



meridian

March 2019

MERIDIAN ENERGY LIMITED
MONTHLY OPERATING REPORT



FTSE4Good

MEMBER OF

Dow Jones
Sustainability Indices

In Collaboration with RobecoSAM

MARCH HIGHLIGHTS

In the month to 5 April 2019, national hydro storage increased from 81% to 105% of historical average

South Island storage sat at 109% of average and North Island storage at 67% of average on 5 April 2019

Meridian's March 2019 monthly total inflows were 136% of historical average

Meridian's Waitaki catchment storage at the end of March 2019 was 107% of historical average

Storage in Meridian's Waiau catchment was above average at the end of March 2019

National electricity demand in March 2019 was 3.6% higher than the same month last year

Meridian made calls on load under the Genesis Swaption in March and early April 2019

March 2019 was New Zealand's second equal warmest March on record. It was a dry month for many locations, although extremely heavy rainfall occurred in the western South Island on March 25-27. Drier than normal soils were present across large parts of the country at the end of March

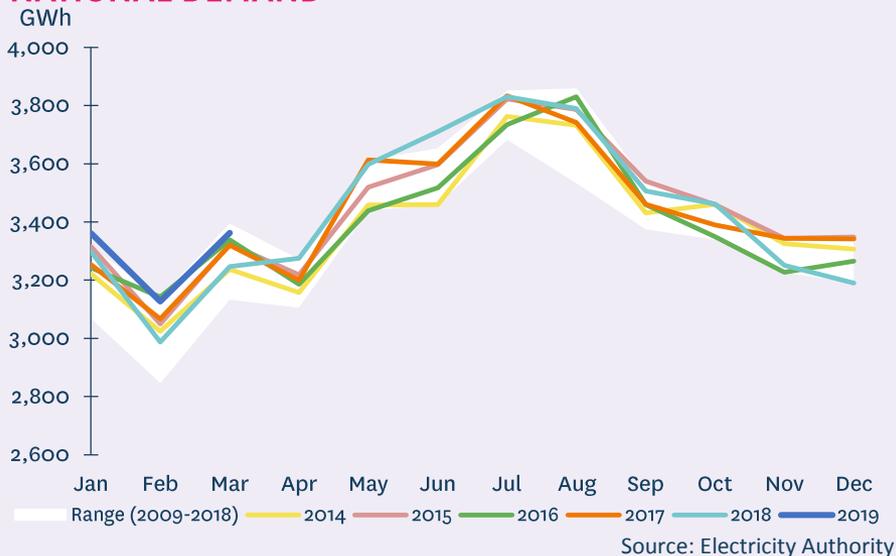
New Zealand Aluminium Smelter's load during March 2019 was below the contract level of 622MW

