

## NZX RELEASE

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### GENESIS ENERGY – VALUE OF GENERATION ASSETS INCREASES

Genesis Power Limited, trading as Genesis Energy, has completed a revaluation of its generation assets in accordance with its accounting policies.

The revaluation, which is subject to audit confirmation, results in a valuation of Genesis Energy's generation assets of \$2,584 million. This is approximately \$320 million higher than their anticipated book value at 30 June 2011.

This increase is net of a revaluation loss of approximately \$101 million against the acquisition costs of the Tekapo power stations. The net impact on equity is an increase of approximately \$230 million. The net impact on the Income Statement is a revaluation loss of \$73 million after tax.

In the Company's Report "Operational and Performance Information First Half and Second Quarter 2010/2011", it was noted that while there was a range of operating and financial scenarios that might eventuate during the current financial year, Genesis Energy expected to meet the year end financial targets in its Statement of Corporate Intent, including NPAT of approximately \$40 million. At that stage, no account had been taken of the proposed acquisition of the Tekapo power stations.

The Tekapo acquisition was completed on 1 June 2011. Excluding the revaluation loss of \$73 million, referred to above, Genesis Energy would expect to comfortably exceed that \$40 million NPAT.

The Company reported a \$139.3 million EBITDAF for the six months ending 31 December 2010. Now, the Company's current expectation for the full year, including a contribution from the Tekapo power stations since 1 June 2011, is EBITDAF in the range of \$280 to \$300 million.

Subject to audit review, the new valuation will be adopted by Genesis Energy in its 30 June 2011 financial statements.

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