MARKET RELEASE
Date: 28 January 2016

Genesis Energy Limited (GNE) – Q2 2016 Operational Performance

A continued focus on delivering smart, simple services and attractive offers for new customers helped Genesis Energy grow its electricity customer account base in the Quarter ending 31 December 2015 (Q2).

The improvement in customer acquisition resulted in electricity customer numbers increasing by 1,500 ICPs in Q2 to 522,586 as at 31 December 2015. In the first six months of FY2016 electricity customer numbers have increased by more than 6,000 ICPs, or 1.2% compared to the end of June 2015. Gas customer numbers also grew over the last six months by 546 ICPs to 106,809 gas customers at 31 December 2015.

Total electricity sales volumes in Q2 were up 5% versus Q2 2015 helped by a 35% year on year increase in Time of Use (TOU) volumes. Total retail gas sales volumes were up 5% in Q2 versus Q2 2015, driven by a 15% increase in Q2 TOU gas sales volumes.

Increases in the wholesale electricity price in November and December 2015 provided opportunities to utilize thermal generation at the Huntly site. For the whole of Q2 thermal generation of 1,025 GWh was 10% higher than a year ago, despite a 12 day maintenance outage of Huntly's Unit 5 in November 2015.

The Huntly Rankine units were used to cover the Unit 5 outage and higher utilization in December meant over 150,000 tonnes of coal were burnt in Q2. The coal stockpile received its last delivery of coal in October 2015 and was 600,000 tonnes at 31 December 2015, 31% lower than the year before.

Renewable generation of 622 GWh was 4% higher than in Q2 2015 due to improved hydro storage levels for Lakes Tekapo and Waikaremoana, whose power schemes' generation output was up 13% and 52% year on year, respectively.

A planned outage of the Kupe oil and gas field to coincide with the Unit 5 outage reduced output from the onshore production facility. Genesis Energy's share of oil production from the Kupe field in Q2 was 81kbbl, 24% lower than Q2 2015, while natural gas sales of 1.3PJ were 15% lower and LPG sales of 5,700 tonnes were 19% lower.

Oil sales of 57kbbl were down 65% year on year due to only one shipment being made during the quarter in November 2015.

Genesis Energy expects to announce its preliminary results for the six months ended 31 December 2015 prior to the market opening on Wednesday, 24 February 2016. There will be a briefing for analysts and investors at 10.30am NZT which will be webcast live at www.genesisenergy.co.nz/presentations.

ENDS

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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 630,000 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 2015. More information can be found at www.genesisenergy.co.nz

Q2 QUARTERLY PERFORMANCE

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Q2 2016 MARKET AND OPERATIONAL INFORMATION

This disclosure includes market and operational information for Genesis Energy Limited for the quarter ending 31 December 2015 ("Q2").

↑5%

Electricity sales volumes were up 5% in Q2 versus Q2 2015

↓13%

Average wholesale electricity price of $61.43/MWh was down 13% on Q2 2015

↓31%

The coal stockpile at Huntly was 31% lower at 600,441 tonnes

↑10%

Thermal generation was up 10% versus Q2 2015

Continued growth in electricity customers and increased generation output, but reduced Kupe production

A continued focus on delivering smart, simple services and attractive offers for customers helped Genesis Energy grow its electricity customer numbers and total retail sales volumes. Thermal generation increased to take advantage of firmer wholesale electricity prices later in the quarter, while renewable generation benefitted from improved hydro storage in Lakes Tekapo and Waikaremoana.

At 31 December 2015 Genesis Energy had 522,586 electricity customers, a 0.3% increase in the last three months and a 1.0% improvement over 31 December 2014. This reflects growth in customers specifically for the Energy Online brand and an overall reduction in switching rates, while Genesis Energy customer numbers are flat over the last three months. The overall rolling 12 month switching rate of 19.8% for Genesis Energy is now 0.7% points lower than that of the broader electricity market.

Total electricity volumes sold in Q2 of 1,313GWh were 5% higher than Q2 2015, due to a 35% year on year increase in Time of Use (TOU) volumes offsetting a 1% decline in mass market sales volumes. Year to date FY2016 retail electricity sales volumes are up 7% on H1 2015, with mass market volumes 1% higher.

Genesis Energy had 106,809 gas customers at 31 December 2015 which was an increase of 546 ICPs in the last three months, but represents a 1% decline on the same period last year. Total retail gas sales volumes were up 5% in Q2 versus Q2 2015, driven by a 15% increase in Q2 TOU gas sales volumes. FY2016 year to date total gas sales volumes are up 6%, with a 3% increase in mass market sales volumes versus H1 2015 due to a colder than average Q1 2016. LPG sales increased 10% year on year to 883 tonnes, and LPG customers now sit at 14,326, 10% higher than last year.

National hydro storage tracked in line with long run average levels throughout Q2, with the wholesale electricity price averaging 13% lower than Q2 2015 at $61.43/MWh. Inflows into the Tongariro Power Scheme were below average in Q2, leading to a 13% reduction in generation to 285GWh, while Tekapo A and B, and Waikaremoana generation was up 13% and 52% year on year, respectively.

