

Q3 } Quarterly Performance

Market & Operation Information



“Genesis Energy’s customer focused strategy increases customer acquisitions across New Zealand”

INTRODUCTION

This disclosure includes market and operational information for Genesis Power Limited, trading as Genesis Energy, for the quarter ending 31 March 2012 ("Q3").

Genesis Energy's customer-focused strategy is delivering results. The Company achieved its South Island customer acquisition target in Q3. At the end of March 2012, the Company had 66,515 South Island electricity customers and had acquired 5,801 new customers in Q3.

The Company now has installed over 250,000 Advanced Meters in customers' properties and is continuing to develop its innovation programme to bring to market a range of products and services that deliver customers more choice and control over their energy usage.

On 28 March 2012, Genesis Energy announced a remediation work programme for parts of the Tekapo Canal. The work is to commence in November 2012, at the earliest, subject to further stakeholder consultation and gaining resource consents.

On 30 March 2012, Genesis Energy announced that Standard & Poor's Ratings Services had affirmed the 'BBB+' long-term corporate and senior debt ratings for the Company.

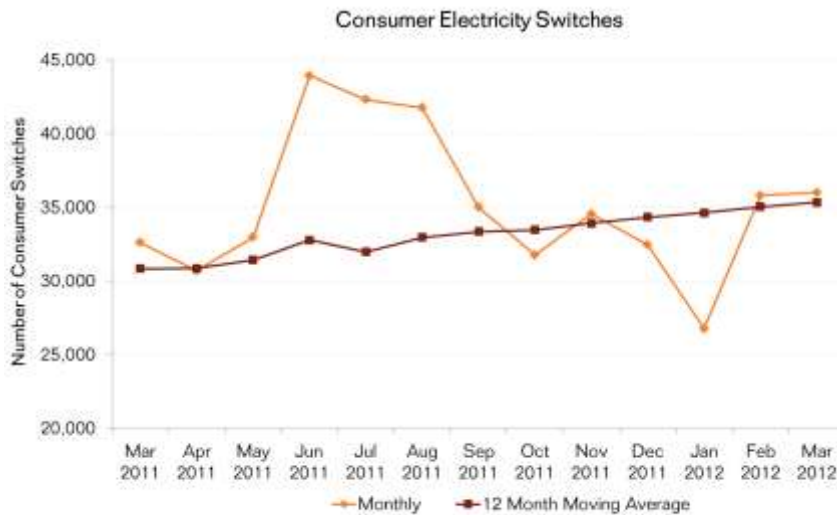
MARKET INFORMATION

CONSUMER MARKETS

Electricity customer switching levels over Q3 temporarily dropped below the moving average from the highs in the first quarter of the financial year when switching levels were buoyed by the Electricity Authority's 'What's My Number' campaign¹. Genesis Energy's electricity (26.7%) and gas (43.2%) market shares at the end of March 2012 are similar to the same time last financial year.

Drawing on optimal new generation solutions in wind, hydro and geothermal, we are developing plans to construct new renewable electricity generation in the next five years or so, timing our new investments to best fit evolving market conditions.

