



21 December 2022

Ahuroa Gas Storage facility update

In late 2021, Contact was notified of an unexplained increase in pressure recorded in the Ahuroa Gas Storage facility (AGS) by the owner and operator, Flexgas. Contact agreed to a temporary operating regime from February 2022, limiting injection when storage reached ~10PJ.

A joint technical working group was set up to investigate these concerns, assess the capacity of the asset using historic information, and identify actions that could be taken to improve its performance.

The technical working group has recently concluded the first stage of studies into the issues.

Contact has now largely concluded its internal review of the findings using an independent technical expert. It appears that historic operating practices and periods of low operating pressure exacerbated by reduced gas supply have seen water ingress into the reservoir.

In summary, the experts have concluded:

- The modelled estimate of available storage capacity is currently between 10 and 12 PJ (P-50). Any reservoir modelling assessment is inherently uncertain. These modelled storage estimates will therefore need to be confirmed through real-world operation. If confirmed, this would be lower than the maximum storage expectation of 18PJs estimated on sale in 2018, and potentially lower than the 12PJs Contact stored within AGS in 2014.
- Secondly, to maintain reservoir pressure to support the 65TJ daily injection and extraction rate, approximately 4PJs of gas currently stored in AGS and owned by Contact may only be available for extraction at the end of Contact's storage contract in 2033. If this volume is excluded from the available storage capacity, then the estimated storage capacity is modelled at between 6 and 8PJ (P-50).

The experts have also made several recommendations to increase the available storage capacity, including operating AGS at higher pressure and replenishing gas drawdown at a faster rate. If implementation of these measures is successful, experts have identified a potential increase in the modelled estimated storage available, which could add as much as 3PJs to the available storage capacity over several years.

This current assessment means that the 6.5PJ of gas Contact has stored in AGS includes around 2.5PJ of immediately accessible gas. When combined with our contracted gas, the 12-month forward gas available to Contact totals 15.1PJs.

Contact has several mitigations available to limit the impact from the reduced capacity at AGS for winter 2023. These include entering flexible gas contracting arrangements and, if necessary, acquiring additional gas.

Contact will continue to work with Flexgas to maximise the available operating capacity of the asset.



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