2013 Full Year Results Presentation

Focused on Delivering

Dame Jenny Shipley
CHAIRMAN

Albert Brantley
CHIEF EXECUTIVE OFFICER

Andrew Donaldson
CHIEF FINANCIAL OFFICER

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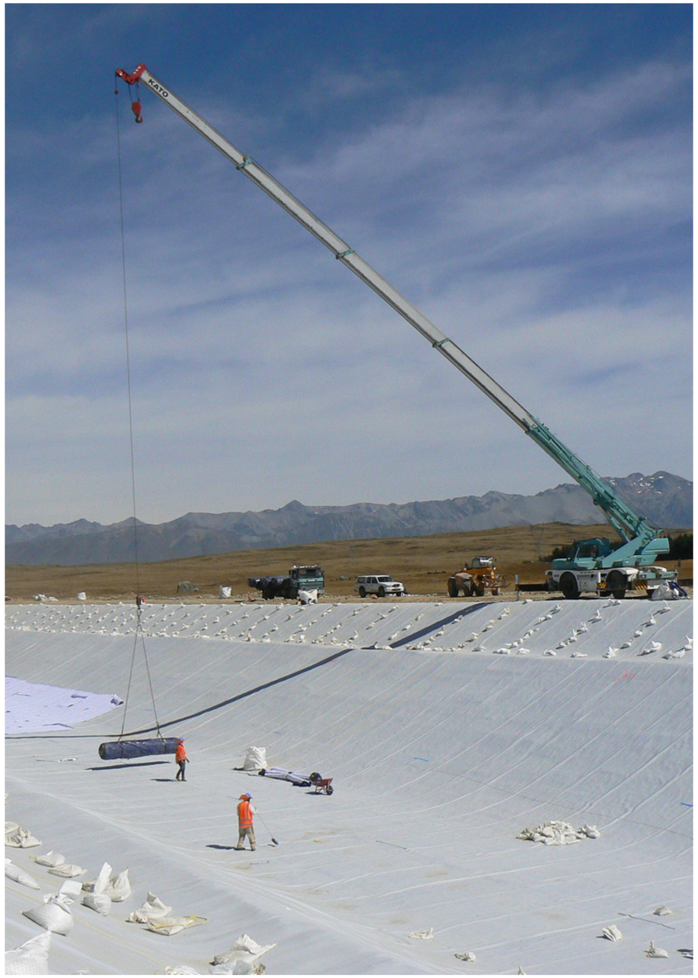
Introduction

“Genesis Energy enjoys solid and diversified earnings, has well maintained assets and a loyal and growing customer base.”

Dame Jenny Shipley
Chairman

Highlights for the year

- Growing customer base
- Launch of new retail products
- Completed major inspection of Unit 5
- Tekapo Canal remediation works
- Kupe continuing to provide consistent earnings
- TRIFR* of 2.36, 68% lower than 2012
- Net Profit increased to $105m from $86m
- Total dividend of $114m (including final dividend of $57m)
- Prepared for potential IPO



*Total Recordable Injury Frequency Rate

Overview

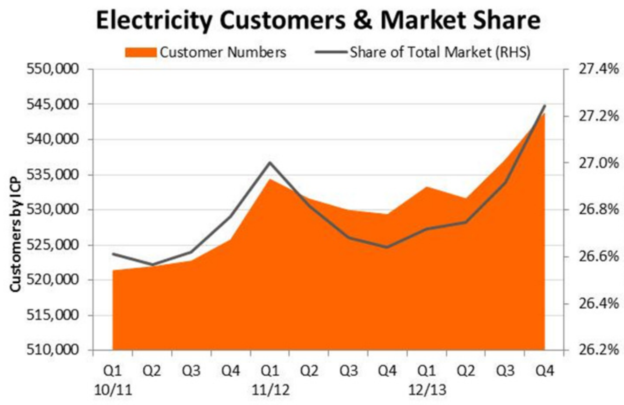
"Genesis Energy has again delivered a strong financial and business performance in 2012/2013 under challenging market conditions."

