

How to Trade on the New Zealand Gas Exchange

Rules and Procedures

Rule

Notification of White List

Rule

- 18.1 The Trading System Operator will make available to each Participant a list of all the Participants included on that Participant's White List at Trading Opening on each Trading Day.
- 18.2 Each Participant is responsible for ensuring that its White List is correct.
- 18.3 If a Participant considers there is any error in its White List, the Participant will notify the Trading System Operator as soon as possible.
- 18.4 If the Trading System Operator is satisfied in its sole discretion that there is a genuine error in the Participant's White List, the Trading System Operator will correct the Participant's White List and provide the Participant with a copy of the corrected White List as soon as possible and such correction will take effect immediately.

Procedure

Procedure

After logging in, Trader clicks Whitelist from menu on left-hand side

The screenshot shows the NZ Gas Exchange website. The top navigation bar includes the logo for GAS INDUSTRY COMPANY LIMITED and the text 'NZ Gas Exchange'. Below this is a yellow warning banner with an exclamation mark icon. The main content area is organized into several sections:

- Welcome:** A dark purple header with the text 'Welcome'. Below it is a list of links: '> About NZ Gas Exchange', '> FAQs', '> Website Terms', '> Privacy Statement', and '> Contact Us'.
- The Market:** A light green header with the text 'The Market'. Below it is a list of links: '> Market Summary', '> Quote Sheet', '> Announcements', '> History by Product', '> History by Day', and '> Participants'.
- Trading:** A light green header with the text 'Trading'. Below it is a list of links: '> Watch List', '> Order Book', '> Trades', and '> Whitelist'. A red box highlights the 'Whitelist' link, with a red arrow pointing to it and the text 'Click here to see company Whitelist'.

At the bottom of the page, there is a user profile section for 'Welcome, Pam' with a 'Change Password' link.

That brings up the company's Whitelist for viewing:

South Gas Company Whitelist

| Companies at Tue 15:00:15 | | |
|---------------------------|----------------------------------|----------------------------------|
| Company | Allow to Buy | Allow Sell to |
| Snoopy Trading Co | Y | Y |
| Calvin Trading Co | Y | Y |
| Charlie Brown Trading Co | Y | Y |
| Daisy Trading Co | Y | Y |
| Dilbert Trading Co | Y | Y |
| Doonesbury Trading Co | Y | Y |
| East Gas | Y | Y |
| Farley Trading Co | Y | Y |
| Grimm Trading Co | Y | Y |
| Gromit Trading Co | Y | Y |
| Hobbes Trading Co | <input checked="" type="radio"/> | Y |
| Linus Trading Co | Y | <input checked="" type="radio"/> |
| Lucy Trading Co | Y | Y |
| Marmaduke Trading Co | Y | Y |
| North Gas | <input type="radio"/> | <input type="radio"/> |
| West Gas | Y | Y |
| Woodstock Trading Co | Y | Y |

South Gas can buy from Hobbes, but not from North

South Gas can sell to Linus, but not to North

Adding/Deleting Participants from White List

Rule

- 19.1 A Participant may only add Participants to its White List from the date specified by the Industry Body under Rule 9.5.
- 19.2 A Participant may add Participants to its White List by giving notice in writing to the Trading System Operator.
- 19.3 The Trading System Operator will update a Participant's White List in accordance with any notice given under Rule 19.2.
- 19.4 Additions to a Participant's White List will not be effective until the next Trading Opening after notice is received by the Trading System Operator.
- 20.1 A Participant may delete Participants from its White List by giving notice in writing to the Trading System Operator.

Procedure

The administrator login account has permission to add Participants to or delete Participants from a Whitelist:

The screenshot shows the NZ Gas Exchange website interface. At the top left is the GAS INDUSTRY COMPANY LIMITED logo. To its right is the text 'NZ Gas Exchange'. Below this is a yellow warning banner with an exclamation mark icon. The main content area is divided into several sections: 'Welcome' (with a sub-menu: > About NZ Gas Exchange, > FAQs, > Website Terms, > Privacy Statement, > Contact Us), 'The Market' (with a sub-menu: > Market Summary, > Quote Sheet, > Announcements, > History by Product, > History by Day, > Participants), 'Trading' (with a sub-menu: > Watch List, > Order Book, > Trades, > Whitelist), and 'Company Admin' (with a sub-menu: > User Admin, > Company Admin). A red box highlights the 'Company Admin' menu item, and a red arrow points from a text box to it. The text box contains the text: 'Administrators get this menu; Click Company Admin'. Below the 'Company Admin' section, there is a 'Welcome, Trader' section with a 'Change Password' link.

