

# GENESIS ENERGY

A NEW ZEALAND VERTICALLY  
INTEGRATED ELECTRICITY  
GENERATOR AND RETAILER

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Diverse earnings, aims to deliver consistent, reliable and attractive dividends



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NEW ZEALAND'S  
LARGEST  
RETAILER

OF ELECTRICITY AND GAS

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DIVERSE  
AND  
FLEXIBLE

ELECTRICITY GENERATION  
PORTFOLIO

03

OIL  
AND GAS  
DIVERSIFICATION

THROUGH KUPE INVESTMENT

# BEING A VERTICALLY INTEGRATED GENERATOR AND RETAILER IS OUR COMPETITIVE ADVANTAGE



New Zealand's largest retailer of  
electricity and gas

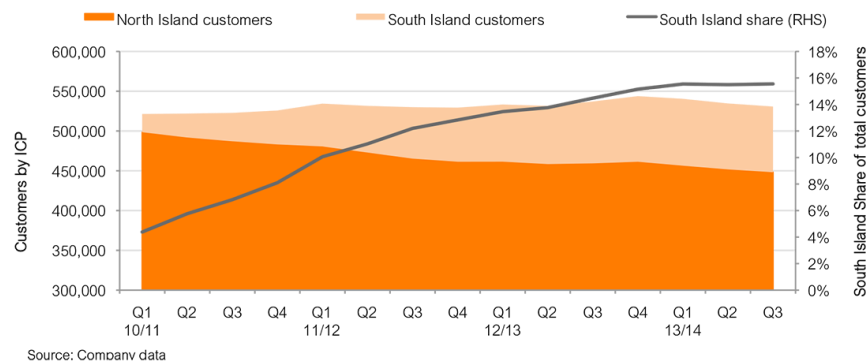
- 531,00 electricity customers (first in market),  
69% with advanced meters\*
- 114,000 gas customers (first in market),  
70% of which are dual fuel customers\*
- 11,000 LPG customers\*

\* As at 31 March 2014

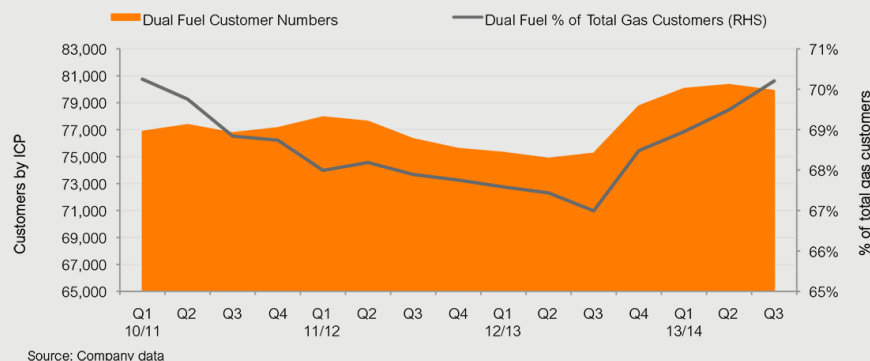
# NEW ZEALAND'S LARGEST ENERGY RETAILER

- Electricity customer base has settled around 530k level and 16% based in South Island
- Dual Fuel strategy (Electricity and Gas/LPG) is key to customer retention, reducing cost to serve
  - 70% of gas customers also take electricity

### Geographic Split of Electricity Customers



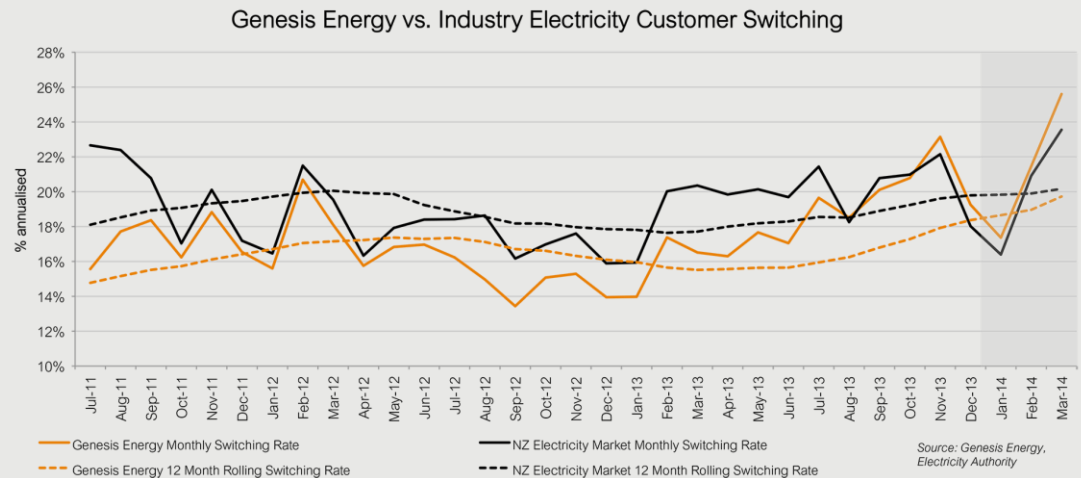
### Dual Fuel Customer Base



# Recent switching levels place New Zealand at highest churn in the world

Indicative of:

