



meridian

Release

Stock exchange listings: NZX (MEL) ASX (MEZ)

Meridian Energy launches fixed rate retail bond offer

1 March, 2016

Meridian Energy Limited (Meridian) announced today that it is offering up to NZ\$100,000,000 unsecured, unsubordinated fixed rate bonds (Bonds) to institutional and New Zealand retail investors, with the ability to accept up to \$50,000,000 oversubscriptions at Meridian's discretion.

Full details of the Bond offer are contained in the Terms Sheet, available through www.meridianenergy.co.nz/investors or by contacting the Lead Manager, Co-Managers or an NZX Participant, and must be obtained by investors before they decide to acquire any Bonds.

The Bonds are expected to be quoted on the NZX Debt Market and have a long term credit rating of BBB+ from Standard & Poor's.

The Bonds have a maturity date of 14 March 2023 and the indicative margin for the Bonds is 1.60 to 1.75 percent per annum. The margin (which may be above or below the indicative margin) and interest rate will be set following a bookbuild process on 7 March 2016 and will be announced by Meridian via NZX shortly thereafter.

The offer will close on 7 March 2016 following the bookbuild process, with the Bonds expected to be issued on 14 March 2015.

There is no public pool for the Bonds, which will be reserved for the clients of ANZ, First NZ Capital, Forsyth Barr and NZX participants.

Lead Manager	Co-Manager	Co-Manager
	 FIRST NZ CAPITAL	 FORSYTH BARR
Phone: 0800 269 476	Phone: 0800 005 678	Phone 0800 367 227

ENDS

Mark Binns
Chief Executive
Meridian Energy Limited

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Philippa Norman
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Meridian Energy

RETAIL BOND OFFER PRESENTATION *March 2016*

Arranger & Lead Manager

Co-Manager

Co-Manager



Important Notice

The offer of debt securities by Meridian Energy Limited (Meridian or the Issuer) is made in reliance upon the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013 (FMCA).

The offer of Meridian's fixed rate bonds (2023 Bonds) is an offer of bonds that have identical rights, privileges, limitations and conditions (except for the interest rate and maturity date) as Meridian's \$75,000,000 unsecured, unsubordinated, fixed rate, interest bearing bonds maturing on 16 March 2017 which are currently quoted on the NZX Debt Market under the ticker code MELO20 (Existing Bonds). The 2023 Bonds are of the same class as the Existing Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014.

The Issuer is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited (NZX) for the purpose of that information being made available to participants in the market and that information can be found by visiting www.nzx.com/companies/MEL.

The Existing Bonds (MELO20) are the only debt securities of Meridian's that are currently quoted and of the same class as the 2023 Bonds.

Investors should look to the market price of the Existing Bonds (MELO20) (which have a fixed interest rate of 7.55% per annum) to find out how the market assesses the returns and risk premium for those bonds.

This document does not constitute a recommendation by the Issuer, ANZ Bank New Zealand Limited (Lead Manager and Organising Participant), First New Zealand Capital Securities & Forsyth Barr Limited (together Co-Managers), Trustees Executors Limited (Supervisor), nor any of their respective directors, officers, employees, affiliates or agents to subscribe for, or purchase, any of the 2023 Bonds. To the extent permitted by law, none of the Issuer, Lead Manager, Co-Managers or Supervisor nor any of their respective directors, officers, employees, affiliates or agents accept any liability whatsoever for any loss arising from this document or its contents, or otherwise in connection with the offer or any person's investment in these 2023 Bonds.

This document is for preliminary information purposes only and is not an offer to sell or the solicitation of an offer to purchase or subscribe for the 2023 Bonds and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. The information in this document is given in good faith and has been obtained from sources believed to be reliable and accurate at the date of preparation, but its accuracy, correctness and completeness cannot be guaranteed.

A terms sheet (Terms Sheet) has been prepared by the Issuer in respect of the offer of the 2023 Bonds, which sets out how 2023 Bonds may be applied for.

Application has been made to NZX for permission to quote the 2023 Bonds on the NZX Debt Market and all the requirements of NZX relating thereto that can be complied with on or before the distribution of the Terms Sheet have been duly complied with. However, NZX accepts no responsibility for any statement in this document. NZX is a licensed market operator, and the NZX Debt Market is a licensed market under the FMCA.

Agenda

- **New Zealand Electricity Market**
- **About Meridian**
 - The business
 - Generation assets
 - Retail business
 - Current strategic focus
 - Recent financial performance
 - Capital management
 - Funding
 - Credit rating
- **The Offer**
 - Key terms, dates and process
- **Investment Highlights**

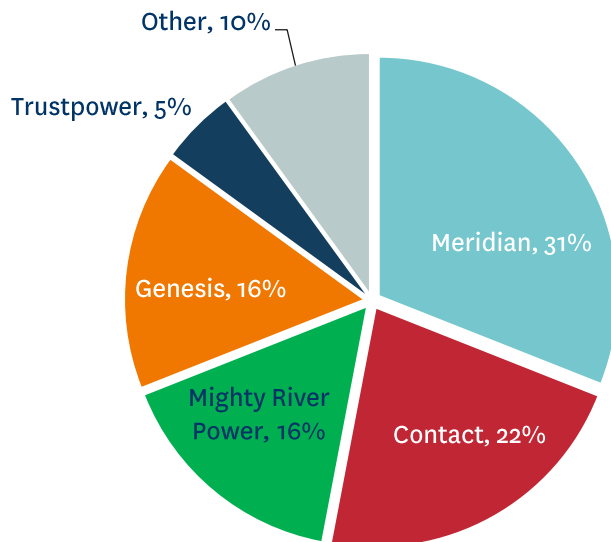


New Zealand Electricity Market

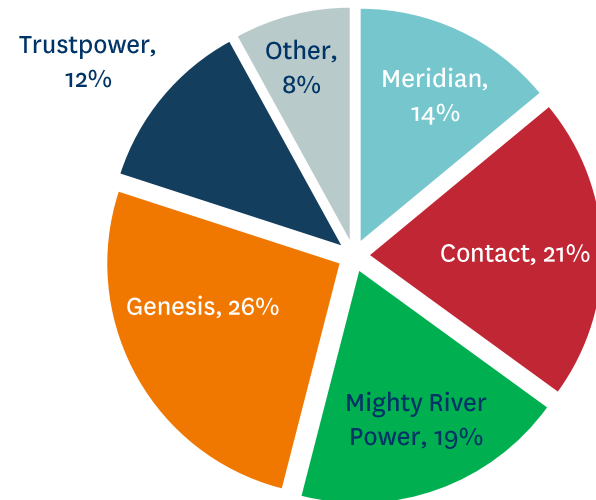


New Zealand electricity market structure

GENERATION MARKET SHARE BY VOLUME (GWH)



