



Q3 FY2017
Performance
Update



Q3 FY17 PERFORMANCE UPDATE



QUARTER HIGHLIGHTS

70t of Bobtail



deliveries

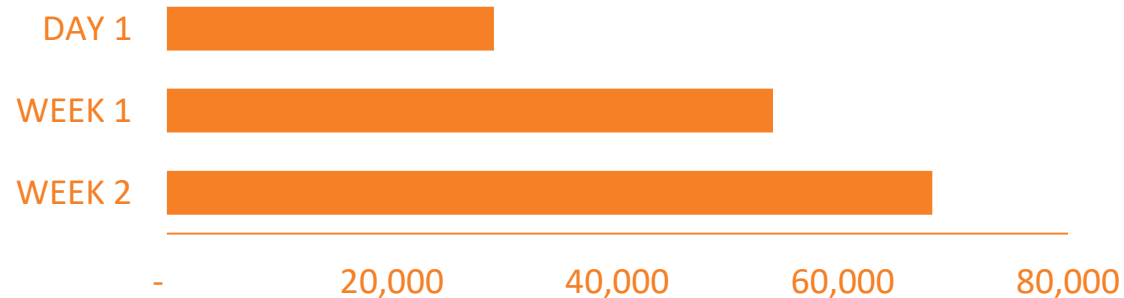
FlyBuys

Total hydro generation

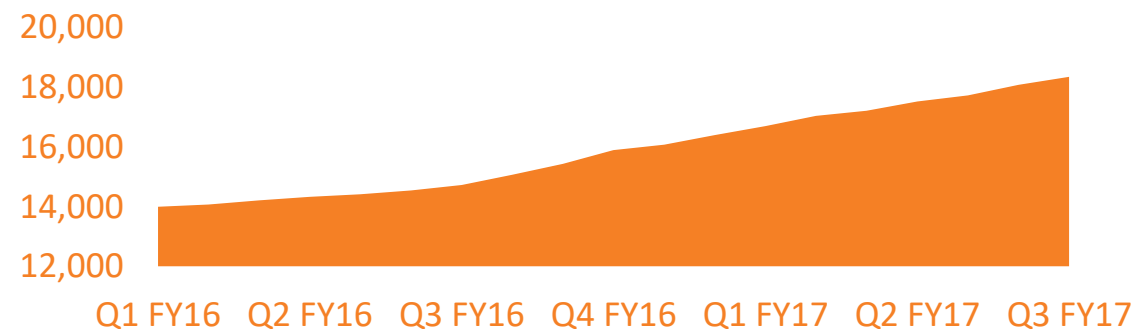


Up 16.5 % on Q3 FY16

FLY BUYS PRE-REGISTRATION



LPG CUSTOMERS



Q3 FY17 Performance Summary



A significant step forward towards customer centricity

Customer Segment

Genesis Energy moved further towards its customer-centric focus with the announcement that it will be joining the Fly Buys programme from May 2017 as part of its strategy on rewarding customer loyalty. The attraction of the programme has already been evidenced by over 60,000 customers pre-registering in the short time since it was announced. Whilst demand was lower during the period, prices increased in both the mass and TOU markets whilst LPG customer growth continued its strong momentum up 4.7% on Q2 FY17.

Wholesale Segment

Hydro inflows continue to dominate the New Zealand market, particularly in the North Island, and Genesis Energy benefitted with hydro generation up 16.5% on Q3 FY16. National storage levels have moderated towards long term averages but the above average rainfall saw suppressed wholesale prices continue with the GWAP down 23.2%. Offsetting this was the weighted average fuel cost declining by 22.0% with no requirement to run the Rankines during the quarter.

Kupe Segment

Genesis Energy invested in long term value creation with the increased ownership in the Kupe Joint Venture to 46% effective from 1 January 2017. This increased position led to higher production in the quarter, with gas production up 0.5PJ on Q3 FY16. The joint venture has moved towards larger and less frequent oil shipments to seek cost benefits from economies of scale whilst oil prices remained consistently higher than the comparable period last year.

“ We’re really excited to be offering the Fly Buys benefits for customers including, for the first time, Fly Buys points on dual fuel bills for electricity and bottled gas. ”

- James Magill - EGM Product Marketing

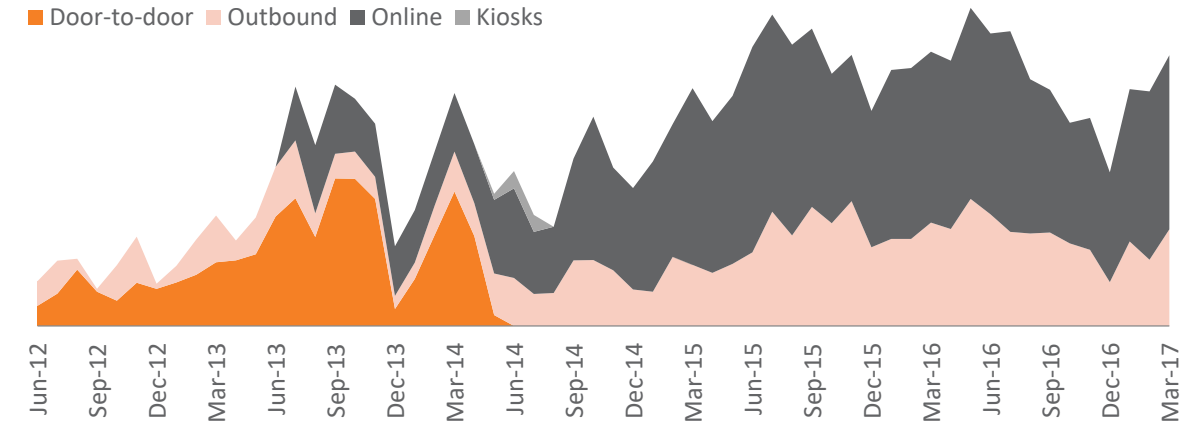
Customer Segment Performance



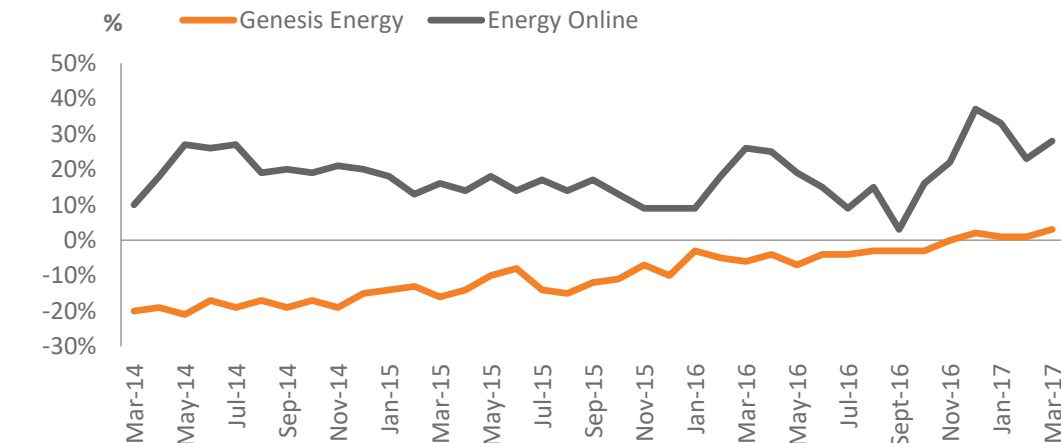
Price increases underpin a solid quarter

