AGL Energy Limited
ABN: 74 115 061 375

Locked Bag 1837
St Leonards NSW 2065
AUSTRALIA

Level 22, 101 Miller St
North Sydney NSW 2060
AUSTRALIA

T: +61 2 9921 2999
F: +61 2 9921 2552
www.agl.com.au

Energy in action.®

Media Release

AGL delivers groundwater report for peer review

12 February 2012

AGL has publicly released its report investigating groundwater and surface water conditions within the Stage 1 Gas Field Development Area in Gloucester. Delivering on its promise to the community, this report will now be independently peer reviewed to test the veracity of the studies and the conclusions by a person nominated by the Gloucester Community Consultative Committee.

The report has been compiled following 12 months of data collection and was designed to help the community better understand the groundwater in the project area and what affects, if any, there might be on the groundwater from natural gas exploration. It has involved geological appraisals, drilling, permeability testing, water level monitoring, water quality sampling, isotope studies, data collation, analysis and reporting.

The project was overseen by John Ross, AGL Manager Hydrogeology, who has 35 years experience in hydrogeology. He said: "This is an important first step. The key to effective groundwater management is knowledge and once these results have been confirmed we will have a solid foundation from which to continue our monitoring program over the life of the Gloucester Gas Project."

"AGL want to protect valuable water resources and the findings in this report will help us demonstrate how we can do that."

In summary, the studies include the following findings:

- Confirmation of four types of groundwater systems across the area
- There are few beneficial aquifers. The water in the shallow aquifers in the alluvium and shallow rock is saline and low yield, and is only suitable for stock water supply and limited domestic purposes
- Deeper water bearing zones have no groundwater resource potential
- Data collected from the monitoring network provides a greater appreciation of groundwater recharge, discharge and flow processes through the different groundwater systems of the Gloucester Basin, and its interaction with the Avon River surface water resource

The studies have confirmed that in the Avon River catchment:

- Most rainfall contributes to surface runoff
- Rock permeabilities are low and recharge does not occur everywhere in the landscape
- Recharge to the rock aquifers is low

- All groundwater in all systems is rainfall derived
- Water levels in the rock aquifers do not respond to flooding rains
- All groundwater in the rock aquifers is old and has a long residence time

In keeping with its commitment to the community, AGL is currently not undertaking any further exploration activity for the Gloucester Gas Project until the peer review is completed and until the results of the judicial review into the consent for the Stage 1 gas production program are handed down by Justice Pepper.

The drilling program, which has all necessary environmental approvals in place, will commence once these matters are completed.

To view the full report visit the Gloucestor Gas Project website.

Further inquiries:

Nicole Rizgalla, Media Manager
Direct: +61 3 8633 6702
Mobile: +61 (0) 400 488 836
email: nrizgalla@agl.com.au

Karen Winsbury, Head of Corporate Communications
Direct: +61 3 8633 6388
Mobile: +61 (0) 408 465 479
email: kwinsbury@agl.com.au

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.