

Media Release

AGL completes hydraulic fracturing at Gloucester

28 November 2014

AGL Energy Limited (AGL) has successfully completed the hydraulic fracturing of four wells as part of the Waukivory Pilot in Gloucester.

The final "frac" was conducted on Thursday 27 November and AGL's expert contractors left the site today. Over the five week work program, 19 zones at depths ranging from 371 to 965 metres were hydraulically fractured and sophisticated geophone instruments were used to collect extensive data, confirming the fracture geometry.

Mike Moraza, Group General Manager Upstream Gas, said preliminary findings suggested that the hydraulic fracturing program was a success and had been conducted safely.

Preliminary analysis of data from our local network of groundwater monitoring bores and surface water monitoring sites indicates no discernible impact to groundwater or surface water during fracture stimulation activities. Information from this water monitoring network can be viewed on our <u>water portal</u>.

"We will now commence removing the water from the wells which will allow the gas to start flowing and gas and water flows to be evaluated," said Mr Moraza.

The data gathered during the hydraulic fracturing and in the upcoming de-watering and flow testing will provide insight into the nature of the coal, gas and water resources within the Gloucester Basin. Flowback water from hydraulic fracturing will be sent to an EPA-licensed and approved facility for disposal.

Mr Moraza added that government regulators, media and community members were invited to the site over the past few weeks to see how the hydraulic fracturing was progressing.

"We hosted over 20 site inspections by regulators from the Office of Coal Seam Gas and the EPA, and welcomed members of the media, representatives of the local community and stakeholder groups such as Gloucester Business Chamber and Advance Gloucester," he

"It was important that we were able to show what a hydraulic fracturing site looks and sounds like to dispel any myths about our activities.

"While there are people who are opposed to coal seam gas, there are plenty of people in the Gloucester community who support what we're doing to bring gas to households and businesses in NSW."

A final investment decision on the 110-well Gloucester Gas Project is expected in Q4 2015.

Further inquiries:

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About AGL

AGL is one of Australia's leading integrated energy companies and largest ASX listed owner, operator and developer of renewable energy generation in the country. 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 taking action toward creating a sustainable energy future for our investors, communities and customers.