

Mighty River Power Company Update: Geo NZ 2011



Geothermal,

- What Geothermal means for Mighty River Power:
 - a positive change in NZ's energy mix
 - global opportunities for growth
 - a strength for New Zealand
- The Geothermal Industry in NZ is performing extremely well relative to the rest of the world but we have more potential to.

...displace coal and nuclear...

...positive force for emerging and developed world

MRP, more than just growing in geothermal

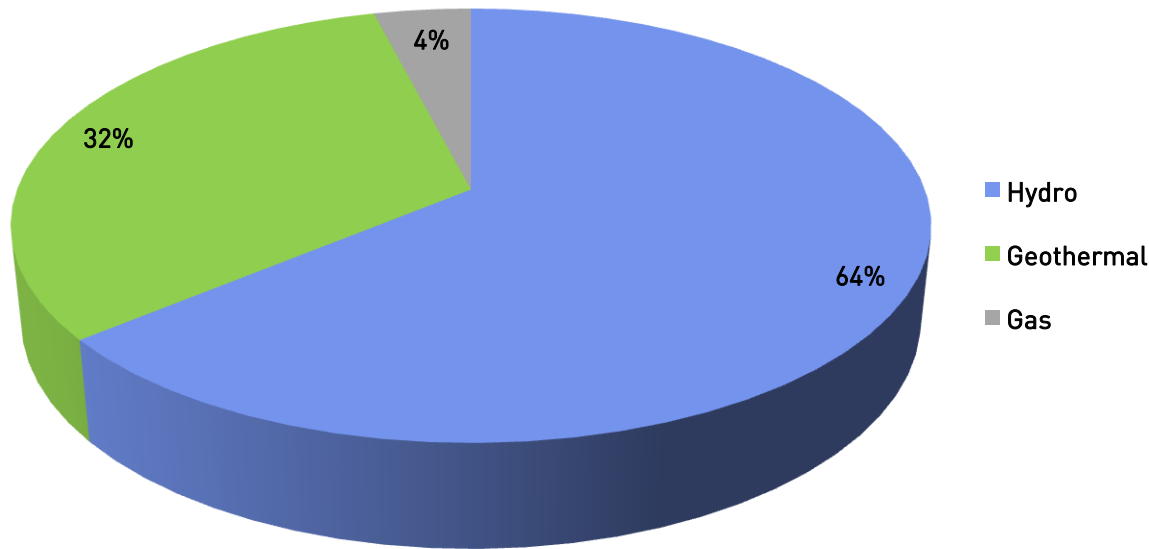
2011 Performance highlights

- 2011 Energy Retailer of the Year (Mercury Energy); 2010 Energy Company of the Year, Project of the Year
- Record electricity generation, up 17% to 6,833GWh from new geothermal and above-average hydro conditions
- 96% generation from renewable resources
- World-leading availability of Nga Awa Purua plant in its first full year
- Retail market share held-up in highly competitive market, with 1.5% lift in residential sales volumes
- \$466 million committed to new Ngatamariki development
- Top 10 global geothermal business – leveraging expertise in US, Chile and Germany across eight reservoirs

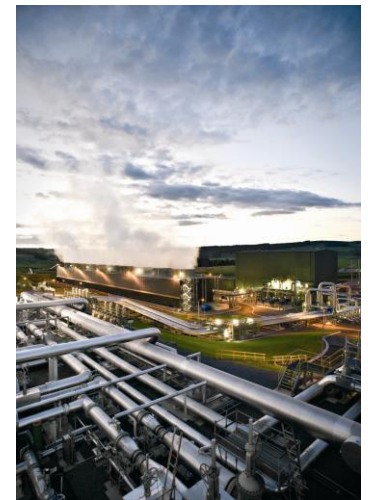
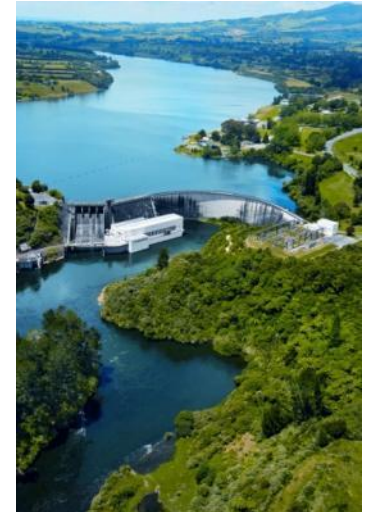


