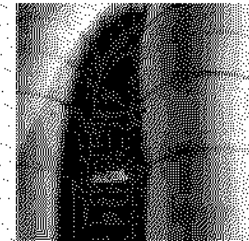
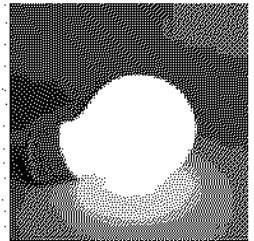
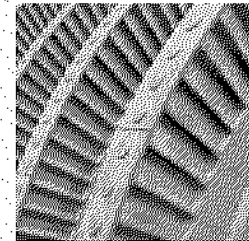


australia's energy security

paul anthony, agl managing director & ceo

17th annual power & electricity congress

November 2006



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agenda

- australia's energy reserves
- the global energy market
- supplying electricity in Australian markets
- greenhouse gas emissions and carbon risk
- australia's energy mix moving forward
- conclusions

australian energy reserves

abundant reserves of gas, coal & uranium

gas

- ~ 2.52 trillion cubic metres of natural gas reserves
 - 1.4% of world reserves (179.83 trillion cubic metres)
 - at current production of 37.1 billion cubic metres, life of 67.9 years

coal

- ~ 78,500 million tonnes of coal reserves
 - 8.6% of world reserves
 - at current production of 369 million tonnes per annum, life of 213 years

uranium

- ~ 1,000,000 tonnes of recoverable uranium reserves.
 - around 30% of known global reserves
 - further 33% in developing/emerging countries

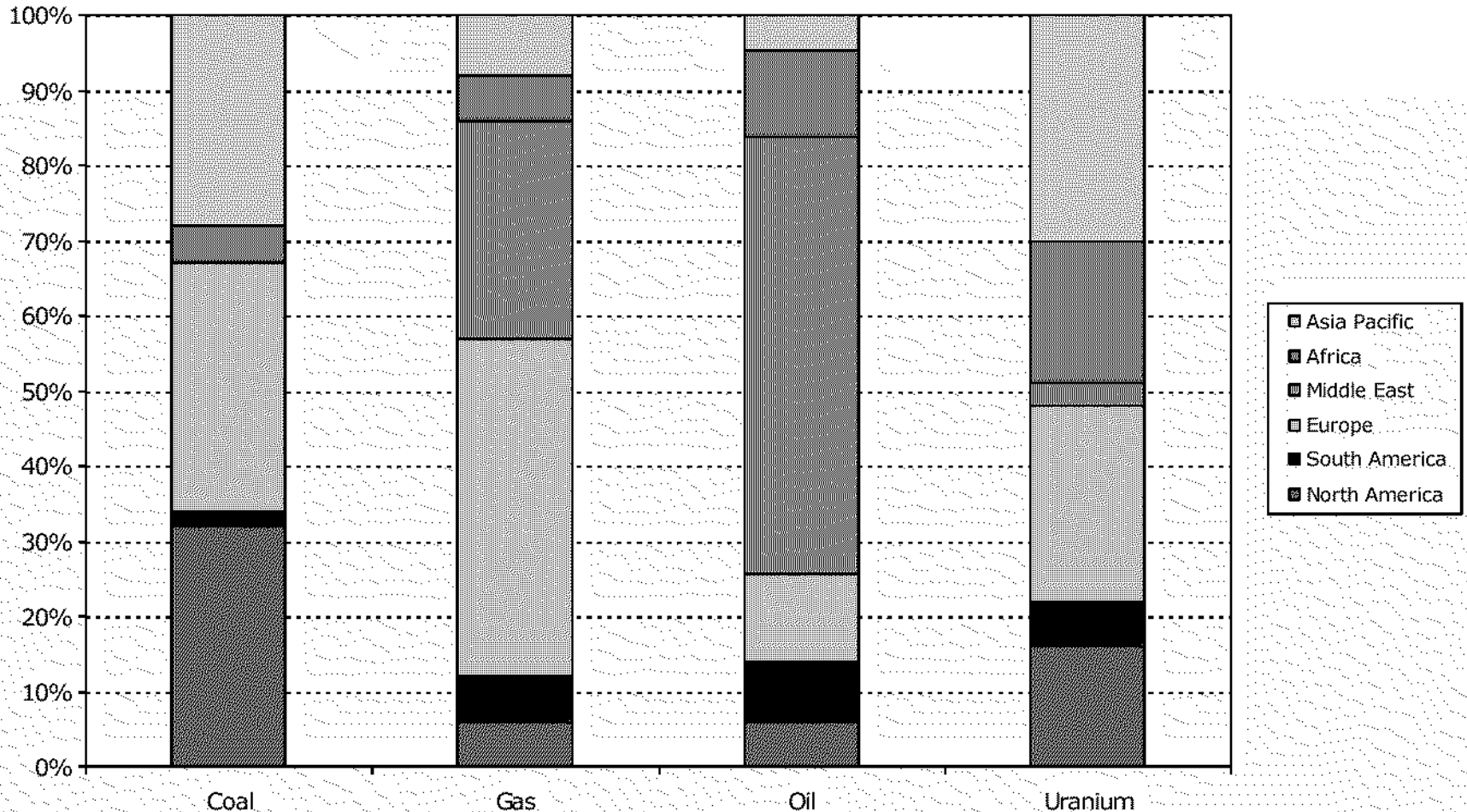
australian energy reserves

oil – a different story

- end 2005, estimated world oil reserves ~1200 thousand million barrels
 - estimated world oil consumption ~30 thousand million barrels annually
 - with present reserves and at current consumption, life of 40 years
 - consumption growing significantly
 - pressure on to find additional reserves to meet ongoing demand
- end 2005, estimated Australian oil reserves ~4 thousand million barrels
- at current production of 202 million barrels per year, life of 20 years
- consumption already 50% higher than its domestic production

