
Good morning everyone and thank you for joining the call today. Ten months in I continue to be excited by the opportunities that face Genesis Energy.  Our view on the future is that the energy markets will change considerably over the next few years and we're making good progress in getting Genesis Energy fit to take a lead as markets evolve.  Customers' energy needs are increasingly at the core of everything we do. We have the largest market share in New Zealand and, while we acknowledge our current imperfections in the way we serve customers, by employing talented people to run our business really well, obsessing about customer experience, and increasingly engaging customers in what they spend their money on we are heading down the right path to become customers' first choice for energy management.  I believe that Genesis Energy has a unique and flexible portfolio of activities which makes it well placed to lead through this change.

# 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
genesis ENERGY
Genesis Energy LPG
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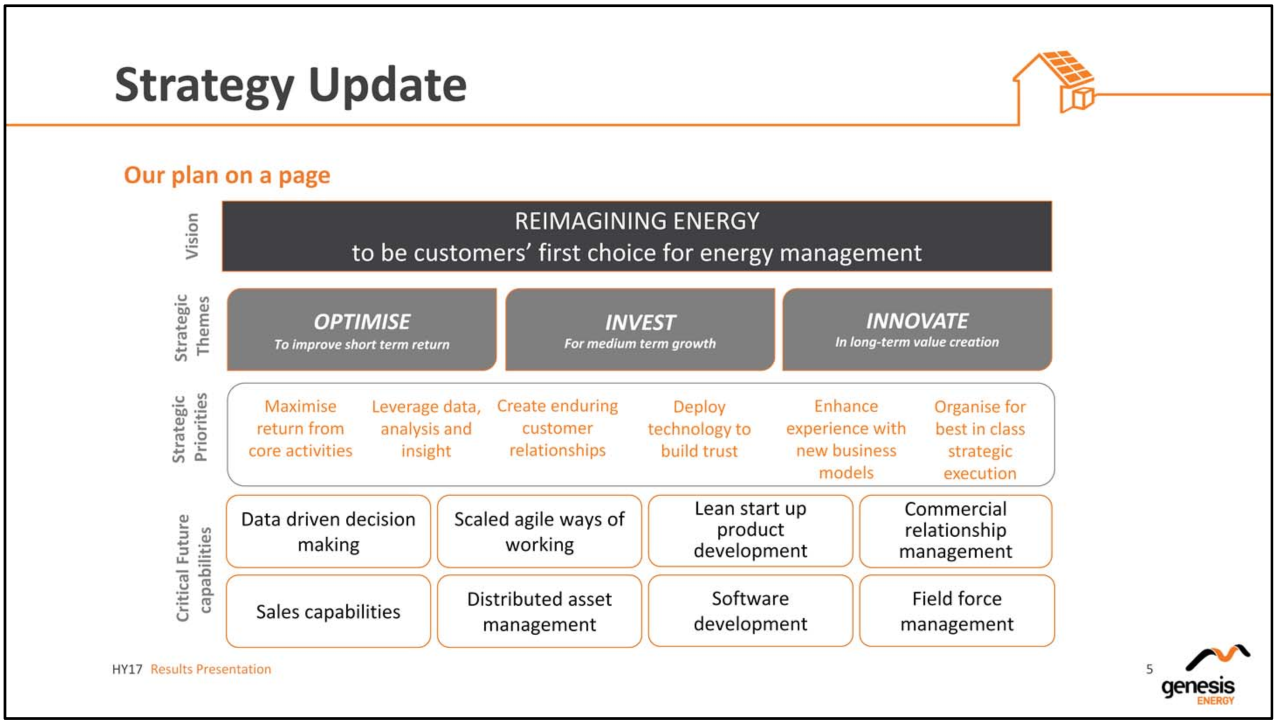
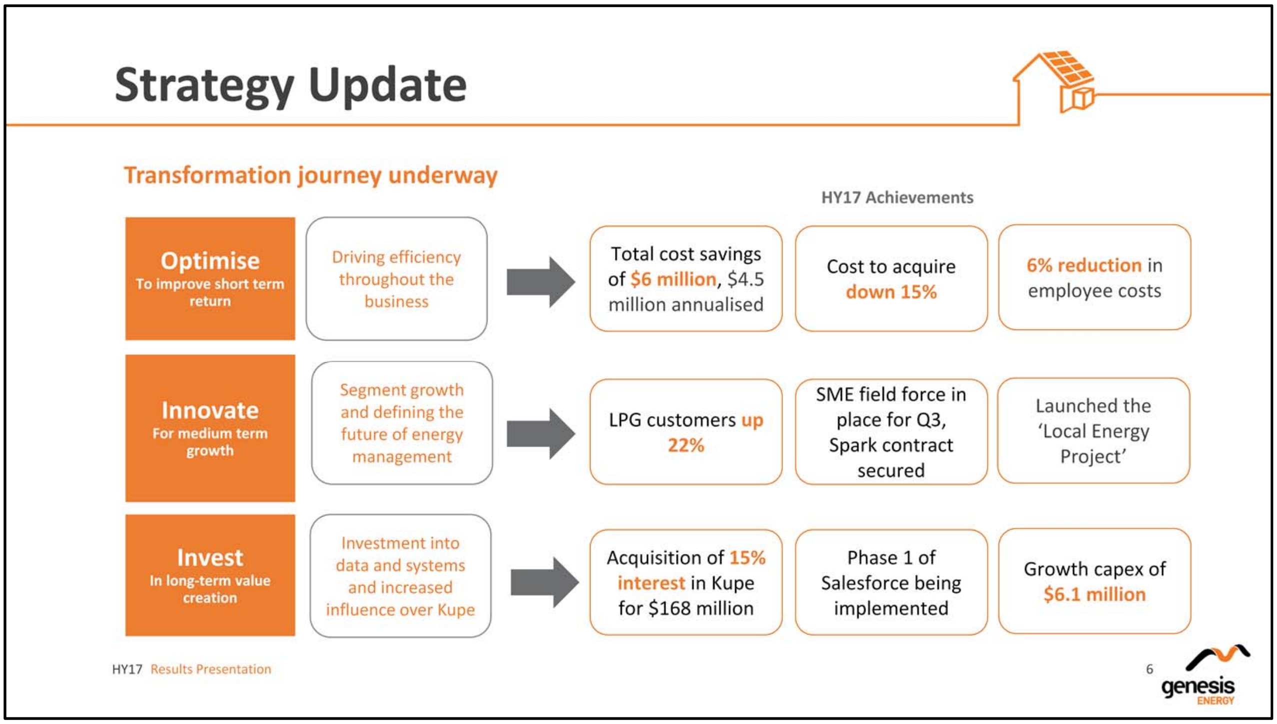
As outlined in our guidance last October our performance in the first half, when compared to the same period last year, has been impacted by changes in macro market conditions. The above average rainfall has not been good 'Hay Making' conditions for Genesis Energy, however during the period the underlying business delivered a stable result and restructuring as well as the mobilising of our strategic initiatives has provide a strong foundation for future growth. We outlined the strategy to the market in November and are well underway.

