MARKET RELEASE
Date: 16 November 2016

Genesis Energy Limited (GNE) – Acquisition of New Zealand Oil & Gas' 15% Share of the Kupe Joint Venture

Genesis Energy is pleased to announce the acquisition of New Zealand Oil & Gas' ("**NZOG**") 15% share of the Kupe Joint Venture ("**Kupe**") for cash consideration of $168 million. The acquisition strengthens Genesis Energy's integrated fuels strategy, creating greater flexibility of fuel supply, increased influence in the Joint Venture, and complements Genesis Energy's existing 31% stake.

Genesis Energy Chief Executive Marc England said, "This acquisition builds on Genesis Energy's strategy to create value by linking upstream fuel supply with electricity generation and consumer energy needs. The Kupe field is a world class asset producing oil, piped gas and bottled gas. The increased stake enables Genesis Energy to access and manage more flexible fuel supply well into the next decade. The strong cash flows will also provide headroom to invest in organic growth areas aligned to Genesis Energy's strategy, such as technology enabled home energy management."

Chairman Dame Jenny Shipley said. "In addition to the strategic merits of the transaction, shareholders will benefit from the additional cash flows that will support our progressive dividend policy. This transaction also supports a continuation of imputing dividends at the current 80% level with the potential to increase imputation levels in the medium term."

The acquisition will involve the purchase of 100% of the shares in three subsidiaries of NZOG that are the holding companies for its 15% stake, plus 100% of a subsidiary that has rights to royalty payments associated with the Kupe field.

The transaction is subject to approval by special resolution of NZOG's shareholders. NZOG is planning to convene a special meeting of its shareholders on 16 December 2016 for the purposes of seeking that approval. The Board of Directors of NZOG recommends shareholders approve the transaction at that meeting and directors intend to vote shares they control in favour of the transaction.

The increase in ownership will give Genesis Energy access to approximately 160,000 extra barrels of oil and 13,000 additional tonnes of LPG per annum. Genesis Energy currently purchases 100% of the gas offtake from Kupe. The increased equity stake will also give Genesis Energy ownership of an additional 26PJ (+48%) of uncontracted gas beyond 2020.

As a result of the acquisition, FY2016 annual EBITDAF would have been approximately $39 million higher on a full year equivalent earnings basis. Genesis Energy's FY2017 EBITDAF is estimated to increase by approximately $15 million. FY2017 NPAT is estimated to increase by approximately $2 million after taking into account the transaction and funding costs, hence the transaction is immediately earnings accretive.

The acquisition will be funded by existing debt facilities and is effective on 1 January 2017.

Analysts and Investors Call

There will be a teleconference call this morning (Wednesday 16 November) to discuss the Kupe acquisition at **11.30am (NZT)** hosted by Chief Executive Marc England and CFO Chris Jewell. Following an overview of the transaction there will be a brief opportunity for Q&A.

Details of the call are as follows:

NZ – 09 913 3622
Australia - +61 (0)2 9193 3706
Hong Kong +852 6963 0854
UK – 0808 234 8407
USA – 1866 839 8029

Confirmation Code: 2974376

ENDS

For media enquiries, please contact:
Richard Gordon
Public Affairs Manager
Genesis Energy
P: 09 951 9280
M: 021 681 305

For investor relations enquiries, please contact:
Rodney Deacon
Group Manager Strategy and Investor Relations
Genesis Energy
P: 09 571 4970
M: 021 631 074

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 31% 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

Acquisition of additional 15% stake in the Kupe Joint Venture

Disclaimer

Purpose: This presentation is for information purposes only. This material is not, and does not constitute an offer, invitation or recommendation to subscribe for, or purchase any shares. Neither this material, nor anything contained in it, will form the basis of any contract or commitment.

Forward looking statements: This material may contain forward-looking statements which are not based solely on historical facts but are based on current expectations about future events and results. These forward-looking statements are subject to inherent risks and uncertainties. Actual events or results may differ materially from the expectations expressed or implied in such forward looking statements.

