MARKET RELEASE
Date: 24 February 2016

Genesis Energy Limited (GNE) – Delivering sound results

- **EBITDAF up 1.5% to $175.5 million from $172.8 million**
- **Generation output up 2.9% with strong North Island hydro performance**
- **Customer account numbers grew**
- **Free Cash Flow increased 25% to $114.2m**
- **Dividend increased 2.5% to 8.2cps**

Genesis Energy continued to deliver through a combination of increased customer account numbers and increases in generation volumes, lifting Genesis Energy's operating earnings by 1.5% to $175.5 million in the six months to 31 December 2015.

Genesis Energy Chairman, Dame Jenny Shipley, said that Genesis Energy's strategy is delivering consistent financial earnings performance against a backdrop of intense retail competition and variable wholesale market conditions.

"Despite a challenging market, our earnings proved stable through better than expected generation output, a focus on customer acquisition and simplifying online processes, while paying close attention to operating expenses," she said.

High profile customer acquisition campaigns and a focus on improving customer delivery channels helped Genesis Energy, along with its affiliated brand Energy Online, maintain market share in both the electricity and reticulated gas retail market. A simpler customer sign-up process, new website and customer service app enabled Energy Online to grow to more than 80,000 customers by the end of the Half Year.

The Company's electricity generation portfolio had a mixed six months with periods of low inflows to its hydro schemes, followed by high rainfall events. As a result of the variable hydrology during the first six months of the year, coal-fired generation was down 28% but hydro generation from the North Island schemes at Tongariro and Waikaremoana increased 6%. Generation from the Tekapo stations was down 15%.

During the six month period, the Company made a decision to retire the remaining coal/gas fired Rankine Units at the Huntly Power Station by December 2018, unless there are significant changes in the market before then. A relatively early announcement was made to provide the electricity market, the Huntly community, and employees clarity about the future plans for the Huntly Power Station. The long timeline provided Genesis Energy the ability to continue to assess any future commercial demand for the Rankine units while also considering the potential for new development options on the Huntly site to meet its own future needs.

Chief Executive Albert Brantley said, "while there remains continued speculation about the announced coal/gas fired Rankine Units' retirement date, Genesis Energy has not changed its position that the Rankine Units' utilisation will continue to decline and the Company is preparing for a 2018 closure date".

"However, we have always said we are open to approaches from market participants that could see the Rankines remain in service past December 2018. We are engaged in bilateral discussions with market participants about possible options for the Rankine capacity, and we will continue to evaluate commercial proposals that could deliver value to our shareholders."

In December 2015, Genesis Energy materially upgraded its developed reserves in the Kupe Gas and Oil field by 33%. However, Genesis Energy's share of oil and gas production and sales decreased as a result of scheduled maintenance outages at the Kupe production plant in Taranaki, and the timing of oil exports. The Company's customer base for bottled LPG – sourced from Kupe – continued to grow with 14,326 now taking regular deliveries (up 9.5% year on year).

Cashflows increased as a result of careful management of stay-in-business capital expenditure and a reduction in tax expense. The interim dividend of 8.2 cents per share, which is 2.5% higher than the interim dividend of FY2015, represents 72% of Free Cash Flow. The interim dividend, which will be 80% imputed, will be paid on 15 April 2016 (record date is 1 April 2016).

Dame Jenny Shipley again reiterated that Genesis Energy aims to deliver stable cashflows and a consistent, reliable and attractive dividend and this result delivers on that approach. It expects its full year (FY2016) EBITDAF to be similar to that reported for FY2015.

She also confirmed that this is the last half year announcement that Chief Executive Albert Brantley will deliver. Mr Brantley will be leaving the Company after almost eight years of successful leadership on 29 April and the incoming Chief Executive, Marc England, will assume his role on 2 May.

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

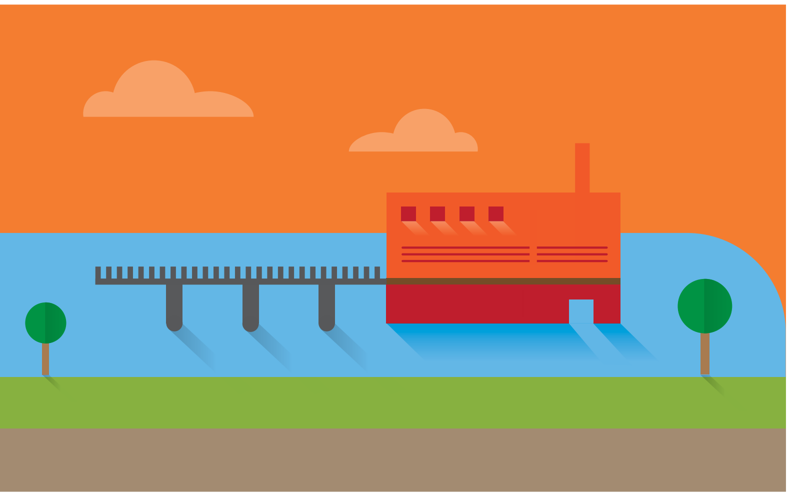
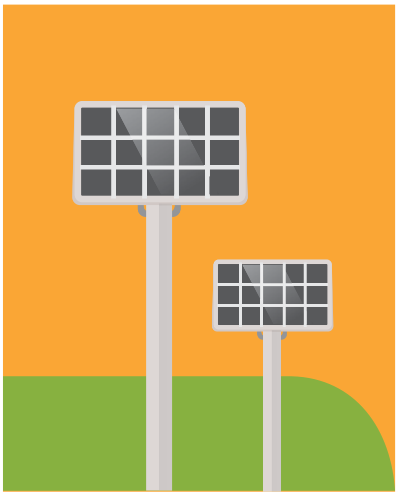
About Genesis Energy

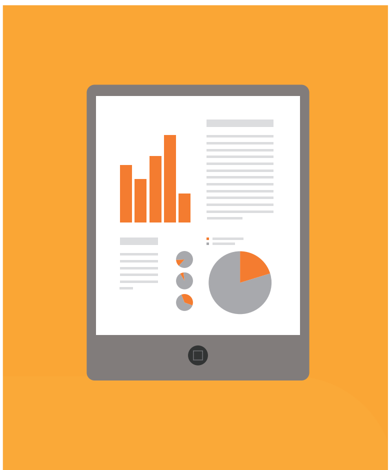
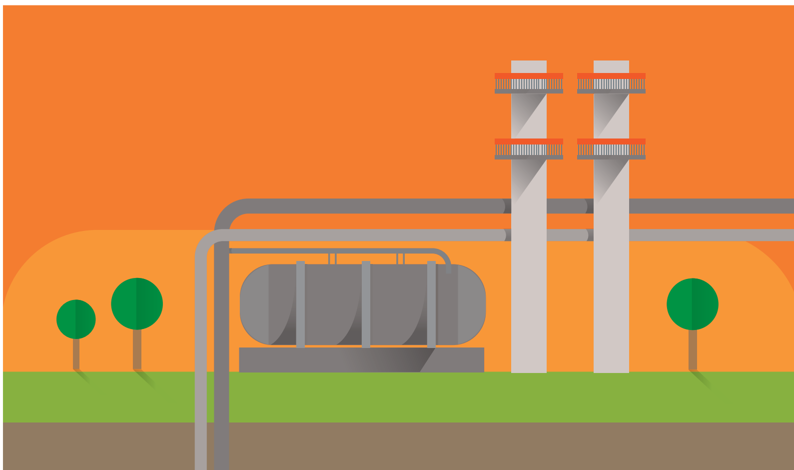
Genesis Energy (NZX: GNE) is a diversified New Zealand energy company. It sells electricity, reticulated natural gas and LPG through its retail brands of Genesis Energy and Energy Online. It is New Zealand's largest energy retailer with around 644,000 customer accounts. The Company generates electricity 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

Genesis Energy
Interim Report
2016

Leading the way



Bringing things together in everyday life

We are focused on delivering what people expect from a leading energy company in New Zealand. A warm house, a hot meal, a fair deal. We fit in with everyday life and business in ways that are useful and thoughtful.

Six-month Highlights

A focus on customer delivery channels and simpler online processes helped maintain market leadership.

EBITDAF

$175.5m

1.5%↑

NPAT

$36m

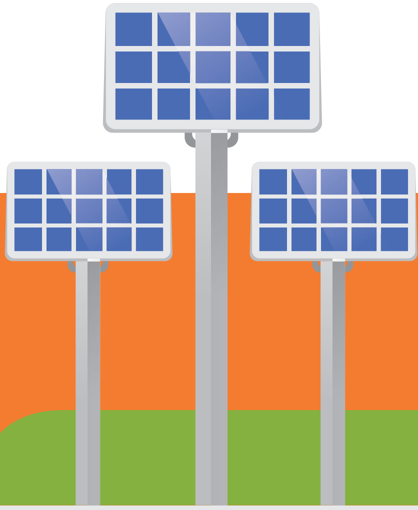
Total generation output:

3,377GWh

Total **customer accounts:**

643,721

31 December 2014: **638,790**



Solar power business launched

185kW

of solar photovoltaic panels installed in first 6 months

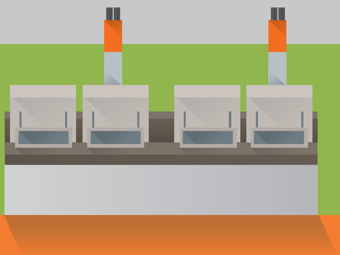
Genesis Energy mobile app launched September 2015

Energy Online's anti-door-knocking video **went viral** with

5,000,000

views on YouTube

Genesis Energy Facebook page launched



Two 250MW Rankine units will retire by **December 2018** (subject to market conditions)

Agreed partnership with Enphase Energy to trial battery storage

Genesis Energy Procurement Team tops the Australasian Procurement and Supply Awards

Genesis Energy wins Tūroa te Ao – Act for Nature Award

Chairman and Chief Executive's Review

"We are positioning ourselves for success in an industry that is rapidly changing."

In a consistently fast-changing environment, customers are being presented with an ever-increasing range of energy services and solutions. Genesis Energy, as market leader in both electricity and gas retail connections, is at the forefront of the change with new product offerings such as direct sales of solar panels and new services such as apps and revamped websites. Genesis Energy is meeting its customers' needs in ways that work for them.

In the six months to 31 December 2015, competition for electricity and gas customers continued with high switching rates compared to similar markets offshore. Against this trend, Genesis Energy and our challenger brand, Energy Online, successfully stabilised customer account numbers and finished the half year with a slight improvement in total customer accounts.

EBITDAF

1.5%↑

EBITDAF increased to $175.5 million from $172.8 million in the same period of FY2015

Earnings before net finance interest, taxation, depreciation, depletion, amortisation, impairment, fair value changes and other gains and losses (EBITDAF) increased 1.5 per cent to $175.5 million, from $172.8 million in the half year to 31 December 2015.

EBITDAF

$98.0m

The Energy Management business was stable

EBITDAF

$39.4m

Genesis Energy's share of the Kupe Oil and Gas Field

EBITDAF

$57.0m

Earnings from Customer Experience grew

Better than expected renewable generation output, a focus on customer service channels, simpler processes and customer acquisition helped Genesis Energy deliver an improved financial result for the six months.

EBITDAF from the customer experience segment

29%↑

up to $57.0 million from $44.2 million

The increase in earnings was gained despite a slight decrease in revenue – down two per cent from $1,067.8 million to $1,041.6 million.

Earnings (EBITDAF) from the Customer Experience segment grew 29 per cent to $57.0 million from $44.2 million. The Energy Management segment was stable at $98.0 million EBITDAF.

Genesis Energy's share of the Kupe Oil and Gas Field delivered EBITDAF of $39.4 million (FY2015 $46.9 million).

Cashflows increased as a result of careful management of stay-in-business capital expenditure and a reduction in tax expense. The interim dividend of 8.2 cents per share, which is 2.5 per cent higher than the interim dividend of FY2015, represents 72 per cent of Free Cash Flow. The interim dividend, which will be 80 per cent imputed, will be paid on 15 April 2016 (record date is 1 April 2016).

Change of leadership

"I am proud to have led Genesis Energy through its transition from an SOE to a customer-focused energy services business."

The Board of Genesis Energy announced in August 2015 that the Company's Chief Executive, Albert Brantley, would retire from the Company.

"Albert has successfully led Genesis Energy through some of the most exciting and dynamic years in the New Zealand energy sector. He has contributed significantly to the Company's focus on delivering to customers and to its shareholders and stakeholders.

His approach has helped establish the credibility of Genesis Energy in the electricity and gas markets and with investors, and he played a major part in the successful Genesis Energy share float.

We were pleased to announce in December that Marc England, currently a senior executive with AGL in Australia, would join the Company as Chief Executive on 2 May 2016.We are delighted to have secured a high-calibre chief executive with very recent experience in strategic leadership and new energy technologies."

– Dame Jenny Shipley

Executing the strategy

Genesis Energy has **five key strategic goals**, all of which are reviewed and tested each year. The Board of Directors, senior management and employees are focused on delivering against the strategic goals in order to drive long-term value to the business and, ultimately, to our shareholders.

1 Portfolio transition

One of five strategic themes for the Company is **portfolio transition** – positioning the Company's generation fleet and fuel portfolio to meet the changing wholesale market. An action taken to implement this strategy was the August 2015 announcement to close the two remaining coal/gas-fired 250MW Rankine units at Huntly Power Station by December 2018, subject to market conditions. The Company took this decision on the basis of low utilisation of the two units (even during low hydro inflows in 2015) due to new lower-cost-to-run generation plant entering the market, and increasing costs to maintain and operate the 35-year-old plant.

We took the decision to make a relatively early announcement on the retirement date in order to provide the electricity market, the Huntly community, and our employees sufficient notice and clarity about the future of Huntly. The long timeline also provided Genesis Energy the ability to further assess the future development of peaking plant on the Huntly site to meet its own potential future needs.

Genesis Energy is focused on delivering against

5 Key strategic goals

While there has been continued speculation about the announced retirement date, particularly given the uncertain future of the Tiwai Point smelter in the wholesale electricity market, Genesis Energy has not changed its position and continues to prepare for the 2018 date. We have, however, been open to the market that if we can see an economic justification to keep the units operational which allows us to make a reasonable return for our shareholders, then we will do so. We are engaged in multiple discussions with market participants and we will continue to look for commercial outcomes.

The retirement announcement of the two dual fuel Rankine units activated several work-streams for the Company in respect of fuel supply, electricity supply for our customers and plant operations and maintenance.

The fuel supply outlook dramatically changed in September 2015 when the Company's coal supplier, Solid Energy, was placed into administration. This triggered an exit clause in our coal supply contract with Solid Energy that provided the right to terminate the contract, and, as a result, the final coal delivery was received for the retiring units at Huntly Power Station on 25 October 2015. The units will continue to burn a mix of planned stockpiled coal and gas until their closure.

"Our customers want more simplicity and more digital solutions. We are committed to delivering that for them."

2 Customer experience

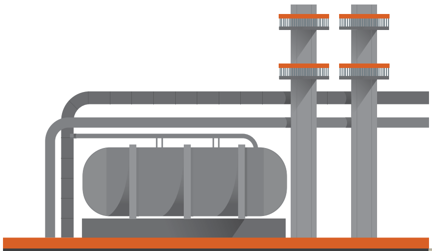
Creating relevant **customer experiences** to realise value for the Company is another strategic goal and a number of initiatives have been created, or are in development, in order to execute this strategy.

An example is the new online channel, 'Home Moves' for customers who move residence, that was launched for both Genesis Energy and Energy Online. This channel caters for home moves of all types, including for homeowners and renters, in a convenient way to ensure they will be fully connected when they arrive at their new address. Moving home is often a point where customers consider changing their utility providers and Home Moves is designed to both attract new customers and to reduce existing churn rates. To add to the attraction of using a home move proposition, the current offer includes a telecommunications offering from Spark. Future plans are to involve other home-move-related partners to increase the convenience levels for customers.

