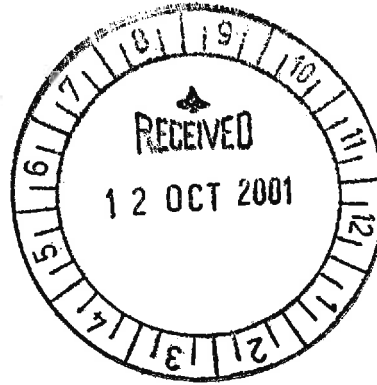


FILE COPY

730-030

12 October, 2001



CONTACT

The Secretary
Takeover Panel
Level 112, Reserve Bank Building
2 The Terrace
WELLINGTON

Dear Secretary

Please find attached a copy of a "Notice of Takeover" received by Contact Energy today from Edison Mission Energy.

Regards

David Hunt
General Manager Corporate Affairs



EDISON
MISSION ENERGY®

An EDISON INTERNATIONAL® Company

12 October 2001

The Directors
Contact Energy Limited
Harbour City Tower
29 Brandon Street
PO Box 10742
Wellington

Dear Directors

NOTICE OF TAKE OVER OFFER

Mission Energy Five Star Holdings, a wholly-owned subsidiary of Edison Mission Energy, gives you notice in accordance with Rule 41 of the Takeovers Code that it intends to make an offer under the Takeovers Code to purchase all of the fully paid ordinary shares in Contact Energy Limited (**Contact**) that are not already held or controlled by Edison Mission Energy and its wholly-owned subsidiaries as at the date of the offer (excluding any such shares held as treasury stock). The consideration that we intend to offer for each share is \$3.85, payable in cash.

Attached to this notice is a statement containing the information specified in Schedule 1 to the Takeovers Code (except clause 1) prepared as at the date of this notice. The statement has been prepared in the form of an offer which is intended to be sent to shareholders of Contact and should be read with, and construed as part of, this notice.

It is intended that the offer will be dated 31 October 2001 and be sent to shareholders on or shortly after that date and that the offer will remain open until 30 November 2001.

The offer set out in the attached statement will be modified before it is sent to shareholders to update the information required by Schedule 1 to the Takeovers Code and to include the information specified in clause 1 of that Schedule.

Signed for and on behalf of
Mission Energy Five Star Holdings

Robert E. Driscoll
Director
Mission Energy Five Star Holdings

www.edisonmission.co.nz

**OFFER UNDER THE
TAKEOVERS CODE BY
MISSION ENERGY FIVE STAR
HOLDINGS, A WHOLLY-OWNED
SUBSIDIARY OF EDISON
MISSION ENERGY, TO
PURCHASE FULLY PAID
ORDINARY SHARES IN
CONTACT ENERGY LIMITED**

CASH OFFER OF \$3.85

**FOR EACH SHARE IN
CONTACT ENERGY LIMITED**

CLOSES 30 NOVEMBER 2001

IMPORTANT

If you are in doubt as to any aspect of this offer, you should consult a member of the New Zealand Stock Exchange or a financial or legal adviser.

If you have sold all your shares in Contact Energy Limited, you should immediately hand this offer document and the accompanying acceptance form to the purchaser, or to the member of the New Zealand Stock Exchange or other agent through whom the sale was made, to be passed to the purchaser.

Date _____ 2001

OFFER UNDER THE TAKEOVERS CODE BY MISSION ENERGY FIVE STAR HOLDINGS, A WHOLLY-OWNED SUBSIDIARY OF EDISON MISSION ENERGY, TO PURCHASE FULLY PAID ORDINARY SHARES IN CONTACT ENERGY LIMITED

TO: The holders of fully paid ordinary shares in Contact Energy Limited (**Contact**)

This offer is made in accordance with the Takeovers Code approved by the Takeovers Code Approval Order 2000. Any expression that is defined in the Takeovers Act 1993, or in the Takeovers Code, and used (but not defined) in this offer has the same meaning as in the Takeovers Act or Takeovers Code.