Estimates, forecasts and targets: Unless otherwise indicated, all references to estimates, targets and forecasts and derivations of the same in this material are references to estimates, targets and forecasts by Genesis Energy Limited (Genesis) and its subsidiaries (the Genesis Group). Management estimates, targets and forecasts are based on views held only at the date of this material, and actual events and results may be materially different from them. The Genesis Group does not undertake to revise the material to reflect any future events or circumstances.

Representations and warranties: No representations or warranties, express or implied, are made as to the fairness, accuracy or correctness of the information, opinions and conclusions contained in this material. To the extent permitted by law, Genesis and its subsidiaries, affiliates and related bodies corporate, and their respective officers, directors, employees, agents and advisors disclaim any liability (including, without limitation, any liability arising from fault or negligence) for any loss or damage arising from any use of this material or its contents, including any error or omission therefrom, or otherwise arising in connection with it, or as to the accuracy of the likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. Accordingly, you are cautioned against placing reliance on forward looking or other statements contained in this material or otherwise in connection with it.

Transaction Highlights

Acquisition of New Zealand Oil and Gas' 15% stake in Kupe

Transaction	Acquisition of NZOG's 15% stake in Kupe JV for $168m increasing Genesis Energy's stake to 46%
Strategic	Greater flexibility over future gas supply and increased JV influence
Balance Sheet	Strengthened funding platform for transition to new energy future
Deal Structure	Purchase 100% of the shares in four NZOG subsidiaries that hold its 15% stake and royalty receipts
Production	Additional 160kbbls of oil and 13,000 tonnes of LPG per annum plus 26PJ of uncontracted gas
EBITDA	Approximately $39m incremental annual EBITDAF at current oil prices and exchange rates
Dividend	Enhanced support for Genesis Energy's progressive dividend policy and imputation benefits
Funding	Transaction will be funded by existing debt facilities
Timing	Acquisition effective 1 January 2017

Strong Strategic Rationale

Greater fuel flexibility and JV influence

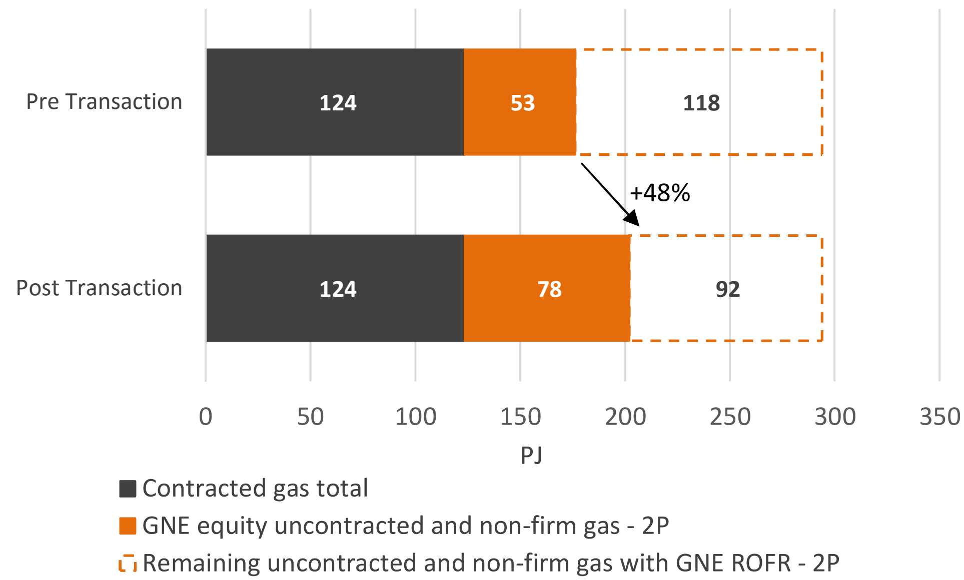
1. Enhances previously communicated 'Integrated Fuels Strategy' to create value from production through to thermal generation and retail:
   - Ownership of more uncontracted gas volumes
   - Additional LPG volumes, 21% of national production, to boost position in wholesale LPG market
   - Improved support for retail LPG growth initiative
   - Attractively priced LPG contract for all of NZOG's share of LPG
2. Improves level of influence and control within the JV
   - For example, provides more control over operational and strategic decisions
3. Underpins progressive dividend policy with a more diverse earnings stream
   - Increased US dollar denominated and reduced proportional exposure to electricity market dynamics
   - Material increase in imputation credits which will underpin the current 80% imputation credit level on dividends with potential to increase further in time
4. Strengthens medium term Balance Sheet metrics
   - Efficient use of Balance Sheet capacity with no integration risk
5. Kupe field well understood by Genesis Energy and a strong performing quality asset

