

1 July 2015

The Directors
Horizon Energy Distribution Limited
Level 4 Commerce Plaza
52 Commerce Street
Whakatane

Dear Sirs

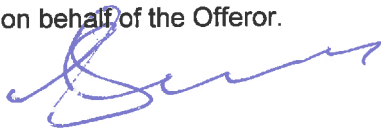
NOTICE OF DESPATCH OF AN ACQUISITION NOTICE

On 29 June 2015, Donald George Lewell, Kevin Joseph Hennessy, David Allen Bulley, Donna Maree Smit, Wade Ross Brown and Edwina Marie Otairi O'Brien, as trustees of the Eastern Bay Energy Trust (the "Offeror") made a full takeover offer, pursuant to the Takeovers Code, for all the securities of Horizon Energy Distribution Limited ("Horizon") not then held by the Offeror.

On 29 June 2015, the Offeror became the "dominant owner" of Horizon (as defined in Rule 50 of the Takeovers Code).

Today, the Offeror has sent to "outstanding security holders" (as defined in Rule 50 of the Takeovers Code) a notice in writing that complies with Rule 55 of the Takeovers Code (the "acquisition notice"). With reference to Rule 54(4) of the Takeovers Code, a copy of the acquisition notice is enclosed with this letter.

For and on behalf of the Offeror.



Don Lewell
Chairman

cc: The Takeovers Panel
Level 3, Solnet House
70 The Terrace
Wellington 6011
By email: takeovers.panel@takeovers.govt.nz

cc: NZX Limited
Level 1, NZX Centre
11 Cable Street
Wellington 6011
By email: announce@nzx.com

cc: Companies Office
Attention: peter.weir@mbie.govt.nz



Date: 1 July 2015

To: Outstanding security holders in Horizon Energy Distribution Limited

TAKEOVER OFFER OF HORIZON ENERGY DISTRIBUTION LIMITED: COMPULSORY ACQUISITION NOTICE

Background

On 29 June 2015, Donald George Lewell, Kevin Joseph Hennessy, David Allen Bulley, Donna Maree Smit, Wade Ross Brown and Edwina Marie Otairi O'Brien, as trustees of the Eastern Bay Energy (the "Offeror") made a full takeover offer (the "Offer") under the Takeovers Code to acquire all of the ordinary shares of Horizon Energy Distribution Limited (the "Shares") not already held by the Offeror.

The consideration offered under the Offer for each fully paid Share was NZ\$4.41 in cash. As at the date of this notice, and as a result of acceptances of the Offer, the Offeror holds more than 90% of the voting rights in Horizon Energy Distribution Limited. The Offeror is now obliged to comply with the compulsory acquisition provisions contained in Part 7 of the Takeovers Code.

Purpose of this Notice

The purpose of this notice is to advise you that the Offeror requires you to transfer your Shares to the Offeror as the Offeror is entitled to do under the provisions of Part 7 of the Takeovers Code. The consideration which the Offeror will pay for those Shares is the same as the consideration offered by the Offeror under the Offer as set out above.

Return of Instrument of Transfer

This notice is accompanied by an instrument of transfer (the "Instrument of Transfer").

Deliver or mail the completed Instrument of Transfer to:

Delivery:

Trustees of the Eastern Bay Energy Trust
C/- Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna
Auckland 0622
New Zealand

Mail:

Trustees of the Eastern Bay Energy Trust
C/- Computershare Investor Services Limited
Private Bag 92119
Auckland 1142
New Zealand

A reply-paid envelope is enclosed.



You may return the completed Instrument of Transfer, so as to be received by the Offeror no later than 5.00pm on Wednesday 22 July 2015 (being 21 days after the date on which this notice is sent). Notwithstanding the fact that you have 21 days after the date on which this notice is sent in which to return the Instrument of Transfer, we would appreciate it if you could please return the Instrument of Transfer as soon as possible.

Payment of Consideration

If you return the completed Instrument of Transfer to the Offeror on or before 5.00pm on Wednesday 22 July 2015, then the consideration due to you will be paid by cheque (sent by ordinary mail), or paid by electronic transfer at your election within 7 days of receipt of the Instrument of Transfer by the Offeror.