Wholesale electricity prices firmed in the second half of the quarter due to reductions in national hydro storage, the impact of the Otahuhu B closure and the scheduled December 2015 closure of Southdown. This led to a 10% increase in thermal generation to 1,025GWh in Q2 as the Huntly Rankine Units and Unit 5 were offered long into the spot market in November and December at times when wholesale prices increased. A planned outage of Unit 5 for twelve days in November 2015 was covered by the Rankine units. Over 150,000 tonnes of coal were burnt during Q2, reducing the coal stockpile sat to 600,441 tonnes at 31 December 2015, 31% lower than a year ago.

Genesis Energy's share of oil production from the Kupe field in Q2 was 81kbbl, 24% lower than Q2 2015 due to a planned facility outage to coincide with Unit 5's outage. For the same reason Kupe gas sales of 1.3PJ were 15% lower and LPG sales of 5,700 tonnes were 19% lower. Oil sales of 57kbbl were down 65% year on year due to only one shipment being made during Q2, in November 2015.

The Total Recordable Injury Frequency Rate at 31 December 2015 was 4.28 (versus 0.54 at 31 December 2014 and 2.46 three months earlier). This resulted from two medically treated injuries and one lost time injury in Q2. There were 860 full time equivalent employees at the end of Q2 compared to 890 a year ago.

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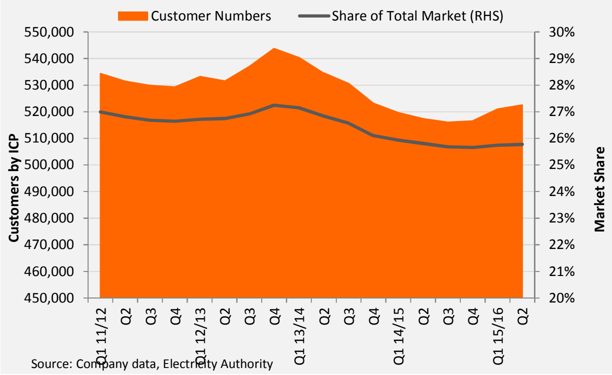
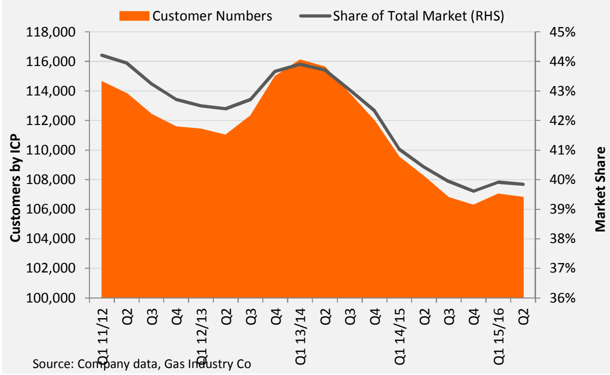
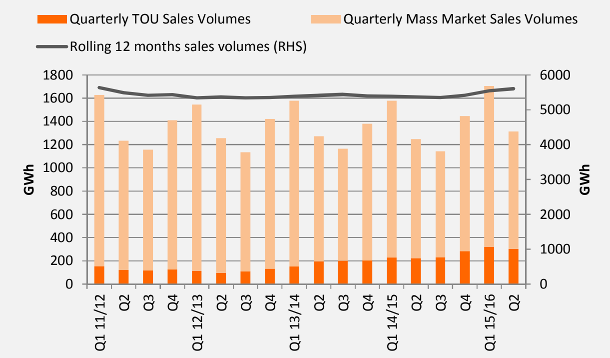
Electricity Customers and Market Share



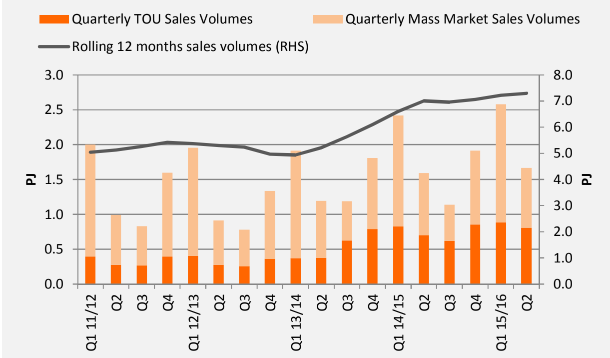
Natural Gas Customers and Market Share



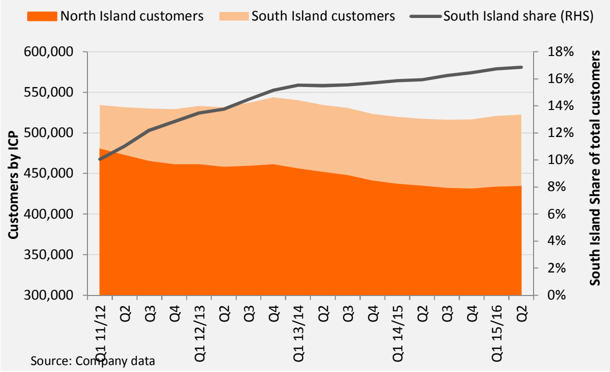
Electricity Sales Volumes (GWh)



