SUPPLEMENT TO

New Zealand Gazette

OF THURSDAY, 24 NOVEMBER 2005

WELLINGTON: WEDNESDAY, 30 NOVEMBER 2005 — ISSUE NO. 199

NGC NEW ZEALAND LIMITED

(WHOLLY OWNED SUBSIDIARY OF VECTOR LIMITED)

INFORMATION FOR DISCLOSURE

PURSUANT TO THE GAS (INFORMATION DISCLOSURE) REGULATIONS 1997

NGC NEW ZEALAND LIMITED
(Wholly Owned Subsidiary of Vector Limited)

INFORMATION FOR DISCLOSURE FOR THE YEAR ENDED 30 JUNE 2005
Pursuant to the Gas (Information Disclosure) Regulations 1997

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The financial information presented has been prepared to comply with the requirements of the Gas (Information Disclosure) Regulations 1997 and should not be used for any purposes other than that required under those regulations.

NGC – Gas Retailing Activities

Statement of Financial Performance

For the Year Ended 30 June 2005

For the purposes of the Gas (Information Disclosure) Regulations 1997

		$Thousands	
	Note	**2005**	**2004**
Revenue		**193,514**	196,639
Expenses	1	**(157,715)**	(158,564)
Surplus before Taxation		**35,799**	38,075
Income Tax Expense	2	**(12,483)**	(12,866)
Net Surplus for the Year		**23,316**	25,209

NGC – Gas Retailing Activities

Statement of Financial Position

As at 30 June 2005

For the purposes of the Gas (Information Disclosure) Regulations 1997

		$Thousands	
	Note	**2005**	**2004**
Non Current Assets			
Property, Plant and Equipment	3	**131**	172
Deferred Taxation	2	**177**	1,904
Total Non Current Assets		**308**	2,076
Current Assets			
Accounts Receivable	4	**16,503**	15,001
Current Tax		**2,474**	(6,335)
Total Current Assets		**18,977**	8,666
Total Assets		**19,285**	10,742
Equity			
Notional Reserves	5	**14,894**	770
Total Equity		**14,894**	770
Current Liabilities			
Bank Overdraft and Short Term Loans		**648**	412
Accounts Payable and Provisions	6	**3,743**	9,560
Total Current Liabilities		**4,391**	9,972
Total Liabilities and Equity		**19,285**	10,742

NGC – Gas Retailing Activities

Statement of Accounting Policies

For the Year Ended 30 June 2005

For the purposes of the Gas (Information Disclosure) Regulations 1997

a) Accounting Entity

The financial statements are those of NGC – Gas Retailing Activities (NGC). Gas Retailing Activities involve the supply of gas to gas consumers. These financial statements apply solely to the activities of NGC New Zealand Limited but are published in the names of both NGC New Zealand Limited and Vector Limited because of Vector's ownership of the NGC Group.

b) Special Purpose Financial Statements

The financial statements have been prepared in accordance with the Gas (Information Disclosure) Regulations 1997.

c) General Accounting Policies

The general accounting policies as recommended by the New Zealand Institute of Chartered Accountants for the measurement and reporting of financial performance and financial position, under the historical cost method, as modified by the revaluation of certain assets, have been followed in the preparation of these financial statements.

d) Particular Accounting Policies

The following particular accounting policies, which materially affect the measurement of financial performance and financial position have been adopted:

i) Valuation of Property, Plant and Equipment
All property, plant and equipment are included at cost less accumulated depreciation.

Construction in progress is recorded at cost. For projects having a cost in excess of $500,000 and a construction period of not less than three months, finance costs relating to that project are capitalised. The finance costs capitalised are based on the actual cost directly attributable to the construction of the asset. Where this is not clearly identifiable, NGC's cost of debt is used.

Assets constructed by NGC are commissioned and transferred from construction in progress to property, plant and equipment as each facility or operating unit within a facility becomes operational and available for use.

ii) Current Assets
Accounts receivable and all other current assets are valued at their estimated realisable value.

iii) Depreciation
Non current assets are depreciated on a straight line basis.

The rates of depreciation vary according to the nature and economic lives of the assets and fall within the following ranges:

Plant, Equipment and Motor Vehicles	5 - 20 years

iv) Leased Assets

NGC leases certain plant, equipment, land and buildings. Under operating leases, all the risks and benefits of ownership are effectively retained by the lessor. Operating lease payments are expensed in the period in which they are incurred.

v) Taxation

NGC recognises deferred taxation using the liability method and on a comprehensive basis. Income tax expense is recognised on the surplus before taxation. It is then adjusted for permanent differences between taxable and accounting income. The tax effect of all differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is recognised in the Statement of Financial Position as a future tax benefit or as deferred tax. The future tax benefit or deferred tax is stated at the income tax rates prevailing at balance date. Future tax benefits are not recognised unless realisation of the asset is virtually certain. Future tax benefits and deferred tax are offset.

e) Changes in Accounting Policies

There have been no changes in accounting policies. These policies have been applied on a consistent basis during the year.

f) Comparatives

The presentation of certain comparatives has been restated to ensure consistency with current year disclosures.

NGC – Gas Retailing Activities

Notes to the Financial Statements

For the Year Ended 30 June 2005

For the purposes of the Gas (Information Disclosure) Regulations 1997

1. Expenses

	$Thousands 2005	2004
Depreciation	**47**	233
Audit Fees and Expenses		
PricewaterhouseCoopers	**28**	28
Leasing Costs	**28**	26
Bad Debts Written Off	**4**	33
Movement in Provision for Doubtful Debts	**(146)**	(329)

2. Income Tax

		$Thousands 2005	2004
a)	**The Income Tax Expense has been calculated as follows:**		
	Surplus before Taxation	**35,799**	38,075
	Income Tax at 33%	**11,814**	12,565
	Adjustments to Taxation for		
	Non-deductible Items:		
	Income Tax Over Provided in Previous Periods	**666**	-
	Other Non-Deductible Items	**3**	301
	Taxation Charge in Statement of Financial Performance	**12,483**	12,866
	Income Tax Expense is represented by:		
	Tax Payable in Respect of the Current Year	**10,756**	16,958
	Deferred Taxation (Refer Note 2b)	**1,727**	(4,092)
		12,483	12,866

	$Thousands	
	2005	2004
b) **Deferred taxation has been calculated as follows:**		
Balance as at 1 July	**(1,904)**	2,188
Movement for the Year	**1,727**	(4,092)
Prior Period Adjustments and Other Movements	**-**	-
	(177)	(1,904)

Deferred tax includes provision for the tax effect of all differences between the tax base of assets and liabilities and their carrying amounts in the financial statements including asset revaluations.

