Q1 QUARTERLY PERFORMANCE

genesis ENERGY

FY 2017 Q1 MARKET AND OPERATIONAL INFORMATION

This disclosure includes market and operational information for Genesis Energy Limited for the quarter ending 30 September 2016 ("Q1").

5%

Total LPG customer connections up in Q1 versus Q4 FY2016

3%

Electricity sales volumes were down in Q1 versus Q1 FY2016

7%

Average temperature across New Zealand higher in Q1 versus Q1 FY2016

81%

Coal generation was down 81% versus Q1 FY2016

Hydro generation favoured over coal as electricity customer connections remain under pressure

In a quarter of warmer weather, Genesis Energy continued to grow its LPG customer connections while gas connections held flat and electricity customer numbers remained under pressure. Above average hydro inflows into Genesis Energy catchments spurred the utilisation of renewable over coal fired generation.

The average New Zealand temperature was up 7%, or 0.6°C, on the same period last year. As the largest retailer, the result of warm weather, combined with a reduction in electricity customer connections by 2,721 from Q4 FY2016 to 520,453 at 30 September 2016, resulted in the retail electricity volumes sold of 1,646GWh drop 3% compared to Q1 FY2016. Time of use (TOU) electricity volumes also reduced 5%.

With gas customer connections remaining flat, total retail gas sales of 2.6PJ were 1% higher than Q1 FY2016. Mass market gas sales were down 5% on a year ago, whilst TOU sales were 13% higher. Wholesale gas sales were 24% lower than the same period last year at 4.2PJ, reflecting the conclusion of the Mercury contract due to the closure of Southdown and the greater utilisation of gas as a coal substitute.

LPG customer connections continue to improve with connections of 16,604 at 30 September up 5% on Q4 FY2016. Continued growth in LPG customer connections saw total LPG sales during Q1 climb 11% to 1,469 tonnes on the same quarter last year further cementing Genesis Energy's growth in the LPG market.

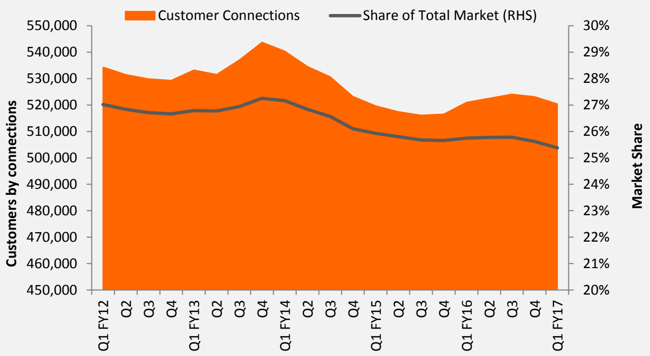
During Q1, North Island inflows into Genesis Energy catchments were 14% higher than long run averages, providing the opportunity for the Company to maintain storage in its lakes and generate using run of river flows. As a result, this along with a supressed average price received for generation (GWAP) of $58.56/MWh limited the ability to optimally run the Rankines, which is reflective of an 81% reduction in coal generation on Q1 FY2016.

Total thermal generation for Q1 FY2017 was down 8% on Q1 FY2016 with around 20,000 tonnes of coal burnt during Q1 reducing the coal stockpile to 382,237 tonnes at 30 September 2016. The Rankines were fuelled 37% by coal and 63% by gas during the quarter compared to 74% coal and 26% gas during Q1 FY2016.

Genesis Energy's share of oil production from Kupe in Q1 was 107kbbl, which was 15% lower than Q1 FY2016, while gas sales of 2.1PJ was consistent, and LPG sales of 5.6kt were 33% lower than a year ago due to the continued LPG plant outage, which is due to be back in service in October. For the remainder of FY2017, oil volumes are 69% hedged at US$63.30/bbl and 71% hedged at USD/NZD 65cents.

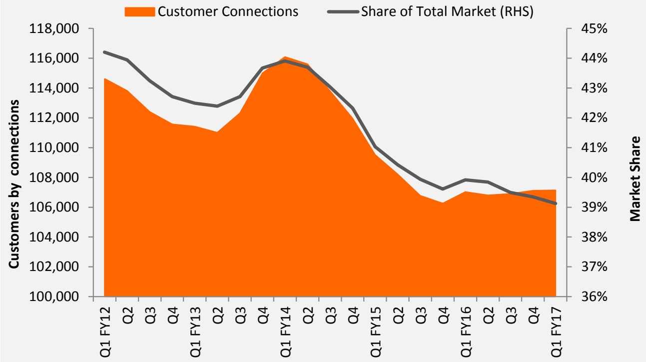
There was one lost time injury in Q1 compared to zero injuries in Q1 FY2016. The Total Recordable Injury Frequency Rate (TRIFR) at 30 September 2016 was 0.52 (versus 0.49 at 30 September 2015. There were 824 full time equivalent employees at the end of Q1 versus 892 at 30 September 2015.

