

29 June 2016

Dear Shareholder

## TRUSTPOWER PROPOSAL

King Country Energy Limited ("**KCE**") advises that King Country Energy Holdings Limited ("**Trustpower**"), a company which is a wholly owned subsidiary of Trustpower Limited and which owns 64.55% of KCE's shares, has requested that KCE put two resolutions to KCE's annual meeting on 27 July 2016.

The directors of KCE other than directors appointed as representatives of Trustpower (the "**Non Trustpower Directors**"), met on 23 June to consider Trustpower's request and now confirm that the resolutions requested by Trustpower will be put to the annual meeting.

In summary, the first Trustpower resolution seeks shareholder approval to replace KCE's existing constitution with a new constitution prepared by Trustpower. The second Trustpower resolution provides guidance for KCE to buy back shares from shareholders who are listed on the share register as "gone no address". The full text of the resolutions and the new constitution proposed by Trustpower are available on KCE's website [www.kce.co.nz/investor-information/](http://www.kce.co.nz/investor-information/) or the Unlisted website [www.unlisted.co.nz](http://www.unlisted.co.nz).

The Non Trustpower Directors have been informed that the King Country Electric Power Trust ("**KCEPT**"), which owns 19.98% of KCE's shares, is supportive of the two resolutions proposed by Trustpower. As Trustpower and KCEPT together own 84.53% of KCE's shares, the Non Trustpower Directors' current expectation is that both Trustpower resolutions will be passed at the annual meeting.

The Non Trustpower Directors will include in the notice of meeting for the annual meeting a summary of certain key differences between the existing constitution and the new constitution proposed by Trustpower and options available to shareholders. The notice of meeting will also include information about the second resolution.

The notice of meeting will be sent to all shareholders no later than 10 working days before 27 July 2016.

Toby Stevenson  
Chairman of the Board