

AGL Camden Gas Project

**Camden Community Consultative
Committee**

Presented by
Camden Gas Operations Team

Date
22 March 2017

Agenda

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Open and
Welcome

Declarations of
Interest

Previous
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AGL Update

Operations &
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Next Meeting
Date

Close

AGL Energy.

Business Update.

Western Australia Market Entry

- › Contestable gas market – AGL to act with a differentiated value proposition
- › Attractive in size and accessibility – 92% live in south-west corner
- › AGL on track to enter market in June 2017

Generation Fleet

- › Silverton Wind Farm Project receives PAC approval – civils and construction commencing
- › Coopers Gap Wind Farm receives EIS approval
- › Modification application submitted for Dalton Power Project
- › East Coast Gas Options – LNG Import Terminal
- › Virtual Power Plant: Goes Live

Energy Supply and Weather Disruption

- › South Australia-wide outage – 28 September 2016
- › Adelaide outage – 8 February 2017
- › NSW energy supply constraint and TAC curtailment – 10 February 2017
- › South Australian Government Energy Plan

Finance and Market Capital

- › Expectation FY17 Underlying Profit to be between \$720 - \$800 million
- › Asset sales reached \$948 million of \$1 billion
- › Current share price: \$25.58

Camden Operations.

Decommissioning & Rehabilitation Overview and Program.

Production Well Status	Total (as at 21 March 2017)	Total (as at 13 December 2016)
Drilled (total wells)	144	144
Producing and dewatering wells	92	92
Suspended or shut in wells	28	32 (28)
Well in process of decommissioning	4	(4)
Land in process of being rehabilitated	0	0
Land fully rehabilitated and returned to landowner	20	20

Camden Operations.

Field Operations.

Well workovers

Well workover completed in Mt Taurus field (MT05) during February/ March

Next workover planned for Menangle Park (MP22) in March/ April

Workover Rig now permanently based in Camden

Well site rehabilitation

Next wells to be decommissioned and rehabilitated are MT09 and MT10

All well decommissioning work is undertaken to standards set in the *Code of Practice for Coal Seam Gas (Well Integrity)*

The Code requires that:

- › The well head equipment is removed
- › The 'beneficial aquifers' are kept isolated from the coal seams
- › The coal seams are isolated from other aquifers
- › Risk to future mining of the coal seams is minimised

Camden Operations.

Field Operations.

Well site rehabilitation

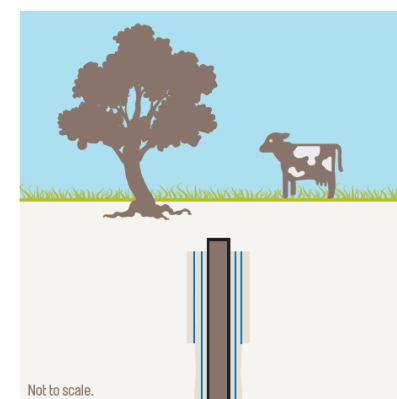
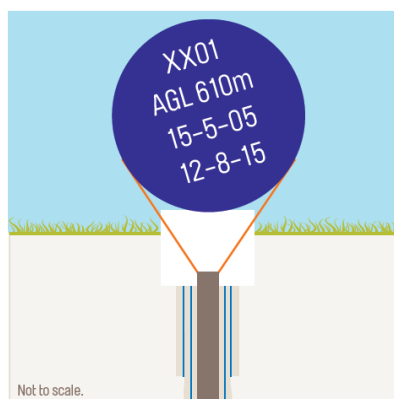
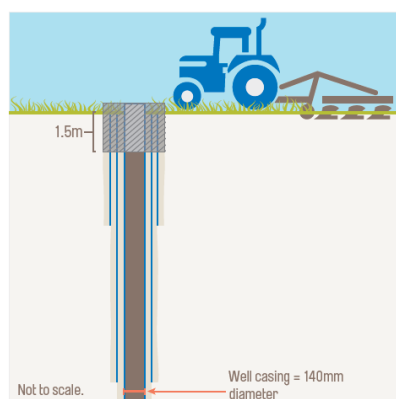
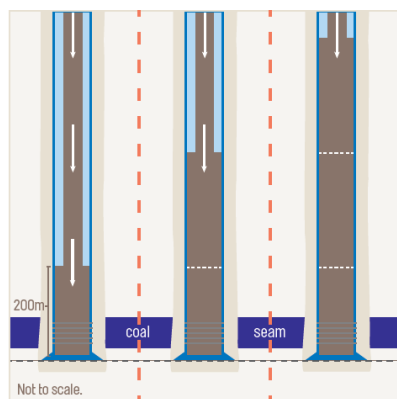
Once all surface infrastructure is removed, well site decommissioning is completed in four steps:

1: Milling and cementing

2: Cutting casing 1.5m bgl

3: Surveying and capping

4: Surface rehabilitation

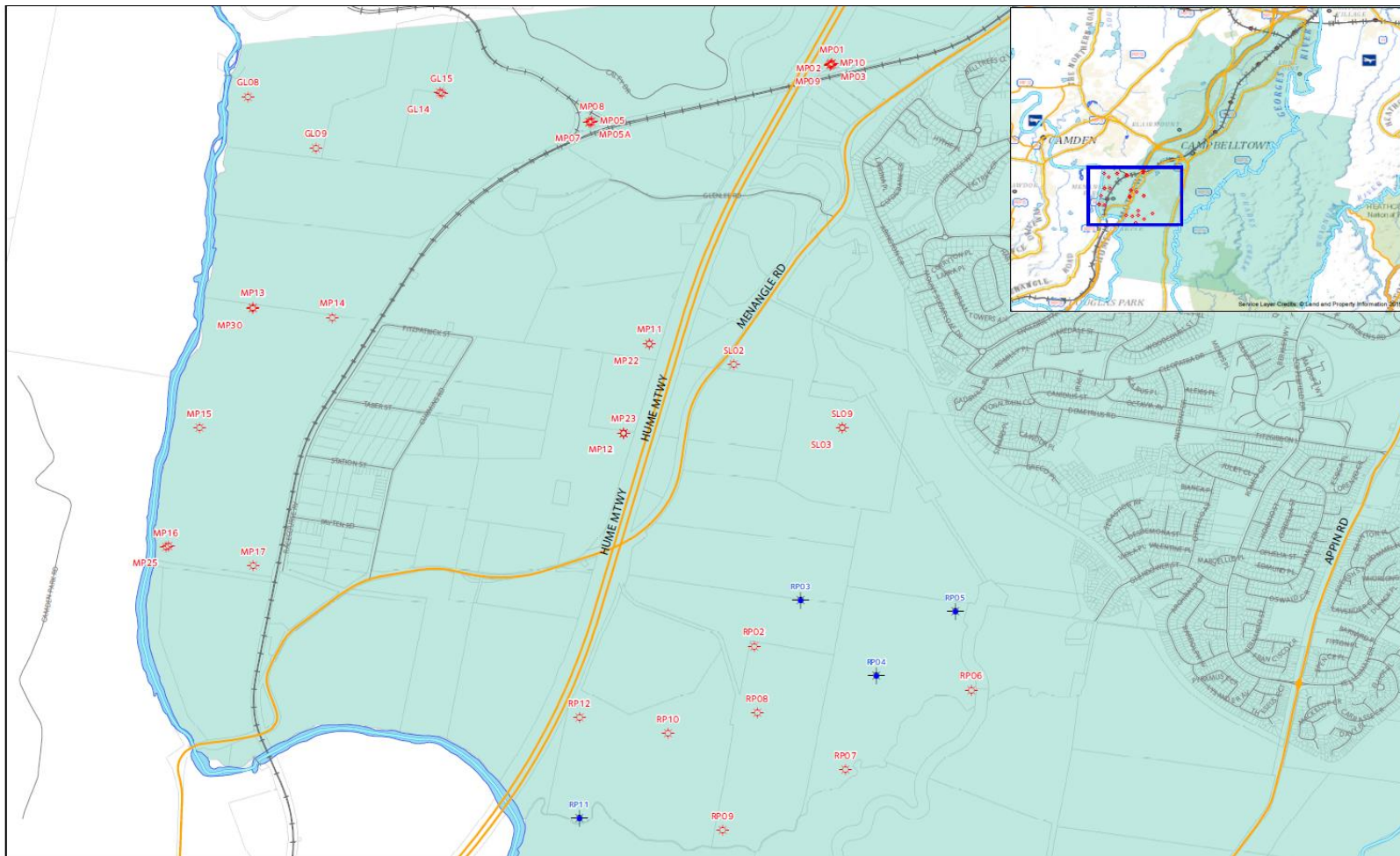


Site Specific Rehabilitation Completion Criteria is prepared in consultation with the landowner, DRE and the EPA.

