

Monthly Operating Report

February 2020



Putting our energy where it matters

February overview.

The COVID-19 virus is currently impacting a number of NZ listed issuers. Contact is not as directly affected by the immediate response efforts but is maintaining a careful watch on the rapidly developing situation. Safety of our people and plant remains our top priority.

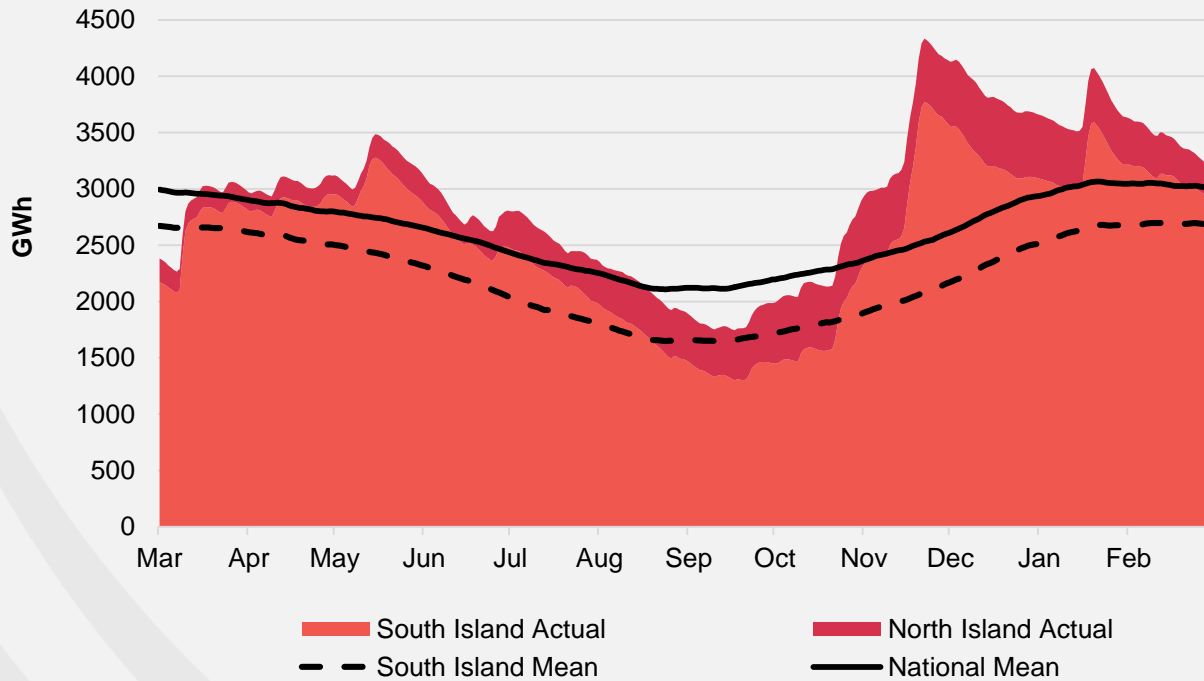
For the month of February 2020

- » The Customer business recorded:
 - Mass market electricity and gas sales of 239 GWh (February 2019: 237 GWh)
 - Mass market electricity and gas netback of \$93.15/MWh (February 2019: \$92.70/MWh)
- » The Wholesale business recorded:
 - Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 629 GWh (February 2019: 614 GWh)
 - Electricity and steam net revenue of \$76.62/MWh (February 2019: \$76.38/MWh)
 - Electricity generated (or acquired) of 730 GWh (February 2019: 690 GWh)
 - The unit generation cost, which includes acquired generation was \$34.55/MWh (February 2019: \$47.35/MWh)
 - Own generation cost in the month of \$31.49/MWh (February 2019: \$34.91/MWh)
- » Otahuhu futures settlement wholesale price for the 2nd quarter of 2020 (ASX):
 - As at 16 March 2020: \$117/MWh
 - As at 29 February 2020: \$118/MWh
 - As at 31 January 2020: \$120/MWh
- » As at 16 March 2020, South Island controlled storage was 109% of mean (29 February 2020: 116%) and North Island controlled storage was 87% of mean (29 February 2020: 104%)
 - As at 16 March 2020, total Clutha scheme storage (including uncontrolled storage) was 127% of mean
 - Inflows into Contact's Clutha catchment for February 2020 were 189% of mean (January 2020: 68%, December 2019: 204%, November 2019: 174%)

Hydro storage and forward prices.