Rule

- 20.2 The Trading System Operator will update a Participant's White List in accordance with any notice given under Rule 20.1 and provide the Participant with a copy of the updated White List as soon as possible.
- 20.3 Any deletion made in accordance with Rule 20.2 will take effect immediately.

Procedure

Edit Whitelist is an option under Edit Company: General Details:

Edit Company - SOUTH

Edit Company : General Details

| | |
|---------------------|----------------------------|
| Name * | South Gas |
| Transaction Limit * | 0 |
| Trading email * | trader.name@southgas.co.nz |
| Address * | address_1 |
| | address_2 |
| | address_3 |
| City * | city |
| Telephone * | telephone |
| Secretary | |
| Auditor | |
| Solicitor | |
| Fax | |
| email | trader.name@southgas.co.nz |
| website | |
| Image Filename | |

* indicates mandatory fields.

Edit Whitelist **... then Edit Whitelist**

This brings up the Whitelist with tick boxes that can be checked or unchecked. Note that Additions to the Whitelist will be effective at the next Trading Opening, while Deletions will take effect immediately, as per rules 19.4 and 20.3.

Edit South Gas Company Whitelist

| Companies at Mon 17:07:20 | | |
|---------------------------|-------------------------------------|-------------------------------------|
| Company | Allow to Buy | Allow Sell to |
| Snoopy Trading Co | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Calvin Trading Co | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Charlie Brown Trading Co | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Daisy Trading Co | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Dilbert Trading Co | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Doonesbury Trading Co | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| East Gas | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Farley Trading Co | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Grimm Trading Co | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Gromit Trading Co | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Hobbes Trading Co | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Linus Trading Co | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Lucy Trading Co | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Marmaduke Trading Co | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| North Gas | <input type="checkbox"/> | <input type="checkbox"/> |
| West Gas | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Woodstock Trading Co | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

✓ means trade is allowed;
 means trade is not allowed

Submitting an Offer

Rule

- 22.1 Any Participant may submit an Offer through the Trading System:
- (a) constituting an offer to sell Gas to other Participants; or
 - (b) constituting an offer to buy Gas from other Participants.
- 22.2 Every Offer submitted under Rule 22.1 must be in the form required by the Trading System Operator and:
- (a) contain the:
 - (i) daily quantity of Gas under offer, which must be in whole gigajoules;
 - (ii) price payable per GJ of Gas, including, if the Offer is to sell, whether the Industry Body Levy is payable on that Gas;
 - (iii) Product Identifier; and
 - (iv) Offer expiry date, which must be a Trading Day; and
 - (b) indicate whether the Offer is able to be partially accepted.

Procedure

From the Watch List page, choose the product of interest:

Welcome
> About NZ Gas Exchange
> FAQs
> Website Terms
> Privacy Statement
> Contact Us

The Market
> Market Summary
> Quote Sheet
> Announcements
> History by Product
> History by Day
> Participants

Trading
> **Watch List**
> Order Book
> Trades
> Whitelist

Welcome, Pam

Change Password

Log Off

Market State at:
18/06/2010 12:27:18
TRADING

v7.0.0 (01/03/2008)

Watch List

This page will autorefresh every 30 seconds.

Quote Sheet at Fri 12:27:18

| Product | My Off |
|------------|--------|
| 2010-0619D | |
| 2010-0620D | |
| 2010-0621D | |
| 2010-0622D | |
| 2010-0623D | |
| 2010-0624D | |
| 2010-0625D | |
| 2010-0626D | |
| 2010-0627D | |
| 2010-0628D | |
| 2010-0629D | |
| 2010-0630D | |
| 2010-0701D | |
| 2010-0702D | |
| 2010-0703D | |
| 2010-0704D | |
| 2010-0705D | |
| 2010-0706D | |
| 2010-0707D | |
| 2010-0708D | |
| 2010-0709D | |
| 2010-0710D | |

There are two kinds of traded gas products:

Daily: e.g., 2010-0619D
= a one-day product relating to gas bought or sold on 19 June 2010

Monthly: e.g., 2010-10M
= a one-month product; i.e., a quantity of gas for each day of October 2010

Rule

- 22.3 Offers must only be submitted in relation to the proposed supply of Gas at a date that will occur after the receipt of the Offer by the Trading System Operator.
- 22.4 Offers to buy Gas include the Industry Body Levy in the price at which the Gas is offered.

Procedure

Then choose whether the Offer is to Buy or Sell gas:

! NZGE Test System

Market Depth - 2010-0622D [2010-0622D]

This page will autorefresh every 30 seconds.

