

FY18 Q2 Performance Report

19 January 2018



GENESIS ENERGY LIMITED



Q2 FY18 Performance Summary

— demonstrating the benefit of our diverse portfolio, recent acquisitions and strategic delivery

Customer

It was a steady performance for the Customer segment as increases in B2B and LPG sales were offset by residential electricity and gas declines in part due to a warmer than average quarter. The highlight of the quarter was the continued organic growth in LPG customers, up 27% from the comparable quarter excluding acquired customers. B2B electricity sales were up 24% as Genesis saw some early wins from its B2B sales teams with prices up in both SME and C&I. C&I gas sales were down 17.8% as we prioritised generation for our gas book. Some early success from the brand relaunch with 'Consideration' up 5 percentage points.

Wholesale

It was another strong quarter for the Wholesale segment as the strength of Genesis' diverse portfolio across North and South Island, thermal and hydro, enabled value creation in volatile market conditions. Total generation was up 26% driven by higher thermal generation up 66% as low national inflows led to stored energy at 81% of average compared with 115% at the end of 2016. Offsetting this, renewable generation was down 8% as Genesis used its thermal advantage to conserve water while 41 GWh of swaptions were called. The weighted average wholesale price was up 101% on the comparable quarter. An extended unplanned outage at Tekapo B occurred in the quarter, an update on this will be provided at the FY18 interim result.

Kupe

Strong production levels were sustained in the second quarter with gas production of 3.0PJ as the field operated at 91.3% of maximum plant capacity to support generation requirements and swaption calls. LPG yield was 8.7% up as amine systems issues in the comparable quarter were resolved. Oil sales volumes and margins were up on the back of cargo shipment timings and improved oil price realisation as Brent Crude spot prices rose above USD60/bbl.

Genesis provided security of supply to the market during a period of low lake inflows which was made possible by our integrated fuel position from Kupe

Chris Jewell, CFO

Customer Segment Performance

—steady performance with increases in B2B electricity and LPG sales offset by residential declines

Highs

58,872
Genesis Energy LPG customers **↑ 26.7%¹**

695 GWh
B2B electricity sales **↑ 24.1%**

\$108.53
C&I electricity price **↑ 3.7%**

Energy IQ
Launched in 3 stages

8
MVP's developed, 4 services launched³

Brand
Top 2 'Consideration' of **47%⁴** **↑ 5ppts**

Lows

503,336
Total customers over the quarter **↓ 1.2%²**

\$76.20
Netback due to increase in brand investment **↓ 3.4%**

1.5PJ
Gas sales **↓ 11.4%**



Rebranded Genesis Energy LPG delivery truck

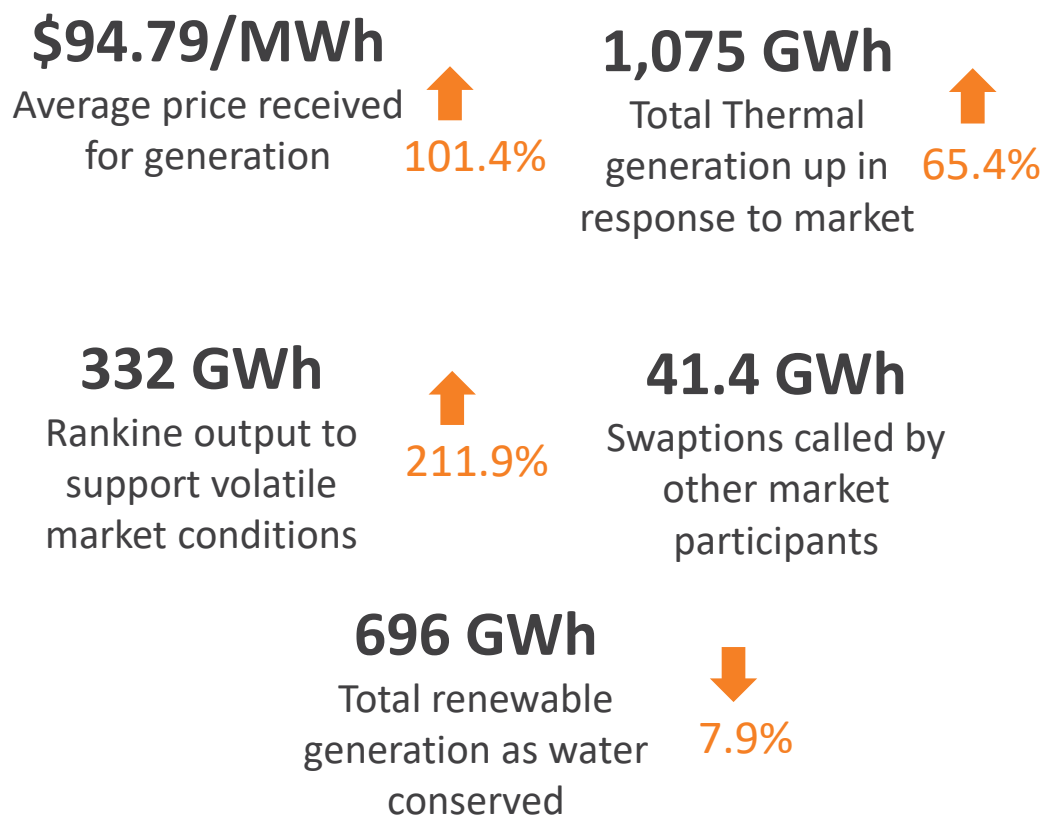
1. Movement excludes acquired customers
 2. Represents Single Customer View, not ICP's. Dec 2016 Single Customer View not available. Movement against September 2017
 3. MVP = Minimal Viable Product tested with customers, services refers to products available to be used by customers
 4. Of those people surveyed who have seen the new campaign 47% place Genesis in their top two energy brands