3. Property, Plant and Equipment

	$Thousands 2005			
	Cost/ Valuation	Accumulated Depreciation	Net Book Value	Depreciation Charge
Other Plant and Equipment	**168**	**126**	**42**	**27**
Motor Vehicles	**154**	**73**	**81**	**20**
Construction in Progress	**8**	**-**	**8**	**-**
	330	**199**	**131**	**47**

	$Thousands 2004			
	Cost/ Valuation	Accumulated Depreciation	Net Book Value	Depreciation Charge
Other Plant and Equipment	168	99	69	197
Motor Vehicles	155	52	103	36
	323	151	172	233

4. Accounts Receivable

	$Thousands	
	2005	2004
Trade Debtors	**16,503**	15,001
	16,503	15,001

5. Notional Reserves

	$Thousands	
	2005	2004
Notional Reserves		
Balance as at 1 July	**770**	(2,647)
Movement for the period	**14,124**	3,417
Balance as at 30 June	**14,894**	770

NGC's Gas Retailing Activities is not a company and therefore has no share capital. Notional reserves are determined on the basis that NGC Gas Retailing Activities is fully equity funded by the NGC Group. Notional reserves therefore represent all funding provided to NGC Gas Retailing Activities by the NGC Group.

6. Accounts Payable and Provisions

	$Thousands	
	2005	2004
Accounts Payable	**3,179**	280
Accrued Expenses	**42**	3,810
Provisions	**522**	5,470
	3,743	9,560

The movement in provisions is shown below.

Provisions

	$Thousands	
	2005	2004
Balance as at 1 July	**5,470**	-
Additional Provision Made	**-**	5,470
Amounts Utilised	**(4,948)**	-
Unused Provision Reversed	**-**	-
Balance as at 30 June	**522**	5,470

This balance includes provisions for various commercial matters expected to be settled in periods from now to two years, but could require settlement at any time.

7. Financial Instruments

Interest Rate Risk

There is no interest rate risk as NGC does not hold any interest bearing assets or liabilities.

Credit Risk

Financial instruments which potentially subject NGC to credit risk consist principally of cash deposits and trade debtors.

NGC places its cash deposits with a small number of banking institutions and limits the amount deposited. The credit limits based on credit quality are approved by the Board of Directors.

NGC completes credit evaluations on customers where possible and requires a bond to be paid when customers cannot demonstrate an adequate credit history.

NGC does not have any significant concentration of credit risk.

Foreign Currency Risk

NGC undertakes transactions denominated in foreign currencies from time to time resulting in exposures in foreign currencies. Other NGC Group companies manage these exposures where it is their policy to hedge foreign exchange currency risks as they arise.

Fair Values

The carrying value of cash at bank, other investments and trade creditors is equivalent to their fair value.

8. Capital and Operating Lease Commitments

There is no capital expenditure committed but not recorded in these financial statements for the year ended 30 June 2005 (30 June 2004: Nil).

	$Thousands	
	2005	**2004**
Operating Lease Commitments		
Non cancellable operating lease rentals are payable as follows:		
Not later than one year	**25**	27
Between one and two years	**14**	25
Between two and five years	**8**	22
Later than five years	**-**	-
	47	74

9. Other Related Party Transactions

NGC Management Limited provides management services in respect of the Gas Retailing Activities. Management fees were paid to NGC Management Limited of $1.4 million (30 June 2004: $1.8 million).

Gas Retailing Activities had gas sales to Kapuni Energy Joint Venture of $5.7 million (30 June 2004: $5.4 million) and NGC New Zealand Limited $6.9 million (30 June 2004: $4.5 million).

Gas purchases from NGC New Zealand Limited were $122.7 million (30 June 2004: $115.1 million), transmission purchases from NGC New Zealand Limited were $26.6 million (30 June 2004: $26.4 million), processing services from NGC New Zealand Limited were $0.6 million (30 June 2004: $4.2 million) and distribution purchases from NGC New Zealand Limited were $3.6 million (30 June 2004: $3.9 million), NGC Metering Limited $0.3 million (30 June 2004: nil) and Vector Limited $3.8 million (30 June 2004: nil).

Transactions with related parties are settled in the ordinary course of business. No amounts have been written off or forgiven during the year ended 30 June 2005 (30 June 2004: nil).

10. Contingencies

There are no contingencies which would have a material adverse effect on these financial statements.

11. Events Subsequent to Balance Date

Subsequent to 30 June 2005:

On 27 June 2005, Vector launched its initial public offering (IPO) of 24.9% of its shares. As part of the IPO, Vector made a full takeover offer to purchase all of the NGC shares on issue not already held by Vector.

As a consequence of acquiring more than 90% of all NGC shares as part of the takeover offer, Vector has compulsorily acquired the remaining shares, on the same terms and conditions as the takeover offer. Subsequently NGC delisted its shares from trading on the New Zealand Exchange on 7 September 2005.

No other events have occurred subsequent to 30 June 2005 which would have a material adverse effect on these financial statements.

GAS RETAILING ACTIVITIES

CERTIFICATE OF FINANCIAL STATEMENTS DISCLOSED BY DIRECTORS OF THE CORPORATION

We, Michael Thomas Cummings and Steven Lloyd Bielby, directors of NGC New Zealand Limited (the 'Corporation'), certify that, having made all reasonable enquiry, to the best of our knowledge, the attached audited financial statements of the Corporation, prepared for the purposes of regulation 6 of the Gas (Information Disclosure) Regulations 1997, comply with the requirements of that regulation.

Michael Thomas Cummings

Steven Lloyd Bielby

9 November 2005

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Certification by Auditor in Relation to Financial Statements

NGC – Gas Retailing Activities

We have examined the attached financial statements prepared by NGC Holdings Limited in respect to NGC – Gas Retailing Activities dated 9 November 2005 for the purposes of Regulation 6 of the Gas (Information Disclosure) Regulations 1997.

We certify that, having made all reasonable enquiry, to the best of our knowledge, those financial statements have been prepared in accordance with the requirements of the Gas (Information Disclosure) Regulations 1997.