Quote Line at Thu 16:42:47

| Product | Offer to Buy (\$/GJ) | Offer to Sell (\$/GJ) | Last (\$/GJ) | At | High (\$/GJ) |
|------------|----------------------|-----------------------|--------------|----|--------------|
| 2010-0622D | - | - | - | - | - |

Market Bulletin Board at Thu 16:42:47

Offers to Buy Offers to Sell

| Order Ref | Cum Qty | Qty | Price (\$/GJ) | Price (\$/GJ) | Qty |
|-----------|---------|-----|---------------|---------------|-----|
|-----------|---------|-----|---------------|---------------|-----|

Last 10 Trades

| ID | Offer to Buy ID | Offer to Sell ID | Date/Time | Quantity | Price (\$/GJ) | Value (\$) | Buyer | Buyer I |
|----|-----------------|------------------|-----------|----------|---------------|------------|-------|---------|
|----|-----------------|------------------|-----------|----------|---------------|------------|-------|---------|

Offers to Buy

Clicking **Buy** brings up the following window for you to enter the details of the offer; and then click Submit.

Expiry Date is the date the offer expires, which must be a Trading Day. (An Expiry Date later than the date on which gas would first flow for the product simply means that the Offer will be valid as long as the product can be traded.)

Allow Partial Match? Tick box allows the Offeror to specify whether the offer can be partially accepted – that is, whether a trader could accept for, say, 400 GJ, rather than the total 1,000.

The screenshot shows the 'ENTER OFFER TO BUY DETAILS : 2010-0622D' form. At the top left is the GAS INDUSTRY COMPANY LIMITED logo, and at the top right is the NZ Gas Exchange logo. The form contains the following fields and controls:

- Price *: 5.00 (Mandatory)
- Quantity *: 1000 (Mandatory)
- Expiry Date: 25/06/2010 (format: dd/mm/yyyy)
- Notes: This is a note
- Allow Partial Match?:
- Order Reference: ref#1234
- Buttons: Cancel, Submit

A red box highlights the Submit button with the text "fill in information and click Submit" and an arrow pointing to the button.

Notes is optional and provides a means for the Offeror to convey further information to other traders; this information can be seen when a trader selects an Offer.

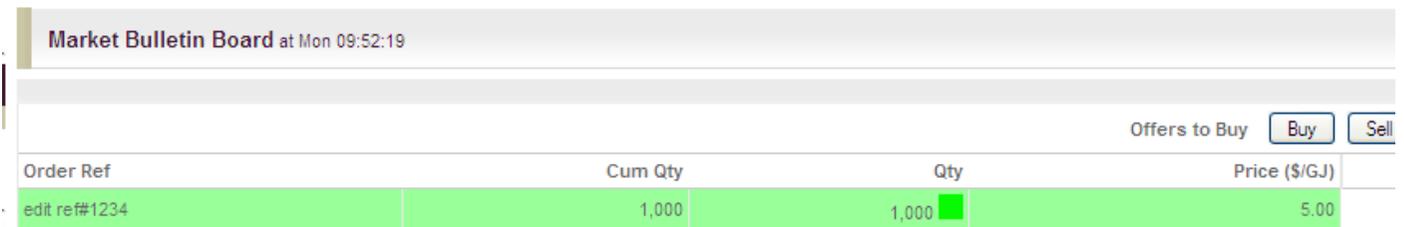


The screenshot shows the 'GAS INDUSTRY COMPANY LIMITED' logo and 'NZ Gas Exchange' header. Below is a dialog box titled 'HIT OFFER TO BUY DETAILS : 2010-0622D'. The details are as follows:

| | |
|----------------------|----------------|
| Price | \$5 |
| Quantity | 1000 |
| Notes | this is a note |
| Allow Partial Match? | N |

At the bottom of the dialog box are 'Cancel' and 'Accept' buttons. A red arrow points to the 'Notes' field.

Order Reference is also optional and is visible to the Offeror:



Market Bulletin Board at Mon 09:52:19

| Order Ref | Cum Qty | Qty | Price (\$/GJ) |
|---------------|---------|-------|---------------|
| edit ref#1234 | 1,000 | 1,000 | 5.00 |

Offers to Buy Buy Sell

But not other traders:



Market Bulletin Board at Mon 10:27:42

| Order Ref | Cum Qty | Qty | Price (\$/GJ) |
|-----------|---------|-------|---------------|
| Hit - | 1,000 | 1,000 | 5.00 |

Offers to Buy Buy Sell

Rule

- 22.5 On receipt of an Offer, the Trading System Operator will issue a Check Notice to the Offeror that will contain all the details in the Offer provided to the Trading System by the Offeror.
- 22.6 The Offeror will be responsible for:
- (a) reviewing the content of Check Notices issued in respect of Offers that it has submitted to the Trading System Operator; and
 - (b) either
 - (i) confirming to the Trading System Operator that the details of the Offer are correct; or
 - (ii) cancelling the Offer if any of the details in the Offer are incorrect.
- 22.7 The Trading System Operator will add the Offer to the Offer List on receipt of confirmation from the Offeror under Rule 22.6.

