



meridian

News Release

Stock exchange listings: NZX (MELCA) ASX (MEZCA)

Meridian Energy monthly operating report for January 2015

20 February, 2015

Attached is Meridian Energy Limited's monthly operating report for the month ending 31 January 2015.

Highlights this month include:

- National storage unchanged at 91% of average
- Meridian's January 2015 monthly inflows were 77% of average
- Meridian's Waitaki catchment storage reduced from 91% to 83% of average by the end of January 2015
- Electricity demand in January 2015 was 4.0% higher than the same month last year
- Demand in the last 12 months is around 1.7% higher than preceding 12 months

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Important Notice for Investors: The securities of Meridian Energy Limited are represented by Instalment Receipts. Each Instalment Receipt carries a liability to pay a further instalment of NZ\$0.50 on 15 May 2015. When investors acquire the Instalment Receipts they assume the liability to pay the Final Instalment. It is the investor's responsibility to ensure that if they are on the register when the liability for the instalment arises, they can afford to pay the instalment. If an investor has a liability and does not pay the instalment, the Trustee can take action to recover the amount owing including costs and expenses.

Meridian Energy Limited (ARBN 151 800 396) A company incorporated in New Zealand 33 Customhouse Quay, PO Box 10840, Wellington 6143

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Monthly Operating Report

January 2015



meridian



January Highlights



In the month to 17 February 2015, national hydro storage remained unchanged at 91% of historical average

South Island storage now sits at 90% of average and North Island storage at 96% of average

Meridian's January 2015 monthly inflows were 77% of historical average

Meridian's Waitaki catchment storage reduced from 91% to 83% of average by the end of January 2015

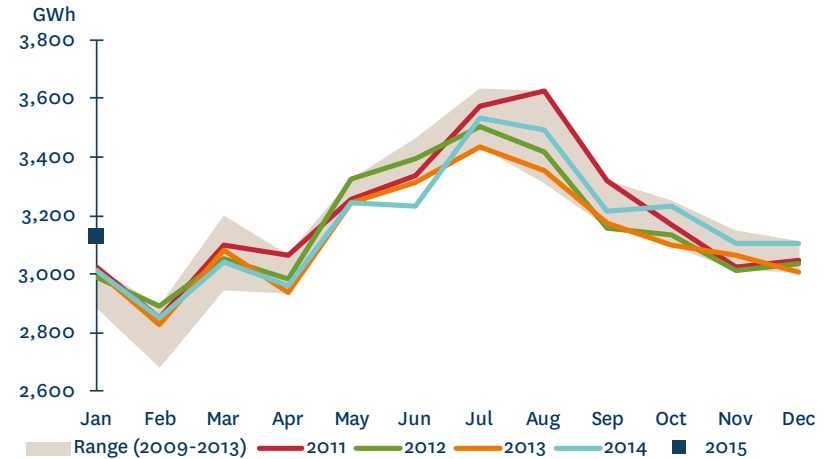
National electricity demand in January 2015 was 4.0% higher than the same month last year

