



MARKET RELEASE
Date: 27 July 2016

Genesis Energy Limited (GNE) – Q4 FY2016 Operational Performance & Timing of FY2016 results announcement

Genesis Energy today released to the NZX its Q4 FY2016 Performance Report for the three months ended 30 June 2016. The report is available from the Genesis Energy page at www.nzx.com or <https://www.genesisenergy.co.nz/quarterly-reports>.

Genesis Energy confirms that its financial results for the 12 months ended 30 June 2016 will be announced to the NZX on Wednesday 24 August 2016 at approximately 8.30am.

ENDS

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About Genesis Energy

Genesis Energy (NZX: GNE) is a diversified New Zealand energy company. It sells electricity, reticulated natural gas and LPG through its retail brands of Genesis Energy and Energy Online. It is New Zealand's largest energy retailer with around 630,000 customer accounts. The Company generates electricity from a diverse portfolio of thermal and renewable generation assets located in different parts of the country. Genesis Energy also has a 31% interest in the Kupe Joint Venture, which owns the Kupe Oil and Gas Field offshore of Taranaki, New Zealand. Genesis Energy had revenue of \$NZ2bn during the 12 months ended 30 June 2015. More information can be found at www.genesisenergy.co.nz

Q4

QUARTERLY PERFORMANCE




FY 2016 Q4 MARKET AND OPERATIONAL INFORMATION

This disclosure includes market and operational information for Genesis Energy Limited for the quarter ending 30 June 2016 ("Q4").

 **1%**


Total electricity customer connections up 1% versus 30 June 2015

 **2%**

Electricity sales volumes were down in Q4 versus Q4 2015

 **1%**

Average temperature across New Zealand higher in Q4 versus Q4 2015

 **27%**

North Island inflows to Genesis Energy hydro catchments were 27% lower than in Q4 2015

Customer connections stable in a warmer autumn with lower North Island inflows

A warm autumn and variable rainfall over the three months to 30 June 2016 (Q4) resulted in subdued growth in most of Genesis Energy's key performance metrics.

Marc England joined Genesis Energy as Chief Executive during another year of heightened competition for customers. Genesis Energy continued to improve customer engagement, resulting in the Company growing its electricity customer connections to 523,174 at 30 June 2016, a 1.3% improvement over 30 June 2015. Gas customer connections increased 0.2% since 31 March 2016 to 107,121, and improved 0.8% over the end of June 2015.

The average New Zealand temperature was up 1.0°C on the same period last year. As a result total retail electricity volume sold in Q4 of 1,414GWh was 2% lower than Q4 2015. While mass market electricity volumes dropped 4%, Time of Use (TOU) sales increased 5% year on year.

Total retail gas sales of 1.9PJ decreased 2% in Q4 compared to the same period last year while full year gas sales for FY2016 were up 3% over FY2015, driven by a 7% increase in TOU gas sales volumes. Wholesale gas sales of 15.3PJ for FY2016 were 26% lower than in FY2015. This reduction reflects the negative impact of volumes contracted to Methanex where the price received is linked to an average monthly methanol price index that was down 29% in June 2016 vs June 2015.

Retail LPG customer connections increased by 15% to 15,857 during Q4 2016 when compared to Q4 2015. Total LPG sales during Q4 were up 14%, to 1,118 tonnes, with year to date sales of 3,990 tonnes up 13% on last year, reflecting Genesis Energy's increasing focus on LPG growth.

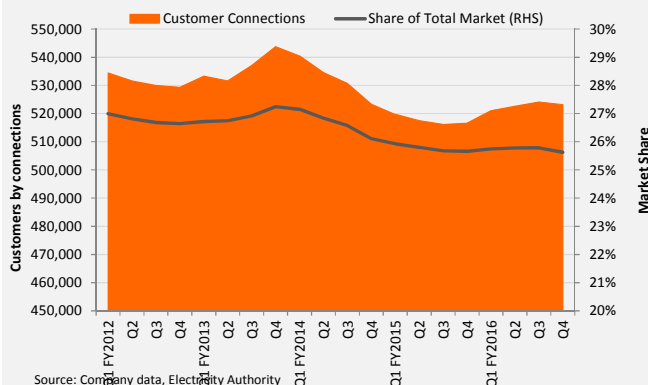
North Island inflows in Genesis Energy catchments during Q4 were 14% below long run averages and 27% below Q4 2015. As a result renewable generation was down 22% on Q4 2015 and 3% below long run average generation. Genesis Energy's North Island catchments have started FY2017 at lower than average levels which is likely to affect near term planned generation from the Waikaremoana and Tongariro Power Schemes.