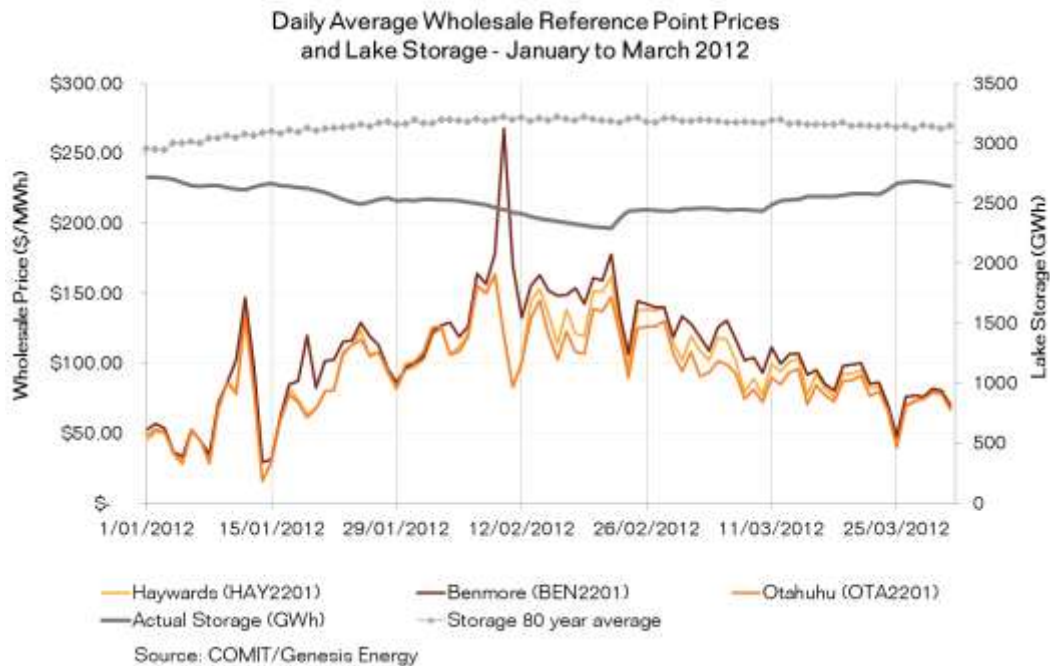
Genesis Energy has a disciplined approach to investing in new development. Our policy is only to proceed with a new investment when it is economically justified.



¹ The Consumer Electricity Switches chart shows the number of ICPs (or points of connection) changing (or "switching") electricity supplier each month and the trend in ICP switching activity over time.

WHOLESALE MARKETS

Cooler temperatures and dryer hydrological conditions over Q3 contributed to moderate to high prices in the wholesale market over the period. The average Haywards reference prices were \$72.96/MWh in January, \$128.98/MWh in February and \$88.50 in March 2012.



Trading in NZ Electricity Futures on the ASX market has continued to increase although open interest, at 1,945GWh, did not reach the Electricity Authority (“EA”) target of 2,000GWh by 1 March of 2012. The EA confirmed in March 2012 that the futures market has made substantial progress over a very short period of time.

