

| <b>NOTICE OF DETERMINATION OF MARKET ADMINISTRATOR</b>                 |  |
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| <b>Dated:</b>  | 1 February 2011  |
| <b>Breach notice identifying number:</b>                               | 2009-228(08/10/DRU15102)<br>2010-003(08/11/DRU15102)<br>2010-233(09/6/MRV16302)  |
| <b>Date of receipt:</b>  | Various dates from December 2009 to January 2011   |
| <b>Name of reporting entity:</b>                                       | Allocation Agent   |
| <b>Name of participant that is alleged to have breached the Rules:</b> | OnGas  |
| <b>Rule/s allegedly breached:</b>                                      | Gas (Downstream Reconciliation) Rules 2008<br>Rule 37.2  |
| <b>Determination made by market administrator under regulation 18:</b> | <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"> <li>• regulation 19(1)(b) – the alleged breaches were likely to have had a material impact on the operation of the market</li> <li>• regulation 19(1)(f) – the alleged breaches were likely to have resulted in costs being borne by other participants or persons</li> <li>• regulation 19(1)(h) – the alleged breaches indicate a systematic problem with compliance</li> <li>• regulation 19(1)(o) – the alleged breaches involve gas volume differences that are not within the threshold specified in "Market Administrator Guideline note rule 37 – materiality of rule 37.2 breaches (Downstream Reconciliation)"</li> </ul> |