

Good morning All,

For the month of **March 2020** 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 **Monday the 24th of February**, 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 **Tuesday the 25th of February** and complete contracts from the **25th** to the **28th of February**.

Market Dynamics

As at the 15th of **February** we are on track to trade over **300 TJ** of gas (On Market) for the month of **February 2020**. This volume consolidates the increased volumes traded in **January** (275 TJ) and is up by around 10% on the anticipated **February** sales volume of 279 TJ. The February increase in traded volumes is the result of gas supply curtailments and organic growth. Off market sales volumes also kicked up in February. The curtailments which affected the market in February appear to be the result of unanticipated interruptions to gas supply attributable to Corona Virus flow on effects. (Note the 300+ TJ per day dip in the Karratha Gas Plant production from 6 to 10 February on the AEMO GBB.) GasTrading was able to satisfy all requests receive for gas to cover unforeseen curtailments in this period, both on and off market.

After traded volumes stabilized, as 2019 came to an end (in the low to mid 200 TJ), the turnaround in traded volumes has picked up momentum in January and February this year. This may be due, in part, to Buyers responding to low gas market prices and positioning themselves to take advantage of low spot gas prices as older agreements end and buyers contract for take or pay gas at lower levels.

The gasTrading Spot Market™ Back Up Gas Prices fell further, from \$2.20 per GJ in January to \$2.10/GJ, in February, and the decline may be adding to growth in gasTrading Spot Market™ demand.

We are not sure volumes will continue to grow at recent rates but anticipate they will at least hold at current levels for the moment. Traded volumes are still exposed to aggressive offers of supply from sellers who do not participate in the gasTrading Spot Market™ and who are keen for market share.

The gasTrading Spot Market™ continues to be limited only by demand, since substantial volumes of gas remain available. The price at which gas is supplied to the market continues to soften and the Back Up Gas Price has fallen throughout 2019 on each occasion Agora Gas has engaged the market to source additional Back Up Gas. In the absence of a significant lift in demand, our view remains that there appears to be little pressure to increase the price of Back Up Gas. The Back Up Gas Price may soften a little further, and perhaps become a little more volatile, in coming months but we do not foresee a material change.

Planned Outages

Facility	Duration	Capacity Type	Description	Capacity
Devil Creek	06/03/2020 - 12/03/2020	Nameplate	planned maintenance	140
Varanus Island	08/03/2020 - 09/03/2020	Nameplate	planned maintenance	0
Goldfields Gas Pipeline	17/03/2020	Nameplate	Planned Maintenance at Wyloo CS	186
Goldfields Gas Pipeline	18/03/2020	Nameplate	Planned Maintenance at Wyloo CS	186

Information downloaded from the AEMO WA GBB @ 10 AM, 17 February - This information can change

It is not known what arrangements, if any, have been put in place for the 8 to 9 February Varanus Island shut down, but otherwise, given the time of year and the available system capacity there is no indication of supply concerns in March. This assessment could change if Corona Virus disruptions to LNG exports were to recur.

The Offer Price range remained stable in **February 2020** at \$0.26 per GJ, with the range from \$2.10 to \$2.36 per GJ. No **February** offers were below the Back Up Gas Price. Buyers are still reacting to recent fall in the Back Up Gas Price and they are continuing to look for the bottom of the market. No contract came into effect in **February** at a price below \$2.10 per GJ.

The currently anticipated average **February** On Market price is \$2.23 per GJ (as at the 15th of **February**). This average is down \$0.20 on the \$2.43 per GJ average **January** price and is the February average price anticipated at the start of the month.

Buyers and sellers active in the market are increasing their reliance on the gasTrading Spot Market™ for everyday gas supply and portfolio planning and for the management of take or pay risk. The 2018 shifts in the terms of other short term gas supply contracts impacted on the level of buyer activity in the gasTrading Spot Market™ but this impact has well and truly turned around. The 2018 push by gas producers to capture market share has not re-emerged in response to the current market growth. Where the demand side of the gasTrading Spot Market™ trends as we move into 2020 will depend in part on how other short contract gas sellers react to recent growth in the gasTrading Spot Market™. In the absence of an attack on market share, there are signs that traded volumes are on the increase. Agora Gas continues to engage the market seeking Back Up Gas. This process of re-contracting, to top up supplies of Back Up Gas, has so far delivered a material reduction in the Back Up Gas Price, down from \$3.19 per GJ (April 2019) to \$2.10 per GJ in **February 2020**. The quantity of gas available at the current Back Up Gas Price is sufficient to meet the market requirements at this time. We will publish the Back Up Gas Price for **March 2020** with the Bidding Round Results Summary.

