

Pre-Allocation Update

SOUTHERN CONNECTED SYSTEM

Key Events

Key market events since the previous allocation announcement (3 & 4 October)

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.

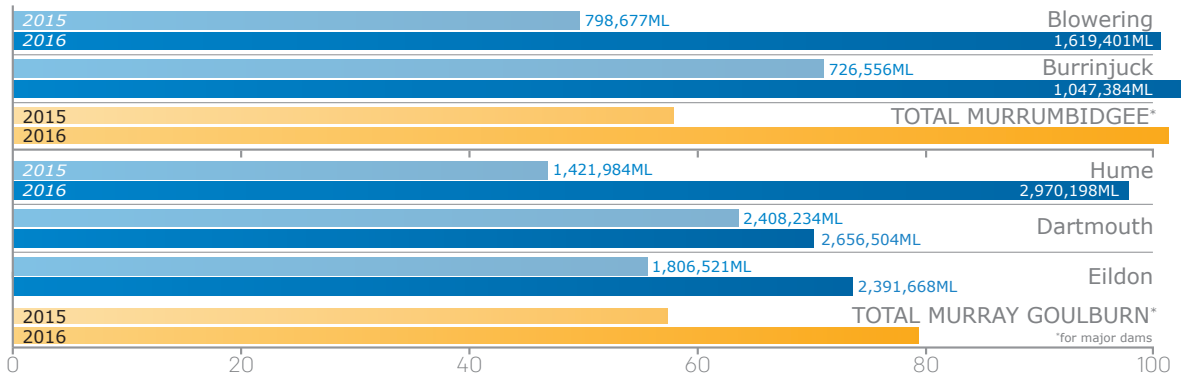
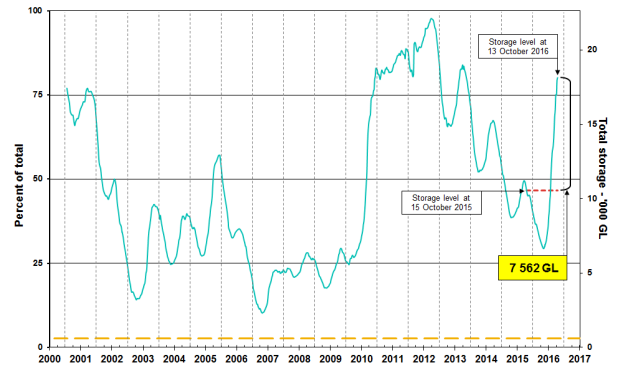
The last forecast update released by DPI Water and by VIC Resource Manager was on 15 Sept 2016.

Next Allocation Announcement on Oct 17

DAM STORAGE LEVELS

Storage levels in the Murray-Darling Basin increased by 992GL during the week ending 22 Sept. 2016 to 16,979GL, and are at 75% of total capacity-the highest in over 33 months.

This water storage level is 33% or 7,562 GL more than at the same time last year.



As of 12 October 2016

SA CARRYOVER

On 7 October, DEWNR announced that from the week starting 10 October, eligible water access entitlement holders who met the required criteria would have their accounts credited with access to private carryover in 2016-17.

VIC MURRAY & CAMPASPE CARRYOVER

On 10 October, the NVRM announced all Carryover on Victorian Murray HR accounts was lost to spill. As of 13 October, 276,724ML had been written-off. Water in LR accounts remain protected against spill loss. In the next allocation announcement October 17, the NVRM will provide comments on LR resource position relative to seasonal determinations.

TEMPORARY WATER PRICE (\$/ML)^

NSW Murray 10 \$70 ↑	NSW Murray 11 \$75 ↓	NSW Murrumbidgee \$50 ↑
VIC 6 \$70 ↑	VIC 1A \$82 ↓ VIC 7 \$70 ↓	SA Irrigation \$82 ↓

- ABOVE BARMAH CHOKE -

- BELOW BARMAH CHOKE -

^Prices compared to 4 October

Table 1. Allocation outlooks for major irrigation districts

NEW SOUTH WALES			VICTORIA ⁺			
By...	1 Nov 2016	1 Feb 2016	By...	15 Oct 2016	17 Dec 2016	15 Feb 2016
Wet Scenario (1 in 4)			Wet Scenario (1 in 4)			
Murrumbidgee GS	64%	100%	Goulburn HR	99%	100%	100%
NSW Murray GS [^]	72%	100%	Campaspe HR	100%	100%	100%
			Murray HR	100%	100%	100%
			Loddon HR	99%	100%	100%

Data sourced from the NSW Office of Water, the VIC Water Resource Manager and SA Department of Environment, Water and Natural Resources.

[^]Currently tracking at a 1 in 4 probability - Wet Scenario. ⁺Currently tracking at a 1 in 2 probability (Average scenario), excluding VIC Murray, Broken, Goulburn and Bullarook which are tracking between Average and Wet (1 in 10 probability of Wet scenario).

Table 2. Confirmed Allocations as of October 4

NEW SOUTH WALES		VICTORIA		SOUTH AUSTRALIA	
Murrumbidgee HS	95%	Goulburn HR	86%	SA Irrigation (Class 3)	100%
Murrumbidgee GS	61%	Campaspe HR	100%	Stock & Domestic (Class 1)	100%
NSW Murray HS	97%	Murray HR	100%	Country Towns (Class 2)	100%
NSW Murray GS	53%	Loddon HR	73%	Industry (Class 5)	100%