

## NZX Announcement

13 April 2016

For Immediate Release

### THIRD QUARTER FINANCIAL YEAR TO 30 JUNE 2016

NZ Windfarms Limited ("NWF") advises the following operating statistics for the third quarter:

#### Third Quarter – 1 January 2016 to 31 March 2016

	<u>2016</u>	<u>2015</u>	<u>% Change</u>
Electricity generation output - MWh	29,892	22,879	30.7
Revenue from electricity sales	1,786,000	1,890,000	-5.5
Average electricity price - \$/MWh	59.75	82.61	-27.7
Turbine availability (average)	96.4%	96.6%	-0.2

The performance of NWF is strongly influenced by wind conditions and electricity prices, which are both subject to natural variability and beyond NZ Windfarms' control. Our annual forecasts are based on long term averages for output and for electricity prices, the NZ electricity base load quarterly futures price (OTA) as quoted on the ASX on 30 June 2015.

Electricity output for the third quarter of the 2016 financial year was 29,892 MWh, 30.7 percent above the previous corresponding period ("PCP"). The output was below forecast as it was in the PCP. Revenue from electricity sales was 5.5 percent lower than the PCP at \$1.786 million, due to lower spot electricity prices. The average electricity price received from the Wholesale Electricity Market was 27.7 percent lower, at \$59.75 per MWh. This electricity price received was below the forecast level based on the ASX futures contract price as at 30 June 2015.

Hydro-electric lake storage rose above the long term average in March after holding below the long term average in the first two months of the quarter. Storage is currently 107 percent of the average for this time of the year, causing short-term energy prices to decline in the futures market with negative implications for our pricing in the near term. The current long-term meteorological forecasts are for below average rainfall in the South Island catchments, which would be positive for spot electricity prices.

Turbine availability of 96.4 percent for the quarter was 0.2 percent lower than for the same period in the 2015 year reflecting the continuation of positive results from the ongoing repair program to address previously advised technical issues with the fleet of WF500 turbines. NWF continues to work with the turbine manufacturer and independent experts to develop a permanent cure for these issues. On a positive note we have had no further generator failures in the last 12 months.

#### Financial year to date – 1 July 2015 to 31 March 2016

	<u>2016</u>	<u>2015</u>	<u>% Change</u>
Electricity generation output - MWh	98,408	91,553	7.5
Revenue from electricity sales	5,614,000	6,080,000	-7.7
Average electricity price - \$/MWh	57.05	66.41	-14.1
Turbine availability (average)	96.7%	96.4%	0.3

Revenue from electricity sales for the first nine months of the 2016 financial year was 7.7 percent lower than in the previous corresponding period at \$5.614 million, due to lower spot electricity prices. Electricity output of 98,408 MWh for the financial year to date was 3.3% below forecast, assisted by excellent availability of 96.7 percent. The electricity price received for this output of \$57.05 per MWh was 13.4 percent above the forecast levels derived from the futures prices on the ASX at the start of the financial year. Of note, the Te Rere Hau wind farm has generated the target 130 GWh on a rolling 12-month basis for the first time since commissioning of the 97 turbines.

**ENDS**

For further enquiries contact:

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