The lower North Island inflows, plus intermittent spikes in demand, provided more opportunities to run the thermal units at Huntly. Around 98,000 tonnes of coal was burnt during Q4 reducing the coal stockpile to 408,445 tonnes at 30 June 2016. The Rankines were fuelled 56% by coal and 44% by gas during the quarter compared to 82% coal and 18% gas during Q4 2015. Total coal fired generation in FY2016 of 811GWh was 36% lower than in FY2015.

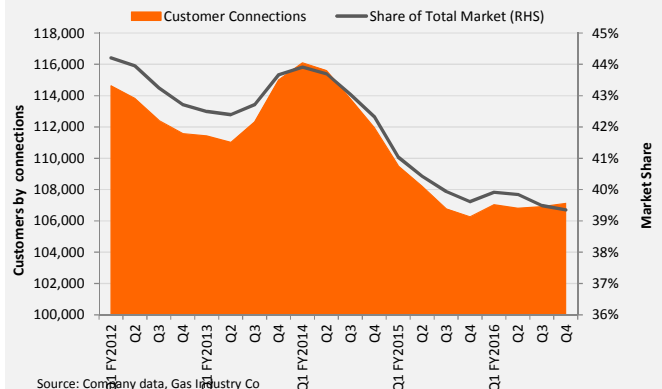
Genesis Energy's share of oil production from Kupe in Q4 was 110kbbbl, which was 17% lower than Q4 2015, while gas sales of 2.1PJ were 4% higher, and LPG sales of 6.3kt were 24% lower than a year ago due to a LPG plant outage. FY2016 oil sales were 417kbbbl, 17% lower than in FY2015.

There were no lost time injuries in Q4 compared to two injuries in Q4 2015. The Total Recordable Injury Frequency Rate (TRIFR) at 30 June 2016 was 2.57 (versus 2.43 at 30 June 2015), mainly due to one lost time injury and three medically treated injuries during the previous 12 months. There were 860 full time equivalent employees at the end of Q4 versus 909 at 30 June 2015.

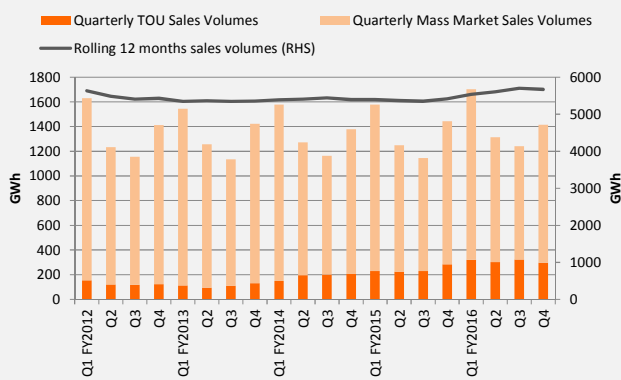
Electricity Customer Connections and Market Share



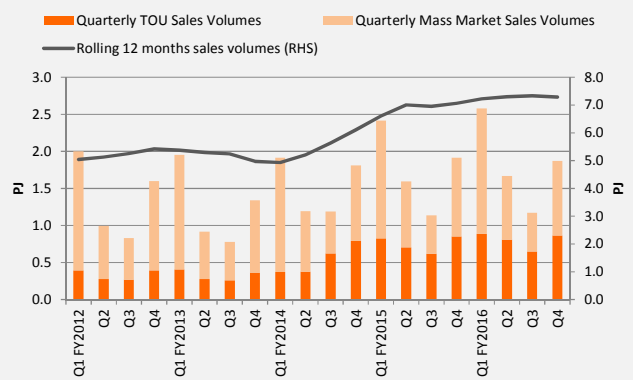
Natural Gas Customer Connections and Market Share



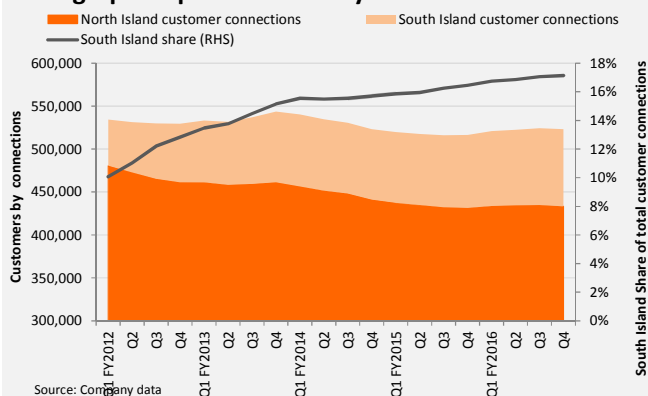
Electricity Sales Volumes (GWh)



