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Stock Exchange Listings NZX (MEL) ASX (MEZ)

Transpower announces commencement of remaining Clutha to Upper Waitaki Lines Project works

3 December 2019

The New Zealand national grid owner Transpower (NZX:TRP) has today announced commencement of further work on the Clutha to Upper Waitaki Lines Project.

As part of this work programme, under a new agreement, Meridian (NZX:MEL) will contribute 5 million dollars (NZD) to Transpower's programme, to support work starting two of the three remaining projects over the upcoming 2019/20 New Zealand summer months. The aim is to complete all the remaining projects by June 2022, almost a year ahead of what would have been considered previously.

Contact Energy (NZX:CEN) has also today announced a separate agreement with Transpower to support the commencement of the remaining project works.

Meridian's Chief Executive Neal Barclay says, "We commend Transpower for its response and collaboration in commencing the next phase of evolution of New Zealand's national grid."

Once the remaining works are complete, it will alleviate existing constraints and significantly reduce the risk of renewable electricity not being dispatched, should Rio Tinto choose to close its Tiwai Point aluminium smelter in the future.

New Zealand Aluminium Smelters Limited's major shareholder, Rio Tinto, announced on 23 October 2019 it was initiating a strategic review of the smelter and will provide the market with an update on their process by the end of the first quarter in 2020.

"Transpower's announcement, with the support from Meridian Energy and Contact Energy is a positive investment for New Zealand and will mean renewable electricity from fantastic South Island hydro stations can be used by more Kiwis," adds Barclay.

ENDS

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