Electricity Customer Connections and Market Share



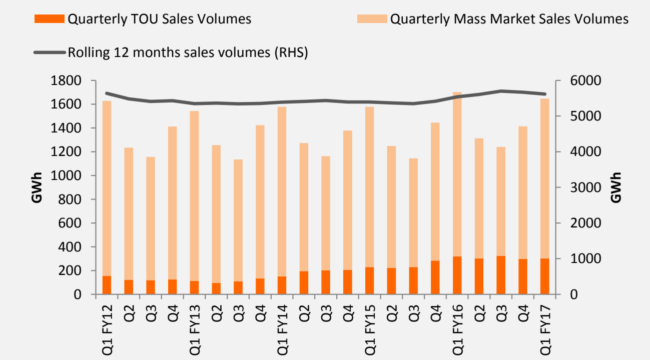
Source: Company data, Electricity Authority

Natural Gas Customer Connections and Market Share

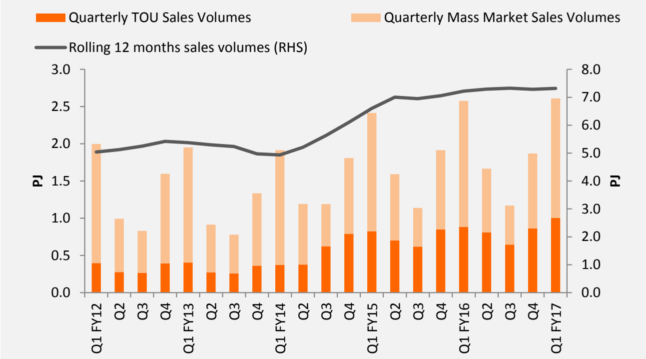


Source: Company data, Gas Industry Co

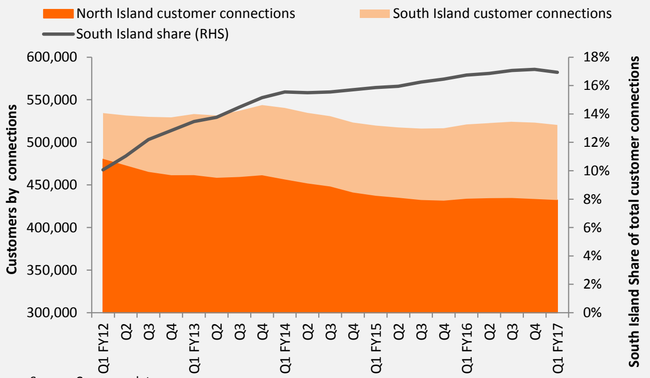
Electricity Sales Volumes (GWh)



Retail Gas Sales Volumes (PJ)

