FY18 Q3
Performance Report

17 April 2018

genesis

GENESIS ENERGY LIMITED

Q3 FY18 Performance Summary

Customer

It was an improved performance from the Customer segment as increases in B2B and LPG sales were offset by residential electricity and gas volume declines, in part due to one of the warmest summers on record. The highlight of the quarter was the positive sentiment coming from Genesis customers, our net promoter score up 3 percentage points, and churn dropped 1.2 percentage points below the comparable quarter. Residential customer losses continued to decline over the period, these turned to gains in the month of March and B2B sales lifted by 21% over the quarter. B2B gas sales were up 31%. Netback fell to $80/MWh due to increased investment in marketing and business sales teams, increased C&I volumes, and lines cost timing impacts. LPG sales volumes rose 55%.

Wholesale

Total generation volumes were up 16% with thermal generation up 40% and renewable down 9%. Renewable volumes and forced outage factors were affected by the outage at Tekapo B, and a generator failure at Tokaanu. Tekapo lake ended the period on 122% of average. National storage recovered through the quarter to end on 111% of average with average price received for generation up 70% to $89/MWh. Our thermal generation continued to support the volatile market conditions with 34GWh of swaptions called. The coal stockpile reduced 27% to end on 257kt.

Kupe

Gas production of 3.0PJ was up 22%, as the field operated at 93.5% of maximum plant capacity to support generation requirements and swaption calls. LPG yield was 2.7% up, now stable above 4 tonnes per TJ of gas produced. Oil sales volumes fell 15% due to export shipment timing however Brent Crude spot prices rose 24% to USD67/bbl.

> "Genesis is seeing a positive response from customers as a result of brand recognition and through innovation delivered, with churn below the comparable quarter and residential gains in March."
>
> James Magill, Executive General Manager Product Marketing

Customer Segment Performance

Highs

Customer Churn
1.2ppts down on Q3 FY17

737 GWh
B2B electricity sales 20.6%

$266/MWh
Volume weighted average Residential electricity price 2.2%

'Power Shout' [1]
Launched to around 200,000 customers

1.4 PJ
Total gas sales volumes 16.3%

1,330 GWh
Total Electricity retail sales volumes 7.6%

6%
Genesis Brand Net Promoter score climbs 3 ppt

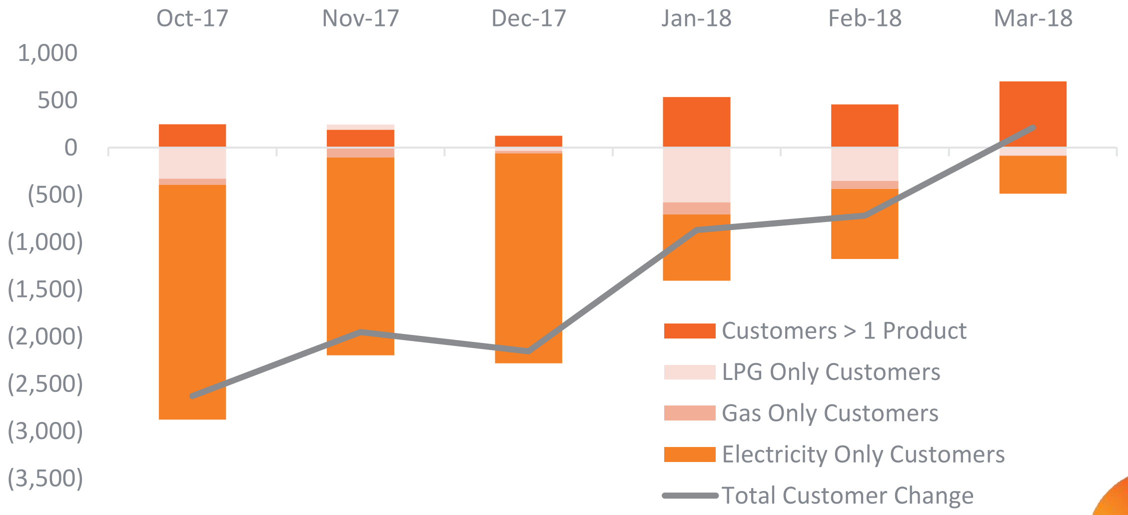
Lows

593 GWh
Residential electricity sales volume 5.0%

$80/MWh
Netback down 5.4%

0.3 PJ
Residential gas sales volume 16.9%

CHANGE IN CUSTOMER NUMBERS (SIX MONTHS)