Albert Brantley
Chief Executive

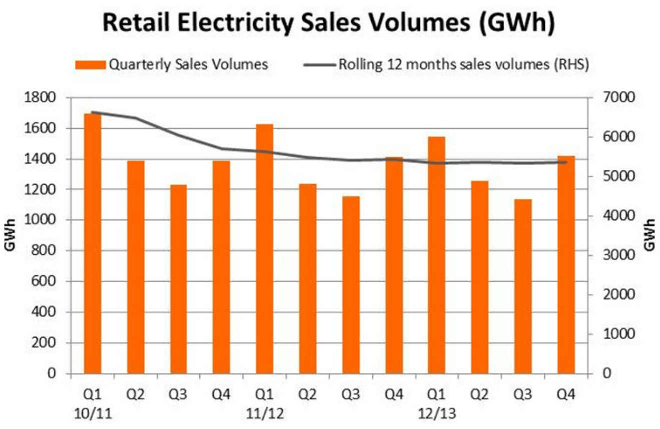
Good customer growth but lower load

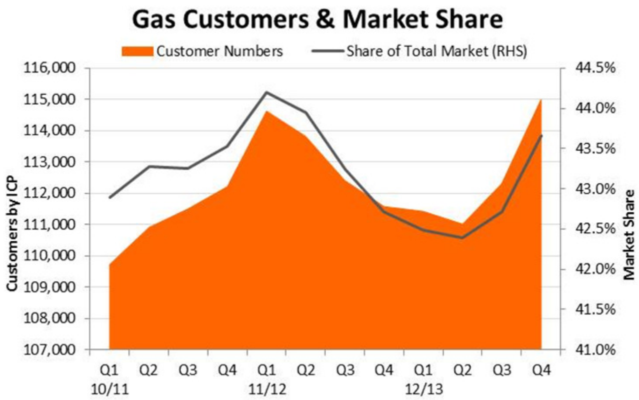
- FY2013 has seen growth in customer numbers
  - 543,774* electricity customers (+3%)
  - 115,003* gas customers (+3%)
  - 9,708 LPG customers (+28%)
- Retail volumes are down 1% yoy to 5,354 GWh
  - Reduced national demand plus higher temperatures

*Based on ICPs and excluding vacants

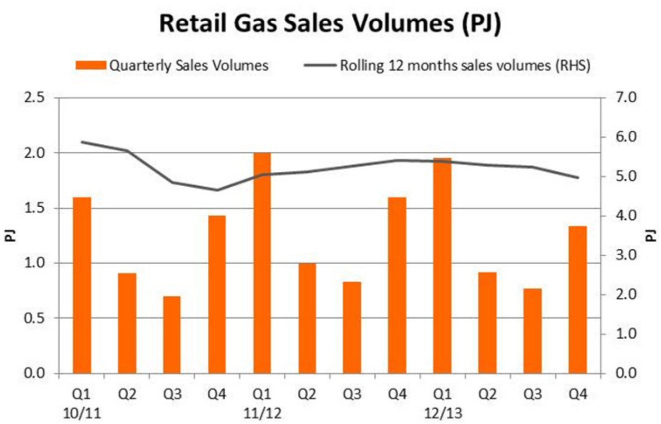


Source: Company data, Electricity Authority



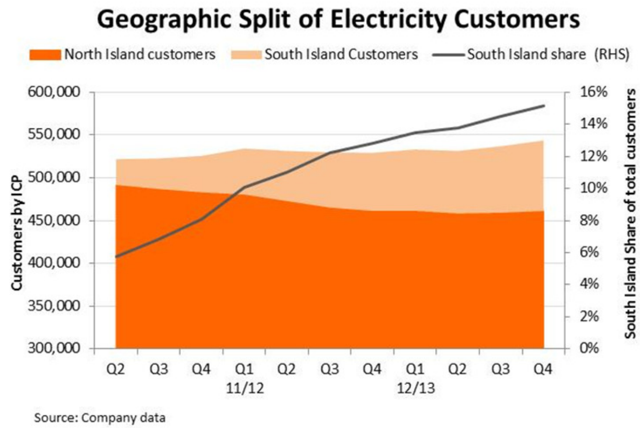


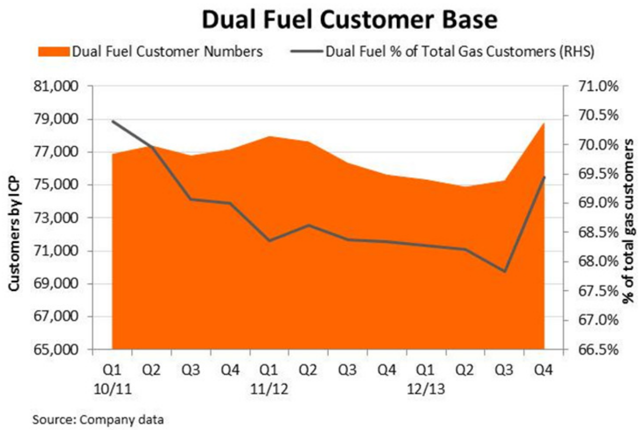
Source: Company data, Gas Industry Co



Improving Customer Mix

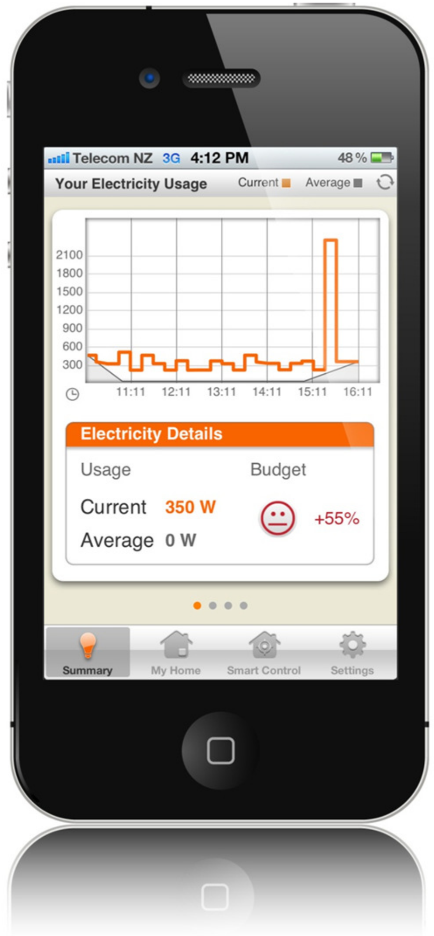
- Two key strategies around customers have delivered results in FY2013:
  - Growing South Island customer base
  - Growing dual fuel customers
- South Island customer increases driven by Tekapo acquisition in 2011
  - Now 82,404 customers or 15% of total electricity customers
- Dual fuel customers now total 78,755, nearly 70% of total gas customers
  - Utilises gas supply from Kupe and increases loyalty of both electricity and gas customers