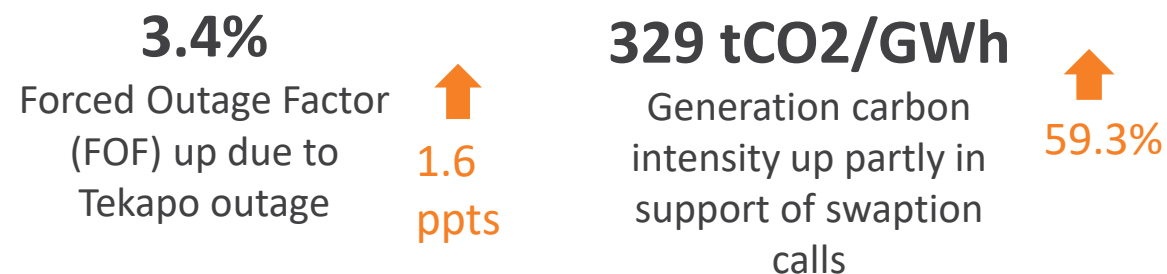
Wholesale Segment Performance

— another strong quarter as Genesis thermal responds to volatile market conditions

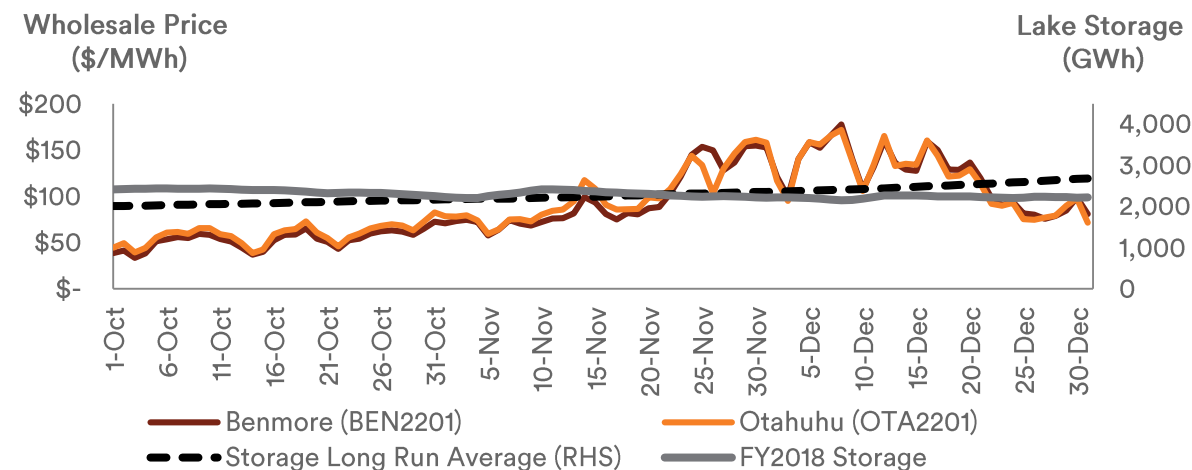
Highs



Lows



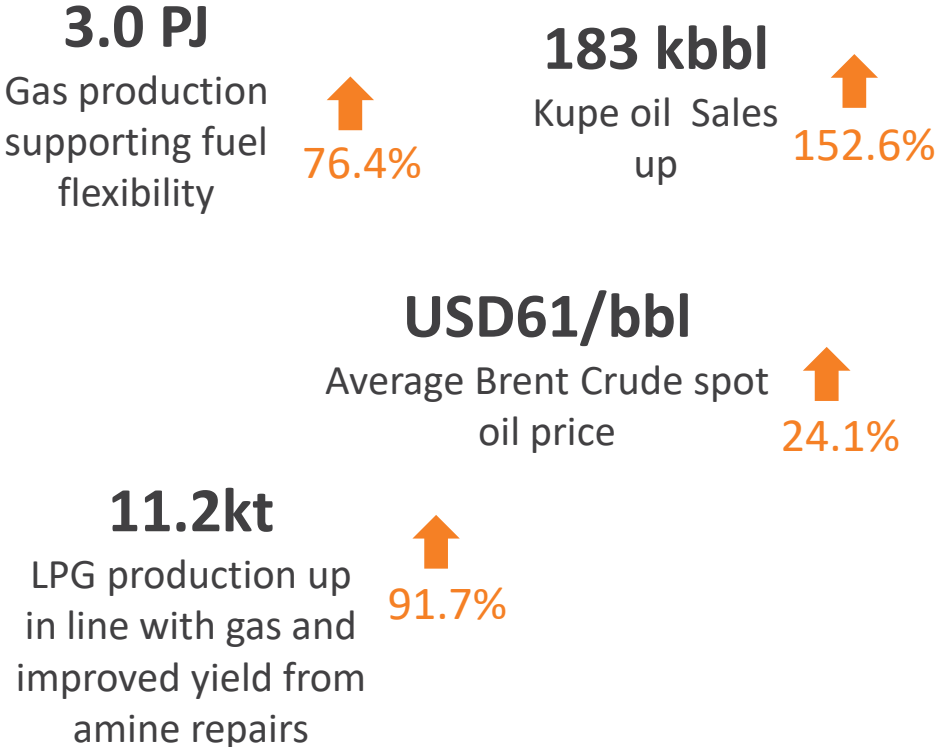
DAILY AVERAGE WHOLESALE PRICES & NATIONAL HYDRO STORAGE



