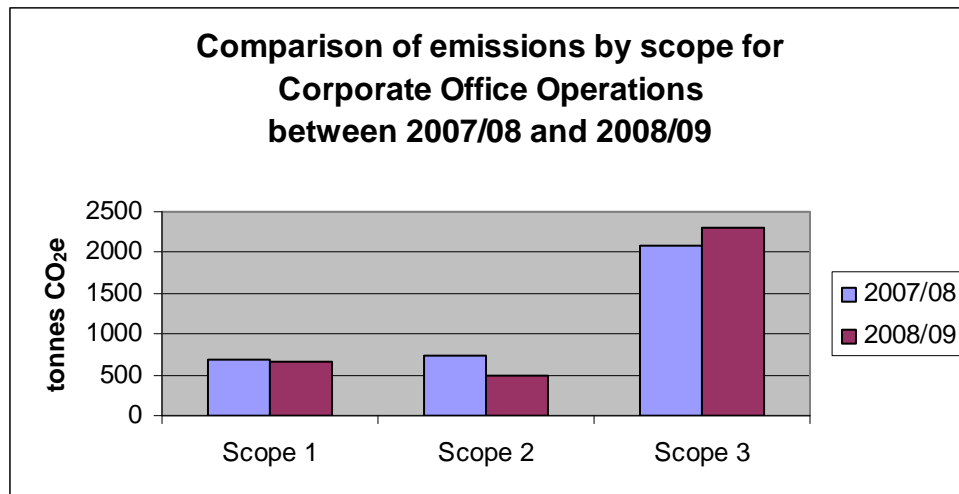
- Reduce electricity consumption by 1% per FTE, i.e. by 30.27 kWh/FTE by the end of June 2010
- Reduce land transport emissions from fleet vehicles per FTE by 1% by 30 June 2011
- Reduce air transport emissions per FTE by 2% by 30 June 2011

Through the review period, Contact continued to contribute to individual staff member's actions to become carbon neutral at home, by matching the individual's contribution and buying offset credits through Landcare Research on behalf of participating staff.

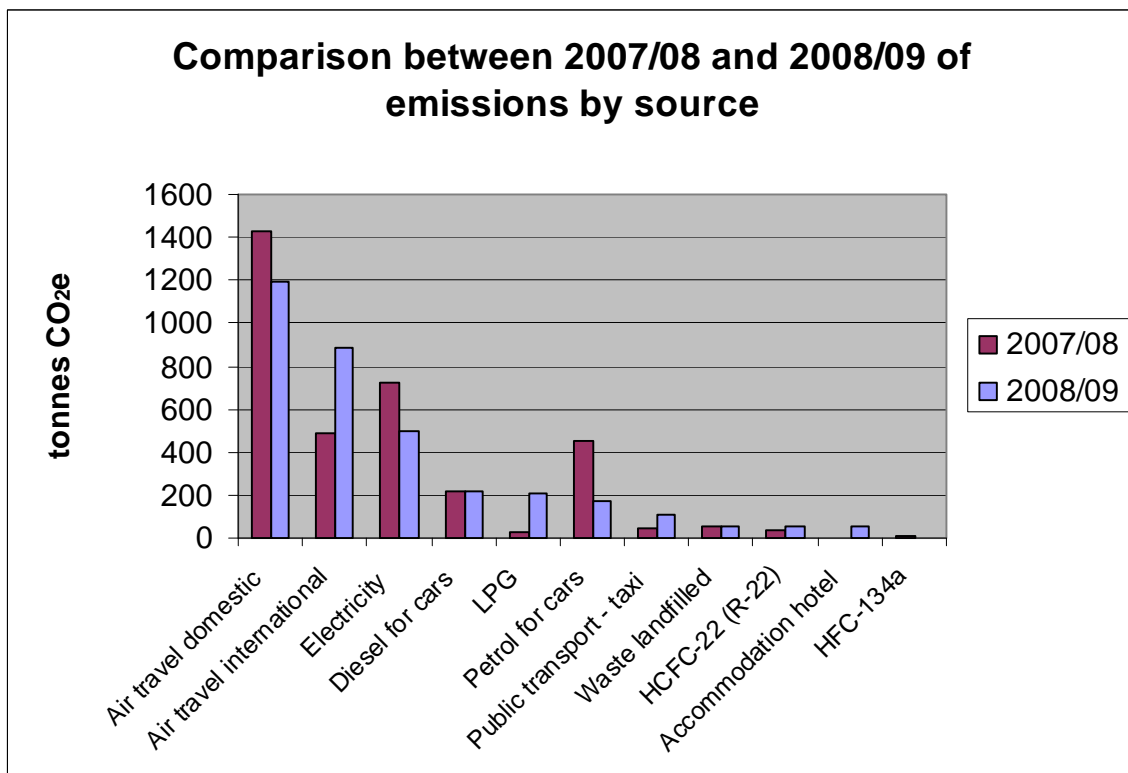
GHG emissions reduction report against last year's plan – GHG emissions for Contact's Corporate Office Operations were 3443.31 tonnes of CO₂e for the period 01/07/2008 to 30/06/2009, whilst there were 3,487.11 tonnes of CO₂e for the period 01/07/2007 to 30/06/2008. This is a decrease of 43.8 tonnes CO₂e.

In the previous disclosure statement Contact set a target to reduce the number of reams of paper used in 2007/08 year by one sixth to less than 2,258 reams for the 2008/09 year. Contact narrowly missed this target. Contact reduced the number of reams to 2,345, a reduction of one seventh or over 13% compared to the target of 16%.

Contact Energy Limited



Note: the above table shows a reduction in scope 2 emissions, i.e. electricity, although Contact's consumption of electricity increased from 2007/08 to 2008/09. The reduction in the number of tonnes of CO₂e shown above is due to a reduction in the emission factors between the two periods.



Offset – 3,500 tonnes CO₂e comprising 3,500 VERs² from Palmerston North Land Fill Gas Project (Awapuni) serial numbers PREVER-CMSLTD-AWAPUNI-07-0000008625 to 0000012124 have been retired on the Markit Registry.

² VERs are created by eligible projects for emissions reductions achieved up to the end of 2007.

Summary of carboNZero certification:

Contact Energy Limited

Verified by – Deloitte

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

Level of assurance – Reasonable assurance

Certification status – carboNZero certified “partial organisation” covering Contact Energy’s Corporate Office Operations

Certificate number – 2010055J

Valid until – 30 September 2010.

Contact Energy, 29 Brandon Street, Level 1 & 2, Harbour City Tower, PO Box 10742, Wellington, 6011, New Zealand. Tel: +64 (04) 499 4001. Email: help@contactenergy.co.nz Web: www.contactenergy.co.nz

Note: Contact Energy Limited has been certified under the CEMARS programme for its entire organisation for the same inventory period and a separate disclosure statement is available for this.