

Meridian Energy Limited – ASX Announcement

Pre-Quotation Disclosure

The following information is provided by Meridian Energy Limited (*Meridian* or the *Company*) to ASX Limited (*ASX*) for release to the market in connection with the official quotation of Instalment Receipts (ASX: MEZCA, NZX: MELCA) and Shares (ASX: MEZ, NZX: MEL) in Meridian on ASX and the conditional and deferred settlement trading of the Instalment Receipts on ASX.

Capitalised terms in this announcement have the same meaning as set out in the combined investment statement and prospectus dated 20 September 2013, as amended by an instrument to amend dated 27 September 2013 (*Offer Document*).

Final Price

The Final Price per Share under the Offer is NZ\$1.50. This price comprises the First Instalment of NZ\$1.00 per Share (which was payable on Application) and the Final Instalment of NZ\$0.50 per Share (which is to be paid by 15 May 2015).

A total of 1,255,413,626 Shares will be transferred to the Trustee under the Offer. The same number of Instalment Receipts will be issued to successful Applicants once the underlying Shares are transferred to the Trustee.

Basis of allocation and procedures for determining allocations

Shares and corresponding Instalment Receipts have been allocated under the Offer as described below.

- 748,116,140 Shares (and corresponding Instalment Receipts) have been allocated to the General Offer.
- 427,666 Shares (and corresponding Instalment Receipts) have been allocated to the Participating Iwi Offer. Applications under the Participating Iwi Offer were accepted in full.
- Allocations to Institutional Investors were determined by the Crown in consultation with its advisers and Meridian pursuant to the bookbuild process completed on 23 October 2013. Participating Institutional Investors have been advised of their allocations. A total of 506,869,820 Shares (and corresponding Instalment Receipts) have been allotted to Applicants under the Institutional Offer.

Due to the level of demand, applications have been the subject of a scale-back. Applications have been scaled back on the basis of a progressive scaling policy.

The application of the scaling policy to New Zealand retail investors in the General Offer is set out below.

How the application will be scaled (NZ\$)	Instalment Receipts allocated
First \$2,500	The full amount applied for
From \$2,501 to \$10,000	90% of the amount applied for
From \$10,001 to \$15,000	85% of the amount applied for
From \$15,001 to \$20,000	75% of the amount applied for
From \$20,001	55% of the amount applied for

Broker firm applications were scaled-back on a pro rata basis as set out in the Offer Document.

Applications that were accompanied by cheques that were subsequently dishonoured have not received an allocation.

If your Application has not been accepted, or has been accepted in part, you will receive a refund of the balance payment without interest. Any such refund will be made to you in the manner in which you elect any future dividend payments to be paid. It is expected that refunds will be paid on 30 October 2013.

Successful Applicants in the General Offer who applied online are able to confirm their allocation at www.meridianshares.govt.nz using their Unique Reference Number. Successful Applicants in the General Offer who did not apply online (including any Eligible Employees who have applied for Shares) are able to confirm their allocation by calling 0800 90 30 90. Applicants in the Broker Firm Offer should contact their broker to find out if their Application was successful.

Issue and despatch dates

The intended date for issue of the Instalment Receipts is 30 October 2013. Initial statements of holdings in respect of the Instalment Receipts are expected to be despatched on 30 October 2013. Initial statements of holdings in respect of the Shares are expected to be despatched on 21 May 2015, subject to receipt of clear payment of the Final Instalment. Holders who have elected to have their securities registered in CHESS will receive an initial statement of holding setting out the number of securities that have been allocated.

Conditional and deferred settlement trading

In New Zealand, the Instalment Receipts are expected to commence trading on the NZX Main Board on a conditional settlement basis on 29 October 2013 at approximately 1.00pm (New Zealand time) under the NZX stockcode "MELCA". The Shares are expected to commence trading on the NZX Main Board on a deferred settlement basis on 30 April 2015 under the NZX stockcode "MEL".