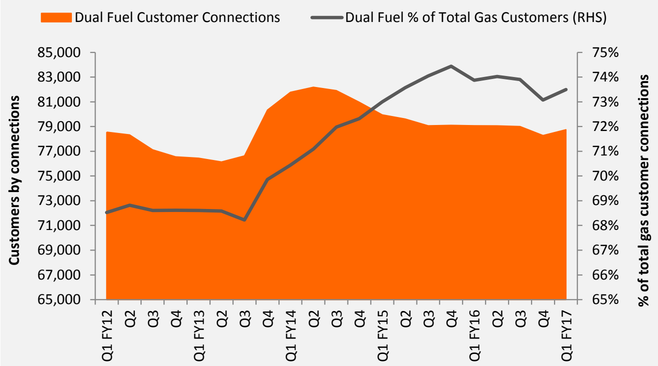


Geographic Split of Electricity Customer Connections



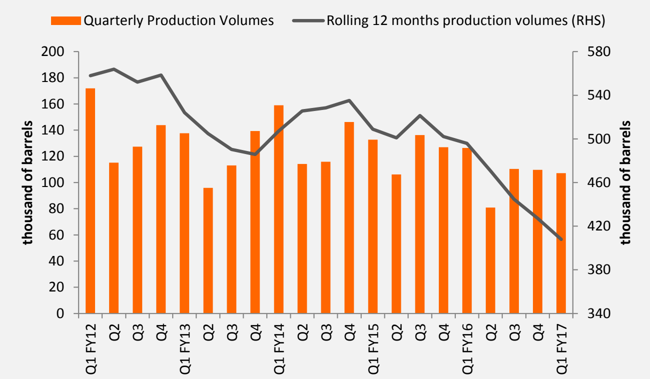
Source: Company data

Dual Fuel Customer Connection Base

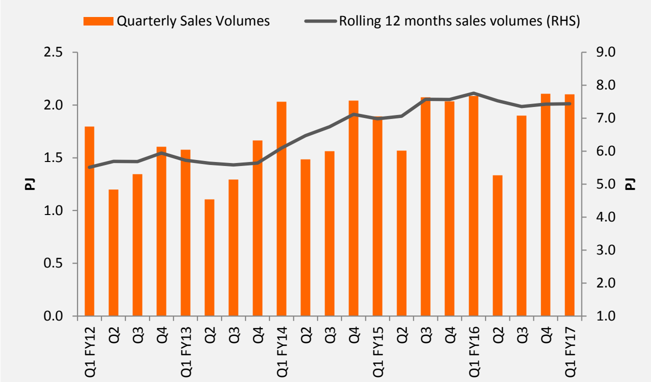


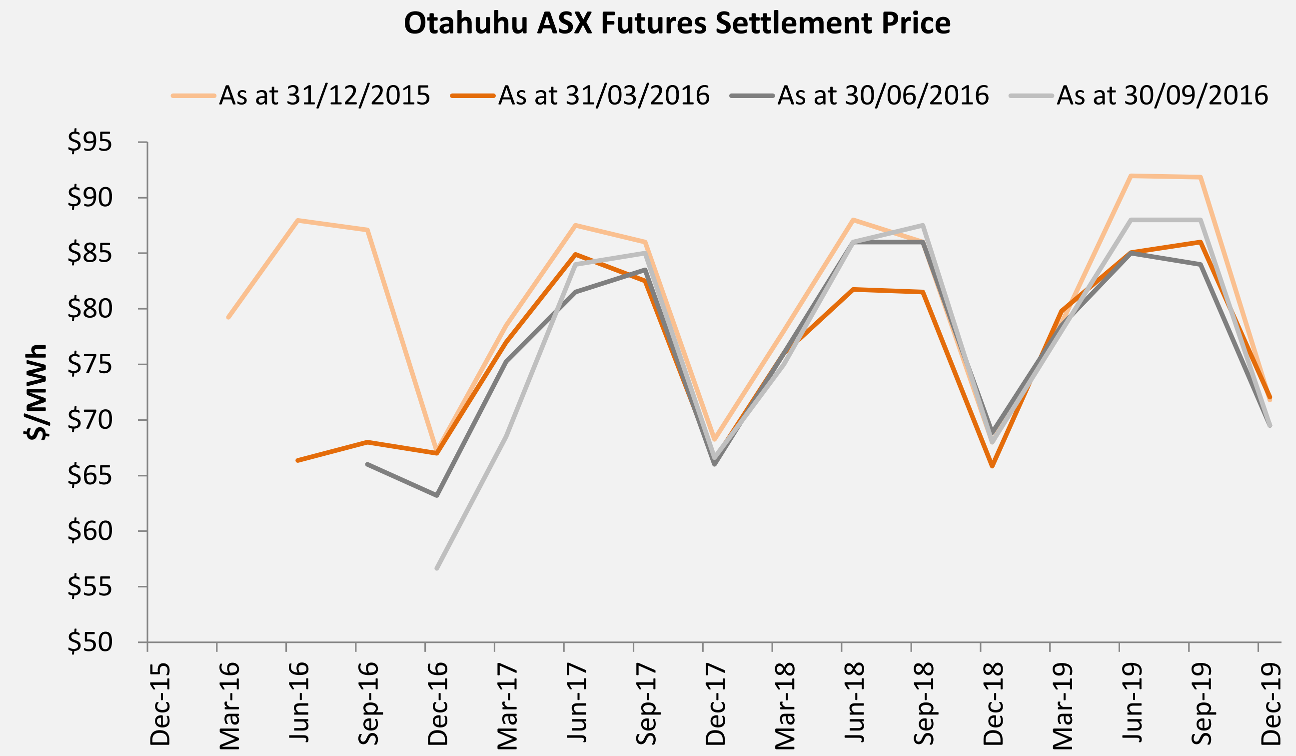
Source: Company data

Kupe Oil Production Volumes (kbbl)

