

Monthly Operating Report

June 2020



Putting our energy where it matters

June overview.

Contact will continue to consider the implications of a potential NZAS closure from 31 August 2021 on the company's expected earnings and dividend, and will update the market as required.

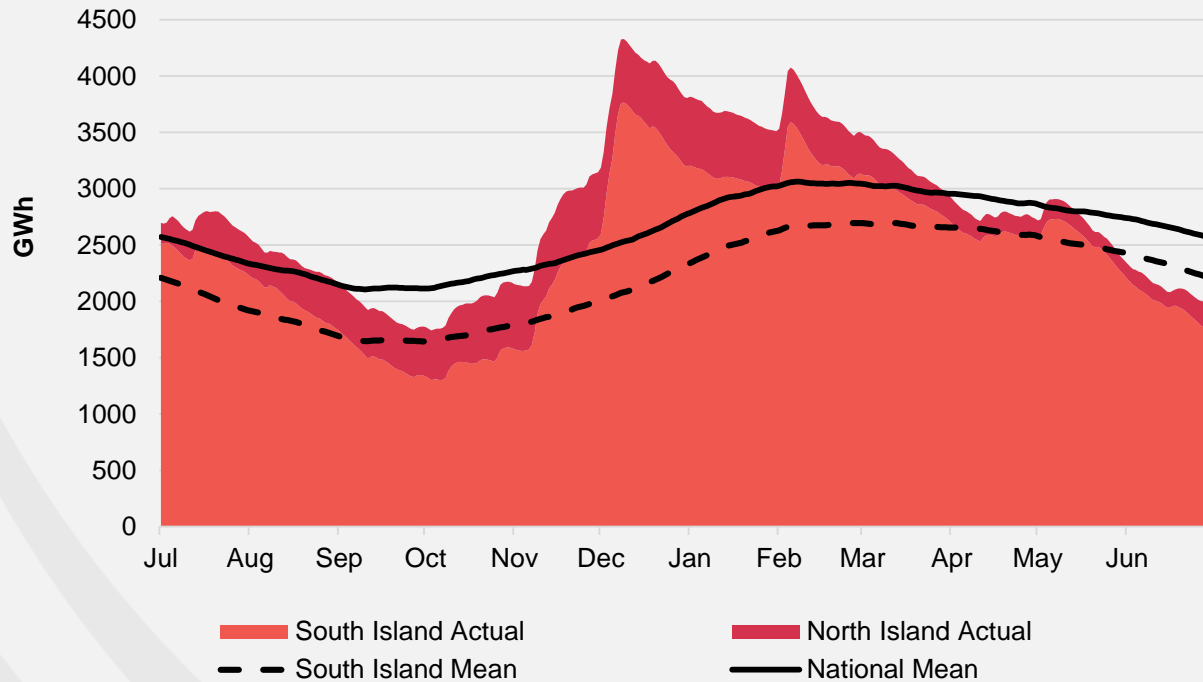
For the month of June 2020

- » The Customer business recorded:
 - Mass market electricity and gas sales of 447 GWh (June 2019: 453 GWh)
 - Mass market electricity and gas netback of \$101.03/MWh (June 2019: \$90.98/MWh)
- » The Wholesale business recorded:
 - Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 829 GWh (June 2019: 834 GWh)
 - Electricity and steam net revenue of \$94.80/MWh (June 2019: \$94.83/MWh)
 - Electricity generated (or acquired) of 877 GWh (June 2019: 932 GWh)
 - The unit generation cost, which includes acquired generation was \$42.82/MWh (June 2019: \$33.68/MWh)
 - Own generation cost in the month of \$37.45/MWh (May 2019: \$31.37/MWh)
- » Otahuhu futures settlement wholesale price for the 4th quarter of 2020 (ASX):
 - As at 9 July 2020: \$104/MWh
 - As at 30 June 2020: \$102/MWh
 - As at 29 May 2020: \$76/MWh
- » As at 9 July 2020, South Island controlled storage was 77% of mean (30 June 2020: 78%) and North Island controlled storage was 70% of mean (30 June 2020: 73%)
 - As at 9 July 2020, total Clutha scheme storage (including uncontrolled storage) was 63% of mean
 - Inflows into Contact's Clutha catchment for June 2020 were 93% of mean (May 2020: 64%, April 2020: 83%, March 2020: 90%)

Hydro storage and forward prices.

