



SHAREHOLDERS' NEWSLETTER

Issue 2 - April 2010

Dear Shareholders,

Thank you to those of you who responded to our newsletter mailed out earlier in the year with your email addresses. We welcome your interest and support.

It is again our pleasure to report that Pulse has made excellent progress toward delivering our business objectives.

The Past Three Months

January, February and March have seen development and growth in many directions. We are gaining new customers rapidly and to meet this ever growing demand for our products and services, we are growing our talented team.

Our White Label strategy continues successfully with one project underway and several under consideration.

We have been actively looking for electricity supply throughout the country and have signed some agreements to purchase generation that will help meet the needs of our growing customer demand. However, we still have some concerns regarding liquidity of supply, and accordingly, the current acquisition target continues to be medium use residential customers.

You may already have read that James Martin, the founder of Pulse retired from the Board at the end of March. It was his vision that led to the development of the smart meter technology that Pulse is currently deploying in more and more homes throughout New Zealand.

Pulse received good news in early March when the Energy and Resources Minister, Gerry Brownlee, agreed to the recommendations set out in the Electricity Commission's report on the roll-out and requirements for smart meters in New Zealand.

The Electricity Commission was required under the Government Policy Statement on Electricity to report to the Minister on whether the roll-out of smart meters in New Zealand should be regulated and whether the voluntary guidelines around technical aspects of smart meters were adequate.

The Electricity Commission has not recommended extensive regulation of smart meters because the benefits of regulation are not considered to outweigh the costs at this time. They appreciate that competition in the market will ensure the full potential of advanced metering is realised along with the benefits to all parties including customers. If you would like to read about this in detail please go to the following website:

<http://www.beehive.govt.nz/release/minister+agrees+smart+meter+recommendations>

In addition, the Government's proposed electricity reforms will help the liquidity of supply enabling Pulse to purchase electricity more readily. For more details you can go to the Electricity Commission's website:

www.electricitycommission.govt.nz/opdev/mdg

The Board had a successful meeting with our new industry partners Buller Electricity Limited when Warren McNabb and Frank Dooley visited Auckland in March.

On behalf of the company I attended the Power & Electricity World Conference in Auckland in February and spoke on "Next Generation Metering Technologies: Impacts on market and consumer behaviour" and participated in a panel discussion "Key insights into the future of smart metering – is NZ taking the right approach?" with Margaret Cooney, Commercial & Regulatory Manager of Powershop and Mike Dougan, GM Metering of Ergon Energy.

Also in February I attended the Smart Grids Summit in Wellington where I participated in a discussion with Neil Simmonds, CEO of Counties Power Limited and Julian Elder, CEO of WEL Networks.

With Joe van Wijk and Richard Burcher I attended an Introduction to Power System Fundamentals, a valuable part of on-going professional development for the Board.

Vision

Our vision is unchanged since I last wrote – it continues to be to acquire as many customers in the residential market as possible and grow our profitability through our various strategies including our retail arm Pulse Energy and our meter and data management company Pulse Metering.

At the time of writing we have 627 shareholders and we intend to keep growing Pulse Utilities New Zealand on behalf of you all.



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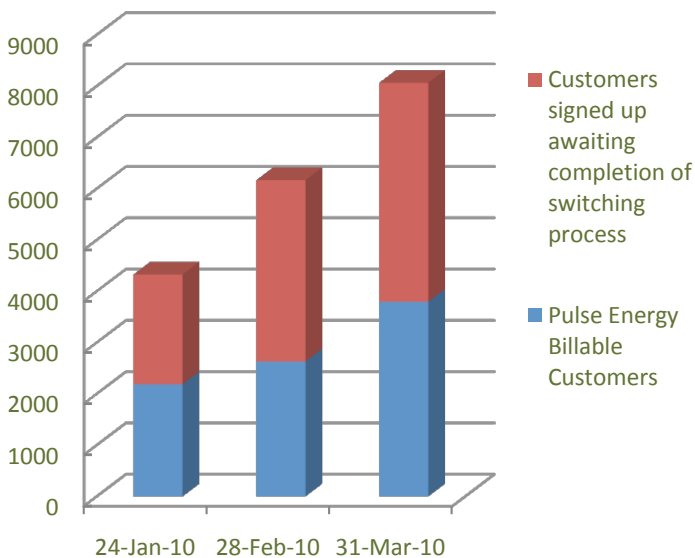
The Immediate Future



The first quarter of 2010 has matched our expectations with growth in customer numbers as Sales and Marketing campaigns got underway in Central Otago, Northern Waikato, Coromandel and the lower North Island. Our Sales Teams are signing-up approximately 400 new customers a week. Currently we have active Sales and Marketing campaigns in the Nelson, Kapiti Coast, Palmerston North, Hamilton and Auckland regions.

We have signed a significant four year contract with Contact Energy, one of New Zealand's biggest power companies. Under the deal Pulse Metering will undertake a meter technology refresh for all Contact Energy customer sites that were acquired by Pulse from EDL in May 2009. Pulse Metering will also provide specialist data management services for the duration of the contract. This deal secures our position as a rising force in the meter and meter data management marketplace.

Total Customer Acquisition January, February and March 2010



We look forward to keeping you up-to-date with developments. As always we welcome feedback and hope you enjoy receiving our quarterly Shareholders' Newsletter.

We are keen to keep as many of you informed as possible and would prefer to do this via email – we urge you to forward your email address to shareholders@punz.co.nz as this is a much more cost efficient way for us to communicate with you. This will be our last printed and mailed Shareholders' Newsletter although they will always be available at www.punz.co.nz

May the year continue to be a good one.

Dene Biddlecombe
Chief Executive