

## NZX Announcement

19 October 2017

For immediate release

### FIRST QUARTER, FINANCIAL YEAR TO 30 JUNE 2018

NZ Windfarms Limited ("NWF") is pleased to disclose operating statistics for the September quarter:

#### First Quarter – 1 July 2017 to 30 September 2017

	<u>2017</u>	<u>2016</u>	<u>% Change</u>
Electricity generation output - MWh	25,629	31,860	-19.6%
Revenue from wholesale electricity sales	\$2,173,000	\$1,490,000	+45.8%
Revenue from hedge contracts	\$124,033	-	-
Total revenue (wholesale plus hedges)	\$2,297,033	\$1,490,000	+54.2%
Average electricity price - \$/MWh (pre/post hedging outcomes)	\$84.79/\$89.63	\$46.77/\$46.77	+81.3%/+91.6%
Turbine availability (average)	99.1%	94.9%	+4.4%

The financial performance of NWF has until this quarter been entirely exposed to wind conditions and electricity prices. This exposure has been reduced through ASX futures contracting, providing additional revenue when the value of hedge contracts exceeds the market price in the period. NZ Windfarms received its first hedge revenues in this quarter, making a contribution of 5% to quarterly revenue. Modeling and forecasting are based on appropriate long-term averages.

Revenue from wholesale market electricity sales rose 45.8% per cent to \$2.173 million for the quarter, compared to Q1 2016. Output for the quarter was 19.6 per cent lower at 25,629MWh, and average wholesale market electricity prices received were 81.3 per cent higher, at \$84.79 per MWh, than for the previous corresponding period. When hedging revenue is included, total revenues for the period were \$2.297 million, up 54% from the previous corresponding period, demonstrating the value the business can receive by having hedge cover in place.

The seasonally poor wind conditions experienced in Q4 2017 have persisted for much of this quarter. Our onsite operations team have achieved exceptional availability of over 99%, however low wind conditions have contributed to this outcome. The 12-month rolling output of 118,408MWh is below the 130,000MWh forecast.

**ENDS**

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