- The launch of Flybuys in early March has already seen significant momentum with over 60,000 pre-registrations at the end of the quarter. Genesis Energy has a number of exciting initiatives underway to leverage value from the programme for customers
- Mass market electricity sales were down 3.7% on Q3 FY16, driven by a decrease in national demand of 0.7% combined with a reduction in ICPs. However prices were up 1.3%
- Time of Use 'TOU' electricity sales were up 9.1% on prior year reflecting volume gained from new customers and connections from the Spark contract
- Genesis Energy is disclosing retail netback for the first time this quarter, which was relatively flat on the prior comparable period
- A positive trend in Genesis Energy Net Promoter score continues for both brands which is also reflected in increased customer satisfaction

GROSS MONTHLY SALES BY ACQUISITION CHANNEL



NET PROMOTER SCORE



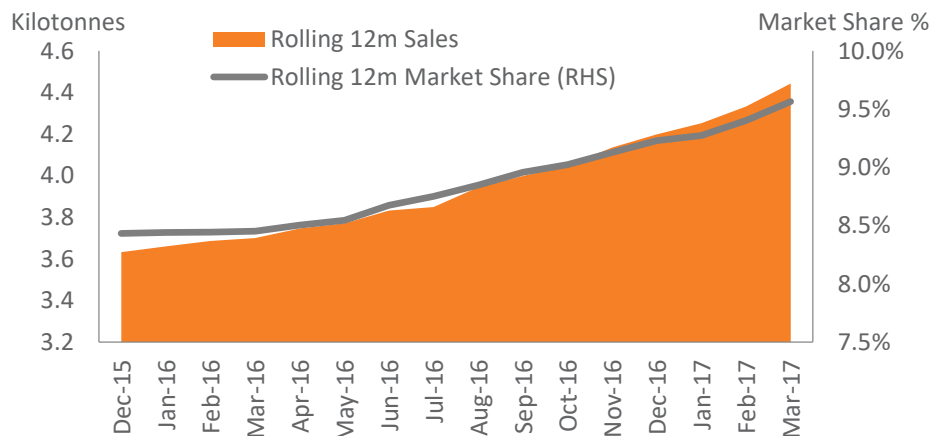
Customer Segment Performance



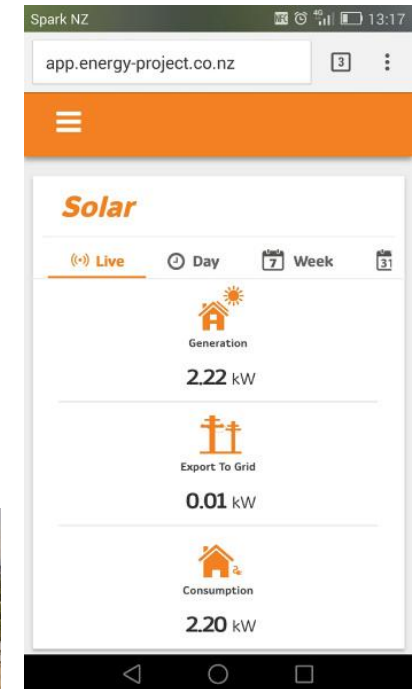
Momentum continues in the 'Innovate' strategic priority

- Q3 FY17 saw the launch of the Local Energy Project, New Zealand's first real world research and development energy community. The launch has been extremely successful to date, with several sales of solar and batteries completed, 50 customers at quote stage and another 150 with registered interest
- Hiring of the SME field force was complete at end of Q3 FY17 to support focus on growth in this segment. Some early wins have already been delivered with the inclusion of approximately 3,000 new ICPs from Spark during the quarter
- Genesis Energy's new bobtail truck delivered 70 tonnes of LPG to customers supporting the bulk segment and is now 79% utilised whilst LPG residential 45kg market share continues to grow, currently at 9.6% compared to 8.5% in Q3 FY16