Procedure

Offers to Sell

Clicking **Sell** brings up the following window for you to enter the details of the offer; and then click Submit.

The fields are the same as for entering an offer to buy, with one addition:

Levy to Pay? Allows the Offeror to specify whether the wholesale gas levy is payable on the offered gas. This might be the case, for example, if the Offeror is a gas producer.

The screenshot shows a web form titled "ENTER OFFER TO SELL DETAILS : 2010-0627D". The form is part of the NZ Gas Exchange interface, with the GAS INDUSTRY COMPANY LIMITED logo on the left. The form fields are as follows:

- Price *: 6.10 (Mandatory)
- Quantity *: 1500 (Mandatory)
- Expiry Date: 21/07/2010 (format: dd/mm/yyyy)
- Notes: (Empty text area)
- Allow Partial Match?:
- Levy to Pay?:
- Order Reference: (Empty text field)

At the bottom of the form are two buttons: "Cancel" and "Submit".

Rule

Procedure

After receiving an Offer, the Trading System will ask the Trader to confirm the details of the Offer via a popup "Check Notice" window.

GAS INDUSTRY COMPANY LIMITED NZ Gas Exchange

CONFIRM OFFER TO BUY DETAILS : 2010-0622D

Price \$5.00
Quantity 1000
Expiry Date 25/06/2010
Notes This is a note
Allow Partial Match?
Order Reference ref#1234

Cancel Submit

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**If details are correct, click Submit
If details are wrong, click Cancel**

Submit adds the Offer to the Offer List and can be seen on the Watch List page. Offers made within the last 60 seconds are indicated by the red boxes.

Watch List

This page will autorefresh every 30 seconds.

Quote Sheet at Mon 10:56:30

| Product | My Offer to Buy (\$/GJ) | My Offer to Sell (\$/GJ) | Offer to Buy (\$/GJ) | Offer to Sell (\$/GJ) |
|------------|-------------------------|--------------------------|-----------------------|-----------------------|
| 2010-0622D | 5.00 | - | New offer 5.00 | - |
| 2010-0623D | - | - | - | - |

Cancel deletes the information from the Trading System.

Offer List

Rule

- 23.1 The Trading System Operator will maintain a list of all Offers submitted and confirmed in accordance with Rule 22.
- 23.2 The Trading System Operator will Publish details of all Offers on the Offer List, excluding the identity of the Offerors:
- at Trading Opening on each Trading Day; and
 - as soon as reasonably practicable after receipt or withdrawal of Offers during the Trading Day.
- 23.3 Participants are responsible for ensuring that details of Offers submitted by them and Published on the Offer List are correct.
- 23.4 The Offer List will not contain Offers from Suspended or Former Participants.

Procedure

The list of Offers is available on the Watch List page of the Trading System.

Watch List

This page will autorefresh every 30 seconds.

| Quote Sheet at Mon 11:47:37 | | | | | |
|-----------------------------|-------------------------|--------------------------|----------------------|-----------------------|-----|
| Product | My Offer to Buy (\$/GJ) | My Offer to Sell (\$/GJ) | Offer to Buy (\$/GJ) | Offer to Sell (\$/GJ) | Las |
| 2010-0622D | - | - | 5.00 | - | |
| 2010-0623D | - | 6.00 | 5.10 | 6.00 | |
| 2010-0624D | - | 6.20 | - | 6.20 | |
| 2010-0625D | 6.00 | - | 6.00 | - | |
| 2010-0626D | - | - | 5.10 | - | |
| 2010-0627D | - | - | - | 7.40 | |
| 2010-0628D | - | 6.00 | - | 6.00 | |
| 2010-0629D | 5.15 | - | 5.15 | - | |
| 2010-0630D | - | - | - | 8.00 | |
| 2010-0701D | - | - | - | 7.60 | |
| 2010-0702D | 5.20 | - | 5.20 | - | |
| 2010-0703D | - | - | - | - | |
| 2010-0704D | - | 7.00 | 5.00 | 7.00 | |

Withdrawal of Offers

Rule

- 24.1 An Offeror may withdraw an Offer by issuing a Withdrawal Notice to the Trading System Operator at any time before the Trading System Operator receives a response from an Accepting Participant that confirms a Confirmation Notice in respect of that Offer.
- 24.2 The Withdrawal Notice must contain sufficient information for the Trading System Operator to be able to identify the Offer in respect of which it has been issued.
- 24.3 Provided that it has not already issued a Confirmation Notice in respect of that Offer, the Trading System will as soon as possible:
- remove the Offer from the Offer List; and
 - notify the Offeror that it has withdrawn the Offer.
- 24.4 An Offer will not be deemed to have been withdrawn until such time as the Offer has been removed from the Offer List.