Kupe Segment Performance

— higher production reflecting acquired stake and market conditions

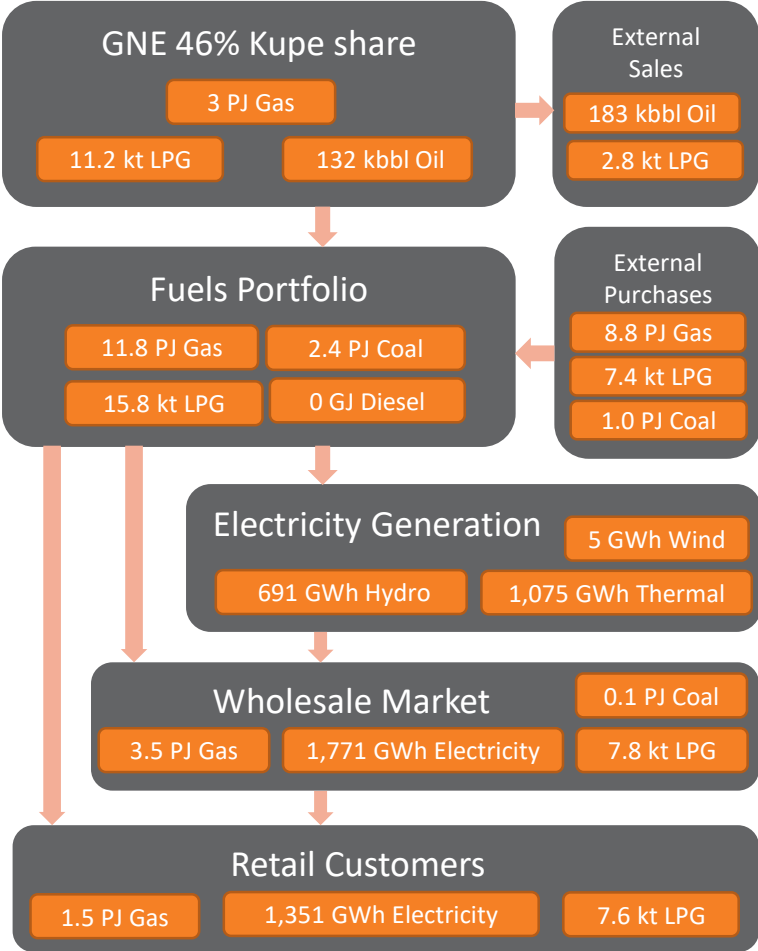
Highs



Lows

USD58/bbl
Average USD strike price on oil contract settlements now below Brent Crude spot price

Q2 INTEGRATED PHYSICAL ENERGY FLOWS¹



1. LPG difference represents storage



Glossary

CUSTOMER

Brand Net Promoter Score	Based on survey question "How likely would you be to recommend Genesis Energy/Energy Online to your friends or family?"
Electricity Market Share	Market share based on Electricity Authority data for the end of quarter
Gas Market Share	Market share based on Gas Industry Company data for the end of quarter
Customers	Electricity and gas customers are defined by single customer view, regardless of number of connections (ICP's)
Single Customer View	Represents unique customers which may have multiple ICP's
ICP	Installation Connection Point
MVP	Minimal Viable Product
Resi, SME, C&I	Residential, small and medium enterprises and commercial & industrial customers
Volume Weighted Average Electricity Selling Price - \$/MWh	Average selling price for customers including lines/transmission and distribution and after prompt payment discount
Volume Weighted Average Gas Selling Price - \$/MWh	Average selling price for customers including lines/transmission and distribution and after prompt payment discount
Average Retail Electricity Purchase Price - LWAP (\$/MWh)	Excludes settlements from electricity derivatives.
LPG Customer Connections	Defined as number of customers
Bottled LPG Sales (tonnes)	Represents 45kg LPG bottle sales
Other Bulk and SME LPG Sales (tonnes)	Represents bulk, 3rd party distributors and SME sales
Wholesale LPG Sales (tonnes)	Represents wholesale, export sales and transfers to Huntly power station
Electricity Sales - Wholesale (GWh)	Includes contracts for difference and options (excluding futures)
Electricity Purchases - Wholesale (GWh)	Includes contracts for difference and options (excluding futures)
Retail Netback (\$/MWh)	Customer Segment EBITDAF plus electricity and gas purchase cost divided by total electricity and gas sales volumes

GENERATION

Coal (GWh)	Coal generation is calculated by applying coal burn to monthly average heat rates
Average Price Received for Generation - GWAP (\$/MWh)	Excludes settlements from electricity derivatives.
Coal Used In Internal Generation (PJ)	Results have been revised to reflect changes in coal kilo tonnes to PJ conversion rate and volume methodology
Rankines Fuelled by Coal (%)	The proportion of coal used in the Rankine units
Equipment Availability Factor (EAF)	The percentage of time a power station is available to generate electricity
Forced Outage Factor (FOF)	The percentage of time a power station is unavailable to generate electricity due to unplanned failure or defect.

WHOLESALE

Weighted Average Fuel Cost (\$/MWh)	Total cost of fuel burnt plus emissions on fuel burnt divided by total generation (thermal, hydro and wind)
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CORPORATE

Total Recordable Injury Frequency Rate	Rolling 12 month TRIFR per 200,000 hours worked for employees and contractors
Headcount	Based on full time equivalents, excluding contractors

KUPE

Oil Hedge Levels (%)	% hedged for remainder of FY as % of forecast sales
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Customer Metrics

