



STOCK EXCHANGE LISTINGS: NZX (MCY) / ASX (MCY)

## NEWS RELEASE

### Mercury acquires Tilt Renewables' New Zealand operations

**3 August 2021** – Mercury NZ Limited (Mercury) has acquired Tilt Renewables' New Zealand operations today, after completing the Scheme Implementation Agreement (SIA) signed in March between Mercury, Powering Australian Renewables (PowAR) and Tilt Renewables.

- Five operating wind farms (Tararua I, II & III; Mahinerangi; Waipipi) and development options including in Manawatū, Northland, Otago and Southland
- Enterprise valuation of NZ\$797m
- Funded from the sale of Mercury's 19.9% Tilt shareholding, worth NZ\$608m and net debt of NZ\$189m

The SIA was originally entered into on 14 March 2021 and was amended on 16 April. Under the scheme, Mercury has now taken ownership of the New Zealand assets and PowAR has taken ownership of Tilt's Australian assets.

"The purchase of five operating wind farms from Tilt Renewables Limited means that Mercury will become one of New Zealand's largest wind power companies," says Mercury Chief Executive Vince Hawksworth. "Today's acquisition provides Mercury with fuel and plant diversity and adds over 1,100GWh to our annual generation production."

Wind power is a natural fit to Mercury's portfolio of renewable geothermal and hydro generation. Mercury's Hydro System on the Waikato River can be managed to respond well to compensate for fluctuations in wind output, and while wind generation may be variable hour to hour, on average it provides a reliable source of energy to support hydro storage. Mercury's Turitea Wind Farm is under construction and last week sent its first generation to the grid.

This efficient use of our portfolio will enable further decarbonisation of New Zealand's electricity generation, and the development sites add further future development options to Mercury's consented Puketoi wind farm site in the Manawatū.

"Mercury enthusiastically endorses New Zealand's goal of net zero carbon emissions by 2050, and we have a pipeline of new renewable generation waiting in the wings, subject to the right economic and market conditions," Mr Hawksworth says.

Yesterday Tilt Renewables and Genesis Energy announced a conditional 20-year electricity offtake agreement that will provide the foundation for the construction of the 75MW Kaiwaikawe Wind Farm located near Dargaville, one of the development sites included in today's acquisition.

"This arrangement shows the market working to further decarbonise New Zealand's energy supply by supporting the reduction of thermal generation," Mr Hawksworth says. "We're also committed to ensuring that supply remains reliable as thermal generation is phased out, which may involve new technologies and innovation."

**ENDS**

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**ABOUT MERCURY NZ LIMITED**

Mercury's mission is energy freedom. Our purpose is to inspire New Zealanders to enjoy energy in more wonderful ways and our goal is to be New Zealand's leading energy brand. We focus on our customers, our people, our partners and our country; maintain a long term view of sustainability; and promote wonderful choices. Mercury is energy made wonderful.

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