Procedure

Note that Withdrawing an Offer is also effectively the way to edit an existing Offer.

First choose the product the Offer to edit or delete relates to:

Watch List

This page will autorefresh every 30 seconds.

| Quote Sheet at Mon 12:27:05 | | |
|-----------------------------|-------------------------|--------------------------|
| Product | My Offer to Buy (\$/GJ) | My Offer to Sell (\$/GJ) |
| 2010-0622D | - | - |
| 2010-0623D | - | 6.00 |
| 2010-0624D | - | 6.20 |
| 2010-0625D | 6.00 | - |
| 2010-0626D | - | - |
| 2010-0627D | - | - |
| 2010-0628D | - | 6.00 |
| 2010-0629D | 5.15 | - |
| 2010-0630D | - | - |
| 2010-0701D | - | - |
| 2010-0702D | 5.20 | - |
| 2010-0703D | - | - |

Then choose **edit** on the Offer to be changed

| Market Bulletin Board at Mon 12:29:33 | | |
|---------------------------------------|---------|-------|
| Order Ref | Cum Qty | Qty |
| edit - | 2,000 | 2,000 |

This brings up the following popup Edit window:

GAS INDUSTRY COMPANY LIMITED NZ Gas Exchange

EDIT OFFER TO BUY DETAILS : 2010-0629D

Price * 5.15 * Mandatory

Quantity * 2000 * Mandatory

Expiry Date 21/07/2010 format : dd/mm/yyyy

Notes

Allow Partial Match?

Order Reference

Cancel Submit Withdraw

To **Withdraw** an offer, click the **Withdraw** button, which brings up the following confirmation window:

GAS INDUSTRY COMPANY LIMITED NZ Gas Exchange

Confirm Withdraw Offer to Buy - ID:671 Product Code:2010-0629D

Price 5.15

Quantity 2000

Expiry Date 21/07/2010

Notes

Allow Partial Match?

Order Reference

Cancel Confirm Edit Withdraw

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NOTES FOR WITHDRAWING ORDERS

This Offer to Buy is about to be withdrawn.

Are you sure you want to withdraw this Offer to Buy?

Click **Withdraw** again to confirm Offer withdrawal.

To edit an offer, change the details in the Edit Offer popup window and click **Submit**, which brings up the following confirmation window:

| Confirm Edit Offer to Buy - Details ID:671 Product Code:2010-0629D | |
|--|------------|
| Price | 5.75 |
| Quantity | 2000 |
| Expiry Date | 21/07/2010 |
| Notes | |
| Allow Partial Match? | |
| Order Reference | |

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Click **Confirm Edit** to confirm the change.

Effectively, this action withdraws the original Offer and replaces it with the edited Offer.

Note that Offers remain on the Offer List (and available for trades) until either a withdrawal or an edit is confirmed; that is, an Offer can be accepted while it is in the process of being changed.

Acceptance Notice

Rule

- 26.1 If a Participant wishes to accept an Offer, the Participant must submit an Acceptance Notice to the Trading System Operator.
- 26.2 Offers may only be accepted by Participants.
- 26.3 The Acceptance Notice will include sufficient information for the Trading System Operator to be able to identify the Offer in respect of which it is submitted.
- 26.4 Where an Offer is able to be partially accepted, the Acceptance Notice must include the quantity of Gas that is being accepted in respect of that Offer.
- 26.5 Acceptance Notices may only be submitted during Trading Hours.
- 26.6 The submission of an Acceptance Notice does not give rise to any contract or other rights or obligations.

Procedure

To accept an offer, first choose the relevant product from the Quote Sheet on the Watch List page:

Quote Sheet at Mon 14:07:34

| Product | My Offer to Buy (\$/GJ) | My Offer to Sell (\$/GJ) | Offer to Buy (\$/GJ) | Offer to Sell (\$/GJ) | La |
|------------|-------------------------|--------------------------|----------------------|-----------------------|----|
| 2010-0622D | - | - | 5.00 | - | |
| 2010-0623D | 5.10 | - | 5.10 | 6.00 | |
| 2010-0624D | - | - | - | 6.20 | |
| 2010-0625D | - | - | 6.00 | - | |
| 2010-0626D | 5.10 | - | 5.10 | - | |
| 2010-0627D | - | - | - | 7.40 | |
| 2010-0628D | - | - | - | 6.00 | |
| 2010-0629D | - | - | - | - | |
| 2010-0630D | - | - | - | 8.00 | |
| 2010-0701D | - | 7.60 | - | 7.60 | |
| 2010-0702D | - | - | 5.20 | - | |
| 2010-0703D | - | - | - | - | |
| 2010-0704D | - | - | 5.00 | 7.00 | |
| 2010-0705D | - | - | - | - | |
| 2010-0706D | - | - | - | - | |

choose a product

“Hit” the Offer you wish to transact:

Market Bulletin Board at Mon 14:20:30

| Order Ref | Cum Qty | Qty | Offers to Buy | | Offers to Sell | | Order Ref | |
|-----------|---------|---------|---------------|------|----------------|---------|-----------|---------|
| | | | Buy | Sell | Price (\$/GJ) | Qty | | Cum Qty |
| Hit - | 7,500 | 7,500 ▲ | 5.50 | | 7.00 | 300 ■ | 300 | - Hit |
| Hit - | 12,100 | 4,600 ▲ | 5.25 | | 7.20 | 1,200 ■ | 1,500 | - Hit |
| Hit - | 12,250 | 150 ■ | 5.00 | | | | | |

The 'Hit -' entry in the third row is circled in red.

Rule

Procedure

Then click **Accept** in the popup acceptance window.

| HIT OFFER TO BUY DETAILS : 2010-0704D | |
|---------------------------------------|-----|
| Price | \$5 |
| Quantity | 150 |
| Notes | |
| Allow Partial Match? | N |

For Offers that can be partially accepted, enter the quantity of gas that is being accepted and click **Submit**

| HIT OFFER TO BUY DETAILS : 2010-0704D | |
|---------------------------------------|-----------------------------------|
| Price | \$5.25 |
| Quantity | 4600 |
| Quantity to match | <input type="text" value="3000"/> |
| Expiry Date | 21-JUL-10 |
| Notes | |
| Allow Partial Match? | Y |

Confirmation of Acceptances

Rule

- 27.1 As soon as reasonably practicable after submission of an Acceptance Notice, the Trading System Operator will either:
- (a) confirm the Acceptance Notice by issuing a Confirmation Notice; or
 - (b) reject the Acceptance Notice by issuing a Rejection Notice if the Offer is not on the Offer List.
- 27.2 Acceptance Notices will only be confirmed or rejected during Trading Hours.
- 27.3 Acceptance Notices will be processed by the Trading System Operator in the order they are submitted.
- 27.4 A Confirmation Notice will be issued to the Accepting Participant and will include the terms set out in the Acceptance Notice.

Procedure

After receiving an Acceptance Notice, the Trading System will ask the Trader to confirm the details of the acceptance via a popup "Confirmation Notice" window.

GAS INDUSTRY COMPANY LIMITED **NZ Gas Exchange**

CONFIRM OFFER ON HIT OFFER TO BUY : 2010-0704D

| | |
|----------------------|-----------|
| Price | \$5.25 |
| Quantity | 4600 |
| Quantity to match | 3000 |
| Expiry Date | 21-JUL-10 |
| Notes | |
| Allow Partial Match? | Y |

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**If all details are correct, click Submit
If not, click Cancel**

Rule

- 27.5 The Accepting Participant will be responsible for:
- (a) reviewing all Confirmation Notices issued in respect of Acceptance Notices that the Accepting Participant has submitted to the Trading System Operator; and
 - (b) either
 - (i) confirming to the Trading System Operator that the details of the Confirmation Notice are correct; or
 - (ii) cancelling the Confirmation Notice, in which event the Acceptance Notice will be deemed not to have been submitted.
- 27.6 A Confirmation Notice not confirmed by Trading Closing will be deemed to be cancelled by the Accepting Participant under Rule 27.5(b)(ii).

Procedure

If the Acceptance Notice is in respect of an Offer no longer on the Offer List, the Trading System will issue a Rejection Notice. If the Offer has been withdrawn, the following notice is issued:

GAS INDUSTRY COMPANY LIMITED

NZ Gas Exchange

! NZGE Test System **!**

Gas-Trade Error

The bid you were hitting has been changed or withdrawn
Please re query the Market Depth.

For further information on this problem or general support and enquiries please contact us via one of the following:

- Telephone : +64 4 495 50 51
- Email : support@nzge.co.nz

Telephones are operational during business hours.

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A similar notice is issued if the Offer has already been accepted in its entirety.

Formation of Contract

Rule

- 28.1 On receipt of confirmation from the Accepting Participant under Rule 27.5(b)(i), the Trading System Operator will check that the Offer is Valid for Acceptance by the Accepting Participant and either:
- advise the Accepting Participant that the Offer is not Valid for Acceptance by the Accepting Participant; or
 - issue a Contract Notice to the Offeror and the Accepting Participant.
- 28.2 The Contract Notice must contain details of the:
- identities of the Offeror and Accepting Participant;
 - Agreed Quantity, being the quantity of Gas (in GJ) to be delivered on each day between 0000 hours on the Supply Commencement Date and 2400 hours on the Supply End Date, which will be either:

Procedure

After the confirmation of acceptance, the Trading System checks the Offeror's and the accepting trader's White Lists to see if the trade can go ahead (that is, if the trade is "Valid for Acceptance"). If it can, the trade will appear on the screen with the contract number, quantity, price, buyer, and seller.