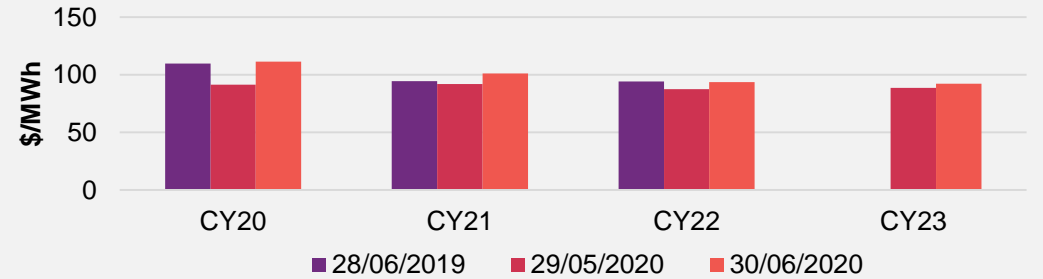
New Zealand controlled hydro storage against mean

12 MONTHS

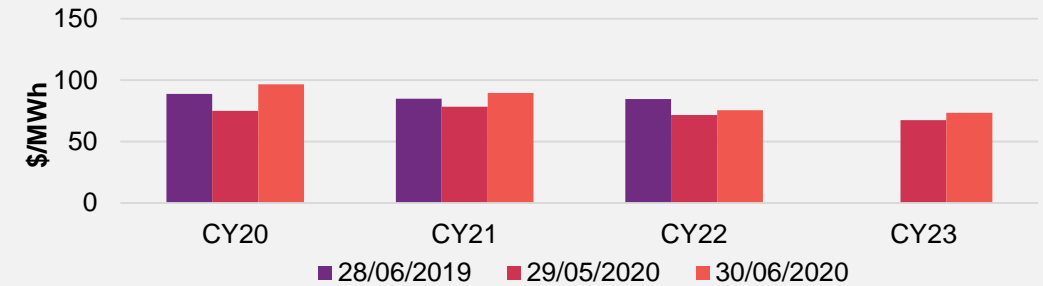


ASX futures settlement

Otahuhu



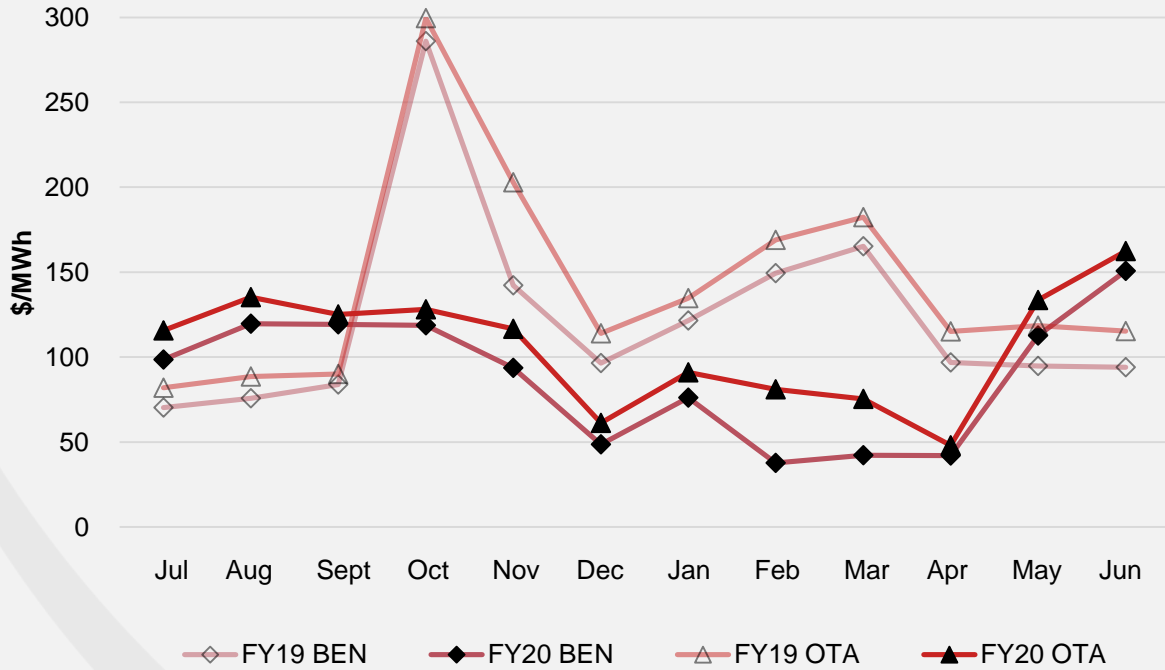
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ASX futures presented are at month end and precede the announcement from Rio Tinto that NZAS will close from 31 August 2021