The table below summarises Agora Gas' On Market and Off Market spot gas sales since **February 2019**. Agora Gas' small volumes and volatility at the start of the period reflect the fact that others seller were participating in the market. Recent volumes reflect that fact that these sellers have left the market. (Each seller in the market, it is entitled to an equal share of all sales.) These data show the steady growth in total traded volumes since early 2019. (See web site for the traded volumes for market as a whole and for data over a longer period.)

	On Market	Off Market	Total	
Month	(TJ)	(TJ)	(TJ)	Comment
Feb-19	39.099	5.900	44.999	
Mar-19	65.800	8.200	74.000	
Apr-19	83.400	10.900	94.300	
May-19	121.200	6.450	127.650	
Jun-19	178.454	0.000	178.454	
Jul-19	125.429	0.000	125.429	
Aug-19	110.798	2.048	112.846	
Sep-19	216.926	1.000	217.926	
Oct-19	153.808	18.500	172.308	
Nov-19	218.348	1.400	219.748	
Dec-19	212.000	0.400	212.400	
Jan-20	275.160	1.760	276.920	
Feb-20	140.934	15.800	156.734	:to 15 February

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 continues to top up its portfolio. Agora was the only gas seller in the market in **February** and, at this time, is the only seller in **March**.

We will publish the summary results of the **March 2020 Bidding Round** on or before the **28th** of **February** on the web site link below.

Market Update

The results of the **February 2020 Bidding Round**, and the gasTrading Spot Market™ history to **January 2019**, 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 currently looking for Buyer Offer Prices around \$2.20 per GJ. To understand buyer bidding behavior it may be helpful to note that gas is allocated first to the top of the buyer bid stack and available supplies are allocated in a cascade down the buyer bid stack.

The indicated daily volumes available for **March 2020** are up on earlier levels and reflect the traded volumes in recent weeks/months. 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 from buyers. As demonstrated in recent months additional gas volumes can be brought into the market quickly over and above those quoted in the table to meet unexpected spikes in demand.

In **February 2020**, to the 15th, 100% of daily contract volumes were filled in all price quartiles of the market.

Gas Available March 2020	
Date	Quantity TJ
1/03/2020	15.00
2/03/2020	15.00
3/03/2020	15.00
4/03/2020	15.00
5/03/2020	15.00
6/03/2020	15.00
7/03/2020	15.00
8/03/2020	15.00
9/03/2020	15.00
10/03/2020	15.00
11/03/2020	15.00
12/03/2020	15.00
13/03/2020	15.00
14/03/2020	15.00
15/03/2020	15.00
16/03/2020	15.00
17/03/2020	15.00
18/03/2020	15.00
19/03/2020	15.00
20/03/2020	15.00
21/03/2020	15.00
22/03/2020	15.00
23/03/2020	15.00
24/03/2020	15.00
25/03/2020	15.00
26/03/2020	15.00
27/03/2020	15.00
28/03/2020	15.00
29/03/2020	15.00
30/03/2020	15.00
31/03/2020	15.00

465.00

gasTrading is working to build its gasTrading Sport Market™ book out of the Northern Territory and Queensland and has signed up its first participants. Agora Gas has already made its first Northern Territory Off Market spot trades. The Northern Gas Pipeline is now operating although those operations are still settling down. If the development of an east coast spot market interests you and we have not made contract please give Allan or me a call. If this market development might interest a related operation or an associate, please pass on this invitation. **While, to date, there is no Amadeus Gas Pipeline Capacity available to move spot gas out of the Northern Territory it is hoped that this situation is freeing up.**

We take this opportunity to note the death late last month of Ian Tuxworth, as Chief Minister of the Northern Territory Ian had the vision to lead the team and the industry partners who delivered the Amadeus Gas Pipeline and changed the course of Northern Territory development. Ian never lost his strong interest in energy policy and regularly called to discuss his latest policy ideas. Vale Ian