

## NZ WINDFARMS LIMITED

15 December 2016

NZX Limited  
Wellington

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### ISSUE OF SECURITIES BY NZ WINDFARMS LIMITED

NZ Windfarms Limited advises that it has issued 11,500,000 new options to acquire ordinary shares as follows:

<b>Class of Security:</b>	Options to acquire Ordinary Shares in the Company ("Options")
<b>ISIN:</b>	Not applicable – securities are not listed
<b>Number issued:</b>	11,500,000
<b>Payment:</b>	<p>In respect of 50% of the Options, an exercise price of 12.5 cents is payable upon the exercise of each Option.</p> <p>In respect of 50% of the Options, an exercise price of 15 cents is payable upon the exercise of each Option.</p>
<b>Percentage of total Class of Securities issued:</b>	Not applicable.
<b>Reason for the issue:</b>	The Options were issued to two directors of the Company to for a number of reasons, including to assist with (i) retaining the on-going services of those recipient, and (ii) aligning the interests of those recipients with the shareholders of the Company, amongst other reasons.
<b>Authority of issue:</b>	Shareholders resolution, Director's Resolution and NZX Main Board Listing Rule 7.3.1(a).
<b>Terms of issue:</b>	<p>The terms of issue of the Options are as per the attached Schedule.</p> <p>The new shares issued upon the exercise of the Options will be credited as fully paid, and rank in all respects equally with the shares already on issue.</p>

**Total number of securities  
of the Class in existence  
after the issue:**

11,500,000

**Date of issue:**

15 December 2016

**NZ WINDFARMS LIMITED**

**Stuart Bauld - Director**

## SCHEDULE

The principal terms of each Option are as follows:

- (a) Each Option entitles the holder to acquire one ordinary share in the Company;
- (b) The exercise price payable in respect of each Option, so as to acquire one ordinary share is as follows:
  - (i) 50% of the Options issued have an exercise price of 12.5 cents per Option, payable upon the exercise of those Options; and
  - (ii) 50% of the Options issued, have an exercise price of 15 cents per Option, payable upon the exercise of those Options;
- (c) The Options may only be exercised in the period commencing on the date of their issue and ending on that date being 3 calendar years after the their date of issue (**Exercise Period**). The Options shall vest in the holder on the date of their issue;
- (d) Should the services of the holder of an Option cease to be retained by the Company or a subsidiary of the Company prior to a tranche of Options vesting in the holder, other than due to death or illness, then those Options that have not vested at that time shall terminate;
- (e) Any Options which are not exercised during the Exercise Period shall lapse;
- (f) Shares issued upon exercise of an Option shall be credited as fully paid and rank equally in all respects with shares on issue at the relevant exercise date (except for any dividend or other entitlement where the entitlement date occurs prior to the exercise date);
- (g) The options are not transferable without the prior approval of the Company in writing;
- (h) The Options shall not confer on the holder the right to participate in rights issues undertaken by the Company;
- (i) The holders of the Options will not be entitled to vote at any meeting of the shareholders of the Company;
- (j) On any consolidation, subdivision or other reconstruction of shares the number of shares over which each Option is exercisable will be adjusted in proportion to the reconstruction, and the aggregate exercise price will remain unchanged;
- (k) If, during the Exercise Period, the Company undertakes a bonus issue to the shareholders of the Company, the number of shares over which each Option is exercisable will be increased (or, at the election of the holder, additional shares may be reserved for issue on the exercise of the option) by the number of shares which the holder would have received if the option had been exercised before the record date for the bonus issue. The total exercise price shall remain unchanged however,

and otherwise on the terms set out in the Share Option Allocation Deed entered into between the Company and the holders of the Options.