



Market Announcement

6 October 2016

Trustpower - Redemption of quoted Trustpower Bonds and New Trustpower offer of senior bonds

Trustpower Limited (**Trustpower**) yesterday announced that, following the extreme weather event in South Australia on Wednesday 28 September 2016, Trustpower will not seek the final court order for its proposed demerger on 6 October 2016 and is reviewing the timeline for demerger completion. As a result, the timing for the proposed redemption of Trustpower's existing quoted bonds, and the timing for the current bond offer made by Bay Energy Limited (which is to be renamed Trustpower Limited following the demerger of Trustpower Limited, **New Trustpower**), will change.

Redemption of the existing bonds

By a market announcement dated 14 September 2016, Trustpower announced that a formal redemption notice was expected to be given on 6 October 2016 to redeem all series of Trustpower's existing quoted bonds, and the expected redemption date was 13 October 2016. Trustpower will not now be providing a formal redemption notice on 6 October 2016 and so the bonds will not be redeemed on 13 October 2016. Once the revised timeline for the demerger has been agreed, Trustpower will notify the market of the revised redemption notice date and redemption date, noting that the redemption date must occur prior to the implementation of the demerger.

Offer of new bonds

In addition, by a market announcement dated 14 September 2016, New Trustpower announced that it has registered product disclosure statements (**PDSs**) in respect of each of the following bond offers (**Offers**):

- three series of unsecured unsubordinated fixed rate bonds (**Senior Bonds**); and
- one series of unsecured subordinated fixed rate bonds (**Subordinated Bonds**).

The Offers involve an exchange offer by New Trustpower of unsubordinated and subordinated fixed rate bonds (**Exchange Offer**) and a priority pool of \$65 million set aside for holders of Trustpower's unsecured unsubordinated bonds maturing on 15 December 2016 (**Priority Pool**).

under a general offer for bonds (**General Offer**). The Exchange Offer and the Priority Pool offer were to close on 12 October 2016 and the General Offer (other than the Priority Pool) on 21 October 2016.

The closing date for the Exchange Offer and the Priority Pool offer will now be extended to a later date that is to be confirmed to the market once the revised timeline for the demerger is agreed.

The closing date for the General Offer (other than the Priority Pool) has not been extended, but may be extended by a subsequent market announcement, and as such applications for the General Offer (other than the Priority Pool) made pursuant to firm allocations currently remain due on 21 October 2016.

However as stated in the PDSs there is a long stop date of 30 November 2016, such that if the demerger is not completed and the bonds have not been issued by this date then subscribers in the General Offer will have their money, currently held on trust, returned plus interest at a rate of 4.01% per annum.

Full details of the Offer of Senior Bonds and the Offer of Subordinated Bonds are contained in separate PDSs. 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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