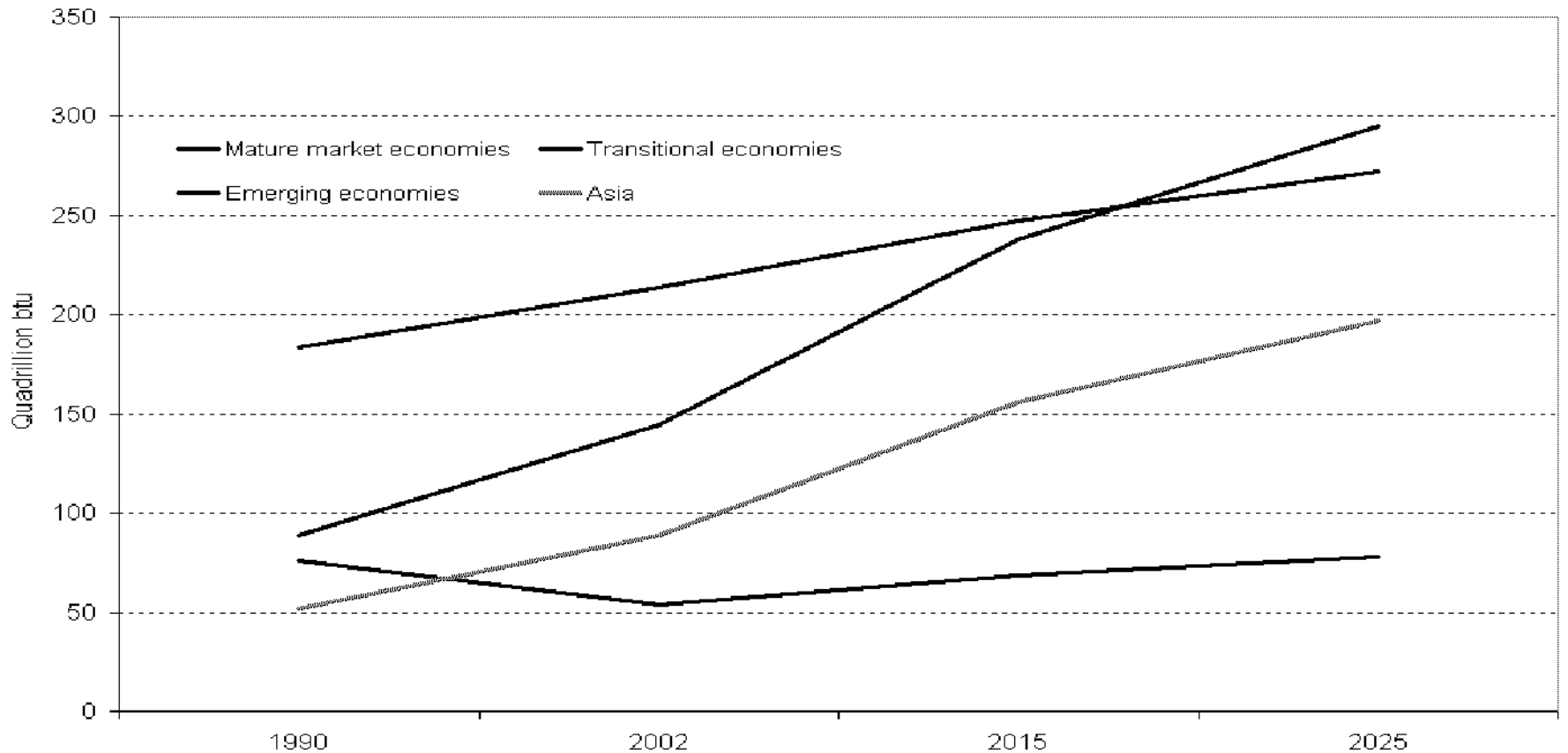
distribution of world energy reserves

where are the energy reserves?



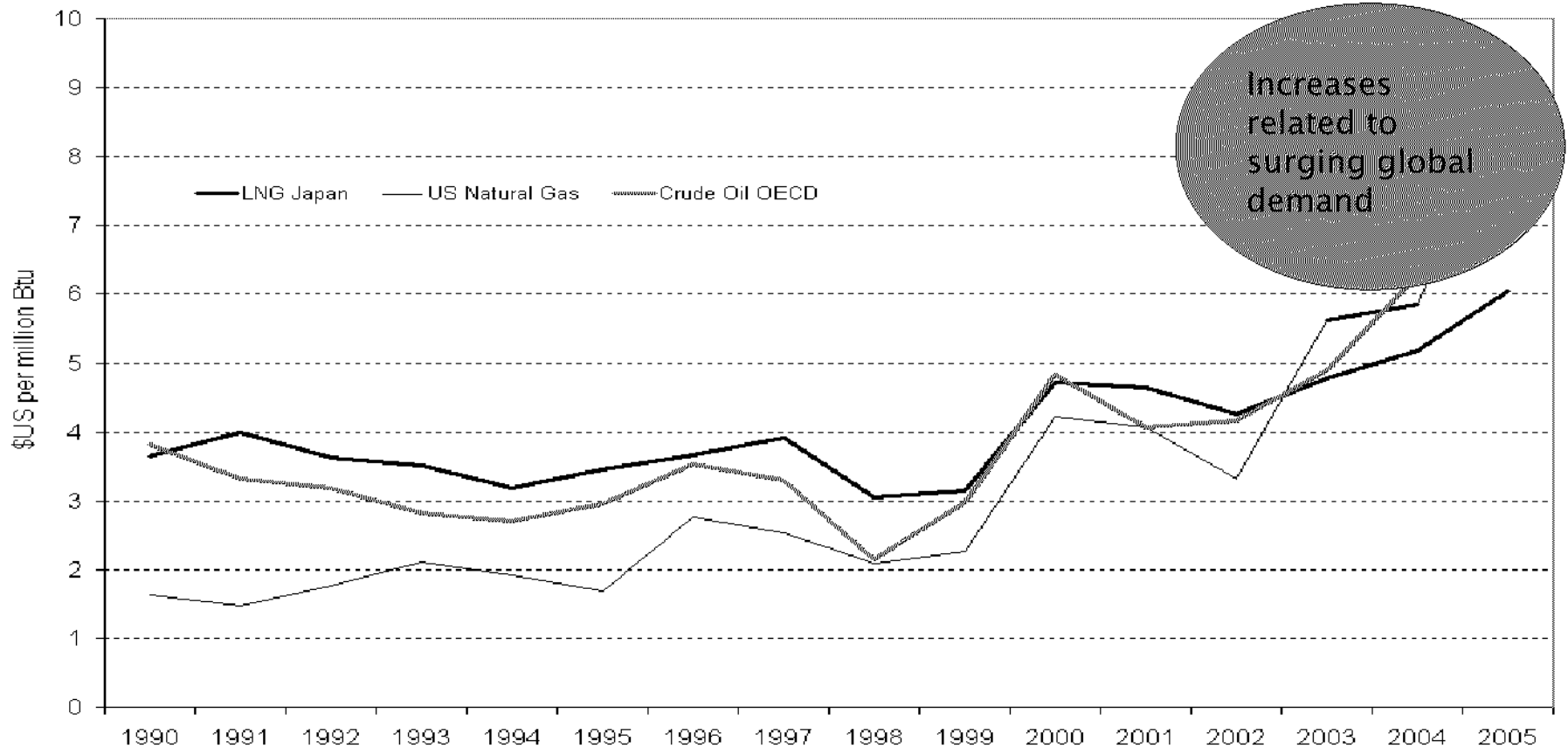
where is the demand?

