

King Country Energy Holdings Limited
Truman Lane
RD 5
Tauranga 3175

2 December 2015

King Country Energy Limited
14 Manuaute Street
Taumarunui

By email:

rfoster@kce.co.nz
tstevenson@srgexpert.com
toby.stevenson@xtra.co.nz

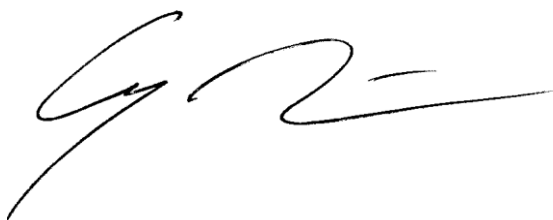
DESPATCH NOTICE PURSUANT TO RULE 45 OF THE TAKEOVERS CODE

On 3 November 2015, King Country Energy Holdings Limited gave King Country Energy Limited a notice pursuant to Rule 41(1) of the Takeovers Code of its intention to make an offer under the Takeovers Code to acquire all of the equity securities in King Country Energy Limited ("**Offer**").

King Country Energy Holdings Limited hereby gives notice pursuant to Rule 45(1)(a)(i) of the Takeovers Code that the offer document in respect of the Offer has been sent to King Country Energy Limited's shareholders.

Pursuant to Rule 45(1) (a) (ii) of the Takeovers Code, a copy of the offer document is attached to this notice.

Yours faithfully



Craig Neustroski
King Country Energy Holdings Limited

Copy to:
Takeovers Panel
Level 3, Solnet House
70 The Terrace
Wellington 6011

NZX Limited
Level 1, NZX Centre
11 Cable Street
Wellington 6011

By email: takeovers.panel@takeovers.govt.nz

By email: announce@nzx.com

Registrar of Companies
Level 18, ASB Centre
135 Albert Street
AUCKLAND 1010

By hand



Better together.

Trustpower Limited

Head Office

Truman Lane
RD 5
Tauranga

Postal Address:
Private Bag 12023
Tauranga Mail Centre
Tauranga 3143

T 07 574 4754

F 07 574 4825

Offices in

Auckland
Wellington
Christchurch
Oamaru

Freephone

0800 87 87 87

trustpower.co.nz

Letter to KCE Shareholders

30 November 2015

FULL TAKEOVER OFFER FOR KCE SHARES

Dear Shareholder

Trustpower is one of New Zealand's oldest energy companies. We trace our roots back some 90 years in the Bay of Plenty. We are also one of New Zealand's leading utility innovators, offering power, gas and broadband to our customers.

As you may be aware, Trustpower, through its wholly owned subsidiary King Country Energy Holdings Limited, recently agreed to acquire 54.07% of the shares in King Country Energy Limited ("**KCE**") from Nova Energy Limited ("**Nova**").

I am pleased to offer you the opportunity to also benefit from that acquisition of shares in KCE. In this letter I have laid out the details of an offer for your shares.

Our offer is made under the Takeovers Code by King Country Energy Holdings Limited. It will open on 30 November 2015 and will close on 29 January 2016 unless extended in accordance with the Takeovers Code.

Under our offer you will be paid \$4.78 per share in cash if acceptances are received for up to 70.2%¹ of the shares in KCE. We will pay an additional 22 cents per share (making a total of \$5.00 per share in cash) if acceptances are received for more than 70.2%¹ of the shares in KCE.

So, shareholders who accept the offer when acceptances have been received for less than 70.2%¹ will be paid \$4.78 per share, plus those same shareholders will be paid an additional \$0.22 per share in cash if, prior to our offer closing, acceptances are received for more than 70.2%¹. You should not, therefore, fear accepting early, as you will be paid the same amount as all other acceptors. By accepting early, upon the offer being declared unconditional, you will receive your payment in cash within seven days of your acceptance being received.

Nova is owned by The Todd Corporation Limited. Nova has already agreed to accept our offer within three business days of the offer being sent to shareholders. In accordance with the Takeovers Code the offer is conditional upon acceptances being received for 50.1% or more of the KCE shares. This condition will therefore be satisfied upon Nova accepting the offer, as it has agreed to do.

¹ Excluding any acceptances received in respect of shares held by the trustees of the King Country Electric Power Trust as at 31 October 2015 or thereafter.

Our offer represents a premium of at least 16.59% over the share price of KCE on Unlisted on the day Nova's sale process to sell its KCE shares was made public (this occurred on 29 September 2015). The KCE share price on 29 September was \$4.10. If acceptances are received for more than 70.2%¹ resulting in the higher \$5.00 per share payment, the premium would be 21.95%.

Our offer also represents an opportunity for KCE shareholders to sell their shares in KCE without incurring brokerage fees. If you wish to remain invested in the energy sector several energy companies (including Trustpower) are listed on the New Zealand stock exchange.

The independent adviser, commissioned by the independent directors of KCE:

- has assessed the value of KCE's shares in the range of \$4.62 to \$5.90 per share. The offer price of \$4.78 (or \$5.00 if acceptances are received for 70.2%¹ or more of KCE's shares) is within this range;
- noted that the offer provides an opportunity for shareholders to realise cash for their investment in a thinly traded share;
- noted that the offer represents an exit opportunity for all shareholders which is not readily available on Unlisted as the shares are thinly traded and is at a premium price. The premia is noted as ranging from 14% to 23% over KCE's volume weighted average share price for the past year up to the announcement of the proposed offer;
- stated that in its view, the fact that Nova has accepted the proposed offer following an open and contestable sales process is a compelling indicator of the market value of a controlling interest in KCE;
- noted that the offer prices align with its assessment of the value of KCE's shares.

The full terms and conditions of the offer are set out in the offer document which accompanies this letter. KCE's response to our offer and the independent adviser's report prepared at the request of KCE in relation to the offer are enclosed.

You should read the offer document carefully along with KCE's response and the independent adviser's report before making a decision to accept the offer.

If you wish to accept the offer, you must complete the application form enclosed with the offer in accordance with the enclosed instructions. **Completed acceptance forms must be received by 11.59pm on 29 January 2016** (unless the period for accepting the offer is extended in accordance with the Takeovers Code).

Our offer represents a good opportunity for you to monetise your shares at a firm price, and I encourage you to consider it favourably.

Yours faithfully



Vince Hawksworth
Chief Executive Trustpower Limited

KING COUNTRY ENERGY HOLDINGS LIMITED

FULL TAKEOVER OFFER FOR KING COUNTRY ENERGY LIMITED

IMPORTANT

If you are in doubt as to any aspect of this offer, you should consult your financial or legal adviser.

If you have sold all your shares in King Country Energy Limited to which this offer applies, you should immediately hand this offer document and the accompanying acceptance form to the purchaser or the agent (eg the broker) through whom the sale was made, to be passed to the purchaser.

King Country Energy Limited's target company statement, together with an independent adviser's report on the merits of this offer, either accompanies this offer or will be sent to you within 14 days and should be read in conjunction with this offer.

OVERVIEW OF THE OFFER

King Country Energy Holdings Limited (the "**Offeror**") is offering to acquire all of the fully paid ordinary shares ("**Shares**") in King Country Energy Limited ("**KCE**") ("**Offer**").