Meridian's retail sales volumes in March 2019 were 21.4% higher than March 2018

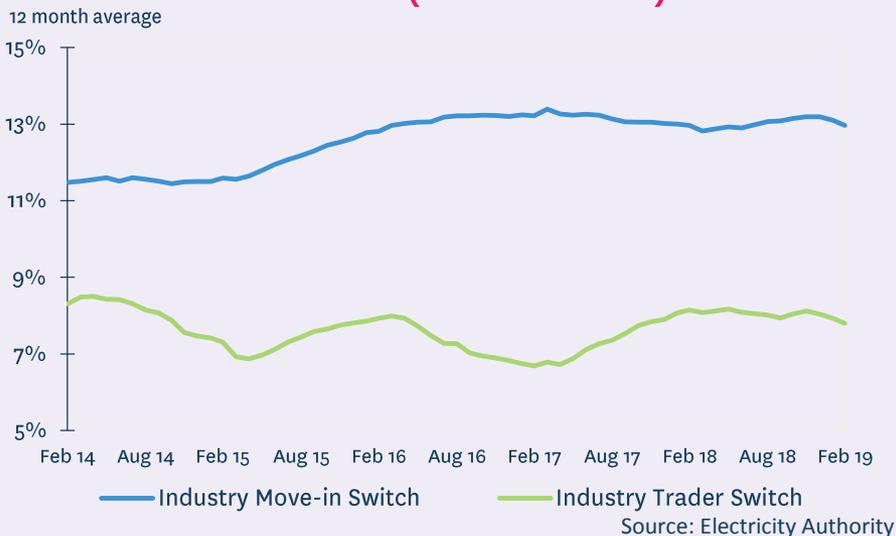
MARKET DATA

- National electricity demand in March 2019 was 3.6% higher than the same month last year
- March 2019 was New Zealand’s second equal warmest March on record. It was a dry month for many locations, although extremely heavy rainfall occurred in the western South Island on March 25-27. Drier than normal soils were present across large parts of the country at the end of March
- Demand in the last 12 months was 1.0% higher than the preceding 12 months
- New Zealand Aluminium Smelter's load during March 2019 was below the contract level of 622MW
- 12-month average switching rate of customers changing retailers but not moving (“trader” switch) was 7.8% at the end of February 2019
- 12-month average switching rate of customers moving and changing retailers (“move-in” switch) was 13.0% at the end of February 2019

NATIONAL DEMAND



MARKET ICP SWITCHING (ALL RETAILERS)



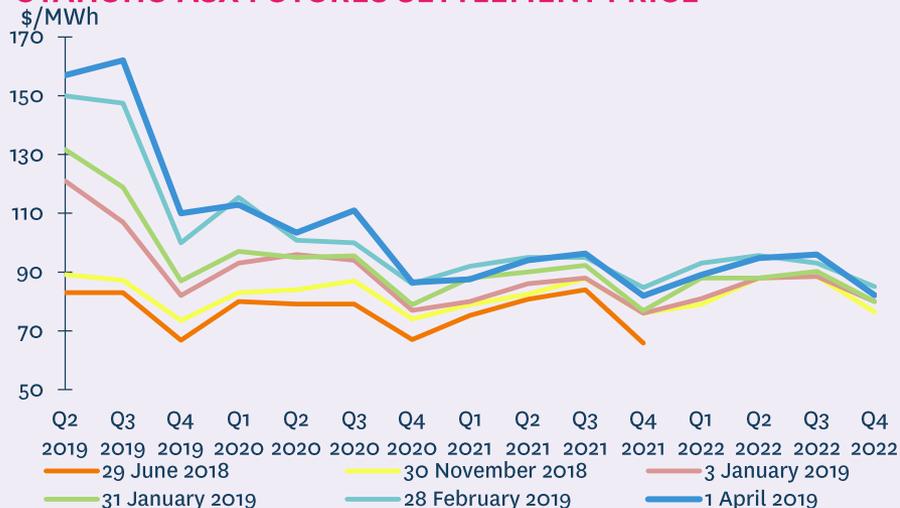
MARKET DATA

- March 2019 saw ASX prices remain elevated as attention continues to fall on the work programme at the Pohokura gas field
- National storage increased from 81% of average on 12 March 2019 to 105% of average on 5 April 2019
- South Island storage increased to 109% of historical average on 12 March 2019. North Island storage decreased to 67% of average

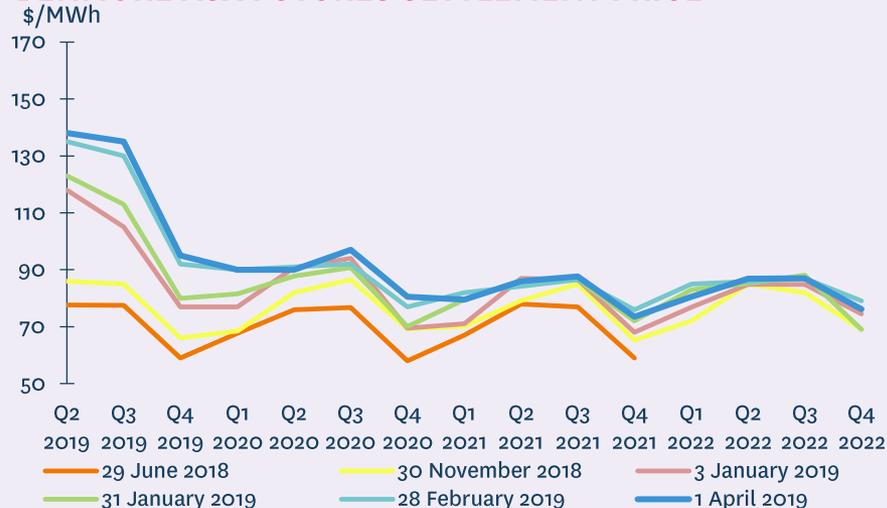
NATIONAL HYDRO STORAGE (05 April 2019)