Demand in the last 12 months is 1.7% higher than the preceding 12 months

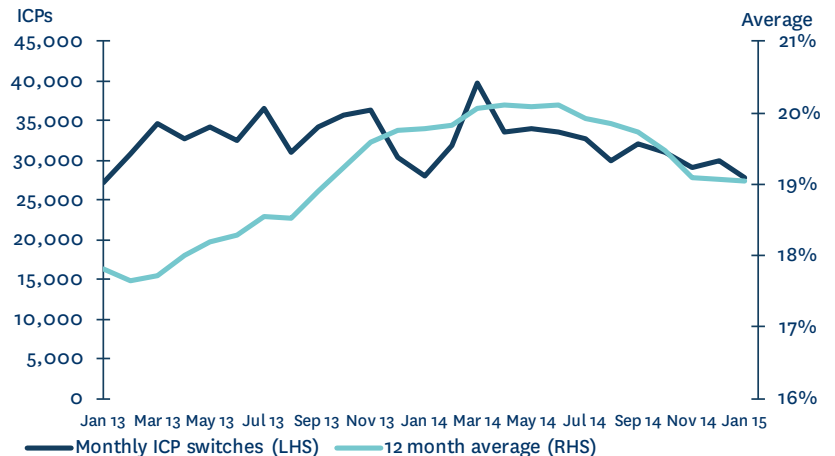
Market Data

- National electricity demand in January 2015 was 4.0% higher than the same month last year
- Demand in the last 12 months is showing around 1.7% growth compared with the preceding 12 months
- New Zealand Aluminium Smelters' average load during January 2015 was slightly above the 572MW base quantity of the NZAS agreement
- The number of switches for all retailers in January 2015 was 7.1% lower than the previous month and at the same level as January 2014
- The 12 month average switching rate for all retailers was 19.1% at the end of January 2015

NATIONAL DEMAND

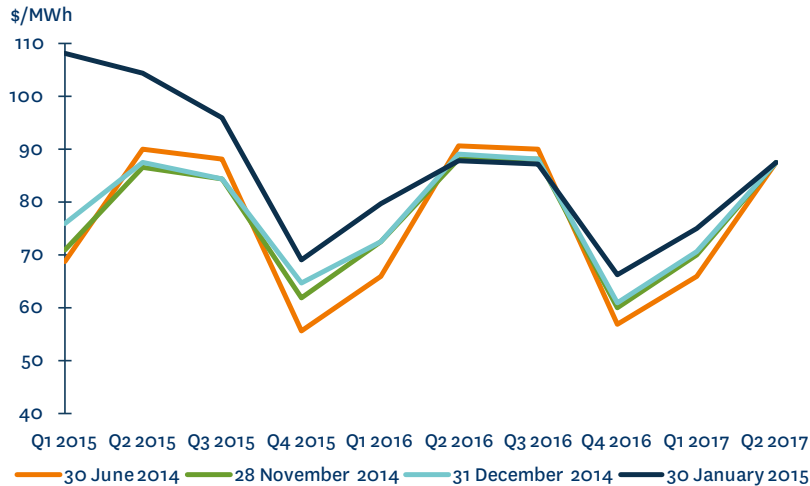


MARKET ICP SWITCHING (ALL RETAILERS)

