

Q2 } Quarterly Performance

Market and Operational Information

“Genesis Energy continues to focus on its customer base and the optimisation of its generation portfolio”



GENESIS ENERGY'S
Tomorrow St
THE ADVANCED ENERGY NEIGHBOURHOOD

INTRODUCTION

This disclosure includes market and operational information for Genesis Power Limited, trading as Genesis Energy, for the quarter ending 31 December 2012 ("Q2").

Genesis Energy's solid performance in Q2 reflected a continued focus on maintaining and strengthening its customer base, while driving the on-going optimisation of its generation portfolio. The quarter also saw a number of operational milestones with the planned outage of Huntly Unit 5 successfully completed, the well-flagged long-term storage of Huntly Unit 3 in December, and surpassing 300,000 installed Advanced Meters.

With 551,889 electricity customers and 112,265 gas customers, Genesis Energy's total of 664,154 customers is in line with the end of Q1 2012/13 and only slightly down on the comparable period last year. In contrast, the number of LPG customers is significantly higher than at the same time last year, up 25% to 8,359, although the growth rate has slowed since the end of Q1.

New customer focused initiatives and a continued improvement in customer service standards resulted in Genesis Energy maintaining an average churn rate of its electricity customers of approximately 16% (on an annualised basis) in Q2, which was 2% points lower than the industry average. Compared to the same period last year the churn rate is 3% points lower, and starting to deliver tangible benefits to Genesis Energy's retail operations.

Genesis Energy's total generation in Q2 was down 13% at 1,560GWh, compared to 1,791GWh in the same quarter last year. This was due to a combination of above average hydro lake levels leading to significantly lower wholesale electricity market prices and flat consumer demand.

Thermal generation was down 26% at 848GWh in Q2 2012/13 compared to 1,144GWh in Q2 2011/12 while renewable generation was up 10% at 712GWh compared to 646GWh for the same period last year. Lake levels throughout the country remained above the long term average across October and November due to increased hydro inflows throughout October. A drier period in the second half of November and into December led to lower, then stable storage levels.

The average Haywards reference price for the period was \$58.71/MWh, with averages of \$46.83, \$69.33, and \$60.32 in October, November and December, respectively.

Genesis Energy continued to optimise the performance of its generation assets, with consistently high availability and reliability factors. During Q2, a significant milestone was achieved in the lifecycle of Huntly Unit 5 with the successful completion of the first (6 yearly) major outage. Work was undertaken on the Unit between 15 October and 23 November and included the removal and inspection of the steam turbine and generator rotors. The intensive programme was completed successfully, on time, and without any reportable injuries.

Genesis Energy's share of Kupe gas sales was 1.1PJ for Q2 (-8% on the same period last year). Oil sales were 43kbbbl compared to 162kbbbl due to a planned outage at Kupe from 15 October to 8 November and LPG sales at 4.7kilotonnes were down 17% on Q2 2011/12.

In Q2, Genesis Energy employees had no lost time injuries nor any medically treated injuries. Total Recordable Injury Frequency Rate for the quarter was zero compared to 6.94 for the previous quarter.

Genesis Energy is investing substantially in comprehensive safety training for its staff through the use of the Sentis ZIP (Zero Incidents Process) training system. In Q2, 293 staff undertook ZIP Leaders' training, bringing the total number of staff trained to 353.