- Significant competition from smaller players
- Wholesale electricity price environment
- Regulator's initiatives

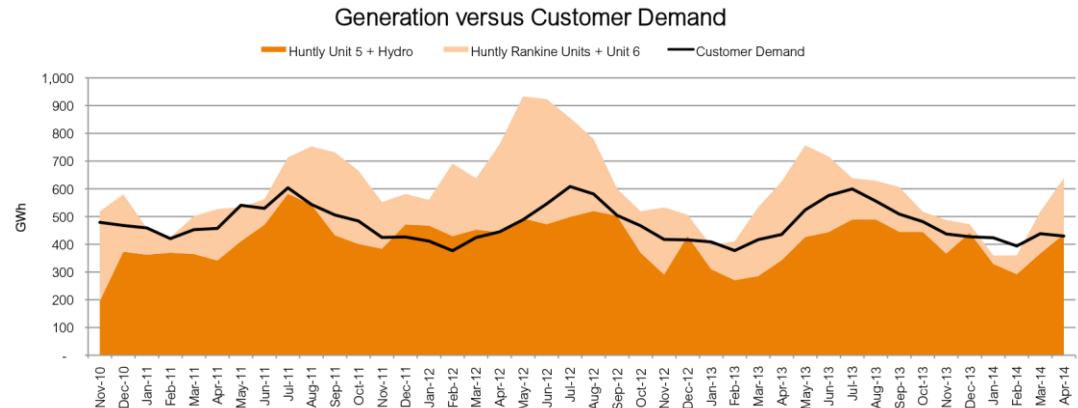


# DIVERSE AND FLEXIBLE ELECTRICITY GENERATION PORTFOLIO

- Good mix of thermal (69%) and renewable (31%) generation, covering multiple fuel types and both North and South Islands of New Zealand.



# UTILISATION OF GENERATION ASSETS

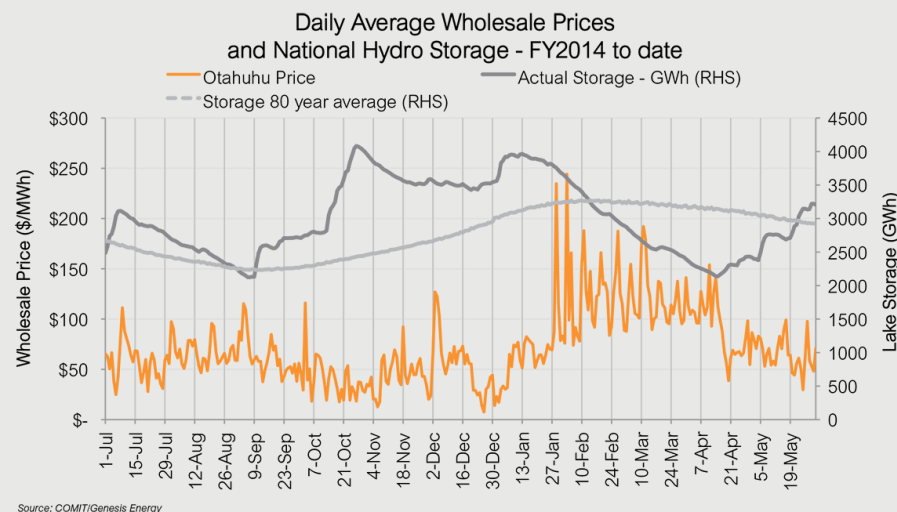


- Continue to match customer demand with base load generation from market competitive Huntly Unit 5 CCGT, plus hydro power stations
- Higher cost coal/gas fired thermal units operate long in the market and enable us to offer additional thermal capacity into the market when wholesale prices are higher
  - Such as dry conditions in February/March 2014



# MOVEMENT IN WHOLESALE PRICES

- Recent wet weather in April/May has seen sharp re-basing of New Zealand's hydro storage levels resulting in lower wholesale electricity prices
- Modeling suggests that for prices between \$30 to \$75/MWh there is limited correlation between wholesale electricity prices and forecast EBITDAF
- At prices above \$75/MWh, there is a positive correlation