The key terms of the Offer are:

OFFER PRICE	<p>\$4.78 for each Share, payable in cash, if acceptances are received for more than 50.1%, but less than 70.2%, of the Shares (excluding any acceptances received in respect of Shares held by the trustees of the King Country Electric Power Trust as at 31 October 2015 or thereafter).</p> <p>\$5.00 for each Share, payable in cash, if acceptances are received for 70.2% or more of the Shares (excluding any acceptances received in respect of Shares held by the trustees of the King Country Electric Power Trust as at 31 October 2015 or thereafter).</p>
FULL OFFER	The offer is for 100% of the Shares.
HOW TO ACCEPT	If you wish to ACCEPT the Offer, please refer to the section " How to accept the Offer " on pages 6 and 7 of this Offer Document and the Acceptance Form enclosed with this Offer Document.
CONDITIONS	<p>The Offer is conditional on:</p> <ul style="list-style-type: none"> the Offeror receiving acceptances to the Offer which will result in the Offeror holding or controlling not less than 50.1% of the Shares ("Minimum Acceptance Condition"); and none of the events set out in paragraph 7.1 of the Offer Terms and Conditions occurring in the period between 3 November 2015 and the date the Minimum Acceptance Condition is satisfied.
OFFER PERIOD	The Offer is open for acceptance from 30 November 2015 (" Offer Date ") and closes at 11:59 pm on 29 January 2016 (unless extended in accordance with the Takeovers Code).
PAYMENT DATE	<p>If you accept the Offer you will be paid for your Shares no later than seven days after the later of the date on which the Offeror receives your acceptance and the date on which the Offer becomes unconditional.</p> <p>If you have been paid for your Shares and you become entitled to an additional payment, this will be paid to you no later than seven days after you become entitled to that additional payment.</p>
BROKERAGE COSTS	You will not pay any brokerage costs if you accept the Offer.

IMPORTANT CONTACTS	<p>If you have any questions about the Offer or you require further copies of this Offer Document and its enclosures (including the Acceptance Form and the reply paid envelope), you should contact the share registrar for the Offer, Computershare Investor Services Limited:</p> <p>Telephone: +64 09 488 8777 Facsimile: +64 09 488 8787</p> <p>Alternatively, you should contact your financial or legal adviser.</p>
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THIS IS ONLY A SUMMARY OF THE OFFER. DETAILED TERMS AND CONDITIONS OF THIS OFFER ARE SET OUT ON THE FOLLOWING PAGES. YOU SHOULD READ THOSE TERMS AND CONDITIONS CAREFULLY AND IN FULL.

HOW TO ACCEPT THIS OFFER

CLOSING DATE	<p>The Offer closes on 29 January 2016 (unless extended in accordance with this Offer) ("Closing Date").</p> <p>If you wish to ACCEPT the Offer, you must ensure that your Acceptance Form is sent AS SOON AS POSSIBLE, but in any event so that it is received by the Offeror on or before the Closing Date.</p>
HOW TO ACCEPT	<p>To ACCEPT the Offer, complete and sign the enclosed Acceptance Form in accordance with the instructions set out on that form and return the form in one of the ways described below.</p>
ADDRESS FOR ACCEPTANCE	<p>You should post or deliver your completed and signed Acceptance Form in the enclosed reply paid envelope to the Offeror at one of the following addresses (if mailing from overseas please affix the required postage stamp):</p> <p>By post King Country Energy Holdings Limited c/- Computershare Investor Services Limited Private Bag 92119 Auckland 1142 New Zealand</p> <p>By hand delivery King Country Energy Holdings Limited c/- Computershare Investor Services Limited Level 2, 159 Hurstmere Road, Takapuna Auckland 0622 New Zealand</p> <p>By email kingcountryenergy@computershare.co.nz (Please type "King Country Energy Holdings Limited Acceptance" in the subject line for easy identification)</p> <p>By facsimile King Country Energy Holdings Limited c/- Computershare Investor Services Limited +64 09 488 8787</p>
IF YOU HAVE SOLD ALL YOUR SHARES	<p>If you have sold all of your Shares, please send this Offer Document and all enclosures (including the Acceptance Form) immediately to the purchaser or agent (eg broker) through whom the sale was made, to be passed to the purchaser.</p>

<p>IF YOU HAVE SOLD SOME OF YOUR SHARES</p>	<p>If you have sold some of your Shares, please alter the total holding printed on the Acceptance Form to the number of Shares which you have retained, initial the change and return the amended Acceptance Form, in any way as instructed above.</p> <p>Upon receipt of your amended Acceptance Form the Offeror will re-calculate the consideration to which you are entitled to reflect the number of Shares for which you have accepted the Offer.</p> <p>Please also advise the purchaser(s) of your Shares, or request the broker through whom you made the sale to advise the purchaser(s) of your Shares, of the Offer and that copies of this Offer Document are available from Computershare Investor Services Limited.</p>
<p>IF YOU HAVE LOST YOUR ACCEPTANCE FORM</p>	<p>If you have lost your Acceptance Form, please contact the Offeror's share registrar, Computershare Investor Services Limited, on +64 09 488 8777.</p>

TERMS AND CONDITIONS OF THE OFFER

FULL TAKEOVER OFFER BY KING COUNTRY ENERGY HOLDINGS LIMITED TO PURCHASE ALL OF THE SHARES OF KING COUNTRY ENERGY LIMITED

1. THIS OFFER

- 1.1 King Country Energy Holdings Limited (the "**Offeror**") offers to purchase all of the fully paid ordinary shares ("**Shares**") in King Country Energy Limited ("**KCE**") on the terms, and subject to the conditions, set out in this Offer Document ("**Offer**").
- 1.2 The Offer to purchase your Shares includes the purchase of all rights, benefits and entitlements (such as entitlements to dividends, bonuses and other payments and distributions of any nature) which attach to your Shares on, after, or by reference to 3 November 2015 ("**Entitlements**"). That date is the "**Notice Date**" for the purposes of the Offer.
- 1.3 The Offer is dated 30 November 2015 ("**Offer Date**").
- 1.4 The Offer will remain open for acceptance until 11:59 pm on the "**Closing Date**", which is:
- (a) 29 January 2016; or
 - (b) if the Offer is extended to a later date in accordance with the Takeovers Code, that later date.
- 1.5 The Offeror may extend the Offer and the Closing Date one or more times.

2. CONSIDERATION

- 2.1 The consideration offered by the Offeror for each Share is:
- (a) \$4.78 in cash if the Offeror receives acceptances by no later than the Closing Date in respect of such number of Shares that will, on those Shares being transferred to the Offeror, result in the Offeror holding not less than 50.1%, but less than 70.2%, of the voting rights in KCE; or
 - (b) \$5.00 in cash if the Offeror receives acceptances by no later than the Closing Date in respect of such number of Shares that will, on those Shares being transferred to the Offeror, result in the Offeror holding 70.2% or more of the voting rights in KCE,
- provided that, in determining the percentage of the voting rights in KCE which the Offeror will hold from acceptances received by the Offeror by no later than the Closing Date, there shall be excluded from such acceptances any acceptances which may be received by the Offeror in respect of any Shares held by the trustees of the King Country Electric Power Trust as at 31 October 2015 or thereafter.
- 2.2 The consideration paid for Shares may be adjusted by the Offeror in accordance with paragraphs 10.1, 10.4 and 10.6. If the Offeror adjusts the consideration, references to the consideration in paragraph 2.1 will be to the consideration as adjusted.