} CUSTOMER EXPERIENCE

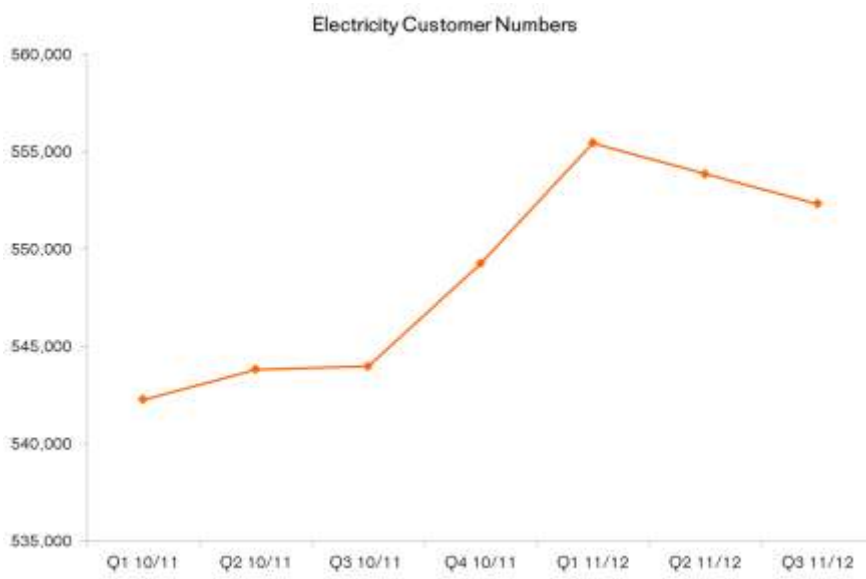
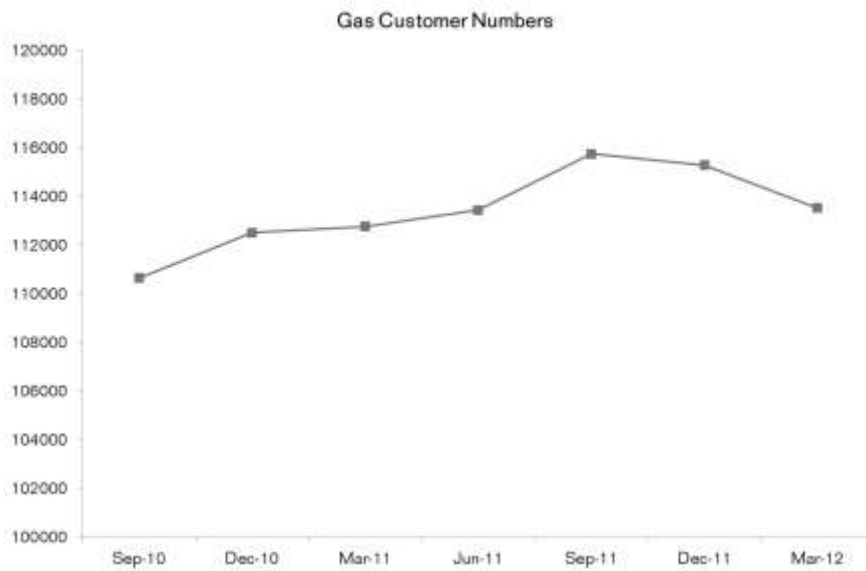
GROWING VALUE BY INCREASING THE CUSTOMER EXPERIENCE

Genesis Energy is continuing to develop its innovation programme to bring to market a range of products and services that will deliver customers more choice and control over their energy usage.

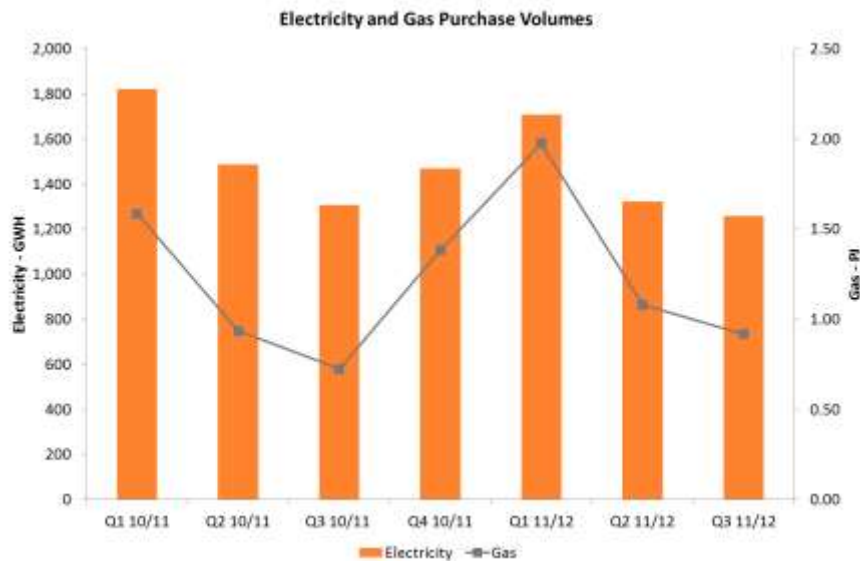
At the end of the Q3 Genesis Energy had installed a total of 253,356 Advanced Meters, with over 19,500 advanced meters installed over the Q3 period.

Genesis Energy’s customer acquisition campaign in the South Island has progressed well with approximately 5,801 new customers acquired in Q3. At the end of March 2012, the Company had 66,515 South Island electricity customers.

