

Ngā Tamariki Investment.

Expansion of Ngā Tamariki geothermal station

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MERCURY COMMITS TO HIGH QUALITY GEOTHERMAL GENERATION.



Value accretive OEC5 geothermal expansion



Ngā Tamariki OEC5 geothermal expansion Engineering, Procurement and Construction (EPC) contract signed with Ormat



First generation by late calendar 2025. The new OEC5 unit will increase site generation by 390 GWh and net output by 46 MW



Capital expenditure of \$220 million excludes capitalised interest, geothermal drilling of ~\$35m and sunk costs of \$3m. Ongoing operating expenses and direct costs relating to carbon and royalties of ~\$17/MWh



Ngā Tamariki power station was commissioned in 2013 and currently comprises of four Ormat Energy Converter (OEC) units providing a net station capacity of 86 MW. The OEC5 expansion was in the long-term station development plan



Emissions intensity at Ngā Tamariki is the lowest in the Mercury owned fleet. A separate station wide non-condensable gases reinjection project is forecasted to be delivered in FY26



First of three advanced renewable generation development projects expected to go to FID in FY24. A total commitment of up to \$1 billion in investment to drive the development of two wind farms and OEC5 geothermal project in New Zealand over the next three years



HIGH QUALITY GENERATION INVESTMENT.



OEC5 expansion part of long-term development plan



Key messages

- Ngā Tamariki OEC5 capital expenditure of \$220 million is primarily driven by a high-cost certainty Ormat EPC contract. Other major costs related to the transformer supply and the balance of plant. Existing balance sheet capacity will be utilised for this project. OEC5 will rely on the existing steamfield, separation plant and transmission
- The eight well geothermal drilling campaign that commenced in June 2023 includes two new wells at Ngā Tamariki. One will be a new production well, the other will be a reinjection well
- A Non-Condensable Gases (NCG) reinjection trial at Ngā Tamariki that started in October 2021 has successfully reduced existing site emissions by ~25%. A parallel project targeting emissions reductions of ~75% of the station (including OEC5) is forecasted to be completed in FY26



STRONG GENERATION DEVELOPMENT PERFORMANCE.

OUR TRACK RECORD



Turitea South wind farm fully operational in FY23, increasing annual generation by 370 GWh

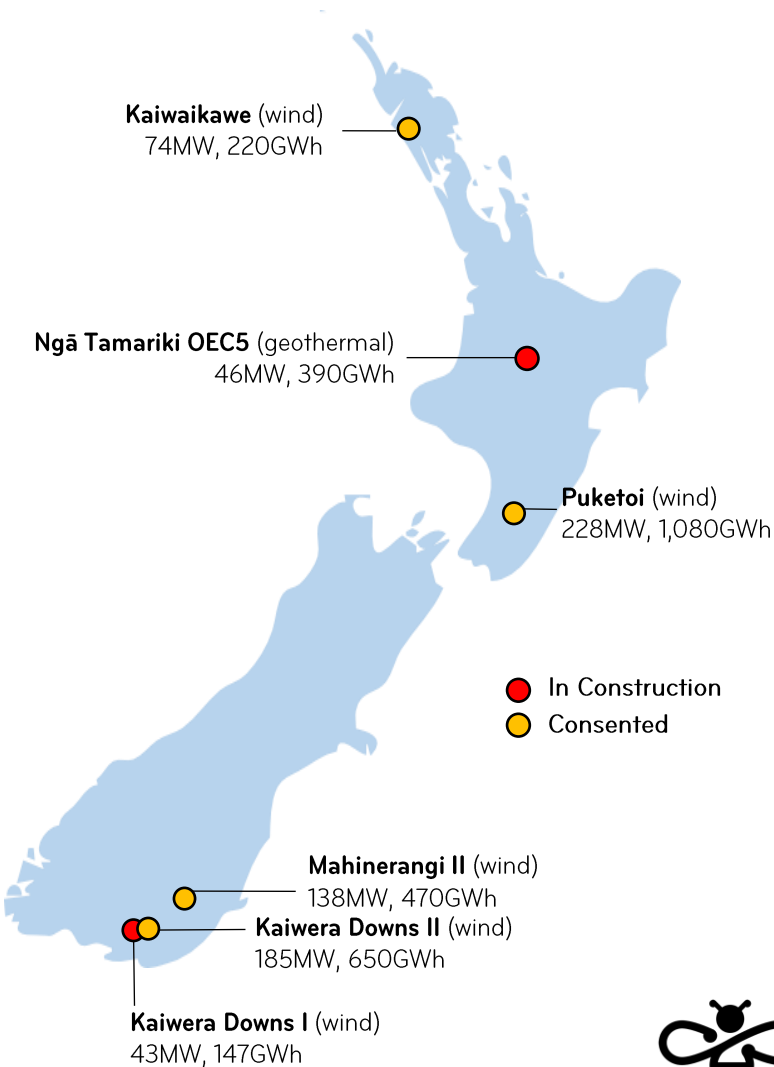


Kaiwera Downs 1 wind farm remains on track to be fully operational in October 2023, increasing annual generation by 147 GWh. Six of out ten turbines are already in operation



Mercury confirms \$220m expansion of Ngā Tamariki geothermal station and approves the EPC contract in September 2023

PROJECTS UNDER CONSTRUCTION OR CONSENTED



HIGH QUALITY GENERATION PIPELINE.



FID expected in FY24 for ~\$1b in generation investment

Project	Capacity (MW)	Generation (GWh pa)	Type & Location	Stage	Progress Comment
Kaiwera Downs I	43	147	Wind farm near Gore	Construction	Fully operational Sep-23
Kaiwaikawe	74	220	Wind farm near Dargaville	Pre-FID	FID expected FY24
Ngā Tamariki OEC5	46	390	Geothermal near Reporoa	Construction	FID reached Sep-23
Kaiwera Downs II	185	650	Wind farm near Gore	Pre-FID	FID expected FY24
Beyond FY24					
Puketoi	228	1,080	Wind farm in Tararua	Pre-FID	Scheme optimisation and development work underway
Tararua repowering	60MW Uplift, to 221 MW	270 uplift	Wind farm in Tararua	Re-consenting	Constraints mapping and concept layouts
Various other prospects	1500	~5,000	Various	Prospecting, Feasibility and Consenting	

Key messages

- Commitment of up to \$1 billion in generation investment expected in FY24 to drive the development of two wind farms and the Ngā Tamariki OEC5 geothermal project in New Zealand over the next three years
- Final Investment Decision (FID) for 1,260GWh of new renewable generation expected in FY24 from Kaiwaikawe wind farm, Kaiwera Downs Stage 2 wind farm and Ngā Tamariki OEC5 geothermal. Kaiwaikawe and Kaiwera Downs Stage 2 winds farms are subject to final commercial negotiations



