



MARKET RELEASE

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Genesis and Methanex work together to support energy security

Headlines:

- Genesis Energy and Methanex agree to short term gas supply
- Genesis will purchase between 3.4PJ and 4.4PJ over winter
- Methanex will temporarily idle one Motunui facility to improve New Zealand's energy security
- Genesis and Methanex also agree a Winter/ Summer swap for 2022 and 2023

Genesis Energy and Methanex have agreed to a gas supply arrangement for between 3.4PJ – 4.4PJ over winter that will support security of supply for the country's electricity system.

The agreement comes at a time when the electricity market remains under some stress due to low hydro levels and tight gas supply and has relied on Huntly Power Station to fill the void left by renewable sources. This provides the energy equivalent of having up to 84% of the storage capacity of Lake Taupo. It will also mean lower carbon emissions for the country, with gas as fuel emitting approximately half the emissions of coal on an energy equivalent basis.

Genesis acknowledges and is appreciative of the flexibility Methanex has shown in respect of their own business to make this gas available. It is another example of co-operation between the electricity, gas and manufacturing sectors to support New Zealand's security of supply at a time of stress for both the gas and electricity markets.

Chief Executive, Marc England, said the fact that Genesis operates at the intersection of the electricity and gas markets positions it as the best market participant to broker these types of agreements.

"This will help support electricity generation through winter and ensure electricity and gas supply to our customers and other market participants", England said.

"We've worked hard over the last few months to support the market starting in February when we made a third Rankine available followed by a short-term agreement for gas from an industrial user and we will continue to play a role throughout winter."

Methanex will temporarily idle one of its Motunui facilities for close to three months and release gas to support the New Zealand electricity sector.

Managing Director Dean Richardson says, "Methanex plays an important role by underpinning the long-term development of New Zealand's upstream gas sector. We are pleased to have reached this



collaborative agreement with Genesis to demonstrate and support the country's energy stability and security."

Richardson continued, "Global demand for methanol is strong as economies around the world are rebuilding and natural gas-based methanol is increasingly regarded as a key part of a low emissions world and as a clean-burning fuel. Methanex will use its global leadership supply position to mitigate the loss of this production and ensure security of supply to its customer base."

As the New Zealand electricity sector continues to decarbonise (from 84% renewable to >90% renewable) and at the same time support the decarbonisation of the wider energy economy (only 40% renewable today), certainty and flexibility of gas supplies will be critical to the low-carbon transition, reducing the reliance on coal and ensuring energy security and a well-planned transition for all.

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About Methanol and Methanex Corporation

Methanol is an essential ingredient for modern-day life and is used to produce everyday products including paints, carpets, fabrics, building materials, and a variety of health and pharmaceutical products. As governments and stakeholders around the world look to reduce their dependency on conventional fuels, improve air quality and reduce greenhouse gas emissions, methanol has emerged as an attractive, economically viable alternative fuel. Methanex is a Vancouver-based, publicly traded company and is the world's largest producer and supplier of methanol to major international markets. Methanex shares are listed for trading on the Toronto Stock Exchange in Canada under the trading symbol "MX" and on the NASDAQ Global Market in the United States under the trading symbol "MEOH". Methanex can be visited online at www.methanex.com

About Genesis Energy

Genesis Energy (NZX: GNE, ASX: GNE) is a diversified New Zealand energy company. Genesis sells electricity, reticulated natural gas and LPG through its retail brands of Genesis and Energy Online and is New Zealand's largest energy retailer with approximately 500,000 customers. The Company generates electricity from a diverse portfolio of thermal and renewable generation assets located in different parts of the country. Genesis also has a 46% interest in the Kupe Joint Venture, which owns the Kupe Oil and Gas Field offshore of Taranaki, New Zealand. Genesis had revenue of \$NZ2.6 billion during the 12 months ended 30 June 2020. More information can be found at www.genesisenergy.co.nz