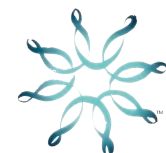


Dear Investor,



meridian

On behalf of the Meridian board and management, I would like to welcome you to Meridian Energy and congratulate you on owning a stake in one of New Zealand's largest listed companies and the country's largest electricity generator.



The Meridian board and management are passionate about Meridian and the important role it plays in powering New Zealand. We are excited by the opportunity for you to be a part of what we believe is one of the best companies in New Zealand.

You are now part of a company that is committed to a better energy future by generating power from 100% renewable resources by harnessing the renewable power of wind and water. Meridian is New Zealand's largest hydro generator and the country's largest wind farm operator and has over 270,000 customer connections through our Meridian and Powershop brands.

The board is proud of the achievements of Meridian since its inception in 1999. With the focus and leadership of our Chief Executive, Mark Binns, and the depth of experience and capability of our executive team, the Meridian board believes that the company can deliver strong results for all investors, including the Crown, which will remain the majority shareholder.

Investor Communications

Together with our focus on creating value for investors, the board and management are committed to full, fair and timely disclosure of all relevant information to its investors and the wider community.

Meridian's website at meridianenergy.co.nz is an excellent source of information about the company. Our Investor Centre allows you to view all regular investor communications and news, information on our latest operating and financial results and the price of Meridian's securities.

Enclosed with this letter is information on instalment receipts, a statement on the rights, privileges, conditions and limitations, including restriction on transfer, applying to your investment in instalment receipts, and a statement of your initial holding.

Dividend payments

Any dividend payments are expected to be split into an interim dividend paid in April, targeting 40% of the total expected dividend for the financial year and a final dividend paid in October.

Meridian's dividend policy, commencing with respect to FY2014, is to make distributions at a dividend payout ratio within an average, over time, of 70 to 80% of Free Cash Flow. It is the intention of the board to attach imputation credits to dividends to the extent they are available.

The first dividend following the Offer is expected to be paid in April 2014.

Yours sincerely,

Chris Moller
Chair Meridian Energy

INDICATIVE KEY DATES

19 FEB 2014

FY2014 INTERIM RESULTS
ANNOUNCEMENT

30 APR 2014

EXPECTED FY2014 INTERIM
DIVIDEND PAYMENT

18 AUG 2014

FY2014 FINAL RESULTS
ANNOUNCEMENT

NOV/DEC 2014

ANNUAL GENERAL
MEETING

ABOUT MERIDIAN

100%

**RENEWABLE
ENERGY
GENERATION**



OVER

270,000

**CONNECTIONS
TO HOMES,
FARMS
& BUSINESSES**

THROUGH THE MERIDIAN AND POWERSHOP BRANDS

**NEW ZEALAND'S
LARGEST GENERATOR**
PRODUCING APPROXIMATELY

30%

OF THE COUNTRY'S ELECTRICITY

**RENEWABLE
OFFSHORE
PROJECTS IN**

**AUSTRALIA,
ANTARCTICA
& TONGA**

5

WIND FARMS

IN NEW ZEALAND
AND AUSTRALIA,
& TWO MORE UNDER
CONSTRUCTION



7

**HYDRO
POWER
STATIONS**

IN NEW ZEALAND



Not a Meridian customer? Join now at meridian.co.nz

Instalment Receipts

Pay for Shares in two instalments. Get dividends in full.

How does the instalment payment process work?

- You will have been issued with an Instalment Receipt for each Share that you have partially paid for.
- The Shares that relate to those Instalment Receipts are held by one of the Trustees on trust pending payment of the Final Instalment.
- After you pay the Final Instalment, the Shares held by the Trustee are transferred to you and the related Instalment Receipts are cancelled.
- If you do not pay the Final Instalment when it is due, the Trustee may sell the Shares that relate to those Instalment Receipts.

What rights do Instalment Receipt holders have?

As a holder of Instalment Receipts, you have rights similar to holders of Shares. You will be:

- entitled to receive any dividends paid by Meridian on the Shares, together with any imputation credits
- invited to attend shareholder meetings of Meridian
- entitled to instruct the relevant Trustee how to vote at shareholder meetings of Meridian
- entitled to receive Meridian's annual and interim reports, and other Meridian shareholder communications
- entitled to sell your Instalment Receipts, which are quoted on the NZX Main Board and the ASX.

When is the Final Instalment due?

- The Final Instalment will be payable by 15 May 2015.
- If you sell your Instalment Receipts before the record date for determining payment of the Final Instalment (4 May 2015) you will not be responsible for paying the Final Instalment.

West Wind Farm

The 62 wind turbines at the West Wind farm generate enough electricity each year for about 71,000 average New Zealand homes.

Please consider the environment before printing.