RETAIL MARKET SHARE BY CUSTOMER NUMBERS (ICPs)

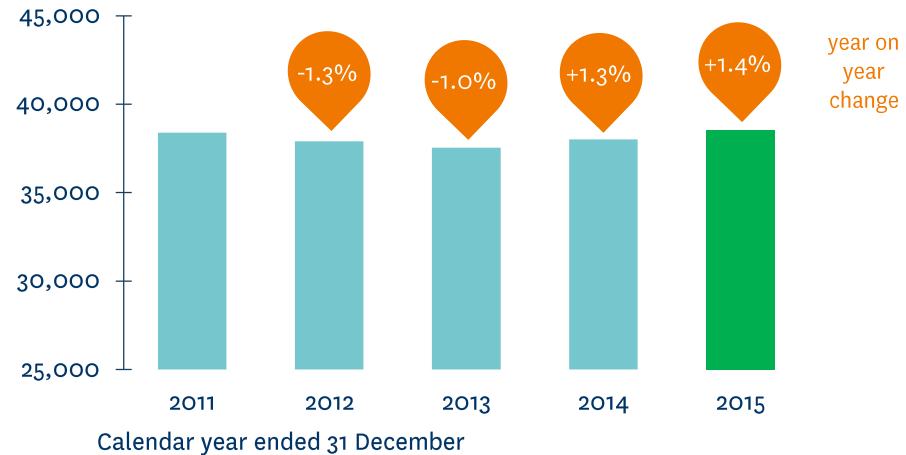


- Vertical integration is the dominant strategy

The New Zealand market

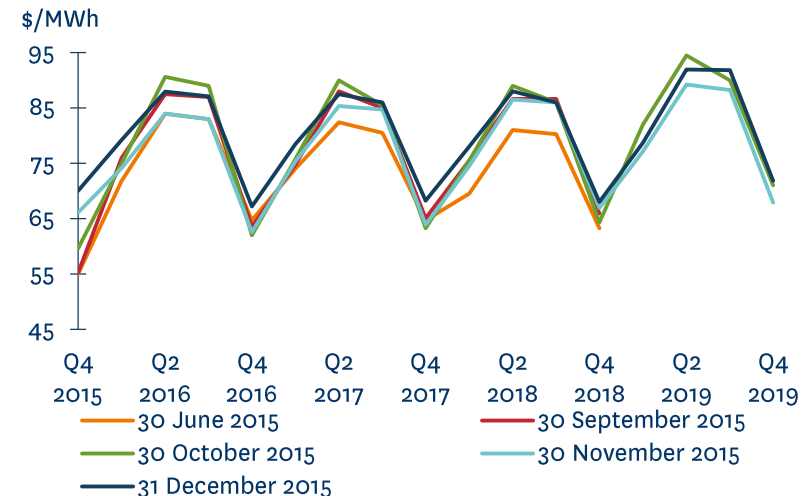
- Modest demand growth in last six months
- Growth in most regions and sectors (except industrial)
- 600MW of thermal plant closure has occurred in the last 6 months
- Market is working through implications of completed and planned thermal plant closure
- 2019 ASX prices are only trading around 4% above 2018 prices, demonstrating confidence a market solution will be successful
- Meridian is confident in the management of its own risk position
- High retail competition now has to be seen as a permanent feature
- Currently expecting Electricity Authority to clearly signal proposed final transmission pricing methodology decision by 31 March 2016

NATIONAL DEMAND
GWh



source: Transpower, Meridian

OTAHUHU ASX FUTURES SETTLEMENT PRICE



Tiwai Point smelter

- Meridian's largest customer – circa 37% of Meridian's New Zealand generation and circa 12% of New Zealand's production
- Current trading environment for the aluminium industry is difficult
- USD aluminium prices have fallen 10% since the middle of 2015
- Price premia have stabilised from declines in the first half of 2015
- Little additional relief for NZAS from a fluctuating NZD USD cross rate
- Announcements of closure of significant US smelting capacity in 2015, however the oversupplied Chinese market is the key driver
- Forecast global demand growth has moderated
- TPM may potentially provide significant cost upside for NZAS

LME SPOT ALUMINIUM PRICE



source: London Metal Exchange

NZD USD CROSS RATE



source: Reuters

Tiwai Point smelter contract

- Contract terms (other than price) similar to those previously agreed
- Price on 400MW unchanged from 2013 variation, higher price on 172MW from 1 January 2017
- Window to give 12 months notice to reduce to 400MW extended to 1 April 2016, then any time after 30 April 2017
- Other generators provided back to back cover of varying quantity and tenure

1 Jan 2016

30 Apr 2016

1 Jan 2017

30 Apr 2017

31 Dec 2030

Termination right
(with 12 months notice)



Price (+CPI):

2013 price on 400MW



2013 price on 172MW



2015 price on 172MW



Reduction to 400MW
(with 12 months notice)



