SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-70349)

September 9, 2013

Order Exempting Broker-Dealers Participating in the Proposed Global Offering of Meridian Energy Limited from the Arranging Prohibitions of Section 11(d)(1) of the Exchange Act

By letter dated September 6, 2013 ("Request"), Deutsche Bank AG, New Zealand Branch/ Craigs Investment Partners Limited, Goldman Sachs New Zealand and Macquarie Capital (New Zealand) Limited / Macquarie Securities (NZ) Limited (together, "Joint Lead Managers" or "JLMs") and their respective U.S. broker-dealer affiliates ("U.S. Selling Agents") requested that the Securities and Exchange Commission ("Commission") grant an exemption order pursuant to Section 36(a) of the Exchange Act of 1934 ("Exchange Act").[1]

The Request pertains to the application of the arranging prohibitions of Section 11(d)(1) of the Exchange Act[2] to the proposed U.S. offering, as described in your Request (the "Proposed U.S. Offering") by Her Majesty the Queen in right of New Zealand, acting by and through the Minister of Finance and the Minister for State Owned Enterprises (the "Crown"), of ordinary shares (the "Shares") of Meridian Energy Limited ("Meridian" or the "Company"), in connection with Meridian's proposed global initial public offering ("Proposed Global Offering").

You represent that the Proposed Global Offering, including the Proposed U.S. Offering, will be conducted on an installment payment basis in the form of installment receipts ("Installment Receipts"), with the purchase price to be payable in two installments. The securities to be offered and sold in the Proposed U.S. Offering will not be registered under the

---

1 15 U.S.C. 78mm(a).

2 15 U.S.C. 78k(d)(1).

Securities Act of 1933 (the "Securities Act"), but instead will be offered and sold to persons reasonably believed to be "qualified institutional buyers" ("QIBs"), as defined in Rule 144A[3] under the Securities Act, in transactions exempt from the registration requirements of the Securities Act pursuant to Rule 144A thereunder. As a result, the Shares offered and sold in the Proposed U.S. Offering would be represented by Installment Receipts. The Proposed U.S. Offering of Installment Receipts may be deemed to involve a "new issue" for purposes of Section 11(d)(1). Thus, the Joint Lead Managers' and the U.S. Selling Agents' participation in the Proposed U.S. Offering of Meridian may be within the scope of the arranging prohibitions of Section 11(d)(1) of the Exchange Act.

You have requested that the Commission grant an exemption pursuant to Section 36(a) of the Exchange Act from the arranging prohibitions of Section 11(d)(1). You note that the exemption requested is in all material respects identical to the relief that the Commission has previously granted in connection with New Zealand and Australian global offerings that have been conducted on an installment payment basis.[4]

Section 11(d)(1) of the Exchange Act generally prohibits a broker-dealer from extending or maintaining credit, or arranging for the extension or maintenance of credit, on shares of new issue securities, if the broker-dealer participated in the distribution of the new issue securities

---

[3] 17 CFR 230.144A.

[4] The Commission has exempted broker-dealers from the arranging provision of Section 11(d)(1) in similar offerings. See Letter from Catherine McGuire, Chief Counsel, Division of Trading and Markets, Commission, to William C.F. Kurz, Esq., Pillsbury Winthrop Shaw Pittman LLP re: Telstra Corporation Limited, dated October 5, 2006; Letter from Catherine McGuire, Chief Counsel, Division of Trading and Markets, Commission, to William C.F. Kurz, Esq., Pillsbury Winthrop Shaw Pittman LLP re: Macquarie Media Holdings Limited and Macquarie Media Trust, dated September 27, 2005; and Letter from Catherine McGuire, Chief Counsel, Division of Trading and Markets, Commission, to Frederick Wertheim, Esq., Sullivan & Cromwell LLP re: Spark Infrastructure Group, dated November 8, 2005 (revised November 29, 2005).

within the preceding 30 days. The Joint Lead Managers and their U.S. Selling Agents are broker-dealers. The Proposed U.S. Offering of Installment Receipts in the manner described in your Request may be deemed to involve an extension of credit, and the activities of the Joint Lead Managers and the U.S. Selling Agents participating in the Proposed U.S. Offering might, therefore, be deemed to be an arrangement of credit subject to Section 11(d)(1) of the Exchange Act.

