

From: Mike Lauer
Sent: Thursday, 16 November 2017 1:28 PM
Subject: gasTrading Spot Market Volumes Available December 2017

Good afternoon all,

FIRM GAS

Agora Gas still has firm gas on offer.

DECEMBER/JANUARY VOLUMES

Last year buyers distorted the advice we gave to the market by not advising us of planned Christmas and New Year period shutdowns and gas demand reductions. If you are shutting down over Christmas/New Year can you please provide clear guidance on your December/January shutdown plans/gas needs as we place a high value on giving undistorted guidance to the market.

JANUARY PLANNING

We are planning to complete the setting of the January 2018 spot market by 22 December. In that light we will issue the January Invitation on Thursday the 14th of December (after the market is set for the 15th) and close offers at mid-day on Tuesday the 19th. We will then contract from the 19th to the 22nd. If this is going to cause you any problems please call us to discuss how we can assist you.

For the month of **December** 2017 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 **Thursday the 23rd of November**, if you wish to purchase all or part of this gas, quoting the volume of gas that you wish to purchase and the price at which you are prepared to complete the purchase. We will advise successful buyers by **COB** (Perth Time) on **Friday the 24th of November** at the latest and complete contracts from the **24th** to the **30st of November**.

Market Dynamics

As at the 15th of **November** we are on track to trade 268 TJ of gas (On Market) for the month of **November**. This volume is higher than the final volumes traded in **October** 2017 (240 TJ) and is also a little higher than the anticipated **November** sales volume of 249 TJ. There have been no Off Market sales in **November**. Agora Gas is the only seller active in the market in **November**.

The lift in the sales volumes in **October and November** appears to confirm a change in gas demand conditions from the low shoulder season and winter gas loads. We continue to anticipate traded volumes will remain in the 200 TJ to 300 TJ per month range. We do not anticipate that the price at which gas is supplied to the market will soften much beyond current levels. There are no supply side disturbances anticipated in **December** of which we are currently aware.

The offer price range in **November** was \$0.30 per GJ, from \$3.85 to \$4.15 per GJ. The decrease in offer prices, and the increase in the offer price range, in **October and November** reflect the impact of buyers anticipating the softening in the spot gas price. However, the range remains narrow which is a feature of periods of market stability. The Back Up Gas Price did not come into play in **November**. No contract was written in **November** below \$3.85 per GJ. The **November** Back Up Gas Price is \$3.85 per GJ, down from \$4.10 per GJ in **October** and \$4.30 per GJ prior to that. There were no buyers expecting/bidding to pick up cheap gas in **November**.

The currently anticipated average **November** On Market price is \$4.01 per GJ (as at the 15th of **November**). This average is down on the \$4.11 per GJ average **October** price and is in line with the anticipated **November** average price of \$4.02 per GJ.

The increase in the sales volumes with the return of hot conditions confirms that buyers and sellers are using the gasTrading Spot Market as part of their everyday gas supply planning. In the near term the average spot market price is expected to fall a little further. Where the market moves in 2018 is an unknown at this time. The decline in the Back Up Gas Price confirms the softening of the market but no further softening is foreseen at this time.

The table below summarises Agora Gas' On Market and Off Market spot gas sales since **November** 2016. The latest upturn in traded volumes seems to confirm that the market is emerging from the mild autumn and winter weather. It would appear that the upturn in volumes in October is the start of a seasonal swing. We note, however, that traded volumes dipped in December 2016 and the current upswing may falter over the festive season.

Month	On Spot	Off	Total	Comment
	Market	Market		
	(TJ)	(TJ)	(TJ)	
Nov-16	359.063	109.425	468.488	
Dec-16	370.279	43.200	413.479	
Jan-17	196.744	0.000	196.744	
Feb-17	258.818	0.000	258.818	
Mar-17	308.747	0.000	308.747	
Apr-17	190.083	0.000	190.083	
May-17	173.800	0.000	173.800	
Jun-17	237.450	0.000	237.450	
Jul-17	214.600	0.000	214.600	
Aug-17	213.800	0.000	213.800	
Sep-17	174.800	0.000	174.800	
Oct-17	240.900	0.000	240.900	
Nov-17	136.700	0.000	136.700	<i>:to 15 November</i>

Agora Gas continues to seek out the most attractive sources of Backup Gas to ensure the market remains liquid. Agora Gas is currently expected to be the only market seller in **December** as a result of changes to seller participation in the market in the first half of the year.

We will publish the summary results of the **December 2017 Bidding Round** on or before the **1st** of **December** on the web site link below.

Market Update

The results of the **November 2017 Bidding Round**, and the gasTrading Spot Market history to **October 2017**, can be found at <http://www.gastrading.com.au>, and at <http://www.gastrading.com.au/spot-market/historical-prices-and-volume.html> in particular.

We have continued strong supply side support for the market. This support is now looking for Buyer offer prices around \$3.90 per GJ.

At this time the indicated volumes available for **December 2017** are up on the volumes offered in the **November 2017** Invitation. This increase reflects the markets preparedness to respond to a surge in demand but given that this gas will 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. Additional gas volumes can be brought into the market on any day above those quoted in the table.

100% daily contract volumes for the period 1 **November** to 15 **November** were filled in all price quartiles of the market.

Gas Available December 2017	
Date	Quantity TJ
1/12/2017	10.00
2/12/2017	10.00
3/12/2017	10.00
4/12/2017	10.00
5/12/2017	10.00
6/12/2017	10.00
7/12/2017	10.00
8/12/2017	10.00
9/12/2017	10.00
10/12/2017	10.00
11/12/2017	10.00
12/12/2017	10.00
13/12/2017	10.00
14/12/2017	10.00
15/12/2017	10.00
16/12/2017	10.00
17/12/2017	10.00
18/12/2017	10.00
19/12/2017	10.00
20/12/2017	10.00
21/12/2017	10.00
22/12/2017	10.00
23/12/2017	10.00
24/12/2017	10.00
25/12/2017	10.00
26/12/2017	10.00
27/12/2017	10.00
28/12/2017	10.00
29/12/2017	10.00
30/12/2017	10.00
31/12/2017	10.00

310.00



Regards

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