PricewaterhouseCoopers

PricewaterhouseCoopers
9 November 2005

NGC – Gas Transmission Activities

Statement of Financial Performance

For the Year Ended 30 June 2005

For the purposes of the Gas (Information Disclosure) Regulations 1997

	Note	$Thousands 2005	2004
Revenue		**88,164**	83,699
Expenses	1	**(42,996)**	(42,027)
Surplus before Taxation		**45,168**	41,672
Income Tax (Expense)/Credit	2	**(16,238)**	(14,905)
Net Surplus for the Year		**28,930**	26,767

NGC – Gas Transmission Activities

Statement of Financial Position

As at 30 June 2005

For the purposes of the Gas (Information Disclosure) Regulations 1997

	Note	$Thousands 2005	2004
Non Current Assets			
Property, Plant and Equipment	3	**440,180**	441,446
Deferred Expenditure	4	**2,025**	3,111
Total Non Current Assets		**442,205**	444,557
Current Assets			
Accounts Receivable	5	**5,773**	6,361
Inventories – Consumable Spares		**1,697**	1,790
Current Tax		**3,481**	132
Total Current Assets		**10,951**	8,283
Total Assets		**453,156**	452,840
Equity			
Notional Reserves	6	**369,445**	368,502
Total Equity		**369,445**	368,502
Non Current Liabilities			
Deferred Taxation	2	**80,448**	81,262
Total Non Current Liabilities		**80,448**	81,262
Current Liabilities			
Bank Overdraft and Short Term Loans		**19**	16
Accounts Payable and Provisions	7	**3,244**	3,060
Total Current Liabilities		**3,263**	3,076
Total Liabilities and Equity		**453,156**	452,840

NGC – Gas Transmission Activities

Statement of Accounting Policies

For the Year Ended 30 June 2005

For the purposes of the Gas (Information Disclosure) Regulations 1997

a) Accounting Entity

The financial statements are those of NGC – Gas Transmission Activities (NGC). Gas Transmission Activities involves the ownership and the supply of line function services for the transportation of gas. Activities associated with third party services have been excluded from 2004 onwards. These financial statements apply solely to the activities of NGC New Zealand Limited but are published in the names of both NGC New Zealand Limited and Vector Limited because of Vector's ownership of the NGC Group.

b) Special Purpose Financial Statements

The financial statements have been prepared in accordance with the Gas (Information Disclosure) Regulations 1997.

c) General Accounting Policies

The general accounting policies as recommended by the New Zealand Institute of Chartered Accountants for the measurement and reporting of financial performance and financial position, under the historical cost method, as modified by the revaluation of certain assets, have been followed in the preparation of these financial statements.

d) Particular Accounting Policies

The following particular accounting policies, which materially affect the measurement of financial performance and financial position have been adopted:

i) Revenues and Expenses

These financial statements are presented under the Avoidable Cost Allocation Methodology (ACAM). In November 2002 the Cabinet reaffirmed its May 2000 decision to mandate the use of ACAM in the Gas (Information Disclosure) Regulations 1997. The Gas Control Inquiry being conducted by the Commerce Commission has been assessing the gas transportation businesses as stand alone entities which has involved the application of ACAM.

ii) Valuation of Property, Plant and Equipment

Pipelines, compressors and gate stations are recorded at the most recent valuation, adjusted by subsequent additions, disposals and depreciation. Valuations are carried out every three years and reviewed by independent experts, using the optimised deprival valuation methodology.

All property, plant and equipment other than pipelines, compressors and gate stations are included at cost less accumulated depreciation.

Under the modified historical cost method, the revaluation, reflecting the difference between the net carrying value of the assets and the valuation (net of deferred tax), is recorded in the asset revaluation reserve. In arriving at the net carrying value any accumulated depreciation is written back against the asset value. The revaluation increase or decrease is transferred from the revaluation reserve to retained earnings on the disposal of an asset.

Construction in progress is recorded at cost. For projects having a cost in excess of $500,000 and a construction period of not less than three months, finance costs relating to that project are capitalised. The finance costs capitalised are based on the actual cost directly attributable to the construction of the asset. Where this is not clearly identifiable, NGC's cost of debt is used.

Assets constructed by NGC are commissioned and transferred from construction in progress to property, plant and equipment as each facility or operating unit within a facility becomes operational and available for use.

iii) Current Assets
Accounts receivable are valued at their estimated realisable value. Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average cost basis. All other current assets are valued at their estimated realisable value.

iv) Depreciation
Non current assets are depreciated on a straight line basis.

The rates of depreciation vary according to the nature and economic lives of the assets and fall within the following ranges:

High Pressure Pipelines	65 years
Compressors and Gate Stations	35 - 45 years
Plant, Equipment and Motor Vehicles	5 - 20 years
Buildings	40 - 100 years
Capital Spares	5 - 20 years

Depreciation of pipelines commence when the pipeline is physically complete and flowing gas.

v) Leased Assets
NGC leases certain plant, equipment, land and buildings. Under operating leases, all the risks and benefits of ownership are effectively retained by the lessor. Operating lease payments are expensed in the period in which they are incurred.

vi) Taxation
NGC recognises deferred taxation using the liability method and on a comprehensive basis. Income tax expense is recognised on the surplus before taxation. It is then adjusted for permanent differences between taxable and accounting income. The tax effect of all differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is recognised in the Statement of Financial Position as a future tax benefit or as deferred tax. The future tax benefit or deferred tax is stated at the income tax rates prevailing at balance date. Future tax benefits are not recognised unless realisation of the asset is virtually certain. Future tax benefits and deferred tax are offset.

vii) Deferred Expenditure
Deferred expenditure is expenditure which provides benefits beyond the current accounting period. These expenditures include the connection of new customers to the gas transportation system and other payments for which future benefits are gained and are written off over periods up to 10 years.

e) Changes in Accounting Policies
There have been no changes in accounting policies. These policies have been applied on a consistent basis during the year.

f) Comparatives
The presentation of certain comparatives has been restated to ensure consistency with current year disclosures.

NGC – Gas Transmission Activities

Notes to the Financial Statements

For the Year Ended 30 June 2005

For the purposes of the Gas (Information Disclosure) Regulations 1997

1. Expenses

	$Thousands	
	2005	**2004**
Depreciation	**13,336**	14,177
Audit Fees and Expenses		
PricewaterhouseCoopers	**118**	128
Leasing Costs	**55**	48
Bad Debts Written Off	**-**	-
Movement in Provision for Doubtful Debts	**-**	3

2. Income Tax

		$Thousands	
		2005	**2004**
a)	**The Income Tax Expense has been calculated as follows:**		
	Surplus before Taxation	**45,168**	41,672
	Income Tax at 33%	**14,905**	13,752
	Adjustments to Taxation for		
	Non-deductible Items:		
	Income Tax Over Provided in Previous Periods	**150**	(29)
	Other Non-Deductible Items	**1,183**	1,182
	Taxation Charge in Statement of Financial Performance	**16,238**	14,905
	Income Tax Expense is represented by:		
	Tax Payable in Respect of the Current Year	**17,201**	16,215
	Deferred Taxation (Refer Note 2b)	**(963)**	(1,310)
		16,238	14,905

	$Thousands 2005	$Thousands 2004
b) **Deferred taxation has been calculated as follows:**		
Balance as at 1 July	**81,262**	81,648
Movement for the Year (Refer Note 2a)	**(963)**	(1,310)
Revaluation of Property, Plant and Equipment	**-**	3,125
Prior Period Adjustments and Other Movements	**149**	(2,201)
	80,448	81,262

Deferred tax includes provision for the tax effect of all differences between the tax base of assets and liabilities and their carrying amounts in the financial statements including asset revaluations.

