# Q1 QUARTERLY PERFORMANCE

genesis ENERGY

## Q1 2015 MARKET AND OPERATIONAL INFORMATION

*This disclosure includes market and operational information for Genesis Energy Limited, for the quarter ending 30 September 2014 (“Q1”).*

**↓1%**

Electricity customers reduced 1% in the first 3 months of 2015

**↑11%**

Q1 hydro generation volumes up 11% on pcp

**↑4%**

Average price at Huntly node in Q1 of $63.82 up 4% on pcp

**↓54%**

Q1 oil sale volumes from Kupe down 54% on pcp to 71kbbl.

## Genesis Energy’s Q1 2015 operational performance delivers increased Time of Use (TOU) electricity and gas sales, and improvements in electricity customer retention.

Improved TOU sales helped to offset the impact of lower electricity generation volumes than last year, lower production from the Kupe oil and gas field and a lower price received for electricity generated relative to the price paid for customers’ electricity. During the quarter Genesis Energy announced a new four year 150MW swaption with Meridian Energy.

At 30 September 2014 Genesis Energy had 519,713 electricity customers. This was a 1% reduction in customer numbers during the quarter, however, the Company experienced a marked improvement in August and September customer churn compared to the prior seven months. Management is encouraged by this improvement resulting from a number of retail initiatives being put in place. Average electricity switching rates were 19.0% for Genesis Energy in Q1 versus 23.2% for the previous quarter and 18.7% for the wider market.

Total retail electricity sales volumes of 1,578 GWh in Q1 were equal to those in Q1 2014. This reflected a 6% decrease in mass market volumes offset by a 53% increase in TOU volumes versus Q1 2014. TOU customers accounted for 15% of the total electricity sales in Q1, compared to 10% a year earlier. Above average temperatures in the last three months as well as lower customer numbers and reduced usage per customer contributed to the lower mass market sales volumes.

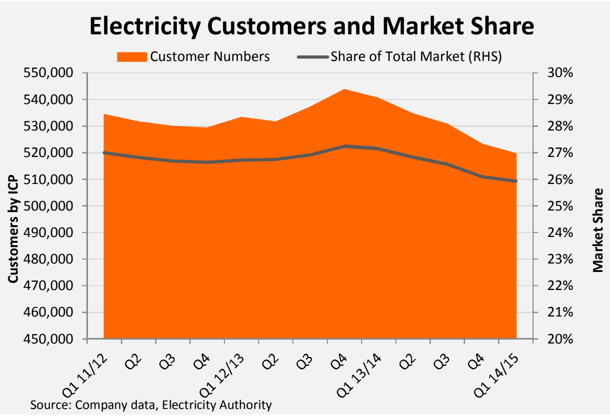
Total gas customers at the end of Q1 stood at 109,521 which was 2% lower than at 30 June 2014 and 6% lower than Q1 2014. Total retail gas sales of 2.4PJ were 26% higher in Q1 than a year ago due to a 121% increase in TOU gas volumes and a 3% increase in mass market volumes. This continues to reflect gains made by cross-selling electricity and gas to TOU customers offsetting lower customers.

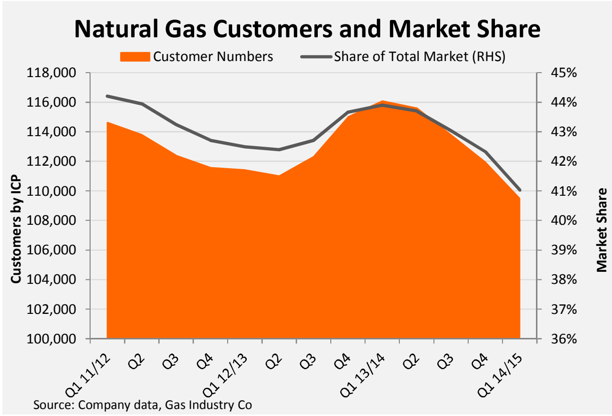
Above average national hydro storage levels, plus warmer than average temperatures and reduced consumer demand, kept wholesale electricity prices at historically subdued levels. A drier sequence through September lowered average hydro storage levels, the quarter finished at 85% of the long run average. The time weighted average price at the Huntly node in Q1 of $63.82/MWh was 4% higher than Q1 2014, but 10% lower than Q4 2014.

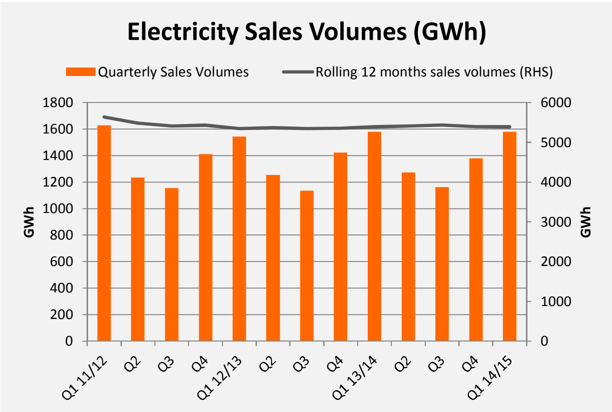
With the higher amount of water available and lower wholesale prices Genesis Energy increased generation from its three hydro power schemes by 11% in Q1 versus Q1 2014. However, this was offset by a 16% decline in thermal generation to 989 GWh so that total generation in the quarter of 1,755 GWh was 6% lower than a year ago. As a result of the change in mix of generation, the LWAP/GWAP ratio has increased to 102% in Q1 compared to 100% in Q1 2014.

