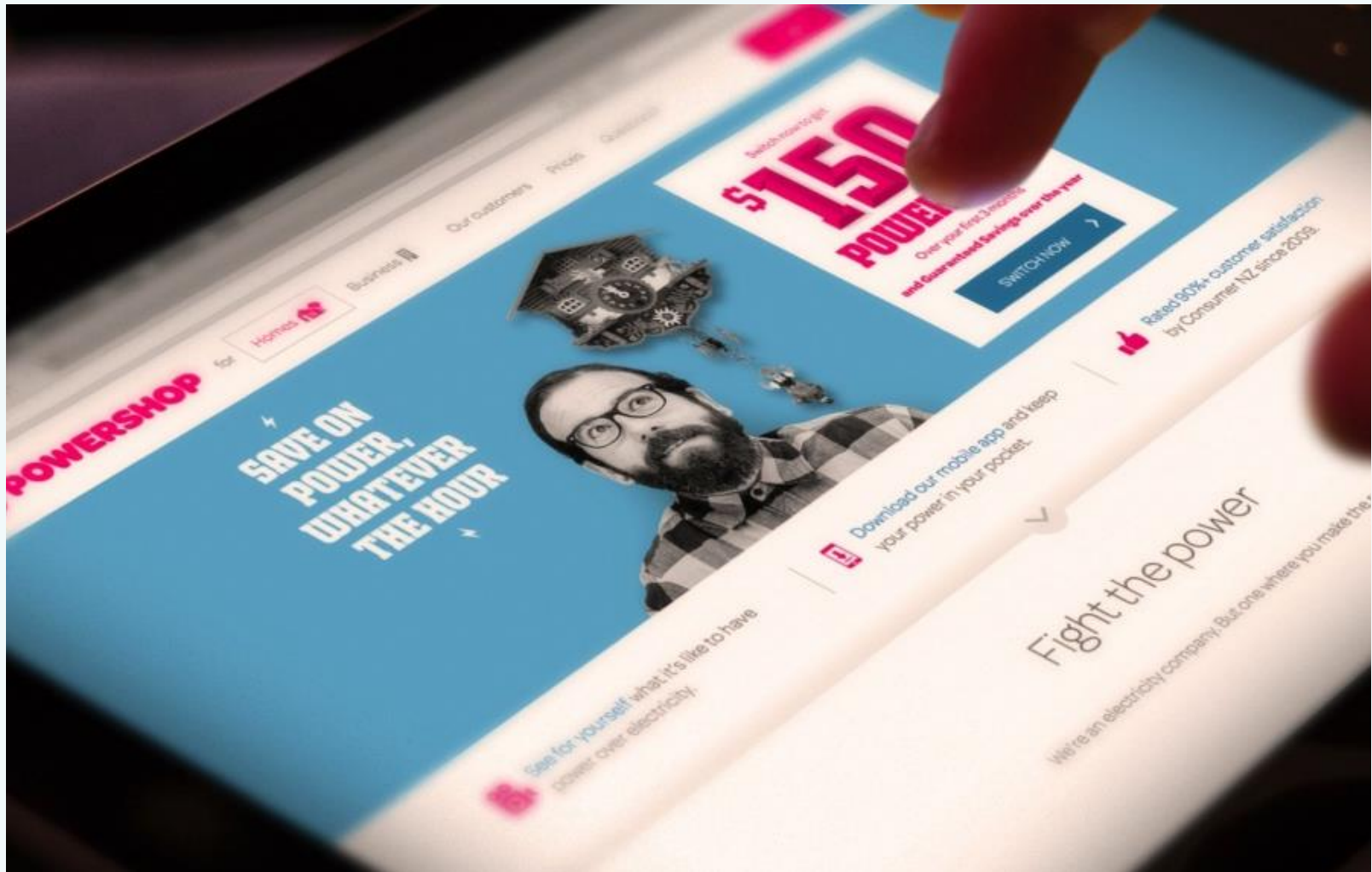




Better energy future



December highlights



In the month to 11 January 2016, national hydro storage decreased from 111% to 86% of historical average

