Genesis Energy Limited
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New Zealand

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28 February 2017

Company Announcements Office
Exchange Centre
Level 6
20 Bridge Street
Sydney NSW 2000
AUSTRALIA

Dear Sir/Madam,

Genesis Energy Ltd (ASX/NZX: GNE) – ASX Listing Rule 1.15.3

This letter is to confirm that for the purposes of ASX Listing Rule 1.15.3, Genesis Energy Limited has complied with NZX Listing Rules during HY 2017.

Yours sincerely

Cherie Lawrence
Company Secretary

About Genesis Energy

Genesis Energy (NZX: GNE) is a diversified New Zealand energy company. It sells electricity, reticulated natural gas and LPG through its retail brands of Genesis Energy and Energy Online. It is New Zealand's largest energy retailer with around 645,000 customer accounts. The Company generates electricity from a diverse portfolio of thermal and renewable generation assets located in different parts of the country. Genesis Energy also has a 46% interest in the Kupe Joint Venture, which owns the Kupe Oil and Gas Field offshore of Taranaki, New Zealand. Genesis Energy had revenue of $NZ2bn during the 12 months ended 30 June 2016. More information can be found at www.genesisenergy.co.nz

MARKET RELEASE
Date: 28 February 2017

Genesis Energy Limited (GNE): Resetting the foundations for a more customer-centric future

	Half Year ended 31 December 2016	Change year on year
EBITDAF[1]	$155.7 million	Down 11.3% from $175.5 million
Net Profit	$37.4 million	Up 4.2% from $35.9 million
Earnings per share	3.74 cents	Up 4.2% from 3.59 cps
Dividend per share	8.2 cents	Consistent
Free cash flow[2]	$94.7 million	Down 17.1% from $114.2 million
Stay in business capital[3] **expenditure**	$16.8 million	Up 7.0% on $15.7 million

Genesis Energy today released its half year results for the six months ended 31 December 2016 after a period dominated by wet and warm conditions.

In the first half of financial year 2017, Genesis Energy delivered EBITDAF of $155.7 million in line with guidance given in November. However it was down 11% on the same period last year, predominately due to the flow through of low oil prices on wholesale revenues. Despite this, underlying operations were stable, supported by lower costs, increased retail margins and growth in LPG customers. One-off restructuring costs in the first half have reset the business for a more customer-centric future.

Net profit after tax was up 4.2% on the prior comparable period as a result of changes in fair value instruments; free cash flow was consistent with a lower EBITDAF and net debt was down 2% on the same period last year.

Genesis Energy Chairman Dame Jenny Shipley said the Board, having taken into account the current trading environment, have struck the interim dividend of 8.2 cents per share, the same level as the prior comparable period. The dividend will be paid on 13 April 2017, with a record date of 30 March 2017.

"The Company's transformation continues to accelerate and the business performed well against a backdrop of unfavourable market conditions, which have been well-signaled to the market," Dame Jenny said.

Chief Executive Marc England and his Executive team held an Investor Day in November to reset the vision and strategy for the business, focusing on 'Optimising' the business to improve short term returns, "Innovating' for medium term growth and 'Investing' for long term value creation.

Marc said progress had been made against all three strategic themes with "greater efficiency in the generation business having already led to lower operating costs; new innovations, such as bulk LPG delivery systems, were being rolled out to customers and a decision to invest further into Kupe to enable longer term value creation had been actioned."

Higher margins in both mass market and time-of-use markets offset a decline in electricity sales due to warmer weather and reduced retail consumption. LPG sales increased 22% as Genesis Energy continues to accelerate its growth in this market which is supported by its integrated fuel position from the Kupe field through to customers' homes and businesses.

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[1] Earnings before net finance expense, income tax, depreciation, depletion, amortisation, impairment, fair value changes and other gains and losses
[2] Free Cash Flow is EBITDAF, less finance expense; taxes paid and stay in business capital expenditure.
[3] Stay in business capital expenditure is the capital expenditure required to maintain ongoing asset management and life-cycle maintenance of the Company's asset portfolio.

The wholesale market result included significant cost savings across generation to partially offset adverse market conditions from suppressed spot electricity prices, combined with lower oil and methanol prices. Kupe increased production by 11% on the prior year but was impacted by ongoing oil price impacts.

Building an innovation pipeline

With traditional energy retail markets in New Zealand dominated by price led competition, Genesis Energy is activating its strategy to compete through product innovation in energy management services across four product categories – Electricity, Piped Gas, Bottled Gas and Distributed Energy. As part of this effort, today Genesis Energy is announcing a collaboration with customers and other industry partners to design game-changing digital tools that re-imagine how they use energy.

In the first phase of a planned three-year program, 'The Local Energy Project' will make use of Genesis Energy's own digital lab that, through scaled agile methodologies, is accelerating the development of new products that will improve customers' engagement and experience with energy. The Lab is creating new energy monitoring tools, integrated new technologies such as solar and batteries, home heating and hot water.

"By working and learning with our customers, we are ensuring the innovation around new energy technologies is relevant to consumers and puts them in control of what they spend their money on," Marc said.

Full Year Guidance

EBITDAF guidance for the full year ended 30 June 2017 has been updated to a range of $320 million and $330 million including the part year contribution of the additional 15% interest in Kupe.

Further information on the Company's operations and finance can be found in the Investor Presentation of the Full Year Results at nzx.com/markets/NZSX/securities/GNE and www.genesisenergy.co.nz/presentations.

ENDS

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M: 021 681 305

For investor relations enquiries, please contact:
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Group Manager Corporate Finance and Investor Relations
Genesis Energy
P: 09 951 9355
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About Genesis Energy

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Appendix 1

GENESIS ENERGY LIMITED
INCORPORATED IN NEW ZEALAND

HALF YEAR REPORT

Reporting period	six months to 31 December 2016
Previous reporting period	six months to 31 December 2015

RESULTS FOR ANNOUNCEMENT TO THE MARKET – 28 FEBRUARY 2017

Revenue and Net Profit	31 December 2016 Amount ($NZ million)	31 December 2015 Amount ($NZ million)	Percentage change
Revenues from ordinary activities	965.3	1,041.6	-7%
Profit (loss) from ordinary activities after tax attributable to security holder.	37.4	35.9	4%
Net profit (loss) attributable to security holders	37.4	35.9	4%

Dividends – Ordinary Shares	31 December 2016 Amount per security (NZ cents)	31 December 2015 Amount per security (NZ cents)	Percentage change
Interim dividend	8.2	8.2	0%
Interim dividend - imputed amount	2.55	2.55	0%

Record date: 30 March 2017
Payment date: 13 April 2017

COMMENTARY ON RESULTS FOR THE PERIOD

For commentary on the results please refer to the results presentation attached.

FINANCIAL INFORMATION

The Appendix 1 form should be read in conjunction with the consolidated financial statement for the six months ended 31 December 2016 as attached.

Net Tangible Assets – Ordinary Shares	31 December 2016 Amount per security (NZ cents)	31 December 2015 Amount per security (NZ cents)	Percentage change
Net Tangible Asset	183	164	11%

Appendix 4D

GENESIS ENERGY LIMITED
(ARBN 149 509 599)
INCORPORATED IN NEW ZEALAND

HALF YEAR REPORT

Reporting period	six months to 31 December 2016
Previous reporting period	six months to 31 December 2015

RESULTS FOR ANNOUNCEMENT TO THE MARKET – 28 FEBRUARY 2017

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FINANCIAL INFORMATION

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Net Tangible Assets – Ordinary Shares	31 December 2016 Amount per security (NZ cents)	31 December 2015 Amount per security (NZ cents)	Percentage change
Net Tangible Asset	183	164	11%

APPENDIX 7 – NZSX Listing Rules

EMAIL: announce@nzx.com

Number of pages including this one (Please provide any other relevant details on additional pages)

Notice of event affecting securities

NZSX Listing Rule 7.12.2. For rights, NZSX Listing Rules 7.10.9 and 7.10.10.
For change to allotment, NZSX Listing Rule 7.12.1, a separate advice is required.

Full name of Issuer	Genesis Energy Limited
Name of officer authorised to make this notice	Cherie Lawrence, General Counsel and Company Secretary
Authority for event, e.g. Directors' resolution	Directors' resolutions
Contact phone number	09 951 9294
Contact fax number	
Date	28 / 02 / 2017

Nature of event
Tick as appropriate

Bonus Issue	☐
If ticked, state whether: *Taxable*	☐
/ Non Taxable	☐
Conversion	☐
Interest	☐
Rights Issue Renouncable	☐
Rights Issue non-renouncable	☐
Capital change	☐
Call	☐
Dividend	X
If ticked, state whether: Interim	☐
Full Year	X
Special	☐
DRP Applies	☐

EXISTING securities affected by this

If more than one security is affected by the event, use a separate form.

Description of the class of securities	Ordinary Shares
ISIN	NZGNEE0001S7

If unknown, contact NZX

Details of securities issued pursuant to this event

If more than one class of security is to be issued, use a separate form for each class.

Description of the class of securities	
ISIN	

If unknown, contact NZX

Number of Securities to be issued following event	
Minimum Entitlement	
Ratio, e.g 1 for 2	for
Conversion, Maturity, Call Payable or Exercise Date	
Treatment of Fractions	
Tick if pari passu	☐
OR provide an explanation of the ranking	
Strike price per security for any issue in lieu or date Strike Price available.	

Enter N/A if not applicable

Monies Associated with Event

Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.

In dollars and cents

Amount per security (does not include any excluded income)	$0.082 per share
Source of Payment	Retained Earnings
Excluded income per security (only applicable to listed PIEs)	
Currency	NZ Dollars
Total monies	$82,000,000

Supplementary dividend details - NZSX Listing Rule 7.12.7

Amount per security in dollars and cents	$0.011576
Date Payable	13 April, 2017

Taxation

Amount per Security in Dollars and cents to six decimal places

In the case of a taxable bonus issue state strike price	$
Resident Withholding Tax	0.009968 per share
Imputation Credits (Give details)	$0.025511 per share
Foreign Withholding Tax	$
FDP Credits (Give details)	

Timing (Refer Appendix 8 in the NZSX Listing Rules)

Record Date 5pm *For calculation of entitlements -*	30 March 2017
Application Date *Also, Call Payable, Dividend / Interest Payable, Exercise Date, Conversion Date. In the case of applications this must be the last business day of the week.*	13 April 2017
Notice Date *Entitlement letters, call notices, conversion notices mailed*	
Allotment Date *For the issue of new securities. Must be within 5 business days of application closing date.*	

OFFICE USE ONLY
Ex Date:
Commence Quoting Rights:
Cease Quoting Rights 5pm:
Commence Quoting New Securities:
Cease Quoting Old Security 5pm:

Security Code:

Security Code:

GENESIS ENERGY

Re-imagining Energy

INTERIM REPORT

2016 / 2017

We are changing the way we think and work to put customers in control of their energy experience. Better, brighter and mobilising innovation to re-imagine energy for our customers.

CHAIRMAN'S LETTER

Change well underway

Genesis Energy is fast changing itself to develop and deliver new data-driven technologies that will improve the energy experience for our customers and ultimately deliver results for our shareholders.

8.2c
Dividend per share

86.6%
Dividends declared as a % of FCF[2]

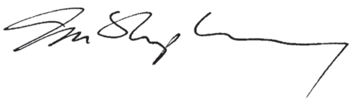
While our transformation continues to gain pace, the Company's underlying business of producing and selling electricity, natural gas and bottled gas performed well against a backdrop of unfavourable market conditions, which have been well signalled to the market.

New Zealand's high reliance on renewable electricity generation is both a plus and a minus for a diverse company such as Genesis Energy. While the wet and warm conditions in the first six months of the financial year resulted in increased renewable generation and reduced coal consumption at Huntly Power Station, this also correlated to suppressed wholesale electricity prices.

The weather impacted our Customer business too, with the warmest year on record resulting in a 4.5 per cent reduction in demand from our residential customers. However, to a large extent, the reduced sales volume was offset by a change in some retail prices and internal cost-saving initiatives.

Our third major source of revenue – the Kupe Oil and Gas field – was also impacted by low oil prices and a longer-than-expected production plant maintenance outage that resulted in a 17.0 per cent drop in oil and gas earnings.

Overall, earnings (EBITDAF)[1] remain in line with November guidance and the Board and I are pleased to declare, despite the market pressures and consistent with the prior period, a dividend of 8.2 cents per share.



Dame Jenny Shipley, DNZM
Chairman

28 February 2017

1 Earnings before net finance expense, taxation, depreciation, depletion, amortisation, impairment, fair value changes and other gains and losses
2 Free cash flow

For Directors and Executives' biographies, go to **www.genesisenergy.co.nz/governance**

CHIEF EXECUTIVE'S REVIEW

Re-imagining energy

In 2016, we reset the Company's vision to be 'Re-imagining Energy to be customers' first choice for energy management'. This vision was expressed in three Strategic Themes: Optimise, Innovate and Invest.

After six months, I am pleased to report that we are making good progress against these themes as we drive change and cement a customer-centric mind-set throughout the business.

Specifically, we have completed a number of Optimise projects in the half year that are leading to greater efficiencies and short-term revenue improvements. The cost to acquire new customers is in decline and our employee costs have reduced by 6.0 per cent. Our customer-facing employees, through the implementation of new digital tools, are also now able to see more information. This allows them to deliver a more effective and efficient customer service, enabling meaningful and targeted communications to our customers. These efficiency gains are a win, both for our customers and investors, as it contributes to greater returns and lower prices.

Under our Invest strategy, we identified and acted quickly to acquire a greater stake in the Kupe Oil and Gas field from New Zealand Oil and Gas. By increasing our share of the Kupe Oil and Gas field to 46 per cent we will be able to create greater value and flexibility to our fuel book and create further value from production through to both our thermal generation and retail businesses. The acquisition was funded by existing debt facilities and was effective on 1 January 2017.

Understanding information flows as well as energy flows is key to true energy management and enhancing our customers' energy experience. In late January 2017, I announced our intention to create The Local Energy Project as part of our Innovation strategy. This project aims to understand how our customers interact with new digital services by working with them to find where the commercial value is before we roll out new services nationally.

During the half year, we also adopted an innovative approach to bottled LPG. Currently we sell most of our Kupe-sourced wholesale LPG to other gas retailers but see a big opportunity to grow our retail LPG customer base by targeting commercial bulk LPG customers and residential 45kg bottled gas customers. Our sales proposition is underpinned by data and technology-driven innovation, not discounting, and we are starting to see positive growth.

While external market factors, which are outside of our control, create challenges for our trading teams, the rest of the business is moving forward positively. We are deliberately challenging and disrupting the way we have done business historically. We are mobilising innovation through new digital technologies and data-driven decision-making to deliver success.

In late November 2016, the Executive Team committed to growing Genesis Energy to be a $400m or more EBITDAF company by 2021. With thoughtful insight, acute focus and action we are well on our way to achieving this goal.

