



Media Release
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Air New Zealand, Contact Energy, Genesis Energy and Z Energy join forces in carbon afforestation partnership

Air New Zealand, Contact Energy, Genesis Energy and Z Energy have today announced the formation of Dryland Carbon LLP (**Drylandcarbon**), a limited liability partnership that will see the four companies invest in the establishment of a geographically diversified forest portfolio to sequester carbon.

Drylandcarbon will target the purchase and licensing of marginal land suited to afforestation to establish a forest portfolio predominantly comprising permanent forests, with some production forests. The primary objective is to produce a stable supply of forestry-generated NZU carbon credits, but the initiative will also expand New Zealand's national forest estate. These credits will support the partners to meet their annual requirements under the New Zealand Emissions Trading Scheme.

Drylandcarbon will be managed by Lewis Tucker & Co who will provide management services throughout the life of the partnership. Air New Zealand, Contact Energy, Genesis Energy and Z Energy will not have day-to-day involvement in the running of the business.

Drylandcarbon CEO, Anthony (Ant) Beverley, says the partnership is a terrific example of Kiwi companies coming together for a greater good, and that climate change mitigation and commercial benefit are not mutually exclusive.

"The partnership intends making a serious contribution to the acceleration of afforestation and planting in New Zealand, at a time when carbon sequestration and climate change mitigation are becoming increasingly important to all of us. Drylandcarbon's afforestation plans are closely aligned to a number of key Government objectives and will deliver a range of environmental and sustainable development benefits to our regions, while also delivering commercial benefit to the four partners over time.

"The portfolio will be initially established with high sequestration capacity exotic species, however, the majority is expected to consist of permanent forests. The intention is to transition these permanent forests to native forests over the long term.

"Given the potential size of the portfolio, the partnership is well placed to make a real contribution to New Zealand's broader emission reduction objectives. In targeting some of the more remote and difficult marginal land, Drylandcarbon also anticipates its activities can support improved environmental outcomes in areas needing land use change."

Drylandcarbon is currently engaging with both farming and regional communities around the establishment of carbon forests on private land.

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For further information please contact:

ANT BEVERLEY
Chief Executive Officer
Drylandcarbon
Phone: +64 29 494 2266
Email: abeverley@lewistucker.co.nz

AIR NEW ZEALAND COMMUNICATIONS
Air New Zealand Limited
Phone: +64 21 747 320
Email: media@airnz.co.nz

ANDREW AUSTIN
Senior Communications Advisor
Contact Energy Limited
Phone: +64 21 644 167
Email: Andrew.Austin@contactenergy.co.nz

BRIDGET CATCHPOLE
Communications Manager
Genesis Energy Limited
Phone: +64 21 708 635
Email: Bridget.Catchpole@genesisenergy.co.nz

SHEENA THOMAS
External Communications and Government Relations Manager
Z Energy Limited
Phone: +64 27 551 2589
Email: Sheena.Thomas@z.co.nz