3. Property, Plant and Equipment

$Thousands 2005

	Cost/ Valuation	Accumulated Depreciation	Net Book Value	Depreciation Charge
Pipelines, Compressors and Gate Stations (Valuation)	**440,751**	**15,015**	**425,736**	**11,756**
Other Plant and Equipment	**18,299**	**15,461**	**2,838**	**1,274**
Motor Vehicles	**2,115**	**1,096**	**1,019**	**222**
Freehold Land	**366**	**-**	**366**	**-**
Buildings	**4,075**	**1,021**	**3,054**	**84**
Construction in Progress	**7,167**	**-**	**7,167**	**-**
	472,773	**32,593**	**440,180**	**13,336**

$Thousands 2004

	Cost/ Valuation	Accumulated Depreciation	Net Book Value	Depreciation Charge
Pipelines, Compressors and Gate Stations (Valuation)	434,875	3,175	431,700	12,616
Other Plant and Equipment	17,600	14,187	3,413	1,205
Motor Vehicles	1,984	943	1,041	292
Freehold Land	366	-	366	-
Buildings	3,928	937	2,991	64
Construction in Progress	1,935	-	1,935	-
	460,688	19,242	441,446	14,177

Pipelines, compressors and gate stations were revalued as at 30 June 2003 using the optimised deprival valuation (ODV) methodology. As a result, the valuation of pipelines, compressors and gate stations increased by $87.9 million from the pre-revaluation amounts. An addition of $9.4 million has been added to this amount for the year ended 30 June 2004 following a further review of the ODV valuation report.

The ODV methodology revalues the assets subject to revaluation at the lower of optimised depreciated replacement cost (ODRC) and economic value which is equivalent to fair value.

NGC has completed regular revaluations of these assets since 1994 using the ODV methodology. The major assumptions resulting in the increase from the 2000 revaluation included an increase in construction rates for measure and value contracts, an increase in the Capital Goods Price Index for pipelines, a reduction in the optimisation of the Kapuni to Rotowaro transmission line due to a change from a 5-year to a 15-year load growth projection and increases in the value of easements. The valuation was reviewed and certified by Maunsell Limited (formerly Meritec Limited), the legal entity that employed its Senior Business Consultant, Guenter Wabnitz, as the person with primary responsibility for the review of NGC's valuation.

The independent valuer was engaged by NGC on the basis of his experience in valuing infrastructure assets and technical and commercial expertise in New Zealand's gas and energy sector. Maunsell Limited is an independent consulting firm and has no commercial interest in NGC.

The qualifications of Guenter Wabnitz relevant to this valuation review are:

- Commercial valuations of most of New Zealand's gas networks, for ODV, due diligence, insurance, district valuation roll and other purposes.
- Over 20 years experience in management, design and operations of gas production, processing and transportation systems in New Zealand, Australia, Asia and Europe.

4. Deferred Expenditure

	$Thousands	
	2005	**2004**
Balance as at 1 July	**3,111**	4,197
Less Amounts Amortised to Expenses	**(1,086)**	(1,086)
	2,025	3,111

5. Accounts Receivable

	$Thousands	
	2005	**2004**
Trade Debtors	**5,631**	6,194
Prepayments and Sundry Receivables	**142**	167
	5,773	6,361

6. Notional Reserves

	$Thousands	
	2005	**2004**
Notional Reserves		
Balance as at 1 July	**368,502**	377,002
Movement for the period	**943**	(8,500)
Balance as at 30 June	**369,445**	368,502

NGC's Gas Transmission Activities is not a company and therefore has no share capital. Notional reserves are determined on the basis that Gas Transmission Activities is fully equity funded by the NGC Group. Notional reserves therefore represent all funding provided to Gas Transmission Activities by the NGC Group.

7. Accounts Payable and Provisions

	$Thousands	
	2005	**2004**
Accounts Payable	**791**	831
Accrued Expenses	**1,493**	796
Employee Entitlements	**-**	583
Provisions	**960**	850
	3,244	3,060

The movement in provisions is shown below.

Provisions

	$Thousands	
	2005	**2004**
Balance as at 1 July	**850**	-
Additional Provision Made	**210**	850
Amounts Utilised	**(100)**	-
Unused Provision Reversed	**-**	-
Balance as at 30 June	**960**	850

This balance includes provisions for various commercial matters expected to be settled in the following year.

8. Financial Instruments

Interest Rate Risk

There is no interest rate risk as NGC does not hold any interest bearing assets or liabilities.

Credit Risk

Financial instruments which potentially subject NGC to credit risk consist principally of cash deposits and trade debtors.

NGC places its cash deposits with a small number of banking institutions and limits the amount deposited. The credit limits based on credit quality are approved by the Board of Directors.

NGC completes credit evaluations on customers where possible and requires a bond to be paid when customers cannot demonstrate an adequate credit history.

NGC does not have any significant concentration of credit risk.

Foreign Currency Risk

NGC undertakes transactions denominated in foreign currencies from time to time resulting in exposures in foreign currencies. Other NGC Group companies manage these exposures where it is their policy to hedge foreign exchange currency risks as they arise.

Fair Values

The carrying value of cash at bank, other investments and trade creditors is equivalent to their fair value.

9. Capital and Operating Lease Commitments

Capital expenditure committed but not recorded in these financial statements totals $2.1 million (30 June 2004: Nil).

	$Thousands	
	2005	**2004**
Operating Lease Commitments		
Non cancellable operating lease rentals are payable as follows:		
Not later than one year	**28**	47
Between one and two years	**6**	35
Between two and five years	**5**	-
Later than five years	**-**	-
	39	82

10. Other Related Party Transactions

NGC Management Limited provides management services in respect of Gas Transmission Activities. Management fees were paid to NGC Management Limited of $9.3 million (30 June 2004: $8.9 million).

Sales for transmission and maintenance services to NGC New Zealand Limited were $26.8 million (30 June 2004: $27.0 million).

