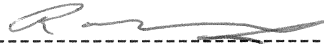


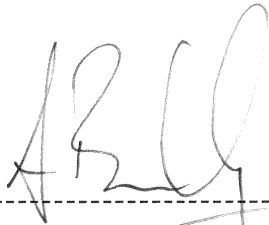
**STATUTORY DECLARATION IN RESPECT OF STATEMENTS AND
INFORMATION SUPPLIED TO CHIEF EXECUTIVE OF MINISTRY OF
ECONOMIC DEVELOPMENT**

I, Robert Thomson of Wellington,
being a director of NGC Holdings Limited, solemnly and sincerely declare that
having made all reasonable enquiry, to the best of my knowledge, the
information attached to this declaration is a true copy of information made
available to the public under the Gas (Information Disclosure) Regulations 1997.

And I make this solemn declaration conscientiously believing the same to be true
and by virtue of the Oaths and Declarations Act 1957.



Declared at Newmarket, Auckland this 9th day of November 2006.



Solicitor

Steve Bielby
Solicitor
Wellington

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 2006 for the purposes of Regulation 6 of the Gas (Information Disclosure) Regulations 1997.

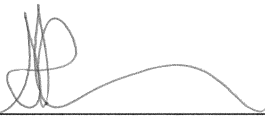
We certify that, having made all reasonable enquiry, to the best of our knowledge, those financial statements have been prepared in accordance with the requirements of the Gas (Information Disclosure) Regulations 1997.



PricewaterhouseCoopers
9 November 2006

**CERTIFICATION OF FINANCIAL STATEMENTS DISCLOSED BY DIRECTORS
OF THE CORPORATION**

We, *Stale Chambers* and *Robert Thomson*,
directors of NGC Holdings 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.



Director

Date: *9 November 2006*



Director

Date: *9 November 2006*

NGC Gas Wholesaling Activities
Statement of Financial Performance
For the Year Ended 30 June 2006

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

		\$Thousands	
	Note	2006	2005
Revenue		138,454	154,217
Expenses	1	(143,946)	(150,239)
Operating (Deficit)/Surplus Before Income Tax		(5,492)	3,978
Income Tax Benefit/(Expense)	2	1,811	(1,477)
Net (Deficit)/Surplus for the Year		(3,681)	2,501

NGC Gas Wholesaling Activities

Statement of Financial Position

As at 30 June 2006

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

		\$Thousands	
	Note	2006	2005
Non Current Assets			
Prepaid Gas	3	4,932	11,458
Deferred Taxation	2	878	-
Accounts Receivable	4	1,400	6,774
Total Non Current Assets		7,210	18,232
Current Assets			
Notional Cash		3,564	-
Prepaid Gas	3	7,950	19,180
Accounts Receivable	4	6,272	9,297
Inventories		740	740
Current Tax		1,263	265
Total Current Assets		19,789	29,482
Total Assets		26,999	47,714
Equity			
Notional Reserves	5	100	18,635
Total Equity		100	18,635
Non Current Liabilities			
Gas Advance	6	-	15,525
Deferred Taxation	2	-	2,196
Total Non Current Liabilities		-	17,721
Current Liabilities			
Gas Advance	6	17,075	-
Accounts Payable and Provisions	7	9,824	11,358
Total Current Liabilities		26,899	11,358
Total Liabilities and Equity		26,999	47,714

NGC Gas Wholesaling Activities

Statement of Accounting Policies

For the Year Ended 30 June 2006

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

a) Accounting Entity

The financial statements are presented for the 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. The NGC group of companies are wholly owned subsidiaries of Vector Limited (Vector).

b) Special Purpose Financial Statements

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

c) Measurement base

The financial statements are prepared on the basis of historical cost. For the purpose of cost allocation, NGC Gas Wholesaling Activities are treated as an incremental business. Businesses treated as incremental receive an allocation of the residual costs after costs have been allocated using the principles of Avoidable cost allocation methodology (ACAM) to businesses that are treated as standalone. ACAM is mandated for allocating revenues, costs, assets and liabilities between "lines" and "other" activities in the Electricity Information Disclosure Handbook 31 March 2004. Vector has chosen to apply ACAM to all of its standalone businesses. This approach was adopted for the first time for the 2006 financial period.