Marc England
Chief Executive

Business Highlights at a Glance

For Genesis Energy to reach our vision of re-imagining energy for our customers, we will apply insights gained from data and work more closely with customers.

1. Kupe share increase

During the period, Genesis Energy agreed to **acquire all of New Zealand Oil & Gas' 15 per cent share** of the Kupe Joint Venture for $168m.

The increase in ownership gave the company access to approximately 160,000 extra barrels of oil and 13,000 additional tonnes of LPG per annum. Genesis Energy already purchases 100 per cent of the natural gas from Kupe.

4. LPG – bobtail tanker

Genesis Energy is targeting rapid growth in the bottled and commercial LPG markets. **LPG sales volumes in the half year were up 25 per cent** compared to HY2016.

The Company has invested in a 'bobtail' LPG tanker to service mainly agribusiness customers. We are also developing a service based on automated reordering of 45kg bottled gas.

2.
Contact centre

New call centre and customer management systems were introduced to support our service and reduce handling times. **Self-service transactions were up by 47 per cent** over a 12-month period.

Energy Online customers were up six per cent over 12 months. **Energy Online went fully digital** by making bill payments by post a thing of the past. Energy Online reached the 1,000 customers mark for bottled gas.

3.
Renewable generation up

Flexible generation provides resilience against adverse market conditions. Coal burn was down 92 per cent in the half year as wet and windy conditions favoured renewable generation, which was up 12.5 per cent.

Total generation output was down eight per cent. A more efficient maintenance programme and reduced staff costs during the half year resulted in **cost savings of $5m.**

5.
Schoolgen data visualisation

Having reached almost **100 solar schools**, the Schoolgen programme has achieved scale to enable new data-driven resources for all school students, teachers and customers thinking about solar generation.

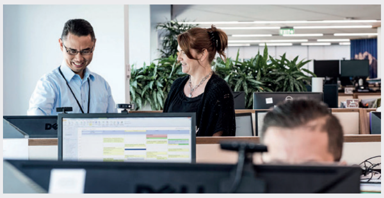
During the half year, a **software engineer intern created a new solar data dashboard** for a revised Schoolgen website, which will be relaunched in FY2017.

6.
Internships from TupuToa

At the end of 2016, five university students from the TupuToa programme began 12-week assignments at our Greenlane office. TupuToa focuses on **identifying, developing and supporting high-potential Māori and Pasifika graduates** to transition to corporate careers.

The interns at Greenlane are working across the organisation and have been linked with mentors to support them throughout their time with the Company.

NEW INITIATIVES UNDERWAY



Retail adapts Agile

We're using Agile methods to drive ideas and deliver faster on customer needs. Agile is iterative and incremental. It breaks down development work into short and fast blocks called sprints. The major advantage of Agile is the ability to move at speed while **adapting to market changes and customer feedback.** We have introduced Agile across our product development and marketing teams.

The Local Energy Project

Genesis Energy is developing **New Zealand's first real-world R&D community** in South Wairarapa. This collaborative project will test, design and develop game-changing digital tools that customers will use to re-imagine how they use energy. By working and learning with our customers, we are ensuring the innovation around new energy technologies is relevant to consumers and puts them in control.

Lightning Lab Electric

Genesis Energy has a plan to become **New Zealanders' first choice for energy management**. As part of delivering on our vision, we're supporting Lightning Lab Electric's Innovation Challenge and Accelerator programme. A joint venture with CreativeHQ and Callaghan Innovation, Lightning Lab Electric is New Zealand's first-ever open call for innovation within the electricity sector.

Financial Performance

Adverse market conditions counter stable underlying performance.

EBITDAF (HY2017)
$155.7m
$175.5m (HY2016)
11.3%↓

NPAT (HY2017)
$37.4m
$35.9m (HY2016)
4.2%↑

EARNINGS PER SHARE (HY2017)
3.74cps
3.59cps (HY2016)
4.2%↑

FREE CASH FLOW (HY2017)
$94.7m
$114.2m (HY2016)
17.1%↓

STAY IN BUSINESS CAPITAL EXPENDITURE (HY2017)
$16.8m
$15.7m (HY2016) 7.0%↑

DIVIDENDS DECLARED AS A % OF FCF (HY2017)
86.6%
71.8% (HY2016) 20.6%↑

TOTAL DIVIDEND (HY2017)
8.2cps
8.2cps (HY2016) Consistent

ADJUSTED NET DEBT (HY2017)
$844.9m
$864.3m (HY2016) 2.2%↓

OUTLOOK

$15.0m↑

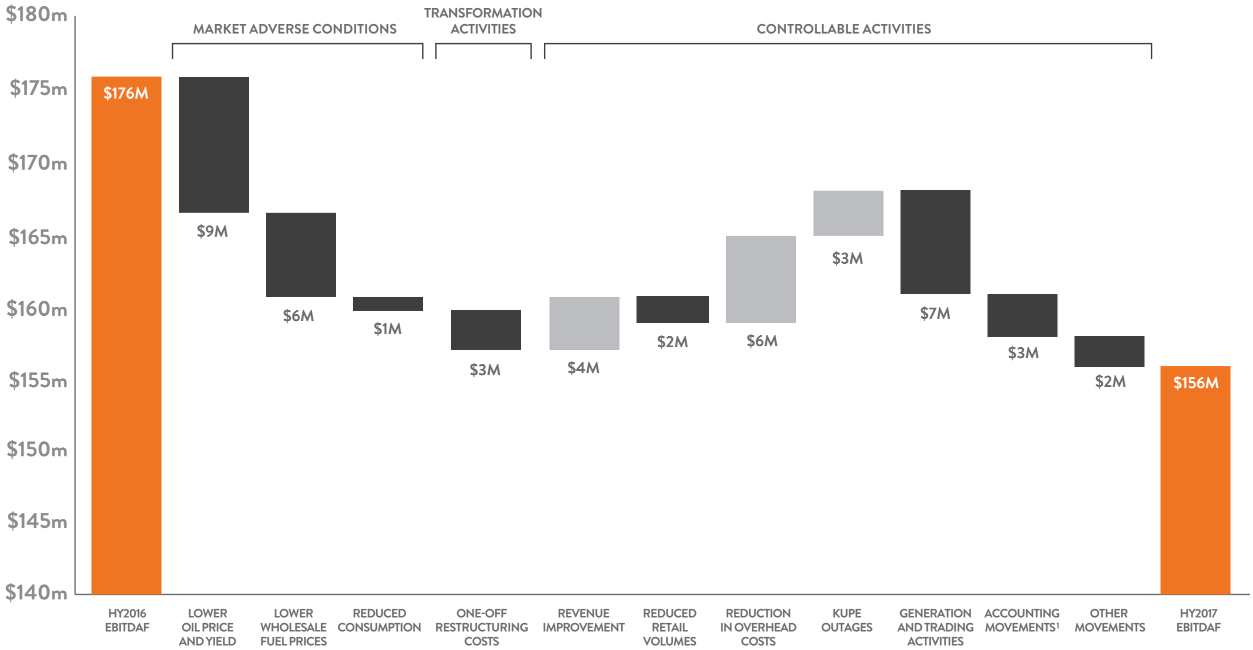
Genesis Energy's FY2017 EBITDAF is projected to increase by approximately $15m (excluding transaction costs) due to additional Kupe earnings over six months.

$320–330m

EBITDAF guidance for the full year ended 30 June 2017 including the additional 15 per cent interest in Kupe.

EBITDAF HY2017 VS HY2016

Focusing on controllable activities to offset market factors.



1 Represents changes in bad debts and deferred acquisition costs.

Targeting
$400m+ EBITDAF
by FY2021

Condensed Consolidated Interim Financial Statements

for the six-month period ended
31 December 2016

Contents

Notes to the condensed consolidated interim financial statements

Consolidated interim comprehensive income statement

For the six-month period ended 31 December 2016

	Note	6 months ended 31 Dec 2016 unaudited $ million	31 Dec 2015 unaudited $ million
Operating revenue			
Electricity revenue		**798.3**	864.5
Gas revenue		**133.6**	140.7
Petroleum revenue		**15.5**	24.1
Other revenue		**17.9**	12.3
		965.3	1,041.6
Operating expenses			
Electricity purchases, transmission and distribution		**(442.8)**	(475.3)
Gas purchases, transmission and distribution		**(141.1)**	(144.7)
Petroleum production, marketing and distribution		**(8.9)**	(8.6)
Fuels consumed		**(67.9)**	(93.3)
Employee benefits		**(39.8)**	(41.6)
Other operating expenses		**(109.1)**	(102.6)
		(809.6)	(866.1)
Earnings before net finance expense, income tax, depreciation, depletion, amortisation, impairment, fair value changes and other gains and losses (EBITDAF)		**155.7**	175.5
Depreciation, depletion and amortisation		**(73.6)**	(73.1)
Impairment of non-current assets	6	**(0.8)**	–
Change in fair value of financial instruments	3	**1.9**	(21.0)
Other gains (losses)		**(1.6)**	0.1
		(74.1)	(94.0)
Profit before net finance expense and income tax		**81.6**	81.5
Finance revenue		**0.9**	1.4
Finance expense	4	**(29.6)**	(32.8)
Profit before income tax		**52.9**	50.1
Income tax (expense)		**(15.5)**	(14.2)
Net profit for the period		**37.4**	35.9
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Change in cash flow hedge reserve		**22.7**	(16.4)
Income tax credit (expense) relating to items that may be reclassified		**(6.4)**	4.6
Total items that may be reclassified subsequently to profit or loss		**16.3**	(11.8)
Total other comprehensive income (expense) for the period		**16.3**	(11.8)
Total comprehensive income for the period		**53.7**	24.1
Earnings per share from operations attributable to shareholders of the Parent			
Basic and diluted earnings per share (cents)		**3.74**	3.59

The above statements should be read in conjunction with the accompanying notes.

Consolidated interim statement of changes in equity

For the six-month period ended 31 December 2016

	Note	Share capital unaudited $ million	Share–based payments reserve unaudited $ million	Asset revaluation reserve unaudited $ million	Cash flow hedge reserve unaudited $ million	Retained earnings unaudited $ million	Total unaudited $ million
Balance as at 1 July 2016		**539.7**	**0.5**	**972.9**	**(43.8)**	**521.9**	**1,991.2**
Net profit for the period		–	–	–	–	**37.4**	**37.4**
Other comprehensive income							
Change in cash flow hedge reserve		–	–	–	**22.7**	–	**22.7**
Income tax expense relating to other comprehensive income		–	–	–	**(6.4)**	–	**(6.4)**
Total comprehensive income for the period		–	–	–	**16.3**	**37.4**	**53.7**
Share-based payments		–	**0.2**	–	–	–	**0.2**
Dividends	5	–	–	–	–	**(82.0)**	**(82.0)**
Balance as at 31 December 2016		**539.7**	**0.7**	**972.9**	**(27.5)**	**477.3**	**1,963.1**

	Note	Share capital unaudited $ million	Share–based payments reserve unaudited $ million	Asset revaluation reserve unaudited $ million	Cash flow hedge reserve unaudited $ million	Retained earnings unaudited $ million	Total unaudited $ million
Balance as at 1 July 2015		539.7	0.3	805.8	(19.6)	499.2	1,825.4
Net profit for the period		–	–	–	–	35.9	35.9
Other comprehensive income							
Change in cash flow hedge reserve		–	–	–	(16.4)	–	(16.4)
Income tax credit relating to other comprehensive income		–	–	–	4.6	–	4.6
Total comprehensive income (expense) for the period		–	–	–	(11.8)	35.9	24.1
Revaluation reserve reclassified to retained earnings on disposal of assets		–	–	(0.4)	–	0.4	–
Share-based payments		–	0.1	–	–	–	0.1
Dividends	5	–	–	–	–	(80.0)	(80.0)
Balance as at 31 December 2015		539.7	0.4	805.4	(31.4)	455.5	1,769.6

The above statements should be read in conjunction with the accompanying notes.

Consolidated interim balance sheet

As at 31 December 2016

	Note	31 Dec 2016 unaudited $ million	30 Jun 2016 audited $ million
Current assets			
Cash and cash equivalents		**209.7**	34.9
Receivables and prepayments		**170.9**	188.8
Inventories		**77.5**	79.3
Intangible assets		**4.0**	4.8
Tax receivable		**–**	4.1
Derivatives	10	**20.7**	19.9
Total current assets		**482.8**	331.8
Non-current assets			
Receivables and prepayments		**4.3**	4.2
Inventories		**0.4**	–
Property, plant and equipment	6	**2,947.0**	2,988.0
Oil and gas assets	7	**256.9**	267.5
Intangible assets		**138.1**	133.7
Derivatives	10	**36.9**	53.0
Total non-current assets		**3,383.6**	3,446.4
Total assets		**3,866.4**	3,778.2
Current liabilities			
Payables and accruals		**136.4**	166.8
Tax payable		**1.3**	–
Borrowings	9	**137.2**	136.2
Provisions		**18.5**	15.3
Derivatives	10	**22.2**	27.6
Total current liabilities		**315.6**	345.9
Non-current liabilities			
Payables and accruals		**0.8**	0.8
Borrowings	9	**947.5**	776.0
Provisions		**120.2**	123.2
Deferred tax liability		**483.6**	484.3
Derivatives	10	**35.6**	56.8
Total non-current liabilities		**1,587.7**	1,441.1
Total liabilities		**1,903.3**	1,787.0
Shareholders' equity			
Share capital		**539.7**	539.7
Reserves		**1,423.4**	1,451.5
Total equity		**1,963.1**	1,991.2
Total equity and liabilities		**3,866.4**	3,778.2

The Directors of Genesis Energy Limited authorise these condensed consolidated interim financial statements for issue on behalf of the Board.

Rt Hon Dame Jenny Shipley, DNZM
Chairman of the Board
Date: 27 February 2017

Joanna Perry, MNZM
Chairman of the Audit and Risk Committee
Date: 27 February 2017

The above statements should be read in conjunction with the accompanying notes.