MRP's Diverse Generation Portfolio

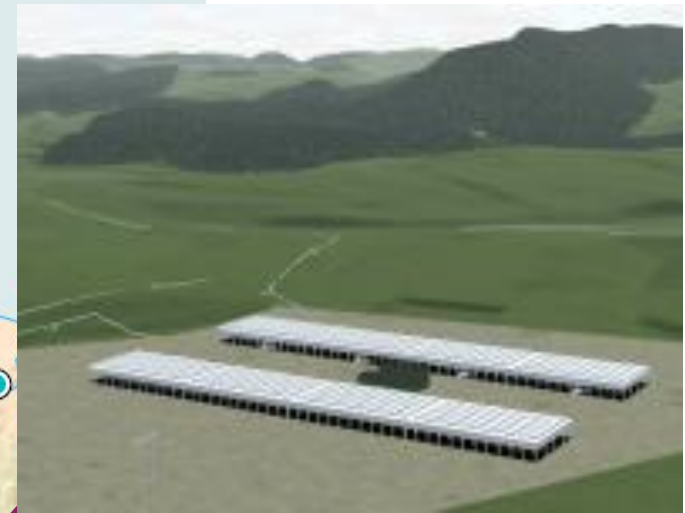
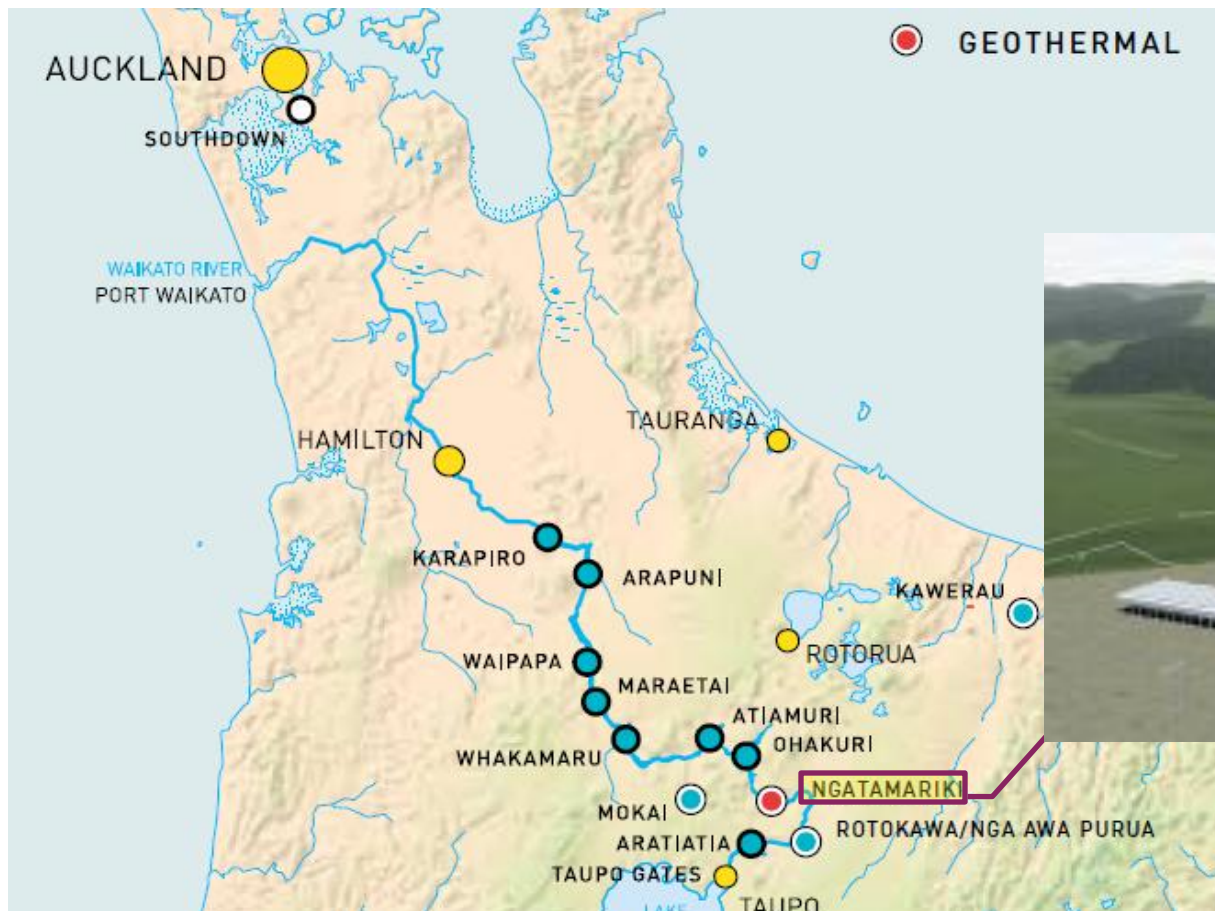
- Record electricity generation – up 17% to 6,833GWh from larger, flexible portfolio