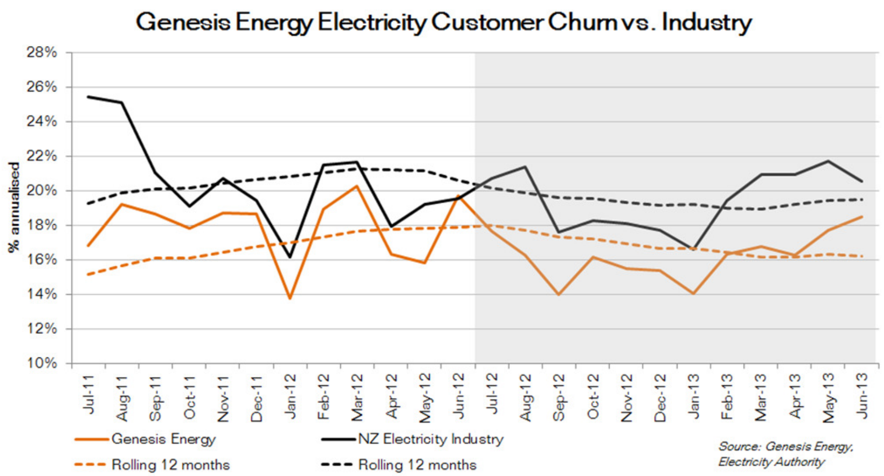
Customer Innovations

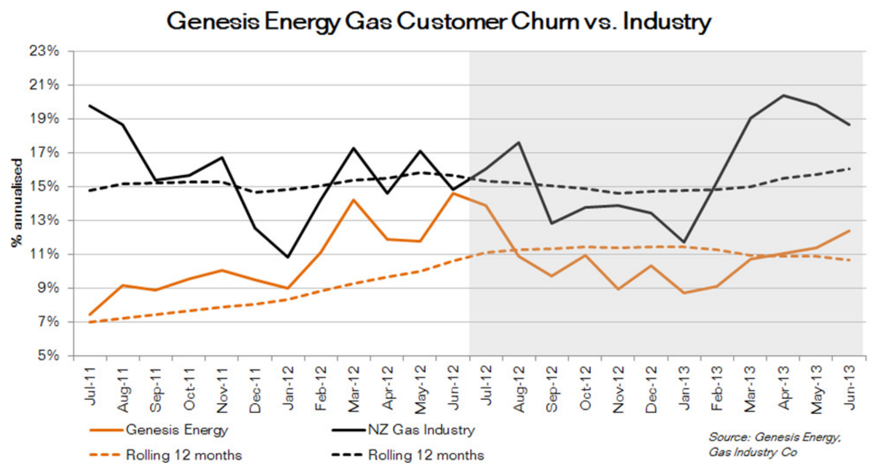
- MyMeter – smartphone and tablet application to track energy usage remotely
- MyEnergyCoach –online service to promote energy efficiency
- MyTimeTariff – roll out of multi-rate tariff for electricity customers in Christchurch and Hamilton
  - Off-peak, shoulder and peak rates offer savings for households based on half-hourly Advanced Meter reads
- Tomorrow Street – continuing to deliver great results
  - Passed 1 year anniversary
  - Average energy savings of 18% per household
- Now 327,721 Advanced Meters (+60,046 in FY2103), covering 60% of electricity customers



Better Than Market Churn

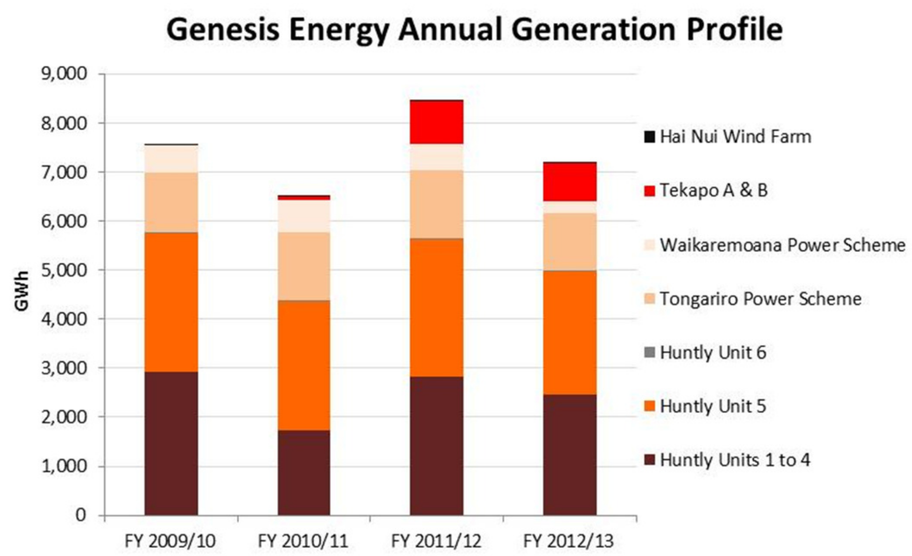
- Focus continues to be on reducing cost to serve by reducing churn and increasing retention rates
- Despite having the larger numbers in electricity and gas customers, churn rates are lower than rest of the market
- Favourable trend versus the market in FY2013





