



MEDIA RELEASE

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ASX and AEMO launch Wallumbilla Gas Futures

ASX and the Australian Energy Market Operator (AEMO) have announced the launch of ASX Wallumbilla natural gas futures, which start trading on Tuesday 7 April 2015.

The launch comes a year after AEMO established Australia's first voluntary gas supply hub in Wallumbilla, Queensland. The Wallumbilla End of Day Benchmark price will be used as the reference price for ASX's new gas futures contract.

The listing coincides with a significant change in the dynamics of the Australian east coast gas market, with the start of liquefied natural gas exports moving an increasing number of molecules offshore.

ASX's Deputy Chief Executive Officer Peter Hiom said: "ASX is committed to supporting the development of Australia's energy markets. Our new futures products help gas industry participants manage their forward price risk and will provide greater price transparency – both critical ingredients for customers in growing their businesses."

AEMO's Managing Director and Chief Executive Officer Matt Zema said that the establishment of a gas futures market will greatly assist the gas industry, and is an important step towards increasing transparency and competition in Australia's growing eastern and south eastern gas markets.

"Participants will be able to use the Wallumbilla Gas Supply Hub Benchmark price as a basis price for their gas contracts, with the development of a derivatives market providing a risk management tool for forward pricing and planning."

The new ASX gas futures are part of ASX's expanding energy derivatives business, which is designed to meet the risk management needs of Australian energy participants. They complement ASX's existing electricity derivatives product suite, which has grown 18% year-to-date compared to the same time last year, from 135,329 to 159,455 contracts traded, or the equivalent of 1.8 million MWh of electricity per day.

AEMO's Mr Zema said that the independent market operator held regular meetings with industry to refine its benchmark price methodology in keeping with industry needs and expectations: "Industry has been supportive of mechanisms to facilitate the development of a derivative market in gas, with the publication of a benchmark price being integral to the process."



For more information about ASX's new Wallumbilla natural gas futures or AEMO, please contact:

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