Consolidated interim cash flow statement

For the six-month period ended 31 December 2016

	Note	6 months ended 31 Dec 2016 unaudited $ million	31 Dec 2015 unaudited $ million
Cash flows from operating activities			
Cash was provided from:			
Receipts from customers		**976.6**	1,048.7
Interest received		**0.9**	1.4
Tax received		**0.6**	20.9
		978.1	1,071.0
Cash was applied to:			
Payments to suppliers and related parties		**794.0**	843.1
Payments to employees		**39.9**	42.2
Tax paid		**17.7**	23.2
		851.6	908.5
Net cash inflows from operating activities		**126.5**	162.5
Cash flows from investing activities			
Cash was provided from:			
Proceeds from disposal of property, plant and equipment		**–**	5.7
		–	5.7
Cash was applied to:			
Purchase of property, plant and equipment		**17.1**	9.7
Purchase of oil and gas assets		**3.1**	5.2
Purchase of intangibles (excluding emission units and deferred customer acquisition costs)		**9.6**	3.8
		29.8	18.7
Net cash (outflows) from investing activities		**(29.8)**	(13.0)
Cash flows from financing activities			
Cash was provided from:			
Proceeds from borrowings		**262.2**	–
		262.2	–
Cash was applied to:			
Repayment of borrowings		**75.0**	21.4
Interest paid and other finance charges		**27.1**	31.6
Dividends	5	**82.0**	80.0
		184.1	133.0
Net cash inflows (outflows) from financing activities		**78.1**	(133.0)
Net increase in cash and cash equivalents		**174.8**	16.5
Cash and cash equivalents at 1 July		**34.9**	21.0
Cash and cash equivalents at 31 December		**209.7**	37.5
Cash and cash equivalents at 31 December consists of:			
Cash at bank		**24.2**	25.9
Funds held on Trust for the acquisition of New Zealand Oil and Gas ('NZOG') subsidiaries	14	**168.0**	–
ASX margin deposits		**17.5**	11.6
		209.7	37.5

The above statements should be read in conjunction with the accompanying notes.

Consolidated interim cash flow statement (continued)

For the six-month period ended 31 December 2016

Reconciliation of net profit to net cash inflow from operating activities	Note	6 months ended 31 Dec 2016 unaudited $ million	31 Dec 2015 unaudited $ million
Net profit for the period		**37.4**	35.9
Items classified as investing/financing activities			
Net (gain)/loss on disposal of property, plant and equipment		**–**	0.2
Interest and other finance charges paid		**27.2**	29.7
		27.2	29.9
Non-cash items			
Depreciation, depletion and amortisation expense		**73.6**	73.1
Impairment of non-current assets		**0.8**	–
Change in fair value of financial instruments	3	**(1.9)**	21.0
Deferred tax expense		**(7.1)**	(11.0)
Change in capital expenditure accruals		**4.4**	1.1
Change in rehabilitation and contractual arrangement provisions		**(0.6)**	3.2
Other non-cash items		**(1.1)**	(2.3)
		68.1	85.1
Movements in working capital			
Change in receivables and prepayments		**17.8**	11.5
Change in deferred customer acquisition costs		**(0.6)**	(2.4)
Change in inventories		**1.4**	7.6
Change in emission units on hand		**–**	(3.7)
Change in payables and accruals		**(30.4)**	(22.9)
Change in tax receivable/payable		**5.4**	23.1
Change in provisions		**0.2**	(1.6)
		(6.2)	11.6
Net cash inflow from operating activities		**126.5**	162.5

The above statements should be read in conjunction with the accompanying notes.

Notes to the condensed consolidated interim financial statements

For the six-month period ended 31 December 2016

1. General information

Genesis Energy Limited (the 'Parent') is a company registered under the Companies Act 1993. The Parent is majority owned by Her Majesty the Queen in Right of New Zealand (the 'Crown') and is listed on the NZSX, NZDX and ASX. The Parent, as a mixed ownership model company, is bound by the requirements of the Public Finance Act 1989. The liabilities of the Parent are not guaranteed in any way by the Crown. The Parent is an FMC Reporting Entity under the Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013.

The condensed consolidated interim financial statements comprise the Parent, its subsidiaries and the Group's interests in joint operations (together, the 'Group'). The condensed consolidated interim financial statements cover the six-month period ended 31 December 2016.

These interim financial statements have not been audited.

The Group is designated as a profit-oriented entity for financial reporting purposes.

The Group's core business is located in New Zealand and involves the generation of electricity, retailing and trading of energy, and the development and procurement of fuel sources. To support these functions, the Group's scope of business includes retailing and trading of related complementary products designed to support its key energy business.

Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with and comply with New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* ('NZ IAS 34'). In complying with NZ IAS 34, these statements comply with International Accounting Standard 34 *Interim Financial Reporting*.

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements. Consequently these condensed consolidated interim financial statements should be read in conjunction with the annual financial statements and related notes included in Genesis Energy's Annual Report for the year ended 30 June 2016.

The condensed consolidated interim financial statements are presented in New Zealand dollars rounded to the nearest one hundred thousand.

Application of new and revised accounting standards, interpretations and amendments

There have been no new or revised accounting standards, interpretations and amendments effective during the period which have a material impact on the Group's accounting policies or disclosures.

There have been no significant changes in accounting policies or methods of computation since 30 June 2016. The accounting policies set out in Genesis Energy's Annual Report for the year ended 30 June 2016 have been applied consistently to all periods presented in these condensed consolidated interim financial statements.

Critical accounting estimates and judgements

The preparation of the Group's condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, revenues and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Significant areas of estimation and judgement in these condensed consolidated interim financial statements are the same as those disclosed in Genesis Energy's annual financial statements included in Genesis Energy's Annual Report for the year ended 30 June 2016.

Seasonality of operations

Fluctuations in seasonal weather patterns can have a significant impact on supply and demand and therefore the generation of electricity, which in turn can have a positive or negative impact on the reported result.

2. Segment reporting

For management purposes, the Group is currently organised into four segments as follows:

Segment	Activity
Customer (previously Customer experience)	Supply of energy (electricity, gas and LPG) and related services to end-users.
Wholesale (previously Energy management)	Supply of electricity to the wholesale electricity market, and supply of gas, LPG and coal to wholesale customers and the Customer segment, and the sale and purchase of derivatives to fix the price of electricity.
Kupe (previously Oil and gas)	Exploration, development, and production of gas and petroleum products. Supply of gas and LPG to the Wholesale segment and supply of light oil.
Corporate	Head-office functions including new generation investigation and development, fuel management, information systems, human resources, finance, corporate relations, property management, legal and corporate governance. Corporate revenue is made up of property rental and miscellaneous income.

The segments are based on the different products and services offered by the Group. No operating segments have been aggregated.

Six months ended 31 December 2016	Customer unaudited $ million	Wholesale unaudited $ million	Kupe unaudited $ million	Corporate unaudited $ million	Inter-segment items unaudited $ million	Total unaudited $ million
Operating revenue						
Electricity revenue	**624.0**	**422.1**	–	–	**(247.8)**	**798.3**
Gas revenue	**87.9**	**72.4**	**27.6**	–	**(54.3)**	**133.6**
Petroleum revenue	–	**4.9**	**15.4**	–	**(4.8)**	**15.5**
Other revenue	**5.6**	**11.7**	–	**0.6**	–	**17.9**
	717.5	**511.1**	**43.0**	**0.6**	**(306.9)**	**965.3**
Operating expenses						
Electricity purchases, transmission and distribution	**(512.6)**	**(178.0)**	–	–	**247.8**	**(442.8)**
Gas purchases, transmission and distribution	**(69.0)**	**(98.8)**	–	–	**26.7**	**(141.1)**
Petroleum production, marketing and distribution	–	**(4.7)**	**(9.0)**	–	**4.8**	**(8.9)**
Fuel consumed	–	**(95.5)**	–	–	**27.6**	**(67.9)**
Employee benefits	**(14.1)**	**(15.0)**	**(0.1)**	**(10.6)**	–	**(39.8)**
Other operating expenses	**(59.1)**	**(36.3)**	**(2.0)**	**(11.7)**	–	**(109.1)**
Earnings before net finance expense, income tax, depreciation, depletion, amortisation, impairment, fair value changes and other gains and losses	**62.7**	**82.8**	**31.9**	**(21.7)**	–	**155.7**
Depreciation, depletion and amortisation	**(2.2)**	**(50.5)**	**(15.6)**	**(5.3)**	–	**(73.6)**
Impairment of non-current assets	**(0.8)**	–	–	–	–	**(0.8)**
Change in fair value of financial instruments	–	**0.2**	**(0.7)**	**2.4**	–	**1.9**
Other gains (losses)	–	**(1.0)**	**(0.5)**	**(0.1)**	–	**(1.6)**
Profit (loss) before net finance expense and income tax	**59.7**	**31.5**	**15.1**	**(24.7)**	–	**81.6**
Finance revenue	–	–	**0.1**	**0.8**	–	**0.9**
Finance expense	**(0.2)**	**(1.3)**	**(1.1)**	**(27.0)**	–	**(29.6)**
Profit (loss) before income tax	**59.5**	**30.2**	**14.1**	**(50.9)**	–	**52.9**
Other segment information						
Capital expenditure	**6.9**	**8.8**	**3.1**	**4.2**	–	**23.0**

2. Segment reporting (continued)

Six months ended 31 December 2015	Customer unaudited $ million	Wholesale unaudited $ million	Kupe unaudited $ million	Corporate unaudited $ million	Inter-segment items unaudited $ million	Total unaudited $ million
Operating revenue						
Electricity revenue	631.6	494.7	–	–	(261.8)	864.5
Gas revenue	85.9	82.3	26.1	–	(53.6)	140.7
Petroleum revenue	–	–	24.1	–	–	24.1
Other revenue	5.2	6.5	–	0.6	–	12.3
	722.7	583.5	50.2	0.6	(315.4)	1,041.6
Operating expenses						
Electricity purchases, transmission and distribution	(523.6)	(213.5)	–	–	261.8	(475.3)
Gas purchases, transmission and distribution	(70.3)	(103.0)	–	–	28.6	(144.7)
Petroleum production, marketing and distribution	–	–	(8.6)	–	–	(8.6)
Fuel consumed	–	(118.3)	–	–	25.0	(93.3)
Employee benefits	(15.2)	(16.1)	(0.1)	(10.2)	–	(41.6)
Other operating expenses	(56.6)	(34.6)	(2.1)	(9.3)	–	(102.6)
Earnings before net finance expense, income tax, depreciation, depletion, amortisation, impairment, fair value changes and other gains and losses	57.0	98.0	39.4	(18.9)	–	175.5
Depreciation, depletion and amortisation	(1.5)	(41.0)	(24.8)	(5.8)	–	(73.1)
Change in fair value of financial instruments	–	(19.9)	(0.7)	(0.4)	–	(21.0)
Other gains (losses)	0.1	1.2	(0.1)	(1.1)	–	0.1
Profit (loss) before net finance expense and income tax	55.6	38.3	13.8	(26.2)	–	81.5
Finance revenue	0.1	–	0.1	1.2	–	1.4
Finance expense	(0.2)	(1.5)	(1.5)	(29.6)	–	(32.8)
Profit (loss) before income tax	55.5	36.8	12.4	(54.6)	–	50.1
Other segment information						
Capital expenditure	1.5	3.6	5.0	3.4	–	13.5

Inter-segment revenue

Sales between segments is based on transfer prices developed in the context of long-term contracts. Inter-segment gas and petroleum revenue includes the Group's share of Kupe gas and LPG sales to the Wholesale segment and gas and LPG on-sold from the Wholesale segment to the Customer segment.

Geographic information

All business segments operate within the New Zealand economic exclusion zone.

Major customer information

The Group has no individual customers that account for 10 per cent or more of the Group's external revenue (31 December 2015: none).

3. Change in fair value of financial instruments

	6 months ended 31 Dec 2016 unaudited $ million	31 Dec 2015 unaudited $ million
Change in fair value of derivatives – gain (loss)	(17.9)	(14.8)
Fair value interest rate risk adjustment on borrowings – gain (loss)	19.8	(6.2)
	1.9	(21.0)

The change in the fair value of derivatives for the current period mainly relates to the movement in the fair value of Cross-Currency Interest Rate Swaps ('CCIRS') ($18.4 million loss). The movement in the fair value of the CCIRS relates to movements in interest and foreign exchange rates between 30 June 2016 and the reporting date. The movement in the fair value of the CCIRS was offset by the change in the fair value interest rate risk adjustment on the United States Private Placement ('USPP') ($19.3 million gain). The net impact on net profit of the CCIRS and USPP was $0.9 million gain.

The change in the fair value of derivatives for the previous period mainly relates to the movement in the fair value of electricity swaps and options ($19.9 million loss) offset by the movement in the fair value of CCIRS ($6.1 million gain). The movement in the fair value of the electricity swaps and options primarily reflects movements in the electricity price path between either the date the contract was entered into, if its a new contract in the period, or since the previous reporting date. The movement in the CCIRS relates to movements in interest and foreign exchange rates between 30 June 2015 and 31 December 2015. The movement in the fair value of the CCIRS was offset by the change in the fair value interest rate risk adjustment on the USPP ($6.5 million loss). The net impact on net profit of the CCIRS and USPP for the six months ended 31 December 2015 was a $0.4 million loss.

4. Finance expense

	6 months ended 31 Dec 2016 unaudited $ million	31 Dec 2015 unaudited $ million
Interest on borrowings (excluding capital bonds)	20.8	23.1
Interest on capital bonds	6.2	6.2
Total interest on borrowings	27.0	29.3
Other interest and finance charges	0.4	0.4
Time value of money adjustments on provisions	2.4	3.1
	29.8	32.8
Capitalised finance expenses	(0.2)	–
	29.6	32.8

5. Dividends

	6 months ended 31 Dec 2016			6 months ended 31 Dec 2015		
	unaudited imputation	unaudited $ million	unaudited cents per share	unaudited imputation	unaudited $ million	unaudited cents per share
Dividends declared and paid during the period						
Previous period final dividend	80 per cent	82.0	8.20	Fully imputed	80.0	8.00
Dividends declared subsequent to reporting date						
Current period interim dividend	80 per cent	82.0	8.20	80 per cent	82.0	8.20

6. Property, plant and equipment

	6 months ended 31 Dec 2016 unaudited $ million	Year ended 30 Jun 2016 audited $ million
Opening balance	**2,988.0**	2,682.5
Additions	**19.7**	30.9
Revaluation gains	**–**	370.6
Capitalised finance expenses	**0.2**	–
Change in rehabilitation and contractual arrangement assets	**0.8**	2.0
Transfer to intangible assets	**(8.8)**	(9.5)
Disposals	**–**	(3.1)
Impairment	**(0.8)**	–
Depreciation expense	**(52.1)**	(85.4)
Closing balance	**2,947.0**	2,988.0

7. Oil and gas assets

	6 months ended 31 Dec 2016 unaudited $ million	Year ended 30 Jun 2016 audited $ million
Opening balance	**267.5**	292.4
Additions	**3.1**	8.9
Change in rehabilitation assets	**1.9**	(3.1)
Depreciation and depletion expense	**(15.6)**	(30.7)
Closing balance	**256.9**	267.5

During the 2017 financial year, the Group reviewed the method used to deplete oil and gas-producing assets (excluding major inspection costs). Based on the results of the review, the Group amended the method used to deplete the cost of producing wells to better reflect the way in which the asset is being used. The reserves estimate used to calculate depletion expense was also revised to align with those used by the Joint Venture Operator as the Joint Venture Operator's reserve estimate was unavailable at the time the 30 June 2016 result was compiled. The change in method and reserves estimate was applied prospectively from 1 July 2016, which resulted in a $0.4 million increase in depletion expense for the period.