If you do not return the completed Instrument of Transfer to the Offeror by 5.00pm on Wednesday 22 July 2015, then the Offeror will (within 7 days after the expiry of the 21 day period referred to above), pay the appropriate amount for your Shares in cash to Horizon Energy Distribution Limited; and send to Horizon Energy Distribution Limited an Instrument of Transfer for your Shares, executed on your behalf by the Offeror or its agent (as the Offeror is required to do under the Takeovers Code).

Any moneys received by Horizon Energy Distribution Limited will be held by Horizon Energy Distribution Limited in trust for the relevant outstanding shareholders until it is claimed.

Information required by Rule 55 of the Takeovers Code

The details required to be stated in this notice by Rule 55 of the Takeovers Code are set out below:

- the Offeror holds or controls 90% or more of the voting rights in Horizon Energy Distribution Limited;
- all outstanding shareholders in Horizon Energy Distribution Limited must sell their Shares to the Offeror;
- the consideration to be provided for each outstanding fully paid Share is NZ\$4.41 in cash, which is the same as the consideration paid by the Offeror under the Offer;
- the outstanding shareholders in Horizon Energy Distribution Limited have the right to sell their Shares to the Offeror in accordance with Part 7 of the Takeovers Code;
- the date on which this notice is sent is Wednesday 1 July 2015;
- this notice is accompanied by the Instrument of Transfer for the transfer to the Offeror of all Shares held by you; and



- the Instrument of Transfer should be completed, signed and returned to the Offeror in accordance with the instructions set out above so as to be received by the Offeror no later than 5.00pm on Wednesday 22 July 2015 (being 21 days after the date on which this notice is sent).

For and on behalf of Donald George Lewell, Kevin Joseph Hennessy, David Allen Bulley, Donna Maree Smit, Wade Ross Brown and Edwina Marie Otairi O'Brien, as trustees of the Eastern Bay Energy Trust:

A handwritten signature in black ink, appearing to read "Don Lewell".

Don Lewell
Chairman

INSTRUMENT OF TRANSFER

COMPULSORY ACQUISITION OF SHARES IN HORIZON ENERGY DISTRIBUTION LIMITED BY THE TRUSTEES OF THE EASTERN BAY ENERGY TRUST ("EBET")

This Instrument of Transfer must be returned so as to be received by no later than 5.00pm on Wednesday 22 July 2015

CSN / Holder Number:

Number of Horizon Shares held:
(as at 29 June 2015)

Total consideration:
(at \$4.41 per Horizon Share):

(the "Transferor")

TRANSFER OF HORIZON SHARES

By signing this Instrument of Transfer you hereby:

- (a) transfer to EBET all of the fully paid ordinary shares in Horizon Energy Distribution Limited ("Horizon") held by you at the time this Instrument of Transfer is presented to EBET for registration ("*Horizon Shares*"), and transfer title to the Horizon Shares to EBET, in consideration for the payment of NZ\$4.41 for each Horizon Share transferred to EBET;
- (b) represent and warrant as set out in paragraph 3 of the Notes and Instructions for Completion; and
- (c) grant a power of attorney in favour of EBET as set out on the reverse of this Instrument of Transfer.

You hereby authorise EBET to use the Transferor's CSN/Holder Number to transfer the Horizon Shares to EBET and you authorise EBET to instruct Horizon and its share registrar to register any transfer of the Horizon Shares to any person other than EBET.

PAYMENT DETAILS

Payment will be made by either electronic transfer directly into your 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.

Method of Payment (please tick one): CHEQUE ELECTRONIC TRANSFER

Electronic Transfer Details: Please complete the boxes below if you wish to be paid by electronic transfer:

Account Name:																									
Account Number:																									
Bank Name:																									
Branch and Address:																									

EXECUTION

FOR AN INDIVIDUAL OR HOLDER OF POWER OF ATTORNEY	FOR A COMPANY
<i>Signed by the Transferor(s):</i>	<i>Signed by the Transferor by:</i> <i>Director/Authorised signatories</i>

Dated and signed the

day of

2015

NOTES AND INSTRUCTIONS FOR COMPLETION

Please note, if you have already completed and returned the Acceptance and Transfer Form previously sent to you with EBET's offer document, you do not need to complete and return this Instrument of Transfer.