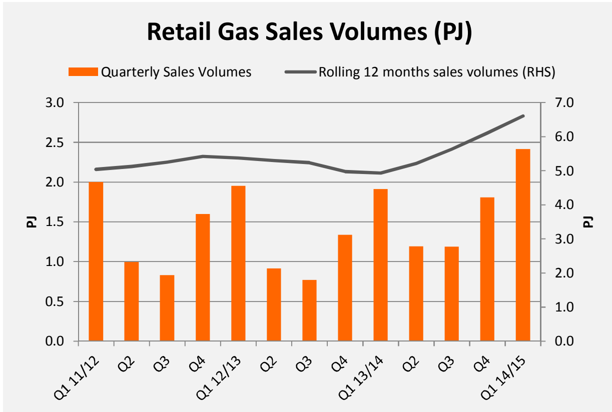
Oil, gas and LPG production from the Kupe oil and gas field were all down in Q1 versus a year ago due to timing differences in the utilisation of Kupe contracts. Oil sales of 71kbbl were 54% lower than Q1 2014 due to the delay of shipments from Port of Taranaki and lower export oil prices.

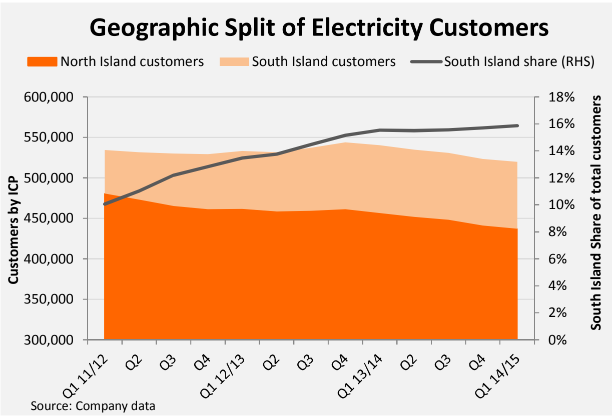
There was one lost time injury compared to one injury in Q1 2014. The Total Recordable Injury Frequency Rate (TRIFR) for the quarter was 2.43 (versus 7.29 for Q1 2014). There were 892 full time equivalent employees at 30 September 2014 compared to 988 at the same time last year.

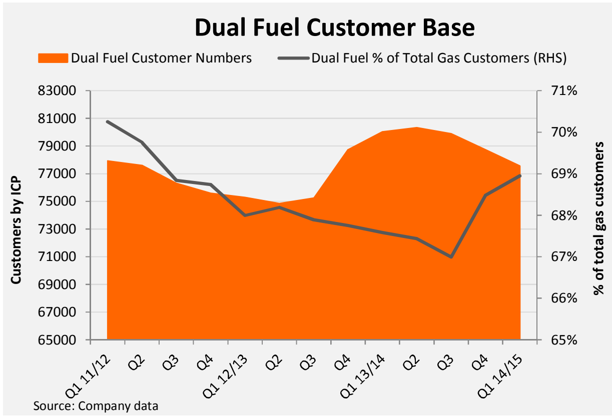

Electricity Customers and Market Share
Customer Numbers
Share of Total Market (RHS)
Customers by ICP
Market Share
550,000 540,000 530,000 520,000 510,000 500,000 490,000 480,000 470,000 460,000 450,000
30% 29% 28% 27% 26% 25% 24% 23% 22% 21% 20%
Q1 11/12 Q2 Q3 Q4 Q1 12/13 Q2 Q3 Q4 Q1 13/14 Q2 Q3 Q4 Q1 14/15
Source: Company data, Electricity Authority

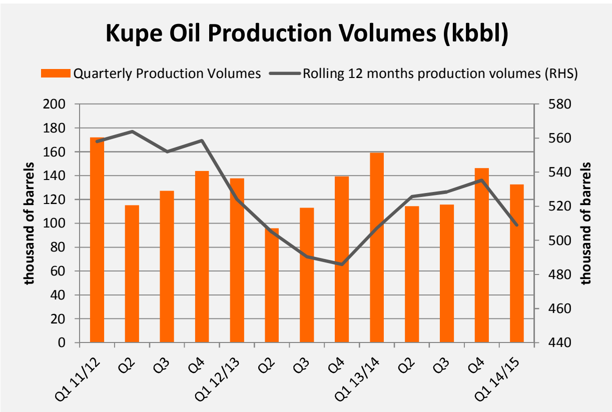

Natural Gas Customers and Market Share
Customer Numbers
Share of Total Market (RHS)
Customers by ICP
Market Share
118,000 116,000 114,000 112,000 110,000 108,000 106,000 104,000 102,000 100,000
45% 44% 43% 42% 41% 40% 39% 38% 37% 36%
Q1 11/12 Q2 Q3 Q4 Q1 12/13 Q2 Q3 Q4 Q1 13/14 Q2 Q3 Q4 Q1 14/15
Source: Company data, Gas Industry Co