Meridian Energy



MERIDIAN ENERGY LIMITED 2016 Retail Bond Offer

About Meridian

- **Vertically integrated renewable energy generator and retailer**

New Zealand's largest generator from purely renewable resources – hydro and wind

Supplying more than 30% of New Zealand's electricity

Electricity retailer to over 337,000 customers in New Zealand and Australia

- **Seven hydro stations**

Flexible plant with New Zealand's largest hydro storage

Long life assets with low operating costs

Benchmark operational efficiency and low capital needs

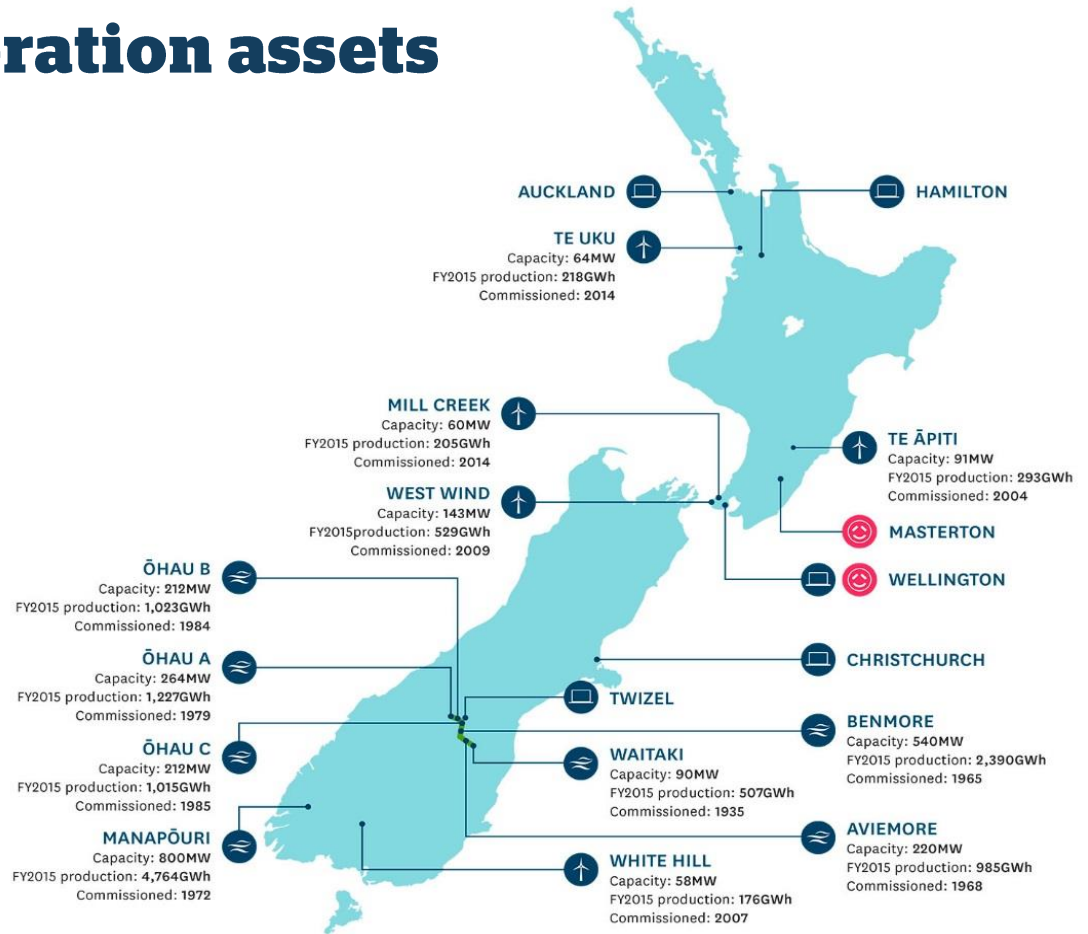
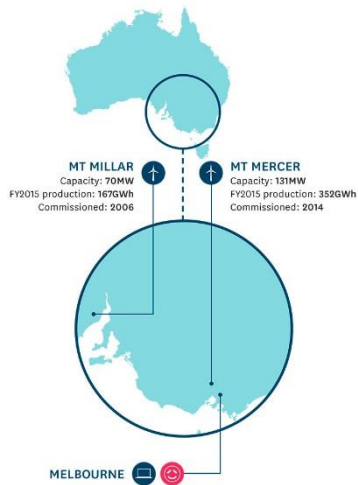
- **Seven wind farms**


More than a decade of construction and operational experience

- **Future development options in New Zealand**



Meridian's generation assets



GENERATION ASSETS	OFFICES
 HYDRO STATION	 MERIDIAN
 WIND FARM	 POWERSHOP
 WAITAKI HYDRO SCHEME	

Meridian's retail business

■ Meridian

Renewable brand position

Sells into all market segments

Market leader in agri business

Improving performance is a source of future value



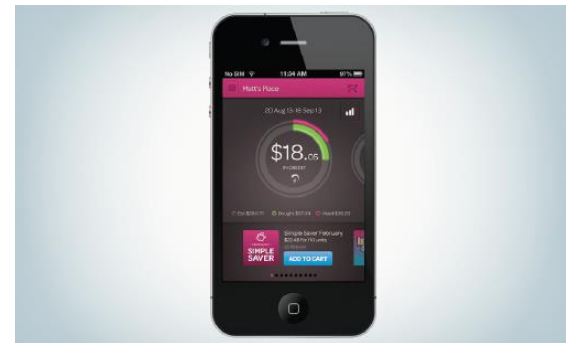
■ Powershop

Innovative, online offer

High customer satisfaction –exceeding 90%

Now launched in Australia

Providing platform services to UK retailer



Meridian's current strategic focus

Maintaining an open market in which we can compete effectively

- Transmission pricing
- Renewable Energy Target
- Thermal retirements

Close known retail profit gap

- Efficiency – full smart meter rollout and investment in self service
- Service – significantly improved service statistics
- Price – focus on higher profitability segments and shift in comparative price position

Protecting and maximising generation asset and wholesale position

- Agreed position on water use with main competing interests including enhanced storage
- Reducing exposure to NZAS
- Improving asset yield while maintaining low stay in business capex