3 Digital acceleration

A third strategic theme is **digital acceleration** – creating digital tools, processes and thinking that engage our customers and add real value to them while reducing our costs to deliver. A number of 'foundation investments' have already been identified.

Current work is focused on digital infrastructure in order to build a platform that positions the Company for future growth. We are also selecting and partnering with external vendors such as Spark and Microsoft to provide the means to create new customer and employee oriented services.



Financial Year

2016

Creating new customer products and services

4 New ventures

The identification and launch of **new ventures** that are directly or indirectly aligned to existing Genesis Energy business activities is a fourth strategic goal. This component of the strategy is designed to add, over the long term, more revenue streams to the Company's operations.

To this end we have created a new ventures team to launch trial projects and to develop new relationships with strategically aligned partners. In the second quarter of the Half Year, this group launched a new business selling solar panels directly to residential and commercial customers. In the Half Year, the team sold and oversaw the installation of a total of 185kW of solar panels for seven customers.

Home energy storage is also a focus with the trial of battery storage set to commence with selected Genesis Energy customers in the fourth quarter of FY2016.

5 Kupe

Finally, maximising our return from our investment in the **Kupe** Oil and Gas Field is our fifth strategic goal. With Kupe, our focus remains on proving up reserves, assessing options for acceleration and concluding the planning for Phase II of the field development.

The Phase II Development Plan is expected to be finalised in the fourth quarter of FY2016. It will determine the timing and magnitude of further capital expenditure in the field.

Operational performance

Genesis Energy derives value for its shareholders and stakeholders from three distinct but interrelated revenue streams – the Kupe Oil and Gas Field, energy production and wholesaling, and energy retailing.

Gas from Kupe is used both for electricity generation at the Huntly Power Station and in direct sales to commercial and residential customers. Electricity generated at the Company's thermal and renewable power stations is sold to our industrial, commercial and residential customers. Genesis Energy also sells solar photovoltaic (PV) panels to commercial and residential customers in selected regions of New Zealand.

Stable customer accounts

A positive trend during the six months was the stabilisation and then growth of customer accounts for electricity. This was a turnaround after two years of steadily declining account numbers.

Energy Online customer account growth from 74,400 to

80,400

over the six months to 31 December 2015

At 31 December 2015, Genesis Energy had

522,586

electricity customers

At 31 December 2015, Genesis Energy had 522,586 electricity customers, a one per cent improvement over 31 December 2014.

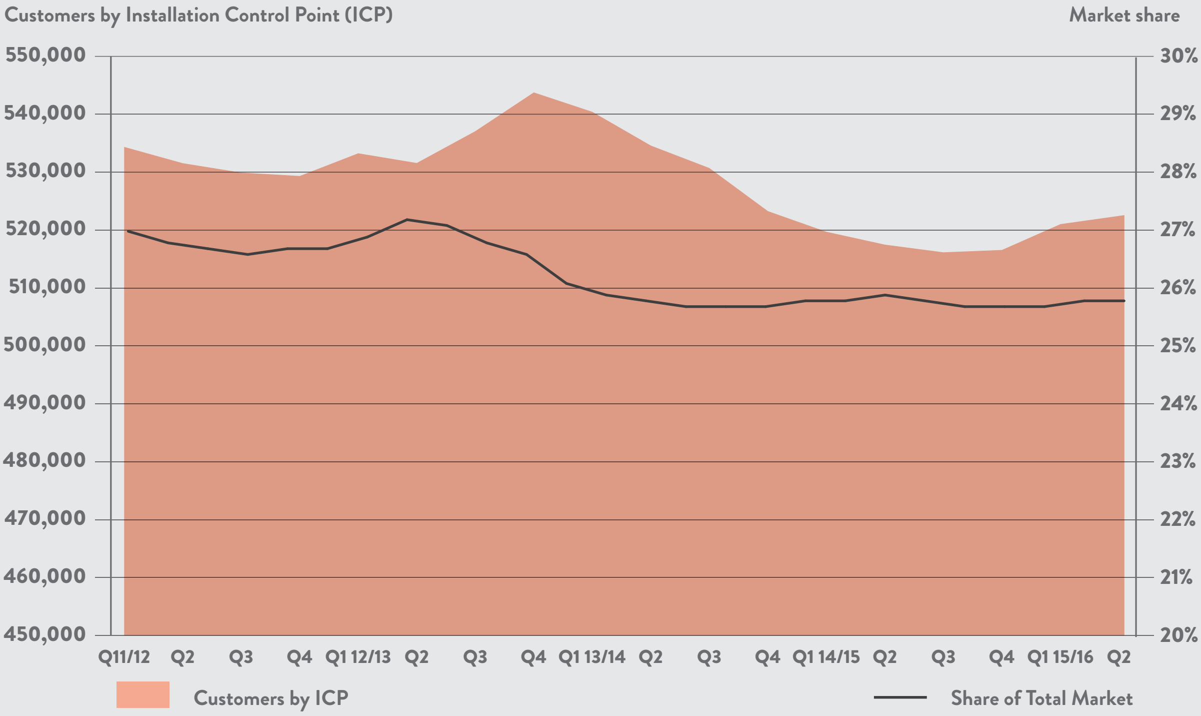
While acquisition costs increased, there was growth in Energy Online customers and an overall reduction in switching rates, which, on a 12-month rolling basis, is now lower than that of the broader electricity market.

A number of factors were behind the turnaround: the July 2015 launch of a new Energy Online website with a simpler sign-up process; strong channel presence throughout the calendar year; and attractive customer offers such as the Bill Holiday promotion.

Several significant releases of digital self-service have been implemented during the reporting period, and early indications are showing that they are meeting the needs of customers. On 21 July 2015, the new Energy Online Website and My Account launched, followed by the first of four iterations of a new mobile app with a raft of improvements and simpler interactions (initially under the Genesis Energy brand). The second iteration of the mobile app, which includes an Energy Online variant of the app and new payments functionality, was launched in December 2015.

The relaunch of Energy Online as a national challenger brand was supported by the redesign of the new customer sign-up process which removed several non-essential steps. Energy Online's 'simple but brilliant' brand proposition, backed up by an online campaign and videos (one of which received five million views), resulted in Energy Online customer account growth from 74,400 to 80,400 over the six months to 31 December 2015.

Electricity Customers and Market Share



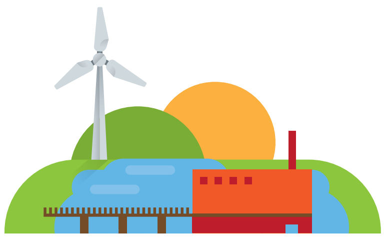
Generation increase driven by renewables

National hydro-storage levels were above the long-run average throughout the first half of the period, and had a corresponding dampening effect on the wholesale electricity price which ranged between $40 and $80/MWh and averaged $54.53/MWh. Wholesale electricity prices firmed towards the end of the Half Year (H1) due to reductions in national hydro storage and the impact of the closure of Otahuhu B thermal plant.

This led to an increase in Genesis Energy's thermal generation towards the end of the Half Year as the Huntly Rankine Units and Unit 5 were offered long into the spot market period in November and December 2015 at times when wholesale prices increased.

Hydro storage for Lake Waikaremoana was significantly below the long-run average for most of the first quarter, until late September 2015 when a significant rainfall event drove storage from 50 per cent of average to over 125 per cent within the space of a week. Tekapo hydro storage remained below average also; therefore, both Waikaremoana and Tekapo Power Schemes' generation was down compared to the same period of FY2015.

Significant inflows into the Tongariro catchment enabled the power scheme to increase its generation and consequently total renewable generation was higher than Half Year 2015.



Coal-fired generation of 458GWh was 28 per cent lower than in Half Year 2015 as the Rankine Units were used sparsely in August and September.

A planned outage of Huntly Power Station's Unit 5 for 12 days in November 2015 was covered by the Rankine Units. Over 150,000 tonnes of coal were still burnt; this meant that the coal stockpile sat at 600,441 tonnes at 31 December 2015, 31 per cent lower than for the previous 12-month period.

Kupe Oil and Gas

Genesis Energy's share of oil production from the Kupe field in Half Year 2016 was 207 kilo barrels, 13 per cent lower than for H1 2015 due to a planned outage of the field's production plant that coincided with the Unit 5 outage.

Following a review by Genesis Energy of reserves data provided by the Operator, Origin Energy, proven and probable developed reserves have increased by 33.4 per cent, from 27.7 million barrels of oil equivalent (BoE) to 36.9 million. The reserves increase not only provides additional volume from within the existing field development but it is also expected that the need for further capital to lengthen the life of the field and extract more gas and liquids is potentially reduced.

Proven and probable developed reserves have increased by

33.4%↑

from 27.7 million barrels of oil equivalent (BoE) to 36.9 million

Our people are playing their part

Aligning our people to the Company's strategy, which was reset in mid-2015, has been a key focus for Genesis Energy in the past six months.

To ensure that the implementation of our strategy proves to be successful, it is necessary for our people to work together towards the right direction and outcomes.

An internal programme – Play Your Part – has been developed to encompass and align the strategic direction with the individual behaviours needed to execute the components of the strategy.

Play Your Part consists of a number of internal initiatives and says to our people that they all have a role to play in adopting the strategy, no matter where they are positioned in the Company.

The Play Your Part messages of Keep it Simple, Make it Happen and Do the Right Thing apply to all facets of the Company's business activities from customer experience to digital development.

The Company's December 2015 Total Recordable Injury Frequency Rate (TRIFR) was 4.28 compared to 0.54 at 31 December 2014. We have made considerable progress on our journey towards Zero Harm – looking back to 2011, we were exceeding a TRIFR of 30.0. However, during the past six-month period, there were two medically treated injuries and one lost time injury at Genesis Energy's sites.

TRIFR is a key performance indicator that the Company uses to measure Genesis Energy's improvement in Health and Safety compared to other industry participants and New Zealand and Australian employers in general. The number represents the ratio of recordable injury incidents per 1,000,000 hours worked.

Number of full time equivalent employees as at 31 December 2015

892

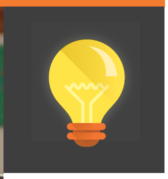
Every injury, no matter how minor, is unacceptable to the Company. For that reason, Genesis Energy has multifaceted and Company-wide programmes to promote health, safety and well-being in the workforce.

Genesis Energy is a producer of electricity, wholesaler of energy and a market-leading retailer of electricity, gas and LPG.

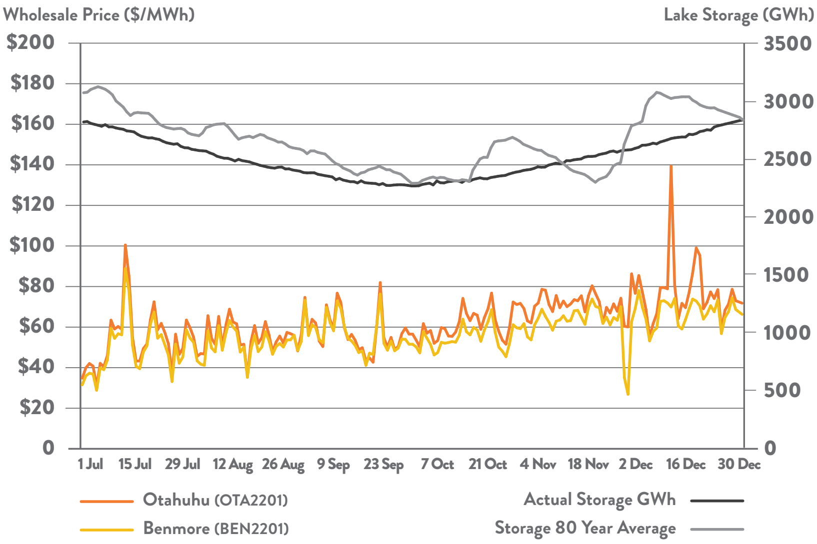
Total customer accounts

0.8%↑

since H1 2015



Daily Average Wholesale Reference Point Prices and National Hydro Storage – FY2016 YTD



Customer Experience Performance

	H1 2016	H1 2015	Percentage change
Total customer accounts*	**643,721**	**638,790**	**0.8**
Gas customers	106,809	108,217	–1.3
Electricity customers	522,586	517,492	1.0
LPG customers	14,326	13,081	9.5
North Island customers	434,485	434,972	–0.1
South Island customers	88,101	82,520	6.8
Mass-market electricity sales (GWh)	2,394	2,373	0.9
TOU electricity sales (GWh)	621	453	37.1
Total electricity sales (GWh)	3015	2,825	6.7
Retail gas sales (PJ)	4.2	4.0	5.0
LPG sales (tonnes)	2,202	1,944	13.3
Average retail electricity purchase price ($/MWh)	$61.90	$72.45	–14.6

*Includes electricity, gas and LPG accounts excluding vacants.

Fuel and Kupe Performance

	H1 2016	H1 2015	Percentage change
Coal used in generation (PJ)	5.1	7.2	–29.2
Coal stockpile (kilotonnes)	600.4	870.7	–31.0
Gas purchases (PJ)	24.3	24.2	0.4
Wholesale gas sales (PJ)	8.7	10.7	–18.7
Gas used in generation (PJ)	11.3	9.6	17.7
Kupe – Genesis Energy shares:			
Gas sales (PJ)	3.4	3.5	–2.9
Oil production (kbbl)	207.3	238.9	–13.2
Oil sales (kbbl)	158.6	233.4	–32.1
LPG sales (kilotonnes)	14.1	15.2	–7.2

Generation Performance

Type	H1 2016	H1 2015	Percentage change
Gas (GWh)	1,476	1,277	15.6
Coal (GWh)	458	641	–28.6
Total thermal (GWh)	1,933	1,918	0.8
Hydro (GWh)	1,431	1,351	5.9
Wind (GWh)	13	11	18.2
Total renewable (GWh)	1,444	1,363	6.0
Total generation (GWh)	3,377	3,280	2.9
North Island (GWh)	2,980	2,813	5.9
South Island (GWh)	397	467	–15.0
Average price received ($/MWh)	$54.55	$71.75	–24.0
Carbon emissions from generating (kilotonnes CO_2)	1,071	1,143	–6.3
Generation carbon intensity (tonnes CO_2/GWh)	317	348	–8.9

Gas-fuelled Generation

15.6%↑

Since H1 2015

Kupe LPG Sales H1 2016

14.1kT

Total Hydro Generation

1,933GWh

Total Wind

13GWh

Community support

Genesis Energy partners with organisations that are making a positive difference to social well-being or to conservation efforts in the areas in which we operate.

The relationship between Genesis Energy and the Department of Conservation is extremely important to both parties. Both organisations recognise that conservation is good for business, and business is good for conservation. There is a mutual desire to achieve conservation outcomes together, as partners.

