

NZX Announcement

28 April 2017

For Immediate Release

NZ Windfarms Changes Operating Strategy

NZX listed merchant wind generator NZ Windfarms Limited (NWF) Board Chairman Rodger Kerr-Newell is pleased to announce a major shift in its operating strategy. The organisation has implemented a dynamic curtailment regime aimed at extending the service interval of its fleet of 96 wind turbines located on the Tararua Ranges adjacent to Palmerston North City.

The changes are expected to yield significant annual operational savings that will manifest steadily over time. It is anticipated that should the initiative perform optimally and to expectations, the savings generated during a 12 month period could be in the range of \$300K to \$700k. Given the nature of the initiative, it is difficult to forecast with absolute certainty what the exact quanta of prospective savings to the Company will be and how quickly they will materialise. However, the Company will, through historical analysis, be able to estimate with a degree of accuracy what the actual savings in a previous period have been. The Company will report back to the market in respect of this information from time to time.

NZ Windfarms Commercial Director, John Worth explains that whilst the plant has boasted turbine availability above industry standards, this has come at a cost. “We can now measure and analyse the wind resource quality in real time at each turbine, and this new regime dynamically protects key mechanical componentry, offering us significant savings over time.” “These moves are particularly relevant to the organisation in the current environment of low wholesale pricing,” says Worth. Kerr-Newell noted that this is part of a series of interventions aimed at improving the performance of the organisation.

For further information contact:

John Worth

Commercial Direction

+64 21 800 310