	Proven reserves (1P)		Proven and probable reserves (2P)	
	31 Dec 2016 PJe	30 Jun 2016 PJe	31 Dec 2016 PJe	30 Jun 2016 PJe
Opening remaining field reserves at 1 July	**288.5**	188.2	**387.9**	302.4
Alignment of opening remaining field reserves to Joint Venture Operator's estimate	**(2.9)**	–	**20.3**	–
Production	**(17.5)**	(35.9)	**(17.5)**	(35.9)
Change in reserve estimate	**–**	136.2	**–**	121.4
Closing remaining field reserves	**268.1**	288.5	**390.7**	387.9
Developed	**177.7**	195.3	**217.1**	238.2
Undeveloped	**90.4**	93.2	**173.6**	149.7
Closing remaining field reserves	**268.1**	288.5	**390.7**	387.9

8. Material related party transactions

The majority shareholder of the Parent is the Crown. The Parent and Group transact with Crown-controlled and related entities independently and on an arm's-length basis for emission activities comprising emission unit purchases and sales, royalties, scientific consultancy services, electricity transmission, postal services and energy-related products (including electricity derivatives). All transactions with Crown-controlled and related entities are based on commercial terms and conditions, and relevant market drivers.

The Group has two significant transactions with Meridian Energy, a Crown-controlled entity, being: a 150MW contract to provide dry-year cover for four years from 1 January 2015, with a further four-year extension from 1 January 2019 and a 50MW contract to supply electricity to the Huntly node from 1 January 2017 to 31 December 2018.

There were no other individually significant transactions with Crown-controlled and related entities during the period (31 December 2015: nil).

Other transactions with Crown-controlled and related entities which are collectively but not individually significant relate to the sale of electricity derivatives (31 December 2015: purchase of coal, sale of gas and electricity derivatives). Approximately 79 per cent of the value of electricity derivative assets and approximately 61 per cent of the value of electricity derivative liabilities held by the Group at the reporting date were held with Crown-controlled and related entities (31 December 2015: 89 per cent and 62 per cent, respectively). The contracts expire at various times; the latest expiry date is December 2025. No gas sales were made to Crown-controlled and related entities under gas sales agreements (31 December 2015: 11 per cent).

For a list and description of transactions with related parties, refer to Genesis Energy's annual financial statements included in Genesis Energy's Annual Report for the year ended 30 June 2016.

9. Borrowings

	31 Dec 2016 unaudited $ million	30 Jun 2016 audited $ million
Revolving credit and money market	**312.8**	50.1
Wholesale term notes	**242.8**	319.7
Retail term notes	**100.4**	100.2
Capital bonds	**202.6**	202.6
USPP	**226.1**	239.6
Total	**1,084.7**	912.2
Current	**137.2**	136.2
Non-current	**947.5**	776.0
Total	**1,084.7**	912.2

Revolving credit

The increase in the revolving credit balance mainly relates to an additional drawdown to facilitate the repayment of $75.0 million wholesale term notes and pre-funding for the acquisition of the NZOG subsidiaries ($168.0 million) ahead of the settlement which occurred after the reporting date. Refer to note 14 for further information.

As at 31 December 2016 the Group had drawn down $310.0 million (30 June 2016: $50.0 million) from the revolving credit facility and had available undrawn funding of $190.0 million (30 June 2016: $450.0 million).

10. Derivatives

Net carrying value of derivatives	31 Dec 2016 unaudited $ million	30 Jun 2016 audited $ million
Derivatives designated in a cash flow hedge relationship		
Foreign exchange swaps	**0.5**	3.3
Interest rate swaps	**(17.9)**	(32.0)
Electricity swaps	**(14.7)**	(28.3)
Oil swaps	**(1.3)**	3.9
CCIRS	**19.8**	12.1
Derivatives designated in a fair value hedge relationship		
Interest rate swaps	**0.1**	0.5
CCIRS	**4.9**	23.3
Derivatives not designated as hedges		
Interest rate swaps	**(3.0)**	(4.6)
Electricity swaps and options	**11.6**	10.4
Oil options	**0.1**	–
LPG swaps	**(0.3)**	(0.1)
Total	**(0.2)**	(11.5)
Carrying value of derivatives by balance sheet classification		
Current assets	**20.7**	19.9
Non-current assets	**36.9**	53.0
Current liabilities	**(22.2)**	(27.6)
Non-current liabilities	**(35.6)**	(56.8)
Total	**(0.2)**	(11.5)

The process and method of valuing derivatives is outlined in note 11.

Change in carrying value of derivatives	6 months ended 31 Dec 2016 unaudited $ million	Year ended 30 Jun 2016 audited $ million
Opening balance	**(11.5)**	35.9
Total change recognised in electricity revenue	**11.0**	23.3
– Net change in derivatives not designated as hedges	**1.6**	(18.3)
– Net change in fair value hedges	**(18.8)**	21.4
– Ineffective gain (loss) on cash flow hedges	**(0.7)**	(7.0)
Total change recognised in the change in fair value of financial instruments	**(17.9)**	(3.9)
Gain (loss) recognised in other comprehensive income	**20.6**	(17.6)
Settlements	**7.5**	(26.2)
Sales (option fees)	**(10.0)**	(23.0)
Purchases (option fees)	**0.1**	–
Closing balance	**(0.2)**	(11.5)

11. Fair value

Fair value hierarchy

The Group's assets and liabilities measured at fair value are categorised into one of three levels. The levels are outlined in Genesis Energy's annual financial statements included in Genesis Energy's Annual Report for the year ended 30 June 2016.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the date of the event or change in circumstances that caused the transfer. There were no transfers between levels one, two and three during the period (31 December 2015: nil).

11. Fair value (continued)

Level two items carried at fair value **Recurring fair value measurements**	**31 Dec 2016 unaudited $ million**	30 Jun 2016 audited $ million
Level two		
Derivatives		
Interest rate swaps	**(20.8)**	(36.1)
Foreign exchange swaps	**0.5**	3.3
Oil swaps and options	**(1.2)**	3.9
Electricity swaps (cash flow hedges)	**–**	(0.1)
Electricity swaps and options (not designated as hedges)	**(1.7)**	(1.8)
CCIRS	**24.7**	35.4
LPG swaps	**(0.3)**	(0.1)
	1.2	4.5
Inventory		
Emission units held for trading	**7.6**	4.9

Valuation of level two items carried at fair value

The fair values of level two derivatives and emission units held for trading carried at fair value are determined using discounted cash flow models. The key inputs in the valuation models were:

Item	**Valuation input**
Interest rate swaps	Forward interest rate price curve
Foreign exchange swaps	Forward foreign exchange rate curves
Oil swaps and options	Forward oil price and foreign exchange rate curves
Electricity swaps and options	ASX forward price curve
CCIRS	Forward interest rate price curve and foreign exchange rate curves
Emission units held for trading	OM Financial forward curve
LPG swaps	Forward propane price and foreign exchange rate curves

Level three items carried at fair value **Recurring fair value measurement**	**31 Dec 2016 unaudited $ million**	30 Jun 2016 audited $ million
Level three		
Derivatives		
Electricity swaps (cash flow hedges)	**(14.7)**	(28.2)
Electricity swaps and options (not designated as hedges)	**13.3**	12.2
	(1.4)	(16.0)
Property, plant and equipment		
Generation assets	**2,877.0**	2,923.5

Valuation of level three items carried at fair value

Valuation processes of the Group

The process used to value level three generation assets and derivatives has been disclosed in Genesis Energy's annual financial statements included in Genesis Energy's Annual Report for the year ended 30 June 2016. The process used as at 31 December 2016 is consistent with that used at 30 June 2016.

Valuation method of the Group

The valuation method used to value level three generation assets and derivatives has been disclosed in Genesis Energy's annual financial statements included in Genesis Energy's Annual report for the year ended 30 June 2016. The valuation method used as at 31 December 2016 is consistent with that used 30 June 2016.

Valuation of electricity swaps and options

The valuation of electricity swaps and options in level three is based on a discounted cash flow model over the life of the agreement. The key assumptions in the model are: the callable volumes, strike price and option fees outlined in the agreement, the forecast internally generated electricity price path, 'day one' gains and losses, emission credits and the discount rate. The options are deemed to be called when the internally generated price path is higher than the strike prices after taking into account obligations relating to the specific terms of each contract. No calling is required for the swaps and there are no option fees.

11. Fair value (continued)

The key unobservable inputs, range of assumptions and third-party inputs combine to determine the wholesale electricity price path. The wholesale electricity price paths used to value level three electricity swaps and options range from $64 per MWh to $113 per MWh over the period from January 2017 to 31 December 2025 (30 June 2016: $65 per MWh to $109 per MWh over the period from 1 July 2016 to 31 December 2025).

The discount rate used in the model ranged from 2.2 per cent to 5.8 per cent (30 June 2016: 1.6 per cent to 8.3 per cent) and the emission credit price used ranged between $20.00 and $25.00 (30 June 2016: $18.00 and $25.00).

If the price path increased by 10 per cent while holding the discount rate constant, this would result in the carrying value of the electricity derivatives decreasing to $24.3 million liability (30 June 2016: $50.7 million liability). If the price path decreased by 10 per cent while holding the discount rate constant, the carrying value would increase to $16.6 million asset (30 June 2016: $12.7 million asset).

Reconciliation of level three electricity swaps and options	6 months ended 31 Dec 2016 unaudited $ million	Year ended 30 Jun 2016 audited $ million
Opening balance	**(16.0)**	27.7
Total gain (loss)		
– Electricity revenue	**11.0**	23.3
– Change in fair value of financial instruments	**0.8**	(18.0)
Total gain in profit or loss	**11.8**	5.3
Total gain (loss) recognised in other comprehensive income	**9.5**	(16.7)
Settlements (gain) loss	**3.3**	(8.9)
Sales	**(10.0)**	(23.4)
Closing balance	**(1.4)**	(16.0)

The change in fair value of financial instruments disclosed above includes an unrealised gain of $1.8 million (30 June 2016: $18.1 million loss) on level three derivatives held at the end of the reporting period.

Deferred 'day one' gains (losses)

There is a presumption that when derivative contracts are entered into on an arm's-length basis, and no payment is received or paid on day one, the fair value at inception would be nil. The contract price of non-exchange traded electricity derivative contracts are agreed on a bilateral basis, the pricing for which may differ from the prevailing derived market price for a variety of reasons. In these circumstances, an adjustment is made to bring the initial fair value of the contract to zero at inception. The adjustment is called a 'day one' gain (loss) and is deferred and amortised, based on expected call volumes over the term of the contract. The 'day one' adjustment below is included in the level three electricity swaps and options held at the reporting date.

The following table details the movements and amounts of deferred 'day one' gains (losses) included in the fair value of electricity swaps and options held at the reporting date:

	6 months ended 31 Dec 2016 unaudited $ million	Year ended 30 Jun 2016 audited $ million
Opening balance	**72.7**	17.1
Deferred 'day one' gains on new derivatives	**0.6**	63.6
Deferred 'day one' losses realised during the period	**(0.2)**	(8.0)
Closing balance	**73.1**	72.7

Items disclosed at fair value	Carrying value 31 Dec 2016 unaudited $ million	Carrying value 30 Jun 2016 unaudited $ million	Fair value 31 Dec 2016 unaudited $ million	Fair value 30 Jun 2016 unaudited $ million
Level one				
Retail term notes	**(100.4)**	(100.2)	**(100.5)**	(103.2)
Capital bonds	**(202.6)**	(202.6)	**(205.7)**	(206.2)
Level two				
Wholesale term notes	**(242.8)**	(319.7)	**(257.9)**	(344.3)
USPP	**(226.1)**	(239.6)	**(224.3)**	(235.0)

The carrying value of all other financial assets and liabilities in the balance sheet approximates their fair values.

11. Fair value (continued)

Valuation of wholesale term notes

The valuation of wholesale term notes is based on estimated discounted cash flow analyses using applicable market yield curves adjusted for the Group's credit rating. Market yield curves at the reporting date used in the valuation ranged from 2.9 per cent to 4.8 per cent (30 June 2016: 3.0 per cent to 3.9 per cent).

Valuation of USPP

The valuation of USPP is based on estimated discounted cash flow analyses using applicable United States market yield curves adjusted for the Group's credit rating. The credit-adjusted market yield at the reporting date used in the valuation was 3.3 per cent (30 June 2016: 2.5 per cent).

12. Commitments

	31 Dec 2016 unaudited $ million	30 Jun 2016 unaudited $ million
Total capital commitments	**7.9**	1.3
Total operating lease commitments	**61.7**	64.2
	69.6	65.5

13. Contingent assets and liabilities

At 31 December 2016 the Group had contingent assets and liabilities in respect of:

Land claims, lawsuits and other claims

The Parent acquired interests in land and leases from Electricity Corporation of New Zealand Limited ('ECNZ') on 1 April 1999. These interests in land and leases may be subject to claims to the Waitangi Tribunal and may be resumed by the Crown. The Parent would expect to negotiate with the new Māori owners for occupancy and usage rights of any sites resumed by the Crown. Certain claims have been brought to or are pending against the Parent, ECNZ and the Crown under the Treaty of Waitangi Act 1975. Some of these claims may affect land and leases purchased by the Parent or its subsidiaries from ECNZ. In the event that land is resumed by the Crown, the resumption would be affected by the Crown under the Public Works Act 1981 and compensation would be payable to the Parent.

The Board of Directors cannot reasonably estimate the adverse effect (if any) on the Parent if any of the foregoing claims are ultimately resolved against it, or any contingent or currently unknown costs or liabilities crystallise. There can be no assurances that these claims will not have a material adverse effect on the Group's business, financial condition or results of operations (30 June 2016: no reasonable estimate).

There are no other known material contingent assets or liabilities (30 June 2016: nil).

14. Events occurring after balance date

Subsequent to balance date, the following events occurred:

- The Parent declared an interim dividend of $82.0 million (8.2 cents per share);
- A subsidiary of the Group (Genesis Power Investments Limited) acquired 100 per cent of the shares of three subsidiaries from NZOG that in combination hold a 15 per cent stake in the Kupe Joint Venture and 100 per cent of a subsidiary that has rights to royalty payments associated with the Kupe field. The acquisition increased the Group's holdings in the Kupe Joint Venture from 31 per cent to 46 per cent, effective from 1 January 2017. The subsidiaries acquired have not been consolidated into the Group at 31 December 2016 as control of the entities did not pass until 1 January 2017.

Name of entity acquired	Principal activity	Date of acquisition	Proportion of voting equity interests acquired %
National Petroleum Limited	Joint venture holding company	1 January 2017	100
Petroleum Equities Limited	Joint venture holding company	1 January 2017	100
Nephrite Enterprises Limited	Joint venture holding company	1 January 2017	100
Kupe Royalties Limited	Royalty holding company	1 January 2017	100

The entities were acquired as a result of the Group's strategy to create value by linking upstream fuel supply with electricity generation and consumer energy needs. The purchase price of $168.0 million was paid in cash to a Trust account on 29 December 2016. This has been treated as cash and cash equivalents at 31 December 2016 given the sale was not effective until 1 January 2017.