# EARNINGS DIVERSIFICATION THROUGH 31% SHAREHOLDING IN KUPE OIL AND GAS FIELD

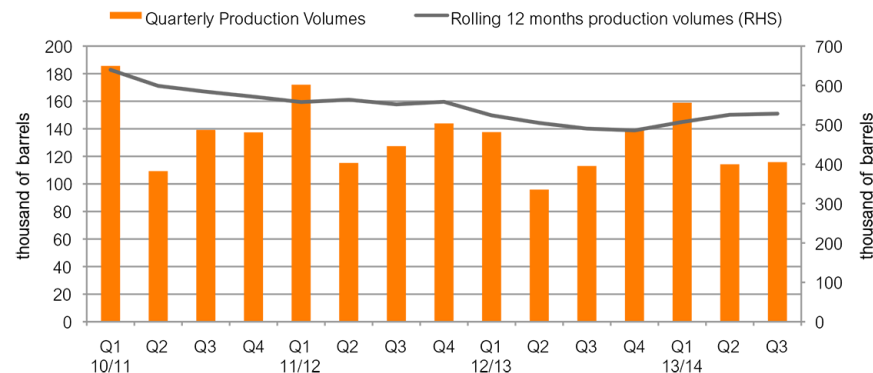


- Diverse earnings profile and disciplined capital expenditure aim to deliver consistent, reliable and attractive dividend with real year-on-year growth
- Dividend payout of 83% of Free Cash Flow\* in FY2015
- Free Cash Flow is defined as EBITDAF less finance expenses , less income tax expense and less stay in business capex.

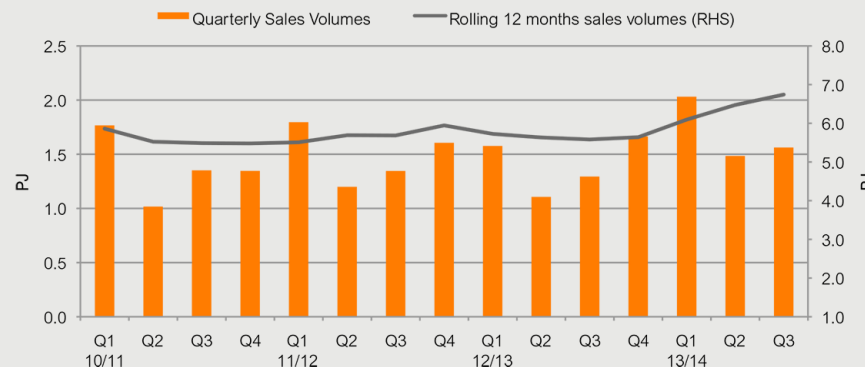
# OIL AND GAS DIVERSIFICATION

- 31% share of Kupe oil and gas field
  - Origin Energy (50% – operator), NZ Oil and Gas 15%, Mitsui 4%
- Kupe continues to be a consistent and significant source of fuel and earnings (EBITDAF). Genesis Energy receives
  - 100% of gas off-take
  - 31% share of oil and LPG output
- Recent months have seen increase in 12 month rolling gas volumes
  - Reflects nature of contracts and higher proportion of gas burned through coal/gas fired Units at Huntly

Kupe Oil Production Volumes (kbbbl)