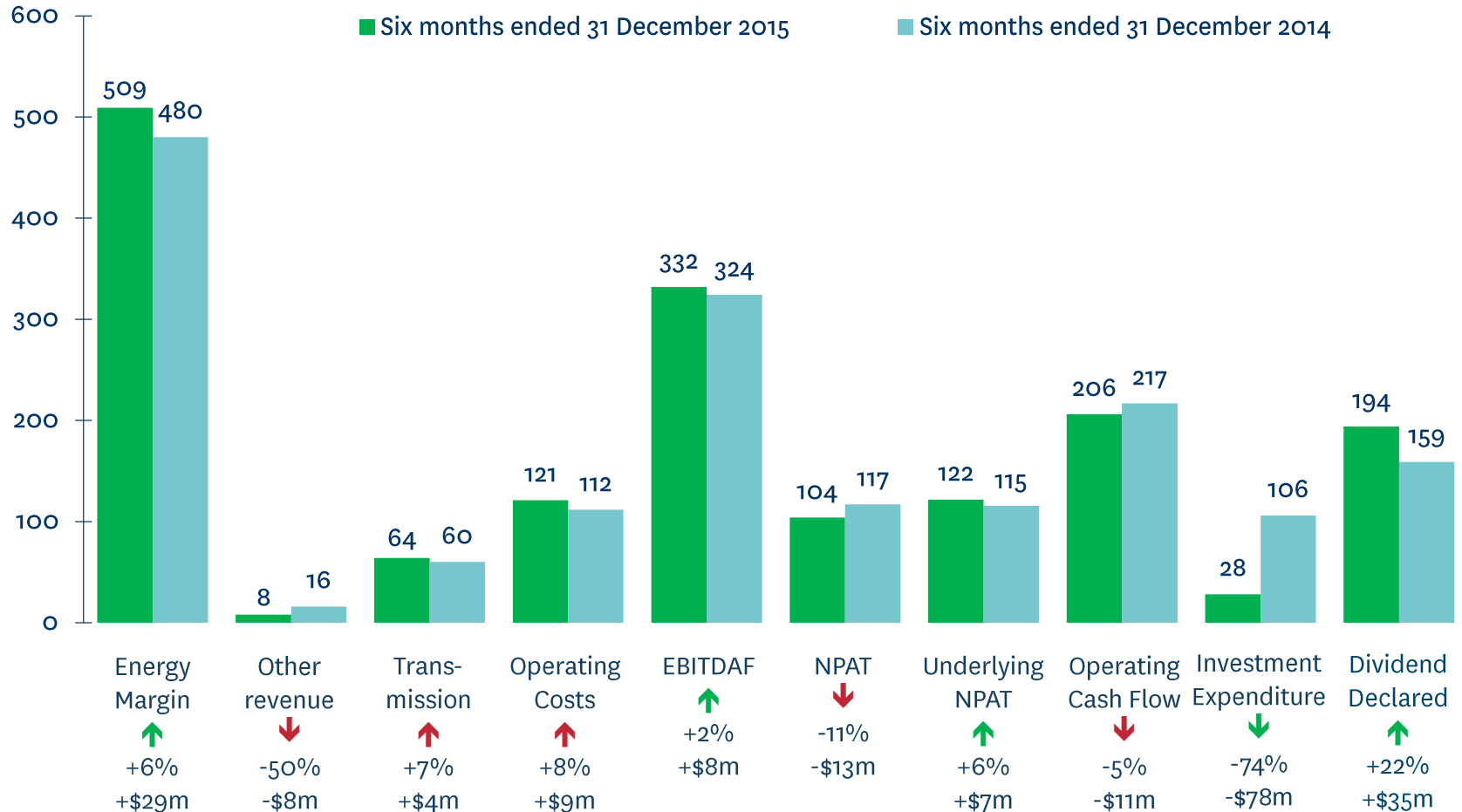
Opportunities for earnings growth

- Powershop Australia
- Powershop in the Northern Hemisphere
- NZ renewable pipeline

Financial performance

FINANCIAL PERFORMANCE AGAINST PRIOR YEAR

\$M

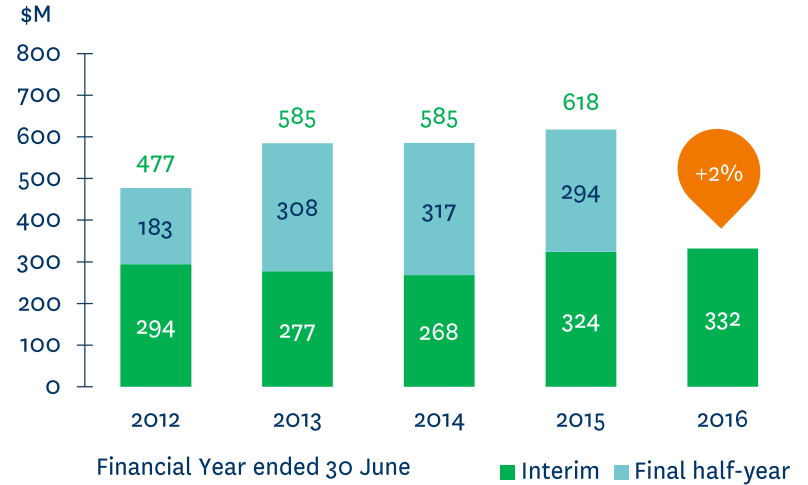


Key financial metrics

SUMMARY GROUP BALANCE SHEET	30 Jun 2013 \$M	30 Jun 2014 \$M	30 Jun 2015 \$M	31 Dec 2015 \$M
Total Assets	7,737	7,590	7,661	7,628
Total Liabilities	3,049	2,956	2,913	3,104
Equity	4,688	4,634	4,748	4,524
Debt	1,180	1,092	1,076	1,200

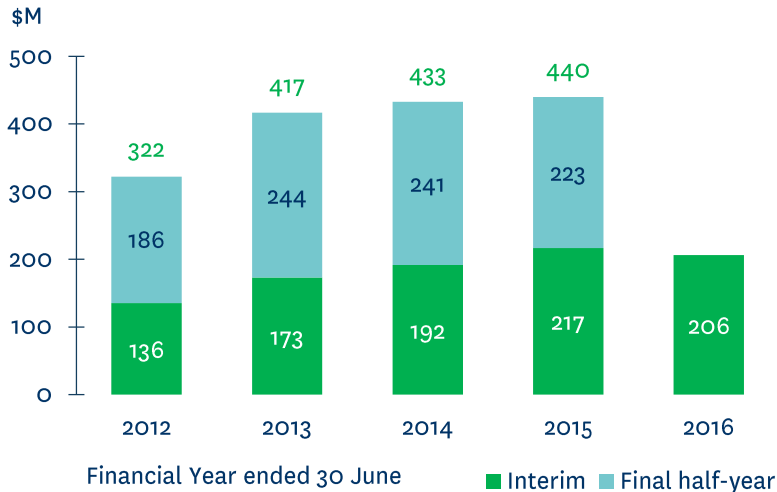
RATIOS & MULTIPLES				
Debt/(Debt+Equity)	20%	20%	18%	20%
Net Debt/EBITDAF (x)	1.6	1.8	1.7	1.8
EBITDAF/Interest Cover (x)	5.0	6.8	7.6	8.0