1. Power Shout is an offering to customers to use 5 free hours of power at a time of their choosing

Wholesale Segment Performance

Highs

1,632 GWh
Total generation up in response to market 15.6%

$89/MWh
Average price received for generation 70.0%

33.5 GWh
Swaptions called by other market participants

246 GWh
Rankine output to support volatile market conditions

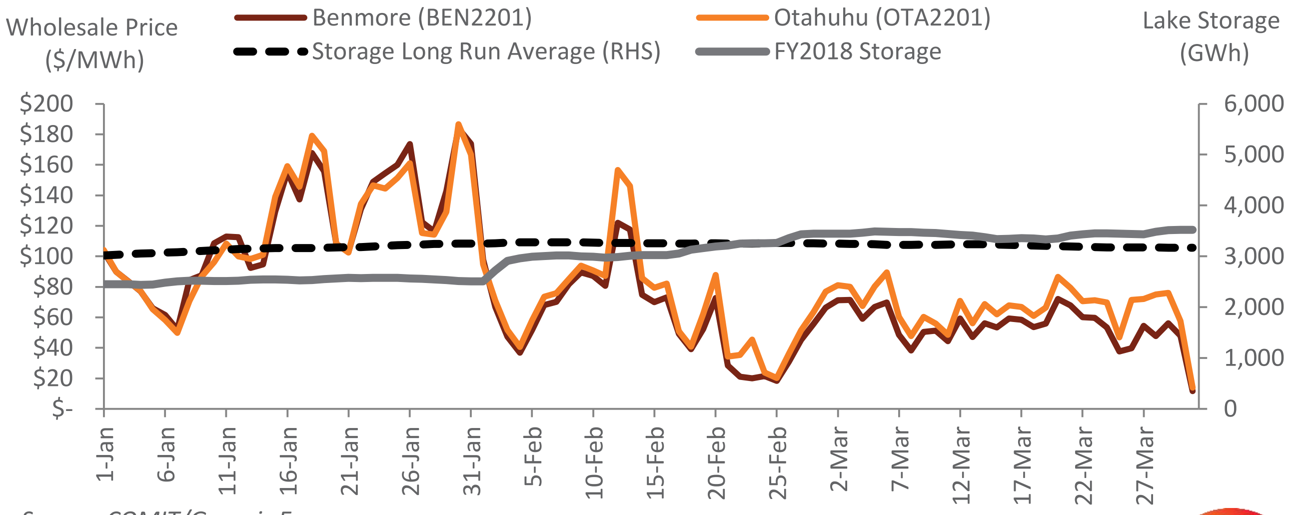
257 kilotonne
Huntly coal stockpile inventory levels optimised 26.8.%

Lows

6.4%
Forced Outage Factor (FOF) up due to Tekapo outage 5.8 ppts

632 GWh
Total renewable generation 9.0%

DAILY AVERAGE WHOLESALE PRICES & NATIONAL HYDRO



Source: COMIT/Genesis Energy

Kupe Segment Performance

Highs

3.0 PJ
Gas production supporting fuel flexibility
22.0%

USD67/bbl
Average Brent Crude spot oil price
24.1%

11.9kt
LPG production up in line with gas and improved yield
25.3%

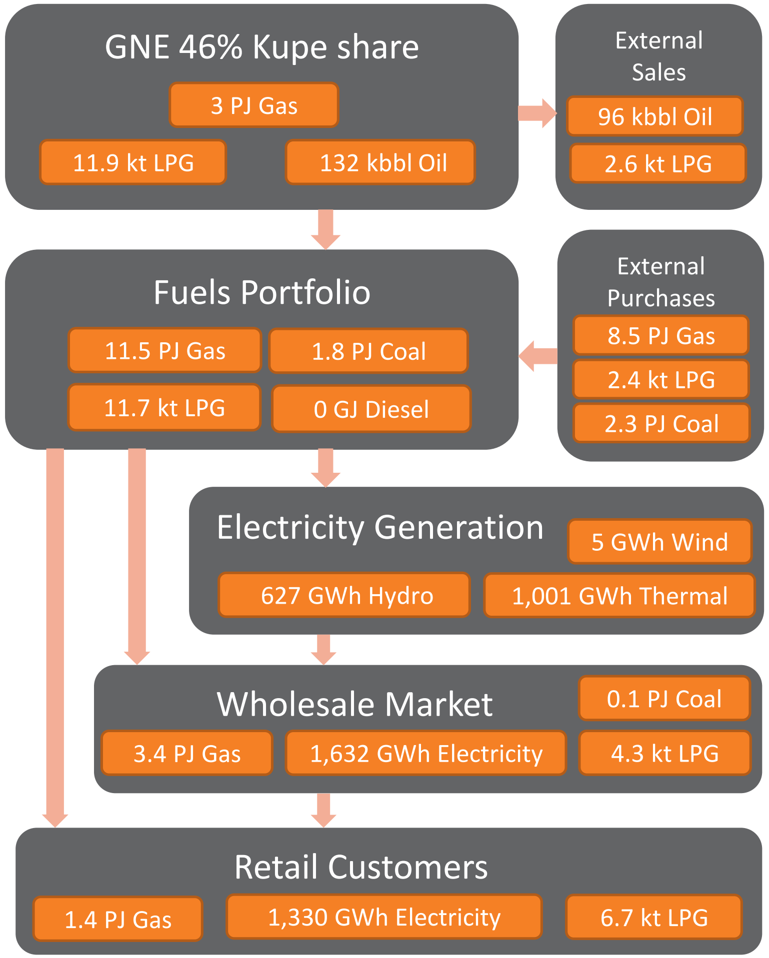
4.01t/TJ
LPG yield
2.7%

Lows

96 kbbl
Kupe oil Sales down due to shipment timings
14.7%

USD56/bbl
Average USD strike price on oil contract settlements below Brent Crude spot price

Q3 INTEGRATED PHYSICAL ENERGY FLOWS[1]



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 wholelsale, 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)
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