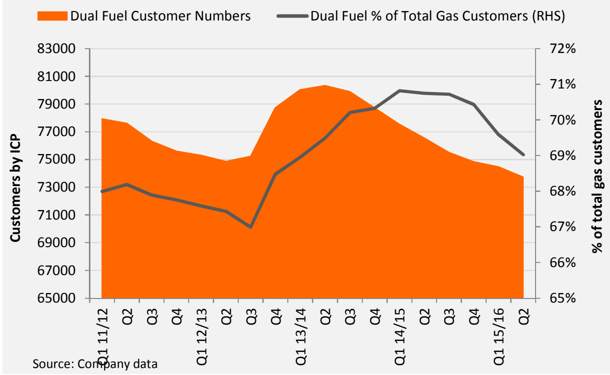
Retail Gas Sales Volumes (PJ)



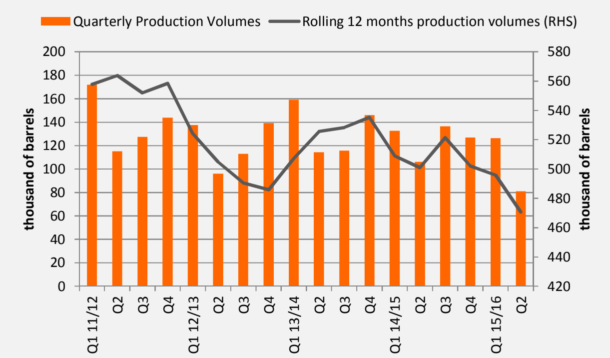
Geographic Split of Electricity Customers



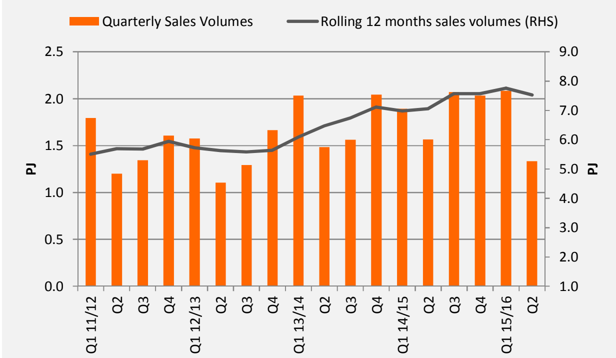
Dual Fuel Customer Base



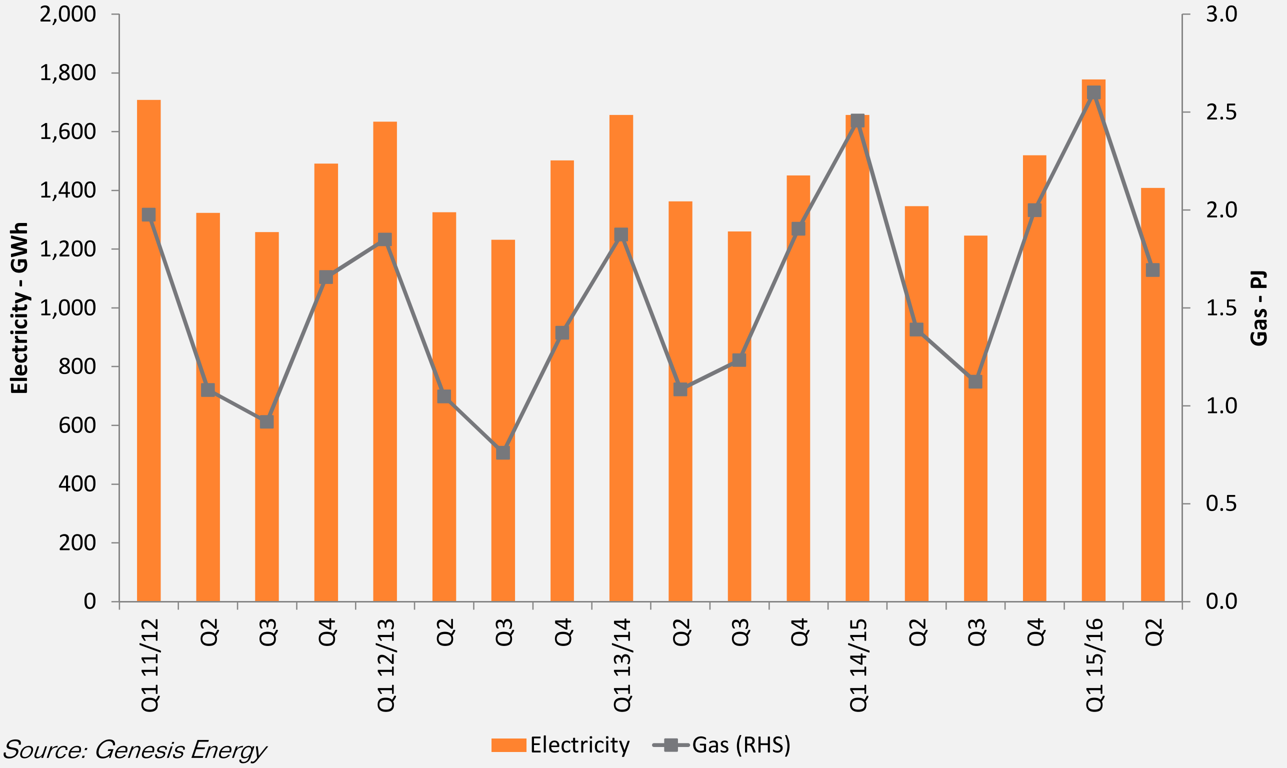
Kupe Oil Production Volumes (kbbl)