CUSTOMER SEGMENT	Q2 FY18	Q2 FY17	% Change	Var.	YTD FY18	YTD FY17	% Change	Var.
CUSTOMER								
Brand Net Promoter Score - Genesis Energy (%)	2%	2%	0.0%	0%				
Retail Netback (\$/MWh)	\$76.20	\$78.86	(3.4%)	(\$2.67)	\$80.80	\$82.14	(1.6%)	(\$1.34)
CUSTOMER NUMBERS¹								
Electricity Only Customers	342,500	NA						
Gas Only Customers	18,111	NA						
LPG Only Customers	32,991	NA						
Customers > 1 Product	109,734	NA						
Total Customers	503,336	NA						
VOLUMES AND PRICE								
Volume Weighted Average Electricity Selling Price - Resi (\$/MWh)	\$253.48	\$253.98	(0.2%)	(\$0.49)	\$248.52	\$247.66	0.3%	\$0.87
Volume Weighted Average Electricity Selling Price - SME (\$/MWh)	\$217.59	\$216.44	0.5%	\$1.15	\$216.03	\$213.55	1.2%	\$2.48
Volume Weighted Average Electricity Selling Price - C&I (\$/MWh)	\$108.53	\$104.67	3.7%	\$3.86	\$120.45	\$117.12	2.8%	\$3.34
Residential Electricity Sales (GWh)	656	710	(7.6%)	(54)	1,644	1,741	(5.6%)	(97)
SME Electricity Sales (GWh)	269	269	(0.2%)	(0)	554	578	(4.1%)	(24)
C&I Electricity Sales (GWh)	426	291	46.6%	135	811	593	36.6%	217
Electricity Sales - Retail (GWh)	1,351	1,270	6.4%	81	3,008	2,912	3.3%	96
Electricity Sales - Wholesale (GWh)	525	400	31.1%	125	1,231	958	28.5%	273
Electricity Purchases - Retail (GWh)	1,404	1,301	7.9%	103	3,157	3,064	3.0%	93
Electricity Purchases - Wholesale (GWh)	302	297	1.5%	4	790	732	7.9%	58
Average Retail Electricity Purchase Price - LWAP (\$/MWh)	\$95.58	\$47.01	103.3%	\$48.57	\$99.27	\$53.43	85.8%	\$45.84
LWAP/GWAP Ratio (%)	101%	100%	1.0%	1%	103%	100%	3.1%	3%
Volume Weighted Average Gas Selling Price - Resi/SME (\$/GJ)	\$29.44	\$29.54	(0.3%)	(\$0.10)	\$25.59	\$25.43	0.6%	\$0.15
Residential Gas Sales (PJ)	0.5	0.6	(13.2%)	(0.1)	1.6	1.7	(4.6%)	(0.1)
SME Gas Sales (PJ)	0.3	0.3	7.2%	0.0	0.8	0.8	0.3%	0.0
C&I Gas Sales (PJ)	0.6	0.8	(17.8%)	(0.1)	1.5	1.8	(12.9%)	(0.2)
Retail Gas Sales (PJ)	1.5	1.7	(11.4%)	(0.2)	4.0	4.3	(7.1%)	(0.3)
LPG								
LPG Customer Connections (#)	58,872	17,513	236.2%	41,359				
Bottled LPG Sales (tonnes)	2,981	1,101	170.8%	1,880	7,429	2,570	189.1%	4,859
Other Bulk & SME LPG sales (tonnes)	4,600	-	0.0%	4,600	10,438	-	0.0%	10,438
Total LPG Sales Volumes (tonnes)	7,581	1,101	588.7%	6,480	17,867	2,570	595.3%	15,298
Wholesale LPG Sales (tonnes)	7,821	4,493	74.1%	3,328	16,888	8,651	95.2%	8,237

Wholesale Metrics

WHOLESALE SEGMENT	Q2 FY18	Q2 FY17	% Change	Var.	YTD FY18	YTD FY17	% Change	Var.
GENERATION								
Gas (GWh)	874	626	39.6%	248	1,795	1,430	25.5%	365
Coal (GWh)	201	24	734.7%	177	378	55	590.0%	323
Total Thermal (GWh)	1,075	650	65.4%	425	2,173	1,485	46.3%	688
Hydro (GWh)	691	749	(7.8%)	(58)	1,687	1,613	4.6%	74
Wind (GWh)	5	7	(23.4%)	(2)	10	12	(10.1%)	(1)
Total Renewable (GWh)	696	756	(7.9%)	(60)	1,697	1,625	4.5%	73
Total Generation (GWh)	1,771	1,406	26.0%	365	3,870	3,110	24.5%	760
Average Price Received for Generation - GWAP (\$/MWh)	\$94.79	\$47.07	101.4%	\$47.72	\$96.16	\$53.36	80.2%	\$42.79
Generation Emissions (ktCO ₂)	583	291	100.7%	293	1,161	660	75.7%	500
Generation Carbon Intensity (tCO ₂ /GWh)	329	207	59.3%	123	300	212	41.2%	87
Forced Outage Factor (FOF)	3.4%	1.8%	88.9%	1.6%	1.8%	1.0%	80.0%	0.8%
Equipment Availability Factor (EAF)	89.5%	89.4%	0.1%	0.1%	93.4%	93.3%	0.1%	0.1%
Rankine Output (GWh)	332	107	211.9%	226	613	186	230.4%	428
Rankines Fueled by Coal (%)	60%	23%	167.5%	37.9%	62%	30%	108.8%	32%
WHOLESALE								
Gas Purchases (PJ)	11.8	10.3	14.6%	1.5	24.4	23.3	4.6%	1.1
Coal Purchases (PJ)	1.0	0.0	0.0%	1.0	2.0	0.1	3617.4%	1.9
Wholesale Gas Sales (PJ)	3.5	3.8	(6.7%)	(0.3)	6.4	8.0	(19.6%)	(1.6)
Wholesale Coal Sales (PJ)	0.1	0.2	(36.9%)	(0.1)	0.2	0.4	(45.8%)	(0.2)
Gas Used In Internal Generation (PJ)	6.9	5.0	39.7%	2.0	14.2	11.2	26.8%	3.0
Coal Used In Internal Generation (PJ)	2.3	0.3	675.1%	2.0	4.3	0.7	487.0%	3.6
Weighted Average Fuel Cost (\$/MWh)	\$37.80	\$29.96	26.2%	\$7.84	\$35.72	\$30.60	16.8%	\$5.13
Coal Stockpile - closing balance (kilotonnes)	233.6	360.6	(35.2%)	(127.0)				