South Island storage sat at 81% of average and North Island storage at 111% of average on 11 January 2016



Meridian's December 2015 monthly inflows were 80% of historical average

Meridian's Waitaki catchment storage decreased from 104% to 97% of historical average by the end of December 2015



National electricity demand in December 2015 was 0.1% higher than the same month last year

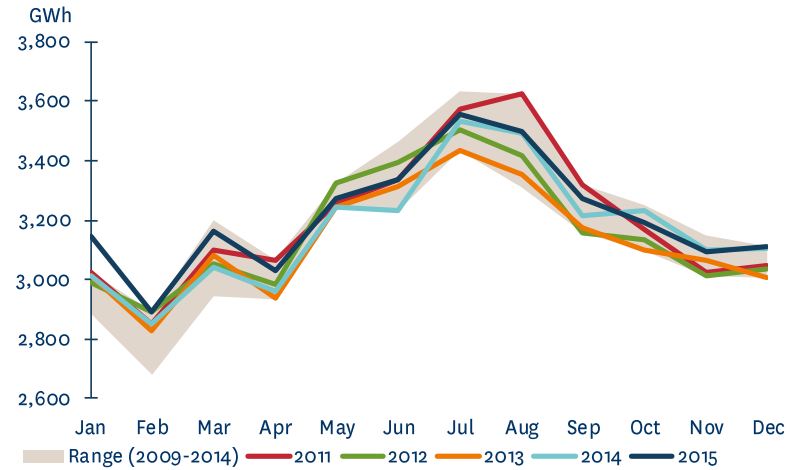
Demand in the 2015 calendar year was 1.4% higher than the preceding 12 months

Meridian's retail sales volumes in December 2015 increased by 10.2% compared to December 2014

Market data

- National electricity demand in December 2015 was 0.1% higher than the same month last year
- Demand in the 2015 calendar year was 1.4% higher than the preceding 12 months
- New Zealand Aluminium Smelter's average load was at the 572MW base quantity of the NZAS agreement during December 2015
- The number of switches for all retailers in November 2015 was 0.4% lower than the previous month and 20.2% higher than November 2014
- The 12 month average switching rate for all retailers was 20.3% at the end of November 2015

NATIONAL DEMAND

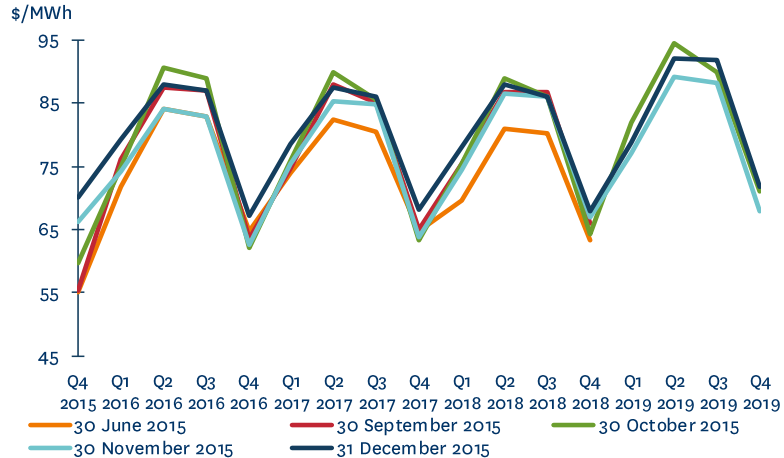


MARKET ICP SWITCHING (ALL RETAILERS)

