



September 2016

## NEW TRUSTPOWER 2016 FIXED RATE BOND OFFER

This flyer summarises the terms of the new series of fixed rate bonds maturing 15 December 2022 (Bonds) that Bay Energy Limited (to be renamed Trustpower Limited, New Trustpower) is offering to institutional investors and members of the public resident in New Zealand (General Offer).

For information about New Trustpower or the General Offer and the steps investors will have to take to participate in the General Offer please see the Product Disclosure Statement dated 14 September 2016 (PDS). Capitalised terms in this flyer have the same meanings as in the PDS. A free copy of the PDS can be obtained from [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose) or [www.trustpower.co.nz/bonds](http://www.trustpower.co.nz/bonds), by contacting one of the Joint Lead Managers or your usual financial adviser.

### Trustpower Demerger

As you may know, the shareholders of Trustpower have approved the separation of Trustpower into two New Zealand incorporated listed companies (Demerger). The two companies will be New Trustpower, which will own Trustpower's New Zealand and Australian hydro power generation and New Zealand multi-product retailing businesses and Tilt Renewables Limited, which will own Trustpower's Australian and New Zealand wind farm assets and wind and solar development projects. New Trustpower will be headquartered in Tauranga and will be New Zealand's fifth largest electricity generator and fourth largest energy retailer with approximately a 13% retail market share.

The Bonds will be issued following the Implementation Date for the Demerger, which is currently expected to occur around 14 October 2016, and will only be issued if the Demerger occurs.

### New Trustpower Key Facts

- New Trustpower will supply electricity to around 280,000 homes and businesses, supply gas to around 31,500 customers, and provide around 65,000 customers with telephone and broadband services
- New Trustpower will own and operate a portfolio of hydro generation assets across New Zealand, three hydro generation assets in New South Wales, Australia and a small diesel peaking unit in Northland
- New Trustpower's New Zealand assets will generate approximately 5% of New Zealand's total annual electricity output
- New Trustpower generated pro forma earnings before interest, tax, depreciation, amortisation and fair value movements (EBITDAF) of \$213 million in the 2016 financial year



## SUMMARY OF THE GENERAL OFFER

Issuer	Bay Energy Limited (to be renamed Trustpower Limited, <b>New Trustpower</b> ).
Type of bond	Unsecured unsubordinated fixed rate bonds ( <b>Bonds</b> ).
Purpose of the General Offer	The purpose of the General Offer is to raise money for the general corporate purposes of the New Trustpower Group, including repaying bank debt incurred in connection with the Demerger.
Offer size	<p>A General Offer open to investors resident in New Zealand of up to \$165 million comprising:</p> <ul style="list-style-type: none"> <li>up to \$100 million (including at New Trustpower's discretion up to \$50 million of oversubscriptions) for subscription by clients of (among others) the Joint Lead Managers and Primary Market Participants; and</li> <li>a <b>Priority Pool</b> of up to \$65 million for holders of Trustpower's TPW090 bonds (<b>TPW090 Bonds</b>).</li> </ul>
General Offer opens	26 September 2016.
General Offer closes	<p>For the Priority Pool only: 12 October 2016.</p> <p>Other than for the Priority Pool: 21 October 2016.</p>
Issue date	26 October 2016.
NZX quotation date	27 October 2016.
Issue price	\$1.00 per Bond (being the Principal Amount of each Bond).
Maturity date	15 December 2022.
Interest rate	4.01% per annum.
Interest payments	15 March, 15 June, 15 September and 15 December in each year (or if that day is not a Business Day, the next Business Day) up to and including the Maturity Date, commencing on 15 December 2016.
Minimum subscription amount	\$5,000 and in multiples of \$1,000 thereafter.
Guarantee	At the Issue Date, the sole Guarantor will be GSP Energy Pty Limited under the Negative Pledge Deed. See section 6 of the PDS (Key features of the Bonds) for more information.
Early redemption	<p>New Trustpower may redeem the Bonds prior to their stated Maturity Date.</p> <p>The Bonds will be redeemed for the Early Redemption Amount, together with all accrued but unpaid interest in respect of the Bonds and any other amount due and payable in respect of those Bonds (less any applicable withholdings or deductions).</p>
Quotation	<p>Application has been made to NZX for permission to quote the Bonds on the NZX Debt Market under the ticker code TPW150 and all the requirements of NZX relating to that quotation that can be complied with on or before the date of this flyer have been fully complied with.</p> <p>However, the Bonds have not yet been approved for trading and NZX accepts no responsibility for any statement in this flyer. The NZX Debt Market is a licensed market operated by NZX, which is a licensed market operator, regulated under the FMC Act.</p>
How to apply	<p>If you are interested in applying for Bonds under the General Offer you should contact any Primary Market Participant for details on how to acquire the Bonds.</p> <p>You can find a Primary Market Participant by visiting <a href="http://www.nzx.com/investing/find_a_participant">www.nzx.com/investing/find_a_participant</a>.</p> <p>Holders of TPW090 Bonds can use the personalised application form that they will receive to apply for Bonds under the Priority Pool, and they should return the completed form to the Securities Registrar for the Bonds (Computershare) by 12 October 2016. Alternatively, your application may be lodged with the Joint Lead Managers or any Primary Market Participant, or any other channel approved by NZX, in time to enable them to forward to Computershare before 5.00pm on 12 October 2016.</p>
Risks	An overview of the key risks that may affect your returns and repayment of your investment in the Bonds is contained in the PDS. You should read the PDS and the information concerning New Trustpower and the Bonds available on the Disclose Register carefully before deciding to invest in the Bonds.