



14 January 2021

Contact says extension for NZAS is good news

Contact Energy ('Contact') CEO Mike Fuge welcomed the news that the life of New Zealand's Aluminium Smelter ('NZAS') at Tiwai Point will be extended until at least the end of 2024 while an economic transition for Southland is developed.

"Today's announcement of the deal between Meridian and NZAS ensures sustainable smelter operations in the medium term and allows time to plan for an ultimate exit of New Zealand's largest energy user. This is great news for Southland and New Zealand, global carbon emissions, and Contact's shareholders."

As part of the arrangement announced today, Contact has agreed to supply Meridian Energy with a portion of the electricity required to power the NZAS smelter at Tiwai Point. Contact will provide an average of 100 megawatts of baseload electricity through until the end of 2024 (assuming the smelter requires 572 megawatts of electricity).

"We are pleased to have played our part in helping secure the financial sustainability of the unique low-carbon smelter at Tiwai and retain the 1,000 high-paying jobs in Southland and the 1,600 associated contractor and supplier roles too," Mr Fuge said. "Many other jobs around New Zealand would also have been lost if there was a disorderly exit."

He said Contact was continuing to advance its "world-class" Tauhara project in readiness for an investment decision. "The Tauhara geothermal project is New Zealand's best low-carbon renewable electricity opportunity. It will operate 24/7, is not reliant on the weather and is ideal for displacing baseload fossil fuel generation."

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