ESTIMATED RESIDENTIAL LPG 45KG MARKET SHARE BY VOLUMES



Source: Genesis Energy/LPGA/MBIE



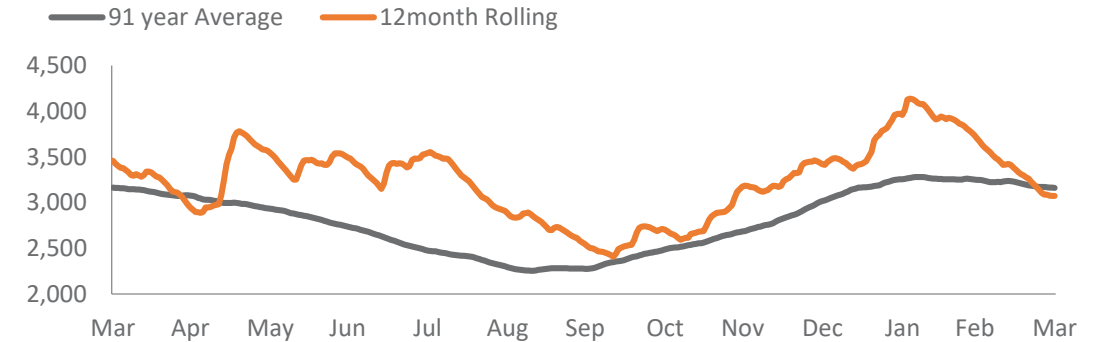
Wholesale Segment Performance



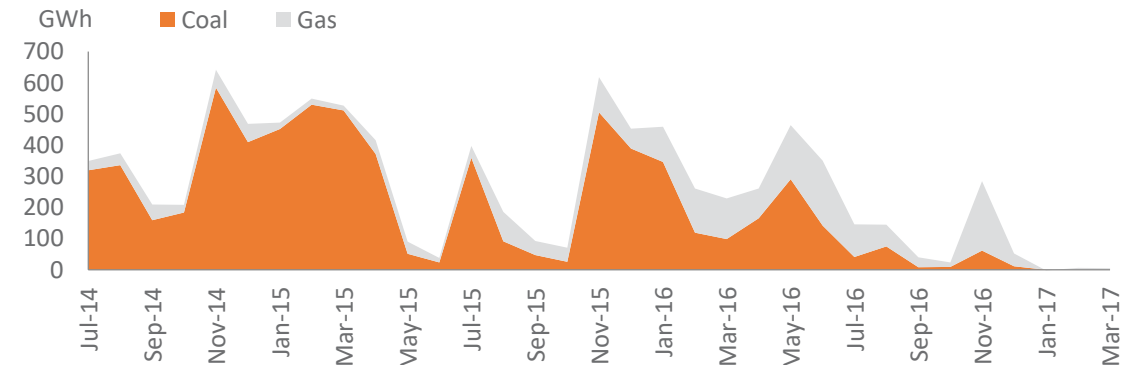
A wet third quarter in the North Island

- Wet weather in the North Island supported increased hydro generation with Genesis Energy's total hydro generation increasing 16.5% on the prior comparable quarter
 - National storage levels have now moderated back ending the quarter at 97% of long term average due to below average inflows in the South Island
 - Tekapo storage levels are at 81% of the long run average whilst Waikaremoana storage levels are at 136% of the long run average
- The use of hydro generation meant the Huntly Rankine units were not used during the quarter
- The dominance of renewable generation in the New Zealand market from continued high storage levels has further suppressed the average price received for generation (GWAP) to \$52/MWh for Q3 FY17, a 23% decline on Q3 FY16. Offsetting this is a 22% drop in the weighted average fuel cost of \$31.61/MWh

NEW ZEALAND DAILY STORAGE



COAL vs GAS USE IN RANKINES



Kupe Segment Performance

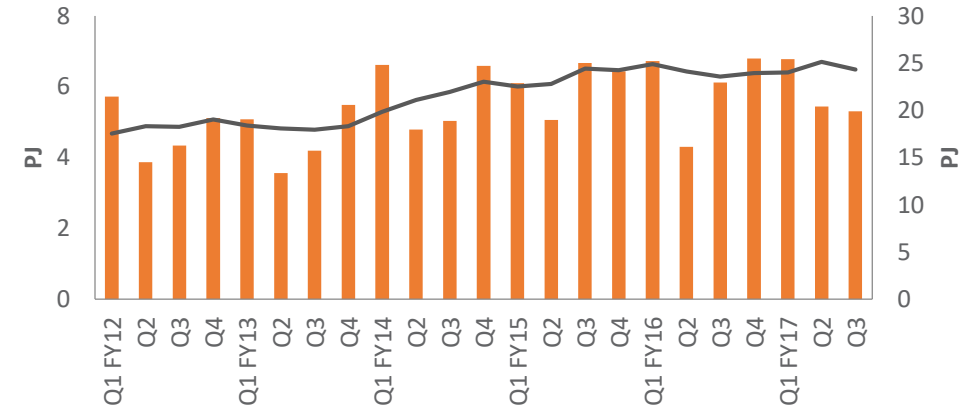


First quarter of 46% ownership

- Gas production of 2.4PJ was up 0.5 PJ on Q3 FY16 reflecting the added contribution of 0.8PJ from the newly acquired 15% interest. On a comparable basis production was down 0.3 PJ due to additional gas purchased in Q3 FY16 as a substitute to coal use in the Rankines
- One oil shipment occurred in the quarter. Genesis Energy's share was 113kbbbls, of which 31kbbbls was inventory from the acquisition of the 15% NZOG interest. The joint venture has sought cost benefits from economies of scale by shipping larger cargoes less frequently
- LPG sales in Q3 FY17 amounted to 9.7kt which is down 1.1kt from a combination of lower gas production and reduced yields. LPG yields are lower than expected as the joint venture prepares to rebuild propane compressors before the end of the financial year
- Brent Crude oil prices for Q3 FY17 have been consistently higher than prior year, with the Q3 FY17 average price of \$53.78 being 59% above Q3 FY16
- Oil sales volumes for the remainder of FY2017 are 86% hedged at US\$57.90/bbl

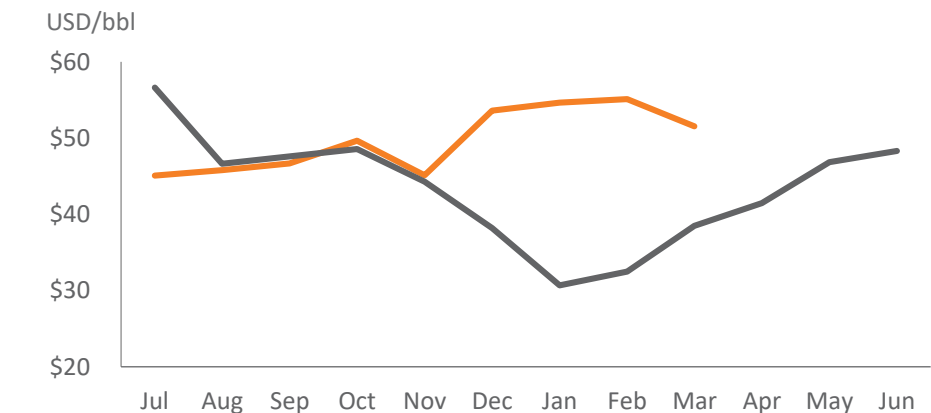
TOTAL JV KUPE GAS PRODUCTION (PJ)

Quarterly Production Volumes — Rolling 12 months production volumes (RHS)



BRENT CRUDE OIL PRICE

FY2017 — FY2016



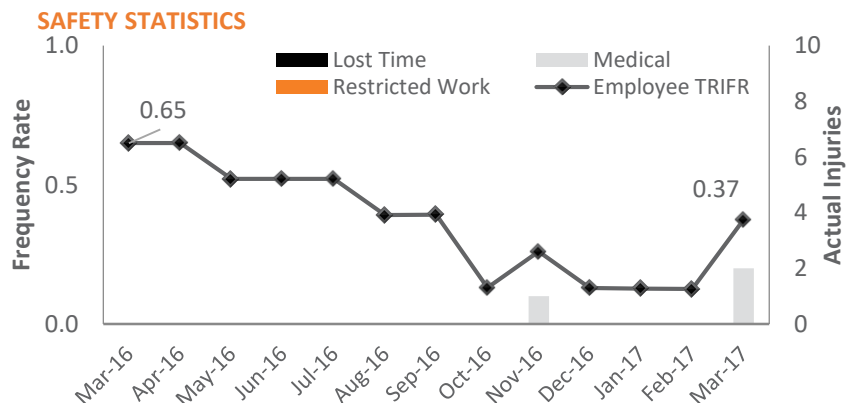
Other Company Highlights



- As part of its innovation and customer-centric focus Genesis Energy held its inaugural 'Hackathon' in March. This brought together over 120 employees in an internal innovation competition, with 11 teams in 48 hours creating several new exciting concepts around the proposition of "reimagining the customer experience through the use of mobile and/or digital technologies", some of which will now be progressed to development
- Genesis Energy also continued its long term partnership with the Department of Conservation around protection of the endangered Whio (blue duck) with Whio Awareness month in March
- During Q3 FY17, there were two medically treated injuries. The total recordable injury frequency rate (TRIFR) remains at historically low levels down 42% on the previous quarter



First
ever...