Total electricity and gas customer numbers are higher in Q3 than the same period last year. LPG customer numbers continue to grow, up 69% (2,917) in Q3 2011/2012 compared to Q3 2010/2011.



Retail electricity purchase volumes in Q3 2011/12 are down 3.7% (49GWh) on Q3 2010/11 and gas purchase volumes are up 26.8% (0.2PJ) in Q3 over the same period last year.



ENERGY MANAGEMENT

DIVERSE, FLEXIBLE AND STRATEGIC GENERATION PORTFOLIO

In February 2012, Genesis Energy announced that the first Huntly coal/gas fuelled unit would be placed into long-term storage from the end of November 2012. The Company will focus on keeping the remaining Huntly Units available to meet market needs for as long as they are commercially valued. The second Huntly coal/gas unit remains scheduled for entry into long-term storage in December 2014. However, the Company will maintain a degree of optionality over the storage schedule for the second unit to respond to any observed changes in anticipated demand.

On 11 November 2011, the Company lodged resource consent applications with the Waikato Regional Council for the on-going operation of the 1,448MW Huntly Power Station². Renewed consents will allow for the long-term flexibility of the site's operations under a range of asset management regimes and market conditions.

Following public notification on 19 November 2011, six submissions were received by the Waikato Regional Council. However, issues raised by the submitters were resolved prior to the scheduled hearing in April 2012. The applications will now be decided under delegated staff authority by the Waikato Regional Council. Genesis Energy has reviewed and supports the Council's draft evaluation report and proposed conditions of consent from Council staff, which recommends that the consents be granted on the terms sought by the Company. The applications will be subject to a limited 15-working day appeal period following release of the Council decision.

On 28 March 2012, Genesis Energy announced the Company's programme for remediation work to parts of the Tekapo Canal. The project will include installation of a PVC liner over parts of the canal as well as other engineering activity designed to improve the canal, and is scheduled to take place over two 14 week outage periods this coming summer and the summer of 2013/2014. Other engineering improvements will be made to the exterior of the canal between the outage periods.

The canal remedial works is being reviewed with a wide range of interested and affected parties including local land holders, Fish and Game, Ngai Tahu Runanga, the Mt Cook Alpine Salmon Company, recreational canal users and Environment Canterbury. The final timing of the works within the canal is subject to consultation with Meridian Energy and other stakeholders, as well as obtaining the necessary consents.

On 27 February 2012, the High Court released its judgment on the appeal by Genesis Energy and others of the Electricity Authority's undesirable trading situation ("UTS") decision in

² Resource consents for the Huntly Power Station are due to expire from March 2013 onwards.

relation to the events of 26 March 2011. The Court found that the EA had made no errors in law arriving at its decision that a UTS existed.

