



MARKET RELEASE

Date: 28 April 2016

Genesis Energy Limited (GNE) – Rankine units operational life extended

Genesis Energy and other electricity generators have entered into contracts that will keep the two coal/gas fired Rankine Units at the Huntly Power Station available to the electricity market until December 2022, an extension of the previously announced closure date of 2018.

Consistent with its previous announcement, the Genesis Energy Board remains committed to removing coal-fired generation from its generation fleet in the future. However, recent changes to the market, the time required to develop new generation, continued uncertainty over the future of the electricity-intensive smelter at Tiwai Point, and increased dry year risk resulting from other recent thermal plant retirements has indicated that a longer transition period than originally expected is required.

As a result, Genesis Energy has entered into four-year bilateral commercial arrangements with other market participants that will keep two Rankine Units available to the end of 2022. The new contracts will cover the operational and capital costs of keeping the units in the market.

Genesis Energy's Chief Executive, Albert Brantley, said the wholesale electricity market had changed significantly since the Company's August 2015 announcement of the planned 2018 retirement of the Rankine units.

"It has become clear that the Rankine units are required longer than we previously anticipated.

"As a result of the commercial arrangements with other market participants, we are able to provide an extended transition period that will reduce electricity supply risk while uncertainty around the Tiwai smelter remains. It can be expected that during this period Genesis Energy and other generators will explore the development of a range of lower cost and lower emitting generation options," Mr Brantley said.

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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 640,000 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