Not all the fruits of our labour are visible to you yet, however one that will be is the additional 15% of Kupe we acquired from NZOG. The 46% stake we now hold in that Joint Venture not only improves free cash flow for the second half of FY17 but enhances our ability to create value through an integrated fuel position and ensures we can influence the timing and approach to Phase 2 compression and drilling.

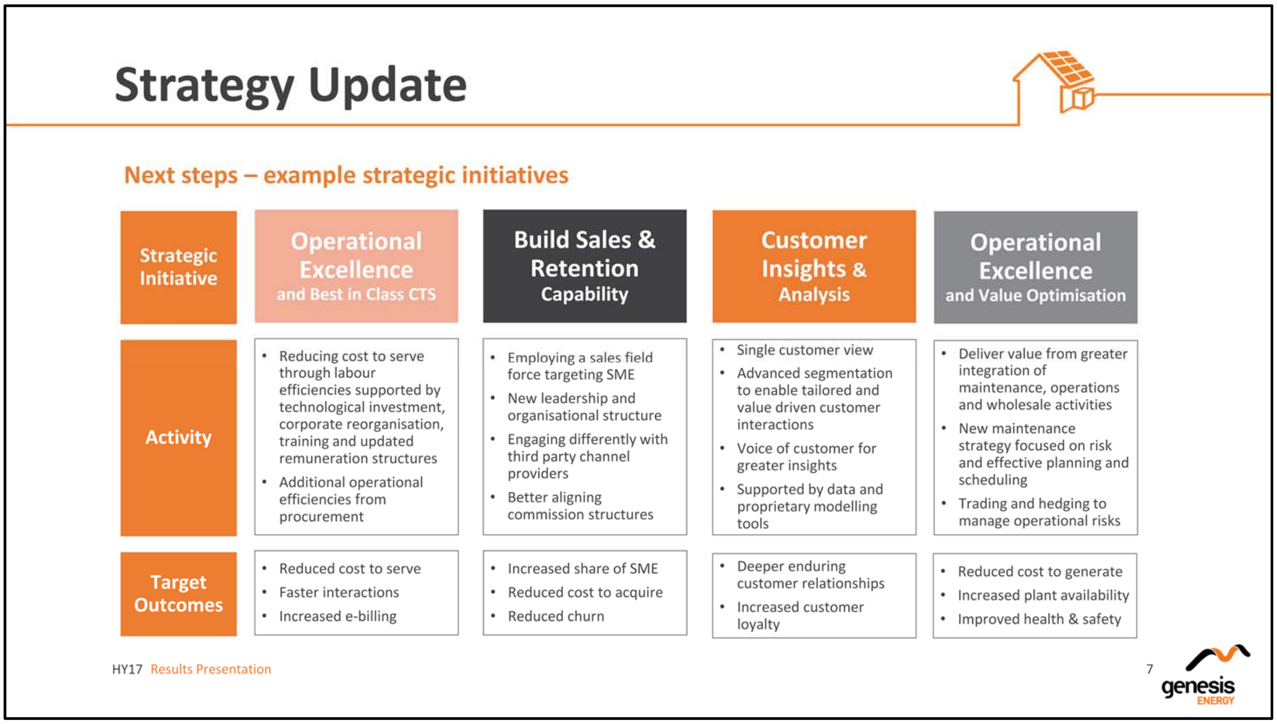
We have also seen strong growth in our LPG customer segment in the past six months with customer numbers up 22% and volumes up 25%. Health and safety performance continues to be a key priority for the company and it is pleasing to see our metrics showing significant improvement again. We also delivered $6 million of cost savings from optimisation activities this half and this demonstrates the ongoing commitment we have to drive efficiency in our business.




Our reset strategic vision of reimagining energy is built on three core themes: 'Optimising' the business to improve short term returns, "Innovating' for medium term growth and 'Investing' for long term value creation. This plan on slide 5 is a reminder from our November strategy day that there are a number of priorities which feed into these themes and critical future capabilities which we are developing or looking to acquire to enable execution.




Onto some of the specific early wins. We have made a positive start to the transformation journey with a number of activities already delivered over the past six months. Across the 'Optimise' theme we have delivered significant cost savings, $4.5 million of which will flow through on an annual basis. Our cost to acquire declined by 15% through the use of more effective acquisition channels and we reduced employee costs by 6%. Across the Innovate' theme our LPG segment growth was strong, we are in the final stages of putting a field force in place to target SME having already secured a major Spark contract with 3,000 ICP's from March. Today we are also launching 'The Local Energy Project' which I will speak more about later. Finally, across the 'Invest' theme we announced that we would buy an additional 15% interest in Kupe, which has been integrated effective January 1st this year. This was a significant transaction for Genesis Energy which required both OIA and NZPAM approval. It was executed within 4 months of the initial offer made to NZOG demonstrating our ability to plan and execute with speed. The transaction was a very important component of our integrated fuels strategy as well as our LPG growth strategy and provides Genesis more influence within the Joint Venture. Additionally, we are well progressed at implementing salesforce for service in addition to a number of other investment activities which have contributed towards the $6.1 million of growth capex.



