



Meridian.

NZAS EXTENDED EXIT ANNOUNCEMENT

Meridian business update

14 JANUARY 2021

Today's announcement

- Rio Tinto and Meridian Energy have reached agreement on the future of the NZAS¹ Tiwai Point aluminium smelter
- An amended contract will take effect from 14 January 2021, lasting through until 31 December 2024, with the following terms:
 - 400MW with only terminal FM termination rights²
 - 172MW with an NZAS 6 month termination right² (available from 1 January 2022)
 - Pricing is confidential
 - No electricity price linkages to aluminium pricing
 - No CPI-linked electricity price increases
 - Force majeure provisions reflect shortened contract term
 - Meridian has NZAS contract support from Contact



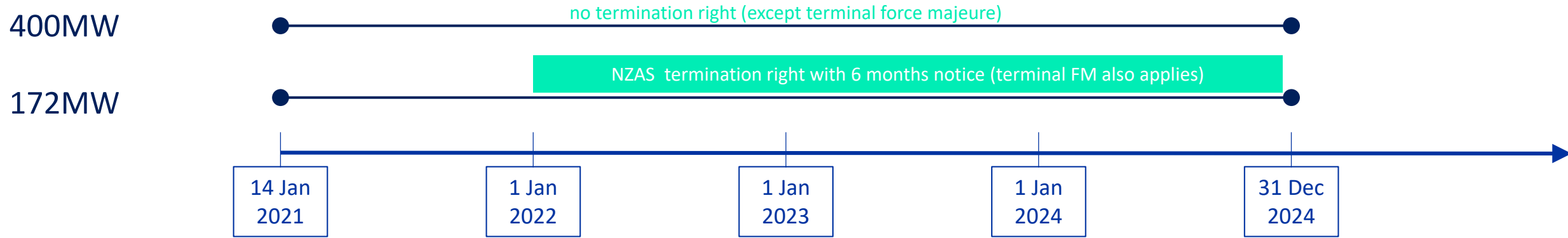
¹NZAS is a joint venture between Rio Tinto (79.36%) and Sumitomo Chemical Company Limited (20.64%)

²In the event of a terminal force majeure event, both parties have a 3 month right to termination.

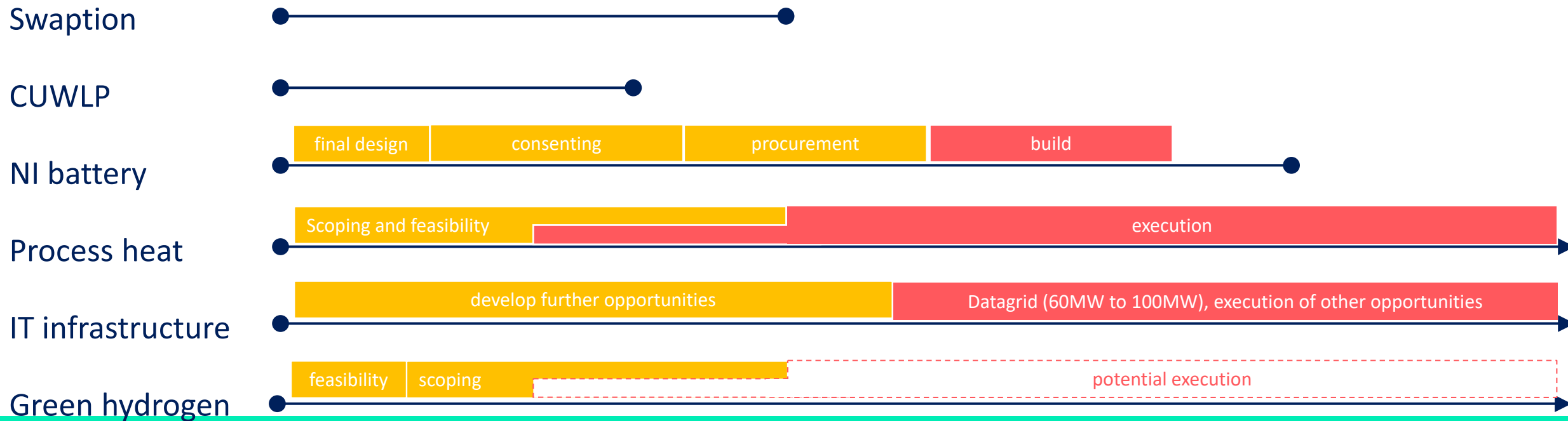
Meridian has a seven day termination right in the event any preceding quarter's consumption by NZAS is below minimum profile amounts. These termination rights are similar to the previous version of the contract

Timeline

Revised NZAS contract



Meridian portfolio response



Clutha Upper Waitaki lines project

- Thermal upgrade of the Cromwell–Twizel section of the Roxburgh–Twizel 220 kV line completed
- Duplexing of the Roxburgh–Livingstone section of the Roxburgh–Islington 220 kV line scheduled through 2021 and Q1 2022
- Project targeted for completion by May 2022

Source: Transpower



Summary

- Today's agreement now provides clarity for New Zealand
 - No change to Meridian's dividend policy, noting flexibility of payout
 - Half year results announcement on 24 February 2021 will clarify interim dividend
 - Meridian will now reconsider balance sheet flexibility and the timing of Harapaki wind farm build
 - Clutha Upper Waitaki transmission work will enable full export out of Southland before Tiwai closure
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- Solutions to operational constraints on the HVDC will come into the market before Tiwai closure
 - A December 2024 date for Tiwai closure allows Meridian to unlock future optionality on new electricity load
 - Feasibility of process heat, IT infrastructure and green hydrogen all appear positive



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All currency amounts are in New Zealand dollars unless stated otherwise.