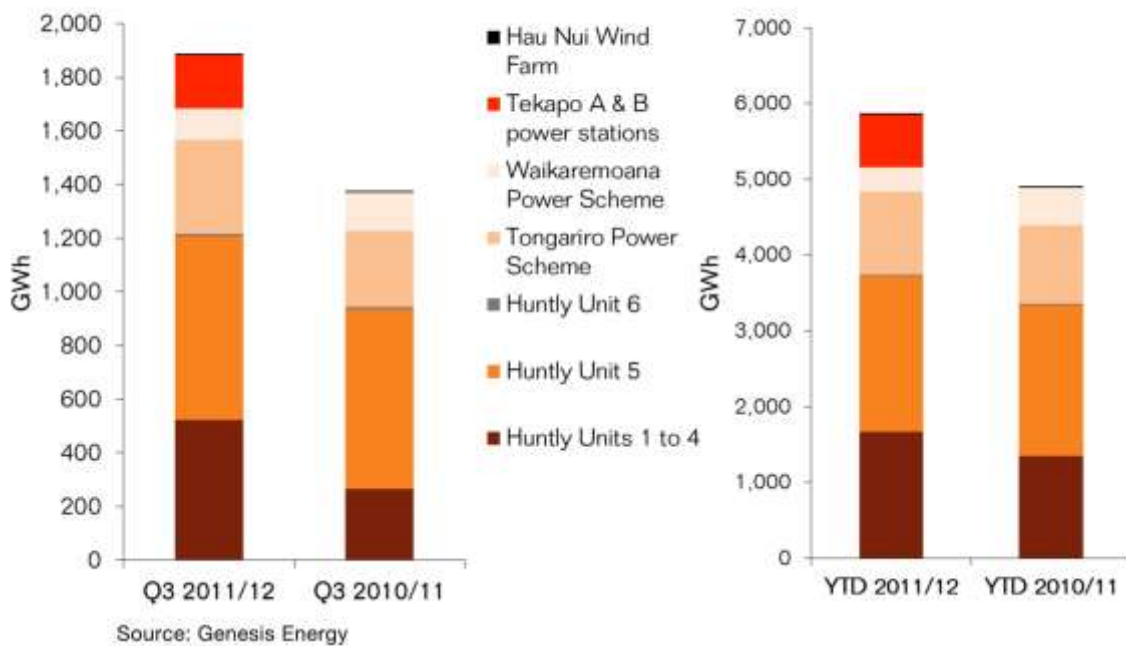
An application for leave to appeal the High Court judgment was filed by Genesis Energy on 26 March 2012. To date, Genesis Energy has not been advised whether leave to appeal has been granted.

Genesis Energy's total generation in Q3 was up 37% at 1,888GWh compared to 1,377GWh in the same quarter last year, supported by increased coal and hydro generation reflecting dry conditions in the South Island.

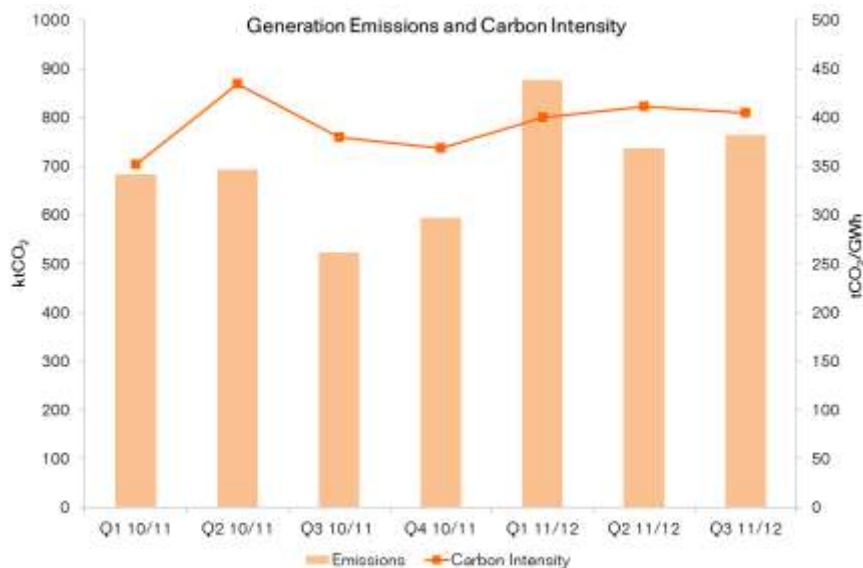
Huntly Unit 4 was removed from service for a cold survey during Q3. The Unit is expected to return to service on 21 May 2012.

Total Kupe production during Q3 was 7.4 Pje. This was 11% higher than Quarter Two which was impacted by an annual maintenance shutdown. Production was generally in line with normal lower summer seasonal demand. Two tanker liftings of Kupe light crude from Port Taranaki were completed during Q3.

Genesis Energy Q3 and YTD 2011/2012 Generation



Genesis Energy's generation emissions were 764ktCO₂ in Q3, which was up 46.1% on 523ktCO₂ in Q3 2010/2011. The Company's generation portfolio carbon intensity in Q3 2011/2012 at 405tCO₂/GWh was up 6.6% compared to 380tCO₂/GWh for the same period last year, reflecting a higher level of coal-based generation.



