

## Media Release

Kaikohe, Thursday 5<sup>th</sup> May



## Ngawha expansion testing gets underway

Late last year, Top Energy's subsidiary, Ngawha Geothermal applied to the Northland Regional Council and the Far North District Council for resource consents to expand output from its Ngawha Geothermal Power Station, from the current 10MW to 25MW.

The Consent Authorities declined to provide key consents to increase the quantity of geothermal fluid which a newly expanded plant would need to draw from and re-inject into the field.

Ngawha Geothermal appealed this decision to the Environment Court.

As part of its original submission, the Company produced computer modelled analysis showing no significant effects on the field from increased geothermal fluid draw-off. In addition, it proposed a process of mitigation, to support reservoir pressure if it could be shown to have varied at some stage in the future. Although both parties agreed that the parameter which determines the performance of Ngawha Springs is the field's reservoir pressure, Consent Authority appointed experts could not agree with the Company's findings. On appeal, the Company asked for increased geothermal fluid volume, a longer term for operation and a removal of some conditions which would have impacted economically on the expanded plant's operation. The Company also felt that the Consent Authorities had taken insufficient account of its mitigation proposal.

Ngawha Geothermal asked that three key consents be granted for a six-month trial period, so that the effectiveness of its mitigation proposal could be demonstrated and measured. Appeal submissions were heard in the Environment Court in April and the consents were granted for the requested six-month trial period.

Ngawha Geothermal will commence testing the mitigation process by the end of June 2005 and will be injecting additional water into the geothermal field's reservoir to demonstrate the effects on the pressure. END.