Kupe Gas Sales Volumes (PJ)

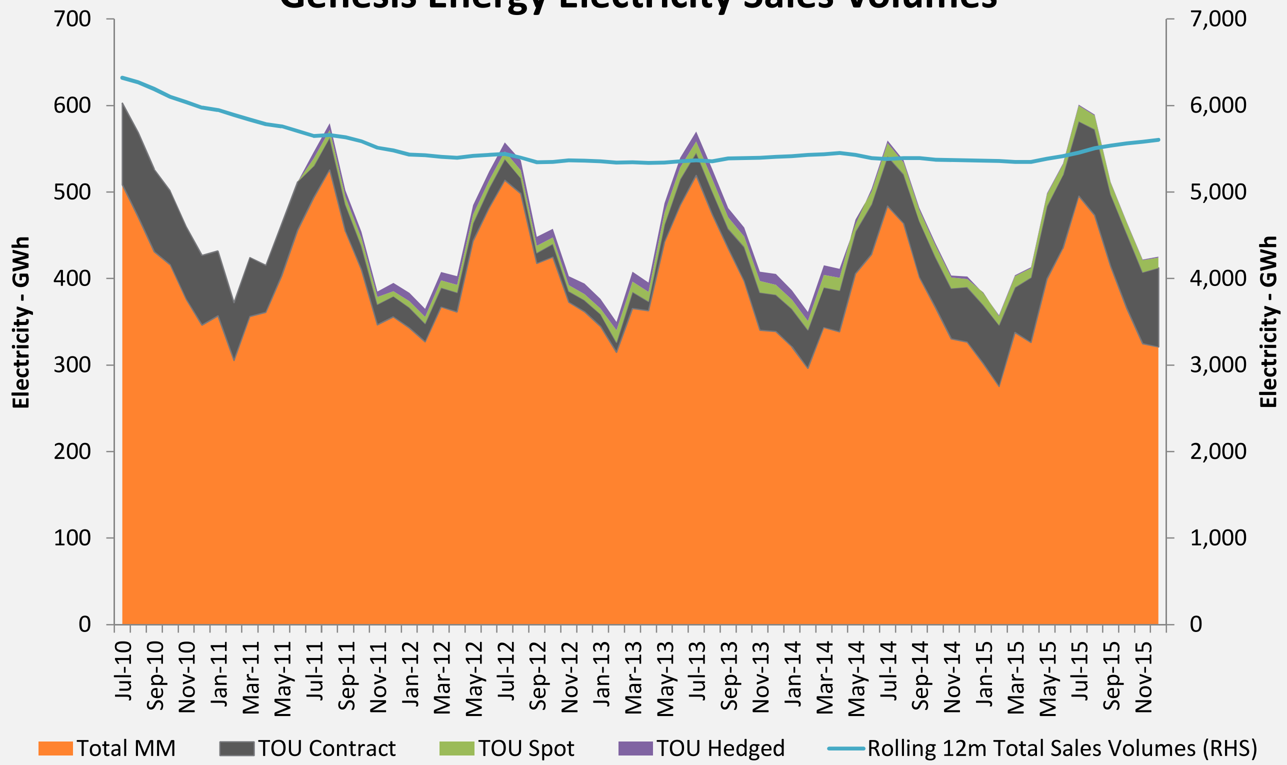


Genesis Energy Electricity and Gas