Improving Integrated Fuels Strategy: Gas

Significant value in future uncontracted gas

- Genesis Energy sees significant value in uncontracted gas not covered by current GSAs given recent reserve upgrades
- This could provide a significant source of fuel for Genesis Energy generation and retail portfolios beyond 2020
- Genesis Energy also retains right of first refusal over 54% of uncontracted gas it doesn't own

Projected Kupe Gas Sales[1]



[1] Based on Origin Energy reported undeveloped and developed 2P reserves at 30 June 2016

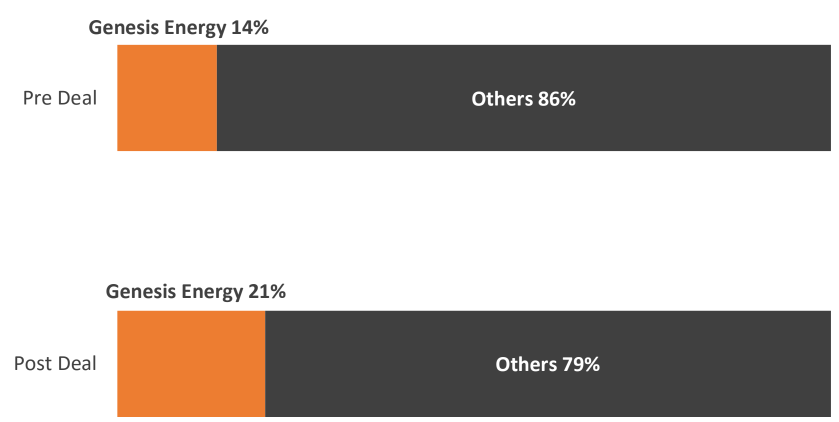
Improving Integrated Fuels Strategy: LPG

Platform to grow LPG business

- Acquisition of NZOG's Kupe stake will increase Genesis Energy's share of total New Zealand LPG production from 14% to approximately 21%

- Provides a strong platform to grow LPG business
  - Current retail sales market share of only 2%

Genesis Energy share of New Zealand LPG production



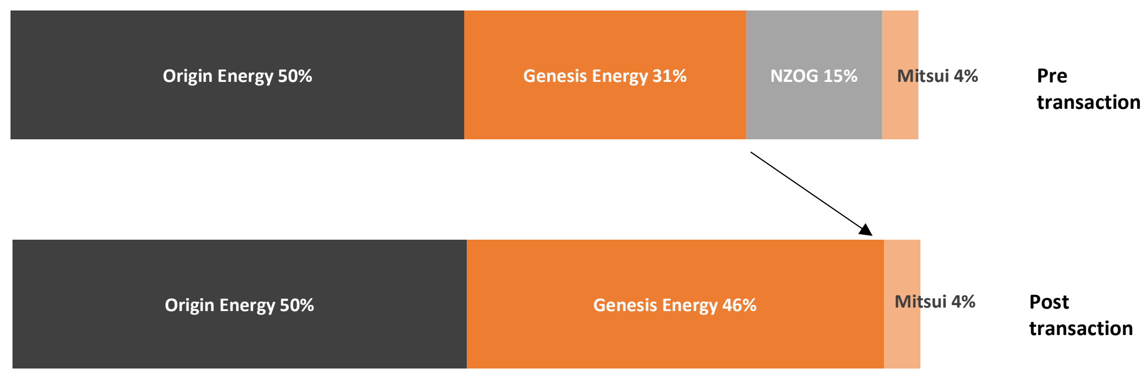
Source: LPGA FY2016 figures, Genesis Energy

