



meridian

Better energy future



November highlights



In the month to 8 December 2015, national hydro storage increased from 97% to 111% of historical average

South Island storage sat at 110% of average and North Island storage at 115% of average on 8 December 2015



Meridian's November 2015 monthly inflows were 89% of historical average

Meridian's Waitaki catchment decreased from 121% to 104% of historical average by the end of November 2015

2019 futures fell during November 2015, now sitting around 2018 prices



National electricity demand in November 2015 was 0.9% lower than the same month last year

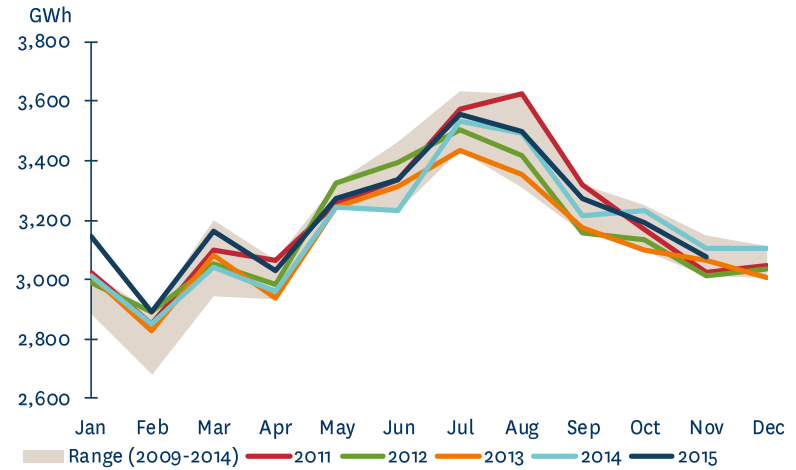
Demand in the last 12 months is 1.6% higher than the preceding 12 months

Meridian's retail sales volumes in November 2015 increased by 4.6% compared to November 2014

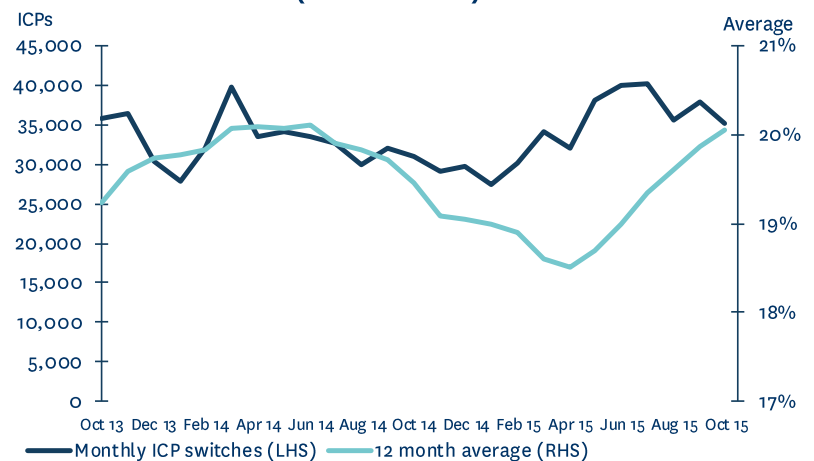
Market data

- National electricity demand in November 2015 was 0.9% lower than the same month last year
- Demand in the 2015 calendar year is 1.5% higher than the same 11 month period last year
- Demand in the last 12 months is 1.6% higher than the preceding 12 months
- New Zealand Aluminium Smelter's average load was at the 572MW base quantity of the NZAS agreement during November 2015
- The number of switches for all retailers in October 2015 was 6.8% lower than the previous month and 13.9% higher than October 2014
- The 12 month average switching rate for all retailers was 20.1% at the end of October 2015