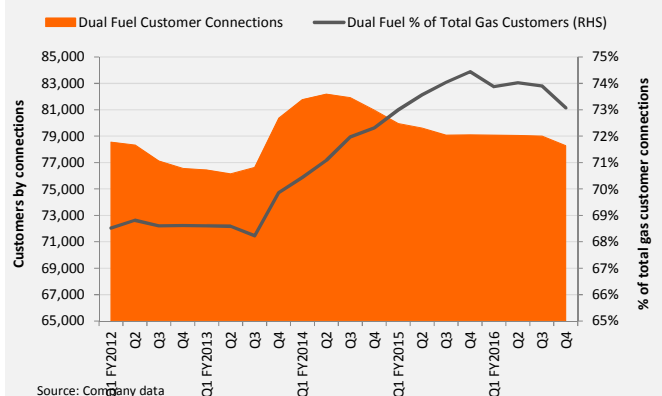
Retail Gas Sales Volumes (PJ)



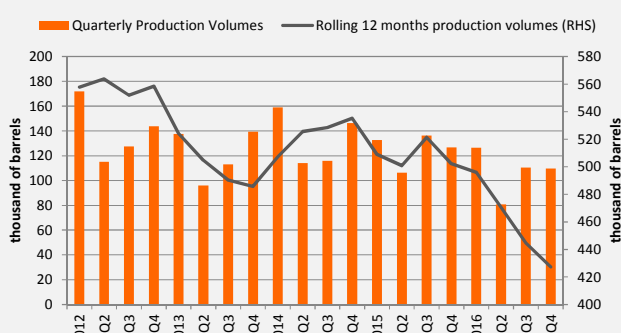
Geographic Split of Electricity Customer Connections



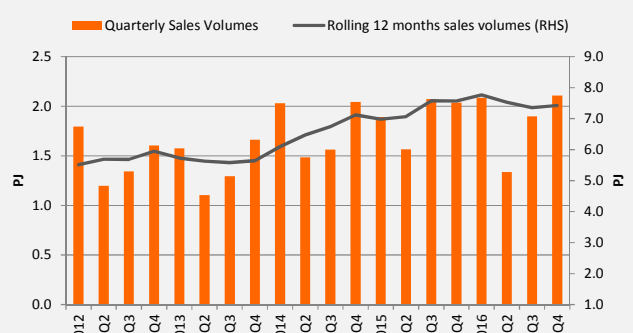
Dual Fuel Customer Connection Base



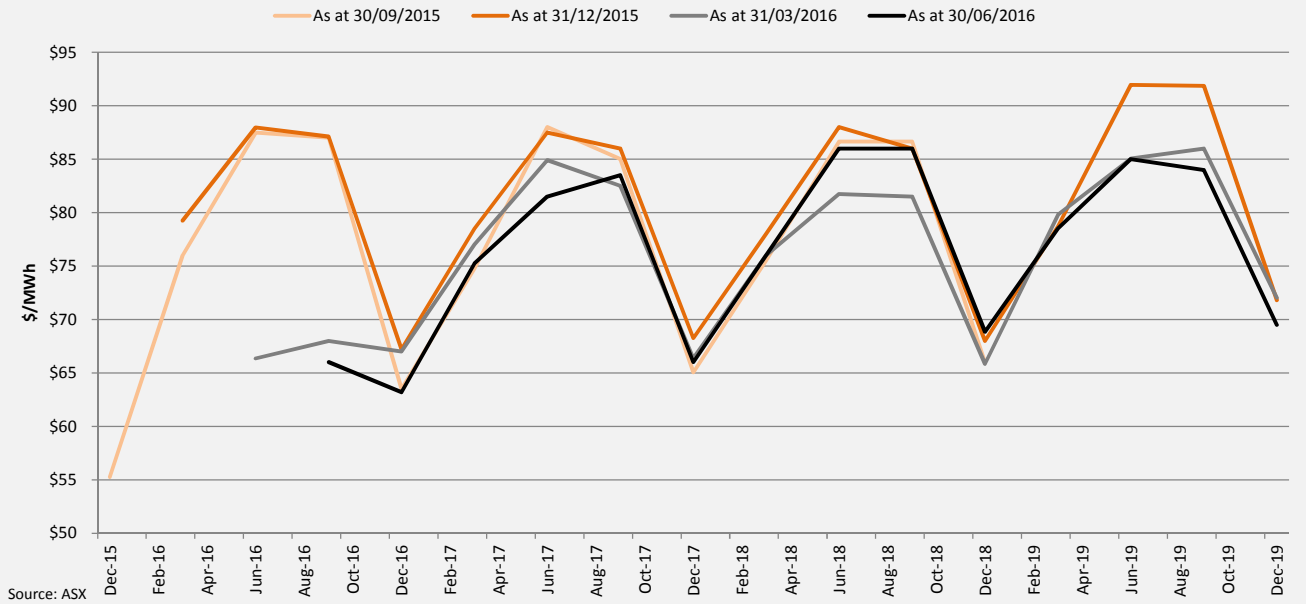
Kupe Oil Production Volumes (kbbl)