Fuel Gas purchases, including UFG adjustment and operational swaps, from NGC New Zealand Limited of $4.5 million (30 June 2004: $2.8 million).

Purchases of mechanical services from NGC New Zealand Limited were $0.9 million (30 June 2004: $0.7 million).

Transactions with related parties are settled in the ordinary course of business. No amounts have been written off or forgiven during the year ended 30 June 2005 (30 June 2004: Nil).

11. Contingencies

There are no contingencies which would have a material adverse effect on these financial statements (30 June 2004: Nil).

12. Events Subsequent to Balance Date

Subsequent to 30 June 2005:

On 27 June 2005, Vector launched its initial public offering (IPO) of 24.9% of its shares. As part of the IPO, Vector made a full takeover offer to purchase all of the NGC shares on issue not already held by Vector.

As a consequence of acquiring more than 90% of all NGC shares as part of the takeover offer, Vector has compulsorily acquired the remaining shares, on the same terms and conditions as the takeover offer. Subsequently NGC delisted its shares from trading on the New Zealand Exchange on 7 September 2005.

No other events have occurred subsequent to 30 June 2005 which would have a material adverse effect on these financial statements.

NGC – Gas Transmission Activities

Statement of Performance Measures

For the Year Ended 30 June 2005

For the purposes of the Gas (Information Disclosure) Regulations 1997

	2005	2004	2003	2002
1. Financial Performance Measures				
Accounting Return on Total Assets	10.1%	9.1%	11.3%	11.9%
Accounting Return on Equity	7.8%	7.2%	8.7%	8.9%
Accounting Rate of Profit *	6.4%	8.1%	25.9%	7.7%
** The accounting rate of profit for 2003 includes a revaluation increase of $87.9 million in respect of the NGC transmission system. Excluding this amount, the accounting rate of profit would be reduced from 25.9% to 7.6%. An additional $9.4 million was included in the revaluation increase following a further review of the ODV valuation report in the 2004 year. Excluding the $9.4 million, the accounting rate of profit would be reduced from 8.1% to 6.1%.*				
2. Efficiency Performance Measures				
Direct Line Costs per Kilometre	$3,880	$3,830	$2,855	$2,512
Indirect Line Costs per Gas Customer	$997,847	$1,114,733	$843,800	$1,026,674

NB: Direct Line Costs per kilometre represent the direct costs associated with maintaining the NGC system.

3. Other Performance Measures and Statistics

3.1 Load factor

	2005			2004		
System	Gas Into System, a (GJ p.a.)	Max. Monthly Quantity, b (GJ/month)	Load Factor, $\frac{a \times 100}{12 \times b}$	Gas Into System, a (GJ p.a.)	Max. Monthly Quantity, b (GJ/month)	Load Factor, $\frac{a \times 100}{12 \times b}$
North & Central	54,227,789	5,168,202	87.44	53,865,697	5,156,560	87.05
Bay of Plenty	12,346,173	1,232,461	83.48	12,339,539	1,217,125	84.48
Frankley Rd – Kapuni	16,282,358	2,123,607	63.89	16,365,424	1,944,392	70.14
South	11,333,608	1,277,991	73.90	12,107,703	1,265,331	79.74
Total	**94,189,928**			**94,678,363**		

NB: Gas entering the North System includes some of the gas into Central System.
Gas entering the Central System includes some of the gas into the Bay of Plenty System.
Gas entering the Frankley Rd – Kapuni System includes some of the gas into the South System.

	2003			2002		
System	Gas Into System, a (GJ p.a.)	Max. Monthly Quantity, b (GJ/month)	Load Factor, a × 100 / 12 × b	Gas Into System, a (GJ p.a.)	Max. Monthly Quantity, b (GJ/month)	Load Factor, a × 100 / 12 × b
North & Central	46,935,414	4,990,690	78.37	51,657,400	5,546,350	77.6
Bay of Plenty	11,573,320	1,216,901	79.25	12,304,129	1,152,940	88.9
Frankley Rd – Kapuni	20,964,571	2,206,343	79.18	24,450,814	2,870,377	71.0
South	11,288,942	1,235,979	76.11	11,623,329	1,381,955	70.1
Total	**90,762,247**			**100,035,672**		

3.2 Unaccounted-for gas ratio

	2005			2004		
System	Unaccounted For Gas a (GJ p.a.)	Gas Into System b (GJ p.a.)	UFG % a × 100 / b	Unaccounted For Gas a (GJ p.a.)	Gas Into System b (GJ p.a.)	UFG % a × 100 / b
North & Central	188,530	54,227,789	0.35	(219,855)	53,865,697	(0.41)
Bay of Plenty	(114,815)	12,346,173	(0.93)	(106,172)	12,339,539	(0.86)
Frankley Rd – Kapuni	(126,023)	16,282,358	(0.77)	(202,449)	16,365,424	(1.24)
South	(10,583)	11,333,608	(0.09)	(30,711)	12,107,703	(0.25)
Total		**94,189,928**			**94,678,363**	

NB: UFG = Receipts + (Initial Linepack - Final Linepack) - Deliveries - Gas Used in Transmission.
Positive UFG represents a "loss", negative UFG a "gain".

	2003			2002		
System	Unaccounted For Gas a (GJ p.a.)	Gas Into System b (GJ p.a.)	UFG % a × 100 / b	Unaccounted For Gas a (GJ p.a.)	Gas Into System b (GJ p.a.)	UFG % a × 100 / b
North & Central	(635,346)	46,935,414	(1.35)	158,435	51,657,400	0.31
Bay of Plenty	145,795	11,573,320	1.26	289,283	12,304,129	2.35
Frankley Rd – Kapuni	(129,173)	20,964,571	(0.62)	285,057	24,450,814	1.17
South	89,044	11,288,942	0.79	335,485	11,623,329	2.89
Total		**90,762,247**			**100,035,672**	

3.3 Statistics

	2005				2004			
System	Length (km)	Max. Monthly Quantity Entering the System (GJ/month)	Total Gas Conveyed (GJ p.a)	Gas Conveyed Other than For NGC (GJ p.a.)	Length (km)	Max. Monthly Quantity Entering the System (GJ/month)	Total Gas Conveyed (GJ p.a)	Gas Conveyed Other than For NGC (GJ p.a.)
North & Central	827.0	5,168,202	54,048,678		827.0	5,156,560	54,085,232	
Bay of Plenty	612.2	1,232,461	12,463,630		612.2	1,217,125	12,450,163	
Frankley Rd – Kapuni	82.9	2,123,607	16,409,024		82.9	1,944,392	17,000,910	
South	696.5	1,277,991	11,353,330		696.5	1,393,581	11,590,580	
Total	**2,218.6**		**94,274,662**	**80,328,113**	**2,218.6**		**95,126,885**	**78,216,692**