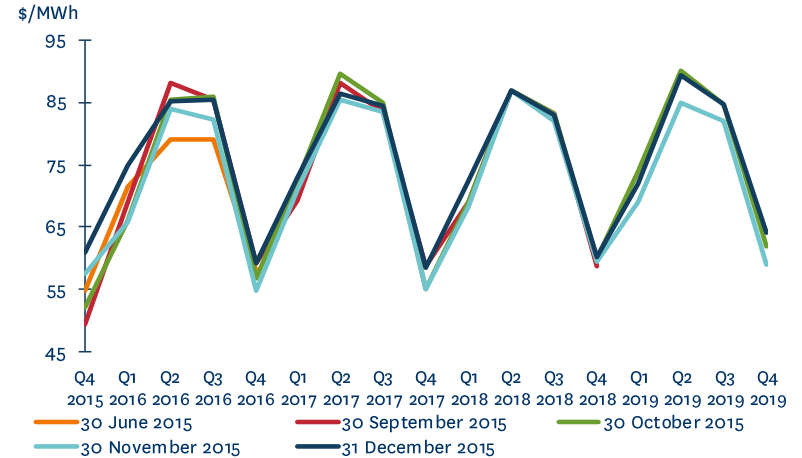


Market data

OTAHUHU ASX FUTURES SETTLEMENT PRICE

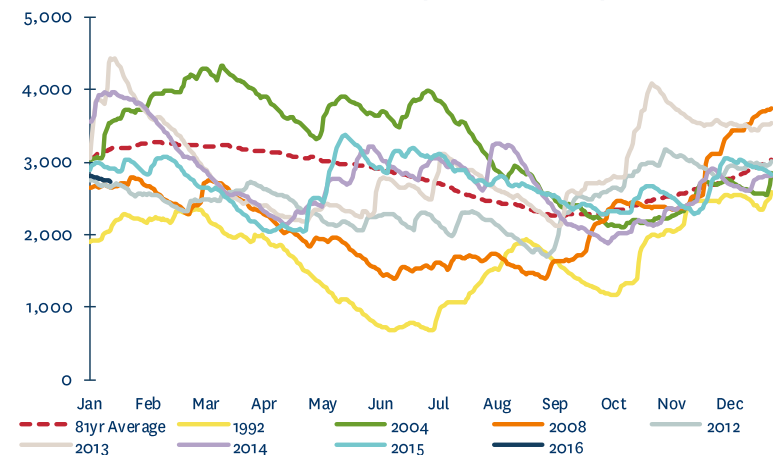


BENMORE ASX FUTURES SETTLEMENT PRICE



- December 2015 saw some upward movement in ASX prices
- National storage decreased from 111% of the 81 year average on 8 December 2015 to 86% of average by 11 January 2016
- South Island storage decreased to 81% of historical average by 11 January 2016. North Island storage decreased to 111% of average

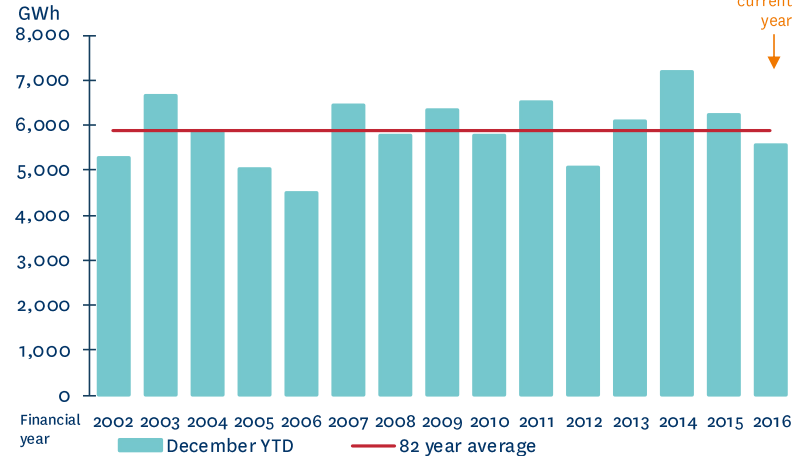
NATIONAL HYDRO STORAGE (12 JANUARY 2016)