NATIONAL DEMAND



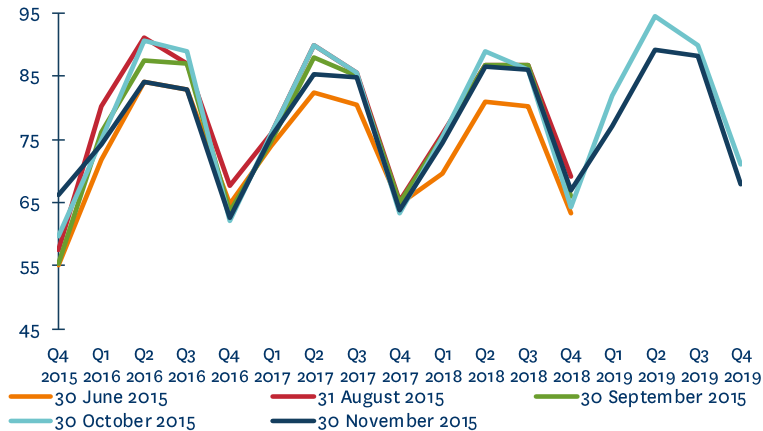
MARKET ICP SWITCHING (ALL RETAILERS)



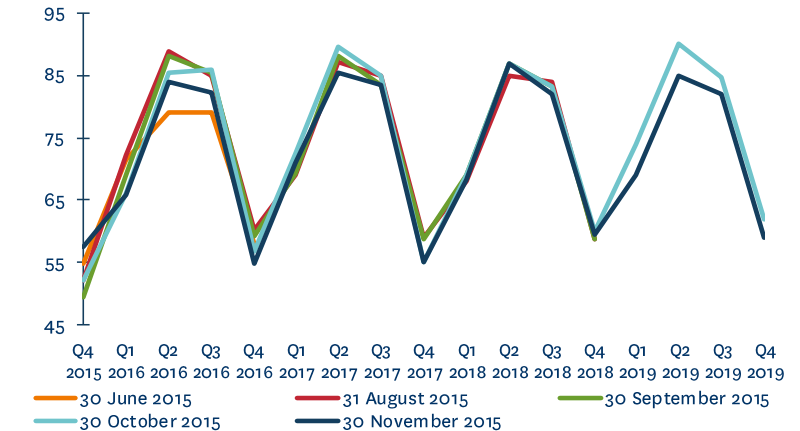
Market data

OTAHUHU ASX FUTURES SETTLEMENT PRICE

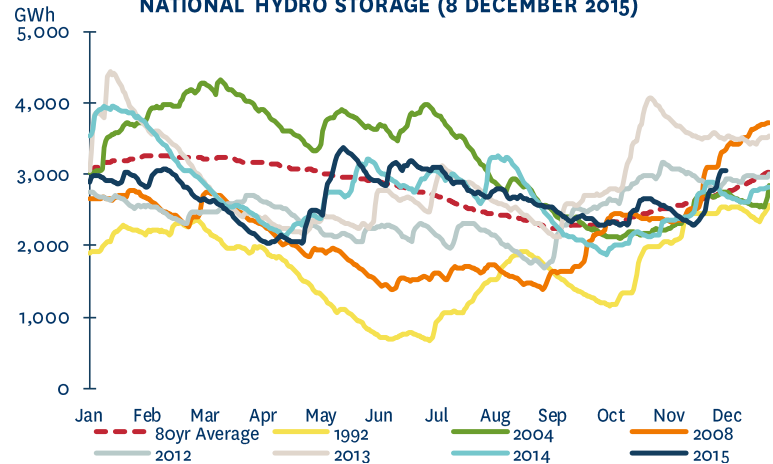
\$/MWh


BENMORE ASX FUTURES SETTLEMENT PRICE

\$/MWh



- 2019 futures fell during November 2015, now sitting at or only slightly above 2018 prices
- National storage increased from 97% of the 80 year average on 10 November 2015 to 111% of average by 8 December 2015
- South Island storage increased to 110% of historical average by 8 December 2015. North Island storage increased to 115% of average

NATIONAL HYDRO STORAGE (8 DECEMBER 2015)


