S&P Global Platts & Intercontinental Exchange Launch New National and Regional Natural Gas Indices

Platts-ICE Natural Gas Index Americas (GIA) Reflects 20 Locations Across 4 Regions; Increases Price Transparency

NEW YORK, Nov. 1, 2018 /PRNewswire/ -- S&P Global Platts ("Platts"), the leading independent provider of information, benchmark prices and analytics for the commodities and energy markets, and Intercontinental Exchange, Inc. ("ICE") a leading operator of global exchanges and clearing houses and provider of data and listings services, today jointly announced the launch of a new suite of North American natural gas indices to better capture dramatically altered supply and demand flows, regional price differentials and increased spot market volatility in the US and Canada.

The physical natural gas market has changed significantly in recent years due to dramatic increases in Northeast gas production, reversal of flow of existing pipelines, new pipeline projects, and increasing sources of demand such as power generation, liquefied natural gas (LNG) exports, and exports to Mexico. In response to these developments and through extended market engagement with the industry, S&P Global Platts and ICE have developed Platts-ICE GIA to provide more transparency into North American spot market volatility and regional price differentials.

The new suite of physical natural gas price indices incorporate prior-season supply and demand flows and physical next-day natural gas prices at 20 locations across four regions in North America. The indices will be published daily after the close of trading; will be based on Platts Natural Gas indices as published in Gas Daily; and, are the result of next-day, physical fixed-price trades reported to S&P Global Platts by Price Reporters and natural gas trades concluded on the ICE screen.

The Platts-ICE GIA suite includes:

- **GIA North America**
- **GIA Northeast**
- **GIA South**
- **GIA Midwest**
- **GIA West**

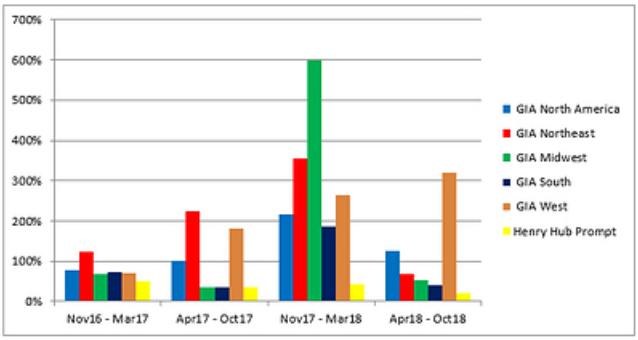
The indices are designed to capture comprehensive market fundamentals forNorth America as a whole, as well as each region, thereby making them more responsive to supply, demand, weather, infrastructure and other changes that can cause market and price volatility.

Mark Callahan, Editorial Director, Americas Gas and Power Pricing, S&P Global Platts: "The launch of Platts-ICE GIA represents a key step in strengthening our US natural gas offering and follows a long period of engagement with market participants and close collaboration with Intercontinental Exchange. By offering more transparency into North American natural gas markets, Platts-ICE GIA allows producers, traders, hedgers, risk managers and investors to better understand one of the World's most advanced onshore natural gas markets. The concept of using pipeline nomination data to combine locations into regions to reflect broader market conditions, but critically avoid overexposure to a single location, has been well received by market participants."

J.C. Kneale, Vice President, North American Natural Gas, Power and NGL Markets, ICE:"By leveraging the strength of ICE and Platts' physical markets experience, GIA provide an improved, alternative index for North American and regional hedging for customers both domestically and globally. There is a growing market sentiment that significant regional volatility and market fundamentals are not being adequately captured in the Henry Hub natural gas futures contract, making it tougher to hedge price risk. That's why we're pleased to take this next step in our partnership with S&P Global Platts to power these new indices, which should be of interest to a broad set of market participants, including financial institutions and other investor types."

Events last winter provide evidence of the value of regional-specific indices. FromDec 26, 2017 to Jan 5, 2018, the US Northeast and Midwest experienced well below normal temperatures and regional prices swung dramatically, which resulted in a cargo of natural gas at sea (in the form of LNG) to change destinations to meet market need in the US Northeast. This weather-driven gas demand was clearly demonstrated by the Platts-ICE GIA Northeast and Midwest indices, but market fundamentals at Henry Hub during the period failed to reflect the regional dynamics and, instead, the prompt-month values held to a tight range.

Annualized Volatility Beginning November 1, 2016
Source: S&P Global Platts



Leveraging S&P Global Platts' extensive database of more than 35,000 pipeline meter points across the country and benchmark pricing for more than 200 locations, the new Platts-ICE GIA suite provides a view of natural gas prices regionally and pan-North America, with a focus on areas with the highest supply and demand flows. That enables the indices to be more reflective of each respective regional market.

S&P Global Platts Analytics uses the prior winter or summer season pipeline flows to determine locations, location weightings, and regional weightings in the Platts-ICE GIA. This results in a dynamic methodology that incorporates market changes such as new pipelines, changes in flows, and new sources of demand, highlighting locations in each region which are the most relevant. The methodology is designed to ensure no single location or region can dominate the indices.

The methodology for the new Platts-ICE GIA indices may be found at: https://www.spglobal.com/platts/en/our-methodology/methodology-specifications/natural-gas.

S&P Global Platts and ICE on November 21, 2016, entered a data-sharing partnership to strengthen theNorth America's natural gas benchmarks, streamline the reporting process, and further improve transparency in over-the-counter (OTC) pricing. Platts and ICE have been energy technology and data partners since 2007.

S&P Global Platts price references in natural gas have been recognized by the marketplace and industry as the North American benchmarks for nearly 30 years.

About S&P Global Platts

At S&P Global Platts, we provide the insights; you make better informed trading and business decisions with confidence. We're the leading independent provider of information and benchmark prices for the commodities and energy markets. Customers in over 150 countries look to our expertise in news, pricing and analytics to deliver greater transparency and efficiency to markets. S&P Global Platts coverage includes oil and gas, power, petrochemicals, metals, agriculture and shipping.

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About Intercontinental Exchange

Intercontinental Exchange (NYSE: ICE) is a Fortune 500 and Fortune Future 50 company formed in the year 2000 to modernize markets. ICE serves customers by operating the exchanges, clearing houses and information services they rely upon to invest, trade and manage risk across global financial and commodity markets. A leader in market data, ICE Data Services serves the information and connectivity needs across virtually all asset classes. As the parent company of the New York Stock Exchange, the company raises more capital than any other exchange in the world, driving economic growth and transforming markets.

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Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995 -- Statements in this press release regarding ICE's business that are not historical facts are "forward-looking statements" that involve risks and uncertainties. For a discussion of additional risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see ICE's Securities and Exchange Commission (SEC) filings, including, but not limited to, the risk factors in ICE's Annual Report on Form 10-K for the year ended December 31, 2017, as filed with the SEC onFebruary 7, 2018.

Intercontinental Exchange (NYSE: ICE) operates the leading network of global futures and equity exchanges and provides world class clearing, data and listing services across many markets. The New York Stock Exchange is the world leader in capital raising and equities trading. Trademarks of ICE and/or its affiliates include Intercontinental Exchange, ICE, ICE block

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SOURCE S&P Global Platts; ICE

For further information: At S&P Global Platts: Kathleen Tanzy, + 1 917 331 4607, kathleen.tanzy@spglobal.com; At ICE: Damon Leavell, +1 212 323 8587, damon.leavell@theice.com

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