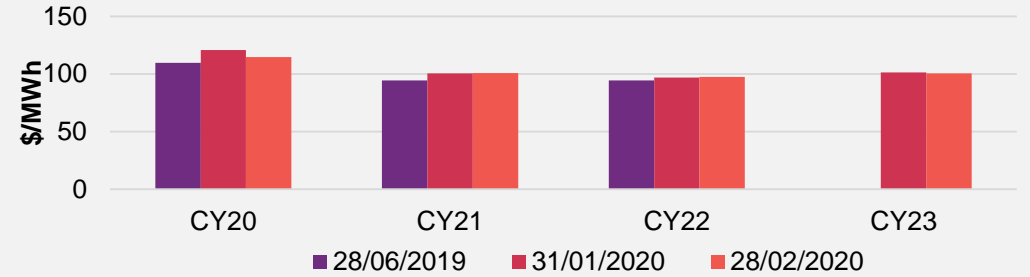
New Zealand controlled hydro storage against mean

12 MONTHS

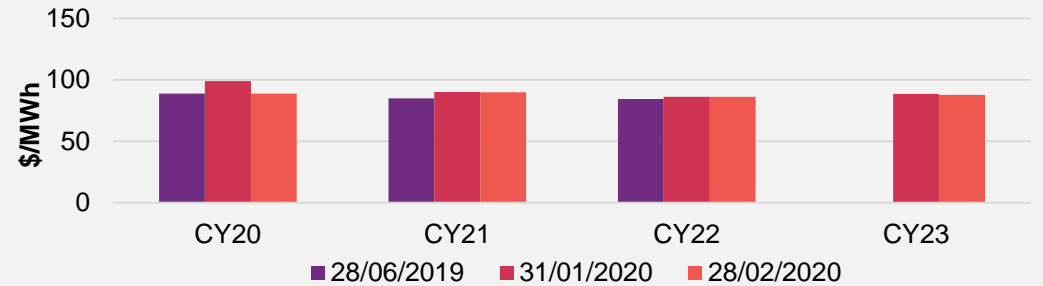


