

ANNOUNCEMENT

Strategy highlights geothermal energy's potential

31 JULY 2025 – One of New Zealand's biggest geothermal generators has welcomed the Government's initiative to develop a national geothermal energy strategy.

Mercury's Chief Executive Stew Hamilton said geothermal energy has strong potential to further improve the country's security of supply by delivering more low-carbon, baseload generation.

"Security of supply is the single biggest priority for the sector and will require a range of solutions – geothermal is an important part of the mix. New Zealand's a global leader in geothermal energy and it is vital that we continue to harness this natural advantage."

Mr Hamilton said Mercury is keen to be involved in and contribute towards the geothermal energy strategy.

"We are working closely with government agencies, iwi partners and regional stakeholders, to support a geothermal strategy that balances innovation and sustainability."

He said Mercury is also investigating some exciting new geothermal options which would add further baseload generation to the mix.

"We have interests in 30,000ha and we only use 9% for geothermal generation. We believe there are more prospective areas for additional geothermal growth."

"There is capacity for us to do more and so we're in the early stages of investigating further geothermal development with the potential for up to 5TWh over the next decade."

Mercury expects to complete the expansion of its Ngā Tamariki Geothermal Station near Taupō in 2026, adding another 390GWh to generation capacity, that is enough to power the equivalent of about 48,000 average homes a year.

"Generation development is in our DNA. Our geothermal team is world class in reservoir management and drilling, and we know that geothermal energy is a vital part of New Zealand's renewable future."

He said Mercury is encouraged by the Government's geothermal strategy's focus on long-term planning, innovation, and inclusive development.

"We look forward to contributing to the development of the strategy during the consultation phase."

Mercury's geothermal assets

- Mercury has five geothermal power stations operating in the central North Island, representing a mean annual generation of 2600GWh.
- Three of the stations are owned by Mercury, one is a joint venture with Tauhara North No.2 Trust, and one is a joint venture with Tūaropaki Trust.
- Mercury's recent geothermal drilling campaign has successfully delivered three new production wells and three new reinjection wells, representing a \$147 million investment.
- These new wells will be used to increase fuel supply for the expansion of our Ngā Tamariki Geothermal Power Station and to maintain supply for Rotokawa and Kawerau stations.
- Two additional wells will be drilled in 2026, taking total investment in this drilling campaign to \$175 million.

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