



31 October 2018

Dear Fellow Shareholder

THE INDEPENDENT DIRECTORS CONTINUE TO RECOMMEND SHAREHOLDERS DO NOT ACCEPT THE INADEQUATE OFFER FROM THE INFRATIL/MERCURY JV

The Infratil and Mercury joint venture (the JV) that made an offer of \$2.30 per share for Tilt Renewables (the Offer) has now announced that the closing date for acceptances has been extended to 11.59pm on Tuesday 13 November 2018. The recommendation of the Independent Directors remains unchanged. **You should not accept the Offer. It is inadequate and does not reflect the underlying value of Tilt Renewables.**

The Independent Directors do not believe the current level of acceptances (circa 6% excluding TECT) should impact any shareholder's view of the merits of the Offer, and recent share-market volatility does not change the Independent Directors' view of fundamental value. As set out in the Independent Adviser's Report, Northington Partners valued Tilt Renewables at \$2.56 to \$3.01 with a midpoint of \$2.79 (almost 50 cents per share higher than the Offer price).

As we noted in our previous letter, there has also been a number of positive announcements since the Offer was made including those relating to the Dundonnell Wind Farm project, the establishment of a strategic relationship with Genesis with the intention to develop the Waverley Wind Farm, and a significant earnings guidance update for the current financial year of 9-12% above previous guidance.

Today, Tilt Renewables announced two more positive pieces of news:

- The Board of Tilt Renewables has approved Dundonnell proceeding to financial close and announced another 15-year offtake agreement for a further 50% of the Dundonnell capacity adding to the 37% already agreed with the Victorian State Government.
- Tilt Renewables released its first half result for the FY19 financial year. Wind production was 23% higher than the same period last year and EBITDAF¹ was up 36%.

All these positive announcements have occurred since the Offer was made. Yet there has been no increase in the Offer price or an acknowledgement by the JV of these events.

The Offer was made on 2 September 2018 (with notification of the intended Offer first received on 15 August 2018). We do not believe that extending the Offer by an additional two weeks should have any impact on your decision about whether or not to accept the Offer. Your Independent Directors continue to **strongly recommend that you do not accept the Offer. You should ignore the Offer documents sent to you by the JV and take no action.**

Yours sincerely

A handwritten signature in black ink that reads "Fiona Oliver".

Fiona Oliver, Chair of the Independent Directors

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