- Hydro production up 17% due to above average rainfall conditions
- Total geothermal output up 40% from additional base-load capacity
- Gas generation down 45% due to reduced need to cover portfolio risk and low wholesale pricing ... lowest ever production



Ngatamariki – the next step



- \$466 million investment, 82MW; drilling and site works have started
- Commissioning planned for mid 2013
- Positive earnings contribution from FY2014

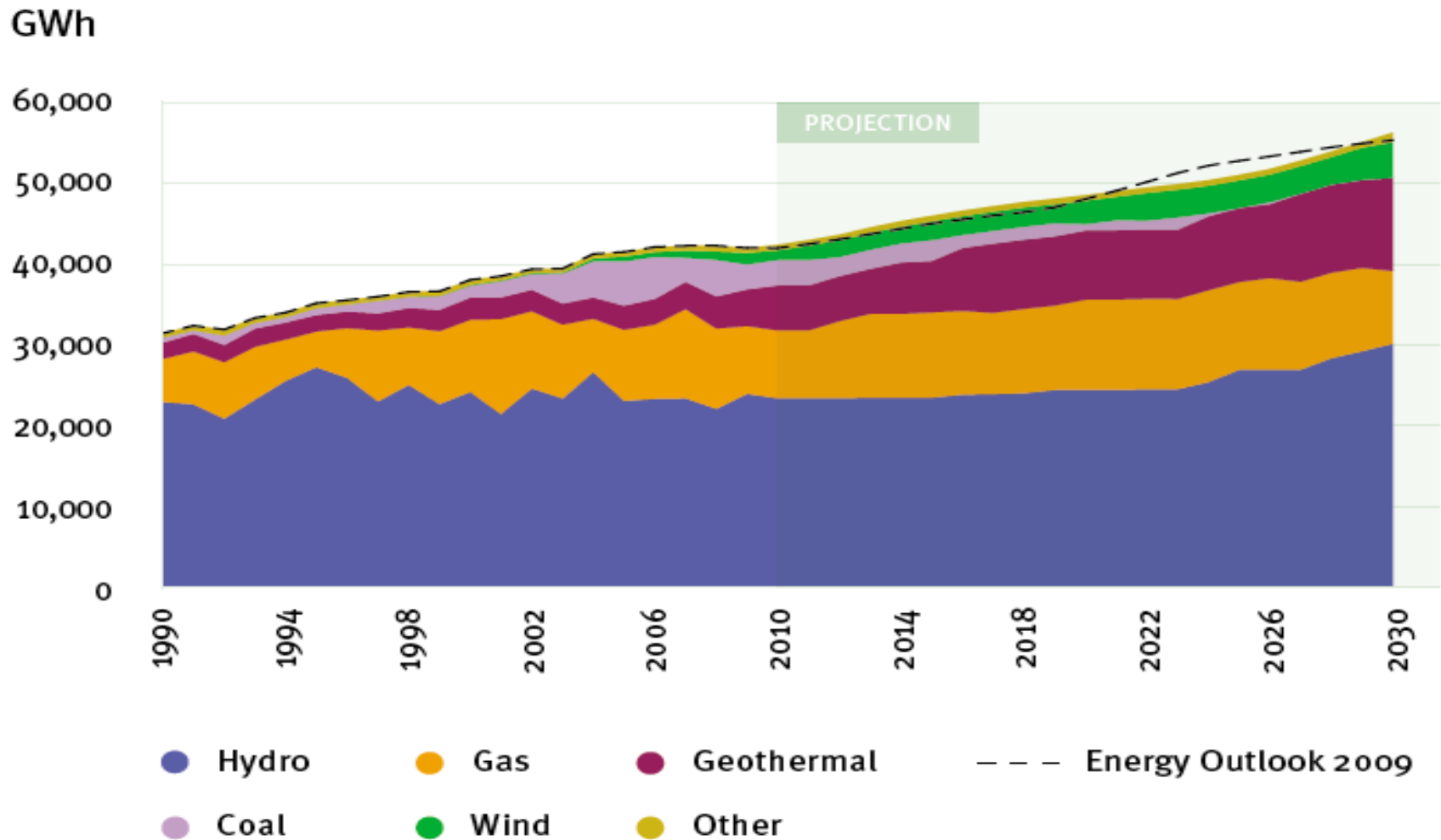
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Don Bennett (Okere), David Wickcliffe (Ruahine Kuharue) Doug Heffernan (Mighty River Power)