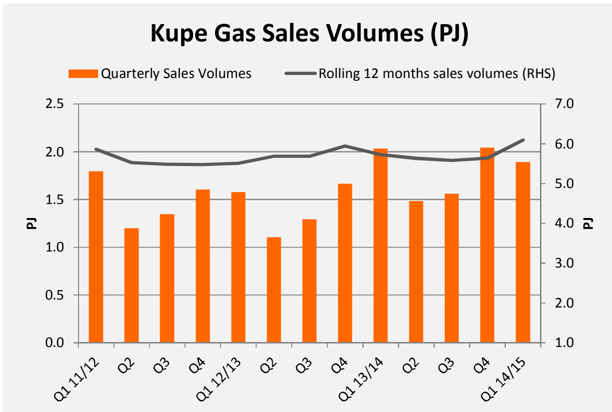

Electricity Sales Volumes (GWh)
Quarterly Sales Volumes
Rolling 12 months sales volumes (RHS)
GWh
1800 1600 1400 1200 1000 800 600 400 200 0
6000 5000 4000 3000 2000 1000 0
Q1 11/12 Q2 Q3 Q4 Q1 12/13 Q2 Q3 Q4 Q1 13/14 Q2 Q3 Q4 Q1 14/15

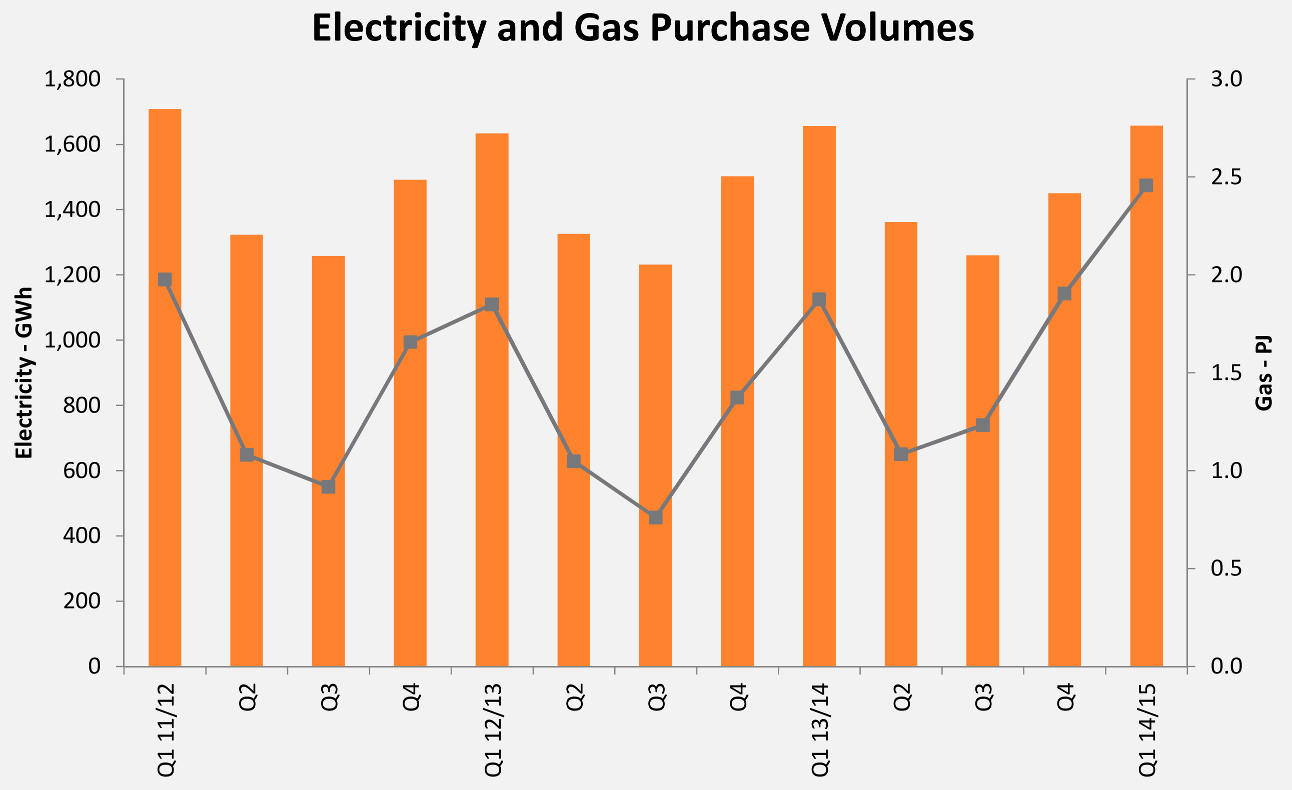

Retail Gas Sales Volumes (PJ)
Quarterly Sales Volumes
Rolling 12 months sales volumes (RHS)
PJ
3.0 2.5 2.0 1.5 1.0 0.5 0.0
7.0 6.0 5.0 4.0 3.0 2.0 1.0 0.0
Q1 11/12 Q2 Q3 Q4 Q1 12/13 Q2 Q3 Q4 Q1 13/14 Q2 Q3 Q4 Q1 14/15


