

Q4 } Quarterly Performance

Market & Operation Information



“Genesis Energy’s customer focused strategy is delivering on business performance”

INTRODUCTION

This disclosure includes market and operational information for Genesis Power Limited, trading as Genesis Energy, for the quarter ending 30 June 2012 ("Q4").

A focus on maintaining retail market share, supported by improved customer experience and trading flexibility in the wholesale market has driven a strong business performance in the fourth quarter of the 2011/2012 year for Genesis Energy.

Genesis Energy maintains and operates its flexible, diverse and strategic generation asset portfolio on a commercial basis to maximise profitability and to meet customer needs. The geographic and fuel-type diversity of our portfolio is enabling the Company to operate a balanced business model and deliver consistent results despite the variety of trading conditions.

Cold temperatures and low inflows into southern hydro lakes resulted in increased generation from Genesis Energy's North Island assets in the quarter ending 30 June 2012. Total generation was up 61% and thermal generation from the Huntly Power Station was up 86% in the quarter. Renewable generation was up 16%.

Generation output for the full year was up 29.7% as the Company benefited from a full year's contribution from Tekapo A and B, plus higher output from its thermal units at Huntly Power Station. The average wholesale price Genesis Energy received for its generation output rose from \$47.95 per megawatt hour in 2010/2011 to \$103.14 MWh in 2011/2012.

In Q4, Genesis Energy was voted Utility Gas Provider of the Year and subsidiary, Energy Online was voted Electricity Provider of the Year in the Roy Morgan Customer Satisfaction Awards New Zealand 2011. As an independent award based on customer research, this was particularly pleasing and indicated that the Company's focus on customer service and innovation is heading in the right direction

Genesis Energy has continued to deliver strong customer satisfaction (93%) in Q4 reflecting the Company's focus on its customers.

On 8 May 2012, Genesis Energy officially launched "Tomorrow Street" with the aim of creating a live "test bed" to find smarter ways to help customers manage their energy usage. The programme consists of 15 households on Auckland's North Shore which will trial a range of energy efficient products and services over the next 18 months. Unitec and the University of Auckland's Energy Centre are helping Genesis Energy to analyse the results of the programme.

The Company has now installed almost 270,000 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 27 April 2012, the Waikato Regional Council issued its decision to grant the resource consent applications on the terms sought by Genesis Energy for all six generation units on the Huntly Power Station site, for a further 25 years. No appeals were received against the Council's decision within the statutory 15-working day appeal period, and the consents are now operative.

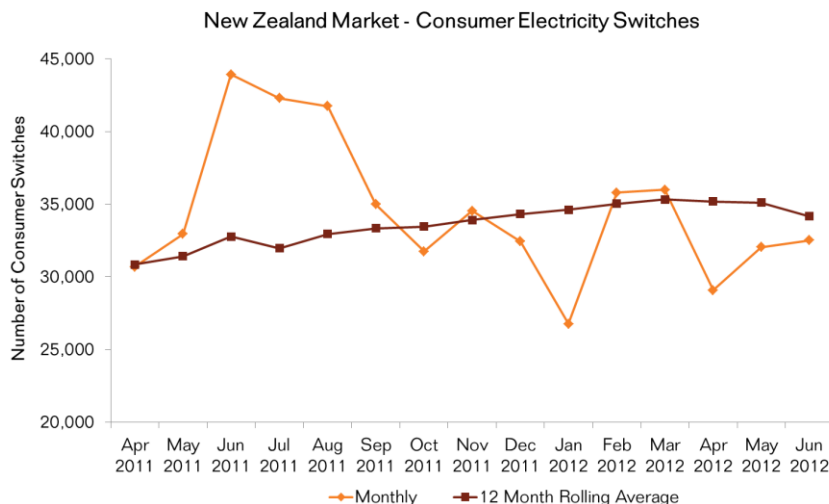
The final decision on the consent application for the Castle Hill Wind Farm was received on 11 June 2012. The decision grants all consents sought by Genesis Energy, however, it places limitations on the project in relation to turbine scale and location, and fails to grant the northern seven kilometres of the proposed 28 kilometre internal 220kv transmission line. Environment Court Appeals were lodged by Genesis Energy on 2 July 2012, and three other parties have also appealed the decision.