	2003				2002			
System	Length (km)	Max. Monthly Quantity Entering the System (GJ/month)	Total Gas Conveyed (GJ p.a)	Gas Conveyed Other than For NGC (GJ p.a.)	Length (km)	Max. Monthly Quantity Entering the System (GJ/month)	Total Gas Conveyed (GJ p.a)	Gas Conveyed Other than For NGC (GJ p.a.)
North & Central	827.0	4,990,690	47,350,811		827.0	5,546,350	51,495,062	
Bay of Plenty	612.2	1,216,901	11,423,813		612.2	1,152,940	12,016,546	
Frankley Rd – Kapuni	82.9	2,206,343	21,092,803		82.9	2,870,377	24,165,814	
South	696.5	1,235,979	11,208,825		696.5	1,381,955	11,283,936	
Total	**2,218.6**		**91,076,252**	**68,521,832**	**2,218.6**		**98,961,358**	**52,244,860**

	2005	2004	2003	2002
Number of transmission customers	16	15	15	14

	2005		2004		2003		2002	
Number of unplanned interruptions in transmission systems	**No.**	**hrs**	**No.**	**hrs**	**No.**	**hrs**	**No.**	**hrs**
	1	2.5	1	6.0	1	3.0	1	21.0
			2	2.0	2	72.0		
			3	3.5				
			4	107.0				
			5	48.0				
			6	6.0				
			7	3.0				
			8	4.0				
Total Interruptions	**1**	**2.5**	**8**	**179.5**	**2**	**75.0**	**1**	**21.0**

NB: Some prior year performance measures have changed due to new information available.

GAS TRANSMISSION ACTIVITIES

CERTIFICATE OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES, AND STATISTICS DISCLOSED BY DIRECTORS OF THE CORPORATION

We, Michael Thomas Cummings and Steven Lloyd Bielby, directors of NGC New Zealand Limited (the 'Corporation'), certify that, having made all reasonable enquiry, to the best of our knowledge, -

(a) the attached audited financial statements of the Corporation, prepared for the purposes of regulation 6 of the Gas (Information Disclosure) Regulations 1997, comply with the requirements of that regulation; and

(b) the attached information , being financial performance measures, efficiency performance measures, energy delivery performance measures and statistics, and reliability performance measures in relation to the Corporation, and having been prepared for the purposes of regulations 15 to 19 of the Gas (Information Disclosure) Regulations 1997, complies with the requirements of those regulations.

Michael Thomas Cummings

Steven Lloyd Bielby

9 November 2005

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Certification by Auditor in Relation to Financial Statements

NGC – Gas Transmission Activities

We have examined the attached financial statements prepared by NGC Holdings Limited in respect to NGC - Gas Transmission Activities dated 9 November 2005 for the purposes of Regulation 6 of the Gas (Information Disclosure) Regulations 1997.

We certify that, having made all reasonable enquiry, to the best of our knowledge, those financial statements have been prepared in accordance with the requirements of the Gas (Information Disclosure) Regulations 1997.

PricewaterhouseCoopers

PricewaterhouseCoopers
9 November 2005

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NGC – Gas Transmission Activities

Certification of Performance Measures by Auditor

We have examined the attached information, being:

- financial performance measures specified in clause 1 of Part 2 of Schedule 1 of the Gas (Information Disclosure) Regulations 1997; and
- financial components of the efficiency performance measures specified in clause 2 of Part 2 of that Schedule;

and having been prepared by NGC Holdings Limited in respect to NGC – Gas Transmission Activities dated 9 November 2005 for the purposes of Regulations 15 and 16 of those Regulations.

We certify that, having made all reasonable enquiry, to the best of our knowledge, that information has been prepared in accordance with the requirements of the Gas (Information Disclosure) Regulations 1997.

PricewaterhouseCoopers

PricewaterhouseCoopers
9 November 2005

NGC – Gas Wholesaling Activities

Statement of Financial Performance

For the Year Ended 30 June 2005

For the purposes of the Gas (Information Disclosure) Regulations 1997

		$Thousands	
	Note	**2005**	**2004**
Revenue		**154,217**	140,136
Expenses	1	**(150,239)**	(133,240)
Surplus before Taxation		**3,978**	6,896
Income Tax Expense	2	**(1,477)**	(2,276)
Net Surplus for the Year		**2,501**	4,620

NGC – Gas Wholesaling Activities

Statement of Financial Position

As at 30 June 2005

For the purposes of the Gas (Information Disclosure) Regulations 1997

		$Thousands	
	Note	2005	2004
Non Current Assets			
Gas Entitlements	3	**11,458**	27,829
Accounts Receivable	4	**6,774**	-
Total Non Current Assets		**18,232**	27,829
Current Assets			
Current Portion of Gas Entitlements	3	**19,180**	33,403
Accounts Receivable	4	**9,297**	2,233
Inventories – Gas		**740**	521
Current Tax		**265**	(952)
Total Current Assets		**29,482**	35,205
Total Assets		**47,714**	63,034
Equity			
Notional Reserves	5	**18,635**	56,159
Total Equity		**18,635**	56,159
Non Current Liabilities			
Deferred Taxation	2	**2,196**	3,562
Gas Advance	6	**15,525**	-
Total Non Current Liabilities		**17,721**	3,562
Current Liabilities			
Accounts Payable and Provisions	7	**11,358**	3,313
Total Current Liabilities		**11,358**	3,313
Total Liabilities and Equity		**47,714**	63,034

NGC – Gas Wholesaling Activities

Statement of Accounting Policies

For the Year Ended 30 June 2005

For the purposes of the Gas (Information Disclosure) Regulations 1997

a) Accounting Entity

The financial statements are those of NGC – Gas Wholesaling Activities (NGC). Gas Wholesaling Activities involves the sale of gas to persons for the purpose of resupply by the other person (other than those wholesaling activities involving the supply of gas to refuellers). These financial statements apply solely to the activities of NGC New Zealand Limited but are published in the names of both NGC New Zealand Limited and Vector Limited because of Vector's ownership of the NGC Group.

b) Special Purpose Financial Statements

The financial statements have been prepared in accordance with the Gas (Information Disclosure) Regulations 1997.

c) General Accounting Policies

The general accounting policies as recommended by the New Zealand Institute of Chartered Accountants for the measurement and reporting of financial performance and financial position, under the historical cost method, as modified by the revaluation of certain assets, have been followed in the preparation of these financial statements.

d) Particular Accounting Policies

The following particular accounting policies, which materially affect the measurement of financial performance and financial position have been adopted:

i) Current Assets

Accounts receivable are valued at their estimated realisable value. Inventories are valued at the lower of cost and net realisable value. Cost is determined on a FIFO or weighted average cost basis. All other current assets are valued at their estimated realisable value.

ii) Gas Entitlements and Advances

Under the terms of certain gas supply contracts, NGC may be required to pay for a minimum quantity of gas in each contract year whether or not delivery has been made. NGC may from time to time, prepay for gas and these payments may entitle NGC to delivery of gas in subsequent years without further payment. The prepayments are capitalised as an asset and are amortised to earnings as the prepaid gas is utilised. The amortisation rate per unit of gas is based on the amount of prepaid gas which NGC expects to access over the term of the contract.