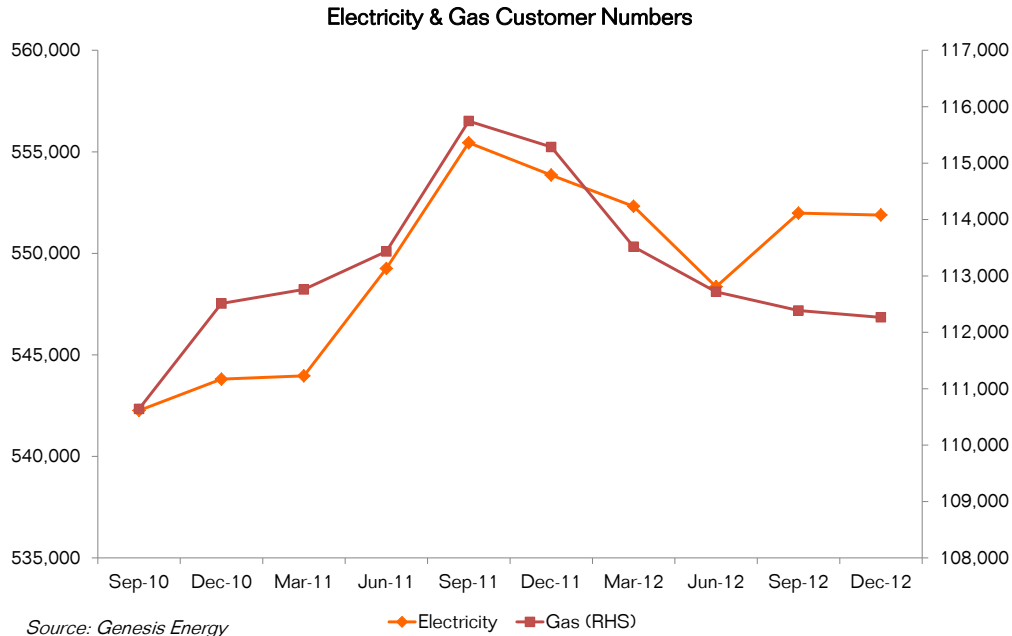
Moving into Q3 2012/13 the focus for the Company has been the commencement of the remediation work on the Tekapo canal, delivery of an upgraded billing system that accounts for split tariff retail accounts through the Advanced Meter trial, and improving customer experience.

CUSTOMER EXPERIENCE

GROWING VALUE BY INNOVATION AND IMPROVING THE CUSTOMER EXPERIENCE

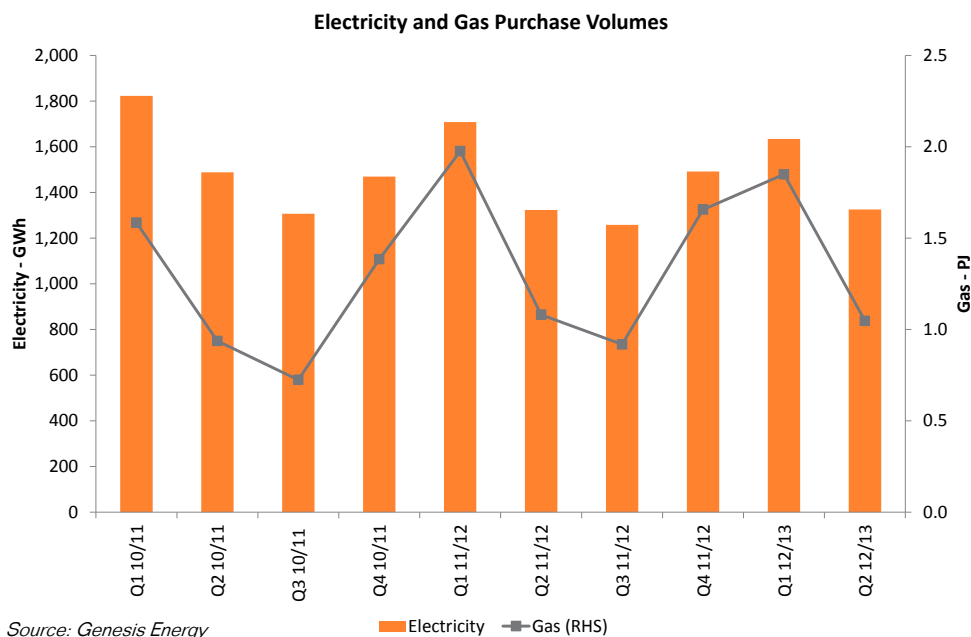
Genesis Energy's customer base has remained stable over the second quarter of 2012/13 in the face of a very competitive market. At the end of December 2012 the Company had 551,889 electricity customers (only 90 lower than at the end of September) and 112,265 gas customers (121 less than September). Compared to the end of December 2011 electricity customers are 0.4% lower and gas customers 2.6% lower.

