



Virtual Asset Swap agreements signed

For immediate release: Wednesday 22 December 2010

Meridian Energy today confirms that together with Mighty River Power and Genesis Energy, it has signed the Virtual Asset Swap agreements.

These agreements are a part of a package of Government reforms aimed at improving the New Zealand electricity sector. They are effective from 1 January 2011 for a period of 15 years.

The agreements mean Meridian Energy will sell South Island energy to Mighty River Power (700 GWh/year) and Genesis Energy (450 GWh/year) and purchase the equivalent amount of North Island energy from each company respectively.

In December 2009 the Government announced its decisions from the Ministerial Review. This includes a series of changes that support the overall Government objectives to improve retail competition in the industry, promote the reliability of electricity supply and improve governance in the sector through the establishment of the Electricity Authority. Further details of the reforms package are expected to be announced in early 2011.

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About Meridian Energy

Meridian is New Zealand's largest electricity generator and currently owns and operates nine hydro stations and three wind farms within New Zealand, and one wind farm in Australia.

- Manapouri power station and eight hydro stations on the Waitaki River in the South Island
- Te Apiti wind farm near Palmerston North
- White Hill wind farm in Southland
- West Wind farm in Wellington
- Mt Millar wind farm, Eyre Peninsula, South Australia

- CalRENEW 1 solar farm in Mendota, California

Internationally, Meridian has operations in Sydney, Australia, and San Francisco, California. Meridian recently announced the establishment of a joint venture with Australian energy company AGL to build what will be the southern hemisphere's biggest wind farm in southwest Victoria. The 420MW Macarthur wind farm is due for completion in 2013.

Meridian retails electricity to around 188,000 customers throughout New Zealand, which includes households, farms and businesses. It also provides electricity to New Zealand's single largest electricity user, the Rio Tinto Alcan New Zealand Limited aluminium smelter in Bluff.

Meridian invests strongly in renewable energy development both in New Zealand and offshore and has almost completed construction on the Te Uku wind farm, near Hamilton, New Zealand.