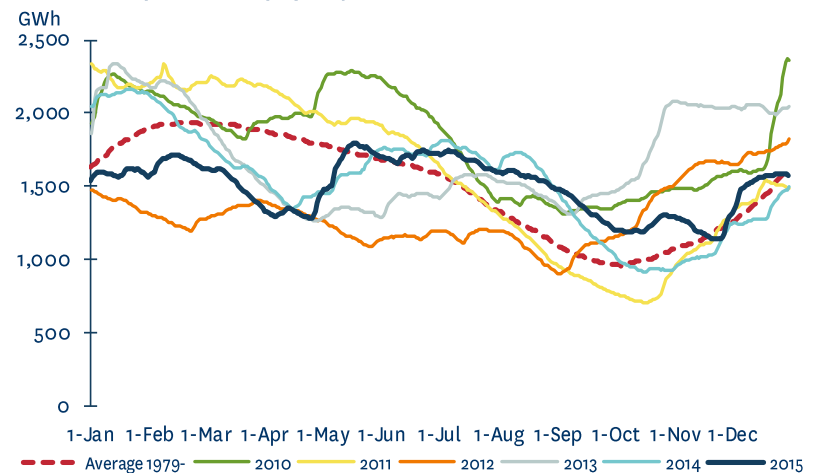
Meridian operating information

- December 2015 monthly inflows were 80% of historical average
- Meridian's Waitaki catchment storage moved from 1,296GWh to 1,579GWh during December 2015
- Waitaki storage at the end of December 2015 was 97% of historical average, compared with the position a month earlier, where storage was at 104% of historical average
- Waitaki storage at the end of December 2015 was 6% higher than the same time last year
- Storage in Meridian's Waiau catchment also fell during December 2015

MERIDIAN'S COMBINED CATCHMENT INFLOWS



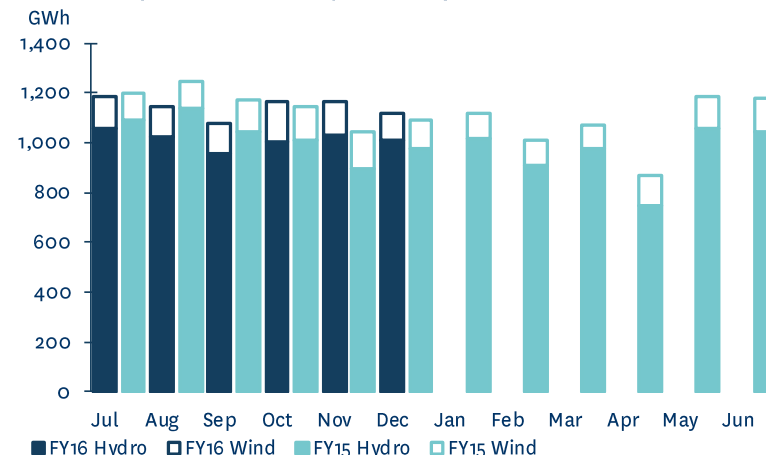
MERIDIAN'S WAITAKI STORAGE



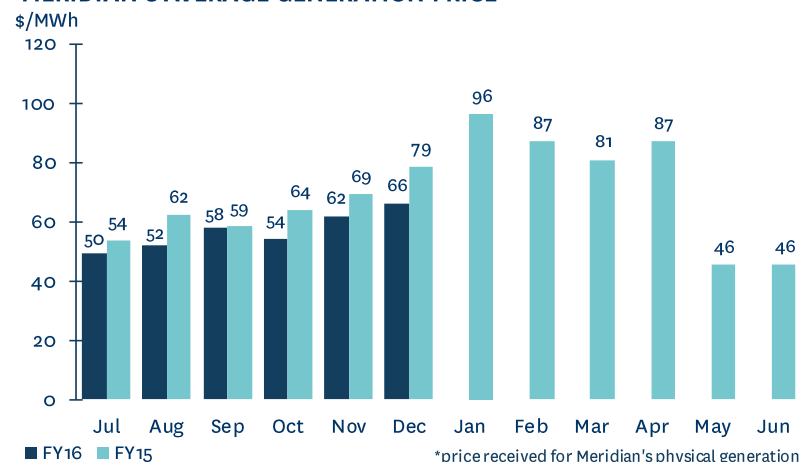
Meridian operating information

- Meridian's New Zealand generation in December 2015 was 2.6% higher than the same month last year, reflecting higher hydro generation and lower wind generation
- To date this financial year Meridian's New Zealand generation is 0.6% lower than the same period last year, reflecting higher wind generation and lower hydro generation
- The average price Meridian received for its generation in December 2015 was 15.9% lower than the same month last year
- The average price Meridian paid to supply contracted sales in December 2015 was 15.8% lower than the same month last year
- To date this financial year, the average price Meridian has received for its generation is 11.1% lower than the same period last year