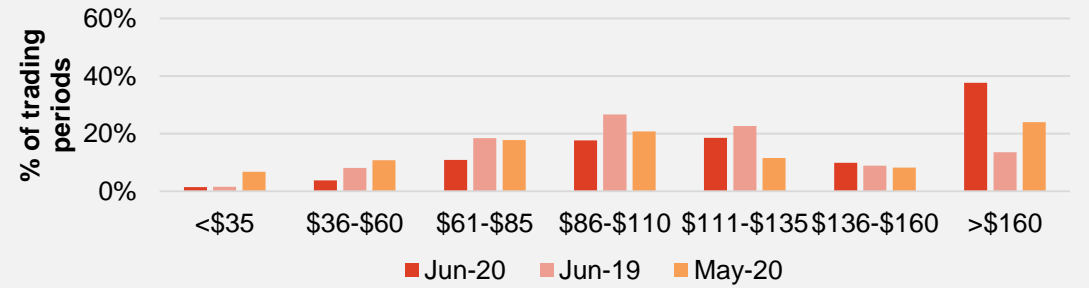
Wholesale market.

Wholesale electricity pricing

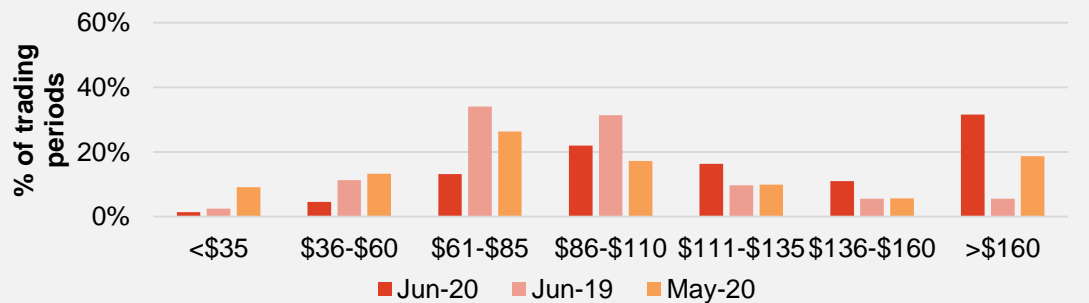


Distribution of wholesale market price by trading periods

Otahuhu



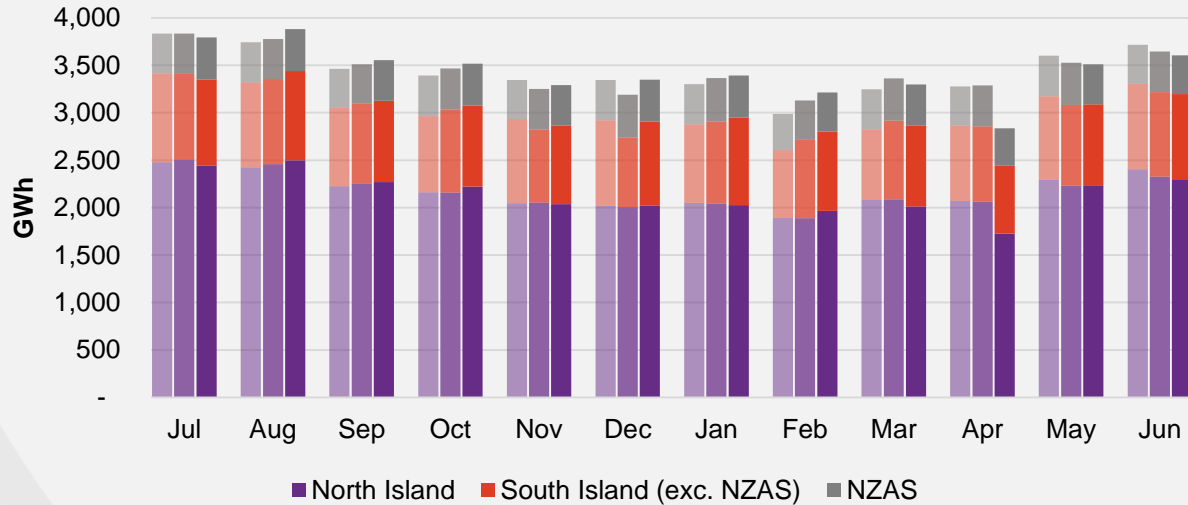
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Electricity demand.

Total national demand

FY18, 19 and 20 respectively



- » New Zealand electricity demand was down 1% on June 2019 (down 3% on June 2018), COVID-19 L4 and L3 lockdown were in place throughout April:
 - Cumulative 12 months demand for July 2019 to June 2020 of 41,236 GWh is down by 0.3% on the prior comparative period.