Customer Metrics

CUSTOMER SEGMENT	Q3 FY18	Q3 FY17	% Change	Var.	YTD FY18	YTD FY17	% Change	Var.
CUSTOMER								
Brand Net Promoter Score - Genesis Energy (%)	6%	3%	(100.0%)	3%				
Retail Netback ($/MWh)	$80.26	$84.88	(5.4%)	($4.62)	$80.64	$82.89	(2.7%)	($2.25)
CUSTOMER NUMBERS[1]								
Electricity Only Customers	340,655	NA						
Gas Only Customers	17,896	NA						
LPG Only Customers	31,978	NA						
Customers > 1 Product	111,429	NA						
Total Customers	**501,958**	NA						
Electricity ICP's Excluding Vacants (#)	501,245	510,209	(1.8%)	(8,964)				
Electricity Vacant ICP's	-	20,452	(100.0%)	(20,452)				
Gas ICP's Excluding Vacants (#)	104,837	105,433	(0.6%)	(596)				
Gas Vacant ICP's	-	4,133	(100.0%)	(4,133)				
VOLUMES AND PRICE								
Volume Weighted Average Electricity Selling Price - Resi ($/MWh)	$265.93	$260.14	2.2%	$5.80	$253.14	$250.95	0.9%	$2.19
Volume Weighted Average Electricity Selling Price - SME ($/MWh)	$217.47	$216.16	0.6%	$1.31	$216.49	$214.35	1.0%	$2.14
Volume Weighted Average Electricity Selling Price - C&I ($/MWh)	$116.34	$114.29	1.8%	$2.06	$118.93	$116.06	2.5%	$2.87
Residential Electricity Sales (GWh)	593	624	(5.0%)	(31)	2,237	2,365	(5.4%)	(128)
SME Electricity Sales (GWh)	262	257	1.8%	5	816	835	(2.3%)	(19)
C&I Electricity Sales (GWh)	475	354	34.2%	121	1,285	947	35.7%	338
Electricity Sales - Retail (GWh)	**1,330**	**1,235**	**7.6%**	**94**	**4,338**	**4,147**	**4.6%**	**191**
Electricity Sales - Wholesale (GWh)	479	453	5.7%	26	1,710	1,411	21.2%	299
Electricity Purchases - Retail (GWh)	1,392	1,312	6.1%	80	4,550	4,377	4.0%	173
Electricity Purchases - Wholesale (GWh)	491	296	65.5%	194	1,281	1,029	24.5%	252
Average Retail Electricity Purchase Price - LWAP ($/MWh)	$88.07	$52.01	69.3%	$36.06	$95.84	$53.01	80.8%	$42.84
LWAP/GWAP Ratio (%)	99%	100%	(0.4%)	0%	102%	100%	2.0%	2%
Volume Weighted Average Gas Selling Price - Resi/SME ($/GJ)	$37.87	$36.45	3.9%	$1.42	$27.78	$27.49	1.0%	$0.29
Residential Gas Sales (PJ)	0.3	0.4	(16.9%)	(0.1)	1.9	2.1	(6.7%)	(0.1)
SME Gas Sales (PJ)	0.2	0.2	5.0%	0.0	1.0	1.0	1.3%	0.0
C&I Gas Sales (PJ)	0.8	0.6	40.8%	0.2	2.4	2.4	0.5%	0.0
Retail Gas Sales (PJ)	**1.4**	**1.2**	**16.3%**	**0.2**	**5.3**	**5.4**	**(2.1%)**	**(0.1)**
LPG								
LPG Customer Connections (#)	60,225	18,334	228.5%	41,891				
Bottled LPG Sales (tonnes)	2,360	935	152.2%	1,424	9,861	3,505	181.3%	6,356
Other Bulk & SME LPG sales (tonnes)	4,393	3,413	28.7%	980	15,143	-	0.0%	15,143
Total LPG Sales Volumes (tonnes)	**6,752**	**4,348**	**55.3%**	**2,404**	**25,004**	**3,505**	**613.4%**	**21,499**
Wholesale LPG Sales (tonnes)	4,269	5,362	(20.4%)	(1,093)	23,923	10,893	119.6%	13,031