Whio
Month


Hackathon

Metrics



CORE	Q3 FY17	Q3 FY16	% Change	Var.	YTD FY17	YTD FY16	% Change	Var.
CUSTOMER								
Volume Weighted Average Electricity Selling Price - MM (\$/MWh)	\$247.31	\$244.05	1.3%	\$3.27	\$241.41	\$237.47	1.7%	\$3.93
Volume Weighted Average Electricity Selling Price - TOU (\$/MWh)	\$114.29	\$110.81	3.1%	\$3.48	\$116.06	\$111.19	4.4%	\$4.88
Mass Market Electricity Sales (GWh)	882	916	-3.7%	(34)	3,200	3,310	-3.3%	(109)
TOU Electricity Sales (GWh)	354	324	9.1%	30	947	945	0.2%	2
Electricity Sales - Retail (GWh)	1,235	1,240	-0.4%	(5)	4,147	4,255	-2.5%	(108)
Electricity Sales - Wholesale (GWh)	453	372	21.6%	81	1,411	1,230	14.7%	181
Electricity Purchases - Retail (GWh)	1,312	1,314	-0.2%	(2)	4,377	4,482	-2.3%	(105)
Electricity Purchases - Wholesale (GWh)	296	244	21.5%	53	1,029	862	19.3%	167
Average Retail Electricity Purchase Price - LWAP (\$/MWh)	\$52.01	\$68.25	-23.8%	(\$16.24)	\$53.01	\$64.02	-17.2%	(\$11.02)
LWAP/GWAP Ratio (%)	100%	101%	-0.8%	-1%	100%	100%	-0.3%	0%
Volume Weighted Average Gas Selling Price (\$/GJ)	\$36.45	\$37.23	-2.1%	(\$0.78)	\$27.49	\$27.03	1.7%	\$0.46
Mass Market Gas Sales (PJ)	0.6	0.5	10.5%	0.1	3.1	3.1	0.7%	0.0
TOU Gas Sales (PJ)	0.6	0.6	-9.2%	-0.1	2.4	2.3	0.5%	0.0
Retail Gas Sales (PJ)	1.2	1.2	-0.4%	0.0	5.4	5.4	0.6%	0.0
Retail Gas Purchases (PJ)	1.2	1.2	-0.4%	0.0	5.5	5.5	1.1%	0.1

Metrics



CORE	Q3 FY17	Q3 FY16	% Change	Var.	YTD FY17	YTD FY16	% Change	Var.
GENERATION								
Gas (GWh)	718	887	-19.0%	(169)	2,150	2,367	-9.2%	(217)
Coal (GWh)	-	173	-100.0%	(173)	53	626	-91.6%	(573)
Total Thermal (GWh)	718	1,060	-32.3%	(342)	2,203	2,993	-26.4%	(790)
Hydro (GWh)	689	592	16.5%	98	2,302	2,022	13.9%	280
Wind (GWh)	5	6	-8.2%	(0)	17	19	-11.2%	(2)
Total Renewable (GWh)	694	597	16.3%	97	2,319	2,041	13.6%	278
Total Generation (GWh)	1,412	1,657	-14.8%	(245)	4,522	5,034	-10.2%	(512)
Average Price Received for Generation - GWAP (\$/MWh)	\$52.07	\$67.79	-23.2%	(\$15.72)	\$52.96	\$63.75	-16.9%	(\$10.79)
Generation Emissions (ktCO ₂)	287	555	-48.2%	(267)	948	1,626	-41.7%	(678)
Generation Carbon Intensity (tCO ₂ /GWh)	203	335	-39.2%	(131)	210	323	-35.1%	(113)
WHOLESALE								
Gas Purchases (PJ)	9.9	11.0	-9.6%	-1.1	33.2	35.0	-5.2%	-1.8
Coal Purchases (PJ)	0.0	0.0	0.0%	0.0	0.1	3.0	-98.2%	-2.9
Wholesale Gas Sales (PJ)	3.3	2.8	16.7%	0.5	11.3	11.4	-1.1%	-0.1
Wholesale Coal Sales (PJ)	0.2	0.2	16.9%	0.0	0.6	0.7	-14.7%	-0.1
Gas Used In Internal Generation (PJ)	5.4	7.0	-22.5%	-1.6	16.6	18.3	-9.3%	-1.7
Coal Used In Internal Generation (PJ)	0.0	2.0	-100.0%	-2.0	0.7	7.1	-89.7%	-6.4
Weighted Average Fuel Cost (\$/MWh)	\$31.61	\$40.54	-22.0%	(\$8.93)	\$30.91	\$36.84	-16.1%	(\$5.93)
Coal Stockpile - closing balance (kilotonnes)	351.2	500.1	-29.8%	(148.9)				

Metrics



OPTIMISE		Q3 FY17	Q3 FY16	% Change	Var.	YTD FY17	YTD FY16	% Change	Var.
CUSTOMER									
	Net Promoter Score - Genesis Energy (%)	3%	-6%	150.0%	9.0%				
	Electricity Market Share (%)	24.9%	25.8%	-3.4%	-0.9%				
	Gas Market Share (%)	38.2%	39.5%	-3.3%	-1.3%				
	Electricity Customers Excluding Vacants (#)	513,209	524,122	-2.1%	(10,913)				
	Electricity Vacant Connections	20,452	21,151	-3.3%	-699.0				
	Gas Customers Excluding Vacants (#)	105,433	106,908	-1.4%	(1,475)				
	Gas Vacant Connections	4,133	3,444	20.0%	689.0				
	Retail Netback (\$/MWh)	\$84.74	\$84.81	-0.1%	(\$0.07)	\$82.78	\$83.17	-0.5%	(\$0.39)
GENERATION									
	Rankine Output (GWh)	-4	291	-101%	-295.7	181	874	-79.2%	-692.3
	Rankines Fueled by Coal (%)	0%	59%	-100%	-59%	29%	72%	-59%	-43%
CORPORATE									
	Headcount (FTE)	775	856	-9.5%	-81.2				
	Total Recordable Injury Frequency Rate	0.37	0.64	-42.2%	-0.3				

