



Meridian.

RIO TINTO NZAS CONTRACT TERMINATION

Meridian business update



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Rio Tinto 9 July announcement

- Rio Tinto are terminating the contract at the end of August 2021
- Wind-down of operations is expected to be complete by this date
- “During the next 14 months, NZAS and Rio Tinto will work closely with partners as detailed planning is undertaken to wind-down operations, and eventually close the smelter”
- No change to current contract pricing in that 14 months
- Pricing remains confidential



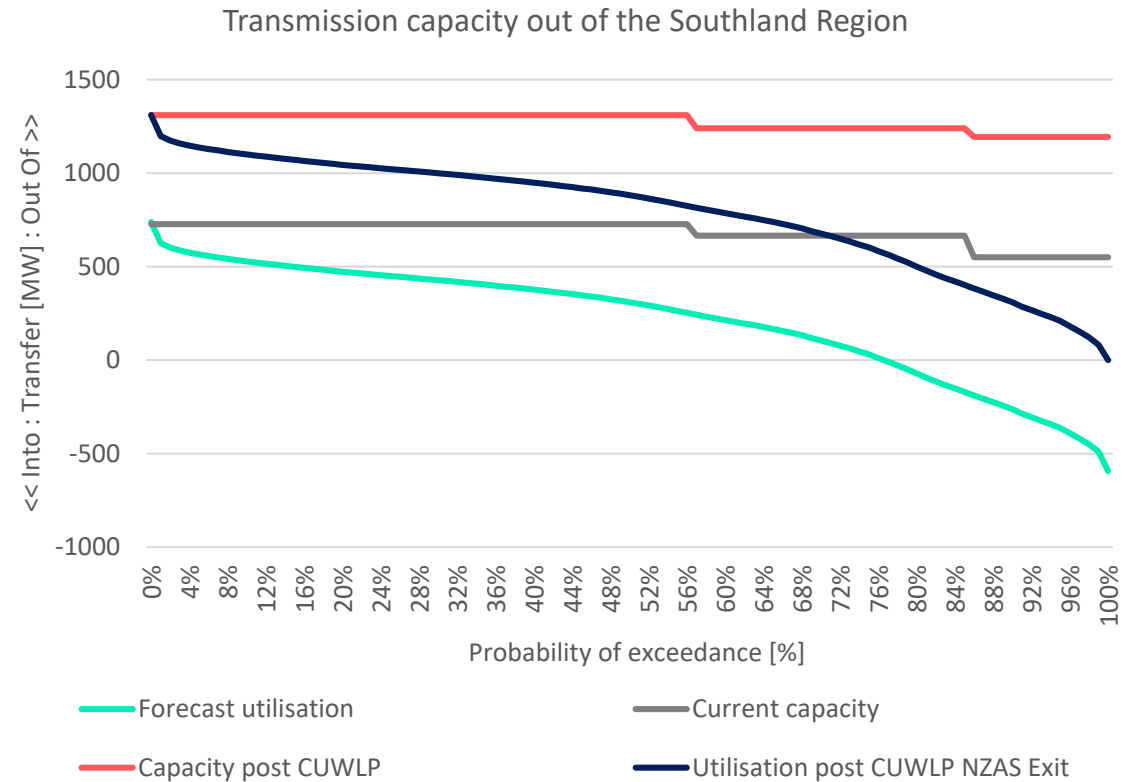
Business update

- No change to current ordinary dividend policy (75-90% of free cash flow)
- Immediate end to capital management programme
- Swaption renewal:
 - Swaption renewal process to be abandoned
 - Current swaption likely to be terminated
- Portfolio response:
 - Pūkaki low range storage now accessible for greater flexibility between catchments
 - Wholesale bilateral contract negotiations at different stages
 - Up to 50MW of ASX Benmore sales through 2023, some buying at Otahuhu
 - Investigation into NI reserve capacity, including possible battery storage solutions
 - Accelerated retail volume growth can now be pursued
- Harapaki wind farm remains a strong investment case, no decision has been made



Clutha to Upper Waitaki Lines Project – update

- Tower foundation design work has been completed
- Foundation strengthening works have commenced
- In June 2020, Transpower announced it will restart work to complete the remaining works
- Cost is estimated at \$97m, full completion at latest by mid 2023
- Work underway to mitigate the impact of outages through to project completion



CUWLP completion enables full export of generation out of Southland

Summary

- Rio's decision now provides clarity
- Industry will adjust to a future without Tiwai
- Clutha Upper Waitaki transmission work will enable full export out of Southland
- Solutions to operational constraints on the HVDC will come into the market
- NZAS exit may change allocation to beneficiaries under new TPM



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