



Meridian to pay special dividend on sale of hydro assets

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Meridian Energy's Board has completed the necessary steps to confirm the sale process of two of its South Island hydro stations to Genesis Energy.

As part of the process the Meridian Board also approved the payment of a special dividend to Government on receipt of the funds from the sale of Tekapo A and B, due to take effect on June 1, 2011. The sale price is \$820,996,030.

Meridian's Chief Executive Tim Lusk said: "Following detailed analysis of Meridian's future funding requirements the Board approved the special dividend to our Shareholder of \$520,996,030."

The sale is part of a package of Government reforms aimed at improving the electricity sector. Meridian is selling Tekapo A and B power stations on the Waitaki Power Scheme to Genesis Energy.

In December 2009 the Government announced its decisions from the Ministerial Review that include a series of changes that support the overall Government objectives to improve retail competition in the industry, promote the reliability of electricity supply and improve governance in the sector through the establishment of the Electricity Authority.

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About Meridian Energy

Meridian is New Zealand's largest electricity generator and currently owns and operates (from June 1, 2011) seven hydro stations, four wind farms within New Zealand, and one wind farm in Australia:

- Manapouri power station and six hydro stations on the Waitaki River in the South Island
- Te Apiti wind farm near Palmerston North
- White Hill wind farm in Southland
- West Wind farm in Wellington
- Te Uku wind farm in Raglan
- Mt Millar wind farm, Eyre Peninsula, South Australia
- CalRENEW-1 solar farm in Mendota, California

Internationally, Meridian has operations in Sydney Australia and San Francisco, California.

Meridian also retails electricity to around 188,000 customers throughout New Zealand, which includes households, farms and businesses. It also provides electricity to New Zealand's single largest electricity user, the Rio Tinto Alcan New Zealand Limited aluminium smelter in Bluff.

Meridian invests strongly in renewable energy development and has over 1,500 megawatts of Australasian development opportunities in the development pipeline.