* New metric

Metrics



INNOVATE

CUSTOMER

	Q3 FY17	Q3 FY16	% Change	Var.	YTD FY17	YTD FY16	% Change	Var.
LPG Customer Connections (#)	18,334	14,717	24.6%	3,617				
Bottled LPG Sales (tonnes)	935	670	39.6%	265	3,505	2,872	22.0%	633
Other LPG sales (tonnes)	3,413	4,748	-28.1%	(1,335)	3,786	6,642	-43.0%	(2,856)
Wholesale LPG Sales (tonnes)	5,362	1,759	204.8%	3,602	14,013	11,740	19.4%	2,273

INVEST

KUPE

	Q3 FY17	Q3 FY16	% Change	Var.	YTD FY17	YTD FY16	% Change	Var.
Gas Production (PJ)	2.4	1.9	28.6%	0.5	6.2	5.3	17.1%	0.9
Oil Production (kbbl)	127.7	110.3	15.7%	17.4	323.5	317.7	1.8%	5.8
Oil Sales (kbbl)	112.5	131.9	-14.7%	-19.5	259.2	290.5	-10.8%	-31.2
Average Brent Crude Oil (USD/bbl)	\$53.78	\$33.89	58.7%	\$19.89	\$49.70	\$42.62	16.6%	\$7.08
Oil Hedge Levels (%) - Balance of FY	86%	106%	-18.9%	-20.0%				
LPG Sales (kt)	9.7	7.6	26.4%	2.0	21.2	21.7	-2.4%	-0.5
LPG Production (kt)	9.5	8.1	0.2	1.5	21.1	22.2	-0.1	-1.1

* New metric

*from 1 January 2017, metrics include 46% ownership

Glossary



CUSTOMER

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
Customer Connection	Electricity and gas customers are defined by number of connections (ICP).
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
LPG 45kg Market Share (%)	Genesis Energy estimation based on company data, LPGA and MBIE data
Bottled LPG Sales (tonnes)	represents 45kg LPG bottle sales
Other LPG Sales (tonnes)	represents bulk, 3rd party distributors and export sales plus transfers to the Huntly Power Station
Electricity Sales - Wholesale (GWh)	includes contracts for difference and options
Electricity Purchases - Wholesale (GWh)	includes contracts for difference and options
Retail Netback (\$/MWh)	Customer Segment EBITDAF plus electricity and gas purchase cost divided by total electricity and gas sales volumes
Bobtail	A semi truck, that transports 5 tonnes of LPG to bulk customers

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 kilotonnes to PJ conversion rate and volume methodology
Rankines Fueled by Coal (%)	
Equipment Availability Factor (EAF)	the percentage of time a power station is available to generate electricity
Foreced 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
Headcount	Based on full time equivalents, excluding contractors

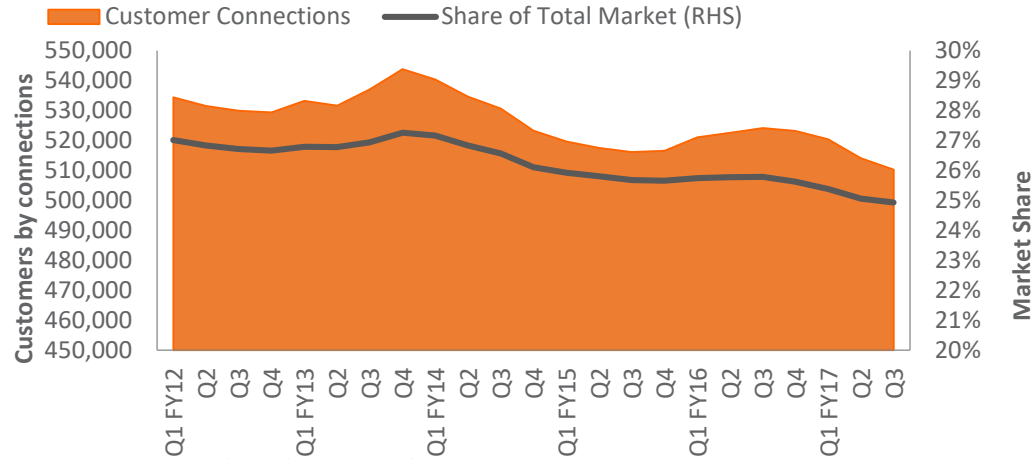
KUPE

Oil Hedge Levels (%)	% hedged for remainder of FY as % of forecast sales
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Appendix: Customer Segment

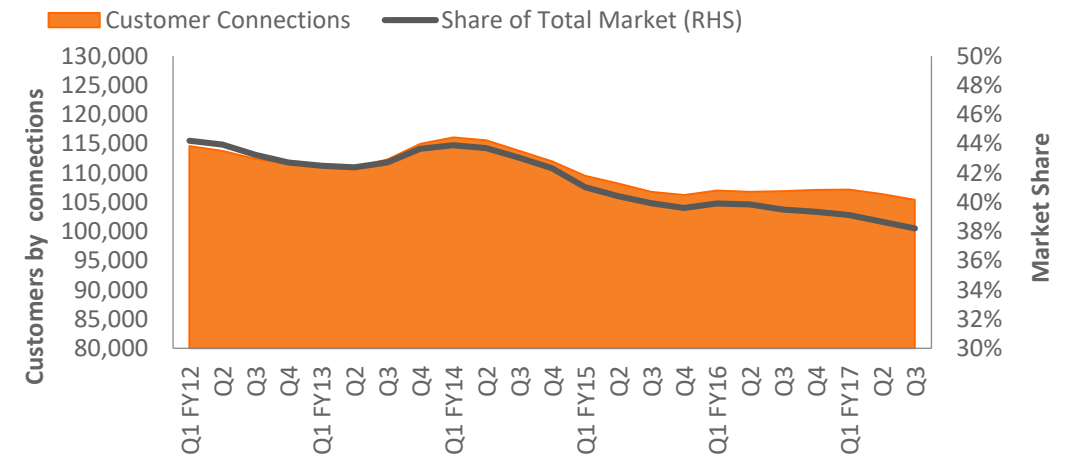


ELECTRICITY CUSTOMER CONNECTIONS & MARKET SHARE



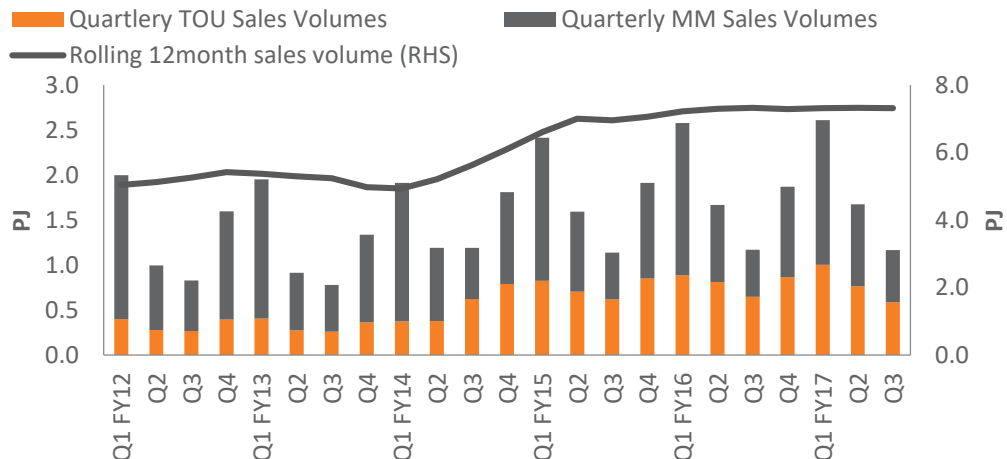
Source: Company data, Electricity Authority