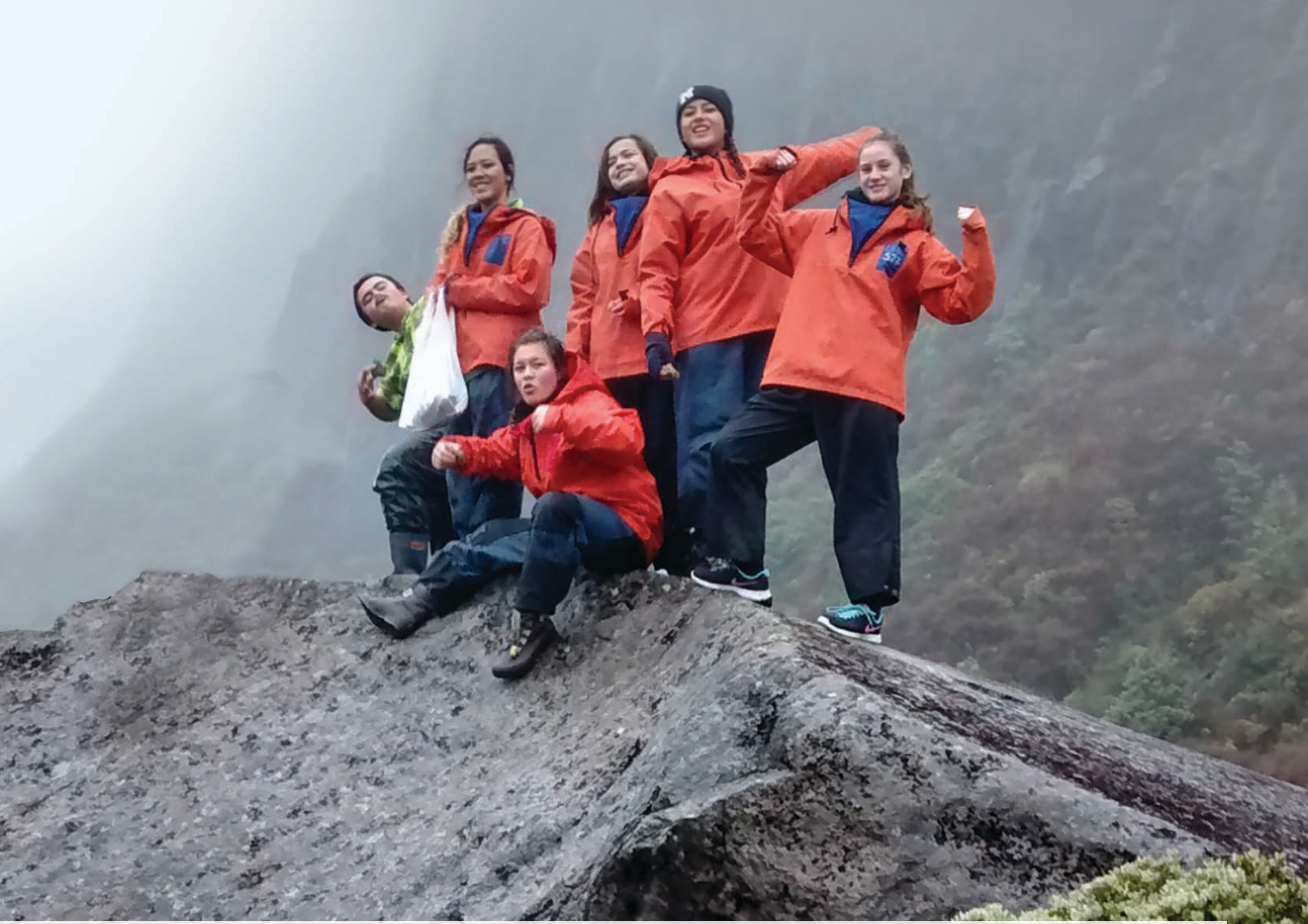
A five-year Whio Investment Agreement was signed in September 2011 and has delivered measurable outcomes for the Whio – a native blue duck that lives only on fast-flowing water and is an indicator species of river health.

Whio populations are secure on rivers that are managed well by hydro operators such as Genesis Energy, and when they are protected from imported predators such as ferrets and rats.

The Company plays an important part in our generation communities by supporting a range of social and youth development programmes. Examples include Foundation for Youth Development programmes in the Waikato, the Hillary Outdoor education centres, and Curtain Banks in Christchurch, Wellington and West Auckland.

Genesis Energy recognises that the ability to pay for energy can be a struggle for some families. During the six-month period, we recommitted to our partnership with the New Zealand Federation of Family Budgeting Services. Our sponsorship of the Federation pays for the 0508 Budgetline – an advice helpline – and other budget advice resources.

Students from Ruapehu College on the Hillary Step programme.



Hillary Step Subsidised programme for college students attending Hillary Outdoors	Tongariro School (Decile 1) **30** Students attended on **1 August 2015**	Te Kuiti High School (Decile 1) **20** Students attended on **18 October 2015**	Wairoa College (Decile 2) **30** Students attended on **27 October 2015**	Te Kuiti High School (Decile 1) **20** Students attended on **9 November 2015**
Curtain Banks Number of families supported	Christchurch (Community Energy Action) **770** Jan – Dec 2015	Wellington (Sustainability Trust) **532** Mar – Nov 2015	Auckland (Vision West) **92** Jul – Dec 2015	
Foundation for Youth Development Number of children attending between July and December 2015	Huntly West **179** Jul – Dec 2015	Ohinewai **128** Jul – Dec 2015	Pukemiro **50** Jul – Dec 2015	

Condensed Consolidated Interim Financial Statements

for the six-month period ended 31 December 2015

Contents

Notes to the condensed consolidated interim financial statements

Consolidated interim comprehensive income statement

For the six-month period ended 31 December 2015

	Note	6 months ended 31 Dec 2015 unaudited $ million	31 Dec 2014 unaudited $ million
Operating revenue			
Electricity revenue		**864.5**	869.6
Gas revenue		**140.7**	155.8
Petroleum revenue		**24.1**	34.3
Other revenue		**12.3**	8.1
		1,041.6	1,067.8
Operating expenses			
Electricity purchases, transmission and distribution		**(475.3)**	(491.4)
Gas purchases and transmission		**(144.7)**	(158.9)
Petroleum production, marketing and distribution		**(8.6)**	(13.4)
Fuels consumed		**(93.3)**	(89.0)
Employee benefits		**(41.6)**	(42.5)
Other operating expenses		**(102.6)**	(99.8)
		(866.1)	(895.0)
Earnings before net finance expense, income tax, depreciation, depletion, amortisation, impairment, fair value changes and other gains and losses		**175.5**	172.8
Depreciation, depletion and amortisation		**(73.1)**	(75.7)
Impairment of non-current assets		**–**	(3.3)
Change in fair value of financial instruments	3	**(21.0)**	34.6
Other gains		**0.1**	0.9
		(94.0)	(43.5)
Profit before net finance expense and income tax		**81.5**	129.3
Finance revenue		**1.4**	0.4
Finance expense	4	**(32.8)**	(34.3)
Profit before income tax		**50.1**	95.4
Income tax (expense)		**(14.2)**	(27.2)
Net profit for the period		**35.9**	68.2
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Change in cash flow hedge reserve		**(16.4)**	(8.6)
Income tax credit relating to items that may be reclassified		**4.6**	2.4
Total items that may be reclassified subsequently to profit or loss		**(11.8)**	(6.2)
Total other comprehensive income (expense) for the period		**(11.8)**	(6.2)
Total comprehensive income for the period		**24.1**	62.0
Earnings per share from operations attributable to shareholders of the Parent			
Basic and diluted earnings per share (cents)		**3.59**	6.82

The above statements should be read in conjunction with the accompanying notes.

Consolidated interim statement of changes in equity

For the six-month period ended 31 December 2015

	Note	Share capital unaudited $ million	Share-based payments reserve unaudited $ million	Asset revaluation reserve unaudited $ million	Cash flow hedge reserve unaudited $ million	Retained earnings unaudited $ million	Total unaudited $ million
Balance as at 1 July 2015		**539.7**	**0.3**	**805.8**	**(19.6)**	**499.2**	**1,825.4**
Net profit for the period		–	–	–	–	**35.9**	**35.9**
Other comprehensive income							
Change in cash flow hedge reserve		–	–	–	**(16.4)**	–	**(16.4)**
Income tax credit relating to other comprehensive income		–	–	–	**4.6**	–	**4.6**
Total comprehensive income (expense) for the period		–	–	–	**(11.8)**	**35.9**	**24.1**
Revaluation reserve reclassified to retained earnings on disposal of assets		–	–	**(0.4)**	–	**0.4**	–
Share-based payments		–	**0.1**	–	–	–	**0.1**
Dividends	5	–	–	–	–	**(80.0)**	**(80.0)**
Balance as at 31 December 2015		**539.7**	**0.4**	**805.4**	**(31.4)**	**455.5**	**1,769.6**

	Note	Share capital unaudited $ million	Share-based payments reserve unaudited $ million	Asset revaluation reserve unaudited $ million	Cash flow hedge reserve unaudited $ million	Retained earnings unaudited $ million	Total unaudited $ million
Balance as at 1 July 2014		539.7	–	805.8	(5.1)	540.3	1,880.7
Net profit for the period		–	–	–	–	68.2	68.2
Other comprehensive income							
Change in cash flow hedge reserve		–	–	–	(8.6)	–	(8.6)
Income tax credit relating to other comprehensive income		–	–	–	2.4	–	2.4
Total comprehensive income (expense) for the period		–	–	–	(6.2)	68.2	62.0
Dividends	5	–	–	–	–	(66.0)	(66.0)
Balance as at 31 December 2014		**539.7**	**–**	**805.8**	**(11.3)**	**542.5**	**1,876.7**

The above statements should be read in conjunction with the accompanying notes.

Consolidated interim balance sheet

As at 31 December 2015

	Note	31 Dec 2015 unaudited $ million	30 Jun 2015 audited $ million
Current assets			
Cash and cash equivalents		**37.5**	21.0
Receivables and prepayments		**173.5**	187.7
Inventories		**96.8**	80.0
Assets held for sale		**0.5**	3.1
Intangible assets		**4.6**	4.3
Tax receivable		**–**	16.2
Derivatives	11	**22.8**	34.2
Total current assets		**335.7**	346.5
Non-current assets			
Receivables and prepayments		**3.6**	0.9
Inventories		**–**	24.4
Property, plant and equipment	6	**2,642.6**	2,682.5
Oil and gas assets	7	**272.7**	292.4
Intangible assets		**130.7**	127.4
Derivatives	11	**47.9**	53.9
Total non-current assets		**3,097.5**	3,181.5
Total assets		**3,433.2**	3,528.0
Current liabilities			
Payables and accruals		**135.4**	158.3
Tax payable		**6.9**	–
Borrowings	9	**193.7**	117.8
Provisions	10	**11.6**	12.3
Derivatives	11	**20.7**	21.5
Total current liabilities		**368.3**	309.9
Non-current liabilities			
Payables and accruals		**0.7**	0.7
Borrowings	9	**745.1**	840.4
Provisions	10	**122.8**	123.7
Deferred tax liability		**381.6**	397.2
Derivatives	11	**45.1**	30.7
Total non-current liabilities		**1,295.3**	1,392.7
Total liabilities		**1,663.6**	1,702.6
Shareholders' equity			
Share capital		**539.7**	539.7
Reserves		**1,229.9**	1,285.7
Total equity		**1,769.6**	1,825.4
Total equity and liabilities		**3,433.2**	3,528.0

The Directors of Genesis Energy Limited authorise these condensed consolidated interim financial statements for issue on behalf of the Board.

Rt Hon Dame Jenny Shipley, DNZM
Chairman of the Board
Date: 23 February 2016

Joanna Perry, MNZM
Chairman of the Audit and Risk Committee
Date: 23 February 2016

The above statements should be read in conjunction with the accompanying notes.

Consolidated interim cash flow statement

For the six-month period ended 31 December 2015

	Note	6 months ended 31 Dec 2015 unaudited $ million	6 months ended 31 Dec 2014 unaudited $ million
Cash flows from operating activities			
Cash was provided from:			
Receipts from customers		**1,048.7**	1,075.6
Interest received		**1.4**	0.4
Tax received		**20.9**	–
		1,071.0	1,076.0
Cash was applied to:			
Payments to suppliers and related parties		**843.1**	872.8
Payments to employees		**42.2**	42.8
Tax paid		**23.2**	24.2
		908.5	939.8
Net cash inflows from operating activities		**162.5**	136.2
Cash flows from investing activities			
Cash was provided from:			
Proceeds from disposal of property, plant and equipment		**5.7**	–
		5.7	–
Cash was applied to:			
Purchase of property, plant and equipment		**9.7**	20.4
Purchase of oil and gas assets		**5.2**	2.3
Purchase of intangibles (excluding emission units)		**3.8**	2.9
		18.7	25.6
Net cash (outflows) from investing activities		**(13.0)**	(25.6)
Cash flows from financing activities			
Cash was provided from:			
Proceeds from borrowings		**–**	42.8
		–	42.8
Cash was applied to:			
Repayment of borrowings		**21.4**	47.6
Interest paid and other finance charges		**31.6**	31.1
Repayment of principal on finance lease liabilities		**–**	1.6
Dividends	5	**80.0**	66.0
		133.0	146.3
Net cash (outflows) from financing activities		**(133.0)**	(103.5)
Net increase in cash and cash equivalents		**16.5**	7.1
Cash and cash equivalents at 1 July		**21.0**	23.3
Cash and cash equivalents at 31 December		**37.5**	30.4

The above statements should be read in conjunction with the accompanying notes.

Consolidated interim cash flow statement (continued)

For the six-month period ended 31 December 2015

Reconciliation of net profit to net cash inflow from operating activities	Note	6 months ended 31 Dec 2015 unaudited $ million	6 months ended 31 Dec 2014 unaudited $ million
Net profit for the period		**35.9**	68.2
Items classified as investing/financing activities			
Net loss on disposal of property, plant and equipment		**0.2**	0.1
Interest and other finance charges paid		**29.7**	31.1
Other items classified as investing/financing activities		**(2.3)**	(1.9)
		27.6	29.3
Non-cash items			
Depreciation, depletion and amortisation expense		**73.1**	75.7
Impairment of non-current assets		**–**	3.3
Change in fair value of financial instruments	3	**21.0**	(34.6)
Deferred tax expense		**(11.0)**	7.0
Change in capital expenditure accruals		**1.1**	3.4
Change in rehabilitation and contractual arrangement provisions		**3.2**	1.7
		87.4	56.5
Movements in working capital			
Change in receivables, prepayments and deferred acquisition costs		**9.1**	12.7
Change in inventories		**7.6**	8.6
Change in emission units on hand		**(3.7)**	(3.2)
Change in payables and accruals		**(22.9)**	(29.7)
Change in tax receivable/payable		**23.1**	(4.0)
Change in provisions		**(1.6)**	(2.2)
		11.6	(17.8)
Net cash inflow from operating activities		**162.5**	136.2

The above statements should be read in conjunction with the accompanying notes.

Notes to the condensed consolidated interim financial statements

For the six-month period ended 31 December 2015

1. General information

Genesis Energy Limited (the 'Parent') is a company registered under the Companies Act 1993. The Parent is majority owned by Her Majesty the Queen in Right of New Zealand (the 'Crown') and is listed on the NZSX, NZDX and ASX. The Parent, as a mixed ownership model company, is bound by the requirements of the Public Finance Act 1989. The liabilities of the Parent are not guaranteed in any way by the Crown. The Parent is an FMC Reporting Entity under the Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013.

The condensed consolidated interim financial statements comprise the Parent, its subsidiaries and the Group's interests in joint operations (together, the 'Group'). The condensed consolidated interim financial statements cover the six-month period ended 31 December 2015.

These interim financial statements have not been audited.

The Group is designated as a profit-oriented entity for financial reporting purposes.

The Group's core business is located in New Zealand and involves the generation of electricity, retailing and trading of energy, and the development and procurement of fuel sources. To support these functions, the Group's scope of business includes retailing and trading of related complementary products designed to support its key energy business.

Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with and comply with New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* ('NZ IAS 34'). In complying with NZ IAS 34, these statements comply with International Accounting Standard 34 *Interim Financial Reporting*.

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements. Consequently these condensed consolidated interim financial statements should be read in conjunction with the annual financial statements and related notes included in Genesis Energy's Annual Report for the year ended 30 June 2015.

The condensed consolidated interim financial statements are presented in New Zealand dollars rounded to the nearest million.

Application of new and revised accounting standards, interpretations and amendments

There have been no new or revised accounting standards, interpretations and amendments effective during the period which have a material impact on the Group's accounting policies or disclosures.