Impact of Transaction on Kupe JV

Operations unchanged but one less party

- Origin Energy and Mitsui E&P remain partners
- Origin Energy will remain the operator
- Increased stake provides more influence over the timing of future development of the asset

Ownership of Kupe Oil & Gas Field



Positive Impact on Earnings

EBITDAF expected to increase

- Transaction is expected to increase annualised EBITDAF by approximately $39m
- Based on pro-forma FY2016 estimates, earnings accretion of approximately 6% relative to FY2016 reported NPAT of $184.2m
- Six months earnings impact in FY2017
  - FY2017 EBITDAF expected to increase by approximately $15.1m after transaction costs[2]
  - FY2017 NPAT is expected to increase by approximately $2.2m after transaction, depletion, depreciation and funding costs
  - Increase in FY2017 Free Cash Flow of approximately $5.7m

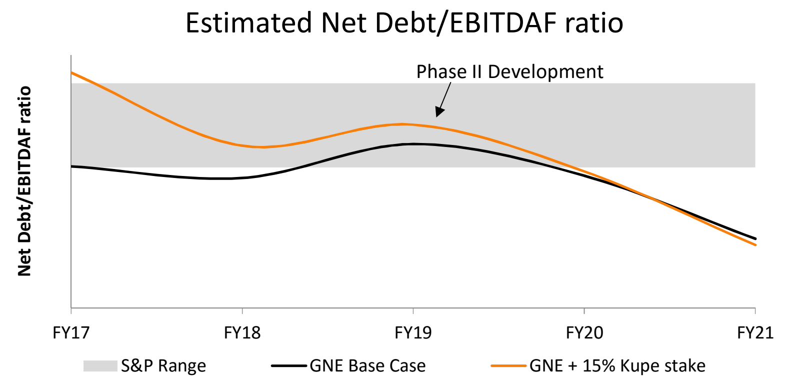
Financial Impact of Acquisition $m	FY2016 Estimated Pro-forma Incremental Impact[1]	FY2017 Estimated Incremental Impact[2,3]
EBITDAF	$39.3m	$15.1m
NPAT	$11.3m	$2.2m
EPS	1.13cps	0.22cps
Free Cash Flow[4]	$18.4m	$5.7m

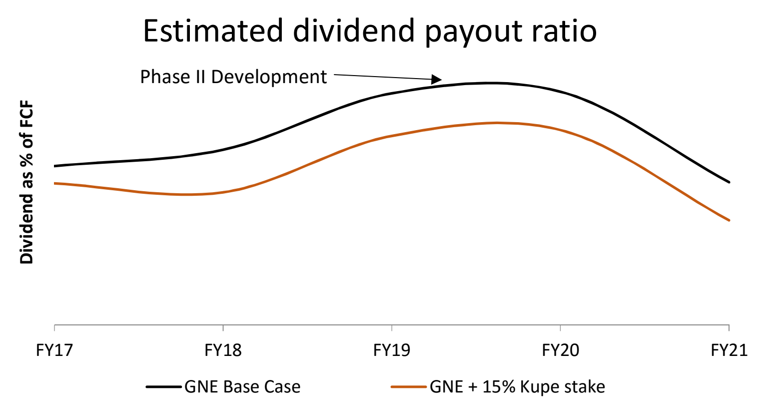
[1] Estimated incremental benefit based on ownership of NZOG stake for full 12 months ending 30 June 2016 including cost of financing acquisition but excluding transaction costs
[2] Includes transaction costs of $2.6m covering financial and legal advisor fees
[3] These estimates are based on an average oil price of US$50.98/bbl for FY2017 and a NZD/USD cross rate of US69.4c
[4] Free Cash Flow is EBITDAF less interest expense, less tax, less stay in business capital expenditure

Capital Structure Impact

Improvement in key metrics

- Acquisition supports key metrics of Net Debt/EBITDAF and Dividend payout ratio in the medium term
- Supports the progressive dividend policy in the medium to longer term
- Supports a continuation of the current 80% imputation credits on dividends and should enable an increased imputation level in time