MERIDIAN'S NEW ZEALAND GENERATION



MERIDIAN'S AVERAGE GENERATION PRICE*

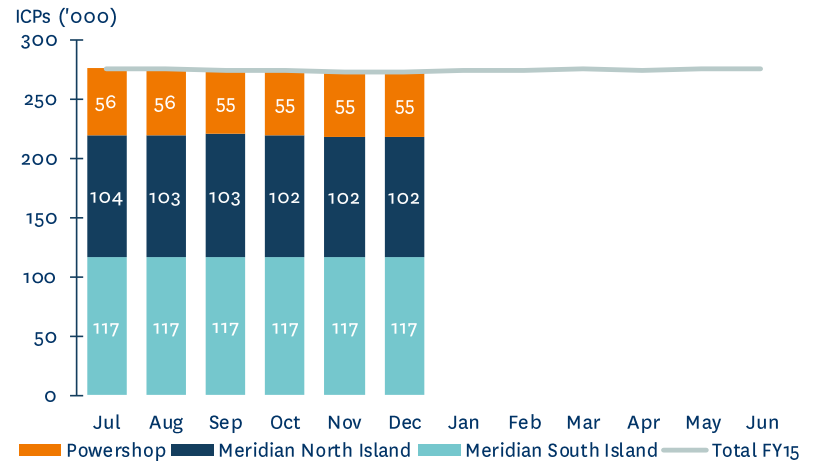


*price received for Meridian's physical generation

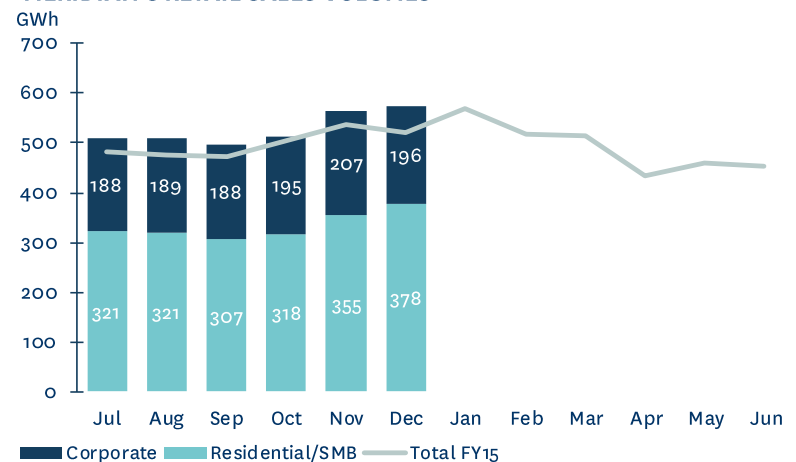
Meridian operating information

- Meridian's New Zealand customer connection numbers were largely unchanged during December 2015
- Retail sales volumes in December 2015 increased by 10.2% compared to December 2014
- Compared to December 2014, residential/SMB sales volumes increased by 12.5% (including higher irrigation volumes) and corporate sales volumes increased by 6.0%
- To date this financial year Meridian's retail sales volumes are 5.7% higher than the same period last year
- This reflects a 6.4% increase in residential/SMB sales volumes and a 4.5% increase in corporate sales volumes