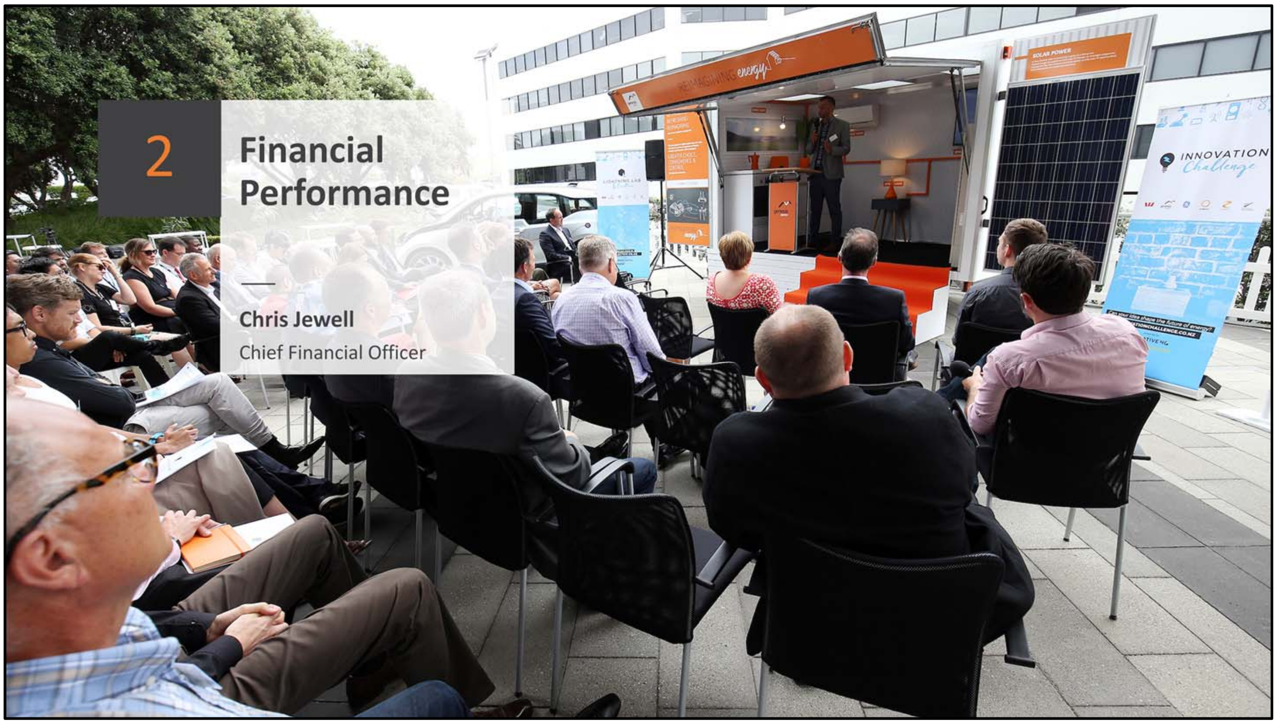

In addition to the achievements I have just spoken about slide 7 contains a sample of several strategic initiatives we have underway. Operational Excellence in both our Customer and Wholesale segments continues on the good work already executed in the first half. Building sales and retention capability is focused on more strongly aligning our reward structures with the right types of behaviours and recruiting teams to target our growth channels. Finally, customer insights and analysis is focused on developing a deep understanding of our customer so we can tailor our services and create enduring relationships.

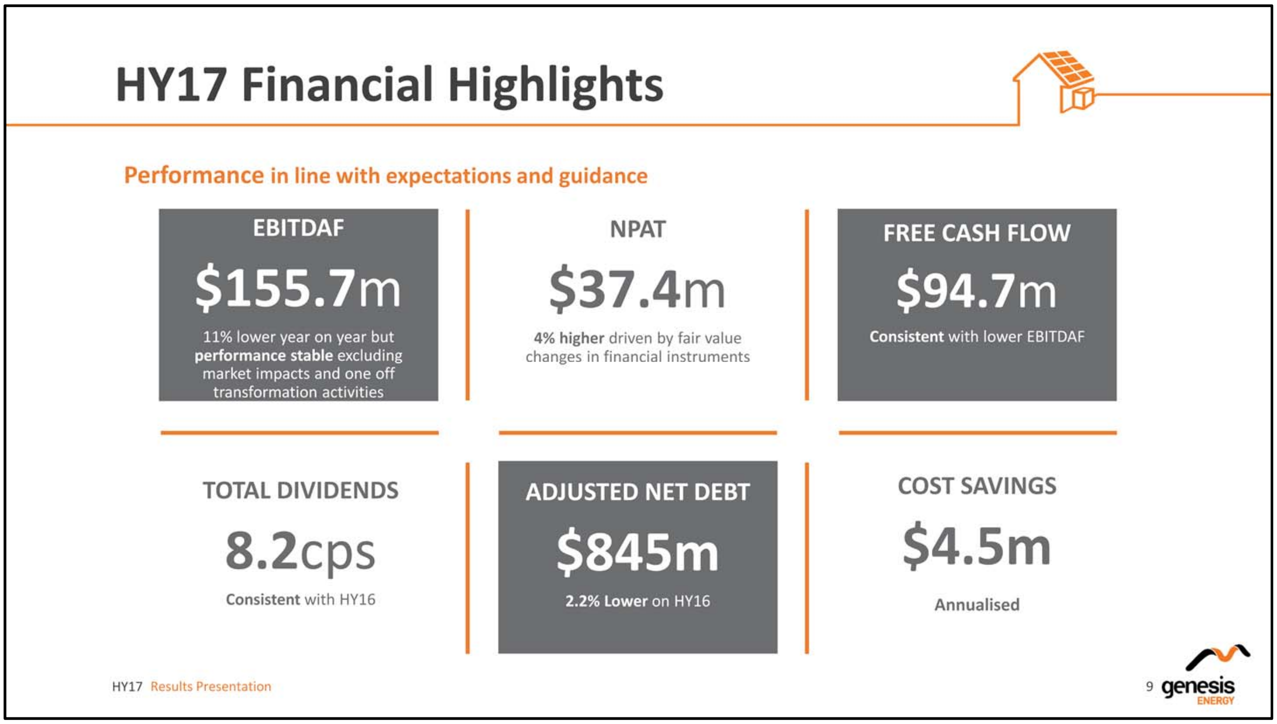
We have a transformation office in place which is tasked with delivery of the overall transformation plan and we are embedding agile ways of working into the customer facing parts of the business to increase speed to market. It is our intention to provide further clarity on these and other initiatives including performance against key metrics when we announce our full year results.

I would now like to hand over to Chris to talk through our financial performance for the half year.

# 2 Financial Performance

**Chris Jewell**
Chief Financial Officer






Thank you Marc and good morning.

The result I will talk through today should be considered a solid result, which is consistent with previous market guidance. The result reflects the anticipated negative global fuel market factors, and some unforeseen significantly above average hydrology and warmer weather conditions. The team have done a good job focussing on the controllable levers of operating cost and retail revenues whilst preserving and prioritising capital for growth activities.

As Marc has previously indicated market conditions remained challenging in the first half, although much of this had been anticipated as we faced into a lower oil and wholesale fuel market at the end of FY16 and we had guided the market accordingly. What had not been anticipated was storage running 19% above average which is traditionally not a great market environment for Genesis which resulted in 23% less thermal generation. EBITDAF was $155.7 million for the half which is down 11% on the prior year but excluding these impacts the underlying operating performance was stable as a result of a number of factors which I will touch on further shortly. NPAT was up 4% driven by fair value changes in financial instruments whilst free cash flow was down in line with EBITDAF. Adjusted net debt was down 2% and we have declared a dividend of 8.2 cps consistent with the prior period. Pleasingly, we have delivered $4.5 million of annualised cost savings during the half due to our ongoing optimisation activities.

