



NZ Windfarms Ltd
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NZX Announcement

8 December 2008

For immediate Release

NZ Windfarms Limited today announced that its wholly owned subsidiary, NZWL-TRH Limited, has reached an agreement with NPBB Pty Limited to purchase NPBB's 50% interest in the Te Rere Hau Wind Farm joint venture for \$20.1 million in cash.

The agreement is conditional upon NZ Windfarms passing a shareholders' resolution approving the acquisition (or NZ Windfarms receiving a waiver of the resolution requirement from NZX Regulation from Listing Rule 9.2.1), and various consents being given on acceptable terms to NZ Windfarms and NPBB from counterparties to material contracts to the Te Rere Hau joint venture. The parties expect the conditions to be satisfied, and the acquisition to complete, in the first quarter of 2009.

"This acquisition is a positive step forward in meeting our objective of driving the Company's growth through the purchase of an asset on an excellent site that is familiar and well advanced in construction. The acquisition will enable NZ Windfarms to access 100% of the Te Rere Hau Wind Farm revenue and for the Company to achieve a positive operational cashflow more rapidly." said Derek Walker, Chairman of NZ Windfarms.

Mr Walker said "that the opportunity had recently arisen from a decision by Babcock & Brown and NP Power, the shareholders of NPBB, to divest certain assets".

The Te Rere Hau Wind Farm is in the process of developing a total of ninety-seven 500kW wind turbines on the Te Rere Hau site providing an installed capacity of 48.5 MW. The Te Rere Hau Wind Farm is situated on 243 hectares of land on the western slopes of the northern end of the Tararua Ranges. Five turbines have been operating on the site since September 2006 and a further thirty turbines related to the Stage II development are currently being erected and commissioned. Presently a total of 29 turbines are in position, and the remaining six will be erected in the next two weeks. 11 turbines are fully operational and feeding into the new 33kV connection. The other turbines will be progressively commissioned, with all 35 turbines fully operational by January. The civil infrastructure (roading and construction pads) for Stage III (a further 32 turbines) have been completed, which will enable construction and installation of Stage III turbines to commence early in the New Year.

NZ Windfarms was advised by Goldman Sachs JBWere (NZ) Limited on the transaction.

For further information contact:

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