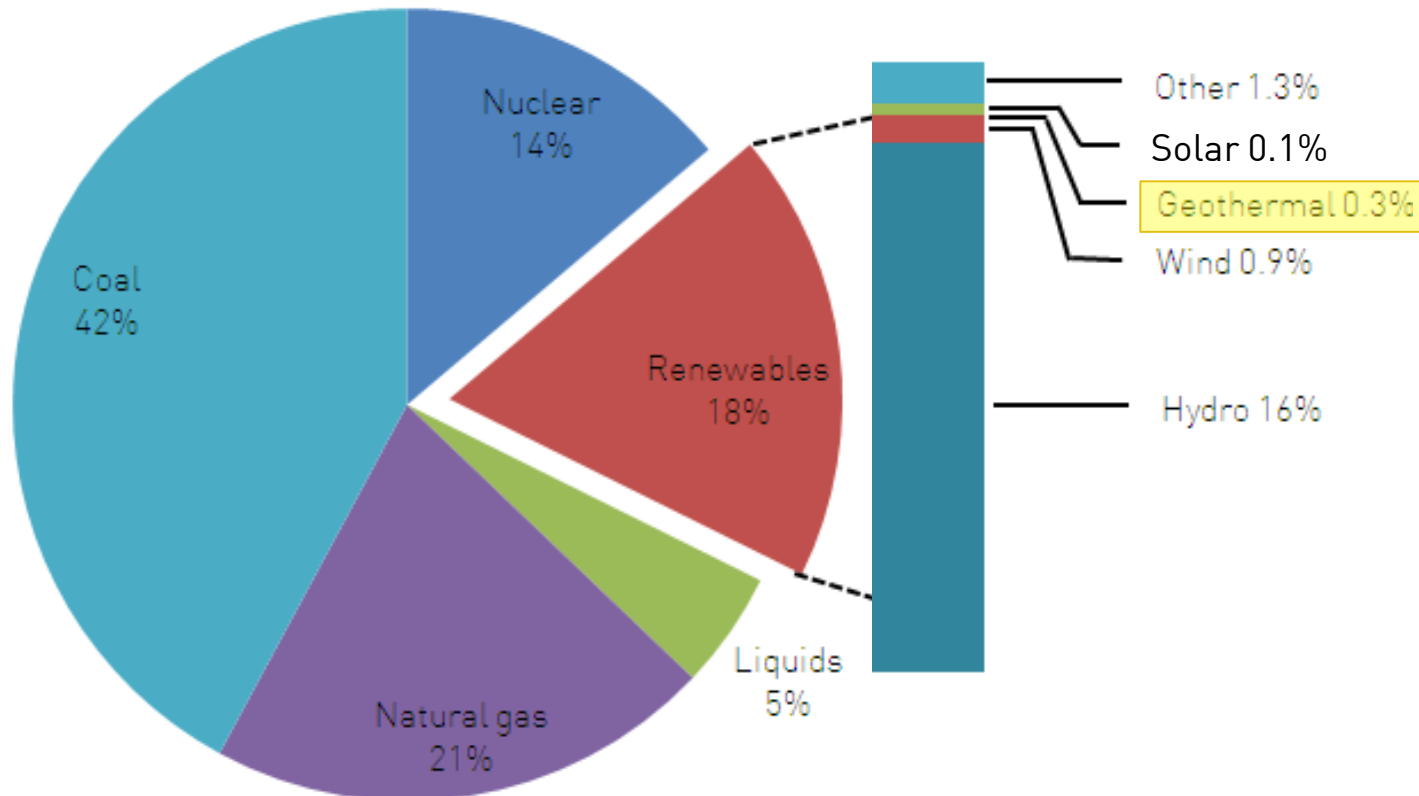
Strength for New Zealand



- Geothermal has overtaken coal as #3 fuel source for electricity generation
- Geothermal forecast to displace gas as #2 by 2030