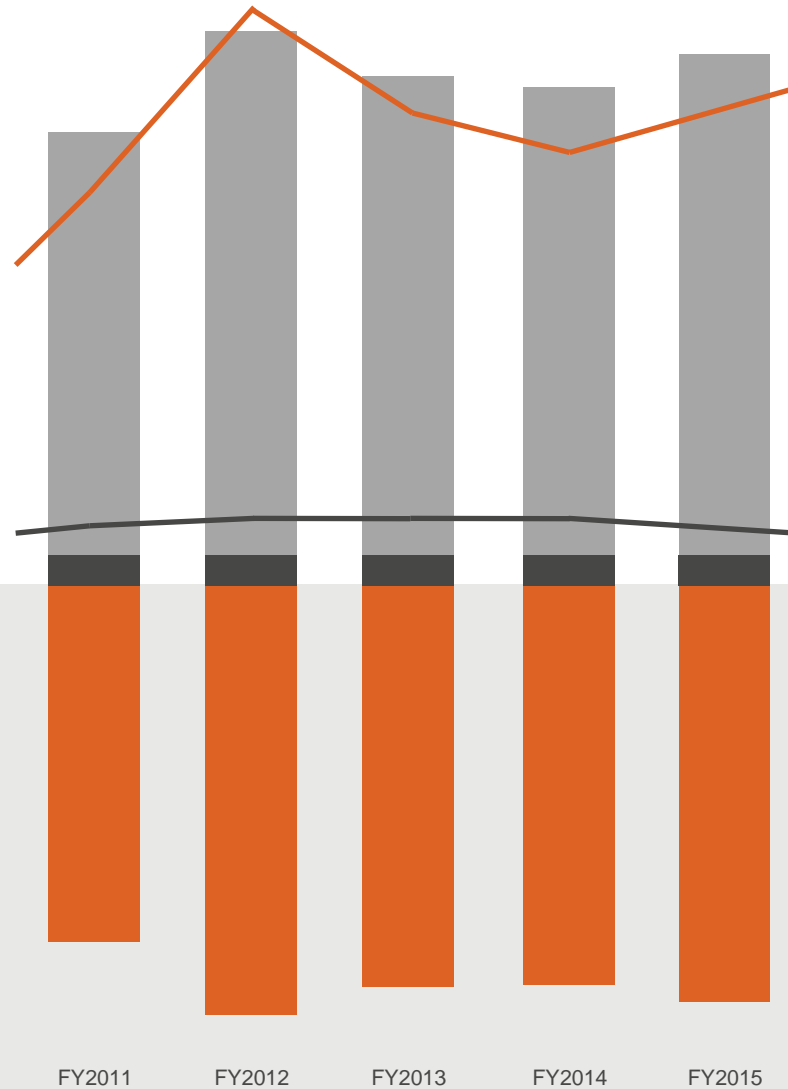


Kupe Gas Sales Volumes (PJ)



# EBITDAF PROFILE REFLECTS ABILITY TO MANAGE VOLATILE MARKET

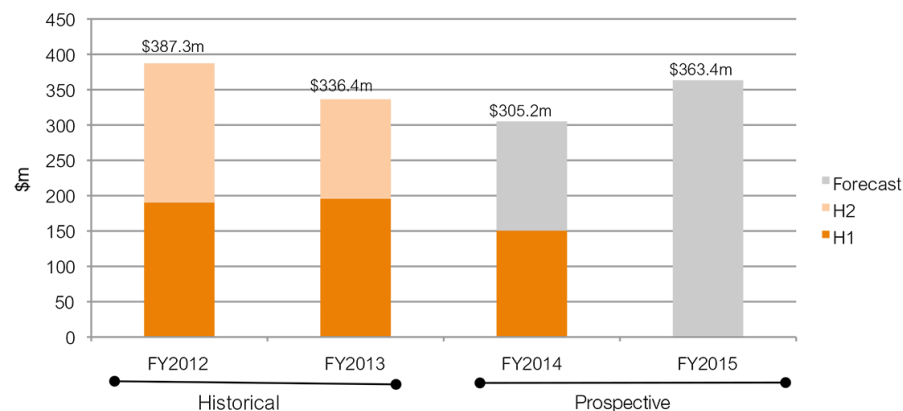
- Total EBITDAF
- Wholesale Electricity Price
- Wholesale and Retail Electricity Revenue
- Kupe EBITDAF
- Electricity Purchases and Fuel Costs



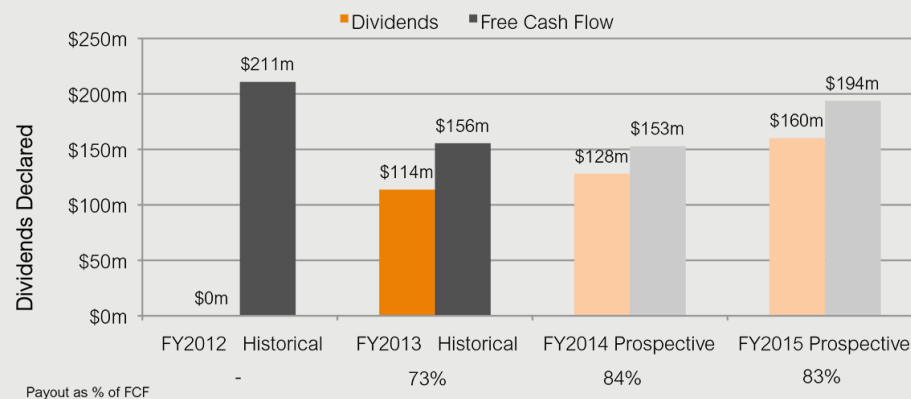
# FINANCIAL UPDATE

- Now dual listed on NZX and ASX
  - Market cap of NZ\$1.86bn, EV of NZ\$2.9bn
  - 68,000 shareholders on listing
- Still on target to meet PFI forecasts:
  - FY2014 EBITDAF of \$305.2m, DPS of 12.8cps
  - FY2015 EBITDAF of \$363.4m, DPS of 16.0cps
- FY2014 result to be announced 27 August 2014
- Inaugural AGM 28 October 2014
- BBB+ rating reaffirmed

EBITDAF Trends



Dividends and Free Cash Flow



THANK  
YOU