



NEWS RELEASE

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ENERGY TRUST HOPEFUL OF MOVING FORWARD IN 2010

While the Eastern Bay Energy Trust's proposed takeover bid for the remaining shares in Horizon Energy Distribution Limited has been put on hold pending a High Court hearing, the trust is hopeful that a final decision on the offer can be made during this year.

Trust chairman David Bulley says that although it is difficult to provide a firm timeline, the trust has been advised a hearing is possible in three to four months' time.

A takeover attempt last year by the Marlborough Lines Company, that would have required the trust to sell a majority of its Horizon shares, prompted the trustees to review the long term ownership issues regarding Horizon Energy. Following the rejection of the offer the trustees decided to endeavour to purchase the remaining shares in Horizon and de-list the Company from the NZ Stock Exchange.

The trustees believe that this move is commercially and strategically the best option for the trust and its beneficiaries, and hope to achieve this objective for the long term benefit of the Eastern Bay community.

The trust, which currently holds 77.3% of shares in the lines network company, gave notice on January 13 of its intention to make a full takeover offer for Horizon Energy shares, subject to the agreement of its beneficiaries, who are the customers of Horizon Energy. The poll of consumer-beneficiaries was required under the trust's deed. The Eastern Bay Energy Trust intended to offer minority shareholders \$4 per share.

Although the takeover process was largely complete and the required poll of consumers carried out, a last minute injunction application by Te Mana o Ngati Rangitahi Trust of Matata stopped the process and the poll results have not been released to the trustees or the public.

"The trustees take this opportunity to thank consumers who took the trouble to debate and understand the takeover issues, and to respond to the poll – feedback through your representative trustees indicates that the majority of consumers wish the takeover offer to proceed," said Mr Bulley.

"The injunction application raised an issue regarding the wording of the trust deed and we have had legal advice that this has to be clarified in the High Court before proceeding to purchase further shares or make a takeover offer. We are currently working on the application to the High Court."

Mr Bulley said that although this issue had significant cost implications for the trust, the usual extensive range of proactive projects (home insulation, scholarships, energy efficiency and education work), and grant funding for energy related projects for community organisations (such as schools, marae, sports clubs and churches) would continue as normal.

He said trustees would update the consumer-beneficiaries when the High Court hearing has been completed.

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