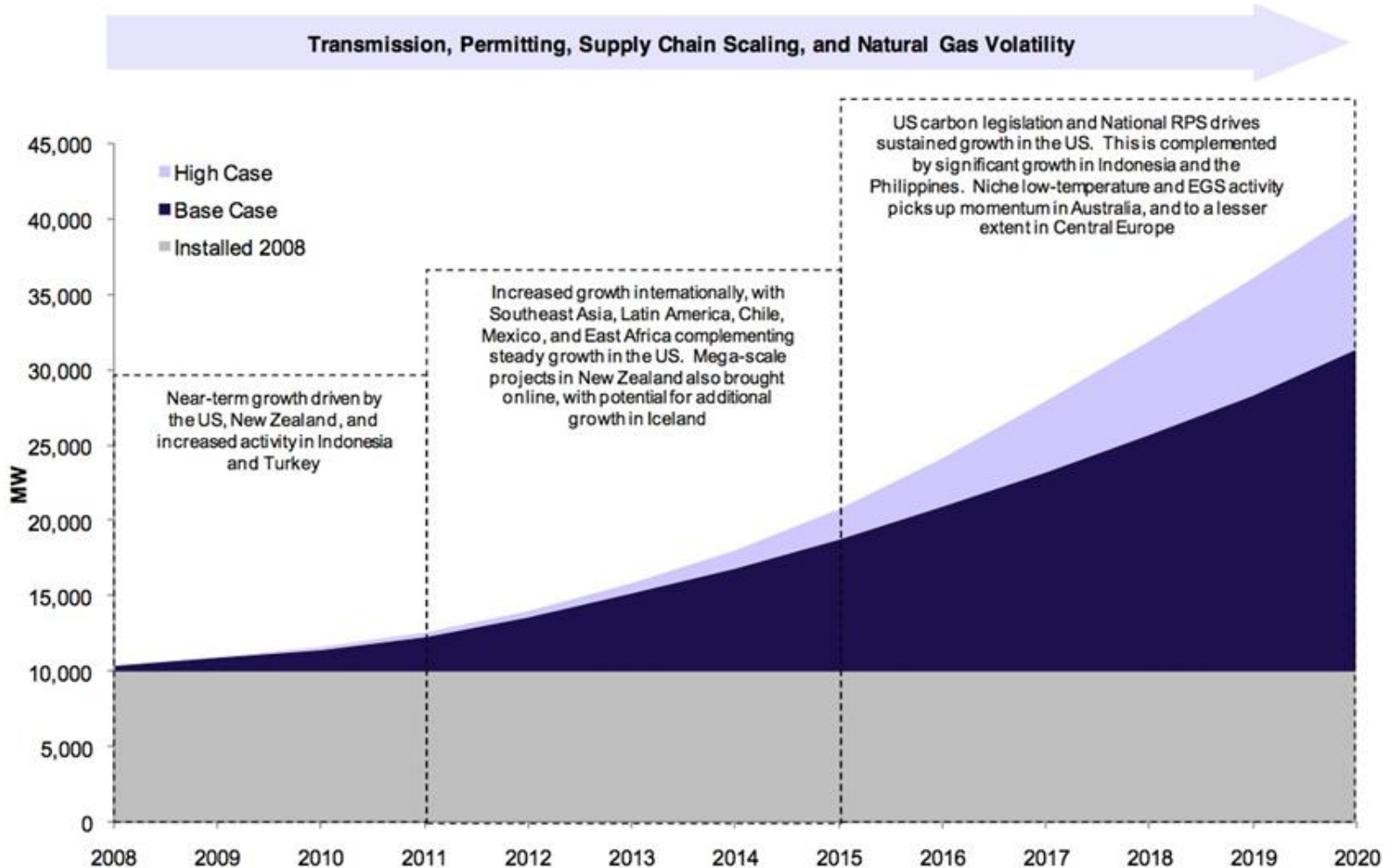
Globally a very small niche

Global net electricity generation by source



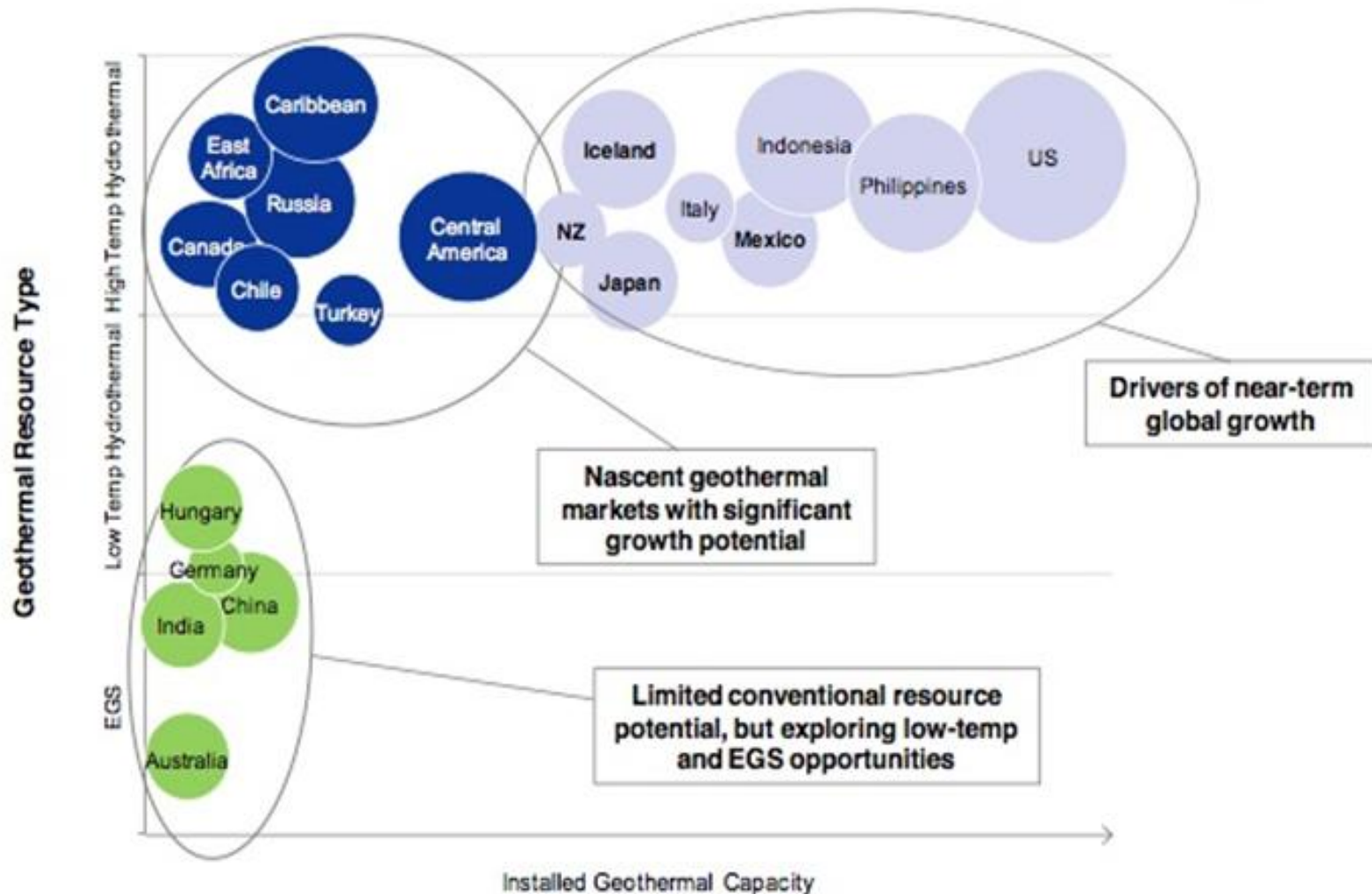
Source: US Energy Information Administration – International Energy Outlook 2010; REN21 Renewables 2010 Global Status Report

Global geothermal growth opportunity



Source: Global Geothermal Markets and Strategies: 2009 - 2020

Globally – established markets driving growth



Source: Emerging Energy Research

GGE partnership - investments US



- First major international project; Imperial Valley, Southern California
- Same technology as Kawerau, Nga Awa Purua
- Mighty River Power people involved in strategy, through project delivery
- 49.9 MW Hudson Ranch I due for commissioning early 2012

GGE partnership – investments Chile & Germany

- Tolhuaca, Chile
 - Slim-hole drilling confirmed high temperature resource
 - Production-scale drilling, 2H 2011
 - US\$17m of US\$66m commitment deployed
- Weilheim, Germany
 - German Government renewable energy policy (FiT)
 - Targeting low temperature geothermal resources
 - Two concessions acquired in Bavaria
 - 3-D geophysical surveys of Weilheim prospect
 - US\$11m deployed



Insert from Breakfast Presentation



Outcomes and opportunities for NZ - global

- **Global opportunities:**
- New Zealand company with global leadership in geothermal – top 10
- A global niche, rare capabilities, significant growth
- Long-term demand for New Zealand skills; leveraging informed capital
- Opportunity for NZ Inc

