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CONTACT ENERGY ANNOUNCES SALE OF VALLEY POWER STAKE

Contact Energy Ltd announced today the sale of its 40 per cent shareholding in the Valley Power project, in Victoria, Australia, in conjunction with Valley Power's co-owner, International Power and Mitsui & Co Ltd (IPM).

The sale is to Snowy Hydro, a New South Wales-based generator and retailer of electricity, for a total consideration of \$A243 million.

Contact took the opportunity to realise the value of its investment in Valley Power in October 2001 by offering its 40 per cent stake for sale at the same time as IPM's majority shareholding was placed on the market as a result of an undertaking to the Australian Competition and Consumer Commission.

"Contact is pleased with the outcome of the eight week sales process, conducted in conjunction with International Power and Mitsui & Co," said Contact's chief executive, Mr Steve Barrett. "This is consistent with Contact's decision to refocus on its opportunities in the New Zealand market."

Valley Power is a 300 megawatt fast-start power station located in the LaTrobe Valley and services peak demand in the state of Victoria. The station comprises six 50 megawatt Open Cycle Gas Turbines, running primarily on natural gas.

For further information:

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