3. PAYMENT

- 3.1 The Offeror will pay you the consideration for your Shares no later than seven days after the later of:
- (a) the date on which the Offeror receives your acceptance of the Offer; and
 - (b) the date on which the Offer becomes unconditional.
- 3.2 If the consideration that you have been paid for your Shares was determined in accordance with paragraph 2.1(a), and if paragraph 2.1(b) were to apply, so that you are entitled to receive additional consideration for your Shares (being an additional \$0.22 per Share), this additional consideration will be paid to you no later than seven days after you become entitled to that additional consideration.
- 3.3 If the Offeror does not send you payment for your Shares within the period specified in paragraph 3.1 and, if applicable, within the period specified in paragraph 3.2, you may withdraw your acceptance of the Offer by notice in writing to the Offeror, but only:
- (a) after the expiration of seven days written notice to the Offeror of your intention to do so; and
 - (b) if you do not receive the price for your Shares during the seven day period referred to in paragraph (a).
- 3.4 Further information about how the Offeror will pay you is set out in paragraph 8.

4. HOW TO ACCEPT THIS OFFER

- 4.1 This Offer Document is accompanied by an Acceptance Form for you to use to accept the Offer for your Shares.
- 4.2 To accept the Offer, you only need to:
- (a) complete the enclosed Acceptance Form for the Offer in accordance with the instructions on the Acceptance Form; and
 - (b) return the completed Acceptance Form to the Offeror by hand delivery, email, facsimile or post (in the reply-paid envelope which is enclosed with this Offer Document) **AS SOON AS POSSIBLE** after receipt of the Offer, but in any event so that it is received by the Offeror by no later than 11:59 pm on the Closing Date, to:

By post

King Country Energy Holdings Limited
c/- Computershare Investor Services Limited
Private Bag 92119
Auckland 1142
New Zealand

By hand delivery

King Country Energy Holdings Limited
c/- Computershare Investor Services Limited
Level 2, 159 Hurstmere Road, Takapuna
Auckland 0622
New Zealand

By email

kingcountryenergy@computershare.co.nz (Please type "King Country Energy Holdings Limited Acceptance" in the subject line for easy identification)

By facsimile

King Country Energy Holdings Limited
c/- Computershare Investor Services Limited
+64 (0)9 488 8787

The Offeror will not provide you with any acknowledgement of receipt of your Acceptance Form.

- 4.3 If you lose or damage your Acceptance Form, please request another one from the Offeror's share registrar, Computershare Investor Services Limited, at the contact details set out above, or by calling +64 (0)9 488 8777.
- 4.4 If the Offeror receives an Acceptance Form after the Closing Date which bears a postmark or other evidence of postage or despatch on or prior to 11:59 pm on the Closing Date, that Acceptance Form will be deemed to have been received by the Offeror prior to 11:59 pm on the Closing Date (including for the purposes of the condition in paragraph 6.1).
- 4.5 The Offeror may, in its discretion:
- (a) treat any Acceptance Form as valid even if that Acceptance Form is not accompanied by your relevant Common Shareholder Number, or does not comply with any instructions on the Acceptance Form; and
 - (b) rectify any errors in, or omissions from, any Acceptance Form to enable that form to constitute a valid acceptance of this Offer and to facilitate registration of the transfer of Shares to the Offeror.
- 4.6 The Offeror will determine, in its discretion, all questions about Acceptance Forms and related documents, including the validity, eligibility, time of receipt, and effectiveness, of an acceptance of the Offer. The Offeror's determination will be final and will bind you and all other persons. You may not challenge or appeal that determination.

5. KEY TERMS OF THIS OFFER**Acceptance of this Offer and your agreement to sell your Shares**

- 5.1 This Offer is made to all holders of Shares in KCE and is open for acceptance in accordance with its terms by each such person, whether or not you acquired Shares before, on or after the date of the Offer.
- 5.2 You may accept the Offer for some or all of your Shares.
- 5.3 If you accept the Offer you create a binding contract with the Offeror. You agree to sell, and the Offeror agrees to purchase, the Shares for which you accept the Offer and all Entitlements attaching to those Shares on the terms, and subject to the conditions, of the Offer and the provisions of the Takeovers Code.
- 5.4 Your acceptance of the Offer is irrevocable. You may not withdraw your acceptance, whether or not the Offeror has varied the Offer in accordance with the Takeovers Code, except in accordance with paragraph 3.3 (which allows you to withdraw your acceptance in the event that the Offeror does not pay you within a specified period). You may,

however, be released from the obligations arising from acceptance of the Offer in the limited circumstances set out in paragraph 5.15.

- 5.5 Your acceptance of the Offer must be free of any and all amendments, restrictions, or conditions of any nature whatsoever ("**Condition of Acceptance**"). If you attempt or purport to impose any Condition of Acceptance, it will be void and of no effect and the Offeror will be entitled to treat your acceptance as a valid and binding acceptance of the Offer free and clear of any Condition of Acceptance.

Conditions of this Offer

- 5.6 The Offer is subject to the conditions set out in paragraphs 6.1 and 7.1.
- 5.7 The latest date on which the Offeror can declare the Offer unconditional ("**Condition Date**") is 15 February 2016 (if the Closing Date is not extended beyond 29 January 2016). However, upon the condition in paragraph 6.1 being satisfied or waived, the Offeror will declare the Offer unconditional, provided that no condition in paragraph 7.1 is breached on or prior to that time.
- 5.8 The Offeror may, subject to paragraph 7.5 and the Takeovers Code, invoke a condition of the Offer at any time prior to the earlier of when the Offeror has declared the Offer unconditional and 11:59 pm on the Condition Date.

Your obligations on acceptance of this Offer

- 5.9 Legal and beneficial ownership of, and title to, the Shares for which you accept the Offer and the Entitlements attaching to those Shares will pass and transfer to the Offeror, free of security interests, mortgages, options, liens, charges, encumbrances or other adverse interests of any nature ("**Encumbrances**") on payment of the price for your Shares in accordance with paragraphs 3.1 and 8.
- 5.10 You must, on request by the Offeror, provide to the Offeror or KCE's share registrar satisfactory evidence of your entitlement to Shares for which you have, or wish to, accept the Offer and/or the full and immediately effective release and discharge of any and all Encumbrances over those Shares. The Offeror may treat your acceptance as invalid if you do not comply with your obligations under this paragraph, and the Offeror is not obliged to notify you that the Offeror has done so.
- 5.11 You will not, and will not attempt or agree to, sell, transfer, grant an Encumbrance over or otherwise dispose of any interest in or control over any or all of the Shares for which you accept the Offer, except for acceptance of the Offer.
- 5.12 You irrevocably authorise and instruct KCE and KCE's share registrar to refuse to register any transfer of any or all of the Shares for which you accept the Offer, except for transfers of Shares to the Offeror in accordance with the terms of the Offer. You agree that KCE and KCE's share registrar may rely on the authorisation set out in this paragraph, even if you attempt to revoke your authorisation. This paragraph will cease to apply if you are released from your obligations under paragraph 5.15.