Regional demand change (%) on June 2019

Nationwide temperatures for June 2020 were 9.8°, 1.2° higher than June 2019: 8.6°

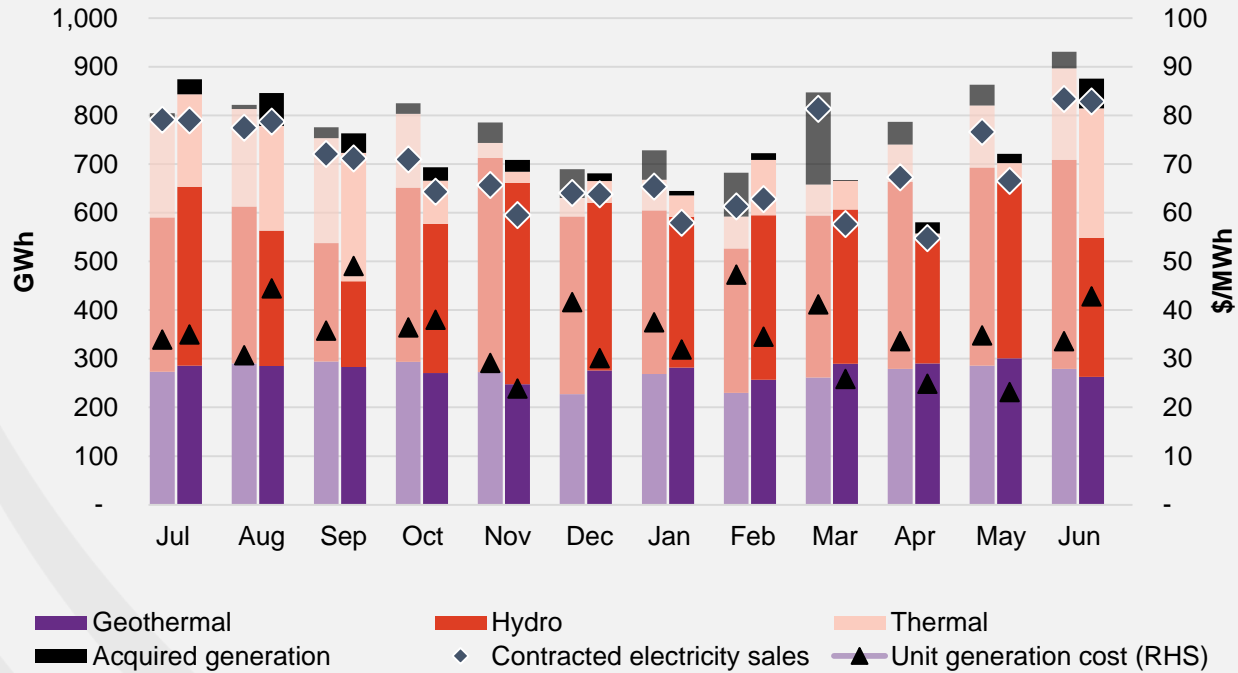


Source: Contact and Electricity Authority grid demand (reconciled) <http://www.emi.ea.govt.nz>

Business performance.

