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HORIZON ENERGY MEDIA RELEASE

EMBARGOED UNTIL 4.00pm, Thursday, 14 February 2008

HORIZON ENERGY EXPANDS WITH PURCHASE OF TPS

In a move to strengthen the electrical contracting support available in the Bay of Plenty and maintain the electricity lines network, Horizon Energy today announced the acquisition of Total Power Services (TPS).

Horizon Energy Chief Executive Dene Biddlecombe said the company would officially purchase TPS, which has an annual turnover of \$7 million, on 28 March 2008.

“Horizon Energy’s vision to deliver safe and reliable electricity supply to the Eastern Bay and provide electrical contracting services is moving forward with the expansion of its electrical contracting business. Purchasing TPS is a natural fit for Horizon Energy to achieve this vision, as TPS has a great team with specialist skills and industry expertise that strengthens the pool of contracting services in the region.”

Dene added, “It is a friendly acquisition and we are delighted the Directors of Total Power Services, John Cox and Tom Lowndes, will continue to play key roles in the business as it transitions into our existing contracting services business, Horizon Energy Contracting.”

TPS was set up in 1994 by John Cox and Tom Lowndes when there was pressure from the New Zealand Government to deregulate the industry. The business has successfully grown over the years and now has a team of 35 staff who provide electrical contracting services to district and regional councils, farmers, retailers and businesses throughout the Bay of Plenty region and further afield.

TPS Director John Cox said, “We are doing this for the betterment of the business and ultimately our customers, as Horizon Energy has the capital that is needed to grow the organisation for the future.”

While the acquisition would bring about change for the TPS staff, John added, “Both companies have a shared culture and many of our people have worked alongside members of the Horizon Energy team for many years. There will also be more



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opportunity for staff training with greater numbers of employees, and this will aid staff retention. It is vital to keep people with these technical skills in our region.”

Ensuring a smooth and transparent transition for staff is a key priority and Dene explained that both Horizon Energy and TPS staff were fully briefed this afternoon.

Dene states, “We got everyone together from both businesses and talked through the reasons for the purchase, and the impending reorganisation of the two companies. We have been working together with TPS to form a new organisational structure which was presented to all staff to ensure a transparent process.”

As TPS has been Horizon Energy’s prime contractor for many years, Dene adds, “There are already great working relationships between staff in both businesses and we will look to build on that as we work towards becoming one company.”

Despite the acquisition Dene noted that existing customers of TPS will notice no changes from a service perspective with the combined entity continuing to be operated from TPS’s current premises in Te Tahi Street and contact details remaining the same.

Background Company Information:

Horizon Energy conveys electricity from generating stations and the national grid to the homes and businesses of approximately 24,000 consumers in the Eastern Bay of Plenty.

Horizon Energy’s core business is operating an electricity distribution network comprising of some 2,300km of lines over 8,400 square kilometres in the Eastern Bay of Plenty.

The New Zealand electricity industry has four main sectors: generation, transmission, distribution and retail.

Horizon Energy is a publicly listed company on the New Zealand Stock Exchange.

[ENDS]

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