HEALTH AND SAFETY

HEALTH AND SAFETY PERFORMANCE

In Q3, Genesis Energy had a rolling 12-month Total Recordable Injury Frequency Rate ("TRIFR")³ of 11.20. The TRIFR for the Q3 period included three recordable safety incidents (three Lost Time Injuries) compared to 19 for the same period last year.

Despite the poor result against target for Q3, the Company expects to exceed its company-wide TRIFR improvement target for 2011/12, supported by a continued focus on Near Miss Reporting and Hazard Identification and Mitigation and self-responsibility to improve safety performance.

Genesis Energy had a total of 953 full-time equivalent staff members as at 31 March 2012, compared with 970 as at 31 March 2011.

OUTLOOK

MARKET OUTLOOK

NIWA's April 2012 Seasonal Climate Outlook⁴ for late autumn indicates that the current La Niña event is dissipating, and the ENSO-neutral conditions are returning to the tropical Pacific⁵.

The outlook for April to June 2012 indicates rainfall is likely to be normal or above normal in the north and east of the North Island, and near normal in all other regions. Soil moisture levels and river flows are likely to be near normal in the South Island and normal or above normal in North Island districts.

Temperatures are likely to be average or above average in the west and south of the South Island, and near average elsewhere

Electricity futures prices published on the ASX website indicate that wholesale electricity prices may range between \$108MWh in the North Island and \$127MWh in the South Island by June 2012⁶. Lake levels and inflows are sitting well below average in mid April 2012.

³ TRIFR = (Lost Time Injuries + Restricted Work Injuries + Medically Treated Injuries) per million hours worked.

⁴ Dated 1 April 2012

⁵ However, lower pressures than normal are expected to persist north of the country during the April to June period, with more high pressure systems and ridges over and east of southern New Zealand.

⁶ ASX update as at 18 April 2012.

The EA re-launched the 'What's My Number' campaign on 15 April 2012. This campaign is expected to support strong levels of switching and competition in the energy retail markets over the next quarter.

BUSINESS OUTLOOK

The **Castle Hill Wind Farm preliminary decision** was received from the Hearing Panel on 13 April 2012. That decision indicates that resource consents for the wind farm project will be granted, subject to various conditions and restrictions.

Genesis Energy is in the process of reviewing the preliminary decision to understand the findings and to prepare and provide a response to the Hearings Panel.

Genesis Energy has also established agreements with Transpower to develop a transmission solution for the project in a staged manner.

