

A photograph of a wind farm at sunset. The sky is filled with dramatic, colorful clouds in shades of orange, red, and purple. The silhouettes of several wind turbines are visible against the horizon. The foreground is dark, suggesting a hillside or field.

# NZ Windfarms

*Powered by Nature*

## **NZ Windfarms Shareholder Update**

Thursday 29 May 2008



NZ Windfarms Ltd  
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# Agenda



- Introduction
- Electricity Policy and Market
- About NZ Windfarms
- Overview of Progress
- Te Rere Hau Project
- Other Projects
- Summary and Close

[www.nzwindfarms.co.nz](http://www.nzwindfarms.co.nz)

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- This presentation may contain forward looking statements. Such forward-looking statements are based upon current expectations and involve risks and uncertainties.
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- Although directors and management may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realised.
- Furthermore, while all reasonable care has been taken in compiling this presentation, NZ Windfarms accepts no responsibility for any errors or omissions.

# Energy Policy and Market



- Government energy strategy - promotes renewables as preferred generation source – 90% by 2050
- Emissions Trading Scheme - to apply to electricity from 2010
- Energy prices have been high due to low hydro inflows, increased demand and transmission constraints

# About NZ Windfarms



## Established on basis that:

- Wind will play a big part in NZ electricity future
- Will develop a portfolio of small to medium sized wind farms
- Farms will generally use smaller turbines with smaller environmental impact
- Generation to be unhedged to get upside from rising electricity prices and pricing of carbon

# 2007/08 Priorities



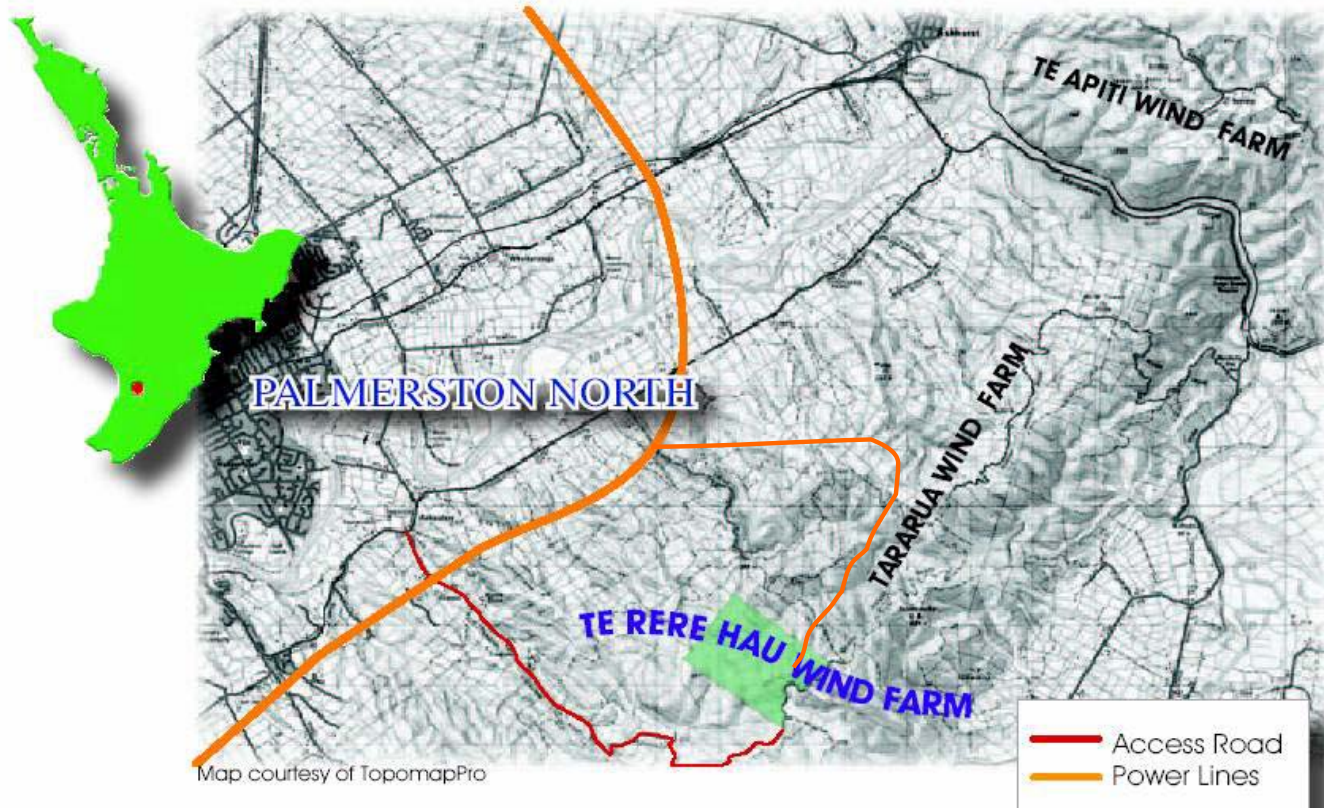
- Monitor performance of Windflow 500 turbines on stage one of Te Rere Hau
- Complete further stages of Te Rere Hau Project with NPBB
- Create pipeline of other sites

# Overview of Progress



- Stage 1 turbine performance to date has supported the 'built for NZ conditions' design philosophy of the Windflow 500
- Te Rere Hau construction is progressing although a few months behind schedule
- Well advanced with plans for Maungatua and Te Rere Hau Extension
- Continue to believe smaller wind farms using smaller turbines provide advantages in both consenting and construction