Generation Performance

- Total generation down 15% to 7,212GWh (8,467GWh in FY2012)
- Thermal down 12% to 4,991GWh (5,654GWh)
- Renewable down 21% to 2,221GWh (2,812GWh)
- Key drivers of lower generation:
  - Outage of Tekapo A and B power stations for canal works
  - Lower gas fired generation due to major planned outage of Unit 5
  - Lower hydro generation in H2 due to drought in North Island
  - Lower wholesale electricity prices and lower demand

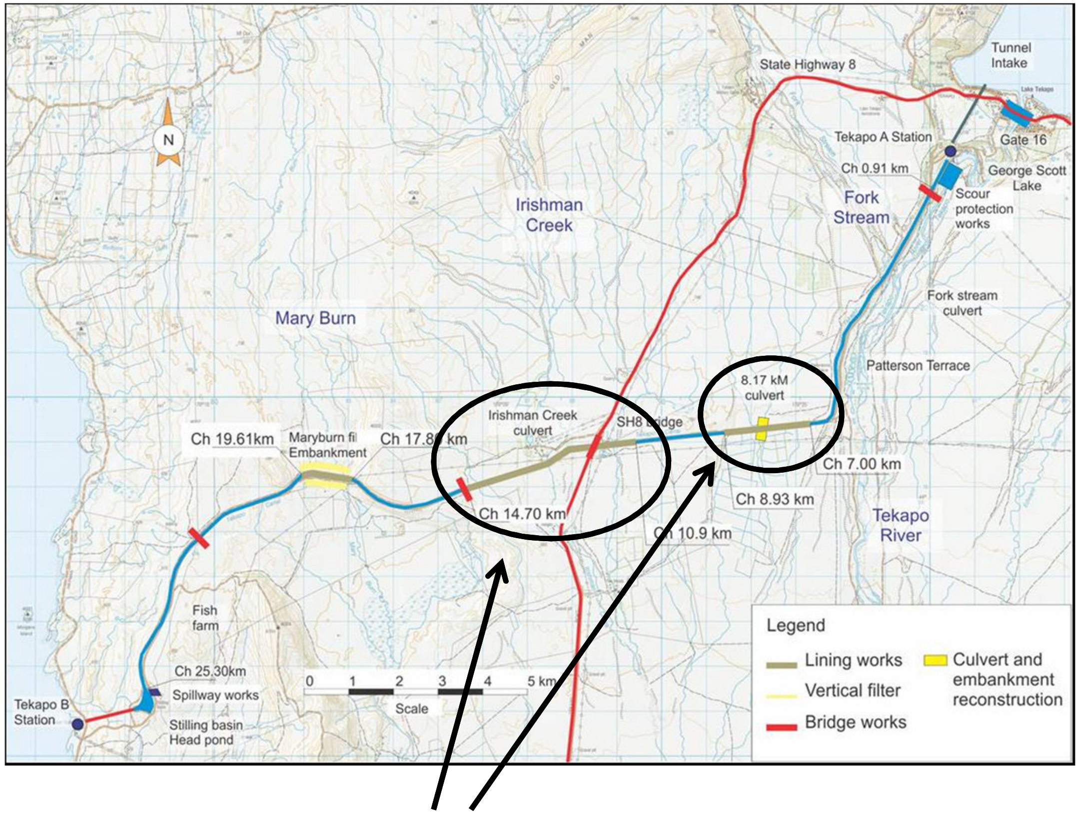


Huntly Power Stations

- Huntly Power Station impacted by lower wholesale prices despite drought conditions in North Island
- Coal-fired generation -14% to 2,259 GWh
- Gas-fired generation -10% to 2,732 GWh
- Unit 3 put into storage on 12 Dec 2012
- Completed first 50k hour major inspection of Unit 5
    - Outage from 15 Oct to 21 Nov 2012
- Coal stockpile down 17% to 877,000 tonnes
- Ongoing review of thermal strategy