In contrast the number of LPG customers is significantly higher than at the same time last year, up 25% to 8,359, although the growth rate has slowed somewhat as customer numbers are only 1.3% higher than at the end of Q1.



Despite the marginally lower customer base, usage per customer increased as evidenced by retail electricity sales volumes in Q2 2012/13 being 2% higher at 1,255GWh compared to the prior comparable period. Gas sales volumes of 0.9GJ were down 8% over the same period, but LPG sales were up 16% to 488 tonnes.

Retail electricity purchase volumes in Q2 2012/13 were flat at 1,325GWh on Q2 2011/12 and gas purchase volumes were down 3% to 1.0PJ.



Genesis Energy has strengthened its reach of innovative products with the launch of a Gas Advanced Meter trial on its Tomorrow Street participants' homes as well as a small group of Genesis Energy customers in the Waikato region. The aim of the trial is to test the current technology and provide information to assess the further rollout of Gas Advanced Metering to the rest of Genesis Energy's gas customer base.

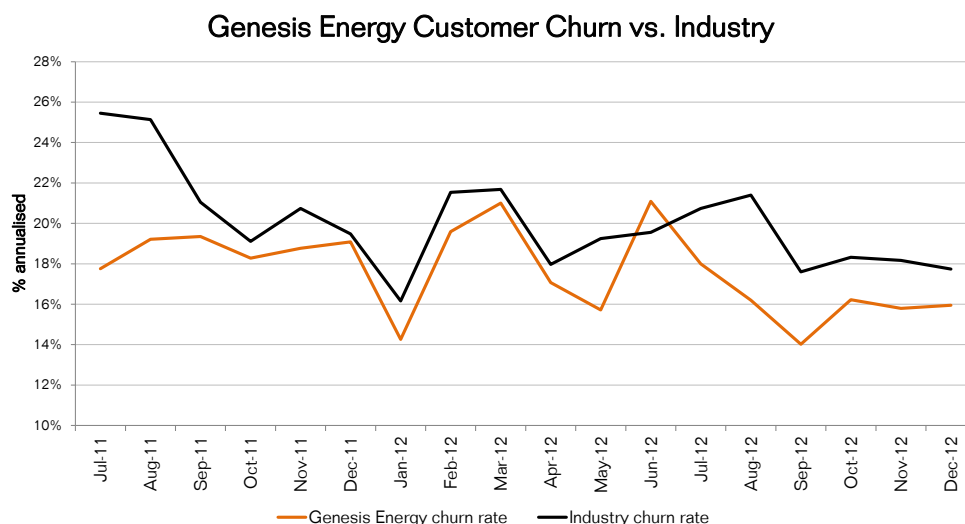
With the addition of nearly 19,000 Advanced Meters in Q2, Genesis Energy passed the milestone of 300,000 installed advanced meters during Q2 (there were 301,792 installed Advanced Meters at 31 December 2012). This enables approximately 70% of Genesis Energy's customer base to be remotely read via the Advanced Meters and enables customers to see half hourly meter reading information on their electricity usage.

Operational improvements within Customer Experience during Q2 have led to material cost savings from revenue recovery projects. The focus of these savings is the investigation of sites with stopped meters and assessing sites that were disconnected but still registering consumption.

CONSUMER MARKETS

Genesis Energy's electricity market customer churn rate¹ averaged 16% (on an annualised basis) during Q2, in line with the average for Q1 but nearly 3% lower than the average for the same period last year. Churn in October 2012 increased circa 2% from that in September, but has since stabilised around the 16% level, and remains approximately 2% points lower than the industry average.

