



THE AUSTRALIAN GAS LIGHT COMPANY

Media Conference
Future Gas Portfolio
18 December 2002





AGL MARKET POSITION

- Diversified energy portfolio across regulated and market businesses in multiple markets
- Economies of scale and margin focus key to market businesses
- Retail marketing and customer management strategies centred on sustainable long term customer relationships
- Strong risk management focus on wholesale energy costs
- Vertical integration opportunities being pursued to minimise risk & optimise portfolio position



- Developing and building upon positions of market leadership in energy sector value chains in which we compete



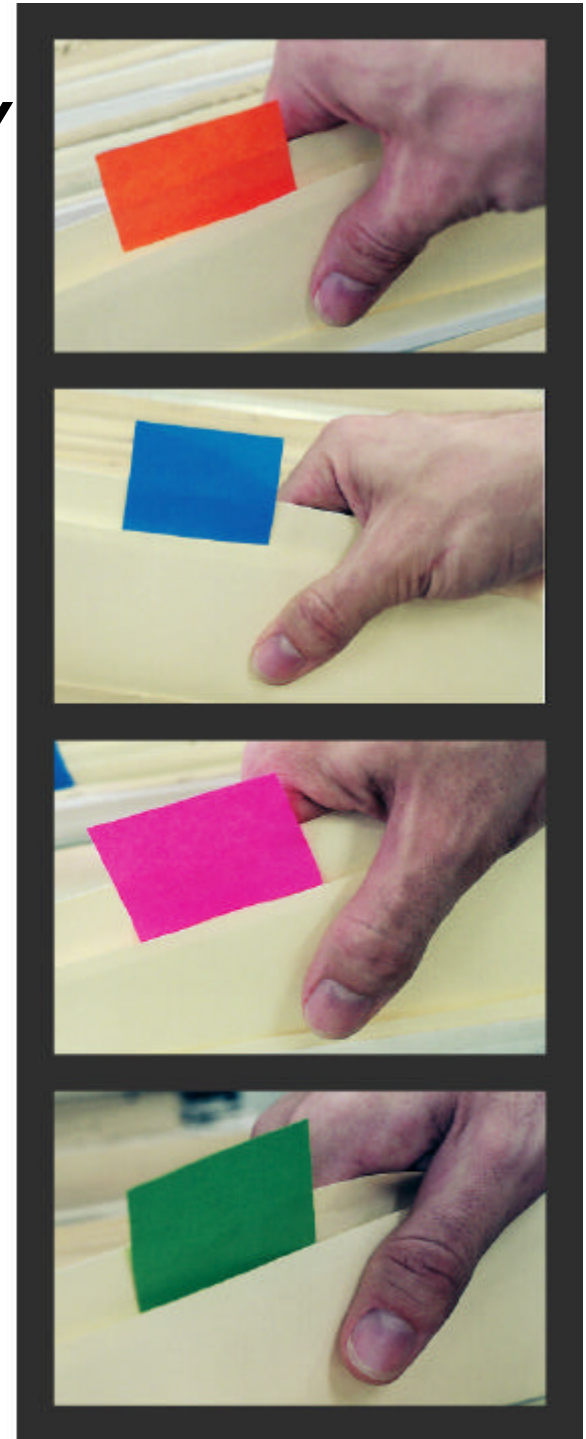
AGL's FOUR PART STRATEGY

DELIVERING MAXIMUM RETURNS

REDEFINING THE PORTFOLIO

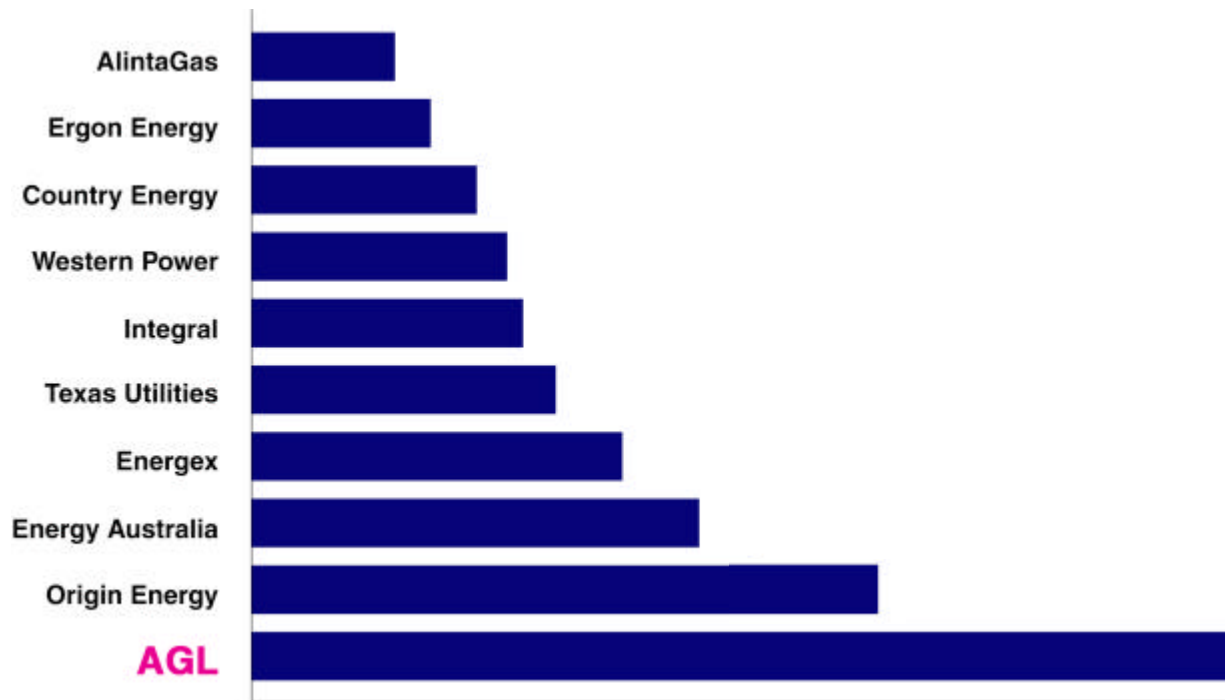
COMPLETING BUSINESS PLATFORMS

BUILDING CAPABILITIES

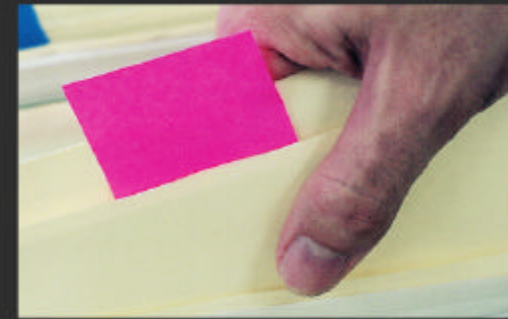




ENERGY RETAIL MARKET LEADERSHIP



AGL has more than 3.1 million retail energy accounts...