Your warranties to the Offeror

- 5.13 You represent and warrant to the Offeror that:
- (a) you are:
- (i) the sole legal and beneficial owner of the Shares for which you accept the Offer; or

- (ii) the sole legal owner of the Shares for which you accept the Offer and you are entitled to deal with those Shares,

and, in either case, you have all necessary power, capacity and authority to sell those Shares and accept the Offer;

- (b) the Acceptance Form has been duly completed and executed and is binding on you in accordance with its terms and the terms of the Offer; and
- (c) legal and beneficial title and ownership of the Shares for which you accept the Offer will pass to the Offeror in accordance with paragraph 5.9.

5.14 Despite anything to the contrary in the Acceptance Form, if you are a joint holder of Shares (whether or not as a trustee of a trust) and the Acceptance Form is signed by one or some, but not all, joint holders, then you represent and warrant to the Offeror that:

- (a) the holder(s) who has/have signed the Acceptance Form do(es) so on behalf of and as duly authorised agent(s) for the joint holder(s) who has/have not signed, that such authority has not been revoked, and that the acceptance is binding on the joint holder(s) who has/have not signed the Acceptance Form; and
- (b) if you hold the relevant Shares as a trustee of a trust, the instrument constituting the trust permits the execution of the Acceptance Form in the manner in which it was executed.

All obligations will be released in certain circumstances

5.15 You will be, and the Offeror will be, released from any and all obligations arising from the Offer and/or from your acceptance of the Offer if the Offeror withdraws the Offer with the consent of the Takeovers Panel or if the Offer lapses as a result of any condition in paragraph 6.1 or 7.1 not being satisfied or waived (to the extent capable of waiver) by the Condition Date. If the Offer lapses, the Offeror may destroy all Acceptance Forms.

6. MINIMUM ACCEPTANCE CONDITION

6.1 The Offer and any contract arising from acceptance of it are conditional on the Offeror receiving acceptances by no later than the Closing Date in respect of such number of Shares that will, on the Offer being declared unconditional and the Shares being transferred to the Offeror, result in the Offeror holding or controlling not less than 50.1% of the voting rights in KCE.

7. FURTHER CONDITIONS OF THIS OFFER

7.1 The Offer and any contract arising from acceptance of it are also subject to the conditions that, except as otherwise agreed in writing by the Offeror, during the period from the Notice Date until the Condition Date:

- (a) no dividends, bonuses or other payments or distributions (within the meaning of the Companies Act 1993) of any nature (including, without limitation, any Share buybacks, redemptions or other form of capital reduction) have been or will be authorised, declared, paid, or made, on or in respect of, any of the Shares or in respect of any of the shares in any subsidiary of KCE (KCE, together with its subsidiaries, the "**Group**") other than a dividend or distribution from wholly owned subsidiaries of KCE to KCE or to other wholly owned subsidiaries of KCE;

- (b) no shares, convertible securities, other securities or financial products of any nature (including warrants, options, convertible notes, entitlements, rights or interests in any ordinary shares) of the Group have been, or will be, by any member of the Group issued, agreed to be issued or made the subject of any option or right to subscribe;
- (c) there has not been and there will be no alteration of the rights, privileges, benefits, entitlements and restrictions attaching to any of the Shares or other securities or financial products (if any) of any member of the Group;
- (d) no action, claim, litigation, prosecution or other form of proceeding that, as at the Notice Date, was not publicly notified, is notified or commenced against, or by, any member of the Group that is material to the Group, taken as a whole;
- (e) no action, claim, litigation, prosecution or other form of proceeding is notified or commenced against any member of the Group, or the Offeror, in respect of the Offer that is material to the Group, taken as a whole or that has a material adverse effect on the Offer;
- (f) the businesses of each member of the Group are carried on, in all respects which are material to the Group taken as a whole, in the normal and ordinary course, including without limitation:
 - (i) no unusual or abnormal payments, commitments or liabilities (including contingent liabilities) which are material or could be material to the Group taken as a whole, are made or incurred (or agreed to be made or incurred) by any of those entities, and no member of the Group makes any unusual payment of income tax;
 - (ii) no member of the Group, disposes of, purchases, transfers, leases, grants or permits any Encumbrance over, grants an option or legal or equitable interest in respect of, or otherwise deals with a legal or equitable interest in, a material asset, business, operation, property or subsidiary (or agrees, including agreeing to materially vary any agreement, to do any of these things), that is material to the Group taken as a whole;
 - (iii) no member of the Group (separately or together), undertakes or commits to any capital expenditure or divestment (other than trading stock in the ordinary course of business) over \$1,000,000 (in aggregate), other than the completion of transactions the entering into of which have, at the Notice Date, been publicly disclosed by KCE;
 - (iv) no major transactions (as defined in section 129(2) of the Companies Act 1993), are entered into, terminated or materially varied, by any member of the Group; and
 - (v) there is no announcement to do any of the actions set out in (i) to (iv) above;
- (g) there is no alteration to the constitutional documents of any member of the Group or to any agreement under which any securities or financial products have been issued by any member of the Group, other than amendments that are of a formal or technical, and not substantive, nature;
- (h) no liquidator, receiver, receiver and manager, statutory manager, voluntary administrator or similar official is appointed in respect of any member of the

Group or any of its assets and no or other actions to appoint such a person is announced;

- (i) there not having occurred any events, circumstances or conditions of the nature referred to in paragraphs (a) to (h) (ignoring, for this purpose, any materiality or similar qualifications therein) which (while not causing a failure of any of the conditions set out in any such paragraphs), when aggregated with all other events, changes, circumstances or conditions of any of the nature referred to in such paragraphs (ignoring, for this purpose, any materiality or similar qualifications therein) that have occurred, mean that the overall impact of all such aggregated events, changes, circumstances or conditions taken as a whole is materially adverse, or could be materially adverse, to the Group, taken as a whole;
- (j) no board resolution or shareholders' resolution of any member of the Group is passed to do or authorise the doing of any act or matter referred to in any of paragraphs (a) to (h);
- (k) no resolution is passed for any amalgamation of any member of the Group, and none of them is involved in any merger or scheme of arrangement;
- (l) no member of the Group is, or will be, under any obligation to make any payment or provide any consideration to any of its employees or directors in the event of any member of the Group becoming a subsidiary of the Offeror, or under the Offeror's control, which is material in the context of the Group taken as a whole;
- (m) there is no person exercising or purporting to exercise or stating an intention to exercise any rights or refusing to give any required waiver or consent under any provision of any agreement or other instrument to which any member of the Group is a party, or by or to which any member of the Group or any of its assets may be bound or be subject, which results, or could result, to an extent which is material in the context of the Group taken as a whole, in:
 - (i) any moneys borrowed by any member of the Group becoming repayable or being capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or other instrument;
 - (ii) any such agreement or other such instrument being terminated or modified or any action being taken or arising thereunder; or
 - (iii) the interest of any member of the Group in any firm, joint venture, trust corporation or other entity (or any arrangements relating to such interest) being terminated or modified or required to be transferred or offered for sale;
- (n) there not being or having occurred any event, change, circumstance, or condition that has had, or could reasonably be expected to have, a material adverse effect on the business, financial or trading position, assets (including contractual rights) or liabilities, profitability or prospects of the Group taken as a whole (including without limitation as a result of any natural disaster, accident, change of law, regulation or act of terrorism).