In Australia, the Instalment Receipts are expected to commence trading on ASX on a conditional and deferred settlement basis on 29 October 2013 at approximately 12.30pm (Sydney time) (2.30pm New Zealand time) under the ASX stockcode "MEZCA". The Shares are expected to commence trading on a deferred settlement basis on 30 April 2015 under the ASX stockcode "MEZ".

The conditions for the conditional market of the Instalment Receipts are as follows:

- (a) the agreement from the NZX to quote the Instalment Receipts on the NZX Main Board;
- (b) settlement of the Institutional Offer; and
- (c) the transfer of Shares that relate to the Instalment Receipts from the Crown to the Trustee.

These conditions are expected to be satisfied on 30 October 2013, and trading of the Instalment Receipts on a normal settlement basis on ASX and the NZX Main Board is expected to commence on 31 October 2013.

Applicants are responsible for confirming the number of Instalment Receipts allocated to them before attempting to sell their Instalment Receipts. None of the Crown, Meridian, any Trustee, the Joint Lead Managers, the Registrar, or any of their respective directors, officers or employees accepts any liability or responsibility should any person attempt to sell or otherwise deal with Instalment Receipts before the statements confirming allotments of Instalment Receipts are received by the Applicants or successful bidders in the Institutional Offer. Applicants who agree to sell Instalment Receipts before receiving their statement confirming their allotment do so at their own risk.

Indicative statement of the 20 largest holders of Instalment Receipts

Set out below is an indicative statement of the 20 largest holders of Instalment Receipts, and the number and percentage of Instalment Receipts held by those holders.

Note that the final "top 20 holders" statement (which is to be released within 10 business days after the issue of the Instalment Receipts) may differ from the below as it will be based on the composition of the Instalment Receipt security register as at 30 October 2013.

Rank	Name of Instalment Receipt holder	Number of Instalment Receipts held	% Instalment Receipts held
1	HSBC Nominees (New Zealand) Limited	121,575,493	9.68%
2	Custodial Services Limited	75,302,680	6.00%
3	National Australia Bank Limited	60,959,677	4.86%
4	Accident Compensation Corporation	39,000,000	3.11%
5	Citicorp Nominees Pty Limited	34,896,099	2.78%
6	JBWere (NZ) Nominees Limited	31,820,730	2.53%
7	Forsyth Barr Custodians Limited	30,758,580	2.45%
8	BNP Paribas Securities Services	25,885,648	2.06%
9	HSBC Custody Nominees (Australia) Limited	20,510,507	1.63%
10	BNP Paribas Nominees (NZ) Limited	18,339,887	1.46%
11	JP Morgan Nominees Australia Limited	18,197,319	1.45%
12	UBS AG Australia Branch O/A UBS Nominees Ltd	17,987,500	1.43%
13	New Zealand Superannuation Fund Nominees Limited	17,000,887	1.35%
14	FNZ Custodians Limited	15,050,075	1.20%
15	TEA Custodians Limited	13,374,043	1.07%
16	UBS Securities Australia Ltd	13,250,000	1.06%
17	Citibank Nominees (New Zealand) Limited	11,888,000	0.95%
18	Leveraged Equities Finance Limited	10,158,680	0.81%
19	ANZ Wholesale Australasian Share Fund	9,979,795	0.79%
20	Investment Custodial Services Limited	9,760,280	0.78%
Total number of Instalment Receipts on issue:			1,255,413,626
Top 20 as a percentage of total number of Instalment Receipts on issue:			47.45%

Indicative statement of the 20 largest shareholders

Set out below is an indicative statement of the 20 largest shareholders, and the number and percentage of Shares held by those holders. At present, there are only three shareholders – the Crown, who holds 51% of the Shares, and the two trustees, The New Zealand Guardian Trust Company Limited and The Trust Company (Australia) Limited, who hold Shares on behalf of the Instalment Receipt holders until payment of the Final Instalment.