ASX futures settlement

Otahuhu

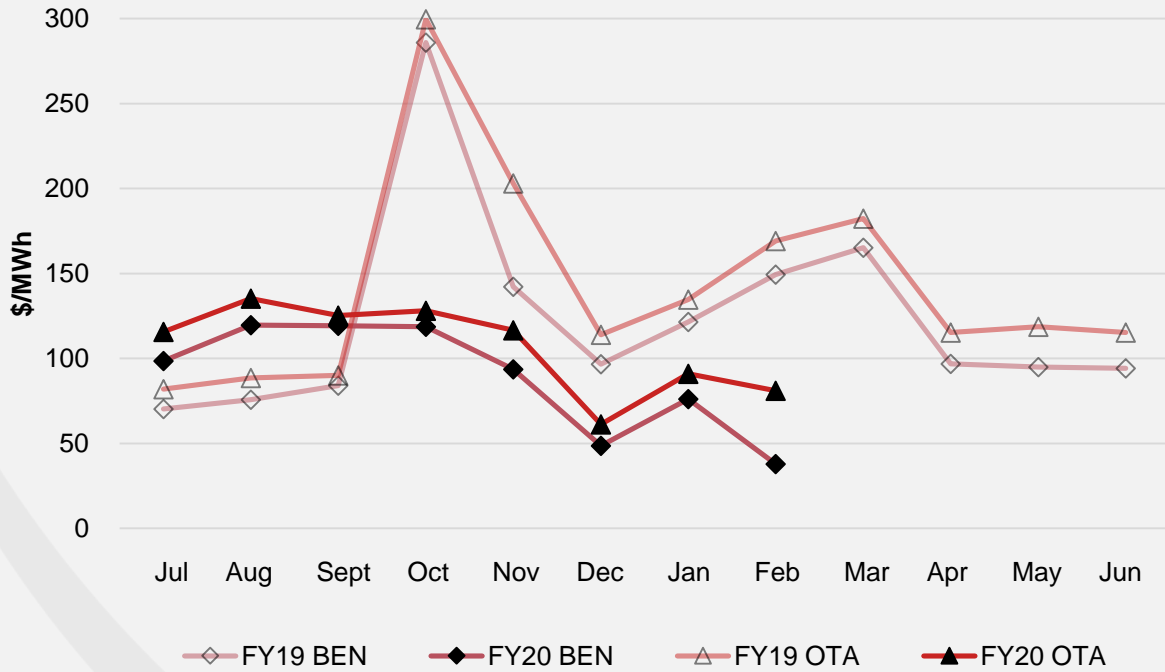


Benmore



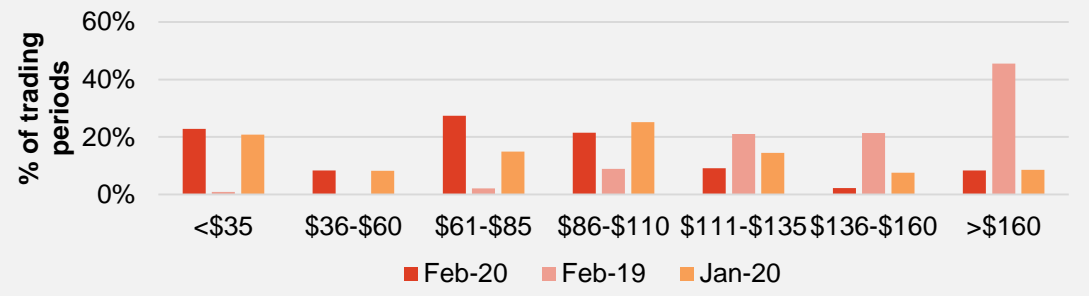
Wholesale market.