MARKET INFORMATION

CONSUMER MARKETS

Electricity customer switching levels over Q4 were below the moving average and below the same period last year¹. Switching rates in the industry were relatively high across the quarter, driven by a competitive market and the Electricity Authority's 'What's My Number' campaign. Electricity market customer churn for Q4 averaged 18%.

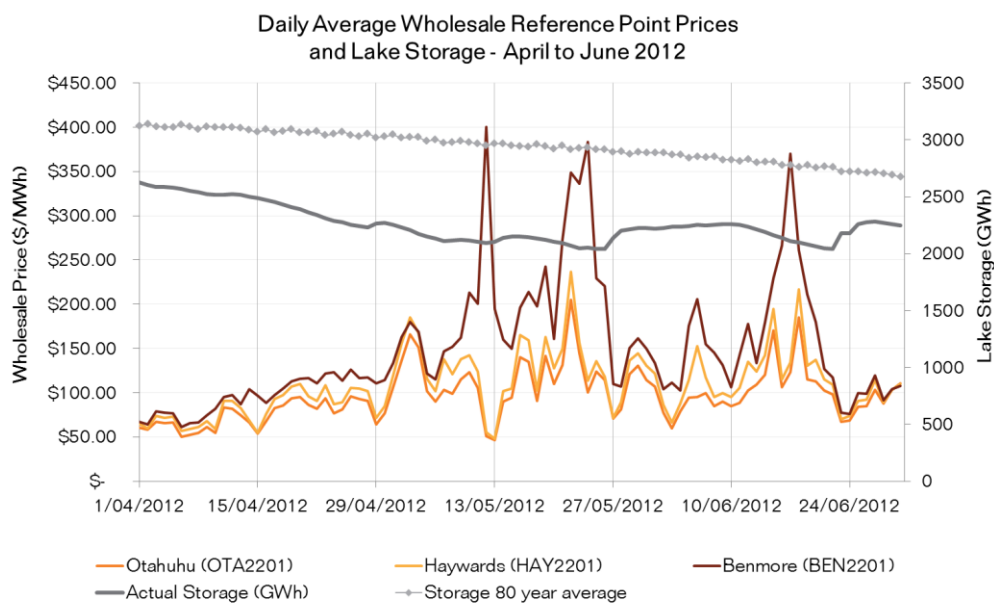
Genesis Energy's electricity and gas market shares at the end of June 2012 were 26.6% and 42.7%, respectively. Market shares for this period are slightly lower than the same period last year (electricity at 26.8% and gas at 43.5%).



Source: Electricity Authority/Genesis Energy

WHOLESALE MARKETS

Cooler temperatures and dryer hydrological conditions over Q4 contributed to moderate to high prices in the wholesale market over the period. The average Haywards reference prices were \$81.95/MWh in April, \$129.64/MWh in May and \$114.61 in June 2012.



Source: COMIT/Genesis Energy

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.

CUSTOMER EXPERIENCE

GROWING VALUE BY INCREASING THE CUSTOMER EXPERIENCE

In Q4, Genesis Energy was voted Utility Gas Provider of the Year and its subsidiary retailer, Energy Online was voted Electricity Provider of the Year in the Roy Morgan Customer Satisfaction Awards New Zealand 2011. Genesis Energy has also continued to deliver strong customer satisfaction (93%) in Q4 reflecting the Company's focus on customer service and innovation.

Genesis Energy is a finalist for the Overall Energy Company of the Year in the Deloitte Energy Excellence Awards to be held on 15 August 2012.

