

From: Mike Lauer
Sent: Monday, 18 September 2017 11:31 AM
Subject: gasTrading Spot Market - Gas Available October 2017

Good afternoon all,

For the month of **October** 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 22nd of September**, 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 **Tuesday the 26th of September** at the latest and complete contracts from the **26th** to the **30th** of **September**.

Market Dynamics

As at the 15th of **September** we are on track to trade 166 TJ of gas (On Market) for the month of **September**. This volume is significantly down on the final volumes traded in **August** 2017 (213 TJ) and is up slightly on the anticipated **September** sales volume of 163 TJ. There have been no Off Market sales in **September**. Agora Gas is the only seller active in the market in **Seller**.

The sales volumes in **September** continue to reflect the conditions which first emerged in April and reflect a relatively mild autumn and winter. We anticipate traded volumes will continue to hover around 200 TJ per month. We have seen a modest softening in the gas prices in September which, given the supply and demand balance, may continue. There are no supply side disturbances anticipated in **October** of which we are currently aware.

The offer price range in **September** was \$0.25 per GJ, from \$4.05 to \$4.30 per GJ. This narrow offer price range is a feature of periods of market stability. The slight widening of the range suggesting that some buyers are prepared to test the market price boundaries. The Back Up Gas Price was not called in **September**. No contract was written in **September** below \$4.05 per GJ. The **September** Back Up Gas Price is \$4.13 per GJ, down from \$4.30 per GJ in recent months. There were no buyers expecting/bidding to pick up cheap gas in **September**.

The currently anticipated average **September** On (Spot) Market price is \$4.20 per GJ (as at the 15th of **September**). This average is down on the \$4.26 per GJ average **August** price and is in line with the anticipated **September** 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 relatively stable although the decline in the Back Up Gas Price confirms a softening of the market. 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 **September** 2016. As noted above, recent market traded volumes reflect the mild autumn and winter season weather conditions.

Month	On (Spot) Market (TJ)	Off Market (TJ)	Total (TJ)	Comment
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	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	91.200	0.000	91.200	:to 15 September

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 **October** 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 **October 2017 Bidding Round** on or before the 4th of **October** on the web site link below.

Market Update

The results of the **September 2017 Bidding Round**, and the gasTrading Spot Market history to **August 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 at and around \$4.00per GJ.

At this time the indicated volumes available for **October 2017** are comparable to the volumes offered in the **September 2017** Invitation. Given that most of this gas is expected to 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.

Gas Available October 2017	
Date	Quantity TJ
1/10/2017	8.00
2/10/2017	8.00
3/10/2017	8.00
4/10/2017	8.00
5/10/2017	8.00
6/10/2017	8.00
7/10/2017	8.00
8/10/2017	8.00
9/10/2017	8.00
10/10/2017	8.00
11/10/2017	8.00
12/10/2017	8.00
13/10/2017	8.00
14/10/2017	8.00
15/10/2017	8.00
16/10/2017	8.00

17/10/2017	8.00
18/10/2017	8.00
19/10/2017	8.00
20/10/2017	8.00
21/10/2017	8.00
22/10/2017	8.00
23/10/2017	8.00
24/10/2017	8.00
25/10/2017	8.00
26/10/2017	8.00
27/10/2017	8.00
28/10/2017	8.00
29/10/2017	8.00
30/10/2017	8.00
31/10/2017	8.00

248.00

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

The Spot Market

Highest Price	\$4.30 per GJ	Percentage of Contracts filled From 01 Sep 17 to 15 Sep 17
Price Quartile 4	From \$4.25 to \$4.30 per GJ	100%
Price Quartile 3	From \$4.19 to \$4.24 per GJ	100%
Price Quartile 2	From \$4.12 to \$4.18 per GJ	100%
Price Quartile 1	From \$4.05 to \$4.11 per GJ	100%



Lowest Price **\$4.05** per GJ

Regards

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