Geographic Split of Electricity Customers
North Island customers
South Island customers
South Island share (RHS)
Customers by ICP
South Island Share of total customers
600,000 550,000 500,000 450,000 400,000 350,000 300,000
18% 16% 14% 12% 10% 8% 6% 4% 2% 0%
Q1 11/12 Q2 Q3 Q4 Q1 12/13 Q2 Q3 Q4 Q1 13/14 Q2 Q3 Q4 Q1 14/15
Source: Company data

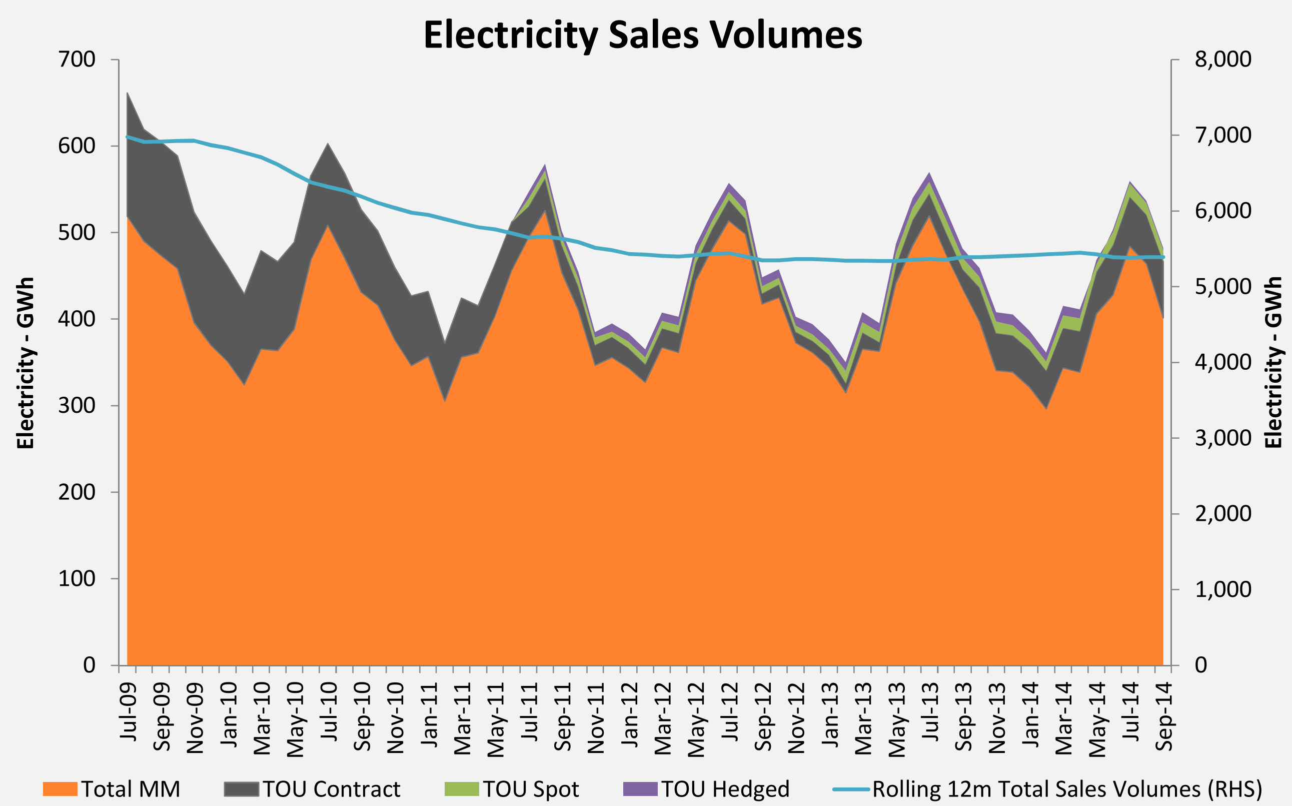

Dual Fuel Customer Base
Dual Fuel Customer Numbers
Dual Fuel % of Total Gas Customers (RHS)
Customers by ICP
% of total gas customers
83000 81000 79000 77000 75000 73000 71000 69000 67000 65000
71% 70% 69% 68% 67% 66% 65%
Q1 11/12 Q2 Q3 Q4 Q1 12/13 Q2 Q3 Q4 Q1 13/14 Q2 Q3 Q4 Q1 14/15
Source: Company data


Kupe Oil Production Volumes (kbbl)
Quarterly Production Volumes
Rolling 12 months production volumes (RHS)
thousand of barrels
200 180 160 140 120 100 80 60 40 20 0
580 560 540 520 500 480 460 440
Q1 11/12 Q2 Q3 Q4 Q1 12/13 Q2 Q3 Q4 Q1 13/14 Q2 Q3 Q4 Q1 14/15