# Te Rere Hau Wind Farm



# Te Rere Hau – Stage 1

- Since gearbox upgrade completed
  - Availability 97%
  - Power curve 97%
  - Generation\* 926 MWhs
  - Average spot price 9.76 c/kWh



\* Output still constrained by temporary electrical connection

# Te Rere Hau - build



- 60 turbines on order – Stages 2 & 3
  - 9 Nacelles complete
  - 20 sets of blades complete
  - First tower to arrive on site 26 June
  - Transmission cable in ground 31 July
- Stage 2 & 3 roads complete
- 22 foundations poured
- Arterial electrical reticulation complete



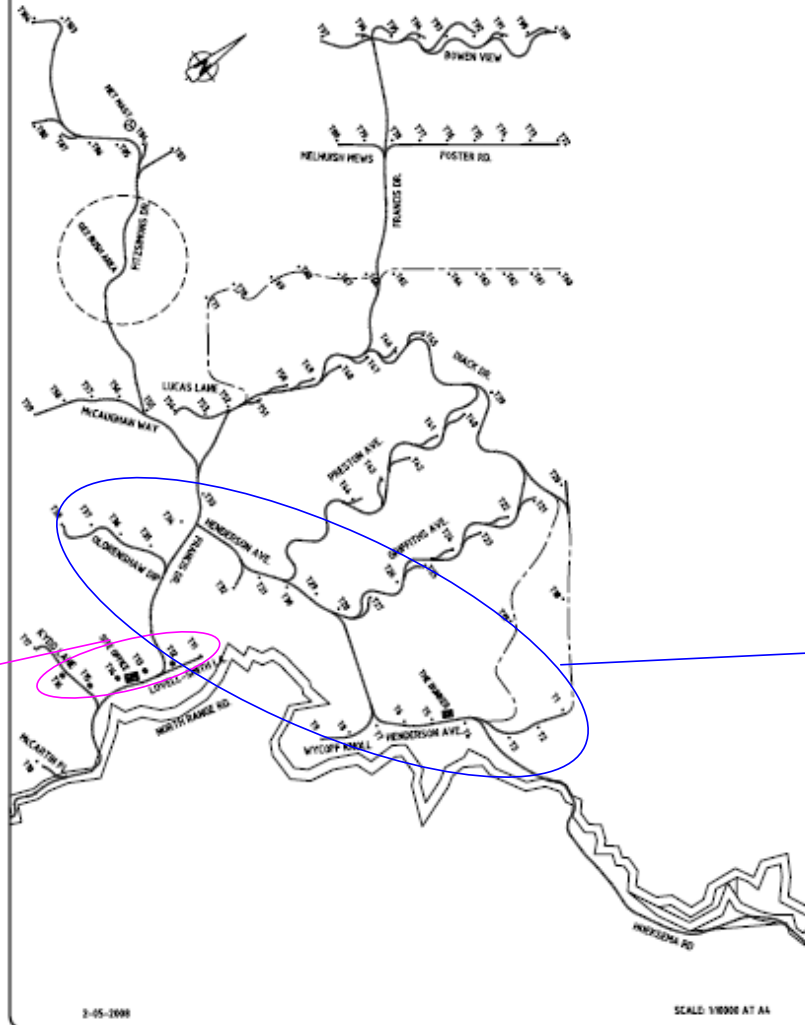
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### NZ WINDFARMS - TE RERE HAU

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Stage 1  
turbines - 5

Stage 2  
turbines - 28

# New Foundation



- ~40% less concrete
- Rebar cage built off site
- ~60% less earth works
- Tower erection now possible in higher winds
- Smaller lay down area needed

# Building the Foundation



# Building the Foundation



# Building the Foundation





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# Laying Cable



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# Share of Maungatua increased to 50%

- 50m met mast installed
- Consultation underway
- Maungatua – consents to be lodged 2008



# Increasing staffing levels



- Staff numbers have increased from 5 to 9 since June 07
- Presently increasing our in-house capacity to identify, evaluate, consent and construct projects
- Expansion to be complete within 2-3 months

# TRH Stage 4



- IEC Certification is a mitigation factor for the technology risk associated with the Windflow 500 turbine
- Next formal progress report to JV on Windflow 500 IEC certification process is due 30 June
- JV will consider stage 4 order at that time based on independent review of progress on certification
- Order will be dependent on the level of comfort the JV has with the certification process

# Risks to Progress

- A delay in the stage 4 order may impact on expected completion date for stage 4
- We remain dependant on performance of Windflow Technology and Windflow 500 turbine for Te Rere Hau and Maungatua
- We are also dependant on other suppliers and contractors meeting delivery timeframes
- Prolonged consent processes for new projects
- Worldwide demand for turbines means longer lead times for turbines and turbine components



# Leadership Review



- Challenge is to move even faster than originally planned
- Our recent announcement on leadership review is about speed, and
- How we put in place the right resources and structure to grow quickly

# Summary

- We are making good progress on our objectives
- Some initial delays on TRH project but solid progress is now being made
- Once electrical connection livened, the number of operating turbines will grow steadily
- The Company is strongly committed to the objectives and philosophy set out in 2007 prospectus
- Policy and market environment have endorsed the approach taken
- Challenge is to move even faster than originally planned