Kupe and Other Metrics

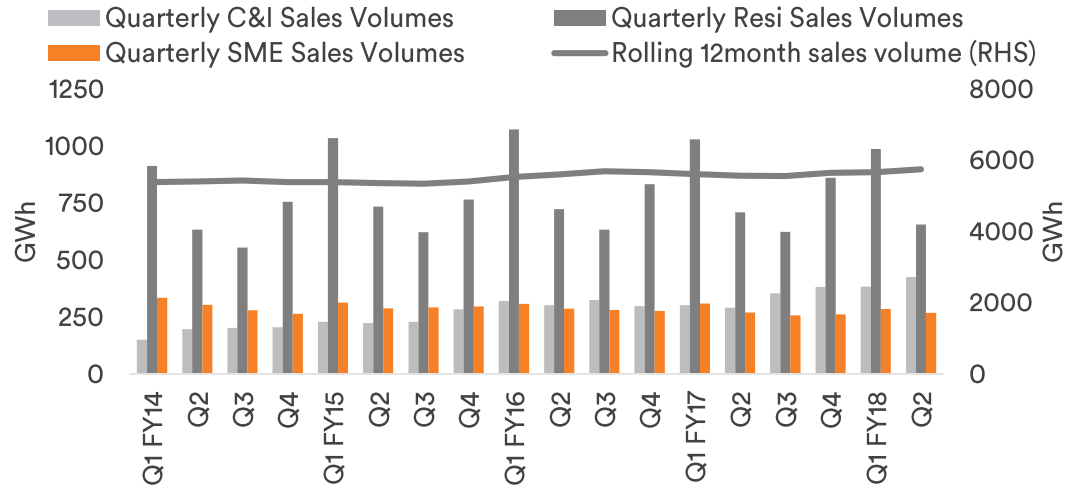
KUPE SEGMENT	Q2 FY18	Q2 FY17	% Change	Var.	YTD FY18	YTD FY17	% Change	Var.
KUPE								
Gas Production (PJ)	3.0	1.7	76.4%	1.3	6.1	3.8	60.5%	2.3
Oil Production (kbbbl)	134.9	88.7	52.1%	46.2	280.7	195.8	43.4%	84.9
Oil Sales (kbbbl)	182.8	72.4	152.6%	110.4	241.0	146.8	64.2%	94.2
Average Brent Crude Spot Oil Price (USD/bbl)	\$61.39	\$49.46	24.1%	\$11.93	\$56.74	\$47.65	19.1%	\$9.08
LPG Sales (kt)	11.3	5.9	91.0%	5.4	22.7	11.5	96.3%	11.1
LPG Production (kt)	11.2	5.9	91.7%	5.4	22.4	11.6	93.7%	10.9
OTHER								
CORPORATE								
Headcount (FTE)	962	808	19.1%	154				
Total Recordable Injury Frequency Rate ¹	1.29	0.60	115.0%	0.69				

1. TRIFR now being reported to include contractors. Prior period has been restated on same basis



Appendix: Customer Segment

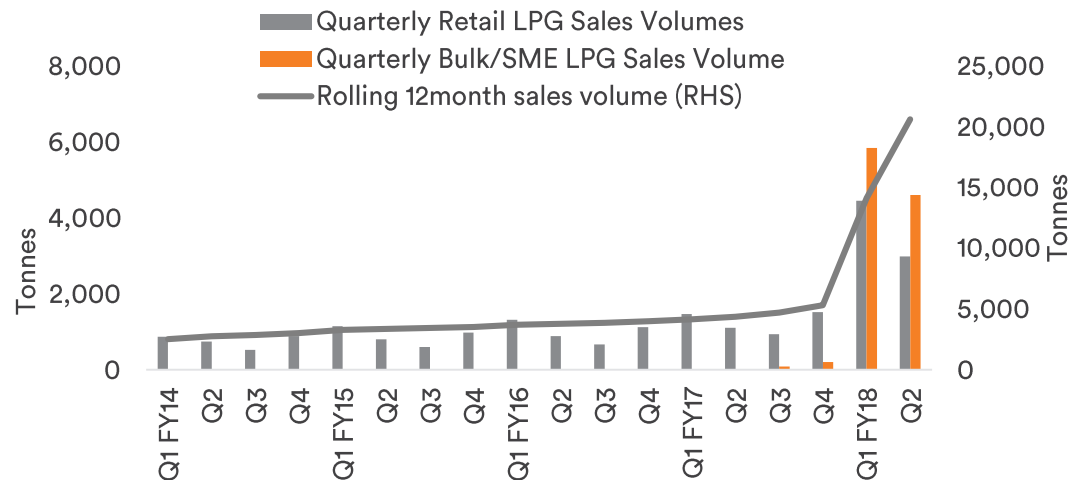
ELECTRICITY SALES VOLUMES (GWh)



RETAIL GAS SALES VOLUMES (PJ)

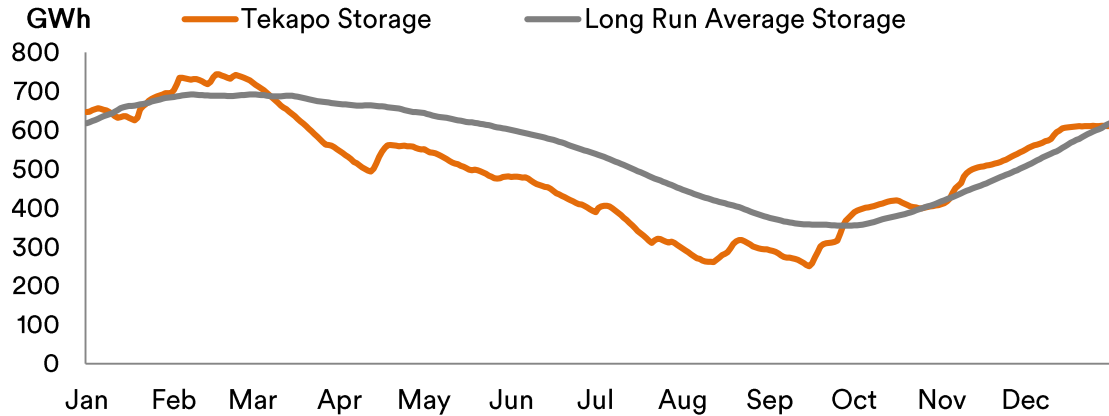


LPG SALES VOLUMES (tonnes)