MERIDIAN'S NEW ZEALAND CUSTOMER CONNECTIONS



MERIDIAN'S RETAIL SALES VOLUMES*



Meridian operating information

	December 2015 month	December 2014 month	November 2015 month	October 2015 month	6 months to December 2015	6 months to December 2014
New Zealand Contracted Sales¹						
Retail contracted sales volume (GWh)	574	521	563	513	3,164	2,993
Average retail contracted sales price (\$/MWh)	\$88.2	\$87.6	\$94.9	\$96.1	\$104.6	\$101.9
NZAS sales volume (GWh)	426	426	412	426	2,525	2,525
Sell side derivative volumes ² (GWh)	49	61	102	114	676	606
Wholesale contracted sales average price (\$/MWh)	\$50.4	\$50.4	\$51.7	\$50.2	\$51.0	\$50.6
Total New Zealand customer connections ³	274,101	273,572	274,146	275,048		
Powershop Australia customer connections ⁴	63,763	28,353	<i>not disclosed</i>	<i>not disclosed</i>		
New Zealand Generation						
Hydro generation volume (GWh)	1,013	979	1,033	1,006	6,087	6,163
Wind generation volume (GWh)	108	113	135	157	771	739
Total generation volume (GWh)	1,121	1,092	1,168	1,163	6,858	6,902
Average generation price ⁵ (\$/MWh)	\$66.3	\$78.9	\$62.1	\$54.5	\$57.1	\$64.2
Acquired generation volume ⁶ (GWh)	105	51	94	133	668	530
Cost of acquired generation (\$/MWh)	\$70.8	\$79.4	\$70.5	\$62.0	\$75.3	\$83.8
Acquired generation revenue average price (\$/MWh)	\$72.3	\$87.1	\$66.6	\$56.6	\$58.6	\$63.2
Future contract close outs (\$m)	(\$0.2)	(\$0.3)	(\$0.2)	(\$0.1)	(\$1.8)	(\$6.6)
Contracted sales supply volume (GWh)	1,086	1,037	1,096	1,090	6,534	6,302
Cost to supply contracted sales (\$/MWh)	\$70.7	\$84.0	\$69.0	\$57.9	\$61.0	\$69.1

1. Contracted sales volumes and volume weighted average price received from contracted customers less distribution costs

2. Excludes the sell-side of virtual asset swaps

3. Meridian Retail and Powershop New Zealand installation control points (ICPs), excluding vacants

4. Financially responsible market participants, excluding vacants

5. Volume weighted average price received for Meridian's physical generation

6. Excludes the buy-side of virtual asset swaps

MERIDIAN ENERGY LIMITED Monthly operating report for December 2015

Meridian operating information

	Jul 2015	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	Jun 2016
New Zealand Contracted Sales												
Retail contracted sales volume (GWh)	509	510	495	513	563	574						
Average retail contracted sales price (\$/MWh)	\$120.9	\$119.3	\$111.5	\$96.1	\$94.9	\$88.2						
NZAS sales volume (GWh)	426	426	411	426	412	426						
Sell side derivative volumes (GWh)	140	158	113	114	102	49						
Wholesale contracted sales average price (\$/MWh)	\$50.7	\$51.4	\$51.6	\$50.2	\$51.7	\$50.4						
Total New Zealand customer connections	276,366	275,479	275,875	275,048	274,146	274,101						
Powershop Australia customer connections	not disclosed	not disclosed	55,993	not disclosed	not disclosed	63,763						
New Zealand Generation												
Hydro generation volume (GWh)	1,060	1,021	954	1,006	1,033	1,013						
Wind generation volume (GWh)	123	124	124	157	135	108						
Total generation volume (GWh)	1,183	1,145	1,078	1,163	1,168	1,121						
Average generation price (\$/MWh)	\$49.7	\$52.2	\$58.0	\$54.5	\$62.1	\$66.3						
Acquired generation volume (GWh)	144	97	95	133	94	105						
Cost of acquired generation (\$/MWh)	\$82.2	\$84.7	\$83.6	\$62.0	\$70.5	\$70.8						
Acquired generation revenue average price (\$/MWh)	\$50.4	\$52.4	\$56.6	\$56.6	\$66.6	\$72.3						
Future contract close outs (\$m)	(\$0.1)	(\$0.9)	(\$0.1)	(\$0.1)	(\$0.2)	(\$0.2)						
Contracted sales supply volume (GWh)	1,093	1,120	1,050	1,090	1,096	1,086						
Cost to supply contracted sales (\$/MWh)	\$52.6	\$55.5	\$60.4	\$57.9	\$69.0	\$70.7						

