

NZX Announcement
31 July 2018
For immediate release

FOURTH QUARTER, FINANCIAL YEAR TO 30 JUNE 2018

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

Fourth Quarter – 1 April 2018 to 30 June 2018

	2018	2017	% Change
Electricity generation output - MWh	30,003	18,508	+62.1%
Revenue from wholesale electricity sales	\$1,611,000	\$1,230,000	+31.0%
Revenue from hedge contracts	\$142,000	-	-
Total revenue (wholesale plus hedges)	\$1,753,000	\$1,230,000	+42.5%
Average electricity price - \$/MWh (pre/post hedging outcomes)	\$53.69/\$58.43	\$66.46/\$66.46	-19.2%/-12.1%
Turbine availability (average)	97.83%	97.77%	+0.06%

Financial Year – 1 July 2017 to 30 June 2018

	2018	2017	% Change
Electricity generation output - MWh	103,014	124,639	-17.4%
Revenue from wholesale electricity sales	\$7,165,000	\$5,981,000	+19.8%
Revenue from hedge contracts	\$346,000	-	-
Total revenue (wholesale plus hedges)	\$7,511,000	\$5,981,000	+25.6%
Average electricity price - \$/MWh (pre/post hedging outcomes)	\$69.55/\$72.91	\$47.98/\$47.98	+45.0%/+52.0%
Turbine availability (average)	98.35%	96.09%	+2.35%

The quarter was notable for strong net production of 30.0GWh particularly given the dynamic curtailment regime in place for the whole of the quarter. Pricing was relatively typical on the basis of strong hydrological conditions in both the North and South Islands.

Revenue from wholesale electricity market sales rose 31.0% to \$1.611m for the quarter compared to Q4 2017. Output for the quarter was 62.1% higher at 30.0GWh while the average wholesale electricity price received was 19.2% down at \$53.69/MWh, than for the previous corresponding period. Hedging revenues for the quarter were positive at \$142,000 following a reset of hedge contracts in December 2017, increasing revenue by c9%. Turbine availability was high at 97.8%.

The quarter draws the financial year to a close and contributed to a full year generation volume of 103.0GWh. The production volume has been impacted by a range of deliberate dynamic curtailment regimes that were in place for much of the calendar year that are aimed at improving the profitability of the wind farm. These curtailment regimes target high wear wind conditions and periods of low price when turbine running is undesirable.

Generation revenue for the year rose 19.8% to \$7.165m. Output was 17.4% down compared to the prior year but the dynamic curtailment in place makes a like-for-like comparison imperfect. Average wholesale electricity pricing was 45.0% higher at \$69.55/MWh, noting that curtailment in periods of low price increases the average price received. The company benefitted from its first full year with a range of hedge instruments in place, yielding net revenues of \$346,000. This saw average wholesale pricing received increase 51.9% to \$72.90/MWh, and contributed to total revenues of \$7,511,000, 25.6% higher than for the prior year. While a secondary focus to optimising profitability, turbine availability remained very high at 98.4% for the year, a significant lift over the 96.1% achieved in the FY17 year.

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