New accounting treatment

Genesis Energy has implemented new accounting treatments during the period to defer the recognition of incentives provided to customers and the cost of acquisition of customers. Due to the level of competition in the retail energy market, Genesis Energy increased its expenditure on acquisition costs and incentives to customers to stabilise and extract longer term value from the retail customer base. Customer incentives such as account credits are included in the measurement of revenue and are spread over the length of the average customer tenure where there is evidence that the return from the customer over the amortisation period is positive in line with the future revenue standard NZ IFRS 15 *Revenue from Contracts with Customers*. Customer acquisition costs which are directly attributable to securing a particular customer contract, and meet the definition of an intangible asset under NZ IAS 38 *Intangible Assets*, are now capitalised and will be amortised over the average customer tenure.

The change in these accounting treatments has resulted in an asset value of $7.5 million at 31 December 2015.

There have been no other significant changes in accounting policies or methods of computation since 30 June 2015. The accounting policies set out in Genesis Energy's Annual Report for the year ended 30 June 2015 have been applied consistently to all periods presented in these condensed consolidated interim financial statements.

Critical accounting estimates and judgements

The preparation of the Group's condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, revenues and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Significant areas of estimation and judgement in these condensed consolidated interim financial statements are the same as those disclosed in Genesis Energy's annual financial statements included in Genesis Energy's Annual Report for the year ended 30 June 2015.

Seasonality of operations

Fluctuations in seasonal weather patterns can have a significant impact on supply and demand and therefore the generation of electricity which in turn can have a positive or negative impact on the reported result.

2. Segment reporting

For management purposes, the Group is currently organised into four segments as follows:

Segment	Activity
Customer experience	Supply of energy (electricity, gas and LPG) and related services to end-user customers.
Energy management	Generation and trading of electricity and related products. The segment includes electricity sales to the wholesale electricity market, derivatives entered into to fix the price of electricity, and wholesale gas, LPG and coal sales.
Oil and gas	Exploration, development, production and sale of gas, LPG and light oil.
Corporate	Head-office functions including new generation investigation and development, fuel management, information systems, human resources, finance, corporate relations, property management, legal and corporate governance. Corporate revenue is made up of property rental and miscellaneous income.

The segments are based on the different products and services offered by the Group. No operating segments have been aggregated.

Six months ended 31 December 2015	Customer experience unaudited $ million	Energy management unaudited $ million	Oil and gas unaudited $ million	Corporate unaudited $ million	Inter-segment items unaudited $ million	Total unaudited $ million
Operating revenue						
Electricity revenue	631.6	494.7	–	–	(261.8)	864.5
Gas revenue	85.9	82.3	26.1	–	(53.6)	140.7
Petroleum revenue	–	–	24.1	–	–	24.1
Other revenue	5.2	6.5	–	0.6	–	12.3
	722.7	583.5	50.2	0.6	(315.4)	1,041.6
Operating expenses						
Electricity purchase, transmission and distribution	(523.6)	(213.5)	–	–	261.8	(475.3)
Gas purchase and transmission	(70.3)	(103.0)	–	–	28.6	(144.7)
Petroleum production, marketing and distribution	–	–	(8.6)	–	–	(8.6)
Fuel consumed	–	(118.3)	–	–	25.0	(93.3)
Employee benefits	(15.2)	(16.1)	(0.1)	(10.2)	–	(41.6)
Other operating expenses	(56.6)	(34.6)	(2.1)	(9.3)	–	(102.6)
Earnings before net finance expense, income tax, depreciation, depletion, amortisation, impairment, fair value changes and other gains and losses	57.0	98.0	39.4	(18.9)	–	175.5
Depreciation, depletion and amortisation	(1.5)	(41.0)	(24.8)	(5.8)	–	(73.1)
Change in fair value of financial instruments	–	(19.9)	(0.7)	(0.4)	–	(21.0)
Other gains (losses)	0.1	1.2	(0.1)	(1.1)	–	0.1
Profit (loss) before net finance expense and income tax	55.6	38.3	13.8	(26.2)	–	81.5
Finance revenue	0.1	–	0.1	1.2	–	1.4
Finance expense	(0.2)	(1.5)	(1.5)	(29.6)	–	(32.8)
Profit (loss) before income tax	55.5	36.8	12.4	(54.6)	–	50.1
Other segment information						
Capital expenditure	1.5	3.6	5.0	3.4	–	13.5

2. Segment reporting (continued)

Six months ended 31 December 2014	Customer experience unaudited $ million	Energy management unaudited $ million	Oil and gas unaudited $ million	Corporate unaudited $ million	Inter-segment items unaudited $ million	Total unaudited $ million
Operating revenue						
Electricity revenue	609.4	512.6	–	–	(252.4)	869.6
Gas revenue	83.2	103.2	28.1	–	(58.7)	155.8
Petroleum revenue	–	–	34.3	–	–	34.3
Other revenue	4.6	2.9	0.1	0.5	–	8.1
	697.2	618.7	62.5	0.5	(311.1)	1,067.8
Operating expenses						
Electricity purchase, transmission and distribution	(509.9)	(233.9)	–	–	252.4	(491.4)
Gas purchase and transmission	(68.9)	(121.9)	–	–	31.9	(158.9)
Petroleum production, marketing and distribution	–	–	(13.4)	–	–	(13.4)
Fuel consumed	–	(115.8)	–	–	26.8	(89.0)
Employee benefits	(12.7)	(15.2)	–	(14.6)	–	(42.5)
Other operating expenses	(61.5)	(31.2)	(2.2)	(4.9)	–	(99.8)
Earnings before net finance expense, income tax, depreciation, depletion, amortisation, impairment, fair value changes and other gains and losses	44.2	100.7	46.9	(19.0)	–	172.8
Depreciation, depletion and amortisation	(1.5)	(42.7)	(25.8)	(5.7)	–	(75.7)
Impairment of non-current assets	–	(3.3)	–	–	–	(3.3)
Change in fair value of financial instruments	–	29.6	6.2	(1.2)	–	34.6
Other gains (losses)	–	0.5	0.4	–	–	0.9
Profit (loss) before net finance expense and income tax	42.7	84.8	27.7	(25.9)	–	129.3
Finance revenue	–	–	0.1	0.3	–	0.4
Finance expense	(0.2)	(1.7)	(1.5)	(30.9)	–	(34.3)
Profit (loss) before income tax	42.5	83.1	26.3	(56.5)	–	95.4
Other segment information						
Capital expenditure	1.7	14.6	2.2	2.8	–	21.3

Inter-segment revenue

Sales between segments is based on transfer prices developed in the context of long-term contracts. Inter-segment gas revenue includes the Group's share of Kupe gas sales to Energy Management and gas on-sold from Energy Management to Customer Experience.

Geographic information

All business segments operate within the New Zealand economic exclusion zone.

Major customer information

The Group has no individual customers that account for 10 per cent or more of the Group's external revenue (2014: none).

3. Change in fair value of financial instruments

	Note	6 months ended 31 Dec 2015 unaudited $ million	6 months ended 31 Dec 2014 unaudited $ million
Change in fair value of derivatives – gain (loss)	11	**(14.8)**	39.1
Fair value interest rate risk adjustment on borrowings – gain (loss)		**(6.2)**	(4.5)
		(21.0)	34.6

The change in the fair value of derivatives for the six months ended 31 December 2015 mainly relates to the movement in the fair value of electricity swaps and options ($19.9 million loss) (31 December 2014: $30.5 million gain). The movement in the fair value of electricity swaps and options primarily reflects movements in the electricity price path between the date contracts were entered into and balance date.

4. Finance expense

	6 months ended 31 Dec 2015 unaudited $ million	6 months ended 31 Dec 2014 unaudited $ million
Interest on borrowings (excluding Capital Bonds)	**23.1**	24.7
Interest on Capital Bonds	**6.2**	6.2
Total interest on borrowings	**29.3**	30.9
Other interest and finance charges	**0.4**	0.4
Time value of money adjustments on provisions	**3.1**	3.1
	32.8	34.4
Capitalised finance expenses	**–**	(0.1)
	32.8	34.3

5. Dividends

	6 months ended 31 Dec 2015 unaudited $ million	6 months ended 31 Dec 2014 unaudited $ million	6 months ended 31 Dec 2015 unaudited Cents per share	6 months ended 31 Dec 2014 unaudited Cents per share
Dividends declared and paid during the period				
Previous period final dividend	**80.0**	66.0	**8.00**	6.60
Dividends declared subsequent to balance date				
Interim dividend	**82.0**	80.0	**8.20**	8.00

Subsequent to balance date, the Parent declared an interim dividend of $82.0 million, which will be 80 per cent imputed.

6. Property, plant and equipment

	6 months ended 31 Dec 2015 unaudited $ million	Year ended 30 Jun 2015 audited $ million
Opening balance	**2,682.5**	2,758.8
Additions	**7.8**	39.8
Capitalised finance expenses	**–**	0.3
Change in rehabilitation and contractual arrangement assets	**(0.2)**	1.8
Transfer to intangible assets	**(2.7)**	(9.4)
Transfer to assets held for sale	**(0.5)**	(3.1)
Disposals	**(1.4)**	(3.1)
Impairment	**–**	(14.0)
Depreciation expense	**(42.9)**	(88.6)
Closing balance	**2,642.6**	2,682.5

7. Oil and gas assets

	6 months ended 31 Dec 2015 unaudited $ million	Year ended 30 Jun 2015 audited $ million
Opening balance	**292.4**	342.1
Additions	**5.1**	4.2
Change in rehabilitation assets	**–**	1.4
Depreciation and depletion expense	**(24.8)**	(55.3)
Closing balance	**272.7**	292.4

Depletion of oil and gas producing assets is based on the amount of units produced during the period in comparison to the total expected to be produced from the proven reserves (1P). Proven reserves (1P) are the estimated quantities of oil and gas which geological and engineering data demonstrates with reasonable certainty to be recoverable in future years from known reservoirs, under existing economic and operating conditions. Proven reserves (1P) are defined as those which have a 90 per cent likelihood of being delivered.

The Kupe oil and gas field's proven and probable (2P) oil and gas developed reserves were re-estimated at 30 September 2015 resulting in an approximate 33.4 per cent increase in barrels of oil equivalent. There has been no change to the unit of production depletion rates for the period as the unit of production depletion rates are based on 1P reserves which were not separately identified in the reserves re-estimate at 30 September. Further work is being undertaken to re-estimate the 1P developed and undeveloped reserves, and is expected to be completed in the second quarter of the 2016 calendar year.

8. Material related party transactions

The Group has a 150MW contract with Meridian Energy, a Crown-controlled entity, to provide dry-year cover for four years from 1 January 2015.

Other than the contract noted above, there were no individually significant transactions with shareholders and entities controlled by and related to shareholders during the period (31 December 2014: nil).

Other transactions with Crown-controlled and related entities which are collectively but not individually significant relate to the purchase of coal, sale of gas and electricity derivatives. All of the coal acquired by the Group during the period was supplied by Crown-controlled and related entities under coal supply agreements which were exited in October 2015 (31 December 2014: 100 per cent of the coal acquired by the Group). Approximately 11 per cent of the gas sales were made to Crown-controlled and related entities under gas sales agreements which expired in December 2015 (31 December 2014: approximately 17 per cent). Approximately 89 per cent of the value of electricity derivative assets and approximately 62 per cent of the value of electricity derivative liabilities held by the Group at the reporting date were held with Crown-controlled and related entities (31 December 2014: 86 per cent and 54 per cent, respectively). The contracts expire at various times; the latest expiry date is December 2025.

For a list and description of transactions with related parties refer to Genesis Energy's annual financial statements included in Genesis Energy's Annual Report for the year ended 30 June 2015.

9. Borrowings

	31 Dec 2015 unaudited $ million	30 Jun 2015 audited $ million
Revolving credit and money market	**76.6**	101.0
Wholesale term notes	**320.0**	320.1
Retail term notes	**107.4**	107.1
Capital Bonds	**202.6**	202.6
United States Private Placement ('USPP')	**232.2**	227.4
Total	**938.8**	958.2
Current	**193.7**	117.8
Non-current	**745.1**	840.4
Total	**938.8**	958.2

Revolving credit

As at 31 December 2015, the Group had drawn down $75.0 million (30 June 2015: $100.0 million) and had available undrawn funding of $350.0 million (30 June 2015: $325.0 million).

10. Provisions

Huntly Rankine Units retirement

There is no financial provision for the remediation of the Huntly generation site because the Company has the right to lease the site in perpetuity. There is no fixed or planned termination date for the Huntly lease, and the site remains a key electricity generation site for the Company. The lease on the site is independent to decisions around the Huntly Rankine Units which are planned to be retired by 31 December 2018. There may be costs and recoveries associated with retiring the Rankine Units, but these cannot be reliably estimated at this time.

11. Derivatives

Net carrying value of derivatives	31 Dec 2015 unaudited $ million	30 Jun 2015 audited $ million
Derivatives designated in a cash flow hedge relationship		
Foreign exchange swaps	**(3.3)**	(10.3)
Interest rate swaps	**(20.3)**	(16.7)
Electricity swaps	**(29.7)**	(2.7)
Oil swaps	**18.5**	10.6
Cross-currency interest rate swaps ('CCIRS')	**21.5**	24.3
Derivatives designated in a fair value hedge relationship		
Interest rate swaps	**0.8**	1.0
CCIRS	**7.5**	1.4
Derivatives not designated as hedges		
Electricity swaps and options	**9.7**	28.1
Forward sale-and-purchase agreements of emission units held for trading	**0.2**	0.2
Total	**4.9**	35.9
Carrying value of derivatives by balance sheet classification		
Current assets	**22.8**	34.2
Non-current assets	**47.9**	53.9
Current liabilities	**(20.7)**	(21.5)
Non-current liabilities	**(45.1)**	(30.7)
Total	**4.9**	35.9

The methods of valuing derivatives are outlined in note 12.

11. Derivatives (continued)

Change in carrying value of derivatives	6 months ended 31 Dec 2015 unaudited $ million	Year ended 30 Jun 2015 audited $ million
Opening balance	**35.9**	(7.8)
Total change recognised in electricity and petroleum revenue	**10.9**	24.9
– Net change in derivatives not designated as hedges	**(20.0)**	26.2
– Net change in fair value hedges	**5.9**	1.0
– Ineffective gain (loss) on cash flow hedges	**(0.7)**	6.1
Total change recognised in the change in fair value of financial instruments	**(14.8)**	33.3
Gain (loss) recognised in other comprehensive income	**(3.3)**	21.2
Settlements	**(14.1)**	(12.1)
Sales (option fees)	**(9.7)**	(23.8)
Purchases (option fees)	**–**	0.2
Closing balance	**4.9**	35.9

12. Fair value

Fair value hierarchy

The Group's assets and liabilities measured at fair value are categorised into one of three levels. The levels are outlined in Genesis Energy's annual financial statements included in Genesis Energy's Annual Report for the year ended 30 June 2015.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between levels one, two and three during the period (2014: nil).

Level two items carried at fair value

Recurring fair value measurements	31 Dec 2015 unaudited $ million	30 Jun 2015 audited $ million
Level two		
Derivatives		
Interest rate swaps	**(19.5)**	(15.7)
Foreign exchange swaps and options	**(3.3)**	(10.3)
Oil swaps	**18.5**	10.6
Electricity swaps and options (not designated as hedges)	**(0.5)**	(2.3)
CCIRS	**29.0**	25.7
Forward sale-and-purchase agreements of emission units held for trading	**0.2**	0.2
	24.4	8.2
Inventory		
Emission units held for trading	**5.6**	2.3

Valuation of level two items carried at fair value

The fair values of level two derivatives and emission units held for trading carried at fair value are determined using discounted cash flow models. The key inputs in the valuation models were:

Item	Valuation input
Interest rate swaps	Forward interest
Foreign exchange swaps and options	Forward foreign exchange rate curves
Oil swaps	Forward oil price and foreign exchange rate curves
Electricity swaps and options	ASX forward price curve
CCIRS	Forward interest rate price curve and foreign exchange rate curves
Forward sale-and-purchase agreements of emission units held for trading	OM Financial forward curve
Emission units held for trading	OM Financial forward curve
Options for forward purchase agreements for emission units held for trading	OM Financial forward curve last fixed price

12. Fair value (continued)

Level three items carried at fair value

Recurring fair value measurements	31 Dec 2015 unaudited $ million	30 Jun 2015 audited $ million
Level three		
Derivatives		
Electricity swaps (cash flow hedges)	**(29.7)**	(2.7)
Electricity swaps and options (not designated as hedges)	**10.2**	30.4
	(19.5)	27.7
Property, plant and equipment		
Generation assets	**2,584.0**	2,628.0

Valuation of level three items carried at fair value

Valuation processes of the Group

The process used to value level three generation assets and derivatives has been disclosed in Genesis Energy's annual financial statements included in Genesis Energy's Annual Report for the year ended 30 June 2015. The process used as at 31 December 2015 is consistent with that used at 30 June 2015.