# Financial Summary

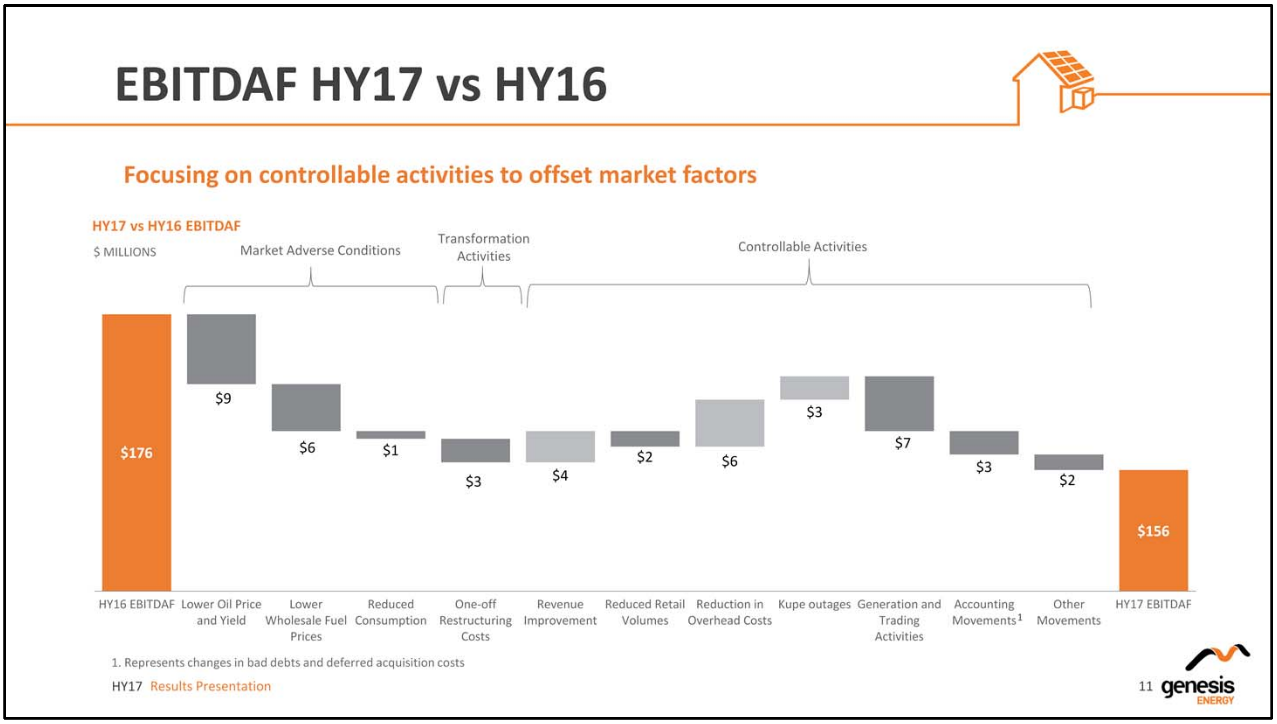
## Stable operating performance when market impacts are excluded

- 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%) |



Turning to slide 10, I have already touched on most of this information in the highlights slide so I will move straight onto slide 11 to go through the EBITDAF movements in more detail.




In this slide we have separated out the EBITDAF movements into those which are due to market adverse and uncontrollable conditions and one-off transformation activities from our more business as usual activities. You can see that the market adverse conditions and transformation activities combined together account for $19 million of the $20 million variance to the prior year with the underlying operating performance relatively stable.

If we now look at the individual movements in more detail. Lower oil prices and yield decline had a material impact on Kupe’s earnings for the first half with a combined impact of $9 million. This had been anticipated as the oil hedges taken out at more favourable prices which protected the FY16 result, rolled off in the first half of FY17. Global oil prices also impacted the value of our long fuel position with wholesale fuel prices for both gas and LPG sales being negatively impacted by $6 million. Additionally, the warmer weather conditions experienced across the country resulted in reduced retail consumption resulting in a $1 million impact. We also incurred $3 million in one off restructuring costs as we realigned the business into a strategically aligned corporate structure and additionally invested in transformation activities in line with our new strategic vision.

Turning now to the controllable variances for the half. In our customer business we have been successful in targeting higher value customers and migrating our existing customers on to higher value plans. This has had a $4 million positive contribution our customer segment. This was partially offset by reduced volumes from a lower number of customers. Whilst we have experienced a net reduction of 8,000 customers in the first half, importantly our Customer team have been successful in reducing the trend we had seen in the first half. We also delivered significant cost savings of $6 million in the half and benefitted from increased production at Kupe. Offsetting this was a decline in value from our Generation and Trading activities mainly due to the reduction in wholesale prices impacting the consequential reduction in C&I pricing, the loss of a swaption contract, and reduced value from our thermal plants. I will now look at each segments performance in turn.

# 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% |



We saw strong performance in the Customer segment in the first half up 10% and 16% excluding one-off items. The main drivers were price increases in both the mass market and TOU electricity sectors, cost savings and a decline in our cost to acquire. These are pleasing results and indicate that the controllable value drivers are being well managed. This was offset by volume declines from a combination of warmer weather and lower customer numbers.

# 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 | |



In the Wholesale segment whilst the wet weather conditions favoured renewable over thermal generation the net impact was minimised as our fuel contracts have become more flexible over time. With spot electricity prices and GWAP down 14% over the period, thermal output was 23% down on pcp as storage levels were 19% above average. The key contributors to reduced value were lower wholesale fuel prices across oil, LPG and methanol as the impact of the lower global oil prices and the roll off of hedges impacted pricing. Offsetting this it was pleasing to see $5.1 million of cost savings delivered as our Wholesale team continue to have a sustained focus on optimising our maintenance practices and our cost base.

# 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%) |



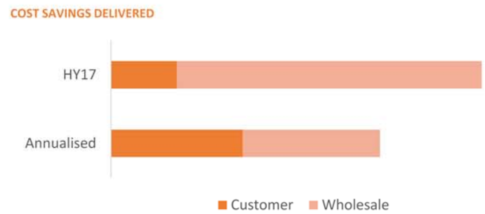
Kupe performance is mainly impacted by the rolling off of higher priced hedges with the average hedge price down 35% over the period. This was offset by increased production despite a 12 day unplanned outage towards the end of the period. Our Joint Venture partners continue to do a good job in running a safe workplace whilst focussing on cost control. This is evidenced through a 4.3% reduction in operating costs.

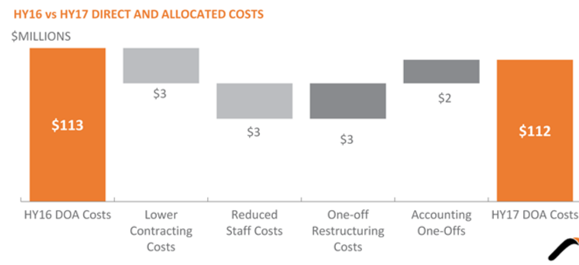
# Operating Expenses

## 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




HY17 Results Presentation 15 genesis ENERGY

Optimising our business and reducing our operating costs has been one of our strategic themes. A key highlight for the half was the $6 million of cost savings delivered. $4.5 million is ongoing on an annualised basis given some of the cost reduction was attributable to items such as reduced coal handling costs as a result of a lower coal burn.

# 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%)** |



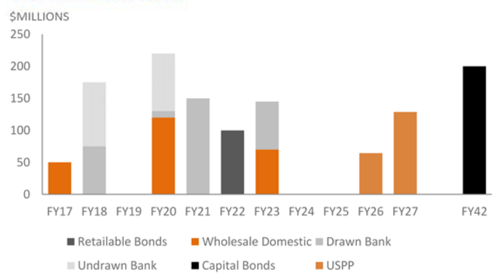
Excluding the funding on hand to settle the Kupe transaction at 31 December our net cash increase was $5.7 million during the period. Operating cashflow was down due to the lower EBITDAF, a one off tax credit in the prior comparative period and inventory movements relating to reduced usage of the coal stockpile resulting from reduced thermal generation. With our thermals running at very low levels this year, it was more economical to buy from the market to meet our commitments, which had an impact on cashflow as it required more cash, but was a value enhancing decision for Genesis. As such the coal stockpile did not see the same levels of reduction as we reported in our full year FY16 results. Financing cashflows net of Kupe were impacted by the repayment of borrowings.