1. Mar 2017 customer view not available.

Wholesale Metrics

WHOLESALE SEGMENT	Q3 FY18	Q3 FY17	% Change	Var.	YTD FY18	YTD FY17	% Change	Var.
GENERATION								
Gas (GWh)	857	718	19.4%	139	2,652	2,150	23.3%	502
Coal (GWh)	144	-	N/A	144	522	53	887.9%	469
Total Thermal (GWh)	**1,001**	**718**	**39.4%**	**283**	**3,173**	**2,203**	**44.1%**	**971**
Hydro (GWh)	627	689	(9.0%)	(62)	2,314	2,302	0.5%	11
Wind (GWh)	5	5	(6.7%)	(0)	15	17	(9.0%)	(2)
Total Renewable (GWh)	**632**	**694**	**(9.0%)**	**(63)**	**2,329**	**2,319**	**0.4%**	**10**
Total Generation (GWh)	**1,632**	**1,412**	**15.6%**	**220**	**5,502**	**4,522**	**21.7%**	**981**
Average Price Received for Generation - GWAP ($/MWh)	$88.54	$52.07	70.0%	$36.46	$93.90	$52.96	77.3%	$40.94
Generation Emissions (ktCO_2)	523	287	81.9%	235	1,683	948	77.6%	735
Generation Carbon Intensity (tCO_2/GWh)	320	203	57.3%	117	306	210	45.9%	96
Forced Outage Factor (FOF)	6.4%	0.6%	966.7%	5.8%	3.3%	0.9%	266.7%	2.4%
Equipment Availability Factor (EAF)	84.1%	90.4%	(7.0%)	(6.3%)	90.3%	92.3%	(2.2%)	(0)
Rankine Output (GWh)	246	(4)	N/A	250	859	181	373.8%	678
Rankines Fueled by Coal (%)	59%	0%	N/A	58.5%	61%	30%	105.7%	31%
WHOLESALE								
Gas Purchases (PJ)	11.5	9.9	16.2%	1.6	35.9	33.2	8.0%	2.7
Coal Purchases (PJ)	2.3	0.0	N/A	2.3	4.3	0.1	8000.6%	4.2
Wholesale Gas Sales (PJ)	3.4	3.3	2.3%	0.1	9.8	11.3	(13.1%)	(1.5)
Wholesale Coal Sales (PJ)	0.1	0.2	(69.4%)	(0.1)	0.3	0.6	(54.2%)	(0.3)
Gas Used In Internal Generation (PJ)	6.7	5.4	25.2%	1.4	20.9	16.6	26.3%	4.4
Coal Used In Internal Generation (PJ)	1.7	0.0	N/A	1.7	6.0	0.7	723.4%	5.3
Weighted Average Fuel Cost ($/MWh)	$42.89	$31.61	35.7%	$11.28	$37.85	$30.91	22.4%	$6.93
Coal Stockpile - closing balance (kilotonnes)	257.1	351.2	(26.8%)	(94.1)				

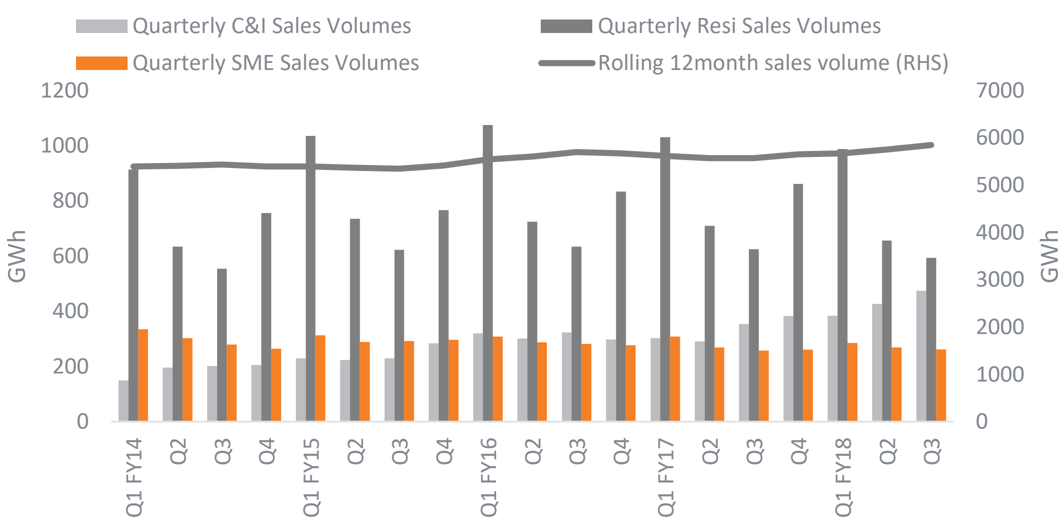
Kupe and Other Metrics

KUPE SEGMENT	Q3 FY18	Q3 FY17	% Change	Var.	YTD FY18	YTD FY17	% Change	Var.
KUPE								
Gas Production (PJ)	3.0	2.4	22.0%	0.5	9.1	6.2	45.4%	2.8
Oil Production (kbbl)	132.5	127.7	3.7%	4.8	413.2	323.5	27.7%	89.7
Oil Sales (kbbl)	96.0	112.5	(14.7%)	(16.5)	337.0	259.2	30.0%	77.7
Average Brent Crude Spot Oil Price (USD/bbl)	$66.76	$53.78	24.1%	$12.98	$60.08	$49.70	20.9%	$10.38
LPG Sales (kt)	11.7	9.7	21.0%	2.0	34.4	21.2	62.0%	13.1
LPG Production (kt)	11.9	9.5	25.3%	2.4	34.4	21.1	62.8%	13.3
OTHER								
CORPORATE								
Headcount (FTE)	1,012	775	30.6%	237				
Total Recordable Injury Frequency Rate[1]	1.18	0.65	81.5%	0.53				