Valuation method of the Group

The valuation method used to value level three generation assets and derivatives has been disclosed in Genesis Energy's annual financial statements included in Genesis Energy's Annual Report for the year ended 30 June 2015. The valuation method used as at 31 December 2015 is consistent with that used at 30 June 2015.

The key unobservable inputs, range of assumptions and third-party inputs combine to determine the wholesale electricity price path. The wholesale electricity price paths used to value level three electricity swaps and options on a time-weighted basis range from $79 per MWh to $110 per MWh over the period from January 2016 to 31 December 2025. (30 June 2015: $69 per MWh to $115 per MWh over the period from 1 July 2015 to 31 December 2025).

Valuation of electricity swaps and options

The valuation of electricity swaps and options is based on a discounted cash flow model over the life of the agreement. The key assumptions in the model are: the callable volumes, strike price and option fees outlined in the agreement, the forecast internally generated electricity price path, 'day one' gains and losses, emission credits and the discount rate. The options are deemed to be called when the internally generated price path is higher than the strike prices after taking into account obligations relating to the specific terms of each contract. No calling is required for the swaps and there are no option fees as it is a two-sided contract. The discount rate used in the model ranged from 1.6 per cent to 10.4 per cent (30 June 2015: 2.9 per cent to 8.9 per cent) and the emission credit price used ranged between $10.00 and $25.00 (30 June 2015: $7.50 and $25.00).

If the price path increased by 10 per cent while holding the discount rate constant, this would result in the carrying value of the electricity derivatives decreasing to $47.4 million liability (30 June 2015: $12.1 million asset). If the price path decreased by 10 per cent while holding the discount rate constant, the carrying value of electricity swaps and options would increase to $5.8 million asset (30 June 2015: $40.7 million asset).

Reconciliation of level three derivatives

	6 months ended 31 Dec 2015 unaudited $ million	Year ended 30 Jun 2015 audited $ million
Opening balance	**27.7**	(6.7)
Total gain (loss)		
– Electricity revenue	**10.9**	24.9
– Change in fair value of financial instruments	**(21.7)**	32.0
Total gain (loss) in profit or loss	**(10.8)**	56.9
Total gain (loss) recognised in other comprehensive income	**(22.6)**	4.6
Settlements (gain) loss	**(4.0)**	(3.1)
Sales	**(9.8)**	(24.0)
Closing balance	**(19.5)**	27.7

Change in fair value of financial instruments for the period included an unrealised loss of $20.9 million (30 June 2015: $31.5 million gain) relating to level three derivatives that are measured at fair value at the end of each reporting period.

12. Fair value (continued)

Deferred 'day one' gains (losses)

There is a presumption that when derivative contracts are entered into on an arm's-length basis, and no payment is received or paid on day one, the fair value at inception would be nil. The contract price of non-exchange traded electricity derivative contracts are agreed on a bilateral basis, the pricing for which may differ from the prevailing derived market price for a variety of reasons. In these circumstances, an adjustment is made to bring the initial fair value of the contract to zero at inception. The adjustment is called a 'day one' gain (loss) and is deferred and amortised, based on expected call volumes over the term of the contract. The carrying value of derivatives is disclosed net of the 'day one' adjustments.

The following table details the movements and amounts of deferred 'day one' gains (losses) included in the fair value of electricity derivatives held at balance date:

	6 months ended 31 Dec 2015 unaudited $ million	Year ended 30 Jun 2015 audited $ million
Opening balance	**17.1**	12.9
Deferred 'day one' gains (losses) on new derivatives	**1.4**	15.0
Deferred 'day one' gains (losses) realised during the period	**(3.3)**	(10.8)
Closing balance	**15.2**	17.1

Items disclosed at fair value

	Carrying value		**Fair value**	
	31 Dec 2015 unaudited $ million	30 Jun 2015 audited $ million	**31 Dec 2015 unaudited $ million**	30 Jun 2015 audited $ million
Level one				
Retail term notes	**(107.4)**	(107.1)	**(108.4)**	(110.2)
Capital Bonds	**(202.6)**	(202.6)	**(205.6)**	(204.9)
Level two				
Wholesale term notes	**(320.0)**	(320.1)	**(339.3)**	(341.1)
USPP	**(232.2)**	(227.4)	**(228.7)**	(224.4)

The carrying value of all other financial assets and liabilities in the balance sheet approximates their fair values.

Valuation of wholesale term notes

The valuation of wholesale term notes is based on estimated discounted cash flow analyses using applicable market yield curves adjusted for the Group's credit rating. Market yield curves at balance date used in the valuation ranged from 3.2 per cent to 4.9 per cent (30 June 2015: 3.7 per cent to 5.1 per cent).

Valuation of USPP

The valuation of USPP is based on estimated discounted cash flow analyses using applicable United States market yield curves adjusted for the Group's credit rating. The credit-adjusted market yield curve at balance date used in the valuation was 3.3 per cent (30 June 2015: 3.6 per cent).

13. Commitments

	31 Dec 2015 unaudited $ million	30 Jun 2015 audited $ million
Total capital commitments	**10.1**	5.5
Total operating lease commitments	**35.5**	39.0
	45.6	44.5

14. Contingent assets and liabilities

The Group had contingent assets and liabilities at 31 December 2015 in respect of:

Land claims, law suits and other claims

The Parent acquired interests in land and leases from Electricity Corporation of New Zealand Limited ('ECNZ') on 1 April 1999. These interests in land and leases may be subject to claims to the Waitangi Tribunal and may be resumed by the Crown. The Parent would expect to negotiate with the new Māori owners for occupancy and usage rights of any sites resumed by the Crown. Certain claims have been brought to or are pending against the Parent, ECNZ and the Crown under the Treaty of Waitangi Act 1975. Some of these claims may affect land and leases purchased by the Parent or its subsidiaries from ECNZ. In the event that land is resumed by the Crown, the resumption would be affected by the Crown under the Public Works Act 1981 and compensation would be payable to the Parent.

The Board of Directors cannot reasonably estimate the adverse effect (if any) on the Parent if any of the foregoing claims are ultimately resolved against it, or any contingent or currently unknown costs or liabilities crystallise. There can be no assurances that these claims will not have a material adverse effect on the Group's business, financial condition or results of operations (30 June 2015: no reasonable estimate).

Inland Revenue Department draft provisional Depreciation Determination for Geothermal and Thermal Powerhouses – contingent asset

On 7 July 2015, the Inland Revenue Department released a draft provisional Depreciation Determination for Geothermal and Thermal Powerhouses, including proposed depreciation rates. The Determination was subject to public consultation and has not yet been finalised. If the draft provisional Depreciation Determination is approved in its current form, the estimated impact of the draft provisional Depreciation Determination on the Income Statement is to decrease income tax expense by between $3.0 million and $5.0 million as at 31 December 2015 (30 June 2015: between $3.0 million and $5.0 million).

There are no other known material contingent assets or liabilities (30 June 2015: nil).

15. Events occurring after balance date

Subsequent to balance date, the Parent declared an interim dividend of $82.0 million (8.2 cents per share).

There have been no other significant events subsequent to balance date.

Independent Review Report

To the Shareholders of Genesis Energy Limited Group

We have reviewed the condensed consolidated interim financial statements of Genesis Energy Limited ('the Company') and its subsidiaries ('the Group') which comprise the consolidated interim balance sheet as at 31 December 2015, and the consolidated interim comprehensive income statement, consolidated interim statement of changes in equity and consolidated interim cash flow statement for the six months ended on that date, and a summary of significant accounting policies and other explanatory information on pages 19 to 33.

This report is made solely to the Company's Shareholders, as a body. Our review has been undertaken so that we might state to the Company's Shareholders those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's Shareholders as a body, for our engagement, for this report, or for the opinions we have formed.

Board of Directors' Responsibilities

The Board of Directors are responsible for the preparation and fair presentation of the condensed consolidated interim financial statements, in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting* and for such internal control as the Board of Directors determine is necessary to enable the preparation and fair presentation of the condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

The Board of Directors are also responsible for the publication of the condensed consolidated interim financial statements, whether in printed or electronic form.

Independent Reviewer's Responsibilities

The Auditor-General is the auditor of the Group pursuant to section 5(1)(f) of the Public Audit Act 2001. Pursuant to section 32 of the Public Audit Act 2001, the Auditor-General has appointed Andrew Dick of Deloitte to carry out the annual audit of the Group.

Our responsibility is to express a conclusion on the condensed consolidated interim financial statements based on our review. We conducted our review in accordance with NZ SRE 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410). NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated interim financial statements, taken as a whole, are not prepared, in all material respects, in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*. As the auditor of Genesis Energy Limited, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of the condensed consolidated interim financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly we do not express an audit opinion on those financial statements.

We did not evaluate the security and controls over the electronic publication of the condensed consolidated interim financial statements.

In addition to this review and the audit of the Group annual financial statements, we have performed other assignments relating to trustee reporting, acting as scrutineers at the Annual Shareholder Meeting and undertaking an integrated reporting gap analysis. These assignments are compatible with the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. These services have not impaired our independence as auditor of the Company or Group. In addition to this, partners and employees of our firm deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. Other than these engagements and arm's length transactions, and in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with, or interest in, the Company or Group.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 31 December 2015 and its financial performance and cash flows for the six months ended on that date in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

Andrew Dick
Deloitte
On behalf of the Auditor-General
23 February 2016
Auckland, New Zealand

Directory

Board of Directors

Chairman
Dame Jenny Shipley, DNZM

Joanna Perry, MNZM
(Deputy Chairman)

Mark Cross

John Dell

John Leuchars

Doug McKay, ONZM

Graham Milne, ONZM

Rukumoana Schaafhausen

Executive Management Team

Chief Executive
Albert Brantley

General Manager Generation
Tracey Hickman

Chief Financial Officer
Andrew Donaldson

General Manager Strategy and Corporate Affairs
Dean Schmidt

General Counsel and Company Secretary
Maureen Shaddick

General Manager Corporate Services
Andrew Steele

General Manager Retail
David Goadby

General Manager Portfolio Management
Chris Jewell

Registered Office

660 Great South Road,
Greenlane, Auckland,
New Zealand

Auditor
Andrew Dick of Deloitte has been appointed to perform the audit on behalf of the Auditor-General

Solicitors

Russell McVeagh

Bankers

Westpac

Office Locations

Head Office
Genesis Energy Building
660 Great South Road,
Greenlane, Auckland 1051
P: 64 9 580 2094
F: 64 9 580 4894
E: info@genesisenergy.co.nz
investor.relations@genesisenergy.co.nz
W: genesisenergy.co.nz

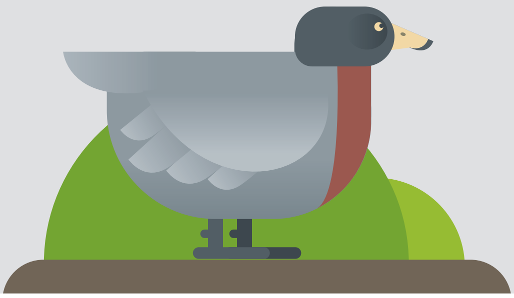
Hamilton
500 Victoria Street, Hamilton
65 Bryce Street, Hamilton

Huntly Power Station
Cnr Te Ohaki and
Hetherington Roads, Huntly

Tokaanu Power Station
State Highway 47, Tokaanu

Wellington
Level 2, 11 Chews Lane,
Wellington

Christchurch
Level 1, 116 Wrights Road,
Addington, Christchurch



Rivers, such as the Tongariro River (pictured), are home to fragile eco-systems, native species such as the whio, and provide a vital recreational resource. Balancing the needs of the country's river systems and our use of water for hydro generation is a key consideration for Genesis Energy.

Appendix 4D

GENESIS ENERGY LIMITED
(ARBN 149 509 599)
INCORPORATED IN NEW ZEALAND

HALF YEAR REPORT

Reporting period	six months to 31 December 2015
Previous reporting period	six months to 31 December 2014

RESULTS FOR ANNOUNCEMENT TO THE MARKET – 24 FEBRUARY 2016

Revenue and Net Profit	31 December 2015 Amount ($NZ millions)	31 December 2014 Amount ($NZ millions)	Percentage change
Revenues from ordinary activities	1,041.6	1,067.8	-2%
Profit (loss) from ordinary activities after tax attributable to security holder.	35.9	68.2	-47%
Net profit (loss) attributable to security holders	35.9	68.2	-47%

Dividends – Ordinary Shares	31 December 2015 Amount per security (NZ cents)	31 December 2014 Amount per security (NZ cents)	Percentage change
Interim dividend	8.20	8.00	3%
Interim dividend - imputed amount	2.55	3.11	-18%

Record date: 1 April 2016
Payment date: 15 April 2016

COMMENTARY ON RESULTS FOR THE PERIOD (Appendix 4D Item 2.6)

For commentary on the results please refer to the Interim Report attached.

FINANCIAL INFORMATION

The Appendix 4D should be read in conjunction with the consolidated financial statements for the six months ended 31 December 2015 as attached.

Net Tangible Assets – Ordinary Shares (Appendix 4D Item 3)	31 December 2015 Amount per security (NZ cents)	31 December 2014 Amount per security (NZ cents)	Percentage change
Net Tangible Asset	164	175	-6%

ASSOCIATES AND JOINT VENTURE ENTITIES (Appendix 4D Item 7)

Entity name	Ownership Interest		Aggregate share of profits/(losses), where material		Contribution to net profit, where material	
	2015 %	2014 %	2015 NZ$000	2014 NZ$000	2015 NZ$000	2014 NZ$000
Kupe Joint Venture	31%	31%	*	*	*	*

*Note the operating results of the Kupe Joint Venture are included in the Oil and Gas segment in note 2 in the attached financial statements.

ACCOUNTING STANDARDS FOR FOREIGN ENTITIES (Appendix 4D Item 8)

The Company prepares its financial statements pursuant to New Zealand International Financial Reporting Standards.

INDEPENDENT AUDIT REVIEW (Appendix 4D Item 9)

This report is based on financial statements that have been the subject of a review by the Company's auditor. Their review report is attached to the financial statements, which is provided with this preliminary report.

APPENDIX 7 – NZSX Listing Rules

EMAIL: announce@nzx.com

Notice of event affecting securities

NZSX Listing Rule 7.12.2. For rights, NZSX Listing Rules 7.10.9 and 7.10.10.
For change to allotment, NZSX Listing Rule 7.12.1, a separate advice is required.

Number of pages including this one (Please provide any other relevant details on additional pages)

Full name of Issuer: Genesis Energy Limited

Name of officer authorised to make this notice: Maureen Shaddick, General Counsel and Company Secretary

Authority for event, e.g. Directors' resolution: Directors' resolutions

Contact phone number: 09 9 951 9304

Contact fax number:

Date: 24 / 02 / 2016

Nature of event
Tick as appropriate

Bonus Issue ☐ *If ticked, state whether: Taxable* ☐ */ Non Taxable* ☐ *Conversion* ☐ *Interest* ☐ *Rights Issue Renounceable* ☐

Rights Issue non-renouncable ☐ Capital change ☐ Call ☐ Dividend ☒ If ticked, state whether: Interim ☒ Full Year ☐ Special ☐ DRP Applies ☐

EXISTING securities affected by this

If more than one security is affected by the event, use a separate form.

