

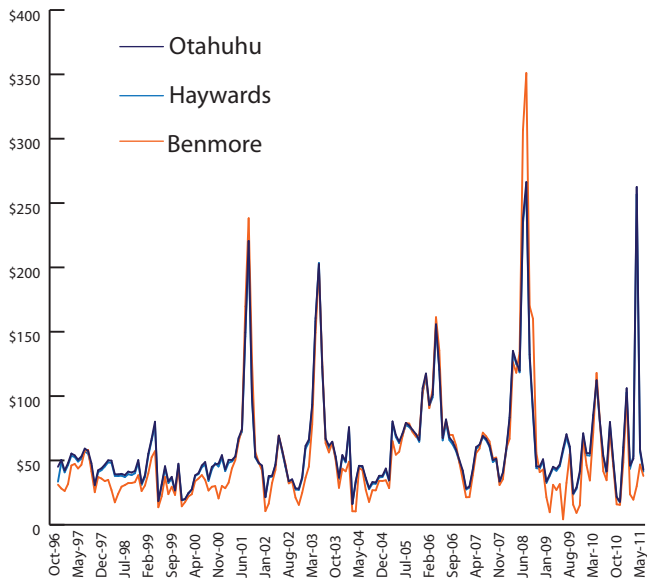
WHY HEDGE ELECTRICITY?

On average, wholesale electricity prices are attractively lower than retail prices - but they are also more volatile. You can purchase from the wholesale market but in doing so you are exposed to potentially large price fluctuations. Hedging effectively smooths out wholesale price volatility by fixing the price for a lower total cost than at retail rates.

Recent regulatory changes have made it easier to buy and sell hedges. Consumers previously deterred by inflexible contracts traditionally on offer are now turning to hedging for lower electricity costs.

If you are a larger consumer looking to combat rising energy costs and plan with certainty, electricity hedging options are more accessible and convenient than ever before.

Average Monthly Wholesale Electricity Price



INTRODUCING ENERGY LINK

The people who bring you HedgeSafe have been trusted providers of energy market advice to decision makers in Government and industry since 1996.

We understand the market and risks involved when trading in NZ's energy environment. Energy Link has built a respected market forecast and industry training business based on our reputation for reliable analysis and in-depth market knowledge.



Energy Link's CEO Greg Sise has over 20 years' consulting experience in the electricity industry in *Procurement*, *Risk Assessment*, and *Energy Management*.

Energy Link is authorised by the Securities Commission to advise on electricity hedge contracts (since 1997).

Benefit from our reputation for excellence in the energy industry – contact us today.

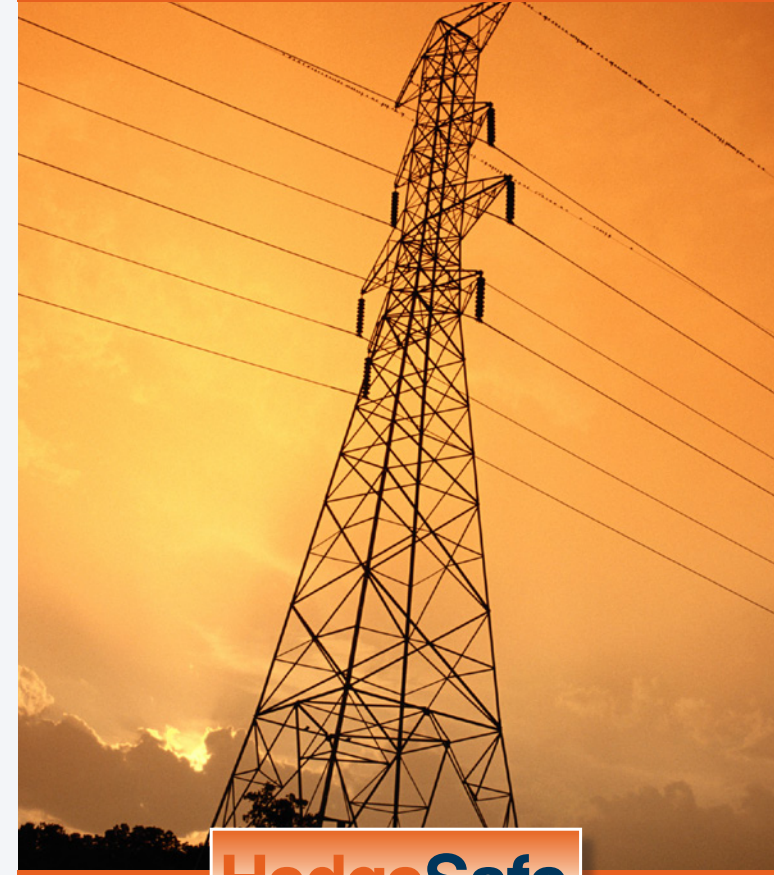
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SMARTER ELECTRICITY PURCHASING



HedgeSafe

**THE COMPLETE ELECTRICITY HEDGE
MANAGEMENT SOLUTION**



cre8ive 5607 J11

THE ADVANTAGE OF HEDGING

A hedge locks in future electricity prices - reducing uncertainty and minimising risk.

The Total Hedging Service

HedgeSafe is the complete hedge management solution. It delivers a comprehensive suite of electricity hedging services, offering everything from the one-off valuation of a single hedge to the development of corporate risk management policy as well as on-going portfolio management.

Together the HedgeSafe components interlock to provide total hedge management in a strategic risk framework.



A totally integrated step-by-step process

Every Input you Require

Only HedgeSafe brings together industry experience, market knowledge, quantitative historical and forecast data in tandem with the powerful analysis and visualisation tools required to make informed and effective hedging decisions.

Strategy

HedgeSafe analyses your total energy risk situation to develop policy and procedure for your hedging needs Portfolio structure.

- » When and how much to trade, and who with
- » Exposure limits
- » Reporting standards

Review

HedgeSafe continuously reviews your current position to keep your strategy up to date and your hedge portfolio in balance.

- » Market intelligence gathering
- » Wholesale price forecasting
- » Consumption trending
- » Building in flexibility for changing power needs
- » Import/export balancing

Procurement

HedgeSafe guides you through every stage of trading a hedge.

- » Consumption profiling
- » Co-optimisation of energy sources
- » Robust analysis:
 - Residual location and volume risk
 - Forecast performance
 - Performance under historical conditions
 - Scenario based stress testing
- » Contract assessment and post deal verification
- » Standardised proposal and (ISDA) contract forms
- » Security Commission authority to advise on hedging

Monitoring

HedgeSafe monitors your hedges reviewing performance right down to the half hour trading period.

- » Invoice reconciliation
- » Cash flow allocation by cost centre
- » Proactive extreme event analysis
- » Position reporting:
 - Effectiveness reporting
 - Risk exposure
 - Performance forecasting