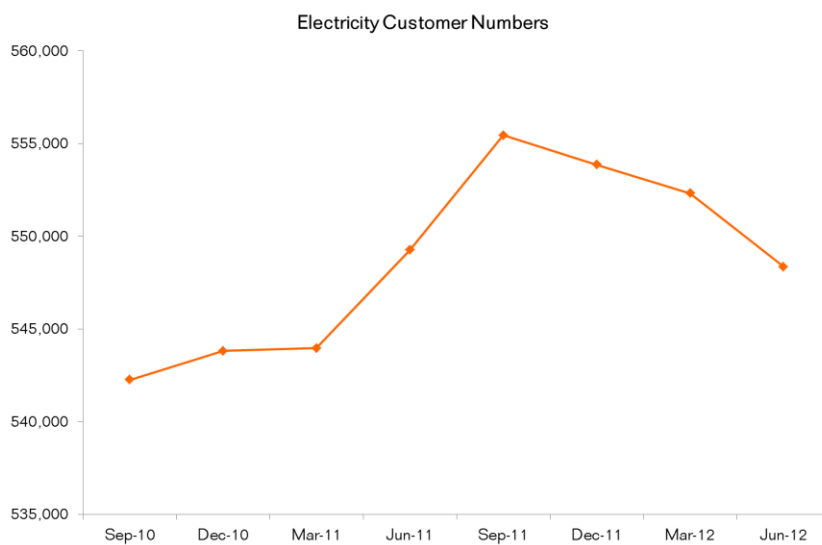
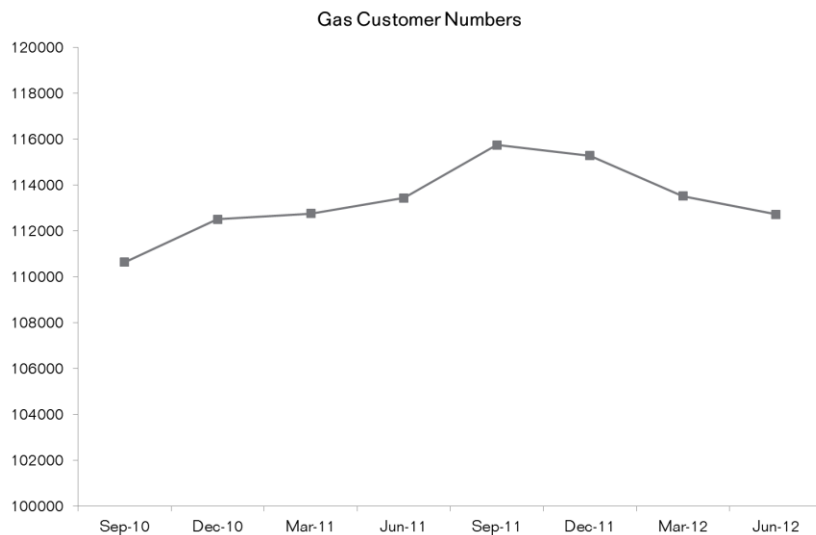
Genesis Energy continues to develop its innovation programme to bring to market a range of products and services that will deliver customers more choice and control over their energy usage.

On 8 May 2012, Genesis Energy officially launched "Tomorrow Street" with the aim of creating a live "test bed" to find smarter ways to help customers manage their energy usage. The programme consists of 15 households on Auckland's North Shore which will trial a range of energy efficient products and services over the next 18 months. Unitec and the University of Auckland's Energy Centre are helping Genesis Energy to analyse the results of the programme.

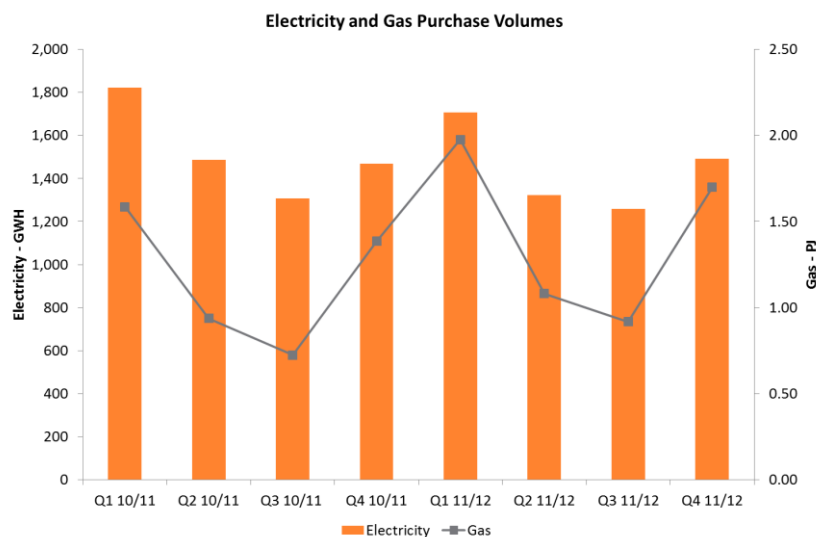
In May 2012, Genesis Energy established a partnership with California-based GreenWave Reality to develop industry-leading innovative solutions for its customers, with a strong focus on delivering exceptional customer experience and value. A self-installed home energy management system is currently being tested in Tomorrow Street.