REPORTED EBITDAF¹

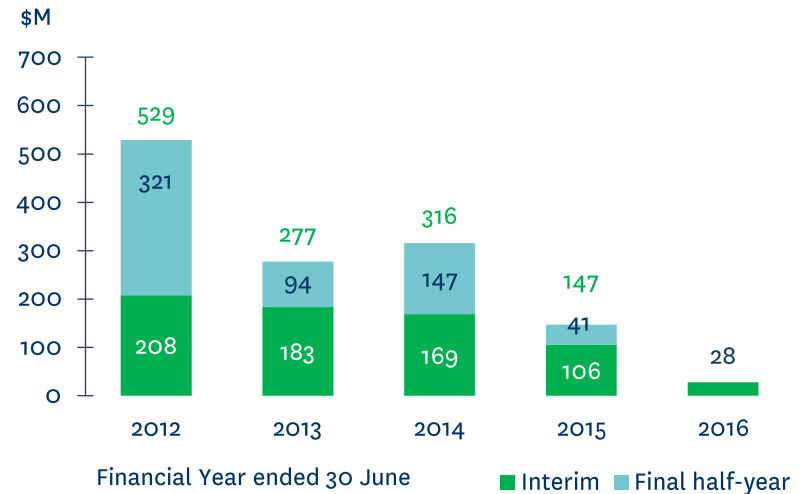


¹Earnings before interest, taxation, depreciation, amortisation, changes in fair value of hedges and other significant items

CASH FLOW FROM OPERATING ACTIVITIES



INVESTMENT EXPENDITURE



Dividend policy and capital management

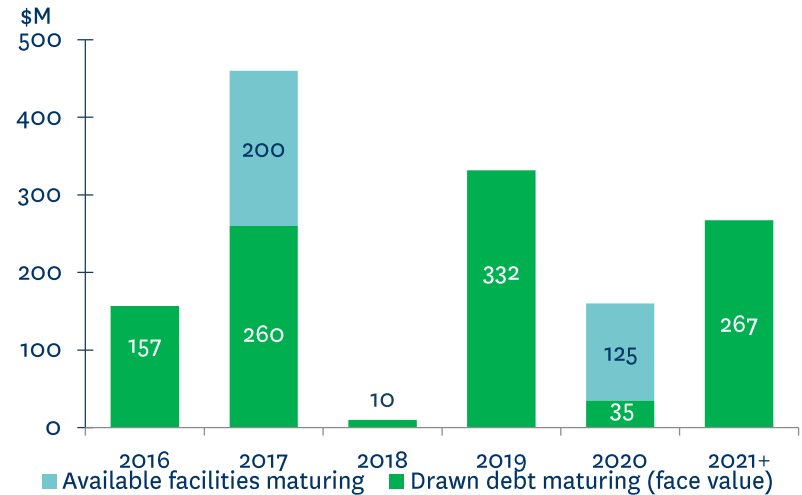
- Dividend policy set to return 75%-90% of free cash flow
- Board approved a capital management programme to return capital to shareholders
- Programme will go ahead on the basis that Meridian does not receive a termination notice from NZAS, or any material change to the company's financial position
- Targeting a progressive return of a further \$625m over the next 5 years. This commenced in August 2015
- Mechanism for this additional return will be considered on an ongoing basis



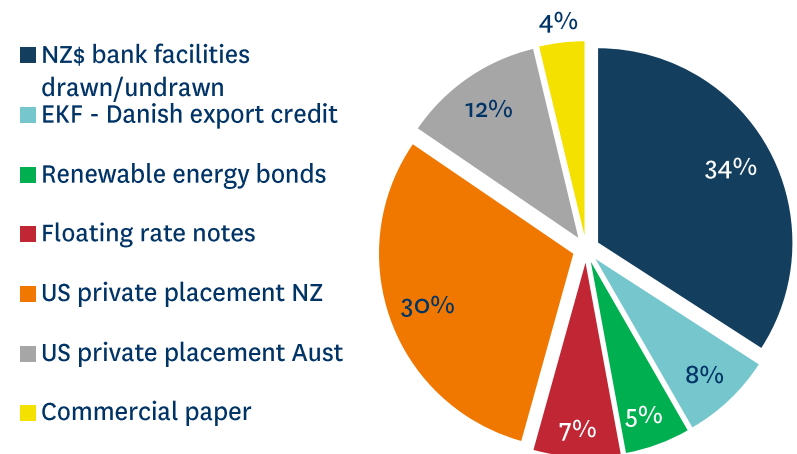
Funding

- Total borrowings as at 31 December 2015 of \$1,200m
- Committed bank facilities of \$630m as at 31 December 2015, of which \$325m were undrawn
- Minimum headroom required in addition to forecast requirements is NZ\$200m
- 2016 retail bond issue proceeds to refinance April 2016 USPP maturity
- Last Meridian retail bond issue was 2010 (\$200m)
- Next capital market maturity is March 2017 (\$75m retail bond)

DEBT MATURITY PROFILE AS AT 31 December 2015



SOURCES OF FUNDING AS AT 31 December 2015



Credit rating and bond covenants

Standard and Poor's BBB+/Stable

Rating supported by strong market position as New Zealand's largest electricity generator

Modest capital expenditure over the medium term absent any compelling investment proposition

Adequate headroom in credit metrics for the rating, expected to be managed through capital management subject to hydrological conditions, and positive free operating cash flow

Rating reaffirmed in Aug-2015

Key Metrics Debt/EBITDA

BBB+ Stable outlook		2.0-2.5X
BBB+ Downside scenario	>	2.8x sustained basis
BBB+ Upside scenario	<	2.0x commitment to maintain