Nature of the conditions of this Offer

- 7.2 Each condition in paragraphs 6.1 and 7.1 is a separate and independent condition, and is solely for the Offeror's benefit. The Offeror may waive any or all of those conditions

(other than the condition in paragraph 6.1 which cannot be waived), in whole or in part, and on any terms in its discretion. If the Offeror waives a condition, in whole or in part, the waiver will apply only in accordance with its terms, and will not operate as a waiver of or consent to any similar matter or thing. No other person has any right to waive any condition.

- 7.3 To the extent required by the Takeovers Code, where any condition set out in paragraph 7.1 requires a determination as to whether a matter is or could reasonably be expected to be material or not, is adverse or not, is onerous or not, is long term or not, is normal or not, is in the ordinary course of business or not, is of a formal or technical (and not substantive) nature or not, before the condition may be invoked, such determination must be made by a suitably qualified expert nominated by the Offeror who is independent of, and not an associate of, the Offeror.

This Offer will only proceed if it becomes unconditional in all respects

- 7.4 The Offer will only proceed, and you will only be paid for your Shares to be taken up under this Offer, if each of the conditions set out in paragraphs 6.1 and 7.1 is satisfied or waived by the Offeror (to the extent capable of waiver) and the Offeror declares the Offer unconditional. If this does not occur, the Offer will lapse and paragraph 5.15 will apply.

When the Offeror will not rely on a condition

- 7.5 The Offeror will not allow the Offer to lapse:
- (a) in unreasonable reliance on a condition of the Offer; or
 - (b) in reliance on a condition of the Offer that restricts KCE's activities in the ordinary course of KCE's business during the period commencing on the Notice Date and ending on the Condition Date.

8. HOW THE OFFEROR WILL SETTLE THIS OFFER AND PAY YOU

- 8.1 The Offeror will pay you for your Shares in accordance with paragraph 3 and this paragraph 8 if:
- (a) the Offeror declares the Offer unconditional; and
 - (b) your Acceptance Form is in order (or the Offeror rectifies any error or omissions from the Acceptance Form or otherwise accepts your Acceptance Form as valid under paragraph 4.5).
- 8.2 The Offeror will pay you for your Shares by sending you a cheque by ordinary post or, if you choose in your Application Form, by making an electronic funds transfer to a New Zealand dollar account with a New Zealand registered bank.
- 8.3 However, if:
- (a) you do not select a method of payment;
 - (b) your desired account is not a New Zealand dollar account with a New Zealand registered bank; or
 - (c) the details that you provide to us are not sufficient for us to make an electronic funds transfer to your desired account,

the Offeror may choose to pay you by cheque or by electronic funds transfer to any existing New Zealand dollar account that you have advised to KCE's share registrar (such as for dividend payments) which is known by the Offeror.

8.4 If you choose to make payment to you in accordance with paragraph 8.3:

- (a) the Offeror is not obliged to notify you that the Offeror has done so; and
- (b) the Offeror will have no liability to you for its choice to do so.

8.5 In no circumstances will the Offeror be liable to you for interest on any payment due to you.

9. THE OFFEROR MAY APPOINT BROKERS TO PROCURE ACCEPTANCE FORMS

9.1 The Offeror may choose to engage the services of one or more financial advisory firms (together, "**Brokers**") to contact Shareholders and receive Acceptance Forms.

9.2 If the Offeror chooses to do this, the key terms of the engagement of each Broker will be as follows:

- (a) for each completed and valid Acceptance Form procured by a Broker, the Offeror may pay to that Broker a handling or procurement fee of up to 1.00% of the Offer price for the Shares the subject of that Acceptance Form ("**Procurement Fee**"), up to a maximum payment of \$1,000 per accepting Shareholder;
- (b) the Broker will be paid, and receive, the Procurement Fee solely in connection with its services to the Offeror and must not, directly or indirectly, pass any or all of the Procurement Fee on to any Shareholder, or otherwise share the Procurement Fee with any Shareholder;
- (c) the payment of a Procurement Fee to a Broker in respect of an Acceptance Form procured by that Broker is subject to the Offer being declared unconditional and is in respect of the Shares which are the subject of that Acceptance Form being validly transferred to the Offeror. In addition, the Acceptance Form must be delivered to the Offeror in accordance with paragraph 4.2 and must be stamped by the Broker and only that Broker;
- (d) the Offeror may, in determining the Procurement Fee payable to a Broker, aggregate and/or disregard any acceptances of the Offer procured by that Broker if the Offeror believes that a party has structured its holding of Shares for the purpose or with the effect of enabling parties to take advantage of the arrangements summarised in this paragraph 9.2; and
- (e) the Offeror may in its discretion determine any disputes regarding whether a Procurement Fee is payable.

10. CHANGE IN CIRCUMSTANCES

Dividends and distributions

10.1 If, on or after the Notice Date, KCE authorises, declares, makes, or pays any dividend, bonuses or other payments or any distribution of any nature whatsoever and the condition in paragraph 7.1(a) is waived by the Offeror and the Offer otherwise becomes

unconditional, then, at the option of the Offeror (and subject to the terms of any waiver), either:

- (a) you will be bound to pay to the Offeror on demand an amount equivalent to the dividend or the value of the bonuses or other payments or other distribution (in each case inclusive of withholding taxes deducted, if applicable) that is received by, or is properly payable to, you and relates to the Shares for which you accept or have accepted the Offer and which are transferred to the Offeror; or
- (b) the consideration which would otherwise have been paid to you for the Shares for which you accept or have accepted the Offer and which are transferred to the Offeror will be reduced by an amount equivalent to the dividend or the value of the bonuses or other payments or other distribution that is received by, or is properly payable to, you and relates to the Shares for which you accept or have accepted the Offer and which are transferred to the Offeror.

10.2 If you are required to make a payment to the Offeror under paragraph 10.1(a) you must make that payment:

- (a) immediately on demand, to the bank account stated in the Offeror's demand;
- (b) in cleared and irreversible funds; and
- (c) free of deduction, set off, withholding or condition.

10.3 If a dividend or distribution referred to in paragraph 10.1 is not in cash in New Zealand dollars, then the Offeror may determine the New Zealand dollar value of that dividend or distribution. The Offeror's determination will be final and will bind you and all other persons. You may not challenge or appeal that determination.

