

Media Release

No risk posed by Gloucester water transfer

13 July 2012

AGL Energy Ltd (AGL) confirmed today that the recent transfer of water from AGL's on site storage at Gloucester to MidCoast Water did not pose any risk and was conducted in line with all environmental requirements.

The water, held in on site storage, poses no risk to water supply systems and was tested by both AGL (as part of its regular monitoring and testing) and MidCoast Water, before it was accepted by Mid Coast Water, which is an approved Environmental Protection Authority (EPA) facility.

"I want to reassure the community there is no risk to their water supply in the transfer of this water," said Mike Moraza, AGL's Group General Manager Upstream Gas.

The on site water storage, while on Gloucester Coal property, is part of AGL's exploration infrastructure. AGL has an access agreement in place with the company to use the land.

The Gloucester Gas Project Community Consultative Committee (CCC) was briefed on this activity at its 28 June 2012 meeting.

While the storage has previously been used to store produced water, that water was emptied in 2009.

"Since then the storage has been filling with rainfall, and it was this rainwater that was transferred in order to prevent it overflowing."

"AGL would have liked to use this water as part of an irrigation trial, but we hadn't yet received approvals at the time the transfer was required. We decided to move the water to create sufficient capacity across our storages in case of further high rainfall, in line with our water management and standard best management practice."

AGL has now received approval from the New South Wales Department of Trade and Investment, Regional Infrastructure and Services for the irrigation trial, which will commence later this year.

AGL continues to stand by its commitment to the community made in December 2011 to defer its Gloucester drilling program until:

- An independently peer reviewed hydro-geological study of the Stage 1 area has been completed and the results made public;
- and the results of the judicial review into the consent for the Stage 1 gas production program are handed down by Justice Pepper.



The Independent Peer Review was completed by Dr Rick Evans, and those findings have been presented to the CCC and the community. The Land and Environment Court's decision is still pending.

Further inquiries:

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About AGL

AGL is one of Australia's leading integrated renewable energy companies and is taking action toward creating a sustainable energy future for our investors, communities and customers. Drawing on over 175 years of experience, AGL operates retail and merchant energy businesses, power generation assets and an upstream gas portfolio. AGL has one of Australia's largest retail energy and dual fuel customer bases. 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.