Tekapo Canal Remediation

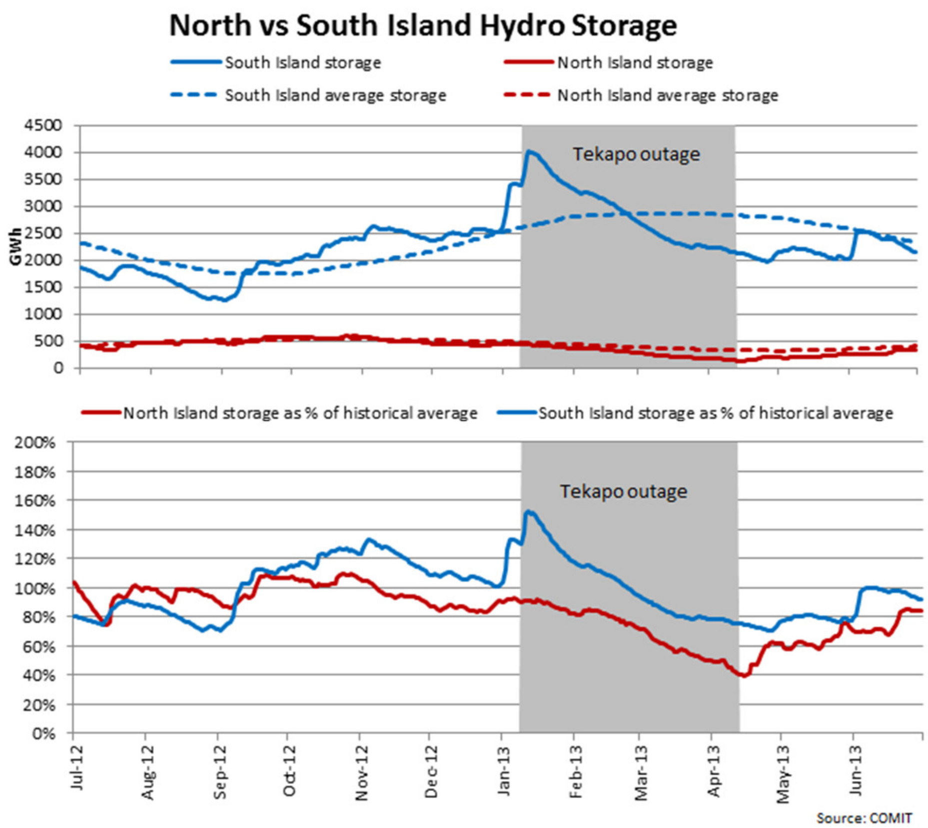
- Work on two sections of canal totalling 5,700 metres, over 13 weeks
- Stability of canal structure enhanced
- Base covered with protective, watertight PVC material
- Work finished ahead of schedule on 12 April 2013
- No lost time injuries or any recordable injuries after 160,000 man hours of work



Stage 1 of Tekapo Canal works

Impact of Tekapo Outage - Hydrology

- Differences in hydrology between islands drove divergent generation outcomes
- Tekapo A and B run hard in H1 in lead up to outage
- Significant rainfall in first 2 weeks of January 2013 drove South Island storage to 150% of average
- 220 GWh of water spilled from Lake Tekapo as a result
- Storage levels in North Island went from 100% to 40% of average during period of outage
- Waikaremoana and Tongariro Power Schemes significantly constrained



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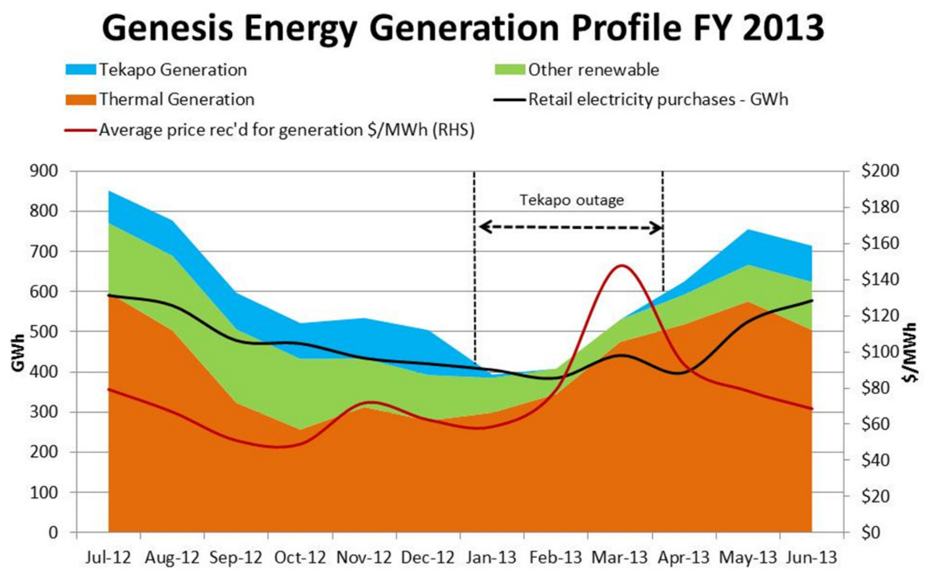
Impact of Tekapo Outage - Generation

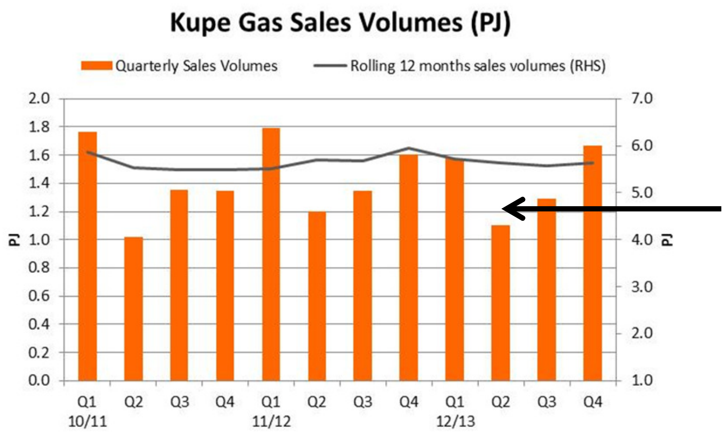
- Despite hydrology constraints it was uneconomic to compensate for lower hydro generation by increasing Huntly generation
- Average prices for generation only jumped in March 2013
- For first time since Tekapo acquisition, Genesis Energy's own generation was less than retail load
- Utilised CFDs to cover retail position