Bonus issues of securities

10.4 If, on or after the Notice Date, KCE authorises or makes any issue of shares, convertible securities, or other securities or financial products of any nature (including warrants, options, convertible notes, entitlements, rights or interests in its ordinary shares) ("**Additional Securities**"), by way of bonus issue and either the condition in paragraph 7.1(b) is waived or the Offer is or becomes unconditional, then, at the option of the Offeror (and subject to the terms of any waiver), either:

- (a) you must transfer to the Offeror, in respect of the Shares for which you have accepted the Offer and which are transferred to the Offeror, any Additional Securities, without any additional payment or consideration; or
- (b) if the Additional Securities are Shares in KCE, the Offer will extend to those Additional Securities, the consideration payable for each Share as set out in paragraph 2.1 will be proportionately reduced to take account of the bonus issue, such that the total aggregate consideration payable for all Shares in KCE under the Offer (including the Additional Securities), if accepted in full, remains the same as it would have been had no bonus issue taken place.

Other issues of Shares

10.5 If, on or after the Notice Date, KCE authorises or makes any issue of Shares to any person other than by way of bonus issue and either:

- (a) the condition in paragraph 7.1(b) is waived by the Offeror; or

- (b) the Offer is or becomes unconditional,

then the Offer will be deemed to be extended to and include those Shares and the price payable for them will be the price set out in paragraph 2.1.

Subdivisions and consolidations

- 10.6 If, on or after the Notice Date, all or any of the Shares are subdivided or consolidated by KCE then:

- (a) the Offer will be interpreted to take into account that subdivision or consolidation and will be deemed to be for the Shares resulting from that subdivision or consolidation;
- (b) the consideration per Share offered under the Offer set out in paragraph 2.1 will be increased or reduced, as the case may require, in proportion to that subdivision or consolidation; and
- (c) you must transfer those subdivided or consolidated Shares for which you have accepted the Offer to the Offeror on the basis of the price so increased or reduced.

11. NOTICES

- 11.1 Notices that the Offeror gives to KCE and the Takeovers Panel:

- (a) declaring this Offer unconditional; or
- (b) advising that the Offer is withdrawn in accordance with the Takeovers Code; or
- (c) advising that the Offer has lapsed in accordance with its terms or the Takeovers Code,

will, in each case, be deemed to be notice to you and all other offerees when so given.

- 11.2 Notice of any variation of the Offer will be sent to KCE, the Takeovers Panel and, except where not required in accordance with the Takeovers Code, to you and each other offeree under the Offer.

12. FURTHER INFORMATION, INTERPRETATION AND GENERAL TERMS

Further information

- 12.1 Further information relating to the Offer, as required by Schedule 1 to the Takeovers Code, is set out in Schedule 1 and forms part of this Offer Document.

Interpretation

- 12.2 In this Offer Document:

- (a) any reference to the Takeovers Code means the takeovers code approved in the Takeovers Code Approval Order 2000 (SR 2000/210) as amended including by any applicable exemption granted by the Takeovers Panel under the Takeovers Act 1993;

- (b) except if expressly defined in this Offer Document, or where the context requires otherwise, terms defined in the Takeovers Code have the same meaning in this Offer document;
- (c) references to amounts of money are to New Zealand currency and to times are to New Zealand time;
- (d) headings are for convenience only and do not affect the interpretation of this Offer document or any Acceptance Form;
- (e) the singular includes the plural and vice versa;
- (f) if you hold your Shares jointly, unless otherwise expressly stated, a reference to you is a reference to all joint holders together; and
- (g) all percentages in Schedule 1 are rounded to two decimal places.

12.3 If there is an inconsistency between the terms and conditions of the Offer and the provisions of the Takeovers Act 1993 or the Takeovers Code, the provisions of the Takeovers Act 1993 or the Takeovers Code (as the case may be) will prevail to the extent of that inconsistency.

Cheques, documents and transfers are at your risk

12.4 All cheques, electronic funds transfers, Acceptance Forms and other documents to be delivered, sent or transferred by or to you will be delivered, sent or transferred at your own risk.

Variation of this Offer

12.5 The Offeror may vary the Offer in accordance with Rule 27 of the Takeovers Code.

Acceptance Form is part of this Offer

12.6 The provisions set out in the Acceptance Form are part of the terms of the Offer.

Governing law and jurisdiction

12.7 The Offer and any contract arising from acceptance of it are governed by, and must be construed in accordance, with the laws of New Zealand.

12.8 You submit to the non-exclusive jurisdiction of the Courts of New Zealand.

SCHEDULE 1

TAKEOVERS CODE INFORMATION

The information required by Schedule 1 to the Takeovers Code, and not stated elsewhere in this Offer Document, is set out below. Where any information required by Schedule 1 is not applicable, no statement is made regarding that information. The following matters are stated as at 30 November 2015 ("**Offer Date**").

1. DATE

1.1 The Offer is dated 30 November 2015.

2. OFFEROR AND ITS DIRECTORS

2.1 The name of the offeror is King Country Energy Holdings Limited (the "**Offeror**"), and its registered office is:

Truman Lane, Mt Maunganui, Tauranga RD5

2.2 The director of the Offeror is Vincent James Hawksworth.

3. TARGET COMPANY

3.1 The name of the target company is King Country Energy Limited ("**KCE**").

4. OWNERSHIP OF EQUITY SECURITIES OF KCE

4.1 The table below sets out the number, designation and percentage of equity securities of any class of KCE held or controlled by:

- (a) the Offeror (as offeror);
- (b) any related company of the Offeror;
- (c) any person acting jointly or in concert with the Offeror;
- (d) any director of any of the persons described in paragraphs (a) to (c) above; and
- (e) any other person holding or controlling 5% or more of the class, to the knowledge of the Offeror.

Name	Description	Number of Equity Securities Held or Controlled	Type of Equity Security	Percentage of Class
Nova Energy Limited	Holder of 5% or more of a class of KCE equity securities	13,685,521	Ordinary Shares	54.07%

Name	Description	Number of Equity Securities Held or Controlled	Type of Equity Security	Percentage of Class
Robert Carter, Graeme Cosford, Uwe Kroll, Norman Annand and Niel Groombridge (jointly as trustees of the King Country Electric Power Trust)	Holder of 5% or more of a class of KCE equity securities	5,057,142	Ordinary Shares	19.98%

- 4.2 Except as stated in the above table, no person referred to in paragraphs 4.1(a) to (d) holds or controls equity securities of KCE.

5. TRADING IN KCE EQUITY SECURITIES

- 5.1 No person referred to in paragraphs 4.1(a) to (d) has, during the 6-month period before the Offer Date, acquired or disposed of any equity securities of KCE.

