



Media release

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### **Ballance signs three-year gas supply contract with Contact Energy**

Ballance Agri-Nutrients has secured a three-year contract for gas supply for its ammonia-urea manufacturing facility at Kapuni. The contract was signed with Contact Energy late last week and comes into effect when the current supply contract expires at the end of September 2007.

Under the agreement Contact Energy will supply up to 7 petajoules of gas per annum to the company from 1 October 2007 until 30 June 2010.

Ballance Agri-Nutrients Chairman David Graham says the agreement is good news for farmers, the company shareholders, and for the wider Taranaki region.

“The Kapuni plant produces up to 260,000 tonnes of urea per year – a major portion of the urea sold by the company annually. The new agreement ensures security of gas supply to the plant, enabling us to plan for the future, as well as reducing the industry’s reliance on imported urea and saving approximately \$100 million in foreign exchange.

“On top of this, more than 120 local jobs will now be secure in the Taranaki region until 2010. This is great news for the community and the local economy.”

Mr Graham says that Ballance has continued to invest heavily in the ongoing maintenance of the Kapuni plant and it is currently in an excellent condition to run to 2010.

“The Kapuni plant is a major asset for the company and the certainty of gas supply ensures that the plant will continue to make a significant contribution.”

**ENDS**