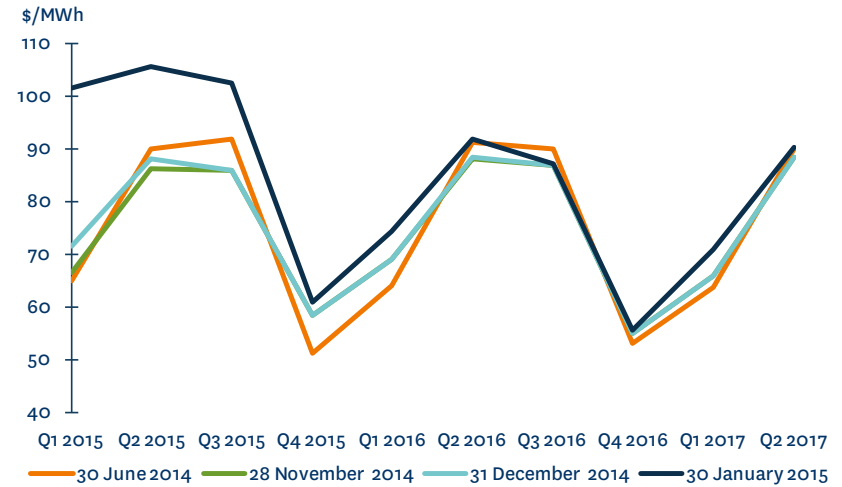


Market Data

OTAHUHU ASX FUTURES SETTLEMENT PRICE

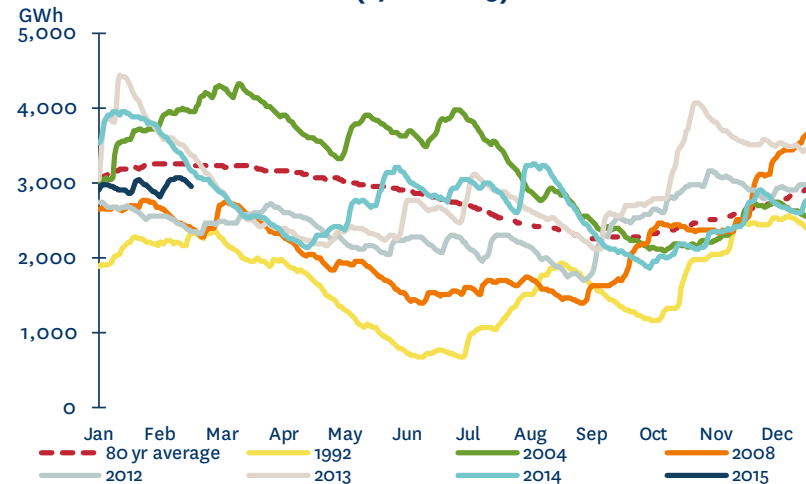


BENMORE ASX FUTURES SETTLEMENT PRICE



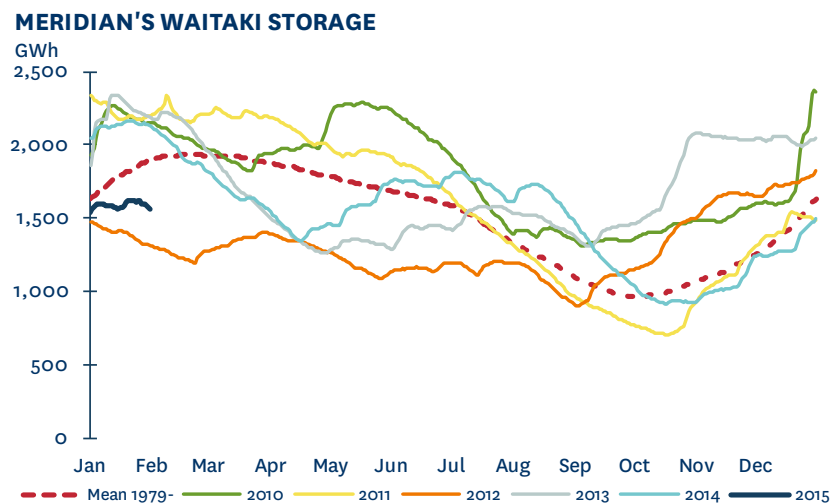
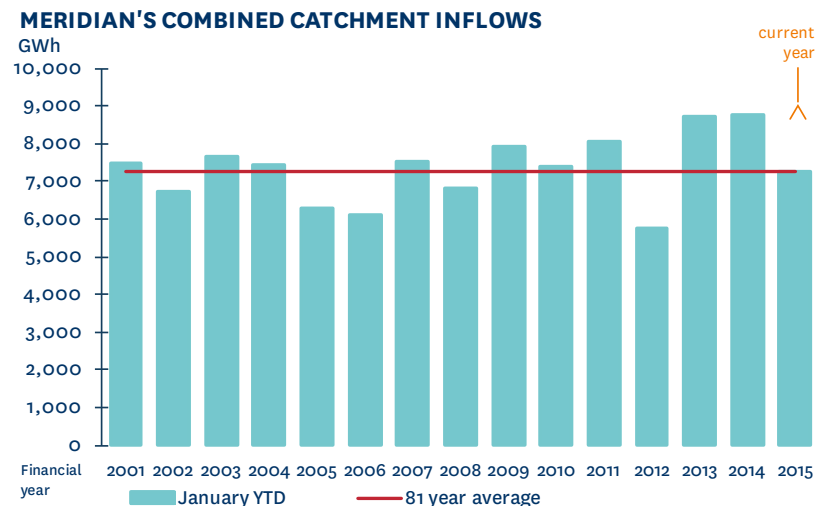
- January 2015 saw increases in ASX futures prices with positive annual demand growth and reduced fuel purchase obligations by thermal generators
- National storage remained unchanged at 91% of the 80 year average between 18 December 2014 and 17 January 2015
- South Island storage increased to 90% of historical average by 12 January 2015. North Island storage decreased to 96% of average

