



## MARKET RELEASE

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### Genesis Energy Limited (GNE) – Q3 2016 Operational Performance

Genesis Energy continued to increase its total electricity, gas and LPG customer accounts in the Third Quarter (Q3) of the Financial Year 2016 despite intense competition and an increasing number of energy retailers.

Led by a strong performance by its challenger brand, Energy Online, Genesis Energy had 524,122 electricity customers at 31 March 2016, a 0.3% increase over Q2 2016 and a 1.5% improvement over 31 March 2015. A focus on retaining customers through continued innovation and online services resulted in a 12 month switching rate of 20% for both Energy Online and Genesis Energy brands, one point lower than that of the broader electricity market.

Total retail electricity sales in Q3 of 1,240GWh were 8% higher than Q3 2015. While mass market sales remained consistent, Time of Use sales increased 41% year on year. Year to date FY2016 retail electricity sales were up 7% on the first nine months of 2015, with mass market sales 1% higher.

Genesis Energy increased its gas customers to 106,908 in Q3 2016 and total gas sales in Q3 2016 increased 3% over Q3 2015. Total year to date retail gas sales were up 5% compared to the same period last year, driven by a 9% increase commercial gas sales.

Retail LPG customer numbers also increased 11% to 14,717 during Q3 2016 compared to the same period last year. Total LPG sales during Q3 were up 12%, to 670 tonnes, with the year to date sales of 2,872 tonnes 13% up on last year.

National hydro storage levels finished the quarter at 107% of seasonal average and, although there were some periods when storage was below average, the average wholesale electricity price was 26% lower than Q3 2015 at \$67.63/MWh. Storage levels at the end of Q3 were 52% of the maximum for Genesis Energy, compared to 77% nationally, due to the Company choosing to run its hydro units over its thermal units. Renewable generation in Q3 2016 was up 27% compared to Q3 2015, whereas total generation was down 6% year on year.

The lower wholesale prices in Q3 2016 provided fewer opportunities to run the thermal units at Huntly, which led to an 18% reduction in thermal generation to 1,060GWh compared with Q3 2015. Approximately 100,000 tonnes of coal were burnt during Q3, reducing the coal stockpile to 500,086 tonnes at 31 March 2016, 30% lower than a year ago.

Oil production from the Kupe field during Q3 was up 36% compared to Q2 2016, due to lower production as a result of a planned outage in the previous quarter. Genesis Energy's share of oil production in Q3 was 110kbbbl while gas sales of 1.9PJ were 8% lower, and LPG sales of 7.6kt were 5% lower than a year ago. Year to date oil sales were 291kbbbl, which was 23% lower than the first nine months of FY2015.

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### **About Genesis Energy**

Genesis Energy (NZX: 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 630,000 customer accounts. 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 31% interest in the Kupe Joint Venture, which owns the Kupe Oil and Gas Field offshore of Taranaki, New Zealand. Genesis Energy had revenue of \$NZ2bn during the 12 months ended 30 June 2015. More information can be found at [www.genesisenergy.co.nz](http://www.genesisenergy.co.nz)