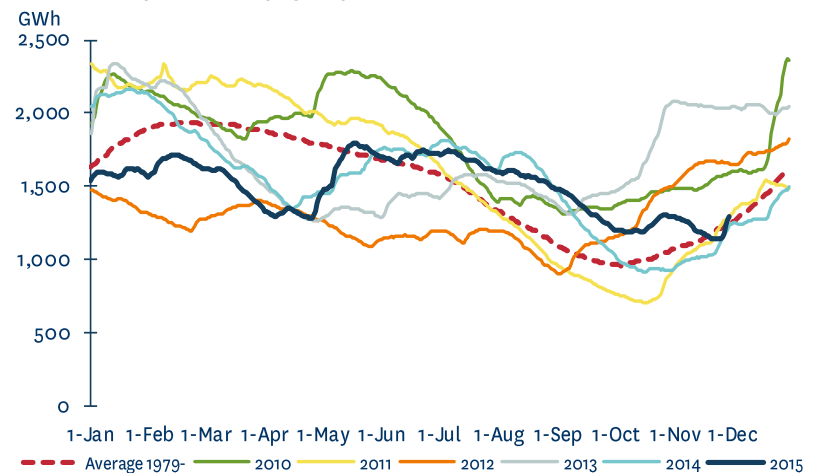
Meridian operating information

- November 2015 monthly inflows were 89% of historical average
- Meridian's Waitaki catchment storage moved from 1,292GWh to 1,296GWh during November 2015
- Waitaki storage at the end of November 2015 was 104% of historical average, compared with the position a month earlier, where storage was at 121% of historical average
- Waitaki storage at the end of November 2015 was 5% higher than the same time last year
- Storage in Meridian's Waiau catchment also rose during November 2015