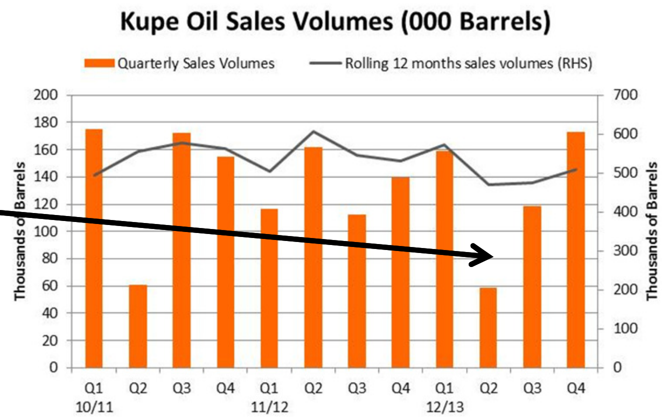


- Estimated impact of Tekapo Canal outage between $20m and $25m of EBITDAF
    - Based on generation foregone, hydrology, demand changes and spill volumes

Kupe Continues to Deliver

- Continues to be a consistent source of operating earnings
- Genesis Energy's share of gas sales down 5% to 5.6PJ, oil sales down 4% to 509,000 barrels
  - Mainly reflects a planned outage in Q2 to coincide with the Huntly Unit 5 turbine inspection
- Currently assessing plans with joint venture partners to drill further wells in future





People, Health and Safety

- The Company remains committed to a zero harm work environment
- Only 2 lost time incidents in FY 2013 (vs 6 in FY 2012) and no serious incidents
  - Despite major projects including Unit 5 inspection and Tekapo Canal work
- TRIFR* of 2.36 was 68% lower than previous year
- Near miss reporting 5% higher
- 90% of full time employees completed ZIP** training course

*Total Recordable Injury Frequency Rate **Zero Incident Process

> "Results were in line with Management's guidance and the Company continues to show its ability to deliver consistent earnings."

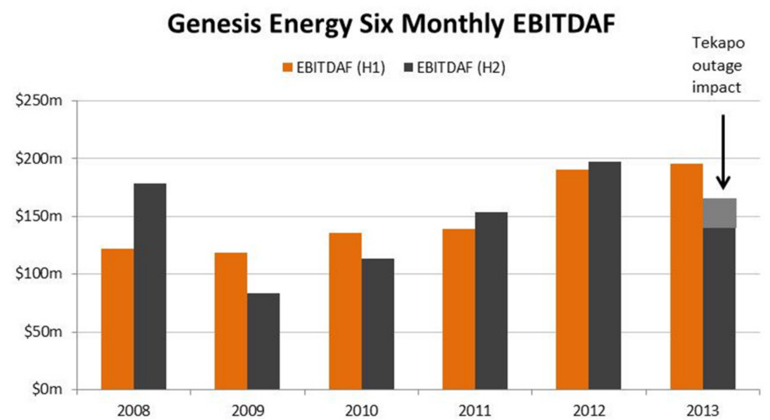
Andrew Donaldson
Chief Financial Officer

Profit and Loss

- Revenues 9% lower due to lower wholesale electricity and lower generation not fully offset by lower operating expenses
- EBITDAF down 13% to $336m but includes impact of Tekapo Canal outage – six monthly profile still consistent
- Lower DDA due to re-estimate of Kupe reserves
- Interest lower due to lower average debt levels throughout the year
- Despite variable market conditions, NPAT increased to $105m from $86m in 2012

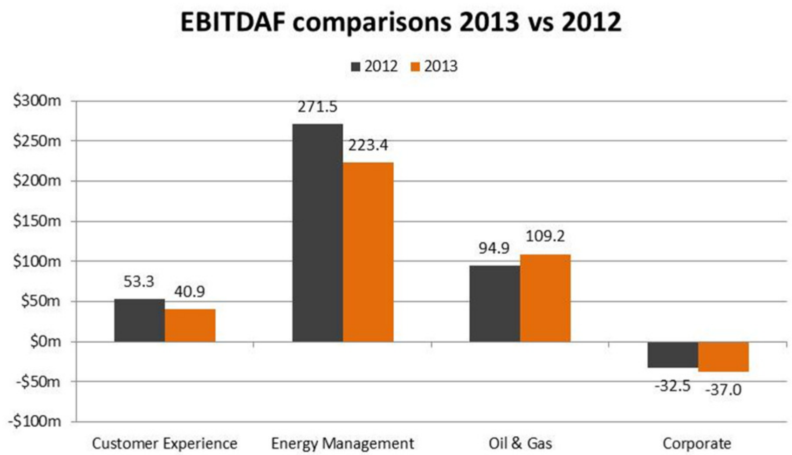
Profit and Loss	2013 $m	2012 $m (restated)[3]	Change ($m)	Change (%)
Revenue	**2,070**	**2,265**	-195	-9%
Total operating expenses[1]	-1,734	-1,878	144	-8%
EBITDAF [2]	**336**	**387**	-51	-13%
Depreciation depletion & amortisation	-135	-152	17	-11%
Impairment	-7	-12	6	-47%
Revaluation of generation assets	1	0	1	-
Fair value change gains/(losses)	30	-11	42	-
Other gains/(losses)	-2	-3	2	-50%
Earnings before interest and tax	**225**	**208**	16	8%
Interest	-79	-89	10	-11%
Tax	-42	-33	-8	25%
Net profit after tax	**105**	**86**	18	21%
Shareholder's equity	1,950	1,797	153	9%