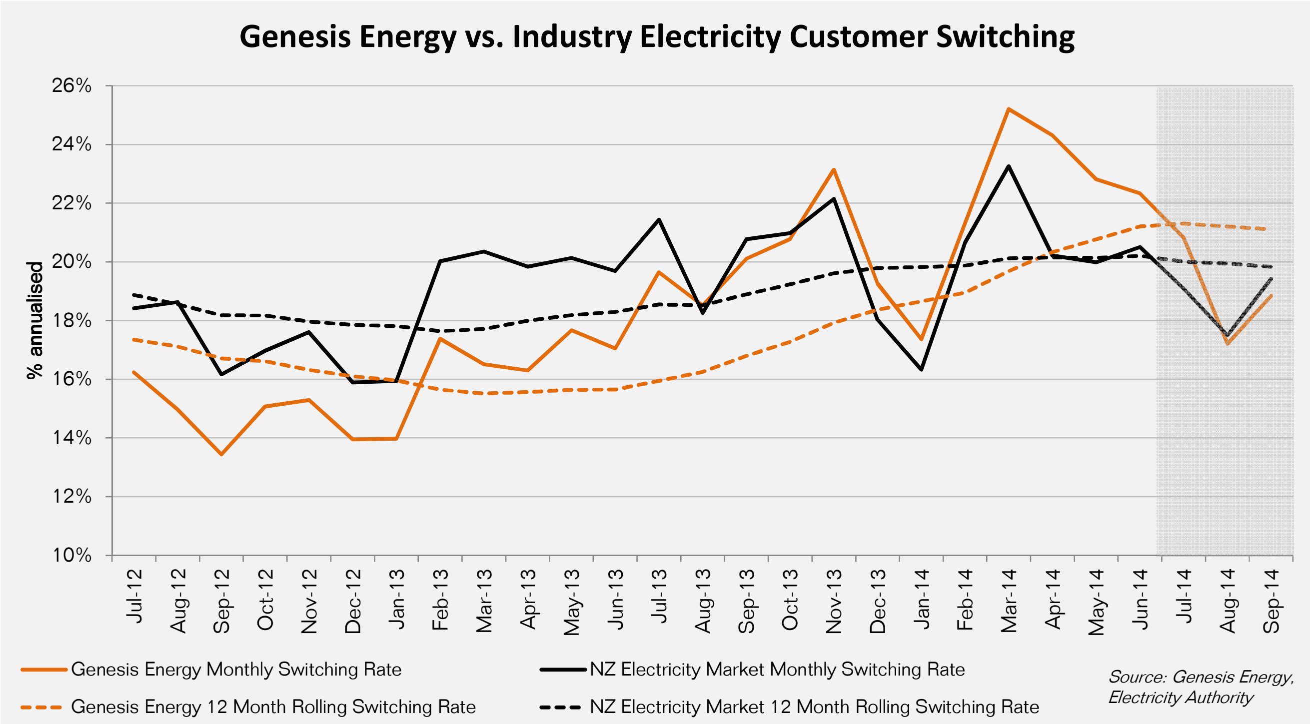

Kupe Gas Sales Volumes (PJ)
Quarterly Sales Volumes
Rolling 12 months sales volumes (RHS)
PJ
2.5 2.0 1.5 1.0 0.5 0.0
7.0 6.0 5.0 4.0 3.0 2.0 1.0
Q1 11/12 Q2 Q3 Q4 Q1 12/13 Q2 Q3 Q4 Q1 13/14 Q2 Q3 Q4 Q1 14/15