Purchase Volumes

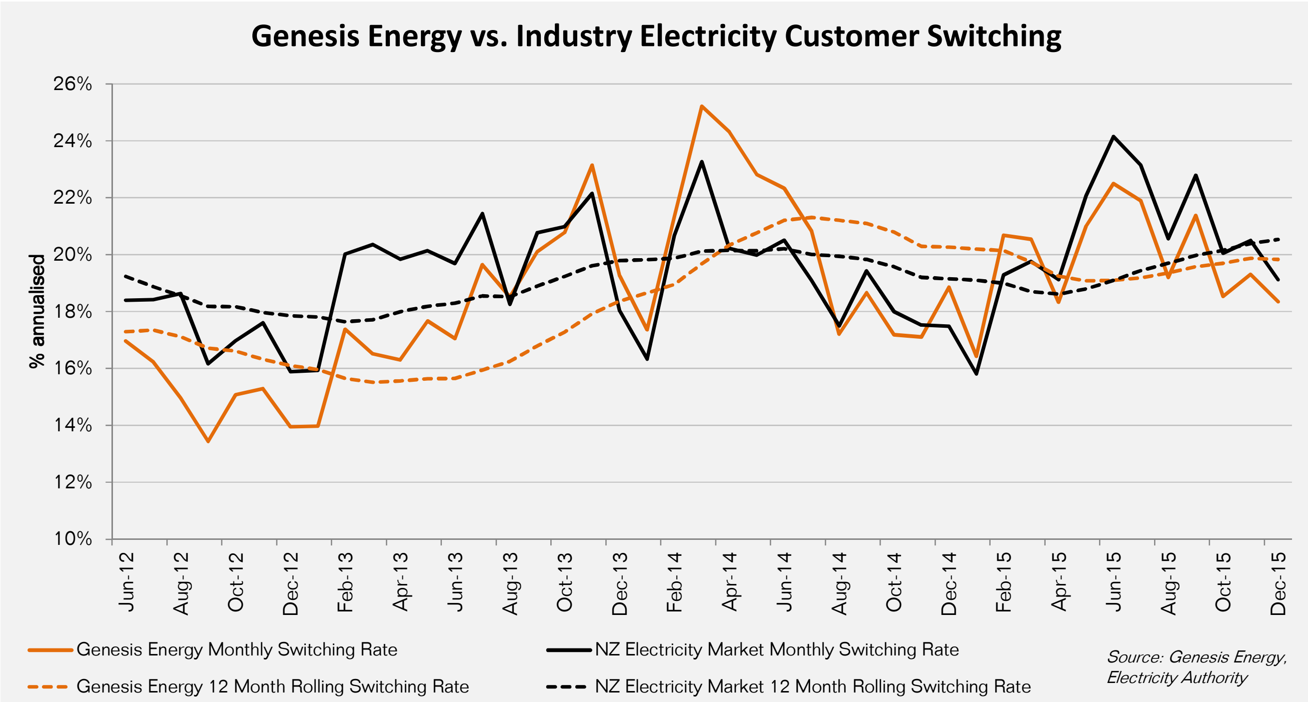


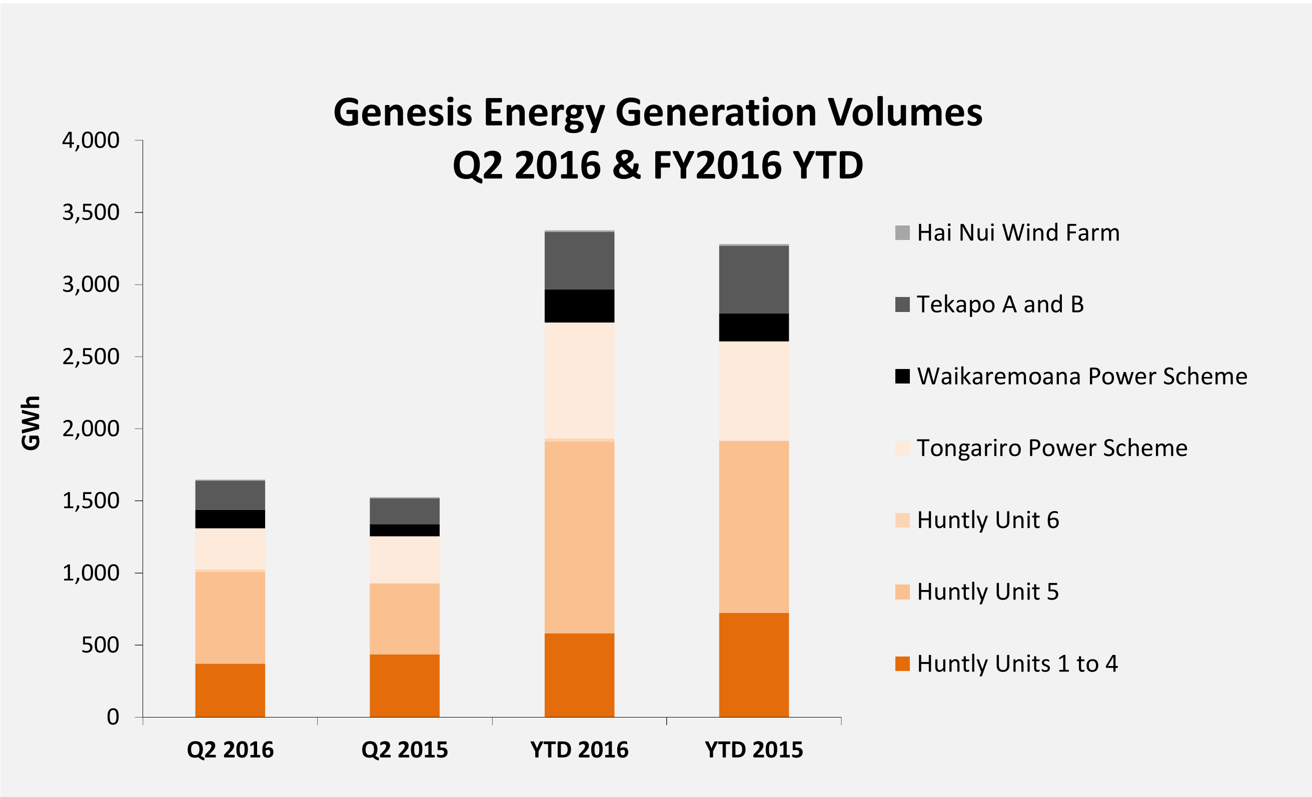