OTAHUHU ASX FUTURES SETTLEMENT PRICE



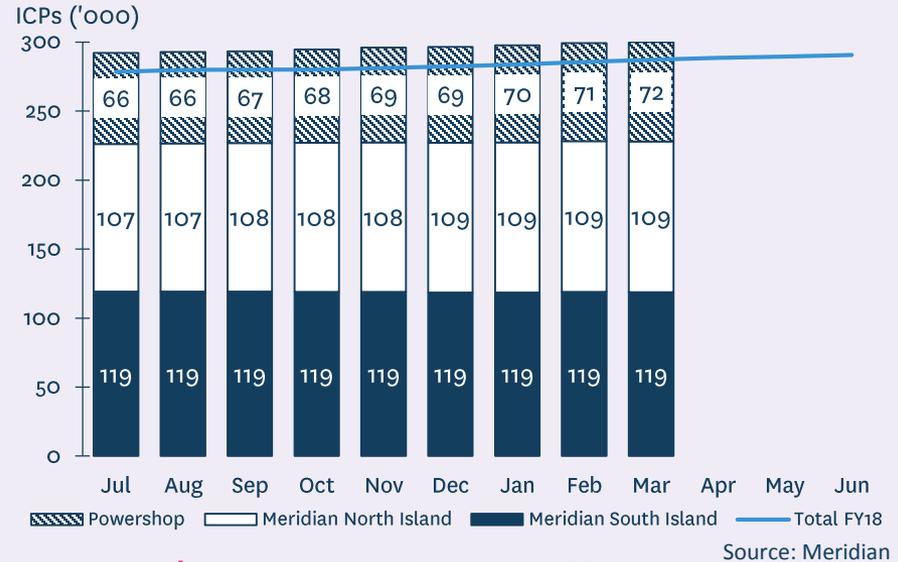
BENMORE ASX FUTURES SETTLEMENT PRICE



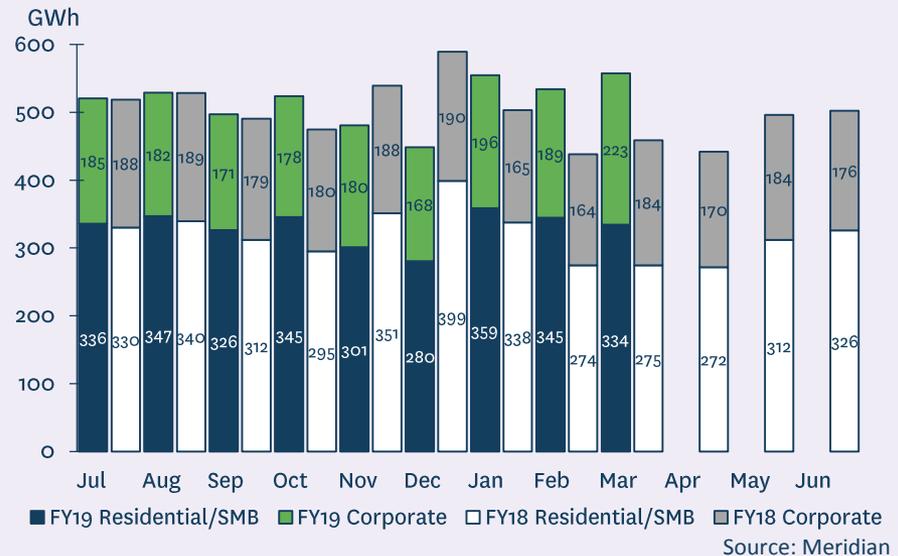
OPERATING INFORMATION

- Meridian's New Zealand customer connection numbers rose 0.2% during March 2019 and have risen 3.1% since June 2018
- Retail sales volumes in March 2019 were 21.4% higher than March 2018
- Compared to March 2018, residential/SMB sales volumes increased by 21.7% (higher volumes in all segments but mainly irrigation volumes) and corporate sales volumes increased by 21.0%
- To date this financial year, retail sales volumes are 2.3% higher than same period last year
- This reflects a 2.1% increase in residential/SMB sales volumes and a 2.7% increase in corporate sales volumes

