

Marc England, Chief Executive**Slide 10: Chief Executive – Marc England (portrait)**

Thank you Dame Jenny and good morning everyone.

Once again, a warm welcome to you all at my first Annual Shareholders' Meeting and welcome also to those watching via our webcast.

It is great to have so many of you with us today to better understand what we have done and more importantly where we are going and how we are going to win in an incredibly dynamic energy future.

Dame Jenny has taken you through the highlights of the year. I am now going to take a few minutes to go through the Company's reset strategic direction, some financial and operational achievements during the 2016 year and give you an update on how we are performing in this new financial year.

Slide 11: Executive

Before I do that, I'd like to introduce you to our new Executive team, who are all here today sitting in the front row. I say new, because 3 of them only started on Monday!

Firstly, on stage with me is our Company Secretary and General Counsel, Maureen Shaddick. This is Maureen's final AGM as she leaves the business this month. Maureen has been General Counsel since 2003 and played a significant role in Genesis Energy's journey over the last 14 years, including supporting the share float in 2014. Thank you Maureen, we all wish you well.

The rest of the team are sitting in the front row in front of me. Starting on the right of the screen and working along to the left....

.....providing guidance to our financial controls, risk management, and commercial decision making is our Chief Financial Officer, Chris Jewell, who was appointed to this role in July, and previously managed the portfolio management team.

Nicola Richardson joined the executive team this month in the role of Executive General Manager People and Culture. Nicola has been promoted from within the business and brings a lot of experience in talent and development of organisations.

Nigel Clarke is Executive General Manager Customer Operations, driving efficient and effective customer interactions from our Hamilton customer excellence centre. Nigel started on Monday and brings a wealth of experience running and growing Momentum Energy in Australia.

Keeping our plants efficient and optimised is our General Manager Generation and Wholesale Tracey Hickman, who has been with Genesis Energy since its inception. Tracey recently added the wholesale

trading operations to her portfolio and is now building an integrated generation and trading team, which ensures we all have electricity to power our lives.

James Magill also started with us on Monday as Executive General Manager Product Marketing. James will providing significant momentum to our effort to engage consumers with compelling products and services and has experience working in both the UK and Australian energy markets.

In the critical role of driving forward new technology and digital experiences we now have Jen Cherrington-Mowat with us who brings a wealth of experience with leading online and household name brands in the United Kingdom and has come home to New Zealand after 24 years away.

And helping the Company to implement our long term strategy and steering the Company through a variety of external issues is our General Manager Corporate Affairs and Transformation, Dean Schmidt.

This reinvigorated Executive Team is now set to drive change and explore new business opportunities in the rapidly evolving energy market. Over the coming years we intend to Reimagine Energy so that customers all over New Zealand come to see us as their first choice for energy management. In turn you our shareholders, and hopefully customers too, can continue to benefit from positive and sustainable returns.

Slide 12: Strategic direction

Before I take you through our operational performance, I thought it would be useful to explain what we mean when we talk about rapid change in the energy sector and why we intend to Reimagine Energy.

But rather than listen to me talk about the energy future for Genesis Energy, we have prepared a short video that takes you through the changes we see happening in the near future and how we see our role in that future.

Play video

My apologies for the narrator in that clip. We didn't want to waste any of our shareholders money on an actor!

I hope the animation gave you all a clearer understanding of where we are taking this business.

It will take time but I think it is important to reiterate that the energy sector is changing and new technology as well as regulation and competition is driving that change. Ensuring this company continues to be successful in that future environment is not optional if we want to continue to bring value to our customers and to our shareholders.

We see a long term future with revenue from centralised assets declining as distributed or micro-generation provides an affordable alternative for consumers. In the nearer term new technology will continue to influence consumers' habits; not just distributed energy such as solar and batteries but also in the way that we heat our homes or charge our cars. Disruptive new business models are now the norm.

Whatever we do, we cannot sit on our hands and think that business as usual will carry us through. My commitment to you our shareholders is Genesis Energy will evolve as the market evolves and ensure we create sustainable growth and shareholder value.

Since my arrival in New Zealand in May, the Board and the Executive have been focused on developing a strategy and structure for the business that will see it thrive and deliver in an evolving market.

We are making sure the Company has a strong purpose, has the right strategies in place and the capability and resources to execute our strategies.

Slide 13: Customer focus

In the past year, the Company has continued to experience heightened price competition for customer accounts. We have successfully maintained our leading share of customer accounts by creating a better customer experience, simplifying the interactions, providing home energy and broadband accounts when moving home through unique partnerships, and offering more consumer-friendly energy packages – particularly with piped and bottled natural gas. Yet we know this is only a launching pad for future opportunities.

While our customer accounts have grown slightly during the year, the constant need to promote discounted prices to replace churning customers drives unnecessary cost to the business, and unnecessary costs onto customers. We need to break out of this cycle of discounting and find new ways to engage and create enduring relationships with our customers.

Genesis Energy's future will utilise new technology, digital applications and strong partnerships to enable more and more consumers to take control of their energy usage and, if they want to, become energy producers as well as consumers.

Slide 14: Generation performance

In our Generation business, the focus has been on continuing to optimise our working capital by restructuring our fuel book. This has resulted in a reduction in the coal stockpile and reducing our coal purchases.