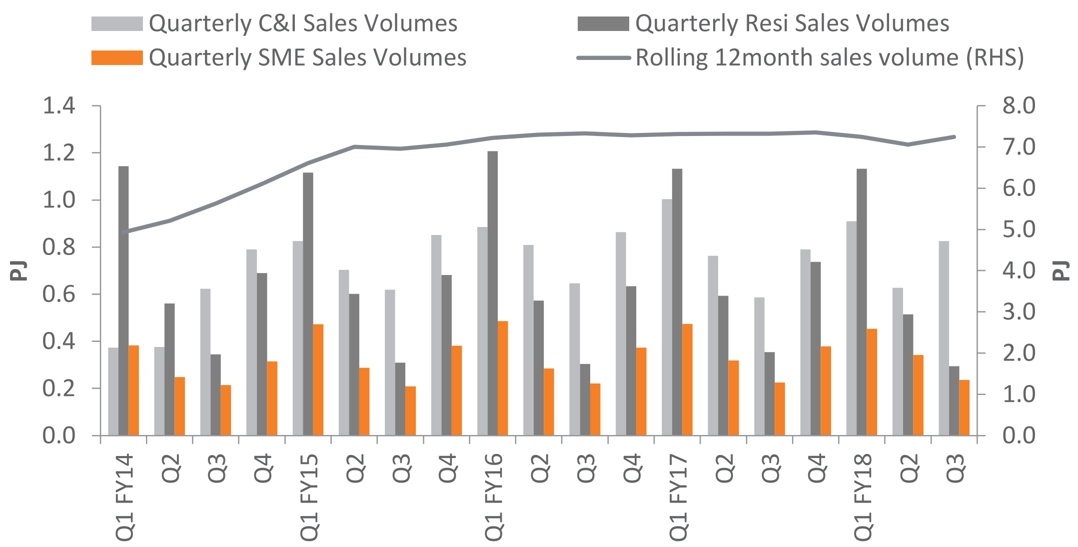
1. TRIFR now being reported to include contractors. Prior period has been restated on same basis

Appendix: Customer Segment

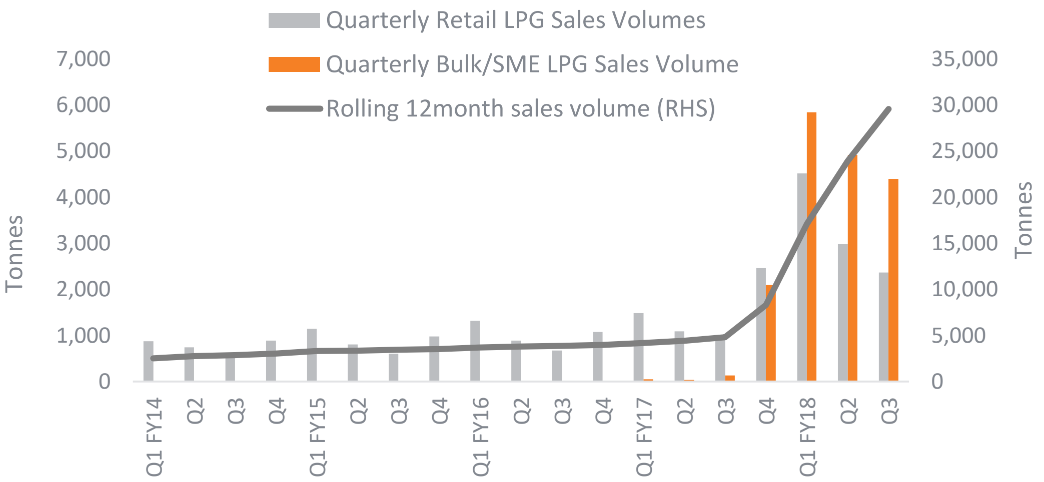
ELECTRICITY SALES VOLUMES (GWh)



RETAIL GAS SALES VOLUMES (PJ)

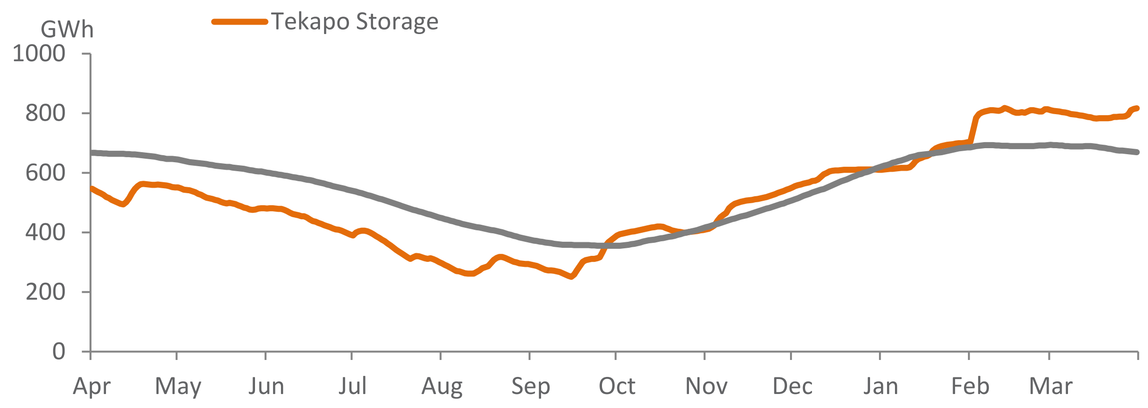


LPG SALES VOLUMES (tonnes)