d) 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.

e) Specific Accounting Policies

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

i) Current Assets

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a First in First Out (FIFO) or weighted average cost basis. All other current assets are disclosed at their estimated realisable value.

ii) Gas contracts and prepaid gas

Under the terms of certain gas supply contracts, there may be a requirement to pay for a minimum quantity of gas in each contract year whether or not delivery has been made. From time to time gas may be prepaid and these payments may give entitlement to the 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 is expected to be accessed over the term of the contract.

Contractually when a future obligation is recognised to provide gas at a later date, a liability is estimated and disclosed. 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.

NGC Gas Wholesaling Activities

Statement of Accounting Policies

For the Year Ended 30 June 2006

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

e) Specific Accounting Policies (Continued)

iii) Taxation

The income tax expense recognised for the period is based on the operating surplus before taxation, adjusted for permanent differences between accounting and tax rules. The impact of all timing differences between accounting and taxable income is recognised as a deferred tax liability or asset. This is the comprehensive basis for the calculation of deferred tax under the liability method. A deferred tax asset, or the effect of tax losses carried forward, is recognised in the financial statements only where there is virtual certainty that the benefit of the timing differences, or losses, will be utilised.

f) Comparatives

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

g) Changes in Accounting Policies

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

NGC Gas Wholesaling Activities
Notes to the Financial Statements
For the Year Ended 30 June 2006

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

1. Expenses

	\$Thousands	
	2006	2005
Audit Fees	10	10

2. Income Tax

	\$Thousands	
	2006	2005
a) The Income Tax Expense has been calculated as follows:		
(Deficit)/Surplus before Taxation	(5,492)	3,978
Income Tax at 33%	(1,812)	1,313
Adjustments to Taxation for Non-deductible Items:		
Income Tax Over Provided in Previous Periods	(162)	1
Other Non-Deductible Items	163	163
Taxation (Benefit)/Expense in Statement of Financial Performance	(1,811)	1,477
Income Tax Expense is represented by:		
Tax Payable in Respect of the Current Year	1,263	2,843
Deferred Taxation (Refer Note 2b)	(3,074)	(1,366)
	(1,811)	1,477

NGC Gas Wholesaling Activities
Notes to the Financial Statements
For the Year Ended 30 June 2006

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

2. Income Tax (Continued)

	\$Thousands	
	2006	2005
b) Deferred Tax		
Balance as at 1 July	2,196	3,562
Movement for the Year	(3,074)	(1,366)
Balance as at 30 June	(878)	2,196

3. Prepaid Gas

	\$Thousands	
	2006	2005
Maui Prepaid Gas		
Balance expected to be realised:		
Later than one year	4,932	11,458
Within one year	7,950	19,180
	12,882	30,638

a) Maui Gas

NGC has 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 2006, NGC has 12.7PJ (30 June 2005: 25.3PJ) of remaining Maui gas entitlements. As part of these variations to the Maui gas contracts NGC is guaranteed delivery of 11.6PJ (30 June 2005: 23.2PJ) 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 1.1PJ (30 June 2005: 2.1PJ) can be uplifted by NGC at the previous contract prices. As part of the variations executed to the original agreement, NGC also has a right of first refusal at market price along with Contact Energy (Contact) over any additional gas found beyond the redetermined amount after first reserving 40PJ for Methanex New Zealand Limited (Methanex).