31 December 2015 1.8X

Meridian targets a long term credit rating of BBB+

Bond Covenants – consistent across capital providers

31 December 2015

Debt/(Debt + Equity)	=<	55%	20%
EBITDA/Interest	=>	2.5X	8.0X

The Offer



KEY TERMS OF THE OFFER

Issuer	Meridian Energy Limited
Description of the Debt Securities	Direct, unsecured unsubordinated fixed rate bonds
Guarantee	The Bonds are guaranteed by various subsidiaries of Meridian, that are members of the Guaranteeing Group
Purpose	General corporate purposes
Issue Amount	Up to \$100,000,000 with the ability to accept oversubscriptions up to \$50,000,000
Maturity Date	Tuesday, 14 March 2023
Interest Rate	Equal to the sum of the Base Rate plus the Issue Margin, on the Rate Set Date
Indicative Issue Margin	1.60% to 1.75% p.a
Interest Payments	Semi-annual in arrear in equal amounts on 14 March and 14 September of each year up to and including the Maturity Date, commencing 14 September 2016
Brokerage	0.50% brokerage and 0.25% firm commitments
Denominations	Minimum denomination of \$5,000 with multiples of \$1,000 thereafter

KEY TERMS OF THE OFFER (cont.)

Issuer	Meridian Energy Limited
Listing	Application has been made to NZX to quote the Bonds on the NZX Debt Market under the code MELO30
Issue Credit Rating	BBB+ (Standard & Poor's) ¹
Financial covenants	<p>The Trust Documents contain the following financial covenants:</p> <ul style="list-style-type: none"> (a) EBITDA / Interest => 2.5x (b) Debt / (Debt plus Equity) <= 55% (c) Minimum Equity NZ\$1,250,000,000 (d) Total Tangible Assets (TTA) of the Guaranteeing Group => 80% TTA of the Group. <p>(Refer to the Trust Deed for further detail including calculations and relevant testing periods)</p>
Negative pledge	Trust Deed contains a negative pledge. No Guaranteeing Group Member will create or permit to arise or subsist any Security Interest over its assets except under certain limited exceptions

¹A rating is not a recommendation by any rating organisation to buy, sell or hold the 2023 Bonds. The above credit rating is current as at the date of this Presentation and may be subject to suspension, revision or withdrawal at any time by Standard & Poor's.

KEY DATES AND PROCESS

Date	
1 March	Offer open
1 – 3 March	Roadshow –Wellington, Auckland, Dunedin and Christchurch (plus conference call)
7 March	Offer closes – bids due 12pm
7 March	Allocations and rate set
14 March	Issue Date
15 March	Expected Quotation Date

Investment Highlights



Investment Highlights



- New Zealand's largest hydro generator and wind farm operator
- 100% renewable, low operating cost generation
- Vertically integrated generation and retail operations
- Strong and stable operating cash flows
- Strong credit metrics supporting BBB+ credit rating
- Modest capital expenditure over the medium term
- Crown majority shareholding

Questions?



Disclaimer

The information in this presentation was prepared by Meridian Energy with due care and attention. However, the information is supplied in summary form and is therefore not necessarily complete, and no representation is made as to the accuracy, completeness or reliability of the information. In addition, neither the company nor any of its directors, employees, shareholders nor any other person shall have liability whatsoever to any person for any loss (including, without limitation, arising from any fault or negligence) arising from this presentation or any information supplied in connection with it.

This presentation may contain forward-looking statements and projections. These reflect Meridian's current expectations, based on what it thinks are reasonable assumptions. Meridian gives no warranty or representation as to its future financial performance or any future matter. Except as required by law or NZX or ASX listing rules, Meridian is not obliged to update this presentation after its release, even if things change materially.

This presentation does not constitute financial advice. Further, this presentation is not and should not be construed as an offer to sell or a solicitation of an offer to buy Meridian Energy securities and may not be relied upon in connection with any purchase of Meridian Energy securities.

This presentation may contain a number of non-GAAP financial measures, including, EBITDAF, Underlying NPAT and gearing. Because they are not defined by GAAP or IFRS, Meridian's calculation of these measures may differ from similarly titled measures presented by other companies and they should not be considered in isolation from, or construed as an alternative to, other financial measures determined in accordance with GAAP. Although Meridian believes they provide useful information in measuring the financial performance and condition of Meridian's business, readers are cautioned not to place undue reliance on these non-GAAP financial measures.

The information contained in this presentation should be considered in conjunction with Meridian's annual report for the year ended 30 June 2015 and interim report for the 6 months ended 31 December 2015 available at:

<http://www.meridianenergy.co.nz/investors/>

All currency amounts are in New Zealand dollars unless stated otherwise.



meridian

Terms sheet fixed rate bonds

MATURING 14 MARCH 2023



01 MARCH 2016

LEAD MANAGER



CO-MANAGER



FIRST NZ CAPITAL

CO-MANAGER



FORSYTH BARR

Terms sheet

1 MARCH 2016

Important Notice

This Terms Sheet sets out the key terms of the offer ("Offer") by Meridian Energy Limited ("Meridian") of up to \$100,000,000 (with the ability to accept oversubscriptions of up to \$50,000,000 at Meridian's discretion) fixed rate bonds maturing on 14 March 2023 ("2023 Bonds") under its master trust deed dated 1 December 2008 (as amended from time to time) ("Trust Deed") as modified and supplemented by the supplemental trust deed dated 1 March 2016 (together, "Trust Documents") entered into between Meridian and Trustees Executors Limited ("Supervisor"). Unless the context otherwise requires, capitalised terms used in this Terms Sheet have the same meaning given to them in the Trust Documents.

The offer of debt securities by Meridian is made in reliance upon the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013 ("FMCA").

The offer contained in this Terms Sheet is an offer of bonds that have identical rights, privileges, limitations and conditions (except for the interest rate and maturity date) as Meridian's bonds maturing on 16 March 2017, which have a fixed interest rate of 7.55% per annum and are currently quoted on the NZX Debt Market under the ticker code MELO20 ("Existing Bonds").

Accordingly, the 2023 Bonds are the same class as the Existing Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014.

Meridian is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited ("NZX") for the purpose of that information being made available to participants in the market and that information can be found by visiting www.nzx.com/companies/MEL.