MERIDIAN'S NZ CUSTOMER CONNECTIONS



MERIDIAN'S RETAIL SALES VOLUMES*

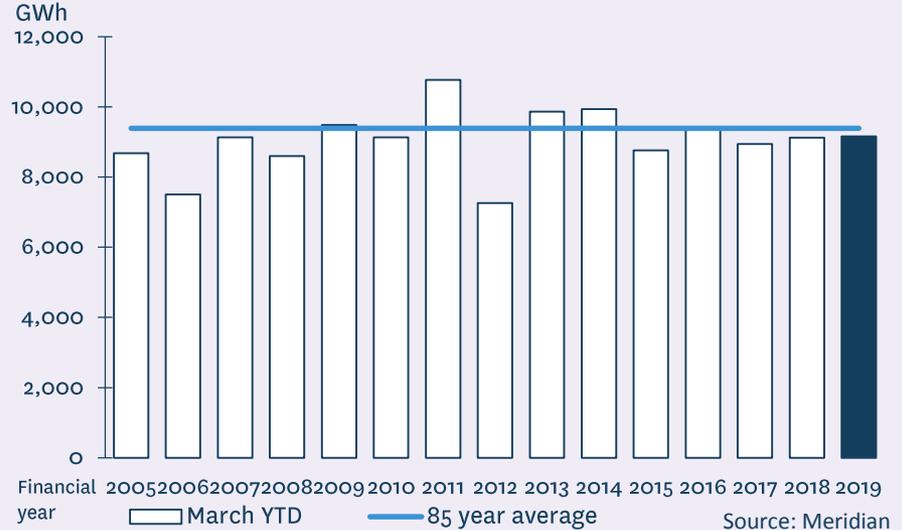


*excludes volumes sold to New Zealand Aluminium Smelters and CFDs

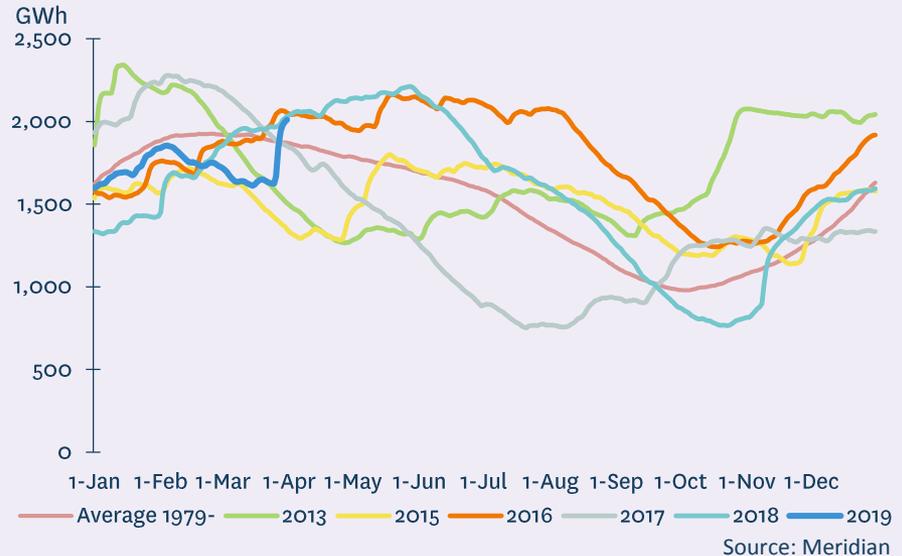
OPERATING INFORMATION

- March 2019 monthly inflows were 136% of historical average
- To date this financial year, inflows are 98% of historical average
- Meridian's Waitaki catchment storage moved from 1,733GWh to 2,010GWh during March 2019
- Waitaki storage at the end of March 2019 was 107% of historical average and 1% lower than the same time last year
- Storage in Meridian's Waiau catchment was above average at the end of March 2019

