



MARKET RELEASE

Date: 2 August 2021

NZX: GNE / ASX: GNE

Gas supply contractual dispute concluded unfavourably

Genesis Energy Limited (GNE) advises that the arbitration process in respect of a dispute relating to carbon liability under the terms of a long-term gas supply agreement with Beach Energy (ASX:BPT) has concluded unfavourably. Arbitration was based on whether carbon liability for the gas supplied was with the producer (Beach) or the buyer (Genesis). The decision is final and binding.

As a result, Genesis is required to meet the carbon liability for the gas supplied since 2018 and for the remainder of the unexpired term of the agreement. Genesis will be impacted by \$53 million in respect of a one-off payment and other costs to 30 June 2021. FY21 EBITDAF guidance has been updated to \$358 million. The Board are still to decide on the FY21 final dividend, but this decision is unlikely to impact the final payment.

Beyond 30 June 2021, Genesis' emissions obligations will increase by approximately 530,000 NZUs for each year to the end of the contract in 2025. The increased obligations will be met by Genesis' current stockpile of NZUs. Including the increased obligations, Genesis is now fully hedged through FY25.

Marc England, CEO of Genesis, said the outcome is disappointing and unexpected.

"We had high confidence in a positive outcome, but the arbitrator didn't see it our way. We accept the result and will put the disappointment behind us and be even more resolute in delivering on our Future-gen strategy."

Throughout the process both parties have acted professionally, and we look forward to continuing our relationship as joint venture partners in Kupe. The Genesis Board will be undertaking an independent expert review of the processes and decisions which resulted in this outcome.

ENDS

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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