NATURAL GAS CUSTOMER CONNECTIONS & MARKET SHARE

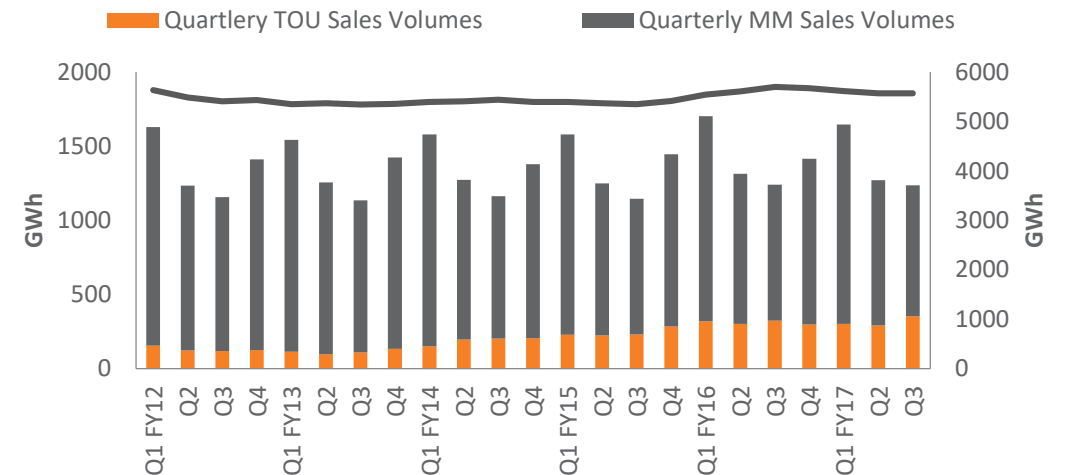


Source: Company data, Gas Industry Co

RETAIL GAS SALES VOLUMES (PJ)



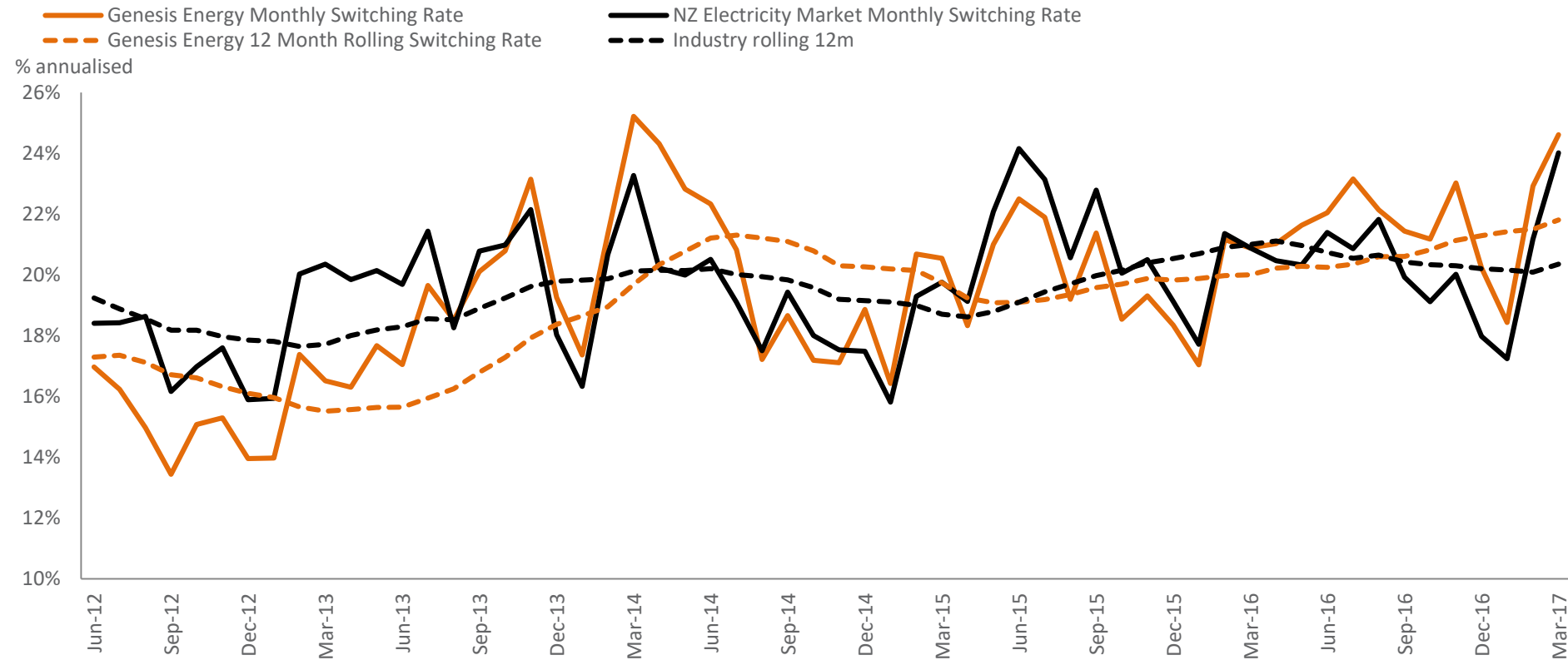
ELECTRICITY SALES VOLUMES (GWh)