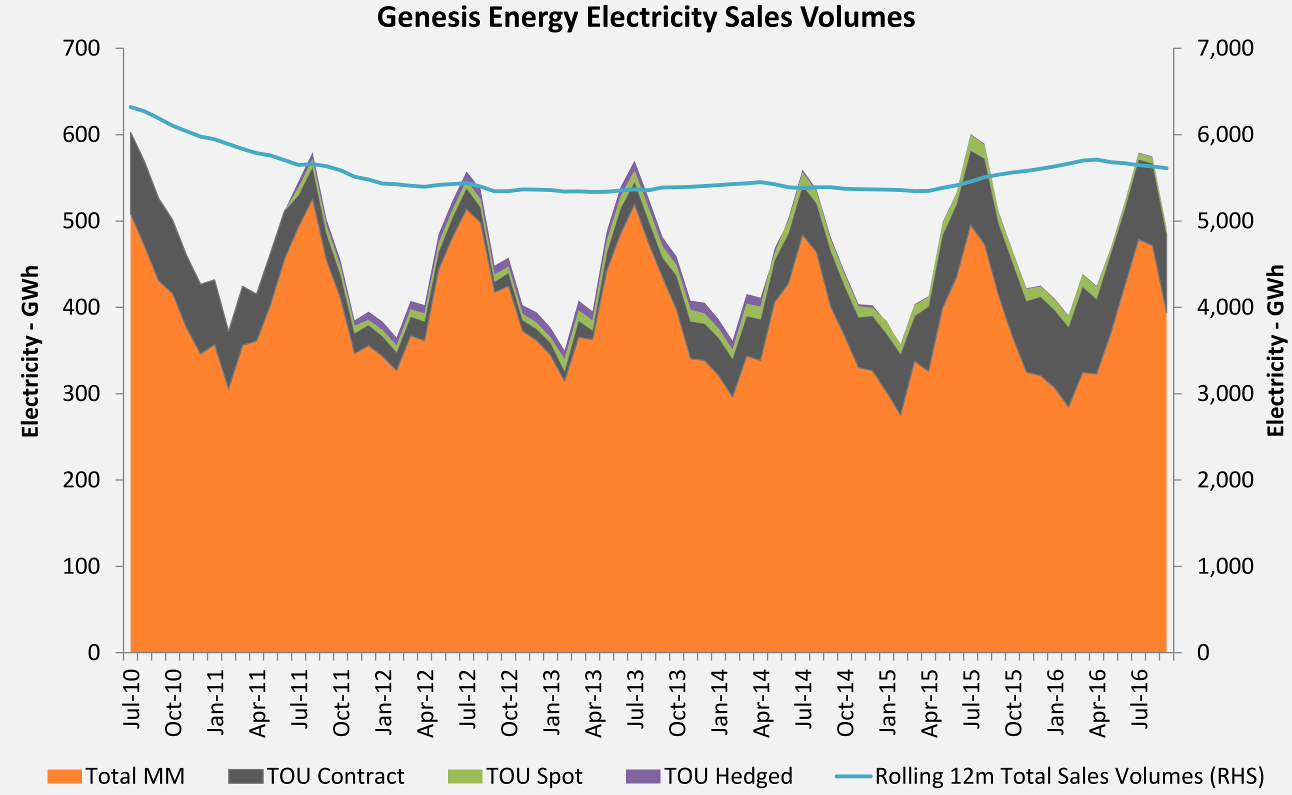


Kupe Gas Sales Volumes (PJ)

