



Power self-reliance a step closer

Top Energy has finally been granted the resource consents it applied for to expand output from its Ngawha power station.

Applications were lodged back in 2004 to renew the consents for the existing plant and to expand the power station's generating capacity to around 25 Megawatts.

Most of the existing plant renewal consents were granted by the Consent Authorities in 2004, but the right to draw and re-inject an increased volume of geothermal fluid, necessary to increase the plant's output, was declined. On appeal, Top Energy was granted consents for a six-month trial period during which time specific testing showed that there should be no adverse impact on the geothermal field's reservoir pressure. Top Energy then went to the Environment Court to appeal the Consent Authorities' previous decision.

After a 2-week hearing in late July 2006 the Environment Court's decision granting the consents has just been announced. The final conditions attaching to the consents remain to be agreed within the next 20 working days.

Paul Byrnes, Top Energy Chairman said, "This is fantastic news, not only for Top Energy but for the Far North region. The expanded plant will produce about 75% of the electricity consumed in the area, reducing our exposure to possible failures in the grid to the South. The new plant will add almost \$50 million to the value of the company's assets - assets which are owned by Far North power consumers, through the Top Energy Consumer Trust. It will also represent a step up for the Group's operating earnings and the investment should pay for itself within 10 years".

Once consent conditions are agreed, Top Energy expects to place orders for the new plant prior to Christmas. Increased power output is expected from about the middle of 2008. Most of the plant will be imported but there are expected to be some work opportunities for local trades people and labourers during the construction phase, but this will be in the hands of the main contractors.

"Securing these consents has been a long and frustrating exercise for all concerned. It has taken our Chief Executive and his team a lot of time and a huge amount of effort. But it's now very satisfying for all concerned to get this excellent outcome", says Byrnes. END.

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