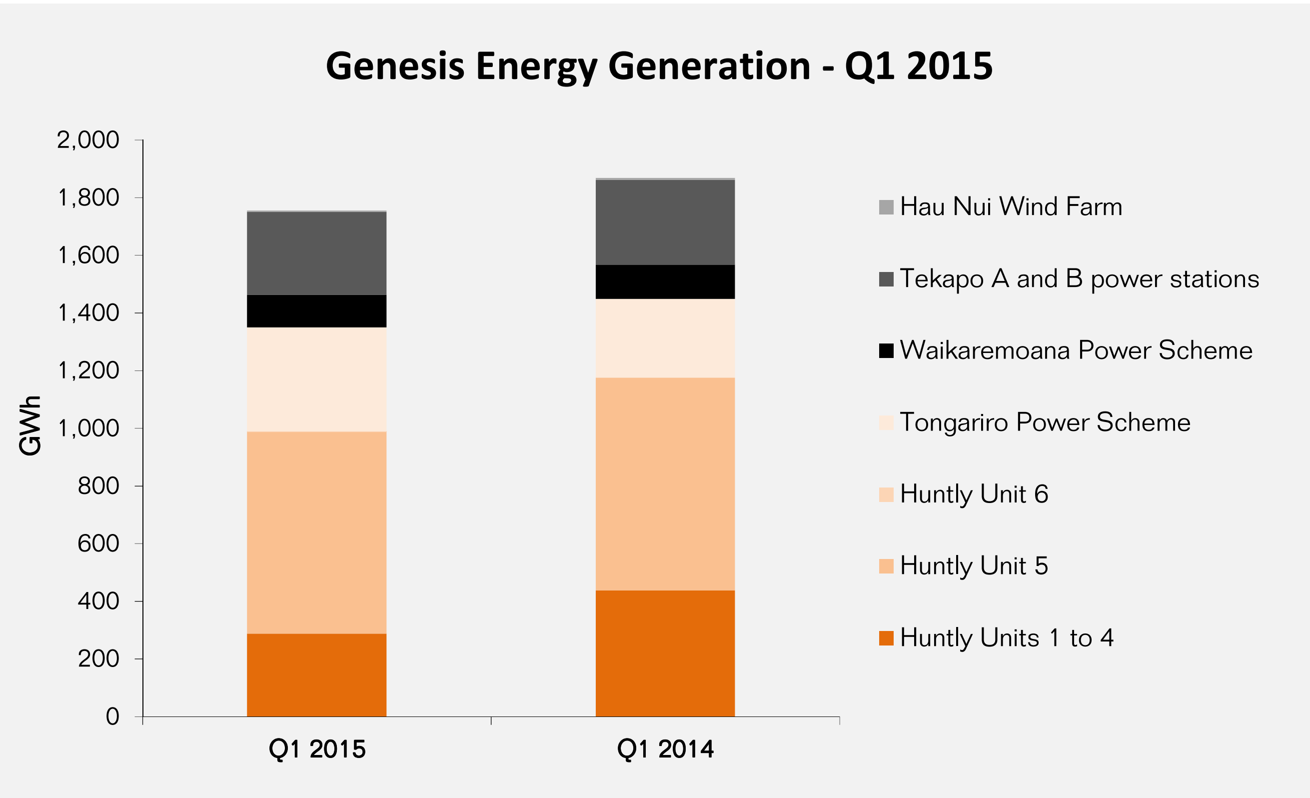


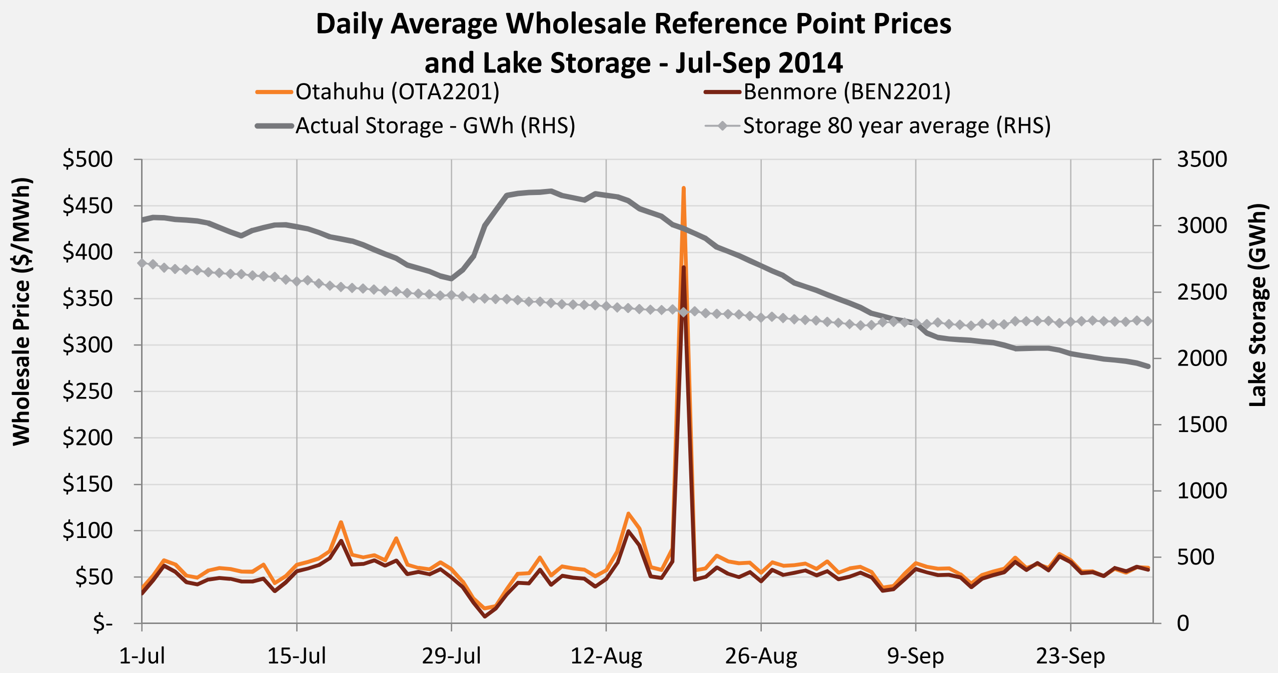

*Source: Genesis Energy*



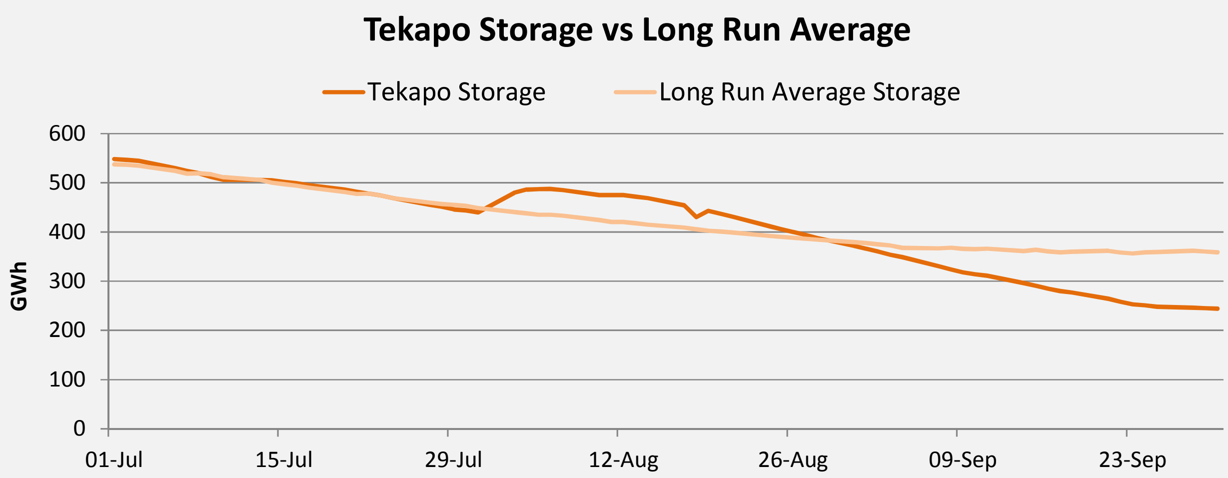

*Source: Genesis Energy*


Genesis Energy vs. Industry Electricity Customer Switching
% annualised
26%
24%
22%
20%
18%
16%
14%
12%
10%
Jul-12
Aug-12
Sep-12
Oct-12
Nov-12
Dec-12
Jan-13
Feb-13
Mar-13
Apr-13
May-13
Jun-13
Jul-13
Aug-13
Sep-13
Oct-13
Nov-13
Dec-13
Jan-14
Feb-14
Mar-14
Apr-14
May-14
Jun-14
Jul-14
Aug-14
Sep-14
Genesis Energy Monthly Switching Rate