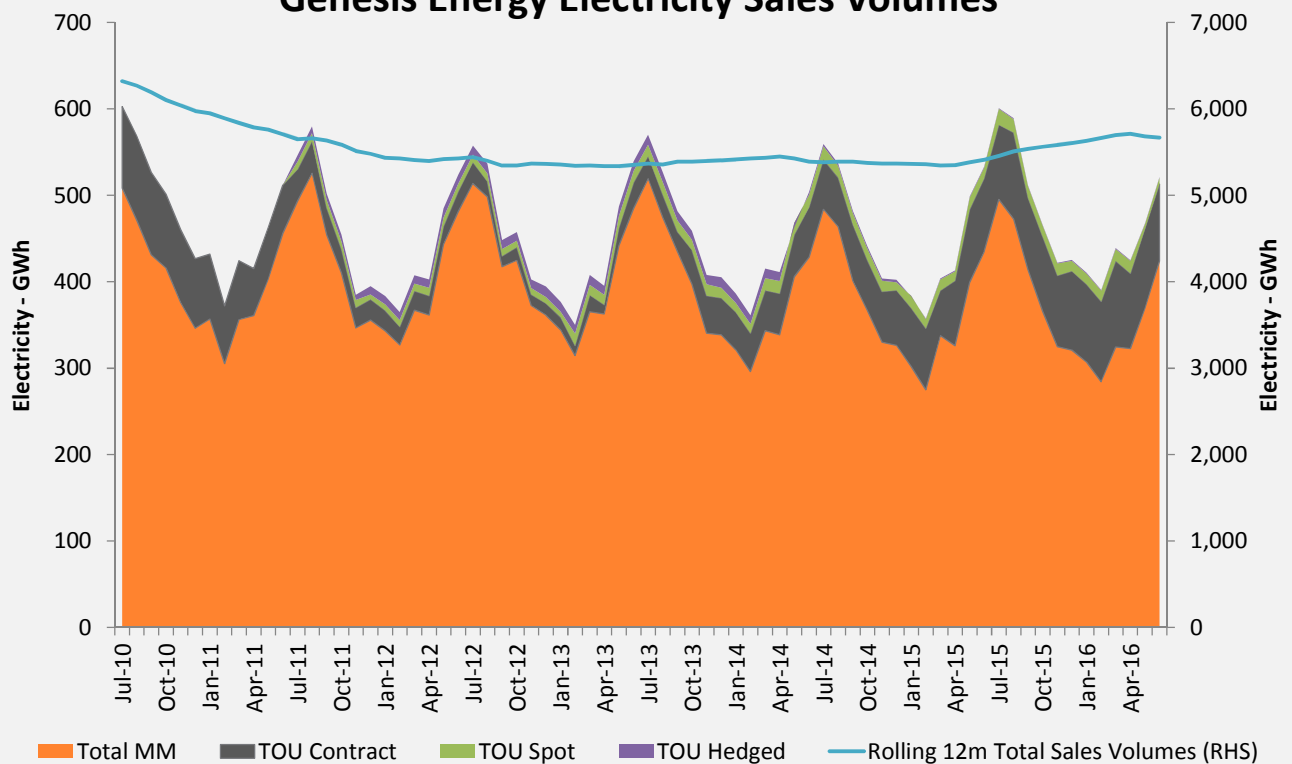
Kupe Gas Sales Volumes (PJ)