Appendix: Customer Segment



GENESIS ENERGY vs. INDUSTRY ELECTRICITY CUSTOMER CONNECTION SWITCHING

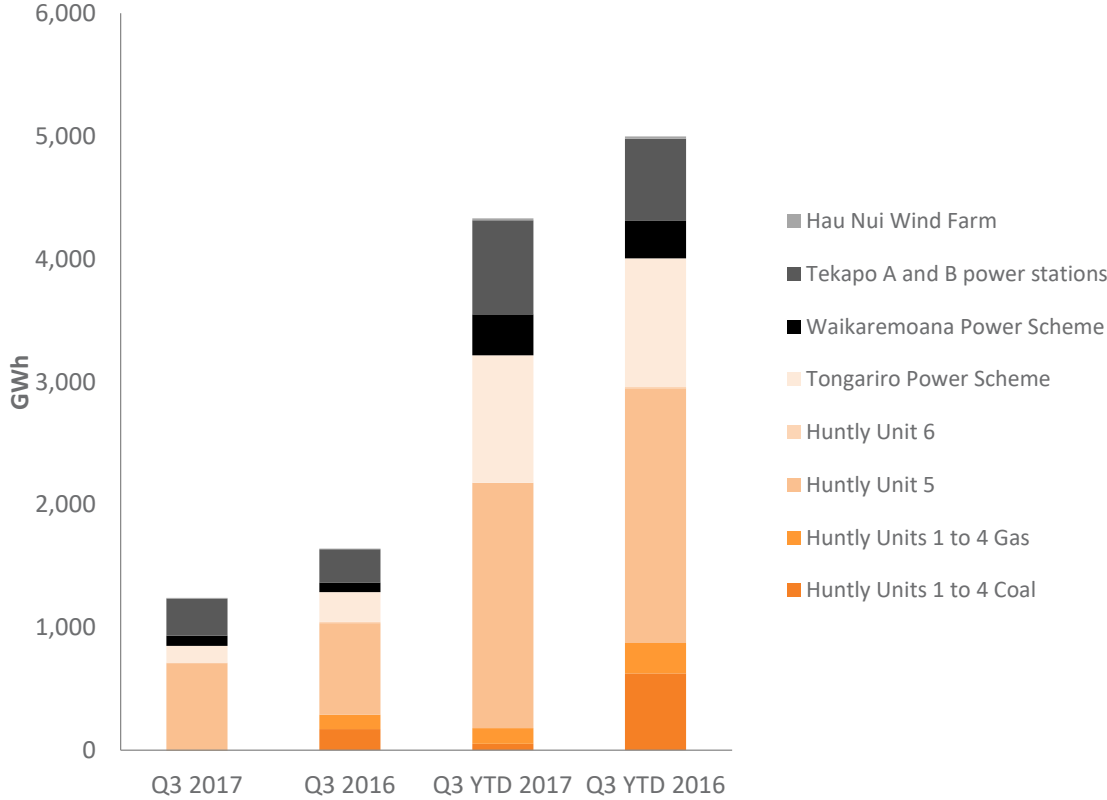


Source: Genesis Energy, Electricity Authority

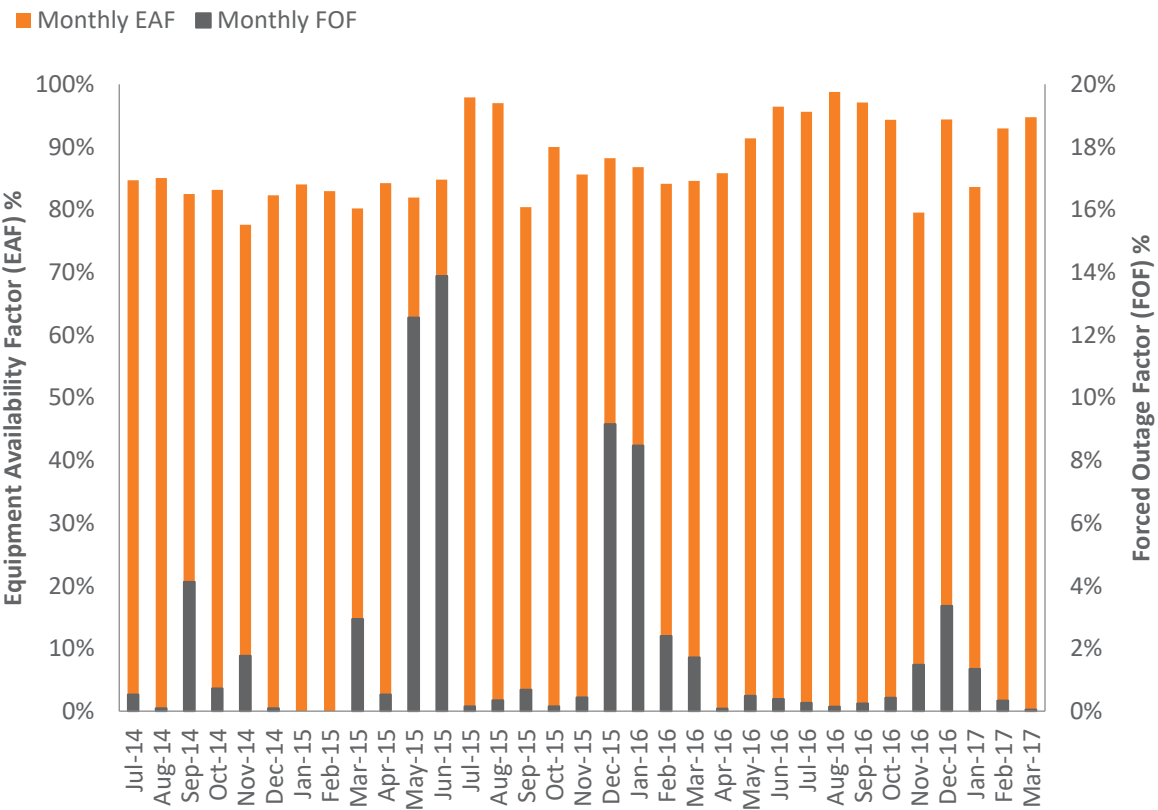
Appendix: Wholesale Segment



GENERATION BY POWER STATION



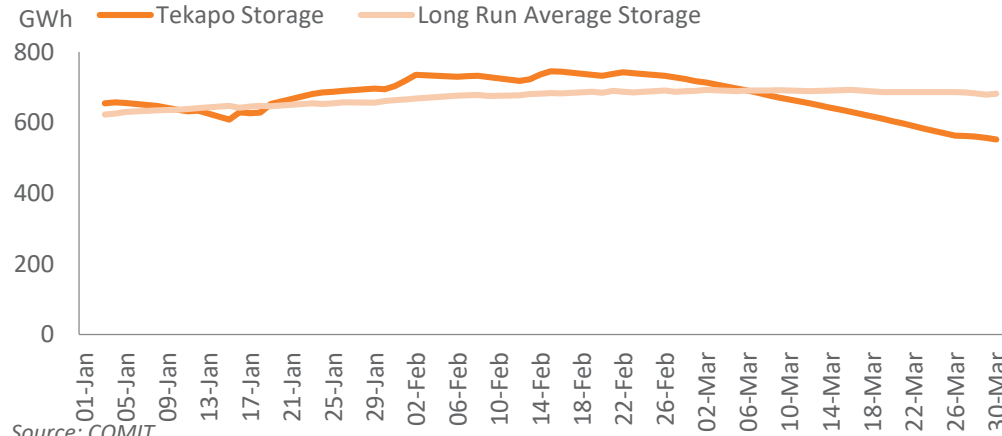
PLANT PERFORMANCE



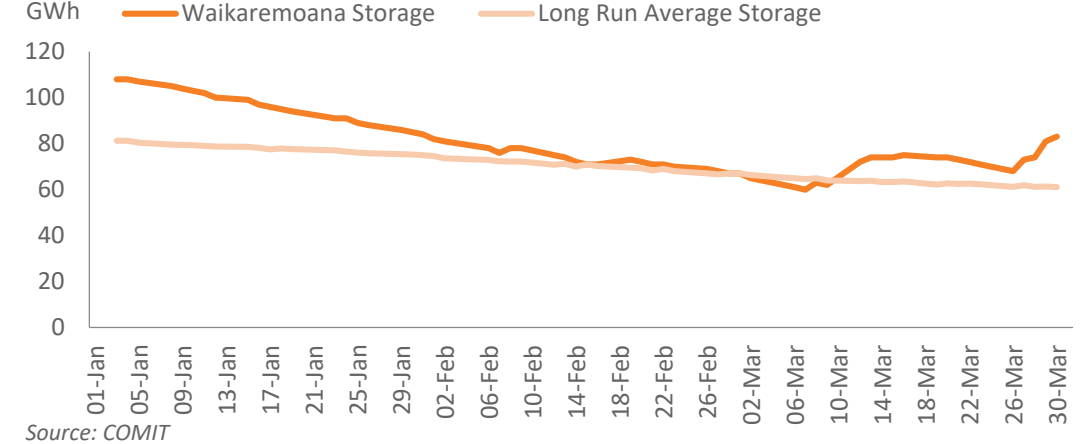