Significant assets and liabilities acquired from the purchase were an increased share of Kupe oil and gas assets and associated rehabilitation provision, intangible assets associated with contractual arrangements, deferred tax and goodwill. The fair value of assets and liabilities acquired has yet to be finalised and as a result this information has not been disclosed. Any goodwill on acquisition can only be determined once the fair value of assets and liabilities acquired have been finalised; as a result the information in relation to goodwill has not been disclosed. Further details on the acquisition will be disclosed in the Annual Report.

Acquisition-related costs amounting to $0.8 million have been expensed as incurred in profit or loss within 'other operating expenses'.

There have been no other significant events subsequent to balance date.

Deloitte.

Independent Review Report

TO THE SHAREHOLDERS OF GENESIS ENERGY LIMITED

We have reviewed the condensed consolidated interim financial statements ('the financial statements') of Genesis Energy Limited ('the Company') and its subsidiaries ('the Group') which comprise the consolidated interim balance sheet as at 31 December 2016, and the consolidated interim comprehensive income statement, consolidated interim statement of changes in equity and consolidated interim cash flow statement for the six months ended on that date, and a summary of significant accounting policies and other explanatory information on pages 9 to 23.

This report is made solely to the Company's Shareholders, as a body. Our review has been undertaken so that we might state to the Company's Shareholders those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's Shareholders as a body, for our engagement, for this report, or for the opinions we have formed.

Board of Directors' Responsibilities

The Board of Directors is responsible for the preparation and fair presentation of the financial statements, in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting* and for such internal control as the Board of Directors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

The Board of Directors is also responsible for the publication of the financial statements, whether in printed or electronic form.

Our Responsibilities

The Auditor-General is the auditor of the Group pursuant to section 5(1)(f) of the Public Audit Act 2001. Pursuant to section 32 of the Public Audit Act 2001, the Auditor-General has appointed Andrew Dick of Deloitte Limited to carry out the annual audit of the Group.

Our responsibility is to express a conclusion on the financial statements based on our review. We conducted our review in accordance with NZ SRE 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* ('NZ SRE 2410'). NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared, in all material respects, in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*. As the auditor of Genesis Energy Limited, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of the financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly we do not express an audit opinion on those financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

In addition to this review and the audit of the Group's annual financial statements, we have carried out assignments in the areas of taxation, trustee reporting, scrutineer's notice and other assurance and non-assurance services which are compatible with those independence requirements. These services have not impaired our independence as auditor of the Group.

In addition to these assignments, partners and employees of our firm deal with the Group on normal terms within the ordinary course of trading activities of the Group. Other than these assignments and trading activities, we have no relationship with, or interests in the Group.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 31 December 2016 and its financial performance and cash flows for the six months ended on that date in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

Andrew Dick
Deloitte Limited
On behalf of the Auditor-General
Auckland, New Zealand
27 February 2017

Directory

Board of Directors:

Chairman
Dame Jenny Shipley, DNZM

Joanna Perry, MNZM

Maury Leyland

John Leuchars

Mark Cross

Douglas McKay, ONZM

Tim Miles

Paul Zealand

Executive Management Team:

Chief Executive
Marc England

Chief Financial Officer
Chris Jewell

Executive General Manager
Corporate Affairs and Transformation
Dean Schmidt

Executive General Manager
Customer Operations
Nigel Clark

Executive General Manager
Product Marketing
James Magill

Executive General Manager
Generation and Wholesale
Tracey Hickman

Executive General Manager
Technology and Digital
Jennifer Cherrington-Mowatt

Executive General Manager
People and Culture
Nicola Richardson

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genesis
ENERGY

REIMAGINING energy

GENESIS ENERGY

HY17
Results Presentation

Agenda

1

HY17 Highlights and Strategy Update

—

Marc England

Chief Executive

2

Financial Performance

—

Chris Jewell

Chief Financial Officer

3

Operational Performance

—

Marc England

Chief Executive

4

Outlook and Guidance Update

—

Marc England

Chief Executive

1

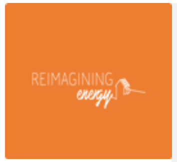
HY17 Highlights and Strategy Update

Marc England

Chief Executive

HY17 Highlights

A reinvigorated strategy in place



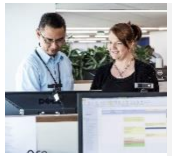
Reset Vision and Strategy

Transformation Journey Underway

Announced Acquisition of an Additional 15% Interest in Kupe

22% Growth in LPG Sector Customers

Strong Health & Safety Performance with TRIFR down 70%



Cost Optimisation Delivers $6 Million in Savings

Strategy Update

Our plan on a page

Vision

REIMAGINING ENERGY
to be customers' first choice for energy management

Strategic Themes

OPTIMISE	INVEST	INNOVATE
To improve short term return	*For medium term growth*	*In long-term value creation*

Strategic Priorities

- Maximise return from core activities
- Leverage data, analysis and insight
- Create enduring customer relationships
- Deploy technology to build trust
- Enhance experience with new business models
- Organise for best in class strategic execution

Critical Future capabilities

Data driven decision making	Scaled agile ways of working	Lean start up product development	Commercial relationship management
Sales capabilities	Distributed asset management	Software development	Field force management

Strategy Update

Transformation journey underway

HY17 Achievements

		HY17 Achievements		
Optimise To improve short term return	Driving efficiency throughout the business	Total cost savings of **$6 million**, $4.5 million annualised	Cost to acquire **down 15%**	**6% reduction** in employee costs
Innovate For medium term growth	Segment growth and defining the future of energy management	LPG customers **up 22%**	SME field force in place for Q3, Spark contract secured	Launched the 'Local Energy Project'
Invest In long-term value creation	Investment into data and systems and increased influence over Kupe	Acquisition of **15% interest** in Kupe for $168 million	Phase 1 of Salesforce being implemented	Growth capex of **$6.1 million**

Strategy Update

Next steps – example strategic initiatives

Strategic Initiative	Operational Excellence and Best in Class CTS	Build Sales & Retention Capability	Customer Insights & Analysis	Operational Excellence and Value Optimisation
Activity	• Reducing cost to serve through labour efficiencies supported by technological investment, corporate reorganisation, training and updated remuneration structures • Additional operational efficiencies from procurement	• Employing a sales field force targeting SME • New leadership and organisational structure • Engaging differently with third party channel providers • Better aligning commission structures	• Single customer view • Advanced segmentation to enable tailored and value driven customer interactions • Voice of customer for greater insights • Supported by data and proprietary modelling tools	• Deliver value from greater integration of maintenance, operations and wholesale activities • New maintenance strategy focused on risk and effective planning and scheduling • Trading and hedging to manage operational risks
Target Outcomes	• Reduced cost to serve • Faster interactions • Increased e-billing	• Increased share of SME • Reduced cost to acquire • Reduced churn	• Deeper enduring customer relationships • Increased customer loyalty	• Reduced cost to generate • Increased plant availability • Improved health & safety

2 Financial Performance

Chris Jewell

Chief Financial Officer

HY17 Financial Highlights

Performance in line with expectations and guidance

EBITDAF

$155.7m

11% lower year on year but **performance stable** excluding market impacts and one off transformation activities

NPAT

$37.4m

4% higher driven by fair value changes in financial instruments

FREE CASH FLOW

$94.7m

Consistent with lower EBITDAF

TOTAL DIVIDENDS

8.2cps

Consistent with HY16

ADJUSTED NET DEBT

$845m

2.2% Lower on HY16

COST SAVINGS

$4.5m

Annualised

Financial Summary

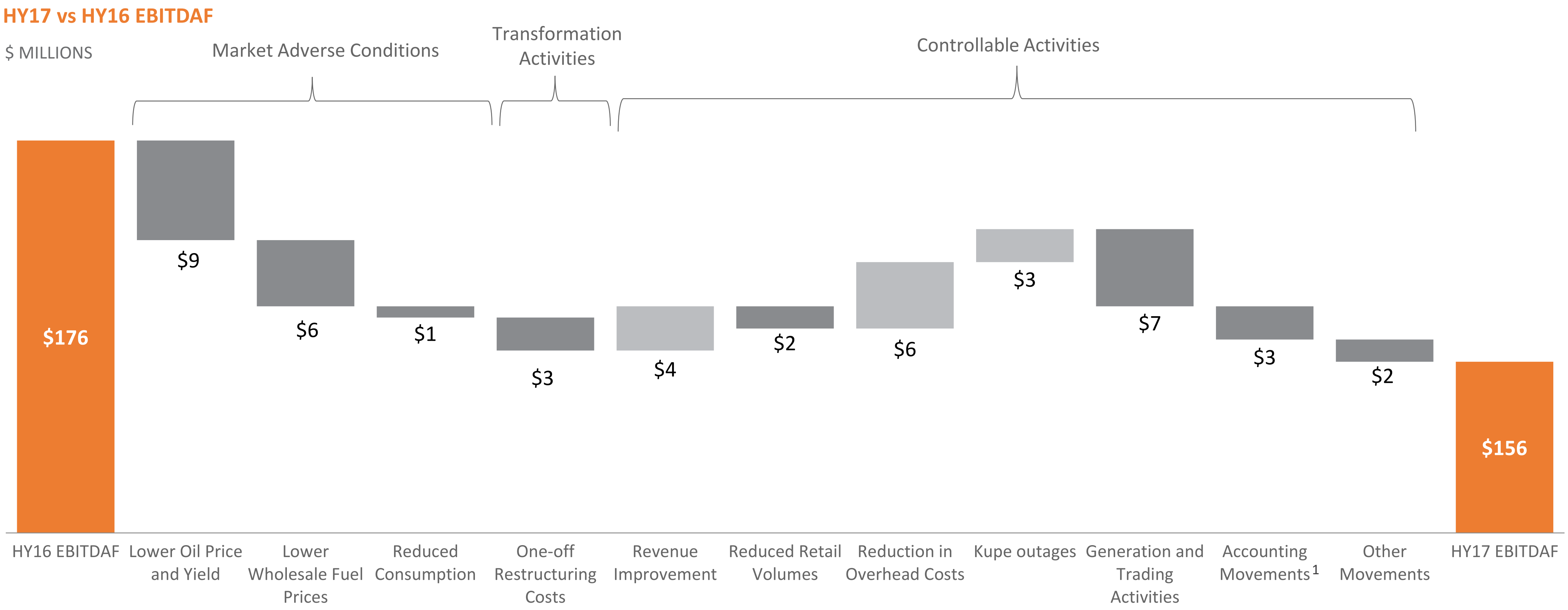
Stable operating performance when market impacts are excluded

- EBITDAF down 11% but taking account of market impacts and one off transformation activities underlying operating performance was stable (and in line with previous guidance)
- Key drivers:
  - Adverse oil prices and yield decline at Kupe
  - Adverse long fuel volume sale prices
  - Reduced spot prices and less thermal volume
  - Warm weather and reduced retail consumption; offset by
  - Higher prices in both MM and TOU markets
  - Cost saving initiatives
- NPAT up 4% due to fair value movements in financial instruments
- EPS also up 4% whilst net debt is down 2%

Key Financial Performance		HY17 ($m)	HY16 ($m)	Variance
EBITDAF	**$**	**155.7**	**175.5**	**(11.3%)**
Net Profit After Tax	$	37.4	35.9	4.2%
Earnings Per Share	cps	3.74	3.59	4.2%
Stay in Business Capital Expenditure	$	16.8	15.7	7.0%
Free Cash Flow	$	94.7	114.2	(17.1%)
Dividends Per Share	**cps**	**8.2**	**8.2**	**0.0%**
Dividends Declared as a % of FCF		86.6%	71.8%	20.6%
Adjusted Net Debt	$	844.9	864.3	(2.2%)

EBITDAF HY17 vs HY16

Focusing on controllable activities to offset market factors



1. Represents changes in bad debts and deferred acquisition costs

Customer Performance Summary

Price growth and reduced cost to acquire sets a strong foundation for future growth

- EBITDAF increased $5.7 million relative to HY16 up 10%

- Key drivers:
  - 1.8% increase in MM and 5.1% increase in TOU prices
  - Cost optimisation savings of $1 million
  - Cost to acquire declined by 15%
  - Offset by volume declines due to lower consumption from unusually warm weather and reduced customer numbers down 0.9%

Key Information	HY17	HY16	Variance
EBITDAF ($ millions)	**62.7**	**57.0**	**10.0%**
Electricity Customers	514,155	522,586	(1.6%)
Gas Customers	106,388	106,809	(0.4%)
LPG Customers	17,513	14,326	22.2%
Total Customer Accounts	**638,056**	**643,721**	**(0.9%)**
Customer Electricity Sales (GWh)	2,916	3,015	(3.3%)
Customer Gas Sales (PJ)	4.3	4.2	0.9%
Customer LPG Sales (tonnes)	2,570	2,202	16.7%

Wholesale Performance Summary

Cost saving benefits offset by wet weather and global fuel conditions

- EBITDAF impacted by lower spot electricity prices and lower wholesale fuel prices declining 10.3% on a like for like basis

- Key Drivers:
  - $5.1 million in cost savings from optimisation initiatives and lower coal burn. Offset by:
  - GWAP down 13.6% to $53.36 although margin impact reduced by lower fuel costs down 12.7%
  - Thermal generation down 23%
  - Reduced oil, LPG and methanol prices
  - Lower consumption from warmer weather and delayed irrigation

Key Information	HY17	HY16	Variance
EBITDAF ($ millions)	**82.8**	**98.0**	**(15.5%)**
Thermal Generation (GWh)	1,485	1,933	(23.2%)
Renewable Generation (GWh)	1,625	1,444	12.5%
Total Generation (GWh)	**3,110**	**3,377**	**(7.9%)**
GWAP ($/MWh)	53.36	61.78	(13.6%)
LWAP ($/MWh)	53.43	61.90	(13.7%)
LWAP/GWAP Ratio	100%	100%	
Weighted Average Fuel Cost ($/MWh)	30.04	34.40	(12.7%)
Coal/Gas Mix (Rankines only)	30/70	78/22	

Kupe Performance Summary

Increased production is offset by continuing low oil prices

- Gas production up on prior year despite unplanned 12 day outage in HY17
- EBITDAF continues to be impacted by external factors:
  - HY17 oil sales hedged at an average of US$57/bbl led to $8m decline relative to HY16 where oil prices were hedged at an average US$86/bbl
  - LPG production down due to plant corrosion issues which were resolved in late 2016
- Remaining FY17 oil sales volume are 88% hedged at USD$57/bbl