EPA inspect the surface rehabilitation of each rehabilitated site to verify that all PPL conditions and the SSRCC has been achieved prior the rehabilitation being approved.

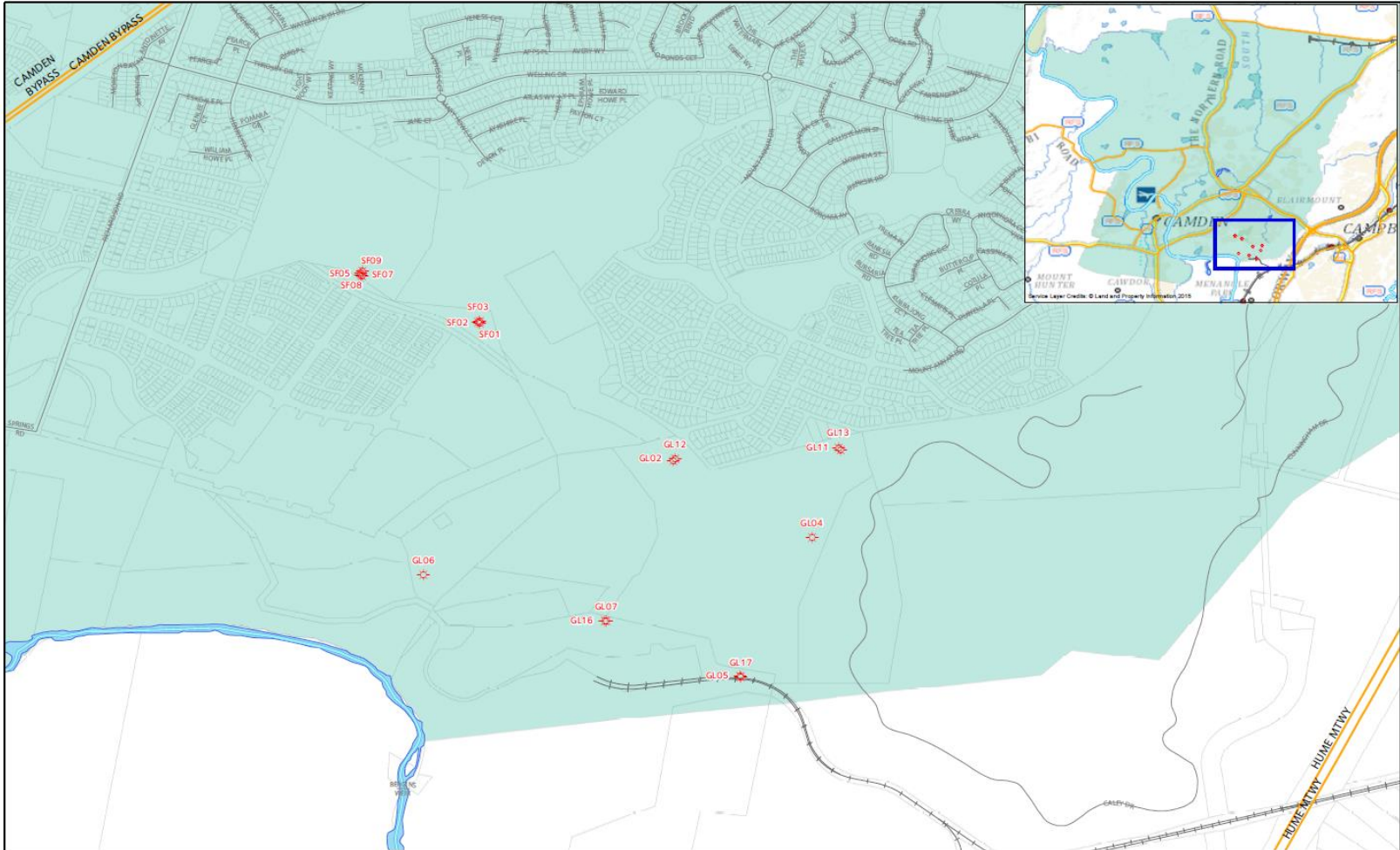
Campbelltown LGA.