# 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

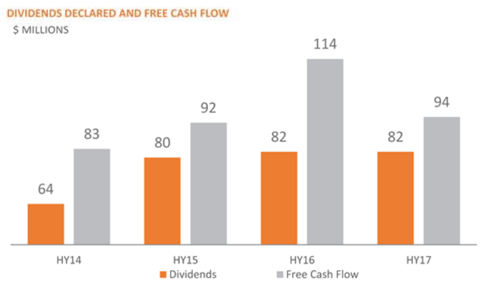


Genesis Energy continues to have a strong balance sheet with gearing at 35%, an average tenor of 7.9 years with an average cost of debt of 5.5%. During the period we reduced net debt by $26m or 2.2%. We remain within our target metrics to retain our BBB+ rating whilst retaining some headroom to support our strategic priorities.

# 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%








Our strong financial position and the current trading environment means it is appropriate to maintain the level of the dividend and as such we have declared an interim dividend of 8.2 cents per share or $82m. On a real term basis our dividends remain ahead of inflation since the IPO.

To summarise again, this should be considered a solid result, which is consistent with previous market guidance. The team have done a good job focussing on the controllable levers of operating cost, retail revenues while preserving and prioritising capital for growth activities. Within this, we have maintained a consistent dividend on pcp.

I would now like to hand over to Marc who will take you through some more detail on the operational performance and outlook.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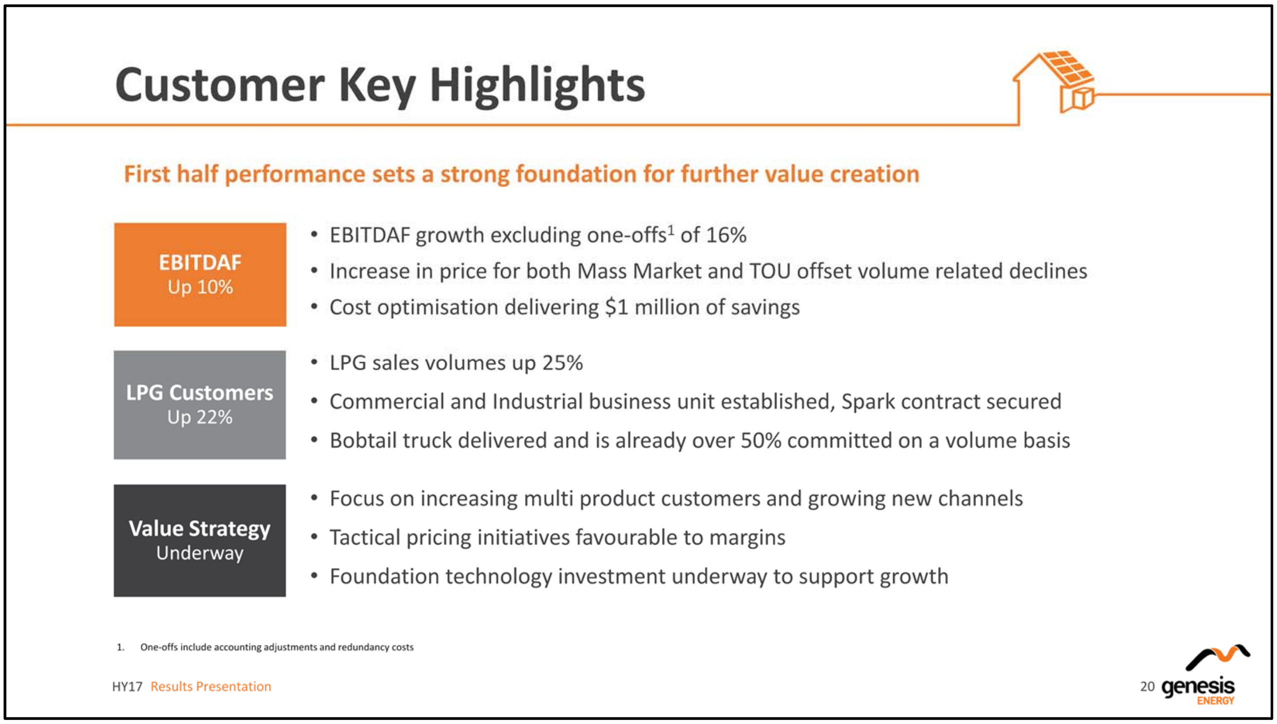
Operational Highlights
Marc England
Chief Executive



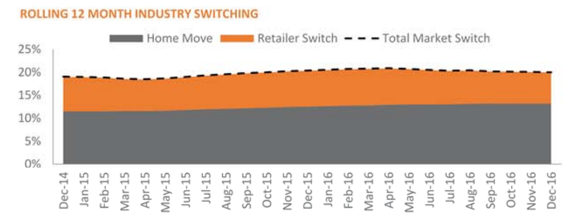

Thank you Chris.

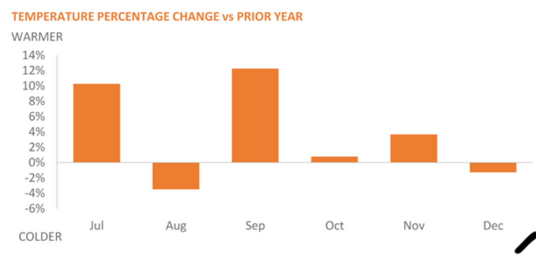
It has been a great start to the year for our customer segment from both a financial and operational perspective as we have pivoted to more of a value focus. Whilst we are still in a period of transition we have executed on a number of strategies to drive growth in this area. Of particular note is the growth in our LPG segment as we look to bring our market share in this segment in line with our Kupe fuel supply. You can expect to see further growth activity in this area. We are also seeing early wins in the business segment where we remain under-represented and we expect this to continue with a dedicated sales team in place. As an example I already mentioned the Spark contract we recently secured translates to a 137 GWh annual usage and we have also just re-signed two other major business customers.