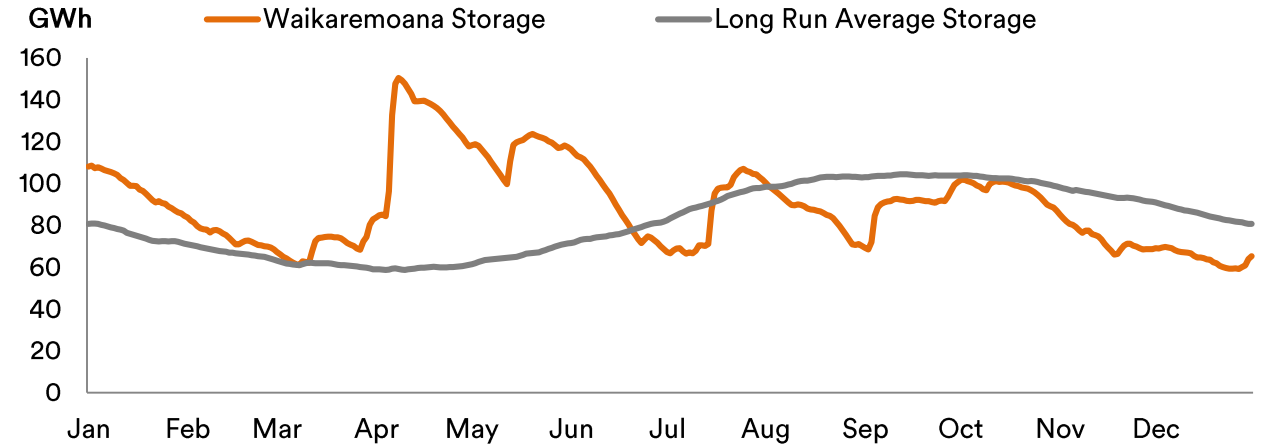
Appendix: Wholesale Segment

TEKAPO STORAGE vs LONG RUN AVERAGE - Q2 FY2018



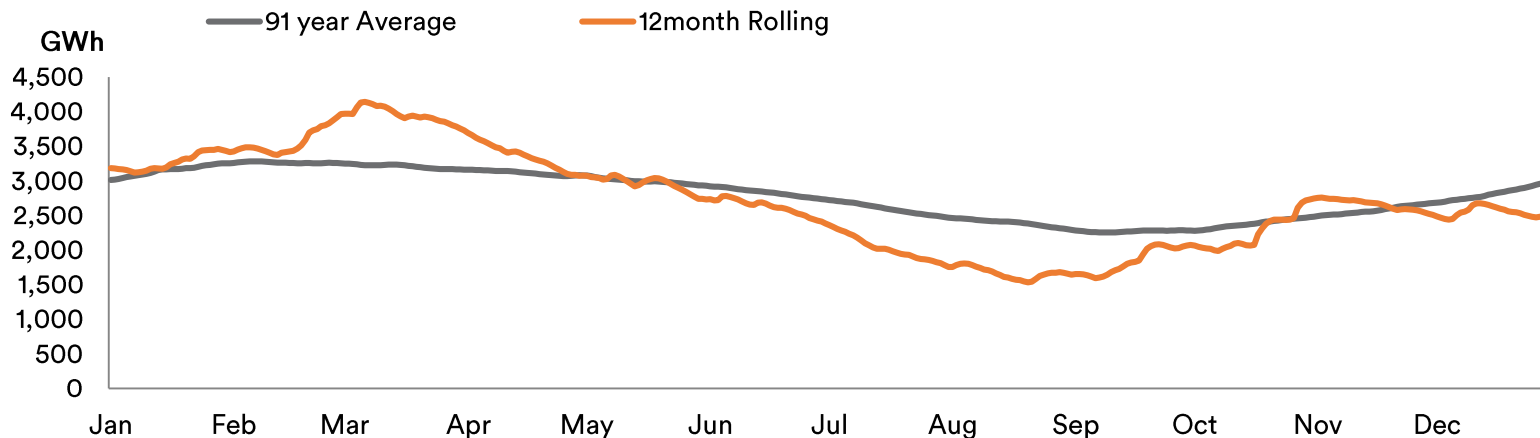
Source: COMIT

WAIKAREMOANA STORAGE vs LONG RUN AVERAGE - Q2 FY2018



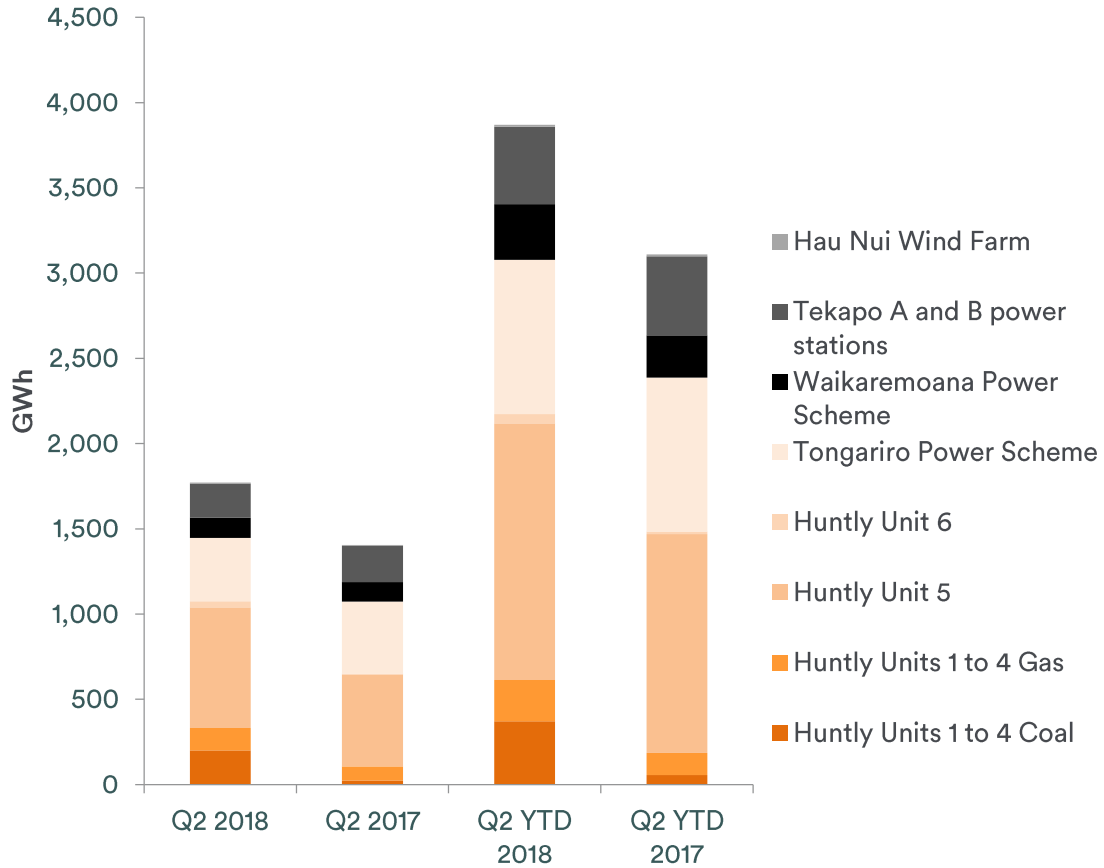
Source: COMIT

NEW ZEALAND DAILY STORAGE