- 1 **EXECUTION:** Individuals and attorneys should sign and date this Instrument of Transfer where marked. Companies must sign in accordance with the Companies Act 1993 and their constitution (if any).
- 2 **PAYMENT DETAILS:** If you do not select a Method of Payment, or do not complete the electronic transfer details, you will be paid using your existing bank account details held by Computershare Investor Services Limited. If Computershare Investor Services Limited does not hold your bank account details, or you select electronic transfer as your Method of Payment and partially or incorrectly complete the electronic transfer details, you will be paid by cheque.
- 3 **REPRESENTATIONS AND WARRANTIES:** By signing this Instrument of Transfer you represent and warrant that:
 - (a) the Transferor is the registered holder(s) of the Horizon Shares and that title to each of the Transferor's Horizon Shares will be transferred to EBET free of all security interests, charges, liens, mortgages, encumbrances and adverse interests and claims of any kind, but together with all rights attaching to them, and no other person holds any interest in the Horizon Shares; and
 - (b) the Transferor has full power and capacity to sell and transfer the Horizon Shares to EBET.
- 4 **JOINT HOLDERS:** If the Horizon Shares are registered in the names of joint holders, all holders should sign this Instrument of Transfer.
- 5 **POWER OF ATTORNEY:** If this Instrument of Transfer is signed under a power of attorney, the relevant power of attorney must be submitted with this Instrument of Transfer for noting and return, and the certificate of non-revocation of power of attorney printed overleaf must be completed.
- 6 **ON COMPLETION:** Return the signed Instrument of Transfer by hand delivery, mail (in the reply-paid envelope provided) **AS SOON AS POSSIBLE**, but in any event so as to be received not later than 5.00pm on Wednesday 22 July 2015, to:

Delivery:
The Trustees of the Eastern Bay Energy Trust
C/- Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna
Auckland 0622
New Zealand

Mail:
The Trustees of the Eastern Bay Energy Trust
C/- Computershare Investor Services Limited
Private Bag 92119
Auckland 1142
New Zealand
- 7 **PREVIOUS SALE:** If you have sold all of your Horizon Shares, please immediately pass this Instrument of Transfer, together with the Compulsory Acquisition Notice accompanying this, to the purchaser of such Horizon Shares or the broker through whom the sale was made. If you have sold part of your shareholding, record that fact by amending the number of Horizon Shares noted as being held by you on the face of this Instrument of Transfer.
- 8 **INTERPRETATION:** In this Instrument of Transfer, references to you in the singular shall include the plural.

IF YOU ARE IN ANY DOUBT ABOUT THE PROCEDURE FOR ACCEPTANCES, PLEASE CALL COMPUTERSHARE INVESTOR SERVICES LIMITED ON +64 9 488 8777

POWER OF ATTORNEY

BY THE TRANSFEROR'S EXECUTION, THE TRANSFEROR hereby grants a power of attorney in favour of EBET as follows:

As from the date of beneficial ownership, and title, to my/our Horizon Shares passing to EBET in accordance with the terms of the Offer, I/we hereby irrevocably authorise and appoint EBET (with power of substitution by EBET in favour of such person(s) as EBET may appoint to act on its behalf) as my/our attorney and agent to act for me/us and do all matters of any kind or nature whatsoever in respect of or pertaining to the Horizon Shares and all rights and benefits attaching to them as EBET may think proper and expedient and which I/we could lawfully do or cause to be done if personally acting as a legal or beneficial owner of the applicable Horizon Shares.

IF THIS INSTRUMENT OF TRANSFER IS SIGNED UNDER POWER OF ATTORNEY, THE ATTORNEY(S) SIGNING MUST SIGN THE FOLLOWING APPLICABLE CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY:

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY (if attorney is an individual)

I/We, of
(Full name of attorney) (Place and country of residence, and occupation)

certify:

1 That by deed dated the day of / , of
(Full name of person for whom attorney is signing) (Place and country of residence of person for whom attorney is signing)

appointed me/us his/her/its attorney.

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

Signed at this day of 2015

(Signature of attorney)