The year on year improvement reflects the Company's focus on customer service. Total customer calls were down 12% year on year, average time to answer a call was down by over 38% and the overall grade of service ('GOS')² was up 5% year on year.



On the basis of Electricity Authority records (which only include active accounts), Genesis Energy's share of the electricity market at the end of December 2012 was 26.7% and in line with the end of September 2012. Similarly Gas Industry Company's figures indicate that Genesis Energy's share of the gas market was also flat at 42.4%.

¹ Based on the number of ICPs (or points of connection).

² The percentage of calls answered within the time frame specified by Genesis Energy.

ENERGY MANAGEMENT

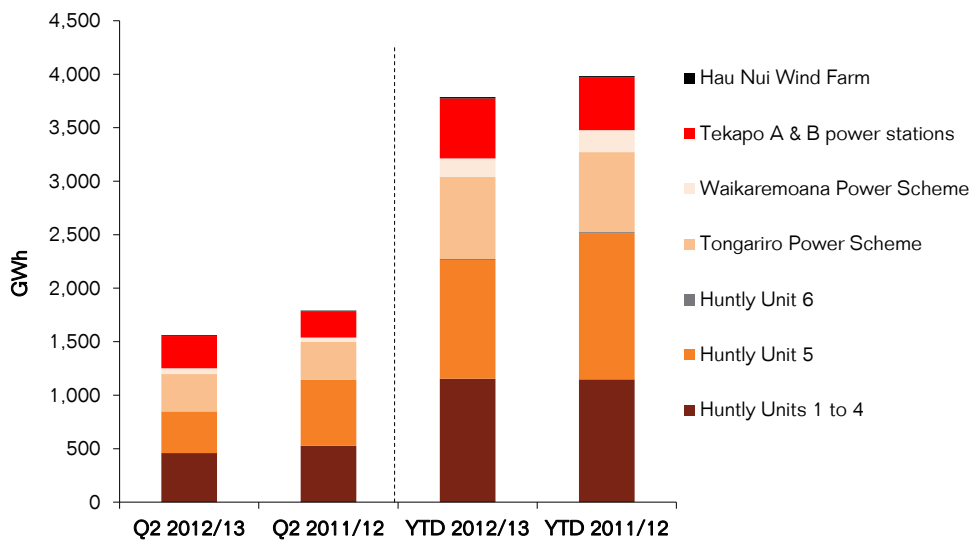
DIVERSE, FLEXIBLE AND STRATEGIC GENERATION PORTFOLIO

Genesis Energy's total generation in Q2 was down 13% at 1,560GWh, compared to 1,791GWh in the same quarter last year. This was due to a combination of significantly lower wholesale market prices and flat consumer demand.

Thermal generation was down 26% at 848GWh in Q2 2012/13 compared to 1,144GWh in Q2 2011/12, reflecting lower coal-fired generation from Huntly Units 1 to 4 and the planned outage of Huntly Unit 5 for its 6 year maintenance.

Renewable generation was up 10% at 712GWh compared to 646GWh for the same period last year. This was predominantly a result of the higher inflows into the Waikaremoana Power Scheme, and running the Tekapo A and B power stations at higher capacity ahead of the planned remediation work on the Tekapo canal.

