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# Community Update Gloucester Gas Project.

AGL is Australia's second oldest company, having safely and reliably supplied gas to families and businesses for more than 170 years. As well as leading the way in renewable energy, we are exploring for coal seam gas. We are doing so because coal seam gas can be extracted safely from places within New South Wales and this will help keep a lid on rising gas and electricity prices.

Recent media coverage has questioned project approvals, as well as the impact of the industry on water and agricultural land.

#### **Stringent approvals process.**

AGL has gone through a four-year process to secure the approvals it needs for the Gloucester Gas Project. The Project has been assessed by the New South Wales Government, the New South Wales independent Planning Assessment Commission, the Commonwealth Government and the Commonwealth Independent Expert Scientific Committee. The approvals were also upheld in a New South Wales Land and Environment Court challenge. The Project is subject to strict conditions including a requirement for a numerical groundwater model.

#### **Coal seam gas and agricultural land.**

Coal seam gas and agriculture already operate side by side and have done so for many years in New South Wales and Queensland. AGL's Camden Gas Project has operated for more than 10 years alongside farming, equine and residential areas without significant issue or impact.

#### **Coal seam gas and water.**

Some people have questioned if AGL has enough information about water and, if the shallow and deep groundwater systems are connected.

AGL already has comprehensive information about water in Gloucester, including data from more than 30 water monitoring bores with more planned. Our water studies are comprehensive, thorough and independently reviewed.

Since 2007 AGL has commissioned five separate water studies into ground and surface water. Many of our water studies have been reviewed by the New South Wales Office of Water, the Independent Expert Scientific Committee, and independently peer reviewed by well respected expert, Dr Rick Evans, who was selected by the Gloucester Gas Project Community Consultative Committee.

This information suggests there is little or no natural (vertical) connectivity between deep and shallow aquifers. This is based

on data which shows that most groundwater migrates and flows horizontally, rather than from above.

Not only do we monitor water extensively from our water monitoring bores. We test under "stress" conditions – ie flow testing of wells and monitoring of water volumes and drawdowns in shallow aquifers. Even then AGL has found no water travelling vertically between the layers of rock. AGL is committed to continuing its studies and investigations.

As a condition of both our State and Commonwealth Government approvals, AGL is building a comprehensive groundwater model which will eventually take in the entire basin.

In addition, we are doing an enormous amount of work up front, like our 3D seismic study which tells us exactly where the faults and other geological structures are. Our wells will be positioned using this information.

Through our groundwater and surface water monitoring network we are monitoring water resources so we can identify and act immediately on any unnatural changes to water levels or quality.

#### **Why affordable gas matters.**

Natural gas is an important part of New South Wales' energy supply and is crucial in powering our houses, schools, hospitals, shops and factories. New South Wales families rely on gas for everyday activities like cooking dinners, heating water and homes, and keeping businesses and manufacturing industry running.

But New South Wales is facing a gas supply crisis. More than 95% of the state's gas supplies come from interstate and most of these supplies will expire by 2017. At the same time, massive exports of gas will commence from Queensland at much higher international prices. The absence of new sources of supply in New South Wales will add to substantial upward pressure on gas and electricity prices in the state. The Gloucester Gas Project will help address this future gas shortage and keep a lid on rising energy prices.

#### **Listening to the community.**

AGL is aware of community concerns in relation to coal seam gas. We know these concerns because we are talking with the community more than ever before. We have held dozens of community information sessions, open days, site tours and face to face meetings. We know your concerns because AGL is part of the community. Our employees live and work in Gloucester.

We know the community has concerns and AGL is working to address them.