Wholesale electricity pricing

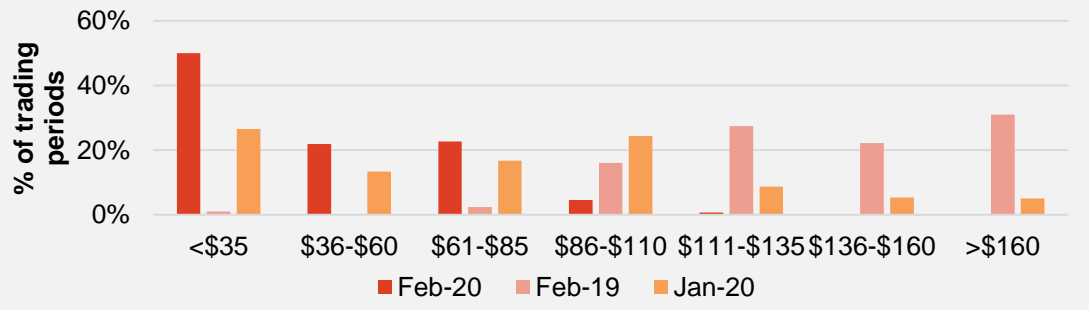


Distribution of wholesale market price by trading periods

Otahuhu



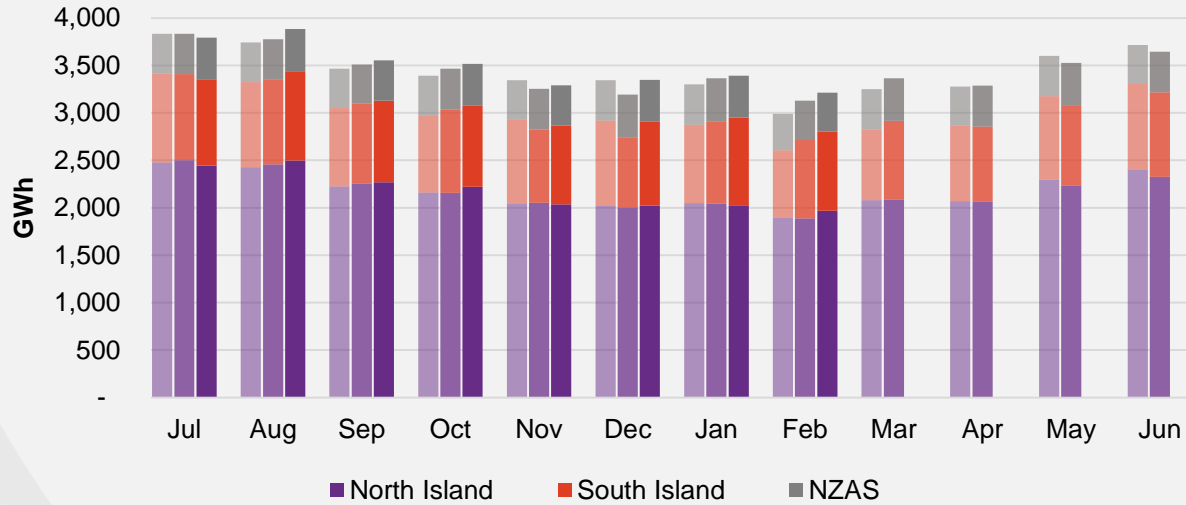
Benmore



Electricity demand.

Total national demand

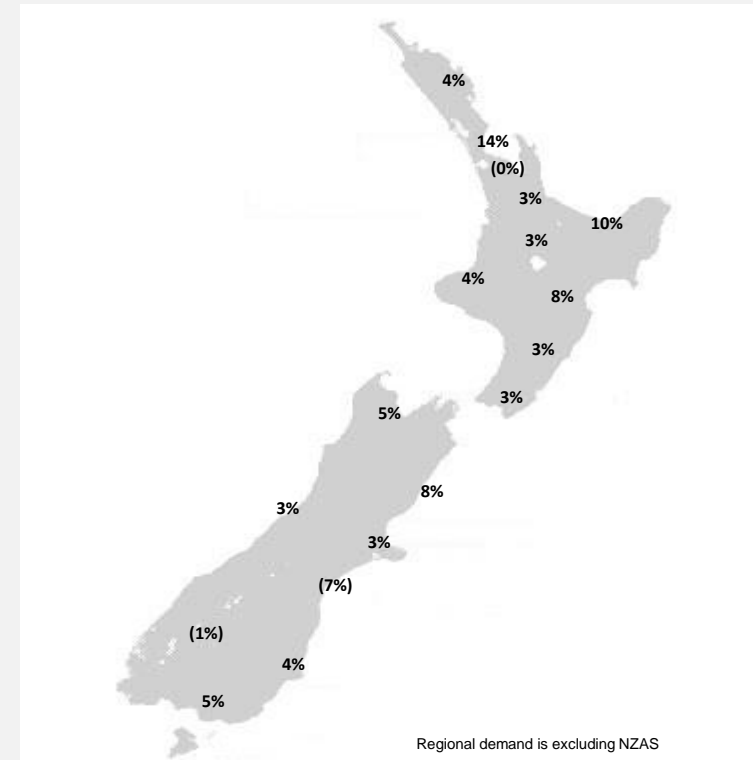
FY18, 19 and 20 respectively



- » New Zealand electricity demand was up 2.7% on February 2019 (up 7.5% on February 2018), February 2020 was a leap year (29 days):
 - Cumulative 12 months demand for March 2019 to February 2020 of 41,812 GWh is up by 1.1% on the prior comparative period.

Source: Contact and Electricity Authority grid demand (reconciled) <http://www.emi.ea.govt.nz>

