



RioTinto | NZAS

Media Statement

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Rio Tinto and Contact Energy sign Letter of Intent to support restart of Tiwai Point potline

Rio Tinto and Contact Energy (Contact) have signed a non-binding Letter of Intent (LOI) for a power purchase agreement (PPA) to support the restart of the idle Line 4 potline at the New Zealand Aluminium Smelter at Tiwai.

The proposed arrangement would see the smelter act as a long-term customer underpinning Contact's recently consented Southland Wind Farm, helping unlock new renewable generation and regional economic growth.

Line 4 at Tiwai Point has been idle since 2020. Its restart would require approximately 50 MW of additional electricity and would deliver increased production and export earnings for New Zealand.

The Southland Wind Farm - recently approved as part of the Government's fast-track process - is expected to generate more than 325MW of renewable electricity, significantly boosting national energy supply, powering the equivalent of 150,000 Kiwi households.

The combination of new generation and industrial demand is expected to deliver strong economic benefits for the region. If restarted, Line 4 could add around NZ\$100 million in annual export revenue, and produce approximately 30,000 tonnes more aluminum per year, when the line is fully operational.

Armando Torres, Managing Director, Rio Tinto Aluminium Pacific Operations, said the agreement reflects a shared commitment to low-carbon growth and energy security.

"This Letter of Intent represents a practical step toward restarting Line 4 at Tiwai, strengthening New Zealand's position as a producer of low-carbon aluminium, supporting jobs, increasing exports, and contributing to a more resilient electricity system. The aluminium produced by Tiwai is in high demand and is an essential part of the energy transition globally," Mr Torres said.

Michelle Henderson, NZAS General Manager, said the restart of Line 4 was a welcome further development, following the securing of long-term energy contracts for the smelter in 2024.

"Building on our existing electricity arrangements with Contact, we are pleased to have them partner on the potential restart of Line 4. If approved, this increased production - targeted for 2030 with potential to be brought sooner - would bring more economic activity to Southland, further strengthening the local economy, and reinforcing Rio Tinto's commitment to Southland into the future," Ms Henderson said.

Contact CEO Mike Fuge said the company was focused on leading New Zealand's renewable energy future, and partnerships such as this demonstrated how renewable energy investment could be accelerated by committed customers for the benefit of all.

"Having a credible baseload partner such as Rio Tinto is critical bringing for new renewable generation online. This letter of intent helps underpin our Southland Wind Farm and shows how industry and renewable energy can work together to deliver long-term benefits for both Southland, and New Zealand," Mr Fuge said.

"Murihiku Regeneration and Ngāi Tahu representative Terry Nicholas also spoke in support.

"Murihiku Regeneration and Ngāi Tahu welcome this forward-looking initiative, which perfectly aligns with our vision for a sustainable, high-value regional economy," said Mr Nicholas.

"This agreement strengthens our growing partnership with both Rio Tinto and Contact, ensuring that future industrial growth reinforces our commitment to environmental taurikura (prosperity) and community resilience.

"We look forward to exploring the wide-ranging future opportunities this unlocks for our people and the community at large, particularly in high-skilled jobs, clean energy innovation, and long-term wealth creation for Murihiku-Southland."

The LOI signals intent by both parties to progress negotiations toward a final power purchase agreement, subject to commercial terms and regulatory approvals, which could see Line 4 restart in 2030.

If progressed, the arrangement would:

- Enable the restart of Line 4 at Tiwai Point
- Anchor new large-scale renewable generation in Southland
- Support regional jobs and economic activity
- Increase New Zealand's export earnings
- Contribute to a lower-emissions energy system

Both companies noted that the initiative aligns with New Zealand's broader goals of strengthening electricity security while advancing decarbonisation.

ENDS

Contacts:

Rio Tinto | NZAS: Simon King, External Affairs Director 021 2425723 / simon.king2@riotinto.com

Contact Energy: Louise Wright, Head of Communication's and Reputation 021 840 313 / media@contactenergy.co.nz