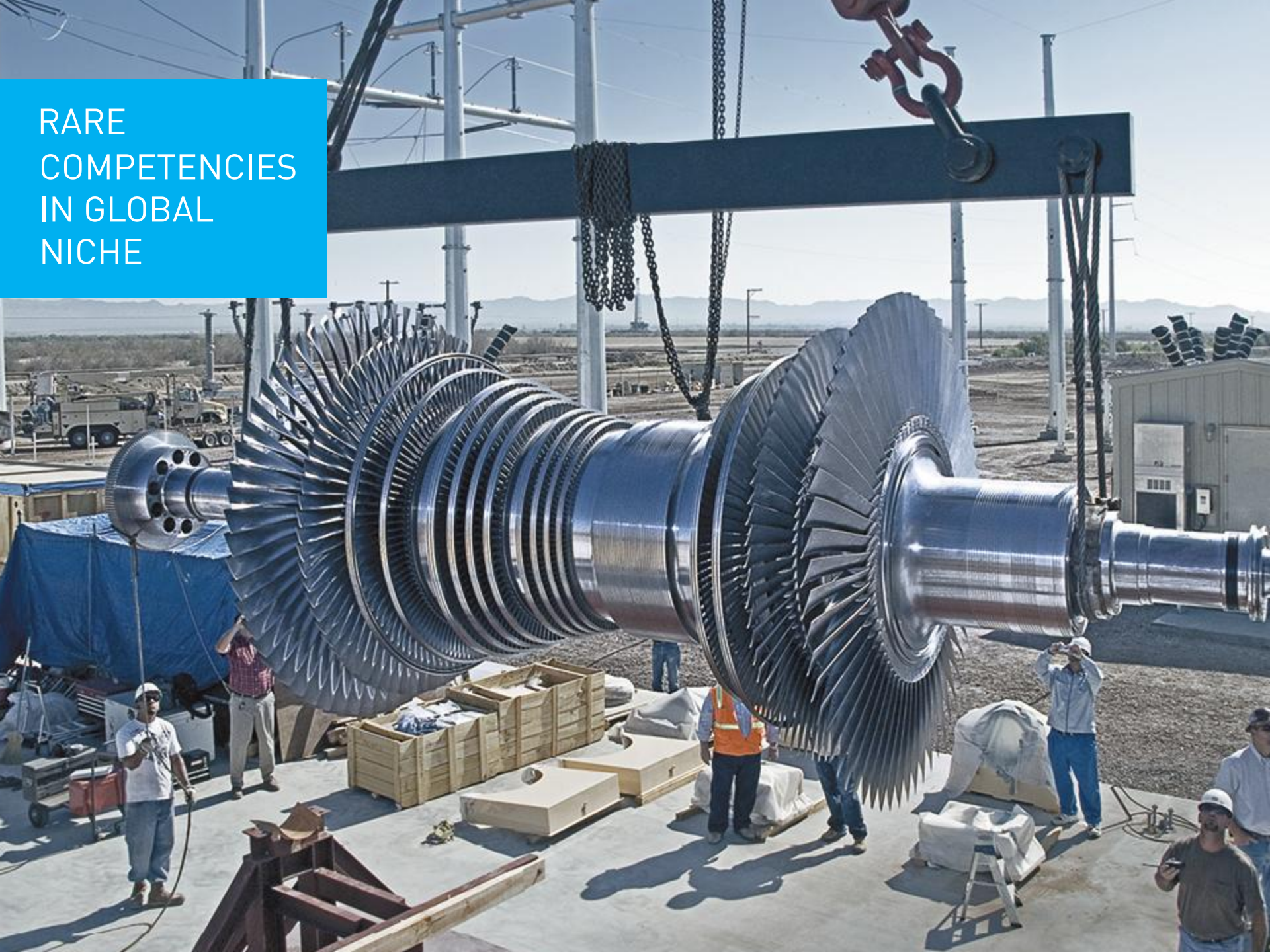


Thank you



Appendix

RARE
COMPETENCIES
IN GLOBAL
NICHE



LARGE AND
FLEXIBLE
GENERATION
PORTFOLIO