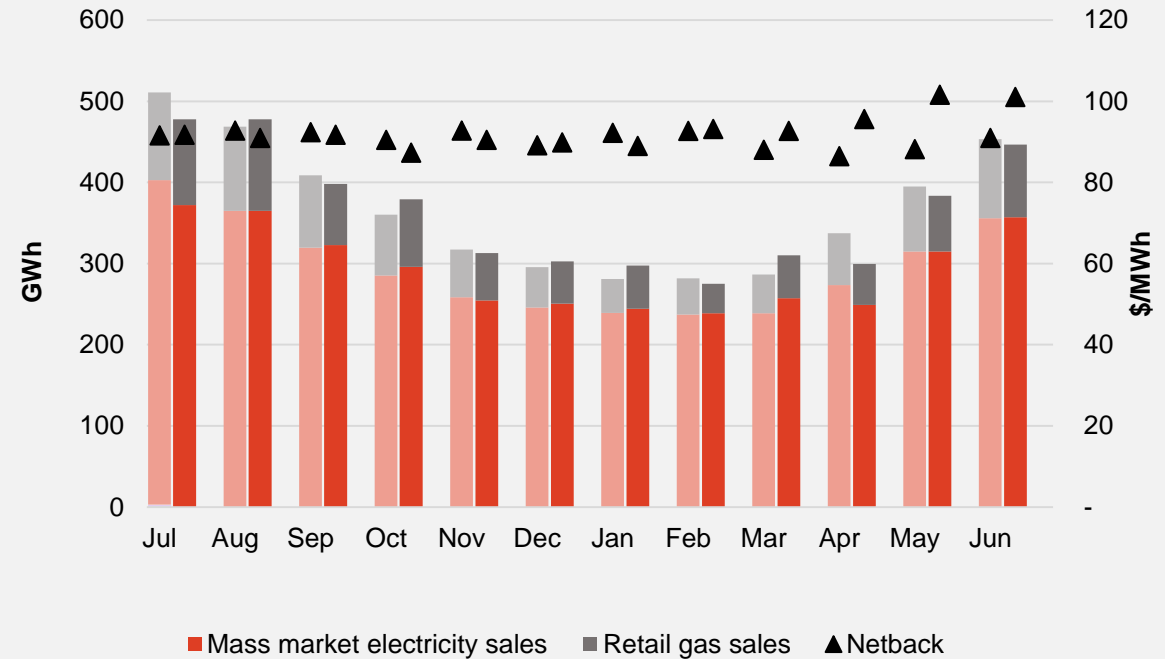
Wholesale

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 June 20	The month ended June 19	The month ended May 20	Twelve months ended June 20	Twelve months ended June 19
Customer	Mass market electricity sales	GWh	357	356	315	3,523	3,533
	Retail gas sales	GWh	90	97	69	838	860
	Mass market electricity and gas sales	GWh	447	453	383	4,361	4,394
	Average electricity sales price	\$/MWh	236.67	237.44	243.85	244.45	244.40
	Electricity direct pass thru costs	\$/MWh	(107.66)	(106.83)	(109.00)	(117.60)	(119.08)
	Cost to serve	\$/MWh	(11.90)	(11.30)	(17.70)	(18.20)	(18.53)
	Customer netback	\$/MWh	101.03	90.98	101.63	93.11	90.75
	Energy cost	\$/MWh	(94.77)	(92.99)	(92.24)	(81.62)	(75.61)
	Actual electricity line losses	%	6%	8%	8%	6%	7%
	Retail gas sales	PJ	0.3	0.4	0.2	3.0	3.1
	Electricity ICPs	#	417,500	410,500	407,000	410,000	408,000
	Gas ICPs	#	65,000	66,500	65,000	65,500	65,500
Wholesale	Electricity sales to Customer business	GWh	378	387	341	3,741	3,789
	Electricity sales to Commercial and Industrial	GWh	144	207	155	2,171	3,019
	Electricity CFD sales	GWh	307	241	170	2,085	1,844
	Contracted electricity sales	GWh	829	834	666	7,997	8,652
	Steam sales	GWh	20	10	27	544	558
	Total electricity and steam net revenue	\$/MWh	94.80	94.83	86.12	80.63	79.97
	C&I netback (at the ICP)	\$/MWh	92.35	86.54	88.77	84.23	84.97
	C&I line losses	%	4%	5%	5%	5%	4%
	Thermal generation	GWh	266	188	40	1,360	1,421
	Geothermal generation	GWh	263	279	301	3,333	3,256
	Hydro generation	GWh	285	430	361	3,752	4,231
	Spot electricity sales	GWh	815	897	702	8,444	8,908
	Electricity sales - Direct	GWh	1	1	3	79	83
	Acquired generation	GWh	61	34	19	335	634
	Electricity generated (or acquired)	GWh	877	932	724	8,858	9,625
	Unit generation cost (including acquired generation)	\$/MWh	(42.82)	(33.68)	(23.19)	(34.30)	(36.12)
	Spot electricity purchases	GWh	(521)	(593)	(493)	(5,833)	(6,725)
	CFD sale settlements	GWh	(307)	(241)	(170)	(2,085)	(1,844)
	Spot exposed purchases / CFD settlement	GWh	(828)	(833)	(663)	(7,918)	(8,569)
	Spot revenue and settlement on acquired generation (GWAP)	\$/MWh	160.43	101.07	125.49	100.27	129.76
	Spot purchases and settlement on CFDs sold (LWAP)	\$/MWh	(161.03)	(103.40)	(130.33)	(106.04)	(135.76)
	LWAP/GWAP	%	100%	102%	104%	106%	105%
Gas used in internal generation	PJ	2.1	1.4	0.5	13.3	13.9	
Gas storage net movement (extraction) / injection	PJ	(0.7)	(0.1)	0.4	1.7	(3.1)	

Keep in touch.

Investors

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