NGC recognises an estimated liability for future obligations to provide gas at a later date. Fees associated with gas advances are realised as a component of gas cost in the Statement of Financial Performance over the expected life of the contract.

iii) Taxation

NGC recognises deferred taxation using the liability method and on a comprehensive basis. Income tax expense is recognised on the surplus before taxation. It is then adjusted for permanent differences between taxable and accounting income. The tax effect of all differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is recognised in the Statement of Financial Position as a future tax benefit or as deferred tax. The future tax benefit or deferred tax is stated at the income tax rates prevailing at balance date. Future tax benefits are not recognised unless realisation of the asset is virtually certain. Future tax benefits and deferred tax are offset.

e) Changes in Accounting Policies

There have been no changes in accounting policies. These policies have been applied on a consistent basis during the year.

f) Comparatives

The presentation of certain comparatives has been restated to ensure consistency with current year disclosures.

NGC – Gas Wholesaling Activities

Notes to the Financial Statements

For the Year Ended 30 June 2005

For the purposes of the Gas (Information Disclosure) Regulations 1997

1. Expenses

	$Thousands	
	2005	**2004**
Audit Fees and Expenses		
PricewaterhouseCoopers	**10**	10
Leasing Costs	**-**	-
Bad Debts Written Off	**-**	-
Movement in Provision for Doubtful Debts	**-**	-

2. Income Tax

		$Thousands	
		2005	**2004**
a)	**The Income Tax Expense has been calculated as follows:**		
	Surplus before Taxation	**3,978**	6,896
	Income Tax at 33%	**1,313**	2,276
	Adjustments to Taxation for Non-deductible Items:		
	Income Tax Over Provided in Previous Periods	**1**	-
	Other Non-Deductible Items	**163**	-
	Taxation Charge in Statement of Financial Performance	**1,477**	2,276
	Income Tax Expense is represented by:		
	Tax Payable in Respect of the Current Year	**2,843**	6,987
	Deferred Taxation (Refer Note 2b)	**(1,366)**	(4,711)
		1,477	2,276

		$Thousands	
		2005	2004
b)	**Deferred taxation has been calculated as follows:**		
	Balance as at 1 July	**3,562**	8,273
	Movement for the Year	**(1,366)**	(4,711)
	Prior Period Adjustments and Other Movements	**-**	-
		2,196	3,562

Deferred tax includes provision for the tax effect of all differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

3. Gas Entitlements

	$Thousands	
	2005	2004
Maui and Other Prepaid Gas		
Balance expected to be realised:		
Within one year	**19,180**	33,403
Later than one year	**11,458**	27,829
	30,638	61,232

a) Maui Gas

On 1 June 2004, NGC entered into variations to its Maui gas contracts which set the total amount of gas to be delivered under the contracts at the quantity determined by the independent expert on 7 February 2003. Under the variations the redetermined amount of gas would be delivered and there would be no further redeterminations. Further, if the Maui Mining Companies do not deliver this quantity they must supply 'make up' gas for any shortfall from another supply or pay liquidated damages for any undelivered gas. At 30 June 2005, NGC has 25.3 PJ of remaining Maui gas entitlements. As part of these variations to the Maui gas contracts NGC is guaranteed delivery of 23.2 PJ of its remaining Maui gas from its original Advance Paid and Prepaid gas entitlements. The Advance Paid and Prepaid gas entitlements require no further payment to the Crown when delivery is taken except for payment of the energy resource levy. The remaining 2.1 PJ can be uplifted by NGC at the previous contract prices. As part of the variations executed on 1 June 2004, NGC also has a right of first refusal at market price along with Contact Energy Limited (Contact) over any additional gas found beyond the redetermined amount after first reserving 40 PJ for Methanex New Zealand Limited (Methanex).

b) Kapuni Gas

NGC currently has entitlement to 50% of the recoverable gas reserves of the Kapuni field as they were determined to be at 1 April 1997. As at 30 June 2005 this is estimated to be approximately 91 PJ following a downward reserves reassement in February 2005 of 26 PJ (NGC share), of which, 69 PJ is at current Kapuni gas contract prices while the balance is expected to be at market prices prevailing when the gas is delivered.

NGC has reached an agreement with Shell (Petroleum Mining) Company Ltd (Shell) to purchase Shell's share of Kapuni gas, after Shell has met its pre-existing contract commitments, for the period from 1 January 2005 to 31 December 2013. Deliveries of this Kapuni gas will be dependent on the daily production from the field, but NGC expects that some 45 PJ of gas will be delivered under this contract. The maximum total quantity of gas to be delivered under the contract is 70 PJ less the amounts credited to this contract from its Pohokura Gas Contracts discussed below.

c) Pohokura Gas

NGC has agreed with Shell to purchase a portion of Shell's entitlements to gas from Pohokura from 1 July 2006, once the Pohokura field is commissioned, until 30 September 2007. The rates of gas able to be purchased under this contract vary over the term of the contract and NGC may purchase a total amount of up to 35 PJ of gas under this contract. The first 10 PJ of gas purchased under this contract will be credited to NGC's entitlement to 70 PJ of gas as described above under Kapuni Gas.

NGC has also agreed with Shell to purchase a further portion of Shell's entitlements to gas from Pohokura from 1 January 2007 until 30 June 2010. Delivery of such gas is dependent on Shell's share of Pohokura's daily production, but NGC will have up to 30 TJ/day available. NGC may purchase a total amount of up to 38 PJ of gas under this contract. 50% of this gas will be credited to NGC's entitlement to 70 PJ of Kapuni gas from Shell as described above.

d) IRM and Austral Pacific Gas Prepayments

NGC has agreed with the Kahili Joint Venture (Kahili JV) to purchase all the wet gas to be produced from the Kahili field. The Kahili JV comprises Austral Pacific Energy (NZ) Limited (Austral), International Resource Management Corporation (IRM) and Tap (New Zealand) Pty Limited (Tap). The volume expected is uncertain but unlikely to exceed 5 PJ. The field is currently closed for the pending technical review.

