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New Zealand's Aluminium Smelter MEDIA STATEMENT

1 July 2015

NZAS and Meridian extend termination notice date

New Zealand Aluminium Smelters Limited (NZAS) and Meridian Energy Limited have agreed today to extend the termination notice date of the smelter's 572MW electricity contract from 1 July 2015 to 3 August 2015.

NZAS Chief Executive and site General Manager Gretta Stephens said the extension allows NZAS to continue pursuing commercially competitive electricity arrangements.

"NZAS is one of the most operationally efficient smelters in the world, but pays one of the highest prices for power," Ms Stephens said.

NZAS' electricity costs, combined with high transmission costs, and historically depressed aluminium prices, continue to place significant pressure on the smelter.

NZAS currently pays as much as 10 times more for transmission than other smelters internationally.

"We welcome the Electricity Authority's recent paper outlining options for transmission pricing reform which acknowledges that NZAS pays more than \$50 million a year for transmission infrastructure it receives no benefit from," Ms Stephens said.

"We look forward to working with the Authority to achieve the right result for New Zealand; however, our immediate focus between now and 3 August 2015 is on securing our electricity arrangements."

Ends

NZAS Contact: Jen Nolan, Director External Relations New Zealand, phone (021) 381 981.

NZAS will not be making further comment until 3 August 2015.

About NZAS

The Tiwai Point smelter is a world-class facility which contributes \$525 million to the Southland economy annually (10.5% of Southland's GDP) and supports more than 3,200 direct and indirect jobs in the region. In 2014, NZAS made \$366 million in payments to New Zealand suppliers, including \$47 million to suppliers in Southland. It is one of two smelters in the world producing ultra-high purity aluminium and the only one producing this using electricity generated from renewable sources.