MERIDIAN'S COMBINED CATCHMENT INFLOWS



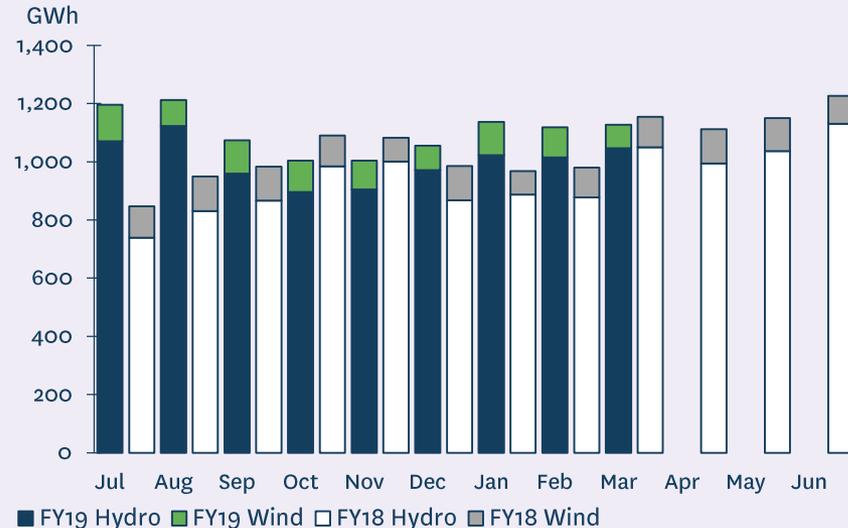
MERIDIAN'S WAITAKI STORAGE



OPERATING INFORMATION

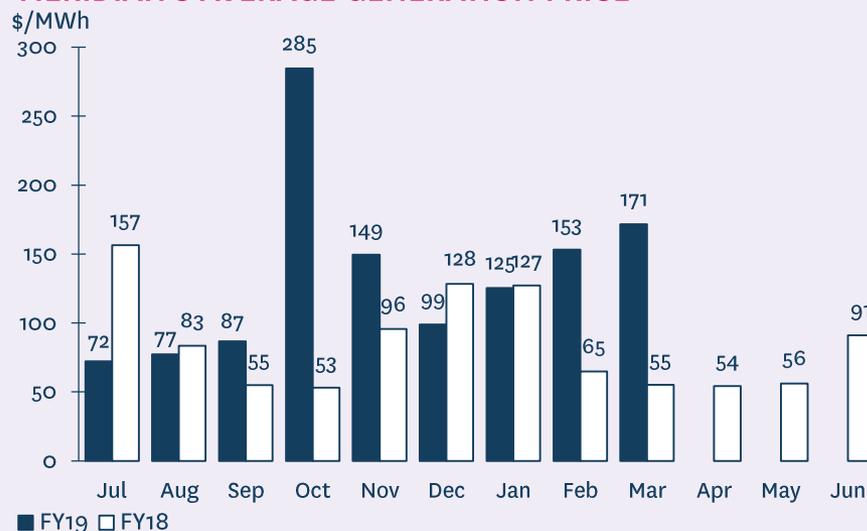
- Meridian's New Zealand generation in March 2019 was 2.3% lower than the same month last year, reflecting lower hydro generation and wind generation
- To date this financial year, Meridian's New Zealand generation is 9.8% higher than the same period last year, reflecting higher hydro generation and lower wind generation
- The average price Meridian received for its generation in March 2019 was 210.5% higher than the same month last year
- The average price Meridian paid to supply contracted sales in March 2019 was 194.0% higher than the same month last year
- To date this financial year, the average price Meridian received for its generation is 49.5% higher than the same period last year and the average price paid to supply contracted sales is 51.6% higher