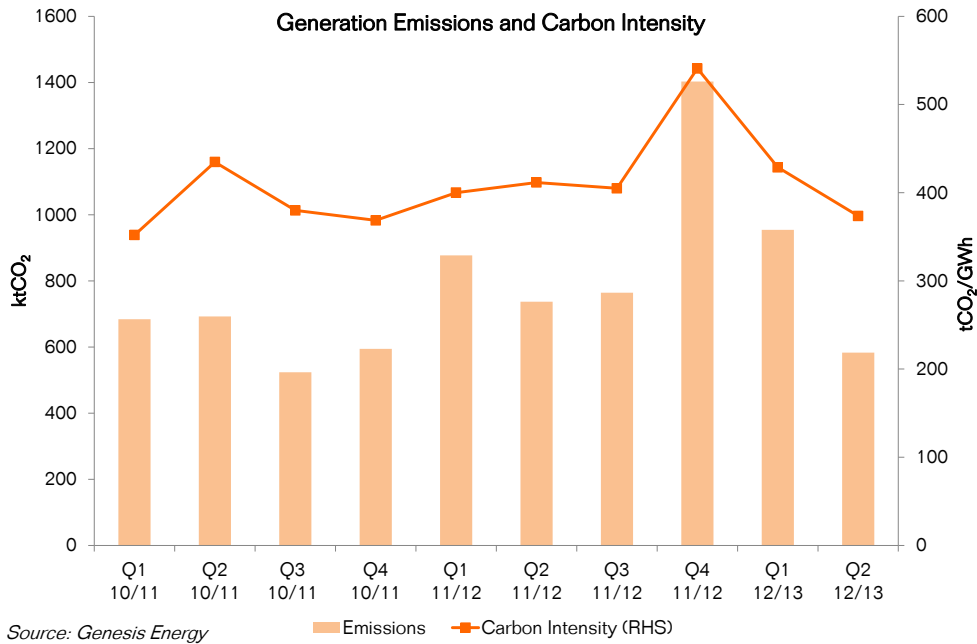
Genesis Energy Generation - Q2 2012/13



Source: Genesis Energy

The coal stockpile at 1003 kilotonnes is down 32% on the same period last year (1,481 kilotonnes).

Genesis Energy's generation emissions were 583ktCO₂ in Q2, which was down 21% on the previous comparable period due to lower coal-fired generation in the quarter. For the same reason, the Company's generation portfolio carbon intensity in Q2 at 374tCO₂/GWh was down 9% compared to 412tCO₂/GWh for the same period last year.



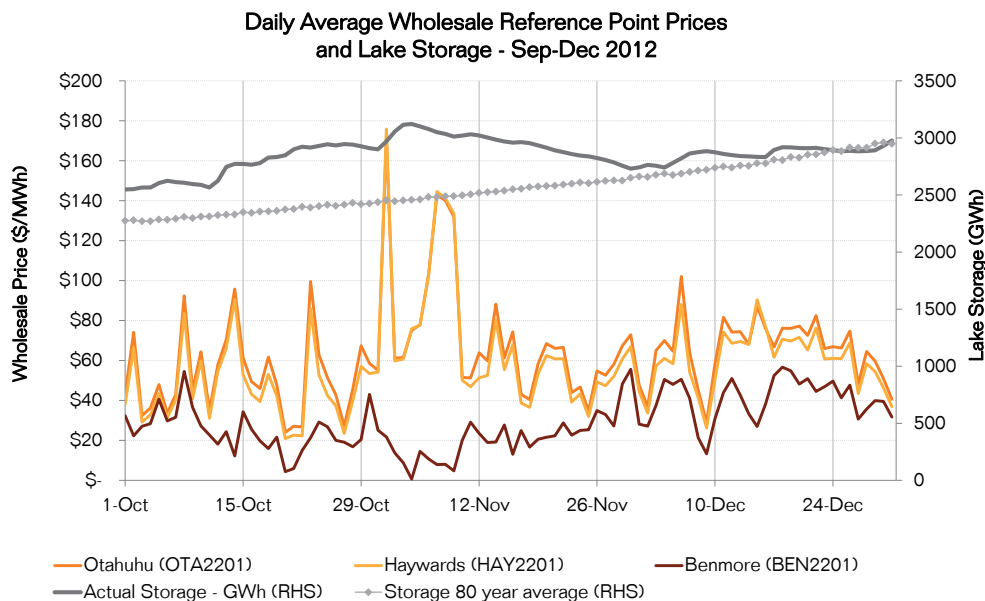
Genesis Energy's share of Kupe gas sales was 1.1PJ for Q2, down 8% on the same period last year. Oil sales in Q2 were only 43kbbbl compared to 162kbbbl in Q2 2011/12 due to a planned outage at Kupe from 15 October to 8 November 2012. Only one shipment of oil from Kupe was planned for the quarter, and this loaded early in December 2012.