# 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




HY17 Results Presentation

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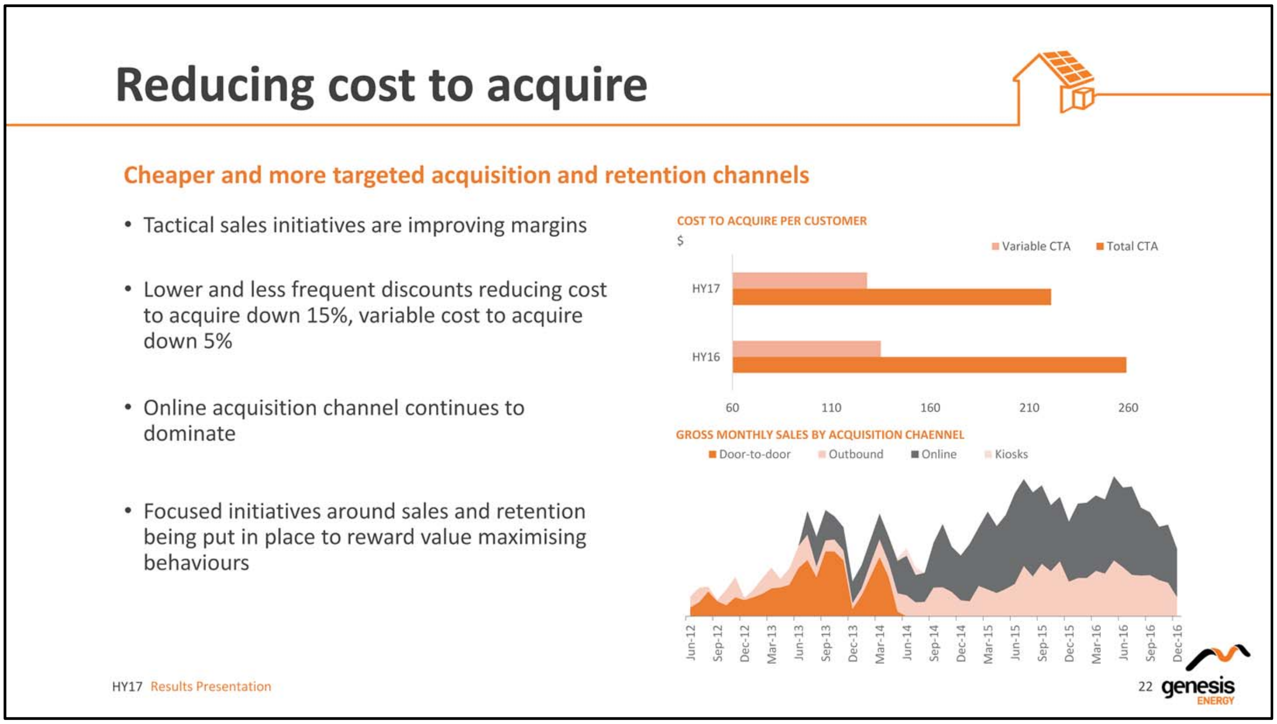
Market conditions were difficult in the first half with intense price competition for ICP's continuing and the warm temperatures impacting retail demand which was down 4.5% on pcp. As an example in Auckland we had the warmest spring in almost 20 years, 47 degree days above average. It is difficult to control the weather however and we do not see competition reducing in the near term, so our focus on building deeper customer engagement is critical to securing loyalty and reducing churn sustainably over the long term.

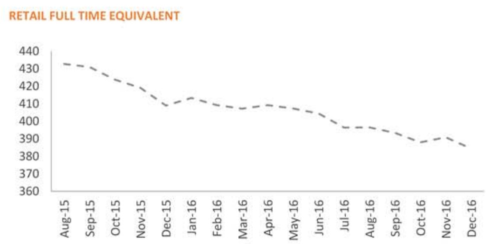


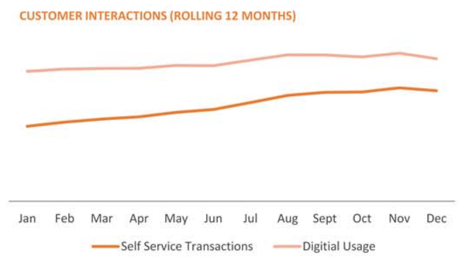

By focusing on different ways to target and acquire customers we have made a material reduction in our cost to acquire over the period - down 15%. A tactical approach to credits being offered and an ongoing focus on online channels both contributed to this result and this is improving our margins with new customers. We have also identified an opportunity to better align our sales and retention commission structures and third party channels to drive value maximising outcomes for the business.

# 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





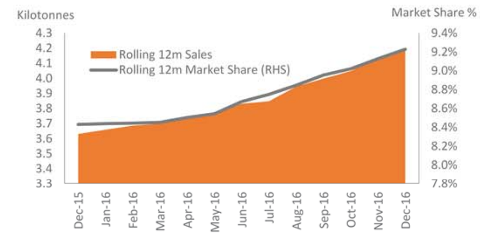

We are also looking to reduce our cost to serve to a best in class level which will come about by finding more efficient ways of servicing our customers supported by technology investment to encourage more digital transactions. Within this we have had an 11% reduction in FTE's over the past 12 months and call volumes have reduced 9% over the same period. We have recently upgraded our CIC phone system which manages the routing of calls and emails to Genesis which will enable us to more efficiently handle our customer interactions. We are also in the final stages of implementing Salesforce for service to support our customer service representatives by removing complexity of multiple systems and provide more personalised service.

# Growing Our Customer Base

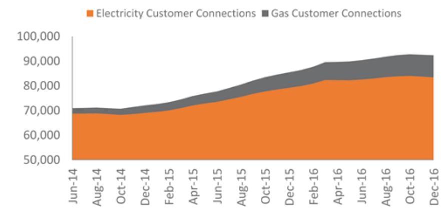
## Continued strong growth in LPG and EOL channels

- 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



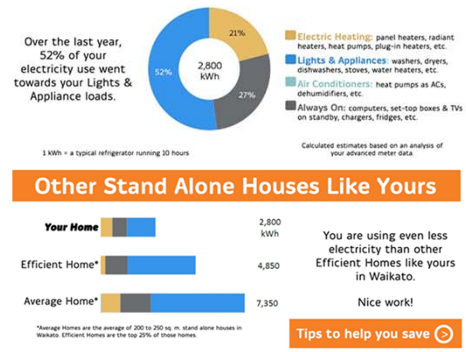



LPG remains a key strategic priority for Genesis Energy around the 'Innovate' strategic theme, even more so now with our increased ownership of Kupe and the access to LPG this provides. There is a significant disconnect between this upstream position and our current market share and the growth numbers we are seeing is a testament to the effectiveness of our strategy to address this. This goes across both the residential segment and C&I where we have taken delivery of our first bobtail truck, affectionately known internally as Bobby, which is already seeing a strong uptake. Importantly, to support this strategy is an investment in innovation activities to enhance the customer ordering experience. We have already implemented a C&I bottle management solution to give customers visibility over when their bottles are running low with the ability to automatically reorder at specified levels. The customer feedback from this product has been extremely positive and a key pillar of our Energy Management ambition where we can remove the hassle for customers by using targeted technology solutions. We are now in the process of developing a similar solution for residential customers. Energy Online also continues to deliver strong growth following its relaunch in FY16 and it remains an important growth brand for us.

