



Market Announcement

19 October 2016

Trustpower – Update on implementation of the Demerger, the Redemption of quoted Trustpower Bonds and New Trustpower's offer of senior bonds

Granting of Final Court Orders and implementation of the Demerger

Further to Trustpower Limited's (**Trustpower**) earlier announcement on 17 October 2016 that the Trustpower board had resolved to resume the demerger process, Trustpower advises that the final court orders approving the demerger have been granted today.

As at the date of this announcement, all conditions relating to the Demerger have now been met. Accordingly, as set out in the timetable below, it now is expected that the demerger will be implemented and Trustpower shareholders will receive shares in each of:

- Tilt Renewables Limited (**Tilt Renewables**): holding Trustpower's Australian and New Zealand wind generation assets and its wind and solar development projects.
- Bay Energy Limited (**New Trustpower**): which will continue to operate Trustpower's New Zealand and Australian hydro generation assets and its multi-product New Zealand retail business. New Trustpower will retain Trustpower's name and brand.

Each of Tilt Renewables and New Trustpower will be listed on the NZX Main Board. Tilt Renewables is also expected to be listed on the ASX.

An updated timetable of the remaining principal events to occur in connection with the demerger is set out below:

Event	Date
Last date on which Trustpower Shares will trade on the NZX Main Board	5pm on 26 October 2016
Record Date (and relevant time) (all Trustpower Shareholders at this time and date will be entitled to receive Tilt Renewables Shares and New Trustpower Shares)	5pm 28 October 2016
New Trustpower Shares and Tilt Renewables Shares begin trading on the NZX Main Board on a conditional settlement basis	28 October 2016
Tilt Renewables Shares begin trading on the ASX on a deferred settlement basis	28 October 2016
Implementation Date (implementation of the Scheme)	31 October 2016
Distribution Date (distribution of Tilt Renewables Shares and New Trustpower Shares to Trustpower Shareholders)	1 November 2016
Commencement of normal trading of Tilt Renewables Shares and New Trustpower Shares on the NZX Main Board	1 November 2016
Mailing of shareholding statements and de-listing of Trustpower	1 November 2016
Commencement of normal trading of Tilt Renewables Shares on the ASX	2 November 2016

All times and dates referred to above are times and dates in New Zealand, unless otherwise indicated. These times and dates and the references to them are subject to change and are indicative only. Trustpower will announce any amendment to those times and dates.

Participation in the Demerger

The last day on which shareholders will be able to trade Trustpower Shares on the NZX Main Board is 26 October 2016.

On 1 November 2016, the "Distribution Date", each Trustpower shareholder appearing on the register as at 5pm on 28 October 2016 will receive one New Trustpower Share and one Tilt Renewables Share for each Trustpower Share held. No further action is required from Trustpower shareholders who wish to participate in the demerger.

Trustpower shareholders who do not wish to participate in the demerger are free to sell their Trustpower Shares at any time up to close of trading on 26 October 2016 (in order not to be

registered as a Trustpower shareholder on the Record Date).

Delisting of Trustpower

Trustpower will be delisted from NZX on 1 November 2016, whereupon New Trustpower will assume Trustpower's name and ticker code (TPW).

Conditional listings of New Trustpower and Tilt Renewables on NZX

It is intended that New Trustpower Shares and Tilt Renewables Shares will initially be listed on the NZX Main Board commencing two Business Days prior to the Distribution Date on a conditional settlement basis.

If you wish to sell your New Trustpower Shares or Tilt Renewables Shares on the NZX Main Board during the period of conditional and deferred settlement trading, you must contact an NZX Firm.

If implementation of the demerger does not occur, then all trades in New Trustpower Shares and Tilt Renewables Shares during the conditional trading period will be cancelled and will be of no effect. New Trustpower and Tilt Renewables would each then apply to NZX to delist and have their shares cease to be quoted on the NZX Main Board.

Trustpower bonds

The timing for the proposed redemption of Trustpower's existing quoted bonds and the current bond offer made by New Trustpower is now expected to be as follows:

Event	Date
Trustpower to issue a formal redemption notice for all of its existing quoted bonds (TPW090, TPW100, TPW110 and TPW120)	20 October 2016
Independent expert's report issued by Deloitte in respect of the redemption of the Trustpower bonds	20 October 2016
Exchange Offer closes for New Trustpower bonds	27 October 2016
General Offer (priority pool only) closes for New Trustpower bonds	27 October 2016
Redemption Date for Trustpower Bonds	28 October 2016
General Offer closes for New Trustpower bonds	2 November 2016
Issue Date for New Trustpower bonds	4 November 2016

Full details of the offer of senior bonds and the offer of subordinated bonds under the Exchange Offer and the General Offer are contained in separate product disclosure statements (**PDSs**) each dated 14 September 2016 in connection with the Exchange Offer and/or the General Offer. Both PDSs are available through www.business.govt.nz/disclose or by contacting a Joint Lead Manager or other Primary Market Participant, and must be obtained by investors before they decide to acquire any bonds.

Prospective investors should read the PDSs and information concerning New Trustpower, the senior bonds and the subordinated bonds available on the Disclose Register carefully. If they have any questions, they should seek advice from a registered financial services provider or an independent qualified professional adviser before deciding whether or not to invest in the senior bonds or subordinated bonds. Interested investors should contact a Primary Market Participant, a Joint Lead Manager or their usual financial adviser for more details.

Ends

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