6. AGREEMENTS TO ACCEPT OFFER

- 6.1 The Offeror and Nova Energy Limited ("**Nova**") have entered into a Lock Up Agreement in relation to a Full Takeover Offer for KCE dated 1 November 2015 ("**Lock Up Agreement**") under which Nova agreed to accept the Offer. The material terms of the Lock Up Agreement are as follows:

- (a) The Offeror agreed to make the Offer (being a full takeover offer for all of the equity securities in KCE) on the draft offer terms attached to the Lock Up Agreement in accordance with the Takeovers Code within 30 days after the Notice Date. The consideration payable would be:
 - (i) subject to paragraph (ii), not less than \$4.78 per Share (as may be varied in accordance with the Offer) if acceptances are received for 50.1% or more, but less than 70.2%, of the Shares (excluding any acceptances received in respect of Shares held by the trustees of the King Country Electric Power Trust as at 31 October 2015 or thereafter); or
 - (ii) \$5.00 per Share (as may be varied in accordance with the Offer) if acceptances are received for 70.2% or more of the Shares (excluding any acceptances received in respect of Shares held by the trustees of the King Country Electric Power Trust as at 31 October 2015 or thereafter).
- (b) Subject to the Offer being made in accordance with the Agreement, Nova agreed to accept the Offer for all of its ordinary shares in KCE, being 13,685,521 Shares, by no later than three business days after the despatch of the Offer Document.
- (c) Nova agreed not to dispose of its Shares except to accept the Offer. Nova also agreed:

- (i) not to, and to procure that no related company of it will, at any time for a period of two years from the Notice Date, in any capacity (including by any agent or third party) canvass, solicit or entice the custom of any person who is a customer of KCE and whose premises are connected to the electricity distribution networks owned or operated by The Lines Company Limited or Waipa Networks Limited otherwise than as a result of normal nationwide marketing activities which are not:
 - (aa) targeted at any such customer or customers; or
 - (bb) targeted at persons who have premises connected to the electricity distribution networks owned or operated by The Lines Company Limited or Waipa Networks Limited,

and in respect of such nationwide marketing activities there is no direct communication made to any person referred to in paragraph 6.1(c)(i)(aa) or (bb) other than in response to a request received from such person; and
 - (ii) upon completion of the sale of its shares in KCE to the Offeror, seek to procure that two representatives of the Offeror are nominated as candidates to the office of director of KCE and use reasonable commercial endeavours to procure such appointment.
- (d) Nova agreed that upon the Offer being declared unconditional, it shall return to KCE or destroy all confidential information relating to KCE or any related company of KCE (other than Nova) which is not public or available to the public ("**Confidential Information**") in the possession of Nova or any related company of Nova and ensure that the Confidential Information is not used at any time to the detriment of KCE or any related company of KCE, provided that, without prejudice to any duties of confidentiality in relation to such Confidential Information, Nova may retain any Confidential Information as may be required by law, for tax or financial reporting purposes, or as required by, or pursuant to Nova's obligations in respect of the services agreement dated 11 May 2012 relating to Mangahao Power Station, or contained or referred to in board minutes or in documents referred to in board minutes and Nova's advisers may keep one copy of any documents in their possession for record purposes.
 - (e) The Offeror's obligation to make the Offer was conditional on no condition in paragraph 7.1 of the Terms and Conditions of the Offer being breached.
 - (f) Nova was entitled to terminate the Lock Up Agreement if the Offeror did not make the Offer within the required timeframe.
 - (g) The Offeror may terminate the Lock Up Agreement if Nova fails to accept the Offer or if a warranty given by Nova in the Lock Up Agreement is breached and the breach is reasonably likely to have a material and adverse effect on the Offeror and/or the Offer.
- 6.2 Other than disclosed in paragraph 6.1, no person has agreed conditionally or unconditionally to accept the Offer as at the Offer Date.

7. ARRANGEMENTS TO PAY CONSIDERATION

- 7.1 The Offeror confirms that sufficient resources will be available to it to meet the consideration to be provided on full acceptance of the Offer and to pay any debts

incurred in connection with the Offer (including the debts arising under Rule 49 of the Takeovers Code).

- 7.2 A statement setting out the rights of each holder of Shares under Rule 34 of the Takeovers Code is set out in paragraph 3.3 of the Offer Terms and Conditions.

8. ARRANGEMENTS BETWEEN THE OFFEROR AND KCE

- 8.1 Trustpower Limited, which is a related company of the Offeror, and Nova, which is a related company of KCE, have entered into a Confidentiality Agreement dated 20 July 2015 under which Trustpower Limited agreed to keep confidential information disclosed by Nova to Trustpower Limited in connection with the potential acquisition of the ordinary shares in KCE held by Nova and the sale of the Aniwhenua power station.

- 8.2 Nova and KCE have entered into a Process Agreement dated 7 July 2015 under which:

- (a) KCE agreed to assist Nova with the sale process commenced by Nova to seek expressions of interest for the acquisition of the ordinary shares in KCE held by Nova and/or the Aniwhenua power station ("**Process**"), acting in the interests of KCE's Shareholders.
- (b) It was expected that the Process would result in a full takeover offer under the Takeovers Code.
- (c) KCE agreed to facilitate due diligence for the purposes of the Process and Nova agreed to put in place specific protections of the information provided by KCE for the purpose of due diligence.
- (d) Nova agreed to reimburse KCE for 50% of reasonable external costs incurred by KCE in respect of the Process (and any transaction resulting from the Process) which are not recovered from the acquirer under Rule 49 of the Takeovers Code, provided that Nova's cost reimbursement obligations are capped at \$100,000.

- 8.3 Nova and KCE have entered into a Confidentiality Agreement dated 8 July 2015 under which Nova agreed to keep confidential information disclosed by KCE to Nova in connection with the Process.

- 8.4 Nova and KCE Mangahao Limited, which is a related company of KCE, are party to a services agreement relating to KCE's Mangahao Power Station. This agreement is expressed to terminate upon Nova disposing of its shares in KCE. Transitional arrangements may be agreed between Nova and KCE under which Nova continues to provide services under the agreement following the sale of its shares in KCE until such time as an alternative service provider is appointed.

- 8.5 Except as noted in paragraphs 6.1, 8.1 to 8.4, no agreement or arrangement (whether legally enforceable or not) has been made or is proposed to be made between the Offeror or any associate of the Offeror and KCE or any related company of KCE in connection with, in anticipation of, or in response to, this Offer.

9. ARRANGEMENTS BETWEEN THE OFFEROR, AND DIRECTORS AND OFFICERS OF KCE

- 9.1 On 9 November 2015, KCE requested that, if the Offer results in the Offeror acquiring full ownership of KCE, the Offeror ensures that KCE maintains directors' and officers' insurance (substantially equivalent to existing cover) for a period of seven years for any directors or senior officers of KCE who leave office/employment after conclusion of the Offer. The Offeror is considering this request.

- 9.2 Except as noted in paragraph 9.1, no agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between the Offeror or any associate of the Offeror and any of the directors or senior officers of KCE or any related company of KCE in connection with, or in anticipation of, or in response to, this Offer.

10. FINANCIAL ASSISTANCE

- 10.1 No agreement or arrangement has been made, or is proposed to be made, under which KCE or any related company of KCE will give (directly or indirectly) financial assistance for the purpose of, or in connection with, the Offer.