global energy demand



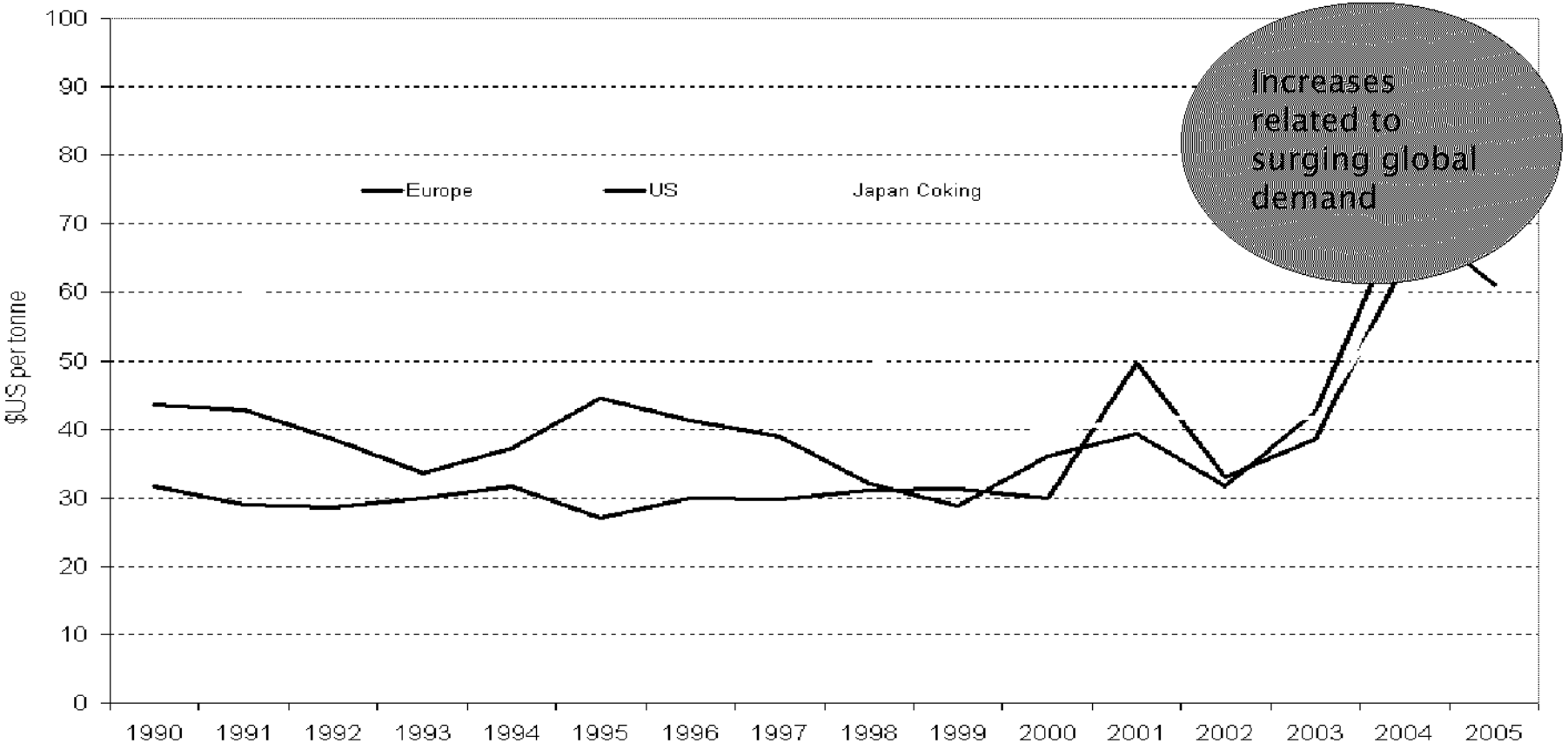
oil and gas prices

prices are rising



coal prices

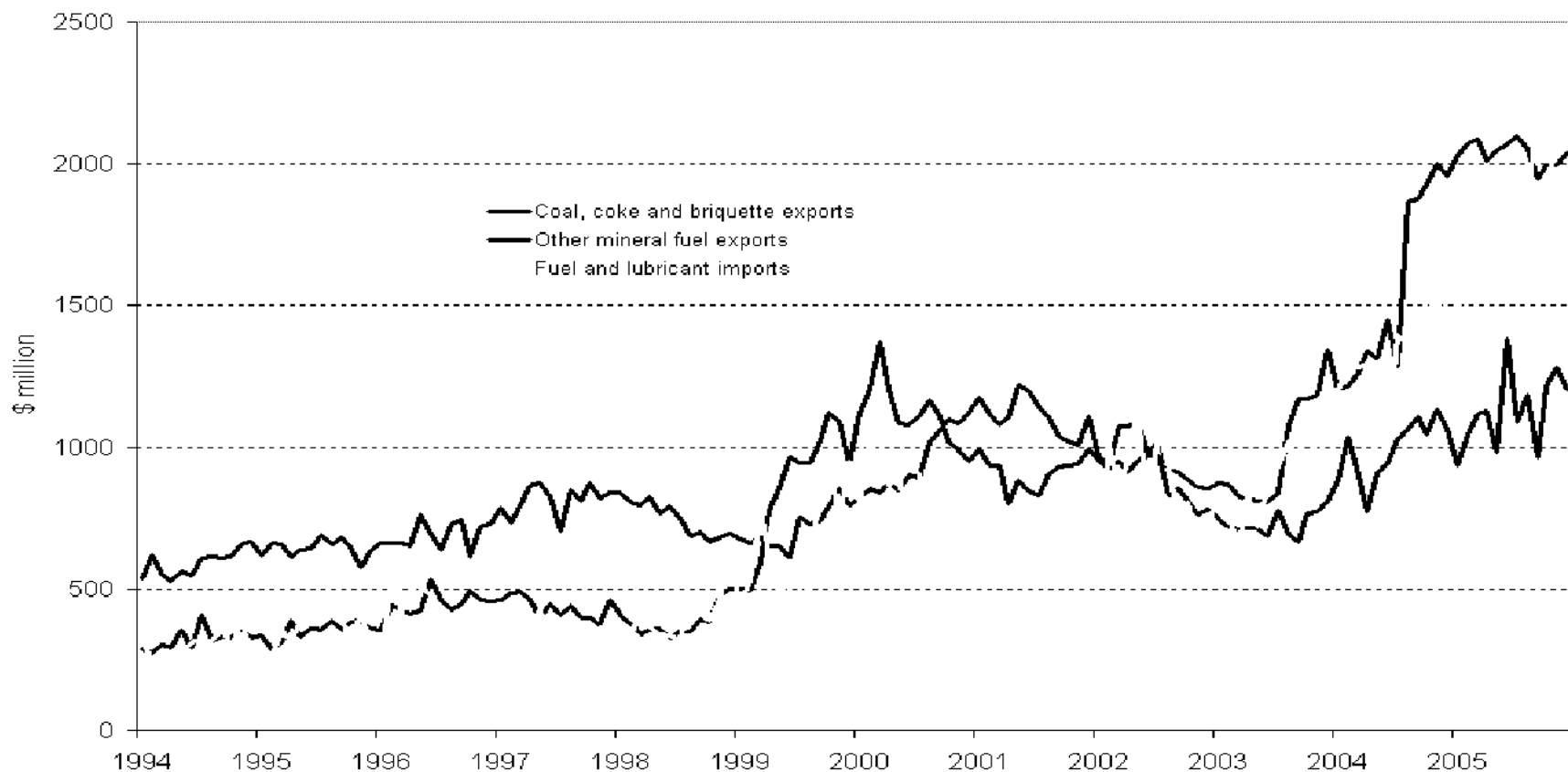
prices are rising



Source: BP Statistical Review of World Energy 2006

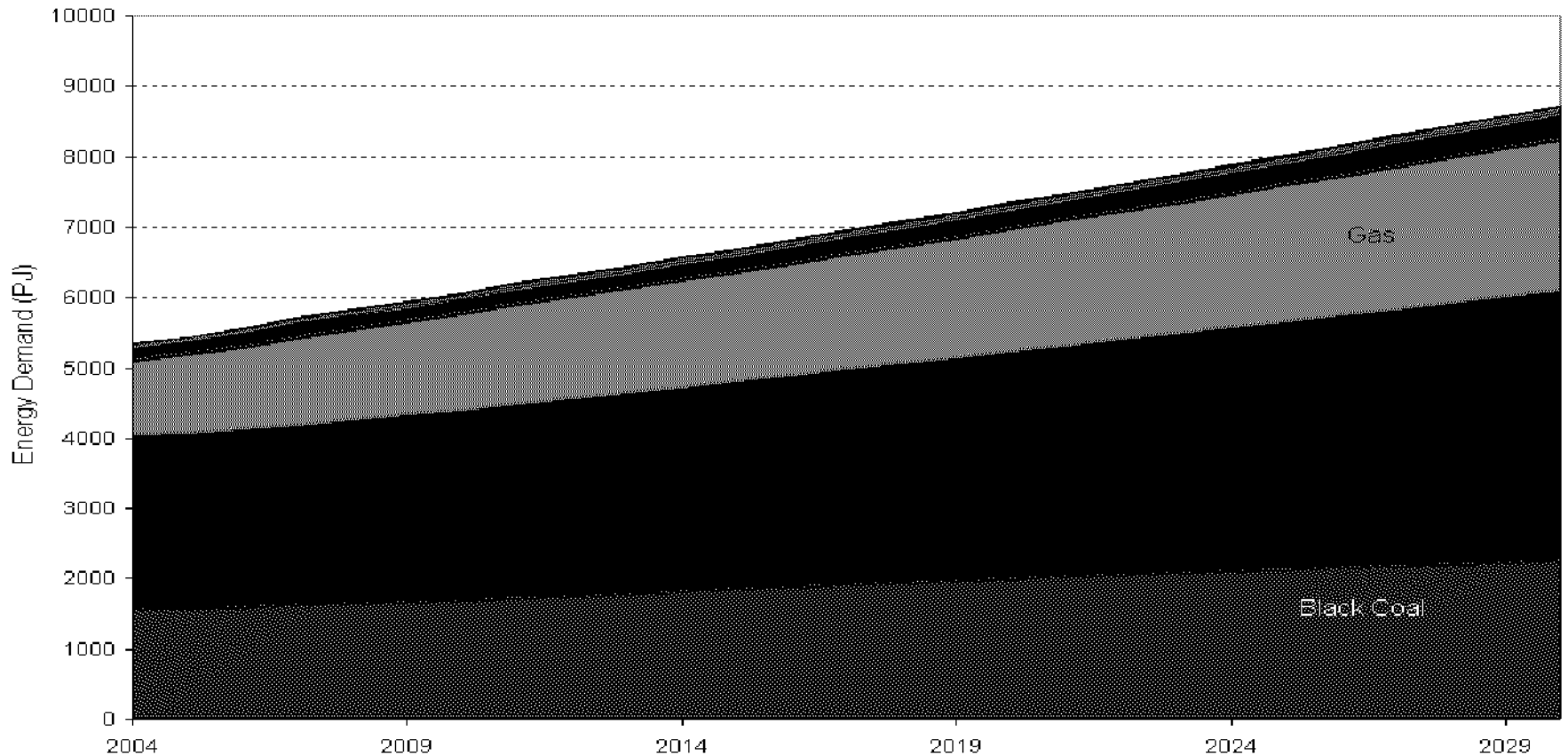
impact on trade balance

energy exports and energy imports



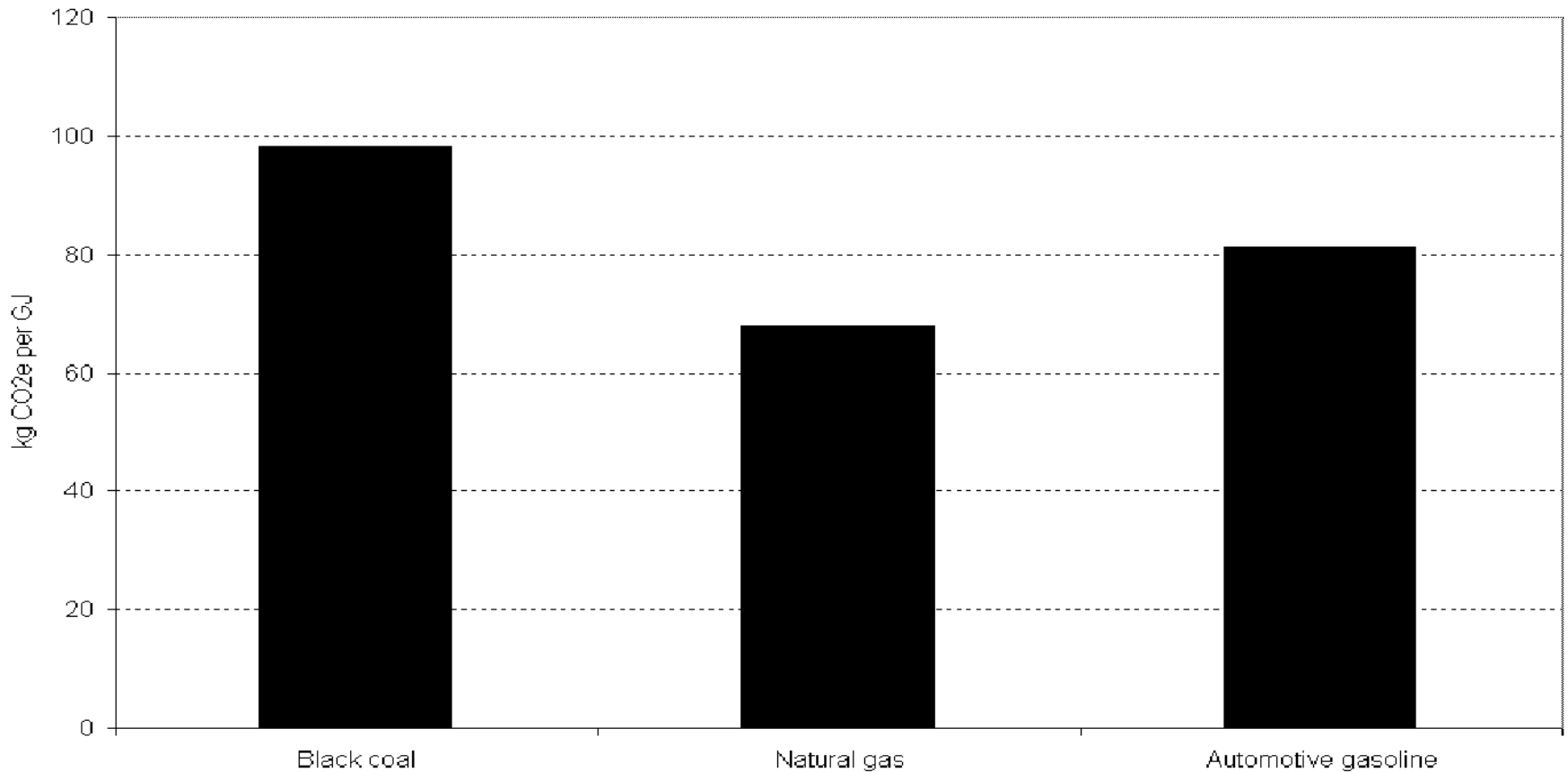
australia's energy mix

