

Pre-Allocation Update

SOUTHERN CONNECTED SYSTEM

Key Events

13.10.2017

Key market events from the last fortnight

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

FORTNIGHTLY ALLOCATIONS

The next Allocations will be announced on 16 October for VIC and NSW.

TRADING RESTRICTIONS

The Barmah Choke remains closed.

Trade from NSW to VIC is currently limited to volume traded from VIC to NSW.

Murrumbidgee IVT limit is currently at 29.5GL. Trade out of the Murrumbidgee into the Murray system remains open. In the past week, prices have remained steady at ~\$150/ML.

Trade out of the Goulburn remains closed.

REPAYMENTS IN NSW MURRAY & MURRUMBIDGEE

The last allocation announcement stated repayments had to be made in both the NSW Murray (once General Security reaches 30%) and Murrumbidgee (as of now).

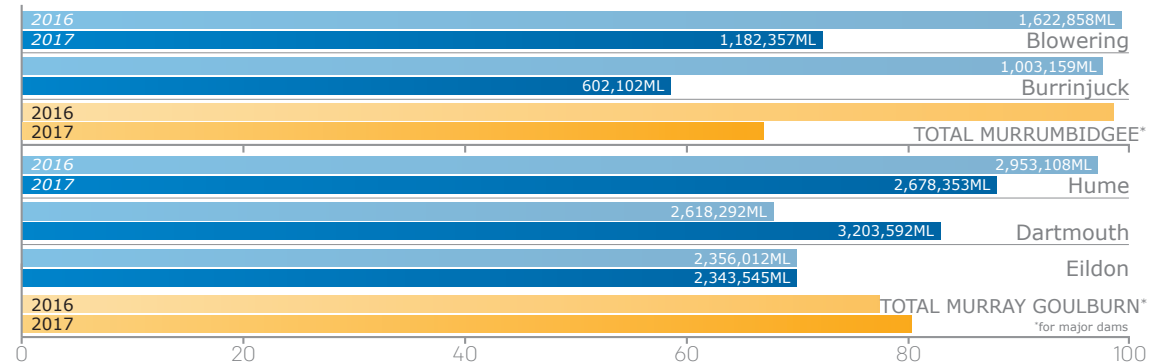
NSW Murray | "Water users are reminded that repayment of the borrowed Barmah-Millewa environmental water allowance, some 177,000 megalitres (ML), will commence when general security allocations reach 30% of entitlement."

This equates to ~10.5% of GS entitlements on issue.

NSW Murrumbidgee | "With general security allocation plus carryover having reached 60%, the next available water is to be allocated to the environmental water account (EWA1) and the provisional storage volume account (PSV1), some 50,000 and 25,000 megalitres respectively, in accordance with the water sharing plan rules. Subsequent available water can then be allocated to general security entitlements."

This equates to ~4% of GS entitlements on issue.

DAM STORAGES



TEMPORARY WATER PRICE (\$/ML) CHANGE SINCE 3 OCTOBER			
NSW Murray 10	\$135↓	NSW Murray 11	\$150-
NSW Murrumbidgee	\$150-	VIC 6	\$140↑
SA Irrigation	\$150-	VIC 1A	\$119↓
		VIC 7	\$150↓
- ABOVE BARMAH CHOKE -		- BELOW BARMAH CHOKE -	

Table 1. 2017/18 Outlooks for Major New South Wales Irrigation Districts

	1 Nov 2017	1 Feb 2018	1 Oct 2017	1 Feb 2018
NSW MURRAY GS^			NSW MURRUMBIDGEE GS^	
Dry+	37%*	59%*	33%	33%
Very Dry++	30%	39%	33%	33%

Table 2. 2017/18 Outlooks for Victorian Irrigation Districts

VIC GOULBURN AND LODDON HR				
	Similar inflow Season	16 Oct 2017	15 Dec 2017	15 Feb 2018
Dry	2015/16	75%	87%	82%
Extreme Dry	2006/07	71%	74%	37%

Table 3. Current Allocations | 3 October

NEW SOUTH WALES		VICTORIA		SOUTH AUSTRALIA	
Murrumbidgee HS	95%	Goulburn HR	81%	SA Irrigation (Class 3)	100%
Murrumbidgee GS	33%	Campaspe HR	100%	Stock & Domestic (Class 1)	100%
NSW Murray HS	97%	Murray HR	100%	Industry (Class 5)	100%
NSW Murray GS	29%	Loddon HR	81%	Recreation (Class 4)	100%

+Murray and ++Murrumbidgee currently tracking around this scenario.

*Borrow from B-M account is fully repaid.

^Licence holders can add individual carryover to the relevant percentage.