1. The offer

- 1.1 Mission Energy Five Star Holdings (the **Offeror**), a wholly-owned subsidiary of Edison Mission Energy (**EME**), offers to purchase all of the fully paid ordinary shares in Contact Energy Limited (**Contact**) that are not already held or controlled by EME and its wholly-owned subsidiaries as at the date of this offer (excluding any such shares held by Contact as treasury stock). Accordingly, the Offeror offers to purchase all the fully paid ordinary shares in Contact held by each person to whom this offer is made.
- 1.2 This offer is dated _____ 2001 and remains open until 11:59 p.m. on 30 November 2001 (the **Closing Time**).
- 1.3 Fully paid ordinary shares in Contact are referred to in this offer document as "**Contact Shares**".
- 1.4 This offer is made on the terms, and subject to the conditions, set out in this offer document and on the terms contained in the Takeovers Code (except to the extent that the terms contained in the Takeovers Code are, where permitted by the Takeovers Code, varied in this document).

2. Consideration

The consideration offered for each Contact Share is specified on the front cover of this offer document, which sum is payable in cash.

3. Acceptance of offer

- 3.1 Holders of Contact Shares who wish to accept this Offer (**Acceptors**) must complete the enclosed Acceptance and Transfer Form (the **Acceptance Form**) and return it to the Offeror, c/- Computershare Registry Services Limited, in accordance with the instructions printed on the Acceptance Form as soon as possible but in any event so as to be received not later than the Closing Time. Any Acceptance Forms received after the Closing Time but post-marked before the Closing Time will be deemed for the purposes of this offer to have been received by the Closing Time. No acknowledgement of the receipt of acceptances will be issued by the Offeror or its agent.
- 3.2 Unless this offer is withdrawn with the consent of the Takeovers Panel established under the Takeovers Act 1993, it will remain open for acceptance until the Closing Time.

- 3.3 The Offeror may, in its discretion, treat any form of acceptance as valid whether or not it complies with clause 3.1 or is otherwise irregular. The Offeror may also, in its discretion, rectify any errors in, or omissions from, any form of acceptance to enable that form to constitute a valid acceptance of this offer and to facilitate registration of the transfer of the relevant Contact Shares to the Offeror, including inserting or correcting details of the Contact Shares held by the Acceptor and filling in any blanks.
- 3.4 (a) Except as provided in clause 3.4(b), acceptances are irrevocable and Acceptors are not entitled to withdraw their acceptances of this offer, whether or not this offer has been varied by the Offeror in accordance with the Takeovers Code.
- (b) If the consideration is not sent within the period specified in clause 5 to any Acceptor whose Contact Shares are taken up by the Offeror under this offer, that Acceptor may withdraw acceptance of this offer:
- (i) by notice in writing to the Offeror; but only
- (ii) after the expiration of 7 days' written notice to the Offeror of that Acceptor's intention to do so.
- (c) The right to withdraw acceptance of this offer under clause 3.4(b) does not apply if that Acceptor receives the consideration during the 7 day period referred to in clause 3.4(b)(ii).
- 3.5 Notwithstanding clause 3.4(a), the Offeror shall be released from its obligations under this offer, and every Acceptor shall be released from its obligations under this offer, if:
- (a) this offer is withdrawn with the consent of the Takeovers Panel; or
- (b) this offer lapses as a result of any condition contained in clauses 4.2 or 4.3 not being satisfied by the date specified in clause 4.10 for satisfaction of that condition.
- 3.6 This offer is open for acceptance by all persons who hold Contact Shares whether acquired before or after the date of this offer.
- 3.7 Except where the Offeror is required by the Takeovers Code to give or send notice of any matter to holders of Contact Shares, notice by the Offeror to the New Zealand Stock Exchange and to Contact of any matter relating to this offer will constitute notice of that matter to holders of Contact Shares and will be deemed to have been duly given on the day following the date on which that notice is given to the New Zealand Stock Exchange.
- 3.8 If there is any inconsistency between the terms and conditions of this offer and the provisions of the Takeovers Act 1993 or the Takeovers Code, the provisions of the Takeovers Act 1993 or the Takeovers Code (as the case may be) shall prevail.