Meridian operating information

	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015
New Zealand Contracted Sales												
Retail contracted sales volume (GWh)	481	475	474	505	538	521	568	519	514	434	460	479
Average retail contracted sales price (\$/MWh)	\$117.3	\$113.0	\$107.3	\$95.6	\$93.4	\$87.6	\$91.5	\$92.7	\$94.6	\$110.4	\$117.0	\$122.9
NZAS sales volume (GWh)	426	426	411	426	412	426	426	384	426	412	426	412
Sell side derivative volumes (GWh)	95	170	125	87	69	61	74	50	49	11	209	100
Wholesale contracted sales average price (\$/MWh)	\$50.2	\$50.7	\$50.7	\$50.4	\$51.0	\$50.4	\$53.6	\$53.6	\$52.1	\$49.8	\$49.0	\$51.0
Total New Zealand customer connections	276,413	275,410	274,821	274,319	273,970	273,572	274,052	274,673	275,488	274,881	275,360	276,446
Powershop Australia customer connections	not disclosed	not disclosed	21,776	not disclosed	not disclosed	28,353	not disclosed	not disclosed	35,138	not disclosed	not disclosed	48,208
New Zealand Generation												
Hydro generation volume (GWh)	1,095	1,141	1,046	1,010	894	979	1,020	907	977	745	1,057	1,043
Wind generation volume (GWh)	106	108	124	134	153	113	95	102	95	121	132	136
Total generation volume (GWh)	1,201	1,249	1,170	1,144	1,047	1,092	1,115	1,009	1,072	865	1,189	1,179
Average generation price (\$/MWh)	\$54.0	\$62.4	\$58.5	\$64.2	\$69.2	\$78.9	\$96.4	\$87.4	\$81.0	\$87.1	\$45.6	\$45.7
Acquired generation volume (GWh)	142	120	114	48	56	51	39	59	40	114	194	77
Cost of acquired generation (\$/MWh)	\$87.6	\$84.8	\$86.3	\$77.5	\$76.5	\$79.4	\$79.1	\$85.2	\$80.1	\$86.6	\$60.6	\$91.7
Acquired generation revenue average price (\$/MWh)	\$54.4	\$65.0	\$54.4	\$67.3	\$74.4	\$87.1	\$99.9	\$92.2	\$79.9	\$81.3	\$47.9	\$48.3
Future contract close outs (\$m)	(\$2.4)	(\$2.1)	(\$0.9)	(\$0.7)	(\$0.2)	(\$0.3)	(\$2.1)	(\$0.7)	(\$1.5)	(\$1.6)	(\$1.8)	(\$0.5)
Contracted sales supply volume (GWh)	1,022	1,083	1,053	1,060	1,046	1,037	1,110	984	1,001	866	1,132	1,024
Cost to supply contracted sales (\$/MWh)	\$57.9	\$70.7	\$60.4	\$68.2	\$73.2	\$84.0	\$100.8	\$91.0	\$83.2	\$91.2	\$48.7	\$48.7