At the end of Q4 Genesis Energy had installed a total of 267,675 Advanced Meters, with over 14,300 installations being completed over the Q4 period.

Total electricity customer numbers are approximately the same in Q4 compared to the same period last year. LPG customer numbers continue to grow, up 45% (2,371) in Q4 2011/2012 compared to Q4 2010/2011. Gas numbers have declined slightly.



Retail electricity sales volumes in Q4 2011/12 are up 1.5% (21GWh) on Q4 2010/11 and gas sale volumes are up 11.6% (0.2PJ) in Q4 2010/11. Retail electricity purchase volumes in Q4 2011/12 are up 1.5% (22GWh) on Q4 2010/11 and gas purchase volumes are up 19.6% (0.3PJ) in Q4 over the same period last year.



ENERGY MANAGEMENT

DIVERSE, FLEXIBLE AND STRATEGIC GENERATION PORTFOLIO

On 11 November 2011, the Company lodged its resource consent applications with the Waikato Regional Council for the on-going operation of the 1,448MW Huntly Power Station².

On 27 April 2012, the Waikato Regional Council issued its decision to grant the resource consent applications on the terms sought by Genesis Energy for all six generation units on the site, for a further 25 years. No appeals were received against the Council's decision within the statutory 15-working day appeal period, and the consents are now operative. Renewed consents ensure the long-term flexibility of the site's operations under a range of asset management regimes and market conditions.

During Q4, the Company continued its on-going hydro power station transformer upgrade programme. Work at the Tokaanu Power Station transformers were completed on 2 July 2012. The programme will now focus on the Piripaua Power Station on the Waikaremoana Power Scheme. These upgrades on ageing plant will deliver significant operational benefits over the next few years.

On 28 March 2012, Genesis Energy announced the Company's programme for remediation work to parts of the Tekapo Canal, which will include lining of selected sections of the canal with a PVC material. In Q4, the Company has been progressing work on the detailed design for the canal remediation works. One contract has been let with another in the negotiation stage. Affected party sign-off on the necessary resource consent application has also been achieved with an expectation that consents will be granted in August 2012. Several shipments of the canal PVC liner are on the way to New Zealand.

Consultations with affected parties (including Meridian Energy and local landowners) are on-going and are progressing to a satisfactory outcome.

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 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.

On 7 May 2012, Genesis Energy was granted leave to appeal by the High Court and has filed a notice of appeal in the Court of Appeal. Meridian Energy has filed a cross appeal. A fixture date has not yet been advised by the Court of Appeal.

On 10 July 2012, Origin Energy Limited (Origin), as Operator of the Kupe Joint Venture, announced a significant increase in the proved and probable (2P) reserves in the Kupe gas and oil field.

Kupe's initial 2P sales gas reserves have increased by 18.3%, LPG reserves by 22.8%, while light oil (condensate) reserves have decreased by 1.8%.

Initial 2P reserves have been revised to 83.8 million BOE, or 489 petajoules equivalent, consisting of 323 PJ of sales gas, 1,368 kilotonnes of LPG and 18.3 million barrels of light oil.

Kupe is an important energy asset, producing 10 to 15 per cent of New Zealand's current annual gas demand and more than 50 per cent of LPG demand.

Genesis Energy holds a 31% equity interest in the Kupe oil and gas field.