4. Terms and conditions

- 4.1 All Contact Shares acquired by the Offeror under this offer must be free of all charges, liens, mortgages, encumbrances and other adverse interests and claims of any kind when they are transferred to the Offeror and are to be acquired with the benefit of all rights, benefits and entitlements attached to them at the date of this offer or which arise subsequently.

- 4.2 This offer is conditional on sufficient acceptances being received under this offer which result in the Offeror, on registration of the transfer of shares to it under this offer, together with EME and its wholly-owned subsidiaries, holding or controlling 90% or more of the total number of Contact Shares on issue (excluding any such shares held by Contact as treasury stock).
- 4.3 This offer is also subject to the further conditions (which are for the benefit of the Offeror and accordingly any or all of them may be waived in whole or in part by the Offeror) that during the period from and including 12 October 2001 until and including the date by which this offer must become unconditional as described in clause 4.10:

(a) no event occurs or is likely to occur, which in the opinion of the banks and financiers not associated with the Offeror that are to provide finance for the acquisition of Contact Shares under this offer (**Lenders**), has or may have a material adverse effect on the operations, financial position, assets or liabilities (including contingent liabilities) of Contact, EME, the Offeror, or any of their respective subsidiaries as compared with the position as at 12 October 2001 or the future prospects of Contact, the Offeror or any of their respective subsidiaries;

(b) no material adverse change occurs:

- (i) in national or international political, financial or economic conditions or national or international banking, capital or equity markets; or
- (ii) in the regulatory environment governing the New Zealand electricity industry; or
- (iii) in currency exchange rates affecting New Zealand,

which, in the opinion of the Lenders, is so material and adverse as to make it impracticable or inadvisable for them to proceed with the financing of this offer;

(c) the occurrence of:

(i) any act of God, war, sabotage, terrorism, riot, insurrection, civil commotion, national emergency (whether in fact or law), strike, lock-out or other industrial disturbance, accident, uncontrollable delay in transportation, inability to obtain any necessary materials, equipment, facilities or qualified employees, or the effect of any applicable laws, orders, rules or regulations and any other matter beyond the reasonable control of the Lenders which prevents or may prevent the Lenders from financing this offer; or

(ii) an outbreak of hostilities, whether war is declared or not, which prevents or may prevent the Lenders from financing this offer, excluding:

(A) peacekeeping functions involving Australia, New Zealand, the United States of America or the United Kingdom; and

(B) limited involvement at the request of the United Nations, the North Atlantic Treaty Organisation or the European Union;

(d) no receiver or manager of the assets or property (or any part thereof) of Contact or any of its subsidiaries has been or is likely to be appointed and no proceedings are or are likely to be commenced and no resolution having been or is likely to be passed to appoint a liquidator in respect of Contact or any of its subsidiaries.

- 4.4 Each of the conditions set out in clauses 4.2 and 4.3(a), (b), (c) and (d) are separate conditions subsequent, and acceptance of this offer by each Acceptor shall constitute a contract by that Acceptor with the Offeror subject to those conditions.
- 4.5 The Offeror may, in its absolute discretion waive in whole or in part any or all of the conditions contained in clause 4.3 but not the condition contained in clause 4.2.
- 4.6 If, after the date of this offer, Contact pays any dividend or other cash distribution in respect of Contact Shares, the cash consideration referred to in clause 2 for each Contact Share will be reduced by an amount equivalent to that dividend or other cash distribution.
- 4.7 If, after the date of this offer, Contact makes any bonus issue of shares, the total cash consideration payable under this offer to each Acceptor will be apportioned equally over each Contact Share (including each such bonus share) held by that Acceptor and each Acceptor must transfer all Contact Shares (including all bonus shares) to the Offeror.
- 4.8 If, after the date of this offer, Contact issues any options or other securities of any nature in respect of Contact Shares, each Acceptor must transfer such options or other securities to the Offeror for no additional consideration.
- 4.9 If, after the date of this offer, Contact subdivides or consolidates Contact Shares or issues further Contact Shares, the consideration for each Contact Share referred to in clause 2 will be reduced or increased, as the case may require, in proportion to such subdivision, consolidation or further issue and Acceptors must transfer the subdivided or consolidated or further issued shares to the Offeror.
- 4.10 In accordance with the Takeovers Code, the date by which this offer is to become unconditional is the date that is six days after the Closing Time. As at the date of this offer, the unconditional date, therefore, is 6 December 2001. Should this offer not become unconditional, it will lapse and all Acceptance Forms will be returned by the Offeror to Acceptors.

