

AUDIT REPORT TO THE SHAREHOLDERS OF NZ WINDFARMS LIMITED

We have audited the financial statements on pages 2 to 29. The financial statements provide information about the past financial performance of NZ Windfarms Limited and group and their financial position as at 30 June 2009. This information is stated in accordance with the accounting policies set out on pages 6 to 11.

This report is made solely to the company's shareholders, as a body, in accordance with Section 205(1) of the Companies Act 1993. Our audit has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Board of Directors' Responsibilities

The Board of Directors is responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of financial statements which give a true and fair view of the financial position of NZ Windfarms Limited and group as at 30 June 2009 and of the results of their operations and cash flows for the year ended on that date.

Auditors' Responsibilities

It is our responsibility to express to you an independent opinion on the financial statements presented by the Board of Directors.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Board of Directors in the preparation of the financial statements, and
- whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor, we have no relationship with or interests in NZ Windfarms Limited or any of its subsidiaries.

Fundamental Uncertainty

The financial statements have been prepared on a going concern basis, the validity of which depends on future funding being available from operational cash flows and the proposed raising of additional funding.

In forming our unqualified opinion, we have considered the adequacy of the disclosures in Note 26 of the financial statements concerning the Board of Director's plans with respect to achieving the operational cash flows predicted and the raising of additional funding within the timeframe budgeted and prior to utilisation of available cash resources. The financial statements have been prepared on a going concern basis, the validity of which depends on the successful implementation of such plans. These plans have been confirmed by the Board of Directors as outlined in Note 26. The financial statements do not include any adjustments that would result from a failure to achieve the cash flow predicted both operational and through additional funding within the timeframe set out in the Board of Directors' plans. If the cash flows cannot be achieved within the timeframe set, the company may be unable to continue in operational existence for the foreseeable future and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amount at which they are currently recorded in the Statement of Financial Position. In addition, the company may have to provide for further liabilities that might arise, and to reclassify non-current assets and liabilities as current assets and liabilities.

Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion:

- proper accounting records have been kept by NZ Windfarms Limited as far as appears from our examination of those records; and
- the financial statements on pages 2 to 29:
 - comply with generally accepted accounting practice in New Zealand;
 - comply with International Financial Reporting Standards; and
 - give a true and fair view of the financial position of NZ Windfarms Limited and group as at 30 June 2009 and the results of their operations and cash flows for the year ended on that date.

Our audit was completed on 28 August 2009 and our unqualified opinion is expressed as at that date.



Chartered Accountants
CHRISTCHURCH, NEW ZEALAND

This audit report relates to the financial statements of NZ Windfarms Limited and group for the year ended 30 June 2009 included on NZ Windfarms Limited's website. The Board of Directors are responsible for the maintenance and integrity of the NZ Windfarms Limited's website. We have not been engaged to report on the integrity of NZ Windfarms Limited and Group's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 28 August 2009 to confirm the information included in the audited financial statements presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.