Wells to be rehabilitated: MP01, MP05, RP02, RP06, RP10, RP12, SL09

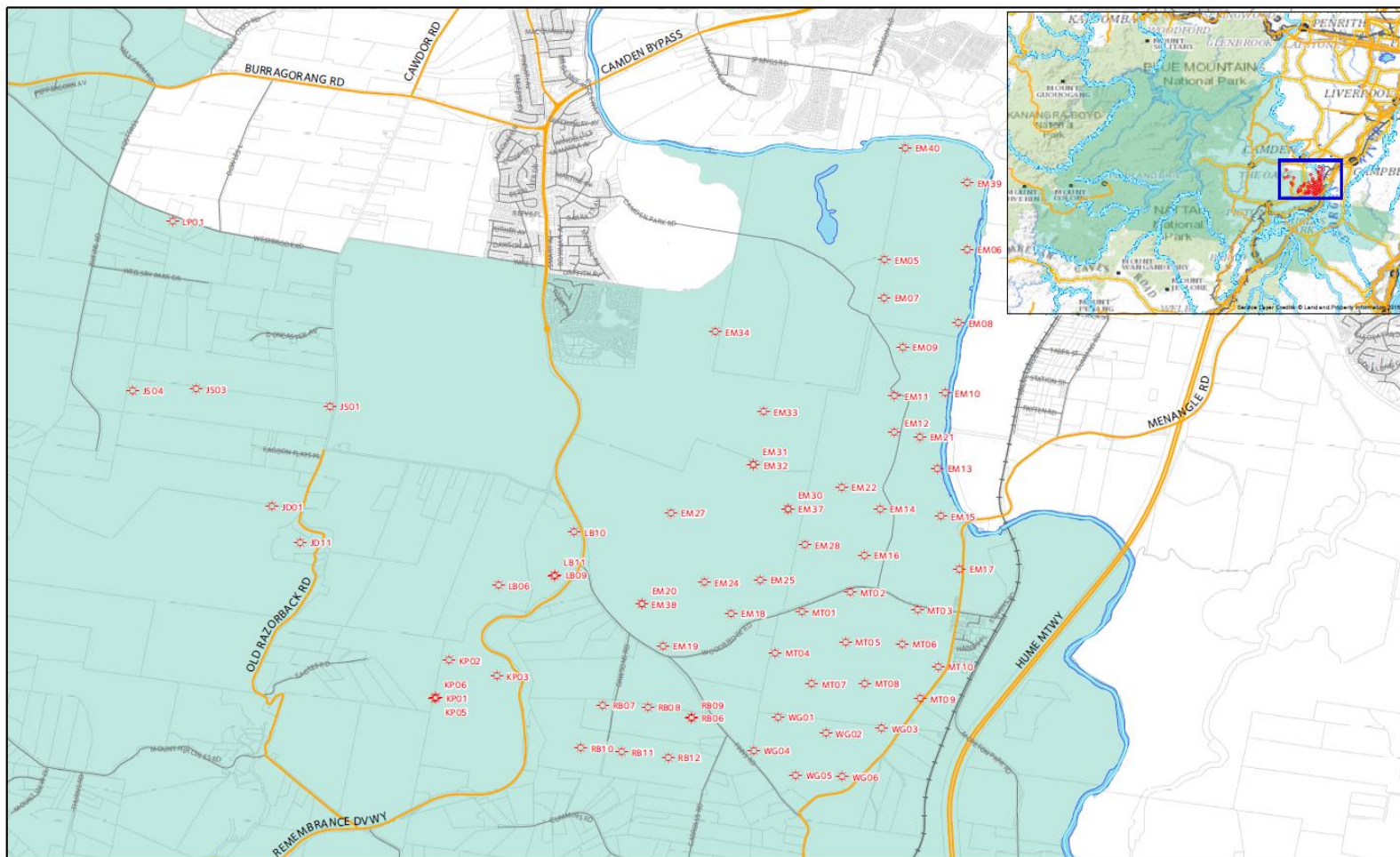


Camden LGA.