NZ Electricity Market Monthly Switching Rate
Genesis Energy 12 Month Rolling Switching Rate
NZ Electricity Market 12 Month Rolling Switching Rate
Source: Genesis Energy, Electricity Authority

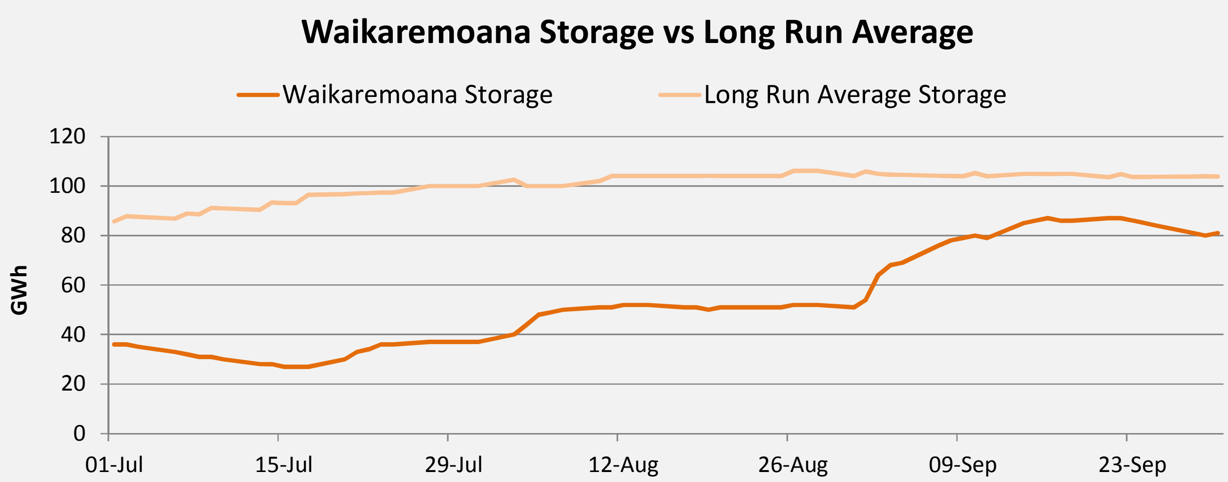

Genesis Energy Generation - Q1 2015
GWh
2,000
1,800
1,600
1,400
1,200
1,000
800
600
400
200
0
Q1 2015
Q1 2014
Hau Nui Wind Farm
Tekapo A and B power stations
Waikaremoana Power Scheme
Tongariro Power Scheme
Huntly Unit 6
Huntly Unit 5
Huntly Units 1 to 4