COMPLETING BUSINESS PLATFORMS

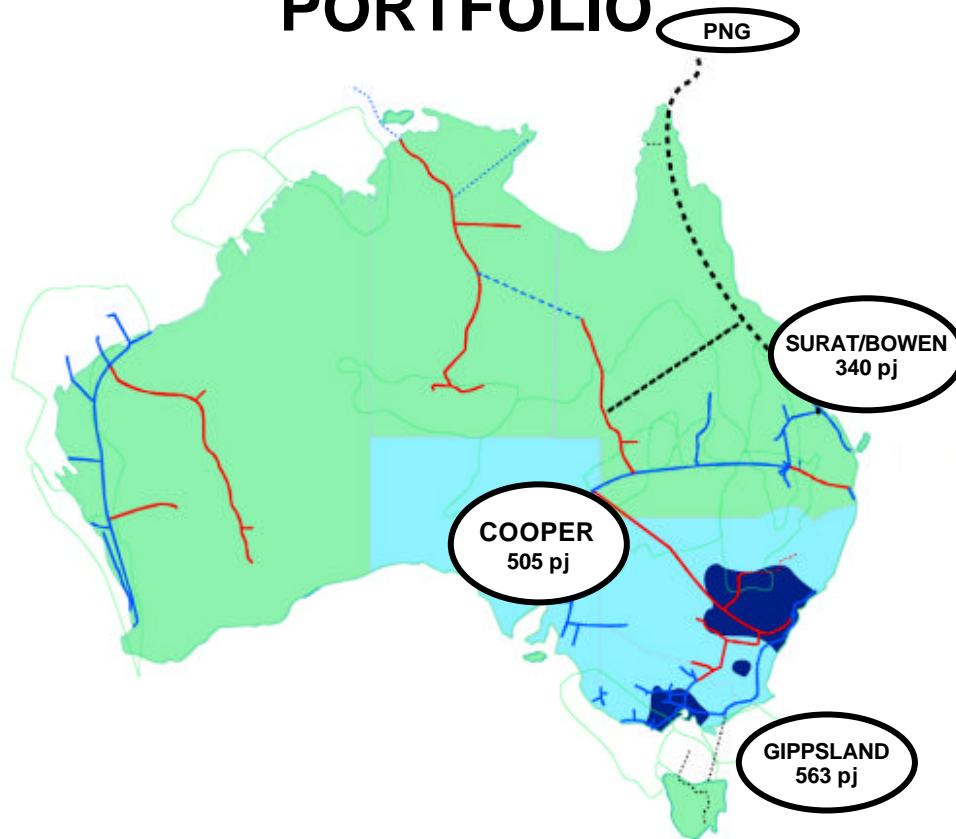
Keys to Success:-

- Scale & margin
- Energy purchasing costs
- Security of energy supplies
- Strong risk management focus

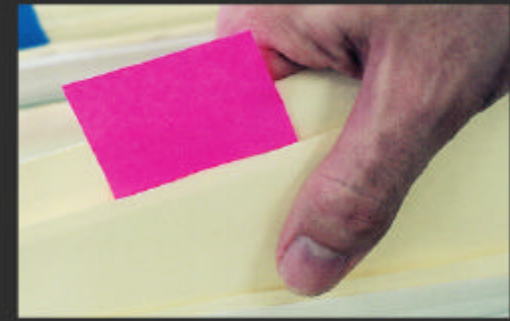




\$4.5 BILLION GAS & TRANSPORTATION PORTFOLIO



Diversified flexible gas supply & transportation portfolio...



COMPLETING BUSINESS PLATFORMS

- **Security & flexibility to cater for existing and future customer needs**

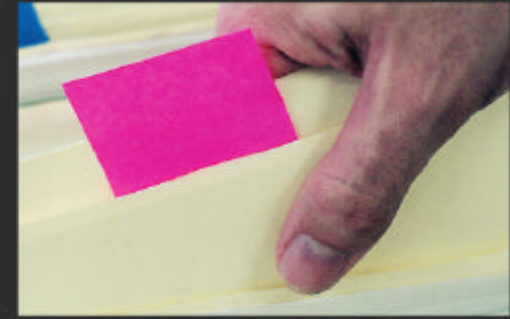




COMPETITIVELY PRICED GAS SUPPLIES

- **Meets stated objective of building gas & transportation arrangements which lock in:**
 - secure
 - diversified
 - market competitive gas
- **NSW, SA & ACT markets supplied from Surat & Cooper Basins - supply to Victoria if necessary to meet peak day requirements**
- **Gippsland gas complements existing Victorian arrangements - supply NSW and ACT through EGP or NSW/Vic interconnector**

Flexibility in servicing customers...