Description of the class of securities: Ordinary Shares

ISIN: NZGNEE0001S7

If unknown, contact NZX

Details of securities issued pursuant to this event

If more than one class of security is to be issued, use a separate form for each class.

Description of the class of securities:

ISIN:

If unknown, contact NZX

Number of Securities to be issued following event:

Minimum Entitlement:

Ratio, e.g (1) *for* (2) ☐ *for*

Conversion, Maturity, Call Payable or Exercise Date:

Enter N/A if not applicable

Treatment of Fractions:

Tick if pari passu ☐ *OR provide an explanation of the ranking*

Strike price per security for any issue in lieu or date Strike Price available.

Monies Associated with Event

Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.

In dollars and cents

Amount per security (does not include any excluded income): $0.082000 per share

Source of Payment: Retained Earnings

Excluded income per security (only applicable to listed PIEs):

Currency: NZ Dollars

Supplementary dividend details - NZSX Listing Rule 7.12.7

Amount per security in dollars and cents: $0.011576

Date Payable: 15 April 2016

Total monies: $82,000,000

Taxation

Amount per Security in Dollars and cents to six decimal places

In the case of a taxable bonus issue state strike price: $

Resident Withholding Tax: $0.009968 per share

Imputation Credits (Give details): $0.025511 per share

Foreign Withholding Tax: $

FDP Credits (Give details):

Timing (Refer Appendix 8 in the NZSX Listing Rules)

Record Date 5pm
For calculation of entitlements -: 1 April 2016

Application Date
Also, Call Payable, Dividend / Interest Payable, Exercise Date, Conversion Date. In the case of applications this must be the last business day of the week.: 15 April 2016

Notice Date
Entitlement letters, call notices, conversion notices mailed:

Allotment Date
For the issue of new securities. Must be within 5 business days of application closing date.:

OFFICE USE ONLY
Ex Date:
Commence Quoting Rights:
Cease Quoting Rights 5pm:
Commence Quoting New Securities:
Cease Quoting Old Security 5pm:

Security Code:

Security Code:

NZX

Genesis Energy H1 2016 Results

Investor Presentation

Dame Jenny Shipley – Chairman
Albert Brantley – Chief Executive
Andrew Donaldson – Chief Financial Officer

24 February 2016
Genesis Energy Limited

genesis ENERGY
we're in it for you

Disclaimer

This presentation has been compiled by Genesis Energy Limited for information purposes only. This disclaimer applies to this document and the verbal and written comments of any person presenting it.

Genesis Energy has taken reasonable care in compiling the information in this presentation. However, the information is supplied in summary form only (which is general in nature) and is therefore not necessarily complete nor does it purport to contain all information a prospective investor should consider when evaluating an investment. No representation is made as to the accuracy, completeness or reliability of the information.

Neither Genesis Energy nor any of its directors, employees, shareholders, advisers or any other person ('Other Persons') gives any warranties or representations (expressed or implied) as to the accuracy or completeness of this information. To the maximum extent permitted by law, neither Genesis Energy or any Other Persons ,shall have any liability whatsoever to any person for any loss (including, without limitation, arising from negligence) arising from this presentation or any information supplied in connection with it.

The statements made in this presentation are made only as at the date of this presentation and there is no obligation to update this presentation at any time after its release.

Forward Looking Statements

The past performance information provided in this presentation may not be a reliable indication of future performance. This presentation may also contain or refer to forward looking statements on a variety of matters and comments about future events, including expectations about the performance of Genesis Energy's business. The words "prospective", "PFI", "forecast", "estimate", "anticipate", "expect", "intend", "should", "could", "may" and "outlook" and similar expressions are intended to identify such forward looking statements.

Forward looking statements involve inherent risks and uncertainties, both general and specific , and there is a risk that such forward looking statements will not be achieved. A number of important factors (including, but not limited to, material adverse events, significant one-off expenses and other unforeseeable circumstances) could cause Genesis Energy's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements.

Where non-GAAP financial measures are used in this presentation, you should not consider these in isolation from, or as a substitute for, the information provided in the consolidated financial statements.

Genesis Energy gives no warranty or representation as to its future financial performance or any future matter. Except as required by law or the NZX or ASX listing rules, Genesis Energy is not obliged to update this presentation after its release.

This presentation does not constitute financial advice, financial product advice, legal or taxation advice. Further, it is not and should not be construed as an offer to sell or a solicitation of an offer to buy Genesis Energy securities and may not be relied upon in connection with any purchase of Genesis Energy securities.

The information contained in this presentation should be considered in conjunction with the condensed interim financial statements, which are included in Genesis Energy's interim report for the 6 month period ending 31 December 2015 and is available at: https://www.genesisenergy.co.nz/reports-and-presentations

H1 2016 Highlights and Strategic Overview

Dame Jenny Shipley
Chairman

H1 2016 Highlights

Six months of resilient operations

- Improvement in electricity customers despite strong retail competition
- Steady gas customers after increase in first three months of the year
- Continued growth of the retail LPG book
- Increases in thermal and renewable generation output despite a volatile wholesale electricity market
- Reduction in Kupe contribution due to planned plant outage which reduced production levels
- Careful management of the impact of significant changes in commodity prices (oil, LPG, methanol)
- Continued focus on reducing operating costs

H1 2016 Highlights

Improvement of financial metrics

- Key financial results in H1 2016 show improvement compared with H1 2015:
  - EBITDAF of $175.5m was up 2% on comparable period
  - Adjusted Net Debt of $863.7m was 5% lower than at 30 June 2015, and 10% lower than a year ago
  - Free cash flow of $114.2m up 25% versus same period last year
  - Interim dividend declared of 8.2 cps is up 2.5% on interim dividend from first half of last year

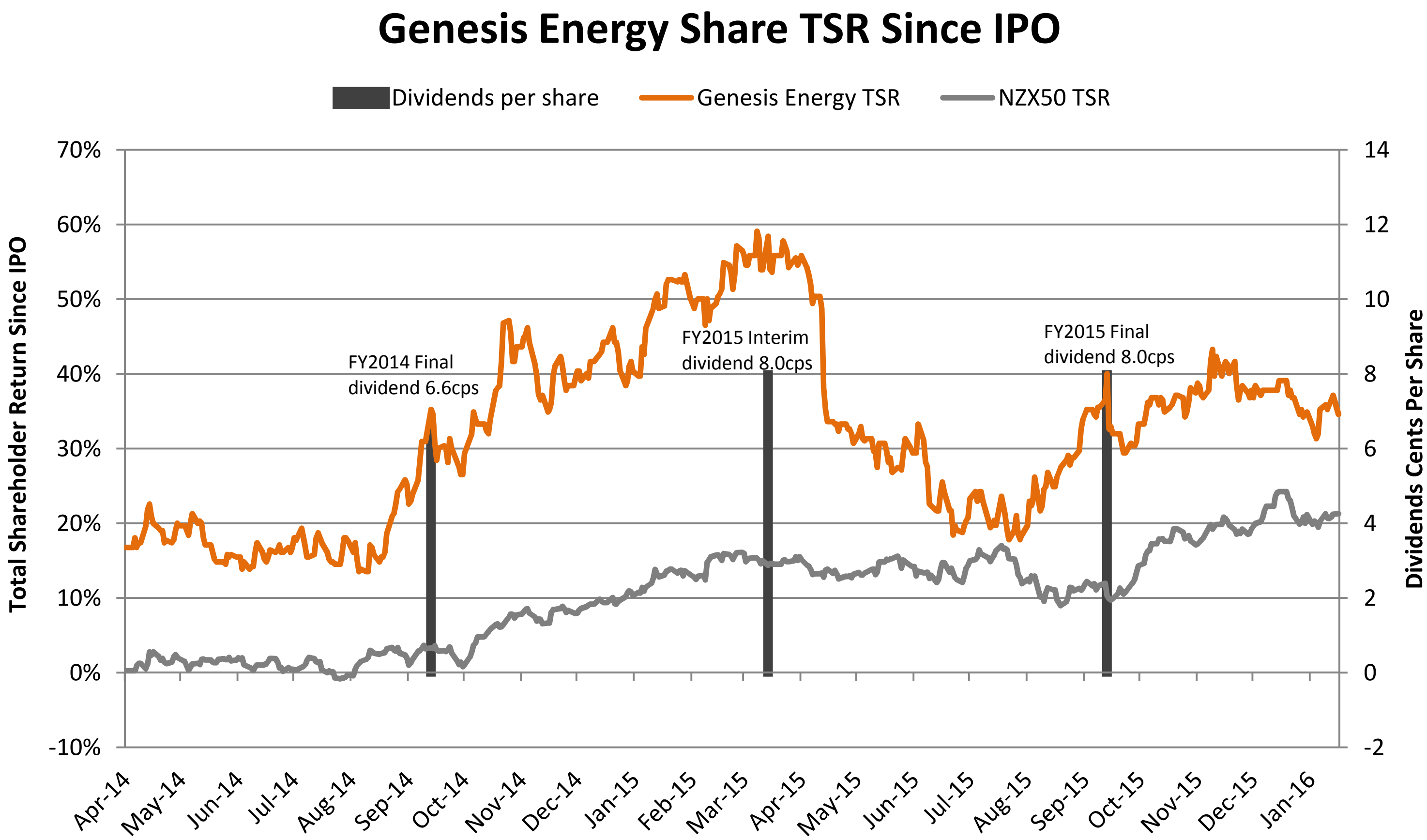
- Continued to deliver consistent, reliable and attractive dividends even in periods of business cycle downturn
- Backed by a portfolio of assets delivering resilient earnings

Company strategy is focused on five areas

- The Customer's Experience
  - Increasing value by delivering the right personalised experiences through differentiated brands, products and service
- Portfolio Transition
  - Positioning the generation fleet and fuel portfolio to meet the changing New Zealand wholesale electricity market
- Kupe
  - Proving up reserves, assessing options for increasing production capacity, and finalising the Phase II Field Development Plan
- Digital Acceleration
  - Utilising digital tools to engage and add value to customers while reducing costs to deliver
- New Ventures
  - Pursuing new business activities with a long term focus on adding revenues and delivering growth

Positive Performance

Total Shareholder Returns have been positive since listing



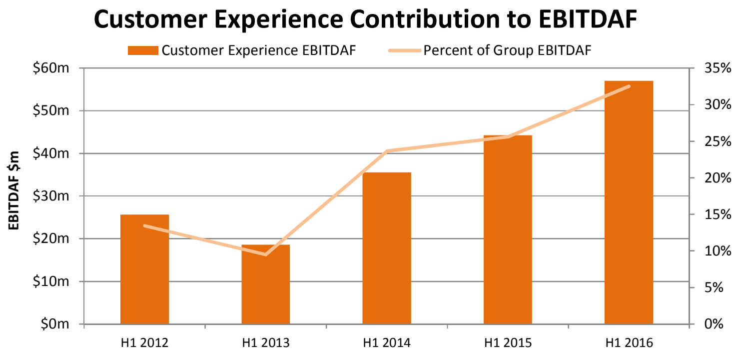
H1 2016 Operational Performance

Albert Brantley
Chief Executive

Customer Experience

Growth in Customer Experience earnings

- Despite fierce competition in the New Zealand retail electricity and gas markets, Customer Experience EBITDAF increased
- Steady improvement in EBITDAF contribution over last four years
- EBITDAF helped by:
  - Lower electricity purchase costs (LWAP)
  - Deferral of acquisition costs and retail incentives
  - Changes in gas and electricity transfer pricing

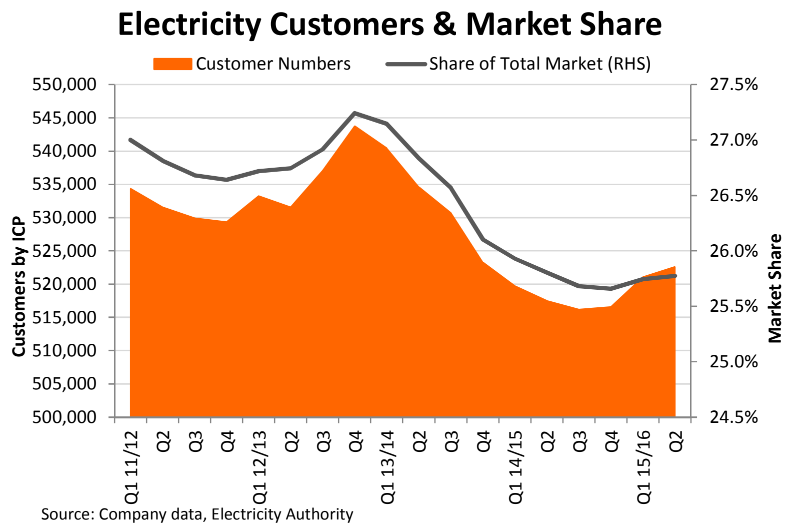


6 months to 31 December	2015	2014	% change
Electricity Customers	522,586	517,492	1%
Gas Customers	106,809	108,217	-1%
Total Customers ex LPG	**629,395**	**625,709**	**1%**
LPG Customers	14,326	13,081	10%
Total Customer Accounts	**643,721**	**638,790**	**1%**
Total Advanced Meters Installed	368,500	370,734	-1%
12 months annualised churn rate	19.8%	20.3%	-2%
Mass Market Electricity Sales (GWh)	2,394	2,373	1%
TOU Electricity Sales (GWh)	621	453	37%
Retail Electricity Sales (GWh)	**3,015**	**2,825**	**7%**
Mass Market Gas Sales (PJ)	2.6	2.5	3%
TOU Gas Sales (PJ)	1.7	1.5	11%
Retail Gas Sales (PJ)	**4.2**	**4.0**	**6%**
Retail LPG Sales (tonnes)	2,202	1,944	13%
Average Retail Electricity Purchase Price - ($/MWh)	**$61.90**	**$72.45**	**-15%**
LWAP/GWAP ratio*	100.2%	101.0%	-1%
Customer Experience EBITDAF ($m)	**57.0**	**44.2**	**29%**

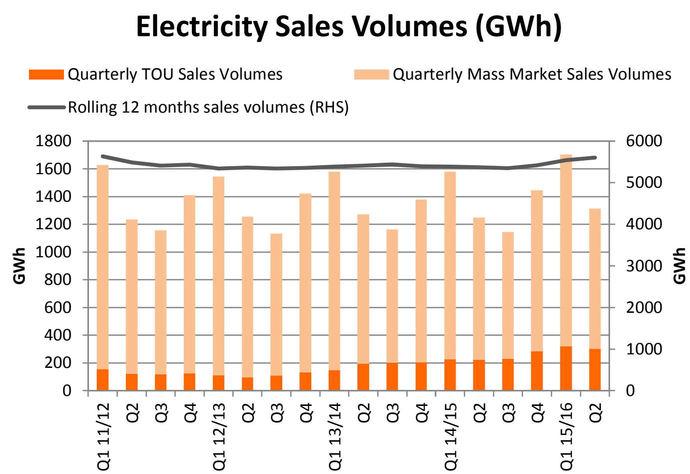
Customer Experience

Electricity customers and market share

- Electricity customer numbers have increased 1.0% compared to H1 2015, and 1.2% since recent downturn in Q3 2015
- Reflects strength in Energy Online which has delivered 14 consecutive months of growth
- Stabilisation of Genesis Energy brand through focus on pricing, incentives and acquisition strategy
- 12 month rolling switching rate of 19.8% now 0.7% points lower than that of broader electricity market
- Improving momentum in electricity sale volumes driven by Time of Use (TOU) improvement and increased demand per customer in winter months