# 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.



Another pillar of our Energy Management ambition being delivered through our strategic initiatives under the 'Innovate' theme is to driving useful insights for our customers to enhance their energy experience. Most of us wouldn't accept a credit card bill from our bank that was not itemised with each transaction over the prior month so why should we accept an energy bill that isn't itemised and just provides one blob number to pay. In this light, last year we entered into a relationship with Canadian based energy insights company Ecotagious around bill itemisation and benchmarking. The feedback we received from our initial pilot of 10000 customers last year was very positive and drove improved retention rates. Customers particularly liked the fact the reports were easily understood and provided meaningful information on the way they used their energy as well as suggestions for future efficiencies. This pilot will be extended further in 2017 before scaling to the rest of the market. This is a great example of how we intend to increase the pace of innovation in our market, by starting small, learning fast and scaling when we know what works.

## 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

HY17 Results Presentation 26 genesis ENERGY

Continuing this theme on slide 26, I am pleased to announce today that Genesis Energy is launching a collaboration with customers and other industry partners including Powerco to design game-changing digital tools that will re-imagine how customers use energy. This the first phase in 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. This project based in Martinborough and its surrounds will allow the community the ability to participate in a project leading early change whilst Genesis will benefit by working and learning from our customers before scaling new products and services across the rest of the market.

# 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

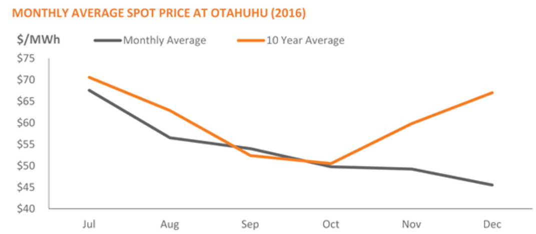


Moving now to the wholesale segment of the market on slide 27, as we have previously outlined, macro factors had a large impact on performance. Weather conditions favoured renewables over thermal generation and this led to lower spot prices. Offsetting this was our lower fuel costs and significant cost savings that were delivered.

# 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



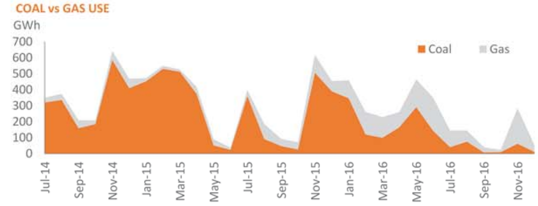

As you've heard frequently over the last few weeks of results 2016 was a wet year, particularly in catchments where our peers run hydro, and as a result storage levels were high and our thermal generation was not required to run which led to lower spot prices. The wet conditions also impacted agricultural consumption with Q4 South Island demand down 200GWh compared to average volumes over the past three years and the previously mentioned above average temperatures impacting residential demand.

# Generation Flexibility Advantage

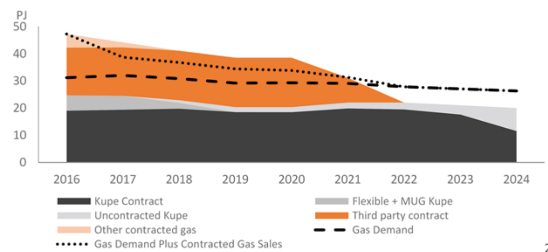
## Reduces downside risk from macro conditions

- 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



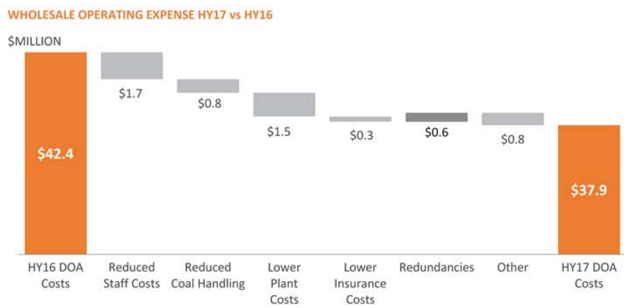



Genesis Energy is, however, in a unique position with its generation portfolio – it has the choice of whether to run thermal, hydro, or to buy on market and preserve its higher cost units to suit market conditions. This offers us downside protection against unfavourable market conditions and this is reflected in our net generation position being relatively flat over the period. We have also been able to strategically use our gas book and burn less coal in the Rankines which has reduced our carbon emissions and highlights the benefits of our fuel flexibility. Whilst our gas book does have some challenges in the short term, there is material upside post 2020 when our legacy contracts expire and we also expect the changing LPG marketplace from wholesale to retail to improve our margins.

# 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




HY17 Results Presentation 30

Near term, our ongoing focus on cost optimisation in generation delivered further results in the first half through a combination of reduced headcount, improved plant expenditure and lower contracting costs from lower coal burn – shown on slide 30. We have also implemented a new campaign approach to maintenance which is expected to deliver further savings in the future.

# 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



We quickly put our ‘Invest’ strategic priority into action in the first half with the acquisition of an additional 15% of Kupe. There are a number of clear benefits to increasing our ownership – further integration of our fuel position, increased exposure to a higher performing field in a declining gas reserve market and greater influence over the timing and scale of Phase II development. Whilst the field was impacted by lower oil prices this half and an unplanned outage, with oil prices stabilising and cash flow remaining strong Kupe remains a valuable investment for Genesis Energy.

# 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

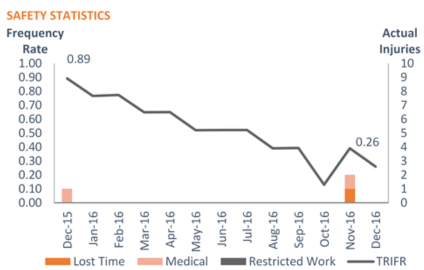
HY17 Results Presentation 32

We did, unfortunately, incur a 12 day unplanned outage which had an unexpected net impact to our first half performance, further compounded by a longer term LPG outage. Both issues have now been resolved and we expect to see production capacity availability at or near full capacity for the remainder of the financial year.