COMPLETING BUSINESS PLATFORMS

- **Price structures allow portfolio optimisation across markets**
- **Price reset mechanisms maintain competitive position**

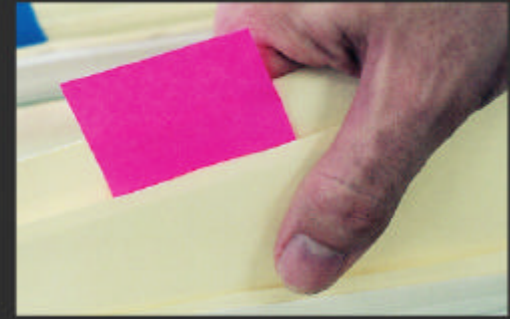




REASSESSMENT OF PNG OPTION

- **Conditional foundation customer from March 2002 - expectation of timely commitments from other customers**
- **AGL required certainty of additional gas supply from 2006**
- **Delay in PNG customer commitments has resulted in alternate gas supply arrangements announced today**
- **Advice to ExxonMobil led producer group that AGL is reassessing PNG gas options**
- **Recent northern Australian market developments confirm PNG project contribution to future gas supplies**

Meeting customer requirements a priority...



COMPLETING BUSINESS PLATFORMS

- **Time for certainty of PNG gas supply to meet 2006 time frame has passed**

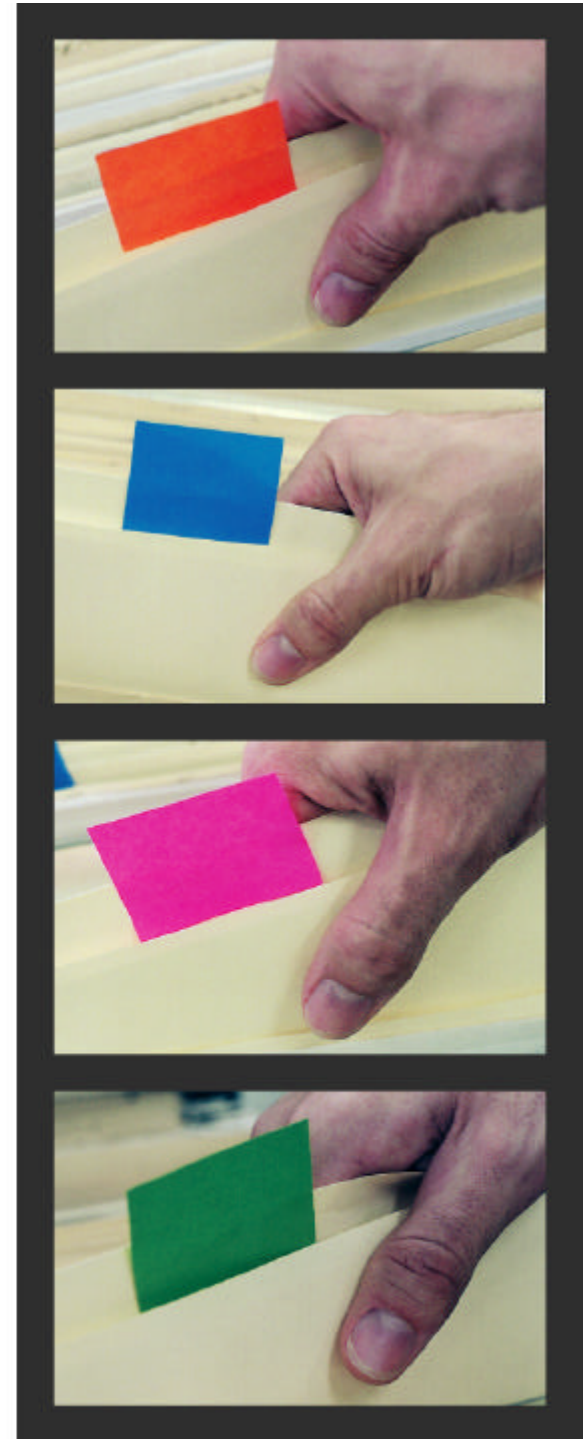




THE WAY FORWARD

- **Delivering Maximum Returns**
Integrating Victorian acquisition
- **Redefining the Portfolio**
Rationalising non core businesses
- **Completing Business Platforms**
Assessing further opportunities in
wholesale electricity
- **Building Capability**
Maintaining industry leadership

Building on the momentum...





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