5. Settlement

Cheques for the cash to which each Acceptor will be entitled under this offer will be despatched by the Offeror by ordinary post or, in the case of shareholders with addresses outside of New Zealand, airmail, by the date that is 7 days after the date on which this offer becomes unconditional. As at the date of this offer, the date by which cheques will be despatched, therefore, is 13 December 2001.

6. General

- 6.1 By acceptance of this offer, each Acceptor will be deemed to:
- (a) authorise the Offeror to advise Contact and/or its share registrar of the details of that Acceptor's acceptance and to note the Contact share register with those details; and
 - (b) represent and warrant to Contact that title to that Acceptor's Contact Shares will pass to the Offeror free of all charges, liens, mortgages, encumbrances and other adverse interests and claims of any kind, and that that Acceptor has full power and capacity to sell and transfer all such securities.

- 6.2 All cheques, Acceptance Forms and other documents to be delivered or sent by or to a holder of Contact Shares will be delivered or sent to or from that holder at that holder's own risk.
- 6.3 The provisions set out in the Acceptance Form form part of the terms of this offer.
- 6.4 All references in this document and in the Acceptance Form to:
- (a) currency are to New Zealand currency, unless stated otherwise;
 - (b) time are to New Zealand time, unless stated otherwise; and
 - (c) the singular include the plural and vice versa, unless the context otherwise requires.
- 6.5 For all purposes of this offer, the number of Contact Shares on issue and the number of Contact Shares held by any person shall be determined by reference to the share register of Contact as at 23 October 2001.
- 6.6 Headings are for convenience only and do not affect the interpretation of this document or any Acceptance Form.
- 6.7 This offer may be varied by the Offeror in accordance with the Takeovers Code.
- 6.8 This offer, and all contracts arising from acceptance of it, will be governed by and construed in accordance with the laws of New Zealand.

7. **Additional information**

- 7.1 The information required by Schedule One to the Takeovers Code, and not stated elsewhere in this offer, is set out below. Where any information required by Schedule One is not applicable, no statement is made regarding that information.

Offeror and directors

- 7.2 The address of the Offeror is:

c/- Bell Gully
Solicitors
171 Featherston Street
Wellington

- 7.3 The names of the directors of the Offeror are:

Raymond Watts Vickers
William Phillip von Blasingame
Robert Eugene Driscoll

Ownership of equity securities of Contact

- 7.4 The number, designation and percentage of equity securities of Contact held or controlled by:
- (a) the Offeror; and

- (b) any related company of the Offeror; and
- (c) any person acting jointly or in concert with the Offeror; and
- (d) any director of any of the persons described in paragraphs (a) to (c); and
- (e) any other person holding or controlling more than 5% of the Contact Shares, if within the knowledge of the Offeror,

are as follows:

Name	Number of equity securities held or controlled	Type of equity security	Percentage of total number of equity securities (including those held by Contact as treasury stock)
The Offeror	0	-	0
Mission Energy Pacific Holdings	291,769,031	ordinary shares	48.31%
Mission Energy Universal Holdings	3,600,297	ordinary shares	0.59%

7.5 Except as stated in the table above, none of the persons referred to in clause 7.4(a) to (e) hold or control equity securities of Contact.

Trading in Contact equity securities

7.6 The following persons, being persons referred to in clause 7.4(a) to (e) have, during the 6-month period before the date of this offer, acquired or disposed of equity securities of Contact.