Meridian operating information

	Jul 2013	Aug 2013	Sep 2013	Oct 2013	Nov 2013	Dec 2013	Jan 2014	Feb 2014	Mar 2014	Apr 2014	May 2014	Jun 2014
New Zealand Contracted Sales												
Retail contracted sales volume (GWh)	479	470	463	448	509	516	492	498	482	479	462	455
Average retail contracted sales price (\$/MWh)	\$114.7	\$120.8	\$109.1	\$97.8	\$91.7	\$85.6	\$98.4	\$92.2	\$91.9	\$112.1	\$116.0	\$118.4
NZAS sales volume (GWh)	426	426	411	426	412	426	426	384	426	412	426	412
Sell side derivative volumes (GWh)	38	29	36	82	129	122	97	88	80	53	57	88
Wholesale contracted sales average price (\$/MWh)	\$52.6	\$50.4	\$51.4	\$49.3	\$47.7	\$48.5	\$51.4	\$52.1	\$51.1	\$54.7	\$54.6	\$55.2
Total New Zealand customer connections	272,972	272,638	275,303	275,870	276,403	276,564	277,059	277,226	277,404	277,810	277,412	276,708
Powershop Australia customer connections	not disclosed	not disclosed	529	not disclosed	not disclosed	1,106	not disclosed	not disclosed	5,879	not disclosed	not disclosed	13,426
New Zealand Generation												
Hydro generation volume (GWh)	989	954	892	953	1,059	1,145	1,200	1,056	907	785	915	1,049
Wind generation volume (GWh)	127	98	117	132	86	99	113	86	90	93	103	100
Total generation volume (GWh)	1,116	1,052	1,009	1,085	1,145	1,244	1,313	1,142	997	878	1,018	1,149
Average generation price (\$/MWh)	\$48.6	\$45.2	\$52.3	\$25.4	\$25.5	\$42.5	\$57.1	\$113.5	\$122.9	\$100.9	\$55.1	\$48.0
Acquired generation volume (GWh)	157	158	119	82	77	71	28	21	123	165	146	121
Cost of acquired generation (\$/MWh)	\$87.5	\$86.6	\$83.7	\$76.7	\$68.7	\$83.7	\$83.0	\$86.4	\$87.3	\$90.1	\$89.2	\$90.4
Acquired generation revenue average price (\$/MWh)	\$52.9	\$55.0	\$60.3	\$40.0	\$61.1	\$49.4	\$104.4	\$72.3	\$116.4	\$90.3	\$59.2	\$49.0
Future contract close outs (\$m)	(\$2.4)	(\$1.0)	(\$1.6)	(\$0.3)	(\$0.2)	(\$0.1)	(\$0.3)	(\$0.9)	(\$0.8)	(\$0.1)	(\$0.9)	(\$2.1)
Contracted sales supply volume (GWh)	958	933	921	963	1,078	1,089	1,064	980	1,045	968	967	991
Cost to supply contracted sales (\$/MWh)	\$50.0	\$50.3	\$56.5	\$28.2	\$28.5	\$46.9	\$59.1	\$122.0	\$125.1	\$103.8	\$58.6	\$51.1

Glossary

Acquired generation volumes	buy-side electricity derivatives excluding the buy-side of virtual asset swaps
Average generation price	the volume weighted average price received for Meridian's physical generation
Average retail contracted sales price	volume weighted average electricity price received from retail customers, less distribution costs
Average wholesale contracted sales price	volume weighted average electricity price received from wholesale customers, including NZAS
Combined catchment inflows	combined water inflows into Meridian's Waitaki and Waiau hydro storage lakes
Cost of acquired generation	volume weighted average price Meridian pays for derivatives acquired to supplement generation
Cost to supply contracted sales	volume weighted average price Meridian pays to supply contracted customer sales
Contracts for Difference (CFDs)	an agreement between parties to pay the difference between the wholesale electricity price and an agreed fixed price for a specified volume of electricity. CFDs do not result in the physical supply of electricity
Customer connections (NZ)	number of installation control points, excluding vacants
FRMP	financially responsible market participant
GWh	gigawatt hour. Enough electricity for 125 average New Zealand households for one year
Historic average inflows	the historic average combined water inflows into Meridian's Waitaki and Waiau hydro storage lakes over the last 81 years
Historic average storage	the historic average level of storage in Meridian's Waitaki catchment since 1979
HVDC	high voltage direct current link between the North and South Islands of New Zealand
ICP	New Zealand installation control points, excluding vacants
ICP switching	the number of installation control points changing retailer supplier in New Zealand, recorded in the month the switch was initiated
MWh	megawatt hour. Enough electricity for one average New Zealand household for 46 days
National demand	Transpower's Daily Demand reporting, adjusted for embedded generation from Meridian's Te Uku, White Hill and Mill Creek wind farms
NZAS	New Zealand Aluminium Smelters Limited
Retail sales volumes	contract sales volumes to retail customers, including both non half hourly and half hourly metered customers
Sell side derivatives	sell-side electricity derivatives excluding the sell-side of virtual asset swaps
Virtual Asset Swaps (VAS)	CFDs Meridian has with Genesis Energy and Mightly River Power. They do not result in the physical supply of electricity