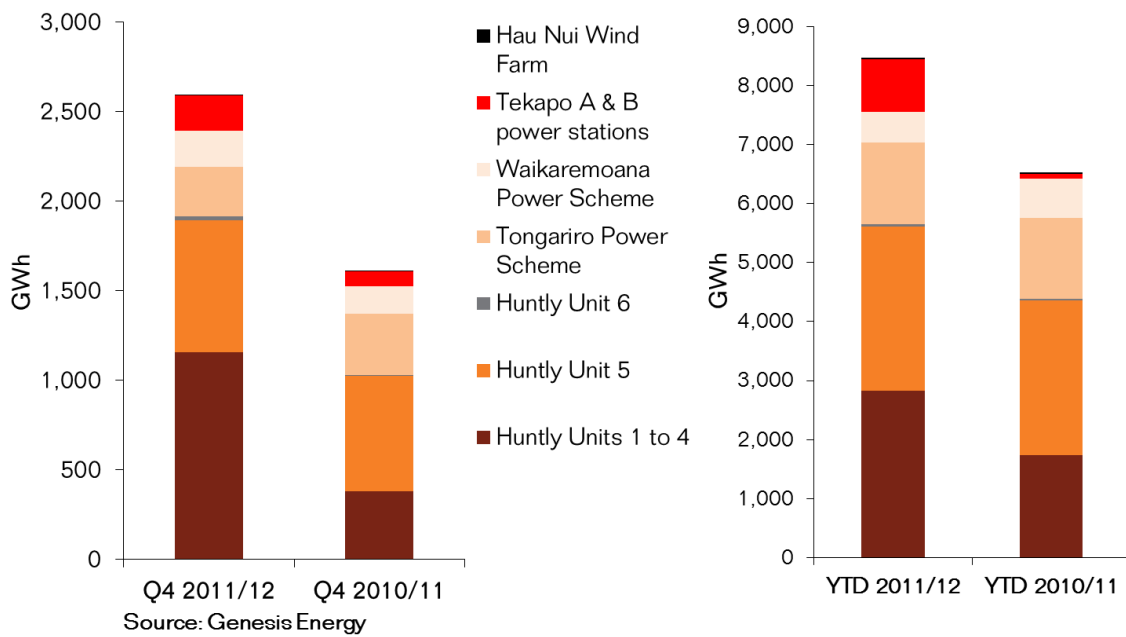
Genesis Energy's total generation in Q4 was up 61% at 2,596GWh compared to 1,614GWh in the same quarter last year, supported by increased coal and North Island hydro generation reflecting dry conditions in the South Island.

Thermal generation was up 86% at 1,915GWh in Q4 2011/2012 compared to 1,028GWh in Q4 2010/2011, reflecting higher generation from Huntly Units 1 to 4. Huntly Unit 4 was removed from service for a cold survey during Q3. The Unit was returned to service on 30 May 2012.

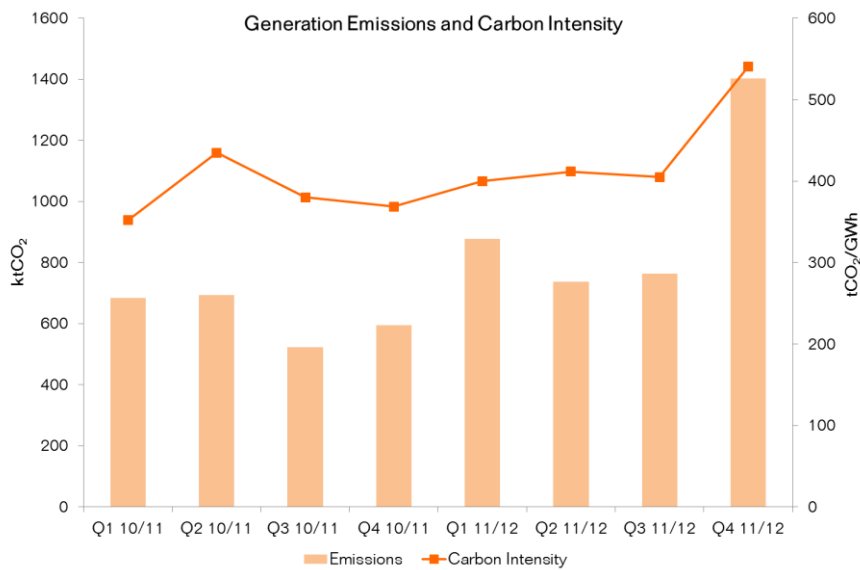
Renewable generation was up 16% at 681GWh for Q4 2011/2012, compared to 586GWh in the Q4 2010/2011.

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

Genesis Energy Q4 and Full Year 2011/2012 Generation



Genesis Energy's generation emissions were 1,403ktCO₂ in Q4, which was up 136% on 595ktCO₂ in Q4 2010/2011. The Company's generation portfolio carbon intensity in Q4 2011/2012 at 541tCO₂/GWh was up 47% compared to 369tCO₂/GWh for the same period last year, reflecting a higher level of coal-based generation due to drier South Island hydrological conditions.