LPG sales at 4.7kilotonnes were down 16.5% on Q2 2011/12. Despite the lower than comparable period offtake volumes, the Kupe oil and gas field continues to deliver the Company strong earnings and cashflows.

On 12 December 2012 Huntly's Unit 3 (250 MW coal/gas fired unit) was put into long term storage after 30 years of service. This was the result of significant analysis undertaken by Genesis Energy of forecast electricity demand, fuels and maintenance costs, and is part of the Company's strategy to optimise its generation portfolio.

WHOLESALE MARKETS

Hydro lake levels throughout the country remained above the long term average across October and November due to increased inflows throughout October. A drier period in the second half of November and into December led to lower, then stable storage levels, more in line with the 80 year benchmark.



Source: COMIT/Genesis Energy

A significant separation in North and South Island prices occurred through a two week period in November due to a planned outage of Pole 2 of the HVDC link.

The average Haywards reference price for the period was \$58.71/MWh, with averages of \$46.83/MWh, \$69.33/MWh, and \$60.32/MWh in October, November and December respectively.

} HEALTH AND SAFETY

HEALTH AND SAFETY PERFORMANCE

Throughout Q2, Genesis Energy employees had no lost time injuries nor any medically treated injuries. Total Recordable Injury Frequency Rate for the quarter was zero compared to 6.94 for the previous quarter.

Near miss reporting and Hazard Identification increased with 226 reported incidents versus 168 in Q1. Systems have been developed to aid the analysis of these reports to better identify and communicate high risk activities and implement a robust investigation process for significant near miss incidents. There were no Department of Labour notified incidents in Q2.

Genesis Energy is investing substantially in comprehensive safety training for its staff through the use of the Sentis ZIP (Zero Incidents Process) training system. In Q2, 293 staff undertook ZIP Leaders' training bringing the total number of staff trained to 353.

Genesis Energy had a total of 958 full time equivalent employees as at 31 December 2012, compared to 910 as at 31 December 2011.

OUTLOOK

MARKET OUTLOOK

NIWA's outlook for January to March 2013 indicates that "ENSO-neutral conditions are very likely to persist into the Southern Hemisphere autumn". This suggests that rainfall is likely to be near normal or above normal in the west and south of the South Island, near normal or below normal in the east of the North Island, with normal rainfall likely for other regions. NIWA expects air temperatures to be near average or below average in the west of the North Island and near average in all other regions.

Given the above climatic conditions and a negative outlook on electricity demand, the market outlook is generally for lower wholesale prices in the near term. In addition the last three years have seen a disconnect between GDP and national electricity demand growth which has remained flat. This is highlighted by the ASX futures market where prices for the end of March 2013 are at \$69.30/MWh for Otahuhu (North Island) and \$37.95/MWh for Benmore (South Island)³.

Looking further forward the ASX strip has pricing at Otahuhu rising to \$77.14/MWh by the end of 2016 and Benmore prices to \$76.16/MWh.

Other factors likely to influence the price of electricity in the wholesale market during Q3 include: (1) the planned outage of Tekapo A and B power stations while work on the Tekapo canal continues; (2) confirmation of the contract to supply the Tiwai Pt aluminium smelter with electricity by one of Genesis Energy's competitors; and (3) demand in the SME and larger commercial sector following the NZ holiday period.

Gas prices are expected to remain steady with long term contracts underpinning the thermal generation market and methanol prices for Methanex remaining firm on the back of continued demand out of Asia, and despite a strong NZ dollar.

