ANNOUNCEMENT

Mercury breaks ground on $506 million Puke Kapo Hau Wind Farm

10 November 2026 – Mercury has begun construction of its $506 million Puke Kapo Hau Wind Farm in Otago, a project that will create New Zealand's largest wind farm and deliver enough renewable electricity to power the equivalent of 92,000 homes.

Puke Kapo Hau is Stage 2 of the Mahinerangi Wind Farm. It will add 40 turbines and 192MW of installed capacity to the wind farm development west of Dunedin.

Once completed, Stages 1 and 2 combined will comprise 52 turbines with a total installed capacity of 228MW and an expected annual generation of about 648GWh, making it the country's largest wind farm.

Te Rūnanga o Ōtākou initiated the groundbreaking ceremony with Mercury Chief Executive Stew Hamilton to officially commence construction of Puke Kapo Hau.

Clutha Mayor Jock Martin, landowners, Mercury staff and contractors involved in the project also attended.

Te Rūnanga o Ōtākou Ūpoko, Edward Ellison, said the location for Puke Kapo Hau is one of cultural significance for mana whenua.

"The name Puke Kapo Hau was recommended by Te Rūnanga o Ōtākou and means simply, the hill that catches the wind."

Puke Kapo Hau is Mercury's first renewable energy project approved under the Fast-track Approvals Act and will be the first wind farm constructed under this legislation.

"Using Fast-track has not changed our commitment to working with mana whenua at place, communities and all of our stakeholders," Mr Hamilton said.

"When it comes to developing and delivering our projects, we'll always consider the thoughts and concerns of people, and the impact on the environment."

Mr Hamilton said New Zealand is in the middle of the fastest renewable energy build programme in its history, with unprecedented investment in new renewable generation.

"As new generation comes online and increases supply, it helps ease pressure on the electricity system and supports lower costs over the long term.

"Over the past year we've seen wholesale electricity prices fall significantly, with average spot prices dropping from around $196 per megawatt hour to $79 per megawatt hour.

"While many factors influence electricity market prices, increasing supply is an important part of improving affordability and reducing overall system costs over time."

Puke Kapo Hau is well positioned to support growing electricity demand, including from Datagrid, which is developing what is expected to be New Zealand's most advanced and most suitable large-scale data centre project in Southland.

Mercury has a 140MW power purchase option agreement with Datagrid, and has invested $53 million for a 12.7% minority stake in Datagrid NZ.

"Data centres can play an important role in New Zealand's economic growth, but new demand needs to be matched by investment in new electricity generation.

"By developing demand and supply together, New Zealand can support growth while maintaining energy security and helping manage long-term electricity costs."

Puke Kapo Hau will take about two years to construct, with up to 200 people working on the wind farm each day during peak construction.

It is expected to inject about $220 million into the New Zealand economy. Of that, about $73 million will flow into Otago and Southland economies via contractors and workers directly involved in construction.

The project will generate additional economic activity for local suppliers, accommodation providers, retailers and service businesses.

“Once operational, the wind farm will employ around 8-10 full-time staff and will rely on local and regional subcontractors across many trades to operate and maintain the wind turbines over 30 years.”

Puke Kapo Hau will be the first in New Zealand to have wind turbines supplied by Nordex Group, a leading global wind energy company based in Germany.

“We know Nordex has had a significant presence in Australia for many years and we’re happy to be supporting a new wind technology supplier to enter the New Zealand market.”

Mercury is also strengthening its partnerships in the community in Otago, with an annual fund to support people and projects around the wind farm.

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ABOUT MERCURY NZ LIMITED

Mercury’s generation assets produce electricity from 100% renewable sources: hydro, geothermal and wind. We’re also a retailer of electricity, gas, broadband and mobile services. We’re listed on the New Zealand Stock Exchange and the Australian Stock Exchange with the ticker symbol ‘MCY’, with foreign exempt listed status. The New Zealand Government holds a legislated minimum 51% shareholding of Mercury.

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