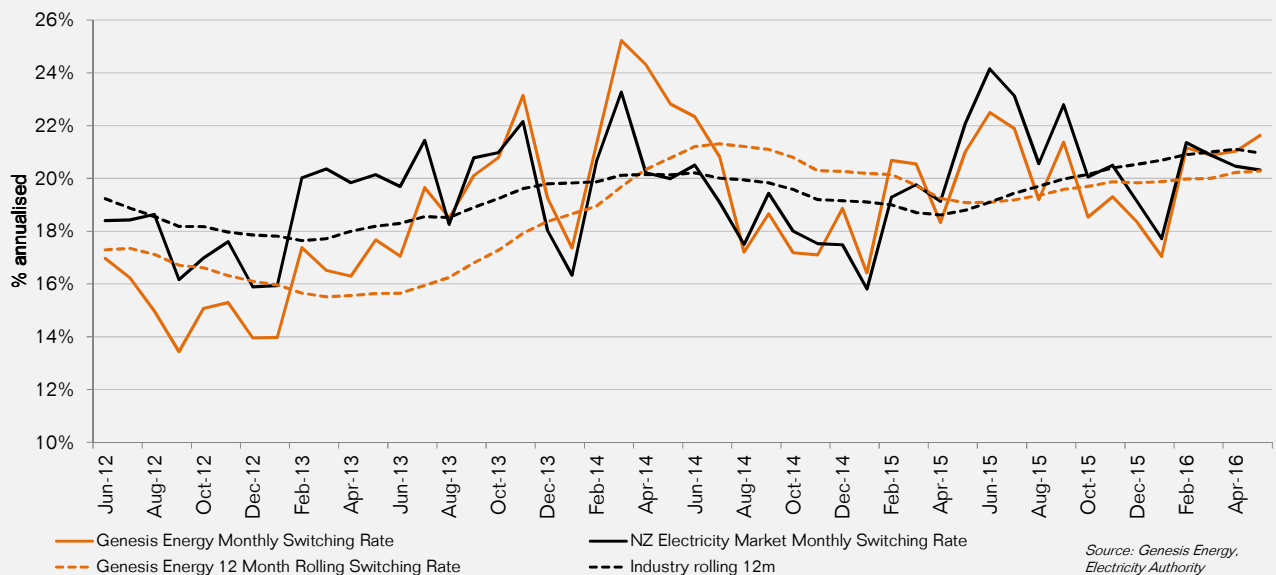
Otahuhu ASX Futures Settlement Price



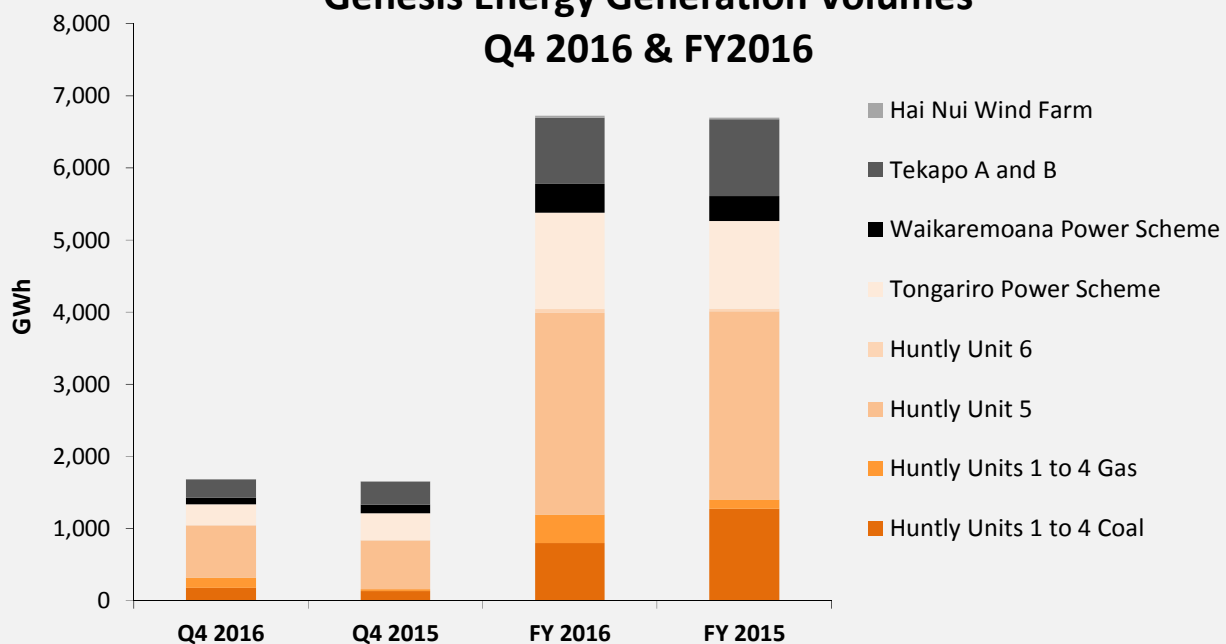
Genesis Energy Electricity Sales Volumes



