



MARKET RELEASE

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FY19 Q3 PERFORMANCE REPORT AND MARKET UPDATE

Genesis Energy today released to the NZX/ASX its FY19 Q3 Performance Report for the three months ended 31 March 2019, which includes an update on guidance for the year end, 30 June 2019. The FY19 Q3 Performance Report is available from the Genesis Energy page at www.nzx.com or <https://www.genesisenergy.co.nz/investors/reports-and-presentations#quarterly>.

FY19 Q3 Performance Summary

CUSTOMER

Genesis' focus on its customers has received a positive response from the market with improvements in both brand NPS and interaction NPS. Genesis' gross churn, a new disclosure for the quarter, is down 1.8 ppt whilst net churn is also down. Dual fuel customer numbers continue to steadily increase, while netback margins were up across all fuels. Sales into the residential market segment remain under pressure, whilst Genesis' focus on its portfolio optimisation has resulted in further growth across its business segment.

WHOLESALE

Genesis' long volume in the market was curtailed this quarter by a combination of low inflows, swaption calls and ongoing market gas constraints. Portfolio fuel costs increased 32% on the same period last year, due to the increased cost of imported coal and reduced hydro generation. Total generation for the period was up 9%, however hydro generation was down 23%. Wholesale market prices remained high throughout the quarter with gas supply constraints and below average hydro inflows.

"The wholesale market was challenging this quarter, with ongoing gas constraints and low hydro inflows in the North Island impacting long volumes in the market. This was in part mitigated by the decision to bring back Unit 2 at Huntly," said Tracey Hickman, Executive General Manager – Generation & Wholesale.

KUPE

Kupe operated at nearly 96% of capacity over the period, following scheduled statutory maintenance undertaken in the previous quarter. Gas production was up 2.5% versus the same time last year, LPG yield was up 9.2% whilst oil yield was down 9% due to the natural decline in the field.

MARKET UPDATE

Genesis now expects an outcome towards the lower end of its previously stated FY19 EBITDAF guidance of \$360 million to \$375 million. This follows an exceptional period of Pohokura gas constraints and a greater use of more expensive imported coal, and low hydro storage following a period of low inflows in the Genesis catchments. Genesis's gas entitlements from the Pohokura field for the past quarter have been down 5% on the prior comparable period and are expected to continue to be down during parts of April and May as the well workovers are completed and the rig is demobilised from the platform.



ENDS

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About Genesis Energy

Genesis Energy (NZX: GNE, ASX: GNE) is a diversified New Zealand energy company. It sells electricity, reticulated natural gas and LPG through its retail brands of Genesis Energy and Energy Online. It is New Zealand's largest energy retailer with around 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 Energy also has a 46% interest in the Kupe Joint Venture, which owns the Kupe Oil and Gas Field offshore of Taranaki, New Zealand. Genesis Energy had revenue of \$NZ2.3bn during the 12 months ended 30 June 2018. More information can be found at www.genesisenergy.co.nz