

Good afternoon All,

For the month of October 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 24th of September, 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 Friday the 25th of September and complete contracts from the 25th to the 30th of September.

Buyers, please note that offers should be directed only to [Spot Market Offers@gastrading.com.au](mailto:Spot_Market_Offers@gastrading.com.au).

### Market Dynamics

As at the 15<sup>th</sup> of September we are on track to trade 242 TJ of gas (On Market), and 110 TJ of gas (Off Market), for the month of September 2020. The fall in September volumes reflects the return of the market to the pre-June volumes which has been recently foreshadowed. The September On Market volumes are down 46% on August's final On Market trading volume (618 TJ) and down 10% on the anticipated September sales volume of 268 TJ. Off Market sales volumes also declined in September (see table below) and will continue at this reduced level in the second half of the month.

The turnaround in traded volumes which started in 2019 plateaued in August and has returned to pre-June volumes. Where the market is headed in the second half of 2020 remains to be seen.

We continue to anticipate that traded volumes will remain at the current September levels but will be subject to market conditions as witnessed in July and August. Traded volumes are still exposed to the threat of aggressive offers of supply from sellers who are keen to capture market share.

The supply side constraints on the market, which emerged in May and June, and continued into July and August but are not effecting the September market. The recent gasTrading Spot Market™ traded volumes can be explained by supply induced shortages in the market and a strong winter load peak.

As the winter peak in demand diminishes we anticipate that there will be increased competitive pressure amongst Sellers with unutilised capacity.

### Planned Outages

Facility	Start Date	End Date	Nameplate Capacity	Description	Available Capacity
Devil Creek	01-Oct-20	01-Oct-20	220	planned maintenance	110
Goldfields Gas Pipeline	12-Oct-20	16-Oct-20	195	planned maintenance	152
Mondarra	12-Oct-20	20-Oct-20	10.6	planned maintenance, <b>Prod and Refill</b>	0
Telfer Gas Pipeline	15-Oct-20	16-Oct-20	29	planned maintenance	14.5
Varanus Island	16-Oct-20	19-Oct-20	260	Planned Maintenance at Wyloo West CS	200

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September 2020

There is little declared curtailment in production at this time for the month of October but there are significant restrictions on GGP, TGP and Mondarra storage capacity, the effect of which on the market is unclear.

The Offer Price range fell in September, to \$ 0.40 per GJ, with the range from \$2.40 to \$2.80 per GJ. Bids below \$2.80 per GJ were offered, and accepted, supply at \$2.84 per GJ. No contract came into effect in September at a price below \$2.80 per GJ. The Back Up Gas Price for September is \$ 3.12 per GJ. The difference between the Back Up Gas Price of \$3.12 per GJ and the bidding round price of \$2.84 per GJ offered to buyers reflects the fact that gas available to meet sales, above the bidding round quantities, is more expensive. The willingness of Sellers to accept sales at \$2.80 per GJ demonstrates the preparedness of the Sellers to recognise the weighted average price of anticipated sales.

The currently anticipated average September On Market price is \$ 2.83 per GJ (as at the 15<sup>th</sup> of September). This average is at parity to the \$ 2.83 per GJ average August price and the September 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. Where the demand side of the gasTrading Spot Market™ trends as we move into the last quarter of 2020 will depend in part on how other short contract gas sellers engage the market and the outworking of the Covid-19 crisis. We still have not seen any Covid-19 impact on the market.

Agora Gas continues to engage the market seeking Back Up Gas. This process of re-contracting, to top up supplies of Back Up Gas saw a reduction in the Back Up Gas Price from \$3.65 per GJ in February 2018 to a low of \$2.10 per GJ in February 2020 and a rebound back to \$3.12 per GJ in September 2020. Our current view is that there is still little long term pressure to increase the price of gas, and we anticipate that the Back Up Gas Price will remain above recent lows but that it will fall back now we are past the winter peak in demand. The quantity of gas available at the current Back Up Gas Price is sufficient to meet the market requirement. We will publish the Back Up Gas Price for October with the Bidding Round Results Summary.

The table below summarises Agora Gas' On Market and Off Market spot gas sales since September 2019. (See web site for the traded volumes for the market as a whole and for data over a longer period.)

	<b>On Market</b>	<b>Off Market</b>	<b>Total</b>	
<b>Month</b>	<b>(TJ)</b>	<b>(TJ)</b>	<b>(TJ)</b>	<b>Comment</b>
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	289.014	15.800	304.814	
Mar-20	339.020	0.000	339.020	
Apr-20	326.117	63.080	389.197	
May-20	725.120	95.300	820.420	
Jun-20	656.481	71.179	727.660	
Jul-20	346.450	150.800	497.250	
Aug-20	607.991	517.900	1125.891	
Sep-20	104.100	57.100	161.200	:to 15 September

Agora Gas continues to seek 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 is one of two gas sellers in the market in September and, at this time, it is anticipated that there will be two sellers in the market in October.

We will publish the summary results of the October **Bidding Round** on or before the 30th of September on the web site link below.

### **Market Update**

The results of the September **Bidding Round**, and the gasTrading Spot Market™ history to August, 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. At this time, we expect that market support will be looking to buyers at or around \$2.80 per GJ.

The indicated daily volumes available for October 2020 reflect the decline in the market in September. Given that this gas will largely 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 and the daily availability of supply. 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 September 2020, to the 15<sup>th</sup>, 100% of daily contract volumes were filled in all price quartiles of the market.

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

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**465.00**

Regards  
Mike Lauer