Assumes Genesis Energy's share of Phase II Development capex is approximately $110m post acquisition

Indicative Timetable

Aim to complete before Christmas

	Estimated timing (subject to confirmation)
Announcement of transaction	16 November 2016
NZOG EGM to seek approval by shareholders	16 December 2016
Effective date of acquisition	1 January 2017

Appendix: Operational Data

Positive impact on Genesis Energy

- Additional 15% stake would have increased Genesis Energy's oil, LPG and gas sales by c48% in FY16
- Also lead to similar increase in share of reserves remaining in the field

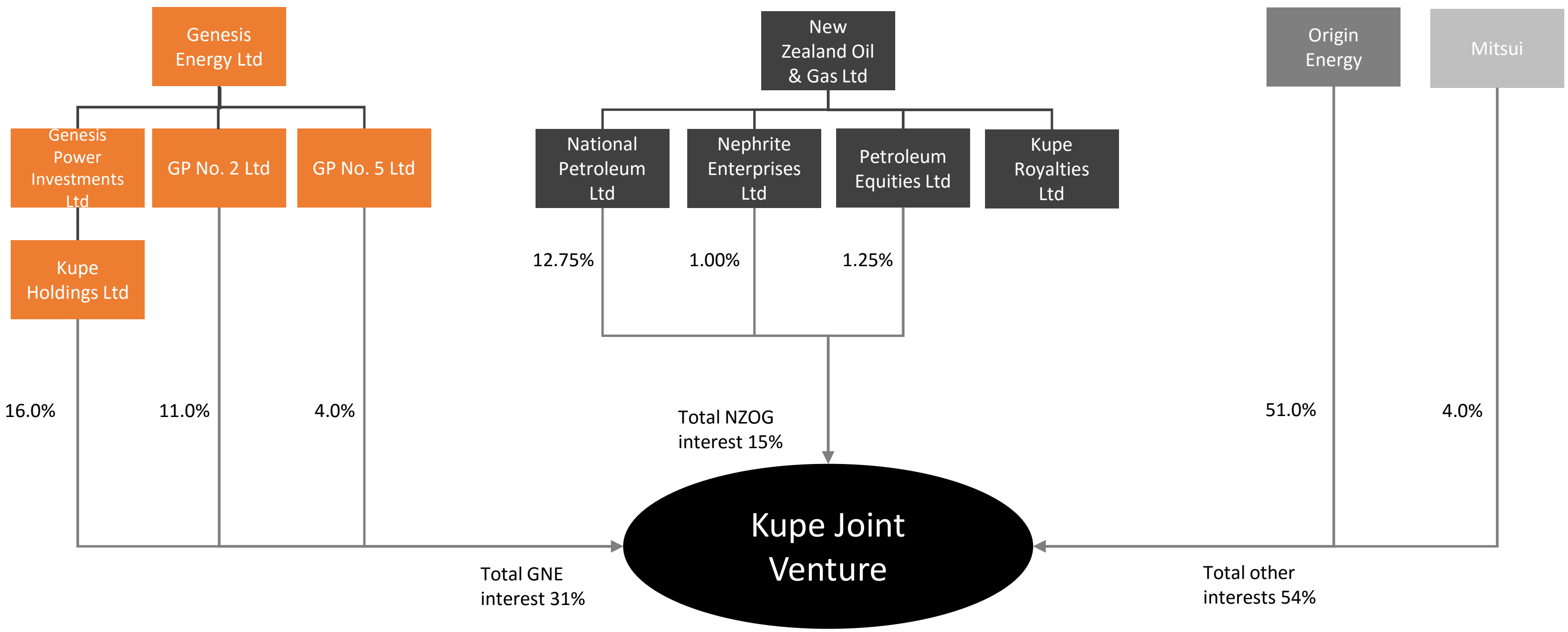
FY2016 results	Genesis Energy stake 31%	NZOG stake 15%	Pro-forma Genesis Energy 46%
Oil sales (kbbl)	427.3	206.7	634.0
Gas production (PJ)	7.4	3.6	11.0
LPG production (kt)	28.1	13.6	41.7