The Existing Bonds are the only debt securities of Meridian that are currently quoted and in the same class as the 2023 Bonds.

Investors should look to the market price of the Existing Bonds referred to above to find out how the market assesses the returns and risk premium for those bonds.

Contact details

ISSUER

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Capital Securities Ltd**
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CO-MANAGER

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The Octagon
Dunedin 9054
0800 367 227

KEY TERMS OF THE BONDS

Issuer	Meridian Energy Limited											
Description	The 2023 Bonds are unsecured, unsubordinated, fixed rate interest bearing debt obligations of Meridian.											
Guarantee	The 2023 Bonds are guaranteed by various subsidiaries of Meridian that are from time to time Guaranteeing Group Members, as detailed below under “Financial Covenants”.											
Purpose	Meridian will use the net proceeds of the Offer for general corporate purposes.											
Credit Ratings	<table><tr><th></th><th>Issuer Credit Rating</th><th>Issue Credit Rating</th></tr><tr><td>Standard & Poor’s</td><td>BBB+</td><td>BBB+</td></tr><tr><td colspan="3">A rating is not a recommendation by any rating organisation to buy, sell or hold the 2023 Bonds. The above credit ratings are current as at the date of this Terms Sheet and may be subject to suspension, revision or withdrawal at any time by Standard & Poor’s.</td></tr></table>				Issuer Credit Rating	Issue Credit Rating	Standard & Poor’s	BBB+	BBB+	A rating is not a recommendation by any rating organisation to buy, sell or hold the 2023 Bonds. The above credit ratings are current as at the date of this Terms Sheet and may be subject to suspension, revision or withdrawal at any time by Standard & Poor’s.		
	Issuer Credit Rating	Issue Credit Rating										
Standard & Poor’s	BBB+	BBB+										
A rating is not a recommendation by any rating organisation to buy, sell or hold the 2023 Bonds. The above credit ratings are current as at the date of this Terms Sheet and may be subject to suspension, revision or withdrawal at any time by Standard & Poor’s.												
Issue Amount	Meridian is offering up to \$100,000,000 of 2023 Bonds with the ability to accept oversubscriptions of up to \$50,000,000 at Meridian’s discretion. The offer is not underwritten.											
Opening Date	1 March 2016											
Closing Date	7 March 2016											
Rate Set Date	7 March 2016											
Issue Date and Allotment Date	14 March 2016											
Maturity Date	14 March 2023											
Interest Rate	<p>The Interest Rate will be the sum of the Issue Margin and the Base Rate.</p> <p>The Interest Rate will be announced by Meridian via NZX on or shortly after the Rate Set Date.</p>											
Indicative Issue Margin	The indicative range of the Issue Margin is 1.60–1.75 percent per annum.											
Issue Margin	The Issue Margin will be determined by Meridian in consultation with the Lead Manager following completion of the book-build process and announced via NZX on or shortly after the Rate Set Date.											
Base Rate	The mid-market rate for an interest rate swap of a term matching the period from the Issue Date to the Maturity Date as calculated by the Lead Manager in consultation with Meridian, according to market convention, with reference to Reuters page ICAPKIWSWAP2 (or any successor page) on the Rate Set Date and rounded to 2 decimal places, if necessary, with 0.005 being rounded up.											
Interest Payments	<p>Interest will be payable semi-annually in arrear in equal amounts on 14 March and 14 September of each year up to and including the Maturity Date. The First Interest Payment Date will be 14 September 2016.</p> <p>If an Interest Payment Date is not a Business Day, the due date for the payment to be made on that date will be the next following Business Day and no adjustment will be made to the amount payable as a result of the delay in payment.</p>											
Brokerage	Meridian will pay brokerage to the Arranger of 0.50% of the aggregate principal amount of the amount issued plus 0.25% on firm allocations. Such amounts will be distributed as appropriate to Primary Market Participants and approved financial intermediaries.											
Record Date	5.00pm on the tenth calendar day before the due date for that payment or, if that day is not a Business Day, the preceding Business Day or such other date as is advised by the Registrar to Holders from time to time.											
Issue Price	\$1.00 per 2023 Bond											
Minimum Application	The minimum application is \$5,000, with multiples of \$1,000 thereafter.											
Registrar	Computershare Investor Services Limited											