Name	Number of equity securities	Type of equity security	Acquisition or disposal	Date of transaction	Consideration
Mission Energy Pacific Holdings	43,056,250	ordinary shares	acquisition	25 May 2001	\$133,474,375
Mission Energy Pacific Holdings	2,700,000	ordinary shares	acquisition	26 June 2001	\$8,100,000
Mission Energy Universal Holdings	3,300,000	ordinary shares	acquisition	26 June 2001	\$9,900,000

Name	Number of equity securities	Type of equity security	Acquisition or disposal	Date of transaction	Consideration
Mission Energy Universal Holdings	300,297	ordinary shares	acquisition	29 June 2001	\$900,590.70

Arrangements to pay consideration

- 7.7 The Offeror confirms that resources will be available to it sufficient to meet the consideration to be provided on full acceptance of this offer and to pay any debts incurred in connection with this offer (including the debts arising under Rule 49 of the Takeovers Code).

Financial assistance

- 7.8 The Offeror intends that, following the acquisition of Contact Shares under this offer and the compulsory acquisition of any outstanding Contact Shares under the Takeovers Code, Contact will provide credit support to banks and financiers who finance this offer.

Market acquisitions of securities

- 7.9 None of the Offeror, any related company of the Offeror, any person acting jointly or in concert with the Offeror, or any of the directors of them intends to acquire, under Rule 36 of the Takeovers Code, equity securities of Contact otherwise than under this offer.

Certificate

- 7.10 To the best of our knowledge and belief, after making proper enquiry, the information contained in this offer document is, in all material respects, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the Offeror under the Takeovers Code.

Raymond W. Vickers
Director

William P. von Blasingame
Director

Robert E. Driscoll
Director

ACCEPTANCE AND TRANSFER FORM

**MISSION ENERGY FIVE STAR HOLDINGS
(the Buyer)**

OFFER FOR SHARES IN CONTACT ENERGY LIMITED ("Contact")

Shareholder/Seller (the Seller):	
Address:	
Number of shares currently held:	

By signing this form the Seller hereby:

- (a) irrevocably,
 - (i) accepts the offer of the Buyer dated _____ 2001, for the number of Contact shares set out in the box above together with all other Contact shares issued to or acquired by the Seller after 23 October 2001 and held by the Seller (**Contact Shares**); and
 - (ii) transfers all those Contact Shares to the Buyer, subject to the terms and conditions of the offer;
- (b) gives the indemnity below in favour of Contact and the Buyer, and appoints the Buyer as the attorney of the Seller; and
- (c) undertakes that:
 - (i) it is the registered holder(s) of the Contact Shares referred to in paragraph (a) above; and
 - (ii) it has not mortgaged, pledged, encumbered, transferred or otherwise dealt with the Contact Shares and no other person holds any interest in the Contact Shares and they are its property absolutely.

The Seller hereby authorises the Buyer to use the Seller's FIN (as set out below) to transfer the shares to the Buyer.

FIN Number (if known) _____

Dated and signed the _____ day of _____ 2001

FOR AN INDIVIDUAL OR ATTORNEY	FOR A COMPANY
Your signature(s): _____	Your signature(s): _____
Witness' signature: _____	Witness' signature: _____
Witness' Name: Occupation: Town/City of Residence:	Witness' Name: Occupation: Town/City of Residence:

BY SIGNING THIS FORM, THE SELLER:

1. hereby declares that if the FIN in respect of the Contact Shares referred to above is not also shown above:
 - (a) the Seller is the holder of such shares, and has made a proper search for the FIN and has been unable to locate it; and
 - (b) the Seller will indemnify Contact, the Buyer and its agent Computershare Registry Services Limited and their related companies against any costs, loss or damage arising out of any failure to produce the FIN or the transfer of such Contact Shares being registered by Contact without production of the FIN; and

2. hereby enters into a Power of Attorney in favour of the Buyer as follows:

As from the time of the offer being declared unconditional, I/we irrevocably authorise and appoint the Buyer (with power of substitution by the Buyer in favour of such person(s) as the Buyer may appoint to act on its behalf) as my/our attorney and agent to act for me/us and to do all matters of any kind or nature whatsoever in respect of or pertaining to the Contact Shares referred to above) and all rights and benefits attaching to them as the Buyer may think proper and expedient and which I/we could lawfully do or cause to be done if personally acting, including the transfer of shares to any person or persons whatsoever, the appointment of a proxy or proxies for any meeting of the shareholders of Contact, attendance in person at, and voting at, such meeting, application to any court whatsoever and execution of all documents in my/our name(s) which the Buyer may consider necessary for all or any of the foregoing purposes.

