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ASX & Media release

25 May 2011

Attached is a media statement from Arrow Energy concerning a diesel spill at the Moranbah Gas Project.

Arrow Energy is the operator of the Moranbah Gas Project, in which AGL is a joint venture partner.

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About AGL

AGL is Australia's largest integrated renewable energy company and is taking action toward creating a sustainable energy future for our investors, communities and customers. Drawing on over 170 years of experience, AGL operates retail and merchant energy businesses, power generation assets and an upstream gas portfolio. AGL has Australia's largest dual fuel customer base. 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, landfill gas and biomass. AGL is Australia's largest private owner and operator of renewable energy assets and is looking to further expand this position by exploring a suite of low emission and renewable energy generation development opportunities.

Media Statement



24 May 2011

FOR IMMEDIATE RELEASE

MORANBAH DIESEL SPILL

Arrow Energy is remediating the site of a diesel fuel spill which was reported at 4pm today near Moranbah in Central Queensland.

Approximately 3000 litres spilled from a diesel storage tank, near Arrow infrastructure which is part of the company's Moranbah Gas Project.

The spill footprint was limited to an area of approximately 10m long and 2m wide. It occurred on cleared land and there has been no impact to natural water courses, ponds or aquifers.

Remediation work began immediately to industrially vacuum the spilled fuel. Sand was then spread over the remaining diesel and excavation commenced. Excavation will be completed tomorrow morning and waste will then be removed to a government regulated containment area.

Arrow has notified the Department of Environment and Resource Management (DERM), the landholder, and the neighbouring properties.

The company is now working with DERM to determine any environmental impact. Arrow is looking into the cause of the spill.

More information:

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NOTES TO THE EDITOR

Arrow Energy Pty Ltd

Arrow Energy is one of the largest integrated energy companies in Australia with five gas producing projects in the Surat and Bowen Basins and interests in three gas-fired power stations. Arrow currently provides approximately 20 per cent of Queensland's gas and electric needs.

In 2010 Arrow was acquired by Royal Dutch Shell and PetroChina in a 50/50 joint venture partnership. We are currently expanding our CSG exploration activities across Queensland and northern New South Wales, and are delivering a major CSG to liquefied natural gas (LNG) project to meet an international demand for cleaner energy.

Arrow's key priority is the safety of our employees, contractors and those people living in the communities in which we operate. Arrow has offices located in Brisbane, Gladstone, Moranbah and Dalby.