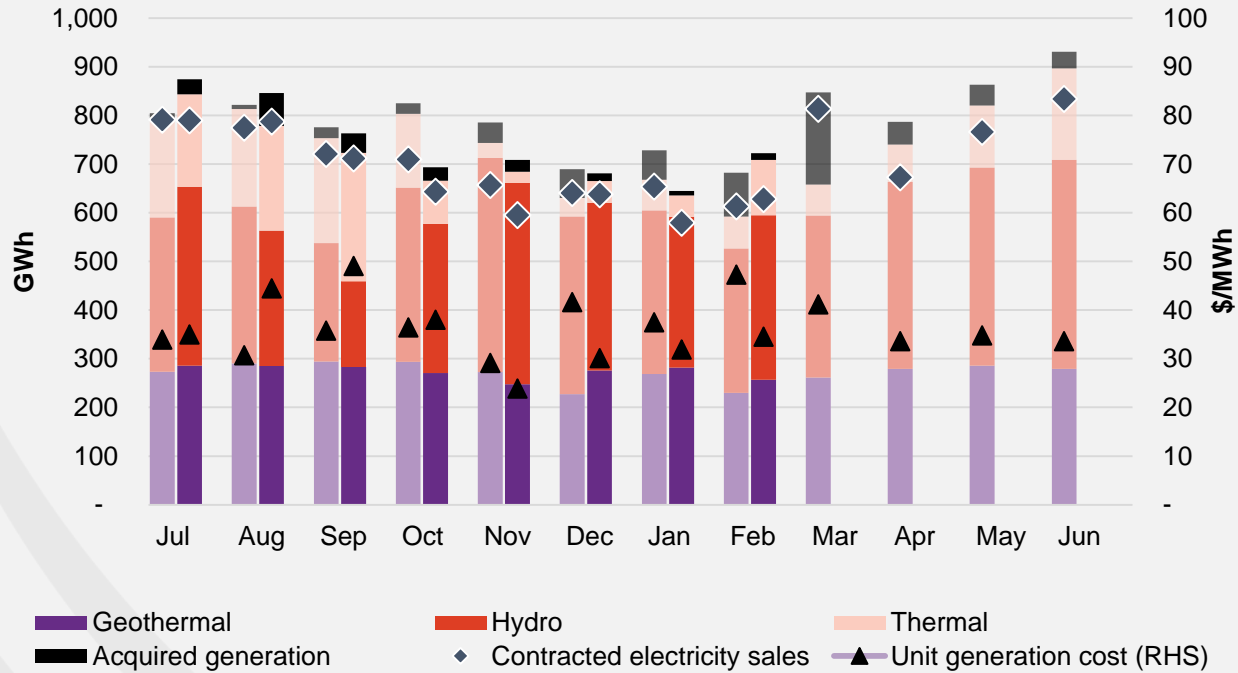
Regional demand change (%) on February 2019



Business performance.

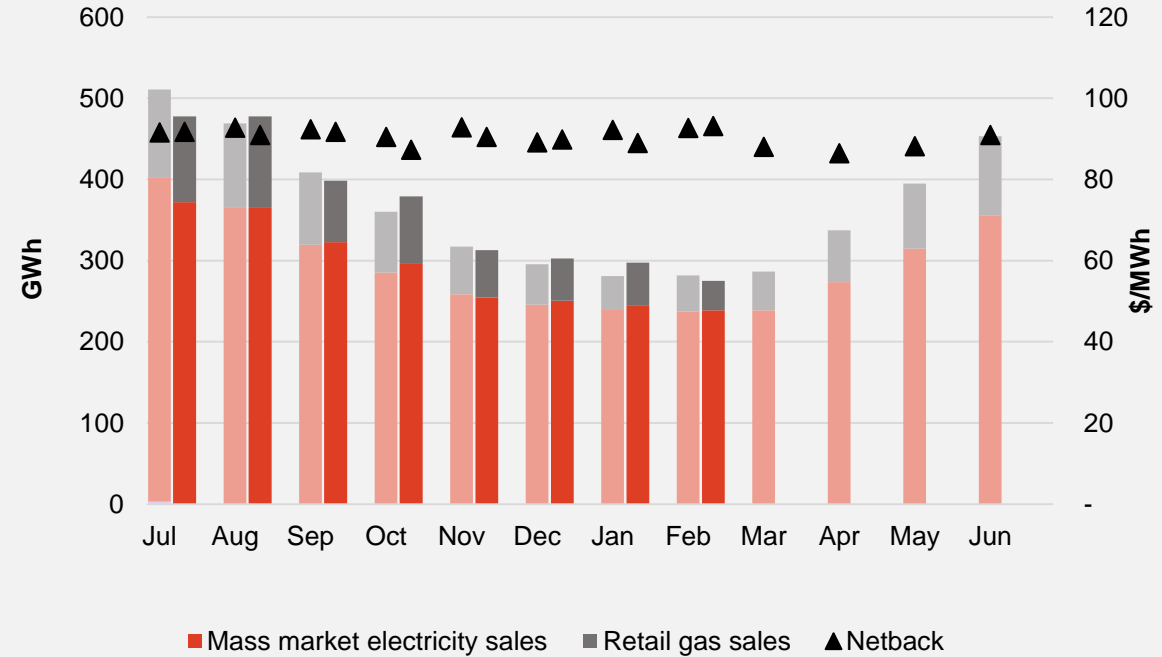
Wholesale

Generation mix, gross sales position and unit generation cost (FY19 and 20 respectively)



Customer

Retail sales volumes and netback (FY19 and 20 respectively)



Operational data.