Source: Genesis Energy

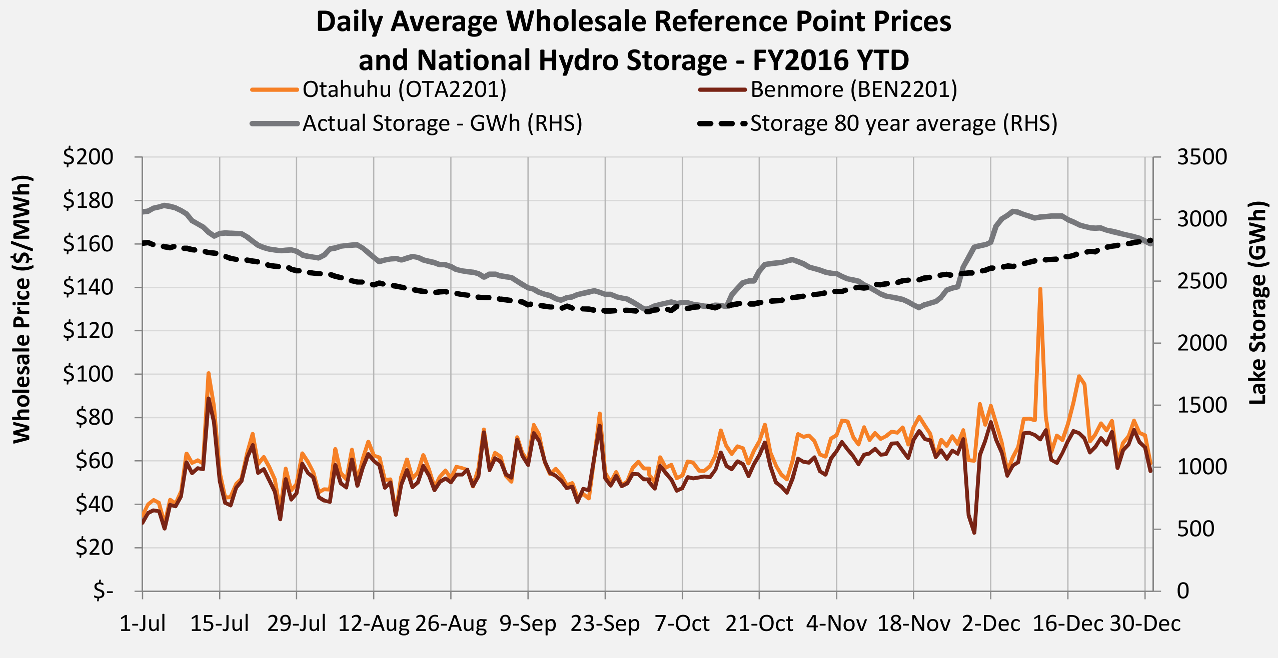
Genesis Energy Electricity Sales Volumes