NGC Gas Wholesaling Activities
Notes to the Financial Statements
For the Year Ended 30 June 2006

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

3. Prepaid Gas (Continued)

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 2006 this is estimated to be approximately 76.8PJ (30 June 2005: 91PJ) following a downward reserves reassessment in February 2005 of 26PJ (NGC's share), of which, 56.3PJ (30 June 2005: 69PJ) 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 45PJ of gas will be delivered under this contract. The maximum total quantity of gas to be delivered under the contract is 70PJ 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 35PJ of gas under this contract. The first 10PJ of gas purchased under this contract will be credited to NGC's entitlement to 70PJ 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 30TJ/day available. NGC may purchase a total amount of up to 38PJ of gas under this contract. Fifty percent of this gas will be credited to NGC's entitlement to 70PJ of Kapuni gas from Shell as described above.

d) Kahili Joint Venture

NGC agreed with the Kahili Joint Venture (Kahili JV) in 2004 to purchase all the wet gas produced from the Kahili field. The Kahili JV comprises Austral Pacific Energy (NZ) Limited, Arrowhead Energy Limited and Tag Oil (NZ) Ltd (Tag). The field is currently closed pending a decision on re-drilling. The volume expected from any new well is uncertain.

NGC Gas Wholesaling Activities
Notes to the Financial Statements
For the Year Ended 30 June 2006

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

4. Accounts Receivable

	\$Thousands	
	2006	2005
Balance Expected to be Realised:		
Within One Year		
Trade Debtors	5,200	7,574
Prepayments and Sundry Receivables	1,072	1,723
	6,272	9,297
Later than One Year	1,400	6,774
Total Accounts Receivable	7,672	16,071

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	
	2006	2005
Balance as at 1 July	18,635	56,159
Movement for the period	(18,535)	(37,524)
Balance as at 30 June	100	18,635

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 group. A notional dividend has been paid to the group during the current year.

6. Gas Advance

The gas advance relates to the delivery by Contact Energy Limited of 2.5PJ of gas (sourced from Maui) under a swap arrangement during the year ended 30 June 2005. It is expected that the same amount of gas will be returned to Contact Energy Limited before 30 June 2007.

NGC Gas Wholesaling Activities
Notes to the Financial Statements
For the Year Ended 30 June 2006

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

7. Accounts Payable and Provisions

	\$Thousands	
	2006	2005
Accrued Expenses	9,824	10,158
Provisions	-	1,200
	9,824	11,358

The movement in provisions is shown below.

Provisions

	\$Thousands	
	2006	2005
Balance as at 1 July	1,200	1,200
Additional Provision Made	-	-
Amounts Utilised	-	-
Unused Provision Reversed	(1,200)	-
Balance as at 30 June	-	1,200

8. Financial Instruments

Interest Rate Risk

Interest rate risk is managed in accordance with the group treasury policy.

Credit Risk

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

Cash deposits are with a small number of banking institutions and the amounts deposited with each institution is limited. The credit limits are set in accordance with the group treasury policy.

Credit evaluations are completed on customers where necessary and a bond required when customers cannot demonstrate an adequate credit history.

There is no significant concentration of credit risk.

NGC Gas Wholesaling Activities
Notes to the Financial Statements
For the Year Ended 30 June 2006

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

8. Financial Instruments (Continued)

Foreign Currency Risk

Transactions that are denominated in foreign currencies from time to time result in exposure to foreign currencies. These exposures are managed in accordance with treasury policy.

Fair Values

The carrying value of trade receivables and payables, cash and short term deposits 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 2006 (30 June 2005: Nil).

10. Related Party Transactions

Goods or Services	Terms	\$ Thousands	
		2006	2005
Sale of gas	Gas Wholesaling Activities sells gas to Gas Retailing Activities based on actual amounts billed and notional revenue charged to Gas Retailing Activities based on Gas Wholesale's cost of gas	101,087	123,400
Sale of gas	Gas Wholesaling Activities sells gas by-products to Kapuni Gas Treatment Plant based on standard terms and conditions	6,008	5,731
Transmission fees	Gas Wholesaling Activities bought transmission services from Gas Transmission Activities based on notional revenue charged to Gas Wholesaling Activities	645	244
Processing fees	Gas Wholesaling Activities have been allocated a share of the costs of the Kapuni Gas Treatment Plant	16,033	13,330
Gas Swap fees	Gas Wholesaling Activities entered into Operational Gas Swap arrangements with Gas Transmission Activities	768	709

11. Contingent Liabilities

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