

Good afternoon All,

For the month of July 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 Friday the 25th of June, 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 Monday the 28th of June and complete contracts from the 28th to the 30th of June.

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

Market Dynamics

As at the 15th of June we are on track to trade over 409 TJ of gas (On Market), and 170 TJ (Off Market), for the month of June 2021. Traded volumes are remaining steady. The June On Market volumes are down 11% on May's final On Market trading volume (457 TJ) and down 19% on the anticipated June sales volume of 502 TJ. Off Market sales volumes have held steady relative to May (see table below) and are expected to continue at current levels in the second half.

Traded volumes remain stable in the range 400 to 500TJ per month. It is still not clear whether buyers or sellers will be driving the market in coming months. We are starting to see some buyers considering alternative supply options given recent price increases. The effect of price elasticity of demand is thought to be emerging in the market at current prices. The price rise in the first quarter that spooked the market is still impacting market confidence. About 3% of the 19% reduction in the anticipated market volume is explained by a reaction to the price in June, 3% is explained by delayed commissioning programmes and 13% is typical plant operation volatility. Note that almost 100TJ of gas left the market when the June price was determined (refer to Bidding Round Summary on the gasTrading website).

We anticipate that traded volumes will reflect recent levels, however, we are perceiving a contraction in the market presently which may extend if prices are maintained or increased in the future. Recent price increases have focused attention on the fact that the true strength of the market is not to be found in low gas prices but in the absence of strict take or pay obligations.

The market is largely free of recent supply side constraints in June. However, the market remains hypersensitive to gas plant outages.

Planned Outages

Facility	Start Date	End Date	Nameplate Capacity (TJ/d)	Description	Available Capacity (TJ/d)
Beharra Springs	05-Jul-21	08-Jul-21	18	Scheduled maintenance	0
Dongara	01-Jun-21	30-Jun-21	0	"None"	0
Goldfields Gas Pipeline	16-Jun-21	16-Jun-21	202.5	Planned Maintenance at Turee Creek	190
Macedon	02-Jun-21	30-Jun-21	213	Change to capacity	197
Varanus Island	18-Jun-21	11-Jul-21	345	planned maintenance	260
Xyris Production Facility	01-Jun-21	30-Jun-21	9.6	"None"	28

Source WA AEMO GBB - Data Downloaded at 13:01 on Tuesday 15 June 2021

In our recent market update, we indicated that the status of the WA GBB reporting was unclear. The confusion was due to storage capacity availability being represented in the linepack status declaration. We have clarified this issue with AEMO and have suggested that the report is clarified on the GBB in future versions.

For the month of July, Varanus Island is expected to have around a 25% reduction on nameplate capacity for a period of 23 days in mid June to mid July. To a lesser extent, Macedon capacity is expected to reduce by around 7.5% on nameplate capacity to 197TJ per day over most of June. Beharra Springs, in the Perth Basin, will be at zero capacity for three days in June. Although Xyris is showing a reduction in capacity to 28TJ per day, its reported nameplate capacity is (paradoxically) 9.6 TJ per day. Despite the reduction in production capacity at Varanus Island, there is significant unutilised production capacity in the market.

Pipelines capacity availability should be largely unaffected by maintenance apart from a slight reduction in capacity on the GGP for one day in June.

The Offer Price range increased in June, to \$ 1.36 per GJ, with the range from \$3.39 to \$4.75 per GJ. All bids below \$4.85 per GJ were offered supply at the Bidding Round Price of \$4.85 per GJ. Four bidders declined the Bidding Round price during the month. No contract came into effect in June at a price below \$4.85 per GJ. The Back Up Gas price for June is \$ 5.29 per GJ. The difference between the Back Up Gas Price of \$5.29 per GJ and the Bidding Round price of \$4.85 per GJ reflects the fact that gas available to meet sales above the Bidding Round quantities is more expensive.

The currently anticipated average June On Market price is \$ 4.85 per GJ (as at the 15th of June). This average is twenty one cents above the \$4.64 per GJ average May price and is the June average price anticipated at the start of the month. (You may wish to refer to the note we issued, in relation to the spot market price and product, on 1 June 2021 – also available on our website Spot Market pages in the Invitations folder).

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 in coming months will depend on the perceived spot price path, on how other short contract gas sellers engage the market and the appetite of buyers to move to take or pay contracts.

Agora Gas continues to engage the market and will seek additional Back Up Gas for the July market. Current feedback indicates the purchasing behaviour of major buyers is being significantly affected by the increase in the spot price. We anticipate that the Back Up Gas Price will stabilise or fall but it will not return to recent historical levels. 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 July with the Bidding Round Results Summary.

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

Month	On Market (TJ)	Off Market (TJ)	Total (TJ)	Comment
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	378.920	66.300	445.220	
Mar-21	448.725	77.200	525.925	
Apr-21	400.065	87.600	487.665	
May-21	442.650	141.800	584.450	
Jun-21	178.900	81.000	259.900	:to 15 June

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 June. We anticipate there will be two sellers in the market in July.

We will publish the summary results of the July **Bidding Round** as soon as possible but no later than the 30th of June on the web site link below.

Market Update

The results of the June **Bidding Round**, and the gasTrading Spot Market™ history to May 2021, 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 \$4.75 per GJ.

The indicated daily volumes available for July 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 June 2021, to the 15th, 100% of daily contract volumes were filled in all price quartiles of the market. There was tightness in the market at the beginning of June as a result of coal-fired electricity generation plant outages but supply was maintained through this period.

Gas Available July 2021

Date	Quantity TJ
1/07/2021	15.00
2/07/2021	15.00
3/07/2021	15.00
4/07/2021	15.00
5/07/2021	15.00
6/07/2021	15.00
7/07/2021	15.00
8/07/2021	15.00
9/07/2021	15.00
10/07/2021	15.00
11/07/2021	15.00
12/07/2021	15.00
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23/07/2021	15.00
24/07/2021	15.00
25/07/2021	15.00
26/07/2021	15.00
27/07/2021	15.00
28/07/2021	15.00
29/07/2021	15.00
30/07/2021	15.00
31/07/2021	15.00

465.00

Regards
Mike Lauer