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NEWS MEDIA RELEASE

NGC Registers Bonds Prospectus

NGC Holdings Limited today registered a prospectus for the issue of up to $200 million of fixed rate bonds.

The bonds, to be issued at a fixed rate of 6.81%, mature on 4 March 2009. They are being issued at a price of $1 each, with a minimum subscription of 3,000, thereafter in multiples of 1,000.

A pool of 30 million of the bonds has been reserved for subscription by NGC shareholders. The remainder have been allotted to brokers and financial institutions under a firm allocation process. General investors are able to subscribe for the bonds through these brokers and financial institutions.

An Investment Statement will be sent to shareholders and to the brokers/financial institutions in the next few days. The offer opens on 3 November 2003, and closes for NGC shareholders on 21 November, and for general investors on 28 November 2003.

NGC Chief Executive, Phil James, said the Bonds will form an important element of capital structure following the recent successful completion of a corporate restructuring involving the sale of non-core assets, and the refocusing on its infrastructure and energy services businesses.

Following shareholder approval yesterday, NGC is separately finalising arrangements to return surplus capital of approximately $525 million to its shareholders by way of a High Court-approved scheme of arrangement. Subject to receipt of final orders from the High Court, the capital return will be effected on or about 4 December 2003.

The capital return will be funded primarily from redrawing of existing bank facilities, but will ultimately be part-funded by proceeds from the bond issue.

Mr James said: "In considering the financing objectives for NGC, we have recognised the benefits of moving beyond traditional bank funding arrangements and establishing a funding mix that optimises cost, duration and diversity of funding sources. This issue into the debt capital markets will reduce dependency on bank debt facilities and achieve funding flexibility."
It is intended that the bonds will be listed on the New Zealand Exchange. Application has been made to New Zealand Exchange Limited (NZX) for permission to list the proposed bonds, and all requirements of the NZX relating thereto that can be complied with on or before the date of this announcement have been duly complied with. However, the NZX accepts no responsibility for any statement in this announcement.

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