

**From:** Mike Lauer  
**Sent:** Tuesday, 16 May 2017 3:54 PM  
**Subject:** Gas Available June 2017

Good evening all,

For the month of **June** 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 **Friday the 26<sup>th</sup> of May**, 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 **midday** (Perth Time) on **Monday the 29<sup>th</sup> of May** at the latest and complete contracts from the **29<sup>th</sup>** to the **31<sup>th</sup>** of **May**.

**Market Dynamics**

As at the 15<sup>th</sup> of **May** we are on track to trade 193TJ of gas (On Market) for the month of **May**. This volume is down 13% on the final volumes traded in **April** 2017 (222 TJ) and is close to the anticipated **May** sales volume of 198 TJ. There have been no Off Market sales in **May**. Agora Gas is the only seller active in the market in **May**.

The sales volumes in **May** reflect the dampened “shoulder season” market conditions which emerged in April. We do not anticipate further contraction in traded volumes in the market and, given the current market balance, prices are expected to remain stable. There are no supply side disturbances anticipated in **June** of which we are currently aware.

The offer price range in **May** was \$0.05 per GJ, from \$4.30 to \$4.35 per GJ. This narrowing of the range is anticipated as a feature of periods of market stability. The Back Up Gas Price was not called in **May** but it was applied to one late offer. No contract was written in **May** below \$4.30 per GJ. The **May** Back Up Gas Price is \$4.30 per GJ. There were no buyers expecting/bidding to pick up cheap gas in **May**.

Successful buyers in **May** needed to pay at least \$4.30 per GJ. The currently anticipated average **May** On (Spot) Market price is \$4.32 per GJ (as at the 15<sup>th</sup> of **May**). This average is down on the \$4.38 per GJ average **April** price and is the anticipated **May** average price.

Buyers and sellers appear to be using the gasTrading Spot Market as part of their everyday gas supply planning. In the foreseeable future the average spot market price looks stable. Market disruptions, such as the sudden tightening of the supply side of the market in September and October 2016 and the unexpected demand contraction over Christmas and New Year are still likely to destabilise the market.

The table below summarises Agora Gas’ On Market and Off Market spot gas sales since **May** 2016. As noted above the results for **May** 2017 reflect the milder shoulder season weather conditions.

Month	On (Spot) Market (TJ)	Off Market (TJ)	Total (TJ)	Comment
May-16	230.939	32.400	263.339	
Jun-16	221.767	315.100	536.867	
Jul-16	243.774	99.389	343.163	
Aug-16	186.240	144.356	330.596	
Sep-16	232.338	115.235	347.573	

Oct-16	332.791	45.284	378.075	
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	85.100	0.000	85.100	:to 15 May

Agora Gas will continue to seek out the most attractive sources of Backup Gas. Agora is currently expected to be the only market seller in **June** as a result of recent changes to seller participation in the market.

We will publish the summary results of the **June 2017 Bidding Round** on or before the 5<sup>th</sup> of **June** on the web site link below.

### Market Update

The results of the **May 2017 Bidding Round**, and the gasTrading Spot Market history to **April 2016**, 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 at and above \$4.30 per GJ.

At this time the indicated volumes for **June 2017** are comparable to the volumes offered in the **May 2017** Invitation. Given that most of this gas will be procured for the market by Agora's Off Market purchases, these volumes are very price sensitive and will increase or decrease in response to offers received.

The table below shows the percentage of the daily contract volumes for the period 1 **May** to 15 **May** filled in each price quartile of the market.

## The Spot Market

Highest Price	\$4.35 per GJ	Percentage of Contracts filled From 01 May 17 to 15 May 17
Price Quartile 4	From \$4.35 to \$4.35 per GJ	100%
Price Quartile 3	From \$4.34 to \$4.34 per GJ	100%
Price Quartile 2	From \$4.32 to \$4.33 per GJ	No Sale
Price Quartile 1	From \$4.30 to \$4.31 per GJ	100%
<b>Lowest Price</b>	<b>\$4.30 per GJ</b>	

Gas Available June 2017	
Date	Quantity TJ
1/06/2017	9.00
2/06/2017	9.00
3/06/2017	9.00
4/06/2017	9.00

5/06/2017	9.00
6/06/2017	9.00
7/06/2017	9.00
8/06/2017	9.00
9/06/2017	9.00
10/06/2017	9.00
11/06/2017	9.00
12/06/2017	9.00
13/06/2017	9.00
14/06/2017	9.00
15/06/2017	9.00
16/06/2017	9.00
17/06/2017	9.00
18/06/2017	9.00
19/06/2017	9.00
20/06/2017	9.00
21/06/2017	9.00
22/06/2017	9.00
23/06/2017	9.00
24/06/2017	9.00
25/06/2017	9.00
26/06/2017	9.00
27/06/2017	9.00
28/06/2017	9.00
29/06/2017	9.00
30/06/2017	9.00
NA	

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270.00

Regards  
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