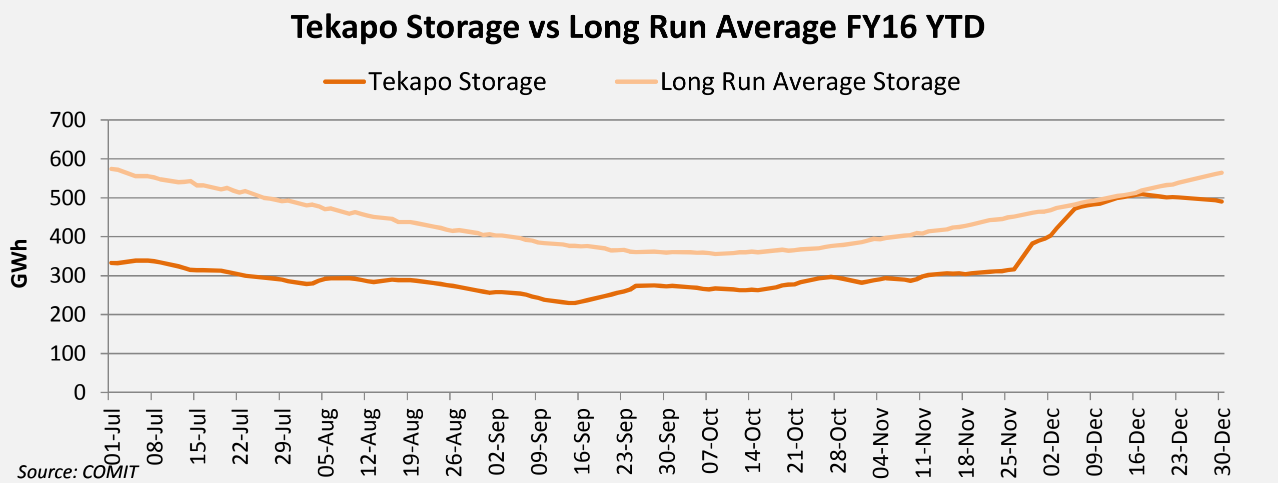
Source: Genesis Energy


Genesis Energy vs. Industry Electricity Customer Switching
% annualised
26%
24%
22%
20%
18%
16%
14%
12%
10%
Jun-12
Aug-12
Oct-12
Dec-12
Feb-13
Apr-13
Jun-13
Aug-13
Oct-13
Dec-13
Feb-14
Apr-14
Jun-14
Aug-14
Oct-14
Dec-14
Feb-15
Apr-15
Jun-15
Aug-15
Oct-15
Dec-15
Genesis Energy Monthly Switching Rate
Genesis Energy 12 Month Rolling Switching Rate
NZ Electricity Market Monthly Switching Rate
NZ Electricity Market 12 Month Rolling Switching Rate
Source: Genesis Energy, Electricity Authority

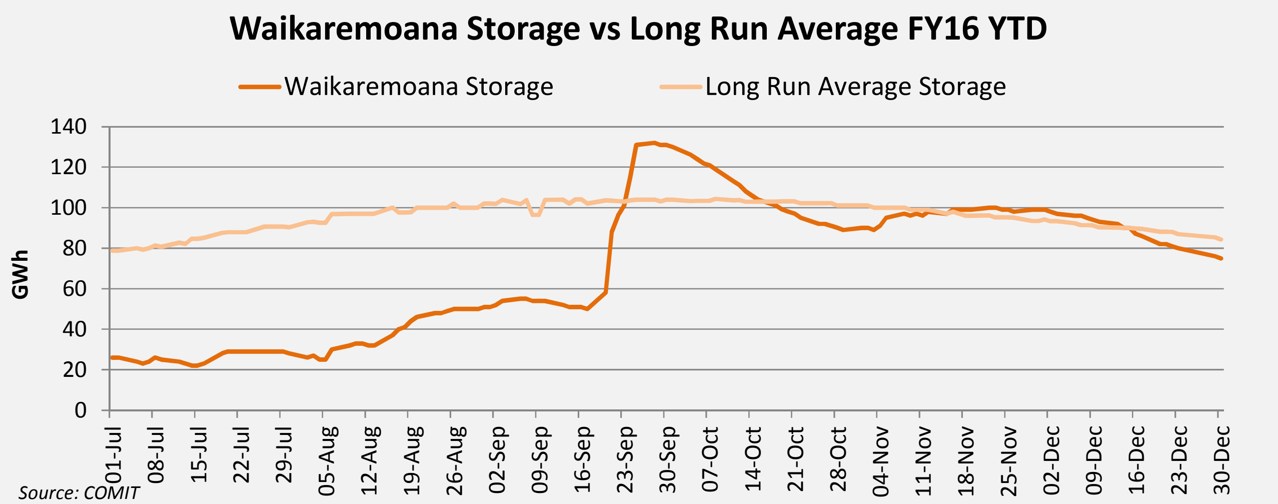

Genesis Energy Generation Volumes
Q2 2016 & FY2016 YTD
GWh
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
Q2 2016
Q2 2015
YTD 2016
YTD 2015
Hai Nui Wind Farm
Tekapo A and B
Waikaremoana Power Scheme
Tongariro Power Scheme
Huntly Unit 6
Huntly Unit 5
Huntly Units 1 to 4



