

Chairman's Annual Report
August 2007

It is my pleasure to report on another year of satisfactory operation of the Trust, which holds all of the shares of Westpower Ltd. and the associated companies.

Trustees appoint the directors and monitor their performance. We also carefully examine the Company's Statement of Corporate Intent and suggest changes which we think are in the best interests of consumers.

This has been an exciting year for the Trust. We have had the pleasure of approving a number of new initiatives by the Company.

The Trust has enthusiastically supported the company's plans to reactivate the former Amethyst Generation plant and have watched progress in this area with great interest. Realizing the expertise that our engineering and construction staff have at their disposal we were delighted to be able to approve the purchase of a well established electrical engineering business and following the purchase the establishment of a new company Mitton ElectroNet.Ltd. This new company is undertaking exciting work throughout New Zealand.

During the year the Oceana Gold Mine began production and the reticulation to the Pike River coal mine was completed. With these two huge projects now on stream we are concerned that the planned 110kv line from Inangahua to Dobson is yet to be completed. The section completed as far as Reefton has added extra security of supply to that area but two outages associated with the high voltage supply over the Southern Alps have caused the Trust considerable concern. I am pleased to report that Transpower and the Electricity Commission are having a further evaluation of the need to continue the high voltage line to Dobson as originally proposed.

In the 2005/06 period the Trust were pleased to be able to promote the supply of low cost energy efficient light bulbs to our consumers. The success of this project won national acclaim and has resulted in the nation wide project of a similar nature being completed recently. Our leadership in encouraging consumers to use electricity efficiently has had a number of spin offs and many consumers have taken additional steps to use energy in their homes more efficiently.

During the year trustees traveled to the Globe Mine and were most impressed with operations at the mine and the high quality electrical installations that had been completed by the ElectroNet work force. We also visited the Pike River mine site and were able to view the huge effort that has been made by the company in bringing the electricity to this remote site.

The continued success story of Westpower Ltd. and the subsidiary Electronet Services Ltd. is witness to the laudable performance of the directors, management and staff. On behalf of consumers, I sincerely thank them for their work.

On behalf of consumers, I offer my sincere thanks to my fellow trustees for their diligent work during the past twelve months.

Trustees holding office at present are:

Chairman	Dom O'Sullivan M.N.Z.M.
Deputy Chairman	David Robinson J.P.
Trustees	Ian Hustwick
	Maureen Pugh
	Kevin Brown Q.S.M.
	Frank Wall

Dom O'Sullivan
Chairman.