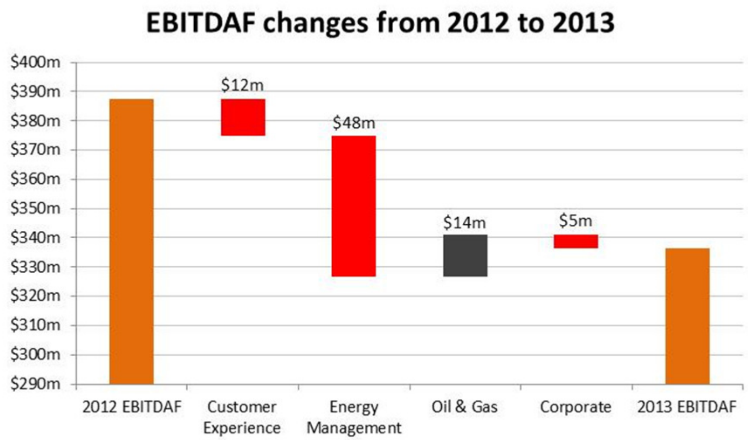
[1] Includes cost of electricity purchases
[2] Earnings before net finance expense, tax, depreciation, amortisation, fair value changes and other gains and losses
[3] Restatement of prior year's earnings reduced 2012 NPAT by $4m



EBITDAF Performance

- Customer Experience EBITDAF impacted by under-recovery of some transmission and lines charges, and lower consumption
- Lower Energy Management EBITDAF reflects:
    - Tekapo power stations outage
    - Lower North Island hydro generation
    - Lower wholesale electricity prices
- Oil and Gas EBITDAF benefitted from Kupe insurance settlement

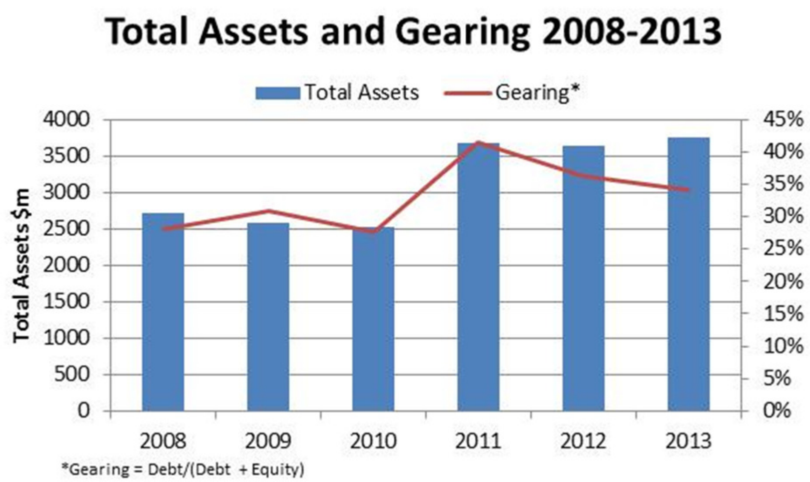




Balance Sheet

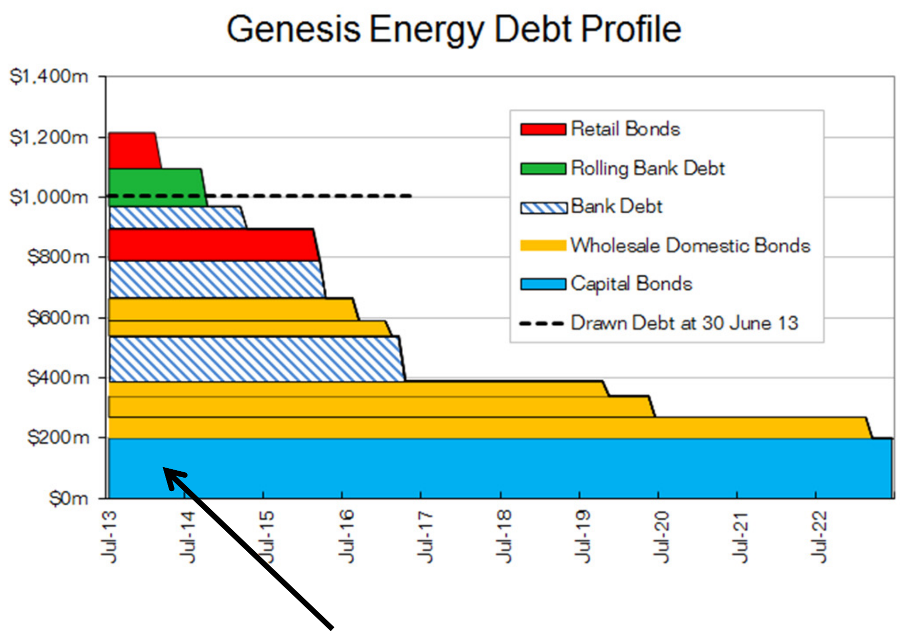
- Despite paying a dividend and increased capex associated with Tekapo Canal remediation, debt is flat at $1,025m
- Gearing is down to 34.5% from 36.2%
- Mainly reflects increased equity
- Reduced inventories reflects lower coal stockpile
- Company has de-leveraged significantly since Tekapo acquisition was completed