NOTES

1. TO ACCEPT THE OFFER

- (i) If you know it, write your FIN number in the space provided on the front of the form.
- (ii) Insert the date of signing in the space provided.
- (iii) Sign this form where marked "Your Signature(s)" and have your signature witnessed. Any person (including your husband, wife or partner) may witness your signature and must add his or her occupation and address in the space provided. Companies must sign where marked "For A Company" in accordance with the Companies Act 1993 or other applicable law.
- (iv) If the Contact Shares are registered in the names of joint holders, all holders must sign the form.

2. SHARES HELD BY NOMINEES: If your Contact Shares are held through a nominee, advise your nominee that you wish to sell all your Contact Shares and instruct it to complete, sign and return this form to the Buyer in accordance with the instructions contained in it.

3. POWER OF ATTORNEY: If the form is signed under a power of attorney, a copy of the relevant power of attorney must be submitted with the form, and the certificate printed below must be completed by the party holding the Power of Attorney.

4. ON COMPLETION: Either mail, deliver or fax this form (and a copy of any relevant power of attorney) as provided for below as soon as possible, but in any event so as to be received or

post-marked by not later than 11:59 p.m. on 30 November 2001, or if the closing time of the offer is extended, by the extended closing time.

Shareholders resident outside New Zealand are encouraged to return the acceptance form by fax.

- (a) **MAIL:** Place the signed acceptance form in the reply-paid envelope and send by post.
- (b) **DELIVER:** Deliver the signed acceptance form to the Buyer C/- Computershare Registry Services Limited at the following address:

Mission Energy Five Star Holdings
C/- Computershare Registry Services Limited
Level 2
159 Hurstmere Road
Takapuna
Auckland
New Zealand

NOTE: These offices are only open on weekdays during normal business hours.

FAX: Fax the signed acceptance form to the Buyer C/- Computershare Registry Services Limited on (+64 9) 522 0058 and the Seller must then either:

- 1. post the original signed acceptance form in the enclosed reply-paid envelope to the Buyer C/- Computershare Registry Services Limited; or
- 2. deliver it to the Buyer at the address set out in (b) above;

as soon as possible after faxing the acceptance form. However, as long as the faxed acceptance form has been received by the Buyer by the closing time of the offer, that acceptance will remain valid notwithstanding that the original is not received until after that time.

- 6. **PREVIOUS SALE:** If you have sold all your Contact Shares, you should immediately hand this form, together with the offer document, to the purchaser or to the member of the New Zealand Stock Exchange or other agent through whom the sale was made, to be passed to the purchaser.

- 7. **INTERPRETATION:** In this form references to the singular shall include the plural.

IF YOU ARE IN ANY DOUBT ABOUT THE PROCEDURE FOR ACCEPTANCE PLEASE TELEPHONE COMPUTERSHARE REGISTRY SERVICES LIMITED ON 09 522 0022 FOR DOMESTIC NEW ZEALAND CALLERS OR +64 9 522 0022 FOR INTERNATIONAL CALLERS OR CALL 0800 651 651.

ONLY COMPLETE THE FOLLOWING SECTION IF THE FORM IS SIGNED UNDER A POWER OF ATTORNEY

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY.

(The Attorney(s) signing must sign the following certificate):

I/we _____
(Insert name of Attorney(s) signing)

of _____
(Address and Occupation)

HEREBY CERTIFY:

1. By a power of Attorney dated _____ the seller named and described on the face of this form (the **Seller**) appointed me/us his/her/their attorney on the terms and conditions set out in that Power of Attorney.
2. I/we have executed the form printed on the face of this document as attorney under that Power of Attorney and pursuant to the powers thereby conferred upon me/us.
3. At the date hereof I/we have not received any notice of information of the revocation of that Power of Attorney by the death (or winding up) of the Seller or otherwise.

Signed at _____ on _____

Signature(s) of Attorney(s)

NOTE: Your signature does not require witnessing