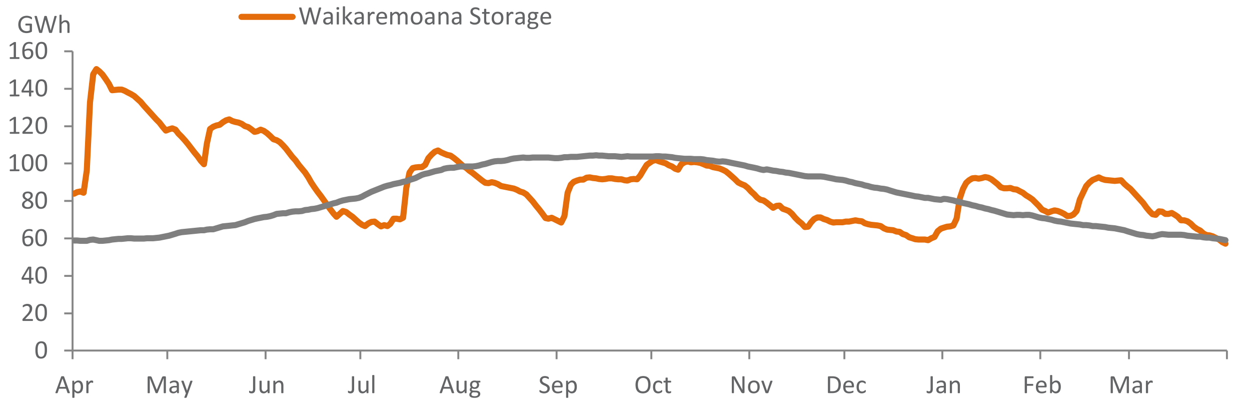
Appendix: Wholesale Segment

TEKAPO STORAGE vs LONG RUN AVERAGE - Q3 FY2018



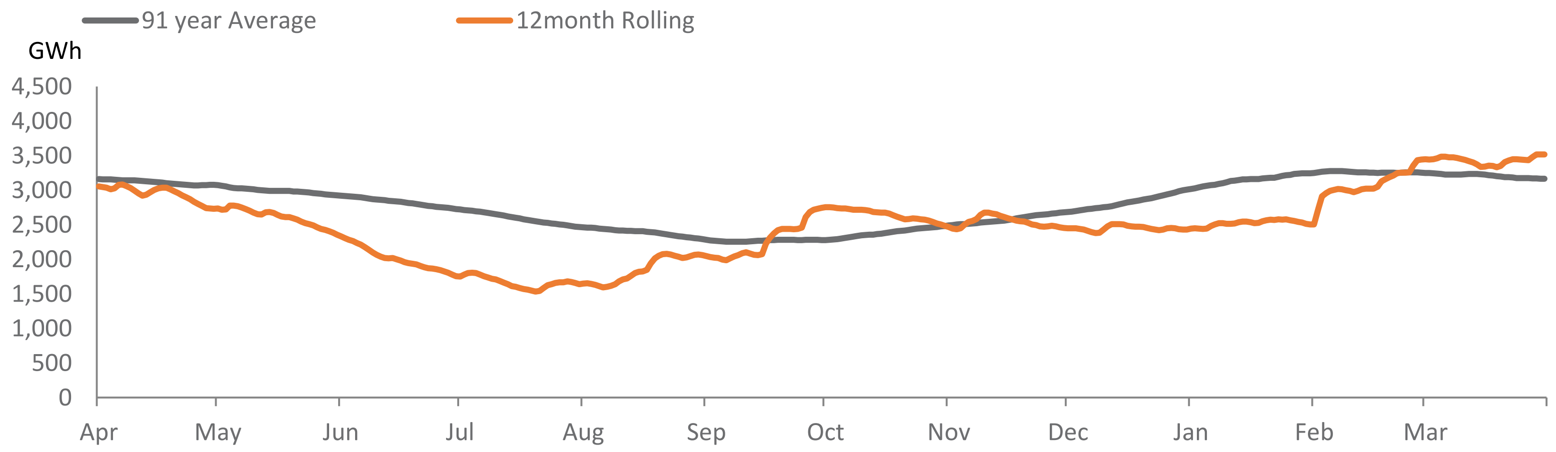
Source: COMIT

WAIKAREMOANA STORAGE vs LONG RUN AVERAGE - Q3 FY2018



Source: COMIT

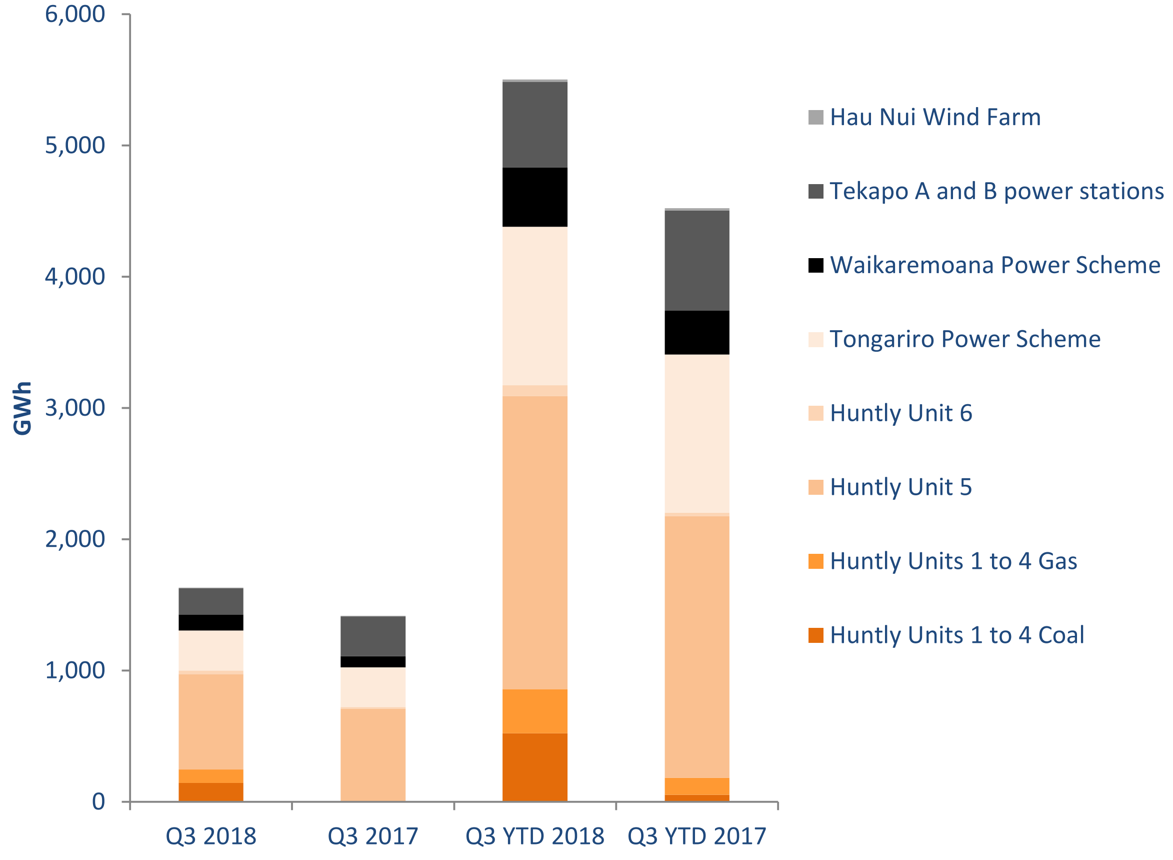
NEW ZEALAND DAILY STORAGE