projected primary energy consumption



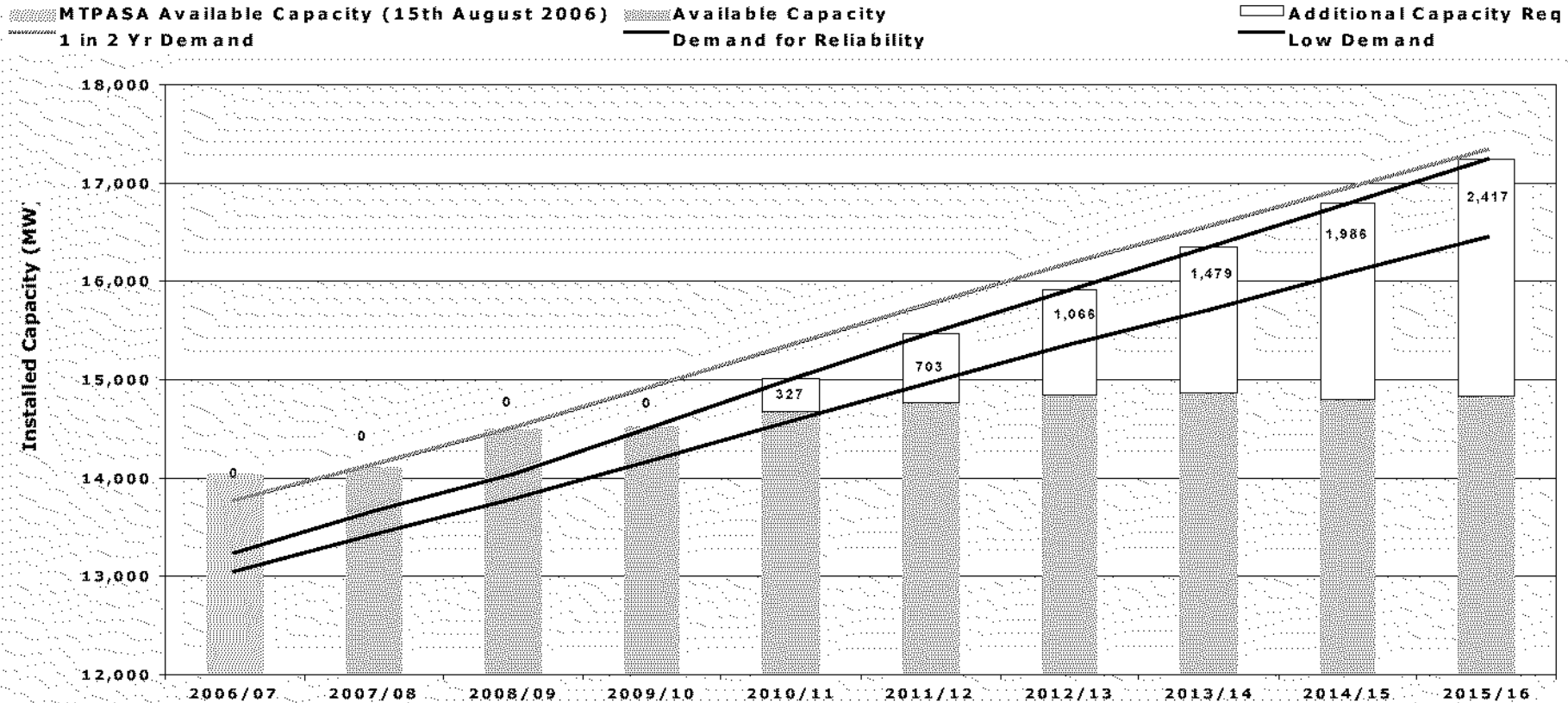
greenhouse gases

greenhouse gas policy may change our supply mix



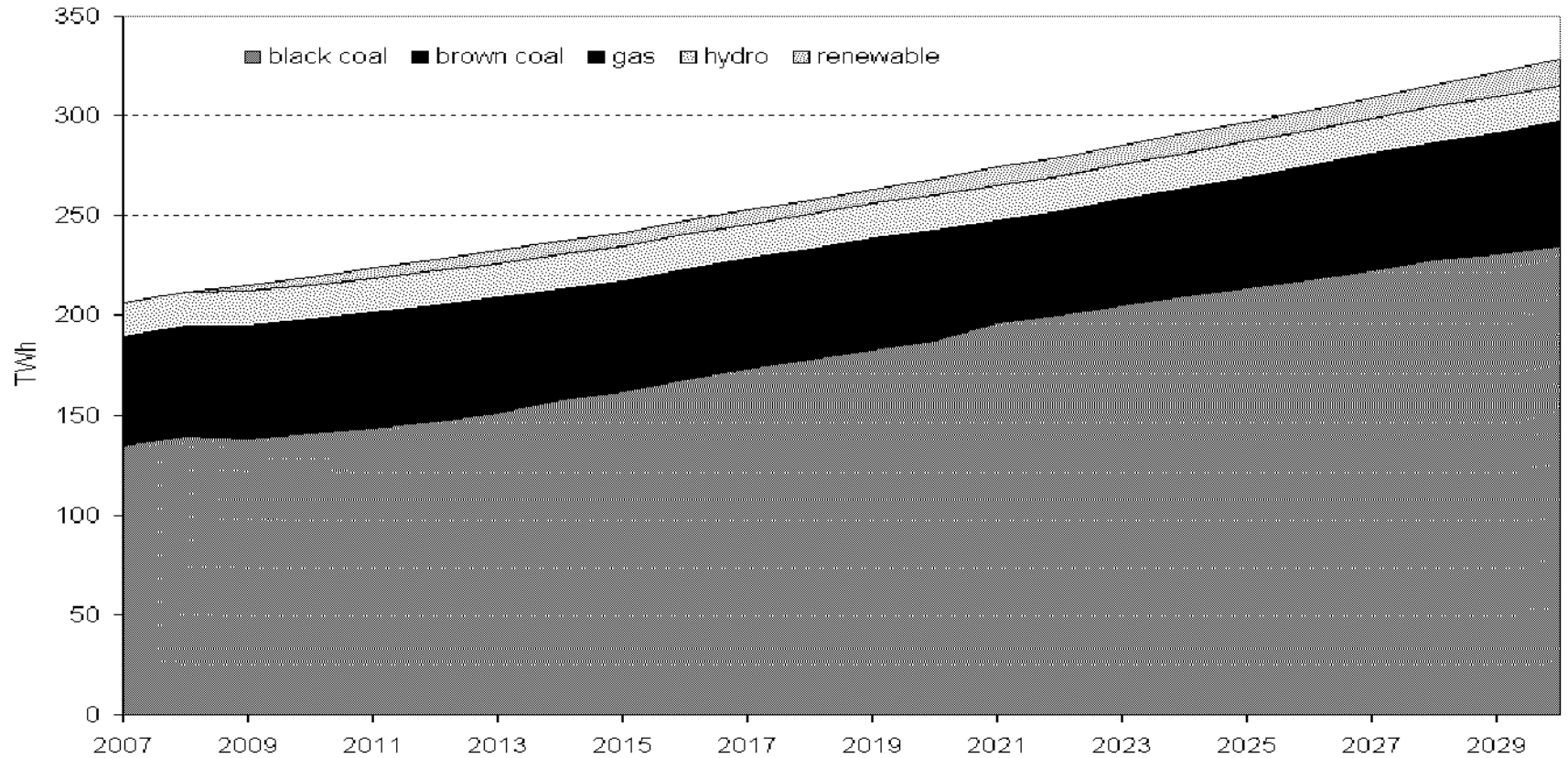
electricity demand

growth in demand: NSW example



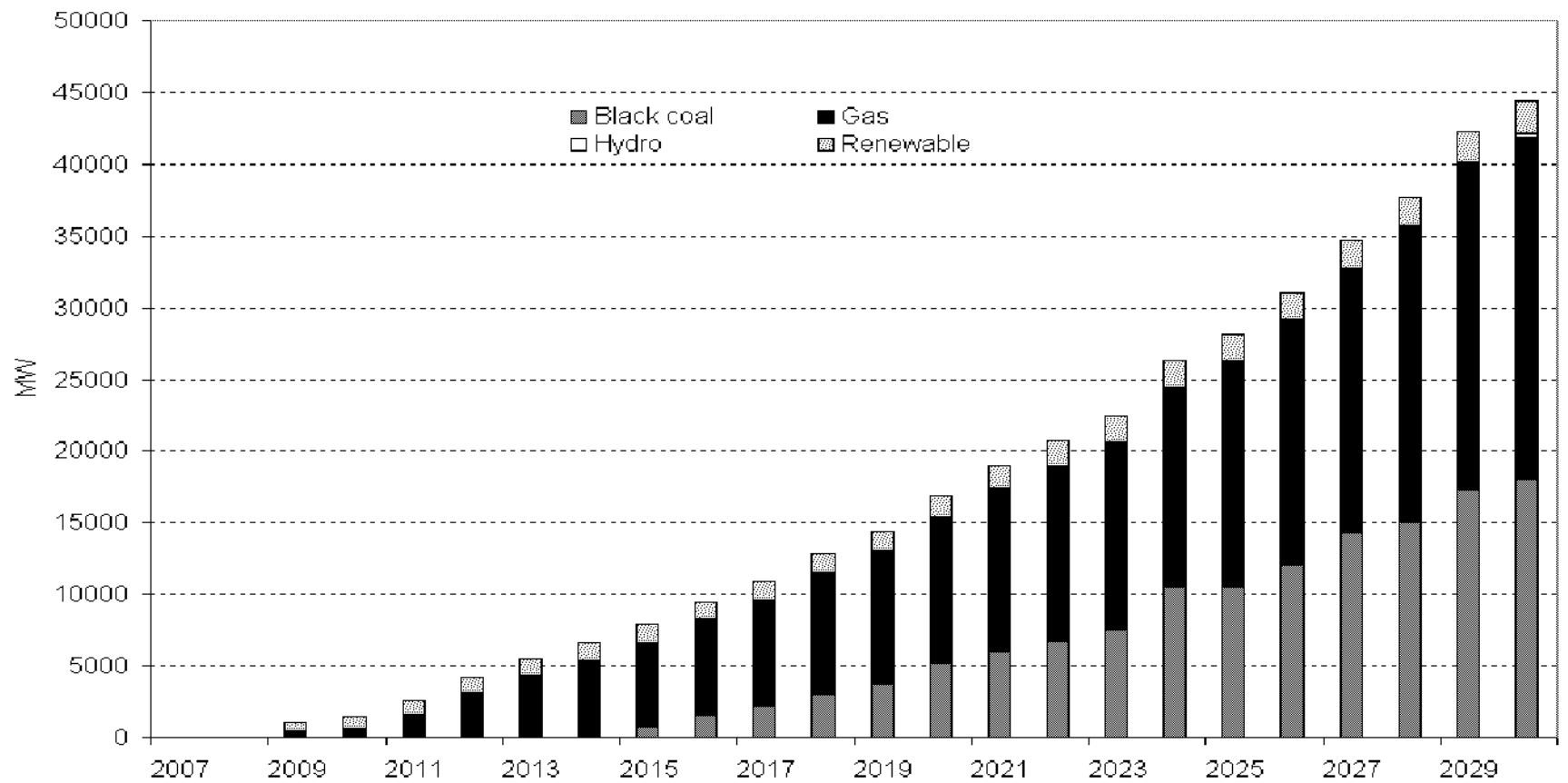
least cost new supply

electricity generation output mix



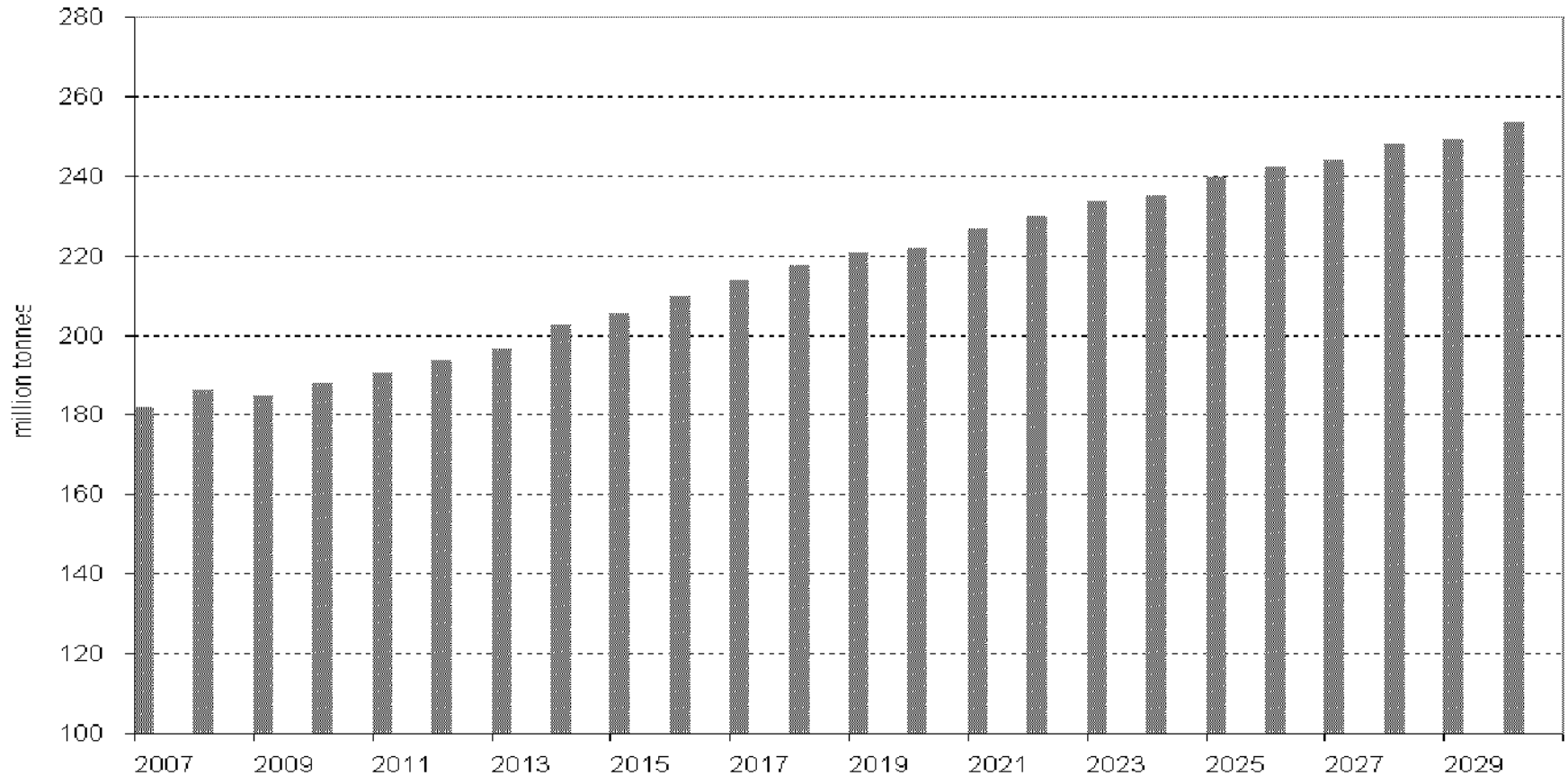
least cost new supply