Wells to be rehabilitated: GL16



Wells to be rehabilitated: EM16, EM34, JS01, JS03, JS04, LP01, MT09, MT10, WG06



Camden Operations.

Field Operations / Rosalind Park Gas Plant.

Leak Detection Survey

The annual Leak Detection and Repair Survey was completed by external specialist contractors in November 2016. The scope of the survey included all producing and suspended well sites, gas gathering lines and the Rosalind Park Gas Plant.

- › 6,052 components were tested throughout the RPGP
- › 11 minor leaks, 2 major leaks, and 2 significant leaks were detected within the RPGP
- › 13,670 components were tested across the well sites
- › 7 minor leaks, 2 major leaks, and 1 significant leak were detected across the well sites
- › 78km of gas gathering line was tested and no leaks were detected

Noise Monitoring

December 2016 quarterly results were compliant with RPGP noise limits. No noise complaints have been received for RPGP or well site operations.

Air Emissions Monitoring

All monthly and quarterly results have been compliant with licence limits. No air complaints have been received for RPGP or well site operations.

Camden Operations.

Field Operations / Rosalind Park Gas Plant.

2014-16 Independent Environmental Audit

Treo Environment were engaged by AGL and approved by the DP&E to complete the 2014-16 IEA.

The Audit assessed the environmental performance of the Project against Project Approvals (x6), Environment Protection Licence 12003, Water Access Licences (x2), Works and Usage Approvals (x2), Industrial Bore Licences (x8); and Petroleum Production Leases (x5).

The Report stated that, *'Within the defined scope, the audit determined that AGL is largely compliant with relevant development approvals, licences and leases. While a limited number of non-compliances were identified, substantial improvement was demonstrated over the previous independent environmental audit.'*

17 non-compliances were recorded. All non-compliances were considered Low Risk and have been addressed in AGL's Corrective Actions Register based on the Audit recommendations.

Camden Operations.

Field Operations / Rosalind Park Gas Plant.

2014- 2016 IEA Corrective Actions Register

Development Consent and Condition Number	Action	Finding	Status/ Target Action Date	Action Taken by AGL
DA 282-6-2003 Sch 4 Cond 58 DA 282-6-2003 Sch 6 EPL 12003 Cond O2.1 (a) EPL 12003 Cond O2.1 (b) EPL 12003 Cond M2.1 EPL 12003 Cond M2.3 EPL 12003 Cond M2.4	Work with DP&E and EPA to remove duplication between DA 282-6-2003 and EPL 12003. Work with the EPA to have CEMS related conditions in EPL 12003 varied as per EPA advice (dated 28 July 2016).	Non-Compliant (low risk)	30 September 2017	In progress
Industrial Bore Licences Cond 8	Seek approval from DPI Water of the current method of measuring water volumes (measurement on collection by the haulage contractor) or install appropriate flow meters	Non-Compliant (low risk)	30 June 2017	In progress
PPL Cond 7a	In the event of further gas gathering installation works, notice to be provided to the Director-General prior to commencement.	Non-Compliant (low risk)	Complete	Noted. There are no further gas gathering line installation works proposed.
PPL Cond 7d	In the event of further gas gathering installation works, a progress report must be provided to the Director- General on or before the 15th day of each month.	Non-Compliant (low risk)	Complete	Noted - there are no further gas gathering line installation works proposed
PPL Cond 10d	All future Plug and Abandonment Reports to be submitted to DRE within 14 days of the well abandonment and include details of gas and water makes and composition.	Non-Compliant (low risk)	June 2017 (ongoing)	In progress

Land & Approvals.

Business as usual.

Landholder engagement on production activities and decommissioning consultation for candidate wells.

Community & Stakeholders.