Appendix: Wholesale Segment



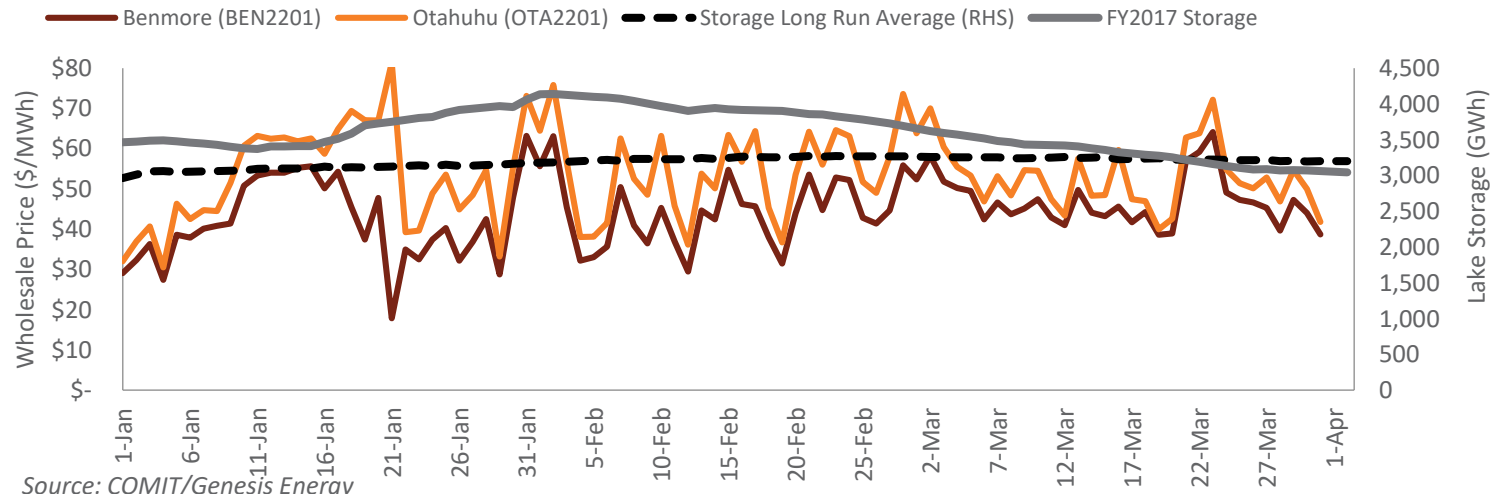
TEKAPU STORAGE vs LONG RUN AVERAGE - Q3 FY2017



WAIKAREMOANA STORAGE vs LONG RUN AVERAGE - Q3 FY2017



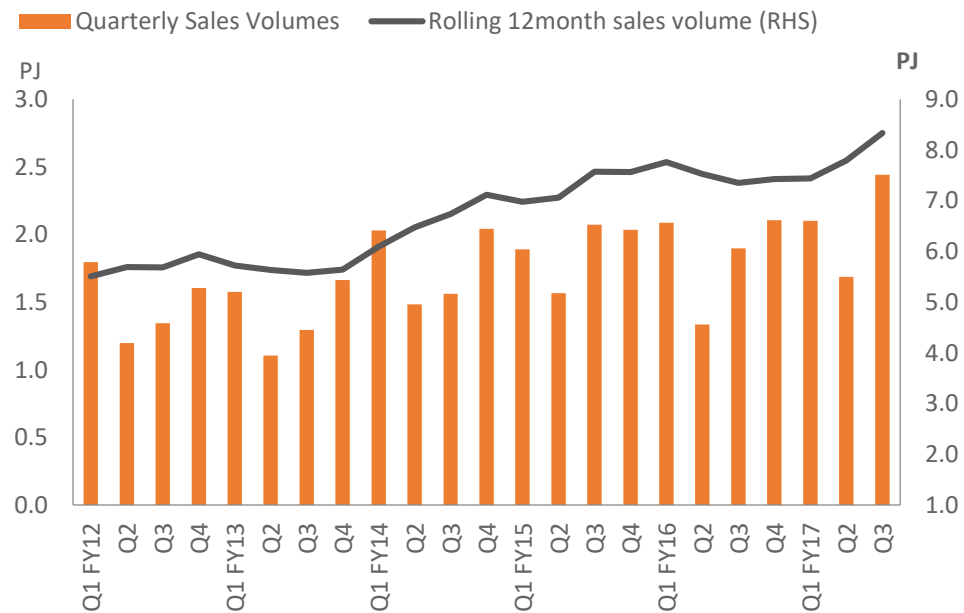
DAILY AVERAGE WHOLESALE PRICES & NATIONAL HYDRO STORAGE - Q3 FY2017



Appendix: Kupe Segment



KUPE GAS SALES VOLUMES (PJ)



KUPE OIL PRODUCTION VOLUMES (kbbbl)