New electricity generation capacity



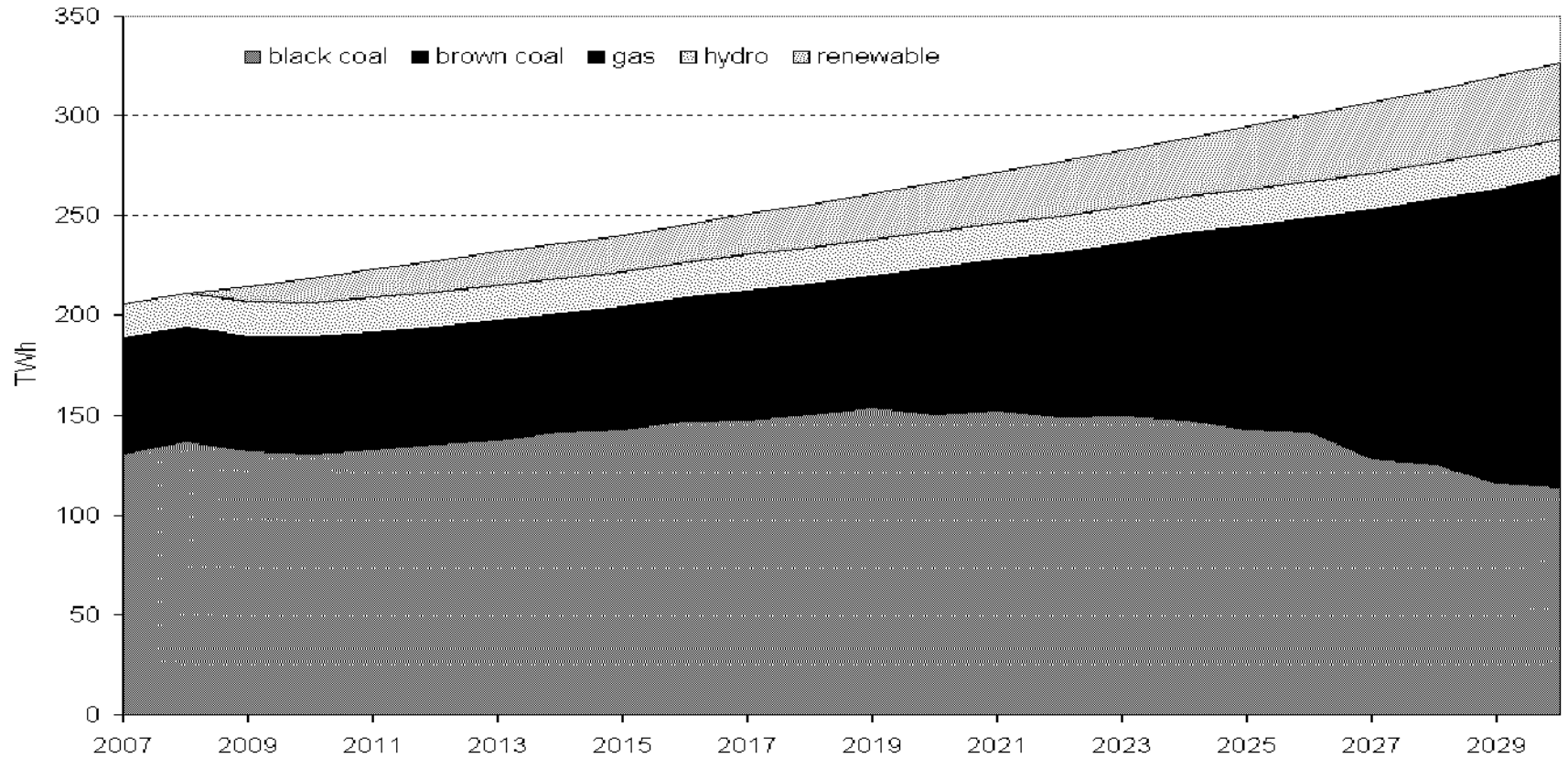
greenhouse gases

without intervention, emissions would rise by around 40%



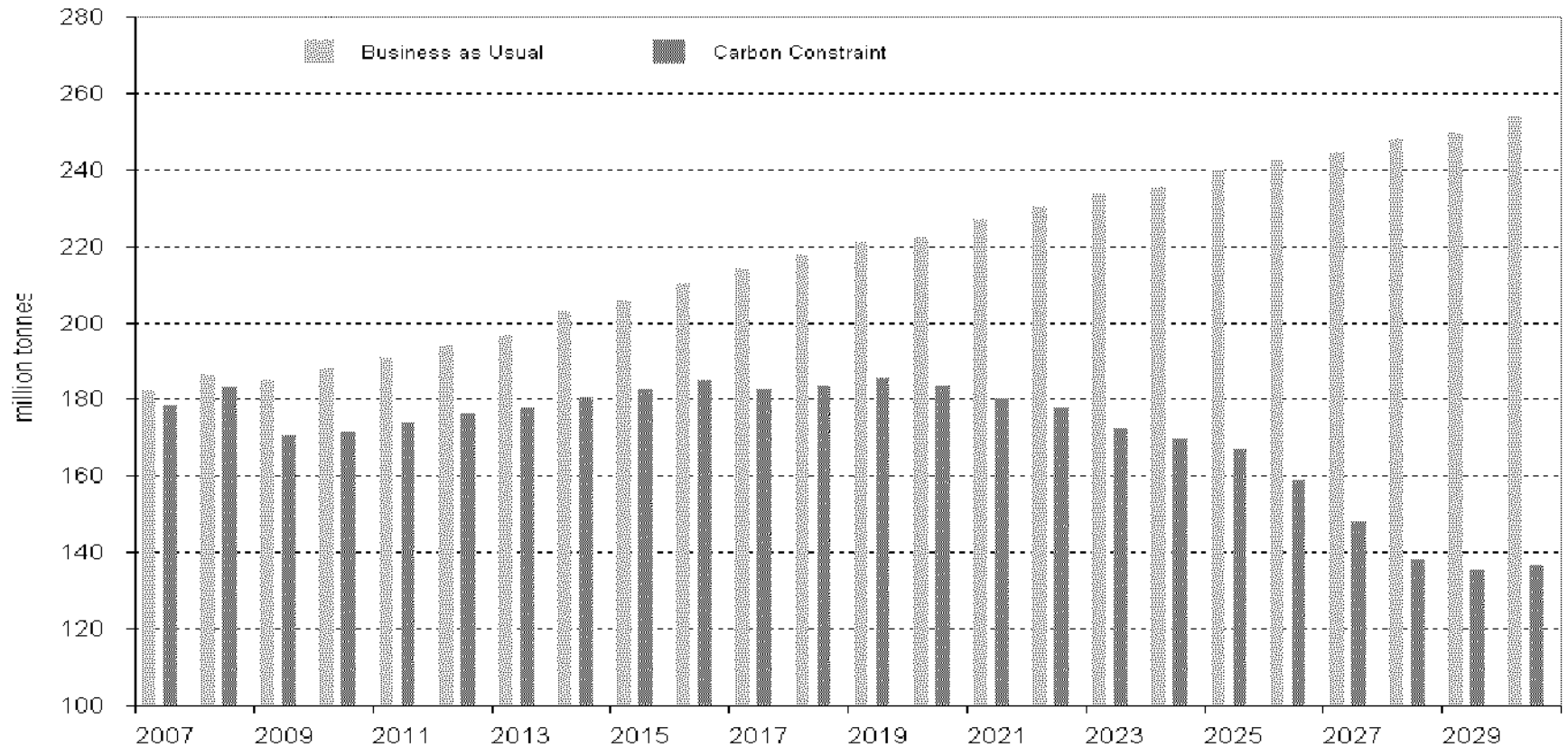
lower emissions supply mix

electricity generation output mix with a carbon constraint



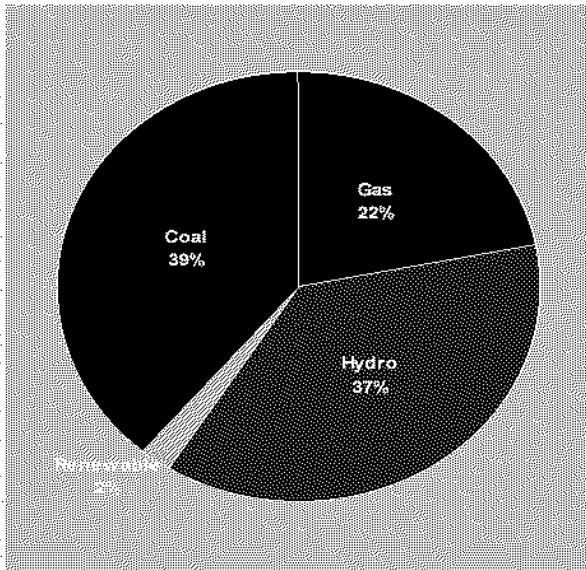
lower emissions

lower emissions with a carbon constraint

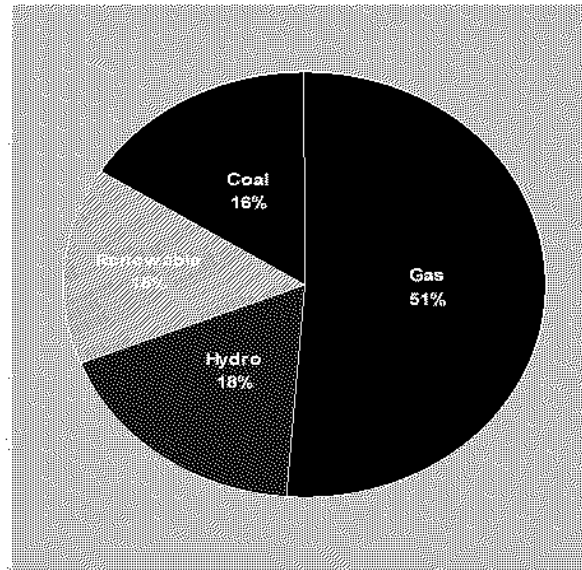


agl's response to a changing environment

Current generation mix
Total Equity MW = 1,757¹



Potential generation mix post development projects
Total Equity MW = 4,381¹



Development Projects

Gas Fired
additional ~1900 MW

Hydro
additional ~145 MW

Renewable
additional ~550 MW

both the current & potential agl generation portfolios are well positioned to meet the future carbon constrained environment

¹ Includes off-take arrangements

conclusion

overall security but gaps exist

✓ gas

- significant reserves
- large export earner
- competitive domestic prices

? oil

- declining reserves
- significant import item
- Increased prices

✓? coal

- significant reserves
- large export earner
- greenhouse is an issue

✓ electricity

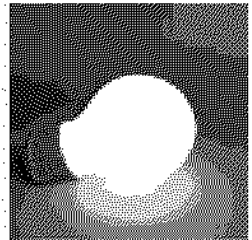
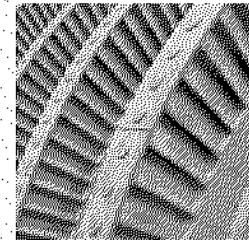
- competitive prices
- greenhouse reductions
- gas as the transitional fuel
- renewables

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further information/contacts

a full range of information on agl including sustainability reports, annual reports, presentations and financial results are available from our website:

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