*Source: COMIT/Genesis Energy*




*Source: COMIT*




*Source: COMIT*

# APPENDIX A
# OPERATIONAL INFORMATION

## *Operational Information*

| Genesis Energy | First Quarter (July to September) | | | |
|---|---|---|---|---|
| Operational Information* | 2014/15 | 2013/14 | % Change | Change |
| **Market Information** | | | | |
| Customer-focus | | | | |
| Electricity Market Share (%) [1] | 25.9% | 27.1% | -4.5% | -1.2% |
| Gas Market Share (%) [1] | 41.0% | 43.9% | -6.6% | -2.9% |
| **Customer Experience** | | | | |
| Customer-focus | | | | |
| Customer Satisfaction (%) [2] | 90.0% | N/A | N/A | N/A |
| Total Advanced Meters Installed During Period (#) | 1,292 | 15,437 | -91.6% | -14,145 |
| Total Advanced Meters Installed To Date (#) | 368,796 | 343,158 | 7.5% | 25,638 |
| Customer Numbers | | | | |
| Total Customer Numbers (#) [3] | 651,432 | 679,721 | -4.2% | -28,289 |
| *Total Customers by Product:* | | | | |
| Electricity Customers (#) [4] | 539,590 | 562,245 | -4.0% | -22,655 |
| Electricity Customers Excluding Vacants (#) [4] | 519,713 | 540,422 | -3.8% | -20,709 |
| Gas Customers (#) [4] | 111,842 | 117,476 | -4.8% | -5,634 |
| Gas Customers Excluding Vacants (#) [4] | 109,521 | 116,097 | -5.7% | -6,576 |
| LPG Customer Numbers (#) [5] | 12,620 | 10,333 | 22.1% | 2,287 |
| *Total Electricity Customers by Location:* | | | | |
| North Island Electricity Customer Numbers (#) [4] | 437,301 | 456,422 | -4.2% | -19,121 |
| South Island Electricity Customer Numbers (#) [4] | 82,412 | 84,000 | -1.9% | -1,588 |
| Customer Volumes and Price | | | | |
| Mass Market Electricity Sales (GWh) | 1,349 | 1,428 | -5.6% | -80 |
| TOU Electricity Sales (GWh) | 229 | 150 | 52.9% | 79 |
| Electricity Sales - Retail (GWh) | 1,578 | 1,578 | 0.0% | 0 |
| Electricity Sales - Wholesale (GWh) | 372 | 671 | -44.6% | -299 |
| Mass Market Gas Sales (PJ) | 1.6 | 1.5 | 3.1% | 0.0 |
| TOU Gas Sales (PJ) | 0.8 | 0.4 | 121.4% | 0.5 |
| Retail Gas Sales (PJ) | 2.4 | 1.9 | 26.2% | 0.5 |
| Retail LPG Sales (tonnes) | 1144 | 870 | 31.5% | 274 |
| Electricity Purchases (GWh) | 1,657 | 1,656 | 0.0% | 0 |
| Retail Gas Purchases (PJ) | 2.5 | 1.9 | 31.1% | 0.6 |
| Average Retail Electricity Purchase Price - LWAP ($/MWh) [6] | $68.33 | $62.40 | 9.5% | $5.93 |
| LWAP/GWAP Ratio (%) | 102% | 100% | 1.4% | 1.4% |
| **Energy Management** | | | | |
| Generation | | | | |
| Gas (GWh) | 737 | 829 | -11.0% | -91 |
| Coal (GWh) | 251 | 346 | -27.4% | -95 |
| Total Thermal (GWh) | 989 | 1,175 | -15.9% | -186 |
| Hydro (GWh) | 761 | 687 | 10.8% | 74 |
| Wind (GWh) | 5 | 7 | -21.8% | -1.4 |
| Total Renewable (GWh) | 766 | 694 | 10.5% | 73 |
| Total Generation (GWh) | 1,755 | 1,869 | -6.1% | -113.5 |
| *Generation by Location:* | | | | |
| North Island (GWh) | 1,468 | 1,575 | -6.8% | -107 |
| South Island (GWh) | 287 | 294 | -2.3% | -7 |
| Average Price Received for Generation - GWAP ($/MWh) [6] | $67.29 | $62.32 | 8.0% | $4.96 |
| Generation Emissions (kt$CO_2$) | 545 | 686 | -20.5% | -140.9 |
| Generation Carbon Intensity (t$CO_2$/GWh) | 310 | 367 | -15.4% | -56.5 |
| Fuel | | | | |
| Gas Purchases (PJ) | 14.2 | 11.6 | 22.4% | 2.6 |
| Coal Purchases (PJ) | 2.2 | 4.0 | -44.9% | -1.8 |
| Wholesale Gas Sales (PJ) | 6.2 | 3.3 | 87.6% | 2.9 |
| Wholesale Coal Sales (PJ) | 0.0 | 0.0 | N/A | 0.0 |
| Gas Used In Internal Generation (PJ) | 5.5 | 6.4 | -13.9% | -0.89 |
| Coal Used In Internal Generation (PJ) [7] | 2.9 | 3.9 | -24.4% | -0.9 |
| Coal Stockpile - closing balance (kilotonnes) | 925 | 883 | 4.7% | 42 |
| **Kupe Oil and Gas** | | | | |
| Genesis Energy Sales Share | | | | |
| Gas Sales (PJ) | 1.9 | 2.0 | -6.9% | -0.1 |
| Oil Production (kbbl) | 132.7 | 159.0 | -16.5% | -26.3 |
| Oil Sales (kbbl) | 71.4 | 155.8 | -54.2% | -84.4 |
| LPG Sales (kilotonnes) | 8.2 | 8.9 | -8.2% | -0.7 |

*Notes:*

[1] September 2013 and 2014 market shares based on published customer records from the Electricity Authority

[2] Based on the survey question: "Overall, how satisfied are you with the customer service you have received from Genesis Energy where 1 is very dissatisfied and 10 is very satisfied?". Survey started in October 2013

[3] Based on Genesis Energy customer records. Includes vacant accounts. Excludes LPG customers. Electricity and gas customers are defined by number of connections.

[4] Electricity and gas customers are defined by number of connections (ICP).

[5] LPG customers are defined by number of customers

[6] Excludes settlements from electricity derivatives.

[7] Results have been revised to reflect changes in coal kilotonnes to PJ conversion rate and volume