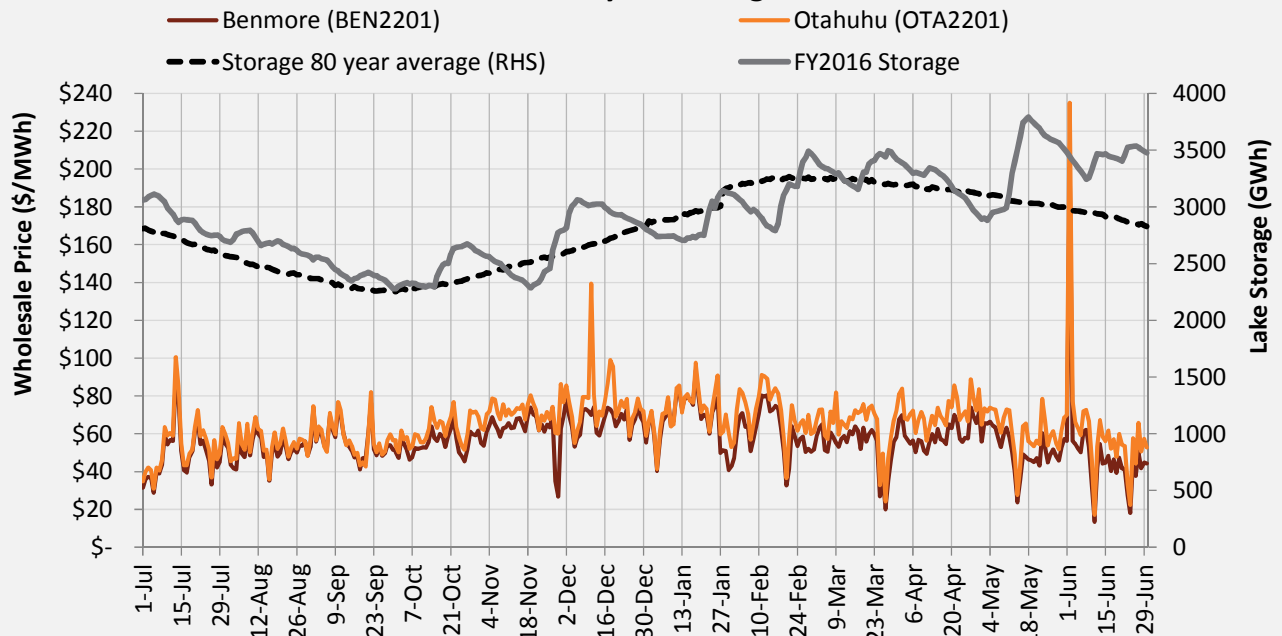
Genesis Energy vs. Industry Electricity Customer Connection Switching



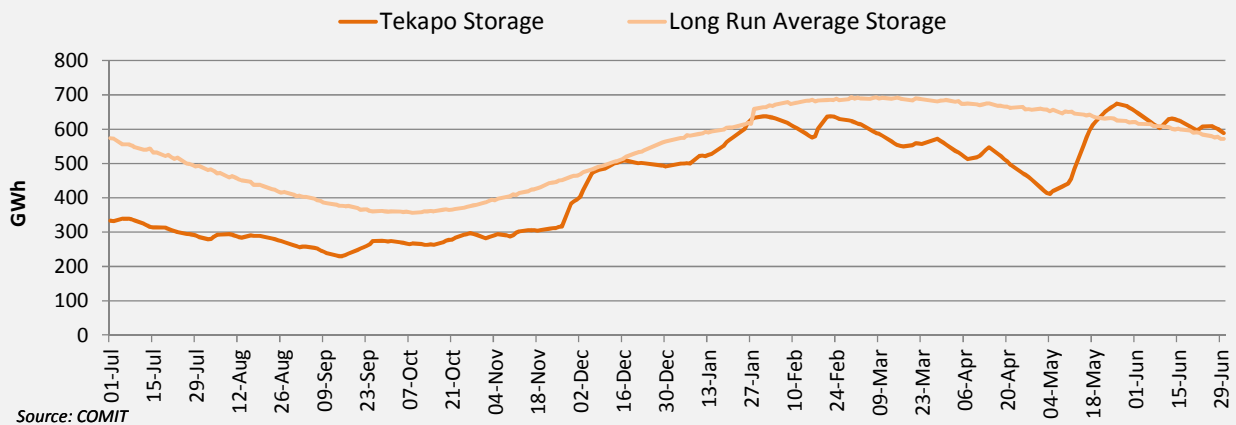
Genesis Energy Generation Volumes Q4 2016 & FY2016



