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## Contact confirms world-class Tauhara geothermal resource

Contact Energy (Contact CEN.NZ) recently completed a \$40 million appraisal<sup>1</sup> of the Tauhara geothermal field near Taupō.

Contact CEO Mike Fuge said he was pleased with the progress to date. “The results from the four wells drilled in the appraisal campaign confirm what we already knew: Tauhara is a world-class renewable geothermal project, all the more attractive because of its very low associated CO<sub>2</sub> emissions. It will play an important role in New Zealand’s transition to a low-carbon future. To put things in perspective, coal-fired generation emits 18 times more carbon than is expected from the Tauhara project, and gas-fired generation from a peaker emits eight times more.”

“In addition to building our understanding of the resource, we have already secured the equivalent of 75MW of high-temperature production fluid which is a fantastic place to be at this stage of the project.”

After an exhaustive competitive tender, Contact has also selected Sumitomo Corporation (‘Sumitomo’) as the preferred construction partner for a 150MW power station development at Tauhara and an early works contract has been signed. Sumitomo is an engineering, procurement and construction contractor, headquartered in Japan, and has successfully delivered geothermal projects in New Zealand and several other countries.

Sumitomo has partnered with New Zealand construction company Naylor Love for the civil engineering components of the project, and with Fuji Electric for the supply of the steam turbine.

Mr Fuge said the early works contract enabled Sumitomo to commence plant design and advance its site investigation and execution planning. “It also provides the contractual basis to procure long-lead time turbine and generator components. The Tauhara development is now technically shovel-ready and only subject to a final investment decision as soon as market conditions allow.”

“If Tauhara proceeds, we expect to make an additional investment in the order of \$600m<sup>1</sup>. This means it remains New Zealand’s cheapest and most attractive baseload renewable electricity generation project, and it will deliver substantial economic benefits and jobs in the central North Island.”

<sup>1</sup> excludes capitalised interest

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**MORE INFORMATION**



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***About Contact Energy***

We're committed to a sustainable, low carbon energy future for New Zealand. To us, this means balancing our commitment to lowering carbon emissions, producing renewable energy, while maintaining reliable access to energy for our customers. We generate electricity from hydro, geothermal and gas and have one of the most flexible generation portfolios in the country.

***About Sumitomo Corporation***

Sumitomo Corporation is a multi-national Japanese trading house and engineering, procurement and construction (EPC) contractor who has successfully delivered the Kawerau and Nga Awa Purua geothermal projects in New Zealand, alongside several others internationally.