Early repayment	<p>The Holders of the 2023 Bonds have no right to require Meridian to redeem the 2023 Bonds early except through the Supervisor in the case of an Event of Default (as set out in the Trust Documents). If the 2023 Bonds are repaid early following an Event of Default, interest will be payable up to (but excluding) the date of repayment.</p> <p>Meridian does not have the right to redeem the 2023 Bonds early.</p>
Further indebtedness	<p>Meridian may, without the consent of the Holders of the 2023 Bonds, issue additional securities or other debt obligations on such other terms and conditions as Meridian may think fit.</p>
Financial covenants	<p>The Trust Documents contain the following financial covenants:</p> <ul style="list-style-type: none"> (a) the ratio of EBITDA of Meridian and all of its subsidiaries and associates (the “Group”) to interest and financing costs of the Group must not be less than 2.5 to 1.0 (tested semi-annually by reference to any two of the three previous 12 month periods); (b) at all times debt will not be more than 55% of the debt plus equity; (c) at all times equity will not be less than \$1,250,000,000; and (d) at all times the total tangible assets of the Guaranteeing Group will not be less than 80% of total tangible assets of the Group. <p>As at the date of this Terms Sheet, the Guaranteeing Group Members are Meridian Energy Limited, Three River Holdings No. 1 Limited, Three River Holdings No. 2 Limited, Meridian Wind Monaro Range Holdings Pty Limited, Meridian Wind Monaro Range Pty Limited, Meridian Australia Holdings Pty Ltd, Meridian Wind Australia Holdings Pty Ltd, Meridian Energy Markets Pty Ltd, Mt Mercer Windfarm Pty Ltd, Meridian Energy Australia Pty Limited, Meridian Finco Pty Limited and Mt Millar Wind Farm Pty Ltd.</p>
Negative pledge	<p>The Trust Deed contains a negative pledge which provides that no Guaranteeing Group Member will create or permit to arise or subsist any Security Interest over its assets except under certain limited exceptions set out in the Trust Deed.</p>
How to apply	<p>All of the 2023 Bonds, including oversubscriptions, are reserved for clients of the Lead Manager, the Co-Managers, institutional investors and other primary market participants invited to participate in the book-build. There will be no public pool for the offer. Accordingly, retail investors should contact the Lead Manager, a Co-Manager, their financial adviser or any primary market participant for details on how they may acquire 2023 Bonds. You can find a primary market participant by visiting www.nzx.com/investing/find_a_participant.</p> <p>In respect of oversubscriptions or generally, any allotment of 2023 Bonds will be at Meridian's discretion, in consultation with the Lead Manager. Meridian reserves the right to refuse all or any part of an application without giving any reason.</p> <p>Each investor's financial adviser will be able to advise them as to what arrangements will need to be put in place for the investors to trade the 2023 Bonds including obtaining a common shareholder number (CSN), an authorisation code (FIN) and opening an account with a primary market participant as well as the costs and timeframes for putting such arrangements in place.</p>
ISIN	NZMELDT016C8
Transfers	<p>Holders are entitled to sell or transfer their 2023 Bonds at any time subject to the terms of the Trust Documents and applicable securities laws and regulations. Meridian may decline to register a transfer of 2023 Bonds for the reasons set out in the Trust Documents.</p> <p>The minimum amount of 2023 Bonds a Holder can transfer is \$1,000, and integral multiples of \$1,000 thereafter. No transfer of 2023 Bonds or any part of a Holder's interest in a 2023 Bond will be registered if the transfer would result in the transferor or the transferee holding or continuing to hold 2023 Bonds with an aggregate principal amount of less than the minimum holding of \$5,000 (other than zero).</p>
Repo-eligibility	<p>Meridian intends to apply to the Reserve Bank of New Zealand for the 2023 Bonds to be included as eligible securities for domestic market operations.</p>

NZX quotation	Meridian will take any necessary steps to ensure that the 2023 Bonds are, immediately after issue, quoted. Application has been made to NZX for permission to quote the 2023 Bonds on the NZX Debt Market and all the requirements of NZX relating thereto that can be complied with on or before the distribution of this Terms Sheet have been duly complied with. However, NZX accepts no responsibility for any statement in this Terms Sheet. NZX is a licensed market operator and the NZX Debt Market is a licensed market under the FMCA.
NZX Debt Market Ticker Code	MEL030
Expected Date of Initial Quotation on the NZX Debt Market	15 March 2016
Selling restrictions	<p>The 2023 Bonds may only be offered for sale or sold in New Zealand in conformity with all applicable laws and regulations in New Zealand. No 2023 Bonds may be offered for sale or sold in any other country or jurisdiction except with the prior consent of Meridian and in conformity with all applicable laws and regulations of that country or jurisdiction and the selling restrictions contained in this Terms Sheet.</p> <p>This Terms Sheet may not be published, delivered or distributed in or from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws and regulations in that country or jurisdiction and the selling restrictions contained in this Terms Sheet.</p> <p>By purchasing the 2023 Bonds, each Holder agrees to indemnify Meridian in respect of any loss, cost, liability or expense sustained or incurred by Meridian as a result of the breach by the Holder of the selling restrictions set out above.</p>
Arranger and Organising Participant	ANZ Bank New Zealand Limited
Lead Manager	ANZ Bank New Zealand Limited
Co-Managers	First NZ Capital Securities Limited, Forsyth Barr Limited
Supervisor	Trustees Executors Limited
Governing Law	New Zealand

The dates set out in this Terms Sheet are indicative only and are subject to change. Meridian has the right in its absolute discretion and without notice to close the Offer early, to accept late applications, to extend the Closing Date or to choose not to proceed with the Offer. If the Closing Date is extended, subsequent dates may be extended accordingly.

Copies of the Trust Documents are available at Meridian's website at www.meridianenergy.co.nz/investors.

Any internet site addresses provided in this Terms Sheet are for reference only and, except as expressly stated otherwise, the content of any such internet site is not incorporated by reference into, and does not form part of, this Terms Sheet.

Investors should seek qualified independent financial and taxation advice before deciding to invest. In particular, you should consult your tax adviser in relation to your specific circumstances. Investors will also be personally responsible for ensuring compliance with relevant laws and regulations applicable to them (including any required registrations).

For further information regarding Meridian, visit www.nzx.com/companies/MEL.



meridian

Release

Stock exchange listings: NZX (MEL) ASX (MEZ)

Notice pursuant to clause 20(1)(a) of schedule 8 of the Financial Markets Conduct Regulations 2014

1 March 2016

Meridian Energy Limited ("Meridian") gives notice under clause 20(1)(a) of schedule 8 of the Financial Markets Conduct Regulations 2014 ("Regulations") that it proposes to make an offer for the issue of fixed rate bonds due 14 March 2023 ("New Bonds") in reliance upon the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013 ("FMCA").

The main terms of the offer and the New Bonds are set out in the attached Terms Sheet. Except for the interest rate and maturity date, the New Bonds will have identical rights, privileges, limitations and conditions as Meridian's fixed rate bonds maturing on 16 March 2017 which are quoted on the NZX Debt Market under the ticker code MEL020 ("MEL020 Bonds") and therefore are of the same class as the MEL020 Bonds for the purposes of the FMCA and the Regulations. The MEL020 Bonds have been continuously quoted on the NZX Debt Market over the preceding 3 months.

As at the date of this notice, Meridian is in compliance with:

- (a) the continuous disclosure obligations that apply to it in relation to the MEL020 Bonds; and
- (b) its financial reporting obligations (as defined in the Regulations).

As at the date of this notice, there is no excluded information required to be disclosed for the purposes of the Regulations.

As at the date of this notice, there is no other information that would be required to be disclosed under a continuous disclosure obligation or which would be excluded information required to be disclosed for the purposes of the Regulations if the MEL020 Bonds had had the same redemption date or interest rate as the New Bonds being offered.

ENDS

Mark Binns
Chief Executive
Meridian Energy Limited

For investor relations queries, please contact:

Owen Hackston

Investor Relations Manager

021 246 4772