MERIDIAN'S COMBINED CATCHMENT INFLOWS



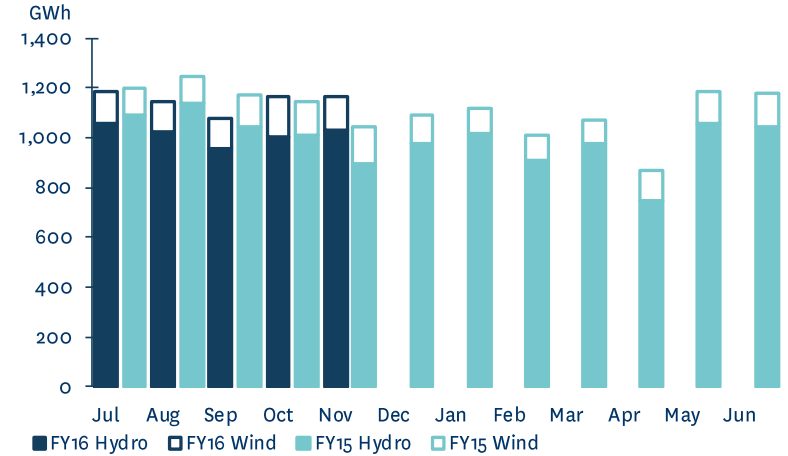
MERIDIAN'S WAITAKI STORAGE



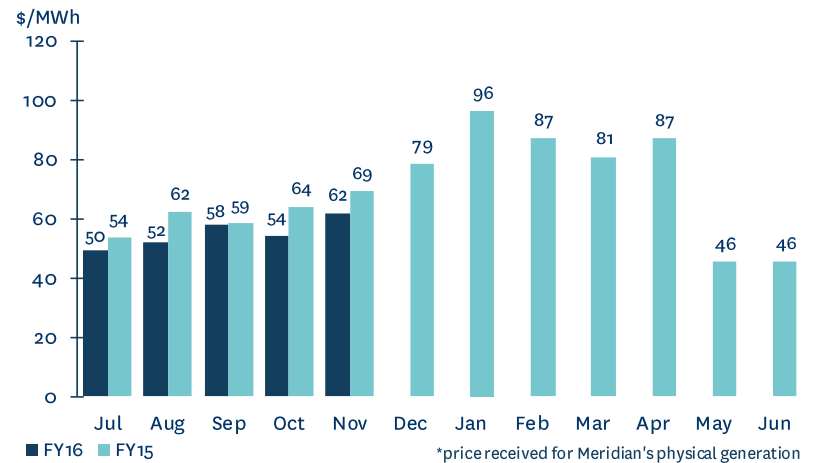
Meridian operating information

- Meridian's New Zealand generation in November 2015 was 11.6% higher than the same month last year
- This reflected higher hydro generation and lower wind generation
- To date this financial year Meridian's New Zealand generation is 1.2% lower than the same period last year
- The average price Meridian received for its generation in November 2015 was 10.3% lower than the same month last year
- The average price Meridian paid to supply contracted sales in November 2015 was 5.7% lower than the same month last year
- To date this financial year, the average price Meridian has received for its generation is 10.1% lower than the same period last year

MERIDIAN'S NEW ZEALAND GENERATION



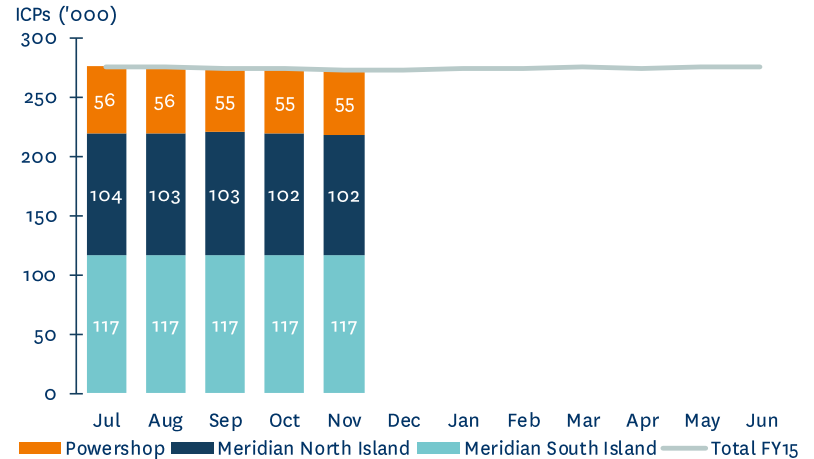
MERIDIAN'S AVERAGE GENERATION PRICE*



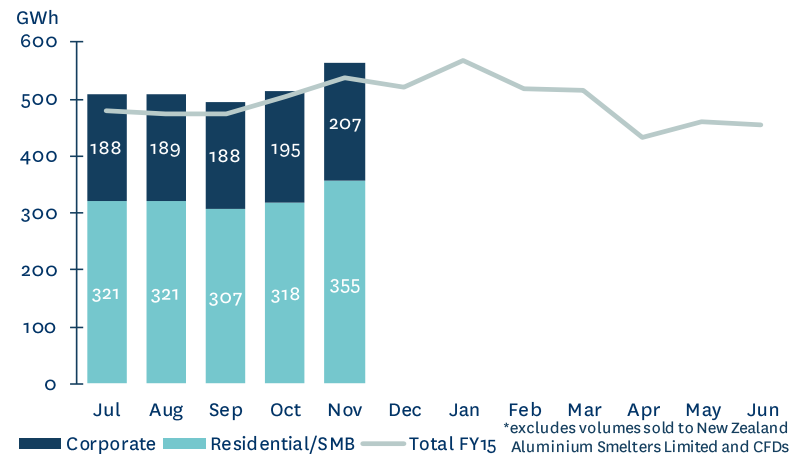
Meridian operating information

- Meridian's New Zealand customer connection numbers decreased 0.3% during November 2015
- Retail sales volumes in November 2015 increased by 4.6% compared to November 2014
- Compared to November 2014, residential/SMB sales volumes increased by 6.1% and corporate sales volumes increased by 2.0%
- To date this financial year Meridian's retail sales volumes are 4.7% higher than the same period last year
- This reflects a 5.1% increase in residential/SMB sales volumes and a 4.1% increase in corporate sales volumes