NATIONAL HYDRO STORAGE (17 FEB 2015)



Meridian Operating Information

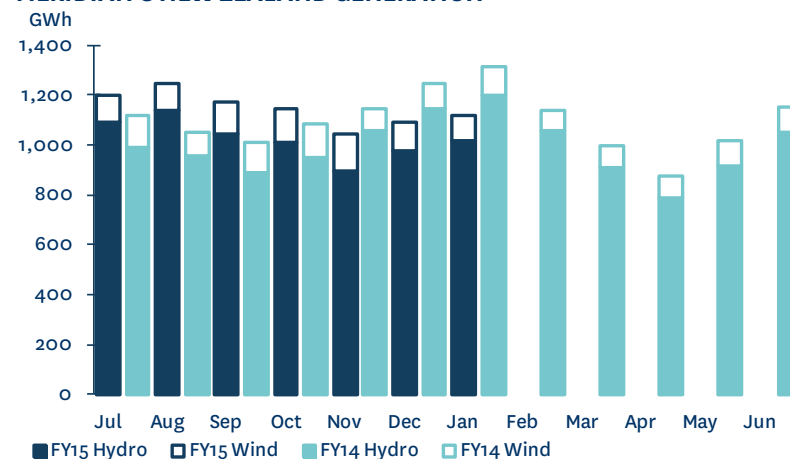
- January monthly inflows were 77% of historical average
- To date this financial year inflows are 100% of historical average
- Meridian's Waitaki catchment storage moved from 1,497GWh to 1,566GWh during January 2015
- Storage at the end of January 2015 was 83% of historical average, compared with the position a month earlier, where storage was at 91% of historical average
- Waitaki storage at the end of January 2015 was 26% lower than the same time last year
- Storage in Meridian's Waiau catchment was largely unchanged during January



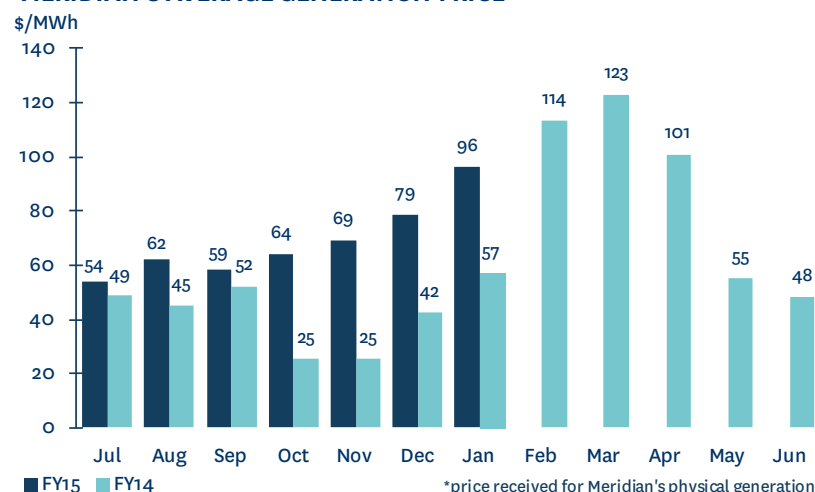
Meridian Operating Information

- Meridian's New Zealand generation in January 2015 was 15.1% lower than the same month last year
- To date this financial year Meridian's New Zealand generation is 0.7% higher than the same period last year
- The average price Meridian received for its generation in January 2015 was 68.8% higher than the same month last year
- The average price Meridian paid to supply contracted sales in January 2015 was 70.5% higher than the same month last year
- To date this financial year, the average price Meridian has received for its generation is 61.3% higher than the same period last year

