



AGL takes ownership of Torrens Island power station

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AGL Energy Limited (AGL) has added more than 60 per cent to its generation capacity after formally taking ownership of the 1,280 megawatt gas-fired Torrens Island Power Station (TIPS) in South Australia from TRUenergy. As part of the transaction announced on 29 January 2007, TRUenergy today assumed ownership of the Hallett power station.

AGL's generation capacity now stands at 3300MW, either in current operation or under construction, and in the vicinity of a 100 per cent increase in less than a year.

AGL Managing Director, Paul Anthony, said that TIPS provides approximately 25 per cent of South Australia's electricity requirements.

"TIPS is a substantial investment by AGL in South Australia and significantly bolsters AGL's physical position in low carbon emission electricity generation. The power station also has an excellent remaining operating life of 25 years which has been verified by an independent engineering consultant," Mr Anthony said.

"More than 75 per cent of this capacity comes from clean burn gas, hydro or renewable sources with planned development projects set to increase this to more than 85 per cent.

"By the end of the decade AGL could be operating 134 wind turbines with a combined capacity of over 255MW in South Australia. TIPS itself has the added environmental benefits associated with using water from the Port River for cooling rather than town and drinking water.

"AGL is investigating options to further expand the capacity of the plant at Torrens Island and in turn provide further security of supply in the South Australian electricity market."

As part of the transaction, AGL has also acquired a 10-year, 300-petajoule, gas sales agreement expiring in 2017, together with the associated SEAGas pipeline haulage contract which expires in 2019.

"The sales agreement and haulage contract will deliver AGL more options for supplying TIPS' ongoing fuel requirements and for meeting the needs of AGL's existing South Australian retail and commercial and industrial customer base. They will also provide AGL with options to explore new business opportunities," Mr Anthony said.

AGL has also entered into a gas storage agreement with TRUenergy for a combination of firm and non-firm capacity at the WUGS facility at Port Campbell, Victoria, with the agreement through until 2017. The facility will deliver additional interruptible gas supply as required as well as providing optionality between the AGL generation and gas market portfolios.

TIPS operates with a total staff complement of 167, all of whom have remained at the power station and from yesterday became AGL employees.

Further enquiries:

Media Andrew Scannell

Direct: + 61 3 8633 6167

e-mail: ascannell@agl.com.au

Investors & Analysts

Graeme Thompson

Direct: + 61 2 9921 2789

Mobile: + 61 (0) 412 020 711

e-mail: gthompson@agl.com.au

About AGL

AGL is Australasia's leading integrated energy company. Drawing on 170 years of experience, it includes retail and merchant energy businesses, power generation assets and an upstream gas portfolio. AGL has Australia's largest retail energy and dual fuel customer base supplying around 4.1 million customer accounts. This includes customers supplied with gas and electricity through AGL's joint venture partnerships, ActewAGL and AlintaAGL. AGL has a diverse power generation portfolio including base, peaking and intermediate generation plants, spread across traditional thermal generation as well as renewable sources including hydro, wind, solar, landfill gas and biomass. As Australia's largest listed renewable energy producer, AGL is looking to further expand this position by exploring a suite of low emission and renewable energy generation development opportunities.