Market Bulletin Board at Mon 16:24:28

| Offers to Buy | | Offers to Sell | |
|---------------|---------|----------------|---------------|
| Order Ref | Cum Qty | Qty | Price (\$/GJ) |
| - | 7,500 | 7,500 | 5.50 |
| edit - | 9,100 | 1,600 | 5.25 |

Last 10 Trades

| ID | Offer to Buy ID | Offer to Sell ID | Date/Time | Quantity | Price (\$/GJ) | Value (\$) | Buyer | Buyer Ref | Seller | Seller Ref |
|-------|-----------------|------------------|---------------------|----------|---------------|------------|-------|-----------|--------|------------|
| - 525 | 674 | - | 21/06/2010 15:30:30 | 3,000 | 5.25 | 15,750.00 | NORTH | - | WEST | - |
| - 523 | - | - | 21/06/2010 15:07:57 | 300 | 7.00 | 2,100.00 | | | | |
| - 522 | - | - | 21/06/2010 15:06:44 | 125 | 5.00 | 625.00 | | | | |

Other traders will be able to see the trades, but not the traders involved:

Market Bulletin Board at Mon 16:26:39

| Offers to Buy | | Offers to Sell | |
|---------------|---------|----------------|---------------|
| Order Ref | Cum Qty | Qty | Price (\$/GJ) |
| edit - | 7,500 | 7,500 | 5.50 |
| - | 9,100 | 1,600 | 5.25 |

Last 10 Trades

| ID | Offer to Buy ID | Offer to Sell ID | Date/Time | Quantity | Price (\$/GJ) | Value (\$) | Buyer | Buyer Ref | Seller | Seller Ref |
|-------|-----------------|------------------|---------------------|----------|---------------|------------|-------|-----------|--------|------------|
| - 525 | - | - | 21/06/2010 15:30:30 | 3,000 | 5.25 | 15,750.00 | | | | |
| - 523 | - | 622 | 21/06/2010 15:07:57 | 300 | 7.00 | 2,100.00 | WEST | - | SOUTH | - |
| - 522 | 675 | - | 21/06/2010 15:06:44 | 125 | 5.00 | 625.00 | SOUTH | - | EAST | - |

Rule

- (i) the amount specified in the Offer; or
- (ii) where an Offer is able to be partially accepted, the amount specified in the Acceptance Notice;
- (c) price payable per GJ of Gas;
- (d) liability for the Industry Body Levy to be paid, if any;
- (e) Supply Commencement Date, being the first date on which Gas will be delivered, or made available for nomination, under the Contract;
- (f) Supply End Date, being the last date on which Gas will be delivered under the Contract;
- (g) unique identifier assigned to the applicable version of the Standard Trading Terms;
- (h) contract number generated by the Trading System; and
- (i) the date of the Contract Notice.

Procedure

The Trading System sends Contract Notices to the buyer and seller by email that contain the details of the trade:

```
From: support@nzge.co.nz
To: Pamela Caird
Cc:
Subject: Your acceptance of Offer to Buy 674 is confirmed

Gas Sale Agreement Between
Offeror: North Gas (Offer to Buy)
and
Accepting Participant: West Gas
Dated: 21 June 2010

Terms of Sale and purchase are the
New Zealand Gas Exchange Standard Trading Terms: Version 2008-2 together with the parameters listed below

Agreed Quantity: 3000
Price ($/GJ): 5.25
Industry Body Levy payable: N
Supply Commencement Date: 04/07/2010
Supply End Date: 04/07/2010
Contract number: 525
```

In the event that a trade cannot be completed because the Offeror and Accepting Participant are not on each other's White Lists (in other words, not "Valid for Acceptance"), the Trading System issues the following notice:



Notification and Publication of Contract Details

Rule

29.1 Following formation of a Contract in accordance with Rule 28, the Trading System Operator will Publish the following details in relation to that Contract:

- (a) the quantity of Gas being supplied under the Contract;
- (b) the price payable for the Gas; and
- (c) the period over which the Gas will be supplied.

29.2 At the end of each Trading Day, the Industry Body will Publish:

- (a) the aggregate quantity of Gas traded on that day under Contracts; and
- (b) the total value of the Gas traded on that day under Contracts.