NGC has a prepayment of $1.8 million to Austral at 30 June 2005, which will be utilised for purchases of Austral's share of gas from Kahili. NGC also has a prepayment of $2.4 million to IRM at 30 June 2005 which will be utilised for purchases of IRM's share of gas from Kahili, and for purchase of IRM's share of any gas produced from the Cheal discovery in the future.

4. Accounts Receivable

	$Thousands	
	2005	**2004**
Balance Expected to be Realised:		
Within One Year		
Trade Debtors	**7,574**	2,233
Prepayments and Sundry Receivables	**1,723**	-
	9,297	2,233
Later than One Year	**6,774**	-
Total Accounts Receivable	**16,071**	2,233

Receivables due later than one year consist of a refund for gas purchases relating to a gas supply contract with Maui Development Limited.

5. Notional Reserves

	$Thousands 2005	2004
Notional Reserves		
Balance as at 1 July	**56,159**	79,546
Movement for the period	**(37,524)**	(23,387)
Balance as at 30 June	**18,635**	56,159

NGC's Gas Wholesaling Activities is not a company and therefore has no share capital. Notional reserves are determined on the basis that NGC Gas Wholesaling Activities is fully equity funded by the NGC Group. Notional reserves therefore represent all funding provided to NGC Gas Wholesaling Activities by the NGC Group.

6. Gas Advance

Contact has delivered 2.5 PJ of gas (sourced from Maui) under a swap arrangement to NGC during the year ended 30 June 2005. In return, NGC expects to return the same amount of gas back to Contact in the period from 1 July 2006 to 30 September 2007.

7. Accounts Payable and Provisions

	$Thousands 2005	2004
Accrued Expenses	**10,158**	2,113
Provisions	**1,200**	1,200
	11,358	3,313

The movement in provisions is shown below.

Provisions

	$Thousands 2005	2004
Balance as at 1 July	**1,200**	-
Additional Provision Made	**-**	1,200
Amounts Utilised	**-**	-
Unused Provision Reversed	**-**	-
Balance as at 30 June	**1,200**	1,200

This balance includes provisions for various commercial matters expected to be settled in periods from now to two years, but could require settlement at any time.

8. Financial Instruments

Interest Rate Risk

There is no interest rate risk as NGC does not hold any interest bearing assets or liabilities.

Credit Risk

Financial instruments which potentially subject NGC to credit risk consist principally of cash deposits and trade debtors.

NGC places its cash deposits with a small number of banking institutions and limits the amount deposited. The credit limits based on credit quality are approved by the Board of Directors.

NGC completes credit evaluations on customers where possible and requires a bond to be paid when customers cannot demonstrate an adequate credit history.

NGC does not have any significant concentration of credit risk.

Foreign Currency Risk

NGC undertakes transactions denominated in foreign currencies from time to time resulting in exposures in foreign currencies. Other NGC Group companies manage these exposures where it is their policy to hedge foreign exchange currency risks as they arise.

Fair Values

The carrying value of cash at bank, other investments and trade creditors is equivalent to their fair value.

9. Capital and Operating Lease Commitments

There are no operating lease commitments and capital expenditure committed but not recorded in these financial statements for the year ended 30 June 2005 (30 June 2004: Nil).

10. Other Related Party Transactions

NGC Management Limited provides services in respect of the Gas Wholesaling Activities. Management fees were paid to NGC Management Limited of $1.1 million (30 June 2004: $0.9 million).

Gas Wholesaling Activities had sales of gas to NGC New Zealand Limited of $123.4 million (30 June 2004: $115.1 million) and sales of by products to NGC New Zealand Limited of $5.7 million (30 June 2004: $5.8 million).

Transmission purchases from NGC New Zealand Limited were $0.2 million (30 June 2004: $0.6 million) and processing services from NGC New Zealand Limited were $13.3 million (30 June 2004: $3.2 million).

Transactions with related parties are settled in the ordinary course of business. No amounts have been written off or forgiven during the year ended 30 June 2005 (30 June 2004: Nil).

11. Contingencies

There are no contingencies which would have a material adverse effect on these financial statements.

12. Events Subsequent to Balance Date

Subsequent to 30 June 2005:

On 27 June 2005, Vector launched its initial public offering (IPO) of 24.9% of its shares. As part of the IPO, Vector made a full takeover offer to purchase all of the NGC shares on issue not already held by Vector.

As a consequence of acquiring more than 90% of all NGC shares as part of the takeover offer, Vector has compulsorily acquired the remaining shares, on the same terms and conditions as the takeover offer. Subsequently NGC delisted its shares from trading on the New Zealand Exchange on 7 September 2005.

No other events have occurred subsequent to 30 June 2005 which would have a material adverse effect on these financial statements.

GAS WHOLESALING ACTIVITIES

CERTIFICATE OF FINANCIAL STATEMENTS DISCLOSED BY DIRECTORS OF THE CORPORATION

We, Michael Thomas Cummings and Steven Lloyd Bielby, directors of NGC New Zealand Limited (the 'Corporation'), certify that, having made all reasonable enquiry, to the best of our knowledge, the attached audited financial statements of the Corporation, prepared for the purposes of regulation 6 of the Gas (Information Disclosure) Regulations 1997, comply with the requirements of that regulation.

Michael Thomas Cummings

Steven Lloyd Bielby

9 November 2005

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Certification by Auditor in Relation to Financial Statements

NGC – Gas Wholesaling Activities

We have examined the attached financial statements prepared by NGC Holdings Limited in respect to NGC – Gas Wholesaling Activities dated 9 November 2005 for the purposes of Regulation 6 of the Gas (Information Disclosure) Regulations 1997.

We certify that, having made all reasonable enquiry, to the best of our knowledge, those financial statements have been prepared in accordance with the requirements of the Gas (Information Disclosure) Regulations 1997.

PricewaterhouseCoopers

PricewaterhouseCoopers
9 November 2005

PUBLISHED BY THE
DEPARTMENT OF INTERNAL AFFAIRS
PRINTED BY WICKLIFFE LIMITED
LexisNexis
THE DEPARTMENT OF INTERNAL AFFAIRS
Te Tari Taiwhenua
ISSN 0111-5650
Price $5.00 (inc. G.S.T.)