

Good afternoon All,

For the month of September 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 Wednesday the 26th of August, 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 Thursday the 27th of August and complete contracts from the 27th to the 31st of August.

Buyers, please note that offers should be directed only to Spot_Market_Offers@gastrading.com.au.

Market Dynamics

As at the 15th of August we are on track to trade over 597 TJ of gas (On Market), and 372 TJ of gas (Off Market), for the month of August 2020. This is a return to the volumes traded in May and June and the On Market volumes are up 9% on July's final On Market trading volume (443 TJ) and up 0.2% on the anticipated August sales volume of 596 TJ. The August increase in traded volumes reflects the fact that the market is looking for direction. Off Market sales volumes were strong at the start of the month and will continue 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 market participation and this will, inevitably, take some time to settle. These changes continue to reflect the growing acceptance and role of the market. Where the market is headed in the second half of 2020 remains to be seen.

We continue to 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 participation in the market as we moved into the new financial year, but that impact was limited.

The supply side constraints on the market, which emerged in May and June, have reappeared in the second half of July and continue into August. The recent supply side constraints can be explained by a number of market trends which have emerged since the beginning of the year. These trends include the following.

- At the beginning of 2020 consumption was down by over 100 TJ per day compared to previous summertime levels (most notably because Yara Fertilisers' gas consumption was down by 60-70 TJ per day).
- This low first quarter consumption, combined with the diverse ownership of under-utilised gas production capacity, produced competitive pricing which promoted opportunities to put gas into storage. This, in turn, partially offset the lower than normal consumption.
- Yara Fertilisers' consumption increased in mid-March and has combined with strong winter peak consumption and demand for gas to augment storage, to produce strong demand for most of the period since the beginning of April;
- Since the end of June, consumption has dropped and injections into storage have declined, but total demand remains 30 TJ per day on average above first quarter levels due to winter peaks from colder weather.
- The rollover of contracts in the transition from the financial year 19/20 to 20/21 has seen a concentration of under-utilised gas production capacity in the hands of the North West Shelf Joint Venture participants.

As the winter peak in demand diminishes and as additional contract positions roll over leading shippers to begin withdrawing gas from storage, we anticipate that there will be increased competitive pressure amongst Sellers with under-utilised capacity.

Planned Outages

Facility	Start Date	End Date	Nameplate Capacity	Description	Available Capacity
Varanus Island	17-Aug-20	09-Sep-20	260	planned maintenance	260
Pluto	22-Aug-20	26-Aug-20	25	planned maintenance	0
Devil Creek	10-Sep-20	20-Sep-20	220	planned maintenance	110
Varanus Island	21-Sep-20	25-Sep-20	260	planned maintenance	200
Devil Creek	01-Oct-20	01-Oct-20	220	planned maintenance	110
Goldfields Gas Pipeline	12-Oct-20	16-Oct-20	195	Planned Maintenance at Wyloo West CS	152
Pluto	26-Oct-20	30-Oct-20	25	planned maintenance	0

Source WA AEMO GBB - Data Downloaded 11:30 AM 17 August 2020.

PLEASE NOTE: In August, this table changed substantially after the invitation was issued. Buyers should check the status of the GGB Capacity Report

The Offer Price range fell in August 2020, to be \$ 0.77 per GJ, with the range from \$2.25 to \$3.02 per GJ. Bids below \$2.60 per GJ were offered, and accepted, supply at \$2.64 per GJ. No contract came into effect in August at a price below \$2.60 per GJ. The Back Up Gas Price for August is \$ 2.74 per GJ. The difference between the Back Up Gas Price of \$2.74 per GJ, and the price offered in the bidding round of \$2.64 per GJ, reflects the difference between the portfolio available to meet Offers and the cost of more expensive gas that will be sourced to meet additional sales.

The currently anticipated average August On Market price is \$ 2.84 per GJ (as at the 15th of August). This average is almost at parity to the \$ 2.83 per GJ average July price and is the August average price anticipated at the start of the month.

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 significantly impacted the market 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.

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 \$2.74 per GJ in August 2020. Our current view is that there is still little long term pressure to increase the price of gas, and we anticipate that the Back Up Gas Price will remain above recent levels but that it will fall back once we are past the winter peak in demand. 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 September 2020 with the Bidding Round Results Summary.

The table below summarises Agora Gas' On Market and Off Market spot gas sales since August 2019. Recent volumes reflect the continuing market growth. These data show the steady underlying 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	
Month	(TJ)	(TJ)	(TJ)	Comment
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	346.450	150.800	497.250	
Aug-20	352.666	158.900	511.566	<i>:to 15 August</i>

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 August and, at this time, it is anticipated that there will be two sellers in the market in September.

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

Market Update

The results of the August 2020 **Bidding Round**, and the gasTrading Spot Market™ history to July 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. 80 per GJ.

The indicated daily volumes available for September 2020 reflect the recent 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 and the daily availability of supply. 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 August 2020, to the 15th, 100% of daily contract volumes were filled in all price quartiles of the market.

Gas Available September 2020	
Date	Quantity TJ
1/09/2020	30.00
2/09/2020	30.00
3/09/2020	30.00
4/09/2020	30.00
5/09/2020	30.00
6/09/2020	30.00
7/09/2020	30.00
8/09/2020	30.00
9/09/2020	30.00
10/09/2020	30.00
11/09/2020	30.00
12/09/2020	30.00
13/09/2020	30.00
14/09/2020	30.00
15/09/2020	30.00
16/09/2020	30.00
17/09/2020	30.00
18/09/2020	30.00
19/09/2020	30.00
20/09/2020	30.00
21/09/2020	30.00
22/09/2020	30.00
23/09/2020	30.00
24/09/2020	30.00
25/09/2020	30.00
26/09/2020	30.00
27/09/2020	30.00
28/09/2020	30.00
29/09/2020	30.00
30/09/2020	30.00
NA	
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	900.00

Regards
Mike Lauer