		Measure	The month ended February 20	The month ended February 19	The month ended January 20	Eight months ended February 20	Eight months ended February 19
Customer	Mass market electricity sales	GWh	239	237	244	2,344	2,350
	Retail gas sales	GWh	36	44	53	577	571
	Mass market electricity and gas sales	GWh	275	282	297	2,921	2,921
	Average electricity sales price	\$/MWh	250.35	249.78	253.60	244.08	244.72
	Electricity direct pass thru costs	\$/MWh	(125.42)	(125.41)	(128.29)	(119.08)	(119.50)
	Cost to serve	\$/MWh	(22.90)	(22.53)	(21.79)	(18.42)	(18.18)
	Customer netback	\$/MWh	93.15	92.70	88.97	90.57	91.82
	Energy cost	\$/MWh	(84.66)	(72.61)	(76.45)	(78.25)	(71.85)
	Actual electricity line losses	%	6%	8%	5%	6%	8%
	Retail gas sales	PJ	0.1	0.2	0.2	2.1	2.0
	Electricity ICPs	#	409,000	408,000	409,500		
	Gas ICPs	#	65,500	65,500	65,500		
Wholesale	Electricity sales to Customer business	GWh	255	258	257	2,498	2,542
	Electricity sales to Commercial and Industrial	GWh	180	250	187	1,570	2,091
	Electricity CFD sales	GWh	193	106	135	1,308	931
	Contracted electricity sales	GWh	629	614	579	5,376	5,564
	Steam sales	GWh	43	39	59	446	445
	Total electricity and steam net revenue	\$/MWh	76.62	76.38	73.51	77.29	76.96
	C&I netback (at the ICP)	\$/MWh	83.46	81.38	80.11	82.65	81.98
	C&I line losses	%	5%	4%	5%	5%	4%
	Thermal generation	GWh	114	66	44	983	964
	Geothermal generation	GWh	257	230	282	2,188	2,150
	Hydro generation	GWh	338	297	310	2,533	2,677
	Spot electricity sales	GWh	709	592	636	5,704	5,792
	Electricity sales - Direct	GWh	7	8	10	67	68
	Acquired generation	GWh	14	90	9	231	322
	Electricity generated (or acquired)	GWh	730	690	654	6,001	6,182
	Unit generation cost (including acquired generation)	\$/MWh	(34.55)	(47.35)	(31.93)	(36.24)	(36.29)
	Spot electricity purchases	GWh	(428)	(500)	(435)	(4,001)	(4,566)
	CFD sale settlements	GWh	(193)	(106)	(135)	(1,308)	(931)
	Spot exposed purchases / CFD settlement	GWh	(621)	(606)	(570)	(5,309)	(5,496)
	Spot revenue and settlement on acquired generation (GWAP)	\$/MWh	60.05	157.60	85.63	98.27	136.19
	Spot purchases and settlement on CFDs sold (LWAP)	\$/MWh	(67.17)	(166.44)	(91.28)	(104.51)	(140.86)
	LWAP/GWAP	%	112%	106%	107%	106%	103%
Gas used in internal generation	PJ	1.2	0.8	0.6	9.7	9.7	
Gas storage net movement (extraction) / injection	PJ	0.1	(0.4)	0.7	1.4	(2.3)	

Keep in touch.

Investors

Matthew Forbes – GM Corporate Finance

-  investor.centre@contactenergy.co.nz
-  contact.co.nz/aboutus/investor-centre
-  +64 21 072 8578

To find out more about Contact Energy

-  contact.co.nz
-  [@ContactEnergy](https://twitter.com/ContactEnergy)
-  [Linkedin.com/company/contact-energy-ltd](https://www.linkedin.com/company/contact-energy-ltd)
-  [Facebook.com/contactenergy](https://www.facebook.com/contactenergy)
-  [Youtube.com/ContactEnergy](https://www.youtube.com/ContactEnergy)