APPENDIX A: OPERATIONAL INFORMATION

Operational Information

Genesis Energy Operational Information*	Third Quarter (January to March)				Year-to-date (July to March)			
	2011/12	2010/11	% Change	Change	2011/12	2010/11	% Change	Change
Market Information								
Customer-focus								
Electricity Market Share (%) [1]	26.7%	26.6%	0.4%	0.00				
Gas Market Share (%) [1]	43.2%	43.3%	0.0%	0.00				
Customer Experience								
Customer-focus								
Customer Satisfaction (%) [2]	93	90	3.3%	3	93	90	3.3%	3
Total Advanced Meters Installed During Period (#)	19,537	26,943	-27.5%	-7,406	75,254	90,832	-17.2%	-15,578
Total Advanced Meters Installed To Date (#)	253,356	150,692	68.1%	102,664				
Customer Numbers								
Total Customer Numbers (#) [3]	665,831	656,725	1.4%	9,106				
<i>Total Customers by Product:</i>								
Electricity Customer Numbers (#)	552,315	543,965	1.5%	8,350				
Gas Customer Numbers (#)	113,516	112,760	0.7%	756				
LPG Customer Numbers (#)	7,137	4,220	69.1%	2,917				
<i>Total Electricity Customers by Location:</i>								
North Island Electricity Customer Numbers (#)	485,800	506,975	-4.2%	-21,175				
South Island Electricity Customer Numbers (#)	66,515	36,990	79.8%	29,525				
Customer Volumes and Price								
Retail Electricity Sales (GWh)	1,156	1,228	-5.9%	-72	4,018	4,315	-6.9%	-296
Retail Gas Sales (PJ)	0.8	0.7	18.3%	0.1	3.8	3.2	19.1%	0.6
Retail LPG Sales (tonnes)	359	212	69.7%	148	1,409	622	126.4%	787
Retail Electricity Purchases (GWh)	1,258	1,307	-3.7%	-49	4,289	4,617	-7.1%	-328
Retail Gas Purchases (PJ)	0.9	0.7	26.8%	0.2	4.0	3.2	22.5%	0.7
Average Retail Electricity Purchase Price (\$/MWh) [4]	101.21	92.27	9.7%	\$ 8.94	89.06	67.78	31.4%	\$ 21.29
Energy Management								
Generation								
Total Generation (GWh)	1,888	1,377	37.0%	510.1	5,871	4,912	19.5%	958.6
<i>Generation by Fuel Source:</i>								
Gas (GWh)	519	725	-28.3%	-205	2,009	2,595	-22.6%	-585
Coal (GWh)	697	220	217.0%	477	1,730	765	126.2%	965
Hydro (GWh)	666	426	56.1%	239.3	2,113	1,532	37.9%	580.8
Wind (GWh)	6	7	-11.0%	-0.8	19	21	-10.3%	-2.2
<i>Generation by Fuel Type:</i>								
Thermal (GWh)	1,216	944	28.8%	271.6	3,739	3,360	11.3%	379.9
Renewable (GWh)	672	433	55.1%	238.5	2,131	1,553	37.3%	578.6
<i>Generation by Location:</i>								
North Island (GWh)	1,691	1,377	22.7%	313.1	5,181	4,912	5.5%	268.4
South Island (GWh)	197	0		197.0	690	0		690.1
Average Price Received for Generation (\$/MWh) [4]	98.30	104.95	-6.3%	\$ 6.65	85.81	73.47	16.8%	\$ 12.35
Generation Emissions (ktCO ₂)	764	523	46.1%	241.0	2,378	1,890	25.8%	488.0
Generation Carbon Intensity (ktCO ₂ /GWh)	405	380	6.6%	25.0	405	387	4.7%	18.0
Fuel								
Gas Purchases (PJ)	9.6	10.8	-11.3%	-1.2	32.6	34.7	-6.0%	-2.1
Coal Purchases (PJ)	4.1	5.1	-20.3%	-1.0	15.7	15.7	-0.2%	0.0
Wholesale Gas Sales (PJ)	3.1	4.4	-29.5%	-1.3	11.6	9.9	17.4%	1.7
Wholesale Coal Sales (PJ)	0.0	0.1	-79.1%	-0.12	1.6	0.6	167.0%	1.0
Gas Used In Internal Generation (PJ)	5.5	5.7	-2.7%	-0.15	17.0	21.6	-21.3%	-4.6
Coal Used In Internal Generation (PJ)	5.1	2.4	111.1%	2.7	16.3	8.3	96.7%	8.0
Coal Stockpile - closing balance (kilotonnes)	1,432	1,403	2%	29	1,432	1,403	2.0%	29
Kupe Oil and Gas Field Investment								
Genesis Energy Sales Share								
Gas Sales (PJ)	1.3	1.4	-0.4%	0.0	4.3	4.1	5.0%	0.2
Oil Sales (kbbbl)	113	173	-34.7%	-60	392	408	-4.0%	-16
LPG Sales (kilotonnes)	4.1	5.6	-27.1%	-1.5	17.0	18.3	-7.5%	-1.4

Notes:

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

[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."

[3] Based on Genesis Energy customer records. Includes vacant accounts. Excludes LPG customers.

Note: Electricity and gas customers are defined by number of connections. LPG is defined by number of customers.

[4] Excludes settlements from electricity derivatives.

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