

Good afternoon All,

For the month of March 2021 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 22nd of February, 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 23rd of February and complete contracts from the 23rd to the 28th of February.

Buyers, please note that offers should be directed only to [Spot Market Offers@gastrading.com.au](mailto:Spot_Market_Offers@gastrading.com.au).

Market Dynamics

As at the 15th of February we are on track to trade over 474 TJ of gas (On Market), and 78TJ (Off Market), for the month of February 2021. The decrease in traded volumes over January can be explained by the shorter month, but the volumes are down over the February bidding round summary as a result of unplanned maintenance in the market (not price increases). The February On Market volumes are down 6% on January's final On Market trading volume (504 TJ) and down 6% on the anticipated February sales volume of 500 TJ. Off Market sales volumes have decreased marginally over January (see table below) and are expected to continue at current levels in the second half.

The traded volumes have stabilised at around 400 to 500TJ per month. It is still not clear whether buyers or sellers will be driving the market in coming months although some buyers have indicated they will reduce their reliance on the spot market given recent price increases. The price rise in February has significantly spooked the market.

We continue to anticipate that traded volumes will remain at the current levels but it remains to be seen whether price rises since January cause the market to contract for the moment.

The recent supply side constraints on the market continue and were particularly pronounced in January, emphasised by a result of a number of gas producer unplanned maintenance outages and a significant storage facility outage, in the second half. It is of concern that gas bulletin board reports appear confused regarding these constraints on supply. The market is hypersensitive to gas plant outages and uplift in demand for "as available" supply.

Planned Outages

Facility	Start Date	End Date	Nameplate Capacity (TJ/d)	Description	Available Capacity (TJ/d)
Beharra Springs	24-Feb-21	16-Mar-21	9	Plant outage for BSD-1 tie-in	0
Dongara	01-Mar-21	31-Mar-21	7	"None"	0
Goldfields Gas Pipeline	09-Mar-21	10-Mar-21	202.5	Planned Maintenance at Wyloo West CS	152
Pluto	06-Feb-21	04-Mar-21	25	planned maintenance	0
Xyris	01-Mar-21	31-Mar-21	9.6	"None"	20

Source WA AEMO GBB - Data Downloaded at 14:32 on Tuesday 16 February 2021

There is maintenance planned for Varanus Island production facilities to the 26th of February 21 with expected reduction of capacity down 85TJ per day on nameplate to 260 TJ per day. Macedon is expected to be down slightly on nameplate capacity of 213TJ per day to 196TJ per day. Apart from this, there are no other reported major gas production supply outages. Over the last half of February and most of March, some Perth Basin production facilities will have reduced capacity however, this is not a significant shortfall and should not affect the market. Pluto is expected to reduce capacity over the remained of February and early March 21. This capacity reduction is both temporary and relatively small and is not expected to significantly impact the market. The GGP is expected to reduce capacity to 152 TJ per day from nameplate 202TJ due to compressor maintenance but this is not expected to impact any deliveries.

The Offer Price range increased in February, to \$ 0.66 per GJ, with the range from \$3.39 to \$4.05 per GJ. All bids below \$4.55 per GJ were offered supply at the Bidding Round price of \$4.55 per GJ. One bidder declined the Bidding Round price and consumption dropped by around 3%. No contract came into effect in February at a price below \$4.55 per GJ. The Back Up Gas price for February is \$ 4.95 per GJ. The difference between the Back Up Gas Price of \$4.95 per GJ and the Bidding Round price of \$4.55 per GJ reflects the fact that gas available to meet sales above the Bidding Round quantities is more expensive.

The currently anticipated average February On Market price is \$ 4.55 per GJ (as at the 15th of February). This average is significantly above the \$3.94 per GJ average January price and is the February average price anticipated at the start of the month.

Some buyers in the market have recently reduced their reliance on the gasTrading Spot Market™ in light of increased prices, turning instead to other supply portfolio options, but new buyers continue to enter the market. Where the demand side of the gasTrading Spot Market™ trends after the February price hike will depend on the perceived spot price path, on how other short contract gas sellers engage the market and the purchasing behaviour of major buyers.

The supply shortages in January have eased and in February thus far supply for the market has freed up. The planned outage schedule above would suggest that supply will remain liquid in March. Agora Gas continues to engage the market and will seek additional Back Up Gas for the March market. This process of re-contracting, to top up supplies of Back Up Gas saw a reduction in the Back Up Gas Price from \$3.65 per GJ in February 2018 to a low of \$2.10 per GJ in February 2020 with a recent rebound back to \$4.95 per GJ in February 2021. Our current feedback indicates the purchasing behaviour of major buyers is being significantly affected by the increase in price. We anticipate that the Back Up Gas Price will remain above recent levels for the moment. The quantity of gas available at the current Back Up Gas Price is sufficient to meet the market requirement although the situation is under constant review. We will publish the Back Up Gas Price for March with the Bidding Round Results Summary.

The table below summarises Agora Gas' On Market and Off Market spot gas sales since February 2020. (See web site for the traded volumes for the market as a whole and for data over a longer period.)

	On Market	Off Market	Total	
Month	(TJ)	(TJ)	(TJ)	Comment
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	607.991	517.900	1125.891	
Sep-20	218.800	171.900	390.700	
Oct-20	303.100	142.850	445.950	
Nov-20	465.350	88.235	552.585	
Dec-20	305.800	99.000	404.800	
Jan-21	503.500	100.500	604.000	
Feb-21	232.960	37.500	270.460	<i>:to 15 February</i>

Agora Gas continues to seek the most attractive sources of Back Up Gas to ensure the market remains liquid and competitively priced. Although Agora is the principal seller in the market, it is, at this time, one of two gas sellers in the market in February. There may be two sellers in the market in March, but that is not clear.

We will publish the summary results of the March **Bidding Round** as soon as possible but no later than the 26th of February on the web site link below.

Market Update

The results of the February **Bidding Round**, and the gasTrading Spot Market™ history to January, 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 above \$4.50 per GJ.

The indicated daily volumes available for March 2021 represent recent market trading 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.

In February 2021, to the 15th, 100% of daily contract volumes were filled in all price quartiles of the market.

Gas Available March 2021	
Date	Quantity TJ
1/03/2020	20.00
2/03/2020	20.00
3/03/2020	20.00
4/03/2020	20.00
5/03/2020	20.00
6/03/2020	20.00
7/03/2020	20.00
8/03/2020	20.00
9/03/2020	20.00
10/03/2020	20.00
11/03/2020	20.00
12/03/2020	20.00
13/03/2020	20.00
14/03/2020	20.00
15/03/2020	20.00
16/03/2020	20.00
17/03/2020	20.00
18/03/2020	20.00
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21/03/2020	20.00
22/03/2020	20.00
23/03/2020	20.00
24/03/2020	20.00
25/03/2020	20.00
26/03/2020	20.00
27/03/2020	20.00
28/03/2020	20.00
29/03/2020	20.00
30/03/2020	20.00
31/03/2020	20.00

620.00

Regards
Mike Lauer