# Health & Safety

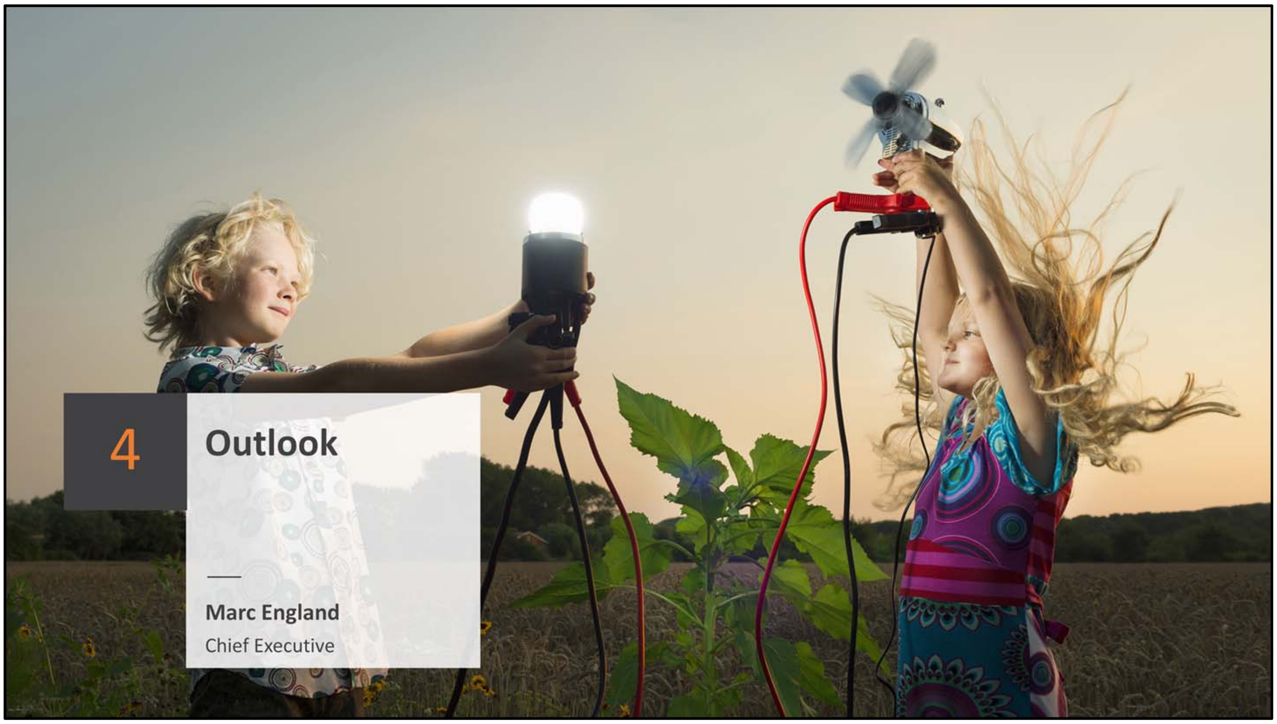
## Zero harm is our commitment

- 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






As I mentioned in the key highlights section our commitment to zero harm is continuing to show results with our TRIFR down 70% over the past 12 months. What has impressed me since joining Genesis Energy is the high level of engagement our staff have on health and safety and it remains a core key performance measure for every person in the business. Our aim is to capture this passion of our employees and direct it towards our customers too, while ensuring we continue to maintain focus on zero harm.  I am confident, that in time, the passion and commitment from Genesis people will deliver a similar result for customers as it has for the wellbeing of each other.


4
Outlook
Marc England
Chief Executive

## Outlook

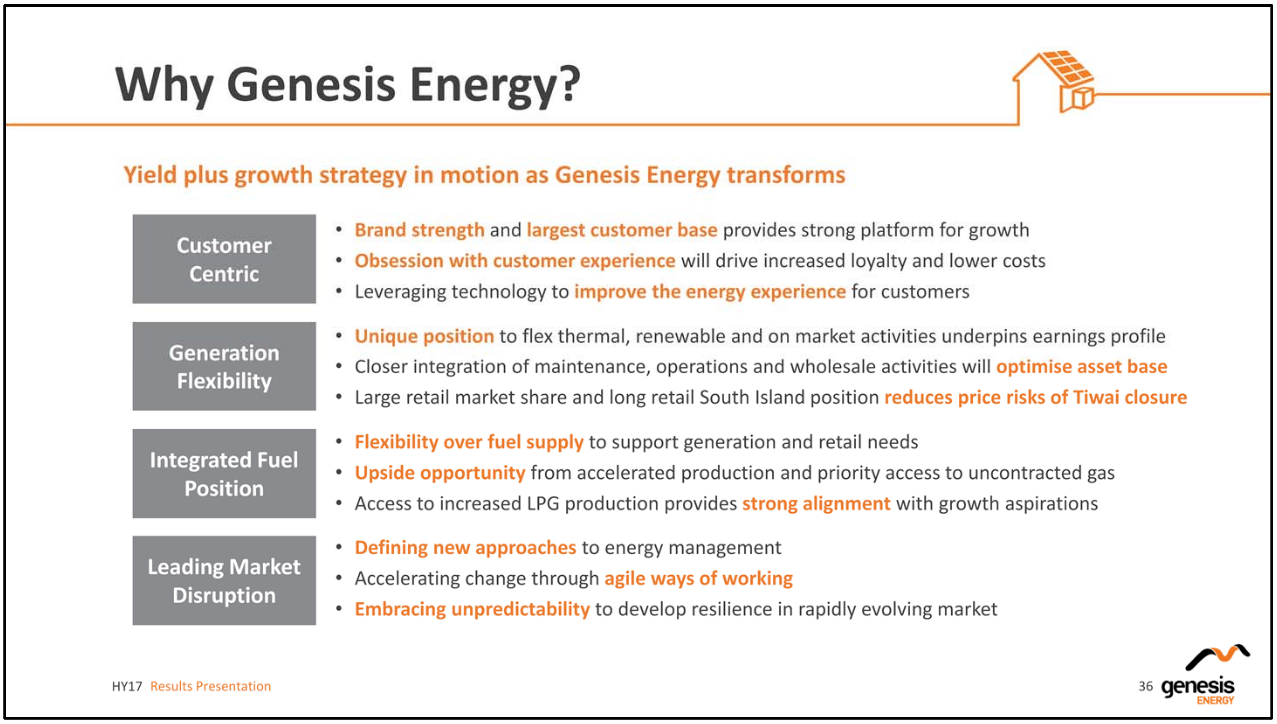
**FY guidance range updated**

- 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

HY17 Results Presentation 35 genesis ENERGY

Turning to our outlook, we have updated our guidance to a range of 320 to 330 million dollars for the full year which includes our increased share of Kupe and some of the unexpected trading conditions we have spoken about today. Our target earnings profile remains to deliver you a $400m+ EBITDAF company by FY21.
In summary, it has been a positive start to FY17 for Genesis. We have reset our strategy, been the first mixed ownership model to execute a significant acquisition, grown one of our key product segments and delivered value in retail prices and cost savings by focusing on controllable operational factors.




I wanted to finish on slide 36 by talking about why Genesis Energy is a good investment proposition.

When we provided our updated strategy to the market in November this was against a backdrop of a changing market environment where the traditional utility view of energy is changing to being a retailer of services as revenues move downstream towards customers. Being successful in this environment will require substantial shifts in every part of Genesis Energy's business. We have strong foundations in place to support this; a customer centric approach which is core to everything we do, a unique generation portfolio which is flexible in all market conditions, an integrated fuel position that can be leveraged to drive value from well-head through to consumers and a rapidly evolving approach to the way we work inside Genesis which is based on challenging market norms to define new approaches to energy management.

To conclude, when I look at where Genesis Energy is placed now I believe we are well positioned to become a leader in energy management, and we are building solid capabilities already to manage that transition. We have a talented team committed to driving success in every part of our business and this will translate into increased value for our shareholders. With thoughtful insight, acute focus and action we are well on our way with our transformation journey.

With that, I'd like to conclude our presentation and open up for questions.

# Supplementary Information

# 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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