

Good afternoon All,

For the month of August we anticipate having the quantities of gas set out below available for sale. You are invited to submit your offer, before close of business (Perth Time) on Monday the 27th of July, if you would like to offer to purchase all or part of this gas, quoting the indicative daily volumes of gas that you wish to purchase and the Offer Price at which you are prepared to complete the purchase. We will advise successful buyers by midday (Perth Time) on Tuesday the 28th of July and complete contracts from the 28th to 31st of July.

Buyers, please note that Offers should be directed only to Spot_Market_Offers@gastrading.com.au. Some buyers have been broadcasting offers to other gasTrading email addresses and we would like to ensure confidentiality.

Market Dynamics

As at the 15th of July we are on track to trade over 442 TJ of gas (On Market), and 67 TJ of gas (Off Market), for the month of July 2020. This is a turnaround in On Market volumes traded in May and June and is down 33% on June's final On Market trading volume (656 TJ) and up 5% on the anticipated July sales volume of 424 TJ. The latest decrease in traded volumes reflects a repositioning of the market relative to the last few months. Off Market sales volumes were strong at the start of the month but are uncertain in the second half. gasTrading continues to satisfy the recent growth in traded volumes, both On and Off Market.

The turnaround in traded volumes which started in 2019 has plateaued for the moment while the market puts new portfolio arrangements in place. The transition from financial year 19/20 to 20/21 has meant a significant change in the configuration of the market and this will, inevitably, take some time to settle. These changes continue to reflect the growing acceptance, and role, of the market. There is no expectation that the market will return to May/June traded volumes or where the market is headed in the second half of 2020.

We anticipate that traded volumes will hold and become more volatile in the short term. Traded volumes are still exposed to the threat of aggressive offers of supply from sellers who are keen to capture market share. This is somewhat reflected in the decline of the market in July but the impact is limited.

The supply side constraints on the market, which emerged in May and June, have been largely resolved.

gasTrading foreshadowed, in its June Invitation, a constraint on supply and a risk to prices. That supply constraint emerged on the 23rd of June resulting in a revision of the Back Up Gas Price to \$2.51 per GJ. All buyers were offered, and accepted, supply at \$2.51 per GJ for the balance of June. While this constraint on supply was expected to continue into August, gas production flows appear to have recovered (refer to the GBBWA production flow data). Reflecting the gas price increase in June, the gasTrading Spot Market™ Back Up Gas Prices in July is up 41% on the initial June Back Up Gas Price (\$2.19 per GJ), to \$3.07 per GJ. This Back Up Gas Price is up 22% on the revised June Back Up Gas Price (\$2.51 per GJ). The price at which gas is supplied to the market has increased substantially and the decline in the Back Up Gas Price, which fell consistently throughout 2018 to June 2020, has reversed sharply.

Planned Outages

Facility	Start Date	End Date	Nameplate Capacity	Description	Available Capacity
Macedon	1/08/2020	31/08/2020	213	Change to capacity	194
Varanus Island	5/08/2020	19/08/2020	345	Planned maintenance	270

Source WA AEMO GBB - Data Downloaded 11.04 AM 16 July 2020

The Offer Price range increased substantially in July 2020, to \$ 0.99 per GJ, with the range from \$2.11 to \$3.10 per GJ. All but two July offers were below the price at which gas was available to the market. All eleven offers below \$2.77 were offered supply at that price. All but one Buyer accepted that offer. No contract came into effect in July at a price below \$2.77 per GJ. Having exhausted available supply at that price, the Back Up Gas Price for July is \$3.07 per GJ.

The currently anticipated average July On Market price is \$ 2.84 per GJ (as at the 15th of July). This average is up 27.30% on the \$ 2.23 per GJ average June price and is the July average price anticipated at the start of the month. The average price is at a level last seen in August 2019.