BUSINESS OUTLOOK

Customer Experience

Genesis Energy continues to focus on creating new offerings and seeking opportunities to create stronger relationships with its customers. An Advanced Meter pricing tariff trial that Genesis Energy commenced in January 2012 is being extended to test enhanced billing capability for Genesis Energy. It is expected that the upgraded billing system will enable Genesis Energy to offer a scalable product for "split rate" tariffs to a larger number of residential customers than its current manual trials in Auckland and Christchurch. Delivery of the solution is scheduled for later this year.

In response to customer feedback Genesis Energy is planning to provide an option allowing a PDF attachment of a customer's bill to be emailed to them. It is expected that this will lead to an increase in the adoption rate of online billing beyond the current 22% level and is scheduled for delivery in fiscal Q3.

Tekapo Canal Remediation

On 9 January 2013 work commenced on two sections of the Tekapo Canal to enhance the stability of the canal structure and cover the base of the canal with a protective layer of PVC material. To date work has included construction of temporary coffer dams, dewatering of the two sections of the canal and relocation of all affected fish.

In the first few days of January 2013 inflows into Lake Tekapo were above long term averages, causing lake levels to rise to normal maximum levels ahead of the planned outage of Tekapo A and B and the remediation work. Therefore work on the canal started a few days ahead of plan and to date water has been spilled from Lake Tekapo into the Tekapo River, bypassing the Genesis Energy power stations.

It is expected that the canal remediation project will be completed over a two year period, involving two 14-week outages over this and next summer.

Supreme Court hearing

The Supreme Court is scheduled to sit on 31 January and 1 February 2013 to hear the Maori Council's appeal against the High Court's decision to dismiss a judicial review in relation to the Government's plan to selling shares in State Owned electricity generators. It is expected that once the outcome of the appeal hearing is known that Treasury will provide an update on its Mixed Ownership Model (MOM) scheme.

³ ASX update as at 23 January 2012.