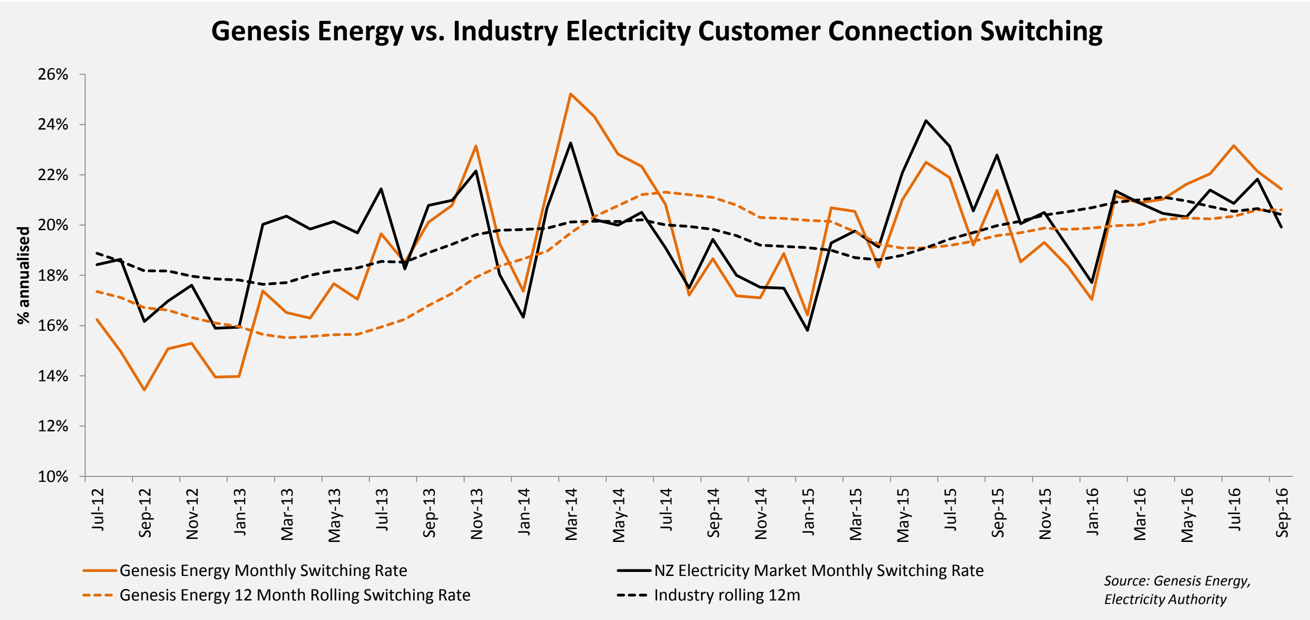


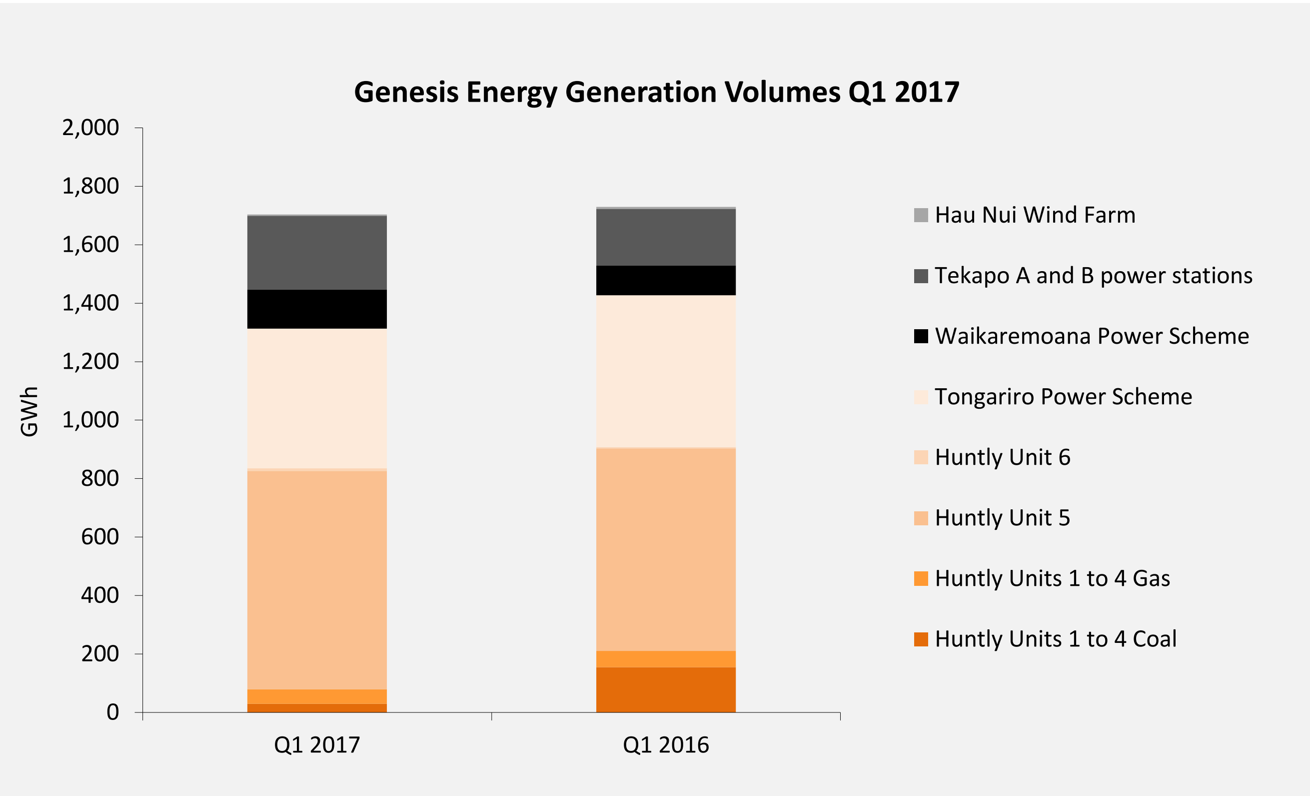


Source: ASX

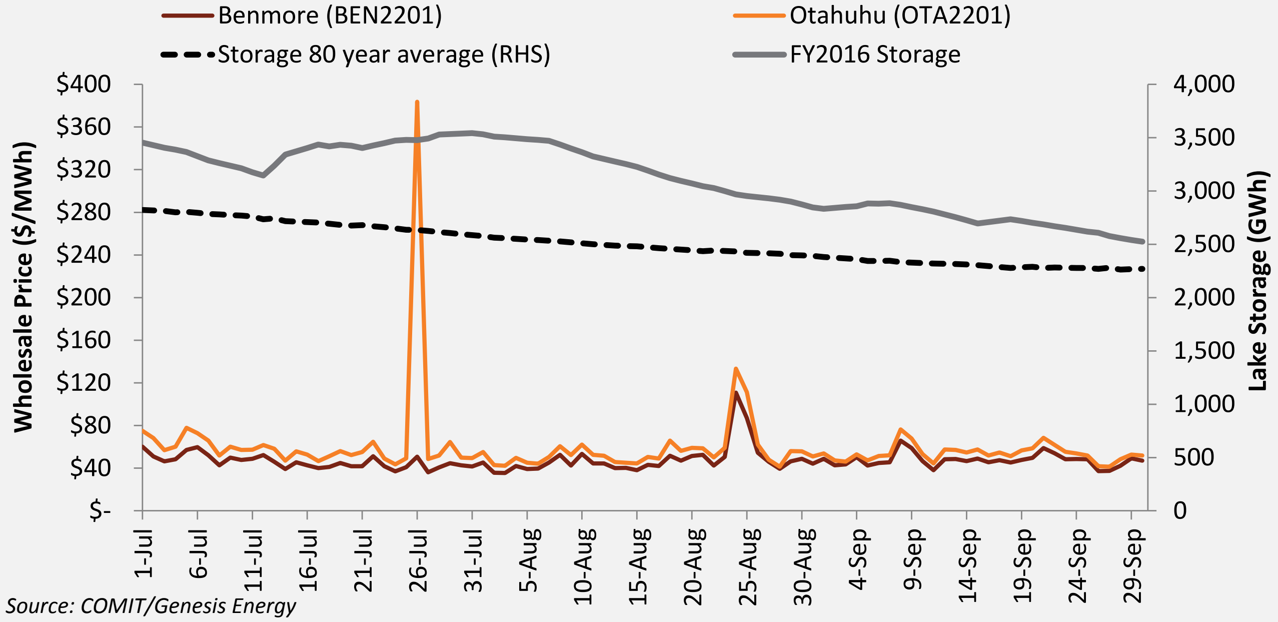


Source: Genesis Energy


Genesis Energy vs. Industry Electricity Customer Connection Switching
% annualised
26%
24%
22%
20%
18%
16%
14%
12%
10%
Jul-12
Sep-12
Nov-12
Jan-13
Mar-13
May-13
Jul-13
Sep-13
Nov-13
Jan-14
Mar-14
May-14
Jul-14
Sep-14
Nov-14
Jan-15
Mar-15
May-15
Jul-15
Sep-15
Nov-15
Jan-16
Mar-16
May-16
Jul-16
Sep-16
Genesis Energy Monthly Switching Rate
Genesis Energy 12 Month Rolling Switching Rate
NZ Electricity Market Monthly Switching Rate
Industry rolling 12m
Source: Genesis Energy, Electricity Authority