MERIDIAN'S NEW ZEALAND GENERATION



MERIDIAN'S AVERAGE GENERATION PRICE*

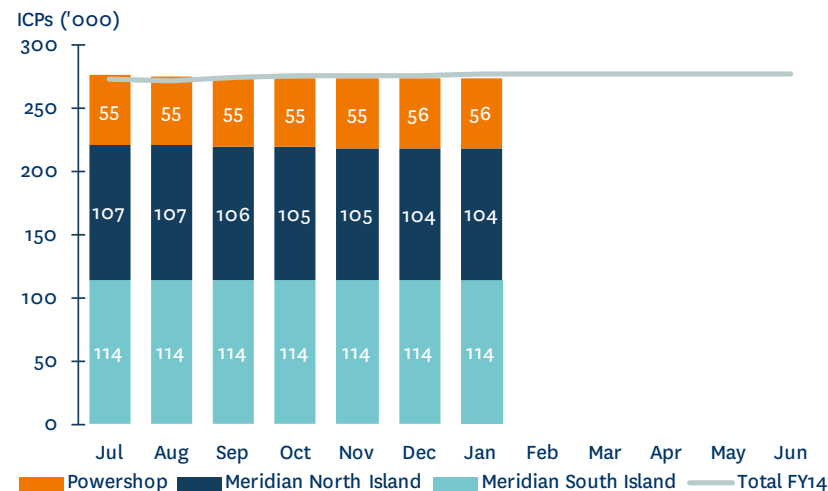


*price received for Meridian's physical generation

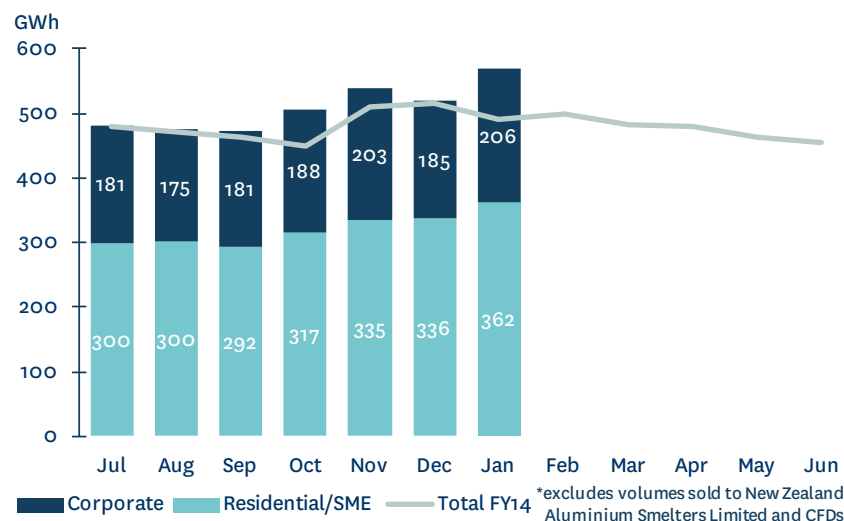
Meridian Operating Information

- Meridian's New Zealand customer connection numbers increased 0.2% during January 2015
- Retail sales volumes in January 2015 increased by 15.5% compared to January 2014
- Compared to January 2014, residential/SME sales volumes increased by 31.5% and corporate sales volumes decreased by 4.7%
- January 2015 has seen continued high irrigation load volumes
- To date this financial year Meridian's retail sales volumes are 5.5% higher than the same period last year
- This reflects a 9.6% increase in residential/SME sales volumes and a 0.9% decrease in corporate sales volumes