Procedure

Individual trades can be viewed by Participants logged into the Trading System. The view is customised to the viewer: Participants can see all the details of their own trades, and all details except buyer and seller for other trades:

View Trades Archive ?

| | | |
|---------------------------------------|--|--|
| Product | ALL | |
| Buyer | ALL | |
| Seller | ALL | |
| Start date | 21/06/2010 | |
| End date | 21/06/2010 | |
| My Trades Only | <input type="checkbox"/> | |
| Type | Buy <input type="radio"/> Sell <input type="radio"/> Both <input checked="" type="radio"/> | |
| <input type="button" value="Search"/> | | |

| Trades | | | | | | | | | | | |
|--------|-----------------|------------------|---------------------|------------|----------|---------------|------------|-------|-----------|--------|------------|
| ID | Offer to Buy ID | Offer to Sell ID | Date/Time | Product | Quantity | Price (\$/GJ) | Value (\$) | Buyer | Buyer Ref | Seller | Seller Ref |
| - 525 | 674 | - | 21/06/2010 15:30:30 | 2010-0704D | 3,000 | 5.25 | 15,750.00 | NORTH | - | WEST | - |
| - 524 | - | - | 21/06/2010 15:26:24 | 2010-0709D | 450 | 5.10 | 2,295.00 | - | - | - | - |
| - 523 | - | - | 21/06/2010 15:07:57 | 2010-0704D | 300 | 7.00 | 2,100.00 | - | - | - | - |
| - 522 | - | - | 21/06/2010 15:06:44 | 2010-0704D | 125 | 5.00 | 625.00 | - | - | - | - |
| - 521 | - | - | 21/06/2010 12:44:32 | 2010-0629D | 2,000 | 5.15 | 10,300.00 | - | - | - | - |

For members of the public (who are not logged into the Trading System), trades are aggregated by product – total volume and total value of trades are shown, instead of individual prices and quantities.



Quotesheet By Product

Product : 2010-0704D - 2010-0704D

Quotesheet History For 2010-0704D at Mon 16:05:23

| Product | Date | Trades | Volume | Value (\$) | Last (\$/GJ) | At | High (\$/GJ) | Low (\$/GJ) | Closing Offer to Buy (\$/GJ) | Closing Offer to Sell (\$/GJ) | Closing Price (\$/GJ) |
|------------|------------|--------|--------|------------|--------------|---------------------|--------------|-------------|------------------------------|-------------------------------|-----------------------|
| 2010-0704D | 22/06/2010 | 0 | 0 | 0.00 | 5.25 | 21/06/2010 15:30:30 | - | - | - | - | - |
| 2010-0704D | 21/06/2010 | 3 | 3,425 | 18,475.00 | 5.25 | 21/06/2010 15:30:30 | 7.00 | 5.00 | 5.50 | 7.20 | 6.35 |
| 2010-0704D | 18/06/2010 | 0 | 0 | 0.00 | - | - | - | - | - | - | - |
| 2010-0704D | 17/06/2010 | | | | - | - | - | - | - | - | - |
| 2010-0704D | 14/06/2010 | 0 | 0 | 0.00 | - | - | - | - | - | - | - |
| 2010-0704D | 11/06/2010 | 0 | 0 | 0.00 | - | - | - | - | - | - | - |
| 2010-0704D | 10/06/2010 | 0 | 0 | 0.00 | - | - | - | - | - | - | - |
| 2010-0704D | 09/06/2010 | 0 | 0 | 0.00 | - | - | - | - | - | - | - |
| 2010-0704D | 08/06/2010 | 0 | 0 | 0.00 | - | - | - | - | - | - | - |
| 2010-0704D | 04/06/2010 | 0 | 0 | 0.00 | - | - | - | - | - | - | - |

Rule

- 29.2 At the end of each Trading Day, the Industry Body will Publish:
- (a) the aggregate quantity of Gas traded on that day under Contracts; and
 - (b) the total value of the Gas traded on that day under Contracts.

Procedure

The publicly available Market Summary page summarises the day's trading.

Market Summary

| Top Price Movers - Last 5 business days at Mon 16:30:48 | | | | Product By Turnover at Mon 16:30:48 | | |
|---|----------|-----------------------|---------------|-------------------------------------|--------|------------|
| Product | Movement | Current Price (\$/GJ) | Turnover (\$) | Product | Volume | Value (\$) |
| | | | | 2010-0704D | 3,425 | 18,475.00 |
| | | | | 2010-0629D | 2,000 | 10,300.00 |
| | | | | 2010-0709D | 450 | 2,295.00 |

| Market Activity at Mon 16:30:48 | | | | |
|---------------------------------|--------|------------|-----------------------|--|
| Trades | Volume | Value (\$) | Period | |
| 5 | 5,875 | 31,070.00 | Today | |
| 5 | 5,875 | 31,070.00 | Last 5 Business Days | |
| 5 | 5,875 | 31,070.00 | Last 20 Business Days | |