Buyers and sellers active in the market are increasing their reliance on the gasTrading Spot Market™ for everyday gas supply and portfolio planning and for the management of take or pay risk. The 2018 shifts in the terms of other short term gas supply contracts impacted on the level of buyer activity in the gasTrading Spot Market™ but this impact has turned around. The 2018 push by gas producers to capture market share has not re-emerged in response to end of financial year portfolio realignments. Where the demand side of the gasTrading Spot Market™ trends as we move into the second half of 2020 will depend in part on how other short contract gas sellers engage the market and, given recent events perhaps, the outworking of the Covid-19 crisis. We still have not seen any Covid-19 impact on the market. In the absence of an attack on market share, we anticipate traded volumes will stabilise.

Agora Gas continues to engage the market seeking Back Up Gas. This process of re-contracting, to top up supplies of Back Up Gas, has, in spite of the July increase, delivered a material reduction in the Back Up Gas Price, down from \$3.19 per GJ (April 2019) to \$2.19/2.51 per GJ in June 2020. Our current view is that there is still little long term pressure to increase the price of gas, and we anticipate that, while the Back Up Gas Price will remain above recent levels for a while, it will fall back significantly in August. The quantity of gas available at the current Back Up Gas Price is sufficient to meet the market requirement. We will publish the Back Up Gas Price for August 2020 with the Bidding Round Results Summary.

The table below summarises Agora Gas' On Market and Off Market spot gas sales since July 2019. The volumes at the start of the period reflect the fact that other sellers were participating in the market. Recent volumes reflect the continuing market growth and the fact that, until July 2020, Agora Gas has been the only seller in the market. (Each seller in the market, is entitled to an equal share of all sales.) These data show the steady growth in total traded volumes since early 2019. (See web site for the traded volumes for market as a whole and for data over a longer period.)

On Market	Off Market	Total
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Month	(TJ)	(TJ)	(TJ)	Comment
Jul-19	125.429	0.000	125.429	
Aug-19	110.798	2.048	112.846	
Sep-19	216.926	1.000	217.926	
Oct-19	153.808	18.500	172.308	
Nov-19	218.348	1.400	219.748	
Dec-19	212.000	0.400	212.400	
Jan-20	275.160	1.760	276.920	
Feb-20	289.014	15.800	304.814	
Mar-20	339.020	0.000	339.020	
Apr-20	326.117	63.080	389.197	
May-20	725.120	95.300	820.420	
Jun-20	656.481	71.179	727.660	
Jul-20	208.550	67.000	275.550	:to 15 July

Agora Gas continues to seek out the most attractive sources of Back Up Gas to ensure the market remains liquid and competitively priced. Agora Gas continues to top up its portfolio. Agora is one of two gas sellers in the market in July and, at this time, it is anticipated that there will be two sellers in the market in August.

We will publish the summary results of the August 2020 Bidding Round on or before the 31st of July on the web site link below.

Market Update

The results of the July 2020 Bidding Round, and the gasTrading Spot Market™ history to June 2020, can be found at <http://www.gastrading.com.au/spot-market/historical-prices-and-volume>

We have continued strong supply side support for the market. At this time, we expect that market support will be looking to buyers at or around \$2.70 per GJ.

The indicated daily volumes available for August 2020 reflect the July market volumes. Given that this gas will largely be procured for the market by Agora Gas' Off Market purchases, these volumes are very price sensitive and will increase or decrease in response to Offers received from buyers. As demonstrated in recent months, additional gas volumes can be brought into the market quickly, over and above those quoted in the table, to meet unexpected spikes in demand.

In July 2020, to the 15th, 100% of daily contract volumes were filled in all price quartiles of the market.

Gas Available August 2020	
Date	Quantity TJ
1/08/2020	16.00
2/08/2020	16.00

3/08/2020	16.00
4/08/2020	16.00
5/08/2020	16.00
6/08/2020	16.00
7/08/2020	16.00
8/08/2020	16.00
9/08/2020	16.00
10/08/2020	16.00
11/08/2020	16.00
12/08/2020	16.00
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22/08/2020	16.00
23/08/2020	16.00
24/08/2020	16.00
25/08/2020	16.00
26/08/2020	16.00
27/08/2020	16.00
28/08/2020	16.00
29/08/2020	16.00
30/08/2020	16.00
31/08/2020	16.00

496.00

Regards
Mike Lauer