

AUDIT REPORT TO THE MEMBERS OF ENERGY TRUSTS OF NEW ZEALAND INCORPORATED

We have audited the Financial Statements on pages 2 to 4. The Financial Statements provide information about the past performance of Energy Trusts of New Zealand Inc. and its financial position as at 31 December 2005. This information is stated in accordance with the accounting policies set out on page 3.

Executive Committee's Responsibilities

The Executive Committee is responsible for the preparation of Financial Statements, which gives a true and fair view of the financial position of Energy Trusts of New Zealand Inc. as at 31 December 2005 and of the results of operations for the year ended 31 December 2005.

Auditor's Responsibilities

It is our responsibility to express an independent opinion on the Financial Statements presented by the Executive Committee and report our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the Financial Statements. It also includes assessing:

- The significant estimates and judgements made by the Executive Committee in the preparation of the Financial Statements ; and
- Whether the accounting policies are appropriate to Energy Trusts of New Zealand Inc's circumstances,
- consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the Financial Statements.

Other than in our capacity as Auditors, we have no other relationship with or interests in Energy Trusts of New Zealand Inc.

Unqualified Opinion

We have obtained all the information and explanations that we have required.

In our opinion:

- Proper accounting records have been kept by Energy Trusts of New Zealand Inc. as far as appears from our examination of those records; and
- The Financial Statements on pages 2 to 4:
 - comply with generally accepted accounting practice; and
 - give a true and fair view of the financial position of Energy Trusts of New Zealand Inc. as at 31 December 2005 and the results of its operations for the year ended on that date.

Our audit was completed on 20 April 2006 and our unqualified opinion is expressed as at that date.