

Pre-Allocation Update

SOUTHERN CONNECTED SYSTEM

Key Events

Key market events since the previous allocation announcement (1 July)

Contact your broker to discuss how this could impact your water requirements

*All forecast information sourced from the most recent releases by NSW DPI Water and VIC Resource Manager. The last forecast update released by both these resources was on 16 May, 2016.

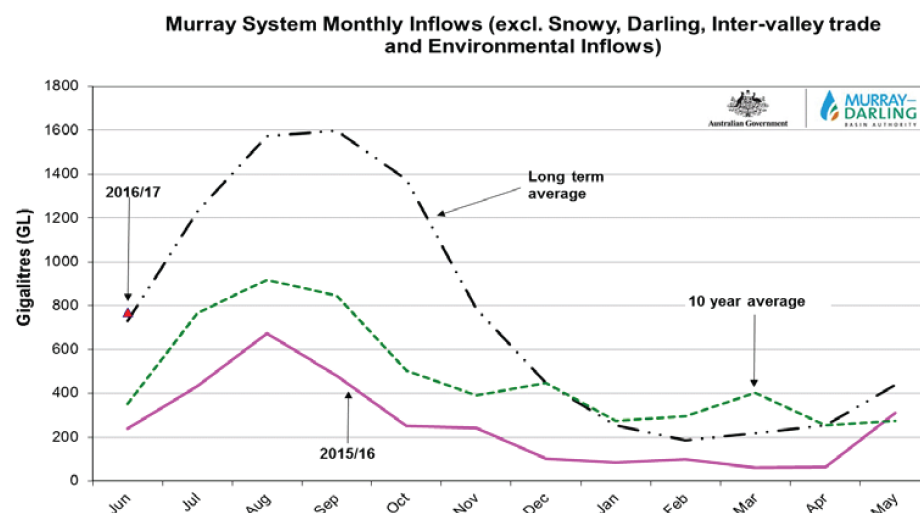
UPDATED RISK OF SPILL

On July 11, the risk of spill in the Murray system was provided at 39%, almost double the approximate 20% figure given on July 1. This is a significant step-change, likely affected by the improved data figures behind the modelling for the risk of spill calculations.

The most recent allocation forecasts were released on May 16 and at that time we were tracking on a 'dry scenario' with the data available. This last forecast was two months ago and now, the data for June will likely have a positive effect on the modelling and risk of spill calculations. Victoria is expected to move from a dry scenario closer to an average scenario. If this improved outlook scenario occurs, based on the figures in the May forecast, the likelihood of seasonal allocations in Victoria will move towards 100%. View full article [here](#).

JUNE INFLOW DATA TO INFLUENCE OUTLOOKS

The more positive Victorian outlooks are influenced by inflow data released from the Murray Darling Basin Authority for June. When the June inflow data is taken into account, improved allocation conditions are more likely within the Southern MDB system in South Australia and parts of New South Wales. As shown in the graph below, the current inflow conditions for the 2016/17 season are well above the levels seen in the 2015/16 water year.



NEW SOUTH WALES On 1 Sept 2016		VICTORIA			
		By Aug 15	By 17 Oct	By 15 Feb	
9 in 10 Probability of getting		If the Dry Scenario persists (as of most recent forecast May 16):			
Murrumbidgee HS	95%	Goulburn HR	19%	37%	49%
Murrumbidgee GS	16%	Campaspe HR	0%	1%	4%
NSW Murray HS	-	Murray HR	7%	31%	48%
NSW Murray GS	0%	Loddon HR	0%	6%	15%
3 in 4 Probability of getting		If conditions improve, we move to Average Scenario:			
Murrumbidgee HS	95%	Goulburn HR	38%	73%	100%
Murrumbidgee GS^	26%	Campaspe HR	41%	100%	100%
SOUTH AUSTRALIA By Year End		Murray HR	25%	52%	100%
Very Dry (95% chance)		Loddon HR	38%	73%	100%
SA Class 3	65%				
Moderate (75% chance)					
SA Class 3	100%				