Genesis Energy share of Kupe gas production was 1.6PJ for the fourth quarter. This was 20% higher than the third quarter, and in line with the usual higher winter demand. Deliveries were constrained during June due to pigging (internal cleaning) of the offshore pipeline and then later in the month due to issues with the molecular sieve unit (which dries the gas stream). There were three tanker liftings of Kupe Light Oil completed during Q4.

} HEALTH AND SAFETY

HEALTH AND SAFETY PERFORMANCE

In Q4, Genesis Energy had one lost time injury, compared with two lost time and seven medically treated injuries for the same period last year.

Overall safety performance in the 2012 financial year shows a significant and sustained improvement over the previous year, as the result of a focus on hazard identification and mitigation at all levels of the business. The Total Recordable Injury Frequency Rate for 2012 at 7.32 represents a reduction of 76% on injuries compared to the previous year (31). This result was supported by a 10-fold increase in near miss reporting during the year.

There was one Department of Labour notified incident recorded during the 2012 financial year, where an employee suffered a hairline fracture to the arm while endeavouring to enter an elevator before the doors had closed.

Genesis Energy had a total of 952 full-time equivalent staff members as at 30 June 2012, compared with 976 as at 30 June 2011.

} OUTLOOK

MARKET OUTLOOK

NIWA's July 2012 Seasonal Climate Outlook³ for winter and early spring indicates that the present neutral ENSO conditions in the tropical Pacific is likely to develop into El Nino conditions by spring if present warming rates continue.

The outlook for July to September 2012 indicates seasonal rainfall is likely to be near normal in the north and west of the North Island, and normal or below normal in all other regions. Soil moisture levels are likely to be normal or below normal in the north and east of the South Island, and near normal elsewhere. River flows are likely to be below normal in eastern South Island, normal or below normal for Nelson/Marlborough, and near normal in other regions of New Zealand.

Temperatures are likely to be near average overall for regions except the west and south of the South Island, where average or above average temperatures are likely.

Electricity futures prices published on the ASX website indicate that wholesale electricity prices may range between \$70MWh in the North Island and \$75MWh in the South Island by September 2012⁴. Lake levels are sitting below average; however, inflows are now above average for this time of the year⁵.

The Electricity Authority's "What's My Number" campaign, which commenced in mid-April 2012, is expected to continue throughout the remaining winter period.

BUSINESS OUTLOOK

On 8 May 2012, Genesis Energy provided its response to the Hearing Panel on its Castle Hill Wind Farm ("CHWF") Preliminary Decision. The Hearing was officially closed on 18 May 2012.

The final decision on the consent application for the CHWF was received on 11 June 2012. The decision grants all consents sought by Genesis Energy, however, it places limitations on the project in relation to turbine scale (tip height and rotor diameter), restrictions on some turbines in proximity to some property boundaries, and fails to grant the northern seven kilometres of the proposed 28 kilometre internal 220kv transmission line. Environment Court Appeals were lodged by Genesis Energy on 2 July 2012. Appeals have also been lodged by two other parties.

Genesis Energy will release its full year results for the 12 months ended 30 June 2012 to the New Zealand Stock Exchange on 27 August 2012.

³ Dated 5 July 2012

⁴ ASX update as at 31 July 2012.

⁵ Lake storage was 90% and inflows was 110% of average, as at 31 July 2012.