Community Engagement Policy

Aspiration

Leave a positive legacy: AGL will strive to make a net positive social, economic and environmental contribution to the communities in which we operate.

Vision

AGL will be a trusted and respected member of the communities in which it operates.

AGL's community engagement will exceed baseline regulatory requirements.

AGL's Community Engagement Commitments

AGL will:

- › Be proactive: we will engage with communities early and often, so that we understand and respond to their interests and concerns.
- › Be flexible and inclusive: we will offer a range of engagement opportunities that are tailored to the variety of needs and preferences of the communities in which we operate.
- › Be transparent: we will act honestly and ethically in all our dealings with the communities in which we operate.
- › Support our employees and contractors to engage well: we will provide tools, peer support and training to enable our staff to deliver on our commitment.
- › Continuously improve our engagement: we will evaluate the effectiveness of our engagement and modify it as needed to ensure that our activities address community needs and expectations.

Community & Stakeholders.

Community Complaints Framework

Purpose

This Policy sets out AGL's commitment to the effective management of complaints made by members of the community about our assets, operations, existing or planned projects and other activities or complaint handling.

AGL's Community Complaints Commitments

AGL will:

- › Address issues before they become a potential area of complaint.
- › Promote a culture that respects the rights of community members to lodge complaints in relation to our work.
- › Ensure that the channels to provide complaints and feedback to AGL are clearly communicated to members of the community.
- › Respond to complaints promptly and provide updates to complainants during the process, in adherence with the timeframes in our *Feedback and Complaints Management Framework*.
- › Act transparently in our dealings with complainants, by managing complaints in an equitable, objective and unbiased manner.
- › Achieve consistent, prompt and highly effective complaint handling, through clear communication and high staff awareness of the process.
- › Empower and enable frontline staff to resolve issues quickly.
- › Continually improve the complaint management process by monitoring and reviewing our actions at regular intervals, as outlined in our *Feedback and Complaints Management Framework*.

Community & Stakeholders.

Community and Stakeholder Engagement Plan.

Objectives:

- › Communicate and engage with community members
- › Inform the local community and stakeholders
- › Understand how AGL can positively contribute to the Macarthur community

Detailed understanding of the community allows us to:

- › Engage with the right people;
- › Utilise language and communications techniques that obtain cut-through with the right audience; and
- › Understands local priorities and issues.

Engagement with business and community groups

- › Sponsored Christmas in Narellan
- › Sponsored Macarthur Swimathon for Cystic Fibrosis
- › Attended February 2017 Greater Narellan Chamber of Commerce meeting
- › Sponsored Club Menangle's Drive in Movies
- › Committed to sponsorship of the Camden Show in 2017

Community & Stakeholders.

2017 Local Community Investment Program

2017 Local Community Investment Program (LCIP)

- › With the refreshed approach to community engagement, we are also standardising the LCIP
- › Looking to formalise our current approach with an application process and panel to assess applications
- › Program will largely be based on the Gloucester Gas Project's Local Community Investment Program
- › Am looking for available CCC members to form the panel and expect to meet twice a year

At AGL we believe that engaging and contributing to the communities in which we operate is central to the success of our work. By investing in our local communities we can make sure that everyone shares in our success.

As we evolve so does our approach to communities. The Gloucester Gas Project Local Community Investment Program forms part of AGL's commitment to support the communities where we have project activities.

Support can be provided through sponsorships, donations and grants for projects that will benefit the Gloucester and surrounding communities and align with AGL's values of *One Team, Delivery, Authentic, Vitality and Safe and Sustainable*.

Sponsorship and donations.

- > \$5,000 or less
- > Small, one-off (typically annually) donations and sponsorships
- > Includes sponsorships of events

The contribution may be cash or in-kind.

Community development programs.

- > Partnerships supporting programs to meet AGL's community development commitment to make a long-term, positive contribution to the community
- > Partnerships will generally be accessed through community consultation and must aim to develop local community capacity and be sustainable into the future

Key areas of focus.

The program targets a range of community needs including:

- > Education
- > Youth
- > Environment and sustainability
- > Health, safety and well being
- > Community infrastructure
- > Arts and culture
- > Recreation