

| NOTICE OF DETERMINATION OF MARKET ADMINISTRATOR | |
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| Dated: | 29 September 2009 |
| Breach notice identifying number: | 2009-139 |
| Date of receipt: | 31 August 2009 |
| Name of reporting entity: | Allocation Agent |
| Name of participant that is alleged to have breached the Rules: | Nova Gas (GNVG) |
| Name/s of other parties to breach notice: | E-Gas Limited (EGLT) |
| Rule/s allegedly breached: | Gas (Downstream Reconciliation) Rules 2008 Rule 52.2.1 |
| Determination made by market administrator under regulation 18: | <p>In the market administrator's opinion the alleged breaches do raise material issues. The alleged breaches will therefore be referred to investigation in accordance with regulation 18(3).</p> <p>The market administrator placed particular weight on the following criteria in making its determination:</p> <ul style="list-style-type: none"> • regulation 19(1)(g) - the alleged breaches are denied • regulation 19(1)(h) - the alleged breaches may demonstrate a systemic problem with compliance • regulation 19(1)(l) - Nova Gas has indicated its behaviour will continue given its interpretation of the legal requirements • regulation 19(1)(o) - Gas Industry Company and Nova Gas each have different interpretations of the requirements of the Gas (Downstream Reconciliation) Rules 2008 in relation to Nova Gas' bypass gas gates |