Note that the final "top 20 holders" statement (which is to be released within 10 business days after the issue of the Shares) may differ from the below as it will be based on the composition of the share register as at 30 October 2013

Rank	Name of shareholder	Number of Shares held	% Shares held
1	Her Majesty the Queen in right of New Zealand acting by and through the Minister of Finance and Minister for State Owned Enterprises	1,307,586,374	51
2	The New Zealand Guardian Trust Company Limited	1,063,464,680	41.5
3	The Trust Company (Australia) Limited	191,948,946	7.5
Total number of Shares on issue:			2,563,000,000
Top 20 as a percentage of total number of Shares on issue:			100

Indicative distribution of holders of Instalment Receipts

Set out below is an indicative distribution schedule of the number of holders of Instalment Receipts, categorised by the size of their holdings.

Note that the final distribution schedule of the number of holders of Instalment Receipts (which is to be released within 10 business days after the issue of the Instalment Receipts) may differ from the below as it will be based on the composition of the Instalment Receipt security register as at 30 October 2013.

Number of Instalment Receipts	Number of Instalment Receipt holders
1 – 1,000	7,282
1,001 – 5,000	25,279
5001 – 10,000	10,790
10,001 – 100,000	9,261
100,001 and over	591
Total	53,203

Indicative distribution of shareholders

Set out below is an indicative distribution schedule of the number of shareholders, categorised by the size of their holdings.

Note that the final distribution schedule of the number of shareholders (which is to be released within 10 business days after the transfer of the Shares) may differ from the below as it will be based on the composition of the share register as at 30 October 2013.

Number of Shares	Number of shareholders
1 – 1,000	0
1,001 – 5,000	0
5001 – 10,000	0
10,001 – 100,000	0
100,001 and over	3
Total	3

Indicative number of holders with a parcel of Instalment Receipts greater than \$2,000

The indicative number of holders of a parcel of Instalment Receipts with a value exceeding \$2,000, based on the price of the First Instalment, is 35,894. This figure may differ from the final figure which will be based on the composition of the Instalment Receipt security register as at 30 October 2013.

Waiver from ASX Listing Rule 7.1

ASX has granted Meridian a waiver from ASX Listing Rule 7.1 to the extent necessary to permit Meridian to issue more than 15% of its securities without shareholder approval on the following conditions.

- The Company remains subject to, and complies with, the rules of the New Zealand Stock Exchange (**NZSX**) with respect to the issue of new securities.
- The Company certifies to ASX on an annual basis (on or about 30 September each year) that it remains subject to, has complied with, and continues to comply with, the requirements of NZSX with respect to the issue of new securities.
- If the Company becomes aware of any change to the application of the rules of the NZSX with respect to the issue of new securities, or that the Company is no longer in compliance with the requirements of the NZSX with respect to the issue of new securities, it must immediately advise ASX.

Important Notice

The offer of Shares and Instalment Receipts is made by the Crown and the New Zealand Trustee, respectively, on the terms and conditions set out in the combined investment statement and prospectus dated 20 September 2013, as amended by an instrument to amend dated 27 September 2013.

Application has been made to NZX for permission to list Meridian and to initially quote the Instalment Receipts and then subsequently the Shares on the NZX Main Board. All of NZX's requirements relating to that application that can be complied with as at the date of this announcement have been duly complied with. However, NZX accepts no responsibility for any statement in this announcement. The NZX Main Board is a registered market operated by NZX, which is a registered exchange regulated by the Securities Markets Act 1988 (New Zealand).

The securities of the Company are represented by Instalment Receipts. Each Instalment Receipt carries a liability to pay a further instalment of NZ\$0.50 by 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.

The content of this announcement is not permitted to be made available to persons in any country other than New Zealand or Australia. The Instalment Receipts and Shares have not been, and will not be, registered under the United States Securities Act of 1993 (**US Securities Act**) or the securities laws of any state of the United States except in accordance with an exemption from, or in a transaction not subject to, registration requirements of the US Securities Act and any other applicable securities laws. Offers to any persons in the United States have only been made pursuant to, and in accordance with the terms described in, the International Offering Memorandum as part of the Institutional Offer.