

**Market Release**

19 June 2025

NZX: GNE / ASX: GNE

**Term sheet signed for Huntly capacity to support national energy security**

Genesis, Mercury, Meridian, and Contact have signed a detailed non-binding term sheet as a basis for establishing a strategic energy reserve centered on Huntly Power Station in support of national security of supply.

This is in response to the market conditions during winter 2024 where the market experienced a pinch point on energy supply due to a combination of a faster than expected decline in the national supply of natural gas, low hydro lake levels and low wind conditions. The medium-term outlook for gas supply is also a key factor.

In February, the parties entered into a non-binding heads of agreement to investigate the potential for Huntly Power Station's Rankine Units (one of which was scheduled to retire in January 2026 and the other two in the early 2030's) to remain in the market and continue to play a key role managing 'dry-year risk' and system security of supply, both in the near term and over a longer-term timeframe. The detailed term sheet builds on the non-binding heads of agreement signed in February 2025 and sets out in greater detail how the proposal will function.

The Rankine Units perform a critical role supporting the electricity system as more intermittent wind and solar generation is added. A recent review by KPMG showed the Rankine Units will likely be needed even more in the 2030's as the country builds increasing amounts of intermittent renewable generation. The long-term nature of this proposal will support Rankine capacity staying in the market out to 2035.

The proposal will be similar to the Huntly Firming Options Genesis brought to market last year. It is expected to cover a term of up to 10 years out to 2035 and will enable retiring Rankine capacity to remain in the market, coupled with a strategic fuel reserve to support security of supply. Genesis is also progressing its investigation of biomass as a fuel to gradually displace coal.

Following the formalisation of the proposal contemplated under the term sheet, residual Rankine capacity will be made available to the broader market via further Huntly Firming Options and hedge products.

While the term sheet is non-binding, it demonstrates good faith and a clear commitment by the parties, as they progress to agree and execute long-form agreements. Genesis has engaged with the Commerce Commission in respect of the proposal.

The parties intend for the proposal to be in place from 1 January 2026. Genesis requires certainty in respect of the proposal by early November 2025 to finalise planning to complete essential safe operating and compliance works in order for the Rankine Unit to be available for winter 2026 and maintain Rankine capacity at three Units.

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**About Genesis Energy**

Genesis Energy (NZX: GNE, ASX: GNE) is a diversified New Zealand energy company. Genesis sells electricity, reticulated natural gas and LPG through its retail brands of Genesis and Frank and is one of New Zealand's largest energy retailers with approximately 500,000 customers. The Company generates electricity from a diverse portfolio of thermal and renewable generation assets located in different parts of the country. Genesis also has a 46% interest in the Kupe Joint Venture, which owns the Kupe Oil and Gas Field offshore of Taranaki, New Zealand. Genesis had revenue of \$NZ3.0 billion during the 12 months ended 30 June 2024. More information can be found at [www.genesisenergy.co.nz](http://www.genesisenergy.co.nz)