MERIDIAN'S NEW ZEALAND CUSTOMER CONNECTIONS



MERIDIAN'S RETAIL SALES VOLUMES*



Meridian Operating Information

| | January 2015 month | January 2014 month | December 2014 month | November 2014 month | 7 months to January 2015 | 7 months to January 2014 |
|---|--------------------------|--------------------------|---------------------------|---------------------------|--------------------------------|--------------------------------|
| New Zealand Contracted Sales¹ | | | | | | |
| Retail contracted sales volume (GWh) | 568 | 492 | 521 | 538 | 3,561 | 3,377 |
| Average retail contracted sales price (\$/MWh) | \$91.5 | \$98.4 | \$87.6 | \$93.4 | \$100.2 | \$102.2 |
| NZAS sales volume (GWh) | 426 | 426 | 426 | 412 | 2,951 | 2,951 |
| Sell side derivative volumes ² (GWh) | 74 | 97 | 61 | 69 | 681 | 532 |
| Wholesale contracted sales average price (\$/MWh) | \$53.6 | \$51.4 | \$50.4 | \$51.0 | \$51.0 | \$50.1 |
| Total New Zealand customer connections ³ | 274,052 | 277,059 | 273,572 | 273,970 | | |
| New Zealand Generation | | | | | | |
| Hydro generation volume (GWh) | 1,020 | 1,200 | 979 | 894 | 7,183 | 7,192 |
| Wind generation volume (GWh) | 95 | 113 | 113 | 153 | 834 | 773 |
| Total generation volume (GWh) | 1,115 | 1,313 | 1,092 | 1,047 | 8,017 | 7,965 |
| Average generation price ⁴ (\$/MWh) | \$96.4 | \$57.1 | \$78.9 | \$69.2 | \$68.7 | \$42.6 |
| Acquired generation volume ⁵ (GWh) | 39 | 28 | 51 | 56 | 570 | 693 |
| Cost of acquired generation (\$/MWh) | \$79.1 | \$83.0 | \$79.4 | \$76.5 | \$83.5 | \$82.7 |
| Cost to supply contracted sales (\$/MWh) | \$100.8 | \$59.1 | \$84.0 | \$73.2 | \$73.8 | \$45.5 |

1. Contracted sales volumes and volume weighted average price received from contracted customers less distribution costs

2. Excludes the sell-side of virtual asset swaps

3. Meridian Retail and Powershop New Zealand installation control points (ICPs), excluding vacants

4. Volume weighted average price received for Meridian's physical generation

5. Excludes the buy-side of virtual asset swaps

Glossary

| | |
|--|---|
| Acquired generation volumes | buy-side electricity derivatives excluding the buy-side of virtual asset swaps |
| Average generation price | the volume weighted average price received for Meridian's physical generation |
| Average retail contracted sales price | volume weighted average electricity price received from retail customers, less distribution costs |
| Average wholesale contracted sales price | volume weighted average electricity price received from wholesale customers, including NZAS |
| Combined catchment inflows | combined water inflows into Meridian's Waitaki and Waiau hydro storage lakes |
| Cost of acquired generation | volume weighted average price Meridian pays for derivatives acquired to supplement generation |
| Cost to supply contracted sales | volume weighted average price Meridian pays to supply contracted customer sales |
| Customer connections (NZ) | number of installation control points, excluding vacants |
| GWh | gigawatt hour. Enough electricity for 125 average New Zealand households for one year |
| Historic average inflows | the historic average combined water inflows into Meridian's Waitaki and Manapouri hydro storage lakes over the last 81 years |
| Historic average storage | the historic average level of storage in Meridian's Waitaki catchment since 1979 |
| HVDC | high voltage direct current link between the North and South Islands of New Zealand |
| ICP | New Zealand installation control points, excluding vacants |
| ICP switching | the number of installation control points changing retailer supplier in New Zealand, recorded in the month the switch was initiated |
| MWh | megawatt hour. Enough electricity for one average New Zealand household for 46 days |
| National demand | Transpower's Daily Demand reporting, adjusted for embedded generation from Meridian's Te Uku, White Hill and Mill Creek wind farms |
| NZAS | New Zealand Aluminium Smelters Limited |
| Retail sales volumes | contract sales volumes to retail customers, including both non half hourly and half hourly metered customers |
| Sell side derivatives | sell-side electricity derivatives excluding the sell-side of virtual asset swaps |