MERIDIAN'S NEW ZEALAND GENERATION



Source: Meridian

MERIDIAN'S AVERAGE GENERATION PRICE*



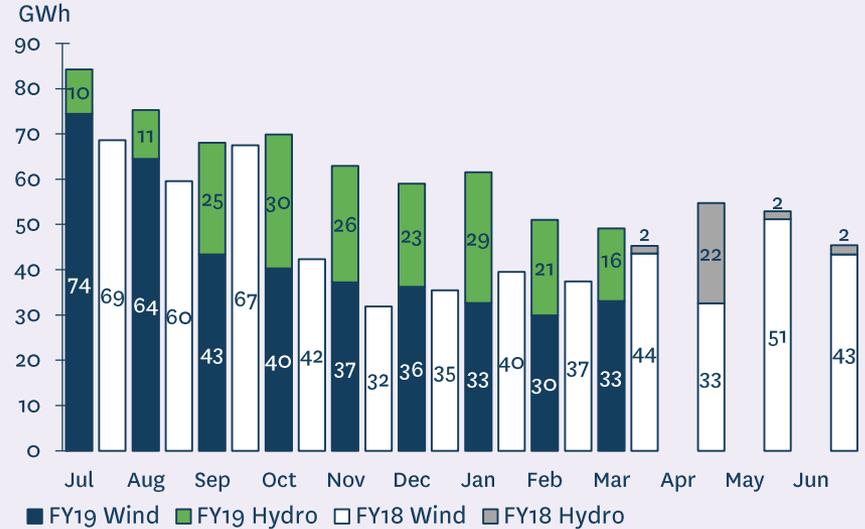
Source: Meridian

*price received for Meridian's physical generation

OPERATING INFORMATION

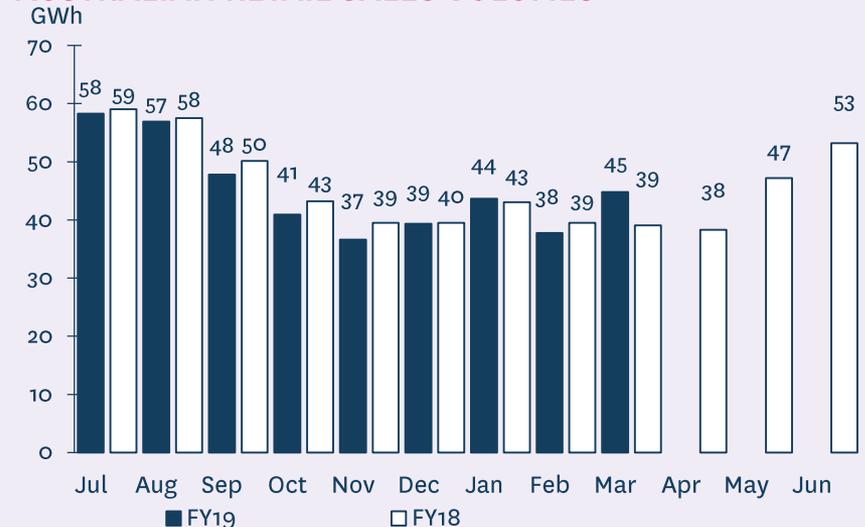
- Meridian's Australian generation in March 2019 was 12.7% higher than the same month last year
- To date this financial year, Australian generation is 36.4% higher than the same period last year
- Australian retail electricity sales volumes in March 2019 were 14.7% higher than the same month last year
- To date this financial year, Australian retail electricity sales volumes are 1.1% lower than the same period last year

MERIDIAN'S AUSTRALIAN GENERATION



Source: Meridian

AUSTRALIAN RETAIL SALES VOLUMES



Source: Meridian

OPERATING INFORMATION

See following page for Australia operating information and all footnotes

	MARCH 2019 MONTH	MARCH 2018 MONTH	FEBRUARY 2019 MONTH	JANUARY 2019 MONTH	9 MONTHS TO MARCH 2019	9 MONTHS TO MARCH 2018
New Zealand contracted sales¹						
Retail contracted sales volume (GWh)	557	459	534	555	4,645	4,541
Average retail contracted sales price (\$/MWh)	\$101.3	\$100.2	\$102.0	\$98.2	\$102.8	\$102.9
NZAS sales volume (GWh)	463	426	418	463	3,951	3,761
Sell side derivative volumes ² (GWh)	187	294	196	157	1,774	1,483
Wholesale contracted sales average price ³ (\$/MWh)	\$80.3	\$58.7	\$80.6	\$69.4	\$68.7	\$59.1
Total New Zealand customer connections ⁴	299,905	287,167	299,351	297,621		
New Zealand generation						
Hydro generation volumes (GWh)	1,046	1,049	1,015	1,022	9,009	8,104
Wind generation volumes (GWh)	81	105	104	116	921	936
Total generation volumes (GWh)	1,128	1,154	1,119	1,138	9,930	9,040
Average generation price ⁵ (\$/MWh)	\$171.5	\$55.2	\$153.1	\$125.3	\$132.9	\$88.9
Acquired generation volume ⁶ (GWh)	186	152	142	155	1,533	1,729
Cost of acquired generation (\$/MWh)	\$71.2	\$63.6	\$66.6	\$69.3	\$68.4	\$68.8
Acquired generation revenue average price (\$/MWh)	\$168.4	\$59.8	\$157.7	\$127.7	\$145.7	\$93.0
Future contract close outs (\$M)	-\$2.8	\$0.0	-\$0.7	-\$0.4	-\$6.5	-\$3.3
Contracted sales supply volumes (GWh)	1,237	1,205	1,186	1,201	10,626	10,019
Cost to supply contracted sales (\$/MWh)	\$175.9	\$59.8	\$162.9	\$133.3	\$142.3	\$93.9

