



## **Media Statement**

23 December 2011

### **Oakey Power Station**

Contact attaches a copy of a release made after close of business yesterday by ERM Power Limited on the ASX relating to Oakey Power Holdings and Oakey Power Station. Contact confirms that it is in discussions with respect to a proposal to undertake a capital reduction and share cancellation in relation to its 25% shareholding in Oakey Power Holdings. A further announcement is expected to be made in mid January 2012.

**ENDS**

Media enquiries: Janet Carson 021 242 5723

22 December 2011

### **Refinance of Oakey Power Station and capital reduction proposal**

Oakey Power Holdings Pty Ltd ACN 075 260 794 (**OPH**), the owner of Oakey Power Station, and its senior lender Commonwealth Bank of Australia have today approved a refinance of the Oakey Power Station project debt. The refinance has been sought in connection with a proposal to undertake a capital reduction in OPH which would result in the cancellation of the 25% interest in OPH held by Contact Energy Limited ARBN 080 480 477 (**Contact**). It is proposed that OPH will pay Contact about \$31 million for the cancellation of its shares. The refinance would represent about \$20 million of that consideration with the remaining \$11 million to come from a subscription for new shares in OPH by the other shareholders in OPH, namely ERM Oakey Power Holdings Pty Ltd ACN 074 525 849 as a 50% holder in OPH (100% owned by ERM Power) and ERM Oakey Power Pty Ltd ACN 075 103 022 as a 25% holder in OPH (50% owned by ERM Power).

If the proposal is implemented, ERM Power's effective interest in Oakey Power Station will increase from 62.5% to 83.33%.

The refinance and capital reduction is subject to approval by OPH shareholders in early January 2012 and other customary conditions.

A handwritten signature in black ink, appearing to be 'Peter Jans', written in a cursive style.

Peter Jans  
Group General Counsel & Company Secretary  
ERM Power Limited

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### **For further information**

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### **About ERM Power**

ERM Power (ASX:EPW) is an integrated energy company which operates electricity sales, generation and gas procurement businesses. Founded in 1980 as a specialist energy advisory firm, it grew through deregulation and privatisation to become Australia's largest private energy sector company before listing on the Australian Securities Exchange on 10 December 2010. ERM Power is leveraged to the forecast growth in the Australian electricity market through its sales business, ERM Sales, which focuses on larger business customers, and its generation business, which focuses on low emission gas-fired assets with long term contracts. In the last five years ERM Power has developed six power stations, operating three of them and retaining interests in two.

[www.ermpower.com.au](http://www.ermpower.com.au)