



3 December 2018

Dear Fellow Shareholder

THE TAKEOVER OFFER HAS NOW CLOSED WITH THE JV NOT BEING SUCCESSFUL IN REACHING THE 90% COMPULSORY ACQUISITION THRESHOLD

On Friday 30th November, the \$2.30 takeover offer for your shares in Tilt Renewables made by the JV comprising Infratil and Mercury formally ended. As you will know, the offer period was extended three times, but (under New Zealand takeover regulations) it could not be extended beyond 30th November.

The JV did not succeed in reaching the 90% threshold that would have allowed it to give notice of compulsory acquisition of remaining shares. Tilt Renewables remains listed and will trade on both the New Zealand and Australian stock exchanges. The approximate shareholdings of Tilt Renewables now that the offer is complete are as follows:

- Infratil: 65%
- Mercury: 20%
- All other shareholders: 15%

The company continued to make excellent progress through the takeover period. Notable developments have included:

- On 11th September, we announced our successful bid into the Victorian Renewable Energy Auction Scheme to secure a 15 year off-take agreement with the Victorian State Government for around 37% of the output of our proposed Dundonnell Wind Farm (Dundonnell). The total capital cost also reduced from the \$A600m assumed by the JV in its offer document to \$A560m.
- On 17th October, we announced that we had established a strategic relationship with Genesis with the intention of partnering in the development of Tilt Renewable's Waverley Wind Farm in South Taranaki.
- On 19th October, we provided updated EBITDAF¹ guidance for the year ending 31 March 2019. Underlying EBITDAF guidance was revised up from a range of A\$120 – A\$127 million to a new range of A\$134 – A\$138 million (9-12% increase).
- On 31 October, we released our first half result for the FY19 financial year. Wind production was 23% higher than the same period last year and EBITDAF was up 36%.
- Also on 31 October, we announced we had secured another 15-year offtake agreement for a further 50% of the Dundonnell capacity, adding to the 37% already agreed with the Victorian State Government.
- On the 14th November, we announced the financial close of Dundonnell. Construction will commence in early 2019.

As you will know, Tilt Renewables has proposed that it will undertake a capital raising in the near future to help fund the Dundonnell development. The proposed capital raising is fully supported by our two major shareholders and the remaining volume is fully underwritten. When the details of the timing and structure of the capital raise are finalised, you will receive more details from the company about the process and the options available to you.

In the interim, on behalf of the Independent Directors, I wish to thank you all for your support through the takeover process. We look forward to continuing to support the good work of the company over the coming years to grow the value of Tilt Renewables for all shareholders.

Yours sincerely

A handwritten signature in black ink, appearing to read "Fiona Oliver". The signature is fluid and cursive.

Fiona Oliver, Chair of the Independent Directors

¹ Earnings Before Interest, Tax Depreciation, Amortisation, Fair Value Movements of Financial Instruments