Key Information	HY17	HY16	Variance
EBITDAF ($ millions)	**31.9**	**39.4**	**(19.0%)**
Gas Sales (PJ)	3.8	3.4	10.8%
Oil Production (kbbl)	195.8	207.3	(5.6%)
Oil Sales (kbbl)	146.8	158.6	(7.4%)
LPG Sales (PJ)	11.5	14.1	(18.0%)
Average Brent Crude Oil (USD/bbl)	48	47	2.1%
Average Hedged Price (USD/bbl)	57	86	(33.7%)

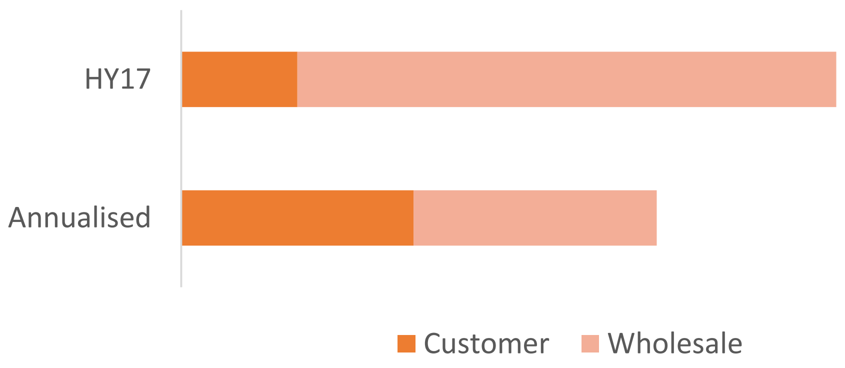
Operating Expenses

Significant cost savings delivered in first half

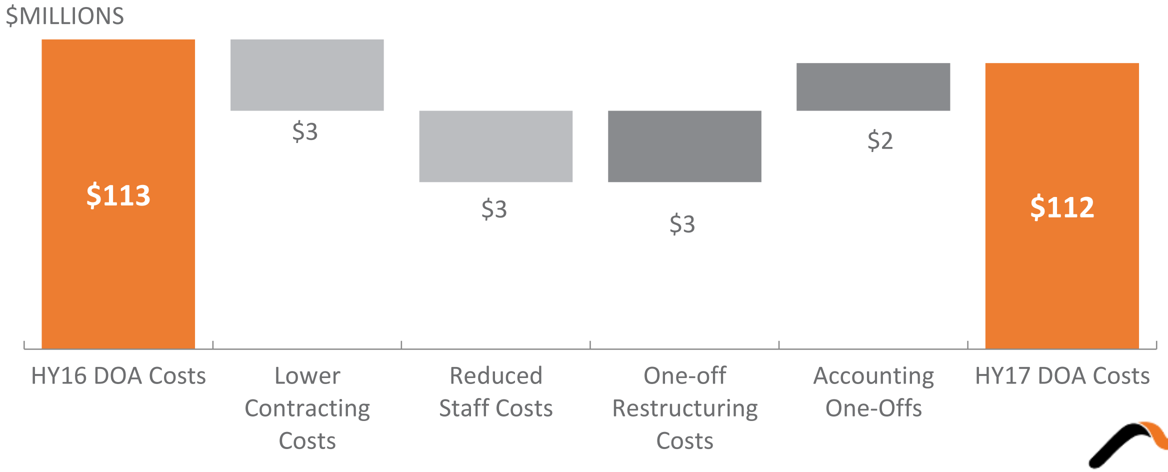
- $6 million of cost savings were delivered in HY17, predominantly due to reduced headcount, lower plant operating expenses and lower coal burn reducing handling and emission costs
  - Annualised cost saving of $4.5 million delivered with further optimisation activities underway

- Direct operating and allocated costs down $4 million net of one-off transformation activities

COST SAVINGS DELIVERED



HY16 vs HY17 DIRECT AND ALLOCATED COSTS



Cashflow and Capital Expenditure

Free cash flow in line with EBITDAF movement

- Operating cash flow reduced by $36 million due to reduced EBITDAF, a one off tax credit paid in FY16, a lower reduction in the coal stockpile offset by a reduction in carbon credits on hand
- Investing cash flow higher from increased capital expenditure
  - Stay in business capex consistent with prior year with additional capex of $6.1 million on strategic growth initiatives
  - Key investments include customer relationship management system and CIC call system
- Financing cash flow impacted by cash on hand required to settle Kupe acquisition and repayment of borrowings
  - Excluding $168 million acquisition funding net cash increase was $5.7 million

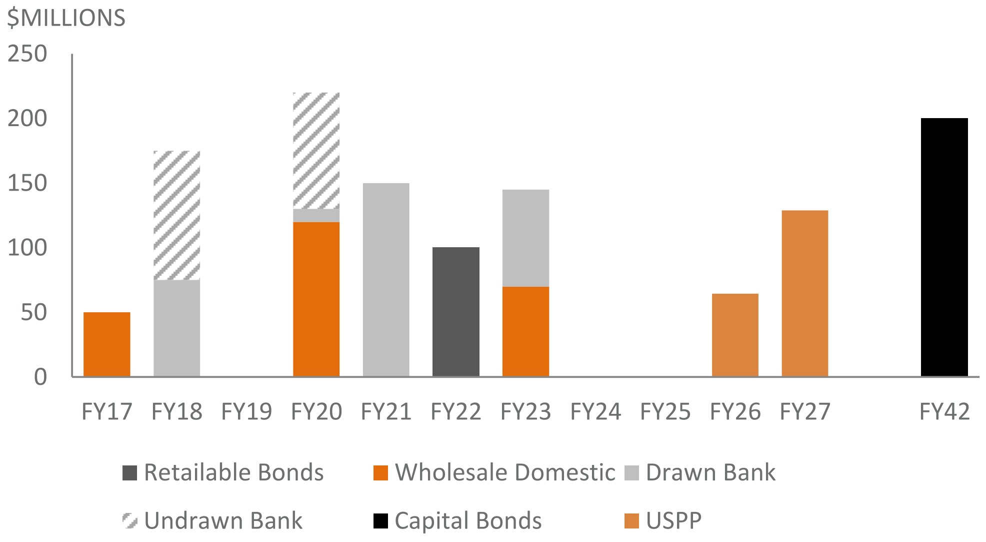
Cash Information		HY17 ($m)	HY16 ($m)	Variance
Net Operating Cashflow	$	126.5	162.5	
Net Investing Cashflow	$	(29.8)	(13.0)	
Net Financing Cashflow	$	78.1	(133.0)	
Net Increase in Cash	**$**	**174.8**	**16.5**	**NA**
EBITDAF	**$**	**155.7**	**175.5**	**(11.3%)**
Less: Finance Expense	$	(28.7)	(31.4)	8.6%
Less: Income Tax Expense	$	(15.5)	(14.2)	(9.2%)
Less: Stay in Business Capital Expenditure	$	(16.8)	(15.7)	(7.0%)
Free Cash Flow	**$**	**94.7**	**114.2**	**(17.1%)**

Funding Profile

Increased gearing from Kupe investment but headroom remains for growth

- Adjusted gearing has increased to 34.9% due to additional bank facilities required for Kupe acquisition
- Average tenor of 7.9 years with an average cost of debt of 5.5%

GENESIS ENERGY DEBT PROFILE[1]



1. Pro forma for Kupe acquisition

Debt Information		HY17 ($m)	HY16 ($m)	Variance (%)
Total Debt	$	1,084.7	938.8	
Cash and Cash Equivalents	$	209.7	37.5	
Headline Net Debt	**$**	**875.0**	**901.3**	**(2.9%)**
USPP FX and FV Adjustments	$	30.1	37.0	
Adjusted Net Debt	**$**	**844.9**	**864.3**	**(2.2%)**
Headline Gearing		35.6%	33.7%	1.9%
Adjusted Gearing		34.9%	32.8%	2.1%
Net Debt/EBITDAF		2.7	2.5	8.0%
EBITDAF Interest Cover		6.5	6.6	1.5%
Average cost of debt		5.5%	6.3%	0.8%

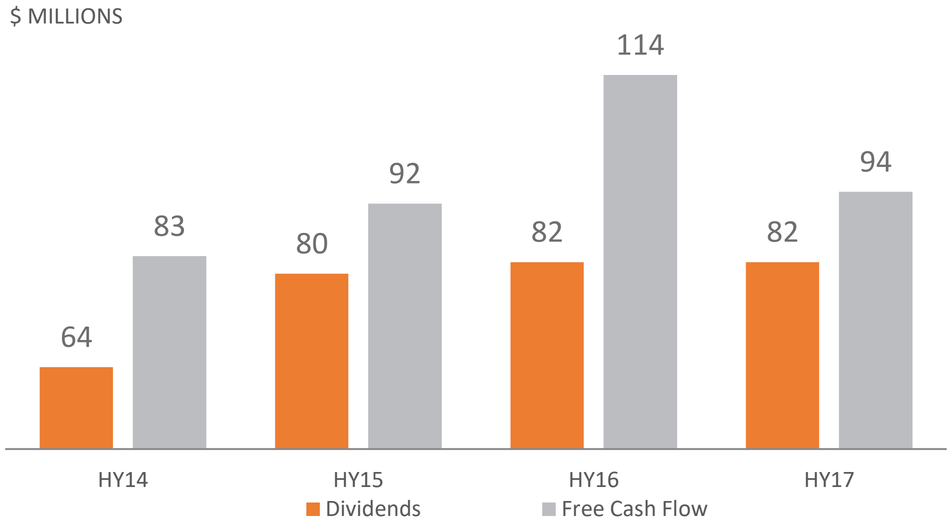
1. Net debt has been adjusted for foreign currency translation and fair value movements related to USD denominated borrowings which have been fully hedged with cross currency swaps
2. HY17 EBITDAF annualised for calculation

Dividends

Consistent with prior year as capital prioritised towards growth opportunities

- Interim dividend of 8.2cps declared same as HY16 with 80% imputation
- Dividends have increased in real terms over past two years by 2.5% relative to inflation of 1.3%

DIVIDENDS DECLARED AND FREE CASH FLOW



3

Operational Highlights

Marc England

Chief Executive

Customer Key Highlights

First half performance sets a strong foundation for further value creation

EBITDAF
Up 10%

- EBITDAF growth excluding one-offs[1] of 16%
- Increase in price for both Mass Market and TOU offset volume related declines
- Cost optimisation delivering $1 million of savings

LPG Customers
Up 22%

- LPG sales volumes up 25%
- Commercial and Industrial business unit established, Spark contract secured
- Bobtail truck delivered and is already over 50% committed on a volume basis

Value Strategy
Underway

- Focus on increasing multi product customers and growing new channels
- Tactical pricing initiatives favourable to margins
- Foundation technology investment underway to support growth

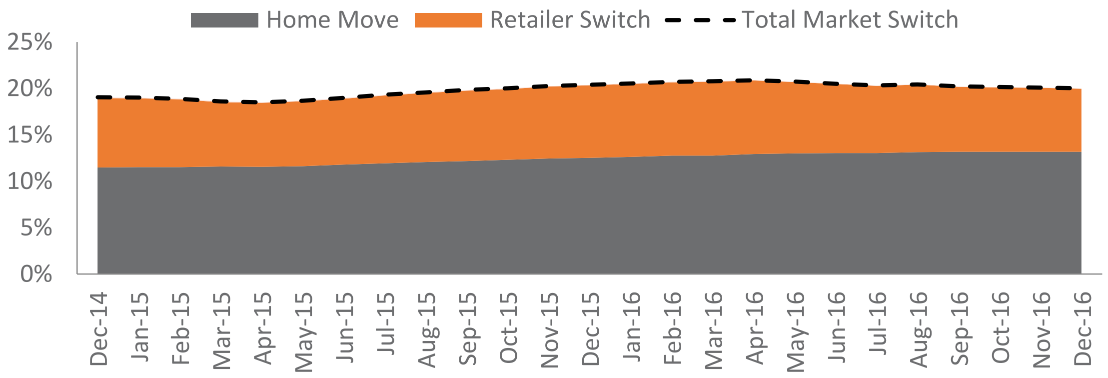
1. One-offs include accounting adjustments and redundancy costs

HY17 Customer Market Conditions

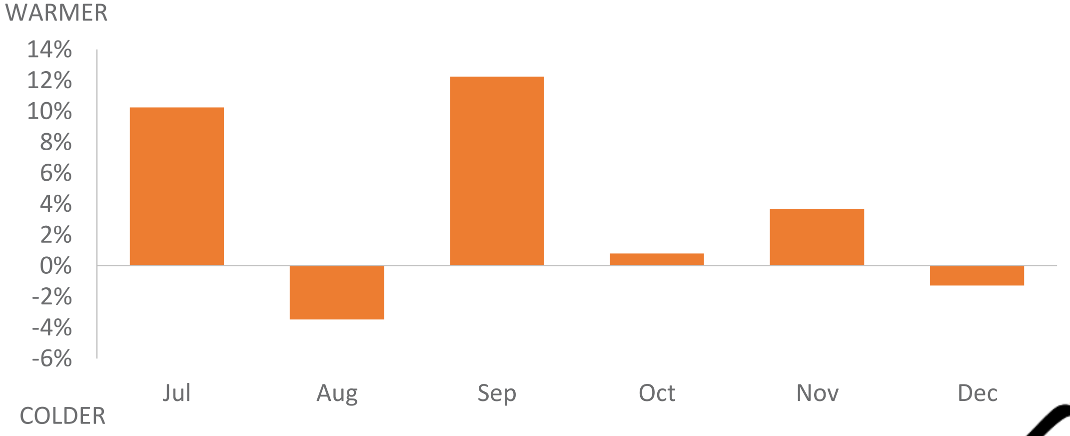
Reduced consumption and high level of switching

- Weather conditions were warmer than normal, reducing consumption
  - 2016 was New Zealand's warmest year on record with average temperatures being between 0.5 to 1.2 degrees above annual average
  - Residential demand down 4.5% on the same period last year
- Electricity customer switching continues to remain at a high level although there was a 3.8% reduction in the total customer switches in HY17 compared with the prior year

