

## Disclosure Statement

2 December 2010

### Genesis Energy Market Making agreement with ASX

Following Cabinet consideration of the 2009 paper “Ministerial Review of the Electricity Market” the Minister of Energy and Resources expressed the Government’s desire to see the development of a more liquid electricity market.

Cabinet requested that a market with the following characteristics be established by 1 June 2010:

- Standardised, tradable contracts;
- A Clearing House to act as a counterparty for all trades;
- Low barriers to participation and low transaction costs;
- Market makers (offering buy and sell prices with a maximum spread) to provide liquidity.

In June 2010 the five major New Zealand generator-retailers, through their shareholdings in EnergyHedge Limited (“EHL”), selected ASX as the market platform best positioned to allow EHL to deliver on these criteria. Market trading has since migrated from the EnergyHedge platform to the ASX platform.

In November 2010, Genesis Energy executed a Market Making Agreement (“MMA”) with ASX24 to provide market making services to the ASX market in New Zealand electricity futures.

Under this agreement, Genesis Energy agrees to post market buy and sell prices in a wide range of futures contracts in return for discounted trading fees.

Genesis Energy, in conjunction with the other four major New Zealand generator retailers, has regularly updated the Minister of Energy on developments through EHL. The next milestone is the assessment of the market liquidity which falls on 1 June 2011.

*Issued by:*

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