Based on the facts and representations set forth in your Request, the Commission finds that it is appropriate in the public interest and consistent with the protection of investors to grant, and hereby grants, to the Joint Lead Managers and the U.S. Selling Agents participating in the Proposed Global Offering by the Crown, of Shares of Meridian a limited exemption pursuant to Section 36(a) of the Exchange Act from the prohibitions on arranging for the extension of credit contained in Section 11(d)(1) of the Exchange Act. In the absence of the exemption, Section 11(d)(1) would effectively preclude the Joint Lead Managers and U.S. Selling Agents from selling the Installment Receipts in the United States since any brokers or dealers participating in the Proposed U.S. Offering may be deemed to be arranging credit in the form of the Installment Receipts that they offer and sell to QIBs. The exemption will allow sophisticated U.S. investors that meet the definition of a QIB to purchase the Installment Receipts in the Proposed U.S. Offering where the protections of the U.S. securities laws will be available, including the anti-fraud protections, rather than in overseas markets which may not afford the same protections. The exemption facilitates the domestic investment by sophisticated U.S. investors in a major foreign issuer and thus encourages the opening of the U.S. capital markets to foreign entities and the free flow of capital between the United States and New Zealand. The exemption may also

help achieve a more liquid and efficient institutional resale market in the United States for the Installment Receipts.

This limited exemption is granted without necessarily agreeing or disagreeing with the analysis in your Request. It is based solely on the representations contained in your letter, particularly the following:

1. At the present time, the Crown owns 100% of the issued ordinary shares of Meridian and, as part of the Crown's partial privatization program with regard to its direct holding of the Shares, the Commonwealth intends to sell approximately 49% of its existing shareholding in Meridian.

2. It is anticipated that the gross proceeds of the Proposed Global Offering will be approximately NZ$2.5 billion (approximately US$2.0 billion using the NZ$/US$ exchange rate as of July 29, 2013);

3. No more than 20% of the total numbers of Shares being offered will be sold in the Proposed U.S. Offering, and the Proposed U.S. Offering will only be open to sophisticated U.S. investors that are QIBs within the meaning of Rule 144A under the Securities Act of 1933.

4. Not less than 50% of the total purchase price will be payable on or before the date of the initial closing of the Proposed Global Offering, and the remainder will be paid in a second final installment payable not more than 24 months after the initial closing of the Proposed Global Offering.

5. New Zealand will be the largest market for the Shares (with the current expectation that at least 70% of the Proposed Global Offering will be sold to New Zealand investors), and thus the New Zealand market will dictate the terms, and to a large extent the structure, of the Proposed Global Offering.

6. An offering-by-installment structure is a customary feature of large financings in New Zealand and Australia, and installment and partly paid structures have been used in numerous other transactions in New Zealand and Australia in recent years.

Conclusion

IT IS THEREFORE ORDERED, that Joint Lead Managers and U.S. Selling Agents are exempt from the arranging prohibitions contained in Section 11(d)(1) in connection with the transactions involving the Shares under the circumstances described above and in your Request.

This exemption from Section 11(d)(1) is strictly limited to transactions involving the Shares under the circumstances described above and in your Request. Notably, this limited exemption from the arranging prohibitions contained in Section 11(d)(1) applies solely to the installment-payment structure of the Proposed Global Offering, and not to any other extension or maintenance of credit, or any other arranging for the extension or maintenance of credit, on the Shares or the Installment Receipts by a Joint Lead Manager or U.S. Selling Agent. In the event that any material change occurs with respect to any of the facts you have presented or the representations you have made, such transactions should be discontinued, pending presentation of the facts for our consideration. We express no view with respect to any other questions the proposed transactions may raise, including, but not limited to, the applicability of other federal and state laws or rules of any self-regulatory organization to the Proposed Global Offering.

You request, under 17 CFR. Section 200.81(b), that your Request and this response be accorded confidential treatment until after the Proposed Global Offering is made public, or 60 days from the date of your Request, whichever first occurs. Because we believe that your request

for confidential treatment is reasonable and appropriate, we grant it.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[5]

Kevin M. O'Neill
Deputy Secretary

[5] 17 CFR 30-3(a)(19) and 17 CFR 200.30-3(a)(62).