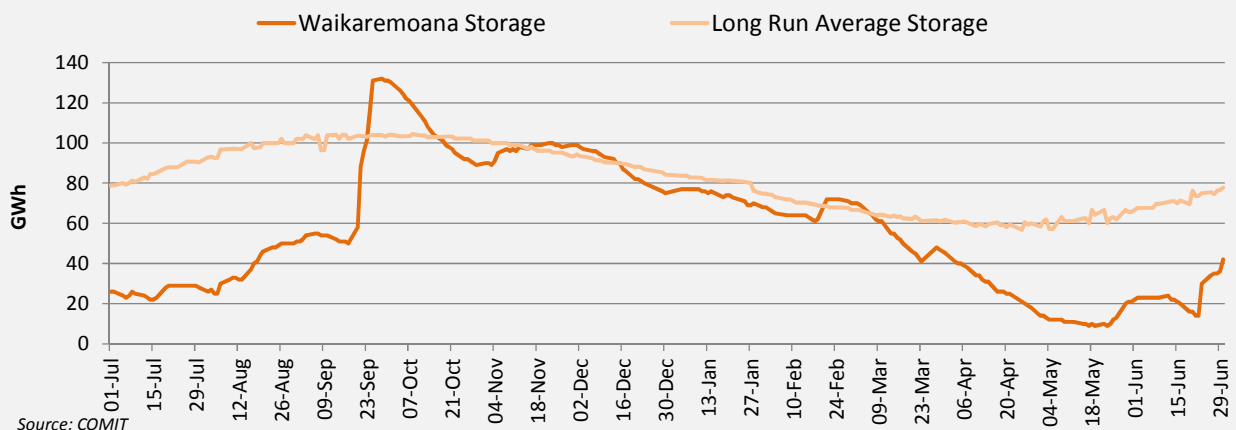
Daily Average Wholesale Reference Point Prices and National Hydro Storage - FY2016