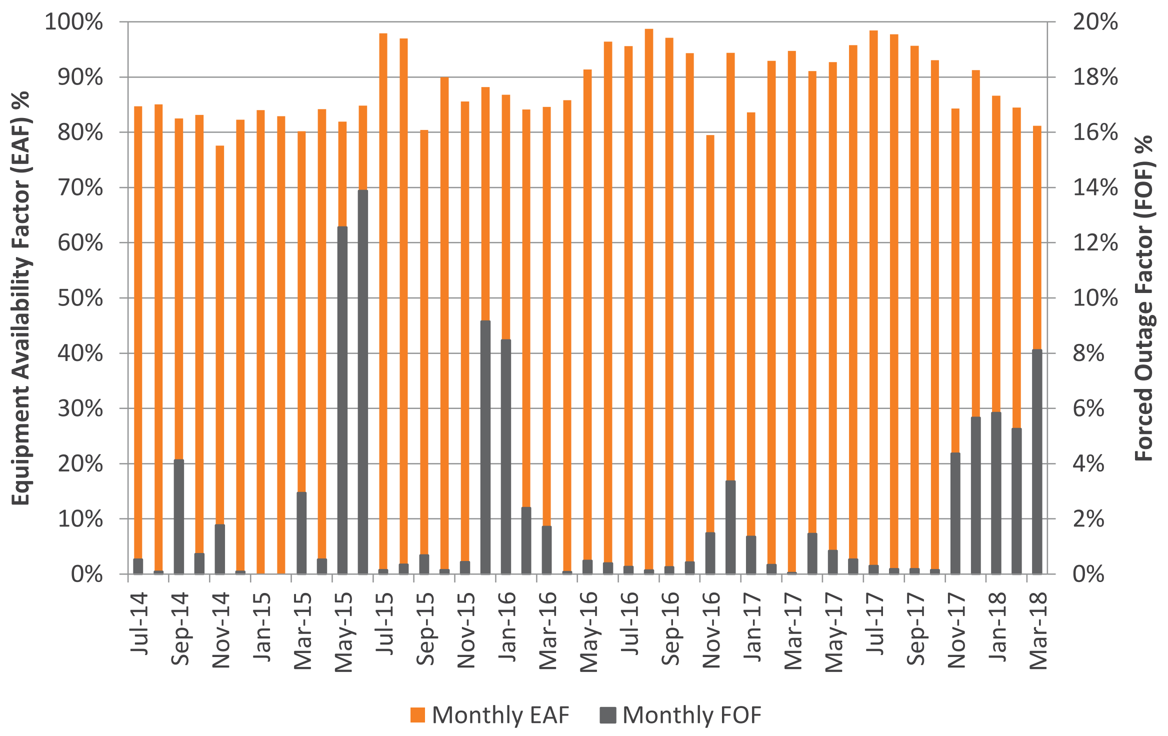
Source: COMIT

Appendix: Wholesale Segment

GENERATION BY POWER STATION

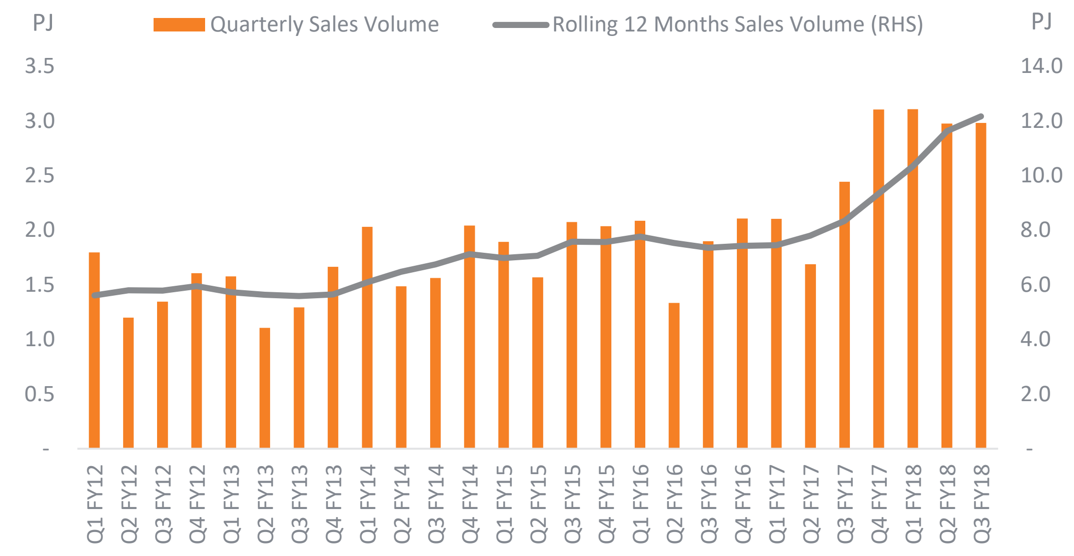


PLANT PERFORMANCE

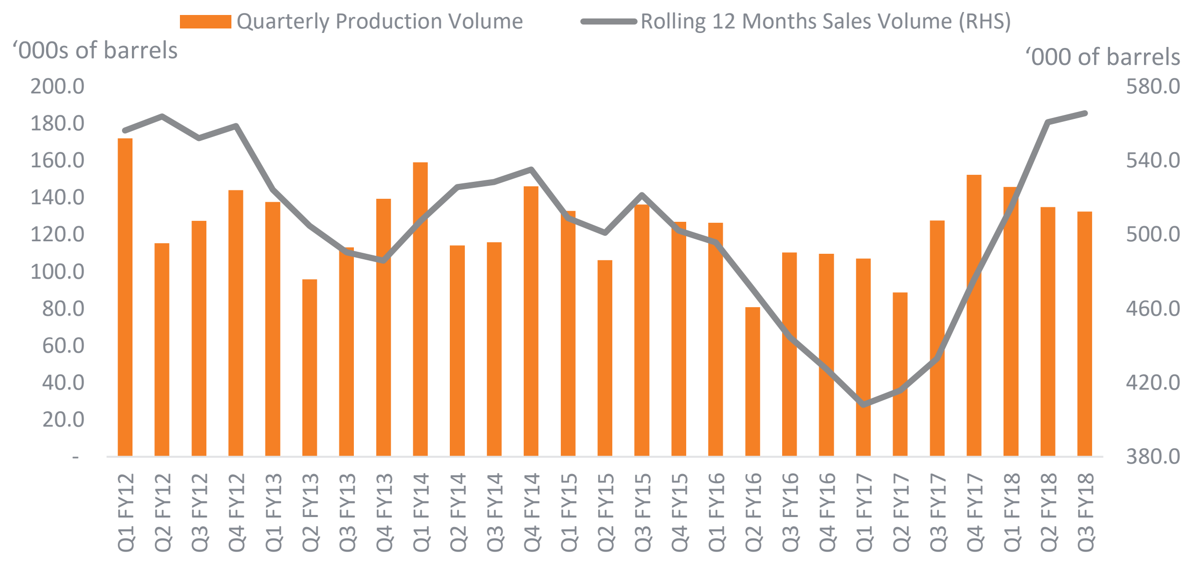


Appendix: Kupe Segment

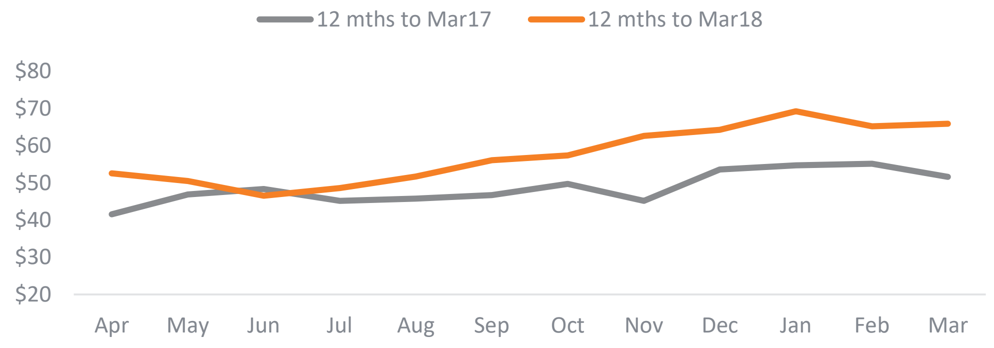
KUPE GAS VOLUMES (PJ)



KUPE OIL PRODCUTION VOLUMES (kbbl)



BRENT CRUDE OIL SPOT PRICE (USD/bbl)



OIL PRICE and FOREX RISK MANAGEMENT

FORWARD RISK MANAGEMENT	% HEDGED	
Oil Price Hedges		Average Oil Price
1-12 months	90%	USD56.5
13-24 months	75%	USD56.5
25-36 months	35%	USD56.2
USD/NZD Hedges		Rate
1-12 months	61%	0.674
13-24 months	57%	0.698
25-36 months	34%	0.696