ROLLING 12 MONTH INDUSTRY SWITCHING



TEMPERATURE PERCENTAGE CHANGE vs PRIOR YEAR

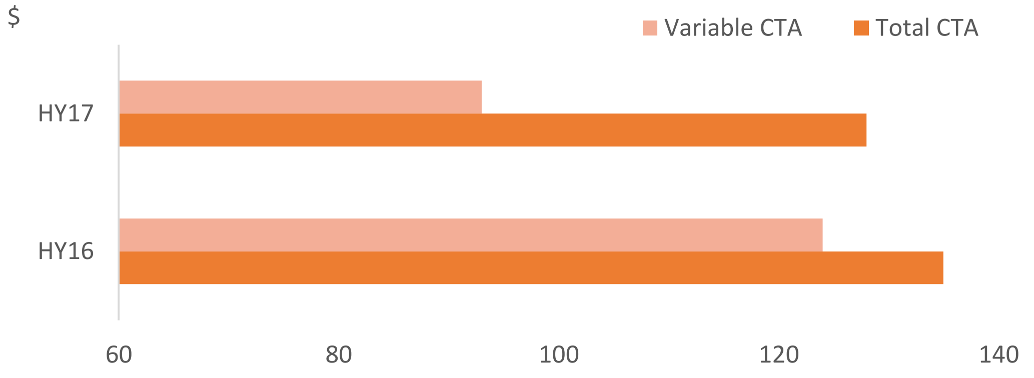


Reducing cost to acquire

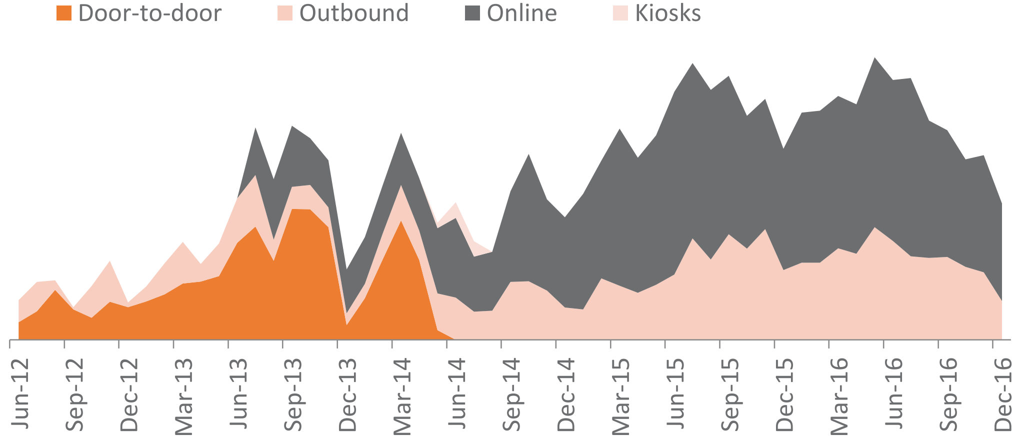
Cheaper and more targeted acquisition and retention channels

- Tactical sales initiatives are improving margins
- Lower and less frequent discounts reducing cost to acquire down 15%, variable cost to acquire down 5%
- Online acquisition channel continues to dominate
- Focused initiatives around sales and retention being put in place to reward value maximising behaviours

COST TO ACQUIRE PER CUSTOMER



GROSS MONTHLY SALES BY ACQUISITION CHAENNEL

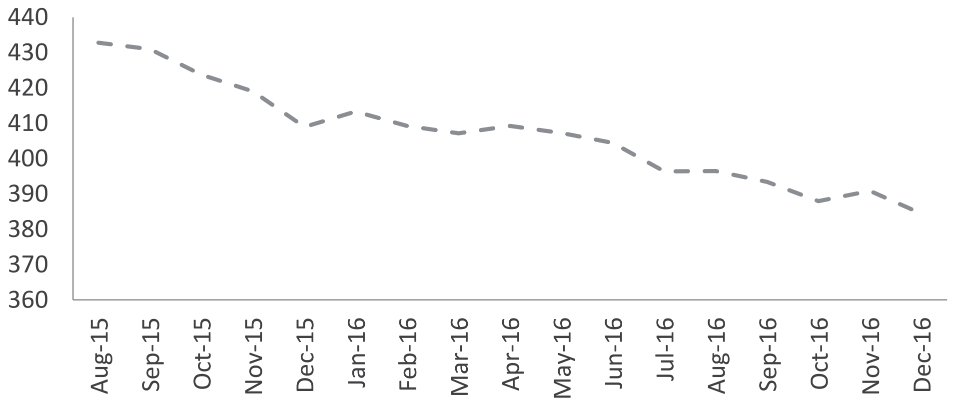


Optimising cost to serve

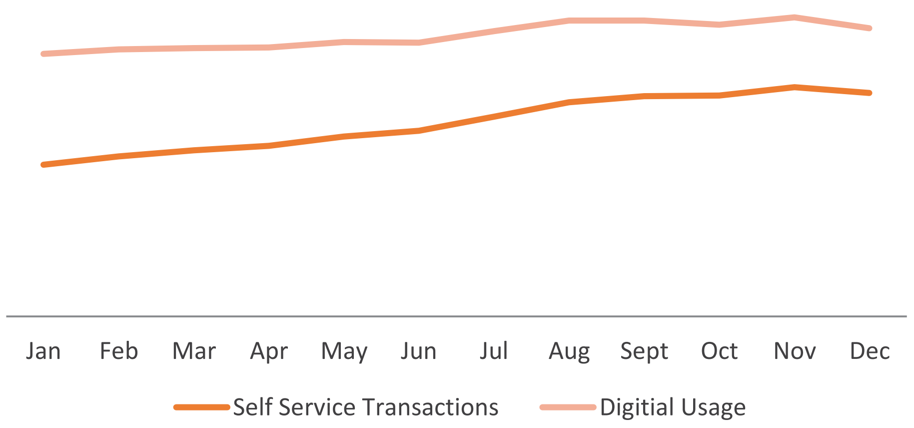
Driving efficiency with a customer centric approach

- 11% reduction in FTE over past 18 months as business streamlined
- Significant movement towards lower cost self service and digital interactions improving customer service with call volumes down 9% over the 12 months and self service transactions up 47%
- New call routing system has been implemented to improve handling performance

RETAIL FULL TIME EQUIVALENT



CUSTOMER INTERACTIONS (ROLLING 12 MONTHS)

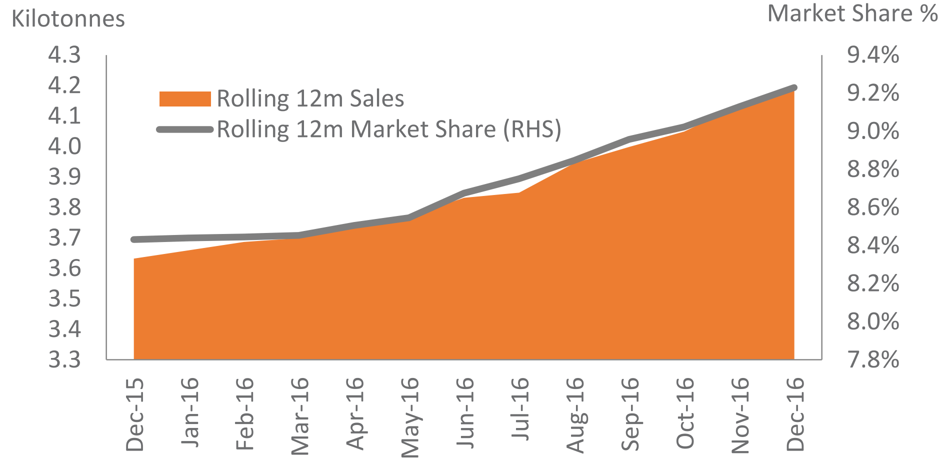


Growing Our Customer Base

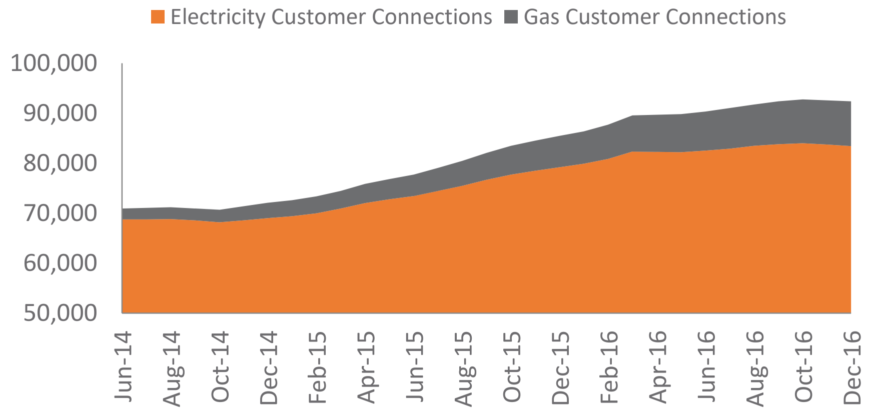
Continued strong growth in LPG and EOL channels

- Rapid growth in LPG segment
  - 9% residential customer growth in 6 months, adding over 1,700 accounts
  - Energy Online bottled gas up strongly since launch in April 2016 with over 1,200 customers
  - Built and received first on site customer refilling truck with over 50% utilisation pre-sold
- Leveraging technology to increase customer loyalty
  - 26% increase in LPG bottle ordering via the app
  - Implemented C&I bottle management solution to automate scheduling and ordering
  - Developing a similar solution for residential customers
- Leveraging EOL as a alternative channel with customers up 6% over 12 months for electricity and 92% for gas

ESTIMATED RESIDENTIAL LPG 45KG MARKET SHARE BY VOLUMES



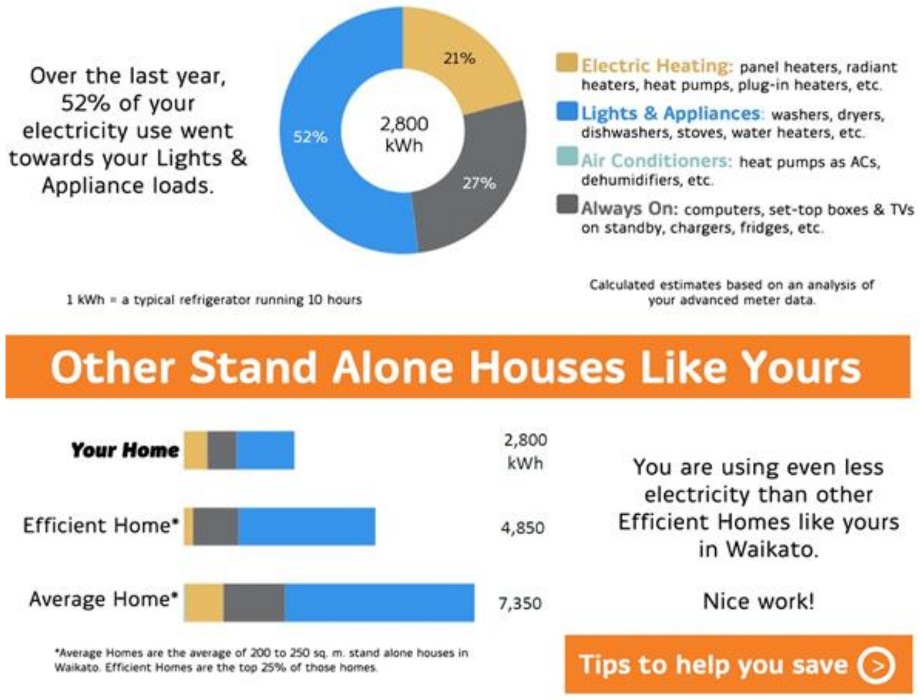
EOL CUSTOMER CONNECTIONS GROWTH



Driving Energy Insights

Making energy relevant and relatable for customers

- Genesis Energy has recently extended is exclusive partnership with energy insights company Ecotagious
- An ‘energy disaggregation’ pilot program with 10,000 customers ran in 2016 to be expanded in 2017
  - Energy itemisation using patterns of consumption extracted from Smartmeters and correlated with external information to provide personalised reports on home energy usage
  - Includes benchmarking against average home usage and suggestions around efficiency measures
- Participants in the pilot had high levels of engagement and a 14.1% annualised churn reduction improvement
- Feedback provided being leveraged across business for marketing, customer targeting and innovation purposes



ECOTAGIOUS
Energy conservation. Worth spreading.

The 'Local Energy Project'

Bringing the seven flows of electrons to life

- Genesis has launched a community project in Martinborough and surrounds to accelerate the journey to energy management supplier

- Key benefits for the community:
  - Increased visibility of energy usage
  - Access to distributed energy with reduced price barriers
  - Participation in an energy community leading early change

- Key benefits for Genesis:
  - Building internal capability around intellectual property and data analytics
  - Smaller scale trial with a representative community of the New Zealand demographic enables faster refinement before larger scale build out
  - Access to data to enhance understanding of customer behaviours

- Less than 2 months from origination to working software prototype demonstrates speed to market

South Wairarapa
LOCAL ENERGY PROJECT

Wholesale Key Highlights

Significant focus on business optimisation

EBITDAF
$82.8 million

- In line with expectations as macro factors impacted wholesale fuel prices
- Weather conditions reduced consumption and favoured renewable generation
- Increased hydro and lower fuel burn reduced costs

Cost Savings
$5.1 million

- 8% reduction in FTE's
- Low coal burn led to lower handling and emissions costs
- New maintenance approach being rolled out across assets

Unique
Market position

- Mix of thermal and hydro offers downside protection
- Underlying business performance demonstrates flexibility to maximise generation activities to market environment

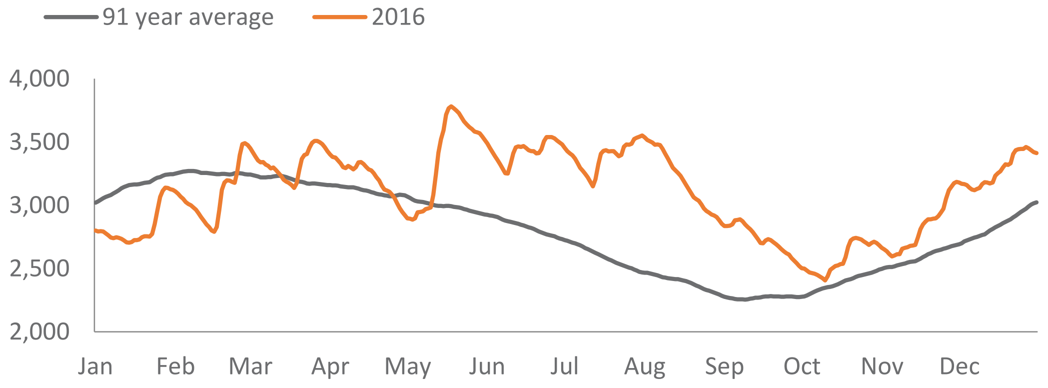
1. One-offs include market related factors