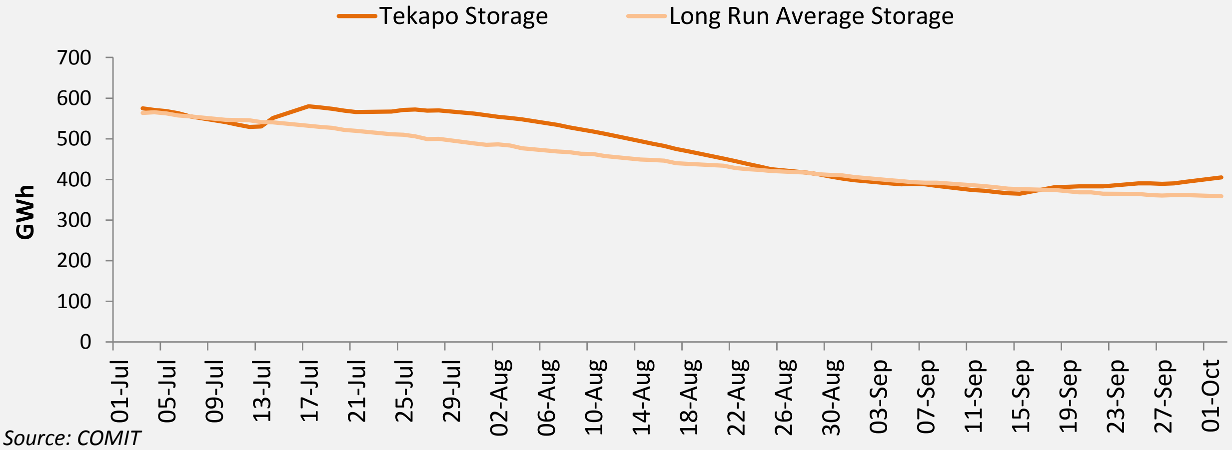

Genesis Energy Generation Volumes Q1 2017
GWh
2,000
1,800
1,600
1,400
1,200
1,000
800
600
400
200
0
Q1 2017
Q1 2016
Hau Nui Wind Farm
Tekapo A and B power stations
Waikaremoana Power Scheme
Tongariro Power Scheme
Huntly Unit 6
Huntly Unit 5
Huntly Units 1 to 4 Gas
Huntly Units 1 to 4 Coal

Daily Average Wholesale Reference Point Prices and National Hydro Storage - Q1 FY2017



