

BUDDLE FINDLAY
NEW ZEALAND LAWYERS

9 October 2018

Fax**To**
ASX Limited

3 pages including coversheet

By fax: 0800 449 707**From**
Steve Nightingale

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Notice of Variation of Takeover Offer - Tilt Renewables Limited

Please find **attached** notice of variation of takeover offer in relation to Tilt Renewables Limited.

The headline for the announcement should read "TLT Takeover – Notice of Variation".

Please contact Steve Nightingale (64 4 498 7312) for any questions.



AUCKLAND // PricewaterhouseCoopers Tower, 188 Quay Street, PO Box 1433, Auckland 1140, New Zealand, DX CP24024 // P. 64 9 358 2555 // F. 64 9 358 2055
WELLINGTON // State Insurance Tower, 1 Willis Street, PO Box 2694, Wellington 6140, New Zealand, DX SP20201 // P. 64 4 499 4242 // F. 64 4 499 4141
CHRISTCHURCH // 245 St Asaph Street, PO Box 322, Christchurch 8140, New Zealand, DX WP20307 // P. 64 3 379 1747 // F. 64 3 379 5659



9 October 2018

Dear Tilt Renewables investor

Notice of variation – Extension of offer period

On 2 September 2018, Infratil 2018 Limited and Mercury NZ Limited (**TLT JV**) made a full cash takeover offer for all ordinary shares and performance rights in Tilt Renewables Limited (**Tilt Renewables**) (the **Offer**). The Offer was declared **unconditional** on 6 September 2018.

TLT JV wishes to advise that it has varied the Offer to extend the closing date of the Offer from 15 October 2018 at 11.59 pm to 29 October 2018 at 11.59 pm (unless further extended in accordance with the Takeovers Code). If you wish to **accept** the Offer you must please ensure your acceptance is received by the closing date.

This variation is made under rule 27(d), and this notice is given under rule 28(1), of the Takeovers Code. All other terms of the Offer remain as set out in the offer document for the Offer (**Offer Document**) and TLT JV reserves the right to make further variations as permitted under the Offer and the Takeovers Code.

Acceptance and payment

If you **accept** the Offer, we will send you payment **within seven days** after we receive your acceptance.

You can **accept** online at www.TiltTakeover.co.nz or by returning the acceptance form sent to you with the Offer Document, **by 11.59pm on 29 October 2018**. If you have lost your acceptance form, please contact Computershare on 0800 650 034 (or, if calling from outside New Zealand, +64 9 488 8777) or email TLTJVacceptances@computershare.co.nz

TLT JV strongly encourages you to accept the Offer without delay.

TLT JV considers the Offer Price of NZ\$2.30 to be fair and attractive compensation for the value of the existing operational assets and the future potential of Tilt Renewables' development pipeline, including the Dundonnell development. **The Offer Price of NZ\$2.30 for this Offer is final and will not be increased.**

The view of TLT JV is that you should not expect your shares to trade on the NZX in the valuation range asserted by their independent directors in the near future. Should the Offer not reach the 90% compulsory acquisition threshold, TLT JV's view is that **there is a significant risk that the Tilt Renewables share price will trade below the Offer Price.**

The Offer delivers you certain value at a time when Tilt Renewables has a significant near-term funding requirement to raise approximately A\$280 million of new equity to fund the Dundonnell wind farm development. If you do not **accept** the Offer, you should be prepared to participate in the large upcoming equity raise or risk not being fully compensated for any dilution in your shareholding, as acknowledged in the Target Company Statement sent to you previously by the Independent





Directors of Tilt Renewables. The equity raising represents approximately 40% of your existing investment value.

There is significant increased political and regulatory pressure in the Australian renewable energy sector at this time, creating uncertainty over Tilt Renewables' outlook and value and the broader prospects for the renewable energy industry. As Tilt Renewables prepares to commence developing its pipeline of near-term development opportunities, you should consider whether you are comfortable with the change in Tilt Renewables' risk profile which comes with developing large-scale renewable energy projects, especially during a period of regulatory uncertainty.

The Offer provides an attractive and certain value and is higher than the maximum closing price of Tilt Renewables over the 18 months prior to the announcement of the Offer.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'Marko'.

Marko Bogoevski
Director
Infratil 2018 Limited

A handwritten signature in black ink, appearing to be 'Fraser Whineray'.

Fraser Whineray
Chief Executive
Mercury NZ Limited

Copy to:

Tilt Renewables Limited: steve.symons@tiltrenewables.com

Takeovers Panel: takeovers.panel@takeover.govt.nz

NZX Limited: announce@nzx.com

ASX Limited: maogroup@asx.com.au