HY17 Wholesale Market Conditions

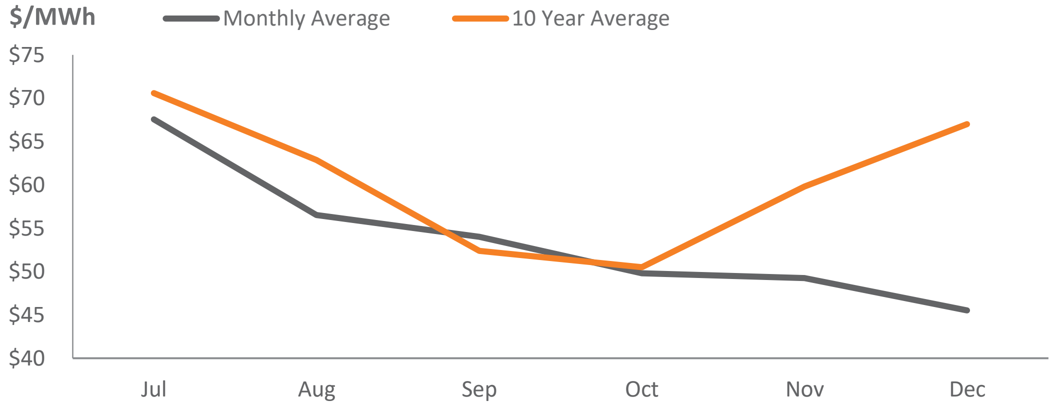
Wet conditions favoured renewable generation

- Above average rain in 2016 led to low spot prices, high storage levels resulting in renewable being favoured over thermal generation in HY17
  - Storage levels were 19% above long term averages
  - 31% reduction in thermal generation in the market relative to the prior period
- Agricultural irrigation started very late in the season, impacting industrial demand levels
- Warmer than average weather also impacted residential demand

NEW ZEALAND DAILY STORAGE



MONTHLY AVERAGE SPOT PRICE AT OTAHUHU (2016)



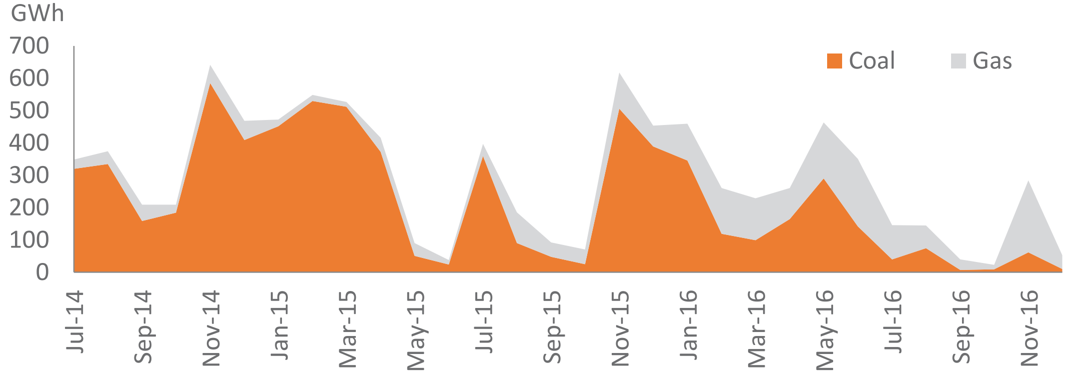
Generation Flexibility Advantage

Reduces downside risk from macro conditions

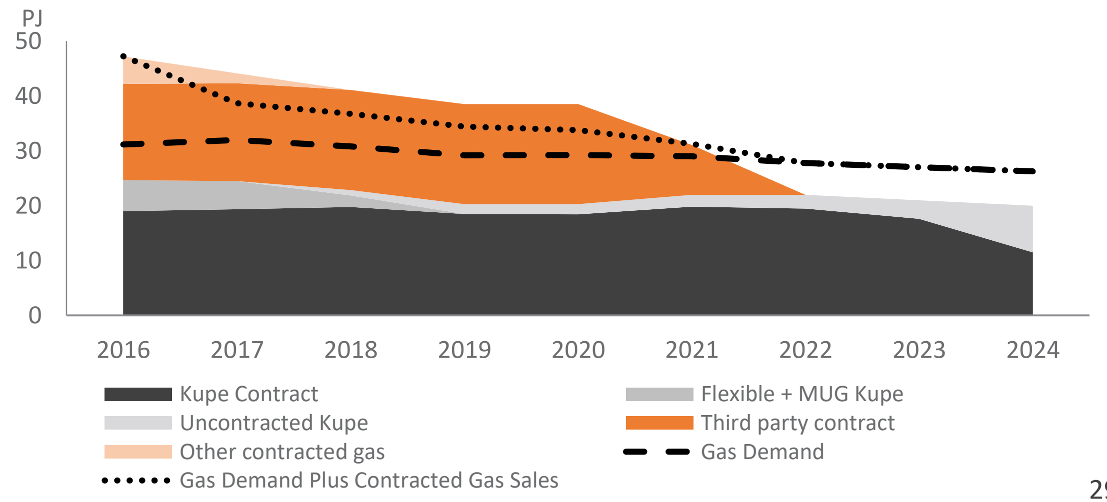
- Genesis Energy has a unique position to flex its thermal and hydro generation or conserve its higher cost units and buy on market to match market conditions

- Less coal has been consumed due to strategic use of the gas book giving fuel flexibility and lower carbon emissions
  - Highlights benefit of integrated fuel position
  - Changing LPG demand profile from wholesale to retail improving margins
  - Gas book offers material upside post 2020 when legacy contracts expire

COAL vs GAS USE



GAS POSITION SUMMARY

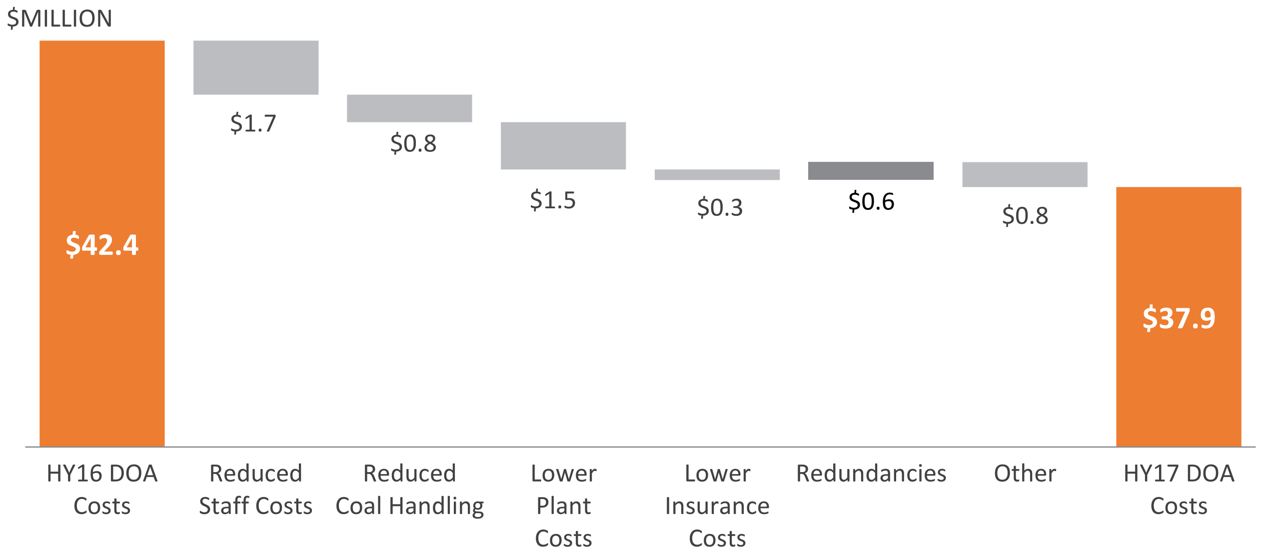


Optimising wholesale cost base

Fuel cost down and delivered significant savings

- $5.1 million of EBITDAF savings delivered in HY17, mainly due to lower operating expenses, of which $2.3 million is ongoing on an annualised basis
- Campaign approach to maintenance focused on effective planning and scheduling activities will result in greater plant availability and reduced costs

WHOLESALE OPERATING EXPENSE HY17 vs HY16



Kupe Key Highlights

Increased Kupe ownership further integrates fuel position

EBITDAF
$31.9 million

- Gas production up 11% on the prior year
- Offset by macro oil price impacts
- LPG production issues resolved for the second half

Acquired
Additional 15%

- Increased exposure to a high performing field in a declining gas reserve market
- Influence over timing and scale of Phase II development
- Additional EBITDAF supports free cash flow for investment

Integrated Fuel
Benefits

- Priority access to uncontracted gas
- Additional supply of LPG to support growth in a market heading towards a net import position

Kupe Outage Update

12 day unplanned outage in HY17

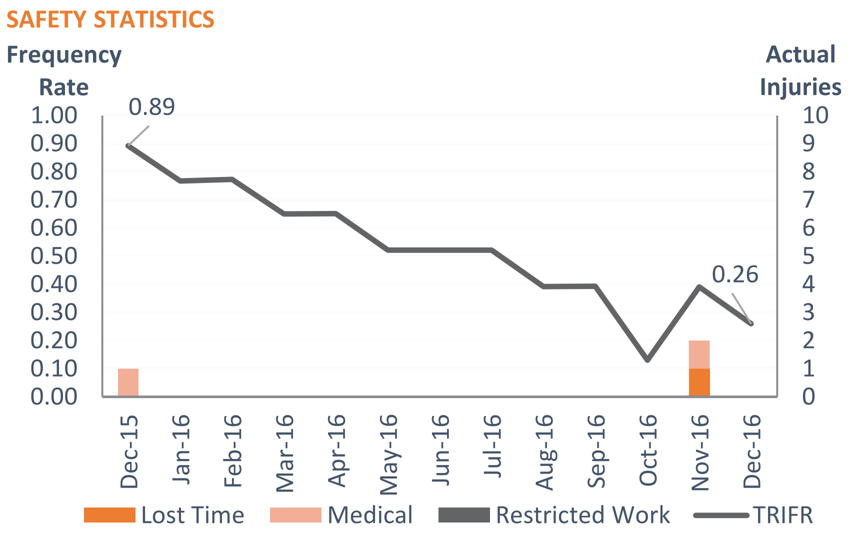
- Kupe was offline for 14 days in HY17, 12 of which were unplanned
  - Propane compressor failure which occurred after a planned outage
  - Net impact to HY17 performance of $2.6 million

- LPG production down 18% for HY17 due to an LPG plant outage caused by corrosion under insulation which was identified in FY16. Plant was back near full capacity in late 2016

Health & Safety

Zero harm is our commitment

- Our rigorous focus on health and safety is translating into tangible outcomes with our TRIFR down 70% over the past 12 months
- No serious incidents and only one lost time injury down from 3 in previous year
- Staylive remains an important forum for industry collaboration and learnings



4 Outlook

Marc England

Chief Executive

Outlook

FY guidance range updated

- FY17 EBITDAF updated guidance range of $320 to $330 million including increased share of Kupe[1]
- Target earnings profile remains to deliver $400+ million of EBITDAF in FY21 (with a range of $375 - $425 million)

1. Subject to any material events, significant one-off expenses or other unforeseen circumstances

Why Genesis Energy?

Yield plus growth strategy in motion as Genesis Energy transforms

Customer Centric

- **Brand strength** and **largest customer base** provides strong platform for growth
- **Obsession with customer experience** will drive increased loyalty and lower costs
- Leveraging technology to **improve the energy experience** for customers

Generation Flexibility

- **Unique position** to flex thermal, renewable and on market activities underpins earnings profile
- Closer integration of maintenance, operations and wholesale activities will **optimise asset base**
- Large retail market share and long retail South Island position **reduces price risks of Tiwai closure**

Integrated Fuel Position

- **Flexibility over fuel supply** to support generation and retail needs
- **Upside opportunity** from accelerated production and priority access to uncontracted gas
- Access to increased LPG production provides **strong alignment** with growth aspirations

Leading Market Disruption

- **Defining new approaches** to energy management
- Accelerating change through **agile ways of working**
- **Embracing unpredictability** to develop resilience in rapidly evolving market

Supplementary Information

genesis ENERGY

Financial Statements

Income Statement	HY17 ($m)	HY16 ($m)	Variance
Revenue	$965.3	$1,041.6	(7.3%)
Total Operating Expenses	(809.6)	(866.1)	
EBITDAF	**155.7**	**175.5**	**(11.3%)**
Depreciation, Depletion & Amortisation	(73.6)	(73.1)	
Impairment	(0.8)	0.0	
Fair Value Change	1.9	(21.0)	
Other Gains (Losses)	(1.6)	0.1	
Earnings Before Interest & Tax	**81.6**	**81.5**	**0.1%**
Interest	(28.7)	(31.4)	
Tax	(15.5)	(14.2)	
Net Profit After Tax	**37.4**	**35.9**	**4.2%**
Earnings Per Share	3.74	3.59	4.2%
Stay in Business Capital Expenditure	16.8	15.7	7.0%
Free Cash Flow	94.7	114.2	(17.1%)
Dividends Per Share (cps)	82.0	82.0	Flat
Dividends Per Share	**8.2**	**8.2**	**Flat**
Dividends Declared as a % of FCF	93.5%	71.8%	21.7%

Balance Sheet	HY17 ($m)	HY16 ($m)	Variance
Cash and Cash Equivalents	209.7	37.5	
Other Current Assets	273.1	298.2	
Non-Current Assets	3,383.6	3,097.5	
Total Assets	**3,866.4**	**3,433.2**	**12.6%**
Total Borrowings	1,084.7	938.8	
Other Liabilities	818.6	724.8	
Total Equity	**1,963.1**	**1,769.6**	**10.9%**
Adjusted Net Debt	844.9	864.3	(2.2%)
Gearing	35.6%	32.8%	2.8%
EBITDAF Interest Cover	6.5	6.6	1.5%
Net Debt/EBITDAF	2.7	2.5	8.0%

Cash Flow Summary	HY17 ($m)	FY16 ($m)	Variance
Net Operating Cashflow	126.5	162.5	
Net Investing Cashflow	(29.8)	(13.0)	
Net Financing Cashflow	78.1	(133.0)	
Net Increase (Decrease) in Cash	**174.8**	**16.5**	**NA**

Reconciliation of EBITDAF to NPAT

- EBITDAF is a non-GAAP item but is used as a key metric by management to monitor performance at a business segment and group level
- Genesis Energy believes that reporting EBITDAF assists stakeholders and investors in understanding the Company's operational performance
- In HY17 EBITDAF was down 11.3% on HY16
- HY Net Profit After Tax is up 4.2%
- Key variance in changes in fair value of financial instruments due to a movement in USPP

Income Statement	HY17 ($m)	HY16 ($m)	Variance
EBITDAF	**155.7**	**175.5**	**(11.3%)**
Depreciation, Depletion & Amortisation	(73.6)	(73.1)	
Impairment of Non-Current Assets	(0.8)	0.0	
Change in Fair Value of Financial Instruments	1.9	(21.0)	
Other Gains (Losses)	(1.6)	0.1	
Profit Before Net Finance Expense and Income Tax	**81.6**	**81.5**	**0.1%**
Finance Revenue	0.9	1.4	
Finance Expense	(29.6)	(32.8)	
Profit Before Income Tax	**52.9**	**50.1**	**5.6%**
Income Tax Expense	(15.5)	(14.2)	
Net Profit After Tax	**37.4**	**35.9**	**4.2%**

Thank You

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