



Gloucester Gas Project core hole fact sheet.

March 2013.

The Gloucester Gas Project is a coal seam gas (CSG) project located in Petroleum Exploration Licence (PEL) 285, which fully encompasses the Gloucester Geological Basin in New South Wales. The project is wholly owned and operated by AGL. As part of AGL's ongoing exploration activities a core hole will be drilled on AGL-owned land in mid March.



AGL exploration coexists alongside agriculture.

About us

Formed in 1837, AGL Energy Ltd is Australia's largest renewable energy company, selling gas, electricity and energy related services to 3.5 million customers across NSW, SA, VIC, and QLD.

AGL is committed to creating a sustainable energy future for our customers, investors and communities. The company is Australia's largest private owner, operator and developer of renewable generation assets.

AGL is expanding its gas exploration and production to facilitate long term supplies for its domestic customers.

For more information

If you would like to know about how we are meeting and exceeding our regulatory requirements, our groundwater studies or anything else about our operations in the Hunter please contact the Hunter Gas Project Team.

Exploration drilling overview.

AGL is undertaking exploration activities in the Gloucester Project area, including exploration drilling. Exploration drilling is a geological exploration method used to sample rocks beneath the earth's surface. Core holes are one type of exploration drilling.

Core holes.

A core hole is a hole drilled to take a core sample of coal and the surrounding rocks. A core hole is typically 10 centimetres in diameter and can vary in depth from 300 metres to 1,500 metres, depending on the depth of the targeted coal seams. A piece of core sample is typically five to six centimetres in diameter and sectioned into one metre lengths.

Once core samples have been collected, they undergo a variety of tests to understand the rock, coal and gas properties including the amount and type of gas contained within the coal. Other tests

including down hole logging and analysis are also undertaken to provide geophysical information.

How is a core hole drilled?

The process used for drilling is similar to that used for domestic and irrigation bores, but at a larger scale. An area of approximately 60 by 60 metres is usually required for drilling core holes.

Drill sites are typically chosen by AGL so as to have minimal environmental impact. The Pontilands site has been approved by the New South Wales Department of Resources and Energy.

A drill rig is needed to extract the core samples. Different rock structures dictate how quickly a core hole can be drilled, but typically the drill rig will be on site for up to eight weeks.

Core holes are lined with steel casing, cemented to a depth of 120 metres, both for safety reasons and to isolate any



^The core hole drill site, similar to the one pictured above, will be fully rehabilitated.

shallow, beneficial aquifers that are intersected during the drilling process.

Once the core sampling and testing is complete, the well is backfilled, or plugged, and cemented all the way to the surface. AGL will place monitoring devices in the cement to gather additional on going information about the area's geology and hydrogeology. The site is then remediated to its original state or as prescribed by the landowner.

How long will AGL's current core hole program take?

The entire process of drilling a core hole, including site set up and the rehabilitation of the site, takes approximately three months. The rig is not on site for this entire time.

When will the work be performed?

Site preparation, including construction of an access road and drill pad, is expected to commence on 11 March. Activities will occur



^The sample selected from the core hole will be lab tested.

between 7am and 6pm, Monday to Friday and between 8am and 1pm on Saturdays. Drilling is expected to start 18 March and occur seven days a week between 7am and 6pm.

Community notification.

Notices of activity are letter dropped to residents' mailboxes, and published on the Gloucester website.

175
YEARS
SUPPORTING
THE COMMUNITY



Energy in
action.®

The Gloucester Gas Project Team

PO Box 335

22 Tate Street, Gloucester, NSW 2422

Phone: 1300 886 170

Fax: (02) 6558 1066

Website: agl.com.au/gloucester