11. INTENTIONS ABOUT MATERIAL CHANGES IN KCE

- 11.1 If the Offer is declared unconditional, the Offeror will become the majority shareholder in KCE and intends to seek KCE board representation.
- 11.2 The Offeror intends that it undertake a thorough review of the operations of KCE once the Offer has closed to determine if all its operations are being undertaken efficiently. Until the conclusion of such review it is not able to determine if any material changes will be made to the business activities of KCE or the material assets or capital structure of KCE. As noted in paragraph 8.4, the services agreement relating to KCE's Mangahao Power Station between Nova and KCE Mangahao Limited is expressed to terminate upon Nova disposing of its shares in KCE. The Offeror will assist KCE to determine whether such services should thereupon be provided by KCE "in-house" or if the out-sourcing model should continue.
- 11.3 The statements in paragraphs 11.1 and 11.2 are consistent with the information that has been given by the Offeror to any regulatory body (in New Zealand or in an overseas jurisdiction) in relation to the Offer.
- 11.4 The statement in paragraph 11.3 is required by the Takeovers Code. No information about the Offeror's intentions for KCE has been provided to any regulatory body in New Zealand or in an overseas jurisdiction.

12. PRE-EMPTION CLAUSES IN KCE'S CONSTITUTION

- 12.1 There are no restrictions contained in the constitution of KCE on the right to transfer Shares which would have the effect of requiring holders of Shares to offer such Shares for purchase to members of KCE or another person before transferring the securities.

13. ESCALATION CLAUSES

- 13.1 There is no agreement or arrangement (whether legally enforceable or not) to which the Offeror or any of its related entities is a party, under which any existing holder of equity securities in KCE will or may receive in relation to, or as a consequence of, the Offer, any additional consideration or other benefit over and above the consideration set out in the Offer, or under which any prior holder of equity securities in KCE will or may receive any consideration or other benefit as a consequence of the Offer.

14. CLASSES OF SECURITIES

- 14.1 No report is required under Rule 22 of the Takeovers Code (which, if the offer is for more than one class of securities, requires a report by an independent adviser on the fairness and reasonableness of the consideration and terms of the offer as between the different classes of securities).

15. CERTIFICATE

- 15.1 To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this Offer Document is, in all material respects, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the Offeror under the Takeovers Code.



Vince James Hawksworth
Sole Director and person fulfilling the role of
Chief Executive Officer of King Country Energy
Holdings Limited



Robert Farron
Person fulfilling the role of
Chief Financial Officer of King Country Energy
Holdings Limited

ACCEPTANCE FORM

KING COUNTRY ENERGY HOLDINGS LIMITED'S OFFER TO ACQUIRE ALL OF THE ORDINARY SHARES IN KING COUNTRY ENERGY LIMITED

Shareholder/Seller ("you")

Number of Shares held as at
5.00pm, 20 November 2015:

CSN / Holder number:

PLEASE REFER TO THE INSTRUCTIONS OVERLEAF FOR DIRECTIONS ON HOW TO COMPLETE THIS ACCEPTANCE FORM

Insert in the box below the number of fully paid ordinary shares ("Shares") in King Country Energy Limited ("KCE") in respect of which you accept the takeover offer by King Country Energy Holdings Limited (the "Offeror") dated 30 November 2015 ("Offer"). The Closing Date for the Offer is 29 January 2016.

NOTE

1. You may accept the Offer in respect of all or any Shares held by you.
2. If you do not state the number of Shares in respect of which you wish to accept the Offer, you will be deemed to have accepted the Offer in respect of all of the Shares held by you and to have stated that number in the box below.

Number of Shares you wish to sell

By signing this form you hereby:

- (a) irrevocably:
 - (i) accept the Offer for the number of Shares set out in the box above (or if note 2 above applies, for all of the Shares held by you) on and subject to the terms and conditions of the Offer;
 - (ii) agree to transfer all those Shares to the Offeror, on and subject to the terms and conditions of the Offer;
- (b) without limitation to any other term of the Offer, authorise, represent and warrant as set out in paragraphs 5.13 and 5.14 (to the extent applicable) of the Offer Document; and
- (c) irrevocably appoint the Offeror as your attorney and agent on the terms set out in this form.

Dated and signed the _____ day of _____, 20____

SIGNATURE(S) FOR AN INDIVIDUAL/ATTORNEY/TRUSTEE	SIGNATURE(S) FOR A COMPANY

ONLY COMPLETE THE FOLLOWING SECTION IF THE ACCEPTANCE FORM IS SIGNED UNDER A POWER OF ATTORNEY

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

I _____ of _____, certify:
full name of power of attorney place and country of residence occupation

1. That by deed dated _____, of _____,
date full name of donor (individual or corporate) place and country of residence / registered office
appointed me his / her / its attorney. If the donee of the power is a body corporate, I confirm that I am authorised to give this certificate on its behalf and the capacity in which I give this certificate for the attorney is as _____.
insert director / officer / other capacity

2. That I have not received notice of any event revoking the power of attorney.

SIGNED at _____ this _____ day of _____, 20____
Signature & Name of Attorney

Method of Payment: Payment will be made by either electronic transfer directly into your New Zealand dollar bank account, or by cheque. Please select a method of payment by ticking the appropriate box below. All payments will be made in New Zealand dollars.

Note: If you do not select a method of payment, your desired account is not a New Zealand dollar account with a New Zealand registered bank, the Offeror's share registrar Computershare Investor Services Limited is unable to obtain your existing bank account details from Link Market Services Limited or the details that you provide are not sufficient to effect an electronic transfer, you will be paid by cheque.

Account Name: _____ Bank & Branch: _____

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☐ OBTAIN AND USE MY EXISTING ACCOUNT DETAILS

From the date of beneficial ownership to your Shares passing to the Offeror in accordance with the terms of the Offer, you irrevocably authorise and appoint the Offeror (with power of substitution by the Offeror in favour of such person(s) as the Offeror may appoint to act on its behalf) as your attorney and agent to act for you and do all matters of any kind or nature whatsoever in respect of or pertaining to your Shares and all rights and benefits attaching to them as the Offeror may think proper and expedient and which you could lawfully do or cause to be done if personally acting as a legal or beneficial owner of the applicable Shares. For the avoidance of doubt, this power of attorney applies only to those Shares that are taken up from you under the Offer.

(a) Insert the date of signing in the space provided. Please ensure that all details on this Acceptance Form are correct. Please alter this Acceptance Form if required.

(b) Sign this Acceptance Form where marked "Signature(s)". Companies must sign where marked "For A Company" in accordance with the Companies Act 1993 or other applicable law.

(c) If the Shares are registered in the names of joint holders, all holders must sign this Acceptance Form.

King Country Energy Holdings Limited
c/- Computershare Investor Services Limited
Private Bag 92119
Auckland 1142
New Zealand

King Country Energy Holdings Limited
c/- Computershare Investor Services Limited
Level 2, 159 Hurstmere Road, Takapuna
Auckland 0622
New Zealand

1.5 **Interpretation:** A reference to "you" is a reference to the registered shareholder(s) printed at the head of this form and, accordingly, references to you in the singular shall include the plural. Capitalised terms used but not defined in this form have the meanings given to them in the Offer Document.

**IF YOU ARE IN DOUBT ABOUT HOW TO COMPLETE THIS ACCEPTANCE FORM OR THE PROCEDURE FOR ACCEPTANCE, PLEASE TELEPHONE
COMPUTERSHARE INVESTOR SERVICES LIMITED ON +64 (0)9 488 8777.**