Source: COMIT/Genesis Energy



Source: COMIT



Source: COMIT

APPENDIX A
OPERATIONAL INFORMATION

	Second Quarter (October to December)				Year to Date			
Operational Information*	2015/16	2014/15	% Change	Change	2015/16	2014/15	% Change	Change
Market Information								
Customer-focus								
Electricity Market Share (%) [1]	25.8%	25.8%	-0.1%	0.0%				
Gas Market Share (%) [1]	39.8%	40.4%	-1.4%	-0.6%				
Customer Experience								
Customer-focus								
Customer Satisfaction (%) [2]	95%	95%	0.0%	0%				
Total Advanced Meters Installed To Date (#)	368,500	370,734	-0.6%	-2,234				
Customer Numbers								
Total Customer Numbers (#) [3]	654,334	650,238	0.6%	4,096				
Total Customers by Product:								
Electricity Customers (#) [4]	543,997	539,162	0.9%	4,835				
Electricity Customers Excluding Vacants (#) [4]	522,586	517,492	1.0%	5,094				
Gas Customers (#) [4]	110,337	111,076	-0.7%	-739				
Gas Customers Excluding Vacants (#) [4]	106,809	108,217	-1.3%	-1,408				
LPG Customer Numbers (#) [5]	14,326	13,081	9.5%	1,245				
Total Electricity Customers by Location:								
North Island Electricity Customer Numbers (#) [4]	434,485	434,972	-0.1%	-487				
South Island Electricity Customer Numbers (#) [4]	88,101	82,520	6.8%	5,581				
Customer Volumes and Price								
Volume Weighted Average Electricity Selling Price ($/MWh) [6]	$239.44	$242.21	-1.1%	($2.77)	$234.95	$234.73	0.1%	$0.22
Mass Market Electricity Sales (GWh)	1,011	1,024	-1.2%	-12	2,394	2,373	0.9%	21
TOU Electricity Sales (GWh)	302	224	34.9%	78	621	453	37.2%	169
Electricity Sales - Retail (GWh)	1,313	1,247	5.3%	66	3,015	2,825	6.7%	190
Electricity Sales - Wholesale (GWh)	395	404	-2.3%	-9	857	876	-2.1%	-19
Volume Weighted Average Gas Selling Price ($/GJ) [6]	$28.85	$29.17	-1.1%	($0.32)	$24.94	$25.88	-3.6%	($0.94)
Mass Market Gas Sales (PJ)	0.9	0.9	-3.5%	0.0	2.6	2.5	2.9%	0
TOU Gas Sales (PJ)	0.8	0.7	15.1%	0.1	1.7	1.5	10.8%	0
Retail Gas Sales (PJ)	1.7	1.6	4.7%	0.1	4.2	4.0	5.9%	0.2
Retail LPG Sales (tonnes)	883	800	10.4%	83	2,202	1,944	13.3%	258
Electricity Purchases - Retail (GWh)	1,408	1,346	4.6%	62	3,186	3,003	6.1%	183
Electricity Purchases - Wholesale (GWh)	250	239	4.5%	11	618	615	0.5%	3
Retail Gas Purchases (PJ)	1.7	1.4	21.8%	0.3	4.3	3.8	11.6%	0.4
Average Retail Electricity Purchase Price - LWAP ($/MWh) [7]	$66.72	$77.53	-13.9%	($10.81)	$61.90	$72.45	-14.6%	($10.56)
LWAP/GWAP Ratio (%)	98%	101%	-3.2%	-3.2%	100%	101%	-0.8%	-0.8%
Energy Management								
Generation								
Gas (GWh)	724	539	34.3%	185	1,476	1,277	15.6%	199
Coal (GWh) [8]	301	390	-22.8%	-89	458	641	-28.7%	-184
Total Thermal (GWh)	1,025	929	10.4%	96	1,933	1,918	0.8%	15
Hydro (GWh)	615	590	4.3%	26	1,431	1,351	5.9%	79
Wind (GWh)	7	6	8.2%	0.5	13	11	16.4%	1.9
Total Renewable (GWh)	622	596	4.4%	26	1,444	1,363	6.0%	81
Total Generation (GWh)	1,648	1,525	8.0%	122.5	3,377	3,280	2.9%	96.5
Generation by Location:								
North Island (GWh)	1,444	1,345	7.4%	99	2,980	2,813	5.9%	167
South Island (GWh)	203	180	13.1%	24	397	467	-15.0%	-70
Average Price Received for Generation - GWAP ($/MWh) [7]	$68.35	$76.89	-11.1%	($8.55)	$61.78	$71.75	-13.9%	($9.98)
Generation Emissions (ktCO_2)	602	598	0.7%	4.4	1,071	1,143	-6.3%	-72.0
Generation Carbon Intensity (tCO_2/GWh)	366	392	-6.8%	-26.5	317	348	-9.0%	-31.3
Fuel								
Gas Purchases (PJ)	10.5	10.0	4.6%	0.5	24.3	24.2	0.6%	0.2
Coal Purchases (PJ)	0.7	3.2	-77.0%	-2.5	3.0	5.4	-45.5%	-2.5
Wholesale Gas Sales (PJ)	3.2	4.5	-29.0%	-1.3	8.7	10.7	-18.7%	-2.0
Wholesale Coal Sales (PJ)	0.2	0.2	43.9%	0.1	0.5	0.2	N/A	0.3
Gas Used In Internal Generation (PJ)	5.6	4.1	35.8%	1.47	11.3	9.6	17.8%	1.7
Coal Used In Internal Generation (PJ) [9]	3.3	4.2	-21.9%	-0.9	5.1	7.2	-28.8%	-2.1
Coal Stockpile - closing balance (kilotonnes)	600.4	870.3	-31.0%	-270				
Kupe Oil and Gas								
Genesis Energy Share								
Gas Sales (PJ)	1.3	1.6	-14.8%	-0.2	3.4	3.5	-1.1%	0.0
Oil Production (kbbl)	80.9	106.2	-23.8%	-25.3	207.3	238.9	-13.2%	-32
Oil Sales (kbbl)	56.6	162.0	-65.0%	-105.3	158.6	233.4	-32.1%	-75
LPG Sales (kilotonnes)	5.7	7.0	-19.3%	-1.4	14.1	15.2	-7.3%	-1.1

Notes:

[1] December 2014 and 2015 market shares based on published customer records from the Electricity Authority and Gas Industry Company

[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] Average selling price for mass market customers including lines/transmission and distribution and after prompt payment discount

[7] Excludes settlements from electricity derivatives.

[8] Coal generation is calculated by applying coal burn to monthly average heat rates

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