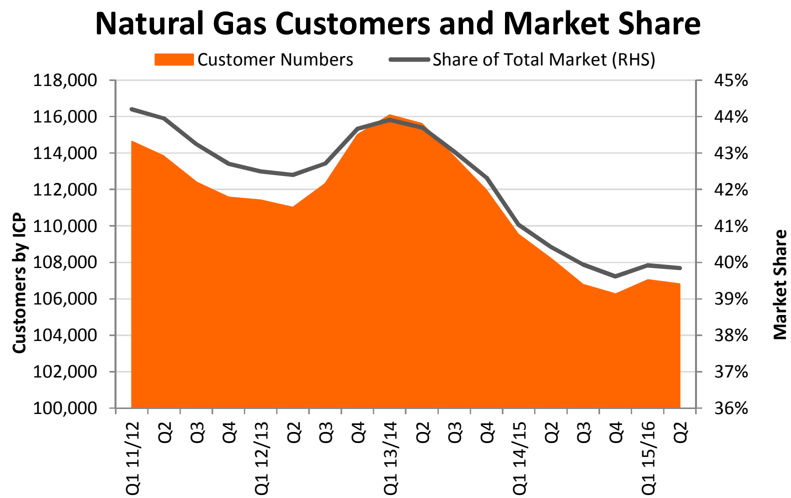


Source: Company data, Electricity Authority

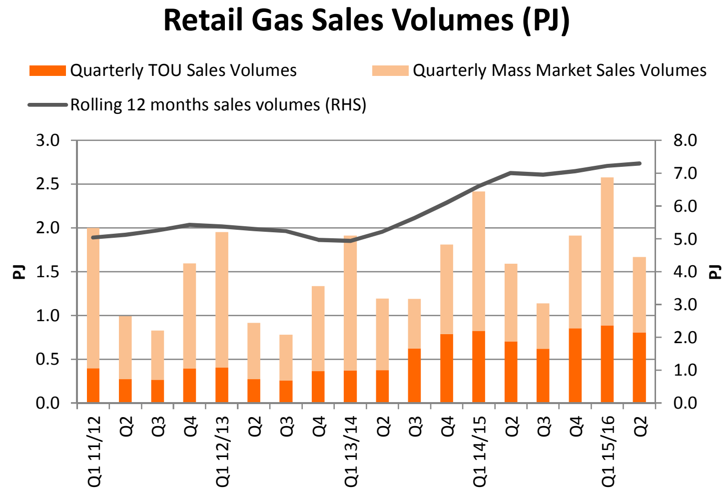


Gas customers remaining steady

- Reticulated gas customer base has been lower on back of competition for dual fuel customers
- After growth in Q1, Genesis Energy brand losses have reduced group ICP count in Q2, while Energy Online continues to grow
- New, flat rate gas plans gaining traction and are a good acquirer of dual fuel customers
- Gas sales volumes also benefitted from cold winter months in Q1, plus TOU momentum



Source: Company data, Gas Industry Co

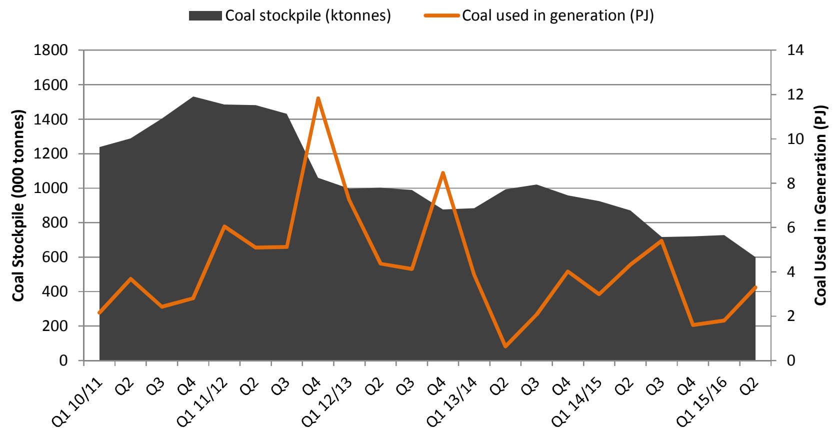


Fuel remains an important consideration

- Reductions in wholesale gas sales offset by gas used in thermal generation
- Slide in methanol prices negatively impacted on prices received for gas sold to Methanex, but contracted gas volumes are decreasing
- Last coal delivered to Huntly on 25 October 2016
- Use of coal in Huntly Rankine units now reducing coal stockpile
    - Currently at 600kt, 31% lower than a year ago
    - Careful management of stockpile will be required coming into key dry summer months

6 months to 31 December	2015	2014	% change
Wholesale Gas Sales (PJ)	8.7	10.7	-19%
Total Gas Purchases (PJ)	24.3	24.2	1%
Gas Used in Internal Generation. (PJ)	11.3	9.6	18%
Wholesale Coal Sales (PJ)	0.5	0.2	186%
Coal Purchases (PJ)	5.4	5.4	0%
Coal Used in Internal Generation (PJ)	5.1	7.2	-29%
Coal Stockpile (kilotonnes)	600	870	-31%

Huntly Coal Stockpile and Coal Used in Generation



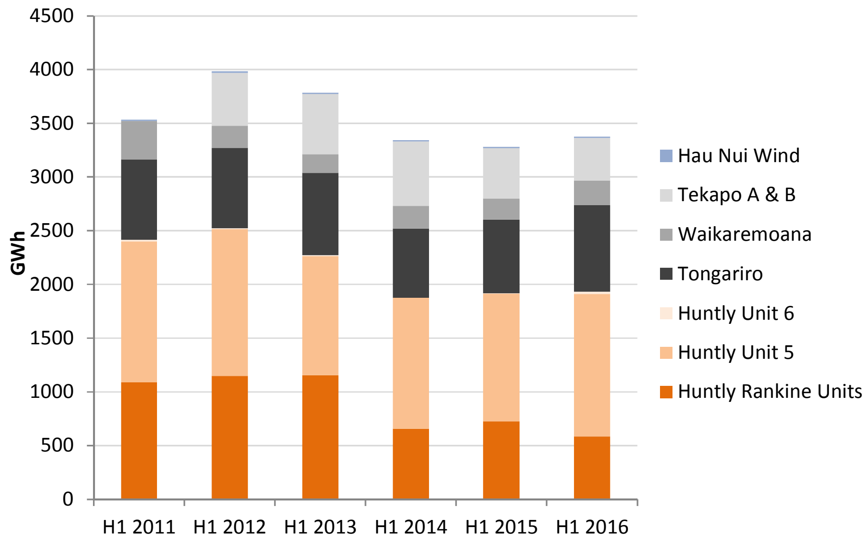
Generation

Total generation increased 3%

- Despite Unit 5 outage for 12 days in November 2015, gas generation output was up 16% on H1 2015:
  - Due to a weaker comparable period and higher spot prices in November and December 2015
- Coal generation down 29% as Rankine units were used sparsely in August and September 2015 when wholesale prices were generally lower
- Timing of hydro inflows into each of three hydro schemes offset impact of lower hydro storage, so renewable generation up 6% year on year
- GWAP was down 14% but pockets of firm pricing as thermal capacity tightened

6 months to 31 December	2015	2014	% change
Gas (GWh)	1,476	1,277	16%
Coal (GWh)	458	641	-29%
Total Thermal (GWh)	**1,933**	**1,918**	1%
Hydro (GWh)	1,431	1,351	6%
Wind (GWh)	13	11	16%
Total Renewable (GWh)	**1,444**	**1,363**	6%
Total Generation (GWh)	**3,377**	**3,280**	3%
Average Price Received for Generation ($/MWh)	$61.78	$71.75	-14%

First Half Year Generation Profile



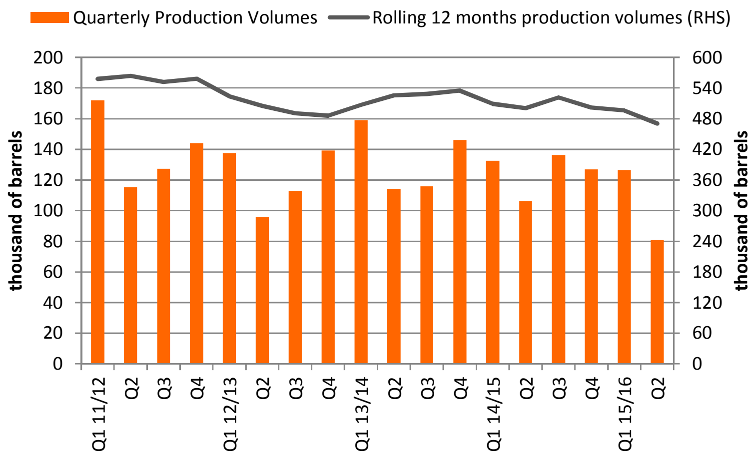
Kupe

Managing the fall in oil and LPG prices

- Production at Kupe processing facility down materially on H1 2015 due to 26 day planned maintenance outage
  - Oil production -13% and timing of oil shipments meant oil sales down 32%
- Likely to be some acceleration of gas in H2 2016 due to favourable pricing – on track for another year of 23 to 24PJ of gas
- Hedging policy has helped contain impact of record lower oil prices, with 92% of volumes at US$86.10/bbl
- In December 2015 announced upgrade to Kupe developed reserves
- Phase II Development Plan expected to be finalised in Q4 FY2016, and will determine timing and magnitude of capex and confirm undeveloped reserves

Kupe: 6 months to 31 December	2015	2014	% change
Gas Sales (PJ)	3.4	3.5	-1%
Oil Production (kbbl)	207.3	238.9	-13%
Oil Sales (kbbl)	158.6	233.4	-32%
LPG Sales (kilotonnes)	14.1	15.2	-7%
Oil and Gas EBITDAF	**39.4**	**46.9**	**-16%**

Kupe Oil Production Volumes (kbbl)

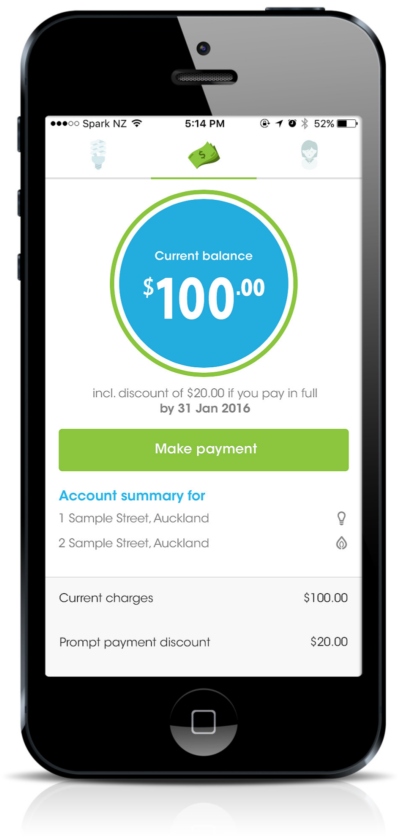


	Oil hedging		FX hedging of oil sales	
	Percentage hedged	Rate (US$/bbl)	Percentage hedged	Rate (NZD/USD)
H2 2016	85%	$81.00	62%	70.0c
FY 2017	49%	$67.00	60%	64.4c

Digital Transformation

Utilising digital tools to engage customers and add value to them while reducing costs to deliver

- Current work is focused on digital infrastructure and human resources in order to build a platform that positions the Company for future growth
  - Such as selecting and partnering with external vendors to provide the means to create new customer-orientated services in our Customer Excellence Centre
  - Also development of 'apps' to support customer self service
  - Some migration of processes and data storage to "Cloud"
- Expectation is that this will deliver tangible reductions in capex and costs to deliver



New Ventures

Pursuing new business activities with a long term focus on adding revenues and delivering growth

- New Ventures team formed to act as 'incubator' of new products and services

Solar

- Residential power purchase pilot programme now two years in operation with significant insights and learnings captured
- Successfully piloted commercial solar Power Purchase Agreements (PPA) with 186kW of installed capacity
- Tactical direct solar sales promotion underway to gauge customer interest in solar and establish supporting operational infrastructure

Battery storage

- Beta trial participant for global in-home storage provider
- Additional storage options under consideration

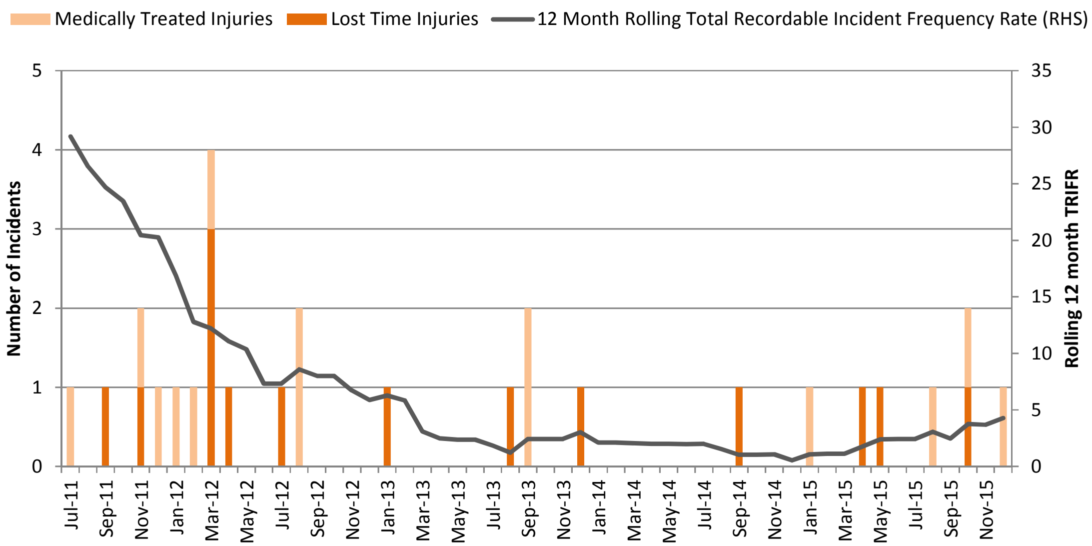
Energy services

- Exploring demand for additional services that supplement current offering
- Leverage partnerships with other market leaders

The safety of our employees and workplace remains a priority

- Genesis Energy is committed to a zero harm work environment
- 1 lost time injury and 3 medically treated incidents in H1 2016 (versus 1 lost time injury in H1 2015)
- Maintenance work during major plant outages completed without any serious incidents

Genesis Energy Safety Statistics



Source: Genesis Energy, TRIFR is measured by number of incidents per million man hours worked

- TRIFR* of 4.28 at 31 December 2015 was up versus 0.54 at 31 December 2014
- Good improvement over last 5 years, but vigilance still needed

*Total Recordable Injury Frequency Rate per million man hours

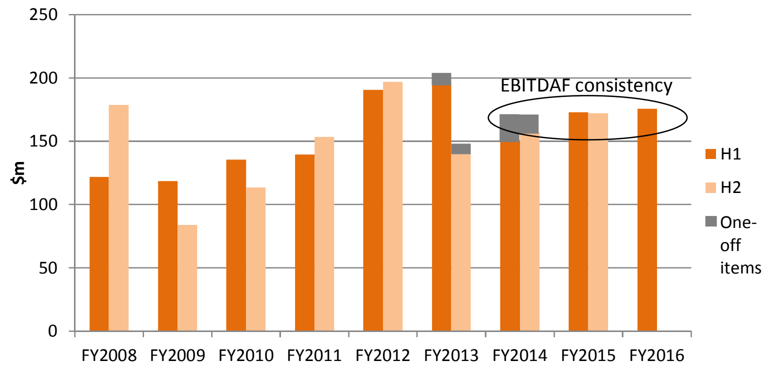
H1 2016 Financial Performance

Andrew Donaldson
Chief Financial Officer

Results Summary

- EBITDAF consistency highlights portfolio resilience to variable operating conditions
- Total revenue down 2% due to reduced GWAP, lower gas pricing and planned Kupe outages
- EBITDAF +2% to $175.5m due to lower electricity and gas purchase costs, offsetting lower Kupe EBITDAF
- Significant negative fair value swing due to hedge contracts and swaption led to 47% decline in NPAT to $35.9m
- Strength of operating earnings and reduction in Stay in Business capex highlighted in 25% increase in Free Cash Flow (FCF)
- Good dividend coverage and reduction in Net Debt