MERIDIAN'S NEW ZEALAND CUSTOMER CONNECTIONS



MERIDIAN'S RETAIL SALES VOLUMES*



Meridian operating information

	November 2015 month	November 2014 month	October 2015 month	September 2015 month	5 months to November 2015	5 months to November 2014
New Zealand Contracted Sales¹						
Retail contracted sales volume (GWh)	563	538	513	495	2,590	2,473
Average retail contracted sales price (\$/MWh)	\$94.9	\$93.4	\$96.1	\$111.5	\$108.2	\$104.9
NZAS sales volume (GWh)	412	412	426	411	2,100	2,100
Sell side derivative volumes ² (GWh)	102	69	114	113	627	545
Wholesale contracted sales average price (\$/MWh)	\$51.7	\$51.0	\$50.2	\$51.6	\$51.1	\$50.6
Total New Zealand customer connections ³	274,146	273,970	275,048	275,875		
Powershop Australia customer connections ⁴	<i>not disclosed</i>	<i>not disclosed</i>	<i>not disclosed</i>	55,993		
New Zealand Generation						
Hydro generation volume (GWh)	1,033	894	1,006	954	5,074	5,184
Wind generation volume (GWh)	135	153	157	124	663	626
Total generation volume (GWh)	1,168	1,047	1,163	1,078	5,737	5,810
Average generation price ⁵ (\$/MWh)	\$62.1	\$69.2	\$54.5	\$58.0	\$55.3	\$61.5
Acquired generation volume ⁶ (GWh)	94	56	133	95	563	479
Cost of acquired generation (\$/MWh)	\$70.5	\$76.5	\$62.0	\$83.6	\$76.1	\$84.3
Acquired generation revenue average price (\$/MWh)	\$66.6	\$74.4	\$56.6	\$56.6	\$56.0	\$60.7
Future contract close outs (\$m)	(\$0.2)	(\$0.2)	(\$0.1)	(\$0.1)	(\$1.5)	(\$6.3)
Contracted sales supply volume (GWh)	1,096	1,046	1,090	1,050	5,448	5,265
Cost to supply contracted sales (\$/MWh)	\$69.0	\$73.2	\$57.9	\$60.4	\$59.1	\$66.1

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 November 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							
Average retail contracted sales price (\$/MWh)	\$120.9	\$119.3	\$111.5	\$96.1	\$94.9							
NZAS sales volume (GWh)	426	426	411	426	412							
Sell side derivative volumes (GWh)	140	158	113	114	102							
Wholesale contracted sales average price (\$/MWh)	\$50.7	\$51.4	\$51.6	\$50.2	\$51.7							
Total New Zealand customer connections	276,366	275,479	275,875	275,048	274,146							
Powershop Australia customer connections	not disclosed	not disclosed	55,993	not disclosed	not disclosed							
New Zealand Generation												
Hydro generation volume (GWh)	1,060	1,021	954	1,006	1,033							
Wind generation volume (GWh)	123	124	124	157	135							
Total generation volume (GWh)	1,183	1,145	1,078	1,163	1,168							
Average generation price (\$/MWh)	\$49.7	\$52.2	\$58.0	\$54.5	\$62.1							
Acquired generation volume (GWh)	144	97	95	133	94							
Cost of acquired generation (\$/MWh)	\$82.2	\$84.7	\$83.6	\$62.0	\$70.5							
Acquired generation revenue average price (\$/MWh)	\$50.4	\$52.4	\$56.6	\$56.6	\$66.6							
Future contract close outs (\$m)	(\$0.1)	(\$0.9)	(\$0.1)	(\$0.1)	(\$0.2)							
Contracted sales supply volume (GWh)	1,093	1,120	1,050	1,090	1,096							
Cost to supply contracted sales (\$/MWh)	\$52.6	\$55.5	\$60.4	\$57.9	\$69.0							

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