OPERATING INFORMATION

	MARCH 2019 MONTH	MARCH 2018 MONTH	FEBRUARY 2019 MONTH	JANUARY 2019 MONTH	9 MONTHS TO MARCH 2019	9 MONTHS TO MARCH 2018
Australia						
Wind generation volumes (GWh)	33	44	30	33	392	426
Hydro generation volumes (GWh)	16	2	21	29	189	2
Retail contracted electricity sales volume (GWh)	45	39	38	44	406	411
Retail contracted gas sales volume (TJ)	13	-	9	9	173	-
Powershop electricity customer connections ⁷	104,450	97,522	102,730	101,020		
Powershop gas customer connections ⁸	18,225	-	16,751	14,309		

Note: Powershop Australia electricity customer connection numbers now exclude vacants

Footnotes

1. Contracted sales volumes and volume weighted average price received from contracted customers less distribution costs
2. Derivatives sold excluding the sell-side of virtual asset swaps
3. Average price of both NZAS sales volume and sell side derivative volumes
4. Meridian Retail and Powershop New Zealand installation control points (ICPs), excluding vacants
5. Volume weighted average price received for Meridian's physical generation
6. Over the counter and ASX contracts excluding the buy-side of virtual asset swaps
7. Financially responsible market participants, excluding vacants
8. Meter installation registration numbers

FY19 OPERATING INFORMATION

	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019
New Zealand Contracted Sales												
Retail contracted sales volume (GWh)	521	529	497	524	481	448	555	534	557			
Average retail contracted sales price (\$/MWh)	\$113.1	\$110.7	\$106.7	\$98.3	\$98.5	\$95.5	\$98.2	\$102.0	\$101.3			
NZAS sales volume (GWh)	426	426	411	439	444	463	463	418	463			
Sell side derivative volumes (GWh)	386	196	140	149	146	217	157	196	187			
Wholesale contracted sales average price (\$/MWh)	\$63.9	\$58.5	\$58.0	\$65.9	\$72.7	\$68.9	\$69.4	\$80.6	\$80.3			
Total New Zealand customer connections	292,091	292,906	293,386	294,695	296,064	296,532	297,621	299,351	299,905			
New Zealand Generation												
Hydro generation volume (GWh)	1,070	1,123	959	897	905	972	1,022	1,015	1,046			
Wind generation volume (GWh)	126	90	115	107	99	83	116	104	81			
Total generation volume (GWh)	1,196	1,213	1,074	1,004	1,004	1,055	1,138	1,119	1,128			
Average generation price (\$/MWh)	\$72.1	\$77.2	\$86.8	\$284.6	\$149.5	\$98.8	\$125.3	\$153.1	\$171.5			
Acquired generation volume (GWh)	170	167	147	200	190	177	155	142	186			
Cost of acquired generation (\$/MWh)	\$65.7	\$63.1	\$62.5	\$77.7	\$74.7	\$61.7	\$69.3	\$66.6	\$71.2			
Acquired generation revenue average price (\$/MWh)	\$74.5	\$80.8	\$87.9	\$290.6	\$180.8	\$104.6	\$127.7	\$157.7	\$168.4			
Future contract close outs (\$m)	-0.1	-0.3	-0.6	-0.5	-0.5	-0.5	-0.4	-0.7	-2.8			
Contracted sales supply volume (GWh)	1,353	1,181	1,079	1,142	1,098	1,148	1,201	1,186	1,237			
Cost to supply contracted sales (\$/MWh)	\$77.0	\$84.9	\$92.5	\$294.4	\$160.4	\$108.7	\$133.3	\$162.9	\$175.9			
Australia												
Wind generation volume (GWh)	74	64	43	40	37	36	33	30	33			
Hydro generation volume (GWh)	10	11	25	30	26	23	29	21	16			
Retail contracted electricity sales volume (GWh)	58	57	48	41	37	39	44	38	45			
Retail contracted gas sales volume (TJ)	4	20	40	41	20	17	9	9	13			
Powershop electricity customer connections	96,743	96,801	96,657	97,514	98,618	99,368	101,020	102,730	104,450			
Powershop gas customer connections	1,179	4,776	7,558	9,577	11,333	12,508	14,309	16,751	18,225			

