

From: Mike Lauer
Sent: Thursda 14 December 2017 2:36 PM
Subject: gasTrading Spot market gas Available January 2018

Good afternoon all,

For the month of **January 2018** we anticipate having the quantities of gas set out below available for sale. You are invited to submit your offer, before **noon** (Perth Time) on **Tuesday the 19th of December**, 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 **Tuesday the 19th of December** at the latest and complete contracts before Christmas, from the **19th** to the **22nd of December**.

Market Dynamics

As at the 15th of **December** we are on track to trade 331 TJ of gas (On Market) for the month of **December**. This volume a little higher than the final volumes traded in **November** 2017 (320 TJ) and is well above the anticipated **November** sales volume of 272 TJ. Current traded volumes continue the rebound in the market which started after July 2017. There have been no Off Market sales in **December**. Agora Gas is the only seller active in the market in **December**.

The lift in the sales volumes from **October through November and December** confirms a change in gas demand conditions from the low shoulder season and winter gas loads. Some of the increase in traded volumes may be being driven by recently lower spot prices, as buyers trim their drawdowns on more expensive contracts to take advantage of lower spot prices. We have not yet seen, or been alerted to, reduced traded volumes associated with end of year/ January festivities/closures. We do not anticipate traded volumes falling much below 200 TJ per month but the upper limit on traded volumes is limited only by demand at this time. We do not anticipate that the price at which gas is supplied to the market will soften too much further. There are no supply side disturbances anticipated in **January** of which we are currently aware.

The offer price range in **December** was \$0.21 per GJ, from \$3.80 to \$4.01 per GJ. The decrease in offer prices in **December** reflect the impact of buyers anticipating the softening in the spot gas price. The offer price range remains narrow which is a feature of periods of market stability. The Back Up Gas Price was offered to four contracts in December, all accepted. No contract was written in **December** below \$3.85 per GJ. The **December** Back Up Gas Price is \$3.85 per GJ.

The currently anticipated average **December** On Market price is \$3.89 per GJ (as at the 15th of **December**). This average is down on the \$4.01 per GJ average **November** price and is the **December** average price anticipated when the market was set at the start of the month.

The increase in the sales volumes again 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 may fall a little further but we anticipate that it does not have much more to give up. 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. As from January 2018 we will publish the Backup Gas price with the Bidding Round Results Summary.

The table below summarises Agora Gas' On Market and Off Market spot gas sales since **December** 2016. The latest upturn in traded volumes confirms that the market is emerging from the mild autumn and winter weather. It would appear that the upturn in volumes, which took hold of the market in in October, is at least partially explained as the start of a seasonal swing.

	On Market	Off Market	Total	
Month	(TJ)	(TJ)	(TJ)	Comment
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	322.902	0.000	322.902	
Dec-17	192.900	0.000	192.900	<i>:to 15 December</i>

Agora Gas continues to seek out the most attractive sources of Back Up Gas to ensure the market remains liquid and competitively priced. Agora Gas is currently expected to be the only market seller in **January 18** as a result of changes to seller participation in the market in the first half of 2017.

We will publish the summary results of the **January 2018 Bidding Round** on or before the **1st of January** on the web site link below.

Market Update

The results of the **December 2017 Bidding Round**, and the gasTrading Spot Market history to **November 2017**, 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. This support is now looking for Buyer offer prices at and above \$3.80 per GJ.

At this time the indicated volumes available for **January 2018** are up on the volumes offered in the **December 2017** Invitation. This increase reflects the markets preparedness to respond to a surge in demand. 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 **December** to 15 **December** were filled in all price quartiles of the market.

Gas Available January 2018	
Date	Quantity TJ
1/01/2018	11.00
2/01/2018	11.00
3/01/2018	11.00
4/01/2018	11.00
5/01/2018	11.00
6/01/2018	11.00
7/01/2018	11.00

8/01/2018	11.00
9/01/2018	11.00
10/01/2018	11.00
11/01/2018	11.00
12/01/2018	11.00
13/01/2018	11.00
14/01/2018	11.00
15/01/2018	11.00
16/01/2018	11.00
17/01/2018	11.00
18/01/2018	11.00
19/01/2018	11.00
20/01/2018	11.00
21/01/2018	11.00
22/01/2018	11.00
23/01/2018	11.00
24/01/2018	11.00
25/01/2018	11.00
26/01/2018	11.00
27/01/2018	11.00
28/01/2018	11.00
29/01/2018	11.00
30/01/2018	11.00
31/01/2018	11.00

341.00

Regards
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