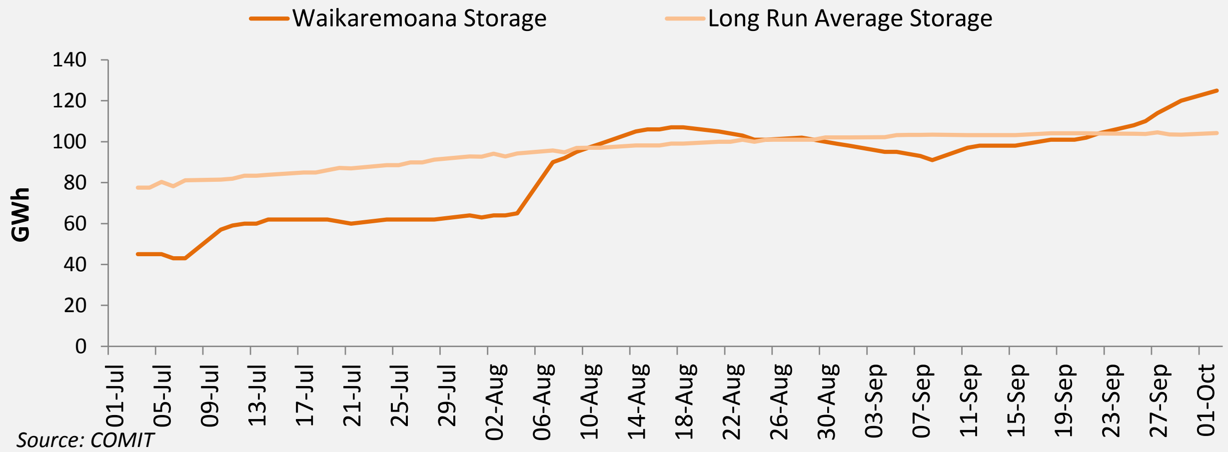
Source: COMIT/Genesis Energy

Tekapo Storage vs Long Run Average Q1 FY2017



Source: COMIT

Waikaremoana Storage vs Long Run Average Q1 FY2017



Source: COMIT

APPENDIX
OPERATIONAL INFORMATION

Operational Information*	FY2017	FY2016	% Change	Change
	First Quarter (July to September)			
Market Information				
Customer-focus				
Electricity Market Share (%) [1]	25.4%	25.7%	-1.4%	-0.4%
Gas Market Share (%) [1]	36.1%	37.9%	-4.8%	-1.8%
Customer Experience				
Customer-focus				
Customer Satisfaction (%) [2]	92%	95%	-3.2%	-3%
Total Advanced Meters Installed To Date (#)	386,976	365,263	5.9%	21,713
Customer Numbers				
Total Customer Connections (#) [3]	650,996	652,523	-0.2%	-1,527
Total Customers by Product:				
Electricity Customer Connections (#) [4]	540,601	542,259	-0.3%	-1,658
Electricity Customer Connections Excluding Vacants (#) [4]	520,453	521,035	-0.1%	-582
Gas Customer Connections (#) [4]	110,395	110,264	0.1%	131
Gas Customer Connections Excluding Vacants (#) [4]	107,146	107,034	0.1%	112
LPG Customer Connections (#) [5]	16,604	13,991	18.7%	2,613
Total Electricity Customers by Location:				
North Island Electricity Customer Connections (#) [4]	432,304	433,842	-0.4%	-1,538
South Island Electricity Customer Connections (#) [4]	88,149	87,193	1.1%	956
Customer Volumes and Price				
Volume Weighted Average Electricity Selling Price Mass Market ($/MWh) [6]	$235.83	$231.67	1.8%	$4.16
Volume Weighted Average Electricity Selling Price TOU ($/MWh) [7]	$129.09	$122.26	5.6%	$6.82
Mass Market Electricity Sales (GWh)	1,344	1,382	-2.8%	-39
TOU Electricity Sales (GWh)	302	320	-5.4%	-17
Total Electricity Sales - Retail (GWh)	1,646	1,702	-3.3%	-56
Electricity Sales - Wholesale (GWh)	558	462	20.6%	95
Volume Weighted Average Gas Selling Price ($/GJ) [6]	$23.10	$22.95	0.6%	$0.15
Mass Market Gas Sales (PJ)	1.6	1.7	-5.1%	-0.1
TOU Gas Sales (PJ)	1.0	0.9	13.4%	0.1
Total Retail Gas Sales (PJ)	2.6	2.6	1.2%	0.0
Retail LPG Sales (tonnes)	1,469	1,319	11.4%	150
Electricity Purchases - Retail (GWh)	1,763	1,778	-0.8%	-14
Electricity Purchases - Wholesale (GWh)	435	368	18.0%	66
Retail Gas Purchases (PJ)	2.7	2.6	2.2%	0.1
Average Retail Electricity Purchase Price - LWAP ($/MWh) [8]	$58.73	$58.07	1.1%	$0.66
LWAP/GWAP Ratio (%)	100%	105%	-4.1%	-4.3%
Temperature °C	9.3	8.7	6.5%	0.6
Energy Management				
Generation				
Gas (GWh)	805	751	7.1%	53
Coal (GWh) [9]	30	156	-80.7%	-126
Total Thermal (GWh)	835	908	-8.0%	-73
Hydro (GWh)	864	815	6.0%	49
Wind (GWh)	5	6	-22.6%	-1.5
Total Renewable (GWh)	869	822	5.8%	47
Total Generation (GWh)	1,704	1,729	-1.5%	-25.5
Generation by Location:				
North Island (GWh)	1,453	1,536	-5.4%	-83
South Island (GWh)	251	194	29.8%	58
Average Price Received for Generation - GWAP ($/MWh) [8]	$58.56	$55.51	5.5%	$3.05
Generation Emissions ($ktCO_2$)	370	468	-21.0%	-98.5
Generation Carbon Intensity (tCO_2/GWh)	217	271	-19.8%	-53.8
North Island Inflows (GWh)	687	721	-4.7%	-33.9
South Island Inflows (GWh)	203	191	6.6%	12.7
Fuel				
Gas Purchases (PJ)	13.1	13.8	-5.7%	-0.8
Coal Purchases (PJ)	0.1	2.2	-97.6%	-2.2
Wholesale Gas Sales (PJ)	4.2	5.5	-23.9%	-1.3
Wholesale Coal Sales (PJ)	0.2	0.3	-28.9%	-0.1
Gas Used In Internal Generation (PJ)	6.2	5.7	8.3%	0.47
Coal Used In Internal Generation (PJ) [10]	0.4	1.8	-75.4%	-1.3
Coal Stockpile - closing balance (kilotonnes)	382.2	728.2	-47.5%	-346
Kupe Oil and Gas				
Genesis Energy Share				
Gas Sales (PJ)	2.1	2.1	0.7%	0.0
Oil Production (kbbl)	107.1	126.5	-15.3%	-19.4
Oil Sales (kbbl)	74.4	101.9	-27.0%	-27.5
Average Brent Crude Oil (USD/bbl)	45.9	50.3	-8.8%	-4.4
LPG Sales (kilotonnes)	5.6	8.4	-33.0%	-2.8

Notes:

[1] September 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?". Survey started in October 2013

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

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

[5] LPG 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