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## Contact to revisit Wairākei development options

Contact has been working towards a final investment decision on GeoFuture - a new geothermal plant on the Wairākei steamfield, due to come online in FY27. The project has been undertaken with the objective of replacing the Wairākei geothermal power station at a scale that maximises generation from the field. To provide up-front confidence in schedule and cost estimates, advanced front-end design and a competitive tender for a large-scale power station have recently been completed.

Since the project was initiated, costs have increased through construction inflation as well as a weakened New Zealand dollar. On completion of detailed development activities, assessed total project costs have come in substantially higher than previously expected, with the impact of increased construction costs compounded at scale.

While geothermal project economics remain favourable, given the assessed total project cost and complex integration with Contact's existing operations on the Wairākei steamfield, a range of alternatives will be revisited. This includes a phased approach to new power station investment, potentially together with the longer running of existing plant. A phased approach would also reduce market and execution risk. Based on the latest information, we would expect a scaled new build plant to cost over \$7m / MW<sup>1</sup>.

Contact has resource consent to operate the existing Wairākei geothermal power station up to June 2031 and is assessing the operational, regulatory and capex requirements for the extended running of some of the plant. We expect the additional capex requirements will be economic but meaningful.

To undertake works critical to maintaining field development options, the Board has approved an additional \$30 million of development costs, taking the total to \$144 million. Nearly all spend to date on the project is expected to deliver benefits under all options.

Contact will provide an update on Wairākei development options at its FY24 results.

“Continued long-term generation that sustainably optimises the take from the Wairākei steamfield is an important part of Contact's renewable energy strategy and our commitment to decarbonise,” said CEO Mike Fuge. “We are taking a disciplined approach to capital allocation and are fortunate to have an array of options at our disposal which can flex to changes in the external environment.”

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<sup>1</sup> Total project cost including all approved pre-FID spend.