

EXPLANATORY NOTE FOR INFORMATION DISCLOSURES¹

2011 INFORMATION DISCLOSURES

Vector Limited has prepared the accompanying 2011 disclosure information in accordance with the Gas (Information Disclosure) Regulations 1997 (the disclosure requirements).

BASIS OF PREPARATION

Vector considers that the disclosure requirements have limited value for assessing the performance of Vector's gas pipeline activities. The current disclosure requirements are now dated and are not consistent with the approaches used by the Commerce Commission (Commission) for similar disclosures and performance assessments in respect of transmission and distribution activities in the electricity sector.

Responsibility for gas information disclosures will pass to the Commission under Part 4 of the Commerce Act. Consultation on the form of future information disclosures (for the regulatory reporting year ending in 2012) is currently underway. Vector expects that key elements of the information disclosures will be different under the approaches proposed by the Commission or already set out in the relevant input methodologies.

Vector has updated its basis for disclosure to align with the input methodologies and information already requested from it by the Commission, where these treatments are consistent with and permissible under the current information disclosure regulations.

¹ Please note that this explanatory note does not form part of the audited information disclosures set out below.