Balance sheet	2013	2012 (restated)	2011	2010	2009
Total assets	**3,751**	3,630	3,677	2,532	2,585
Total liabilities	**1,802**	1,834	1,965	1,087	1,192
Total debt	**1,025**	1,019	1,218	552	624
Total equity	**1,950**	1,797	1,712	1,445	1,393
Inventories	**114**	127	168	127	104
Debt / (Debt + Equity)	**34.5%**	36.2%	41.6%	27.6%	30.9%



Debt profile

- Post balance date Capital Bonds were modified:
  - Amount reduced from $275m to $200m
  - Coupon reduced from 8.50% to 6.19%
- Other debt facilities continue to be re-profiled to take advantage of favourable market conditions, where possible
- Average effective interest rate expected to be lower in 2014
- Approximately $200m of headroom
- No major maturities until 2016

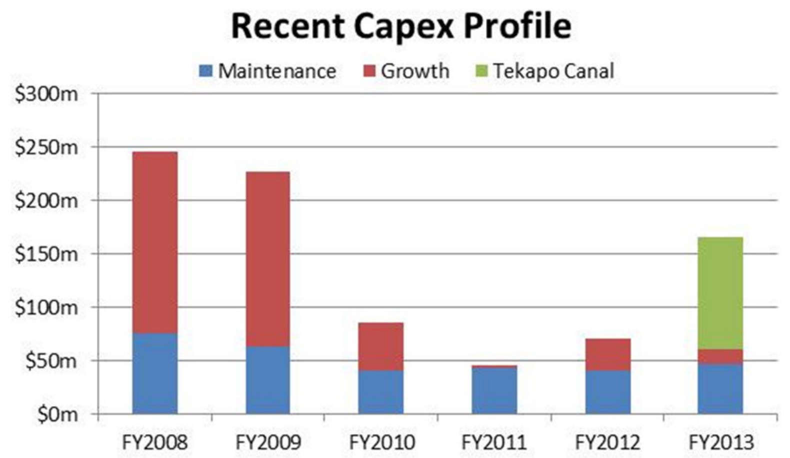


Capital Bonds reduced to $200m on 15 July 2013

Cashflow Statement

- Operating cashflow down 18% due to lower operating earnings plus unfavourable movement in working capital
- Investing capital increased due to Stage One of Tekapo Canal remediation work
  - Approximately $105m in FY2013
  - Still comfortable with guidance for total capex for Tekapo Canal of $145m to $155m
- Maintenance capex remains in $40m to $60m range per annum

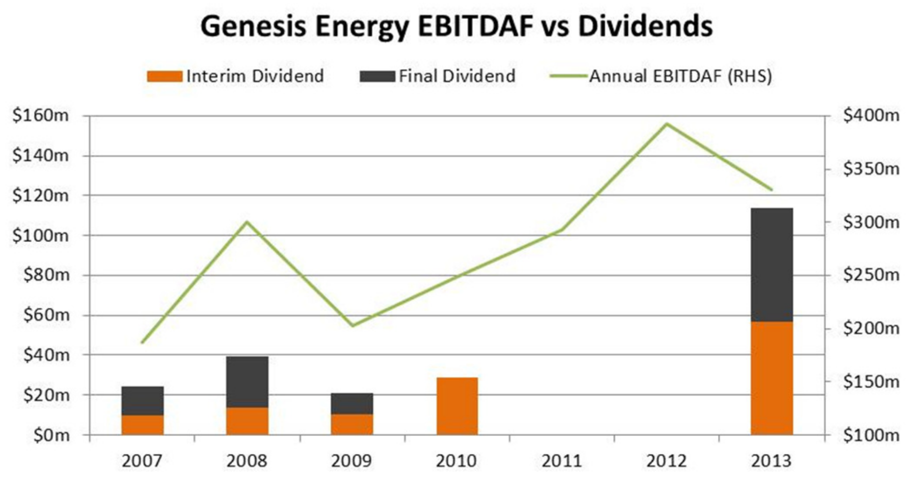
Cashflow: 12 months to June 30	2013 $m	2012 $m (restated)	Change	%
Net operating cashflow	298	363	-65	-18%
Net investing cashflow	-173	-69	-103	148%
Net financing cashflow	-128	-290	162	-56%
Net increase (decrease) in cash	**-2**	**4**	**-6**	**-158%**



Dividends Return

- Final dividend of $57m declared
- Brings total dividend for FY2013 to $114m
- First full year of dividends since 2009
- Equates to net cash yield of 5.6% based on commercial valuation of $2,050m

Company will pay a dividend that provides shareholders with a consistent, reliable and attractive return, even in periods of business cycle downturn



Outlook

- Near term outlook is for lower wholesale electricity prices
  - Recovered storage levels in South Island lakes
  - Flat demand
- Based on shorter outage for Stage Two of Tekapo Canal remediation, impact on EBITDAF likely to be lower in FY14
- Intention is to pay a dividend consistent with, or in excess of, the total dividend paid in FY2013

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Concluding Remarks

- Pleased with progress in 2013 despite challenging climatic and market conditions
- Focused on delivering:
    - Operational improvements
    - Customer value
    - Solid results
    - A safe work place
    - A well prepared company for a potential IPO

Thank you