

Auditors' Report

to the trustees of Eastern Bay Energy Trust

We have audited the financial statements on pages 2 to 15. The financial statements provide information about the past financial performance and cash flows of the Trust and Group for the year ended 31 March 2004 and their financial position as at that date. This information is stated in accordance with the accounting policies set out on pages 7 to 8.

Trustees' Responsibilities

The Trustees are responsible for the preparation and presentation of the financial statements which give a true and fair view of the financial position of the Trust and Group as at 31 March 2004 and their financial performance and cash flows for the year ended on that date.

Auditors' Responsibilities

We are responsible for expressing an independent opinion on the financial statements presented by the Directors and reporting our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- (a) the significant estimates and judgements made by the Trustees in the preparation of the financial statements; and
- (b) whether the accounting policies are appropriate to the circumstances of the Trust and Group, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have no relationship with or interests in the Trust or any of its subsidiaries other than in our capacities as auditors and tax advisors.

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Eastern Bay Energy Trust

Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion:

- (a) proper accounting records have been kept by the Trust as far as appears from our examination of those records; and
- (b) the financial statements on pages 2 to 15:
 - (i) comply with generally accepted accounting practice in New Zealand; and
 - (ii) give a true and fair view of the financial position of the Trust and Group as at 31 March 2004 and their financial performance and cash flows for the year ended on that date.

Our audit was completed on 1 July 2004 and our unqualified opinion is expressed as at that date.

PriceWaterhouseCoopers

Chartered Accountants

Auckland