

NEW WIND FARM A FURTHER STEP TO LOW CARBON FUTURE

- > Mercury has committed to the construction of the first 33 of 60 consented wind turbines at Turitea
 - > Mercury has contracted with Vestas to construct and maintain the wind farm
- > Turitea (and nearby consented site, Puketoi) are regarded as preeminent among existing opportunities for wind development in New Zealand
 - > Transmission infrastructure will be overbuilt to provide for further wind development at Turitea and Puketoi
- > Turitea complements Mercury's existing baseload geothermal and flexible hydro assets
 - > All North Island located, close to major load centres
 - > Ability to utilise flexibility of Waikato Hydro Scheme to 'firm' intermittency of wind

PROJECT SPECIFICATIONS

Commissioning	Beginning late 2020
EPC Contractor	Vestas
O&M Contractor / Term	Vestas / 25 years
Turbines	33 x V112-3.6MW
Turbine Tip Height / Hub Height	125m / 69m
Rotor Diameter	112m
Total Capacity	119MW
Net Capacity Factor	~45%
P50 Yield	470GWh p.a.
Capital Cost ¹	\$256m
Total Operating Cost ²	~\$13/MWh
EBITDAF Impact ³	~\$30m p.a.

1 PROJECT SPECIFICATIONS

¹ Excluding capitalised interest

² Assuming CPI increase of 2% p.a. over 25 year term of O&M contract

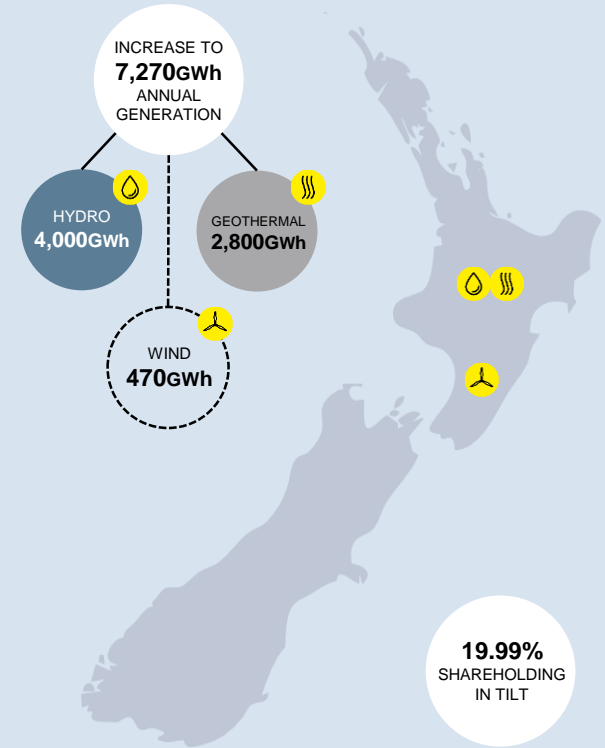
³ Stand-alone operation assuming \$75/MWh received for generation

