



MARKET RELEASE

Date: 29 January 2015

Release: Immediate

Genesis Energy Limited (GNE) – Q2 Operational Performance

Electricity customer accounts, while being down year on year, stabilised in Q2 at 517,492 when compared to the end of Q1 2015. This reflected increases in electricity customer acquisitions in October and November 2014 offset by a highly competitive December.

Customer switching was lower than the broader market in October and November and Genesis Energy's average electricity switching rate of 17.8% for Q2 compared favourably to the 18.9% rate reported in the previous quarter.

Although Genesis Energy supplied fewer gas customers during the quarter, gas sales volumes were up in Q2 and higher sales volumes were gained from the Kupe oil and gas field despite planned and unplanned plant outages and lower spot oil prices.

Total gas customer accounts at 31 December 2014 of 108,217 was 6% lower than a year ago, however, mass market gas sales volumes were 9% higher at 0.9PJ and TOU gas sales volumes were up 87% to 0.7PJ. TOU gas volumes have increased from 8% of total retail gas sold in FY2011 to 44% now. LPG sales have also continued to grow, up 8% to 800t in Q2 versus Q2 2014.

Total generation in Q2 was 1,525GWh, an increase of 3% on a year ago, and included a 23% reduction in hydro generation. Thermal generation in Q2 was up 33% compared to the same period in 2013 as a result of the Company's management of its hydro resources, where inflows were below average.

Thermal generation also rose as wholesale prices were 70% higher in Q2 than in same period the previous year. Genesis Energy increased total thermal generation from 700GWh in Q2 2014 to 929GWh in Q2 2015. Coal fired generation of 390GWh was more than five times higher in Q2 than a year ago due to the Rankine units at Huntly being used to cover a planned 20 day outage of the gas fired Huntly Unit 5. At 871,000 tonnes, the coal stockpile is 12% lower than a year ago.

Oil, gas and LPG sales from the Kupe oil and gas field were all up in Q2 compared to the previous year despite two separate outages in the quarter (one planned and one unplanned). Oil sales of 162kbbl were up 63% year-on-year versus oil production that was down 7% due to the timing of oil export shipments.

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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 650,000 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 2014. More information can be found at www.genesisenergy.co.nz