APPENDIX A: OPERATIONAL INFORMATION

Operational Information

Genesis Energy

Operational Information*	Fourth Quarter (April to June)				Full Year (July to June)			
	2011/12	2010/11	% Change	Change	2011/12	2010/11	% Change	Change
Market Information								
Customer-focus								
Electricity Market Share (%) [1]	26.6%	26.8%	-0.5%	-0.1				
Gas Market Share (%) [1]	42.7%	43.5%	-1.9%	-0.8				
Customer Experience								
Customer-focus								
Customer Satisfaction (%) [2]	93	94	-1.1%	-1	93	94	-1.1%	-1
Total Advanced Meters Installed During Period (#)	14,323	27,410	-47.7%	-13,087	89,573	118,242	-24.2%	-28,669
Total Advanced Meters Installed To Date (#)	267,675	178,102	50.3%	89,573				
Customer Numbers								
Total Customer Numbers (#) [3]	661,074	662,689	-0.2%	-1,615				
<i>Total Customers by Product:</i>								
Electricity Customer Numbers (#)	548,356	549,255	-0.2%	-899				
Gas Customer Numbers (#)	112,718	113,434	-0.6%	-716				
LPG Customer Numbers (#)	7,610	5,239	45.3%	2,371				
<i>Total Electricity Customers by Location:</i>								
North Island Electricity Customer Numbers (#)	478,701	505,244	-5.3%	-26,543				
South Island Electricity Customer Numbers (#)	69,655	44,012	58.3%	25,644				
Customer Volumes and Price								
Retail Electricity Sales (GWh)	1,411	1,390	1.5%	21	5,429	5,705	-4.8%	-276
Retail Gas Sales (PJ)	1.6	1.4	11.6%	0.2	5.4	4.6	16.8%	0.8
Retail LPG Sales (tonnes)	593	423	40.1%	170	2,002	1,046	91.4%	956
Retail Electricity Purchases (GWh)	1,491	1,469	1.5%	22	5,781	6,086	-5.0%	-306
Retail Gas Purchases (PJ)	1.7	1.4	19.6%	0.3	5.6	4.6	21.6%	1.0
Average Retail Electricity Purchase Price (\$/MWh) [4]	117.64	21.07	458.4%	\$ 96.57	96.44	56.50	70.7%	\$ 39.93
Energy Management								
Generation								
Total Generation (GWh)	2,596	1,614	60.9%	982.1	8,467	6,526	29.7%	1,940.7
<i>Generation by Fuel Source:</i>								
Gas (GWh)+	804	783	2.7%	21	3,041	3,408	-10.8%	-367
Coal (GWh)+	1,110	245	354.1%	866	2,613	980	166.7%	1,634
Hydro (GWh)	675	580	16.5%	96	2,788	2,111	32.0%	677
Wind (GWh)	6	6	-5.3%	-0.3	25	27	-9.2%	-2.5
<i>Generation by Fuel Type:</i>								
Thermal (GWh)	1,915	1,028	86.3%	887	5,654	4,387	28.9%	1,267
Renewable (GWh)	681	586	16.3%	95	2,812	2,138	31.5%	674
<i>Generation by Location:</i>								
North Island (GWh)	2,401	1,533	56.6%	868	7,581	6,445	17.6%	1,136
South Island (GWh)	195	81	142.3%	115	885	81	998.8%	805
Average Price Received for Generation (\$/MWh) [4]	103.14	47.95	115.1%	\$ 55.19	91.10	59.67	52.7%	\$ 31.43
Generation Emissions (ktCO ₂)	1,403	595	135.8%	808.0	3,781	2,494	51.6%	1,287.0
Generation Carbon Intensity (ktCO ₂ /GWh)	541	369	46.6%	172.0	447	382	17.0%	65.0
Fuel								
Gas Purchases (PJ)	11.7	11.1	5.4%	0.6	44.1	45.8	-3.7%	-1.7
Coal Purchases (PJ)	3.7	5.8	-37.0%	-2.1	19.4	21.5	-10.1%	-2.2
Wholesale Gas Sales (PJ)	4.0	3.4	19.5%	0.7	15.4	13.2	16.6%	2.2
Wholesale Coal Sales (PJ)	0.0	0.2	-92.3%	-0.1	1.6	0.8	114.5%	0.9
Gas Used In Internal Generation (PJ)	6.0	6.3	-4.3%	-0.27	23.1	27.9	-17.4%	-4.9
Coal Used In Internal Generation (PJ)+	12.1	2.9	322.2%	9.2	28.7	11.3	153.8%	17.4
Coal Stockpile - closing balance (kilotonnes)	1,059	1,532	-31%	-473	1,059	1,532	-30.9%	-473
Kupe Oil and Gas Field Investment								
Genesis Energy Sales Share								
Gas Sales (PJ)	1.6	1.3	19.3%	0.3	5.9	5.5	8.5%	0.5
Oil Sales (kbbbl)	140	155	-9.6%	-15	531	563	-5.6%	-31
LPG Sales (kilotonnes)	6.2	6.2	-0.8%	-0.1	25.5	24.5	3.8%	0.9

Notes:

[1] June 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.

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