Above-average temperatures and high South Island lake levels drove a 15 per cent reduction in electricity spot prices in the last financial year. Despite this, our generation volumes were similar to the previous years'. The geographical diversity of our hydro scheme was helpful as lower inflows in the North Island were offset by higher flows in the South Island.

An increasing trend is the use of gas in our Rankine Units as we take advantage of lower wholesale gas prices. Gas use at Huntly was up 17 per cent and this also had a positive impact on our carbon emissions which were down 9 per cent as we reduce coal burn.

In August 2015, Genesis Energy announced that unless market circumstances changed significantly a retirement plan for the two coal Rankine Units at Huntly would eventuate. Those significant changes did occur as other generators closed plant, leading both the Electricity Authority and Transpower to suggest that there was a high risk of electricity shortages after 2018, especially if the country experienced a dry year.

In light of the changes in the market we entered into bilateral commercial arrangements that will keep the two Rankine Units available until at least the end of 2022. The new contracts cover the operational and capital costs of keeping the Units in the market.

The total committed generation volume under these contracts is less than the output of one Rankine Unit, so Genesis Energy retains good flexibility to meet the market and cover plant outages.

These contracts provide an extended transition from coal to lower emitting generation sources while uncertainty around the future of the Tiwai Point smelter remains. This is a very good outcome for New Zealand and Genesis Energy as the sector continues to evolve.

Slide 15: Kupe

Kupe provides a competitive advantage to Genesis Energy with its steady and reliable stream of gas and condensates.

We can plan thermal production around the flow of gas and have strong supplies of gas and LPG for our customer base.

The Company is optimising parts of the business that are not dependent on rainfall or cold winters and which are less volatile than others if we have a dry year. In those terms, we have been considering the role Kupe plays.

Kupe is a value driver, and provider of stable earnings through our equity ownership. More importantly, Kupe provides revenue that can drive the foundation for further investment.

Slide 16: Reshaping the Company

As the Company enters into a new era of more customer-controlled energy resources we need to ensure we have the right structure, capabilities and flexibility in place to develop deep and enduring relationships with our customers.

Therefore, we have refreshed our strategy to take advantage of the rapidly evolving energy market and have reorganised the Executive Team as part of a longer term plan to reshape Genesis Energy into an agile and adaptive organisation that will focus on optimisation and innovation.

The Company's vision and strategy require the whole of the Executive Team to be focused on customers and the drive to deliver a greater number of energy products and services to build a deeper relationship with customers.

Slide 17: Results summary

As Dame Jenny has mentioned, we are pleased to report that net profit and dividends were all better than the previous year.

Net profit after tax was significantly higher than the previous year due largely to revaluation of our generating assets.

However, earnings before interest, tax and other financial adjustments were lower than previous year, largely due to lower international oil prices, which also impact local gas prices, and the higher costs of maintaining a stable customer base.

Our cash flow, which is the most important metric, was slightly higher than the prior year due to good management of our inventory levels which reduced working capital.

The final dividend of 8.2 cents per share lifted the total dividend declared in 2016 to 16.4 cents per share, which is 2.5% higher than last year. I would also note that the dividend increase is well ahead of the rate of inflation over the same period.

Slide 18: Strategy

With the right strategies, a re-invigorated Executive Team, re-organised and focused company structure, Genesis Energy has strong medium and long term growth opportunities.

Our plan is three-pronged – optimise our existing business, innovate for change and invest for new revenue growth.

While we expect competition in the retail electricity and gas markets to continue, our focus for both the Genesis Energy and Energy Online brands will be on improving customer loyalty and creating a more efficient business.

We will be innovating to create new digital services for our customers and seeking growth opportunities for our LPG business.

Our intention is to grow revenue from our existing business activities to fund investment in areas where we can see good potential medium and long term revenue growth.

Genesis Energy has a sustainable and industry-leading dividend.

Slide 19: FY17 Outlook

Guidance for the financial year ahead is provided subject to any material events, significant one off expenses or other unforeseeable circumstances.

Earnings guidance for FY2017 is that Genesis Energy will deliver EBITDAF of \$305 to \$325 million. This is comparable to the FY2016 result if adjusted for two significant accounting items totalling \$12 million. These items were the difference in deferred customer acquisition costs and the write back of Rankine spares following the revaluation of the assets.

As signaled during the annual results presentation, the business is facing a number of market headwinds including lower realised oil prices due to the historically higher priced oil hedges now having rolled off, increased carbon costs and a new below market contract that was signed to support the ongoing viability of the Tiwai Point smelter. Offsetting this, the management team have worked hard to improve underlying business performance and the things we can control. This is represented in the chart through planned reductions in overhead costs and planned revenue improvement. These performance improvements collectively have created capacity to invest in new and transformational growth opportunities that will drive medium and long term EBITDAF growth.

Stay in business capital expenditure guidance for FY2017 is \$35 - \$45 million with an additional \$10 million likely to be spent on growth initiatives across the business.

Genesis Energy reaffirms its current dividend policy which is to provide real growth in dividends over time.

And with that I would like to hand you back to Dame Jenny.