FY2016 reserves (PJ)[1]	Genesis Energy stake 31%	NZOG stake 15%	Pro-forma Genesis Energy 46%
Developed reserves (2P)	73.8	35.7	109.5
Undeveloped reserves (2P)	46.4	22.5	68.9
Total reserves (2P)	120.2	58.2	178.4

[1] Based on reserves assessment by Gaffney Cline & Associates as at 30 June 2016

Appendix: Deal Structure

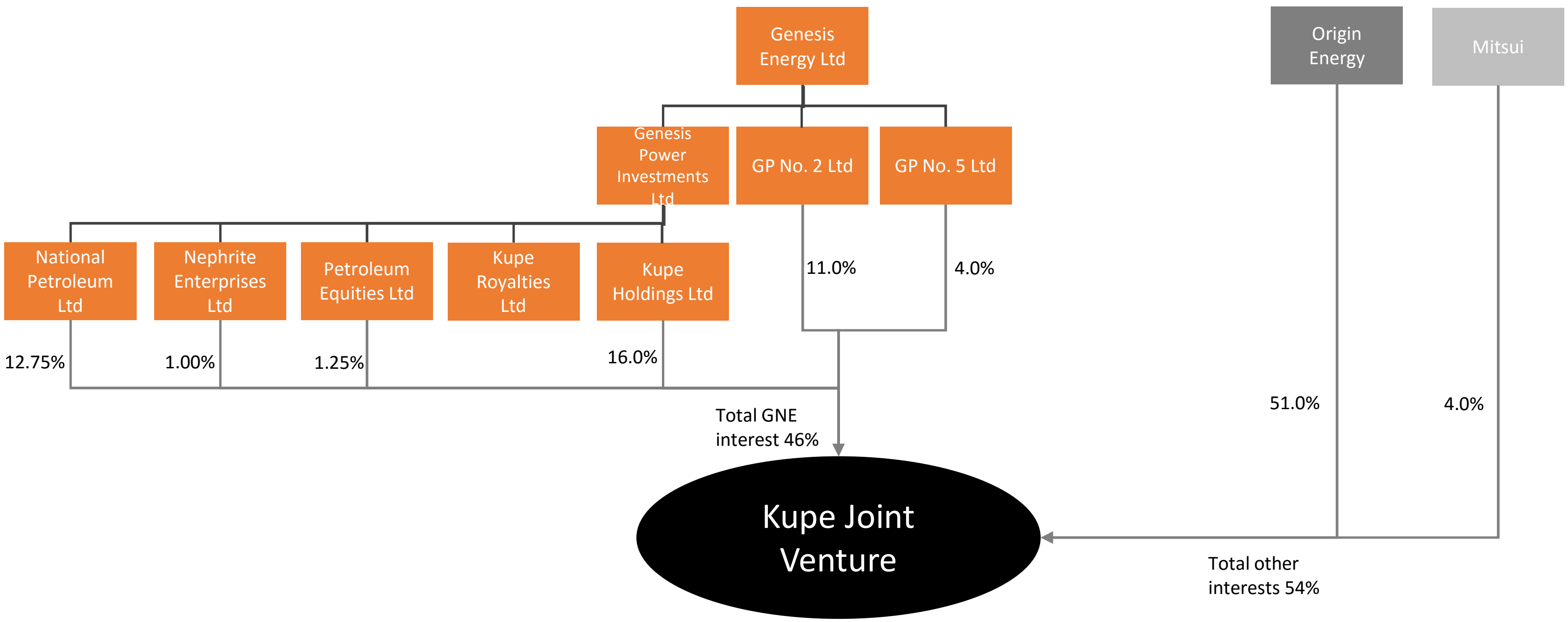
Acquisition of 100% of shares in four NZOG subsidiaries



Pre acquisition

Appendix: Deal Structure

Acquisition of 100% of shares in four NZOG subsidiaries



Post acquisition