

Good afternoon All,

For the month of January 2021 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 17th of December**, 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 18th of December and complete contracts from the 18th to the 31st of December.

As previously advised, this invitation has been released early so that the January market can be finalised before Christmas leave .

Buyers, please note that offers should be directed only to Spot_Market_Offers@gastrading.com.au.

Market Dynamics

As at the 12th of December we are on track to trade over 268 TJ of gas (On Market), and negligible Off Market gas, for the month of December 2020. The decrease in traded volumes in December reflects the impact of a period of rising prices on the appetite of buyers for spot gas. The December On Market volumes are down 45% on November's final On Market trading volume (485 TJ) and up 15% on the anticipated December sales volume of 235 TJ. Off Market sales volumes have fallen away in December (see table below) and are expected to continue at a low rate in the second half.

The turnaround in traded volumes which started in 2019 plateaued in August and, in light of the recent trend in price, reversed appreciably in November. Where the market is headed in 2021 remains to be seen. Indeed, it is not clear whether buyers or sellers will be driving the market in coming months.

We continue to anticipate that traded volumes will remain at the current levels but will be subject to market conditions.

The supply side constraints on the market, which emerged in May and June, continue. This is reflected in the latest price increases. The market is, therefore, hypersensitive to gas plant outages and uplift in demand for "as available" supply.

What we are seeing in the market in December is a contraction in demand in direct response to rising prices.

Planned Outages

Facility	Start Date	End Date	Nameplate Capacity (TJ/d)	Description	Available Capacity (TJ/d)
Varanus Island	23-Jan-21	23-Jan-21	345	Planned maintenance	119
Varanus Island	27-Jan-21	09-Feb-21	345	Planned maintenance	250

Source WA AEMO GBB - Data Downloaded at 10:08 on Monday 14 December 2020

There is maintenance planned for Varanus Island production facilities on the 23rd of January 21 and from the 27th of January to the 9th of February, 2021 with a very substantial reduction in capacity on these dates. The significant shortfall from the 27th to the 9th could affect the market.

The Offer Price range increased in December, to \$ 0.50 per GJ, with the range from \$3.05 to \$3.55 per GJ. All bidders were offered supply at the Bidding Round Price of \$3.75 per GJ. Two bidders declined the Bidding Round Price and contracted volumes dropped by 21%. Gas sellers, who have been testing the appetite of the market for a price increase appear to have exceeded a highly sensitive price point. No contract came into effect in December at a price below \$3.75 per GJ. The Back Up Gas Price for December is \$3.91 per GJ. The difference between the Back Up Gas Price of \$3.91 per GJ and the Bidding Round Price of \$3.75 per GJ reflects the fact that gas available to meet sales above the Bidding Round quantities is more expensive.

The currently anticipated average December On Market price is \$ 3.75 per GJ (as at the 12th of December). This average is significantly above the \$ 3.38 per GJ average November price and is the December average price anticipated at the start of the month.

Buyers in the market have reduced their reliance on the gasTrading Spot Market™, turning instead to other supply portfolio options. Where the demand side of the gasTrading Spot Market™ trends in 2021 will depend on the spot price path, on how other short contract gas sellers engage the market and the purchasing behaviour of major buyers.

Agora Gas continues to engage the market and will seek additional Back Up Gas for the January market. 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 with a recent rebound back to \$3.91 per GJ in December 2020. Our current feedback indicates the purchasing behaviour of major buyers is being significantly affected by the increase in price. It is clear that constraints in supply are putting upward pressure on the market and Back Up Gas Price. We anticipate that the Back Up Gas Price will remain above recent levels for the moment. 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 January with the Bidding Round Results Summary.

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

	On Market	Off Market	Total	
Month	(TJ)	(TJ)	(TJ)	Comment
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	218.800	171.900	390.700	
Oct-20	303.100	142.850	445.950	
Nov-20	465.350	88.235	552.585	
Dec-20	69.400	1.700	71.100	:to 12 December

Agora Gas continues to seek the most attractive sources of Back Up Gas to ensure the market remains liquid and competitively priced. Agora is one of two gas sellers in the market in December and, at this time, there we anticipate there being two sellers in the market in January, but that is not clear at this time.

We will publish the summary results of the January **Bidding Round** as soon as possible but no later than the 31st of December on the web site link below.

Market Update

The results of the December **Bidding Round**, and the gasTrading Spot Market™ history to November, 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 above \$3.90 per GJ.

The indicated daily volumes available for January 2021 represent recent market trading volumes. 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.

In December 2020, to the 12th, 100% of daily contract volumes were filled in all price quartiles of the market.

Gas Available January 2021	
Date	Quantity TJ
1/01/2021	15.00
2/01/2021	15.00
3/01/2021	15.00
4/01/2021	15.00
5/01/2021	15.00
6/01/2021	15.00
7/01/2021	15.00
8/01/2021	15.00
9/01/2021	15.00
10/01/2021	15.00
11/01/2021	15.00
12/01/2021	15.00
13/01/2021	15.00
14/01/2021	15.00
15/01/2021	15.00
16/01/2021	15.00
17/01/2021	15.00
18/01/2021	15.00
19/01/2021	15.00
20/01/2021	15.00
21/01/2021	15.00
22/01/2021	15.00
23/01/2021	15.00
24/01/2021	15.00
25/01/2021	15.00
26/01/2021	15.00
27/01/2021	15.00
28/01/2021	15.00
29/01/2021	15.00
30/01/2021	15.00
31/01/2021	15.00

465.00

Regards
Mike Lauer