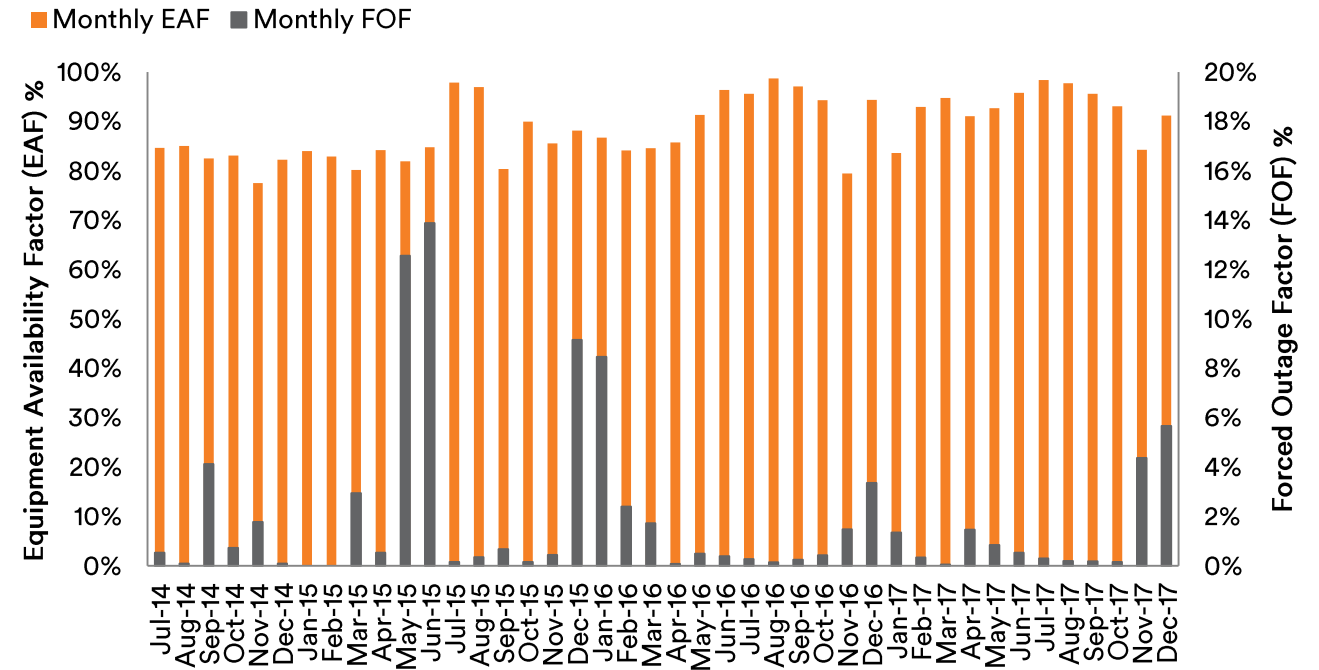


Appendix: Wholesale Segment

GENERATION BY POWER STATION

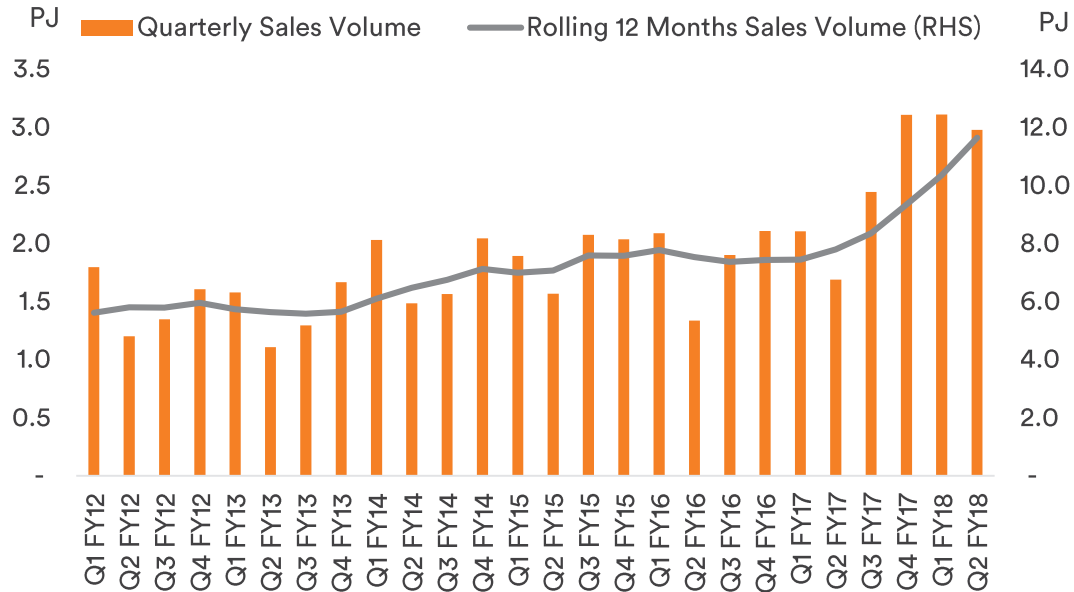


PLANT PERFORMANCE

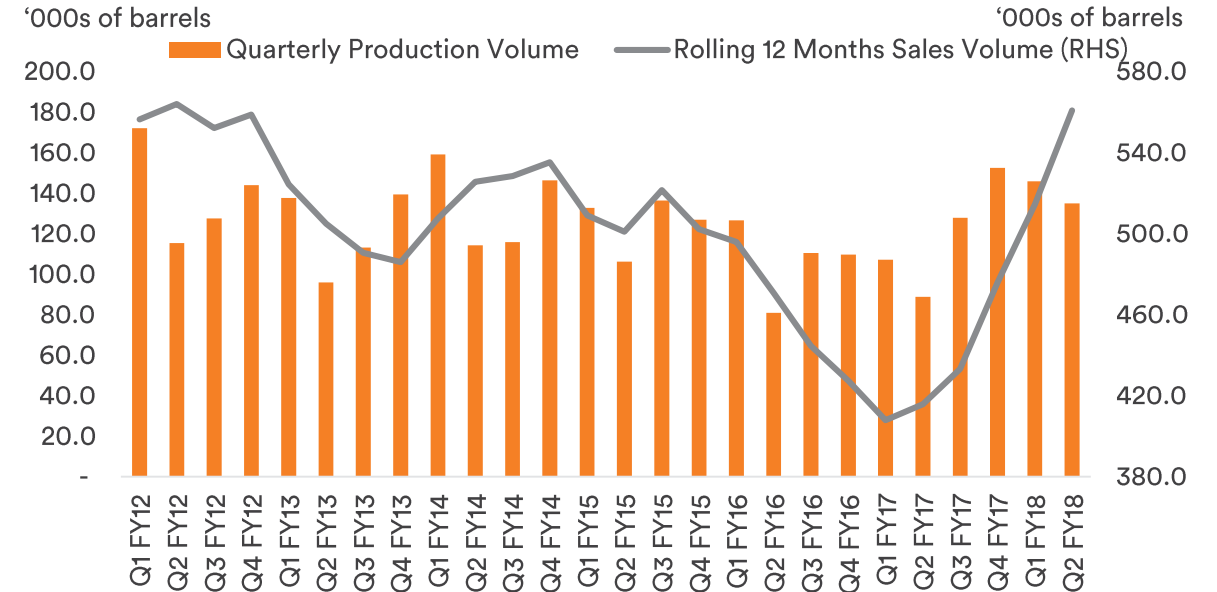


Appendix: Kupe Segment

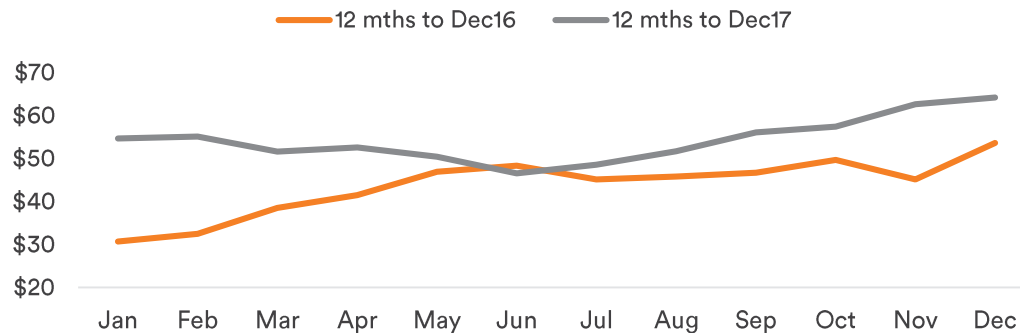
KUPE GAS SALES VOLUMES (PJ)



KUPE OIL PRODUCTION VOLUMES (kbbbl)



BRENT CRUDE OIL SPOT PRICE (USD/bbl)



OIL PRICE and FOREX RISK MANAGEMENT

FORWARD RISK MANAGEMENT		% HEDGED	Average Oil Price
Oil Price Hedges			
1-12 months	81%	USD54.9	
13-24 months	61%	USD56.3	
25-36 months	37%	USD53.7	
USD/NZD Hedges			Rate
1-12 months	80%	0.683	
13-24 months	50%	0.689	
25-36 months	30%	0.707	