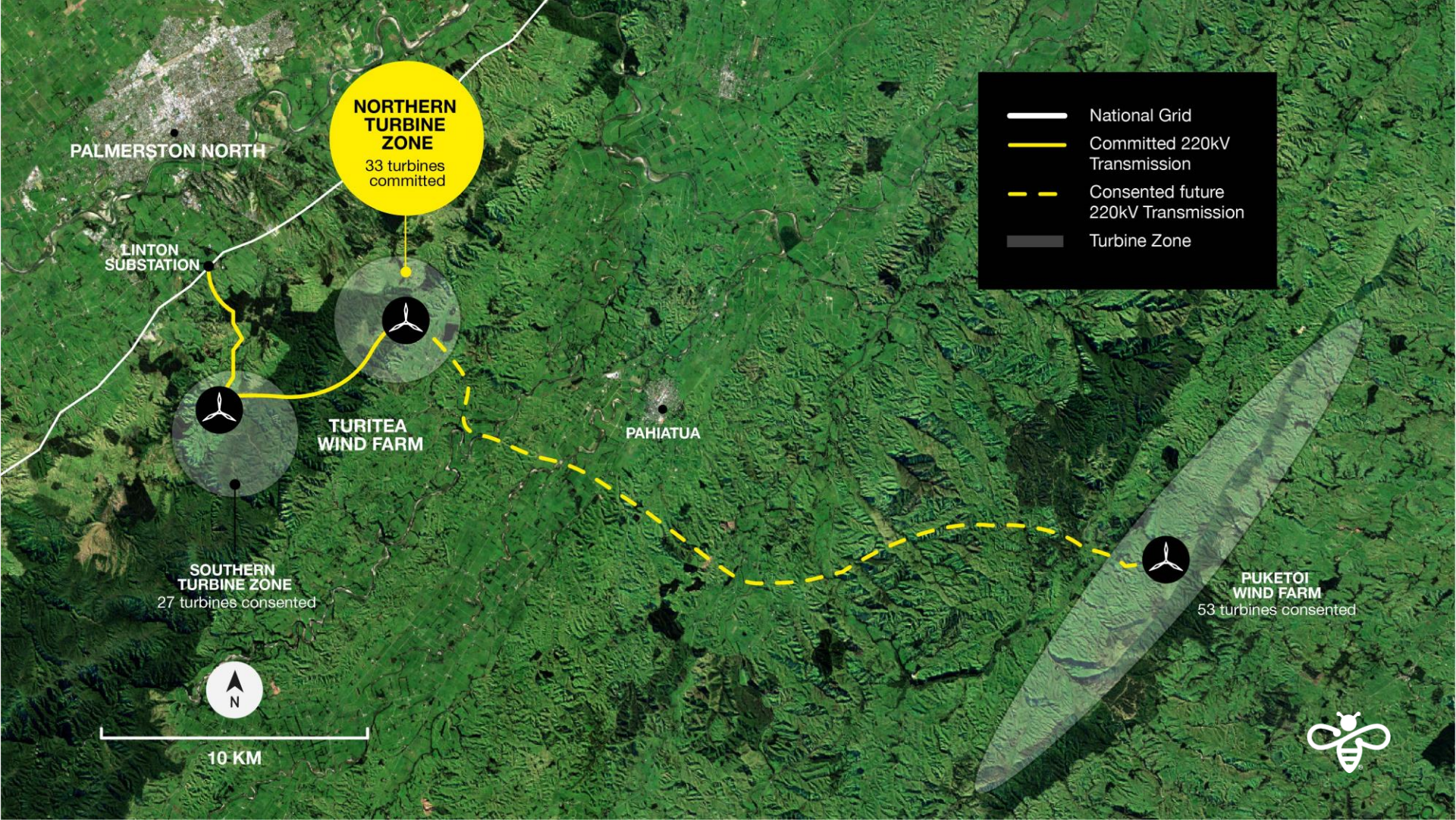


MILESTONE IN A LONG-TERM WIND JOURNEY

“Mercury must participate in wind to materially take part in renewable generation in the medium-term” – FY2018 Results Presentation (Aug 2018)

- > Wind is now the premier generation development technology in NZ
 - > High resource quality and technological improvement have driven improved economics
- > Mercury has confidence in the fundamentals of the market to invest
 - > NZ needs new renewable generation in the near-term to meet expected demand growth and/or to replace aging thermal fleet
 - > NZ’s renewable electricity advantage can enable the shift to a low carbon economy over the medium-term
- > Investment decision consistent with Mercury’s signalled strategy to pursue economic growth
 - > Acquisition of stake in Tilt Renewables is complementary, with a significant portfolio of renewable options in Australia and NZ





PALMERSTON NORTH

NORTHERN TURBINE ZONE
33 turbines committed

LINTON SUBSTATION

TURITEA WIND FARM

PAHIATUA

SOUTHERN TURBINE ZONE
27 turbines consented

PUKETOI WIND FARM
53 turbines consented

- National Grid
- Committed 220kV Transmission
- - Consented future 220kV Transmission
- Turbine Zone



10 KM

