



MEDIA RELEASE

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ENERGY TRUST SUPPORTS DIRECTOR REFRESHMENT

Today's announcement to the NZX, of the resignation of Colin Holmes and Graeme Hawkins, and the retirement of Doug Hitchcock, from the board of Horizon Energy Distribution Limited at this year's annual meeting, was accepted by Horizon's major shareholder the Eastern Bay Energy Trust, as a positive step for the company.

Trust Chairman Kevin Hennessy said "Refreshment is always a positive thing. The retirement of three directors provides the opportunity to develop a board of directors with the necessary commercial acumen to take Horizon in a new direction.

The effect of regulation on the allowable rate of return on electricity network companies, and recent interventions by the Commerce Commission in the utilities and infrastructure industries, have put pressure on shareholders such as our trust to ensure that their investments are performing in this environment.

It is now vital that lines companies actively pursue income from non-regulated business, and to do this they must have commercially-driven directors who are ready to move in this direction. It is our fiduciary duty to ensure that our investments are taken care of appropriately, and this means that the company must be able to deal with the changing environment faced by participants in the energy industry."

Mr Hennessy said that the Trust recognised the 16 year contribution of Mr Holmes to the success of Horizon. Similarly, the Trustees acknowledged Mr Hitchcock's 11 years on the board, and Mr Hawkins' 5 year contribution. In the interests of smooth succession and continuance in governance, the Trust will work with the Horizon board, who will appoint two new directors to take their positions in the near future, and who will then be subject to election at the annual meeting. A third director will be elected at the annual meeting.

"The Trustees have confirmed their support of Graeme Milne, who was elected to the board in 2003, and who will remain as a director." said Mr Hennessy.

For further information contact

Kevin Hennessy

Chairman, Eastern Bay Energy Trust

Phone 07 315 6799 / 027 625 9379