Genesis Energy 6 Monthly EBITDAF



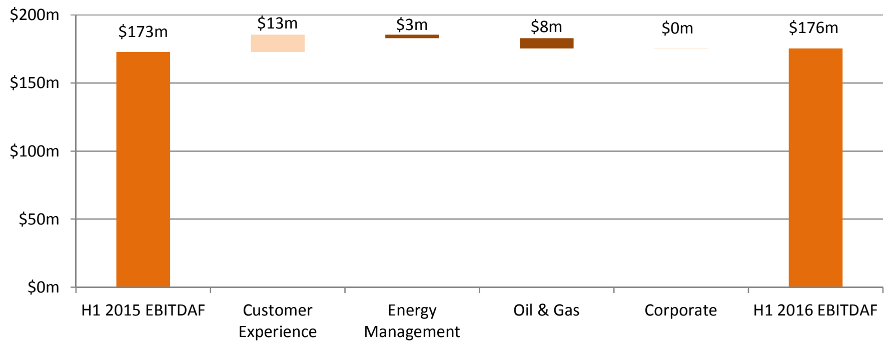
$m	H1 2016	H1 2015	% change
Revenue	**1041.6**	**1067.8**	-2%
Total operating expenses	866.1	895.0	-3%
EBITDAF*	**175.5**	**172.8**	2%
Depreciation depletion & amortisation	73.1	75.7	-3%
Impairment	0.0	3.3	-100%
Fair value change (gains)/losses	21.0	(34.6)	-161%
Other (gains)/losses	(0.1)	(0.9)	-89%
Earnings before interest and tax	**81.5**	**129.3**	-37%
Interest	31.4	33.9	-7%
Tax	14.2	27.2	-48%
Net profit after tax	**35.9**	**68.2**	-47%
Earnings per share (cents per share)	3.6	6.8	-47%
Stay in business capital expenditure	15.7	20.2	-22%
Free cash flow	**114.2**	**91.5**	25%
Dividends declared	82.0	80.0	3%
Dividends per share (cents per share)	8.2	8.0	3%
Dividends declared as a % of FCF	72%	87%	-18%
Net debt	**901.3**	**959.0**	-6%

* Earnings before net finance expense, tax, depreciation, amortisation, fair value changes and other gains and losses

Customer Experience EBITDAF up despite increased competition

- Increase in Customer Experience EBITDAF
  - Higher customer numbers in competitive environment have driven increased acquisition costs and retail incentives
  - Offset by operating costs and Cost to Serve reductions
  - Change in accounting treatment of retail incentive and acquisition costs effectively contributed $7.5m
  - Changes in gas and electricity transfer pricing removed circa $4m of costs
- Energy Management EBITDAF marginally lower due to higher gas transmission costs, lower wholesale gas sales prices and lower transfer prices
- Oil and Gas EBITDAF impacted by lower production and international oil prices
- Corporate overhead costs marginally lower

EBITDAF bridge from H1 2015 to H1 2016



$m	H1 2016	H1 2015	% change
Revenue	1,041.6	1,067.8	-2%
Energy Management EBITDAF	98.0	100.7	-3%
Customer Experience EBITDAF	57.0	44.2	29%
Oil and Gas EBITDAF	39.4	46.9	-16%
Corporate Overheads	-18.9	-19.0	-1%
Total EBITDAF	**175.5**	**172.8**	**2%**

Balance Sheet

Net debt reducing and credit metrics remain strong

- Improvement in earnings and cashflow has helped to reduce Net Debt and gearing
  - After adjusting for USPP movements Net Debt of $864m is 5% lower than 30 June 2015 and 10% lower than a year ago
  - Gearing now at 32.8%
- Key credit rating metric of Net Debt to EBITDAF currently at 2.5x which is at bottom end of range to maintain BBB+ rating
  - No motivation to seek an upgraded credit rating
  - Currently assessing best use of future cashflows and funding headroom
  - Strict return thresholds to be met for any use of funds

As at ($m)	31 Dec 2015	30 Jun 2015	% change
Cash and cash equivalents	37.5	21.0	79%
Other current assets	298.2	325.5	-8%
Non-current assets	3,097.5	3,181.5	-3%
Total assets	3,433.2	3,528.0	-3%
Total borrowings	938.8	958.2	-2%
Other liabilities	724.8	744.4	-3%
Total equity	1,769.6	1,825.4	-3%
Adjusted Net debt [1]	**864.3**	**905.1**	**-5%**
Gearing	32.8%	33.1%	-1%
EBITDAF interest cover	6.6	6.1	8%
Net debt: EBITDAF[2]	**2.5**	**2.6**	**-6%**
NTA per share	$1.64	$1.70	-3%

[1] H1 2016 net debt of $901.3m has been adjusted for $37m of foreign currency translation and fair value movements related to USD denominated borrowings which have been fully hedged with cross currency interest rate swaps.

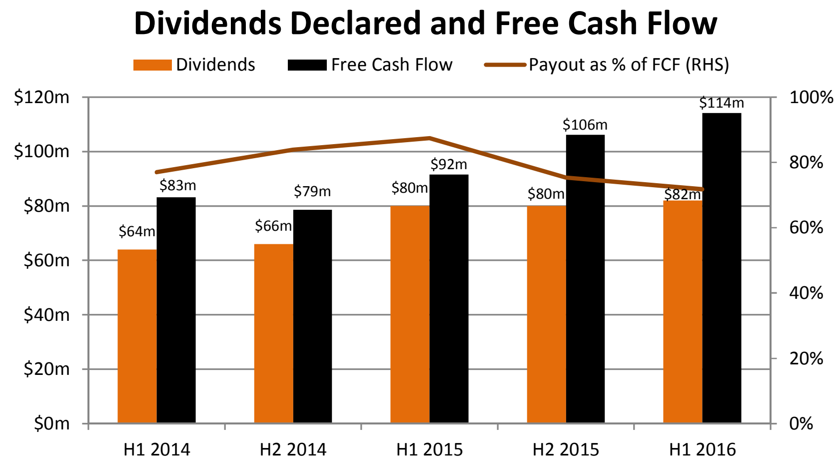
[2] H1 2016 EBITDAF annualised for calculation

As at ($m)	31 Dec 2015	30 Jun 2015	% change
Total Debt	938.8	958.2	-2%
Cash and cash equivalents	37.5	21.0	79%
Headline Net Debt	**901.3**	**937.2**	**-4%**
USPP FX and FV adjustments	-37.0	-32.1	15%
Adjusted Net Debt	**864.3**	**905.1**	**-5%**
Headling Gearing	33.7%	33.9%	-1%
Adjusted Gearing	32.8%	33.1%	-1%

Cashflow generation improvement

- Operating cashflows higher primarily due to improvement in working capital given lower coal stockpile
- Investing cash outflows lower due to 22% reduction in stay in business capex
  - Timing and magnitude of projects affect H1 2016 capex
  - Expect stay in business capex for FY2016 of $30m to $40m versus $43.6m in FY2015
- FCF increased 25% to $114.2m
- Interim dividend declared of $82m or 8.2cps
  - Represents a 72% payout as a proportion of FCF
  - Dividend record date of 1 April 2016, payment date 15 April 2016
  - 80% imputed

$m	H1 2016	H1 2015	% change
Net operating cashflow	162.5	136.2	19%
Net investing cashflow	-13.0	-25.6	-49%
Net financing cashflow	-133.0	-103.5	29%
Net increase (decrease) in cash	**16.5**	**7.1**	132%
Stay in business capex	15.7	20.2	-22%
Total capex	**14.9**	**22.7**	-34%
Free cash flow	**114.2**	**91.5**	25%



H1 2016 Outlook Statement

Dame Jenny Shipley
Chairman

Outlook

- In the face of dynamic retail and wholesale electricity and gas markets, plus softer commodity prices, Genesis Energy continues to deliver consistent results
- There will be opportunities to derive more value from the Company's current portfolio if further tightening in the wholesale electricity market occurs, and the Company continues to reduce operating costs and capital expenditure

Outlook

- Retail electricity and gas competitive tensions persist while wholesale electricity prices look to be firming in the near term, and the impact of low oil prices in H2 2016 will be mitigated by hedging in place
- FY2016 EBITDAF expected to be similar to that reported in FY2015
  - This includes the benefit of changes in the accounting treatment of customer incentives and acquisition costs
- The final dividend declared in FY2016 and the level of imputation is expected to equal the dividend declared for H1 2016

APPENDIX

Reconciliation of EBITDAF to NPAT

- EBITDAF is a non-GAAP item but is used as a key metric by Management to monitor performance at a business segment and Group level
- Genesis Energy believes that reporting EBITDAF assists stakeholders and investors in understanding the Company's operational performance
- In H1 2016 EBITDAF of $175.5m was up 2% on H1 2015
- H1 2016 Net Profit After Tax of $35.9m was 47% lower than in H1 2015

$m	H1 2016	H1 2015	% change
EBITDAF	**175.5**	**172.8**	2%
Depreciation, depletion and amortisation	73.1	75.7	-3%
Impairment of non-current assets	0.0	3.3	-100%
Change in fair value of financial instruments	21.0	-34.6	-161%
Other gains (losses)	-0.1	-0.9	-89%
Profit before net finance expense and income tax	**81.5**	**129.3**	-37%
Finance revenue	1.4	0.4	250%
Finance expense	-32.8	-34.3	-4%
Profit before income tax	**50.1**	**95.4**	-47%
Income tax expense	-14.2	-27.2	-48%
Net profit after tax	**35.9**	**68.2**	-47%

Reconciliation of EBITDAF to NPAT

- Free Cash Flow (FCF) is a key metric showing the ability to pay cash dividends
- Calculated using EBITDAF, finance expense, tax paid, and stay in business capital expenditure
- In H1 2016 FCF of $114.2m was up 25% on H1 2015 mainly due to decrease in stay in business capital expenditure and lower tax expense

$m	H1 2016	H1 2015	% change
EBITDAF	**175.5**	**172.8**	2%
Less net finance expense	31.4	33.9	-7%
Less income tax expense	14.2	27.2	-48%
Less stay in business capex	15.7	20.2	-22%
Free cash flow	**114.2**	**91.5**	25%

Debt Profile

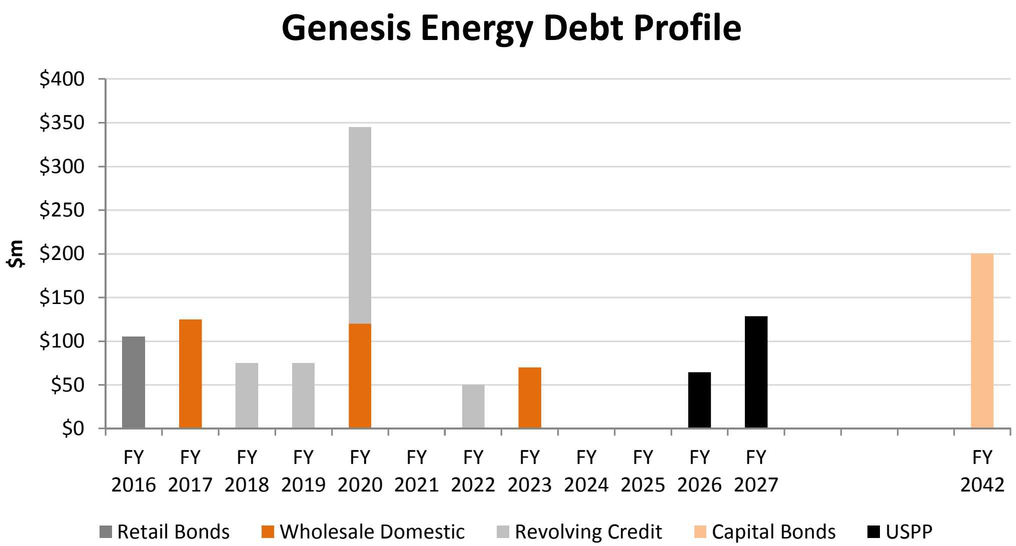
- Recent restructuring of revolving credit facilities has led to reduced finance expenses

- Capital Bonds were modified in July 2013:
  - Amount reduced from $275 million to $200 million
  - Coupon reduced from 8.50% to 6.19%

- US$150 million (NZ$193 million) raised in first USPP in October 2014 at an average coupon of 3.67%

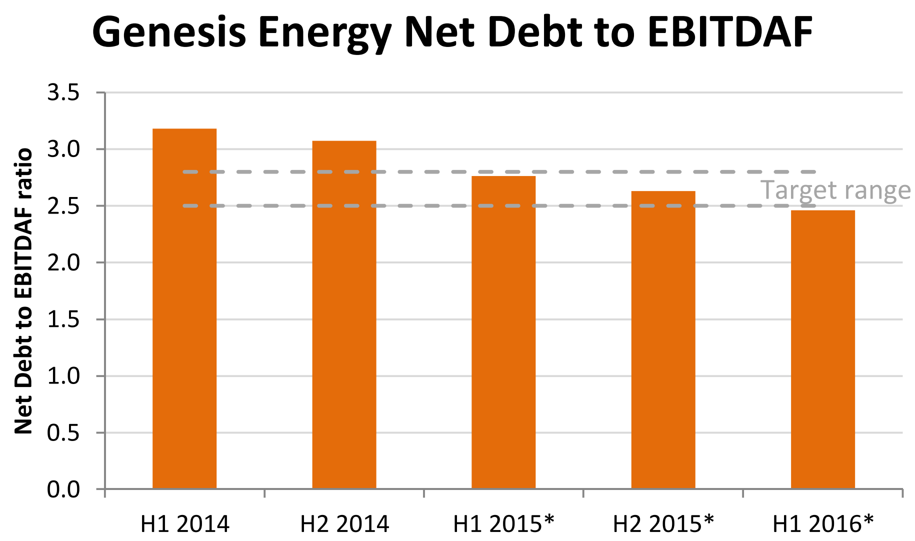
- Average maturity tenor is 8.0 years

- $350m of revolving cash facilities were undrawn at 31 December 2015



Net Debt to EBITDAF ratio

- Net Debt to EBITDAF ratio is the key metric focused on by credit ratings agencies, including Standard and Poors (S&P)
- In order to maintain a BBB+ rating the target range for the EBITDAF ratio is 2.5 to 2.8
- Note that S&P calculation of Net Debt/EBITDAF includes a number of adjustments to reported numbers e.g. USPP foreign currency translation



* Net Debt adjusted for USPP FX and FV adjustments

Kupe Reserves

- On 9 December 2015 Genesis Energy announced an increase in Kupe's developed reserves
- Proved plus Probable developed reserves of the field have increased by approximately 33% from 27.7m barrels of oil equivalent (BoE) to 36.9m BoE.
- Genesis Energy's share (31%) of Proved plus Probable developed reserves has increased from 8.6m BoE to 11.4 m BoE.

Genesis Energy Share	Developed Reserves (Proved plus Probable) as at 30 Jun 2015	Q3 2015 Production	Developed Reserves (Proved plus Probable) as at 30 Sep 2015	Reassessed Developed Reserves (Proved plus Probable) as at 30 Sep 2015	change	% change
Natural Gas (PJ)	38.1	2.1	36	47.7	+11.7	+32.6%
LPG (thousands of tonnes)	165	8.5	156.5	199.4	+42.9	+27.4%
Condensate/Light Oil (millions of barrels)	1.6	0.2	1.4	2	+0.6	+42.1%
Energy Equivalent (millions BoE)	**9.1**	**0.5**	**8.6**	**11.4**	**+2.9**	**+33.4%**

Thank you