Tekapo Storage vs Long Run Average FY2016



Waikaremoana Storage vs Long Run Average FY2016



APPENDIX

OPERATIONAL INFORMATION

Operational Information*	Fourth Quarter (April to June)				Year to Date			
	FY2016	FY2015	% Change	Change	FY2016	FY2015	% Change	Change
Market Information								
Customer-focus								
Electricity Market Share (%) ¹	25.6%	25.7%	-0.1%	0.0%				
Gas Market Share (%) ¹	39.3%	39.9%	-1.5%	-0.6%				
Customer Experience								
Customer-focus								
Customer Satisfaction (%) ²	94%	96%	-2.1%	-2%				
Total Advanced Meters Installed To Date (#)	377,495	364,129	3.7%	13,366				
Customer Numbers								
Total Customer Connections (#) ³	653,558	646,616	1.1%	6,942				
<i>Total Customers by Product:</i>								
Electricity Customer Connections (#) ⁴	543,335	537,479	1.1%	5,856				
Electricity Customer Connections Excluding Vacants (#) ⁴	523,174	516,574	1.3%	6,600				
Gas Customer Connections (#) ⁴	110,223	109,137	1.0%	1,086				
Gas Customer Connections Excluding Vacants (#) ⁴	107,121	106,263	0.8%	858				
LPG Customer Connections (#) ⁵	15,890	13,839	14.8%	2,051				
<i>Total Electricity Customers by Location:</i>								
North Island Electricity Customer Connections (#) ⁴	433,513	431,570	0.5%	1,943				
South Island Electricity Customer Connections (#) ⁴	89,661	85,004	5.5%	4,657				
Customer Volumes and Price								
Volume Weighted Average Electricity Selling Price Mass Market (\$/MWh) ⁶	\$240.68	\$239.19	0.6%	\$1.50	\$238.28	\$238.08	0.1%	\$0.20
Volume Weighted Average Electricity Selling Price TOU (\$/MWh) ⁷	\$132.96	\$139.63	-4.8%	(\$6.67)	\$116.41	\$122.60	-5.0%	(\$6.19)
Mass Market Electricity Sales (GWh)	1,116	1,160	-3.8%	-44	4,426	4,448	-0.5%	-22
TOU Electricity Sales (GWh)	298	284	4.9%	14	1,244	967	28.7%	277
Total Electricity Sales - Retail (GWh)	1,414	1,445	-2.1%	-30	5,669	5,414	4.7%	255
Electricity Sales - Wholesale (GWh)	395	430	-8.1%	-35	1,643	1,689	-2.7%	-45
Volume Weighted Average Gas Selling Price (\$/GJ) ⁶	\$26.85	\$26.67	0.7%	\$0.18	\$26.99	\$27.33	-1.3%	(\$0.34)
Mass Market Gas Sales (PJ)	1.0	1.1	-5.2%	-0.1	4.1	4.1	0.6%	0
TOU Gas Sales (PJ)	0.9	0.9	1.5%	0.0	3.2	3.0	6.8%	0
Total Retail Gas Sales (PJ)	1.9	1.9	-2.3%	0.0	7.3	7.1	3.2%	0.2
Retail LPG Sales (tonnes)	1,118	980	14.1%	138	3,990	3,523	13.3%	467
Electricity Purchases - Retail (GWh)	1,462	1,520	-3.8%	-58	5,973	5,769	3.5%	204
Electricity Purchases - Wholesale (GWh)	362	357	1.3%	5	1,224	1,200	2.0%	24
Retail Gas Purchases (PJ)	1.9	2.0	-4.9%	-0.1	7.4	7.0	6.0%	0.4
Average Retail Electricity Purchase Price - LWAP (\$/MWh) ⁸	\$64.71	\$63.27	2.3%	\$1.45	\$63.87	\$74.67	-14.5%	(\$10.80)
LWAP/GWAP Ratio (%)	100%	99%	0.3%	0.3%	100%	99%	0.7%	0.7%
Temperature °C	12.4	11.4	8.8%	1.0	13.3	13.0	2.4%	31.7%
Energy Management								
Generation								
Gas (GWh)	871	703	23.9%	168	3,232	2,772	16.6%	460
Coal (GWh) ⁹	179	136	31.7%	43	811	1,277	-36.5%	-466
Total Thermal (GWh)	1,050	839	25.2%	211	4,043	4,049	-0.1%	-6
Hydro (GWh)	632	811	-22.1%	-179	2,654	2,627	1.0%	27
Wind (GWh)	5	7	-23.1%	-1.5	24	22	6.4%	1.4
Total Renewable (GWh)	637	818	-22.1%	-180	2,678	2,649	1.1%	29
Total Generation (GWh)	1,687	1,657	1.9%	30.7	6,721	6,698	0.3%	23.4
<i>Generation by Location:</i>								
North Island (GWh)	1,435	1,338	7.3%	98	5,801	5,633	3.0%	168
South Island (GWh)	252	319	-20.9%	-67	921	1,065	-13.6%	-144
Average Price Received for Generation - GWAP (\$/MWh) ⁸	\$65.00	\$63.75	2.0%	\$1.24	\$64.07	\$75.41	-15.0%	(\$11.35)
Generation Emissions (ktCO ₂)	568	430	32.0%	137.6	2,194	2,408	-8.9%	-214.4
Generation Carbon Intensity (tCO ₂ /GWh)	337	260	29.6%	76.8	326	360	-9.2%	-33.1
North Island Inflows (GWh)	359	492	-27.0%	-132.7	1,753	1,629	7.6%	123.7
South Island Inflows (GWh)	289	315	-8.3%	-26.2	1,111	1,104	0.7%	7.2
Fuel								
Gas Purchases (PJ)	12.6	12.4	1.8%	0.2	47.9	48.5	-1.2%	-0.6
Coal Purchases (PJ)	0.0	2.0	-100.0%	-2.0	3.0	9.6	-69.3%	-6.7
Wholesale Gas Sales (PJ)	3.7	5.1	-27.0%	-1.4	15.3	20.7	-26.4%	-5.5
Wholesale Coal Sales (PJ)	0.3	0.2	11.6%	0.0	1.0	0.7	N/A	0.3
Gas Used In Internal Generation (PJ)	7.0	5.3	31.7%	1.68	25.3	20.8	21.6%	4.5
Coal Used In Internal Generation (PJ) ¹⁰	2.2	1.6	33.7%	0.5	9.3	14.2	-34.4%	-4.9
Coal Stockpile - closing balance (kilotonnes)	408.4	720.9	-43.3%	-312				
Kupe Oil and Gas								
Genesis Energy Share								
Gas Sales (PJ)	2.1	2.0	3.5%	0.1	7.4	7.6	-1.9%	-0.1
Oil Production (kbbbl)	109.6	126.9	-13.6%	-17.3	427.3	502.1	-14.9%	-75
Oil Sales (kbbbl)	126.4	125.8	0.5%	0.6	416.9	500.8	-16.8%	-84
Average Brent Crude Oil (USD/bbl)	45.6	61.9	-26.4%	-16.4	43.4	73.5	-41.0%	-30.1
LPG Sales (kilotonnes)	6.3	8.4	-24.1%	-2.0	28.1	31.6	-11.2%	-3.5

Notes:

¹ June 2015 and 2016 market shares based on published customer records from the Electricity Authority and Gas Industry Company

² Based on the survey question: "Overall, how satisfied are you with the customer service you have received from Genesis Energy where 1 is very dissatisfied and 10 is very satisfied?"

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

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

⁵ LPG connections are defined by number of customers

⁶ Average selling price for mass market customers including lines/transmission and distribution and after prompt payment discount

⁷ Average selling price for TOU customers including lines/transmission and distribution

⁸ Excludes settlements from electricity derivatives.

⁹ Coal generation is calculated by applying coal burn to monthly average heat rates

¹⁰ Results have been revised to reflect changes in coal kilotonnes to PJ conversion rate and volume methodology