Note: Powershop Australia electricity customer connection numbers now exclude vacants

FY18 OPERATING INFORMATION

	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018
New Zealand Contracted Sales												
Retail contracted sales volume (GWh)	519	529	491	475	539	589	503	438	459	442	496	502
Average retail contracted sales price (\$/MWh)	\$114.6	\$115.9	\$109.4	\$99.0	\$96.0	\$93.3	\$96.8	\$101.6	\$100.2	\$107.0	\$112.5	\$115.9
NZAS sales volume (GWh)	426	426	411	426	412	426	426	384	426	412	426	412
Sell side derivative volumes (GWh)	95	100	111	142	194	125	182	239	294	272	244	280
Wholesale contracted sales average price (\$/MWh)	\$60.9	\$59.0	\$58.1	\$54.9	\$57.6	\$58.5	\$63.0	\$61.3	\$58.7	\$60.1	\$62.5	\$60.5
Total New Zealand customer connections	278,595	279,967	280,209	280,211	281,314	282,396	283,724	285,611	287,167	288,538	289,431	290,756
New Zealand Generation												
Hydro generation volume (GWh)	739	831	867	985	1,000	867	888	878	1,049	994	1,037	1,131
Wind generation volume (GWh)	108	118	116	106	82	118	80	102	105	118	113	96
Total generation volume (GWh)	847	949	983	1,091	1,082	985	968	980	1,154	1,112	1,150	1,227
Average generation price (\$/MWh)	\$156.5	\$83.4	\$55.0	\$53.1	\$95.5	\$128.4	\$127.2	\$64.8	\$55.2	\$54.3	\$56.1	\$91.1
Acquired generation volume (GWh)	282	206	158	164	178	200	234	156	152	163	169	160
Cost of acquired generation (\$/MWh)	\$77.4	\$70.1	\$62.5	\$60.6	\$64.9	\$69.9	\$75.4	\$65.0	\$63.6	\$63.9	\$63.2	\$63.4
Acquired generation revenue average price (\$/MWh)	\$138.8	\$84.1	\$55.6	\$54.4	\$99.7	\$114.2	\$114.2	\$65.5	\$59.8	\$57.7	\$56.5	\$93.2
Future contract close outs (\$m)	-0.7	-0.6	-0.7	-0.3	0.1	-0.4	-0.3	-0.4	0.0	0.0	-0.2	0.0
Contracted sales supply volume (GWh)	1,067	1,077	1,053	1,054	1,174	1,163	1,140	1,086	1,205	1,150	1,191	1,225
Cost to supply contracted sales (\$/MWh)	\$155.0	\$88.2	\$59.2	\$54.4	\$100.1	\$126.8	\$130.2	\$69.1	\$59.8	\$57.5	\$58.4	\$95.3
Australia												
Wind generation volume (GWh)	69	60	67	42	32	35	40	37	44	33	51	43
Hydro generation volume (GWh)									2	22	2	2
Retail contracted electricity sales volume (GWh)	59	58	50	43	39	40	43	39	39	38	47	53
Retail contracted gas sales volume (TJ)												
Powershop electricity customer connections	97,547	97,465	97,456	97,760	97,828	97,361	97,826	97,499	97,522	97,950	97,704	97,241
Powershop gas customer connections											29	281

Note: Powershop Australia electricity customer connection numbers now exclude vacants

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, excluding vacants
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 84 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
MIRN	meter identification reference number
MWh	megawatt hour. Enough electricity for one average New Zealand household for 46 days
National demand	Electricity Authority’s reconciled grid demand www.emi.ea.govt.nz
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 Mercury. They do not result in the physical supply of electricity