APPENDIX A: OPERATIONAL INFORMATION

Operational Information

Genesis Energy Operational Information*	Second Quarter (October to December)				Year to Date			
	2012/13	2011/12	% Change	Change	2012/13	2011/12	% Change	Change
Market Information								
Customer-focus								
Electricity Market Share (%) [1]	26.7%	26.8%	-0.3%	-0.1%				
Gas Market Share (%) [1]	42.4%	43.9%	-3.5%	-1.6%				
Customer Experience								
Customer-focus								
Customer Satisfaction (%) [2]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Advanced Meters Installed During Period (#)	18,578	26,104	-28.8%	-7,526	34,117	55,068	-38.0%	-20,951
Total Advanced Meters Installed To Date (#)	301,792	233,170	29.4%	68,622				
Customer Numbers								
Total Customer Numbers (#) [3]	664,154	669,138	-0.7%	-4,984				
<i>Total Customers by Product:</i>								
Electricity Customer Numbers (#)	551,889	553,853	-0.4%	-1,964				
Gas Customer Numbers (#)	112,265	115,285	-2.6%	-3,020				
LPG Customer Numbers (#)	8,359	6,684	25.1%	1,675				
<i>Total Electricity Customers by Location:</i>								
North Island Electricity Customer Numbers (#)	476,127	493,139	-3.4%	-17,012				
South Island Electricity Customer Numbers (#)	75,762	60,714	24.8%	15,048				
Customer Volumes and Price								
Retail Electricity Sales (GWh)	1,255	1,234	1.6%	20	2,797	2,862	-2.3%	-65
Retail Gas Sales (PJ)	0.9	1.0	-7.9%	-0.1	2.9	3.0	-4.2%	-0.1
Retail LPG Sales (tonnes)	488	419	16.2%	68	1,289	1,050	22.8%	239
Retail Electricity Purchases (GWh)	1,325	1,323	0.2%	2	2,960	3,031	-2.4%	-72
Retail Gas Purchases (PJ)	1.0	1.1	-3.1%	0.0	2.9	3.1	-5.2%	-0.2
Average Retail Electricity Purchase Price (\$/MWh) [4]	60.34	82.59	-26.9%	-\$22.25	66.53	84.02	-20.8%	-\$17.49
Energy Management								
Generation								
Gas (GWh)+	445	682	-34.8%	-237	1,212	1,507	-19.5%	-294
Coal (GWh)+	404	462	-12.6%	-58	1,061	1,017	4.3%	44
Total Thermal (GWh)	848	1,144	-25.8%	-296	2,273	2,524	-9.9%	-251
Hydro (GWh)	705	641	9.9%	64	1,501	1,447	3.8%	54
Wind (GWh)	7	5	29.8%	1.6	11	13	-9.6%	-1.2
Total Renewable (GWh)	712	646	10.1%	65	1,513	1,460	3.6%	53
Total Generation (GWh)	1,560	1,791	-12.9%	-230.4	3,786	3,983	-5.0%	-197.5
<i>Generation by Location:</i>								
North Island (GWh)	1,258	1,544	-18.5%	-286	3,224	3,490	-7.6%	-266
South Island (GWh)	302	246	22.6%	56	561	493	13.9%	68
Average Price Received for Generation (\$/MWh) [4]	61.14	78.40	-22.0%	-\$17.26	64.77	79.89	-18.9%	-\$15.12
Generation Emissions (ktCO ₂)	583	737	-20.9%	-154.4	1,537	1,614	-4.8%	-77.1
Generation Carbon Intensity (tCO ₂ /GWh)	374	412	-9.3%	-38.1	406	405	0.2%	0.8
Fuel								
Gas Purchases (PJ)	7.9	9.5	-17.0%	-1.6	18.5	23.0	-19.5%	-4.5
Coal Purchases (PJ)	4.5	5.8	-21.7%	-1.3	11.0	11.6	-5.1%	-0.6
Wholesale Gas Sales (PJ)	2.9	3.3	-11.4%	-0.4	5.9	8.5	-30.5%	-2.6
Wholesale Coal Sales (PJ)	0.0	0.8	-99.3%	-0.7	0.7	1.6	-57.7%	-0.9
Gas Used In Internal Generation (PJ)	4.0	5.2	-23.4%	-1.22	9.8	11.5	-15.1%	-1.7
Coal Used In Internal Generation (PJ) [5]	4.5	5.2	-14.3%	-0.7	11.8	11.4	4.0%	0.5
Coal Stockpile - closing balance (kilotonnes)	1,003	1,481	-32%	-478	1,003	1,481	-32.3%	-478
Kupe Oil and Gas Field Investment								
Genesis Energy Sales Share								
Gas Sales (PJ)	1.1	1.2	-7.7%	-0.1	2.7	3.0	-10.4%	-0.3
Oil Sales (kbbbl)	42.9	162.2	-73.6%	-119	201.8	278.9	-27.6%	-77
LPG Sales (kilotonnes)	4.7	5.6	-16.5%	-0.9	10.8	12.9	-16.1%	-2.1

Notes:

[1] December 2011 and 2012 market shares based on published customer records from the Electricity Authority (includes active accounts)

[2] Based on the survey question: "Thinking about all aspects of the service provided to you, how satisfied are you with the overall performance of Genesis Energy, where 0 is extremely dissatisfied and 10 is extremely satisfied". There is no data for the last two weeks of December as no survey is done over the holiday period.

[3] Based on Genesis Energy customer records. Includes vacant accounts. Excludes LPG customers. Electricity and gas customers are defined by number of connections. LPG is defined by number of customers.

[4] Excludes settlements from electricity derivatives.

[5] Results have been revised to reflect changes in coal kilotonnes to PJ conversion rate and volume methodology

* Customer Experience segment covers retail activities. Energy Management segment covers generation and trading activities.

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PUBLICLY LISTED DEBT:

NZDX code: GPLFA

Maturity: 15 July 2041

Bonds on issue: \$275,000,000

Coupon: 8.5%

Payment frequency: Quarterly

Payment dates:

15 Jan, 15 April, 15 July, 15 Oct